

APPENDIX 4D

Half Year Report

Name of Entity:	RiverCity Motorway Group
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1. Details of the Reporting period

Current period: 1 July 2009 – 31 December 2009 Previous period: 1 July 2008 – 31 December 2008

2. Results for Announcement to the Market

		\$A'000	
2.1	Revenues from ordinary activities during construction phase	Up 0.6%	291,958
2.2	Profit (loss) from ordinary activities after tax attributable to unitholders	n/a	765
2.3	Net profit (loss) for period attributable to unitholders	n/a	765
	Net increase in revaluation reserve		n/a
	Total changes in equity other than those resulting from transactions with owners as owners		n/a
2.4	Dividends (distributions)	Amount per security	Tax deferred portion
	<i>Current period</i>	-	-
	Previous Corresponding Period:	-	-
2.5	Record date for next distribution	n/a	
	Ex-entitlement date for next distribution	n/a	
	RiverCity Motorway Group announced the suspension of distributions during the fixed distribution period ending December 2011 on 8 September 2008. A copy of this detailed announcement can be located on the Group's website: www.rivercitymotorway.com.au		
2.6	A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.	Refer to the attached Interim Financial Report for the period ended 31 December 2009	

3. Net Tangible Asset Backing per Security

	Note	Current period	Previous corresponding period
Net tangible asset backing per security	(i)	(\$1.34)	(\$0.66)
Net tangible asset backing per security, excluding amounts owing to unitholders	(ii)	(\$1.34)	(\$0.66)

(i) 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).

(ii) Unitholders' Funds – Classified as Equity

RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust were established in Australia. Under the trust deed they have been set up as 'indefinite' life trusts. As these trusts will never terminate, contributions by unitholders have been classified as equity in the balance sheet. Each stapled security consists of one security in RiverCity Motorway Holding Trust and one security in RiverCity Motorway Investment Trust.

Please note below and also refer to item 4

The "net tangible asset backing per security" is a negative number this period. It is anticipated that this negative number will continue to grow until construction completion. As disclosed in the 2009 Annual Report, Australian Accounting Standards require the capitalisation of all motorway related construction costs to be recorded as an intangible asset rather than as property, plant and equipment. Accordingly whilst the Group's "intangible assets" will significantly increase with construction, the Group's "tangible assets" will not. To represent a more appropriate calculation for the Group, we have included a "net asset backing per security" at item 4.

The calculation for the net asset backing per security excludes the derivative asset and derivative liability for each period.

4. Net Asset Backing per Security

	Note	Current period	Previous corresponding period
Net asset backing per security	(i)	\$0.75	\$0.85
Net asset backing per security, excluding amounts owing to unitholders	(ii)	\$0.75	\$0.85

5. Control Gained / Lost Over Entities During the Period

5.1	Name of entity (or group of entities) over which controls was gained / lost	n/a
5.2	Date control was gained / lost	n/a
5.3	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the consolidated entity (or group of entities) since the date in the current period on which control was acquired / lost	n/a
5.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	n/a

6. Details of Dividends / Distributions

Refer attached financial statements Note 4: Distributions

7. Details of Dividend / Reinvestment Plan

Refer attached financial statements Note 4: Distributions

8. Details of Associates and Joint Venture Entities

N/A

9. Accounting Standards Used by Foreign Entities

N/A

10. Audit / Review of Accounts Upon Which this Report is Based

This report is based on accounts to which the following applies:

<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



RiverCity Motorway Holding Trust Group

Interim Financial Report

For the half year ended 31 December 2009

Directors' Report

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2009 and the review report thereon.

1. Group Structure

In respect of the half year ended 31 December 2009, the Directors of RiverCity Motorway Management Limited (ABN 33 117 343 361 / AFSL 297 867), being the responsible entity of the RiverCity Motorway Holding Trust (RCMHT) (ARSN 119 128 193) and RiverCity Motorway Investment Trust (RCMIT) (ARSN 119 128 326) stapled group and their controlled entities (RiverCity Motorway Group / Group), submit the following Directors' Report together with the financial report of the Group for the half year ended 31 December 2009. The information disclosed in the half year Directors' Report and accompanying financial report is significantly less than is required for a financial year.

