MACQUARIE ATLAS ROADS

INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2013

MACQUARIE

This report comprises:

Macquarie Atlas Roads International Limited and its controlled entities
Macquarie Atlas Roads Limited and its controlled entities

Interim Financial Report
for the half year ended 30 June 2013

Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited (Registration No. 43828) ("MARIL") and Macquarie Atlas Roads Limited (ACN 141 075 201) ("MARL"). MARIL is an exempted mutual fund company incorporated and domiciled in Bermuda with limited liability and the registered office is 26 Burnaby Street, Hamilton HM11, Bermuda. MARL is a company limited by shares incorporated and domiciled in Australia and the registered office is Level 11, No 1 Martin Place, Sydney, NSW 2000, Australia. Macquarie Fund Advisers Pty Limited (ACN 127 735 960) (AFS License No.318123) ("MFA") is the adviser/manager of MARIL and MARL. MFA is a wholly owned subsidiary of Macquarie Group Limited (ACN 122 169 279) ("MGL").

None of the entities noted in this report is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) ("MBL"). MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in MQA, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

MFA as adviser/manager of MARIL and MARL is entitled to fees for so acting. MGL and its related corporations (including MFA), MARL and MARIL together with their officers and directors may hold stapled securities in MQA from time to time.

Interim Financial Report
for the half year ended 30 June 2013

Contents

Directors' Report
for the half year ended 30 June 2013

Directors' Report

The directors of Macquarie Atlas Roads International Limited ("MARIL") submit the following report together with the Interim Financial Report of Macquarie Atlas Roads ("MQA" or "the Group") for the half year ended 30 June 2013. *AASB 3 Business Combinations* and *AASB 10 Consolidated Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated Interim Financial Report. In accordance with this requirement, MARIL has been identified as the parent entity of the consolidated group comprising MARIL and its controlled entities and Macquarie Atlas Roads Limited ("MARL") and its controlled entities ("the MARL Group"), together comprising MQA.

The directors of MARL submit the following report for the MARL Group for the half year ended 30 June 2013.

Macquarie Fund Advisers Pty Ltd ("the Adviser/Manager" or "MFA") acts as the adviser for MARIL and the manager of MARL.

Principal activities

The principal activity of the Group and the MARL Group (together "the Groups") is the development and operation of toll roads, bridges and tunnels and investment in entities in the same industry sector. Other than as disclosed elsewhere in this report, there were no significant changes in the nature of the Groups' activities during the half year.

Directors

The following persons were directors of MARIL during the whole of the half year and up to the date of this report (unless otherwise stated):

— Jeffrey Conyers (Chairman)
— David Walsh
— Derek Stapley
— James Keyes (appointed 21 February 2013)
— Peter Dyer (resigned 21 February 2013)

The following persons were directors of MARL during the whole of the half year and up to the date of this report (unless otherwise stated):

— David Walsh (Chairman)
— John Roberts
— Richard England
— Marc de Cure

Dividends

A dividend of 2.4 cents (2012: nil) per stapled security was declared on 21 March 2013 and paid on 19 April 2013. The dividend was paid in full by MARIL.

Directors' Report
for the half year ended 30 June 2013

Review and results of operations

On 4 June 2013, MQA deconsolidated the M6 Toll group. Ongoing discussions with the M6 Toll lender group progressed such that a reassessment of the variable return to which MQA is exposed from its involvement with the M6 Toll group was necessary to be performed as at that date, in accordance with *AASB 10 Consolidated Financial Statements*. This reassessment led to the conclusion that MQA was no longer expected to be exposed to significant variable returns from the asset and should therefore no longer consolidate the M6 Toll group.

AASB 5 Non-current Assets Held for Sale and Discontinued Operations requires the deconsolidation to be accounted for as a discontinued operation and consequently, MQA has combined the income and expense items of the M6 Toll group for the period of approximately 5 months up to the date of deconsolidation into one line item. Upon deconsolidation MQA recorded an accounting gain of $1.8 billion which reflects the M6 Toll's net liability position being removed from MQA's consolidated balance sheet. The sum of these M6 Toll items is included within the "profit from deconsolidated operation" in the Statement of Comprehensive Income. MQA currently continues to own 100% of the equity in the M6 Toll and due to its power to participate in the financial and operating policy decisions, will account for its investment using the equity method.

The performance of MQA and the MARL Group for the half year, as represented by the results of their operations, was as follows:

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
Revenue from continuing operations	**161**	291	**825**	906
Profit/(loss) from continuing operations after income tax	**21,442**	(41,718)	**(1,503)**	(1,403)
Profit/(loss) from deconsolidated operation	**1,381,543**	(33,459)	**-**	-
Profit/(loss) for the half year	**1,402,985**	(75,177)	**(1,503)**	(1,403)
	Cents	Cents	**Cents**	Cents
Profit/loss from continuing operations per MQA stapled security	**4.48**	(8.98)	**(0.31)**	(0.30)
Profit/(loss) per MQA stapled security	**293.19**	(16.19)	**(0.31)**	(0.30)

MQA's share of results of its non-controlled toll road assets are disclosed as share of net profits/(losses) of investments accounted for using the equity method.

MQA's revenue from continuing operations solely reflects interest income due to the fact that after deconsolidation of the M6 Toll group, MQA no longer has any consolidated toll roads.

MQA's profit from continuing activities after tax for the half year ended 30 June 2013 was $21.4 million (2012: loss of $41.7 million). This primarily reflects MQA's share of net profits/(losses) of investments accounted for using the equity method and corporate costs. The reduction in the loss for the period is due to the share of net profits/(losses) of investments accounted for using the equity method increasing to a profit of $30.7 million (2012: loss of $33.4 million), comprising:

- Autoroutes Paris-Rhin-Rhône ("APRR") profit of $38.4 million (2012: loss of $26.0 million); and
- Dulles Greenway loss of $7.7 million (2012: loss of $7.4 million).

The results include APRR's fair value gain on interest rate swaps of $21.8 million for the half year ended 30 June 2013 compared to fair value losses of $14.4 million in the half year ended 30 June 2012.

Directors' Report
for the half year ended 30 June 2013

Significant changes in state of affairs

M6 Toll

As mentioned above, in accordance with *AASB 10 Consolidated Financial Statements,* MQA deconsolidated the M6 Toll on 4 June 2013. Accordingly, approximately 5 months of M6 Toll income and expense items as well as a large gain on deconsolidation are included on one line in the Statement of Comprehensive Income. The large gain on deconsolidation reflects the net liability position of the M6 Toll being removed from MQA's consolidated balance sheet. MQA currently continues to own 100% of the equity in the M6 Toll and due to its power to participate in the financial and operating policy decisions, will account for its investment using the equity method.

In the opinion of the directors, there were no other significant changes in the state of affairs during the half year under review.

Events occurring after balance sheet date

On 2 July 2013, as permitted under MARIL's and MARL's advisory and management agreements with MFA, MFA and MQA's independent directors agreed that the Manager and Adviser performance fees payable at 30 June 2013 of $16.7 million would be applied to a subscription for new MQA securities. Accordingly a total of 8,699,104 MQA securities will be issued to MFA's assignee. These securities have not yet been issued as at the date of this report.

Since balance date, the directors of MARIL and MARL are not aware of any other matter or circumstance not otherwise dealt with in the Directors' Reports that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in periods subsequent to the half year ended 30 June 2013.

Auditor's Independence Declaration

A copy of the auditor's independence declaration for MARL, as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Rounding of amounts in the Directors' Report and the Interim Financial Reports

The Groups are of a kind referred to in Class Order 98/100 as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Interim Financial Report. Amounts in the Directors' Report and Interim Financial Reports have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Directors' Report
for the half year ended 30 June 2013

Application of class order

The Directors' Reports and Interim Financial Reports for MQA and the MARL Group have been presented in the one report, as permitted by ASIC Class Order 05/642 as amended by Class Order 10/655.

Signed in accordance with a resolution of the directors of Macquarie Atlas Roads International Limited

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Hamilton, Bermuda
28 August 2013

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Hamilton, Bermuda
28 August 2013

Signed in accordance with a resolution of the directors of Macquarie Atlas Roads Limited

David Walsh
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
28 August 2013

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
28 August 2013

Auditor’s Independence Declaration

As lead auditor for the review of Macquarie Atlas Roads Limited for the half year ended 30 June 2013, I declare that to the best of my knowledge and belief there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Macquarie Atlas Roads Limited and the entities it controlled during the half year ended 30 June 2013.

