

**APPENDIX 4D**

**Half Year Report**

<b>Name of Entity:</b>	<b>RiverCity Motorway Group</b>
------------------------	---------------------------------

**1. Details of the Reporting period**

Current period: 1 July 2007 – 31 December 2007
--

**2. Results for Announcement to the Market**

		<b>\$A'000</b>	
2.1	Revenues from ordinary activities during construction phase	29,850	
2.2	Profit (loss) from ordinary activities after tax attributable to members	20,836	
2.3	Net profit (loss) for period attributable to members	20,836	
	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>	3.0 cents	3.0 cents
	Previous Corresponding Period:	-	-
2.5	Record date for next distribution	9 July 2008 (expected)	
	Ex-entitlement date for next distribution	3 July 2008 (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 record date for the next intended distribution is expected to be 9 July 2007. The ex-entitlement date for this intended distribution is expected to be 3 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 2007	

### 3. Net Asset Backing per Security

	Note	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	(i)	\$0.08	\$0.29
Net tangible asset backing per ordinary security, excluding amounts owing to Unitholders	(ii)	\$0.09	\$0.32

(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)	\$0.93	\$0.91
Net asset backing per ordinary security, excluding amounts owing to Unitholders	(ii)	\$0.94	\$0.94

### 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 4: Distributions

**6. Details of Dividend / Reinvestment Plan**

Refer attached financial statements Note 4: 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 2007**

## **Directors' Report**

The Directors present their report together with the consolidated financial report for the six months ended 31 December 2007 and the review report thereon.

### **Group Structure**

In respect of the half year ended 31 December 2007, 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 2007. 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 Limited (ABN AMRO).

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

AASB 3 *Business Combinations* excludes stapling arrangements. However, AASB Interpretation 1002 *Post-date-of-transition Stapling Arrangements* requires entities combining under stapling arrangements to identify one entity as the acquirer or parent entity. The parent entity 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. 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 was listed on the ASX on 3 August 2006. The ASX reserves the right (but without limiting its absolute discretion) to remove RCMHT or RCMIT or both from the official list if any of the units in RCMHT and the units in RCMIT cease to be stapled together, or any equity securities are issued by either of the Stapled Trusts which are not stapled to equivalent securities in the other entity.

## 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 Resigned 5 September 2007
- Robert Morris Appointed 3 June 2006
- Peter Emery Appointed 3 April 2007
- Paul Dortkamp Appointed 3 April 2007
- Philip Howe Appointed 5 September 2007 (previously appointed Alternate Director for Gary Simon 30 May 2007)

## 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. The principal activities of the Group during the course of the reporting period were to monitor the construction progress of the NSBT and continue the development of the back office tolling system.

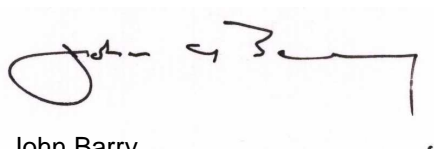
## Rounding of Amounts in the Directors' Report and the Financial Report

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

## 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 and forms part of the Directors report for the six months ended 31 December 2007.

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

A handwritten signature in black ink, appearing to read "John Barry".

John Barry  
Chairman

Sydney  
26 February 2008



**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 the 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 2007, 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

*Scott Guse*

Scott Guse  
*Partner*

Brisbane

26 February 2008

**Consolidated Interim Balance Sheet**  
 as at 31 December 2007

	Notes	31 December 2007 \$'000	30 June 2007 \$'000
<b>Current Assets</b>			
Cash and cash equivalents		11,085	8,692
Other financial assets		75,407	66,712
Receivables		16,655	365,808
<b>TOTAL CURRENT ASSETS</b>		<b>103,147</b>	<b>441,212</b>
<b>Non-Current Assets</b>			
Receivables		130,133	125,526
Plant and equipment		42	49
Intangible assets	2	627,945	465,135
Capital work-in-progress		205,846	133,683
Hedge asset		46,322	22,435
Other Non-Current Assets		13,316	13,299
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,023,604</b>	<b>760,127</b>
<b>TOTAL ASSETS</b>		<b>1,126,751</b>	<b>1,201,339</b>
<b>Current Liabilities</b>			
Trust distribution payable		9,756	9,176
Employee benefits		44	41
Other payables		42,472	44,205
Lease liabilities		4	7
<b>TOTAL CURRENT LIABILITIES</b>		<b>52,276</b>	<b>53,429</b>
<b>Non-Current Liabilities</b>			
Loans and borrowings		245,903	344,215
Other liabilities		7,854	9,288
Lease liabilities		39	39
Deferred tax liability		8,498	2,831
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>262,294</b>	<b>356,373</b>
<b>TOTAL LIABILITIES</b>		<b>314,570</b>	<b>409,802</b>
<b>NET ASSETS</b>		<b>812,181</b>	<b>791,537</b>
<b>EQUITY</b>			
Issued capital / units	3	661,054	661,246
Deferred capital / unit contribution		111,027	111,027
Accumulated profits		40,100	19,264
<b>TOTAL EQUITY ATTRIBUTABLE TO UNITHOLDERS</b>		<b>812,181</b>	<b>791,537</b>

