

An offer of Tradeable Interest-bearing Convertible to Equity Trust Securities (“TICKETS”) to raise \$465 million

Underwriters:

Macquarie Equity Capital Markets Limited
ABN AMRO Rothschild

MACQUARIE AIRPORTS

TICKETS

PRODUCT DISCLOSURE STATEMENT
AND PROSPECTUS



MACQUARIE



IMPORTANT NOTICE

This Offer Document contains details of the offer of TICKETS (together with a conditional right to acquire MAp Securities on an exchange of TICKETS) and is issued by Macquarie Airports Management Limited (ACN 075 295 760) as responsible entity of Macquarie Airports Reset Exchange Securities Trust (ARSN 110 748 859), as responsible entity of Macquarie Airports Trust (1) (ARSN 099 597 921) and as responsible entity of Macquarie Airports Trust (2) (ARSN 099 597 896), and Macquarie Airports Holdings (Bermuda) Limited (ARBN 099 813 180), (together the "Issuer"). This Offer Document is both a prospectus and a product disclosure statement.

This Offer Document is dated 19 November 2004 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Offer Document.

No investment advice

This Offer Document does not take into account the investment objectives, financial situation or needs of any particular investor or class of investor. Before you invest you should assess whether such an investment is appropriate to your individual investment objectives, financial situation and particular needs. Your financial adviser will be able to assist you in this assessment. This document requires your immediate attention. If you are in doubt as to the course of action that you should follow, you should consult your stockbroker, accountant or other professional adviser immediately.

Investors should obtain their own independent advice and make their own assessment of the investment described in this Offer Document. It is important that you read the entire Offer Document before making any decision to invest in TICKETS.

No representations other than this Offer Document

No person is authorised to provide any information or to make any representation in connection with the Offer, which is not in this Offer Document.

TICKETS are not deposits or liabilities of Macquarie Bank Limited

Investments in TICKETS or MAp are not deposits with or other liabilities of Macquarie Bank Limited (ACN 008 583 542), or of any other entity in the Macquarie Bank Group and are subject to investment risk, including possible delays in repayment and loss of income and capital invested.

None of Macquarie Airports Holdings (Bermuda) Limited, Macquarie Airports Management Limited or Macquarie Investment Management (UK) Limited nor any member of the Macquarie Bank Group guarantees any particular rate of return or the performance of MAp or MAREST, nor do they guarantee the repayment of capital from MAp or MAREST.

Exposure Period

No TICKETS will be issued until the 'exposure' period of seven days (or up to 14 days if ASIC so decides) after lodgement of this Offer Document with ASIC has expired. This Offer Document may be viewed online at www.macquarie.com.au/map. The electronic version of this Offer Document will not include a Public Application Form during the exposure period. Public Application Forms will be made available on the opening date of the Public Offer. The offer in this Offer Document is only available to persons receiving the electronic version of this Offer Document in Australia and New Zealand. Applicants who use the Public Application Form attached to the printed or electronic version of the Offer Document must be located in and residents of either Australia or New Zealand. Persons who receive the electronic version of this Offer Document should ensure that they download and read the entire Offer Document. A paper copy of this Offer Document will be provided free of charge to any person who requests a copy by contacting the Registry, during or the period that the Offer is open.

Offering restrictions

This Offer Document does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the TICKETS or the Offer or otherwise to permit a public offering of the TICKETS in any jurisdiction outside Australia and New Zealand. Accordingly, the distribution of this Offer Document in jurisdictions outside

Australia and New Zealand is limited and may be restricted by law. Persons holding copies of this Offer Document who are not in Australia or New Zealand should familiarise themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of securities law. In particular the TICKETS have not been and will not be registered in the United States ("US") under the Securities Act of 1933, as amended ("US Securities Act") and may not be offered or sold in the US to or for the account or benefit of US persons except in transactions exempt from registration requirements under the US Securities Act; and until 40 days after the commencement of the offering of TICKETS, an offer of sale or transfer of TICKETS within the US by any dealer (whether or not participating in the Offer) may violate the registration requirements of the US Securities Act. Each person who applies for TICKETS pursuant to this Offer Document is deemed to agree to the following US offering and resale restrictions: such Applicant is not a US citizen or US resident at the time of such application and is not acting for the account or benefit of any US person (as that term is defined in the US Securities Act); and such Applicant will not offer or sell any TICKETS in the US to or for the benefit of any US person.

Expiry

No TICKETS will be allotted or issued on the basis of this Offer Document later than thirteen months after the date of this Offer Document.

Trading in TICKETS

It is your responsibility to determine your allocation before trading in TICKETS to avoid the risk of selling TICKETS you do not own. To assist you in determining your allocation prior to the receipt of your holding statement, you may call the TICKETS Information Line on 1800 102 368 from within Australia or +(61) 3 9415 4195 from outside Australia.

If you sell TICKETS before you receive confirmation of your allocation, you do so at your own risk.

Defined words and expressions

A number of expressions used in this Offer Document have a defined meaning. These expressions start with a capital letter and the defined meaning is set out in the Glossary or in the Terms of Issue or a relevant agreement. All amounts are denominated in Australian dollars unless otherwise specified.

If you apply for TICKETS, you will be asked to provide personal information to the Responsible Entity and MAp (directly and/or via the Registry). The Responsible Entity and MAp (and the Registry on its behalf) collects, holds and uses that personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration. Access to the information may also be provided to other Macquarie Bank Group companies and to MAp's agents and service providers on the basis that they deal with such information in accordance with MAp's privacy policy.

Privacy

Under the Privacy Act 1988 (as amended), you may request access to your personal information held by (or on behalf of) MAp. You can request access to your personal information by telephoning or writing to the Registry as follows:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Tel: 1300 850 505

MAp's privacy policy is available on its website www.macquarie.com.au/map.

MAML, in its capacity as the responsible entity of MAREST, has adopted MAp's privacy policy. Please refer to Section 10.12.

Photographs and diagrams

Photographs appearing in this Offer Document do not in all cases depict assets or equipment owned or to be owned by the Issuer. Diagrams used in this Offer Document are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in charts, graphs and tables is based on information available at the date of this Offer Document.

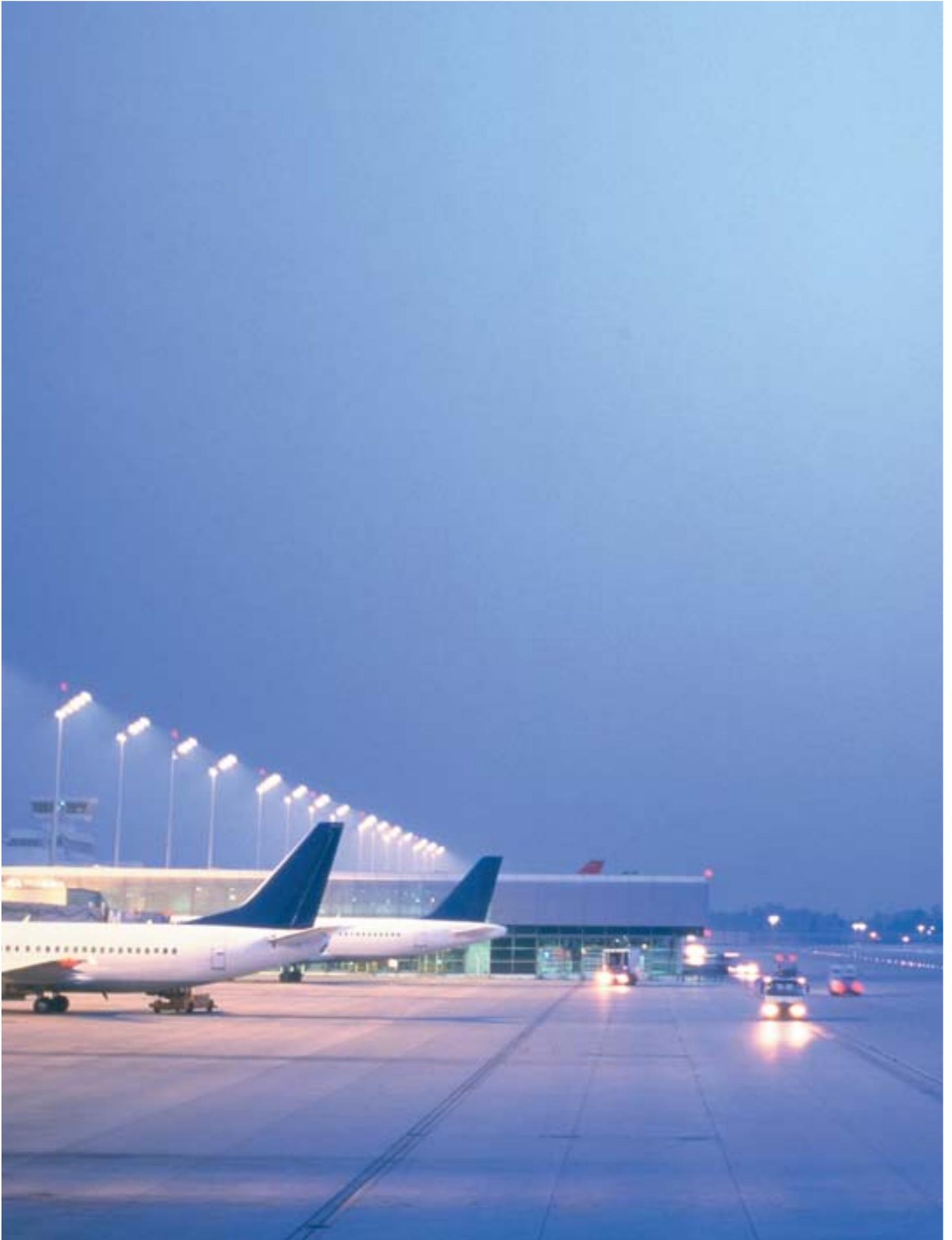
Cover photo: Brussels Airport.



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OFFER SUMMARY

SUMMARY OF THE ENTITLEMENT OFFER

Issue price of TICKETS	\$100.00 per TICKETS
Eligible MAp Security Holder Entitlement for TICKETS	1 TICKETS for every 263 MAp Securities held at the Record Date
Amount to be raised by the Entitlement Offer	\$465 million

SUMMARY OF KEY DATES

MAp Securities quoted ex-Entitlement	9 November 2004
Record Date to determine Entitlement to TICKETS	15 November 2004
Opening date of Institutional Entitlement Offer and commencement of Bookbuild	17 November 2004
Closing date of Institutional Entitlement Offer and completion of Bookbuild	18 November 2004
Opening date of Retail Entitlement Offer and Public Offer	30 November 2004
Closing date of Retail Entitlement Offer and Public Offer and latest time for receipt of Entitlement Application Forms and Public Application Forms	5.00pm (Sydney time), 15 December 2004
Allotment of TICKETS	20 December 2004
TICKETS commence trading on ASX on a deferred settlement basis	20 December 2004
Dispatch of holding statements and refund cheques	22 December 2004
TICKETS commence trading on ASX on a normal settlement basis	23 December 2004
First Distribution Payment Date	18 August 2005
First Reset Date	1 January 2010

These dates and times are indicative only. The Issuer reserves the right, in consultation with the Underwriters, to vary any of the above dates and times, without prior notice. This may include cancelling the Offer or closing the Offer early.

Questions about the TICKETS should be directed to the TICKETS Information Line on 1800 102 368 from within Australia or +(61) 3 9415 4195 from outside Australia.

CHAIRMAN'S LETTER

19 November 2004

Dear Investor,

MAP proposes to raise \$465 million through the issue of new hybrid securities, called Tradeable Interest-bearing Convertible to Equity Trust Securities ("TICKETS"), to fund part of its contribution to a consortium (the "Consortium") which has entered into a Stock Purchase Agreement to acquire 70% of Brussels International Airport Company NV/SA ("BIAC"), which operates and manages Brussels Airport and owns the land on which it operates. Brussels Airport is Belgium's largest airport in terms of both passenger numbers and size. In 2003 the throughput of Brussels Airport was 15.2 million passengers, which accounted for approximately 90% of total Belgian airline passenger traffic.

MAP will have a 74.3% investment in the Consortium, equating to a 52.0% interest in BIAC. Other members of the Consortium are Macquarie European Infrastructure Fund LP, Macquarie Global Infrastructure Fund II and Macquarie Bank Limited.

If you were a holder of MAP Securities as at 7.00pm (Sydney time) 15 November 2004 and you are an Australian or New Zealand resident you will be entitled to subscribe for one TICKETS at an issue price of \$100 for every 263 MAP Securities you hold.

Key features of the TICKETS include:

- cumulative preferred Distribution of 6.475% per annum, paid semi-annually for the period to the First Reset Date;
- the right to request exchange into MAP Securities at a 5.0% discount in certain circumstances; and
- Investment Grade credit rating of BBB- provided by Standard & Poor's.

In addition to the offer of TICKETS, MAP has conducted a Placement of MAP Securities raising approximately \$510.2 million. Approximately \$925.5 million of the proceeds raised from the offer of TICKETS and the Placement will be used to fund its contribution to the Consortium and associated costs, with the remainder to provide MAP with the flexibility to take advantage of acquisition opportunities that may arise in the near to medium term.



Further details of the Brussels Airport Acquisition and the TICKETS, including the associated risks of investing, are contained in this Offer Document. You should read this Offer Document carefully before making a decision to invest in TICKETS.

If you have any questions, information and assistance can be obtained by calling the TICKETS Information Line on 1800 102 368 from within Australia or +(61) 3 9415 4195 from outside Australia.

On behalf of our fellow Directors, we recommend you consider this investment opportunity. If you are in doubt as to the course of action that you should follow, you should consult your stockbroker, accountant or other professional advisor immediately.

Yours faithfully,

Richard Sheppard
Chairman

MACQUARIE AIRPORTS
MANAGEMENT LIMITED

Jeffrey Conyers
Chairman

MACQUARIE AIRPORTS
HOLDINGS (BERMUDA) LIMITED

INVESTMENT HIGHLIGHTS



■ Cumulative preferred Distributions

- Distribution Rate fixed at 6.475% per annum until the First Reset Date
- Paid semi-annually in arrears
- Distributions to be funded from interest received from MAp
- Distribution Service Reserve Account available to pay Distributions to be maintained at no less than 3 months of Distributions until the First Reset Date
- MAHBL and MAT2 have provided Guarantees in respect of Distributions

■ Reset of terms

- First Reset Date is 1 January 2010
- A number of terms may be varied on the First Reset Date including the Distribution Rate, frequency and timing of Distribution payments, and the Exchange Discount

■ Exchangeable

- Immediately prior to the First Reset Date and in certain other circumstances, Holders may request an Exchange of TICKETS for MAp Securities at a discount of 5.0% to the volume-weighted average sale price of MAp Securities over the 25 Business Days preceding Exchange (see Section 3.4 and the Terms of Issue)

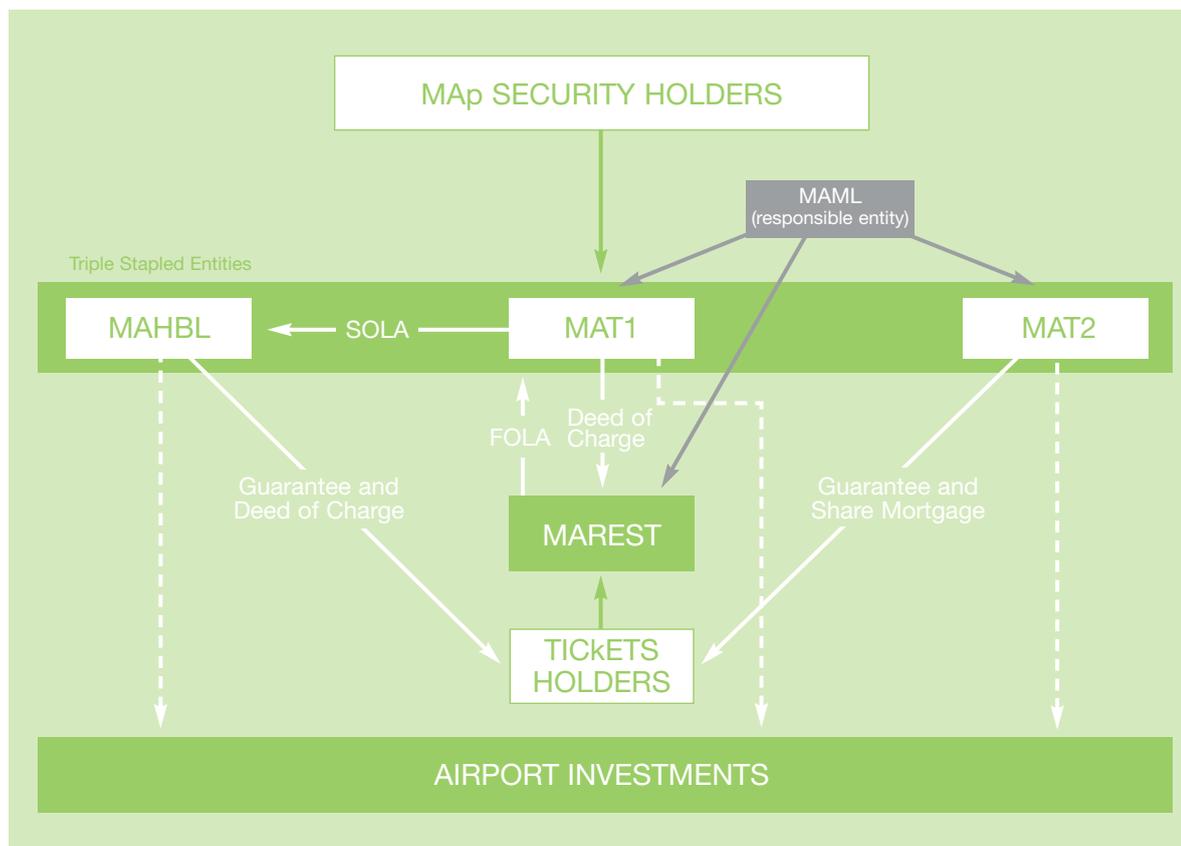
■ Investment Grade credit rating of BBB- provided by Standard & Poor's

- The Distribution Rate increases by 0.5% if the credit rating falls below Investment Grade or if the rating is withdrawn, but only until the earlier of the next Reset Date and the time that the TICKETS regain an Investment Grade credit rating

Investors should read this Offer Document (including Section 8 which outlines investment risks) before deciding to participate in the Offer.



INVESTMENT STRUCTURE



Note 1. For a summary of these agreements, see Section 10.

SUMMARY OF TICKETS



Set out below is a summary of the key Terms of Issue of the TICKETS. The information is a summary only, and should be read in conjunction with all other information contained in this Offer Document, and in particular, the complete Terms of Issue.

Issuer

The Issuer of TICKETS is Macquarie Airports Management Limited ("MAML"), in its capacity as responsible entity of Macquarie Airports Reset Exchange Securities Trust ("MAREST"). MAREST is a registered managed investment scheme established to issue TICKETS.

As regards the conditional right to issue MAp Securities on Exchange of TICKETS, the issuer is MAML as responsible entity of MAT1 and MAT2, and MAHBL.

Offer Size

\$465 million.

Offer Structure

The Offer comprises an Entitlement Offer of 4,650,000 TICKETS to MAp Security Holders as at the Record Date and an offer to the public of any TICKETS not subscribed for under the Entitlement Offer. Under the Entitlement Offer, Eligible MAp Security Holders are entitled to subscribe for one TICKETS with a face value of \$100 for every 263 MAp Securities they hold at the Record Date, with fractional Entitlements rounded up to the next whole number of TICKETS.

Purpose of Offer

The proceeds from the issue of TICKETS will be used by MAp to partially fund its investment in MABSA, the Consortium's investment vehicle which has been established to acquire an interest in BIAC.

Underwriting

The Offer is underwritten by the Underwriters on the terms set out in Section 10.1.16.

Distributions

TICKETS will pay cumulative semi-annual Distributions that will be fixed until the First Reset Date at 6.475% per annum. The first Distribution Entitlement Date is 30 June 2005.

Guarantees

MAHBL and MAT2 have guaranteed the Distributions payable on the TICKETS under the terms of the Guarantees. If MAHBL and MAT2 are not able to pay current or outstanding Distributions out of available cash, they may elect to issue MAp Securities in lieu of cash Distributions. The available cash which MAT2 may distribute will be limited because MAT2's primary operating cash flows will be from distributions on a small beneficial interest in BIAC and on ordinary shares in MASH. The ordinary shares in MASH rank behind the redeemable preference shares held by MAT1 in MASH. To the date of this Offer Document, MAT2 has not received any distributions on its investment in MASH ordinary shares. See Sections 3.2, 10.1.4 and 10.1.5 for further details.

Distribution Service Reserve Account

MAT1 will establish a cash reserve account, which can be used only for paying Distributions. MAT1 will maintain a balance in the Distribution Service Reserve Account of no less than three months of Distributions on the TICKETS on issue at the Issue Date until the First Reset Date.

Cumulative Distribution Payments

If a Distribution is not satisfied in cash, either by MAREST or pursuant to the Guarantees, or in MAp Securities pursuant to the Guarantees, the unpaid amount will be deferred and will accrue interest at the Distribution Rate plus 2.0%, compounded daily until it is paid.

Credit Rating

TICKETS have received an Investment Grade credit rating of BBB- from Standard & Poor's. If the TICKETS

credit rating falls below Investment Grade or is withdrawn, the Distribution Rate will be increased by 0.50%. The increased Distribution Rate will apply from the time of the downgrade or loss of rating to the earlier of the next Reset Date and the time that the TICKETS regain an Investment Grade credit rating.

Reset Dates

On each Reset Date, certain terms of the TICKETS may be varied, including the Distribution Rate, the next Reset Date, the Exchange Discount and the frequency and timing of Distribution payments. The First Reset Date is 1 January 2010.

Holder Exchange Right

Holders of TICKETS may request the Responsible Entity to Exchange some or all of their TICKETS by submitting a Holder Exchange Notice to the Responsible Entity at least 35 Business Days before a Reset Date.

Holders may also require the Responsible Entity to Exchange some or all of their TICKETS upon the occurrence of a Trigger Event. For a full list of Trigger Events, see the Terms of Issue.

Options for Responsible Entity on Receipt of Request for Exchange

On receipt of a request for Exchange, the Responsible Entity will at its election do one or a combination of the following:

- exchange the TICKETS into MAp Securities;
- redeem or purchase the TICKETS and deliver the Responsible Entity Purchase Price to the Holder; or
- arrange the acquisition of TICKETS by a third party and deliver the Responsible Entity Purchase Price to the Holder.

The Responsible Entity Purchase Price is \$105.26 plus any outstanding Distributions until the First Reset Date.

Responsible Entity Exchange Right

In certain circumstances, the Responsible Entity may Exchange some or all of the TICKETS by giving notice to Holders. For a full list of these circumstances, see the Terms of Issue.

Exchange Number

On exchange into MAp Securities, each TICKETS will entitle the Holder to be allotted a number of MAp Securities equal to the Exchange Number, calculated as:

$$\frac{\text{Face Value}}{\text{Exchange VWAP} \times (1 - \text{ED})} + \frac{\text{Aggregate Deferred Distributions (to the extent not paid in cash)}}{\text{Exchange VWAP} \times (1 - \text{ED})}$$

where:

Face Value is \$100;

Exchange VWAP has the meaning given to it in the Terms of Issue; and

ED is the Exchange Discount.

Distributions paid on Exchange

On Exchange, Holders are entitled to receive any Aggregate Deferred Distributions and any Distributions for the current Distribution Period which have accrued. Aggregate Deferred Distributions may be paid in cash or in the form of MAp Securities.

Exchange Discount

5% until the First Reset Date.

Investor Protections

Distribution stop: For so long as any Distribution entitlement is unpaid or any Aggregate Deferred Distribution remains outstanding, no distribution may be paid on MAp Securities or Ordinary Units. If at any time prior to the First Reset Date, the Distribution Service Reserve Account has less than three months of Distributions, no distribution may be paid on MAp Securities or Ordinary Units.

No new securities: MAREST and MAp must not, without approval of a special resolution passed by Holders, issue any new securities ranking in priority to the TICKETS, or exchange any existing securities into securities ranking in priority to the TICKETS.

Finance undertakings: MAREST and MAp must not, without approval of a special resolution passed by Holders, incur any borrowings ranking in priority to the Finance Documents.

Ranking

TICKETS rank in priority to Ordinary Units in MAREST for the payment of Distributions and on a winding up of MAREST.

TICKETS also rank ahead of MAp Securities for the payment of Distributions and on a winding up of MAp in conjunction with a winding up of MAREST (but rank after lenders to any of the Airport Owning Entities – see Section 10.1 for a summary of the Security Arrangements).

MAp Securities issued on Exchange will rank equally with other MAp Securities.

Voting Rights

Holders will be entitled to receive notice of, and to attend, speak and vote at any general meeting of MAREST, subject to the MAREST constitution and the Corporations Act (see Terms of Issue).

Holders will, prior to Exchange of TICKETS, be entitled to attend but not to vote at general meetings of MAp. Holders who Exchange into MAp Securities will, as MAp Security Holders, have the same voting rights as other MAp Security Holders in respect of those MAp Securities.

Listing

Application will be made to ASX within seven days after the date of this Offer Document to enable the TICKETS to be quoted on ASX.



MAp, THE ISSUER AND BRUSSELS AIRPORT



1.1 MAp

MAp is Australia's only listed internationally diversified airport fund. It is a dedicated airport fund that invests in airports in Australia and internationally.

1.1.1 MAp's investment strategy

MAp's strategy is to acquire and manage a portfolio of assets that provide investors with a combination of capital growth through improved business and capital management and growing cash yields. In achieving this strategy, MAp seeks to invest in airports with some or all of the following characteristics:

- **Dominant market position** – airports that have a strong market position in a significant catchment area and are expected to benefit from increasing market share, additional airline services or changing travel preferences;
- **Significant shareholdings** – airports where MAp can influence the key strategic, commercial and financial decisions of the airport and apply its expertise to development of the business through board representation and working with airport management;
- **Surplus capacity** – airports that have capacity to handle traffic growth without significant capital expenditure;
- **Potential to increase returns to equity by optimising capital structure** – airports that offer significant opportunities to enhance cashflows to equity through capital management; and

- **Underdeveloped commercial business** – airports where revenue can be enhanced through retail, car parking and property development initiatives.

1.1.2 Portfolio

The chart on the next page shows MAp's investment portfolio following the Brussels Airport Acquisition.

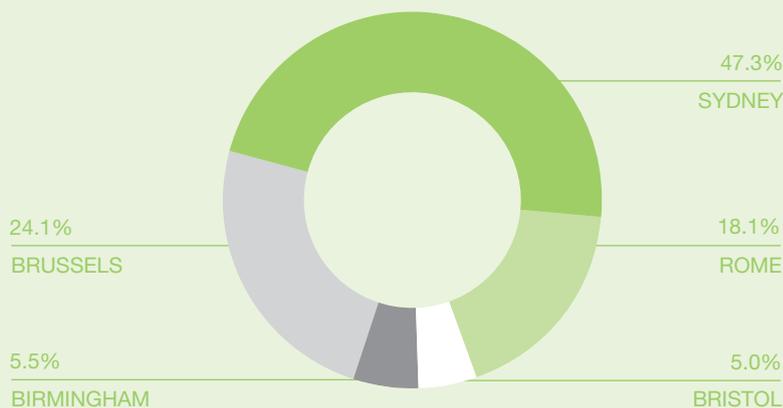
1.2 THE ISSUER OF THE TICKETS

The TICKETS are being issued by MAML as responsible entity of MAREST ("Responsible Entity") and, as regards the conditional right to acquire MAp Securities on Exchange of TICKETS, by MAML as responsible entity of MAT1 and MAT2, and by MAHBL. The proceeds of the TICKETS will be on-lent to MAp. MAp will use the loan proceeds to partially fund its investment in MABSA, the Consortium's investment vehicle, which will acquire 70.0% of BIAC.



MAp PORTFOLIO COMPOSITION

Following the Brussels Airport Acquisition, MAp's investment portfolio will be as follows:



Note: Based on valuations at 30 June 2004, converted into Australian dollars where required at the exchange rates on 30 June 2004 of A\$1.00:€0.5734 and A\$1.00:£0.3842, and BIAC valued at the Brussels Airport Acquisition Price converted into Australian dollars at A\$1.00:€0.5833.

1.3 BRUSSELS AIRPORT ACQUISITION

On 12 November 2004 the Consortium's investment vehicle, MABSA, signed a Stock Purchase Agreement to acquire 70.0% of BIAC (the "Brussels Airport Acquisition") from the Existing BIAC Shareholders.

BIAC is currently owned 63.6% by the Belgian Government, 36.2% by ten private investors and 0.2% by BIAC employees. On completion of the Brussels Airport Acquisition, all the Existing BIAC Shareholders will sell their shares with the exception of the Belgian Government which will continue to own a 30.0% interest in BIAC with MAp and other Consortium investors owning the remaining 70.0%. MAp's investment in BIAC will represent approximately 24.1% of MAp's total portfolio.

BIAC operates and manages Brussels Airport and owns the land on which it operates. From Completion, BIAC will have a licence to operate Brussels Airport for an unlimited period of time. This licence is subject to the continued satisfaction of certain conditions (see Section 6.7).

Brussels Airport is Belgium's main airport with a throughput of 15.2 million passengers in 2003. The airport is located in the Zaventem region, approximately 12 kilometres from the city centre of Brussels, and has three runways and one terminal. It generated EBITDA of €111.4 million for the 12 months ended 31 December 2003.¹

The key attributes of Brussels Airport and the Brussels Airport Acquisition include:

- Brussels Airport has a stable and growing passenger base as it serves one of the leading political centres of Europe;
- BIAC has freehold ownership of the land on which Brussels Airport operates;
- On Completion, BIAC will have a licence to operate Brussels Airport indefinitely;
- MAp, MBL and other Macquarie Bank Group managed funds will acquire a 70.0% controlling shareholding in BIAC;
- Brussels Airport has significant capacity to cater for expected passenger growth without major capital expenditure;
- There are potential opportunities to increase revenue through commercial initiatives in the retail, property and car parking businesses and operating efficiencies, through ongoing cost control and capital management; and
- Brussels Airport adds geographic diversity to the MAp portfolio.

See Section 6 for further details regarding the Brussels Airport Acquisition and BIAC.

Note 1. Figures used in calculating EBITDA have been extracted from the BIAC non-consolidated statutory accounts after adjustments outlined in Section 6.6.1. Numbers have not been converted into Australian GAAP.



OVERVIEW OF THE OFFER

2

OVERVIEW OF THE OFFER



2.1 PURPOSE OF THE OFFER

The purpose of the Offer, in conjunction with the Placement, is principally to provide MAp with funds to acquire 74.3% of MABSA, the Consortium's investment vehicle. MABSA will use the proceeds to partially fund the Brussels Airport Acquisition. MAp, through its investment in MABSA, will have a 52.0% interest in BIAC.

Completion is subject to a number of conditions precedent, including approval by the European Commission. If Completion does not occur by 31 March 2005, the Responsible Entity has the right to redeem the TICKETS for their Face Value plus accrued Distributions.

MAp SOURCES AND USES OF FUNDS

Sources of Funds	\$ million
Issue of TICKETS	465.0
Placement of MAp Securities	510.2
TOTAL	975.2

Uses of Funds	\$ million
Equity and loan interests in the Consortium	895.3
Distribution Service Reserve Account	7.5
Expenses	22.0
Cash	50.4
TOTAL	975.2

Distribution Service Reserve Account

The Distribution Service Reserve Account is a cash reserve account to be established by MAT1. The Distribution Service Reserve Account must maintain a balance of no less than three months of Distributions on the TICKETS until the First Reset Date. These funds will be held on deposit and will be available to meet Distributions. At the Issue Date, the balance of the Distribution Service Reserve Account will be approximately \$7.5 million, which will be sourced from the proceeds of the Placement.

Cash

The excess funds raised from the Placement will provide MAp with some flexibility to take advantage of smaller opportunities that may arise in the near to medium term.

2.2 OFFER STRUCTURE

2.2.1 Overview

The Offer comprises the Entitlement Offer and the Public Offer. The Terms of Issue of the TICKETS to be issued under the Entitlement Offer and the Public Offer are the same. A summary of the key dates for the Offer is set out at the beginning of this Offer Document.

The Offer is underwritten by the Underwriters under the Underwriting Agreement. The Underwriters may terminate their obligations under the Underwriting Agreement in the circumstances outlined in Section 10.1.16.

2.2.2 Entitlement Offer

The Entitlement Offer comprises the Institutional Entitlement Offer and the Retail Entitlement Offer. Under the Entitlement Offer, the Responsible Entity is making a non-renounceable offer to Eligible MAp Security Holders of a total of 4,650,000 TICKETS at an



issue price of \$100 per TICKETS to raise \$465 million. Each Eligible MAp Security Holder's Entitlement is one TICKETS for every 263 MAp Securities held at the Record Date. The Entitlement is non-renounceable (ie, it cannot be on-sold or transferred). In calculating Entitlements, fractional Entitlements have been rounded up to the next whole number of TICKETS.

The Entitlements of Eligible Institutional MAp Security Holders have been offered through the Bookbuild (the "Institutional Entitlement Offer") (see Section 2.2.4). All other Eligible MAp Security Holders will be mailed an Offer Document and will need to apply for their Entitlement under the Retail Entitlement Offer in accordance with Section 4. The Retail Entitlement Offer does not constitute an offer or invitation to any Eligible Institutional MAp Security Holder who received an Institutional Entitlement Offer (whether accepted or declined) or a nominee for such a holder.

Completed Entitlement Application Forms under the Retail Entitlement Offer must be received by 5.00pm (Sydney time) on 15 December 2004. The Issuer reserves the right to accept late Applications but is under no obligation to do so.

The Entitlement Offer is not being made in any jurisdiction outside Australia or New Zealand. Refer to the discussion under "Overseas Security Holders" in Section 4.8.

2.2.3 Public Offer

The Responsible Entity reserves the right to issue TICKETS not taken up under the Entitlement Offer at its discretion to persons resident in Australia and New Zealand (the "Public Offer"). No additional TICKETS will be made available for Applicants under the Public Offer in the event that all Entitlements are taken up. Eligible Retail MAp Security Holders may apply for additional TICKETS under the Public Offer through their personalised Entitlement Application Form. Completed

Public Application Forms under the Public Offer must be received by 5.00pm (Sydney time) on 15 December 2004.

2.2.4 Bookbuild and Distribution Rate

The offer of Entitlements to Eligible Institutional MAp Security Holders was conducted by way of a Bookbuild. The Bookbuild was open to institutional investors, including Eligible Institutional MAp Security Holders, as well as Participating Brokers who wished to obtain a firm allocation of TICKETS for their retail clients. The Bookbuild was conducted in accordance with terms and conditions approved by MAp and the Underwriters.

The Underwriters, in consultation with MAp, determined allocations to institutional investors and Participating Brokers after the conclusion of the Bookbuild. The Distribution Rate specified in this Offer Document was determined by the Underwriters and MAp based on the outcome of the Bookbuild. Institutional investors, including Eligible Institutional MAp Security Holders, who placed a bid for TICKETS at a margin above the Initial Margin, were not allocated any TICKETS as part of the Bookbuild.

2.2.5 Allocation policy for the Retail Entitlement Offer and Public Offer

All Eligible MAp Security Holders participating in the Retail Entitlement Offer are entitled to apply for their Entitlement. Entitlements will not be scaled back. Eligible Retail MAp Security Holders who participate in the Retail Entitlement Offer may also apply under the Public Offer for more TICKETS than their Entitlement. Eligible Retail MAp Security Holders who apply for more TICKETS than their Entitlement will be given priority in the Public Offer over Public Offer Applicants. The priority will only apply to Applications for additional TICKETS made by Eligible Retail MAp Security Holders



on their personalised Entitlement Application Form. No Eligible Retail MAp Security Holder is assured of receiving any TICKETS in excess of their Entitlement.

Persons who are not Eligible MAp Security Holders may apply for TICKETS by participating in the Public Offer. Applications by Public Offer Applicants may be subject to scale back and no Public Offer Applicant is assured of receiving any TICKETS for which they apply.

Any scale back of the Public Offer will occur at the Underwriters' discretion, in such manner as the Underwriters consider is reasonable in the circumstances, including without limitation situations where it is considered that Applications may be inflated or made on behalf of third parties for on-sale.

2.3 IMPLICATIONS IF THE BRUSSELS AIRPORT ACQUISITION DOES NOT PROCEED

Completion is subject to a number of conditions precedent, including approval by the European Commission. A summary of the Stock Purchase Agreement which details the conditions precedent is set out in Section 10.1.10.

MAp and the Responsible Entity have no reason to believe that the Brussels Airport Acquisition will not proceed. However, there is no certainty that the conditions precedent to Completion will be satisfied. If the Brussels Airport Acquisition does not occur by 31 March 2005, the Responsible Entity has the right to redeem the TICKETS for their Face Value plus accrued Distributions.

2.4 ENQUIRIES

This Offer Document is important and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to the course you should follow, you should consult your stockbroker, solicitor, accountant or other professional adviser.

Questions relating to the Offer or any other aspect of your individual holding of MAp should be directed to MAp's registry, Computershare Investor Services Pty Ltd, on 1800 102 368 from within Australia or +(61) 3 9415 4195 from outside Australia. Other questions should be directed to your stockbroker, solicitor, accountant or other professional adviser.