Craig Stafford
Partner
PricewaterhouseCoopers

Sydney
28 August 2013

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Interim Financial Report
for the half year ended 30 June 2013

Consolidated Statements of Comprehensive Income

	Note	**MQA** **Half year ended 30 Jun 2013** **$'000**	MQA Half year ended 30 Jun 2012 $'000	**MARL Group** **Half year ended 30 Jun 2013** **$'000**	MARL Group Half year ended 30 Jun 2012 $'000
Revenue from continuing operations					
Revenue from continuing operations		**161**	291	**825**	906
Total revenue from continuing operations	2(i)	**161**	291	**825**	906
Operating expenses from continuing operations					
Other operating expenses		**(9,432)**	(8,580)	**(1,291)**	(1,321)
Total operating expenses from continuing operations	2(ii)	**(9,432)**	(8,580)	**(1,291)**	(1,321)
Share of net profits/(losses) of investments accounted for using the equity method	5	**30,691**	(33,416)	**(1,037)**	(988)
Profit/ (loss) from continuing operations before income tax benefit		**21,420**	(41,705)	**(1,503)**	(1,403)
Income tax benefit/(loss)		**22**	(13)	**-**	-
Profit/(loss) from continuing operations after income tax		**21,442**	(41,718)	**(1,503)**	(1,403)
Profit/(loss) from deconsolidated operation	4	**1,381,543**	(33,459)	**-**	-
Profit/(loss) for the half year		**1,402,985**	(75,177)	**(1,503)**	(1,403)
Profit/(loss) attributable to:					
Equity holders of the parent entity - MARIL		**1,404,488**	(73,774)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**(1,503)**	(1,403)	**(1,503)**	(1,403)
Stapled security holders		**1,402,985**	(75,177)	**(1,503)**	(1,403)
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations		**58,056**	(28,253)	**2,082**	8
Cash flow hedges, net of tax		**(48,037)**	5,332	**-**	-
Other comprehensive income for the half year, net of tax		**10,019**	(22,921)	**2,082**	8
Total comprehensive income for the half year		**1,413,004**	(98,098)	**579**	(1,395)
Total comprehensive income attributable to:					
Equity holders of the parent entity - MARIL		**1,412,425**	(96,703)	**-**	-
Equity holders of other stapled entity - MARL (as non-controlling interest/parent entity)		**579**	(1,395)	**579**	(1,395)
Stapled security holders		**1,413,004**	(98,098)	**579**	(1,395)
Profit/(loss) per share from continuing operations attributable to MARIL/MARL shareholders					
Basic profit/(loss) per share from continuing operations attributable to:		**Cents**	Cents	**Cents**	Cents
MARIL (as parent entity)		**4.79**	(8.68)	**-**	-
MARL (as parent entity)		**-**	-	**(0.31)**	(0.30)
Profit/(loss) per share attributable to MARIL/MARL shareholders					
Basic profit/(loss) per share attributable to:		**Cents**	Cents	**Cents**	Cents
MARIL (as parent entity)		**293.50**	(15.89)	**-**	-
MARL (as parent entity)		**-**	-	**(0.31)**	(0.30)

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Financial Report
for the half year ended 30 June 2013

Consolidated Statements of Financial Position

	Note	**MQA As at 30 Jun 2013 $'000**	MQA As at 31 Dec 2012 $'000	**MARL Group As at 30 Jun 2013 $'000**	MARL Group As at 31 Dec 2012 $'000
Current assets					
Cash and cash equivalents		**16,899**	56,002	**13,516**	2,102
Receivables		**106**	5,468	**271**	29,113
Prepayments		**187**	913	**89**	30
Total current assets		**17,192**	62,383	**13,876**	31,245
Non-current assets					
Receivables		**-**	-	**18,523**	1,514
Investments accounted for using the equity method	5	**803,020**	702,783	**17,559**	16,470
Property, plant and equipment		**-**	746,740	**-**	-
Tolling concessions		**-**	70,775	**-**	-
Total non-current assets		**803,020**	1,520,298	**36,082**	17,984
Total assets		**820,212**	1,582,681	**49,958**	49,229
Current liabilities					
Payables	6	**(22,058)**	(50,596)	**(2,463)**	(2,313)
Derivative financial instruments		**-**	(42,906)	**-**	-
Total current liabilities		**(22,058)**	(93,502)	**(2,463)**	(2,313)
Non-current liabilities					
Payables	6	**-**	(175,161)	**-**	-
Interest-bearing financial liabilities	7	**-**	(1,872,085)	**-**	-
Derivative financial instruments		**-**	(405,974)	**-**	-
Deferred tax liabilities		**-**	(16,545)	**-**	-
Total non-current liabilities		**-**	(2,469,765)	**-**	-
Total liabilities		**(22,058)**	(2,563,267)	**(2,463)**	(2,313)
Net assets/(liabilities)		**798,154**	(980,586)	**47,495**	46,916
Equity					
Equity attributable to equity holders of the parent - MARIL					
Contributed equity	8	**1,354,159**	1,354,159	**-**	**-**
Reserves	9	**(19,416)**	(1,964,553)	**-**	**-**
Accumulated losses	10	**(584,084)**	(417,108)	**-**	**-**
MARIL security holders' interest		**750,659**	(1,027,502)	**-**	**-**
Equity attributable to other stapled security holders - MARL					
Contributed equity	8	**198,877**	198,877	**198,877**	198,877
Reserves	9	**(10,575)**	(12,657)	**(10,575)**	(12,657)
Accumulated losses	10	**(140,807)**	(139,304)	**(140,807)**	(139, 304)
Other stapled security holders' interest		**47,495**	46,916	**47,495**	46,916
Total equity		**798,154**	(980,586)	**47,495**	46,916

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

The financial information was approved by the Board of Directors on 28 August 2013 and was signed on its behalf by:

Jeffrey Conyers
Macquarie Atlas Roads International Limited
Hamilton, Bermuda

Derek Stapley
Macquarie Atlas Roads International Limited
Hamilton, Bermuda

Interim Financial Report
for the half year ended 30 June 2013

Consolidated Statements of Changes in Equity

MQA	Attributable to MARIL security holders					
	Contributed equity	Reserves	Accumulated losses	**Total**	Attributable to MARL security holders	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	**$'000**
Total equity at 1 January 2013	1,354,159	(1,964,553)	(417,108)	**(1,027,502)**	46,916	**(980,586)**
Profit/(loss) for the half year	-	-	1,404,488	**1,404,488**	(1,503)	**1,402,985**
Exchange differences on translation of foreign operations	-	55,974	-	**55,974**	2,082	**58,056**
Cash flow hedges, net of tax	-	(48,037)	-	**(48,037)**	-	**(48,037)**
Total comprehensive income	-	7,937	1,404,488	**1,412,425**	579	**1,413,004**
Deconsolidation of subsidiaries*	-	(132,583)	-	**(132,583)**	-	**(132,583)**
Transfer from other reserve to accumulated losses*	-	1,559,979	(1,559,979)	-	-	**-**
Discontinuation of hedge accounting*	-	509,804	-	**509,804**	-	**509,804**
Transactions with equity holders in their capacity as equity holders:						
Dividends and distributions paid	-	-	(11,485)	**(11,485)**	-	**(11,485)**
	-	-	(11,485)	**(11,485)**	-	**(11,485)**
Total equity at 30 June 2013	1,354,159	(19,416)	(584,084)	**750,659**	47,495	**798,154**

*Refer to note 9 for further details.