RiverCity Motorway Management Limited is a wholly owned subsidiary of RiverCity Motorway RE Holdings Pty Ltd (a wholly owned subsidiary of RiverCity Motorway Holding Trust).

The units of RCMHT and RCMIT are stapled together and quoted as one on the ASX Limited (ASX) (symbol: RCY). AASB 3 *Business Combinations* excludes stapling arrangements. However, AASB Interpretation 1002 *Post-date-of-transition Stapling Arrangements* requires entities combining under stapling arrangements to identify one entity as the acquirer or parent entity. The parent entity is required to prepare consolidated financial statements in accordance with the principles of AASB 3 and AASB 127 *Consolidated and Separate Financial Statements*.

Units in RCMHT and RCMIT were stapled and registered with Australian Securities and Investment Commission (ASIC) prior to entering into the project deed. Accordingly, the combination of the RiverCity Motorway Group occurred prior to being awarded the project deed when there were only nominal assets and liabilities in each Trust. As a result, no fair value adjustment is required on consolidation of the RiverCity Motorway Group.

In accordance with these requirements RCMHT has been identified as the parent entity of the RiverCity Motorway Group on the basis that it comprises 99% of the value of the stapled units on issue.

The financial statements have been prepared by consolidating the financial statements of all the entities that comprise RiverCity Motorway Group. Consistent accounting policies have been employed in the preparation and presentation of the financial statements. In preparing the financial statements, all transactions within the RiverCity Motorway Group have been eliminated in full.

The RiverCity Motorway Group includes the following entities:

RCMHT and its controlled entities

- RiverCity Motorway RE Holdings Pty Ltd;
- RiverCity Motorway Management Limited;
- RiverCity Motorway Asset Trust;
- RiverCity Motorway Asset Trust 2;
- RiverCity Motorway Finance Pty Limited; and

RCMIT and its controlled entities

- RiverCity Motorway Holdings Pty Limited;
- RiverCity Motorway Pty Limited;
- RiverCity Motorway Services Pty Limited;
- RiverCity Motorway Asset Nominee Pty Limited;
- RiverCity Motorway Asset Nominee 2 Pty Limited;
- Flow Tolling Pty Ltd; and
- RiverCity Motorway Construction Pty Limited.

The Group was listed on the ASX on 3 August 2006. The ASX reserves the right (but without limiting its absolute discretion) to remove RCMHT or RCMIT or both from the official list if any of the units in RCMHT and the units in RCMIT cease to be stapled together, or any equity securities are issued by either of the Stapled Trusts which are not stapled to equivalent securities in the other entity.

2. Directors

The following persons were non-executive Directors of the responsible entity during the period and up to the date of this report:

- Robert Morris (Chairman) Appointed 3 June 2006 (Appointed Chairman 26 September 2008)
- John Barry (Chairman) Appointed 28 April 2006 (Chairman until 26 September 2008)
- Bernard Rowley Appointed 26 September 2008
- Ken MacDonald Appointed 26 September 2008
- Peter Hicks Appointed 26 September 2008
- Peter Hollingsworth Appointed 26 September 2008
- Charles Mott Appointed 17 June 2009
- Thao Oakey Appointed 26 September 2008 (alternate for Peter Hicks)

3. Review of Operations

The Group is currently in the design and construction phase of the CLEM7. Accordingly the Group has capitalised all construction related costs to intangible assets and expensed all general and administration costs. The principal activities of the Group during the six months were to monitor construction progress of the CLEM7 and continue the development of the back office tolling system and general business operating systems. During the period, customer operations and tag distribution commenced through Flow Tolling Pty Ltd.

In line with other infrastructure projects, RiverCity Motorway mitigates interest rate risk by entering into forward hedges that fix the interest payable on its debt facilities. The Group has fixed its interest at 100% for the construction debt facility to October 2010 and 70% for the term debt facilities until August 2016. The level of hedging is required under the Project and Finance documents.

Accounting standards require that for each reporting period, the accounts show the value of all hedges relative to the current floating interest rate environment. The change in value is shown in the accounts as income or expenditure under the heading of "Derivative Income/Derivative Expense".