2.5 RISKS

There are risks associated with investing in TICKETS that should be considered before subscribing for your Entitlement or applying for TICKETS in the Public Offer. The Issuer has listed key risks associated with investing in TICKETS in Section 8. This list might not be exhaustive and Eligible MAp Security Holders and other investors should consider their own personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser with any questions prior to submitting an Application.

ANSWERS TO KEY QUESTIONS

3

ANSWERS TO KEY QUESTIONS



This Section answers some of the key questions that prospective investors may have about TICKETS. These answers are intended as a guide only and do not represent a full summary of the Terms of Issue or the other agreements affecting the TICKETS. Further details are provided elsewhere in this Offer Document, which should be read in its entirety. All capitalised terms in this Offer Document, unless defined in the Glossary, are defined in the Terms of Issue or a relevant agreement.

3.1 OVERVIEW OF TICKETS

3.1.1 What are TICKETS?

TICKETS are preference units in MAREST which pay a fixed Distribution and are exchangeable into MAp Securities in certain circumstances. The name TICKETS stands for Tradeable Interest-bearing Convertible to Equity Trust Securities.

3.1.2 Why are the TICKETS being issued?

The proceeds from the issue of TICKETS will be used by MAp to partially fund its investment in MABSA, the Consortium's investment vehicle. MABSA will use the funds invested by MAp, along with funds provided by other Consortium members, to acquire a 70.0% interest in BIAC, which operates and manages Brussels Airport and owns the land on which it operates. See Section 6 for further details on the Brussels Airport Acquisition.

3.1.3 Do TICKETS have a maturity date?

No, TICKETS do not have a maturity date.

3.1.4 Do TICKETS have a credit rating?

TICKETS have received an Investment Grade credit rating of BBB- from Standard & Poor's.

If the credit rating of TICKETS falls below Investment Grade or the credit rating is withdrawn, the Distribution Rate will be increased by 0.50%. The increased Distribution Rate will apply from the time of the downgrade or loss of the credit rating to the earlier of the next Reset Date and the time that the TICKETS regain an Investment Grade credit rating.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the rating agency.

3.2 DISTRIBUTIONS

3.2.1 What Distributions will I receive?

Holders of TICKETS will be entitled to a cumulative, preferred Distribution. Distributions are not expected to be franked. Until (but excluding) the First Reset Date, the Distribution Rate will be 6.475% per annum. The Distribution Rate may be varied on Reset Dates.

3.2.2 When will Holders be entitled to Distributions?

Distributions will be paid to TICKETS Holders who are on the register as at the Distribution Entitlement Dates, at which time TICKETS Holders will be legally entitled to receive the Distributions.

The Distribution Entitlement Dates will be 30 June and 31 December. Where the Reset Date falls on a day other than 30 June or 31 December, the Distribution Entitlement Date will be the Reset Date. Where TICKETS are Exchanged, the Distribution Entitlement Date will be the Exchange Date.



3.2.3 When will Distributions be paid?

Where the Distribution Entitlement Date falls on 30 June or 31 December, the Distributions will be paid on or about 18 August and 18 February respectively. In all other circumstances, Distributions will be paid 30 Business Days after the Distribution Entitlement Date except following an Exchange Date when the Distributions will be paid within 10 Business Days of the Distribution Entitlement Date.

The first Distribution will be payable on 18 August 2005 in respect of the period from the Issue Date until 30 June 2005.

3.2.4 How will Distributions be funded?

Distributions will primarily be paid out of the interest received by MAREST from MAT1 under the FOLA. MAT1 will pay interest on the FOLA from interest it receives from MAHBL under the SOLA, and, if required, from funds it receives from its other investments.

To the extent that interest received by MAREST on the FOLA is insufficient to pay a Distribution, MAREST may use the Distribution Service Reserve Account for the payment of Distributions (refer to Section 3.2.5). In addition, MAHBL and MAT2 have guaranteed the payment of Distributions in cash or, to the extent that cash is not available, they may elect to issue MAp Securities. For further information on the Guarantees, refer to Section 10.1.

3.2.5 What is the Distribution Service Reserve Account?

The Distribution Service Reserve Account is a cash reserve account which will be established by MAT1 and which can only be used to fund Distributions. MAML, in its capacity as responsible entity of MAT1,

has undertaken to maintain a minimum balance of three months of Distributions (for TICKETS on issue on the Issue Date) in the Distribution Service Reserve Account until the First Reset Date. Until the First Reset Date, if the Distribution Service Reserve Account contains less than three months of Distributions, MAp will not be permitted to pay distributions to MAp Security Holders. The Distribution Service Reserve Account will have an initial balance of approximately \$7.5 million.

3.2.6 Will Distributions always be paid?

The combined effect of the FOLA and the Guarantees is that TICKETS rank in priority to MAp Securities for the payment of Distributions. However, this does not guarantee that Distributions will always be paid in cash or will always be paid. To the extent that interest received by MAREST on the FOLA is insufficient to pay Distributions, Holders have the benefit of the Distribution Service Reserve Account and the Guarantees.

The amount payable by MAHBL under the MAHBL Guarantee is subject to the amount of available cash that MAHBL is legally permitted to distribute.

The amount payable by MAT2 under the MAT2 Guarantee is subject to the amount of available cash that MAT2 is legally permitted to distribute. The available cash which MAT2 may distribute will be limited because MAT2's primary operating cash flows are from distributions on a small beneficial interest in BIAc and on ordinary shares in MASH. The ordinary shares in MASH rank behind the redeemable preference shares held by MAT1 in MASH. To the date of this Offer Document, MAT2 has not received any distributions on its investment in MASH ordinary shares.



If a Distribution cannot be paid in cash either by MAREST, from the Distribution Service Reserve Account, or under a Guarantee, Distributions may take the form of MAp Securities. The issue of MAp Securities in satisfaction of Distributions where cash is not available is at the discretion of MAHBL or MAT2 under the Guarantees. In the event MAHBL and MAT2 elect not to utilise this option, Distributions will be deferred and interest will accrue on the unpaid amount as set out in Section 3.2.7 below.

3.2.7 What happens if a Distribution is not paid?

If a Distribution is not satisfied in full, either by MAREST (from available cash or the Distribution Service Reserve Account) or under the Guarantees (including through the issue of MAp Securities), the unpaid amount will be deferred and interest will accrue on the Deferred Distribution at the Distribution Rate plus 2.0% per annum, compounded daily until the Deferred Distribution is paid.

While a Distribution is outstanding, MAp must not pay any distributions on MAp Securities and MAREST must not pay any distributions on Ordinary Units over which the TICKETS rank in priority.

Any Deferred Distributions outstanding at an Exchange Date and any Deferred Distributions outstanding at a Reset Date must be satisfied in full on the Distribution Payment Date applicable to that Exchange Date or Reset Date (as relevant). Under the Guarantees, MAHBL and MAT2 may elect to satisfy Deferred Distributions through the issue of MAp Securities where no cash is available.

3.3 RESET

3.3.1 When do Reset Dates occur?

The First Reset Date is 1 January 2010. The Responsible Entity will specify when the next Reset

Date will take place in the Reset Notice applicable to the First Reset Date.

3.3.2 What happens on a Reset Date?

On a Reset Date, certain terms of the TICKETS may be varied, including:

- the Distribution Rate;
- the frequency and timing of Distribution Entitlement Dates;
- the frequency and timing of Distribution Payment Dates;
- the Exchange Discount;
- the next Reset Date; and
- the Balance (being the balance required to be maintained in the Distribution Service Reserve Account).

Holders will be notified of new terms at least 50 Business Days before a Reset Date and may then either submit a Holder Exchange Notice as set out in Section 3.4.1, or do nothing and be bound by the new terms from the Reset Date.

3.4 EXCHANGE BY HOLDER

3.4.1 When can I submit a Holder Exchange Notice or Holder Trigger Event Exchange Notice?

Holders may submit an Exchange Notice:

- at least 35 Business Days (but no earlier than three months) before a Reset Date; and
- pursuant to a Trigger Event, at any time after a Trigger Event occurs but no later than 30 Business Days after the Responsible Entity publishes notice of the Trigger Event.



Trigger Events include:

- a takeover bid for MAp Securities which becomes unconditional and pursuant to which the bidder will have a relevant interest of more than 50%;
- the termination or winding up of MAREST, MAHBL, MAT1, MAT2 or MASH; and
- Holders not receiving the full amount of Distributions for any Distribution Period (which may be satisfied by the issue of MAp Securities, in which case the Holder is deemed to have received the full value of Distributions) and the shortfall remains unpaid for 20 Business Days or more.

The minimum number of TICKETS that a Holder may Exchange is 50, or if the Holder holds 50 or less TICKETS, all of the Holder's TICKETS.

For further information on Trigger Events, refer to clause 3.2 of the Terms of Issue.

3.4.2 What happens if I submit an Exchange Notice?

On receipt of an Exchange Notice, the Responsible Entity will, on the Exchange Date, at its election either:

- exchange the TICKETS into MAp Securities;
- redeem or purchase the TICKETS and deliver the Responsible Entity Purchase Price to the Holder; or
- arrange for the acquisition of TICKETS by a third party and deliver the Responsible Entity Purchase Price to the Holder.

The Responsible Entity must notify Holders who have submitted an Exchange Notice which of the above Exchange options it has chosen by no later than 30 Business Days before the Exchange Date. The Responsible Entity may choose to use a combination of the above alternatives. The Responsible Entity must

treat all Exchange Notices in respect of the same Exchange Date equally, except where Foreign Ownership Restrictions apply.

3.4.3 What is the Responsible Entity Purchase Price?

Until the First Reset Date the Responsible Entity Purchase Price is \$105.26 plus any outstanding Distributions.

3.4.4 How many MAp Securities will I receive on Exchange?

The number of MAp Securities received per TICKETS on exchange ("Exchange Number") will be calculated as X+Y where:

$$X = \frac{\text{Face Value}}{\text{Exchange VWAP} \times (1 - \text{ED})}$$

and

$$Y = \frac{\text{AD}}{\text{Exchange VWAP} \times (1 - \text{ED})}$$

and where:

Face Value is \$100;

AD is any Aggregate Deferred Distributions outstanding at the Exchange Date but only to the extent that any of the amount of the Aggregate Deferred Distributions has not been paid in cash on the relevant Exchange Date;

Exchange VWAP is the volume-weighted average price for the 25 Business Days immediately preceding, but not including the Exchange Date (the Exchange VWAP is calculated differently in limited circumstances, for example where the period includes cum and ex-entitlement trading, which are detailed in clause 3.9 of the Terms of Issue); and



ED is the Exchange Discount, which is 5.0% for the period to the First Reset Date.

3.4.5 When will Exchange occur?

Exchange will occur:

- following receipt of a Holder Exchange Notice, on the next Reset Date; or
- following receipt of a Holder Trigger Event Exchange Notice, 35 Business Days following the end of the period during which a Holder may give a Holder Trigger Event Exchange Notice.

3.4.6 What is my entitlement to Distributions on Exchange?

Holders are entitled to any accrued Distributions and Aggregate Deferred Distributions on Exchange. If these Distributions are not paid in cash, Holders may receive MAp Securities.

3.4.7 Can I choose whether I receive cash or MAp Securities on Exchange?

No. Holders have no right to choose whether their TICKETS are exchanged into MAp Securities, purchased or redeemed for cash or a combination of both. The choice is at the Responsible Entity’s absolute discretion.

3.4.8 Is there a minimum or maximum Exchange Number?

There is no minimum or maximum Exchange Number for the period until the First Reset Date, however under the Terms of Issue the Responsible Entity may specify a Minimum Exchange Number and/or a Maximum Exchange Number as part of a resetting of terms at a Reset Date.

3.5 EXCHANGE BY RESPONSIBLE ENTITY

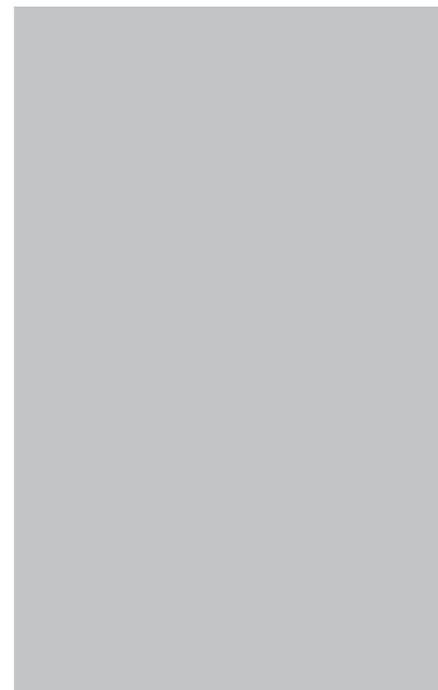
3.5.1 When can the Responsible Entity require Exchange?

The Responsible Entity may Exchange TICKETS, by giving Holders a Responsible Entity Exchange Notice, in a number of circumstances (see clause 3.3(a) in the Terms of Issue), including:

- no later than 25 Business Days but no more than six months before a Reset Date; and
- on the occurrence of certain other specified events, including but not limited to:
 - where there is a change in any taxation law that is reasonably likely to materially increase the net cost to MAREST, or to MAT1, MAT2 or MAHBL, of having the TICKETS on issue;
 - a takeover bid for MAp Securities which becomes unconditional and pursuant to which the bidder will have a relevant interest of more than 50%; or
 - upon the requisition of members of MAREST to replace the Responsible Entity, to terminate MAREST, to amend the Constitution or do anything that would affect the FOLA.

The Responsible Entity may elect to Exchange all or some of the TICKETS prior to a Reset Date but in all other instances the Responsible Entity Exchange Notice must be lodged with respect to all TICKETS.

For further details on when the Responsible Entity can require Exchange, see clause 3.3 of the Terms of Issue.



3.5.2 How many MAp Securities will I receive on Exchange?

If TICKETS are exchanged for MAp Securities as described in Section 3.5.1, the number of MAp Securities received per TICKETS will be in accordance with the formula in Section 3.4.4.

3.6 RANKING OF TICKETS

3.6.1 In a winding up of MAREST, where will TICKETS rank?

In a winding up of MAREST, Holders who have not submitted a Holder Trigger Event Exchange Notice will be entitled to receive an amount equal to the Responsible Entity Purchase Price, or if there is insufficient money available to make this payment in full, the available amount will be divided proportionately amongst Holders based on their respective holdings of TICKETS held as at the date of termination. Holders will rank ahead of Ordinary Unit holders in MAREST in a winding up. Under the Guarantees, MAHBL and MAT2 guarantee the payment of the Responsible Entity Purchase Price on a winding up of MAREST. To the extent they do not have sufficient funds to make that payment they may elect to issue MAp Securities in full satisfaction of payment of the Responsible Entity Purchase Price. To the extent they do not make such an election, the Charges under the Security Arrangements will be triggered. See Section 10.1 for a summary of these arrangements.

3.6.2 In a winding up of MAp, where will TICKETS rank?

In a winding up of MAp in conjunction with a winding up of MAREST, TICKETS will rank ahead of MAp Securities for the return of capital. On a winding up of MAp, MAREST will rank as a secured creditor of MAp because it has security over certain interests held by

MAT1, MAT2 and MAHBL in the Airport Owning Entities by virtue of the Charges and the MAT1 Charge.

However, because lenders at the asset level will be preferred on a winding up of any of the Airport Owning Entities, the flow of funds from these entity to MAT1, MAT2 and MAHBL and, in turn, to MAREST may be affected by a winding up of an Airport Owning Entity. See Section 10.1 for a summary of the Security Arrangements.

3.6.3 Do TICKETS have voting rights?

Holders will be entitled to receive notice of, and to attend, speak and vote at, any general meeting of MAREST in accordance with the Corporations Act.

Holders will be entitled, prior to Exchange of TICKETS, to request the Responsible Entity to provide them with a copy of the notice of any general meeting of MAp or any circular or like document sent out by MAp to MAp Security Holders, which will be forwarded as soon as practicable. Holders will be entitled to attend but not to vote at any general meeting of MAp.

3.6.4 Can MAREST or MAp enter into any borrowing arrangements in priority to the TICKETS?

No, MAREST and MAp must not, without approval of a special resolution passed by Holders, incur any borrowing ranking in priority to the TICKETS. MAREST must also not consent to allow MAp to enter into such arrangements without approval of a special resolution passed by Holders.

3.6.5 Can new securities be issued in priority to the TICKETS?

MAREST and MAp must not, without approval of a special resolution passed by Holders, issue securities ranking in priority to TICKETS or permit the exchange of any existing securities to securities ranking in priority to the TICKETS.



3.7 OTHER INVESTMENT CONSIDERATIONS

3.7.1 Can TICKETS be purchased and sold on ASX?

The Responsible Entity will apply for the TICKETS to be quoted on ASX. Once quoted, the TICKETS can be purchased or sold through a broker.

The sale or purchase price will be the prevailing market price at that time. That price may be higher or lower than the Face Value, and will depend, among other things, on the level of supply and demand for TICKETS and prevailing interest rates.

3.7.2 What are the taxation implications of holding or selling TICKETS?

The taxation implications of investing in TICKETS will depend on Holders' individual circumstances. Investors should obtain their own specialist taxation advice. A general outline of the Australian taxation implications is included in Section 9, but neither the Issuer nor any of their related bodies corporate gives any undertaking that the outlined taxation impact is correct for any Holder or will continue to be correct for Holders.

3.7.3 Is brokerage or stamp duty payable?

No brokerage or stamp duty is payable on the allotment or issue of TICKETS.

Stamp duty will not be payable on a subsequent transfer of TICKETS. However brokerage may be payable on any subsequent transfer of TICKETS.

3.7.4 What are the risks of investing in TICKETS?

There are particular risks associated with investing in TICKETS, as well as general risks associated with investing in MAp. See Section 8 for the key risks the Issuer believes are associated with an investment in TICKETS. This list is not exhaustive and potential

Applicants should consider their own circumstances and raise any questions with their broker, accountant, financial or other professional adviser prior to investing in TICKETS.

3.7.5 Airports Legislation

In order to ensure compliance with the Foreign Ownership Restrictions applicable under the Airports Legislation with respect to federal airports, MAp limits foreign ownership of MAp Securities to 39.99% or such lower amount as MAp specifies as necessary to avoid a breach or potential breach of Foreign Ownership Restrictions under the Airports Legislation. If the foreign ownership limits under the Airports Legislation have been or will be exceeded by Exchange, the Responsible Entity may treat Holders unequally and may determine to redeem or purchase the TICKETS of Holders who may cause MAT1 or MAT2 to breach the Foreign Ownership Restrictions if their TICKETS were exchanged for MAp Securities.

3.7.6 Do TICKETS entitle the Holder to participate in new issues of MAp Securities?

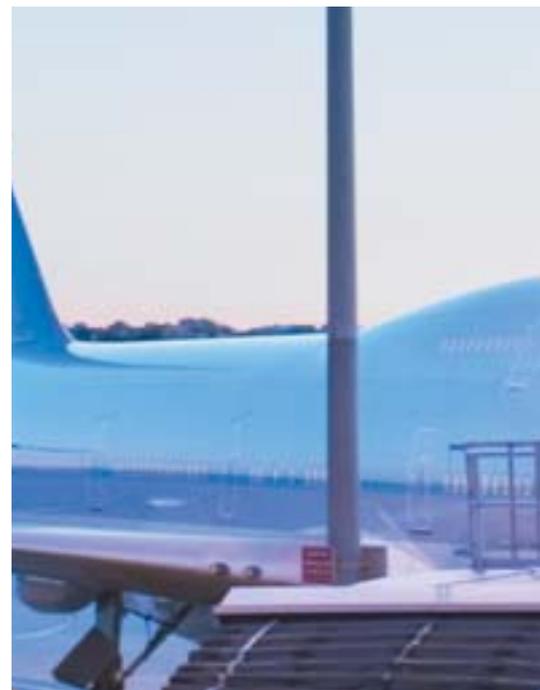
No. Unless the TICKETS are exchanged into MAp Securities, the TICKETS confer no rights to subscribe for new MAp Securities in any fundraisings by MAp or to participate in any bonus or rights issues by or capital reconstruction of MAp. However, adjustments will be made to the Exchange Numbers for certain types of fundraisings or capital returns by MAp.

Prospective investors should read the whole of this Offer Document carefully. If a MAp Security Holder or other prospective investor is unclear in relation to any matter or uncertain if TICKETS are a suitable investment, the investor should consult a stockbroker, solicitor, accountant, financial or other professional adviser.

HOW TO INVEST IN TICKETS

4

HOW TO INVEST IN TICKETS



4.1 HOW TO ACCEPT THE ENTITLEMENT OFFER

In order for Eligible Retail MAp Security Holders to ensure that they receive their Entitlement, the Entitlement Application Form accompanying this Offer Document must be completed in accordance with the instructions accompanying the form. Completed Entitlement Application Forms must be accompanied by payment in full of \$100 per TICKETS applied for.

Eligible Retail MAp Security Holders have the right to apply for all or part of their Entitlement. Eligible Retail MAp Security Holders who decide to apply for only part of their Entitlement should complete the Entitlement Application Form, nominating the number of TICKETS for which they are applying and providing payment in full of \$100 per TICKETS.

Eligible Retail MAp Security Holders may apply for as many TICKETS as they wish on their Entitlement Application Form. Eligible Retail MAp Security Holders who decide to apply for more TICKETS than their Entitlement should complete the Entitlement Application Form, nominating the number of additional TICKETS for which they are applying and providing payment in full of \$100 per TICKETS. This additional amount may be subject to scaleback.

The Entitlement of Eligible MAp Security Holders is non-renounceable and therefore cannot be on-sold or transferred. Eligible Retail MAp Security Holders who decide not to take up their Entitlement should take no action at all and allow their Entitlement to lapse.

Full instructions for completing the Entitlement Application Form accompany the form.

4.2 HOW TO ACCEPT THE PUBLIC OFFER

Persons who are not holders of MAp Securities may apply for TICKETS by using the Public Application

Form at the back of this Offer Document. However, TICKETS under this Offer are available only to the extent that they are not taken up in the Entitlement Offer. For this reason, Applicants in the Public Offer may receive substantially fewer TICKETS upon allocation than they applied for, or none at all. For more information on the allocation policy, see Section 2.2.5.

The issue price of TICKETS is \$100. Applications under the Public Offer must be for a minimum of 50 TICKETS, which requires Application Monies of \$5,000. Applications for more than 50 TICKETS must be in multiples of 10 TICKETS.

Full instructions for completing the Public Application Form accompany the form.

The Public Application Form should be used by Participating Brokers for their clients under the Institutional Entitlement Offer. The restrictions on Public Offer Applications discussed above will not apply to clients of Participating Brokers.

4.3 ISSUE DATE

TICKETS are expected to be issued on or about 20 December 2004.

4.4 WHERE TO SEND YOUR COMPLETED ENTITLEMENT APPLICATION FORM OR PUBLIC APPLICATION FORM

The closing date and time for receipt of completed Entitlement Application Forms or Public Application Forms at the address set out below is 5.00pm (Sydney time) on Wednesday 15 December 2004.

Eligible Retail MAp Security Holders applying for TICKETS under the Entitlement Offer should return their completed Entitlement Application Form and payment in the reply paid envelope provided with this Offer



Document to the address set out below. If mailed in Australia, no postage stamp is required. If mailed outside Australia, including New Zealand, correct postage must be affixed.

Applicants under the Public Offer should either return their completed Public Application Form and payment to the address set out below or, if applying through their broker, forward their completed Public Application Form and payment directly to their broker in accordance with their broker's instructions.

Applicants are encouraged to submit their completed Entitlement Application Form or Public Application Form as soon as possible.

All Entitlement Application Forms and Public Application Forms for Applicants not applying through a broker should be mailed or delivered to the Registry as set out below.

By mail:

MAp TICKETS Offer
Computershare Investor Services Pty Limited
GPO Box 7115
Sydney NSW 2001
Australia

By hand delivery:

MAp TICKETS Offer
Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Australia

If you have lost your Entitlement Application Form or Public Application Form you should telephone 1800 102 368 from within Australia or +(61) 3 9415 4195 from outside Australia.

4.5 PAYMENT

All Applications must be accompanied by payment in full of \$100 per TICKETS. Application Monies will only be accepted in Australian currency and in the form of cheques or bank drafts, which must be drawn on, or payable at, an Australian financial institution.

For all Applications other than broker firm applications, cheques or bank drafts should be made payable to "MAp TICKETS Offer" and crossed "not negotiable". Do not forward cash as consideration for the Application. Receipts for payments will not be provided.

4.6 BROKER FIRM APPLICANTS

Where an Applicant has been offered a firm allocation of TICKETS by a Participating Broker, they should obtain a copy of this Offer Document from, and follow the instructions of, their broker. Broker Firm Applicants should make their cheques or bank drafts payable to their broker or otherwise transmit funds equal to the value of their Application (electronic or otherwise) in accordance with the instructions from their broker, for the broker to deliver to the Registry on their behalf.

4.7 REFUNDS

To the extent that any Applications are not satisfied, Application Monies will be refunded without interest. The Issuer reserves the right to cancel the Offer at any time, in which case all Application Monies will be refunded in full without interest.



4.8 OVERSEAS SECURITY HOLDERS

This Offer Document is being sent to Eligible MAp Security Holders. MAp Security Holders with a registered address outside of Australia and New Zealand are not eligible to participate in the Offer, and the TICKETS to which they would otherwise have been entitled will be available for allocation to Eligible MAp Security Holders and under the Public Offer, and will be dealt with in accordance with the allocation policy described in Section 2.2.5.

This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and anyone who receives this Offer Document should seek advice on and observe any such restrictions. No action has been taken to register or qualify the TICKETS or the Entitlement Offer or Public Offer, or otherwise permit a public offering of TICKETS, in any jurisdiction outside of Australia and New Zealand.

4.9 ASX QUOTATION

Application will be made to ASX within seven days after the date of this Offer Document to enable the TICKETS to be quoted on ASX. If official quotation for the TICKETS is not obtained, all Application Monies will be refunded to Applicants as soon as reasonably practicable without interest and the Offer will not proceed. It is expected that trading on ASX in TICKETS will commence on Monday 20 December 2004 on a deferred settlement basis.

4.10 REGISTER AND HOLDING STATEMENTS

The Issuer will apply to have TICKETS participate in CHESSE. On admission to CHESSE, TICKETS must be held in either the CHESSE subregister under sponsorship of a broker or on the Issuer-sponsored subregister. These two subregisters will make up the register.

Following the issue of TICKETS, you will be sent a holding statement that sets out the number of TICKETS allocated to you in the Offer. The Issuer will not issue certificates to Holders. It is the responsibility of each Applicant to confirm their allocation of TICKETS before trading in TICKETS. Any person who sells TICKETS before receiving confirmation of their allocation in the form of their holding statement will do so at their own risk. The Issuer and the Underwriters disclaim all liability, in negligence or otherwise, to any person who trades TICKETS before receiving their holding statement, whether on the basis of a confirmation of allocation provided by the Issuer or otherwise.

4.11 ENQUIRIES

If you are unclear in relation to any matter or are uncertain if TICKETS are a suitable investment, you should contact your broker, accountant, financial or other professional adviser.

By returning a valid Entitlement Application Form or Public Application Form, the Applicant acknowledges having received and read this Offer Document.

OVERVIEW OF MAP

5

OVERVIEW OF MAp

An overview of MAp's existing asset portfolio is set out in this Section. More information about MAp can be found in MAp's 2004 interim report, 2003 Annual Report and in recent ASX releases, copies of which are available from ASX, ASIC and are also available from MAp's website, www.macquarie.com.au/map.

5.1 STRUCTURE

MAp is Australia's only listed internationally diversified airport fund. It is a dedicated airport fund that invests in airports in Australia and internationally.

MAp Securities are triple stapled securities, with each MAp Security consisting of:

- One share in MAHBL, a company incorporated in Bermuda, which primarily holds investments in offshore airports through its subsidiaries;
- One unit in MAT1, an Australian registered managed investment scheme, which is the entity used by MAp to primarily acquire non-controlling interests in airports; and
- One unit in MAT2, an Australian registered managed investment scheme, which is the entity used by MAp to primarily acquire controlling interests, or interests which could become controlling interests, in Australian airports.

The responsible entity of each of MAT1 and MAT2 is MAML, while MAHBL is advised by MIMUK. MAML and MIMUK are wholly owned subsidiaries of MBL.

5.2 EXISTING PORTFOLIO

MAp's existing portfolio of investments includes effective ownership interests in the following airports:

EFFECTIVE OWNERSHIP

Sydney Airport	55.5%
Rome Airport	33.6%
Bristol Airport	30.8%
Birmingham Airport	14.9%

The MAp portfolio has performed strongly in recent periods.

AIRPORT	PERIOD	REVENUE (INCREASE ON PCP)	EBITDA (INCREASE ON PCP)
Sydney	12 months to 30 June 2004	+10.2%	+15.8%
Rome	6 months to 30 June 2004	+8.8%	+21.0%
Bristol	12 months to 31 March 2004	+7.8%	+13.0%
Birmingham	12 months to 31 March 2004	+8.2%	+14.0%
Weighted Average ¹		+9.6%	+16.7%

Note1. Weighting based on valuations at 30 June 2004, converted into Australian dollars where required at the exchange rates on 30 June 2004 of A\$1.00:€0.5734 and A\$1.00:£0.3842.

Investors should note that these results are not necessarily indicative of future performance and the Issuer gives no guarantee of performance of MAp's investments in future periods or the availability of cash flows from these investments to pay Distributions.



SYDNEY

5.2.1 Sydney Airport

Sydney Airport is Australia's largest airport, servicing 42 international, 10 domestic and regional passenger airlines and 10 dedicated freight carriers. In addition, a number of other airlines are represented at Sydney Airport through code share and alliance partnerships. Sydney Airport is located eight kilometres south of Sydney's central business district and has road and rail infrastructure links to the population and business centres of Sydney.

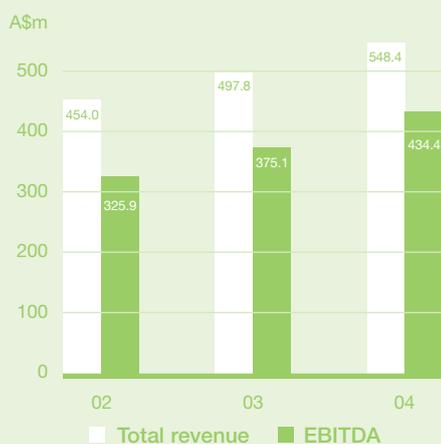
Performance highlights

Sydney Airport's total traffic for the year ended 30 June 2004 was 26.4 million passengers, an increase of

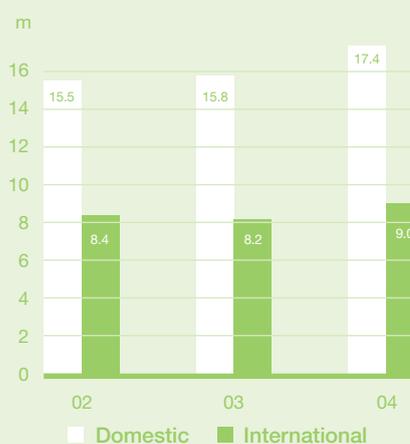
10.3% on the pcp. International traffic increased by 9.8% on the pcp, in a strong rebound from the effects of SARS and the Iraq conflict, while domestic traffic increased by 10.6% to 17.5 million confirming the continued strength of the domestic market.

In its full year financial results to 30 June 2004, Sydney Airport achieved an EBITDA (excluding specific expenses) result of \$434.4 million, which represented a 15.8% increase on the pcp.

SYDNEY AIRPORT REVENUE AND EBITDA
Year ended 30 June



SYDNEY AIRPORT PASSENGER TRAFFIC
Year ended 30 June





ROME

5.2.2 Rome Airport

Aeroporti di Roma S.p.A. ("Rome Airport") holds the concessions to operate, maintain, manage and develop the Fiumicino and Ciampino airports in Rome until 2044. Fiumicino is Rome's principal airport and Italy's largest airport in terms of passenger numbers. Ciampino is Rome's second airport and is mainly used for low-cost scheduled flights, charter flights, express courier companies and private aircraft. Fiumicino is located 32 kilometres west of the centre of Rome on the Tyrrhenian Coast and is linked to Rome by motorway and rail connections. It is also linked to the Milano-Napoli motorway. Ciampino is located 15 kilometres south of the centre of Rome.

Performance highlights

In 2003, Rome Airport handled a record 28.1 million passengers, an increase of 6.8% on the pcp making Rome one of the fastest growing major European airports.

This performance was achieved despite a difficult operational environment in the first half of the year due to the Iraq conflict and SARS. Growth was strongest in the intra-EU sector (up 13.8% on the pcp) as a result of a significant increase in low-fare services. The domestic sector was up 3.2% and the extra-EU sector up 3.9%.

Rome Airport reported a steady growth in EBITDA to €217.9 million for the year to 31 December 2003, an increase of 4.3% on the pcp. This was achieved despite extra insurance and other costs as well as the impact of the Iraq conflict and SARS in the first half of 2003. For the six month period to 30 June 2004, Rome Airport reported EBITDA of €110.5 million, a 21.0% increase on the pcp.





BRISTOL

5.2.3 Bristol Airport

Passenger traffic at Bristol International Airport (“Bristol Airport”) has continued to grow strongly. Bristol Airport is located 13 kilometres south of the Bristol city centre and 207 kilometres west of London and is the dominant airport in South West England, servicing a catchment area of over five million people.

Performance highlights

For the year ended 31 March 2004, Bristol Airport handled a record 3.9 million passengers. This was an 11.0% increase on 2003, with growth coming from both domestic and international scheduled sectors. Overall, domestic traffic growth was 17.1% on the pcp,

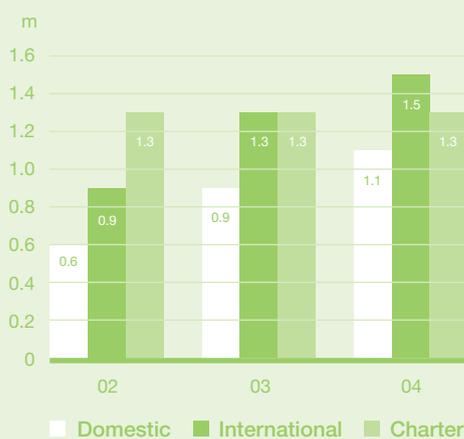
driven by the introduction of a number of low-fare routes. The international scheduled sector also achieved significant growth of 18.4% on the pcp.

For the financial year ended 31 March 2004, Bristol Airport earned total revenue of £42.8 million driven by a strong result in aeronautical revenues. Reported EBITDA was £26.0 million for the 12 months to 31 March 2004, a 13.0% increase on the pcp.

BRISTOL AIRPORT REVENUE AND EBITDA
Year ended 31 March



BRISTOL AIRPORT PASSENGER TRAFFIC
Year ended 31 March



Note 1. Revenue has been adjusted to include only the net margin on fuel sales.
Note 2. Operating costs have been adjusted to exclude the cost of fuel sales.



BIRMINGHAM

5.2.4 Birmingham Airport

Birmingham International Airport ("Birmingham Airport") is the fifth largest airport in the UK and the largest airport in the Midlands region. It is located 16 kilometres from Birmingham, the UK's second largest city, and has a catchment area of 7 million people within one hour's drive. It has excellent road access to London, the North West and Wales, via the M5, M6 and M42 motorways, and is linked to Birmingham International Railway Station via a fixed track transit link which opened in 2003.

Performance highlights

Birmingham Airport experienced a strong uplift in traffic growth in the year to 31 March 2004 of 11.5% on the pcp following the commencement of operations by MyTravelLite in October 2002. Since 31 March 2004,

the collapse of Duo Airways Limited in May 2004 and withdrawal of some services by Ryanair has negatively impacted traffic levels for the current financial year. However, there have been some new airlines and routes added, with additional routes also intended for 2005. The airport is expected to resume passenger growth in 2005.

For the financial year ended 31 March 2004, Birmingham Airport reported total revenue of £109.6 million, an 8.1% increase on the pcp. EBITDA was £53.9 million, which was a 14.0% increase on the pcp. While there was modest growth in aeronautical revenue, other commercial opportunities have been driving the performance. In particular the retail offer continues to improve with new retail outlets having been opened during the course of the year.

BIRMINGHAM AIRPORT REVENUE AND EBITDA
Year ended 31 March



BIRMINGHAM AIRPORT PASSENGER TRAFFIC
Year ended 31 March



5.3 AIRPORT CREDIT RATINGS

Three of the airports in MAP's portfolio have associated Standard and Poor's credit ratings (Bristol Airport has not requested a public credit rating). The current credit ratings associated with these airports are summarised in the table below.

AIRPORT	CREDIT RATING
Rome Airport ¹	BBB+
Birmingham Airport ²	A-
Sydney Airport ³	BBB

Note 1. Long term issuer credit rating of Aeroporti di Roma S.p.A.

Note 2. Long term issuer credit rating of Birmingham Airport Holdings Ltd.

Note 3. Credit rating of bank loans issued by Sydney Airport Finance Co. Pty Ltd ("SAFCo"). SAFCo is a wholly owned subsidiary of Southern Cross Airports Corporation Pty Ltd ("SCAC"), which also wholly owns Sydney Airport Corporation Limited ("SACL"), the company that owns and operates Sydney Airport. In addition, SAFCo and SCAC have both issued AAA rated credit-wrapped medium term notes. SCAC is wholly owned by SCACH, which has a long term issuer credit rating of BBB- and which has issued subordinated debt that also has a credit rating of BBB-.



