

26 February 2007

Results for half-year ended 31 December 2006

RiverCity Motorway Group today announced its financial results for the half-year ended 31 December 2006.

In releasing the results, the Chairman of RiverCity Motorway Group, Mr Bob Morris, noted that excellent progress had been achieved in the early design and construction phase of the North-South Bypass Tunnel project.

“Construction of the project is continuing to ramp-up with more than 200 people already working at major work sites across the 6.8km project,” Mr Morris said.

“Substantial works are underway at the three tunnelling work sites, including the commencement of tunnel excavation two months ahead of schedule at the Shafston Avenue site.

“Excavation of the entry and exit ramps is well under way at the northern worksite in Bowen Hills with no significant engineering issues to date. Starting at Bowen Hills and finishing at Woolloongabba, the first of two tunnel boring machines is scheduled to commence work by the end of 2007. The second machine is scheduled to commence in early 2008.

“Bridge building has now commenced in the northern and southern parts of the project where the major interchanges occur with five motorways and arterial roads. Relocation of utility services is also underway at numerous locations.

“The construction joint venture has also awarded its major supplier contracts. Fabrication is well under way in Germany on the tunnel boring machines being supplied by Herrenknecht. The mechanical and electrical contract has also been awarded to the United Group.

“RiverCity Motorway is also focussing its efforts on the development of a first-class tolling system,” Mr Morris said.

The Chairman noted that RiverCity Motorway has had a positive response to the company’s first distribution with approximately 72% of unit holders choosing to reinvest.

“It is very pleasing to see such a positive start to the project. RiverCity Motorway Group remains confident that the North-South Bypass Tunnel will be finished and operating by the contractual completion date of October 2010,” Mr Morris said.

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For more information please contact Anthony Havers.

RiverCity Motorway Management Limited ABN 33 117 343 361 AFSL 297 867 as responsible entity for
RiverCity Motorway Holding Trust ARSN 119 128 193 and **RiverCity Motorway Investment Trust** ARSN 119 128 326

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APPENDIX 4D

Half Year Report

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

Current period: 13 April 2006 – 31 December 2006
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2. Results for Announcement to the Market

		\$A'000	
2.1	Revenues from ordinary activities during construction phase	6,863	
2.2	Profit (loss) from ordinary activities after tax attributable to members	(1,101)	
2.3	Net profit (loss) for period attributable to members	(1,101)	
	Net increase in revaluation reserve	- to	-
	Total changes in equity other than those resulting from transactions with owners as owners	- to	-
2.4	Dividends (distributions)	Amount per security	Tax deferred portion
	<i>Current period</i>	2.4457 cents	2.4457 cents
	Previous Corresponding Period:	-	-
2.5	Record date for next distribution	11 July 2007 (expected)	
	Ex-entitlement date for next distribution	5 July 2007 (expected)	
	It is intended that the RiverCity Motorway Group will make semi-annual distributions for the periods ending 31 December and 30 June of 6.00 cents per stapled unit per annum during the Fixed Distribution Period (based on the Issue Price of \$1.00). The initial period to 31 December 2006 is calculated on a pro rata basis for the period between the allotment date of 4 August 2006 and 31 December 2006. The record date for the next intended distribution is expected to be 11 July 2007. The ex-entitlement date for this intended distribution is expected to be 5 July 2007.		
2.6	A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.	Refer to the attached Interim Financial Report for the period ended 31 December 2006	

3. Net Asset Backing per Security

	Note	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(i)	\$0.29	N/A
Net tangible asset backing per ordinary security, excluding amounts owing to Unitholders	(ii)	\$0.32	N/A

(i) Under the listing rules NTA Backing must be determined by deducting from total tangible assets all claims on those assets ranking ahead of the ordinary securities (ie. All liabilities, preference shares, outside equity interests etc).