Investors should note that this valuation will fluctuate with changes in prevailing interest rates. For example, for the year ended 30 June 2009, the reported net derivative expense was a total of \$125,186,000. In the six month period ending 31 December 2009 a net derivative income of \$25,801,000 has been reported.

It is important to note that the Derivative Income/Derivative Expense value reported for any debt facility will reduce to zero when the hedge expires. The fundamental business case for the project remains unaffected.

RiverCity Motorway will continue to fix its interest payable for substantial parts of future debt obligations. Consequently there will be continued reported income or expenditure under the Derivative Income/Derivative Expense heading in each accounting period. This value will fluctuate depending on the prevailing rates and the magnitude of the Group's debt.

The Group is a member of a consortium led by Leighton Contractors Pty Ltd that has been selected by Brisbane City Council to provide the tolling hardware and operations for the new Go Between Bridge (Hale Street Link) bridge. The Group has the pivotal role of providing tolling products, customer service and tolling operations for this new bridge, which is expected to open in mid 2010. Tolling operations will be delivered using the tolling system and back office resources that are necessary to operate the CLEM7. There will be no change to the Group's ongoing operating costs. By providing tolling services for a number of roads, the Group expects to expand its customer base and continually drive down transaction costs.

4. Rounding of Amounts in the Directors' Report and the Financial Report

The Group is of a kind referred to in Class Order 98/100, dated 10 July 1998 and in accordance with that Class Order amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

5. Lead Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of the Directors report for the six months ended 31 December 2009.

This report is made in accordance with a resolution of the Directors of RiverCity Motorway Management Limited.

A handwritten signature in black ink, appearing to read "Robert Morris".

Robert Morris
Chairman

Brisbane
5 February 2010



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of RiverCity Motorway Management Limited, the responsible entity of RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, reading 'Scott Guse' in a cursive script.

Scott Guse
Partner

Brisbane

5 February 2010

RiverCity Motorway Holding Trust Group
Consolidated Interim Statement of Financial Position

	Notes	31 December 2009 \$'000	30 June 2009 \$'000
Current Assets			
Cash and cash equivalents	2	7,490	14,372
Other financial assets		64,554	64,079
Receivables		154,842	153,648
Capital Works in Progress		425,777	353,243
TOTAL CURRENT ASSETS		652,663	585,342
Non-Current Assets			
Plant and equipment		3,710	1,444
Intangible assets	3	1,639,781	1,377,460
Hedge asset		1,017	-
Other Non-Current Assets		9,650	10,451
Deferred Tax Assets		23,370	28,383
TOTAL NON-CURRENT ASSETS		1,677,528	1,417,738
TOTAL ASSETS		2,330,191	2,003,080
Current Liabilities			
Trust distribution payable		9	9
Employee benefits		147	100
Other payables		43,179	73,064
Other liabilities		680	1,320
Loans and borrowings		611,450	595,609
Lease liabilities		8	8
Current tax liability		90	90
Hedge liability		29,464	59,851
TOTAL CURRENT LIABILITIES		685,027	730,051
Non-Current Liabilities			
Loans and borrowings		924,217	551,972
Lease liabilities		20	24
Hedge liability		9,931	4,327
TOTAL NON-CURRENT LIABILITIES		934,168	556,323
TOTAL LIABILITIES		1,619,195	1,286,374
NET ASSETS		710,996	716,706
EQUITY			
Issued capital / units	4	639,303	639,303
Deferred capital / unit contribution		109,902	109,902
Accumulated profits (losses)		(19,010)	(19,775)
TOTAL EQUITY ATTRIBUTABLE TO UNITHOLDERS		730,195	729,430
Non-controlling interest		(19,199)	(12,724)
TOTAL EQUITY ATTRIBUTABLE TO STAPLED UNITHOLDERS		710,996	716,706

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

RiverCity Motorway Holding Trust Group
Consolidated Interim Statement of Comprehensive Income
For the half year ended 31 December