OVERVIEW OF THE BRUSSELS
AIRPORT ACQUISITION

6

OVERVIEW OF THE BRUSSELS AIRPORT ACQUISITION



6.1 DESCRIPTION OF THE BRUSSELS AIRPORT ACQUISITION

On 12 November 2004 MABSA, the Consortium's investment vehicle, signed a Stock Purchase Agreement to acquire 70.0% of BIAC from the Existing BIAC Shareholders for €735 million. Completion is subject to a number of conditions precedent, including approval by the European Commission.

BIAC operates and manages Brussels Airport and owns the land and assets used for the airport's operations. From Completion, BIAC will have an Operating Licence to operate Brussels Airport for an indefinite period of time. The licence is subject to a number of conditions which are further described in Section 6.7.

BIAC is currently 63.6% owned by the Belgian Government, 36.2% by ten private investors and 0.2% by employees. On Completion, all the Existing BIAC Shareholders will sell their shares with the exception of the Belgian Government which will retain a 30.0% interest in BIAC, with MABSA holding the remaining 70.0%.

6.2 INVESTMENT CHARACTERISTICS

The Brussels Airport Acquisition has the following investment characteristics:

- **Stable and growing passenger base:** In the period 1988 to 2003, traffic growth at Brussels Airport averaged 5.3% per annum. Brussels Airport is the only major airport in Belgium, which is densely populated and has a relatively high income population of over 10 million, and has a high proportion of business traffic. Brussels is also one of the leading political centres of Europe and is home to the headquarters of the European Commission and NATO;

- **Significant shareholding:** MAp together with other Macquarie Bank Group managed entities will have a 70.0% shareholding in BIAC, and the right to appoint 6 of the 11 directors to the Board of BIAC;
- **Freehold status:** BIAC has freehold ownership of the land on which Brussels Airport operates;
- **Indefinite Operating Licence:** On Completion, BIAC will have a licence to operate Brussels Airport indefinitely;
- **Capacity for growth:** BIAC undertook a significant terminal expansion at Brussels Airport in 2002, increasing the terminal capacity to approximately 28 million passengers and runway capacity of 74 movements per hour which could equate to 60 million passengers or more per annum, compared with the 15.2 million passengers serviced in 2003;
- **Significant upside potential:** There are a number of potential opportunities to increase revenue through commercial initiatives in the retail, property and car parking businesses, and operating efficiencies through ongoing cost control and capital management; and
- **Diversity to MAp portfolio:** The addition of Brussels Airport to the MAp portfolio enhances MAp's geographical and investment diversity.

6.3 FUNDING OF THE BRUSSELS AIRPORT ACQUISITION

MABSA will fund the Brussels Airport Acquisition through a combination of equity, convertible loans and shareholder loans from Consortium members and through a Bridge Facility.

The final sources and uses of funds are outlined in the following table.



MABSA SOURCES AND USES OF FUNDS

Sources of Funds	Equity Interest in MABSA	Interest in BIAC	€ million
MAp	74.3%	52.0%	522.2
MEIF	14.2%	10.0%	100.0
GIF II	4.3%	3.0%	30.0
MBL	7.2%	5.0%	51.1
Bridge Facility			62.0
Total	100.0%	70.0%	765.3

Uses of Funds	€ million
Brussels Airport Acquisition Price	735.0
Expenses of the Brussels Airport Acquisition	13.2
Cash	17.1
Total	765.3

The Bridge Facility will be repaid through a special distribution expected to be received by MABSA from the proposed Brussels Refinancing. It is proposed that after Completion BIAC will refinance its existing facilities and draw down additional debt allowing BIAC to make a special distribution of €150 million to its shareholders, including MABSA. The BIAC Shareholders' Agreement provides for the necessary steps in implementing the Brussels Refinancing and for paying the special distribution. MABSA will then use the funds from its share of this special distribution to repay the Bridge Facility. It is proposed that MBL will advise BIAC on the Brussels Refinancing. Should MBL receive a fee from BIAC for advising on this, it will reinvest the majority of

these fees into MABSA and this reinvestment is reflected in the MABSA Sources and Uses of Funds table on the basis of an estimate of the likely fees.

MAp is funding its investment in MABSA through this Offer and the Placement.

6.4 PROFILE OF BRUSSELS AIRPORT

6.4.1 Location

Brussels Airport is located approximately 12 kilometres north-east from the city centre of Brussels. Travel time to the city centre from Brussels Airport is approximately 30 minutes by car, or less than 20 minutes by Airport City Express, the direct rail link to Brussels and to the Belgian rail network.

Brussels Airport's primary catchment area is Belgium, which has a population of approximately 10.3 million. Belgium is a densely populated country with relatively high per capita income. Brussels is one of the major political centres of Europe with the headquarters of the European Commission, NATO and approximately 120 international government and 1,400 international non-government organisations located there.

The secondary catchment areas for Brussels Airport are Luxembourg (population of 0.5 million) and the southern part of The Netherlands with a population of around 3.5 million. The population of Brussels Airport's extended catchment area is estimated to be 14.3 million.

6.4.2 Layout and facilities

Brussels Airport is situated on a site of approximately 1,245 hectares (almost the same area as London's Heathrow Airport). BIAC owns the airport infrastructure and in December 2001 it acquired the airport land.



Brussels Airport has two parallel runways, which are 3,638 metres and 3,211 metres long, and one cross runway which is 2,984 metres long. The current maximum peak capacity is 74 movements per hour.

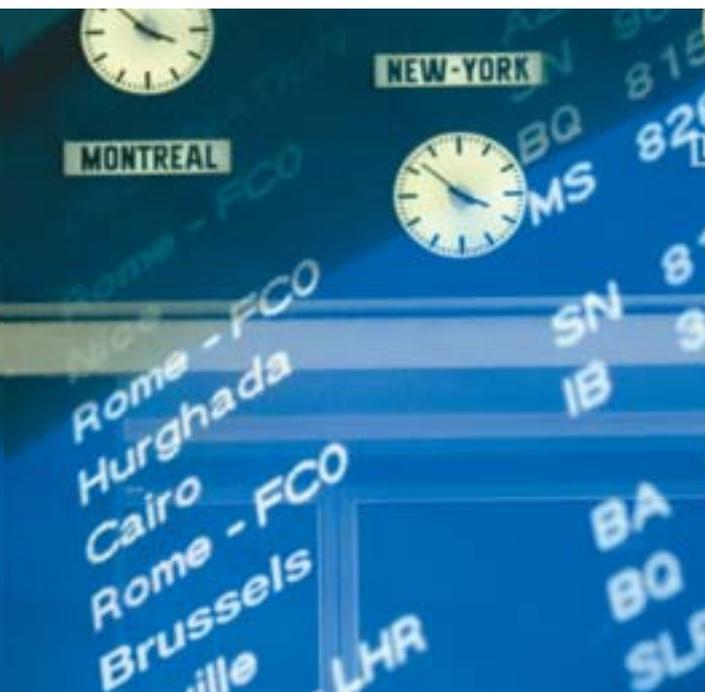
Brussels Airport has a single, midfield terminal complex consisting of two major piers, operated through a single arrivals/departure building, which also houses the airport train and bus stations. Brussels Airport has terminal capacity of approximately 28 million passengers per annum and runway capacity of 74 movements per

hour which could equate to 60 million passengers per year or more depending on future aircraft size.

6.4.3 Airlines and route network

A large number of major European scheduled and charter airlines operate services at Brussels Airport, serving largely European destinations. In 2003, 123 European destinations were served from Brussels Airport. SN Brussels and Virgin Express have their operational base at Brussels Airport. In 2003 SN

FACILITY	DESCRIPTION
Runways and taxiways	<p>Three runway system:</p> <ul style="list-style-type: none"> ■ west-east runway: 07L/25R – 3,638 metres ■ east-west runway: 07R/25L – 3,211 metres ■ north-south runway: 02/20 – 2,984 metres <p>These runways are suitable for all current aircraft types and only a small level of investment is required to allow ultra large aircraft operations, such as for the A380.</p>
Terminals	<p>The terminal area consists of two piers, Pier A (Schengen services) and Pier B (other services), operated through a single arrivals/departure building, Diamant, which also houses the airport train and bus stations.</p> <p>There is an additional terminal and a connected Pier C which are currently not operational. The piers serve 54 contact stands and 55 remote stands (via 18 bus gates). There are additionally 24 dedicated cargo stands of which 16 are currently in exclusive use by DHL.</p>
Car parks	Total car park capacity is approximately 11,500 spaces in 7 car parks.
Other buildings and facilities	<p>Approximately 16,400 square metres of retail space comprising 51 retail outlets, 29 restaurant and bars, 11 lounges and an event hall.</p> <p>In total, BIAC has 96,300 square metres of office space. There is 38,000 square metres of office space inside the terminal and 58,300 square metres outside the terminal. BIAC also has 350,000 square metres of industrial and other buildings.</p>



Brussels accounted for 19.3% of traffic and Virgin Express accounted for 14.8%. In March 2004, SN Brussels and Virgin Express announced a proposed merger and this intention was confirmed in September 2004. As there is limited overlap of current routes of the airlines, the impact of the merger on traffic at Brussels Airport is not expected to be significant.

In addition to SN Brussels and Virgin Express, Brussels Airport is served by other major European carriers including Lufthansa, Thomas Cook, British Airways, Iberia, SAS, Alitalia and BMI.

6.5 PASSENGER TRAFFIC

BIAC reported passenger traffic for 2002 and 2003 as follows:

PASSENGER MOVEMENTS (MILLIONS)	2002	2003	INCREASE ON PCP
Origin and Destination	13.1	13.7	4.2%
Transfer	1.3	1.5	15.7%
Total	14.4	15.2	5.2%

Over the period 1988 to 2003, traffic at Brussels Airport increased from 7.0 million to 15.2 million passengers, representing a compound average annual growth rate of 5.3%. Within this period, there was growth of 8.3% per annum from 1988 to 2000, driven by Sabena SA ("Sabena", the former national Belgian airline) which embarked on an expansionist strategy with Brussels Airport as its hub. Following the events of September 11 2001, Sabena collapsed, causing Brussels Airport to lose most of the transfer traffic generated by Sabena. Transfer traffic now only accounts for 10% of total traffic, with the remaining 90% being origin and destination ("O&D") traffic. This current balance of O&D to transfer traffic is more

stable, and presents a solid platform for future passenger growth at Brussels Airport.

As the European Union expands, it is anticipated that traffic at Brussels Airport will increase, especially since Brussels is home to the European Commission and many other government and non-government bodies. In the short term, traffic at Brussels Airport may be impacted by the expanded high-speed rail services to London, Paris and Amsterdam, and competition from Charleroi Airport, which services many low-cost and leisure-based airlines, and is situated 61 kilometres to the south-east of Brussels.

6.6 HISTORIC FINANCIAL INFORMATION OF BIAC

6.6.1 EBITDA

The financial information presented in this Section relates to BIAC only and not to MAp. The historic earnings of BIAC for 2001 to 2003 are shown in the following table. These figures relate to revenue and costs of Brussels Airport only and exclude revenue and earnings of BIAC's other assets. The figures have been extracted from BIAC's non-consolidated statutory accounts, which have been prepared under Belgian GAAP, after the following adjustments:

- Interest costs relating to pensions, classified as Personnel Costs in the BIAC non-consolidated statutory accounts, have been reclassified as Interest Costs in the following financial information (except in 2001 when different pension arrangements applied) and therefore are excluded from EBITDA. Total costs reclassified from Personnel Costs to Interest Costs are: in 2002 €5.9 million; in 2003 €5.8 million; and
- Other operating income items have been netted against other operating expenses.

6. OVERVIEW OF THE BRUSSELS AIRPORT ACQUISITION



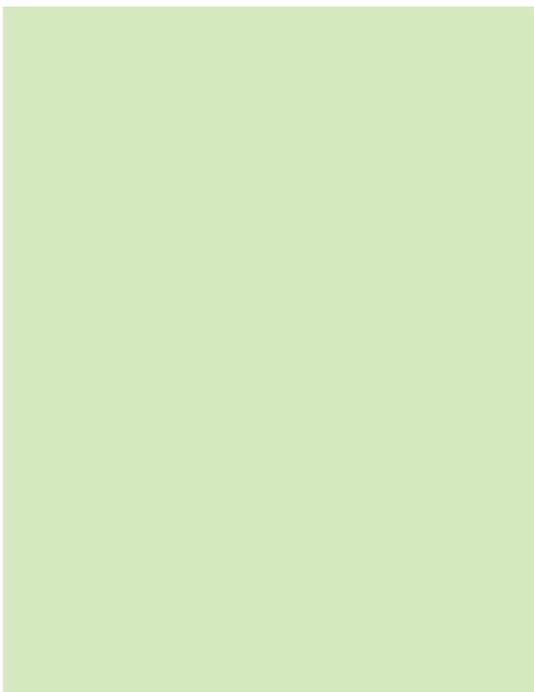
BIAC HISTORIC NORMALISED EBITDA FOR 2001 TO 2003

	2001 (€m)	2001 (A\$m)	2002 (€m)	2002 (A\$m)	2003 (€m)	2003 (A\$m)
Revenue – aeronautical	169.7	293.5	152.4	264.6	169.8	294.8
Revenue – non-aeronautical	106.1	183.5	103.6	179.9	99.9	173.4
Total revenue	275.8	477.0	256.0	444.5	269.7	468.2
Operating expenses – goods & services	119.7	207.1	106.0	184.0	107.8	187.1
Operating expenses – personnel	57.5	99.5	47.7	82.8	49.0	85.1
Operating expenses – other (net of other income)	13.1	22.8	(0.5)	(0.9)	1.5	2.6
Total operating expenses	190.3	329.4	153.2	265.9	158.3	274.8
Normalised EBITDA	85.5	147.6	102.8	178.6	111.4	193.4
Capital expenditure	384.8	665.6	133.2	231.2	34.9	60.6
Normalised EBITDA margin	31.0%	31.0%	40.2%	40.2%	41.3%	41.3%
	2001	2001	2002	2002	2003	2003
Total passengers (millions)	19.7	19.7	14.4	14.4	15.2	15.2
Normalised EBITDA per passenger	€4.34	A\$7.51	€7.12	A\$12.39	€7.33	A\$12.72

The financial information has been prepared under Belgian GAAP. There are differences between Australian GAAP and Belgian GAAP, however if the financial information for BIAC was presented in accordance with Australian GAAP the only significant difference would be in relation to the recognition of employee benefits.

Under Australian GAAP, BIAC would be required to recognise a liability for the Early Retirement Scheme, offered to eligible employees under the collective labour agreements for 2001–2003 and 2003–2005. From the financial information available to the Issuer, it is estimated that the impact that the recognition of this liability would have on the financial information

Note 1. Amounts have been converted into Australian Dollars at the following exchange rates: in 2001 A\$1.00:€0.5781, in 2002 A\$1.00:€0.5760, and in 2003 A\$1.00:€0.5761.



presented in this Section would be a reduction in EBITDA of no more than €5.7 million (\$9.9 million) in 2001 and €0.8 million (\$1.4 million) in 2003, with a nil impact on EBITDA estimated for 2002.

6.6.2 Revenue profile

Total revenues comprise two categories, aeronautical and non-aeronautical. Total revenue for 2003 was €269.7 million, of which 63% was aeronautical revenue.

Aeronautical revenue

Aeronautical revenues are derived from charges applying to a range of aviation activities. The main categories of aeronautical revenue are passenger, transfer, security, landing, parking, electricity (fixed electrical ground power) and check-in counter fees.

Aeronautical revenues decreased from 2001 to 2002 predominantly as a result of the loss of transfer traffic from the collapse of Sabena. In 2003, revenue recovered to 2001 levels based on traffic growth, an increase in passenger fees in September 2003 and a substantial increase in security fees.

Non-aeronautical revenue

Non-aeronautical revenues consist of retail and catering revenues, car parking charges, ground handling and fuelling revenues, real estate rents, and other commercial revenues.

Retail revenues are derived from concessionaires and are performance related, for example, with the airport taking a percentage of total turnover or a minimum guarantee whichever is highest. Belgian Sky Shops is the largest concessionaire, with approximately 80% of total retail shops. Retail revenue in 2003 was €20.1 million and represented 20.1% of total non-aeronautical revenues. Belgian Sky Shops accounted for €17.8 million, representing 88.6% of retail revenues.

Catering revenues are derived from a concession fee for the operation of catering outlets and airport lounges. Catering revenues were €7.6 million and represented 7.6% of non-aeronautical revenue in 2003.

Car parking revenues are derived from two sources: concession payments on public car parks and employee car parks. Car parking revenues were €13.3 million in 2003, representing 13.3% of non-aeronautical revenue.

Handling revenues are derived from passenger and cargo handling fees, from a performance related percentage of gross turnover for in-flight catering turnover, and from hydrant refuelling fees. In 2003, handling revenues were €12.7 million, representing 12.7% of total non-aeronautical revenue.

Real estate revenues are derived from a combination of land rents, rents for BIAC owned offices and warehouses, and the provision of utilities and other services to tenants. In 2003, real estate revenues were €21.6 million, representing 21.6% of total non-aeronautical revenue.

Other non-aeronautical revenues comprise revenues from car rental, currency exchange, petrol stations, advertising, provision of IT services and equipment, recuperation costs from the use of utilities by airport tenants, and the airport hotel. These other non-aeronautical revenues were €24.6 million, representing 24.6% of total non-aeronautical revenue in 2003. Other non-aeronautical revenue decreased from €32.6 million in 2002 to €24.6 million in 2003, mainly due to the cessation of the electricity supply business.



6.6.3 Operating cost profile

Operating costs comprise three main categories – goods and services, personnel and other costs. Total operating costs in 2003 were €158.3 million. In the period from 2001 to 2003, total operating costs decreased by an average of 9.6% per annum. This was primarily due to a hiring freeze, reduced energy and consultancy costs following the demise of Sabena and one-off write-offs of receivables in 2001.

Personnel costs relate to remuneration, pension costs and other personnel costs. Personnel costs were €49.0 million in 2003.

Goods and services costs relate to airport maintenance, IT maintenance, security, insurance, consultancy, energy and other costs. Goods and services costs in 2003 were €107.8 million. Goods and services costs per passenger in 2003 were €7.1 which is relatively high for European airports, reflecting significant outsourcing, a high level of under-utilised facilities, and very high standards of maintenance.

Other operational costs reflect the net impact of other operating revenue and costs, write-offs of receivables and provisions.

6.6.4 Capital expenditure

In 2001 and 2002, BIAC invested substantially in new infrastructure, including the inter-Schengen Pier A terminal expansion, the maintenance of the runways and taxiways, the purchase of the airport land and the commissioning of the new baggage handling system. As a result of these investments, BIAC has a relatively modest need to undertake growth related investment.

6.7 OPERATING LICENCE

6.7.1 Overview

A royal decree dated 21 June 2004 (the “Licence Decree”) grants to BIAC the licence to operate Brussels Airport for an unlimited period of time. It will enter into force on the date of BIAC's conversion into a private law company, the date of which will be fixed by a specific royal decree.

6.7.2 Amendments, revision and suspension of BIAC's Operating Licence

The Belgian Government may decide to revise BIAC's Operating Licence (ie, amend BIAC's obligations or impose additional obligations on BIAC) if the conditions subject to which the Operating Licence was granted become inappropriate due to:

- technical developments at an international level in the air transport/airport industry;
- amendments made to the provisions relating to the operation of airport installations of international treaties or international acts implementing such treaties;
- developments in Belgian air traffic;
- an exceptional change in economic circumstances; or
- BIAC's failure to comply with the provisions of the Operating Licence, the Reorganisation Decree or the charter which regulates the provision of its services to users.



To be valid, the Government's decision to revise the Operating Licence must be taken:

- based on prior advice of the relevant regulatory authority;
- after consultation with BIAC; and
- by means of a royal decree deliberated in the Council of Ministers.

The Government may decide to suspend BIAC's Operating Licence in the event of war.

6.7.3 Withdrawal of the Operating Licence

The Belgian Government may withdraw the Operating Licence by royal decree if:

- (i) BIAC fails to start its activities within 12 months after the Operating Licence is granted, or if BIAC ceases its activities;
- (ii) BIAC enters into a judicial composition, becomes insolvent or is wound up;
- (iii) BIAC breaches and fails to remedy within three months (a) the Operating Licence; (b) the Reorganisation Decree; or (c) mandatory provisions of any of international treaty relating to the operation of airports; or
- (iv) BIAC refuses to extend or relocate the Brussels National Airport installations if requested by the Belgian Government.

The withdrawal of the Operating Licence will trigger the automatic return of the real estate of Brussels Airport to the Belgian Government, who will have to repay the purchase price of the real estate to BIAC. In the scenario described in paragraph (iv) only, the Belgian Government must also pay financial compensation to BIAC.

6.8 OTHER ASSETS

6.8.1 SN Airholding

BIAC holds a 10.9% shareholding in SN Airholding NV/SA, the company that owns a 92% stake in SN Brussels airline. BIAC's investment is neither considered strategic nor long-term. If the proposed merger of SNBA/Virgin Express proceeds, BIAC will own 7.6% shareholding of the combined group.

6.8.2 Castellón Airport

In October 2003, a consortium consisting of FCC Construction, LUBASA and PGP Group was awarded a 50 year concession for the construction and exploitation of a greenfield airport in Castellón in Spain. BIAC is part of this consortium, with a stake of 5%. BIAC will provide consultancy services and may also become an advisor to the airport management.

6.9 OPPORTUNITIES FOR GROWTH

There are a number of opportunities for future growth at Brussels Airport including:

- **Traffic – low fare and long haul carriers:** Virgin Express is currently the only low fare carrier to have established a significant base at Brussels Airport. Other low-fare carriers may be attracted to the airport with the right incentives to draw on the large catchment area offered by Brussels Airport. In addition, there is the opportunity to re-establish unserved or underserved long haul markets (such as to Asia) which were significantly reduced following the collapse of Sabena;
- **Favourable regulatory framework:** Following the privatisation of BIAC, a relatively clear and consistent framework for aeronautical charges will be introduced. The stated long-term objective of



the Belgian Government is for charges to be set on a dual till basis under which aeronautical revenues will fully remunerate aeronautical costs. It is envisaged that the airport's charges will move to a full return on aeronautical assets in 5 year steps over a period of 20 years. Charges will not be set by an external regulator. Instead BIAAC will propose and implement the formula subject to specified regulatory principles and following consultation with airlines. Under certain circumstances where there is a failure to reach agreement with airlines, there is scope for a government regulator to intervene;

- **Commercial revenues:** The retail and catering spend rate per passenger at Brussels Airport is relatively low compared with other international airports. The opportunity exists to increase retail and catering revenue through improving the range of retail outlets, introducing many more high street brands and through the reconfiguration and refurbishment of retail and catering space; and

- **Property development:** Following BIAAC's acquisition of the airport land in 2001, there are many property development opportunities. For example, BIAAC is developing the Airport Village strategy, which may see the development of 185,000 square metres of office and 60,000 square metres of other building space by 2018. The first phase of this project, called Transpolis, is planned to be in use by 2009.

FINANCIAL INFORMATION

7

This Section contains a summary of certain financial information about MAREST and MAp including:

- summary pro forma statement of financial position for MAREST following the Offer;
- summary pro forma statement of financial position for MAp as at 30 June 2004 following the Offer, the Placement and the Brussels Airport Acquisition;
- summary of MAp distributions to date; and
- coverage ratios for MAp, in relation to the Distribution payable on the TICKETS.

The pro forma financial information for MAp is relevant to Holders as TICKETS may be exchanged into MAp Securities in certain instances and Distributions and capital payments may be satisfied through the issue of MAp Securities in certain circumstances. In addition, MAHBL and MAT2, two of the Stapled Entities, have entered into Guarantees with respect to the Distributions on the TICKETS.

7.1 MACQUARIE AIRPORTS RESET EXCHANGE SECURITIES TRUST

7.1.1 Pro forma statement of financial position
MAREST was established on 23 August 2004 and registered as a managed investment scheme on 10 September 2004. The following pro forma statement of financial position for MAREST has been prepared incorporating the following assumptions:

- the issue of 1 Ordinary Unit for consideration of \$1.00 to MAT1;
- the issue of 4,650,000 TICKETS for consideration of \$465 million in accordance with the Offer;
- the remittance of \$465 million to MAT1 in accordance with the terms of the FOLA; and
- the payment by MAREST and reimbursement to MAREST by MAT1 of approximately \$14.9 million of expenses in relation to the Offer, in accordance with the terms of the Expenses Indemnity and Fees Deed entered into between MAREST and MAT1.

The financial year of MAREST will end on 30 June each year.

MAREST PRO FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Pro Forma (\$m)
Current Assets		
Cash assets		-
Total Current Assets		-
Non-current Assets		
Interest bearing debt securities (loan to MAT1)	1	465
Total Non-current Assets		465
Total Assets		465
Non-current Liabilities		
Interest bearing liabilities - TICKETS	2	465
Total Non-current Liabilities		465
Total Liabilities		465
Net Assets		-
Equity		
Contributed equity (one \$1 ordinary unit)		-
Total Equity		-

Notes

1. The terms of the loan to MAT1 are specified in the FOLA (a summary of the FOLA is set out in Section 10.1.2). The loan is secured by the MAT1 Deed of Charge (refer Section 10.1.2).
2. The TICKETS terms are specified in the Terms of Issue and summarised on pages 8 and 9.

7.1.2 Significant accounting policies of MAREST

The following summary of the significant accounting policies to be adopted by MAREST is intended to assist in providing investors with an understanding of how the performance of MAREST will be presented in its financial reports each reporting period.

Interest-bearing debt securities

Investments in interest-bearing public and other debt securities will be brought to account at cost.

Investment acquisition costs will be capitalised as part of the value of the investment at the time of purchase. Reimbursement of acquisition costs and other expenditure on investments will be credited against the value of the investment.

Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset will be written down to its recoverable amount. The decrement in the carrying amount will be recognised as an expense in the statement of financial performance in the reporting period in which the recoverable amount writedown occurs.

The expected net cash flows included in determining recoverable amounts of non-current assets will be discounted to their present values using a market-determined, risk-adjusted discount rate.

Revenue recognition

Revenue will be recognised to the extent that it is probable that the economic benefits will flow to MAREST and the revenue can be reliably measured. Interest income will be brought to account on an accruals basis.

Income tax

Income tax will not be brought to account as, pursuant to the Income Tax Assessment Acts, MAREST is not liable for income tax provided that its taxable income (including any assessable realised capital gains) is fully distributed to unit holders each year.

Payables

MAT1 and the Responsible Entity have entered into the Expenses Indemnity and Fees Deed. Under the Expenses Indemnity and Fees Deed, MAT1 indemnifies the Responsible Entity for any liabilities incurred by the Responsible Entity in properly performing or exercising any of its powers or duties in relation to MAREST (see Section 10.1.9). MAT1 has not indemnified the Responsible Entity for Distributions payable on the TICKETS (refer to Sections 10.1.4 and 10.1.5 for a summary of the Guarantees provided by MAHBL and MAT2 in respect of Distributions).

Interest-bearing liabilities

Borrowings are recognised when issued at the amount of the net proceeds received and carried at this amount until the liabilities are settled. Interest on the borrowings will be accrued as an expense over the period it becomes due and will be recorded as part of payables.

Borrowing costs

Costs associated with the issue of the borrowings will be covered by the Expenses Indemnity and Fees Deed. Refer Payables accounting policy above.

7.1.3 International Financial Reporting Standards

MAREST will be required to prepare financial reports using Australian accounting standards that are equivalent to International Financial Reporting Standards ("IFRS") and their related pronouncements for all periods beginning on or after 1 January 2005.

The first MAREST financial report to be prepared in accordance with IFRS will be the half year financial report for the period ending 31 December 2005. IFRS also require MAREST to restate comparative period balances. To facilitate this, the opening statement of financial position of MAREST will be restated to amounts reflecting the application of IFRS. Transitional adjustments will be reflected either as a reclassification of assets or liabilities, or an adjustment of the undistributed operating surplus.

The following is one area where adoption of IFRS by MAREST is likely to have a significant impact.

Impairment testing – more rigorous impairment tests will be applied when indications of impairment arise

MAREST will be required to assess the loan made to MAT1 for indications of impairment on at least an annual basis, and to test for impairment only when indications of impairment arise. Impairment testing is performed at each reporting date under current Australian accounting standards.

An asset is considered impaired if the recoverable amount of the asset is less than the carrying value of the asset. Whilst the calculation of recoverable amount under IFRS is more rigorous than that required under Australian accounting standards, the current calculation of recoverable amount performed by the Responsible Entity is consistent with the calculation required under IFRS.

Assets may be considered to be impaired in one reporting period and not in subsequent periods. This may make the accounting income of MAREST appear volatile as any impairment charge may be recorded in one reporting period and not in others. Further, impairment charges booked in one period cannot be reversed in subsequent periods.

7.2 MACQUARIE AIRPORTS

7.2.1 MAp pro forma statement of financial position

MAp prepares aggregated financial statements combining the financial statements of MAT1, MAT2 and MAHBL. Transactions between the entities are eliminated in the aggregate financial statements of MAp.

The following pro forma statement of financial position for MAp has been prepared as at 30 June 2004 incorporating the following assumptions:

- the borrowing of \$465 million by MAp from MAREST under the FOLA, disclosed in interest-bearing liabilities at face value;
- the creation of a TICKETS Distribution Service Reserve of \$7.5 million, disclosed as cash assets;
- the issue of approximately 183.5 million MAp Securities through the Placement on or around 17 November 2004, raising approximately \$510.2 million, disclosed as contributed equity;
- the payment of approximately €522.2 million, fully hedged at the exchange rate of A\$1.00:€0.5833 and equal to \$895.3 million, including acquisition transaction costs, for an interest in BIAC through MABSA, disclosed in Investments;
- the payment of costs of approximately \$14.9 million, payable by MAp under the Expenses Indemnity and Fees Deed, reflecting the issue costs of TICKETS. These costs have been disclosed as capitalised borrowing costs;
- the payment of equity raising costs of approximately \$7.0 million relating to the Placement, deducted from contributed equity;
- the cash settlement in September 2004 of \$5.4 million of base management fees, accrued at 30 June 2004, payable to MAML, as responsible entity of MAT1 and MAT2, and MIMUK, as adviser to MAHBL, relating to the June 2004 quarter;
- the settlement and reinvestment in MAp Securities in September 2004 of \$35.0 million of management fees, accrued at 30 June 2004, payable to MAML, as responsible entity of MAT1 and MAT2, and MIMUK as adviser to MAHBL relating to the base management fees for the December 2003 and March 2004 quarters and performance fees relating to the December 2003 half-year and the June 2004 half-year;
- the cash settlement in September 2004 of \$4.3 million of GST, accrued at 30 June 2004, in relation to the total management fees payable to MAML, as responsible entity of MAT1 and MAT2, and MIMUK as adviser to MAHBL at 30 June 2004;
- the receipt in July 2004 of \$19.9 million and in October 2004 of \$110.8 million from Sydney Airport, representing the receipt of accrued interest on redeemable preference shares recognised as a receivable at 30 June 2004;
- the settlement in August 2004 of the MAp distribution, accrued at 30 June 2004, of \$47.9 million. As a result of the MAp Distribution and Dividend Reinvestment Plan, \$21.7 million of the distribution was reinvested in MAp Securities with the balance paid in cash; and
- the pro forma balance sheet does not recognise any proceeds from the MAp Securities Purchase Plan ("SPP"), announced on 11 November 2004, as MAp Security Holder participation in the SPP and therefore the proceeds raised from the SPP are uncertain on the date of issue of this Offer Document. The maximum proceeds that may be raised through the SPP is the sum of approximately \$5,000 per eligible MAp Security Holder.

MACQUARIE AIRPORTS PRO FORMA STATEMENT OF FINANCIAL POSITION

	Notes	Actual 30/06/04 \$m	Adjustments \$m	Pro Forma \$m
Current Assets				
Cash assets		52.8	152.6	205.4
Receivables		95.0	(87.5)	7.5
Capitalised borrowing costs		-	3.0	3.0
Prepayments		0.4		0.4
Total Current Assets		148.2		216.3
Non-current Assets				
Receivables		49.0	(43.1)	5.9
Capitalised borrowing costs		-	11.9	11.9
Investments	1	3,410.4	895.3	4,305.7
Total Non-current Assets		3,459.4		4,323.5
Total Assets		3,607.6		4,539.8
Current Liabilities				
Distribution payable		47.9	(47.9)	-
Payables		53.1	(44.3)	8.8
Tax liabilities		0.1		0.1
Total Current Liabilities		101.1		8.9
Non-current Liabilities				
Interest bearing liabilities	2	-	465.0	465.0
Convertible loan		39.9		39.9
Tax liabilities		153.8		153.8
Total Non-current Liabilities		193.7		658.7
Total Liabilities		294.8		667.6
Net Assets		3,312.8		3,872.2
Equity				
Contributed equity		2,067.0	559.6	2,626.6
Undistributed operating surplus		564.1	(0.2)	563.9
Reserves		32.7		32.7
Total MAp Security Holders' Interest		2,663.8		3,223.2
Outside equity interests		649.0		649.0
Total Equity		3,312.8		3,872.2

Note 1. MAp's 52.0% beneficial interest in BIAC has been disclosed in the pro forma statement of financial position under Investments. It is probable that BIAC will constitute an associate of MAp under both Australian accounting standards and IFRS and therefore, in accordance with MAp's accounting policy, the investment will be disclosed under "Investments" at acquisition date.

Note 2. The terms of the borrowings from MAREST are specified in the FOLA (refer Section 10.1.2). The borrowings are secured by the MAT1 Deed of Charge (refer Section 10.1.2). MAML, as responsible entity of MAT1 and MAT2, and the directors of MAHBL do not intend to maintain external debt within MAp, with the exception of the borrowing of the TICKETS proceeds under the terms of the FOLA, borrowing of proceeds from further issues of TICKETS or the issue or borrowing of proceeds from future issues of other hybrids. It is possible, however, that MAp may use temporary borrowings to finance acquisitions and working capital from time to time.

7.2.2 Significant accounting policies of MAp

The following summary of the significant accounting policies adopted by MAp is intended to assist in providing investors with an understanding of how the performance of MAp will be presented in its financial reports each reporting period. Investors should refer to the MAp 31 December 2003 financial report for a complete list of accounting policies.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of the entities controlled by MAp as at each reporting date and the results of the controlled entities for the period then ended, unless otherwise stated. MAp and its controlled entities are referred to as the consolidated entity. The effects of all transactions between entities in the consolidated entity are eliminated in full. Outside equity interests in the results and equity of the controlled entities are shown separately in the statement of financial performance and statement of financial position respectively.

Where control of an entity is obtained during a period, its results are included in the statement of financial performance from the date on which control commences. Where control of an entity ceases during a period, its results are included for that part of the period during which control existed.

Investments

Investments are revalued at each reporting date, or when there is a change in the nature of the investment, to their net market values in accordance with AASB 1030: *Application of Accounting Standards to Financial Year Accounts and Consolidated Accounts of Disclosing Entities Other Than Companies*. Changes in the net market values of investments (both positive and negative) are recognised in investment revenue from ordinary activities as shown in the statement of financial performance for the period.

The value of investments are brought to account as follows:

Interests in unlisted securities in companies and trusts

Interests in unlisted companies and trusts are brought to account at Directors' estimates of net market value, determined in accordance with a valuation framework adopted by the Directors. Discounted cash flow analysis is the primary methodology applied in the valuation framework, however a number of other valuation methodologies are considered, including comparable company trading multiples and reference to recent sales and the current market value of substantially similar airports, as appropriate. Dividends and other distributions are recognised in the statement of financial performance when receivable.

Interests in financial assets

Interests in convertible loans and other debt securities are brought to account at net market value. Adjustments to the net market value of convertible loans and other debt securities are recognised in the statement of financial performance. Other interest bearing financial assets are accounted for on an accruals basis.

Investment acquisition costs are capitalised into the value of the investment at the time of purchase. Additions and other expenditure on investments which are capital in nature are capitalised as incurred.

Investment revenue

Investment revenue includes changes in the net market value of investments in listed and unlisted securities and financial assets. Revenue relating to these investments is brought to account as described above. Interest income is brought to account on an accruals basis.

Investments in associates

Interests in associates which have been accounted for at net market value are not equity accounted.

Supplementary information is included in the notes to the financial statements to the extent required by AASB 1016: *Accounting for Investments in Associates*.

Foreign currency translation

Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction or, where forward contracts have been arranged, at the contractual rate. At balance date, amounts payable and receivable in foreign currencies are translated to Australian currency at rates of exchange current at that date, or at a contractual rate if applicable. Resulting exchange differences are brought to account in determining the result for the year.

Hedge of specific investments

The consolidated entity may enter into forward foreign exchange contracts to hedge the Australian dollar value of commitments to make investments denominated in foreign currencies. Gains or losses on the hedge contracts up to the date of acquisition may be recognised as part of the cost of the investment.

Foreign controlled entities

Where the foreign controlled entities are self-sustaining, the assets and liabilities are translated into Australian currency at rates of exchange current at balance date, while revenues and expenses are translated at the average rates ruling during the period. Exchange differences arising on translation are taken to the foreign currency translation reserve.