(ii) Unitholders' Funds – Classified as Equity

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

	Note	Current period	Previous corresponding period
Net asset backing per ordinary security	(i)	\$0.91	N/A
Net asset backing per ordinary security, excluding amounts owing to Unitholders	(ii)	\$0.94	N/A

4. Control Gained / Lost Over Entities During the Period

4.1	Name of entity (or group of entities) over which controls was gained / lost	N/A
4.2	Date control was gained / lost	N/A
4.3	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the consolidated entity (or group of entities) since the date in the current period on which control was acquired / lost	N/A
4.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

5. Details of Dividends / Distributions

Refer attached financial statements Note 5: Distributions

6. Details of Dividend / Reinvestment Plan

Refer attached financial statements Note 5: Distributions

7. Details of Associates and Joint Venture Entities

N/A

8. Accounting Standards Used by Foreign Entities

N/A

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

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

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

RiverCity Motorway Holding Trust Group

Interim Financial Report

For the half year ended 31 December 2006

Directors' Report

Group Structure

In respect of the half year ended 31 December 2006, the Directors of RiverCity Motorway Management Limited (ABN 33 117 343 361 / AFSL 297 867), being the Responsible Entity of the RiverCity Motorway Holding Trust ("RCMHT") and RiverCity Motorway Investment Trust ("RCMIT") stapled group and their controlled entities ("RiverCity Motorway Group" / "Group"), submit the following Directors' Report on the financial report of the Group for the half year ended 31 December 2006. The information disclosed in the half year Directors' Report and accompanying financial report is significantly less than is required for a financial year.

RiverCity Motorway Management Limited is a wholly owned subsidiary of ABN AMRO Australia Pty Ltd (ABN AMRO).

The units of RCMHT and RCMIT are stapled together and quoted as one on the Australian Stock Exchange (ASX).

AASB 3 "Business Combinations" excludes stapling arrangements. However, UIG Interpretation 1002 requires entities combining under stapling arrangements to identify one entity acquirer or parent entity. The parent entity would be required to prepare consolidated financial statements in accordance with the principles of AASB 3 and AASB 127 "Consolidated and Separate Financial Statements".

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

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

The financial statements have been prepared by consolidating the financial statements of all the entities that comprise RiverCity Motorway Group being RCMHT and its controlled entities by ownership interest and its controlled entities by contract alone being RCMIT. Consistent accounting policies have been employed in the preparation and presentation of the financial statements. In preparing the financial statements, all transactions within the RiverCity Motorway Group have been eliminated in full.

The Group includes the following entities: RCMHT and its controlled entities: RiverCity Motorway Asset Nominee 2 Pty Limited, RiverCity Motorway Asset Nominee Pty Limited and RiverCity Motorway Finance Pty Limited, and RCMIT and its controlled entities: RiverCity Motorway Holdings Pty Limited, RiverCity Motorway Pty Limited, RiverCity Motorway Services Pty Limited and RiverCity Motorway Construction Pty Limited.

The group sought and received the consent of ASIC to prepare this interim report for the period 13 April 2006 to 31 December 2006. On 3 August 2006 the Group was listed on the Australian Stock Exchange (ASX) and commenced trading on 4 August 2006. This period 13 April 2006 to 31 December 2006 is hereafter referred to as the half year.

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

Directors

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

- | | | |
|-------------------------|----------------------------|------------------------|
| • John Barry (Chairman) | Appointed 28 April 2006 | |
| • Gary Simon | Appointed 28 April 2006 | |
| • Robert Morris | Appointed 3 June 2006 | |
| • Deon Joubert | Appointed 29 November 2005 | Resigned 3 May 2006 |
| • Jonathan Eriksen | Appointed 29 November 2005 | Resigned 28 April 2006 |
| • Michael Devlin | Appointed 29 November 2005 | Resigned 28 April 2006 |
| • John Martin | Appointed 3 May 2006 | Resigned 3 June 2006 |

Review of Operations

The Group is currently in the design and construction phase of the North South Bypass Tunnel Project (NSBT). Accordingly the Group has capitalised all construction related costs to intangible assets and expensed all general and administration costs.