MQA	Attributable to MARIL security holders					
	Contributed equity	Reserves	Accumulated losses	**Total**	Attributable to MARL security holders	**Total equity**
	$'000	$'000	$'000	**$'000**	$'000	**$'000**
Total equity at 1 January 2012	1,335,394	(1,909,163)	(295,746)	**(869,515)**	48,197	**(821,318)**
Loss for the half year	-	-	(73,774)	**(73,774)**	(1,403)	**(75,177)**
Exchange differences on translation of foreign operations	-	(28,261)	-	**(28,261)**	8	**(28,253)**
Cash flow hedges, net of tax	-	5,332	-	**5,332**	-	**5,332**
Total comprehensive income	-	(22,929)	(73,774)	**(96,703)**	(1,395)	**(98,098)**
Total equity at 30 June 2012	1,335,394	(1,932,092)	(369,520)	**(966,218)**	46,802	**(919,416)**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statements of Changes in Equity (continued)

MARL Group

	Contributed equity	Reserves	Accumulated losses	**Total equity**
	$'000	$'000	$'000	**$'000**
Total equity at 1 January 2013	198,877	(12,657)	(139,304)	**46,916**
Loss for the half year	-	-	(1,503)	**(1,503)**
Exchange differences on translation of foreign operations	-	2,082	-	**2,082**
Total comprehensive income	-	2,082	(1,503)	**579**
Total equity at 30 June 2013	198,877	(10,575)	(140,807)	**47,495**

MARL Group

	Contributed equity	Reserves	Accumulated losses	**Total equity**
	$'000	$'000	$'000	**$'000**
Total equity at 1 January 2012	196,781	(12,353)	(136,231)	**48,197**
Loss for the half year	-	-	(1,403)	**(1,403)**
Exchange differences on translation of foreign operations	-	8	-	**8**
Total comprehensive income	-	8	(1,403)	**(1,395)**
Total equity at 30 June 2012	196,781	(12,345)	(137,634)	**46,802**

The above Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report
for the half year ended 30 June 2013

Consolidated Statements of Cash Flows

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
Cash flows from operating activities				
Toll revenue received	**45,438**	49,195	**-**	-
Interest received	**403**	419	**130**	187
Net indirect taxes (paid)/received	**(7,768)**	(7,883)	**103**	93
Payments to suppliers and employees (inclusive of GST/VAT)	**(11,319)**	(9,298)	**(704)**	(811)
Manager's and Adviser's base fees paid	**(7,806)**	(7,067)	**(759)**	(820)
Distributions and dividend income received	**18,039**	-	**-**	-
Receipt from Macquarie Autoroutes de France SAS	**510**	-	**-**	-
Income taxes refunded/(paid)	**2,716**	(19)	**3,052**	-
Other income received	**685**	1,348	**-**	-
Net cash flows from operating activities	**40,898**	26,695	**1,822**	(1,351)
Cash flows from investing activities				
Payments for purchase of property, plant and equipment	**(738)**	(1,119)	**-**	-
Proceeds from sale of property, plant and equipment	**35**	-	**-**	-
Deconsolidated cash balance from M6 Toll entities	**(70,311)**	-	**-**	-
Net cash flows used in investing activities	**(71,014)**	(1,119)	**-**	-
Cash flows from financing activities				
Dividends and distributions paid	**(11,485)**	-	**-**	-
Proceeds from bank borrowings	**-**	1,070	**-**	-
Borrowing costs paid	**(66)**	(26,672)	**-**	-
Loan advanced to related party	**-**	-	**(3,500)**	(1,500)
Repayment of loans from related parties	**-**	2,512	**13,000**	3,280
Net cash flows from financing activities	**(11,551)**	(23,090)	**9,500**	1,780
Net increase/(decrease) in cash and cash equivalents	**(41,667)**	2,486	**11,322**	429
Cash and cash equivalents at the beginning of the half year	**56,002**	56,113	**2,102**	7,967
Effects of exchange rate movements on cash and cash equivalents	**2,564**	358	**92**	(22)
Cash and cash equivalents at the end of the half year*	**16,899**	58,957	**13,516**	8,374

The above Consolidated Statements of Cash Flows should be read in conjunction with the accompanying notes.

*Included in the cash and cash equivalents balance at the end of the half year is cash not available for use of $1.7 million (2012: $36.3 million).

Notes to the Consolidated Financial Statements

1 Summary of significant accounting policies

These general purpose Interim Financial Reports for the half year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* (where applicable).

These general purpose Interim Financial Reports do not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Financial Report for the year ended 31 December 2012 and any public announcements made by MQA during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (where applicable).

The accounting policies adopted are consistent with those of previous reporting periods except as disclosed in Note 1(a).

(a) Basis of preparation

As permitted by ASIC Class Order 05/642 as amended by Class Order 10/655, this report consists of the consolidated financial statements of Macquarie Atlas Roads International Limited ("MARIL") and the entities it controlled at the end of and during the half year (collectively referred to as "MQA" or "the Group") and the consolidated financial statements of Macquarie Atlas Roads Limited ("MARL") and the entities it controlled at the end of and during the half year (collectively referred to as "the MARL Group"). Both MARIL and MARL are for-profit entities for the purpose of preparing the financial statements.

The Interim Financial Reports were authorised for issue by the directors of the MARIL and the MARL Boards on 28 August 2013. The Boards have the power to amend and re-issue the Interim Financial Reports.

Going concern and deficiency of net current assets

The Interim Financial Reports have been prepared on a going concern basis. At 30 June 2013, MQA had a net current liability position of $4.9 million (31 December 2012: net current liability position of $31.1 million). Included within MQA's current payables are performance fees of $16.7 million (31 December 2012: $16.7 million). On 2 July 2013, as permitted under MARIL and MARL's advisory and management agreements with Macquarie Fund Advisers Pty Ltd ("the Adviser/Manager" or "MFA"), MFA and MQA's independent directors agreed that current performance fees payable at 30 June 2013 would be applied to a subscription for new MQA securities. Management forecasts indicate that MQA will be able to meet its liabilities as and when they become due and payable.

MQA is in a net asset position of $798.2 million at 30 June 2013. At 31 December 2012 MQA had a deficiency of capital and reserves of $980.6 million. This was primarily driven by M6 Toll related balances: its non-recourse liabilities of $2.5 billion exceeded the depreciated carrying value of its toll road related assets of $0.8 billion. The debt was non-recourse so there were no going concern implications for MQA. At 30 June 2013, MQA no longer consolidates the M6 Toll, thus the M6 Toll related balances referred to above no longer form part of the MQA Consolidated Statement of Financial Position.

Compliance with International Financial Reporting Standards ("IFRS")

Compliance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* ensures that the Interim Financial Report complies with *IAS 34 Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Consequently, this Interim Financial Report has also been prepared in accordance with and complies with IAS 34 as issued by the IASB.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative financial instruments) at fair value.

Stapled security

The shares of MARIL and MARL are listed on the Australian Securities Exchange ("ASX") as stapled securities in MQA. The shares of MARIL and MARL cannot be traded separately and can only be traded as stapled securities.

Changes in accounting policies

MQA changed one of its accounting policies as a result of new or revised accounting standards which became effective for the reporting period commencing on 1 January 2013. The affected policy is the Principles of consolidation, this was changed for new standards *AASB10 Consolidated Financial Statements* and *AASB11 Joint Arrangements.* For further information refer to Note 1(c).

Other new standards which are applicable for the first time are *AASB12 Disclosure of Interest in Other Entities* and *AASB13 Fair Value Measurement.* These standards have introduced new disclosures for the financial statements but did not affect the Groups' accounting policies or any of the amounts recognised in the financial statements.

Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current half year.

Business combinations under common control

Business combinations under common control have been accounted for in the consolidated accounts prospectively from the date the Groups obtain the ownership interest. The transfer of MQA Investments Limited (formerly MIG Investments Limited) and its subsidiaries, which included Midland Expressway Limited ("MEL") (the concessionaire for the M6 Toll), was treated as a common controlled transaction on acquisition by MARIL prior to the demerger from Macquarie Infrastructure Group ("MIG"). The difference between the fair value of the consideration paid by MARIL and the amounts at which the assets and liabilities were recorded in the consolidated MQA financial statements, being at historical cost, was recognised directly in equity in the other reserve. In order to simplify the disclosures, this other reserve has been transferred to accumulated losses in 2013.

(b) Consolidated accounts and stapling arrangements

AASB 3 Business Combinations and *AASB 10 Consolidated Financial Statements* require one of the stapled entities of a stapled structure to be identified as the parent entity for the purpose of preparing a consolidated Interim Financial Report. In accordance with this requirement, MARIL has been identified as the parent entity of the consolidated group comprising MARIL and its subsidiaries and MARL and its subsidiaries, together comprising MQA.

The financial statements of MQA should be read in conjunction with the separate consolidated financial statements of the MARL Group presented in this report for the half year ended 30 June 2013.

(c) Principles of consolidation

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in *AASB 127 Consolidated and Separate Financial Statements* and in *Interpretation 112 Consolidation - Special Purpose Entities*. Under the new principles, the Groups control an entity when the Groups are exposed to, or have the right to, variable returns from involvement with the entity and have the ability to affect those returns through power over the entity.

The Groups have reviewed their investments to assess whether the consolidation conclusion in relation to these entities is different under AASB 10. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as result of the adoption of AASB 10.