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

**Consolidated Interim Income Statement**  
**For the half year ended 31 December 2007**

	Notes	Half year ended 31 December 2007 \$'000	13 April 2006 to 31 December 2006 \$'000
<b>Revenue</b>			
<b>Income</b>			
Derivative income		23,887	-
Other income		5,963	6,863
		<b>29,850</b>	<b>6,863</b>
<b>Expenses</b>			
Administrative expenses		6,314	7,439
<b>Results from operating activities</b>		<b>23,536</b>	<b>(576)</b>
Financial income		3,061	-
Financial expenses		2	-
<b>Net financing income</b>		<b>3,059</b>	<b>-</b>
<b>Profit (loss) before income tax expense</b>		<b>26,595</b>	<b>(576)</b>
Income tax expense		5,759	525
<b>Net profit (loss) for the period attributable to unitholders</b>		<b>20,836</b>	<b>(1,101)</b>
<b>Earnings per stapled unit</b>			
Basic earnings per unit (loss per unit)		2.82 cents	(0.16 cents)
Diluted earnings per unit (loss per unit)		1.82 cents	(0.13 cents)

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

**Consolidated Interim Statement of Changes in Equity  
for the half year ended 31 December 2007**

	Issued Capital \$'000	Deferred Capital \$'000	Accumulated Profits \$'000	Total Equity \$'000
Opening balance 1 July 2007	661,246	111,027	19,264	791,537
Trust Distribution for the period to 31 December 2007 (paid 25 February 2008) <sup>(1)</sup>	(22,157)	-	-	(22,157)
Stapled units issued (under the Distribution Reinvestment Plan 1 July 2007 to 31 December 2007) issued 25 February 2008. <sup>(1)</sup>	12,411	-	-	12,411
Stapled units issued to the underwriter ABN AMRO Rothschild in accordance with the Distribution Reinvestment Plan Underwriting Agreement. Stapled units issued 25 February 2008 for the period 1 July 2007 to 31 December 2007. <sup>(2)</sup>	9,748	-	-	9,748
Underwriting Commission for stapled units issued to the underwriter ABN AMRO Rothschild in accordance with the Distribution Reinvestment Plan Underwriting Agreement.	(194)	-	-	(194)
Profit for period	-	-	20,836	20,836
Closing balance at 31 December 2007	661,054	111,027	40,100	812,181

<sup>(1)</sup> Trust Distribution for the period 1 July 2007 to 31 December 2007, paid on 25 February 2008. Cash component \$9,747,622 and issue of units under the Distribution Reinvestment Plan for the balance of \$12,410,592 at a price of 63.97 cents per stapled unit.

<sup>(2)</sup> The cash component of \$9,747,622 was underwritten by ABN AMRO Rothschild who was issued units at a price of 63.97 cents per stapled units.

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

**Consolidated Interim Statement of Changes in Equity**  
**for the period ended 31 December 2006**

	Issued Capital \$'000	Deferred Capital \$'000	Accumulated Losses \$'000	Total Equity \$'000
Opening balance	-	-	-	-
Units issued on 3 August 2006 <sup>(1)</sup> (net of costs)	659,036	-	-	659,036
Deferred capital contribution <sup>(2)</sup> (net of costs)	-	111,027	-	111,027
Loss for the period	-	-	(1,101)	(1,101)
Trust Distribution <sup>(3)</sup>	(16,903)	-	-	(16,903)
Closing balance at 31 December 2006	642,133	111,027	(1,101)	752, 059

<sup>(1)</sup> From total capital issued of \$691,133,484 equity raising costs of \$32,174,725 has been deducted and tax adjustment of \$77,219 included to arrive at \$659,035,976.