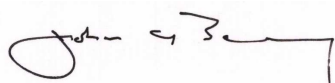
Rounding of Amounts in the Directors' Report and the Financial Report

The Group is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission (ASIC), relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

Lead Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

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



John Barry
Chairman

Sydney
26 February 2007



KPMG – Auditor’s Independence Declaration

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

To: the directors of RiverCity Motorway Management Limited, the responsible entity of RiverCity Motorway Holding Trust Group.

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2006, there have been:

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

KPMG

KPMG

A handwritten signature in black ink that reads 'Scott Guse'.

Scott Guse
Partner

Brisbane

26 February 2007

Consolidated Income Statement
For the half year ended 31 December 2006

	Half year ended 31 December 2006
	\$'000
Revenue	6,863
Expenses	7,439
Net Profit (Loss) Before Income Tax Expense	(576)
Income Tax Expense	525
Net Profit (Loss) After Income Tax attributable to unitholders	(1,101)
Earnings per unit	
Basic earnings per unit (loss per unit)	(0.16 cents)
Diluted earnings per unit (loss per unit)	(0.13 cents)

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

Consolidated Balance Sheet
 as at 31 December 2006

	Notes	31 December 2006 \$'000
Current Assets		
Cash and cash equivalents		5,182
Other financial assets		69,247
Receivables	2	350,393
TOTAL CURRENT ASSETS		424,822
Non-Current Assets		
Receivables	2	122,298
Plant and equipment		57
Intangible assets	3	366,240
Capital work-in-progress		63,457
Other Non-Current Assets		11,900
TOTAL NON-CURRENT ASSETS		563,952
TOTAL ASSETS		988,774
Current Liabilities		
Trust Distribution Payable		16,903
Other Payables		15,377
Lease Liabilities		12
TOTAL CURRENT LIABILITIES		32,292
Non-Current Liabilities		
Loans and borrowings		193,241
Other liabilities		10,710
Lease liabilities		38
Deferred tax liability		433
TOTAL NON-CURRENT LIABILITIES		204,422
TOTAL LIABILITIES		236,714
NET ASSETS		752,060
EQUITY		
Issued capital / units		642,134
Deferred capital / unit contribution		111,027
Accumulated losses		(1,101)
TOTAL EQUITY ATTRIBUTABLE TO UNITHOLDERS		752,060

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity as at 31 December 2006

	Issued Capital \$'000	Deferred Capital \$'000	Accumulated Losses \$'000	Total Equity \$'000
Opening balance	-	-	-	-
Units issued on 3 August 2006 * (net of costs)	659,036	-	-	659,036
Deferred capital contribution ** (net of costs)	-	111,027	-	111,027
Loss for the period	-	-	(1,101)	(1,101)
Trust Distribution ***	(16,903)	-	-	(16,903)
Closing balance at 31 December 2006	642,133	111,027	(1,101)	752,059

* Total capital issued of \$691,133,484 from this equity raising costs of \$32,174,725 has been deducted and tax adjustment of \$77,219 included to arrive at \$659,035,976.

** Total capital contributed of \$117,212,399 from this equity raising costs of \$6,200,000 has been deducted and tax adjustment of \$14,880 included to arrive at \$111,027,279.

*** Trust Distribution will be paid on 26 February 2007. Cash component \$4,663,437 and issue of units under the Distribution Reinvestment Plan for the balance of \$12,239,619 at a price of 38.12 cents per partly paid stapled unit.

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

Consolidated Cash Flow Statement
For the half year ended 31 December 2006

	Half year ended 31 December 2006 \$'000
Cash Flows from Operating Activities	
Cash paid to suppliers and employees	(10,744)
Interest Received	1,573
Net Cash Outflow from Operating Activities	(9,171)
Cash Flows from Investing Activities	
Payments for intangible asset and capital work-in-progress	(414,505)
Payments for plant and equipment	(8)
Net Cash Outflow from Investing Activities	(414,513)
Cash Flows from Financing Activities	
Proceeds from issue of units	345,567
Payment of transaction costs	(38,375)
Proceeds from borrowings	220,086
Payment for borrowings	(29,165)
Net Cash Inflow from Financing Activities	498,113
Net Increase / (Decrease) in Cash Held	74,429
Cash and cash equivalents at the beginning of the period	Nil
Cash and cash equivalents at the end of the period (a)	74,429

(a) Comprises cash and cash equivalents at the period end (\$5,182) and other financial instruments which comprise short-term bank bills and negotiable certificates of deposit (\$69,247).