	Notes	Half year ended 31 December 2009 \$'000	Half year ended 31 December 2008 \$'000
Revenue			
Construction revenue		291,958	290,350
Income			
Other income		5,174	6,041
		297,132	296,391
Expenses			
Administrative expenses		11,454	6,172
Construction expenses		291,958	290,350
		303,412	296,522
Results from operating activities		(6,280)	(131)
Financial income		1,574	2,959
Financial expenses		(21,792)	(382)
Derivative income	6	31,405	-
Derivative expenses	6	(5,604)	(220,073)
Net financing income		5,583	(217,496)
Profit (loss) before income tax expense		(697)	(217,627)
Income tax expense (benefit)		5,013	(67,220)
Net profit (loss) for the period		(5,710)	(150,407)
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive income for the period		(5,710)	(150,407)
Net profit (loss) attributable to			
Unitholders		765	(147,475)
Non-controlling interest		(6,475)	(2,932)
Net profit (loss) for the period		(5,710)	(150,407)
Total comprehensive income attributable to			
Unitholders		765	(147,475)
Non-controlling interest		(6,475)	(2,932)
Total comprehensive income for the period		(5,710)	(150,407)
Earnings (loss) per stapled unit			
Basic earnings (loss) per stapled unit	7	0.10 cents	(18.60) cents
Diluted earnings (loss) per stapled unit	7	(0.39) cents	(18.60) cents

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

RiverCity Motorway Holding Trust Group
Consolidated Interim Statement of Changes in Equity
 for the half year ended 31 December 2009

	Issued Capital \$'000	Deferred Capital \$'000	Accumulated Profits / (Losses) \$'000	Total Equity \$'000	Non- controlling interest \$'000	Total \$'000
Opening balance 1 July 2009	639,303	109,902	(19,775)	729,430	(12,724)	716,706
Total comprehensive loss for the period	-	-	765	765	(6,475)	(5,710)
Closing balance at 31 December 2009	639,303	109,902	(19,010)	730,195	(19,199)	710,996

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

RiverCity Motorway Holding Trust Group
Consolidated Interim Statement of Changes in Equity
 for the half year ended 31 December 2008

	Issued Capital \$'000	Deferred Capital \$'000	Accumulated Profits / (Losses) \$'000	Total Equity \$'000	Non- controlling interest \$'000	Total \$'000
Opening balance 1 July 2008	639,303	109,902	72,726	821,931	(8,151)	813,780
27 August 2008 - Issue of units under the Distribution Reinvestment Plan	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(147,476)	(147,476)	(2,931)	(150,407)
Closing balance at 31 December 2008	639,303	109,902	(74,750)	674,455	(11,082)	663,373

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

RiverCity Motorway Holding Trust Group
Consolidated Interim Cash Flow Statement
 For the half year ended 31 December 2009

	Notes	Half year ended 31 December 2009 \$'000	Half year ended 31 December 2008 \$'000
Cash Flows from Operating Activities			
Cash paid to suppliers and employees		(8,968)	(11,001)
Interest Received		1,800	1,802
Interest Paid		(53,344)	(23,824)
Net Cash Outflow from Operating Activities		(60,512)	(33,023)
Cash Flows from Investing Activities			
Payments for intangible asset and capital work-in-progress		(324,916)	(285,216)
Payments for plant and equipment		(1,312)	(3)
Net Cash Outflow from Investing Activities		(326,228)	(285,219)
Cash Flows from Financing Activities			
Proceeds from borrowings		380,333	321,613
Payment for borrowings		-	-
Distribution to unitholders		-	(15,209)
Net Cash Inflow from Financing Activities		380,333	306,404
Net Increase / (Decrease) in Cash Held		(6,407)	(11,838)
Cash and cash equivalents at the beginning of the period		78,451	87,419
Cash and cash equivalents at the end of the period	(a)	72,044	75,581

(a) Comprises cash and cash equivalents at the period end \$7,490,000 (31 December 2008: \$11,497,008) and other financial instruments which comprise short-term bank bills and negotiable certificates of deposit \$64,554,000 (31 December 2008: \$64,083,924).

The above Consolidated Interim Cash Flow Statement should be read in conjunction with the accompanying notes.