Upon disposal or partial disposal of a self-sustaining foreign operation, the balance of the foreign currency translation reserve relating to the operation, or to the part disposed of, is transferred to undistributed operating surplus.

Interest-bearing liabilities

Borrowings are recognised when issued at the amount of the net proceeds received and carried at this amount until the liabilities are settled. Interest on the interest bearing liabilities is recognised as an expense as it accrues over the period it becomes due and is recorded as part of payables.

Borrowing costs

Borrowing costs incurred by MAp under the FOLA, including costs under the Expenses Indemnity and Fees Deed, are capitalised as an asset and amortised over five years. These costs include legal, underwriting and listing fees incurred by MAREST associated with the issue of the TICKETS and their listing on ASX.

Tax

Pursuant to the provisions of Division 6C of Part III of the Income Tax Assessment Act (1936), MAT2 is currently treated in a similar way to a company for income tax purposes. MAT2 recognises income tax in its accounts using the liability method of tax effect accounting. Provision has been made in the consolidated accounts for taxes on gains which would arise in the event of a sale of revalued assets for the amounts at which they are stated.

Income tax has not been brought to account in respect of MAT1 as MAT1 is a flow-through trust and therefore is not liable for income tax provided that its taxable income (including any assessable realised capital gains) is fully distributed to unit holders each year.

Macquarie Airports Finance Company Pty Limited, a controlled entity of MAT1 and MASH, a controlled entity of MAT2, recognise income tax using the liability method of tax effect accounting.

Under current Bermudan law, MAHBL will not be subject to any income, withholding or capital gains taxes in Bermuda.

7.2.3 International Financial Reporting Standards

MAp will be required to prepare financial reports using Australian accounting standards that are equivalent to IFRS and their related pronouncements for all periods beginning on or after 1 January 2005.

The first MAp financial report to be prepared in accordance with IFRS will be the half year financial report for the period ending 30 June 2005. IFRS also require MAp to restate comparative period balances. To facilitate this, the opening statement of financial position of MAp at 1 January 2004 will be restated to amounts reflecting the application of IFRS. Transitional

adjustments will be reflected either as a reclassification of assets or liabilities, or an adjustment of the undistributed operating surplus.

The adoption of IFRS by MAp will have no impact on the ability of MAp to pay distributions and will have no impact on the 2005 distribution guidance provided by MAp.

The following are some of the areas where adoption of IFRS by MAp is likely to have a significant impact.

Investment in associate entities – application of the equity method

MAp may not be able to continue carrying its non-controlled investments at market value. Under IFRS, MAp must satisfy stringent requirements to continue to use market value as a basis of measurement for these investments. If MAp does not apply market value accounting, it will apply the equity method of accounting for these investments.

Costs incurred when borrowing – costs to be offset against the borrowings to which they relate

Borrowing costs will be netted off in the statement of financial position against the borrowings to which they relate. Currently such capitalised costs are shown as a separate asset in the statement of financial position. These costs will be amortised using the effective rate of interest applicable to the related borrowings.

Investment in securities that are stapled, linked or otherwise joined

Investments in equity securities and debt securities that are stapled, linked or otherwise joined, will be classified as one financial asset and carried at fair value. This includes investments such as the stapled securities issued by SCACH and the linked equity and loans issued by Tidefast. The valuation will also take into account embedded derivatives and other similar features that form part of the security.

The change in classification will not impact the recognition and measurement of these instruments by MAp as it is consistent with the principles applied under Australian accounting standards.

Income tax – “balance sheet approach”

A “balance sheet approach” will be used to determine deferred tax assets and deferred tax liabilities which requires a comparison between the carrying amount and the tax base for each asset and liability.

MAp will most likely carry a higher level of deferred tax assets and liabilities as a “balance sheet approach” will take into account balances not previously considered when calculating the group tax balances and transactions under current Australian accounting standards.

Impairment testing – more rigorous impairment tests will be applied when indications of impairment arise

Assets for which MAp does not reflect changes in fair value in the statement of financial performance will need to be assessed for indications of impairment on at least an annual basis, and tested for impairment only when indications of impairment arise. Impairment testing is performed at each reporting date under current Australian accounting standards.

An asset is considered impaired if the recoverable amount of the asset is less than the carrying value of the asset. Whilst the calculation of recoverable amount under IFRS is more rigorous than that required under Australian accounting standards, the current calculation of recoverable amount performed by MAp is consistent with the calculation required under IFRS.

Assets may be considered to be impaired in one reporting period and not in subsequent periods. This may make the accounting income of MAp appear volatile as an impairment charge may be recorded in one reporting period and not in others. Further, impairment charges booked in one period cannot be reversed in subsequent periods.

Hedging and derivatives – new categories of assets and liabilities may be recognised

All derivative contracts, whether used for hedging purposes or not, will need to be carried at fair value. Current Australian accounting standards do not require the recognition of such instruments at fair value.

External derivative contracts that economically hedge MAp's risks will be treated for accounting purposes as either fair value or cash flow hedges if the strict criteria are met, or as non-hedging derivatives.

If derivative contracts are not accounted for as hedges, movements in the fair value of these instruments will be reflected in the statement of financial performance of MAp, creating income statement volatility that is not reflected under current Australian accounting standards. If hedge accounting is applied, this volatility will be minimised.

Regardless of hedge accounting being used or not, the fair value of all derivatives may impact the net assets of MAp. If a derivative is accounted for as a fair value hedge, the net asset movement caused by the derivative will be offset by the fair value movement of the item being hedged to the extent the derivative is an effective hedge.

Hedge of specific investments

MAp has entered into forward foreign exchange contracts to fix the Australian dollar amount required to acquire an interest in BIAC. Under current Australian accounting standards, this hedging arrangement will enable MAp to recognise the investment in BIAC at the hedged foreign exchange rate.

Under IFRS, MAp will classify the forward foreign exchange contract as a cash flow hedge. The change in the fair value of the forward foreign exchange contract prior to Completion will be deferred in equity. On Completion, this amount will be offset against the investment in BIAC. This treatment will achieve the same accounting result as the accounting policy adopted under current Australian accounting standards.

7.3 MAp DISTRIBUTIONS

Distributions to MAp Security Holders are payable half yearly in arrears in February and August in respect of the preceding six month periods ending 31 December and 30 June.

7.3.1 Historic distributions

Historic MAp distributions to date, are as follows:

DISTRIBUTION PERIOD	DISTRIBUTION PER MAp SECURITY
June 2002	1.0 cents
December 2002	4.5 cents
Total distribution for 2002 year	5.5 cents
June 2003	5.0 cents
December 2003	3.0 cents
Total distribution for 2003 year	8.0 cents
June 2004	4.0 cents
Total distribution for June 2004 half-year	4.0 cents

7.3.2 Distributions for 2004

MAp has announced the following distribution guidance for the year ending 31 December 2004:

DISTRIBUTION PERIOD	DISTRIBUTION PER MAp SECURITY
June 2004 (paid)	4.0 cents
December 2004	8.0 cents
Total expected distribution for 2004 year	12.0 cents

As at the date of this Offer Document, MAp holds sufficient cash reserves, after expenses, to fund a final distribution of 8 cents per MAp Security. There is a risk that between the date of this Offer Document and 31 December 2004 unforeseen cash flows of MAp or unforeseen issues of MAp Securities may prevent the payment of a final distribution of 8 cents per MAp Security in full or in part, however this is considered unlikely.

7.4 COVERAGE RATIOS

7.4.1 Pro forma cash flow coverage ratios

The following table outlines the pro forma cash flow coverage ratios for the year ended 31 December 2003 and half-year ended 30 June 2004 assuming TICKETS were on issue for the entire period. It should be noted that the MAp cash flows from operating activities used to calculate these pro forma cash flow coverage ratios do not include any additional cash flows MAp expects to receive from the proposed investment in BIAC. In addition, the MAp cash flows used in the calculations are based on historical information and should not be taken to be indicative of any actual future cashflows of MAp, which will depend on a number of factors including any other acquisitions of assets by MAp.

COVERAGE RATIOS			
	Note	Year ended 31/12/03	Half year ended 30/06/04
MAp distribution per MAp Security		8 cents	4 cents
MAp cash flows from operating activities	1	\$82.9 million	\$40.7 million
Adjusted MAp cash flows from operating activities	2	\$99.0 million	\$40.7 million
TICKETS distributions		\$30.1 million	\$15.1 million
Cash Flow Coverage Ratio	3	3.29 times	2.71 times

Note 1. *MAp cash flows from operating activities* – represents the operating cash flows per the audited MAp Aggregated Management Report for the year ended 31 December 2003 and the reviewed MAp Aggregated Management Report for the half-year ended 30 June 2004.

Note 2. *Adjusted MAp cash flows from operating activities* – represents the MAp cash flows from operating activities for the relevant period adjusted to reflect the increased cash flows MAp would have received for that period had MAp held during the whole of the period the direct interest in Sydney Airport, Rome Airport and MAG which MAp holds at 30 June 2004. MAp acquired additional interests in Sydney Airport and MAG during the year ended 31 December 2003 and a further interest in MAG during the half year ended 30 June 2004. The MAp cash flows from operating activities and adjusted cash flows from operating activities do not include any cash flows from the proposed investment in BIAC.

Note 3. *Cash flow coverage ratio* – means the adjusted MAp cash flows from operating activities divided by the Distributions payable on TICKETS, in respect of the calculation period.

RISK FACTORS

8

Investors should be aware that there are risks associated with subscribing for and holding TICKETS. Some of these risks relate generally to any investment and others are specific to MAp or the nature of TICKETS. These risks may affect the financial position, financial performance or cash flows of MAREST or any of the MAp entities, which could affect the payment of Distributions to Holders or the trading price of TICKETS or MAp Securities, into which TICKETS may exchange. A list of key risks is set out in this Section. This list is not necessarily exhaustive.

Before making an investment decision, investors should read this Offer Document in its entirety and consult their stockbroker, accountant or other professional adviser.

8.1 RISKS ASSOCIATED WITH INVESTING IN TICKETS

8.1.1 Market price and liquidity

The Responsible Entity will apply for quotation of the TICKETS on ASX. The Responsible Entity is unable to forecast the market price and liquidity of the market for TICKETS. The market price of TICKETS may fluctuate, including trading below the issue price. The market price of TICKETS may be affected by various factors, including:

- general movements in Australian and international economic conditions, interest rates and equity markets;
- changes in investor sentiment;
- movement in the market price of MAp Securities;
- announcements or events which may affect MAp's financial position and earnings; and
- the majority, if not all, of the risk factors set out in this Section 8.

The market for TICKETS may be less liquid than the market for MAp Securities. Holders who wish to sell their TICKETS may be unable to do so at a price at or above the Face Value, or at all, if insufficient liquidity exists in the market for TICKETS.

8.1.2 Distribution Rate

The Distribution Rate will be fixed until the First Reset Date. There is a risk that market interest rates will increase and the Distribution Rate will become less attractive when compared with the rates of return available on comparable securities.

The Responsible Entity may change the Distribution Rate with effect from the next Reset Date, to a rate that may not be considered attractive relative to other investment opportunities available to Holders. Holders

can request an Exchange after being notified of the new Distribution Rate. However, Exchange is subject to the Responsible Entity's option to exchange the TICKETS for MAp Securities, redeem the TICKETS, or sell the TICKETS to a third party and deliver the Responsible Entity Purchase Price to Holders. The Responsible Entity's choice may not match the investment and taxation objectives of individual Holders.

8.1.3 Funding Distributions

It is intended that interest paid to MAREST by MAT1 under the FOLA will be the primary source of funds for Distributions. These interest payments will be primarily sourced from interest paid to MAT1 by MAHBL under the SOLA and from income generated from MAT1's investments in SCACH, MASH redeemable preference shares and MAG (which holds interests in Birmingham, Sydney, Rome and Bristol Airports). To the extent that the interest receipts from MAT1 are insufficient for MAREST to make Distributions at the Distribution Rate, Distributions can also be funded from the Distribution Service Reserve Account.

MAT1 must maintain the Distribution Service Reserve Account at a balance of no less than three months of Distributions on the TICKETS on issue at the Issue Date until the First Reset Date. Additional funding may also be sourced from the MAHBL Guarantee or from the MAT2 Guarantee. Payments by MAHBL will be funded from income generated from MAHBL's investments in MAG, Rome Airport and Brussels Airport. Payments by MAT2 will be funded from income generated from MAT2's investment in Sydney Airport through SCAAT and Brussels Airport.

The available cash which MAT2 is legally permitted to distribute will be limited because MAT2's primary cash flows are from distributions on a small beneficial interest in BIAC and on ordinary shares in MASH. The ordinary shares in MASH rank behind the redeemable preference shares held by MAT1 in MASH, with MAT1 therefore receiving the majority or all of the cash distributed from MASH. To the date of this Offer Document, MAT2 has not received any distributions on its investment in MASH ordinary shares.

Despite the alternative sources of funding, there is a risk that there will be insufficient funds to pay the Distributions due to the performance of the different MAp investments and other factors affecting the cash levels of MAT1, MAT2, MAHBL and MAREST or their investment entities.

Holders may be issued with MAp Securities in satisfaction of Distributions if there are insufficient funds to pay Distributions, pursuant to the Guarantees. MAp Securities may not be a liquid investment and may not

suit the investment objectives of Holders. The issue of MAp Securities in satisfaction of Distributions is at the option of MAT2 and MAHBL under the Guarantees and, if they do not choose to issue MAp Securities, the Distributions may be deferred.

8.1.4 Exchange at Holder's request

Where a Holder requests Exchange of their TICKETS, the Responsible Entity can, in its absolute discretion, either:

- exchange the TICKETS into MAp Securities;
- redeem or purchase the TICKETS and deliver the Responsible Entity Purchase Price to the Holder; or
- arrange for the acquisition of TICKETS by a third party and deliver the Responsible Entity Purchase Price to the Holder.

Refer to Section 3.4 for further information on Exchange.

The Responsible Entity's decision may not coincide with the Holder's individual preference, and may be disadvantageous to the Holder in light of market conditions or individual circumstances.

Holders should be aware that if they receive MAp Securities, the trading price of the MAp Securities on the Exchange Date and subsequently may be different from the Exchange VWAP calculated for the purpose of determining the number of MAp Securities into which the TICKETS exchange.

8.1.5 Exchange at Responsible Entity's option

The Responsible Entity retains the right to Exchange:

- all or a portion of a Holder's TICKETS on a Reset Date; and
- all of a Holder's TICKETS upon the happening of certain events (for example in the event of a takeover of MAp, where the face value of all TICKETS on issue is less than \$50 million, or where members of MAREST requisition to replace MAML as the Responsible Entity, amend the MAREST constitution or do anything that would affect the FOLA).

Consequently, Holders may be required to Exchange their TICKETS on dates which they may not choose and, which may be disadvantageous to Holders in light of market conditions or individual circumstances.

Holders should be aware that, if they receive MAp Securities on an Exchange, the trading price of the MAp Securities on the date the MAp Securities are provided to Holders may be different from the Exchange VWAP calculated during the Reference Period for the purpose of determining the number of MAp Securities into which the TICKETS may otherwise exchange.

8.1.6 Exchange and the Airports Legislation

If the foreign ownership limits under the Airports Legislation have been or will be exceeded by Exchange, the Responsible Entity may treat Holders unequally and may determine to redeem or sell the TICKETS of Holders who may cause MAT1 or MAT2 to breach the Foreign Ownership Restrictions if their TICKETS were Exchanged for MAp Securities. This may not be in the interests of foreign Holders or of those Holders who receive MAp Securities rather than cash due to any unequal treatment between Holders (see Clause 3.16 of the Terms of Issue).

8.1.7 Ranking

TICKETS are preference units in MAREST. The rights of Holders to receive a return of capital on a winding up rank in priority to the holders of Ordinary Units in MAREST. Further, by virtue of the FOLA, the MAHBL Charge, the MAT1 Charge, the MAT2 Charge and the Guarantees (together, the "Security Arrangements"), on a winding up of MAp in conjunction with a winding up of MAREST or generally in the payment of Distributions, TICKETS rank in priority to MAp Securities.

Under the Security Arrangements, payments of principal and interest to MAREST under the FOLA will have priority over payment of any distributions by MAT1 on MAp Securities, and payments of principal and interest to MAT1 under the SOLA will have priority over any payments of dividends and capital by MAHBL on MAp Securities. The obligations of MAHBL and MAT2 under the MAHBL Guarantee and MAT2 Guarantee respectively will have priority over any payment of distributions to MAp Security Holders.

In a winding up of MAp in conjunction with a winding up of MAREST, TICKETS will rank ahead of MAp Securities for the return of capital. On a winding up of MAp, MAREST will rank as a secured creditor of MAp because it has a fixed charge over the interest of MAT1 in MAFT units and MASH redeemable preference shares. The Security Trustee will rank as a secured creditor of MAp because it has a fixed charge security over the interest of MAT2 in MASH and of MAHBL in MAG and MABSA securing respective Guarantees from MAHBL and MAT2. However, because lenders at the asset level will be preferred on a winding up of any of the Airport Owning Entities, the flow of funds from these entities to MAT1 and MAHBL and, in turn, to MAREST may be affected by a winding up. In the event of a shortfall of funds on a winding up, there is a risk that Holders will not receive a full return of capital and any amount equivalent to outstanding Distributions. See Section 10.1 for a summary of the Security Arrangements.

8.1.8 Brussels Airport Acquisition not proceeding or delayed

The Brussels Airport Acquisition is subject to a number of conditions beyond the Issuer's direct control that may prevent or delay Completion. For example, the Brussels Airport Acquisition is subject to clearance by the European Commission, conversion of BIAC from a public-law to private-law stock corporation and renewal of BIAC's Operating Licence. The conditions precedent to the Brussels Airport Acquisition are summarised in Section 10.1.10.

If the Brussels Airport Acquisition has not been completed by 31 March 2005, the Responsible Entity has the right to redeem all (but not some) of the TICKETS with 10 Business Days notice. In this scenario, the TICKETS will be redeemed for Face Value plus accrued Distributions.

8.1.9 Credit rating

There is a risk that the credit rating of TICKETS may change as a result of changes in MAP's operating performance or capital structure, or that TICKETS may cease to be rated. It is the current intention of the Responsible Entity to seek to retain a credit rating on the TICKETS. While the Terms of Issue provide for the Distribution Rate to increase if the credit rating falls below Investment Grade or TICKETS no longer have a credit rating, there is a risk that a credit rating downgrade may affect the trading price and liquidity of TICKETS, may reduce the suitability of TICKETS for your investment preferences or may not adequately compensate you for the fall in, or absence of, a credit rating. In addition, there is a risk that MAREST may not be able to support the increased Distribution Rate.

8.1.10 New securities

The Responsible Entity is entitled to issue further TICKETS that rank equally with the TICKETS or securities which may convert into TICKETS and rank equally with them without the approval of Holders under the Terms of Issue. The Responsible Entity may also issue other securities that rank for distribution or payment in a winding up behind TICKETS without the approval of Holders. The Responsible Entity is not entitled to issue any securities which rank ahead of TICKETS.

A holding of TICKETS does not confer any right to participate in future issues of securities by MAREST, including TICKETS, or any issues of securities by MAP. No prediction can be made as to the effect, if any, of future issues of securities on the market price or liquidity of TICKETS.

8.1.11 Taxation treatment

A summary of the potential Australian taxation implications for Holders is set out in Section 9. This discussion is in general terms and is not intended to provide specific advice in relation to the circumstances of any particular Holder. Investors should seek independent advice in relation to their own individual taxation position. Investors should also be aware that any future changes in Australian taxation law, including changes in the interpretation or application of the law by the courts or the taxation authorities in Australia, could affect the holding or disposal of TICKETS.

In addition, if the Responsible Entity resolves on reasonable grounds (having obtained an opinion from a reputable legal counsel or tax adviser) that a change in any taxation law, interpretation or ruling issued by any relevant governmental body has occurred (or is announced) and that change is reasonably likely to materially increase the net cost to MAREST or MAP of having the TICKETS on issue, TICKETS may be Exchanged by the Responsible Entity.

8.1.12 Accounting standards

Accounting standards may change which may necessitate a change in accounting policies currently adopted by MAREST or any of the entities in which MAP has an investment. This may affect the interest or distributions payable by one or all of these entities, which may affect the cash available to pay Distributions.

IFRS are to be adopted for all entities reporting under the Corporations Act for financial years commencing on or after 1 January 2005. MAP and MAREST will be required to prepare financial reports using Australian accounting standards that are equivalent to IFRS and their related pronouncements for all periods beginning on or after 1 January 2005. The first MAP financial report to be prepared in accordance with IFRS will be for the half year ending 30 June 2005. The first MAREST financial report to be prepared in accordance with IFRS will be for the half year ending 31 December 2005.

8.1.13 Enforcement of security

The MAHBL Charge and the MAT2 Charge are granted in support of the MAHBL Guarantee and the MAT2 Guarantee respectively. Under these guarantees, any Holder is entitled to require the Security Trustee to make a claim under the applicable guarantee where a valid claim arises. It follows that any one Holder should be entitled to require the Security Trustee to enforce the MAHBL Charge or the MAT2 Charge to support the obligations owing under the applicable guarantee where that guarantee is not performed.

The difference between directing the Security Trustee to claim under a guarantee and directing the Security

Trustee to enforce the MAHBL Charge or the MAT2 Charge is that a claim under a guarantee can be made for any amount, ie, the actual amount owing to any one particular Holder. It is not possible to enforce only a parcel of security under the MAHBL Charge or the MAT2 Charge – either all of the security is enforced or none of it.

Accordingly, where one Holder directs the Security Trustee to claim under a guarantee, and subsequently requests the Security Trustee to enforce security under the MAHBL Charge or the MAT2 Charge, each other Holder will be forced to make the same claim if they wish to protect their position to share equally in the security.

8.1.14 Change of control

Under the MABSA Shareholders' Agreement, if a change of control occurs to MAp resulting in MAp being controlled by a non-Macquarie Bank Group Entity, MEIFSA (and failing MEIFSA, MBL) has a call option over all of MAp's interests in MABSA. If the call option is exercised, this would result in MAp (and therefore indirectly the Holders) no longer having an interest in BIAC or Brussels Airport. MAp would receive fair market value for its interest upon exercise of the call option by MEIFSA. See Section 10.1.14 for further details.

8.2 RISKS SPECIFIC TO MAp

The risks specific to MAp include risks which will apply to an investment in Brussels Airport.

8.2.1 Market price of MAp

The market price of MAp Securities is relevant to TICKETS Holders as TICKETS may be exchanged into MAp Securities in certain instances and Distributions and capital payments may be satisfied through the issue of MAp Securities in certain circumstances. The trading price of MAp Securities may also affect the trading price of TICKETS.

The price of MAp Securities may rise or fall due to many factors, including:

- general economic conditions, long term inflation rates, exchange rates and interest rates;
- movements in the general market for stocks listed on ASX and/or other international stock markets; and
- specific asset performance issues.

Neither the Issuer, any of the Directors, nor any other party associated with the preparation of this Offer Document guarantees that any specific objectives of MAp or MAREST will be achieved, or that any particular performance of MAp, MAREST, MAp Securities or of the TICKETS offered under this Offer Document, will be achieved.

8.2.2 Liquidity risks

MAp may invest in assets that are not listed on a stock exchange or for which there is only a limited number of potential investors. The realisable value of an asset, as a consequence, may be less than the full value indicated by MAp's expectations of its future cashflows.

8.2.3 Foreign currency risks

As foreign exchange rates change, the Australian dollar value of the investments held by MAp in overseas countries, and of the distributions from those investments, will change. Such exchange rate fluctuations may have an adverse effect on the value or price of, or income from, an investment in MAp. While MAp currently does not intend to hedge foreign exchange exposure on overseas investments, commitments to make investments in foreign currencies may be hedged as close as possible to the time of making the commitment or raising the required capital.

8.2.4 Regulatory risk

All of MAp's investments generate a substantial proportion of revenue and cash flows from regulated activities. There is a risk that revenues and cash flows from investments could be materially adversely affected by changes to the regulatory regimes applicable to one or more of the airports in which MAp has an interest and/or changes made to the application of existing regulations. There is also a risk that new regulations are introduced.

Examples of activities which may be affected by regulatory changes include route licensing, provision of security, immigration, airport safety development, foreign ownership limits, and provision of capacity together with changes in tax, duty and other regulatory regimes which may affect MAp's retail operations.

8.2.5 Asset performance

MAp is seeking to realise an above average rate of return from equity investments. Therefore, MAp's investments may involve a higher degree of risk than other investments.

MAp's underlying investments are businesses which are influenced by a wide range of factors, including economic conditions, the competitive environment, the availability of financing and the actions of governments and regulators. One or more of these or other factors may have a material adverse effect on the financial performance or cashflows of these investments which may in turn have a material adverse impact on the financial performance and cashflows of MAp.

If MAp makes only a limited number of investments, poor performance by one or a few of these investments could materially affect the payment of Distributions and total returns to MAp Security Holders.

8.2.6 Reliance on the manager/adviser

Holders will have no control over the day-to-day operations and investment decisions of MAp. Holders therefore rely entirely on MAML and MIMUK to advise on the conduct and affairs of MAp. Holders must rely on the judgment of MAML and MIMUK, their delegates and, in particular, on the judgment of their respective principals, officers and staff. MAp's success depends in large part on the performance of MAp's management team. The performance of MAp's investments and the fund overall are not assured.

8.2.7 Global aviation shock

The aviation industry has been impacted by a number of international events in the last few years, including most notably the Iraq conflict, SARS and the events of September 11, 2001. All of these events depressed the propensity to travel in Australia and worldwide.

Further outbreaks of international hostilities or international health crises also create a risk of depressed global travel. Such events could cause the temporary or permanent cessation of flights to airports in which MAp has an interest, or cause the possible suspension of operations of all or part of an airport in which MAp has an interest. Terrorist events may also lead to increased insurance costs or reduced insurance availability. An increase in perceived terrorism risk may lead to heightened security measures resulting in higher costs for airports. Furthermore, it is possible that an airport in which MAp has an interest, or aircraft on the ground at an airport in which MAp has an interest, may be subject to a terrorist attack, creating a risk of damage to airport assets and possible suspension of airport operations.

8.2.8 Taxation risk

The taxation laws or their interpretation in relation to an investment in MAp may change. In particular, both the level and basis of taxation may change, and an investment in MAp may involve tax considerations which may differ for each MAp Security Holder.

8.2.9 Sustainability of low fare airlines

A number of airports in which MAp holds an investment, as well as Brussels Airport, derive a portion of their revenue and profit from operators of low fare airlines. The low fare airline industry is highly competitive and it is possible there will be consolidation and closure of airlines within the industry. This may have a material adverse impact on the financial performance and cash flows of MAp.

8.2.10 IFRS

As IFRS requirements are not yet mandatory, the pro forma financial information disclosed in Section 7 of this Offer Document has been prepared under existing Australian reporting requirements. The historic financial information in Section 6 has been extracted directly from the BIAC non-consolidated statutory accounts, which are prepared under Belgian GAAP. If the pro forma financial information presented in this Offer Document was prepared in accordance with IFRS, that financial information would likely differ. Areas where adoption of IFRS by MAp is likely to have a significant impact are outlined in Section 7.2.3. There is a risk that any reclassification arising from the adoption of IFRS could be misinterpreted by investors and that this could have an impact on the price of MAp Securities.

8.3 RISKS ASSOCIATED WITH THE BRUSSELS AIRPORT ACQUISITION

Brussels Airport will represent approximately 24.1% of MAp's portfolio.

8.3.1 Traffic levels

There is a risk that traffic levels at Brussels Airport will not grow as expected or will decline. Due to its geographic positioning within Europe, Brussels Airport competes with a number of airports and high-speed rail links.

The biggest local airport competitor is Charleroi, however, the impact of Charleroi on Brussels Airport is expected to be limited. A significant share (70%) of scheduled traffic at Brussels Airport is business traffic and most of the growth at Charleroi is expected to be in the low fare non-business market. However, the effect of competition from Charleroi may be greater than expected. Other major airport competition originates from Amsterdam Schiphol Airport and Paris Roissy Charles de Gaulle Airport.

Brussels has high-speed rail links to a number of major European cities, including London, Amsterdam and Paris. Improvements to high speed rail links are expected to have some detrimental impact on traffic at Brussels Airport in the medium term. The combination of shorter travelling times, the likely attractiveness of air travel to business customers and the availability of low cost airfare options are expected to constrain the impact of competition from rail alternatives. However, competition from rail links may have a greater than expected impact on Brussels Airport traffic.

8.3.2 Regulatory risk

As a condition precedent to Completion, BIAC will be issued with an Operating Licence by the Belgian Government for an indefinite period of time. However, under certain limited circumstances, the Belgian Government may withdraw the Operating Licence. These circumstances include BIAC being in default of the conditions of the licence or BIAC refusing to extend or relocate the airport (refer Section 6.7). The risk of any move to withdraw the Operating Licence or actual withdrawal of the Operating License is considered low but any such move may have a material adverse impact on the financial performance of BIAC.

The Operating Licence requires certain service standards and capital expenditure requirements to be met. There is a risk that the Belgian Government or other statutory body will implement new regulatory obligations imposing a higher level of service upon BIAC, requiring larger capital expenditure than is currently anticipated or that the capital expenditure to meet existing service standards will be greater than is currently anticipated, which may impact the cash received by MAp from its investment in MABSA and subsequently the cash available to TICKETS Holders.

A new aeronautical charges regime has been introduced at Brussels Airport and will be implemented by April 2006. Under this regime, the pricing structure proposed by BIAC will need to be agreed with airlines. If agreement is not reached, there is scope for a government regulator to intervene. There is a risk that the final pricing structure may not be in line with BIAC's expectations and may have a material adverse impact on financial performance and cash flows.

8.3.3 Environmental regulatory risk

BIAC is subject to the governance of a number of regulatory authorities in relation to environmental regulation, including the European Commission, the Belgian Government, the Flemish Regional Authority and the Brussels Regional Authority. Regulations made by any of these authorities may affect the operations of BIAC.

Specific environmental issues experienced by BIAC relate to noise pollution, soil contamination and treatment of wastewater. For example, BIAC is subject to regulations by the Flemish Regional Authority in relation to night flights at Brussels Airport. The current level of night flights may be amended by the authority, which could have a material adverse impact on the financial performance of BIAC.

In addition, there is a high risk that part of the land BIAC acquired from the Belgian Government in 2001 is contaminated. The cost of decontamination was estimated at the time of sale of the land to be

€35 million. An indemnity has been given by the Belgian Government to cover 95% of the costs of the decontamination, up to a total maximum cost of €205 million (which was the original cost of the land). There is a risk that total actual decontamination costs may be higher than €35 million, which could have an adverse impact on the financial performance of BIAC, with BIAC obligated to fund 5% of any costs above €35 million and 100% of any costs above €205 million.

8.3.4 Bridge Facility and Refinancing

As part of the funding of its acquisition of an interest in BIAC, MABSA has entered into a Bridge Facility. Under the Bridge Facility, MABSA proposes to borrow €62 million, which MABSA proposes to repay from the special distribution from the Brussels Refinancing (described in Section 6.3). The refinancing of the existing debt facilities of BIAC, the drawdown of further indebtedness and the payment of the special distribution have been provided for in the BIAC Shareholders' Agreement. Under the terms of the Bridge Facility, MABSA cannot make distributions or returns of capital to shareholders until the Bridge Facility and any associated obligations have been repaid in full. There is a risk the Bridge Facility will not be repaid and MAp will therefore not receive cash flows from the Brussels Airport Acquisition as expected. This may affect the payment of interest under the SOLA and therefore the FOLA and TICKETS Distributions and may impact the credit rating of the TICKETS.

8.3.5 Litigation

There is a risk that the financial performance of each of MAp's investments may be impacted from time to time by litigation arising, for example, from occupational health and safety claims, public liability claims, environmental claims, industrial disputes, tenure disputes and legal action from special interest groups. Should there be a terrorist event resulting from a security breach at one of MAp's airports, there is a risk that the airport operator could be named as a co-defendant if litigation is pursued to compensate for loss.

Litigation has recently arisen where the Minister for Environment, Tourism and Energy of the Brussels regional government seeks to:

- suspend the Operating Licence; and
- annul aspects of the Reorganisation Decree.

MAp has received legal advice on this matter and considers that this litigation is not likely to succeed. This matter is not expected to be resolved before the Brussels Airport Acquisition has been completed, unless a political solution is achieved in the short term.

To address this, the SPA provides for two separate mechanisms:

- if the existing privatisation litigation affecting the Operating Licence or the Reorganisation Decree itself is successful, and the Belgian State has failed, within the prescribed time period, to implement new legislation that maintains the essential aspects (as agreed in the SPA) of the Operating Licence or of the Reorganisation Decree, as the case may be, then MABSA has a right of indemnification, subject to a number of specific requirements including (i) an impact on future EBITDA of more than 10%, (ii) a threshold of €10 million, (iii) a cap of 50% of the purchase price and (iv) time limitations based on the maximum likely duration required to obtain a final court decision, ie, respectively four and two years plus some extensions; and
- in addition, if the privatisation litigation is successful and the Reorganisation Decree (within the next two years) is annulled, BIAC would become a public law entity again, and the Belgian State has failed to cure that situation as provided above, MABSA has a right to rescind the SPA and the sellers would then refund the Brussels Airport Acquisition Price plus agreed costs incurred by MABSA, with an agreed return on funds, and less any distribution received from BIAC by MABSA.

If this occurs, the Directors have not determined what course of action, if any, they will take with respect to the TICKETS.

8.3.6 Qualified Technical Equipment Lease

In 2002, BIAC entered into a Qualified Technical Equipment lease with a United States domiciled trust with regard to the exploitation rights of BIAC's baggage handling system. This transaction was undertaken to yield an upfront cash benefit to BIAC. The lease is structured in such a way that no further cash flow implications arise for BIAC during the residual lifetime of the lease. However, there is a risk that the tax classification of certain elements of the transaction could be challenged by the Belgian tax authorities. While this risk is expected to be low, a successful challenge could have a material adverse impact on the financial performance and cash flows of BIAC.

8.3.7 Pension funding

As part of the Brussels Airport Acquisition, it is expected that the assets and liabilities of the pension fund for BIAC's statutory employees will be transferred to the Belgian State shortly after Completion. In the event that this transfer does not occur, BIAC will continue to be required to ensure that the pension fund

for its statutory employees is fully funded at the end of each year. Any shortfall must be made up in cash immediately. The pension fund for BIAC's statutory employees is currently slightly overfunded, providing a small buffer for any shortfall.

The current funding policy chosen by BIAC is more stringent than is legally required. The board of directors of the pension fund could amend the funding policy to reduce the level of funding which has to be ensured at the end of each year. The board of directors of the pension fund could also decide to invest the fund's assets in relatively low volatility assets to reduce the risk of unexpected shortfalls. Despite these factors, and only in the event that the assets and liabilities of the pension fund for statutory employees are not transferred to the Belgian State, there is a risk of unexpected cash outflows to fund pension shortfalls which could have a material adverse impact on the financial performance and cash flows of BIAC.

8.3.8 Hedging

MAp has entered into forward contracts to hedge the Australian dollar value of its investment commitment in the Consortium. To the extent these hedging contracts are required to be adjusted or extended, MAp may incur additional costs in relation to the Brussels Airport Acquisition.

8.3.9 Brussels Airport Acquisition not proceeding or delayed

Delay in satisfaction of the conditions precedent could delay the proposed Brussels Airport Acquisition for a significant period of time or prevent it from occurring entirely. To obtain European Commission approval or to enable satisfaction of other conditions precedent, MAp may be required to agree to undertakings which may adversely affect the attractiveness of an investment in BIAC, including affecting the investment returns. If the proposed Brussels Airport Acquisition is not completed as contemplated, MAp will have incurred total costs of approximately \$26.7 million which MAp may be unable to recover. In addition, MAp has already issued additional MAp Securities pursuant to the Placement, which has resulted in additional capital being on issue, potentially affecting key return ratios of MAp, including future distributions on MAp Securities.

TAXATION INFORMATION

19 November 2004

Greenwoods & Freehills

The Directors
Macquarie Airports Management Limited
Level 15
1 Martin Place
SYDNEY NSW 2000

Dear Directors

Tradeable Interest-bearing Convertible to Equity Trust Securities ("TICKETS") Taxation implications for investors

We have been instructed by Macquarie Airports Management Limited ("MAML"), as responsible entity of the Macquarie Airports Reset Exchange Securities Trust ("MAREST"), to prepare a taxation summary for inclusion in an Offer Document dated on or around 19 November 2004 in relation to the issue of TICKETS.

This opinion contains general comments on the major taxation consequences for Australian resident taxpayers who subscribe for TICKETS under the Offer Document (each a "Holder") and who hold their investment in TICKETS on capital account for tax purposes. This letter does not address the position of Holders who hold TICKETS on revenue account or as trading stock as part of a securities trading business. The letter also does not address the tax consequences for Holders where MAp Securities are issued in satisfaction of any Aggregate Deferred Distributions or payments are made under the Guarantees.

As the tax consequences to Holders will depend on their own facts, Holders should seek independent advice in relation to their particular circumstances.

The analysis in this letter is based on Australian income tax law in force, and the practices of the Australian Taxation Office ("ATO"), applicable as at the date of this letter. Unless indicated otherwise, references to legislative provisions are to the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997 (each the "Act") as applicable.

Capitalised terms not elsewhere defined refer to defined terms in the Offer Document. All references to the Responsible Entity are to MAML in its capacity as responsible entity of MAREST.