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

(a) Statement of compliance

This general purpose financial report for the interim half year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. It has been prepared in accordance with the Australian Accounting Standards adopted by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*. International Financial Reporting Standards ('IFRSs') form the basis of Australian Accounting Standards adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish from previous Australian GAAP. The financial report of the consolidated entity also complies with IFRSs and interpretations adopted by the International Accounting Standards Board ('IASB').

The Group sought and received the consent of ASIC to prepare this interim report for the period 13 April 2006 to 31 December 2006. On 3 August 2006 the Group was listed on the ASX and commenced trading on 4 August 2006. This period 13 April 2006 to 31 December 2006 is hereafter referred to as the half year.

The financial report was authorised for issue by the Directors of the responsible entity on 26 February 2007

This interim financial report does not include all the disclosures of the type normally included in an annual financial report. Accordingly this report is to be read in conjunction with the Product Disclosure Statement dated 21 June 2006 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are set out below.

These financial statements have been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for the assets.

(b) Comparative Figures

There are no comparative figures for the prior reporting period as this is the Group's first interim report.

1. Summary of Significant Accounting Policies (continued)

(c) Principles of consolidation

(i) Stapling

The units of RCMHT and RCMIT are combined and issued as stapled units. The units of the Trusts cannot be traded separately and can only be traded as stapled units.

The Group financial statements reflect the aggregation of the consolidated financial statements of RCMHT and RCMIT. For statutory reporting purposes, in accordance with AIFRS, specifically the requirements of UIG 1002 and AASB 3, RCMHT has been identified as the acquirer in the Stapled Group based on the size of its net assets and its operations and accordingly, it will present the consolidated financial report of the Stapled Group.

These aggregated financial statements incorporate an elimination of inter-entity balances and other adjustments necessary to present the financial statements on a combined basis.

(ii) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 31 December 2006 and the results of all subsidiaries for the half year then ended. RCMHT and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to Note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated.

(d) Revenue

As the Group is currently in the construction phase of the Project Deed it is not recording any significant revenue streams. The Group's main source of revenue will be tolling receipts which will be earned after project construction.

Revenue earned during construction primarily relates to the earning of interest on capital and deferred capital injections (refer Note 1(k)). Revenue is being earned as it accrues.

Deferred revenue relates to the fair value of land to be received by the Group. This land was provided by the Brisbane City Council (BCC) as part of the project deed, and its primary use is to facilitate access to and from the construction site. This revenue, being the fair value of the land provided by the BCC, is being earned over the construction period (approximately 4 years) which is the period over which the Group is expected to benefit from this land.

1. Summary of Significant Accounting Policies (continued)

(e) Income Tax

RiverCity Motorway Holding Trust (RCMHT)

Pursuant to provisions of Division 6A of the Income Tax Assessment Act 1936 (“the Act”), it is intended that the RCMHT will not be liable for income tax under the Act, provided that the taxable income of the Trust is fully distributed to unitholders each year. Accordingly, income tax and tax-effect accounting will not be applied in relation to the RCMHT.

RiverCity Motorway Investment Trust (RCMIT)

Pursuant to the provisions of Division 6C of the Act, it is intended the RCMIT will be treated as a public trading trust and effectively treated as a company for income tax purposes.

The income tax expense or revenue for the period is the tax payable on the current period’s taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Tax consolidation legislation

As at 31 December 2006, no decision had been made as to whether or not to implement the tax consolidation legislation. The Australian Taxation Office has not been notified of any decision. Consequently the impact of the tax consolidation legislation has not been adopted in this financial report.