1 Summary of significant accounting policies (continued)

(c) Principles of consolidation (continued)

The consolidated financial statements of MQA incorporate the assets and liabilities of the entities controlled by MARIL for the half year ended 30 June 2013, including those deemed to be controlled by MARIL by identifying it as the parent of MQA, and the results of those controlled entities for the half year then ended. The consolidated financial statements of the MARL Group incorporate the assets and liabilities of the entities controlled by MARL for the half year ended 30 June 2013. The effects of all transactions between entities in the consolidated groups are eliminated in full. Non-controlling interests in the results and equity are shown separately in the Statement of Comprehensive Income and the Statement of Financial Position. Non-controlling interests are those interests in partly owned subsidiaries which are not held directly or indirectly by MARL or MARIL.

Subsidiaries

Subsidiaries, other than those that MARIL has been deemed to have directly acquired through stapling arrangements, are those entities over which the Groups are exposed to, or have the right to, variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Groups.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Groups. Where control of an entity is obtained during a financial year, its results are included in the Statement of Comprehensive Income from the date on which control commences. Where control of an entity ceases during a financial year, its results are included for that part of the year during which control existed and the subsidiary is de-consolidated from the date that control ceases.

Associates

Associates are entities over which the Groups have significant influence, but not control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Groups' investment in associates includes the fair value of goodwill (net of any accumulated impairment loss) identified on acquisition.

The Groups' share of their associates' post-acquisition profits or losses are recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates reduce the carrying amount of the investment.

When the Groups' share of losses in an associate equals or exceeds its interest in the associate, including any long term interests that, in substance, form part of the Groups' net investment in the associate, the Groups do not recognise further losses, unless they have incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Groups and their associates are eliminated to the extent of the Groups' interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Groups.

Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending upon the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Groups have no joint operations and account for joint ventures using the equity method.

1 Summary of significant accounting policies (continued)

(d) Intangible assets - tolling concessions

Tolling concessions are intangible assets and represent the right to levy tolls in respect of controlled motorways. Tolling concessions relating to the non-controlled investments are recognised as a component of the investments accounted for using the equity method.

Tolling concessions have a finite useful life by the terms of the concession arrangement and are carried at cost, which represents fair value on acquisition, less accumulated amortisation. Amortisation is calculated using the straight line method to allocate the cost of tolling concessions over their estimated useful lives which are as follows:

Asset Description	Start date	Estimated Useful Life	Depreciation basis
M6 Toll	26 January 2001	Period to January 2054	Straight line basis
Autoroutes Paris-Rhin-Rhône (“APRR”)	02 February 2010	Period to December 2032	Straight line basis
Indiana Toll Road	02 February 2010	Period to June 2081	Straight line basis
Chicago Skyway	02 February 2010	Period to January 2104	Straight line basis
Dulles Greenway	02 February 2010	Period to February 2056	Straight line basis
Warnow Tunnel	02 February 2010	Period to September 2053	Straight line basis

The tolling concessions in relation to non-controlled investments are not recognised in the Statement of Financial Position but instead form part of the investments accounted for using the equity method. The amortisation of tolling concessions in relation to the non-controlled investments is included in the share of net loss of investments accounted for using the equity method.

(e) Application of AASB Interpretation 12 Service Concession Arrangements

The Groups have applied *AASB Interpretation 12 Service Concession Arrangements* which provides guidance on the accounting by operators of public-to-private service concession arrangements under which private sector entities participate in the development, financing, operation and maintenance of infrastructure for the provision of public services. The assets of the Groups’ associates and joint arrangements are used within the framework of concession arrangements granted by public sector entities. The M6 Toll concession agreement falls outside the scope of Interpretation 12 as the grantor does not control (or regulate) at what price the services are provided. Please refer to Note 1(d) for a summary of the accounting policy in relation to the tolling concessions.

(f) Impairment of assets

The carrying amount of non controlled investments is assessed every reporting period to determine whether there are indications of any impairment of the carrying value. If that is the case, an impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount.

The recoverable amount of the asset is determined as the higher of the fair value less cost to sell and the value in use. If it is not possible to determine a recoverable amount for the individual assets, the assets are assessed together in the smallest group of assets which generate cash inflows that are largely independent of those from other assets or groups of assets.

Discounted cash flow analysis is the methodology applied in determining recoverable amount. Discounted cash flow analysis is the process of estimating future cash flows that are expected to be generated by an asset and discounting these to their present value by applying an appropriate discount rate. The discount rate applied to the cash flows of a particular asset is reflective of the uncertainty associated with the future cash flows. Independent traffic forecasting experts provide a view on the most likely level of traffic to use for the toll road having regard to a wide range of factors including development of the surrounding road network and economic growth in the traffic corridor.

(g) Interest bearing financial liabilities

Subsequent to initial recognition at fair value, net of transaction costs incurred, interest bearing financial liabilities are measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method based on the lesser of the expected or contractual life.

(h) Performance fees

Performance fees recognised as a payable to the Adviser/Manager are accounted for as a financial liability in accordance with *AASB 139 Financial Instruments: Recognition and Measurement*. The financial liability is valued at its fair value upon initial recognition taking into account the performance of the MQA security price and the relevant benchmark. After initial recognition, any performance fee liability is measured at its fair value.

1 Summary of significant accounting policies (continued)

(i) Derivative financial instruments

The Groups enter into interest rate swap agreements and forward foreign exchange contracts.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Groups designate certain derivatives as cash flow hedges.

The Groups document at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Groups also document their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity in the cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item will affect profit or loss (for instance when the forecast interest payment that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are reclassified from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified in profit or loss.

Derivatives that are not designated as hedges or do not qualify for hedge accounting

Certain derivative instruments are not designated as hedges or do not qualify for hedge accounting. Changes in the fair value of any derivative instruments that are not designated as hedges or do not qualify for hedge accounting are recognised immediately in profit or loss.

Fair value estimation

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the directors with assumptions that are based on market conditions existing at each balance date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows. The fair values of forward exchange contracts are determined using forward exchange market rates at the balance date.

(j) Critical accounting estimates and judgements

The preparation of the Interim Financial Reports in accordance with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including reasonable expectations of future events. The directors believe the estimates used in the preparation of the Interim Financial Reports are reasonable. Actual results in the future may differ from those reported.

Significant judgments made in applying accounting policies, estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

1 Summary of significant accounting policies (continued)

(j) Critical accounting estimates and judgements (continued)

Impairment testing

In accordance with the accounting policy stated in Note 1(f) the carrying amount of non- controlled investments is assessed every reporting period to determine whether there are indications of any impairment of the carrying value. If that is the case, an impairment charge is taken against the carrying amount of the assets, if that is higher than the recoverable amount. There are also estimates and judgements involved in assessing impairment indicators and in determining the recoverable amounts of the assets.

Derivative financial instruments

The fair values of over-the-counter derivatives are determined using valuation techniques adopted by the directors with assumptions that are based on market conditions existing at each balance date. The fair values of interest rate swaps are calculated as the present values of the estimated future cash flows. Judgements are also made in applying the Groups' financial instrument accounting policies at initial recognition and on an ongoing basis.

Control assessment

Control is assessed for all of the Groups' investments by applying *AASB 10 Consolidated Financial Statements*. The Groups control an entity when the Groups are exposed to, or have the right to, variable returns from its involvement with the entity and have the ability to affect those returns through its power over the entity. Judgement is used when assessing an investment for control. For further information refer to Note 1(c).

(k) Accounting standards and interpretations issued

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting half year. The Groups' assessment of the impact of the relevant new standards and interpretations which have not been early adopted in preparing the Interim Financial Reports is set out below.

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards arising from AASB 9 - Mandatory Effective Date of AASB 9 and Transition Disclosures (effective for annual reporting periods beginning on or after 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The Groups have assessed the new standard's impact and do not anticipate a significant impact on the Groups' financial statements. The Groups do not expect to early adopt AASB 9 and will therefore first adopt the new standard from 1 January 2015.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective for annual reporting periods beginning on or after 1 July 2013)

In July 2011, the AASB decided to remove the individual key management personnel ("KMP") disclosure requirements from *AASB 124 Related Party Disclosures*, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the *Corporations Act 2001*. While this will reduce the disclosures that are required in the annual financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The *Corporations Act 2001* requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future. The Groups have assessed the new standard's impact and do not anticipate a significant impact on the Groups' financial statements. The Groups expect to adopt the new standard from 1 January 2014.