RiverCity Motorway Holding Trust Group

Condensed Notes to the Consolidated Interim Financial Statements

1. Basis of preparation

(a) Reporting Entity

RiverCity Motorway Management Limited being the responsible entity of the RiverCity Motorway Holding Trust (RCMHT) and RiverCity Motorway Investment Trust (RCMIT) stapled group and their controlled entities (Group) submit the financial report as at and for the six months ended 31 December 2009. The units of RCMHT and RCMIT are stapled together and quoted as one on the ASX Limited (ASX).

(b) Statement of Compliance

This financial report is a general purpose financial report for the interim half year reporting period ended 31 December 2009 which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2009. The consolidated annual financial report for the Group for the year ended 30 June 2009 is available on the Group's website www.rivercitymotorway.com.au.

The financial report was authorised for issue by the Directors of the responsible entity on 5 February 2010.

(c) Significant Accounting Policies

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2009, except for the following:

i) Determination and presentation of operating segments

The Group determines and presents operating segments based on the information that is internally provided to the CEO, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of AASB 8 *Operating Segments*. Previously operating segments were determined and presented in accordance with AASB 114 *Segment Reporting*. However this does not change the presentation of segments for the Group.

ii) Presentation of financial statements

The Group applies revised AASB 101 *Presentation of Financial Statements (2007)*, which became effective for this financial report. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six month period ended on 31 December 2009.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on losses per share.

iii) Tag inventory

Inventory of vehicle tags are classified as plant and equipment. Tags are depreciated as a group based upon factors such as estimated useful life, anticipated lost or damaged tags, battery life, etc. over a five year period.

RiverCity Motorway Holding Trust Group
Condensed Notes to the Consolidated Interim Financial Statements (continued)

(d) Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

In preparing this consolidated interim financial report the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as at and for the year ended 30 June 2009.

The key critical estimate made by the Group is that of "traffic usage of the motorway" once it opens. This traffic usage forecast is key in assessing whether there is any potential impairment to the Group's intangible asset carrying value or its related assets.

The Group regularly monitors traffic usage forecasts to ensure they are still appropriate.

Whilst the current economic downturn and the traffic disruption on the approach roads may have some impact on opening traffic, the traffic usage forecasts used in the impairment testing are those outlined in the product disclosure statement dated 13 June 2006. These figures were supplied by independent traffic experts Maunsell Australia Pty Limited. Sensitivities reflecting differences in traffic volumes from the product disclosure statement forecasts over the entire concession period have been carried out.

Refer to Note 3 for detailed information regarding impairment testing and sensitivity analysis.

(e) Rounding of Amounts

The Group is of a kind referred to in Class Order 98/100, issued by ASIC, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

(f) Financial Risk Management

The Group's financial risk management objectives and policies are consistent with that disclosed as at and for the year ended 30 June 2009.

(g) Non-controlling interests

Under accounting standards, RCMIT and its subsidiaries are identified as the non-controlling interest in the Group for accounting purposes. The non-controlling interest has been separately disclosed in the 31 December 2009 financial statements (current year and comparatives). The non-controlling interest is not material to Group's current and previously reported financial performance or position, however upon tolling commencement the non-controlling interest will become material. The apportionment to RCMIT and its subsidiaries has resulted in disclosure changes to the following primary financial statements:

- Consolidated Interim Statement of Financial Position
- Consolidated Interim Statement of Comprehensive Income
- Consolidated Interim Statement of Changes in Equity

RiverCity Motorway Holding Trust Group

Condensed Notes to the Consolidated Interim Financial Statements (continued)

The change has also resulted in an adjustment to the basis for calculation of earnings/loss per unit (now calculated excluding non-controlling interests). The changes are highlighted below:

	Prior period disclosure	Revised prior period disclosure
Basic loss per stapled unit	(18.75)	(18.60)
Diluted loss per stapled unit	(16.19)	(18.60)

(h) Current asset deficiency

The statement of financial position currently discloses a net current asset deficiency of \$32,364,000. This deficiency arises primarily due to:

- The current portion of the hedge liability upon fair value revaluation;
- Timing differences on council works drawdowns.

This current asset deficiency will be eliminated through existing committed borrowing arrangements which are long term in nature and have been committed. Accordingly the Group does not envisage any short term funding or liquidity issues due to this current asset deficiency.