(f) Plant and Equipment

Items of plant and equipment are brought to account at cost. Costs of non-current assets constructed include all direct costs incurred.

Depreciation and Amortisation

Plant and equipment are depreciated on a straight-line basis at various rates over their expected average useful life for that asset type.

The estimated useful lives of each class of asset are:

Plant and Equipment	2 – 15 years
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1. Summary of Significant Accounting Policies (continued)

(g) Acquisition of Assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of the exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net asset acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(h) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(i) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

1. Summary of Significant Accounting Policies (continued)

(j) Borrowing Costs

Borrowing costs comprise interest and amortisation costs incurred in establishing borrowing facilities.

Where borrowings are specifically incurred in relation to qualifying assets, the actual borrowing costs are capitalised into the carrying value of those assets. Where borrowings are not specifically incurred in relation to qualifying assets, the amount of borrowing costs to be capitalised to qualifying assets is determined by applying a capitalisation rate to the weighted average accumulated expenditure relating to qualifying assets during the period.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the period. Borrowing costs are capitalised up to the date when the asset is substantially complete and ready for use and are subsequently amortised over the useful life of the asset.

(k) Equity / Unitholders' Funds

(i) *Life of Trusts*

RCMHT and RCMIT were established in Australia. Under the Trust Deed they have been set up as 'indefinite' life trusts. As these trusts will never terminate, contributions by unitholders have been classified as equity in the balance sheet.

(ii) *Partly paid units*

On 3 August 2006, 691,133,484 units were issued. These units, worth \$1.00, were paid to \$0.50. The remaining \$0.50 per unit is payable by unitholders on 4 August 2007.

As unitholders are committed to paying the remaining \$0.50 per unit, the full amount of \$1.00 per unit has been reflected in equity. The remaining equity contribution to be received of \$0.50 per unit (equating to \$345,567,742) has been taken up as a receivable.

(iii) *Deferred equity contribution*

Leighton Infrastructure Investments Pty Limited (Leighton) and Bilfinger Berger BOT (Bilfinger) have subscribed for \$155m of stapled units at \$1.00 per stapled unit. The timing of this subscription is at the discretion of Leighton and Bilfinger and can occur at any time up until construction completion. As it is currently the Group's expectation that this subscription will occur at construction completion (approximately 4 years time), the amount of this subscription has been discounted to present value, and reflected in equity. A corresponding receivable was also taken up.

The amount recorded in equity (after issue costs) at 4 August 2006 is \$111,027,279 (calculated as \$117,212,399 less equity raising costs of \$6,200,000, plus tax adjustment of \$14,880). The receivable will continually be revalued to present value. The increase in its present value each period will be reflected as interest income in the income statement.

The \$120,991,159 receivable is shown at present value at 31 December 2006. This is calculated as \$117,212,399 plus interest income of \$3,778,760 for the period ending 31 December 2006. The present value of the receivable will increase to \$155,000,000 at the time the deferred equity contribution is received.

1. Summary of Significant Accounting Policies (continued)

(l) Intangible Assets and Expenditure Carried Forward

Project Deed for RiverCity Motorway Project – North-South Bypass Tunnel (NSBT)

Costs associated with the Project Deed (Concession Deed) for RiverCity Motorway Project will be capitalised up to the date when the asset is substantially complete and ready for use. Completion is contractually scheduled for October 2010. These costs will then be amortised on a straight line basis over the period during which the benefits are expected to arise, which is 41 years.

Although not yet adopted by the AASB, the RiverCity Motorway Group has applied the International Financial Reporting Interpretations Committee (IFRIC) 12 *Service Concession Arrangements* which provides additional guidance on service concession arrangements.

Therefore, in accordance with the interpretation, at Construction Completion an intangible asset, representing the cost of construction services provided in exchange for the Right to the Project Deed, will be recognised as the BCC does not have the primary obligation to pay RiverCity Motorway Group for the concession services. No profit or loss has been recognised on the exchange of the construction services for the intangible asset.