AASB 2012-3 Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities (effective 1 July 2014)

In June 2012, the AASB made amendments to the application guidance in *AASB 132 Financial Instruments: Presentation*, to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. These amendments are effective from 1 July 2014. They are unlikely to affect the accounting for any of the Groups current offsetting arrangements.

Interim Financial Report
for the half year ended 30 June 2013

1 Summary of significant accounting policies (continued)

(k) Accounting standards and interpretations issued (continued)

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities (effective 1 January 2014)

In August 2013, the AASB made amendments to *AASB 10 Consolidated Financial Statements*, *AASB 12 Disclosure of Interests in Other Entities* and *AASB 127 Separate Financial Statements* which exempt investment entities from consolidating controlled investees. MQA does not qualify as investment entity under the new definition.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable transactions.

(l) Presentation of Financial Reports

The Interim Financial Reports for MARIL and MARL have been presented in this single document, pursuant to ASIC Class Order 05/642 as amended by Class Order 10/655.

(m) Rounding of amounts

The Groups are of a kind referred to in Class Order 98/100, as amended by Class Order 04/667 and Class Order 05/641, issued by the Australian Securities & Investments Commission, relating to the “rounding off” of amounts in the Interim Financial Report. Amounts in the Interim Financial Reports have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Interim Financial Report
for the half year ended 30 June 2013

2 Profit/(loss) for the half year

The profit/(loss) from continuing operations before income tax includes the following specific items of revenue and expense:

(i) Revenue

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
Revenue from continuing operations				
Interest income:				
Related parties	**41**	44	**706**	731
Other persons and corporations	**120**	247	**119**	175
Total interest income	**161**	291	**825**	906
Total revenue from continuing operations	**161**	291	**825**	906

(ii) Operating expenses

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
Operating expenses from continuing operations				
Cost of operations:				
Employment costs	**360**	358	**225**	225
	360	358	**225**	225
Other operating expenses:				
Consulting and administration fees	**537**	544	**190**	207
Manager's and Adviser's base fees	**8,403**	7,146	**744**	733
Net foreign exchange (gain)/loss	**(333)**	74	**(83)**	2
Reversal of provision for impairment	**-**	(62)	**-**	(63)
Other expenses	**465**	520	**215**	217
Total other operating expenses	**9,072**	8,222	**1,066**	1,096
Total operating expenses from continuing operations	**9,432**	8,580	**1,291**	1,321

3 Dividends

	MQA Half year ended 30 Jun 2013 $'000	MQA Half year ended 30 Jun 2012 $'000	MARL Group Half year ended 30 Jun 2013 $'000	MARL Group Half year ended 30 Jun 2012 $'000
Dividends paid during the half year	**11,485**	-	**-**	-
	11,485	-	**-**	-
	Cents per stapled security	Cents per stapled security	**Cents per stapled security**	Cents per stapled security
Dividends paid during the half year	**2.4**	-	**-**	-

4 Deconsolidated operation

On 4 June 2013, MQA deconsolidated the M6 Toll group. Ongoing discussions with the M6 Toll lender group progressed such that a reassessment of the variable return to which MQA is exposed from its involvement with the M6 Toll group was necessary to be performed as at that date in accordance with *AASB 10 Consolidated Financial Statements*. This reassessment led to the conclusion that MQA was no longer expected to be exposed to significant variable returns from the asset and should therefore no longer consolidate the M6 Toll group.

AASB 5 Non-current Assets Held for Sale and Discontinued Operations requires the deconsolidation to be accounted for as a discontinued operation and consequently, MQA has combined the income and expense items of the M6 Toll group for the period of approximately 5 months up to the date of deconsolidation into one line item. Upon deconsolidation MQA recorded an accounting gain of $1.8 billion which reflects the M6 Toll's net liability position being removed from MQA's consolidated balance sheet. The sum of these M6 Toll items is included within "profit/(loss) from deconsolidated operation" in the Statement of Comprehensive Income. MQA currently continues to own 100% of the equity in the M6 Toll and due to its power to participate in the financial and operating policy decisions, will account for its investment using the equity method (refer to note 5). The financial performance and cash flow information relating to the deconsolidated operation to 4 June 2013 is presented below.

	MQA June 2013 $'000	MQA June 2012 $'000	MARL Group June 2013 $'000	MARL Group June 2012 $'000
Cash flow information				
Net cash flow from operating activities	**28,253**	35,928	**-**	-
Net cash used in investing activities	**(703)**	(1,119)	**-**	-
Net cash used in financing activities	**(66)**	(25,602)	**-**	-
Net increase in cash generated from deconsolidated operations	**27,484**	9,207	**-**	-
Financial performance				
Revenue	**99,192***	42,788	**-**	-
Expenses	**(572,571)***	(85,038)	**-**	-
Loss before income tax	**(473,379)**	(42,250)	**-**	-
Income tax benefit	**5,867**	8,791	**-**	-
Loss after income tax of deconsolidated operation	**(467,512)**	(33,459)	**-**	-
Gain from deconsolidation	**1,849,055**	-	**-**	-
Total profit/(loss) from deconsolidated operation	**1,381,543**	(33,459)	**-**	-
Total comprehensive income from deconsolidated operation attributable to:				
Equity holders of the parent entity - MARIL	**1,304,219**	(43,266)	**-**	-
Equity holders of the parent entity - MARL	**-**	-	**-**	-
Stapled security holder	**1,304,219**	(43,266)	**-**	-
Basic profit/(loss) from deconsolidated operation attributable to MARIL/MARL shareholders	**Cents**	Cents	**Cents**	Cents
MARIL (as parent entity)	**288.71**	(7.21)	**-**	-
MARL (as parent entity)	**-**	-	**-**	-

*Revenue and expenses include one-off items relating to the discontinuation of hedge accounting for the M6 Toll swaps (refer to Note 9).

5 Investments accounted for using the equity method

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000
Shares in associates and joint arrangements – equity method	**803,020**	702,783	**17,559**	16,470
	803,020	702,783	**17,559**	16,470

Information relating to associates and joint arrangements is set out below:

(a) Carrying amounts

Name of Entity	**Country of incorporation**	Principal Activity	**MQA Economic Ownership Interest**	**MQA**	MQA	**MARL Economic Ownership Interest**	**MARL Group**	MARL Group
			As at 30 Jun 2013 and 31 Dec 2012 %	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000	**As at 30 Jun 2013 and 31 Dec 2012 %**	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000
Macquarie Autoroutes de France 2 SA	Luxembourg	Investment in toll road network located in the east of France (APRR)	**38.9**	**651,856**	562,156	**-**	**-**	-
Dulles Greenway Partnership*	USA	Investment in toll road located in northern Virginia, USA	**50.0**	**151,164**	140,627	**6.7**	**17,559**	16,470
Chicago Skyway Partnership	USA	Investment in toll road located south of Chicago, USA	**50.0**	**-**	-	**50.0**	-	-
Indiana Toll Road Partnership	USA	Investment in toll road located in northern Indiana, USA	**49.0**	**-**	**-**	**49.0**	-	-
Warnowquerung GmbH & Co KG ("WKG") (Limited Partnership)**	Germany	Investment in toll road located in Rostock, north-eastern Germany	**70.0**	**-**	**-**	**-**	-	-
Macquarie Motorways Group Limited***	UK	Investment in toll road located in the West Midlands, UK	**0.0**	**-**	**-**	**-**	-	-
				803,020	702,783		**17,559**	16,470

* The MARL Group holds a 6.7% equity interest in Toll Road Investors Partnership II LP ("TRIP II"), the concessionaire for Dulles Greenway, through Dulles Greenway Partnership ("DGP"). Along with MARIL's interest bearing financial assets, MQA's estimated overall economic interest in TRIP II is 50%. Dulles Greenway Partnership holds a 100% interest in the General Partner, Shenandoah Greenway Corporation.

** A subsidiary of MARIL, European Transport Investments (UK) Limited ("ETIUK"), beneficially owns 70% of both the WKG Limited partnership and the General Partner of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. Per the agreement any decision made in regard to the financial and operational policies requires 75% of the voting members to proceed. As a result MQA does not control WKG.

*** On 4 June 2013, MQA deconsolidated Macquarie Motorways Group Limited ("MMG") and commenced equity accounting for its interest as an investment in an associate. MQA continues to own a 100% equity interest in MMG but is not expected to be exposed to any significant variable returns. As a result, at 30 June 2013 MQA's economic interest in MMG is nil.