1 Treatment of Distributions on the TICKETS

Distributions on the TICKETS should constitute assessable income to Holders.

As TICKETS are units in a trust, the taxation treatment of Holders will be governed by the provisions of the Act which relate to the taxation of beneficiaries of trusts.

Broadly speaking, Holders will be assessable on Distributions in the year in which the relevant income was earned by MAREST. For example, it is expected that the first Distribution payable on 18 August 2005 will be assessable to Holders in their tax year of income ending on 30 June 2005, given that the first Distribution will relate to income derived by MAREST in the period to 30 June 2005.

As with any trust, it is possible, but unlikely given the intended operation of MAREST, that a Holder may have taxable income of an amount greater or lesser than the amount of a Distribution.

Accordingly, the taxable income of MAREST of an income year which is assessable to Holders may exceed the amount that is distributed to Holders in respect of that income year, for instance, where a payment or payments made by MAREST are not tax deductible.

Alternatively, where a Distribution exceeds the Holder's share of taxable income of MAREST, the cost base of the Holder's TICKETS would be reduced by the excess for the purposes of calculating any capital gain or loss on disposal of the TICKETS.

The Responsible Entity will provide distribution statements to Holders that will specify the tax treatment of particular Distributions and the tax year to which they relate.

In our opinion, the above basis for Holders returning assessable income from the TICKETS should not be disturbed by the application of the "accruals" basis of taxation of "qualifying securities" prescribed by Division 16E of the Act.

2 Treatment of disposal or redemption (not involving an Exchange into MAp Securities)

2.1 General

If, as expected, the TICKETS are listed on the Australian Stock Exchange ("ASX"), Holders will be able to freely sell their TICKETS at the prevailing market price. The Responsible Entity may also elect in certain cases to procure the sale of the TICKETS to a third party and will then have an obligation to pay the Responsible Entity Purchase Price to the Holder. The Responsible Entity may also redeem the TICKETS for cash in certain cases.

2.2 Transfer or redemption under TICKETS Terms

If, on Exchange, the Responsible Entity redeems or procures the purchase of the TICKETS, a taxable gain will arise equal to the excess of the Responsible Entity Purchase Price over the Face Value.

In the case of a gain which is referable to any Aggregate Deferred Distributions, we consider that this simply reflects part of the anticipated return to the Holder on the TICKETS and hence, the amount will be assessable income within ordinary concepts, rather than a capital gain. The position with respect to that part of the gain referable to the Exchange Discount is less clear, however we again consider that such an amount may be ordinary assessable income, rather than a capital gain. Holders may wish to consider whether in their circumstances this part of the gain is in fact of a capital nature.

Any gain arising on a sale of a TICKETS to a third party procured by the Responsible Entity should generally be regarded as a capital gain in the hands of a Holder.

Discount capital gains

Certain Holders may qualify for a discount for capital gains tax purposes where the gain is on capital account and the TICKETS have been held for at least 12 months.

In the case of qualifying Holders who are individuals, the amount of the capital gain remaining after being set off against any capital losses is reduced by half.

Qualifying Holders that are complying superannuation entities are entitled to reduce the amount of the capital gain remaining after being set off against any capital losses by one third.

Holders that are companies are not entitled to any discounting of capital gains. Other Holders should seek their own advice as to the application of the discount capital gains rules to their circumstances.

2.3 Sale of TICKETS on ASX

A gain arising on a sale of the TICKETS on the ASX will be assessable as a capital gain, subject to the discounting rules discussed above for qualifying Holders.

Any loss arising to a Holder on a sale of the TICKETS on the ASX will be a capital loss that may only be offset against capital gains and may be carried forward for use in a later year.

3 Treatment of Exchange into MAp Securities

The redemption of TICKETS as part of the Exchange of TICKETS into MAp Securities should be treated as involving a disposal of the TICKETS for an amount equal to their Face Value.

Accordingly, no taxable gain or loss should arise at the point of Exchange and the Holder should adopt a cost base in the MAp Securities equal to the amount applied in paying up the MAp Securities (ie, the Face Value of the TICKETS).

4 PAYG taxpayers

Holders of TICKETS will derive their return by the receipt of Distributions, Deferred Distributions (if any) and either the issue of MAp Securities or a redemption payment.

Under the Pay As You Go (“PAYG”) tax collection regime, the Responsible Entity must, subject to certain limited exceptions, withhold an amount from Distributions and Deferred Distributions on the TICKETS at the highest individual marginal tax rate plus Medicare Levy (currently an aggregate of 48.5%) unless a Holder provides their tax file number (“TFN”), Australian Business Number (“ABN”) or relevant exemption.

Accordingly, it is recommended that Holders consider providing their TFN, ABN or exemption notification to the Responsible Entity or their securities dealer to avoid the application of the PAYG provisions.

5 Goods and Services Tax

Holders should not be liable to GST in relation to their holding or disposal of TICKETS.

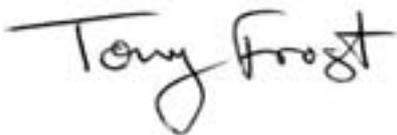
6 Disclaimer

This opinion is provided solely for the purposes of the Responsible Entity in releasing the Offer Document outlining an offer to invest in TICKETS. It is not provided as advice to prospective Holders who should obtain independent professional advice referable to their own particular circumstances in deciding whether to invest in TICKETS.

Yours faithfully

GREENWOODS & FREEHILLS PTY LIMITED

per:



Tony Frost
Director

ADDITIONAL INFORMATION

10

10.1 SUMMARY OF MATERIAL CONTRACTS

Section 10 summarises the following material contracts relating to the TICKETS and the Brussels Airport Acquisition:

- Constitution of MAREST, which sets out many of the rights and obligations of Holders and MAML in its role as Responsible Entity (refer to Section 10.1.1);
- First On-Lending Agreement and the MAT1 Charge (refer to Section 10.1.2);
- Second On-Lending Agreement (refer to Section 10.1.3);
- MAHBL Guarantee from MAHBL to support MAREST's obligation to pay Distributions under the Terms of Issue (refer to Section 10.1.4);
- MAT2 Guarantee from MAML in its role as responsible entity of MAT2 to support MAREST's obligation to pay Distributions under the Terms of Issue (refer to Section 10.1.5);
- MAHBL Charge (refer to Section 10.1.6);
- MAT2 Charge (refer to Section 10.1.7);
- Support Deed from MAp to MAREST (refer to Section 10.1.8);
- Expenses Indemnity and Fees Deed (refer to Section 10.1.9);
- Stock Purchase Agreement whereby MABSA acquires shares in BIAC (refer to Section 10.1.10);
- Guarantee under which the purchase price payable under the Stock Purchase Agreement is guaranteed (refer Section 10.1.11);
- Letter of Credit supporting MAHBL's obligation under the above Guarantee (refer Section 10.1.12);
- BIAC Shareholders' Agreement which sets out the rights and obligations of MABSA and the Belgian Government as regards BIAC (refer to Section 10.1.13);
- MABSA Shareholders' Agreement regulating the rights and obligations of the Consortium members as regards MABSA (refer to Section 10.1.14);
- Advisory Agreement (refer to Section 10.1.15);
- Underwriting Agreement (refer to Section 10.1.16); and
- The Bridge Facilities (refer to Section 10.1.17).

Where MAML is a party to any of the material contracts noted above in its capacity as responsible entity of MAT1, MAT2 or MAREST, MAML is not personally liable and is liable only to the extent it is

actually indemnified out of property of the relevant trust. Obligations cannot be enforced against it in its personal capacity except if the indemnity is reduced as a result of, and to the extent of, its fraud, negligence or breach of trust.

Each agreement to which Trust Company of Australia Limited is or will be a party in its capacity as custodian of MAT1, MAT2 or MAREST contains a provision that Trust Company of Australia Limited will not be under any liability under that agreement for which it is not indemnified out of the assets of the relevant trust except in the case of and to the extent of its fraud, gross negligence or wilful default.

The Security Trustee will not be responsible or liable to any Holder in various circumstances, including for any action taken or omitted to be taken by the Security Trustee under any agreement to which it is a party except to the extent it has been actually indemnified from the assets of the relevant security trust or in the case of fraud, wilful default or negligence.

Capitalised terms have the meaning set out in a relevant original agreement or document if not otherwise defined in the Glossary or Terms of Issue.

10.1.1 Summary of MAREST Constitution

MAREST is governed by the MAREST constitution ("Constitution") dated 23 August 2004 and has been registered as a managed investment scheme with ASIC, in accordance with Chapter 5C of the Corporations Act.

MAML is the responsible entity of MAREST. In exercising its powers and duties as the responsible entity of MAREST, MAML must act honestly, with care and diligence and in the best interests of the Unitholders. Where there is a conflict, MAML must have regard to the interests of the Unitholders over and above its own.

The respective rights and obligations of MAML and Unitholders are determined by the Constitution, the Corporations Act, the Listing Rules and this Offer Document, together with any exemptions and declarations issued by ASIC, and the general law relating to trusts. Neither the provisions of these laws and rules, nor their effect on the Constitution have been summarised below.

The following is a summary of the principal terms of the Constitution.

Units and Unitholders

The beneficial interest in MAREST is divided into Units. A Unit confers an interest in MAREST's property as a whole, it does not confer an interest in a particular part of MAREST. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit. TICKETS

entitle the Holders to preferential rights as set out in the TICKETS Terms of Issue. The rights attaching to Units in a class of Units cannot be cancelled, varied or adversely affected without a special resolution of Unitholders and a special resolution of Unitholders of the class affected.

Issue of Units

MAML may issue Units in MAREST in the following classes: Ordinary Units and TICKETS. MAML cannot convert any Units from one class to another class or reclassify Units from one class to another. A person who wishes to subscribe for Units must lodge a completed Application and the Application Monies with MAML. MAML may in its absolute discretion accept or refuse to accept in whole or in part any Application or subscription for Units. Subject to the Listing Rules, MAML is not required to assign any reason or ground for such refusal.

Issue Price

The Constitution contains provisions for calculating the Issue Price of Units, for the first and any future issues:

- (a) MAML may issue Ordinary Units at an initial Issue Price of \$1.00 per Ordinary Unit and for subsequent issues, at an Issue Price equal to: Net Asset Value (attributable to Ordinary Units)/number of Ordinary Units on issue. Each of the variables in the formula must be determined as at the next Valuation Time after MAML receives the application for Ordinary Units or MAML receives the Application Monies or the property against which the Ordinary Units are to be issued is vested in MAML.
- (b) MAML may issue TICKETS in accordance with the TICKETS Terms of Issue. The Issue Price for the first issue of TICKETS is \$100 per TICKETS. All other TICKETS must only be issued at a price determined as follows:
 - (i) in the case of a proportional offer (including a rights issue) while MAREST is Listed, MAML may offer TICKETS to those persons who were Holders on a date determined by MAML (not being more than 30 days immediately prior to the date of the offer) and in proportion to the value of those Holders' interest at an Issue Price MAML determines as long as it is not less than 50% of the Average Market Price of the TICKETS on the day preceding the date of the offer¹;
 - (ii) in the case of a placement while MAREST is Listed, MAML may at any time issue TICKETS to

any person by way of a placement at any price and on terms determined by it, provided that MAML complies with the Listing Rules applicable to the issue and the conditions of any applicable ASIC relief;

- (iii) in all other cases while MAREST is Listed, equal to the Average Market Price of TICKETS; and
- (iv) in all other cases while MAREST is not Listed, equal to: Net Asset Value (attributable to TICKETS)/number of TICKETS on issue. Each of the variables in the formula must be determined as at the next Valuation Time after MAML receives the application for TICKETS or MAML receives the Application Monies, or the property against which the TICKETS are to be issued is vested in MAML.

Underwriting of Issue

Subject to any applicable declaration made or exemption granted by ASIC, MAML may arrange for an offer for sale, subscription or issue of Units to be underwritten by an underwriter on terms determined by MAML. The underwriter may be MAML or a related body corporate of MAML and take up any Units not subscribed for. MAML may issue Units at an Issue Price equal to the Issue Price at which the Units in relation to the underwritten issue or offer were or would have been issued to persons other than the underwriter.

Income

(a) MAREST as a distributing trust

MAML must determine the income of MAREST for each Financial Year. Unless MAML determines otherwise prior to the end of the Financial Year, the income of MAREST will be the net income of MAREST calculated in accordance with the Tax Act.

Present entitlement to income of MAREST

A person who at any time during the Financial Year is or has been a Unitholder is presently entitled as at midnight on the last day of the Financial Year to the income of MAREST for the Financial Year in the following amounts:

- (i) in relation to each Holder – equal to the Distribution Entitlement of that Holder for that Financial Year;
- (ii) in relation to each Unitholder who has ceased to hold Units before the last day of the Financial Year – any Accrued Income Entitlement arising to

Note 1. MAML must comply with the Listing Rules applicable to the issue and conditions of any applicable ASIC relief (ASIC Class Order 98/52). Subject to the Listing Rules and the conditions of any applicable ASIC Relief, MAML is not required to offer TICKETS to persons whose address on the Register in place other than Australia and New Zealand. This assumes that MAML is able to comply with the conditions in Listing Rule 7.1.

that Unitholder in respect of those Units during the Financial Year;

- (iii) in relation to each Unitholder holding Ordinary Units – a proportion of the remainder of the income of MAREST after deducting the amounts referred to in paragraphs (i) and (ii) above. The remainder shall be allocated amongst the Unitholders holding Ordinary Units based on the proportion which a Unitholder holding of Ordinary Units bears to the total number of the Ordinary Units on issue.

Distribution of income

The present entitlement of a Unitholder to the income of MAREST for a Financial Year will be satisfied by the payment of the Distribution Entitlement(s) to the Unitholder in respect of the Financial Year or if a Distribution Entitlement is not paid to the Unitholder by reason of transfer of Units by the Unitholder, the payment by MAML of an amount equal to that Distribution Entitlement in respect of those Units to the person to whom the Units have been transferred.

Distribution Entitlement

For each Distribution Period MAML must calculate and distribute each Unitholder's Distribution Entitlement. Distributable Amount for a period will be determined in accordance with the following formula:

$$DA = I + C - R$$

where:

DA is the amount of Distributable Amount

I is the Operating Income of MAREST

C is any additional amount (including capital) that MAML has determined is to be distributable to Unitholders

R is:

- (i) that part (if any) of the Operating Income of MAREST for the relevant period which has been distributed during the period; and
- (ii) any amount of income and gains which has been included in the Withdrawal Price of Units redeemed during the relevant period.

Subject to the Terms of Issue for any Unit, each Unitholder's Distribution Entitlement will be determined as follows:

- (i) the Holders will be entitled to receive in preference to other Unitholders distributions up to a maximum calculated at the Specified Rate

for the number of days in the relevant Distribution Period for which the TICKETS have been on issue, to be allocated amongst Holders based on the respective numbers of TICKETS of which they are the registered Holders at the close of business on the relevant Distribution Calculation Date;

- (ii) if there has been a shortfall in the receipt by the Holders of the Specified Rate during a previous Distribution Period which has not been made up in accordance with the TICKETS Terms of Issue, such additional distributions will be allocated amongst the Holders at the close of business on the relevant Distribution Calculation Date, not exceeding the amount of the shortfall;
- (iii) Unitholders holding Ordinary Units will be entitled to the balance of the Distributable Amount in accordance with the following formula:

$$DE = DA \times \frac{UH}{UI}$$

where:

DE is the Distribution Entitlement

DA is the Distributable Amount after deducting the amount to be distributed to Holders pursuant to paragraphs (i) and (ii)

UH is the Unitholder's holding of Ordinary Units at the close of business on the Distribution Calculation Date

UI is the aggregate number of Ordinary Units on Issue in MAREST at the close of business on the Distribution Calculation Date

Distribution of Entitlement

MAML must pay to each Unitholder its Distribution Entitlement on or before the Distribution Date, which is a day no more than 3 calendar months after the Distribution Calculation Date for the relevant Distribution Period or the date determined by MAML, acting in the best interests of the Unitholders, as being the appropriate Distribution Date for the Distribution Period. For the purpose of determining the entitlement to the Distribution Entitlement for a Distribution, the persons who are Unitholders on the Distribution Calculation Date for that Distribution Period have an absolute, vested and indefeasible interest in the Distributable Amount for the Distribution Period.

MAML may retain from each Unitholder's Distribution Entitlement all amounts which are necessary to avoid distributing a fraction of a cent

or which MAML determines it is not practical to distribute on a Distribution Date. Any sum so retained will for all purposes be treated as income for the next following Distribution Period.

MAML may retain from the amounts to be distributed to a Unitholder an amount in or towards satisfaction of any amount payable by the Unitholder to MAML under the Constitution or required to be deducted by law.

Minimum Distribution

MAML may transfer capital to enable distribution to Unitholders of the minimum amount necessary to avoid MAML becoming assessable to pay tax under the Tax Act.

(b) *MAREST taxed as a company*

If in any Financial Year MAML in its capacity as trustee becomes taxable as if it were a company under the Tax Act, MAML has complete discretion as to how much (if any) of:

- the Distributable Amount for that Financial Year; or
- in years subsequent to that Financial Year, amounts which have not previously been distributed from prior Financial Years,

is to be distributed to Unitholders on the Distribution Date.

Each Unitholder's Distribution Entitlement to the Distributable Amount will be determined as described in the paragraph above under the heading "Distribution Entitlement". MAML must pay on or before the Distribution Date the Distribution Entitlement to the persons who are Unitholders on the Distribution Calculation Date for that Distribution Period.

Transfers

Units may be transferred by a proper instrument and in a manner approved by MAML. MAML may decline to register a transfer of Units unless the instrument of transfer is duly stamped (if applicable), accompanied by such evidence as MAML requires to prove the title of the transferor and complies with any requirements prescribed by MAML from time to time. A transferor of Units remains the Unitholder until the transfer is registered and the name of the transferee is entered in the Register in respect of the Units or the transfer is effected in accordance with the ASTC Settlement Rules.

While MAREST is Listed all transfers of TICKETS must be effected in accordance with the Listing Rules.

Subject to the Listing Rules, while MAREST is Listed, there is no restriction of the transfer of TICKETS and MAML may not do anything which may prevent, delay or in any way interfere with, the registration of a transfer of TICKETS.

In relation to Units which are CHESS Approved Securities, MAML must not prevent, delay or in any way interfere with, the registration of a proper SCH transfer.

Subject to the Listing Rules and the ASCT Settlement Rules, whilst the Trust is Listed, MAML may suspend the registration of transfers at such times and for such periods, not exceeding in total 30 days in any year, as it thinks fit.

Restricted securities (as defined in the Listing Rules), may not be transferred.

Entitlements on Transmission Event

In the case of a Transmission Event¹ in respect of a Unitholder the only persons who will be recognised as having any title to the Units registered in the Unitholder's name or any benefits accruing in respect of those Units are:

- where the Unitholder is a joint holder, the survivor or survivors of the Unitholder;
- where the Unitholder is an individual, the legal personal representative of the Unitholder or the person entitled to the Units as a result of bankruptcy; or
- where the Unitholder is a body corporate, the person entitled to the Units as a result of the dissolution or succession.

Withdrawal of Units

Subject to the Terms of Issue of any Unit, while MAREST is Liquid, any Unitholder may request that some to all of their Units be withdrawn. Each request must satisfy the form and content requirements prescribed by MAML and be delivered to MAML at its registered office (or other nominated place). MAML will determine whether or not MAREST is Liquid. Such a determination is binding on Unitholders and no Unitholder has the right to challenge it.

Note 1. ie, the death of the Unitholder, the bankruptcy of the Unitholder, the Unitholder becoming of unsound mind, the dissolution of the Unitholder or the succession by another body corporate to the assets and liabilities of the Unitholder.

Within a reasonable time of receiving a withdrawal request MAML must consider that request and, in its absolute discretion:

- (a) deny the request (but it must then notify the Unitholder accordingly); or
- (b) effect the withdrawal by causing the number (or value) of Units held by the Unitholder referred to in the withdrawal request to be redeemed at the applicable Withdrawal Price out of the Fund; or
- (c) subject to the Listing Rules and the Corporations Act, purchase or arrange for another person to purchase the number (or value) of Units held by the Unitholder referred to in the withdrawal request; or
- (d) partially effect the withdrawal in the manner described in paragraph (b) and partially purchase (or arrange for Units to be purchased) in the manner described in paragraph (c).

MAML may deduct from the proceeds of withdrawal of Units any money due to MAML in relation to the Unitholder.

Subject to the Terms of Issue of any Unit, while MAREST is a registered scheme but is not Liquid MAML may make a Withdrawal Offer to all Unitholders or Unitholders in a class. A Unitholder may withdraw from MAREST in accordance with the terms of the current Withdrawal Offer. Otherwise, a Unitholder has no right to withdraw from MAREST.

The Withdrawal Price for any Ordinary Unit will be equal to: Net Asset Value / Ordinary Units on Issue.

A Holder may request that some or all TICKETS be withdrawn only in accordance with the withdrawal price specified in the TICKETS Terms of Issue.

Unless MAML determines otherwise, the right to make withdrawal requests is suspended while MAREST is admitted to the Official List.

Minimum holding

Subject to the Terms of Issue of any Unit, if MAML has established a minimum number of Units for which an application can be made or a minimum number of Units which must be held at any time, then MAML may treat a withdrawal request (including acceptance of a Withdrawal Offer), which if accepted, would lead a Unitholder to hold fewer Units than that minimum number, as a request for the withdrawal of all of that Unitholder's Units. If there is more than one class, this clause only applies to Units in the same class.

MAML's Powers

MAML has all the powers that it is possible to confer on a trustee and has all the powers that are incidental to ownership of the Fund as though it were the absolute and beneficial owner of the Fund. In the

exercise of its powers MAML may, without limitation, acquire or dispose of any real or personal property, borrow or raise money, encumber any asset of the Fund, incur any liability, guarantee any obligations of any person, enter into joint venture arrangements or fetter any power.

MAML may appoint a person, including its Associate, as its delegate, attorney or agent to exercise its powers and perform its obligations (including the power to appoint in turn its own agent or delegate to acquire, hold title to, dispose of or otherwise deal with any assets of the Fund on behalf of MAML and perform any incidental or ancillary action or otherwise approved by MAML).

Reimbursement of MAML

Subject to the Corporations Act and the proper performance of its duties as responsible entity of MAREST, MAML is indemnified and entitled to be reimbursed out of or have paid from the Fund for all Costs incurred at law or under the Constitution in the performance of its duties, the exercise of its powers, the course of its office or in relation to the administration or management of MAREST, save to the extent MAML is entitled to be and is indemnified for those Costs under the Expenses Indemnity and Fees Deed.

Retirement and Removal of MAML

MAML may retire as responsible entity of MAREST in accordance with section 601FL of the Corporations Act. MAML may be removed as responsible entity of MAREST in accordance with section 601FM of the Corporations Act.

MAML's Limitation of Liability

Subject to the Corporations Act, MAML and each director and officer of MAML are not personally liable to a Unitholder or any other person in connection with the office of the responsible entity or director or officer of the responsible entity.

MAML will not be liable to any Unitholder to any greater extent than the extent to which it is entitled to be and is in fact indemnified:

- (a) while the Expenses Indemnity and Fees Deed is in force, by the responsible entity of Macquarie Airports Trust (1) (ARSN 099 597 921) under the Expenses Indemnity and Fees Deed; or
- (b) while the Expenses Indemnity and Fees Deed is not in force, out of the assets of the Fund actually vested in MAML in respect of MAREST.

MAML's Indemnities

Subject to the Corporations Act, MAML is not responsible for:

- (a) any Costs incurred by any fraud, negligence, breach of duty or breach of trust or otherwise, by any agent, delegate, attorney or custodian and any of their agents or delegates;
- (b) any Costs incurred by relying on any notice, resolution, information, documents, forms or lists unless it reasonably believes such item not to be genuine or not to have been passed, executed or signed by the proper parties; or
- (c) Costs if a person fails to carry out an agreement with MAML or an agent or delegate of MAML.

MAML will not be liable to anyone in respect of any failure to perform or do any act or thing which by reason of any provision of any present or future law or statute of Australia or any State or Territory, of any decree, order or judgement of any competent court or any document or agreement binding on MAML it is prevented, forbidden or hindered from doing or performing.

MAML may take and act upon the opinion or advice of counsel or solicitors instructed by MAML in relation to the administration of MAREST or any other matter in connection with MAREST, and the opinion, advice, statements or information from any bankers, accountants, auditors, valuers, architects, engineers and other persons consulted by MAML who are believed by MAML in good faith to be expert in relation to the matters upon which they are consulted, and MAML will not be liable for anything done, suffered or omitted by it in good faith in reliance upon such opinion, advice, statements or information.

Interested dealings by MAML

MAML or an officer or employee or associate of MAML may be a Unitholder; act in any fiduciary, vicarious or professional capacity, including without limitation as a banker, accountant, auditor, valuer, solicitor, independent contractor or other consultant or adviser to or representative, delegate, attorney or agent of MAML or any Unitholder, or as an executor, administrator, receiver or trustee; have an interest in or enter into a contract or transaction with MAML or its associate, any Unitholder, or any other person, including one whose shares or other securities form an asset of the Fund; or hold or deal in or have any other interest in an asset of the Fund, and may retain and is not required to account for any benefit derived by doing so.

Valuation of assets of the Fund

MAML may at any time cause the valuation of any asset of the Fund. Each asset of the Fund must be valued at its market value unless MAML determines that there is no market in respect of the asset of the Fund or the market value does not represent the fair

value of the asset of the Fund in which case MAML must at the same time determine the method of valuation of the asset of the Fund.

Compliance Committee Members Indemnity

MAML must, save to the extent the Compliance Committee member is entitled to and is indemnified for these Costs under the Expenses Indemnity and Fees Deed, indemnify from the Fund, on a full indemnity basis and to the full extent permitted by law, each Compliance Committee member for Costs (other than Taxes) incurred by that person as a member of the Compliance Committee including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal, in which judgment is given in favour of the person or in which the person is acquitted; or in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Act. This indemnity is a continuing obligation and is enforceable by a Compliance Committee member even though that person may have ceased to be a member of MAREST's Compliance Committee and operates only to the extent that the loss or liability is not covered by insurance.

Insurance

MAML may, from the Fund and to the extent permitted by law purchase and maintain insurance or pay or agree to pay a premium for insurance for any person who is a member of MAREST's Compliance Committee against any liability incurred by that person as a member of the Compliance Committee including, but not limited to, a liability for negligence or for reasonable costs and expenses incurred in defending proceedings, whether civil or criminal and whatever their outcome.

Term of MAREST

MAREST commences when MAML accepts the first Application and ends on the earlier of:

- (a) the 80th anniversary of the date of its establishment;
- (b) the date determined by MAML as the date on which MAREST is to be terminated;
- (c) the date on which MAREST is terminated under the Constitution or by law; and
- (d) the date on which Macquarie Airports Trust (1) (ARSN 099 597 921) and Macquarie Airports Trust (2) (ARSN 099 597 896) terminate.

Procedure on termination

In winding up MAREST, MAML must realise the assets of the Fund, pay any amount due to it under clause 16.2(c) (as described below) and save to the extent

such Costs are recovered under the Expenses Indemnity and Fees Deed, pay all Costs of MAML in its capacity as responsible entity of MAREST including, but not limited to, liabilities owed to any Unitholder who is a creditor of MAREST and, subject to any special rights or restrictions attached to any Unit or the TICKETS Terms of Issue or the direction in writing of all Unitholders, distribute the net proceeds of realisation pro rata among the Unitholders.

MAML may distribute an asset of the Fund to a Unitholder in specie. MAML must determine the value of the asset of the Fund to be distributed in specie. Any costs payable on an in specie distribution must be paid by the Unitholder before the distribution is made.

MAML is entitled, save to the extent such Costs or amounts are recovered under the Expenses Indemnity and Fees Deed, to be paid from the proceeds of realisation of MAREST before any payment is made to the Unitholders all Costs incurred or which it establishes will be incurred:

- (a) by it before the winding up of MAREST which it has not recouped;
- (b) by it in connection with the winding up of MAREST and the realisation of the Fund;
- (c) by or on behalf of any creditor of MAML in relation to MAREST; and
- (d) by or on behalf of any agent, solicitor, banker, accountant or other person employed by MAML in connection with the winding up of MAREST.

MAML may postpone the realisation of the Fund for as long as it thinks fit and is not liable for any loss or damage attributable to the postponement. MAML may retain for as long as it thinks fit any part of the Fund which in its opinion, may be required to meet any actual or contingent liability of MAML or any amounts payable actually or contingently to MAML under the Constitution.

MAML must distribute among the Unitholders anything retained which is subsequently not required. MAML must ensure that the final accounts of MAREST following the winding-up are audited by a registered company auditor who is independent of MAML.

Amendments to the Constitution

The Constitution may be amended in accordance with the Corporations Act.

Meetings of Unitholders

MAML may convene a meeting of Unitholders at any time and must do so when and as required to do so by the Corporations Act.

A resolution of Unitholders may be passed by the Unitholders completing, signing and returning copies of

a written resolution which has been sent by MAML within a period specified by MAML. In respect of such a resolution each Unitholder has the number of votes determined in accordance with section 253C(2) of the Corporations Act. The value of a Unitholder's total holding must be determined at such time as MAML specifies.

A resolution passed at a meeting of Unitholders held in accordance with the Constitution or by postal ballot is binding on all Unitholders.

Complaints

If a Unitholder or Holder submits to MAML a complaint alleging that the Unitholder or Holder has been adversely affected by MAML's conduct in its management or administration of MAREST, MAML:

- (a) must if the complaint is in writing, acknowledge in writing receipt of the complaint as soon as practicable and in any event within 14 days from receipt;
- (b) must ensure that the complainant receives proper consideration resulting in a determination by a person or body designated by MAML as appropriate to handle complaints;
- (c) must act in good faith to deal with the complaint by endeavouring to correct any error which is capable of being corrected without affecting the rights of third parties;
- (d) may in its discretion give any of the following remedies to the complainant: information and explanation regarding the circumstances giving rise to the complaint; an apology; or compensation for loss incurred by the Unitholder or Holder as a direct result of the breach (if any); and
- (e) must communicate to the complainant in relation to the complaint as soon as practicable and in any event not more than 45 days after receipt by MAML of the complaint: the determination in relation to the complaint; the remedies (if any) available to the Unitholder or Holder; and information regarding any further avenue for complaint.

Notices

Any application, notice or other communication to or by MAML or a Unitholder must be in legible writing and in English addressed:

- if to MAML, to its registered office;
- if to a Unitholder, to the Unitholder's address specified in the Register; or

- to the e-mail or other electronic messaging system address of a party from time to time or as specified to the sender by any party by notice and in the case of a Unitholder, with MAML's prior consent.

An application, notice or other communication sent by post is taken to be received on the Business Day after it is posted and a fax is taken to be received 1 hour after receipt by the transmitter of confirmation of transmission from the receiving fax machine. Proof of actual receipt is not required. Subject to the Corporations Act, MAML may determine the time at which other forms of communication will be taken to be received.

A notice or other communication to joint holders is validly given if it is given only to the joint holder whose name appears first on the Register.

Method of payment, repayment or redemption

Any money payable by MAML to a Unitholder under the Constitution may be paid by a crossed "not negotiable" cheque made payable to the Unitholder and posted to the Unitholder's registered address.

A Unitholder, with the consent of MAML, may nominate in writing (or in such other manner approved by MAML) that money owing to it under the Constitution be paid by cheque or otherwise into a designated account with a financial institution or to a nominated person.

A cheque issued to a Unitholder which is presented and paid, or where the payment is to a financial institution or nominated person, payment to the institution or person, discharges MAML in respect of the payment.

MAML may determine that any cheque not presented within 6 months is cancelled. If MAML so determines the amount of the cheque is to be reinvested in Units. The reinvestment is taken to be made on the day the cheque is cancelled.

Joint Holders

Joint Holders are taken to hold the Unit as joint tenants on the following conditions:

- except where otherwise required under the ASTC Settlement Rules, MAML is not bound to register more than three persons as the joint holders of the Unit;
- the joint holders are jointly and severally liable in respect of all payments, including payment of Tax, which ought to be made in respect of the Unit;
- on the death of a joint holder, the survivor or survivors are the only person or persons whom MAML will recognise as having any title to the Unit, but MAML may require any evidence of death which it thinks fit;

- any one of the joint holders may give an effective receipt which will discharge MAML in respect of any payment or distribution; and

- only the person whose name appears first in the Register as one of the joint holders is entitled to delivery of any notices, cheques or other communications from MAML, and any notice, cheque or other communication given to that person is deemed to be given to all the joint holders.

10.1.2 Summary of the First On-Lending Agreement (FOLA)

Nature of loan

The FOLA is between MAML in its capacity as responsible entity of MAT1, Trust Company of Australia Limited in its capacity as custodian of MAT1 and MAML in its capacity as responsible entity of MAREST.

MAML, in its capacity as responsible entity of MAT1, will raise debt from MAML, in its capacity as responsible entity of MAREST, which will be funded from the aggregate principal amount of the TICKETS proceeds. The FOLA is an interest bearing term loan for up to 10 years from the date of the first provision of funds under the FOLA. The rate of interest applicable to the loan is the same as the Distribution Rate applicable to the TICKETS and will be payable in arrears on each Distribution Entitlement Date.

The liability of the Borrower to pay interest under the FOLA is limited to the amount of cash available to the Borrower to pay such interest. Unpaid interest shall accrue and capitalise in the same manner and at the same rate as Distributions on TICKETS accrue and capitalise. MAT1 must use the net proceeds of the FOLA for on-lending to MAHBL and for no other purpose.

Security (MAT1 Charge)

The MAT1 Charge is between MAML in its capacity as responsible entity of MAT1, Trust Company of Australia Limited in its capacity as custodian of MAT1 and MAML in its capacity as responsible entity of MAREST.

To secure the FOLA, MAML, in its capacity as responsible entity of MAT1, has granted a fixed charge in favour of MAML, in its capacity as responsible entity of MAREST, over its units in MAFT and its redeemable preference shares in MASH.

If there is a failure to repay any amount due under the FOLA, upon giving notice, the full amount due under the FOLA may be accelerated and be immediately due and payable.

Servicing of loan

MAML, in its capacity as responsible entity of MAT1, will service the FOLA from interest received under the SOLA and from income received from its investments in SCACH, MASH redeemable preference shares and in MAG through MAFT.

10.1.3 Summary of the Second On-Lending Agreement (SOLA)

Nature of loan

MAML, in its capacity as responsible entity of MAT1, will on-lend the proceeds of the FOLA to MAHBL under the SOLA. The SOLA is an interest bearing term loan for up to 10 years from the date of the first provision of funds under the SOLA. The rate of interest applicable to the loan is 0.01% higher than the Distribution Rate applicable to the TICKETS and will be payable in arrears on each Distribution Entitlement Date.

The liability of the Borrower to pay interest under the SOLA is limited to the amount of cash available to the Borrower to pay such interest. Unpaid interest shall accrue and capitalise in the same manner and at the same rate (plus 0.01%) as Distributions on TICKETS accrue and capitalise. MAHBL must use the net proceeds of the SOLA for the acquisition of shares in MABS through MABL and the provision of debt funding to MABL and for no other purpose.

Servicing of loan

MAHBL will service the SOLA from income received from investments in MABL, MALSA and MAG.

10.1.4 Summary of MAHBL Guarantee

The MAHBL Guarantee is between MAHBL and the Security Trustee. MAHBL (the "Guarantor") grants the guarantee in favour of each Holder from time to time. The Security Trustee is a party to the guarantee as security trustee for the benefit of Holders.

Undertakings by the Guarantor

The Guarantor irrevocably undertakes to the Security Trustee for the benefit of Holders as follows.

- If the Responsible Entity does not pay any Distribution or the Responsible Entity Purchase Price to Holders in accordance with the Terms of Issue, the Guarantor agrees to:
 - (a) pay the Distribution, Responsible Entity Purchase Price or any shortfall (as relevant) to Holders; or
 - (b) subscribe for Ordinary Units in MAREST to the extent necessary to enable the Responsible Entity to pay that Distribution or Responsible Entity Purchase Price.
- Except on a Reset Date, the liability of the Guarantor to make a payment in respect of a Distribution is limited to the amount of the distributable profits or surplus which the Guarantor determines is legally available for distribution by the Guarantor to the holders of ordinary shares. This limitation does not apply to the guarantee in respect of the Responsible Entity Purchase Price.

Where the Guarantor does not have sufficient funds to make a payment under the guarantee in respect of a Distribution or in respect of the Responsible Entity Purchase Price, it may procure the issue of MAP Securities in lieu of that payment.

Termination of Guarantee

The Guarantor will be released from its obligations under the guarantee upon the last date upon which any TICKETS cease to be in issue, the obligations of the Guarantor to subscribe for Ordinary Units have been satisfied and all other obligations of the Guarantor under the guarantee have been satisfied.

Enforcement of Guarantee

The Security Trustee must within a reasonable time of receiving a declaration from a Holder make a written demand on the Guarantor setting out brief particulars of any amount to which the Holders are entitled under or in connection with the TICKETS which are then due and unpaid. The Guarantor's obligations are subject to receiving such a written demand from the Security Trustee.

