Macquarie Communications Infrastructure Management Limited
ABN 29 066 047 738
AFS Licence No. 221936
A Member of the Macquarie Bank Group

Macquarie Communications Infrastructure Limited
ABN 18 084 388 983

Macquarie MCG International Limited
EC 35258, ARBN 112 652 490

No.1 Martin Place
Sydney NSW 2000
GPO Box 4294
Sydney NSW 1164
AUSTRALIA

Telephone (61 2) 8232 3214
Facsimile (61 2) 8232 4713
Internet www.macquarie.com.au/mcg

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Macquarie Communications Infrastructure Group

INTERIM RESULTS FOR SIX MONTHS ENDED 31 DECEMBER 2008

Macquarie Communications Infrastructure Group (MCG) today announced its results for the six months ended 31 December 2008.

- Proportionate revenue A$767m, up 9.7% on pcp[1]
- Proportionate EBITDA[2] of A$326m up 2.5% on pcp[1]
- Contract book of $13.5bn, up 3.8% on pcp[1]
- Cash balance of A$114m, up over 700% on pcp[3]
- MCG well positioned to deliver on capital management plan:
    - On track for elimination of fund level obligations by August 2011
    - No significant debt maturities across businesses in short to medium term
    - Gearing reduced by 13.8% to 9.3x EBITDA
- Distribution guidance for FY2009 of 10 cents per stapled security

MCG Chief Executive Officer Scott Davies said, “Over the past six months MCG’s businesses - Broadcast Australia, Arqiva and Airwave - have shown the expected resilience to the volatile economic conditions. On a proportionately consolidated basis they have delivered EBITDA growth of 2.5% and earnings growth of 23%.

“Today, the businesses have a proportionate contract book of A$13.5bn, which underpins predictable cash distributions to MCG. The contract book is predominantly comprised of long dated broadcasting and public safety contracts with key customers that range between 10 and 25 years in length.

“MCG’s businesses are in the very strong position of having 95% and 90% of FY2008 revenue contracted for FY2009 and FY2010 respectively. In addition, we have confirmed today that we expect solid EBITDA growth during FY2009 as contract milestones at Airwave are met and risks associated with Digital Switch Over (DSO) and the Arqiva/NGW integration continue to diminish.

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1 Prior corresponding period proforma
2 Earnings before interest, tax, depreciation and amortisation
3 Prior corresponding period – 30 June 2008

"Over the period MCG management has been focussed on implementing a range of capital management initiatives that will address financing obligations that were seen to pose a risk of dilution for existing investors.

"These included: the sale of Global Tower Partners in September 2008; the purchase and cancellation of over 45% (approx A$440m) of Exchangeable Bonds on issue; and, the decision to revise downwards MCG's distribution guidance and apply retained cash towards the elimination of fund level obligations by 2011.

"The extreme volatility in the financial markets continues to impact MCG's security price despite the ongoing high quality performance of its businesses and their clear resilience to the economic cycle. As a team we are committed to creating value for our security holders – we are focused on delivering strong operational performance at the businesses and delivering on our capital management plan," Mr Davies said.

Net profit volatility

The net loss of A$1.1bn attributable to security holders primarily reflects the impact of mark to market (MTM) losses on swaps, due to recent interest rate movements. These are non-operating items and have no impact on MCG's operating performance, current cash flows or distributions.

Interest rate swaps are used by MCG to fix its interest costs for the long term by swapping floating interest rates on the group's debt for fixed interest rates under swap contracts. Australian accounting standards require that derivative instruments be recorded at fair value resulting in significant accounting volatility over the life of the instruments as market expectations of interest rates, foreign exchange rates and inflation change.

Performance summary

MCG Interim Results	**Six months to 31 Dec 2008 (A$m)**	**Six months to 31 Dec 2007 (A$m)**	**Change (%)**
Proportionate Revenue	767.3	699.3[1]	9.7%
Proportionate EBITDA[2]	326.2	318.3[1]	2.5%
Proportionate Earnings	112.1	91.5	22.5%
Proportionate EPS – cents	20.9	18.1	15.5%

Debt maturity profile

Recent capital management initiatives have improved interest cover ratios and gearing metrics. There are no significant debt maturities across the MCG portfolio in the short to medium term. Exchangeable bonds will be cash settled when due (early redemption dates May 2010 and August 2011). MCG's corporate debt facility will be paid prior to maturity.

- Approximately 90% of total debt within MCG and businesses (100% consolidated) matures in 2014 or later
- More than 90% of business debt is hedged for a period of five years

Distribution guidance – distributions to be paid annually from FY2010

1. Proforma
2. Pre-corporate expenses

MCG's distributions are fully funded from operating cash. As previously advised MCG will apply cash, which might otherwise have been paid out to investors, to the reduction of fund level obligations. Accordingly, distribution guidance for FY2009 is 10.0 cents per security. Distributions are likely to remain substantially below cash earnings until post August 2011.

Commencing in the 2010 financial year, MCG will move to paying its distribution annually in August until further notice.

Outlook

MCG and management at Broadcast Australia, Airwave and Arqiva expect a strong operational year and to deliver EBITDA growth in FY09[1]: Broadcast Australia approximately 5%; Arqiva less than 5%; and, Airwave 20% to 25%. MCG will continue to implement its capital management plan.

The MCG Boards and management will continue to explore a range of options which seek to enhance security holder value. As previously advised these activities include a review of MCG's investment in Broadcast Australia and potential third party interest in its businesses. At this stage there is no decision by the Boards of MCG to sell Broadcast Australia or any other of MCG's businesses.

For further information, please contact:

Sam Dobson
Investor Relations Manager
Tel: 612 8232 4381
Mob: 614 0940 2118
Email: sam.dobson@macquarie.com

Jane Rotsey
Public Affairs Manager
Tel: 612 8232 5026
Mob: 614 0199 7160
Email: jane.rotsey@macquarie.com

[1] Actual results may vary from the information in the release and any variation may be material. Prospective information by its very nature is subject to uncertainly and contingencies, many of which are outside the control of MCG.