5 Investment accounted for using the equity method (continued)

(b) Movement in carrying amounts

	MQA	MQA	MARL Group	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000
Carrying amount at the beginning of the half year	702,783	753,412	16,470	18,608
Share of profits/(losses) after income tax*	30,691	(33,416)	(1,037)	(988)
Distributions received	(18,039)	-	-	-
Foreign exchange movement	87,585	(13,119)	2,126	3
Carrying amount at the end of the half year	803,020	706,877	17,559	17,623

* Included in the share of profits/(losses) after income tax are fair value gains on interest rate swaps of $21.8 million (30 June 2012: fair value losses of $14.4 million) for MQA and fair value losses of $nil (30 June 2012: fair value losses of $nil) for the MARL Group, for which hedge accounting has not been applied.

(c) Summarised financial information for associates and joint arrangements

The below tables provide summarised financial information for those associates and joint arrangements that are material to the Groups. The information disclosed reflects the amounts presented in the financial statements of the relevant entities and not the Groups' share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

	Macquarie Autoroutes de France 2 SA (APRR)		Dulles Greenway Partnership	
Summarised Statement of Financial Position	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000
Total current assets	840,880	749,680	141,218	147,550
Total non-current assets	9,424,700	8,543,978	1,671,726	1,484,633
Total current liabilities	(771,911)	(758,635)	(67,618)	(55,914)
Total non-current liabilities	(7,821,757)	(7,140,138)	(1,292,296)	(1,162,347)
Net Assets	1,671,912	1,394,885	453,030	413,922
Reconciliation to carrying amounts:				
Opening net assets as on 1 January	1,394,885	1,465,878	413,922	449,370
Profit/(loss) for the period	98,796	(67,053)	(15,483)	(29,118)
Dividends paid	-	-	-	-
Foreign exchange movement	178,231	(3,940)	54,591	(6,330)
Closing net assets	1,671,912	1,394,885	453,030	413,922
MQA's share in %	38.9%	38.9%	50.0%	50.0%
MQA's share in $	650,374	542,610	226,515	206,961
MARL Group's share in %	-	-	6.70%	6.70%
MARL Group's share in $	-	-	30,353	27,733
MQA's carrying amount	651,856	562,156	151,164	140,626
MARL Group's carrying amount	-	-	17,559	16,470

5 Investments accounted for using the equity method (continued)

(c) Summarised financial information for associates and joint arrangements (continued)

	Macquarie Autoroutes de France 2 SA (APRR)		**Dulles Greenway Partnership**	
Summarised Statement of Comprehensive Income	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
Revenue	**720,896**	659,237	**36,412**	35,114
Profit/(loss) from continuing operations	**98,796**	(66,946)	**(15,482)**	(14,748)
Profit/(loss) for the period	**98,796**	(66,946)	**(15,482)**	(14,748)
MQA's share in $	**38,432**	(26,042)	**(7,741)**	(7,374)
MARL Group's share in $	**-**	-	**(1,037)**	(988)
MQA's distributions received	**18,039**	-	**-**	-
MARL Group's distributions received	**-**	-	**-**	-

(d) Share of contingent liabilities of associates and joint arrangements

At 30 June 2013 and 31 December 2012, there was no share of contingent liabilities incurred jointly with other investors and no contingent liabilities relating to liabilities of associates or joint arrangements for which MARIL and MARL are severally liable. Refer to Note 13 for details of contingent liabilities.

(e) Share of associates' and joint arrangements' losses not brought to account

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
At the beginning of the half year	**(585,985)**	(450,843)	**(573,899)**	(443,292)
Share of profits/(losses) not brought to account	**309,024**	(97,874)	**310,830**	(95,436)
At the end of the half year	**(276,961)**	(548,717)	**(263,069)**	(538,728)

6 Payables

	Note	**MQA** As at 30 Jun 2013 $'000	MQA As at 31 Dec 2012 $'000	**MARL Group** As at 30 Jun 2013 $'000	MARL Group As at 31 Dec 2012 $'000
Current					
VAT payable		**-**	3,290	**-**	-
Manager and Adviser base fees payable		**4,621**	3,949	**438**	379
Manager and Adviser performance fees payable	(i)	**16,702**	16,702	**1,714**	1,714
Lease payable	(ii)	**-**	18,027	**-**	-
Sundry creditors and accruals		**735**	8,628	**311**	220
		22,058	50,596	**2,463**	2,313
Non-current					
Lease payable	(ii)	**-**	175,161	**-**	-
		-	175,161	**-**	-

6 Payables (continued)

(i) Manager and Adviser performance fees payable

In accordance with MARIL and MARL's advisory and management agreements (the "Agreements") with MFA, MFA is entitled to a performance fee each year ended 30 June. The performance fee is calculated with reference to the performance of the MQA accumulated index compared with the performance of the S&P/ASX 300 Industrials Accumulation Index. The performance fees are payable in three equal annual instalments provided MQA meets certain performance criteria at each instalment date.

For the financial year ended 30 June 2012, MQA did not meet the performance criteria for a new performance fee to be accrued.

For the 12 months ended 30 June 2011, a total performance fee of $50.1 million (excluding GST) was calculated for MQA. The first and second instalments of $16.7 million each became payable at 30 June 2011 and 30 June 2012 and were applied to a subscription for new MQA securities in August 2011 and July 2012 respectively. The third instalment of $16.7 million is payable at 30 June 2013.

Current Manager and Adviser performance fees payable

Current Manager and Adviser performance fees payable of $16.7 million at 30 June 2013 (31 December 2012: $16.7 million) comprise solely of the third instalment of the June 2011 fee. On 2 July 2013, as permitted under the agreement, MFA and MQA's independent directors agreed that this fee would be applied to a subscription of new MQA securities. Accordingly a total of 8,699,104 MQA securities will be issued to MFA's assignee. It is expected that these securities will be issued after MQA's half year results announcement on 29 August 2013.

(ii) Lease payable

The current and non-current lease payables were in relation to the M6 Toll group which has been deconsolidated.

7 Interest bearing financial liabilities

Consolidated	**MQA** **As at** **30 Jun 2013** **$'000**	MQA As at 31 Dec 2012 $'000	**MARL Group** **As at** **30 Jun 2013** **$'000**	MARL Group As at 31 Dec 2012 $'000
Non-current				
Non-recourse loans	**-**	1,590,242	**-**	-
Accrued interest rate swap liability	**-**	281,843	**-**	-
	-	1,872,085	**-**	-
The maturity profile of the above interest bearing financial liabilities is:				
Due within one year	**-**	-	**-**	-
Due between one and five years	**-**	1,590,242	**-**	-
Due after five years	**-**	281,843	**-**	-
	-	1,872,085	**-**	-

All interest bearing financial liabilities were in relation to the M6 Toll group which has been deconsolidated.

Interim Financial Report
for the half year ended 30 June 2013

8 Contributed equity

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000
Ordinary shares	**1,354,159**	1,354,159	**198,877**	198,877
Contributed equity	**1,354,159**	1,354,159	**198,877**	198,877

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Half year ended 30 Jun 2013 $'000	Year ended 31 Dec 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Year ended 31 Dec 2012 $'000
On issue at the beginning of the period	**1,354,159**	1,335,394	**198,877**	196,781
Issued				
Application of performance fees to subscription for new securities*	**-**	18,765	**-**	2,096
On issue at the end of the period	**1,354,159**	1,354,159	**198,877**	198,877

	Number of shares '000	Number of shares '000	**Number of shares '000**	Number of shares '000
On issue at the beginning of the period	**478,531**	464,280	**478,531**	464,280
Issued				
Application of performance fees to subscription for new securities*	**-**	14,251	**-**	14,251
On issue at the end of the period	**478,531**	478,531	**478,531**	478,531

* During the year ended 31 December 2012, the second instalment of the June 2011 performance fee and the third instalment of the June 2010 performance fee, totalling $18.8 million attributable to MARIL, were applied to a subscription for new MARIL securities. Also, during the year ended 31 December 2012, the second instalment of the June 2011 performance fee and the third instalment of the June 2010 performance fee, totalling $2.1 million attributable to MARL, were applied to a subscription for new MARL securities.