Powers and duties of the Security Trustee

The Security Trustee must act as security trustee under the guarantee with such powers as are expressly given to the Security Trustee under the terms of the guarantee together with any incidental powers. The Security Trustee is not obliged to take any action under the guarantee until it receives:

- sufficient funds to keep it indemnified against all reasonable fees, charges and expenses payable pursuant to the guarantee; and
- a written request from a Holder in a form acceptable to the Security Trustee.

10.1.5 Summary of MAT2 Guarantee

The MAT2 Guarantee is between MAML, in its capacity as responsible entity of MAT2, and the Security Trustee. MAML, in its capacity as responsible entity of MAT2 (the "Guarantor"), grants the guarantee in favour of each Holder from time to time. The Security Trustee is a party to the Guarantee as security trustee for the benefit of Holders. The MAT2 Guarantee is substantially similar to the MAHBL Guarantee, and the Guarantor gives the same undertakings under the MAT2 Guarantee as given by the guarantor under the MAHBL Guarantee.

10.1.6 Summary of MAHBL Charge

To secure its obligations under the MAHBL Guarantee, MAHBL has granted a charge in favour of the Security Trustee over its shares in MALSA, MAG and MABL and any loan by MAHBL to MALSA, MAG and MABL.

10.1.7 Summary of MAT2 Charge

The MAT2 Charge is between MAML in its capacity as responsible entity of MAT2, Trust Company of Australia Limited in its capacity as custodian of MAT2 and the Security Trustee.

To secure its obligations under the MAT2 Guarantee, MAML, in its capacity as responsible entity of MAT2, has granted a share mortgage in favour of the Security Trustee over its ordinary shares in MASH and over any future equity interest it may acquire in MABL.

10.1.8 Summary of Support Deed

MAHBL, MAML, in its capacity as responsible entity of MAT1, MAT2 and MAREST, and the Security Trustee, have entered into a Support Deed in order to give effect to the Guarantees and the TICKETS Terms.

Undertakings by MAp

MAp irrevocably undertakes to MAML, in its capacity as responsible entity of MAREST, for the benefit of Holders as follows:

- to issue on each Exchange Date such number of MAp Securities as are required to be issued to enable MAML, in its capacity as responsible entity of MAREST, to comply with its obligations to Exchange TICKETS into MAp Securities;
- to do all that is required to give full effect to clauses 5.5 (distribution stoppers and new issues) and 5.6 (takeovers and schemes of arrangement) of the Terms of Issue; and
- to comply with all other things to be done or not done by it as specified in the TICKETS Terms of Issue and the Offer Document and do all things which are necessary to be done to enable MAML, in its capacity as responsible entity of MAREST to comply with its obligations under the TICKETS Terms of Issue and the Offer Document.

In addition:

- MAML, in its capacity as responsible entity of MAT1, irrevocably undertakes to comply with its obligations in respect of maintenance of and payments from the Distribution Service Reserve Account as contemplated in clause 2.9 of the Terms of Issue, and the Security Trustee undertakes to act as payments facilitator in respect of payments from that account;
- MAHBL and MAML, in its capacity as responsible entity of MAT1, severally irrevocably undertake that each will do all things necessary to enable MAML, in its capacity as responsible entity of MAT2 to comply with its obligations under the MAT2 Guarantee; and
- MAML, in its capacity as responsible entity of MAT1, and MAML, in its capacity as responsible

entity of MAT2, severally irrevocably undertake that each will do all things necessary to enable MAHBL to comply with its obligations under the MAHBL Guarantee.

10.1.9 Summary of Expenses Indemnity and Fees Deed

MAML, in its capacity as responsible entity of MAT1, Trust Company of Australia Limited in its capacity as custodian of MAREST and MAML, in its capacity as responsible entity of MAREST, are parties to an Expenses Indemnity and Fees Deed whereby MAML, in its capacity as responsible entity of MAT1, has agreed to indemnify MAML, in its capacity as responsible entity of MAREST, for any liability (excluding payments under the TICKETS and payments to holders of Ordinary Units in MAREST) incurred by MAML, in its capacity as responsible entity of MAREST, in properly performing or exercising any of its powers or duties in relation to MAREST.

Further, MAML, in its capacity as responsible entity of MAT1, indemnifies any compliance committee member who in good faith incurs a liability in their capacity as a compliance committee member in respect of MAREST to the extent permitted by the Corporations Act. MAML, in its capacity as responsible entity of MAREST, acts as the agent of the compliance committee members in relation to this indemnity.

There are also specific indemnities for the costs involved in the Exchange, purchase or redemption of TICKETS, expenses (including anticipated expenses) incurred by MAML, in its capacity as responsible entity of MAREST, in terminating MAREST and for all expenses incurred by MAML, in its capacity as responsible entity of MAREST, in relation to the proper performance of its duties in respect of MAREST.

10.1.10 Summary of Stock Purchase Agreement

Under this agreement between MABSA and the Existing BIAC Shareholders, MABSA, on behalf of the Consortium, has agreed to acquire 70.0% of the shares in BIAC. Following the sale, the Belgian State will hold the remaining 30.0% of the shares in BIAC. The aggregate consideration to be paid by the Consortium for the BIAC shares is the Brussels Airport Acquisition Price. Completion must not occur until 47 days after the agreement is signed.

The parties give various representations, warranties and undertakings to each other. In particular, the Belgian State undertakes that if in the four years after Completion the litigation in respect of the privatisation of BIAC results in annulment of the Licence Decree and such annulment materially adversely affects the business of BIAC, it will procure, through enactment of any relevant legislation or regulation or otherwise, that the affected legislation shall be replaced or amended so as to preserve the fundamental effect of the Licence Decree.

Completion is conditional upon approval of the transaction by the European Commission, and various notifications and consents being given.

The sellers severally indemnify the purchaser for loss suffered as a result of any breach of warranty or specific covenants given by the sellers except to the extent the facts giving rise to the breach were disclosed to the purchaser prior to entry into the agreement. No claim may be made in respect of any breaches which individually do not give rise to damages of at least €1 million. In addition, no claim may be made unless the aggregate amount of damages exceeds €5 million. The total amount of damages claimable shall not exceed 50% of the Brussels Airport Acquisition Price.

The agreement may be terminated at any time prior to Completion by written agreement among the parties or by either the purchaser or the sellers if Completion has not occurred on or prior to 31 March 2005. The agreement may also be terminated by the purchaser at any time if as a result of the litigation described above BIAC ceases to be a stock corporation of private law and reverts to its status of public autonomous enterprise and the Belgian State has failed to cure such situation. In this case, the parties agree that the agreement shall be rescinded and the Brussels Airport Acquisition Price refunded to the Consortium plus interest at the 3 year interest swap rate (EURIBOR basis) for the period from Completion to termination less distributions on the BIAC shares during the relevant period, plus certain costs of the Consortium in entering into the agreement.

10.1.11 Summary of Guarantee

MAHBL, MSAM, MSAM2 and MEIF (but none of its subsidiaries) (the "Guarantors") will grant a guarantee in favour of the Belgian Government.

Undertakings by the Guarantors

Under the guarantee, each Guarantor irrevocably, unconditionally and severally undertakes that, if MABSA does not pay the Brussels Airport Acquisition Price to the outgoing shareholders of BIAC, it will pay to the Belgian Government an amount equal to its specified portion of the amount that is unpaid, up to the amount specified in the guarantee as its maximum liability.

Release of the Guarantee

The Belgian Government will release the Guarantors from their obligations under this guarantee once MABSA has paid the full amount of the Brussels Airport Acquisition Price to the outgoing shareholders of BIAC.

10.1.12 Summary of Letter of Credit

The letter of credit is given by MBL in favour of MAHBL in respect of its obligations under the guarantee

provided by MAHBL to the Belgian Government in relation to the purchase price under the Stock Purchase Agreement (described in Section 10.1.10 above). MBL will be released from its obligations under the Letter of Credit on the first to occur of 31 March 2005; or Completion; or when MAHBL receives written notice from MABSA that MBL has met its funding obligations under the MABSA Shareholders' Agreement; or upon release of the guarantee described in Section 10.1.11 above.

Side Letter

MAHBL, MBL, MSAM, MSAM2, MAML in its capacity as responsible entity of MAT2, MEIF and MEIFSA have entered into a side letter agreement whereby the parties agree that the Letter of Credit cannot be drawn by MAHBL until it and the other parties to the MABSA Shareholders' Agreement have satisfied their obligations under their respective Subscription Agreements, Convertible Loan Agreements and Shareholder Loan Agreements (see Section 10.1.14 below).

10.1.13 Summary of BIAC Shareholders' Agreement

The BIAC Shareholders' Agreement is between the Belgian State, MABSA, MAHBL, MAML in its capacity as responsible entity of MAT2, and BIAC. Upon Completion of the Stock Purchase Agreement, BIAC will be transformed into a private company limited by shares pursuant to a Royal Decree dated 27 May 2004 and the capital stock of BIAC will be owned as to 30% by the Belgian State and as to 70% by MABSA. The parties have entered into the BIAC Shareholders' Agreement to regulate their relations in respect of BIAC and to provide for the future operation and management of the BIAC group. MAHBL and MAML are parties to the agreement to guarantee the performance by MABSA of its obligations under the agreement.

The shareholders agree that the only business of the BIAC group shall be the owning, operation, maintenance and development of Brussels Airport, property development and management and the provision of airport management services.

Board of Directors

The Board will consist of 11 directors (including the chairman and the chief executive officer) each appointed for a renewable term of 6 years. Not including the chairman or the chief executive officer, 3 directors will be nominated by the Belgian State and 6 directors will be nominated by MABSA. The chairman will be appointed as a director upon joint nomination of the Belgian State and MABSA. The chief executive officer will be appointed as a director upon nomination by MABSA. To be validly passed, any board resolution requires at least 1 director appointed by the Belgian

State and one director appointed by MABSA to be present or represented at the meeting provided that, if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place when the quorum shall be any two directors.

Except as set out below, all decisions of the board, require only a simple majority of the votes cast by the directors present or represented at the meeting. Each director has one vote. The chairman has no casting vote.

For so long as the Belgian State holds at least 10% of the BIAC shares, the following matters require a majority of at least 80% of the votes cast at a meeting of the board:

- adoption or amendment of master and development plans by BIAC, and (subject to a contractual procedure) amendments to the business plan that materially deviate from the master or development plans;
- incurring financial indebtedness, the principle amount of which exceeds €20 million (but only where the senior debt of BIAC does not have an Investment Grade rating);
- acquisition of part or all of another undertaking for consideration exceeding €50 million;
- entering into any strategic alliance pursuant to which any member of the BIAC group undertakes to cooperate with one or more parties for a period of more than five years in a joint endeavour that fetters the operations of that member of the BIAC group in the field of such joint endeavour;
- disposal of assets with a market value exceeding €50 million;
- the issue of shares, convertible bonds or warrants under authorised capital and any related exclusion or limitation of preferential subscription rights of existing shareholders;
- the appointment of members of the works council other than those appointed by trade unions;
- except in respect of certain accounting revaluations of assets, any material change to BIAC's accounting rules;
- the generation of cash available for distribution under the distribution policy not otherwise permitted in accordance with the agreement (including the key principles agreed among the shareholders in the agreement); and
- delegation of the management powers of any committee of the board.

Further Funding

No shareholder shall have any obligation to subscribe for further shares or provide any additional financial support to the BIAC group.

Distribution Policy

Subject to the provisions of any finance documents and to BIAC having retained sufficient financial resources to meet its working capital requirements and having made adequate provision for liabilities in accordance with Belgian GAAP, BIAC will distribute 100% of net profit after tax and retained earnings each year. In addition, each year BIAC will distribute all remaining excess cash using other amounts which may be distributable including through the payment of interim dividends whenever legally possible subject to the board making reasonable provisions and transfers to reserves.

Share Transfers

The board must consent to any transfer of shares to a person (other than the Belgian State, MABSA and certain affiliates) which would result in a person directly, indirectly or in concert with other shareholders, holding 15% or more of the BIAC shares.

No shareholder may transfer any of its shares for a period of ten years from the date of Completion (Lock-up Period) except where the transfer is a transfer by the Belgian State to a public institution (as defined under Belgian law) or to MABSA, or a transfer by MABSA to its affiliates, provided that during the Lock-up Period, MAp will hold at least 51% of the issued share capital of MABSA and MIMUK or another member of the Macquarie Bank Group will be retained by MABSA as its adviser.

The agreement contains provisions setting out the pre-emptive rights of shareholders upon transfer.

After expiry of the Lock-up Period, the Belgian State may at any time offer all or part of its shares for purchase to MABSA. If this right of first offer is not exercised by MABSA, MABSA will be deemed to have waived its right to purchase any of the offered shares and those shares may be offered to a third party transferee who is not an airline, airport management or connected entity of those entities.

After expiry of the Lock-up Period, if MABSA wishes to transfer its shares to a person who is not a shareholder or its affiliate, the Belgian State will also have the right to request that a proportionate number of its shares be acquired by the proposed transferee.

If the total number of shares held by the Belgian State falls below 10% as a result of valid transfers then the Belgian State will have an option to sell the remaining shares to MABSA and MABSA will have an option to purchase those remaining shares (**Put and Call Options**).

Undertakings

The shareholders give various undertakings including to take all steps necessary to implement a proposed refinancing of BIAC.

Duration

The agreement has a term of 15 years and will be renewed automatically for successive 5 year terms if no written notice of termination is served by any party.

The agreement will be terminated before the 15 year term expires if:

- shares held by the Belgian State and MABSA drop below a combined level of 50% of BIAC voting stock; or
- either the shares held by the Belgian State or the shares held by MABSA drop below a level of 10% of the BIAC voting stock, in which case the Put and Call Options described above will apply for 3 months as from the date that the shareholdings drop below that level.

10.1.14 Summary of MABSA Shareholders' Agreement**Background**

MABSA has been established as the special purpose entity through which MAHBL, MAML in its capacity as responsible entity of MAT2, MBL, MEIFSA, MSAM and MSAM2 will invest, via special purpose entities, in BIAC.

Purpose

The MABSA Shareholders' Agreement governs the relationship between MABSA and each of its shareholders, being MABL (the special purpose entity nominated by MAHBL and MAML as responsible entity of MAT2), MBL, MEIFSA (being MEIF's special purpose entity), and GIF2SA (being GIF II's special purpose entity). Each shareholder must subscribe for equity in MABSA (ordinary and ordinary preferred shares) under a Share Subscription Agreement (see below) and provide loans to MABSA under a Convertible Loan Agreement (see below) and Shareholder Loan Agreement (see below). Each shareholder will receive a pro rata share of ordinary shares and ordinary preferred shares in proportion to the amount of funds contributed to the Consortium, except for MEIFSA who will receive additional ordinary shares to confer voting rights reflecting a 25% shareholding in BIAC (and the number of ordinary shares issued to MABL shall be reduced accordingly).

Each shareholder agrees to severally indemnify each other shareholder against loss arising from the failure of the shareholder to subscribe for equity or provide loans or the failure of MABSA to complete the Stock

Purchase Agreement. This does not apply where MBL is the defaulting shareholder, provided the Letter of Credit described in Section 10.1.12 above is fully drawn.

The shareholders acknowledge the performance guarantee given by MAHBL and MAML as responsible entity of MAT2 under the Stock Purchase Agreement and agree that if a shareholder fails to do anything under the MABSA Shareholders' Agreement which results in that guarantee becoming unenforceable by the Belgian State, then the defaulting shareholder agrees to severally indemnify each of MAHBL and MAML against loss arising from that event to the extent caused by its action.

The obligations of the parties under the MABSA Shareholders' Agreement are, with limited exceptions, subject to entry by the parties into the Advisory Agreement.

Appointment of directors

The MABSA board shall consist of up to 7 directors nominated as follows:

- (a) three directors nominated by MABL, so long as MABL holds at least a 50% shareholding interest in MABSA;
- (b) two directors nominated by MEIFSA, so long as MEIFSA holds at least a 35% shareholding interest in MABSA or has a direct or indirect voting interest in BIAC of at least 25%, which ever is the lesser;
- (c) one director nominated by each shareholder (other than MABL and MEIFSA where they have appointed directors under (a) and (b) for each 20% shareholding interest in MABSA;
- (d) one director nominated by MIMUK (being MABSA's adviser); and
- (e) one director nominated by the administrator appointed to provide administration services to MABSA.

Reserved shareholder matters

Certain matters require unanimous approval of shareholders. Those matters are:

- (a) altering the articles of association of MABSA;
- (b) changing the authorised or issued share capital of MABSA;
- (c) entering into related party contracts not on arm's length terms;
- (d) placing MABSA into liquidation;
- (e) amending or terminating the Advisory Agreement;
- (f) other matters required by Luxembourg law (eg, change of name);

- (g) amending the distribution policy;
- (h) commencing, defending or settling major litigation (in excess of €5 million in value);
- (i) material borrowing or fundraising;
- (j) the acquisition or sale of material assets;
- (k) granting security over the assets of the company, except pursuant to the Bridge Facility;
- (l) agreeing the MABSA business plan;
- (m) the appointment or removal of any director to a subsidiary of MABSA (including BIAC); and
- (n) the enforcement of any rights to convert or demand the repayment of any loan made by a shareholder to MABSA.

If unanimous approval cannot be obtained, the relevant meeting may be adjourned and at the reconvened meeting, approval may be by a two thirds majority (except where a matter governed by Luxembourg law requires otherwise).

If a MEIF Trigger Event (see below) occurs and MABL does not exercise its call option, the matters in paragraphs (e) and (m) cease to be reserved shareholder matters.

Distribution policy

MABSA's policy is to make the maximum possible distributions of available cash to shareholders each year, whether by repayment of interest or capital on shareholder loans, cash settlement or other payments under the convertible loan agreements, by way of dividends or otherwise. The distribution policy is subject to MABSA retaining at all times sufficient financial resources to meet its normal and foreseeable working capital requirements for the following year and having made adequate provision for liabilities in accordance with generally accepted International Accounting Standards.

Issue of new shares

Each shareholder has a pro rata pre-emptive right to subscribe for new shares issued by MABSA (excluding any ordinary preferred shares issued on the exercise of conversion rights under the convertible loan agreements). MABL will have first priority to subscribe for any new shares which a shareholder does not subscribe for. Following this, any remaining shares will be offered to the non-MABL shareholders.

If the remaining shares are not fully subscribed by the non-MABL shareholders, the balance may be issued by MABSA to third parties on the same terms and conditions as offered to shareholders provided that the third party executes a deed of adherence.

Notwithstanding the above, the shareholders will procure that MABSA does not issue any shares to any person if following the issue of shares:

- (a) MABL would not hold less than 51% of the issued share capital of MABSA for the purposes of the BIAC Shareholders' Agreement; or
- (b) MEIFSA would not have a 25% director indirect voting interest in BIAC, provided that (b) shall not apply if MEIFSA does not subscribe for new shares issued by MABSA, in which case MABL will have the option to purchase the new shares offered to MEIFSA.

Transfer of shares and assignment of rights under the Convertible Loan Agreement and the Shareholder Loan Agreement

A shareholder intending to transfer its shares must first offer them to the other shareholders. If any offered shares remain after offers are made to shareholders, the shares may be offered for sale to a third party.

These pre-emptive rights do not apply to a sell down by MBL, a transfer by MEIFSA to MABL in circumstances where MABL has a call option over MEIFSA's shares, or where MEIF implements a listing proposal or there is a sale in the course of the liquidation of MEIF.

MABL undertakes not to sell its shares for 10 years after the date of the BIAC Shareholders' Agreement, except that this undertaking, and the preemptive rights described above, will not apply to a transfer to a company which is:

- a wholly-owned subsidiary of the shareholder; or
- either the party of which the transferor shareholder is a subsidiary or another wholly-owned subsidiary of that party; or
- a trust, managed investment scheme or collective investment scheme managed by a party referred to above or of which a party referred to above is a trustee or responsible entity.

The agreement contains stapling provisions so that a shareholder cannot transfer any shares or novate any or all of its loans without doing so concurrently in respect of, and in the same proportion, in respect of all of its shares and loans.

No shareholder may transfer any shares if to do so would result in an event of default under the BIAC Shareholders' Agreement.

Change of control

The MABSA Shareholders' Agreement contains a change of control clause which operates when control over MAp, GIF II or MEIF is assumed by a non-Macquarie Bank Group entity (the change of control being a Trigger Event) (except where there is a change of control arising from a reconstruction or amalgamation within the Macquarie Bank Group).

When a Trigger Event occurs, the parties must consult to determine whether they consent to the change of control the subject of the Trigger Event. If they do not consent within 10 business days after the date of the Trigger Event, the following put and call options arise.

In respect of a Trigger Event occurring in relation to MAp:

- GIF2SA has a put option under which it may sell all of its shares in MABSA and rights under its Convertible Loan Agreement and Shareholder Loan Agreement to MABL. Under the put option, MABL must pay to GIF2SA the put option price either in cash or it may procure the issue to MABL of an equivalent amount of MAp Securities (the Scrip Election). Where MABL makes a Scrip Election, the number of MAp Securities to be issued shall be determined based on the volume weighted average sale price of the MAp Securities sold on the ASX over the 20 trading days following the day on which the put option becomes irrevocable, discounted by 2.5%; and
- MEIFSA has a call option over the shares in MABSA and rights under the Convertible Loan Agreement and Shareholder Loan Agreement held by MABL (including those (if any) transferred by GIF2SA under its put option). The call option price may only be satisfied by payment in cash by MABL to MEIF.

In respect of a Trigger Event occurring in relation to MEIFSA, MABL has a call option over all the shares in MABSA and rights under the Convertible Loan Agreement and Shareholder Loan Agreement held by MEIFSA. The call option price may only be satisfied by payment in cash by MEIFSA to MABL. If MABL does not exercise its call option, MEIFSA's negative control rights in respect of the appointment or removal of MIMUK and the appointment of directors to the board of BIAC are removed.

In respect of a Trigger Event occurring in relation to GIF2SA, MABL has a call option over all the shares in MABSA and rights under the Convertible Loan Agreement and Shareholder Loan Agreement held by GIF2SA. The call option price may only be satisfied by payment in cash by GIF2SA to MABL.

The options must be exercised at fair market value as determined by MIMUK or, where a party to the option objects to the determination, as determined by an

investment bank and/or accounting firm of international repute as appointed by MIMUK (or where a party to an option objects to the appointed person, as appointed by the President of the Institute of Chartered Accountants of England and Wales). An option notice may be revoked if the party who has the benefit of the option disagrees with the final determination of fair market value.

An option must be exercised within 40 business days after the date of the Trigger Event after which time, if not exercised, it lapses. The exercise of any option is voluntary. However, no option may be partially exercised.

The rights of MEIFSA and MABL in respect of the options may be exercised by MBL, whether or not it is a shareholder in MABSA, but only to the extent those rights have not been exercised by MEIFSA or MABL (as the case may be).

If there is a Trigger Event in respect of MEIFSA, MABL has an additional call option (which is not subject to the above regime) over 6,928 ordinary shares in MABSA held by MEIFSA (being that number of MEIFSA's voting shares in MABSA which gives it voting rights in excess of its equity interest in MAREST so as to ensure MEIFSA has an indirect interest in BIAC of 25%) exercisable at €1.25 per ordinary share.

Drag-along rights

If MABL and MEIFSA wish to sell 75% or more of either of their aggregate ordinary preferred shares to a third party, GIF2SA must sell to that third party an equivalent portion of the ordinary preferred shares it holds if MABL, and MEIFSA exercise their "drag-along" rights by serving on GIF2SA a "drag-along" notice. The ordinary preferred shares held by GIF2SA will be sold at the price per share and on the same terms and conditions offered by the third party to MABL and MEIFSA. The "drag-along" rights override the pre-emptive rights outlined above.

Tag-along rights

If MABL and MEIFSA wish to transfer 75% or more of their aggregate ordinary preferred shares to a third party, MABL and MEIFSA must notify GIF2SA of such proposed transfer and its terms and conditions. GIF2SA must notify MABL and MEIFSA if it elects to exercise its "tag-along" rights and require the third party to purchase an equivalent portion of their ordinary preferred shares. When GIF2SA exercises its "tag-along" rights, MABL and MEIFSA must take all reasonable steps to cause the third party to purchase GIF2SA's ordinary preferred shares at the price per share and on the same terms and conditions offered by the third party to MABL and MEIFSA. The "tag-along" rights override the pre-emptive rights outlined above.

Funding

MBL is not required to subscribe for shares in MABSA under its Subscription Agreement or provide loans under its Convertible Loan Agreement and Shareholder Loan Agreement until it is satisfied that MABL, GIF2SA and MEIFSA have satisfied their obligations under their respective Subscription Agreements, Convertible Loan Agreements and Shareholder Loan Agreements.

10.1.15 Advisory Agreement

Purpose

Under a commitment letter, MABL, MEIFSA, GIF2SA, MBL, MABSA, MAHBL and MAML in its capacity as responsible entity of MAT2 agree to enter into the Advisory Agreement. Under the Advisory Agreement, MIMUK will be appointed as adviser to MABSA. The Advisory Agreement will set out the duties and powers of MIMUK and any restrictions on such powers. All activities of MIMUK are subject to supervision by the board of directors of MABSA and any actions taken by MIMUK on behalf of MABSA are as agent to MABSA.

Fees and Expenses

MIMUK is entitled to be paid certain advisory fees, being a base fee of 0.5% per annum of Committed Capital and 1.5% per annum of Called Capital, a performance fee of 20% of the excess of distributions by MABSA over the Investment Balance and a sales performance fee of 20% of the excess of the sale price of MABSA securities over the Investment Balance (where Committed Capital is the aggregate amount agreed to be paid by shareholders in MABSA by way of subscription or loan, but not yet called; Called Capital is the aggregate amount of subscriptions and loans called and due and payable by MABSA shareholders; Investment Balance is the Brussels Airport Acquisition Price compounded at 8% less the aggregate of distributions to MABSA shareholders on the relevant calculation date). MIMUK will waive or rebate all fees payable by MABSA under the agreement in respect of a shareholder for so long as that shareholder is a member of the Macquarie Bank Group or managed by a member of the Macquarie Bank Group. MABSA will indemnify MIMUK for all reasonable and documented expenses incurred in relation to the proper performance of MIMUK's duties, subject to certain exceptions.

Termination

If MABSA terminates the Advisory Agreement on notice to MIMUK and without cause, MIMUK is entitled to receive the sales performance fee, referred to above, as a termination fee calculated on the date MIMUK's appointment ends.

10.1.16 Summary of Underwriting Agreement

The Underwriters and the Issuer have entered into the Underwriting Agreement for the underwriting of the Offer.

The Responsible Entity must pay the Underwriters:

- (i) an underwriting fee of 1.8%; and
- (ii) an incentive fee of up to 0.32% of the amount to be raised by the Entitlement Offer (ie \$465 million).

The Responsible Entity must also pay to MECM an additional fee for its services with respect to the structuring of the TICKETS of:

- (i) 0.3%; and
- (ii) an incentive fee of up to 0.08% of the amount to be raised by the Entitlement Offer (ie \$465 million).

The Underwriters are entitled to receive from the Responsible Entity reimbursement of certain costs including all reasonable travel and out of pocket expenses and reasonable legal and administrative costs and disbursements incurred by the Underwriters in relation to the Offer. The Underwriters are also entitled to recover all other reasonable costs, expenses and disbursements they incur in relation to the Offer and the Offer Document. No fees are payable if the Underwriting Agreement is terminated or if before the date payments are due in respect of the Institutional Entitlement Offer the Offer has been withdrawn.

The obligations of the Underwriters are conditional on the Responsible Entity notifying the Underwriters of the satisfaction of conditions including the following:

- The completion of the due diligence in respect of the Offer to the satisfaction of the Underwriters, including without limitation, the verification of the Offer Document and the delivery of the due diligence report in a form acceptable to the Underwriters;
- Notification by the Belgian Government on or before the announcement to the ASX of the Offer that MABSA is the successful bidder;
- The giving by ASX of the waivers listed in Section 10.3 by the opening date of the Institutional Entitlement Offer;
- The giving by ASIC of the modifications listed in Section 10.2 by the opening date of the Institutional Entitlement Offer; and the Responsible Entity and MAp complying with the ASIC modifications and satisfying their conditions;
- The Responsible Entity lodging the Offer Document in final form with ASIC by no later than the agreed lodgement date (or such later date as the Underwriters may agree in writing);

- ASX indicating in writing that it will grant approval for MAREST to be admitted to the official list of ASX and for official quotation of TICKETS (subject only to customary listing conditions) on or before 5.00pm 28 business days after the date of the announcement to the ASX of the Offer;
- Standard & Poor's assigning TICKETS a credit rating of at least BBB- or Moody's assigning the equivalent; and
- The amendment of the MAREST Constitution to include the Terms of Issue of TICKETS or as otherwise approved by the Underwriters.

If any of these conditions are not satisfied by the relevant specified time each Underwriter may terminate its obligations under the Underwriting Agreement.

The Underwriters must pay for or procure payment of any shortfall in the Offer made under this Offer Document to the Responsible Entity so that all of the TICKETS can be validly issued. The Underwriters will, on behalf of the Responsible Entity, offer the shortfall to selected Eligible Institutional MAp Security Holders.

The Underwriting Agreement contains various representations and warranties and indemnities given by the Responsible Entity and MAp to the Underwriters. In addition, the Underwriting Agreement contains various obligations of the Responsible Entity, including that it must offer the TICKETS in accordance with the timetable in the Underwriting Agreement, the MAREST Constitution, the ASX Listing Rules, the ASX waivers, the ASIC modifications, the Corporations Act, any applicable law and the Offer Document.

Each Underwriter may terminate the Underwriting Agreement upon the occurrence of certain events. Events of termination before the date the Responsible Entity allots all the TICKETS applied for under the Entitlement Offer are summarised below:

- (a) Listing approval is refused, or approval is granted on conditions (other than customary listing conditions) which would, in the reasonable opinion of the Underwriter, have a material adverse effect on the success of the Offer, to MAREST's admission to the official list of ASX or the official quotation on ASX of all of the TICKETS to be issued pursuant to the Entitlement Offer, on or before the date which is 32 business days after the date of the announcement to the ASX of the Offer, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (b) ASIC gives notice of an intention to hold a hearing or makes an interim or stop order in relation to the Offer Document;
- (c) An application is made for a court order, or ASIC commences an investigation or hearing in relation to, the Offer Document;
- (d) Any person who has previously consented to the inclusion of its name or a statement based on a person's statement in the Offer Document (or any supplementary offer document) or to be named in the Offer Document, where such consent is required by the Corporations Act or law, withdraws that consent;
- (e) Any person gives a notice to avoid committing an offence under section 1021J in respect of a defect in the Offer Document;
- (f) The Responsible Entity withdraws the Offer Document or the Entitlement Offer;
- (g) There is introduced or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced before the date of the Underwriting Agreement), any of which does or is likely to prohibit or materially adversely regulate the Offer, capital issues or stock markets or materially adversely affect the taxation treatment of TICKETS or MAp Securities;
- (h) ASX advises the Responsible Entity in writing or makes a general statement or announcement that official quotation of MAp Securities on conversion on TICKETS will not be granted, or if granted, the approval is subsequently withdrawn, qualified or withheld;
- (i) ASX removes the Responsible Entity or MAp from the official list;
- (j) ASX suspends trading in MAp Securities (excluding any trading halt necessary for the purposes of the Offer);
- (k) A provider of debt or other financial accommodation terminates or cancels its commitment to provide that financial accommodation, or the availability period of that financial accommodation expires without it being provided, or a condition precedent to drawdown of any part of that financial accommodation is not satisfied or waived or becomes incapable of being satisfied, in each case on or prior to the business day prior to the date payments are due in respect of the Institutional Entitlement Offer and in each such case alternate funding in a form approved by the Underwriters, acting reasonably, is not contemporaneously obtained;
- (l) The Offer Document omits material required by the Corporations Act, contains a statement which is misleading or deceptive, or otherwise fails to comply with the Corporations Act or a person who is liable in respect of the Offer Document gives notice to such an effect;

- (m) There is an adverse change in the assets, liabilities or financial position of the Responsible Entity, MAREST, MAT1, MAT2 and MAHBL and their subsidiaries and controlled entities as a whole, including any adverse change in the assets, liabilities or financial position from that disclosed in the Offer Document or publicly available information; and
- (n) The Responsible Entity or MAp defaults in the performance of any of its obligations under the Underwriting Agreement or breaches any warranty contained in the Underwriting Agreement.

If any of the events listed above occur during the relevant period, each Underwriter may exercise its right to terminate the Underwriting Agreement. With respect to the events set out in (l) to (n) (inclusive), each Underwriter may terminate the Underwriting Agreement only if it determines reasonably in good faith that the event in question has or is likely to have a material adverse effect on the Offer, the Placement or the financial condition, position or prospects of the Responsible Entity, MAREST, MAT1, MAT2 and MAHBL and their subsidiaries and controlled entities as a whole.

10.1.17 Summary of Bridge Facility

MABSA will enter into a Bridge Facility in an aggregate amount equal to €75 million. The purpose of the facility is to enable MABSA to pay the Brussels Airport Acquisition Price and costs associated with the Brussels Airport Acquisition. The loan is repayable on the first anniversary of the date of the Bridge Facility agreement, or the second anniversary of that date if MABSA delivers an extension notice to the lenders.

The rate of interest on the loan is the EURIBOR plus a margin ranging from 0.75% to 2.00% per annum and any amount calculated by the lenders to cover the cost of compliance with regulatory requirements.

MABSA must also pay a commitment fee of 40% of the applicable margin. Arrangement and agency fees are also payable by MABSA.

MABSA gives a number of representations, including in relation to its financial statements, compliance with laws, environmental compliance and solvency. It also gives a number of undertakings, including a negative pledge that it will not create or permit to subsist any security over any of its assets and undertakings in respect of BIAC.

There are a number of events of default under the Bridge Facility agreement, including non-payment of amounts payable under the agreement, non-compliance with any undertakings in the agreement, cross-defaults under other financing documents, insolvency or insolvency proceedings and a change in ownership of MABSA.

10.2 ASIC AND CORPORATIONS ACT MATTERS

ASIC has granted the modifications and exemptions summarised below.

- A modification to paragraph 601GA(1)(a) of the Corporations Act as notionally inserted into Chapter 5C by ASIC Class Order CO 98/52 to enable other investors and members of the public to take up TICKETS if any shortfall arises.
- A modification to paragraph 601GA(1)(a) of the Corporations Act as notionally inserted into Chapter 5C by ASIC Class Order CO 98/52 to enable MAML, in its capacity as responsible entity of MAT1 and MAT2, to issue the conditional right to MAp Securities on exchange of TICKETS and to issue MAp Securities on exchange to MECM in its capacity as one of the underwriters of the Entitlement Offer.
- A modification to paragraph 601FC(1)(d) of the Corporations Act to permit MAML as responsible entity of MAREST to enforce provisions of the MAREST constitution which facilitate the redemption of TICKETS by or on behalf of a Holder where the Exchange of TICKETS held by a particular Holder may cause MAT1 or MAT2 to breach the Foreign Ownership Restrictions which apply under the Airports Regulations.
- An exemption from the withdrawal provisions contained in Part 5C.6 of the Corporations Act to allow MAML as responsible entity of MAREST to follow the Exchange and redemption procedures set out in the Terms of Issue.
- An exemption from the requirement under section 1012B of the Corporations Act to provide an Offer Document when units in MAT1 and MAT2 are issued to Holders upon Exchange of TICKETS for Securities.
- An exemption from section 1013FA of the Corporations Act to enable MAML to issue a transaction specific offer document in respect of the offer of the options over the units in MAT1 and MAT2.

10.3 ASX AND LISTING RULE MATTERS

ASX has given in principle approval (or in some cases final) to granting waivers for MAT1, MAT2, MAHBL and MAREST in relation to the requirements of certain ASX Listing Rules including as set out below.

- A waiver from ASX Listing Rule 1.1 Condition 5 to the extent necessary to permit the issue of TICKETS and the redemption of TICKETS on Exchange into Securities in accordance with the TICKETS terms.

- A waiver from ASX Listing Rule 6.24 in respect of Clause 1 of Appendix 6A to the extent necessary that the rate and amount of a distribution need not be advised to ASX when announcing a distribution and record date, on condition that an estimated Distribution Rate is advised to ASX and the actual rate is advised to ASX as soon as it becomes known.
- A waiver from ASX Listing Rule 10.11 to the extent necessary to permit MAML as responsible entity of MAREST to potentially issue ordinary units in MAREST to a related party, MAT2, under the terms of the MAT2 Guarantee.
- A waiver from ASX Listing Rule 10.11 to the extent necessary to permit a related party to underwrite the Offer.
- A waiver from ASX Listing Rules 3.20, 7.1, 7.40 and 10.11 to the extent necessary to permit MAP to issue approximately \$465 million of MAP Securities on Exchange of TICKETS issued by MAREST, a wholly owned sub-trust of MAP, and to conduct an accelerated priority Entitlement offer to the issue of TICKETS, without security holder approval.

In accordance with its requirements in respect of MAP Securities, ASX reserves the right to remove any or all of MAT1, MAT2 and MAHBL from the official list of ASX if, while the stapling arrangements apply, the securities in one of the entities cease to be stapled to the securities in the other entities or one of the entities issues securities which are not then stapled to the relevant securities in the other entities.