2. Cash and Cash Equivalents

The amount shown in Cash and Cash Equivalents includes \$29,000 not available for general use at 31 December 2009 (2008: nil). This comprises amounts relating to prepaid tolls.

3. Non-Current Assets – Intangibles

	31 December 2009 \$'000	30 June 2009 \$'000
Future Tolling Rights		
Design and development costs	116,995	107,805
Construction – work in progress	1,461,337	1,230,614
Capitalised interest	61,449	39,041
Less: accumulated amortisation	-	-
Total Intangible Assets	1,639,781	1,377,460

No amortisation has been charged as the asset is still under construction.

At each reporting date the Group assesses whether there is any indication that the intangible asset may be impaired. The Group then makes a formal estimate of the recoverable amount of the asset, using a value in use calculation.

CLEM7 has not yet commenced tolling operations, which are scheduled to commence during the period ending 30 June 2010.

In assessing value in use, the estimated future operating cashflows from the road over the remaining 41 year life of the concession are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For these purposes, a pre-tax discount rate of 11.23% has been used (30 June 2009: 10.88%).

The discount rate is based upon a range of factors including the 10 year government bond rate, the cost of debt and an assessment of beta risk. The increase in the discount rate has arisen primarily due to increases in both the government bond rate and cost of debt which reflect the increase in interest rates throughout the period.

RiverCity Motorway Holding Trust Group

Condensed Notes to the Consolidated Interim Financial Statements (continued)

A cashflow model covering the full concession period has been used and is considered appropriate for these testing purposes given the single revenue stream and long term stable cashflows generated.

Solely for the purposes of the value in use estimate, a series of assumptions have been made as to future traffic volumes. Whilst the current economic downturn and disruption on approach roads due to construction activity may have some impact on the traffic at opening, the traffic usage forecasts used are those set out in the 2006 product disclosure statement. Using these assumptions the impairment test shows an excess value in use of \$1 million (30 June 2009: \$65M) over the carrying value of the asset and accordingly the RiverCity Motorway Group has determined that there is no impairment. The primary reason for the decrease in "excess value" from 30 June 2009 is attributable to the increase in discount rates from 10.88% to 11.23%.

The value in use estimate is sensitive to changes in assumptions regarding traffic. Traffic sensitivities include assumptions regarding length of time to achieve full ramp-up and steady state traffic assumptions. If traffic assumptions over the entire concession period differed to estimates by +/- 5% then the value in use would be impacted by plus \$48 million / minus \$38 million respectively. The value in use is also sensitive to changes in the discount rate. For example, a +/- 50 basis point change in the discount rate will impact the value in use by minus \$91 million / plus \$129 million respectively. If either of these sensitivities with a negative impact of greater than \$1m occurred it would result in an impairment.

4. Equity

Ordinary Stapled Units issued during the previous period

Details	31 December 2008 Number of Units
Opening balance 1 July 2008	773,245,704
27 August 2008 - Issue of units under the Distribution Reinvestment Plan	28,764,411
	<hr/> 802,010,115 <hr/>

There were no movements in stapled units for the six months ended 31 December 2009.

Ordinary Stapled Units

The units of RCMHT and RCMIT are stapled and the number units issued by each entity is the same, however, their values differ. Currently their respective values are apportioned 99% (RCMHT) and 1% (RCMIT).

The ASX reserves the right (but without limiting its absolute discretion) to remove either or both of the stapled trusts from the official list if any of the stapled units in the stapled trusts cease to be 'stapled' together, or any equity securities are issued by either of the stapled trusts which are not stapled to equivalent securities in the other entity.

5. Distributions

	Notes	31 December 2009 \$'000	31 December 2008 \$'000
Distributions for the period ended		-	-

No distributions have been declared or provided for during the current or prior comparative period.

RiverCity Motorway Holding Trust Group
Condensed Notes to the Consolidated Interim Financial Statements (continued)

6. Derivative Income/Expense

RiverCity Motorway mitigates interest rate risk by entering into forward derivative contracts that fix the interest payable on its debt facilities. The Group has fixed its interest at 100% for the construction debt facility to October 2010 and 70% for the term debt facility until August 2016. This level of hedging is required under Project and Finance documents.