9 Reserves

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000
Balance of reserves				
Hedging reserve - cash flow hedges, net of tax	**-**	(461,767)	**-**	-
Foreign currency translation reserve	**(19,416)**	57,193	**(10,575)**	(12,657)
Other reserve	**-**	(1,559,979)	**-**	-
	(19,416)	(1,964,553)	**(10,575)**	(12,657)

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Half year ended 30 Jun 2013 $'000	Year ended 31 Dec 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Year ended 31 Dec 2012 $'000
Movements of reserves				
Hedging reserve – cash flow hedges, net of tax				
Balance at the beginning of the period	**(461,767)**	(455,055)	**-**	-
Revaluation (gross) on interest rate swap contracts	**(48,037)**	(6,712)	**-**	-
Cash flow hedge reserve recycled to profit & loss*	**509,804**	-	**-**	-
Balance at the end of the period	**-**	(461,767)	**-**	-
Foreign currency translation reserve				
Balance at the beginning of the period	**57,193**	105,871	**(12,657)**	(12,353)
Net exchange differences on translation of foreign controlled entities	**55,974**	(48,678)	**2,082**	(304)
Deconsolidation of subsidiaries	**(132,583)**	-	**-**	-
Balance at the end of the period	**(19,416)**	57,193	**(10,575)**	(12,657)
Other reserve**				
Balance at the beginning of the period	**(1,559,979)**	(1,559,979)	**-**	-
Transfer of other reserve to accumulated losses	**1,559,979**	-	**-**	-
Balance at the end of the period	**-**	(1,559,979)	**-**	-

* Hedge accounting for the M6 Toll swaps was discontinued on 24 April 2013. Fair value movements of $60.1m between this date and the date from which the M6 Toll group was no longer consolidated have been recorded in the profit and loss account.

** On the demerger from MIG, a reserve was recognised representing the difference between the fair value of securities issued and the historical carrying values of the interests in the assets acquired. For simplified disclosure purposes, the balance of this "other reserve" has been transferred to accumulated losses in 2013.

10 Accumulated losses

	Attributable to MARIL equity holders	Attributable to MARIL equity holders	**Attributable to MARL equity holders**	Attributable to MARL equity holders
	Half year ended 30 Jun 2013 $'000	Year ended 31 Dec 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Year ended 31 Dec 2012 $'000
Balance at the beginning of the period	**(417,108)**	(295,746)	**(139,304)**	(136,231)
Profit/(loss) attributable to shareholders	**1,404,488**	(121,362)	**(1,503)**	(3,073)
Dividends and distributions paid	**(11,485)**	-	**-**	-
Other reserve balance transferred	**(1,559,979)**	-	**-**	-
Balance at the end of the period	**(584,084)**	(417,108)	**(140,807)**	(139,304)

Interim Financial Report for the half year ended 30 June 2013

11 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker, being the MQA Boards.

The MQA Boards consider the business from the aspect of each of the toll road portfolio assets and have identified six and three operating segments for MQA and the MARL Group respectively. The segments of MQA are the investments in M6 Toll, APRR, Warnow Tunnel, Indiana Toll Road, Chicago Skyway and Dulles Greenway. The segments of the MARL Group are the investments in Indiana Toll Road, Chicago Skyway and Dulles Greenway.

The operating segment note discloses the segment revenue and segment EBITDA for the half year ended 30 June 2013 and segment assets & liabilities at 30 June 2013 by individual portfolio asset. The MQA Boards are provided with performance information on each asset, in their capacity as chief operating decision maker, to monitor the operating performance of each asset.

(b) Segment information provided to the MQA Boards

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2013, based on MQA's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	M6 Toll	APRR	Warnow Tunnel	**Total MQA**
MQA	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	**Half year ended 30 Jun 2013 $'000**
Segment revenue	23,777	8,305	18,206	47,522	252,049	3,749	**353,608**
Segment expenses	(5,717)	(1,009)	(4,025)	(8,116)	(74,839)	(1,185)	**(94,891)**
Segment EBITDA	18,060	7,296	14,181	39,406	177,210	2,564	**258,717**
EBITDA margin	76%	88%	78%	83%	70%	68%	**74%**
	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	**As at 30 Jun 2013 $'000**
Segment assets	1,028,561	571,030	906,472	912,521	3,994,792	159,924	**7,573,300**
Segment liabilities	(1,293,605)	(590,066)	(679,957)	(2,608,476)	(3,342,936)	(177,822)	**(8,692,862)**

The segment revenue disclosed in the table above primarily relates to toll revenue generated by the assets from external customers. The M6 Toll was deconsolidated on 4 June 2013 and is now accounted for as an associate. The MQA boards will continue to be provided performance information on the M6 Toll.

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2012 and the segment assets & liabilities at 31 December 2012, based on MQA's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	M6 Toll	APRR	Warnow Tunnel	**Total MQA**
MQA	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2012 $'000**
Segment revenue	22,175	7,165	17,557	42,645	237,539	3,527	**330,608**
Segment expenses	(4,260)	(918)	(3,531)	(6,046)	(70,189)	(1,118)	**(86,062)**
Segment EBITDA	17,915	6,247	14,026	36,599	167,350	2,409	**244,546**
EBITDA margin	81%	87%	80%	86%	70%	68%	**74%**
	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	**As at 31 Dec 2012 $'000**
Segment assets	910,075	503,832	816,092	860,837	3,634,779	144,964	**6,870,579**
Segment liabilities	(1,427,075)	(540,082)	(609,059)	(2,541,987)	(3,072,623)	(158,959)	**(8,349,785)**

11 Segment information (continued)

(b) Segment information provided to the MQA Boards (continued)

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2013, based on the MARL Group's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	**Total MARL Group**
MARL Group	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2013 $'000	**Half year ended 30 Jun 2013 $'000**
Segment revenue	23,777	8,305	2,440	**34,522**
Segment expenses	(5,717)	(1,009)	(539)	**(7,265)**
Segment EBITDA	18,060	7,296	1,901	**27,257**
EBITDA margin	76%	88%	78%	**79%**
	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	As at 30 Jun 2013 $'000	**As at 30 Jun 2013 $'000**
Segment assets	1,028,561	571,030	110,175	**1,709,766**
Segment liabilities	(1,293,605)	(590,066)	(88,762)	**(1,972,433)**

The segment revenue disclosed in the table above primarily relates to toll revenue generated by the assets from external customers.

The proportionally consolidated segment information provided to the MQA Boards for the reportable segments for the half year ended 30 June 2012 and the segment assets & liabilities at 31 December 2012, based on the MARL Group's effective ownership interest is as follows:

	Indiana Toll Road	Chicago Skyway	Dulles Greenway	**Total MARL Group**
MARL Group	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2012 $'000**
Segment revenue	22,175	7,165	2,353	**31,693**
Segment expenses	(4,260)	(918)	(473)	**(5,651)**
Segment EBITDA	17,915	6,247	1,880	**26,042**
EBITDA margin	81%	87%	80%	**82%**
	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	As at 31 Dec 2012 $'000	**As at 31 Dec 2012 $'000**
Segment assets	910,075	503,832	99,327	**1,513,234**
Segment liabilities	(1,427,075)	(540,082)	(79,465)	**(2,046,622)**

11 Segment information (continued)

(b) Segment information provided to the MQA Boards (continued)

A reconciliation of MQA and the MARL Group's segment revenue and EBITDA to its total revenue and loss from continuing activities before income tax, and of segment assets to total assets is provided as follows:

	MQA	MQA	**MARL Group**	MARL Group
	Half year ended 30 Jun 2013 $'000	Half year ended 30 Jun 2012 $'000	**Half year ended 30 Jun 2013 $'000**	Half year ended 30 Jun 2012 $'000
Reconciliation of segment revenue to revenue				
Segment revenue	**353,608**	330,608	**34,522**	31,693
Revenue attributable to investments accounted for under the equity method*	**(306,086)**	(287,963)	**(34,522)**	(31,693)
Revenue attributable to deconsolidated operation	**(47,522)**	(42,645)	**-**	-
Unallocated revenue	**161**	291	**825**	906
Total revenue from continuing activities	**161**	291	**825**	906
Reconciliation of segment EBITDA to loss before income tax benefit				
Segment EBITDA	**258,717**	244,546	**27,257**	26,042
EBITDA attributable to investments accounted for under the equity method*	**(219,311)**	(207,947)	**(27,257)**	(26,042)
EBITDA attributable to deconsolidated operation	**(39,406)**	(36,599)	**-**	-
Unallocated revenue	**161**	291	**825**	906
Unallocated expenses	**(9,432)**	(8,580)	**(1,291)**	(1,321)
Share of net profit/(loss) of investments accounted for using the equity method	**30,691**	(33,416)	**(1,037)**	(988)
Profit/(loss) from continuing operations before income tax benefit	**21,420**	(41,705)	**(1,503)**	(1,403)

