

APPENDIX 4D

Half Year Report

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

1. Details of the reporting period

Current Period: 1 January 2014 – 30 June 2014

Previous Corresponding Period: 1 January 2013 – 30 June 2013

2. Results for announcement to the market

		\$A'000	
2.1	Revenue from continuing operations	Up	nm* to 1,029
2.2	Loss from continuing operations after tax for the period	Up (Increase in loss)	nm* to (67,898)
	Loss after tax for the period	Up (Increase in loss)	nm* to (67,898)
2.3	Loss for the period attributable to MQA stapled security holders	Up (Increase in loss)	nm* to (67,898)
<p>*nm stands for “not meaningful”.</p> <p>MQA’s statutory loss from continuing operations after income tax for the period of \$67.9 million (June 2013: profit of \$21.4 million) includes operating expenses of \$70.9 million (June 2013: \$9.4 million) and MQA’s share of net profits of investments accounted for using the equity method of \$1.9 million (June 2013: \$30.7 million).</p> <p>The loss 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 2.9% to A\$361.9 million and proportionate EBITDA increased by 3.2% to \$259.5 million. Revenue weighted average traffic for the six months ended 30 June 2014 increased 1.8% on the prior corresponding period. For a reconciliation of the statutory result to the proportionate result please refer to MQA’s Management Information Report.</p>			
2.4	Dividends (distributions)	Amount per security (in cents)	Franked amount per security (in cents)
	2014:		
	Final dividend / distribution	N/A	N/A
	Interim dividend / distribution	5.0	N/A

2013:		
Final dividend / distribution	3.3	N/A
Interim dividend / distribution	2.4	N/A
2.5 Record date for determining entitlements to the dividend / distribution	N/A	
<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>MQA's statutory loss from continuing operations after tax for the half year ended 30 June 2014 was \$67.9 million (2013: profit of \$21.4 million). The reduction in profits for the period reflects the following significant movements:</p> <ul style="list-style-type: none"> – Operating expenses of \$70.9 million (2013: \$9.4 million) have increased mainly due to an increase in Manager's and Adviser's base fees and performance fees to \$69.6 million (2013: \$8.4 million). During the half year ended 30 June 2014 MQA has recognised the full 30 June 2014 performance fee (\$58.2 million), including instalments that are expected to become payable in future periods; – Share of net profits of investments accounted for using the equity method of \$1.9 million (2013: profit of \$30.7 million), comprising: <ul style="list-style-type: none"> (i) Autoroutes Paris-Rhin-Rhône ("APRR") profit of \$15.2 million (2013: profit of \$38.4 million), including APRR's fair value loss on interest rate swaps for the half year ended 30 June 2014 of \$3.4 million (2013: gain of \$21.8 million); (ii) Dulles Greenway loss of \$8.2 million (2013: loss of \$7.7 million); and (iii) Chicago Skyway loss of \$5.1 million (2013: nil). <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 2014.</p>		

3. Net asset backing per stapled security

	Current period (As at 30 June 2014)	Previous corresponding Period (As at 30 June 2013)
Net tangible asset backing per stapled security *	\$1.51	\$1.67

* 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 gained	None
4.2 Date control was gained	N/A
4.3 Consolidated profit (loss) from ordinary activities after tax of the controlled entity (or group of entities) for the current period to the date of gain of control	N/A
4.4 Name of entity (or group of entities) over which control was lost	None
4.5 Date control was lost	N/A
4.6 (a) 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
4.6 (b) Profit (loss) after tax of the controlled entity (or group of entities) while controlled during the previous corresponding period	N/A

5. Details of dividends/distributions

A dividend of 5.0 cents (2013: 2.4 cents) per stapled security was declared on 12 March 2014 and paid on 4 April 2014.

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 2014)	Previous corresponding Period (As at 30 June 2013)
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
Macquarie Motorways Group Limited***	-	0.0
Peregrine Motorways Limited***	0.0	-

* 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 Limited partnership and the General Partner ("GP") of the partnership which have contracted to build, own and operate a tolled tunnel in Rostock, Germany. The balance of 30% is held by Bouygues Travaux Publics SA. Per the agreement any decisions made with regard to the relevant activities requires 75% of the voting members to proceed meaning both partners have to agree. As a result, MQA's investment in WKG is classified as a Joint Venture.

*** On 4 June 2013, MQA deconsolidated Macquarie Motorways Group Limited ("MMG") and commenced equity accounting for its interest as an investment in an associate. A new entity, Peregrine Motorways Limited ("PML"), was incorporated on 2nd August 2013 and inserted as the 100% owner of MMG. MQA legally owns 100% ordinary equity interest in PML but is not expected to be exposed to any significant variable returns from this investment. As a result, at 30 June 2014 MQA's economic interest in PML 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.