During the period, the Group recorded a gross Derivative Income of \$31,405,000 and a gross Derivative Expense of \$5,604,000 (31 December 2008: gross Derivative Expense \$220,073,000) being a partial reduction of the net liability on the mark-to-market valuation of the interest rate swaps in place at 31 December 2009 to \$1,017,000 current asset, \$29,464,000 current liability and \$9,931,000 non-current liability (30 June 2009: \$59,851,000 current liability and \$4,327,000 non-current liability). The increase in interest rates during the period has led to this reversal.

7. Earnings (loss) per stapled unit

Calculation of basic and diluted earnings (loss) per stapled unit is set out below:

31 December 2009

	Profit/(loss) \$'000	Weighted average number of units	Earnings/(loss) per unit in cents
Basic	765	802,010,115	0.10
Deduct amortised interest on deferred capital and add potential units on issue	(4,535)	155,000,000	
Diluted	(3,770)	957,010,115	(0.39)

31 December 2008

	Profit/(loss) \$'000	Weighted average number of units	Earnings/(loss) per unit in cents
Basic and diluted	(147,475)	793,050,708	(18.60)

No dilution for 31 December 2008 as Group in a loss position.

8. Acquisition of Subsidiary

In the prior period, on 26 September 2008, the Group pursuant to an option agreement acquired all the shares in RiverCity Motorway Management Limited for \$50,000 in cash. RiverCity Motorway Management Limited is the responsible entity of RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust. RiverCity Motorway Management Limited is a wholly owned subsidiary of RiverCity Motorway RE Holdings Pty Ltd. RiverCity Motorway RE Holdings Pty Ltd was established by the Group on 25 September 2008. If the acquisition had occurred on 1 July 2008, management estimates that there would have been no effect on consolidated revenue or consolidated profit for the six months ended 31 December 2008.

9. Related Party Transactions

Transactions with related parties during the half year period ended 31 December 2009 included:

	31 December 2009	31 December 2008
	\$	\$
ABN AMRO Australia Pty Limited – transfer fee	-	500,000
RiverCity Motorway Management Limited as responsible entity ⁽¹⁾ - management fees	150,000	212,000

RiverCity Motorway Holding Trust Group

Condensed Notes to the Consolidated Interim Financial Statements (continued)

(1) RCMML is part of the RiverCity Motorway Group from 26 September 2008 and therefore not a external related party for the period ended 31 December 2009

Leighton Contractors Pty Limited, Boulderstone Hornibrook Pty Ltd, Bilfinger Civil Pty Ltd and Boulderstone Hornibrook Queensland Pty Ltd (LBBJV), a Director related entity, has been engaged to complete the construction activities. The amount payable to LBBJV during the period was \$291,957,704 (31 December 2008: \$290,359,302). The amount outstanding at 31 December 2009 was \$34,340,617 (31 December 2008: \$49,725,217).

Responsible Entity

The RiverCity Motorway Group is a stapled entity and comprises the aggregation of RCMHT and its wholly-owned controlled entities and RCMIT and its wholly-owned controlled entities. The Responsible Entity of RCMHT and RCMIT is RiverCity Motorway Management Limited.

10. Available Facilities

Total facilities available to the RiverCity Motorway Group at 31 December 2009 were as follows:

Facility	Used at Balance Date ⁽¹⁾ \$000s	Facility Limit ⁽²⁾ \$000s
Council Works	\$472,241	\$ 502,826
Equity Bridge	\$150,315	\$ 155,000
Construction	\$924,217	\$1,336,000
	<hr/> \$1,546,773	<hr/> \$1,993,826

(1) Used at Balance Date is actual drawdown and accrued interest.

(2) No movement in facility limit since 31 December 2008.

The equity bridge facility is due and payable at the end of construction (October 2010 or earlier) and will be repaid with the proceeds from the deferred equity tranche.

The council works facility is due and payable at the end of construction (October 2010 or earlier) and will be repaid by Brisbane City Council.

The construction facility will be converted into loans owing under the Term Facility at construction completion (October 2010 or earlier). The term facility will comprise two medium term, interest only tranches, repayable as follows:

- Tranche A: 50% of principal outstanding, repayable on 4 August 2014; and
- Tranche B: 50% of principal outstanding, repayable on 4 August 2016.