The cost of intangibles, relating to future tolling rights includes:

- Costs incurred by the Group prior to entering into the Concession Deed with the BCC in relation to the design and construction of the NSBT;
- All directly related expenditure incurred in construction of the assets comprising the NSBT;
- Preliminary costs of formation of the Group; and
- Interest payments on loans relating to the project up to the date of commencement of operations are capitalised as part of intangibles.

The Right to the Project Deed is amortised over the period of the Project Deed, being 41 years from Construction Completion.

(m) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

1. Summary of Significant Accounting Policies (continued)

(n) Financial Instruments

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

Transaction costs on the issue of equity instruments

Transactions costs arising on the issue of the Stapled Units are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transactions costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

(o) Derivative Financial Instruments

The RiverCity Motorway Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss.

In accordance with its treasury policy, the Group does not hold or issue financial instruments for trading purposes.

(p) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

1. Summary of Significant Accounting Policies (continued)

(q) Employee Benefits

(i) Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long Services Leave

The liability for long service leave is recognised in the provision for employee benefits, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date including on-costs. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Defined Contribution Superannuation Fund

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the Income Statement as incurred.

(r) Cash and Cash Equivalents

For purposes of the cash flows statement, cash includes deposits at call with financial institutions and other highly liquid investments with original maturities of three months or less which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value.

(s) Distributions

A provision for fixed trust distributions are recognised on an accruals basis.

(t) Capital work-in-progress

The Group has undertaken to manage the outsourced construction of various entry and exit points to the NSBT on behalf of the BCC. The costs of this construction have been recorded in Capital work-in-progress and will be reimbursed by the BCC.

(u) Rounding of Amounts

The Group is of a kind referred to in Class Order 98/0100, issued by ASIC, relating to the 'rounding off' of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

2. Receivables

	31 December 2006
	\$'000
Current	
Trade Receivables	4,826
Final equity instalment of \$0.50 per unit (due 4 August 2007)	345,567
Total Current Receivables	350,393
Non Current	
Deferred equity contribution (a)	120,991
Other	1,307
Total Non Current Receivables	122,298

- (a) Leighton Infrastructure Investments Pty Limited and Bilfinger Berger BOT have subscribed for \$155 million of Stapled Units at \$1.00 per Stapled Unit on the Deferred Equity Contribution Date (currently expected to occur at Construction Completion). \$120,991,000 represents the present value of this contribution, the discount rate used is 6.9%, which represents the Group's cost of borrowings.

The \$120,991,159 receivable is shown at present value at 31 December 2006. This calculated as \$117,212,399 plus interest income of \$3,778,760 for the period ending 31 December 2006. The present value of the receivable will increase to \$155,000,000 at the time the deferred equity contribution is received.

3. Non-Current Assets – Intangibles

	31 December 2006
	\$'000
Future Tolling Rights	
Design and development costs	73,329
Construction – work in progress	289,391
Capitalised interest	3,520
Less: accumulated amortisation	-
Total Intangible Assets	366,240

4. Equity

Ordinary Partly Paid Stapled Units issued during the period

Details	Notes	31 December 2006 Units	31 December 2006 \$'000
Units issued from initial public offering		691,133,484	\$345,566,742

Ordinary Stapled Units

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

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

5. Distributions

	Note	31 December 2006 \$'000
The distributions are to be paid as follows:		
2.4457 cents fixed distribution – paid 26 February 2007	(i)	16,903

(i) Distributions on 691,133,484 issued units.

It is intended that the RiverCity Motorway Group will make semi-annual distributions for the periods ending 31 December and 30 June of \$0.06 per stapled unit per annum during the Fixed Distribution Period (5.5 years from allotment date), based on the Issue Price of \$1.00. The initial period to 31 December 2006 is calculated on a pro rata basis for the period between the allotment date of 4 August 2006 and 31 December 2006.