MAHBL makes the following disclosures:

1. It is incorporated in Bermuda.
2. Unlike MAT1 and MAT2, MAHBL is not subject to Chapter 6 of the Corporations Act dealing with the acquisition of shares (including substantial holdings and takeovers). Bermuda company law does not currently have a takeover code which effectively means that by virtue of the stapling arrangements, a takeover of MAP will be regulated under Australian takeover law. Notwithstanding this, sections 102 and 103 of the *Companies Act 1981 (Bermuda)* permit (subject to the requirements of each of the sections being met) compulsory acquisition in certain circumstances where the controlling shareholder owns 90% and 95% of the shares of the target.

Upon completion of the Entitlement Offer, MAREST will have sufficient working capital to carry out its objectives as stated in this Offer Document.

10.4 INTERESTS REQUIRING DISCLOSURE

Macquarie Equity Capital Markets Limited

For work performed in its role as Underwriter to the Offer the fees set out in the summary of the Underwriting Agreement in Section 10.1.16.

ABN AMRO Rothschild

For work performed in its role as Underwriter to the Offer the fees set out in the summary of the Underwriting Agreement in Section 10.1.16.

Allens Arthur Robinson

For work performed in relation to the preparation of material contracts, establishment of MAREST, the Offer, and the preparation of this Offer Document: approximately \$900,000. Allens Arthur Robinson is entitled to further fees for this work based on its usual hourly charge out rates.

Quigg Partners

For work performed in relation to the preparation of the Investment Statement and advice relating to the offer of TICKETS in New Zealand: approximately \$12,000. Quigg Partners is entitled to further fees for this work based on its usual hourly charge-out rates.

PricewaterhouseCoopers

For work performed in connection with the provision of agreed upon procedures and associated work for the Offer Document: \$25,000. PricewaterhouseCoopers is entitled to further fees for this work based on its usual hourly charge-out rates.

Greenwoods & Freehills Pty Limited

For work performed in advising on tax issues and the provision of its tax report appearing in Section 8 of this Offer Document: \$70,000. Greenwoods & Freehills Pty Limited is entitled to further fees for this work based on its usual hourly charge-out rates.

These fees and all other fees in this Offer Document are shown exclusive of GST. These fees will be paid by MAML, in its capacity as responsible entity of MAT1, pursuant to the indemnity granted in the Expenses and Indemnity Fees Deed (see Section 10.1.9).

Except as set out above:

- no person named in this Offer Document as performing a professional, advisory or other capacity in connection with the preparation or distribution of this Offer Document;
- neither of the Underwriters; and
- no financial services licensee involved in the Offer,

holds, at the date of this Offer Document, or has held in the two years before the date of this Offer Document, an interest in:

- the formation or promotion of MAREST or MAp;
- the Offer; or
- any property acquired or to be acquired by MAREST or MAp in connection with its formation or promotion or with the Offer.

10.5 CONSENTS

MECM is a joint Underwriter of the Offer and has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named. MECM takes no responsibility for any part of this Offer Document, except to the extent required by the Corporations Act. MECM does not make any statement in this Offer Document nor is there any statement based on a statement by MECM in this Offer Document other than in this paragraph and the Corporate Directory.

ABN AMRO Rothschild is a joint Underwriter of the Offer and has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named. ABN AMRO Rothschild takes no responsibility for any part of this Offer Document, except to the extent required by the Corporations Act. ABN AMRO Rothschild does not make any statement in this Offer Document nor is there any statement based on a statement by ABN AMRO Rothschild in this Offer Document other than in this paragraph and the Corporate Directory.

Allens Arthur Robinson has acted as Australian law adviser to the Issuer in connection with this Offer Document. Allens Arthur Robinson has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named. Allens Arthur Robinson takes no responsibility for any part of this Offer Document (except to the extent required by the Corporations Act). Allens Arthur Robinson does not make any statement in this Offer Document nor is there any statement based on a statement by Allens Arthur Robinson in this Offer Document other than in this paragraph and the Corporate Directory.

Quigg Partners has acted as New Zealand law adviser to the Responsible Entity and MAp in connection with the offer of TICKETS in New Zealand and in relation to the preparation of the Investment Statement. Quigg Partners has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named. Quigg Partners takes no responsibility for any part of this Offer Document (except to the extent required by the Corporations Act). Quigg Partners does not make any statement in this Offer Document nor is there any statement based on a statement by Quigg Partners in this Offer Document other than in this paragraph.

PricewaterhouseCoopers has performed work in connection with the provision of agreed upon procedures and associated work for the Offer Document and has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named.

PricewaterhouseCoopers takes no responsibility for any part of this Offer Document (except to the extent required by the Corporations Act).

PricewaterhouseCoopers does not make any statement in this Offer Document nor is there any statement based on a statement by PricewaterhouseCoopers in this Offer Document other than in this paragraph.

Computershare Investor Services Pty Limited is the Registry appointed by the Responsible Entity and has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named. Computershare Investor Services Pty Limited takes no responsibility for any part of this Offer Document (except to the extent required by the Corporations Act). Computershare Investor Services Pty Limited does not make any statement in this Offer Document nor is there any statement based on a statement by Computershare Investor Services Pty Limited in this Offer Document other than in this paragraph and the Corporate Directory.

Trust Company of Australia Limited has consented to being named in this Offer Document in the form and context in which it is named. Trust Company of Australia Limited has not authorised or caused the issue of this Offer Document and has not made any statement that is included in this Offer Document or any statement on which a statement made in this Offer Document is based, other than as specified above. Trust Company of Australia Limited, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any part of, this Offer Document, other than the reference to its name.

Greenwoods & Freehills Pty Limited has acted as Australian tax adviser to the Responsible Entity in connection with this Offer Document. Greenwoods & Freehills Pty Limited has given and not withdrawn its consent to be named in this Offer Document and for the inclusion of its taxation letter in Section 9 in the form and context in which it is named or included. Greenwoods & Freehills Pty Limited takes no responsibility for any part of this Offer Document except to the extent required by the Corporations Act other than its taxation letter in Section 9 of this Offer Document. Except in respect of its taxation letter in Section 9, Greenwoods & Freehills Pty Limited does not make any statement in this Offer Document nor is there any statement based on a statement by Greenwoods & Freehills Pty Limited in this Offer Document other than in this paragraph.

Permanent Trustee Company Limited has consented to being named in this Offer Document in the form and context in which it is named. Permanent Trustee Company Limited has not authorised or caused the issue of this Offer Document and has not made any statement that is included in this Offer Document or any statement on which a statement made in this Offer Document is based, other than as specified above. Permanent Trustee Company Limited, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any part of, this Offer Document, other than the reference to its name.

Standard & Poor's Australia Limited has consented to being named in this Offer Document in the form and context in which it is named. Standard & Poor's Australia Limited has not authorised or caused the issue of this Offer Document and has not made any statement that is included in this Offer Document or any statement on which a statement made in this Offer Document is based, other than as specified above. Standard & Poor's Australia Limited, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for any part of, this Offer Document, other than the reference to its name.

Allen & Overy LLP has acted as legal adviser to the Issuer in respect of the litigation described in Section 8.3.5 and has given and not withdrawn its consent to be named in this Offer Document in the form and context in which it is named. Allen & Overy LLP has not authorised or caused the issue of this Offer Document; has had no involvement in the preparation of any part of this Offer Document other than reviewing particular references to Allen & Overy LLP in this Offer Document; does not make or purport to make, any statement in this Offer Document other than a

statement on which the statement made in Section 8.3.5 is based and included in this Offer Document with its consent; and, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Offer Document other than a reference to its name and any statement on which the statement made in Section 8.3.5 is based and included in this Offer Document with its consent.

10.6 DIRECTORS' INTERESTS

The relevant interest of each Director of MAHBL and MAML in MAp as at 19 November 2004 are listed in the table below.

Except as disclosed below, no Director or proposed Director holds, at the date of this Offer Document, or has held in the two years before the date of this Offer Document, an interest in:

- the formation or promotion of MAp or MAREST;
- the Offer; or
- any property acquired or proposed to be acquired by MAp or MAREST in connection with its formation or promotion or with the Offer.

No one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director:

- to induce a person to become, or qualify them as, a Director; and
- for services provided by a Director or proposed Director in connection with the formation or promotion of MAp or MAREST or with the Offer.

DIRECTORS' INTERESTS

MAML DIRECTOR	INTEREST IN MAp SECURITIES (NUMBER)	TICKETS ENTITLEMENT
Richard Sheppard	558,150	2,123
Nicholas Moore	3,460,383	13,158
Trevor Gerber	170,000	647
Michael Lee	56,000	213
Bob Morris	Nil	Nil
John Roberts (alternate to Richard Sheppard)	49,899	190

MAHBL DIRECTOR	INTEREST IN MAp SECURITIES (NUMBER)	TICKETS ENTITLEMENT
Jeffrey Conyers	Nil	Nil
Sharon Beesley	Nil	Nil
Mark Call	42,449	162
Richard Sheppard	558,150	2,123
John Roberts (alternate to Richard Sheppard)	49,899	190

10.7 LABOUR, ENVIRONMENTAL, SOCIAL AND ETHICAL CONSIDERATIONS

The Issuer does not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining or realising investments.

10.8 COMPLIANCE PLAN

The compliance plan for MAREST describes the procedures that the Responsible Entity will apply in operating MAREST to ensure compliance with the Corporations Act and the Constitution. The Directors of the Responsible Entity will oversee the Responsible Entity's procedures for complying with the compliance plan, the Constitution and the Corporations Act. Copies of the compliance plan and the Constitution are available free of charge until the Offer closes and can be obtained by contacting the Responsible Entity (see the Corporate Directory).

10.9 COMPLAINTS

The Responsible Entity provides a customer service facility that is equipped to handle complaints. If a Holder has a complaint it should make it to the Responsible Entity. The Constitution of MAREST, as outlined in Section 10.1.1, contains a dispute resolution process which MAREST must follow in relation to complaints. In all cases, if a Holder is dissatisfied with the response, the Holder can raise the complaint directly with the Financial Industry Complaints Service.

Financial Industry Complaints Service
PO Box 579
Collins Street West
Melbourne VIC 8007
Telephone: 1300 78 08 08

Holders should first try to resolve their complaint with the Responsible Entity.

10.10 AVAILABILITY OF DOCUMENTS

Following the allotment of the TICKETS in MAREST, MAREST will be a disclosing entity for the purposes of the Corporations Act and will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require that ASX be continuously notified of information about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX. In particular, the Responsible Entity will have an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning MAREST of which it becomes aware and which a reasonable person would expect to

have a material effect on the price or value of the TICKETS. It will also be required to prepare and lodge with ASIC both yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit or review report. Following the allotment of the TICKETS, copies of documents lodged with ASIC in relation to MAREST may be obtained from, or inspected at, an ASIC office.

As a disclosing entity, MAp, as the issuer of the conditional right to acquire MAp Securities upon Exchange, is subject to regular reporting and disclosure obligations. People have a right to obtain a copy of any of the following documents free of charge from MAp:

- (i) the annual financial report most recently lodged with ASIC by MAp;
- (ii) any half-year financial report lodged with ASIC by MAp after the lodgement of that annual financial report and before the date of the Offer Document; and
- (iii) any continuous disclosure notices given by MAp after the lodgement of that annual financial report and before the date of the Offer Document.

The Responsible Entity will also provide retail clients with a periodic statement for each reporting period in respect of the TICKETS. This statement will include all information required by the Corporations Act.

Periodic statements need only be provided if the Responsible Entity has not already given investors the information that would be contained in the periodic statement. The Responsible Entity will also provide a copy of any of the following documents free of charge to any person who requests a copy from the date of this Offer Document to the Offer Closing Date:

- the Constitution of MAREST; and
- the compliance plan.

Copies of the above documents do not form part of this Offer Document but may be obtained in person or in writing from the Responsible Entity at:

Macquarie Airports Management Limited
Level 15
1 Martin Place
Sydney NSW 2000
Australia

10.11 NO COOLING OFF RIGHTS

Cooling off rights are not available in respect of Applications for TICKETS.

10.12 PRIVACY

In this privacy section “we” or “us” means MAML and MAHBL or either of them.

If you complete the Application contained in this Offer Document and you are a natural person you will supply us with personal information. Your personal information will be shared with the Registry.

We adhere to the privacy policy which is available at www.macquarie.com.au/map.

Your personal information will be used by us and the Registry:

- to assess and process your Application;
- to establish and maintain a register of Holders; and
- to monitor, audit, evaluate and otherwise administer your investment.

The Corporations Act requires information about you (including your name, address and TFN) to be recorded in a public register.

We may disclose information we hold about you in the following circumstances:

- to regulatory bodies including ASIC and the Australian Taxation Office;
- to persons inspecting the register of holders of Securities;
- to the Security Trustee;
- to companies that provide services to us or the Registry (for example printing statements or notices which we send you);
- to financial institutions, in respect of payments to you in connection with the Securities;
- to any complaints body to which a complaint relating to your holding is referred;
- if the disclosure is required or authorised by law; or
- if you consent to the disclosure.

You can access most personal information we hold about you by telephoning or writing to the Registry as follows:

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone: 1300 850 505

Sometimes access will not be possible, in which case you will be told why.

If there are any changes to your personal details, or you find that information we hold about you is incorrect, please contact the Registry immediately on the same telephone number.

You may choose not to give personal information about you to us. However, we will not be able to approve your application for Securities unless you complete the Application.

If you do not give us your tax file number, we have to deduct tax at the highest rate before we pay any Distribution to you. If you have given us your tax file number, we do not deduct tax from your Distributions. The Australian Taxation Office matches the information we are required to give it on your Distributions with the details you put on your tax return.

10.13 AUTHORISATION OF THIS OFFER DOCUMENT

Each Director has consented to the lodgement of this Offer Document with ASIC.



Chairman
MACQUARIE AIRPORTS MANAGEMENT LIMITED

Director
MACQUARIE AIRPORTS HOLDINGS
(BERMUDA) LIMITED

Defined terms used in this Section are set out in clause 8. References to clauses and paragraphs in the text below are clauses and paragraphs of these Terms of Issue.

1. FACE VALUE

The issue price of each tradeable, interest-bearing, convertible to equity trust security (**TICKETS**) in MAREST issued as part of the first issue of TICKETS will be \$100 (**Face Value**), and any TICKETS issued subsequently must be issued for a subscription price calculated in accordance with the Constitution.

2. DISTRIBUTIONS

2.1 Distribution Rate

Subject to these terms, the Holder of each TICKETS on a relevant Distribution Entitlement Date is entitled to receive on the relevant Distribution Payment Date a distribution (**Distribution**) calculated in accordance with the following formula:

$$\text{Distribution} = \frac{\text{Distribution Rate} \times \$100 \times N}{365}$$

where:

Distribution Rate is:

- (a) for the period from (and including) the Issue Date to (but excluding) the First Reset Date, 6.475% per annum; and
- (b) for subsequent periods, a rate expressed as a percentage per annum as specified in accordance with clause 4;

N is the number of days from (and including) the Issue Date or from (and including) the preceding Distribution Entitlement Date (whichever is the later) until (but excluding) the relevant Distribution Entitlement Date.

2.2 Adjustments to Distribution Rate

If during any Distribution Period the Credit Rating of the TICKETS:

- (a) falls below Investment Grade; or
- (b) is withdrawn,

the Distribution Rate applicable for that Distribution Period (or part thereof) shall be the rate specified in clause 2.1 plus 0.5% but only until the earlier of the next Reset Date and the time that the TICKETS regain their Investment Grade credit rating.

2.3 Payment of Distribution

- (a) On each Distribution Payment Date, if any Aggregate Deferred Distribution has not been paid

or otherwise satisfied in full it will be:

- (i) firstly, paid from all cash available to the Responsible Entity;
 - (ii) secondly, paid from the Distribution Service Reserve Account;
 - (iii) thirdly, deemed to be paid or satisfied to the extent direct payments are made to Holders pursuant to clause 3.1(a) of the MAHBL Guarantee and/or clause 3.1(a) of the MAT2 Guarantee; and
 - (iv) fourthly, satisfied from amounts credited to the Responsible Entity (if any) under clause 3.1(c) of the MAHBL Guarantee, including by the optional issue of MAp Securities, in accordance with clause 3.4(a) of the MAHBL Guarantee and/or clause 3.1(c) of the MAT2 Guarantee, including by the optional issue of MAp Securities, in accordance with clause 3.4(a) of the MAT2 Guarantee.
- (b) Subject to clause 2.3(f) and clause 2.3(g), to the extent the Aggregate Deferred Distributions referred to in clause 2.3(a) are not satisfied, the shortfall will be dealt with in accordance with clauses 2.4 and 2.5.
- (c) On each Distribution Payment Date after having paid or otherwise satisfied in full all Aggregate Deferred Distributions in accordance with clause 2.3(a), the Distributions for that Distribution Period will be paid or otherwise satisfied in full in accordance with clauses 2.3(a)(i) to 2.3(a)(iv) and any shortfall will be dealt with in accordance with clauses 2.4 and 2.5.
- (d) All Aggregate Deferred Distributions and Distributions paid or satisfied under clause 2.3(a)(i) to clause 2.3(a)(iv), respectively, will be distributions of:
- (i) Income of the relevant Distribution Period;
 - (ii) to the extent it is available, Income of all prior Distribution Periods; and
 - (iii) Other Distributable Amounts.
- (e) Where amounts referable to Distributions or Aggregate Deferred Distributions are paid pursuant to clause 3 of the MAHBL Guarantee and/or clause 3 of the MAT2 Guarantee including by the optional issue of MAp Securities, the Responsible Entity will be deemed to have satisfied its obligations with respect to payments of such amounts of Distributions and Aggregate Deferred Distributions.
- (f) Any Aggregate Deferred Distributions outstanding at an Exchange Date must be satisfied in full on the Distribution Payment Date applicable to the Exchange Date.

(g) Any Aggregate Deferred Distributions outstanding at a Reset Date must be satisfied in full on the Distribution Payment Date applicable to the Reset Date.

2.4 Cumulative Distributions

Distributions on TICKETS are cumulative as follows: if, in respect of a Distribution Period the Distributable Amount is less than the Distribution entitlement determined in accordance with clause 2.1 for that Distribution Period and as a result the Distribution is not paid, or if paid, is less than the Distribution entitlement, the amount not paid will be deferred and further Distribution entitlements shall accrue in accordance with clause 2.5 on the shortfall amount (**Deferred Distribution**) and on any Deferred Distribution which remains outstanding in respect of any previous Distribution Period.

2.5 Entitlements Accrue on Deferred Distributions

Further entitlements to Distributions accrue on the amount of any Deferred Distribution on a daily compounding basis, from and including the Distribution Payment Date on which it was payable to (but excluding) the day on which it is paid in full, at the Higher Rate.

2.6 Calculation of Distributions

All calculations of Distributions will be to four decimal places. For the purposes of making any Distribution payment in respect of a Holder's aggregate holding of TICKETS, any fraction of a cent will be disregarded.

2.7 Distribution Entitlement Dates and Distribution and Payment Dates

- (a) Subject to this clause 2, the record date to determine Distribution entitlements for Holders (**Distribution Entitlement Date**) will be:
- (i) subject to clause 4, 31 December and 30 June in each year until the TICKETS are exchanged or redeemed;
 - (ii) Reset Dates, where those Reset Dates do not fall on the Distribution Entitlement Dates specified in clause 2.7(a)(i);
 - (iii) where a TICKETS is exchanged under clause 3.5 or redeemed or purchased under clauses 3.1(c)(ii) or 3.1(c)(iii), other than because of an event referred to in clause 3.3(a)(iii)(C), in respect of only those TICKETS which are exchanged, the Exchange Date; or
 - (iv) in the event of termination of MAREST, the date of termination where that date falls on a date other than the Distribution Entitlement Dates specified in clauses 2.7(a)(i), (ii) or (iii).

(b) Subject to this clause 2, Distributions will be paid on the following dates (**Distribution Payment Date**):

- (i) in respect of Distribution Entitlement Dates specified in clause 2.7(a)(i), 18 February and 18 August respectively or, if that date is not a Business Day, the next Business Day;
 - (ii) in respect of Distribution Entitlement Dates specified in clauses 2.7(a)(ii) or (iv), 30 Business Days after the relevant Distribution Entitlement Date;
 - (iii) in respect of the Distribution Entitlement Date specified in clause 2.7(a)(iii), 10 Business Days after the relevant Distribution Entitlement Date.
- (c) For the avoidance of doubt, where a Reset Date falls on a Distribution Entitlement Date, Holders will be entitled to receive the relevant Distribution notwithstanding the fact that the date for payment of the Distribution will fall after the Reset Date.
- (d) The first Distribution Entitlement Date for TICKETS will be 30 June 2005.

2.8 Payments

The Responsible Entity may deduct from any Distribution or Aggregate Deferred Distribution payable to a Holder, the amount of any withholding or other tax, duty or levy required by law to be deducted in respect of such amount. If any such deduction has been made and the amount of the deduction accounted for by the Responsible Entity on behalf of MAREST to the appropriate revenue authority and the balance of the amount payable has been paid to the Holder concerned, then the full amount payable to such Holder shall be deemed to have been duly paid and satisfied by the Responsible Entity on behalf of MAREST. The Responsible Entity on behalf of MAREST shall pay the full amount required to be deducted to the relevant revenue authority within the time allowed for such payment without incurring penalty under the applicable law and shall, if required by any Holder, deliver to that Holder the relevant receipt issued by the revenue authority without delay after it is received by the Responsible Entity.

2.9 Distribution Service Reserve Account

- (a) On or before the Issue Date, the MAT1 RE must establish in the name of the Responsible Entity an Australian dollar account with Macquarie Bank Limited styled: the TICKETS Distribution Service Reserve Account.
- (b) On the Issue Date and at all times until the First Reset Date, the balance standing to the credit of the Distribution Service Reserve Account must be no less than 3 months worth of Distributions on the number of TICKETS on issue on the Issue Date

- (Balance).** For the avoidance of doubt, the MAT1 RE agrees to maintain the full amount of the Balance until the First Reset Date.
- (c) If on a Distribution Payment Date there is insufficient cash available for the payment of Aggregate Deferred Distributions and Distributions at that date after the Responsible Entity has complied with clause 2.3(a)(i), the Responsible Entity must withdraw funds from the Distribution Service Reserve Account to enable it to satisfy in full, or to the extent that it is able, the Aggregate Deferred Distributions and Distributions outstanding at that time and to pay the Aggregate Deferred Distributions and Distributions for that Distribution Period.
 - (d) Amounts withdrawn by the Responsible Entity under clause 2.9(c) must be paid to the Payments Facilitator pursuant to an irrevocable payment direction that the Payments Facilitator pay the amounts to Holders as directed by the Responsible Entity, and the Payments Facilitator agrees to pay those amounts strictly in accordance with the terms of the irrevocable payment direction.
 - (e) On the First Reset Date the MAT1 RE may:
 - (i) withdraw any funds standing to the credit of the Distribution Service Reserve Account and close the Distribution Service Reserve Account; or
 - (ii) renew the undertaking given in paragraph (b) and maintain the Balance until the next Reset Date as specified by the Responsible Entity in a notice issued under clause 4.1.
 - (b) Once a Holder has given a Holder Exchange Notice or a Holder Trigger Event Exchange Notice, the Holder must not deal with, transfer, dispose of or otherwise encumber the TICKETS the subject of the Holder Exchange Notice or Holder Trigger Event Exchange Notice. The giving of a Holder Exchange Notice or Holder Trigger Event Exchange Notice is a representation by the Holder that the TICKETS are free of all encumbrances.
 - (c) On receipt of a valid Holder Exchange Notice or Holder Trigger Event Exchange Notice under clause 3.1(a)(i) or (ii) from a Holder, the Responsible Entity must, at its option, do one or a combination of the following in relation to the TICKETS which are the subject of the Holder Exchange Notice or Holder Trigger Event Exchange Notice, on or before the Exchange Date:
 - (i) exchange the TICKETS into MAp Securities in accordance with clause 3.5;
 - (ii) redeem or purchase the TICKETS on the relevant Exchange Date and deliver to the Holder on the 10th Business Day after the relevant Exchange Date, the Responsible Entity Purchase Price, calculated as:

A + B

where:

A is the higher of:

(i) Face Value

1 - ED

and

(ii) Minimum Exchange Number x Exchange VWAP

B = AD

and where:

Face Value is as defined in clause 1;

AD is any Aggregate Deferred Distributions outstanding as at the Exchange Date;

ED means the Exchange Discount; and

Exchange VWAP is as defined in clause 8;

or

(iii) procure the acquisition of TICKETS by a third party (including MAHBL and/or the Responsible Entity as the responsible entity of MAT1 and MAT2), on the relevant Exchange Date and deliver the Responsible

3. EXCHANGE

3.1 Holder Exchange

- (a) Holders of TICKETS may request the Responsible Entity to exchange some or all of their TICKETS by giving:
 - (i) a notice (**Holder Exchange Notice**) to the Responsible Entity at least 35 Business Days (but no more than three months) before a Reset Date, in respect of all or some of their TICKETS. If a Holder Exchange Notice is issued under this clause 3.1(a)(i), the date of exchange (**Exchange Date**) is the Reset Date immediately following the giving of the notice; or
 - (ii) a notice pursuant to clause 3.2 (**Holder Trigger Event Exchange Notice**).

To be valid, the Holder Exchange Notice must indicate under which paragraph the Holder is giving notice.

Entity Purchase Price to the Holder on the 10th Business Day after the relevant Exchange Date.

- (d) Subject to the Corporations Act, ASX Listing Rules and any applicable law, no later than 30 Business Day prior to the relevant Exchange Date, the Responsible Entity must notify Holders who have submitted a Holder Exchange Notice of which of the alternatives referred to in clause 3.1(c) it has chosen in respect of their Holder Exchange Notice.
- (e) Where the Responsible Entity is in receipt of more than one Holder Exchange Notice at any one time, the Responsible Entity may adopt more than one of the alternatives referred to in clause 3.1(c) in respect of a Holder Exchange Notice but must treat all Holder Exchange Notices in respect of the same Exchange Date equally.
- (f) If the Responsible Entity does not notify the Holders in accordance with clause 3.1(d), then clause 3.1(c)(i) will apply.
- (g) The minimum number of TICKETS that a Holder may exchange pursuant to clause 3.1(a)(i) or 3.1(a)(ii) is 50, or, if the Holder holds 50 or less TICKETS, all of the Holder's TICKETS.
- (h) Where amounts referable to the Responsible Entity Purchase Price are paid pursuant to clause 3 of the MAHBL Guarantee and/or clause 3 of the MAT2 Guarantee, including by the optional issue of MAp Securities under clause 3.4(a) of the MAHBL Guarantee and/or clause 3.4(a) of the MAT2 Guarantee. The Responsible Entity will be deemed to have satisfied its obligations with respect to such payments of the Responsible Entity Purchase Price.

3.2 Holder Trigger Event Exchange

- (a) If a Trigger Event occurs, a Holder may require the Responsible Entity to exchange some or all of their TICKETS by giving a Holder Trigger Event Exchange Notice to the Responsible Entity at any time after the Trigger Event occurs but no later than the 30th Business Day after the publication of the notice referred to in clause 3.2(c). In that event, the Exchange Date will be the 35th Business Day following the end of period during which a Holder may give a Holder Trigger Event Exchange Notice.
- (b) A Trigger Event means the occurrence of any of the following events:
 - (i) MAREST, a Stapled Entity or MASH terminates or is wound up (other than as a result of, or to effect, a solvent reconstruction);
 - (ii) a Delisting occurs;
 - (iii) either the TICKETS or the MAp Securities are the subject of a takeover bid which becomes

unconditional and pursuant to which the bidder will have a relevant interest of more than 50% of the TICKETS or MAp Securities or the Responsible Entity recommends acceptance of the bid;

- (iv) the members of MAREST or the Stapled Entities approve a formal or informal scheme of arrangement pursuant to which either MAREST or the Stapled Entities is to merge with any other managed investment scheme or entity or pursuant to which there is a material change in the ownership or control of MAREST or the Stapled Entities;
 - (v) the Holders do not receive the full amount of the Distribution calculated in accordance with clause 2.1 for any Distribution Period, and the shortfall remains unpaid for 20 Business Days or more;
 - (vi) there is a breach of the undertaking in clause 5.5(c);
 - (vii) any of MASH, MAHBL, MAT1 or MAT2 (or the responsible entity of MAT1 and MAT2) sells or announces an intention to sell all or substantially all of its assets (other than to effect a solvent reconstruction);
 - (viii) the MAp Securities or the TICKETS are suspended from trading on ASX for a period of 20 consecutive Business Days;
 - (ix) MAML or any other member of the Macquarie Bank Group ceases to be the responsible entity of MAT1 and MAT2; or
 - (x) all of MAT1, MAT2 or MAHBL ceases to hold Ordinary Units.
- (c) The Responsible Entity must notify Holders of the occurrence of a Trigger Event by publishing a notice in the Australian Financial Review or an Australian daily financial newspaper and making an announcement to the ASX which specifies the particular Trigger Event as soon as practicable after becoming aware of the applicable event. The Responsible Entity must also notify the Security Trustee under the MAHBL Guarantee and the MAT2 Guarantee.
 - (d) Where the Responsible Entity is in receipt of more than one Holder Trigger Event Exchange Notice at any one time, the Responsible Entity may adopt more than one of the alternatives referred to in clause 3.1(c) in respect of a Holder Trigger Event Exchange Notice but must treat all Holder Trigger Event Exchange Notices in respect of the same Exchange Date equally.
 - (e) Subject to the Corporations Act, ASX Listing Rules and any applicable law, no later than 25 Business

Days prior to the Exchange Date, the Responsible Entity must notify Holders of TICKETS who have submitted a Holder Trigger Event Exchange Notice of which of the alternatives referred to in clause 3.1(c) it has chosen in respect of their Holder Trigger Event Exchange Notice.

- (f) If the Responsible Entity does not notify the Holders in accordance with clause 3.2(e), then clause 3.1(c)(i) will apply.

3.3 Exchange by Responsible Entity

(a) The Responsible Entity may exchange the TICKETS by giving written notice to Holders (**Responsible Entity Exchange Notice**):

- (i) in respect of all or some of the TICKETS at least 25 Business Days (but no more than 6 months) before a Reset Date;
- (ii) in respect of all (but not some) of the TICKETS, if the Responsible Entity resolves on reasonable grounds (having obtained an opinion from a reputable legal counsel or tax adviser) that a change in any taxation law, interpretation or ruling issued by any relevant governmental body has occurred (or is announced) and that change is reasonably likely to materially increase the net cost to MAREST, or to MAT1, MAT2 or MAHBL, of having the TICKETS on issue, in which case the Responsible Entity must give a Responsible Entity Exchange Notice within 6 months of obtaining such an opinion; or
- (iii) in respect of all (but not some) of the TICKETS:
 - (A) after the Responsible Entity has published a notice under clause 3.2(c) following a takeover bid or scheme of arrangement described in clauses 3.2(b)(iii) or (iv);
 - (B) if the total Face Value of TICKETS remaining on issue is less than \$50 million; or
 - (C) upon the requisition of members of MAREST to replace the Responsible Entity, to terminate MAREST, to amend the Constitution or to do anything that would affect the FOLA.

(b) The Exchange Date will be:

- (i) in the case of clause 3.3(a)(i), the earlier of:
 - (A) the Reset Date immediately following the date the Responsible Entity Exchange Notice was served; and
 - (B) the 35th Business Day after the publication of the Responsible Entity Exchange Notice;
- (ii) in the case of clauses 3.3(a)(ii), 3.3(a)(iii)(A) and

3.3(a)(iii)(B), the 35th Business Day following publication of the Responsible Entity Exchange Notice; and

- (iii) in the case of clause 3.3(a)(iii)(C), a date nominated by the Responsible Entity, which shall be at least 10 Business Days following publication of the Responsible Entity Exchange Notice.
- (c) The Responsible Entity must publish a Responsible Entity Exchange Notice in the Australian Financial Review or an Australian daily financial newspaper and make an announcement to the ASX as soon as practicable after the Responsible Entity Exchange Notice is served on Holders. The Responsible Entity Exchange Notice must indicate under which paragraph of clause 3.3(a) the Responsible Entity is giving notice. For the purposes of clause 3.3(a)(iii)(A), the Responsible Entity may publish a Responsible Entity Exchange Notice at the same time and as part of a notice published under clause 3.2(c).
- (d) The Responsible Entity cannot elect to exchange only some TICKETS if, as at the date of the Responsible Entity Exchange Notice, that exchange would result in there being TICKETS on issue with an aggregate Face Value of less than \$50 million. In a partial exchange, the Responsible Entity must treat Holders on a proportionate basis, subject to rounding and not leaving any Holders with a Non-marketable Parcel of TICKETS.
- (e) Where under clause 3.3(b)(i) the Exchange Date is earlier than the Reset Date, the Reset Date will be brought forward to the Exchange Date as determined in accordance with clause 3.3(b)(i), and the Responsible Entity will issue a Reset Notice in accordance with clause 4.2 in respect of any TICKETS which are not the subject of a Responsible Entity Exchange Notice.
- (f) Where the Responsible Entity issues a Responsible Entity Exchange Notice under this clause 3.3, the Responsible Entity must, at its option, do one of the following in relation to the TICKETS which are the subject of the Responsible Entity Exchange Notice, and must notify in the Responsible Entity Exchange Notice which of the alternatives referred to in this clause 3.3(f) it has chosen:
 - (i) exchange the TICKETS into MAp Securities in accordance with clause 3.5; or
 - (ii) redeem or purchase the TICKETS on the relevant Exchange Date and deliver the Responsible Entity Purchase Price to the Holder on the 10th Business Day after the relevant Exchange Date.
- (g) The minimum number of TICKETS of each Holder

that the Responsible Entity may exchange pursuant to clause 3.3(a)(i) is 50 or, if the Holder holds 50 or less TICKETS, all of the Holder's TICKETS.

3.4 Notices

- (a) A notice given by the Responsible Entity or a Holder under clauses 3.1 to 3.3 is irrevocable.
- (b) Subject to the ASTC Settlement Rules, a notice given by a Holder under clauses 3.1(a) or 3.2(a) must be accompanied by evidence of title acceptable to the Responsible Entity for the TICKETS being exchanged.
- (c) A form of notice which may be used by Holders under clauses 3.1(a) and 3.2(a) will be made available by the Responsible Entity upon request.
- (d) The Responsible Entity is not restricted from giving a notice under clause 3.3(a) merely because a Holder has given a notice under clause 3.1(a). If the Responsible Entity issues a Responsible Entity Exchange Notice after the Holder has served a Holder Exchange Notice or Holder Trigger Event Exchange Notice under clause 3.1(a), the Responsible Entity's notice will prevail if there is any inconsistency.

3.5 Exchange into MAp Securities

Where the Responsible Entity has elected to arrange the exchange of TICKETS into MAp Securities in accordance with clause 3.1(c)(i) or 3.3(f)(i), the Responsible Entity must:

- (a) cause the TICKETS to be redeemed at Face Value;
- (b) apply the redemption proceeds (and any Aggregate Deferred Distribution (but only to the extent that the Responsible Entity has not elected to pay all or any of the amount of the Aggregate Deferred Distributions in cash on the relevant Exchange Date) in the same way) as agent on behalf of the Holder in subscribing for that number of MAp Securities determined in accordance with clause 3.7; and
- (c) cause the Stapled Entities to issue on each Exchange Date such number of MAp Securities as is required to be issued under clause 3.7 on that Exchange Date in accordance with clauses 3.1(a), 3.2(a) or 3.3(b), as applicable, and do all other things required to be done by them to enable exchange of TICKETS into MAp Securities.

3.6 Redemption

TICKETS will be redeemed at the Responsible Entity Purchase Price except where clause 3.5 applies. Other than as expressly set out in these terms, a Holder has no right to require redemption of a TICKETS.

3.7 Number of MAp Securities on Exchange

- (a) Upon a relevant Exchange Date, each TICKETS will entitle the Holder to be allotted a number of MAp Securities equal to the Exchange Number, where, subject to clause 3.7(b), the Exchange Number is an amount calculated in accordance with the following formula (**Exchange Number**):

$$X + Y$$

where:

$$X = \frac{\text{Face Value}}{\text{Exchange VWAP} \times (1 - \text{ED})}$$

$$Y = \frac{\text{AD}}{\text{Exchange VWAP} \times (1 - \text{ED})}$$

and where:

Face Value is as defined in clause 1;

AD is any Aggregate Deferred Distributions outstanding as at the Exchange Date but only to the extent that the Responsible Entity has not announced it will pay all or any of the amount of the Aggregate Deferred Distributions in cash on the relevant Exchange Date;

Exchange VWAP is as defined in clause 8; and

ED is the Exchange Discount,

provided that where X is less than the Minimum Exchange Number, X is deemed to be the Minimum Exchange Number and where X is greater than the Maximum Exchange Number, X is deemed to be the Maximum Exchange Number. No Minimum Exchange Number or Maximum Exchange Number will be specified for the period ending on the First Reset Date.

- (b) Where the total number of MAp Securities to be allotted on an Exchange Date to a TICKETS Holder includes a fraction, that fraction will be disregarded.

3.8 Distributions on Exchange or Redemption

On an Exchange Date, the Holder will be entitled to receive any Distributions calculated in accordance with clauses 2.1 and 2.2, up to the Exchange Date.