11. Commitments

Commitments for the cost of various goods and services to be supplied but not recognised as liabilities:

Capital expenditure

RiverCity Motorway Group has entered into a construction contract with Leighton Contractors Pty Limited, Boulderstone Hornibrook Pty Ltd, Bilfinger Berger Civil Pty Ltd and Boulderstone Hornibrook Queensland Pty Ltd (LBBJV) to complete the required construction activities.

The outstanding commitment on the construction contract through to construction completion is outlined in the table below:

RiverCity Motorway Holding Trust Group
Condensed Notes to the Consolidated Interim Financial Statements (continued)

	Notes	31 December 2009 \$'000	31 December 2008 \$'000
Within one year		179,870	617,881
One year or later and no later than five years		-	179,870
		179,870	797,751

All other commitments are consistent with 30 June 2009.

12. Debt Funding Risk

The term of the primary debt funding facility (used to construct and then operate the toll road) is locked in place until 2014. This funding is being provided by a syndicate of Australian and global banks.

The ability of the Group to make drawdown's against the funding is contingent upon two aspects, firstly the Group meeting its obligations under the funding arrangements and secondly that these banks are and remain financially viable.

The global credit crisis has significantly impacted the banking industry and a number of banks, including several of those providing funding to the Group, have recently experienced rating downgrades.

At the date of this report all banks in the syndicate, apart from three, had a Standard and Poors rating of A- or greater. The remaining three banks have a Standard and Poors rating of BBB or better.

In the event that a bank in the syndicate is unable to continue to provide funding, alternative funding arrangements will be required. As at the date of this financial report all banks have met their drawdown obligations. The Group is however continually monitoring the situation.

13. Contingent Liabilities

There have been no significant changes in contingent liabilities since 30 June 2009.

14. Operating Segments

The consolidated entity has one reportable segment, RiverCity Motorway Project, in Queensland. There have been no changes to the basis of segmentation for the segment profit/loss since 30 June 2009.

15. Events Occurring After Reporting Date

Except as outlined below, no matter or circumstance arose since 31 December 2009 that has significantly affected, or may significantly affect the operations of RiverCity Motorway Group, the results of those operations or the state of affairs of RiverCity Motorway Group in subsequent periods:

20 business days notice

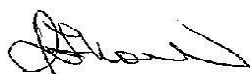
On 1 February 2010, RiverCity Motorway Group announced it had received from LBBJV expected Design & Construction Tollroad Completion and Design & Construction Tolling System completion in 20 business days. As road opening is still dependent upon the Independent Verifier's certification that the Tollroad and Tolling System are ready, it is still not possible to accurately determine a definitive opening date. The issuance of this notice has no material financial impact on the 31 December 2009 financial report.

Statement of the Directors of the Responsible Entity of the Trusts

In the opinion of the Directors of RiverCity Motorway Management Limited as the Responsible Entity for RiverCity Motorway Holding Trust (RCMHT) and RiverCity Motorway Investment Trust (RCMIT):

- (a) the consolidated financial statements for the RiverCity Motorway Holding Trust Group as set out on pages 5 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance, for the period ended on that date; and
- (b) there are reasonable grounds to believe that RCMHT and RCMIT will be able to pay its debts as and when they become due and payable.

This statement is made in accordance with a resolution of the Directors of RiverCity Motorway Management Limited.



Robert Morris
Chairman

5 February 2010

Independent auditor's review report to the unit holders of RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust

We have reviewed the accompanying interim financial report of RiverCity Motorway Holding Trust, which comprises the consolidated interim statement of financial position as at 31 December 2009, consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity and consolidated interim cash flow statement for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 15 and the directors' declaration set out on page 16 of the Group comprising the RiverCity Motorway Holding Trust and the RiverCity Motorway Investment Trust and the entities they controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of RiverCity Motorway Management Limited, the responsible entity of RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust, are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports 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 interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2009 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of RiverCity Motorway Holding Trust, 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.



Independence

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

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 report of RiverCity Motorway Holding Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2009 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

A handwritten signature in black ink, reading 'Scott Guse'.

Scott Guse
Partner

Brisbane

5 February 2010