The Group has established a Distribution Reinvestment Plan ("DRP"), which will operate from the Allotment Date of 4 August 2006 and continue until the Fixed Distribution Period terminates. Stapled units allotted under the DRP will be issued at volume weighted average price, less a discount of 5%. Unless Unitholders elect otherwise, distributions payable on the stapled units will be reinvested in further stapled units under the DRP. Unitholders may elect not to participate in the DRP.

The distribution for the period ending 31 December 2006 will be paid on 26 February 2007 in the following manner, cash component \$4,663,437 and DRP component \$12,239,619. Under the DRP component, there will be an issue of units on 26 February 2007 at a price of \$0.3812 cents per unit. The general operation of the mechanism used to price these units is as detailed above.

With the exception of the first two distributions for the period ending 31 December 2006 and 30 June 2007, the DRP will be underwritten by the DRP Underwriter (ABN AMRO Rothschild). To the extent that a Unitholder elects not to participate in the DRP, the DRP Underwriter will subscribe or procure subscription for Stapled Units to fund the cash distribution to be made to Unitholders. If a Unitholder does not participate in the DRP, the issue of new Stapled Units under the DRP (including to the DRP Underwriter), will dilute that Unitholder's holdings of Stapled Units relative to other holders of Stapled Units.

6. Contingent Liabilities

Responsible Entity Put and Call Option

It is a requirement of the Corporations Act 2001 for registered managed investment schemes to have a responsible entity. RiverCity Motorway Management Limited (RCMML) is not part of the RiverCity Motorway Group but a wholly owned subsidiary of ABN AMRO Australia Pty Limited and has been engaged to act as responsible entity of the Trusts as it has the appropriate Australian Financial Services License.

RCMML (and other entities in RiverCity Motorway Group) and RiverCity Motorway Services Pty Limited have entered into five year management deeds (renewable by any party for a further one year) that document the administrative and asset management functions to be performed by RiverCity Motorway Services Pty Limited.

A RiverCity Motorway Group entity can require ABN AMRO to sell all the shares in the RCMML to a RiverCity Motorway Group entity ("Call Option") at any time after the second anniversary of Financial Close of 3 August 2006 or earlier in certain cases. Alternatively, ABN AMRO can require a RiverCity Motorway Group entity to purchase all of the shares in RCMML ("Put Option") at any time after the fifth anniversary of Financial Close of 3 August 2006 or earlier in certain circumstances. A fee may be payable to ABN AMRO dependent on the time at which the Put Option or Call Option is exercised.

Instead of the Call Option and Put Option being exercised and on similar terms, RCMML may retire or be required to retire as responsible entity of the Trusts. The fee amount payable to RCMML in this event is the same as that payable if the Put Option or Call Option was exercised.

A RiverCity Motorway Group entity must pay a fee to ABN AMRO in certain circumstances under the agreement. This fee is determined as follows:

2 years after Financial Close of 3 August 2006 in which a Retirement notice service, or Call Option/Put Option exercised	Fee Payable
Up to and including third year	\$500,000
Fourth year	\$250,000
Fifth year	\$166,666
Later	Nil

Insurance

The Group has secured a 10% Claims Experience Discount (CED) amounting to \$494,590 on the first instalment of the Construction Risks DISU insurance premium. In the event that the Group submits a claim under this class of insurance, then the CED will be repayable in full to the underwriters.

7. Related Party Transactions

Aggregate amount of transactions with related parties incurred in relation to the RiverCity Motorway Group being awarded the concession to finance, design, build, maintain and operate the NSBT.

