

APPENDIX 4D

Half Year Report

Name of entity: **Macquarie Atlas Roads (“MQA”)**

1. Details of the reporting period

Current Period: 1 January 2013 – 30 June 2013

Previous Corresponding Period: 1 January 2012 – 30 June 2012

2. Results for announcement to the market

				\$A'000
2.1 Revenue from continuing operations	Down	(44.7%)	to	161
2.2 Profit from continuing operations after tax for the period	Up (Increase in profit)	nm*	to	21,442
Profit after tax for the period	Up (Increase in profit)	nm*	to	1,402,985
2.3 Profit for the period attributable to MQA stapled security holders	Up (Increase in profit)	nm*	to	1,402,985

*nm stands for “not meaningful”.

As foreshadowed in MQA’s ASX release dated 13 June 2013, MQA’s statutory results reflect significant one-off accounting changes relating to the M6 Toll.

- During the half year, hedge accounting for the M6 Toll swaps was discontinued, resulting in a one-off non-cash expense of A\$510 million. This reflects amounts previously recognised in reserves being brought through the profit and loss account.
- On 4 June 2013, MQA deconsolidated the M6 Toll group. The results of the M6 Toll for approximately 5 months to the date of deconsolidation and a non-cash gain on deconsolidation of A\$1.8 billion are included in the profit after tax for the period.

The profit after tax for the period represents 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 3.7% to \$354.2 million and proportionate EBITDA increased by 2.7% to \$259.3 million. Revenue weighted average traffic for the six months ended 30 June 2013 increased 1.7% on the prior corresponding period whilst toll revenue increased 3.9%. 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 (in cents)	Franked amount per security (in cents)
<p><i>Current Period:</i></p> <p>Final dividend / distribution Interim dividend / distribution</p>	<p>Nil 2.4</p>	<p>Nil N/A</p>
<p><i>Previous Corresponding Period:</i></p> <p>Final dividend / distribution Interim dividend / distribution</p>	<p>Nil Nil</p>	<p>Nil Nil</p>
<p>2.5 Record date for determining entitlements to the dividend / distribution</p>	<p>8 April 2013</p>	
<p>2.6 <i>Provide a brief explanation of any of the figures reported above necessary to enable the figures to be understood:</i></p> <p>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.</p> <p>MQA has combined all of the income and expense items relating to the M6 Toll group for the period of approximately 5 months up to the date of deconsolidation into a single line item, "profit from deconsolidated operation", in the Statement of Comprehensive Income. The total amount of \$1.4 billion reflects the net of:</p> <ul style="list-style-type: none"> — a gain on deconsolidation of \$1.8 billion (reflecting the M6 Toll's net liability position being removed from MQA's consolidated balance sheet); — an expense of \$510 million on cessation of hedge accounting for the M6 Toll swaps; and — all other M6 Toll income and expense items for the period of approximately 5 months to 4 June 2013. <p>MQA continues to own 100% of the equity in the M6 Toll and, since deconsolidation, accounts for its investment using the equity method.</p> <p>For further explanation of the results please refer to the accompanying announcement, including the Interim Financial Report for the half year ended 30 June 2013.</p>		

3. Net asset backing per stapled security

	Current period (As at 30 June 2013)	Previous corresponding Period (As at 30 June 2012)
Net tangible asset backing per stapled security *	\$1.67	(\$2.08)

* Under the listing rules net tangible assets backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (i.e., 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.

4. Control gained or lost over entities during the period

4.1 Name of entity (or group of entities) over which control was lost	MQA deconsolidated the M6 Toll group consisting of the following legal entities: Potamus Infrastructure (UK) Limited ("PIUK") (formerly known as Macquarie Infrastructure (UK) Limited) Macquarie Motorways Group Limited ("MMG") Midland Expressway Limited ("MEL")
4.2 Date control was lost	4 June 2013
4.3(a) Consolidated profit/(loss) after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$1,381.5 million
4.3(b) Profit/(loss) after tax of the controlled entity (or group of entities) while controlled during the previous corresponding period	(\$33.5 million)

5. Details of dividends/distributions

A dividend of 2.4 cents (2012: \$nil) per stapled security was declared on 21 March 2013 and paid on 19 April 2013.

6. Details of dividend/distribution reinvestment plan

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

7. Details of associates and joint arrangements

	Current period (As at 30 June 2013)	Previous corresponding Period (As at 30 June 2012)
Name of associates and joint arrangements	MQA's ownership interest (%)	
Macquarie Autoroutes de France 2 SA	38.9	38.9
Dulles Greenway Partnership*	50.0	50.0
Chicago Skyway Partnership	50.0	50.0
Indiana Toll Road Partnership	49.0	49.0
Warnowquerung GmbH & Co. KG (WKG) (limited partnership)**	70.0	70.0
Warnowquerung Verwaltungsgesellschaft mbH**	70.0	70.0
Macquarie Motorways Group Limited ***	0.0	N/A

* The Macquarie Atlas Roads Limited (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 Macquarie Atlas Roads International Limited's (MARIL) 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 partnership and the General Partner (GP) of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. The agreement is structured such that 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 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.

8. Accounting standards used by foreign entities

All foreign entities have been adjusted to conform with Australian Accounting Standards where necessary.

9. 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):

<input type="checkbox"/>	The accounts have been audited. (refer attached financial statements)	<input checked="" type="checkbox"/>	The accounts have been subject to review. (refer attached financial statements)
<input type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have <i>not</i> yet been audited or reviewed.

There is no audit dispute or qualification. Refer attached Interim Financial Report for the review report.