3.9 Adjustment to VWAP

For the purposes of calculating VWAP in clause 8:

- (a) where, on some or all of the Business Days in the Reference Period, MAp Securities have been quoted on ASX as cum any distribution or other

entitlement and the TICKETS will exchange into MAp Securities after the date those MAp Securities no longer carry that entitlement (**Ex Date**), then the VWAP shall be reduced by an amount (**Cum Value**) equal to:

$$\frac{E \times VTCD}{VT}$$

VT

where:

E is the amount of the entitlement;

VTCD is the volume of trades of MAp Securities during the Reference Period where MAp Securities traded with the entitlement;

VT is the volume of all trades of MAp Securities during the Reference Period;

and where:

- (i) (in the case where the MAp Securities are traded cum distribution during the Reference Period), the amount of the entitlement is the distribution per Stapled Security;
 - (ii) (in the case of an entitlement which is traded on ASX on any of those Business Days), the amount of the entitlement is equal to the volume weighted average price of all such entitlements sold on ASX during the Reference Period as attributed to each Stapled Security; or
 - (iii) (in the case of an entitlement not traded on ASX during the Reference Period), the amount of the entitlement per Stapled Security is as reasonably determined by the Responsible Entity; and
- (b) where, on some or all of the Business Days in the Reference Periods, MAp Securities have been quoted ex distribution or ex entitlement, and the TICKETS will exchange into MAp Securities which would be entitled to receive the relevant distribution or entitlement, the VWAP shall be increased by an amount (**Ex Value**) equal to:

$$(1 - VTCD)$$

VT

3.10 Adjustment to Exchange Numbers for Rights Issue or Bonus Issue

- (a) Subject to clauses 3.10(b) and (c), if the Stapled Entity makes a rights issue (including an issue of the kind known as a 'jumbo issue', where offers to certain institutional holders, or beneficial holders, are made in advance of offers to other holders) or bonus issue (in either case being a pro rata issue)

of MAp Securities to holders of MAp Securities generally, the Exchange Numbers will be adjusted immediately in accordance with the following formula:

$$CN = CN_o \times P \times \frac{(RD + RN)}{(RD \times P) + (RN \times A)}$$

where:

- CN** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately after the application of this formula;
 - CN_o** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately prior to the application of this formula;
 - P** means the VWAP of MAp Securities during the period from (and including) the first Business Day after the announcement of the rights or bonus issue to ASX up to (and including) the last Business Day of trading cum rights or bonus issue (or if there is no period of cum rights or bonus issue trading, an amount reasonably determined by the Stapled Entity as representing the value of a MAp Security cum the rights or bonus issue);
 - RD** means the number of MAp Securities on issue immediately prior to the allotment of new MAp Securities pursuant to the rights or bonus issue;
 - RN** means the number of MAp Securities issued pursuant to the rights or bonus issue; and
 - A** means the subscription price per MAp Security for a rights issue (and is zero in the case of a bonus issue).
- (b) No adjustment to the Maximum Exchange Number or Minimum Exchange Number will occur if A exceeds P.
 - (c) Clause 3.10(a) does not apply to MAp Securities issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a distribution reinvestment plan.
 - (d) For the purpose of this clause 3.10, an issue will be regarded as a pro rata issue notwithstanding that the Stapled Entity does not make offers to some or all holders of MAp Securities with registered addresses outside Australia, provided that in so doing the Stapled Entity is not in contravention of the ASX Listing Rules or the conditions of any ASIC relief.

3.11 Adjustments to Exchange Numbers for Return of Capital or Capital Distribution

If the Stapled Entity makes a pro rata return of capital to holders of MAp Securities without cancellation of any MAp Securities (other than as part of a normal distribution or by way of a buy-back), or if there is a capital distribution to holders of MAp Securities in a financial year of the Stapled Entity which exceeds the Capital Distribution Threshold in that financial year, the Exchange Numbers will be adjusted in accordance with the following formula:

$$CN = CN_0 \times \frac{(P)}{(P - C)}$$

where:

- CN** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately after the application of this formula;
- CN₀** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately prior to the application of this formula;
- P** means the VWAP of MAp Securities during the period from (and including) the first Business Day after the announcement of the return of capital to ASX up to and including the last Business Day of trading cum the return of capital (or if there is no period of cum return of capital trading, an amount reasonably determined by the Stapled Entity as representing the value of a MAp Security cum the return of capital); and
- C** means with respect to a return of capital or capital distribution in excess of the Capital Distribution Threshold, the amount of the cash and/or the value (as reasonably determined by the Stapled Entity) of any other property distributed to holders of MAp Securities per MAp Security (or such lesser amount such that the difference between P and C is greater than zero), which in the case of a capital distribution is in excess of the Capital Distribution Threshold.

Capital Distribution Threshold is the sum of all capital included in distributions per MAp Security paid by the Stapled Entity in respect of a financial year of the Stapled Entity as specified by the Responsible Entity in years where a Maximum Exchange Number or Minimum Exchange Number has been specified.

3.12 Adjustment to Exchange Numbers for Off-Market Buy-Backs

- (a) Subject to clause 3.12(b), if the Stapled Entity undertakes an off market buy-back under a buy-back scheme which but for any applicable restrictions on transfer would be generally available to holders of MAp Securities (or otherwise cancels MAp Securities for consideration), the Exchange Numbers will be adjusted immediately in accordance with the following formula:

$$CN = CN_0 \times P \times \frac{(BD - BN)}{(BD \times P) - (BN \times A)}$$

where:

- CN** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately after the application of this formula;
 - CN₀** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately prior to the application of this formula;
 - P** means the VWAP of MAp Securities during the 20 Business Days prior to the announcement to ASX of the buy-back (or cancellation);
 - BD** means the number of MAp Securities on issue immediately prior to the buy-back (or cancellation);
 - BN** means the number of MAp Securities bought back (or cancelled); and
 - A** means the buy-back (or cancellation) price per MAp Security.
- (b) No adjustment to the Maximum Exchange Number or Minimum Exchange Number will occur if P exceeds A.

3.13 Adjustments to Exchange Numbers for Placement

If the Stapled Entity:

- (a) makes a placement which is completed at more than a 3% discount to the market price of MAp Securities at the time of the placement; or
- (b) makes a placement of MAp Securities that exceeds 5% of the Stapled Entity's issued capital on issue at the date of the announcement of the placement; or
- (c) makes 2 or more placements during any 12 month period which together result in the total number of MAp Securities issued pursuant to the placements amounting to a number in excess of 5% of the

Stapled Entity's issued capital on issue at the date of the announcement of that placement occurring first in time:

the Exchange Numbers will be adjusted separately for each placement in the order in which they occurred in accordance with the following formula:

$$CN = CN_0 \times P \times \frac{(PD + PN)}{(PD \times P) + (PN \times A)}$$

where:

- CN** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately after the application of this formula;
- CN₀** means the Maximum Exchange Number or Minimum Exchange Number, as relevant, applying immediately prior to the application of this formula;
- P** means the VWAP of MAp Securities during the 20 Business Days prior to the announcement of the placement;
- PD** means the number of MAp Securities on issue immediately prior to the allotment of new MAp Securities pursuant to the placement;
- PN** means the number of MAp Securities issued pursuant to each placement; and
- A** means the subscription price per MAp Security under the terms of the placement,

provided that in the event the placement has, either alone or in combination with one or more placements, resulted in the Exchange Numbers being adjusted pursuant to this clause, such placement shall not be adjusted for again.

3.14 Other Adjustments to Exchange Numbers

Where the MAp Securities are reconstructed, consolidated, divided or reclassified into a lesser or greater number of securities, the Exchange Numbers shall be adjusted by the Responsible Entity as it considers appropriate (consistently with the way in which the number of MAp Securities the subject of an option over MAp Securities would have been adjusted in accordance with ASX Listing Rules). Any adjustment made by the Responsible Entity will constitute an alteration to these Terms of Issue and will be binding on all Holders and these Terms of Issue will be construed accordingly. Any such adjustment will promptly be notified to all Holders.

This clause 3.14 and clauses 3.10 to 3.13 only apply where Exchange Numbers have been specified.

3.15 Adjustment to the Exchange Number for a Takeover or Scheme of Arrangement

- (a) In the case of exchange under clause 3.1(c)(i) or under clause 3.3(f)(i) following a takeover bid or a scheme of arrangement, the denominator of the formula in clause 3.7 will be the lower of:
 - (i) $(100 - ED)$ of the offer price under the takeover bid or the consideration under the scheme of arrangement; and
 - (ii) the VWAP of MAp Securities over the 20 Business Days immediately preceding the announcement of the takeover bid or the scheme of arrangement plus 50% of the amount calculated by subtracting that VWAP from the offer price or the consideration (as applicable).
- (b) The offer price or consideration under the takeover bid or scheme of arrangement is the cash consideration offered for each Stapled Security or, if cash consideration is not the only consideration offered, $(100 - ED)$ of the value of the consideration offered as reasonably determined by an independent investment bank or accountancy firm appointed by the Responsible Entity (which shall act as an expert).

3.16 Responsible Entity's Power with respect to Foreign Ownership Restrictions

- (a) The Responsible Entity may in determining whether TICKETS should be exchanged, redeemed or purchased consider whether the exchange of TICKETS may cause breach of the Foreign Ownership Restrictions.
- (b) If the Responsible Entity forms the view that the exchange of TICKETS may cause breach of the Foreign Ownership Restrictions, the Responsible Entity may treat Holders unequally and may determine to redeem or purchase the TICKETS of Holders who may cause breach of the Foreign Ownership Restrictions if their TICKETS were exchanged for MAp Securities. The Responsible Entity shall exercise its powers under this clause on a "last in, first redeemed or purchased" basis as regards Holders who may cause breach of the Foreign Ownership Restrictions.
- (c) Each Holder acknowledges and recognises that the exercise of the powers given to the Responsible Entity under this clause 3.16 may cause individual Holders considerable disadvantage (including possible adverse financial and taxation consequences) but each Holder acknowledges that such a result is necessary to enable the requirements of the Foreign Ownership Restrictions to be met.

(d) To the fullest extent permitted by law the Responsible Entity shall be under no liability to MAREST or any Holder, and MAREST shall be under no liability to any Holder for any loss or disadvantage incurred by a Holder as a result, whether directly or indirectly, of the Responsible Entity exercising the powers provided under this clause 3.16.

3.17 Early Redemption

- (a) The Responsible Entity may, in its absolute discretion, redeem all (but not some) of the TICKETS if the Airport Acquisition has not been completed before 31 March 2005 by giving not less than 10 Business Days prior notice to Holders (which notice shall be irrevocable). Notice under this clause 3.17 may be given by the Responsible Entity making an announcement to the company announcements platform of the ASX.
- (b) Upon redemption under this clause 3.17, the Responsible Entity must pay to the Holder an amount equal to:

$$FV + \frac{(FV \times DR \times N)}{365}$$

where:

- FV** is the Face Value
- DR** is 6.475% per annum; and
- N** is the number of days from (and including) the Issue Date until (but excluding) 31 March 2005.

4. RESET OF TERMS

4.1 Responsible Entity May Change Terms of Issue

Subject to these terms, the Responsible Entity may notify Holders of changes to the following terms (Reset Notice):

- (a) the Distribution Rate applying from the relevant Reset Date until and including the next Reset Date;
- (b) the next Reset Date (which must be at least 12 months after the relevant Reset Date and which must coincide with a Distribution Entitlement Date as determined in accordance with paragraph (c));
- (c) the frequency and timing of Distribution Entitlement Dates;
- (d) the frequency and timing of Distribution Payment Dates;
- (e) the Exchange Discount;
- (f) the Minimum Exchange Number;
- (g) the Maximum Exchange Number;
- (h) the Capital Distribution Threshold;
- (i) the Balance; and
- (j) where the Responsible Entity has specified a Minimum Exchange Number, the circumstances in which Holders may request exchange to receive the Minimum Exchange Number.

These new terms will apply from the relevant Reset Date until and including the next Reset Date.

4.2 Notification

- (a) The Reset Notice must be given to Holders no later than 50 Business Days immediately preceding the relevant Reset Date.
- (b) If the Responsible Entity fails to serve a Reset Notice, the terms applying as at the relevant Reset Date will continue and the next Reset Date will be such that the period to the next Reset Date is the same as the period that has passed from the Issue Date or the immediately preceding Reset Date (as relevant) until the relevant Reset Date.

5. TICKETS GENERAL RIGHTS

5.1 Ranking

TICKETS rank equally amongst themselves in all respects.

5.2 Preferential Distribution

Until exchange, the TICKETS rank in priority to Ordinary Units for the payment of Distributions.

5.3 Priority on Termination

If MAREST is terminated, Holders will be entitled in priority to holders of Ordinary Units to receive the Responsible Entity Purchase Price, or if there is insufficient money available to make this payment in full, the available amount is to be paid to Holders proportionately based on their respective numbers of TICKETS held as at the date of termination.

5.4 No Set Off

Any amount due to a Holder in respect of the TICKETS may not be set off against any claims by the Stapled Entities or MAREST against the Holder.

5.5 Investor Protections

Until the date on which all TICKETS have been exchanged:

- (a) (**Distribution Stop**): For so long as any Distribution entitlement under clauses 2.1 and 2.2 on a TICKETS in respect of a Distribution Period has not been paid or otherwise satisfied in full, or any Aggregate Deferred Distribution remains outstanding, the Stapled Entities or MAREST must not:

- (i) determine to pay, by money or otherwise, any distribution on any MAp Securities (or other issued security of any of the Stapled Entities) or on Ordinary Units (or other issued security of MAREST other than TICKETS);
 - (ii) redeem, reduce, cancel, buy back or acquire for any consideration any issued unit or other security of any of the Stapled Entities or MAREST (other than TICKETS);
 - (iii) set aside any sum or assets for anything referred to in subparagraphs (i) or (ii).
- (b) **(No new securities)** MAREST and the Stapled Entities must not, without approval of a special resolution passed by Holders, issue securities ranking in priority to the TICKETS or permit the exchange of any existing securities to securities ranking in priority to the TICKETS, but:
- (i) the Responsible Entity is at all times authorised to issue further preference units ranking equally with any existing TICKETS; or
 - (ii) the responsible entities of MAT1 and MAT2, together with MAHBL, are at all times authorised to issue further MAp Securities which do not rank in priority to the MAp Securities into which TICKETS are exchangeable; and
- (c) **(Finance undertakings)**
- (i) The Responsible Entity must not after the Issue Date, without approval of a special resolution passed by Holders, incur any borrowing ranking in priority to the TICKETS or consent to the Stapled Entities incurring any borrowing ranking in priority to the Finance Documents.
 - (ii) The Stapled Entities must not after the Issue Date, without the prior written consent of MAREST, incur any borrowing ranking in priority to the Finance Documents.
- (d) **(Distribution Service Reserve Account):** If at any time the balance standing to the credit of the Distribution Service Reserve Account is less than the Balance, the Stapled Entities must not:
- (i) determine to pay, by money or otherwise, any distribution on any MAp Securities;
 - (ii) redeem, reduce, cancel, buy back or acquire for any consideration any issued unit or other security of any of the Stapled Entities;
 - (iii) set aside any sum or assets for anything referred to in subparagraphs (i) or (ii).

For the avoidance of doubt, this paragraph (d) ceases to apply on and from the date that the MAT1 RE decides to close the Distribution Service Reserve Account in accordance with clause 2.9(f)(i).

5.6 Takeover Bids and Schemes of Arrangement

If a takeover bid is made for MAp Securities, acceptance of which is recommended by the Stapled Entities, or the Stapled Entities recommend a scheme of arrangement in respect of the MAp Securities, which, in either case, will result in a person having a relevant interest in more than 50% of the MAp Securities, the Stapled Entities will use reasonable endeavours to procure that Holders who exchange during the takeover or scheme period will have the right to participate in the takeover or scheme.

5.7 Participation in New Issues

Until the TICKETS are exchanged, they will confer no rights to subscribe for new securities in the Stapled Entities or to participate in any bonus or rights issues or capital reconstruction.

5.8 Voting Rights

- (a) Holders will be entitled prior to exchange of TICKETS to request the Responsible Entity to provide them with a copy of the notice of any general meeting of the Stapled Entities or any circular and like document sent out by the Stapled Entities to the holders of MAp Securities. Upon receipt of such a request, the Responsible Entity shall forward a copy of the notice of general meeting or other circular or like document to the Holder as soon as reasonably practicable.
- (b) Holders will, prior to exchange of TICKETS, be entitled to attend but not to vote at any general meeting of the Stapled Entities.
- (c) Holders will be entitled to receive notice of any general meeting of MAREST and to attend, speak and vote at that meeting in accordance with the Corporations Act.

6. LISTING OF TICKETS

The Responsible Entity must use all reasonable endeavours and furnish all such documents, information and undertakings as may be reasonably necessary in order to procure, at its own expense, listing of the TICKETS on ASX and all MAp Securities issued under clause 3.5, on ASX.

7. AMENDMENTS TO THE TERMS OF ISSUE

Subject to complying with all applicable laws, the Responsible Entity may, without the authority, assent or approval of Holders, amend or add to these Terms of Issue if the Responsible Entity reasonably considers the change will not adversely affect Holders' rights. If the Responsible Entity considers that the proposed change will adversely affect Holders' rights, the amendment may only be made in accordance with the section 601GC(1) of the Corporations Act.

8. INTERPRETATION

- (a) Unless the context otherwise requires, if there is any inconsistency between the provisions of these Terms of Issue and the Constitution, then, to the maximum extent permitted by law, the provisions of these Terms of Issue will prevail.
- (b) If a calculation is required under these Terms of Issue, unless the contrary intention is expressed, the calculation will be performed to four decimal places.
- (c) Definitions and interpretation under the Constitution will also apply to these Terms of Issue.
- (d) The following expressions shall have the meaning given below.

Airport Acquisition means the acquisition by a consortium which includes the Stapled Entities of 70% of the shares in Brussels International Airport Company NV/SA, the operating company of Brussels International Airport, as described in the Offer Document.

Aggregate Deferred Distribution means for each TICKETS, the aggregate amount outstanding from time to time of all Deferred Distributions and all further amounts which have been accrued or have been capitalised on such amounts in accordance with clause 2.5, but does not include current Distribution entitlements which are not yet due and payable.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532), a prescribed CS facility as that term is defined in Chapter 7 of the Corporations Act by virtue of Corporations Regulation 7.1.03.

ASTC Settlement Rules means the operating rules, procedures, directions, decisions, requirements, customs, usages and practices of ASTC, as amended from time to time.

ASX means Australian Stock Exchange Limited (ACN 008 624 691) or the stock market conducted by

Australian Stock Exchange Limited, as the context requires.

ASX Listing Rules means the official listing rules of the ASX as amended from time to time.

Balance has, for the period until the First Reset Date, the meaning given to that term in clause 2.9(b), and thereafter as determined under clause 4.1.

Business Day means a Trading Day as defined in the ASX Listing Rules.

Constitution means the constitution of MAREST dated 23 August 2004 as may be amended from time to time.

Corporations Act means the Corporations Act 2001 (Cth).

Credit Rating means the credit rating assigned to the TICKETS (if any) by Standard & Poor's or another ratings agency from time to time.

Cum Value is defined in clause 3.9.

Deferred Distribution has the meaning given to that term in clause 2.4.

Delisting means the receipt by the Responsible Entity of notification from ASX of the removal of all of the Stapled Entities or the TICKETS from the official list of ASX.

Distributable Amounts means in relation to a Distribution Period the available cash of MAREST as determined by the Responsible Entity in its sole discretion plus such other amounts which the Responsible Entity in its discretion determines in accordance with the Constitution are available for distribution to Holders.

Distribution in respect of each TICKETS is the distribution calculated in accordance with clauses 2.1 and 2.2.

Distribution Entitlement Date means each date on which Holders become entitled to receive a Distribution in accordance with clauses 2.7(a) or 4.1.

Distribution Payment Date means each date on which a Distribution is payable in accordance with clauses 2.7(b) or 4.1, whether or not a Distribution is paid on that date.

Distribution Period means:

- (a) a period commencing from (and including) the Issue Date to (but excluding) the first Distribution Payment Date; and
- (b) each subsequent period from (and including) a Distribution Payment Date to (but excluding) the next Distribution Payment Date.

Distribution Rate means the rate specified in accordance with clause 2.1 as may be adjusted from time to time in accordance with clauses 2.2 and 4.1.

Distribution Service Reserve Account means the account established under clause 2.9, a cash reserve account that can be used for paying Distributions. The amount of the Distribution Service Reserve Account will not be less than three months of Distributions on the TICKETS until the First Reset Date.

Exchange Date means the date of exchange of TICKETS in respect of an exchange notice determined in accordance with clause 3.1(a), 3.2(a) or 3.3(b).

Exchange Discount or **ED** is 5.0% for the period until the First Reset Date, and thereafter as determined under clause 4.1.

Exchange Number is defined in clause 3.7(a).

Exchange Numbers means the Maximum Exchange Number and the Minimum Exchange Number.

Exchange VWAP means:

- (a) for the purposes of clause 3.7, the VWAP during the period (Reference Period) of 25 Business Days immediately preceding, but not including:
 - (i) if the Responsible Entity receives a notice under clause 3.2(a) following a suspension of trading described in clause 3.2(b)(viii), the first day the MAP Securities are suspended; and
 - (ii) otherwise, the Exchange Date;
- (b) for the purpose of clause 3.3(a)(iii)(C), the VWAP during the period (**Reference Period**) of 10 Business Days immediately following the publication of a Responsible Entity Exchange Notice pursuant to clause 3.3(a)(iii)(C); and
- (c) in all other cases, the VWAP during the period (**Reference Period**) of 25 Business Days immediately preceding, but not including, the Exchange Date.

Ex Date is defined in clause 3.9.

Face Value in respect of each TICKETS is \$100, as described in clause 1.

Finance Document means the:

- (a) FOLA;
- (b) SOLA;
- (c) MAT2 Guarantee;
- (d) MAT2 Charge;
- (e) MAHBL Guarantee; or
- (f) MAHBL Charge.

First Reset Date means 1 January 2010.

FOLA or **First On-Lending Agreement** means the agreement between MAML in its capacity as responsible entity of MAREST, MAML in its capacity as responsible entity of MAT1 and Trust Company of Australia Limited in its capacity as custodian of MAT1, under which MAML in its capacity as responsible entity of MAREST will loan the proceeds of the Offer to MAML in its capacity as responsible entity of MAT1.

Foreign Ownership Restrictions means the provisions of Part 3 of, and the Schedule to, the Airports Act 1996 (*Cth*) and the Airports (*Ownership - Interests in Shares*) Regulations 1996.

Higher Rate means the Distribution Rate plus 2.0%.

Holder means investors allotted TICKETS under this Offer Document.

Holder Exchange Notice means a notice given to the Responsible Entity under clause 3.1(a)(i).

Holder Trigger Event Exchange Notice means a notice given to the Responsible Entity under clause 3.1(a)(ii).

Income has the meaning given in clause 9.2 of the Constitution.

Investment Grade means a credit rating by Standard & Poor's of BBB- or higher, or an equivalent rating by another ratings agency.

Issue Date means the date on which TICKETS are issued to Holders under the Offer Document.

MAHBL means Macquarie Airports Holdings (Bermuda) Limited, a company incorporated under the laws of Bermuda with registration number 31667.

MAHBL Charge means the deed of charge dated 15 November 2004 entered into by MAHBL to secure its obligations under the MAHBL Guarantee.

MAHBL Guarantee means the deed of guarantee dated 16 November 2004 provided by MAHBL to the Security Trustee for the benefit of the Holders in respect of the TICKETS.

MAP Securities means one unit in MAT1, one unit in MAT2 and one share in MAHBL, which are stapled and trade together on ASX as one security.

MAREST means Macquarie Airports Reset Exchange Securities Trust (ARSN 110 748 859).

MASH means Macquarie Airports (Sydney Holdings) Pty Limited (ACN 100 840 686).

MAT1 means Macquarie Airports Trust (1) (ARSN 099 597 921).

MAT1 RE means Macquarie Airports Management Limited (ACN 075 295 760) in its capacity as the responsible entity of MAT1.

MAT2 means Macquarie Airports Trust (2) (ARSN 099 597 896).

MAT2 Guarantee means the deed of guarantee dated 16 November 2004 provided by MAT2 to the Security Trustee for the benefit of the Holders in respect of the TICKETS.

MAT2 Charge means the share mortgage dated 15 November 2004 entered into by MAT2 to secure its obligations under the MAT2 Guarantee.

Minimum Exchange Number means the minimum Exchange Number as determined by the Responsible Entity on any Reset Date, adjusted in accordance with clauses 3.10 to 3.14.

Maximum Exchange Number means the maximum Exchange Number as determined by the Responsible Entity on any Reset Date, adjusted in accordance with clauses 3.10 to 3.14.

Non-marketable Parcel of TICKETS means a parcel of TICKETS with an aggregate issue price of \$5,000 or less.

Offer Document means the combined prospectus and product disclosure statement, and any replacement or supplementary prospectus or any supplementary or updated product disclosure statement issued by the Responsible Entity and the Stapled Entities.

Ordinary Units mean ordinary units in the capital of MAREST.

Other Distributable Amounts means amounts in MAREST (other than amounts included in Income) available for distribution to holders of securities in MAREST.

Payments Facilitator means the Security Trustee.

Reference Period is the relevant period described in the definition of Exchange VWAP in this clause 8.

Reset Date is the First Reset Date, and thereafter the date as specified by the Responsible Entity in a notice issued under clause 4.1.

Reset Notice is defined in clause 4.1.

Responsible Entity means Macquarie Airports Management Limited (ACN 075 295 760) in its capacity as the responsible entity of MAREST.

Responsible Entity Exchange Notice is defined in clause 3.3(a).

Responsible Entity Purchase Price is defined in clause 3.1(c)(ii).

Security Trustee means Permanent Trustee Company Limited (ACN 000 000 993).

SOLA or **Second On-Lending Agreement** means the agreement between MAML, in its capacity as responsible entity of MAT1, and MAHBL, under which MAT1 will loan the monies borrowed under the FOLA to MAHBL.

Stapled Entity means each of MAHBL, MAT1 and MAT2, and where the context requires, means the Responsible Entity in its capacity as responsible entity of MAT1 and MAT2.

Trigger Event is defined in clause 3.2(b).

VWAP is the daily volume weighted average sale price of MAp Securities sold on ASX during the relevant period or on the relevant days but does not include any transaction defined in the ASX Market Rules as a "special" crossing prior to the commencement of normal trading, crossings during the after hours adjust phase or any overseas trades or the exercise of options over MAp Securities, subject to clause 3.9.

\$ or A\$

Australian Dollar(s).

€ or Euros

European Union Euro(s).

£

British Pounds Sterling.

ABN AMRO Rothschild

The joint venture between ABN AMRO Equity Capital Markets Limited (ACN 000 757 111) and Rothschild Australia Securities Limited (ACN 008 591 768).

Airport Owning Entities

The entities which directly or indirectly hold the assets of Sydney, Rome, Bristol, Brussels and Birmingham airports, either collectively or individually as the context requires.

Airports Legislation

Airports Act 1996 (Cth) as amended from time to time and the Airports (Ownership – Interests in Shares) Regulations 1996 as amended from time to time.

Applicants

Persons who submit valid Entitlement Application Forms or Public Application Forms.

Application

An application for TICKETS pursuant to this Offer Document.

Application Monies

Monies received with Applications under this Offer Document.

Belgian Government

The federal government of the Belgian State.

Belgian State

The Kingdom of Belgium.

BIAC

Brussels International Airport Company NV/SA.

BIAC Shareholders' Agreement

The shareholders' agreement between the Belgian State and MABSA in relation to BIAC.

Bookbuild

The process described in Section 2.2.4.

Bridge Facility

The loan agreement entered into by MABSA to fund part of the Brussels Airport Acquisition. Further details are set out in Section 6.3.

Broker Firm Applicants

Applicants for TICKETS who apply via their Participating Brokers.

Brussels Airport

The international airport in Brussels, Belgium operated and managed by BIAC on land owned by BIAC.

Brussels Airport Acquisition

The acquisition of 70.0% of the shares of BIAC by MABSA on behalf of the Consortium.

Brussels Airport Acquisition Price

The price to be paid in Euros for the Brussels Airport Acquisition by MABSA (including the funding drawn down under the Bridge Facility).

Brussels Refinancing

The proposed refinancing of BIAC's debt facilities to be conducted after Completion. Further details are set out in Section 6.3.

Charges

MAHBL Charge, and the MAT2 Charge, as those terms are defined in the Terms of Issue.

Completion

Completion of the Brussels Airport Acquisition.

Consortium

The consortium, comprised of MAp, MEIF, GIF II and MBL (or their special purpose entities), which have committed to invest in MABSA to fund the Brussels Airport Acquisition.

Directors

The directors of MAp, either collectively or individually as the context requires.

EBITDA

Earnings before interest, income tax, depreciation, amortisation and specific items.

Eligible Institutional MAp Security Holders

Registered holders of MAp Securities on the Record Date who have a registered address in either Australia or New Zealand and have received an offer under the Bookbuild.

Eligible MAp Security Holders

Registered holders of MAp Securities on the Record Date who have a registered address in either Australia or New Zealand.

Eligible Retail MAp Security Holders

Registered holders of MAp Securities on the Record Date who have a registered address in either Australia or New Zealand and who have not received an offer under the Bookbuild.

Entitlement

The right to subscribe for a certain number of TICKETS by Eligible MAp Security Holders at the Record Date.

Entitlement Application Form

The personalised application form that will be sent to all Eligible Retail MAp Security Holders with this Offer Document to enable them to take up their Entitlement to subscribe for TICKETS under the Retail Entitlement Offer.

Entitlement Offer

The offer to Eligible MAp Security Holders to subscribe for 1 TICKETS for every 263 MAp Securities held at the Record Date.

European Commission

The Commission of the European Communities.

Exchange

An exchange of TICKETS for MAp Securities, cash or a combination.

Exchange Notice

A Holder Exchange Notice or a Holder Trigger Event Exchange Notice.

Existing BIAC Shareholders

The current shareholders of BIAC.

Expenses Indemnity and Fees Deed

The document described in Section 10.1.9.

GAAP

Generally Accepted Accounting Principles.

GIF II

Macquarie Global Infrastructure Fund II, which is comprised of Macquarie Global Infrastructure Fund IIA (ARSN 106 465 114) and Macquarie Global Infrastructure Fund IIB (ARSN 106 465 249).

GIF2SA

Macquarie Global Infrastructure Funds 2 S.A.

GST

Goods and Services Tax.

Guarantees

The MAHBL Guarantee and/or the MAT2 Guarantee.

IFRS

International Financial Reporting Standards.

Income Tax Assessment Acts

Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997.

Initial Margin

The margin over the Swap Rate, determined with reference to the Bookbuild, to determine the Distribution Rate until the First Reset Date.

Institutional Entitlement Offer

The Entitlement Offer to Eligible Institutional MAp Security Holders.

Issuer

MAML, as responsible entity of MAREST, MAML, as responsible entity of MAT1 and MAT2, and MAHBL.

Licence Decree

The royal decree dated 21 June 2004 granting BIAC the Operating Licence upon privatisation.

MABL

Macquarie Airports (Brussels) Limited.

MABSA

Macquarie Airports (Brussels) S.A., established to acquire an interest in BIAC on behalf of the Consortium.

Macquarie Bank Group

MBL and its related bodies corporate (as defined in the Corporations Act).

MAFT

Macquarie Airports Feeder Trust (ARSN 097 556 520).

MAG

Macquarie Airports Group Limited, a company incorporated under the laws of Bermuda.

MALSA

Macquarie Airports (Luxembourg) S.A.

MAML

Macquarie Airports Management Limited (ACN 075 295 760).

MAp or Macquarie Airports

MAT1, MAT2 and MAHBL, the securities of which are stapled together and quoted on the ASX, or any one of these entities.

MAp Security Holders

Holders of MAp Securities.

MAT1 Charge

MAML in its capacity as responsible entity of MAT1, has granted a fixed charge in favour of MAML in its capacity as responsible entity of MAREST to secure its obligations under the FOLA.

MBL

Macquarie Bank Limited (ACN 008 583 542).

MECM

Macquarie Equity Capital Markets Limited (ACN 001 374 572).

MEIF

Macquarie European Infrastructure Fund LP and any 100% owned subsidiaries.

MEIFSA

MEIF Luxembourg Holdings S.A.

MIMUK

Macquarie Investment Management (UK) Limited, a subsidiary of MBL.

Moody's

Moody's Investor Service Pty Limited (ACN 003 399 657).

MSAM

Macquarie Specialised Asset Management Limited (ACN 087 382 965), in its capacity as responsible entity of Macquarie Global Infrastructure Fund IIA (ARSN 106 465 114).

MSAM2

Macquarie Specialised Asset Management 2 Limited (ACN 075 295 608) in its capacity as responsible entity of Macquarie Global Infrastructure Fund IIB (ARSN 106 465 249).

NATO

North Atlantic Treaty Organisation.

O&D

Origin and destination, a term used to refer to a type of airport traffic.

Offer

The Entitlement Offer and the Public Offer pursuant to this Offer Document.

Offer Closing Date

The date of close of the Retail Entitlement Offer and Public Offer period on Wednesday 15 December 2004.

Operating Licence

The licence to be granted to BIAC on Completion to enable it to operate Brussels Airport.

Overseas Security Holders

Holders of MAp Securities that are resident in any jurisdiction other than Australia or New Zealand, as defined for the purposes of this Offer.

Participating Brokers

Brokers who are offered a firm allocation of TICKETS by the Underwriters.

pcp

Previous corresponding period.

Placement

The placement of MAp Securities to Sophisticated Investors conducted outside of this Offer Document, some of the proceeds of which will be used along with the Offer proceeds to fund MAp's investment in MABSA.

Public Application Form

The form which accompanies this Offer Document, both in paper and electronic form, to enable residents of Australia and New Zealand to apply for TICKETS pursuant to the Public Offer under this Offer Document.

Public Offer

The offer to residents of Australia and New Zealand to apply for TICKETS not taken-up under the Entitlement Offer, excluding any TICKETS allocated under the Bookbuild.

Public Offer Applicants

Applicants for TICKETS who are not Eligible MAp Security Holders.

Record Date

7.00pm (Sydney time) on 15 November 2004.

Registry

Computershare Investor Services Pty Limited (ACN 078 279 277).

Reorganisation Decree

The royal decree dated 27 May 2004 converting BIAC into a private law company and making the operation of the federal airport installations subject to an Operating Licence.

Retail Entitlement Offer

The offer to Eligible Retail MAp Security Holders to subscribe for 1 TICKETS for every 263 MAp Securities held at the Record Date.

Rome Airport

Aeroporti di Roma S.p.A.

Sabena

Sabena SA, the former national Belgian airline.

SARS

Severe Acute Respiratory Syndrome.

SCAAT

Southern Cross Australian Airports Trust (ARSN 100 746 521).

SCACH

Southern Cross Airports Corporation Holdings Limited (ACN 098 082 029).

Section

A section of this Offer Document.

Security Arrangements

The FOLA, the MAHBL Charge, the MAT1 Charge, the MAT2 Charge and the Guarantees.

Sophisticated Investor

An investor classified as "wholesale" or sophisticated/professional" within section 761G and section 708 respectively of the Corporations Act.

Standard & Poor's

Standard & Poor's (Australia) Pty Ltd (ACN 007 324 852).

Stock Purchase Agreement

The agreement entered into by MABSA and the Existing BIAC Shareholders under which MABSA on behalf of the Consortium has agreed to acquire 70% of the shares in BIAC.

Swap Rate

The rate expressed as a percentage per annum which is the AFMA (Australian Financial Markets Association) 10am Average Mid 5 year Swap Reference Rate as quoted on Reuters page IRSW10AM (or replacement page) at or around 10.00am (Sydney time) on the Business Day after the closing date of the Bookbuild.

Terms of Issue

The document entitled Terms of Issue of TICKETS as set out in full from page 95.

TFN

In respect of a person, that person's tax file number.

TICKETS

Tradeable Interest-bearing Convertible to Equity Trust Securities, each representing a preferred unit in MAREST.

TICKETS Information Line

1800 102 368 from within Australia and +(61) 3 9415 4195 from outside Australia.

Tidefast

Tidefast Limited, the parent company of Bristol International Airport Limited which wholly owns and operates Bristol International Airport, and is a jointly controlled by MAG and Cintra Airports (UK) Limited.

Underwriters

MECM and ABN AMRO Rothschild.

Underwriting Agreement

The underwriting deed entered into between the Issuer and the Underwriters.

CORPORATE DIRECTORY

MACQUARIE AIRPORTS TRUST (1)
AND MACQUARIE AIRPORTS TRUST (2)
Level 15
1 Martin Place
Sydney NSW 2000

MACQUARIE AIRPORTS MANAGEMENT LIMITED
(Responsible Entity)
Level 15
1 Martin Place
Sydney NSW 2000

MACQUARIE AIRPORTS HOLDINGS
(BERMUDA) LIMITED
Washington Mall 1
22 Church Street
Hamilton HM 11
Bermuda

CHIEF EXECUTIVE OFFICER OF MAP
Kerrie Mather

UNDERWRITERS
Macquarie Equity Capital Markets Limited
Level 9
1 Martin Place
Sydney NSW 2000

LAWYERS
Allens Arthur Robinson
The Chifley Tower
2 Chifley Square
Sydney NSW 2000

DIRECTORS OF THE RESPONSIBLE ENTITY
Richard Sheppard (Chairman)
Nicholas Moore
Trevor Gerber
Bob Morris
Michael Lee

DIRECTORS OF MAHBL
Jeffrey Conyers (Chairman)
Sharon Beesley
Mark Call
Richard Sheppard

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