	31 December 2006
	\$'000
ABN AMRO Rothschild	
Underwriting fee	32,174
<hr/>	
Babcock & Brown Limited	
Financial advisory fee	11,000
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ABN AMRO Australia Pty Limited	
Sponsor development fee	7,000
Out of pocket expenses reimbursed	5,212
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Leighton Contractors Pty Limited	
Sponsor development fee	7,000
Consultants bid costs and success fees reimbursed	5,154
Out of pocket expenses reimbursed	5,212
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Bilfinger Berger Concessions Pty Limited	
Sponsor development fee	8,000
Out of pocket expenses reimbursed	5,212
<hr/>	
RiverCity Motorway Management Limited as responsible entity	
Management fees	248
<hr/>	
Leighton Motorway Investments Pty Ltd	
Deferred equity contribution support fee	3,200
<hr/>	
Bilfinger Berger BOT GmbH	
Deferred equity contribution support fee	3,000
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Responsible Entity

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

8. Investments in Controlled Entities

The RiverCity Motorway Group comprises the aggregation of the RCMHT and RCMIT.

Name of entity	Country of incorporation	Class of shares/units	Equity holding 2006
The RiverCity Motorway Holding Trust Group comprises:			
RiverCity Motorway Holding Trust	Australia	Ordinary	100%
RiverCity Motorway Asset Nominee 2 Pty Limited	Australia	Ordinary	100%
RiverCity Motorway Asset Nominee Pty Limited	Australia	Ordinary	100%
RiverCity Motorway Finance Pty Limited	Australia	Ordinary	100%
The RiverCity Motorway Investment Trust Group comprises:			
RiverCity Motorway Investment Trust	Australia	Ordinary	100%
RiverCity Motorway Holding Pty Limited	Australia	Ordinary	100%
RiverCity Motorway Pty Limited	Australia	Ordinary	100%
RiverCity Motorway Construction Pty Limited	Australia	Ordinary	100%
RiverCity Motorway Services Pty Limited	Australia	Ordinary	100%

9. Available Facilities

Total facilities available to the RiverCity Motorway Group at 31 December 2006 were as follows:

Facility	Drawn Down Amount	Facility Limit
Council Works	\$ 93,370,784	\$ 502,825,911
Equity Bridge	\$128,103,238	\$ 155,000,000
Construction *	Nil	\$1,336,000,000

* The Construction facility has not been drawn down at 31 December 2006 and it is not scheduled for drawdown until August 2008.

10. Events Occurring After Reporting Date

No matter or circumstance arose since 31 December 2006 that has significantly affected, or may significantly affect the operations of the RiverCity Motorway Group, the results of those operations or the state of affairs of the RiverCity Motorway Group in subsequent periods.

11. Segment Information

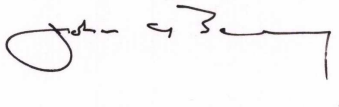
The consolidated entity operates as one business segment being the RiverCity Motorway Project, in one geographic segment being Queensland.

Statement of the Directors of the Responsible Entity of the Trusts

In the opinion of the Directors of RiverCity Motorway Management Limited as the Responsible Entity for RiverCity Motorway Holding Trust and RiverCity Motorway Investment Trust.

- (a) the consolidated financial statements for the RiverCity Motorway Holding Trust Group as set out on pages 1 to 20 is in accordance with the *Corporations Act 2001*, including:
 - (i) Complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
 - (ii) giving a true and fair view of the Group's financial position as at 31 December 2006 and of its performance, as represented by the results of its operations and cash flows, for the period ended on that date; and
 - (iii) complying with the requirements of the Urgent Issues Group Abstract 1002: Post-date-of-transition stapling arrangements; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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



John Barry
Chairman

26 February 2007



Independent auditor's review report to the Members of the RiverCity Motorway Holding Trust Group

We have reviewed the accompanying interim financial report of the RiverCity Motorway Holding Trust Group, which comprises the consolidated interim balance sheet as at 31 December 2006, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 11 and the Directors' declaration. The RiverCity Motorway Holding Trust Group comprises the RiverCity Motorway Investment Trust and RiverCity Motorway Holding Trust and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The Directors of the RiverCity Motorway Management Limited are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of RiverCity Motorway Holding Trust Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the consolidated interim financial report of RiverCity Motorway Holding Trust Group is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Scott Guse

Scott Guse
Partner

Brisbane
26 February 2007