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000
Reconciliation of segment assets to total assets				
Segment assets	**7,573,300**	6,870,579	**1,709,766**	1,513,234
Other cash assets	**16,899**	15,258	**13,516**	2,102
Other assets	**293**	3,804	**18,883**	30,657
Investments accounted for using the equity method	**803,020**	702,783	**17,559**	16,470
Assets attributable to deconsolidated operation	**(912,521)**	-	**-**	-
Assets included in investments accounted for using the equity method	**(6,660,779)**	(6,009,743)	**(1,709,766)**	(1,513,234)
Total assets	**820,212**	1,582,681	**49,958**	49,229

	MQA	MQA	**MARL Group**	MARL Group
	As at 30 Jun 2013 $'000	As at 31 Dec 2012 $'000	**As at 30 Jun 2013 $'000**	As at 31 Dec 2012 $'000
Reconciliation of segment liabilities to total liabilities				
Segment liabilities	**(8,692,862)**	(8,349,785)	**(1,972,333)**	(2,046,622)
Other payable balance	**(22,058)**	(21,280)	**(2,463)**	(2,313)
Liabilities attributable to deconsolidated operation	**2,608,476**	-	**-**	-
Liabilities included in investments accounted for using the equity method	**6,084,386**	5,807,798	**1,972,333**	2,046,622
Total liabilities	**(22,058)**	(2,563,267)	**(2,463)**	(2,313)

* Revenue and EBITDA attributable to investments accounted for under the equity method is included within the "Share of net losses of investments accounted for using the equity method" line in the Statements of Comprehensive Income. Proportionate revenue and EBITDA relating to investments accounted for under the equity method is included in the information reported to the MQA Boards.

12 Fair value measurement of financial instruments

MQA and the MARL Group have adopted *AASB 13 Fair Value Measurement* which requires disclosure of fair value by level of the following fair value measurement hierarchy:

(a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

(b) Level 2 - inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

(c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following tables present MQA and the MARL Group's financial assets and financial liabilities measured and recognised at fair value at 30 June 2013 and 31 December 2012 on a recurring basis:

MQA	**Level 1 $'000 30 Jun 2013**	Level 1 $'000 31 Dec 2012	**Level 2 $'000 30 Jun 2013**	Level 2 $'000 31 Dec 2012	**Level 3 $'000 30 Jun 2013**	Level 3 $'000 31 Dec 2012	**Total $'000 30 Jun 2013**	Total $'000 31 Dec 2012
Liabilities								
Financial derivatives	**-**	-	**-**	(448,880)	**-**	-	**-**	(448,880)
Total liabilities	**-**	-	**-**	(448,880)	**-**	-	**-**	(448,880)

MARL Group	**Level 1 $'000 30 Jun 2013**	Level 1 $'000 31 Dec 2012	**Level 2 $'000 30 Jun 2013**	Level 2 $'000 31 Dec 2012	**Level 3 $'000 30 Jun 2013**	Level 3 $'000 31 Dec 2012	**Total $'000 30 Jun 2013**	Total $'000 31 Dec 2012
Liabilities								
Financial derivatives	**-**	-	**-**	-	**-**	-	**-**	-
Total liabilities	**-**	-	**-**	-	**-**	-	**-**	-

The fair value of financial instruments that are not actively traded in an active market is determined using valuation techniques. Discounted cash flows are used to determine the fair value for financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance date.

The carrying amounts of other financial instruments approximate to their fair values.

13 Contingent liabilities and commitments

MQA had the following contingent liabilities and commitments at balance date. No provisions have been raised against these items unless stated below.

Contingent liabilities

Warnow Tunnel

European Transport Investments (UK) Limited ("ETI"), a subsidiary of MARIL, has made two separate guarantees, totalling €1.2 million ($1.7 million) (31 December 2012: €1.2 million ($1.5 million)), in the event of a senior debt payment event of default by Warnowquerung GmbH & Co. KG, the owner of the Rostock Fixed Crossing Concession. The Group believes it is unlikely to have to make these contributions.

This contingent commitment is backed by an on-demand guarantee, provided through a blocked account into which €1.2 million ($1.7 million) (31 December 2012: €1.2 million ($1.5 million)) has been deposited. These funds are restricted and are not accessible.

The MARL Group had no contingent liabilities at 30 June 2013 and 31 December 2012.

14 Events occurring after balance sheet date

On 2 July 2013, as permitted under MARIL's and MARL's advisory and management agreements with MFA, MFA and MQA's independent directors agreed that the Manager and Adviser performance fees payable at 30 June 2013 of $16.7 million would be applied to a subscription for new MQA securities. Accordingly a total of 8,699,104 MQA securities will be issued to MFA's assignee. These securities have not yet been issued as at the date of this report.

Since balance date, the directors of MARIL and MARL are not aware of any other matter or circumstance not otherwise dealt with in the Directors' Reports that has significantly affected or may significantly affect the operations of the Groups, the results of those operations or the state of affairs of the Groups in periods subsequent to the half year ended 30 June 2013.

Interim Financial Report
for the half year ended 30 June 2013

Directors' Declaration – Macquarie Atlas Roads International Limited

The directors of Macquarie Atlas Roads International Limited ("MARIL") declare that:

a) the Interim Financial Report of MARIL and its controlled entities ("MQA") and notes set out on pages 9 to 33:

   i) comply with Australian Accounting Standards and other mandatory professional reporting requirements; and

   ii) give a true and fair view of the financial position of MQA as at 30 June 2013 and of its performance for the half year ended on that date; and

b) there are reasonable grounds to believe that MARIL will be able to pay its debts as and when they become due and payable.

The Directors confirm that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

Jeffrey Conyers
Chairman
Macquarie Atlas Roads International Limited
Hamilton, Bermuda
28 August 2013

Derek Stapley
Director
Macquarie Atlas Roads International Limited
Hamilton, Bermuda
28 August 2013

Interim Financial Report
for the half year ended 30 June 2013

Directors' Declaration – Macquarie Atlas Roads Limited

The directors of Macquarie Atlas Roads Limited ("MARL") declare that:

a) the Interim Financial Report of MARL and its controlled entities (the "MARL Group") and notes set out on pages 9 to 33 are in accordance with the constitution of MARL and the *Corporations Act 2001*, including:

   i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   ii) giving a true and fair view of the financial position of the MARL Group as at 30 June 2013 and of its performance for the half year ended as on that date; and

b) there are reasonable grounds to believe that MARL will be able to pay its debts as and when they become due and payable.

The Directors confirm that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.

David Walsh
Chairman
Macquarie Atlas Roads Limited
Sydney, Australia
28 August 2013

Richard England
Director
Macquarie Atlas Roads Limited
Sydney, Australia
28 August 2013

Independent auditor's review report to the members of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited

Report on the Interim Financial Report

We have reviewed the accompanying interim financial reports of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited, which comprise the consolidated statements of financial position as at 30 June 2013 and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declarations for Macquarie Atlas Roads and Macquarie Atlas Roads Limited. Macquarie Atlas Roads ("MQA") comprises Macquarie Atlas Roads International Limited and the entities it controlled during the period, and Macquarie Atlas Roads Limited and the entities it controlled during the period. Macquarie Atlas Roads Limited Group ("MARL Group") comprises Macquarie Atlas Roads Limited and the entities it controlled during the period.

Directors' responsibility for the interim financial report

The directors of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are responsible for the preparation of interim financial reports that give a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act* 2001 (as applicable) and for such internal control as the directors determine is necessary to enable the preparation of interim financial reports that are free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial reports based on our reviews. We conducted our reviews in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial reports are not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Macquarie Atlas Roads' and Macquarie Atlas Roads Limited Group's financial positions as at 30 June 2013 and of their performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* (as applicable). As the auditor of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers, ABN 52 780 433 757

Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171

T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001* (as applicable).

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial reports of Macquarie Atlas Roads International Limited and Macquarie Atlas Roads Limited are not in accordance with the *Corporations Act 2001* (as applicable) including:

(a) giving a true and fair view of Macquarie Atlas Roads' and Macquarie Atlas Roads Limited Group's financial positions as at 30 June 2013 and of their performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board and the *Corporations Regulations 2001* (as applicable).

PricewaterhouseCoopers

PricewaterhouseCoopers

C Stafford

Craig Stafford
Partner

Sydney
28 August 2013