APPENDIX 4E

Preliminary Final Report

Name of entity: **Macquarie Atlas Roads ("MQA")**

1. Details of the reporting period

Current Period: 1 January 2011 - 31 December 2011

Previous Corresponding Period: 15 December 2009 - 31 December 2010

2. Results for announcement to the market

				$A'000
2.1 Revenue from continuing activities	Down	(10.9)%	to	91,850
2.2 Loss from continuing operations after tax for the year	Up (Increase in loss)	27.2%	to	(289,489)
Loss after tax for the year	Up (Increase in loss)	27.6%	to	(289,489)
2.3 Loss for the period attributable to MQA stapled security holders	Up (Increase in loss)	103.2%	to	(289,489)

MQA's statutory loss from continuing activities after tax for the period of $289.5 million (2010: $227.6 million) includes MQA's share of net losses of investments accounted for using the equity method of $90.3 million (2010: $208.8 million). These results include fair value losses on interest rate swaps of $70.1 million (2010: $104.6 million). Such movements in fair value are recognised in MQA's profit or loss for the year regardless as to whether the non-controlled asset accounts for these instruments as effective cash flow hedges and recognises these movements through its reserves. This can result in significant volatility in MQA's results in a given period as market expectations of interest rates fluctuate.

MQA consolidates the wholly owned M6 Toll's assets and non-recourse liabilities, income and expense items into in its statutory financial statements. MQA's balance sheet shows a net liability position of $821.3 million (2010: $225.3 million) as at 31 December 2011. This is primarily driven by M6 Toll related balances: its non-recourse liabilities of $2.4 billion (2010: $2.1 billion) exceed the depreciated carrying value of its toll road related assets of $0.8 billion (2010: $0.8 billion).

Neither the statutory loss for the period, nor the net liability position reflects any MQA fund level solvency issues.

The results from continuing activities after tax for the period represent MQA's statutory result. MQA also separately provides supplementary information including its proportionate results from its portfolio of toll road assets. On a like for like basis, proportionate revenue increased by 3.0% to $712.2 million, proportionate EBITDA increased by 4.0% to $518.4 million and proportionate earnings from road assets increased by 37.8% to $215.4 million. Proportionate earnings information represents the aggregation of the financial results of MQA's assets in proportion to its beneficial ownership interests. For a reconciliation of the statutory result to the proportionate result please refer to MQA's Management Information Report.

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Current Period:		
Final dividend /distribution	Nil	Nil
Interim dividend / distribution	Nil	Nil
Previous Corresponding Period:		
Final dividend /distribution	Nil	Nil
Interim dividend / distribution	Nil	Nil

2.5 Record date for determining entitlements to the dividend / distribution	N/A

2.6 *Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:*

The results of MQA for the year ended 31 December 2011 was a loss from continuing activities after tax for the period of $289.5 million (2010: $227.6 million) of which $289.5 million (2010: $142.5 million) was attributable to MQA stapled security holders. The increase in the loss for the period reflects the following significant movements:

- Share of net losses of investments accounted for using the equity method of $90.3 million (2010: $208.8 million). MQA's share of net losses comprises the following: Autoroutes Paris-Rhine-Rhône (APRR) loss of $21.6 million (2010: loss of $119.1 million), Dulles Greenway loss of $18.2 million (2010: loss of $20.3 million), Chicago Skyway loss of $50.5 million (2010: loss of $35.5 million), Indiana Toll Road $nil (2010: loss of $32.6 million) and Warnow Tunnel $nil (2010: loss of $1.3 million).

  The decrease in the share of net losses of investments accounted for using the equity method is primarily due to lower fair value losses on interest rate swaps and a change in the ownership structure of APRR during the previous corresponding period. Additionally, losses brought to account in the prior year in relation to Indiana Toll Road and Warnow Tunnel reduced the carrying value of these investments to $nil at 31 December 2010 and consequently no further losses were recognised in the current period.
- Other operating costs of $206.7 million (2010: $96.4 million) have increased mainly due to an increase in Manager's and Adviser's base fees and performance fees to $64.5 million in the year ended 31 December 2011 from $22.9 million in the period ended 31 December 2010 and the recognition of a provision for impairment in relation to MQA's non controlled investments of $67.3 million (2010: $nil). During the year ended 31 December 2011 MQA recognised the full 30 June 2011 performance fee, including instalments which may become payable in future periods.
- In the prior period Eiffarie SAS, an associate of MQA, acquired a further 13.73% interest in APRR from minority shareholders and as a consequence MQA ceased to control certain subsidiaries and recognised a gain on deconsolidation of $54.0 million.

For further explanation of the results please refer to the accompanying announcement, including the Financial Report for the year ended 31 December 2011.

3. Statement of Comprehensive Income with notes

Refer to attached financial statements.

4. Statement of Financial Position with notes

Refer to attached financial statements.

5. Statement of Cash Flows with notes

Refer to attached financial statements.

6. Statement of retained earnings showing movements

Refer to attached financial statements (Note 20: Accumulated Losses)

7. Details of dividends/distributions

No dividend was paid or proposed during the year.

8. Details of dividend/distribution reinvestment plan

There was no dividend reinvestment plan in operation during the year.

9. Net tangible assets per security

	Current year (As at 31 December 2011)	Previous corresponding Period (As at 31 December 2010)
Net tangible asset backing per stapled security*	($1.85)	($0.54)

** Under the listing rules* net tangible asset backing *must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (ie, all liabilities, preference shares, outside equity interests etc). The* net tangible asset backing *does not reflect the fair value of MQA's portfolio of Assets.*

10. Control gained or lost over entities during the year

10.1 Name of entity (or group of entities) over which control was lost	None
10.2 Date control was lost	N/A
10.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A

10.4 Name of entity (or group of entities) over which control was lost	None
10.5 Date control was lost	N/A
10.6 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	N/A

11. Details of associates and joint venture entities

Refer attached financial statements (Note 13: Investments in Associates).

12. Other significant information

Refer attached financial statements (Directors' Report).

13. Accounting standards used by foreign entities

International Financial Reporting Standards.

14. Commentary on results

	Current year (As at 31 December 2011)	Previous corresponding Period (As at 31 December 2010)
14.1 Basic Loss per stapled security attributable to MQA stapled security holders	(63.43 cents)	(31.50 cents)

Commentary on significant features of operating performance

For further commentary on the results above please refer to the announcement, including the audited Financial Report for the year ended 31 December 2011.

15. Audit / review of accounts upon which this report is based

This report is based on accounts to which one of the following applies (*tick one*):

☑	The accounts have been audited. (refer attached financial statements)	☐	The accounts have been subject to review. (refer attached financial statements)
☐	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

16. Accounts not yet audited or reviewed

Not applicable.

17. Qualification of audit / review

Not applicable.