<sup>(2)</sup> From total capital contributed of \$117,212,399 equity raising costs of \$6,200,000 has been deducted and tax adjustment of \$14,880 included to arrive at \$111,027,279.

<sup>(3)</sup> Trust Distribution for the period 31 December 2006 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 Interim Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Consolidated Interim Cash Flow Statement**  
For the half year ended 31 December 2007

	Notes	Half year ended 31 December 2007 \$'000	13 April 2006 to 31 December 2006 \$'000
<b>Cash Flows from Operating Activities</b>			
Cash paid to suppliers and employees		(8,770)	(10,744)
Interest Received		2,621	1,573
Interest Paid		(9,647)	-
<b>Net Cash Outflow from Operating Activities</b>		(15,796)	(9,171)
<b>Cash Flows from Investing Activities</b>			
Payments for intangible asset and capital work-in-progress		(221,389)	(414,505)
Payments for plant and equipment		(3)	(8)
<b>Net Cash Outflow from Investing Activities</b>		(221,392)	(414,513)
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of units		361,619	345,567
Payment of transaction costs		-	(38,375)
Proceeds from borrowings		244,079	220,086
Payment for borrowings		(348,252)	(29,165)
Distribution to unitholders		(9,170)	-
<b>Net Cash Inflow from Financing Activities</b>		248,276	498,113
<b>Net Increase / (Decrease) in Cash Held</b>		11,088	74,429
Cash and cash equivalents at the beginning of the period		75,404	Nil
<b>Cash and cash equivalents at the end of the period</b>	(a)	86,492	74,429

(a) Comprises cash and cash equivalents at the period end \$11,085,110 (31 December 2006: \$5,181,785) and other financial instruments which comprise short-term bank bills and negotiable certificates of deposit \$75,406,804 (31 December 2006: \$69,246,625).

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

## Condensed Notes to the Consolidated Interim Financial Statements

1.

**(a) Reporting Entity**

RiverCity Motorway Management Limited being the Responsible Entity of the RiverCity Motorway Holding Trust (RCMHT) and RiverCity Motorway Management Investment Trust (RCMIT) stapled group and their controlled entities (Group) submit the financial report as at and for the six months ended 31 December 2007. The units of RCMHT and RCMIT are stapled together and quoted as one on the ASX Limited (ASX).

**(b) Statement of Compliance**

This general purpose financial report for the interim half year reporting period ended 31 December 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report was authorised for issue by the Directors of the responsible entity on 26 February 2008.

**(c) Comparative Figures**

Comparative figures for the prior reporting period 13 April 2006 to 31 December 2006 are included in this interim report.

**(d) Significant Accounting Policies**

The accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the period ended 30 June 2007.

The consolidated annual financial report for the Group for the period ending 30 June 2007 is available on the Group's website [www.RiverCityMotorway.com.au](http://www.RiverCityMotorway.com.au).

**(e) Estimates**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any future periods affected.

In preparing this consolidated interim financial report the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report as at and for the period ended 30 June 2007.

**(f) Rounding of Amounts**

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

**(g) Financial Risk Management**

The Group's financial risk management objectives and policies are consistent with that disclosed as at and for the period ended 30 June 2007.

## 2. Non-Current Assets – Intangibles

	31 December 2007 \$'000	30 June 2007 \$'000
<b>Future Tolling Rights</b>		
Design and development costs	86,155	79,665
Construction – work in progress	529,436	377,653
Capitalised interest	12,354	7,817
Less: accumulated amortisation	-	-
<b>Total Intangible Assets</b>	<b>627,945</b>	<b>465,135</b>

## 3. Equity

### Ordinary Stapled Units issued during the period

Details	31 December 2007	
	Number of Units	\$'000
Opening balance 1 July 2007	738,607,134	661,246
Trust distribution for the period ended 31 December 2007 (payable 25 February 2008)	-	(22,157)
Units issued under the Distribution Reinvestment Plan for the period ended 31 December 2007 (issued 25 February 2008)	19,400,768	12,411
Units issued under the DRP Underwriting Agreement for the period ended 31 December 2007 (issued 25 February 2007)	15,237,802	9,748
Underwriting Commission for units issued under the DRP Underwriting Agreement for the period ended 31 December 2007	-	(194)
	<b>773,245,704</b>	<b>661,054</b>

### 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.

#### 4. Distributions

	Notes	31 December 2007 \$'000	31 December 2006 \$'000
The distributions are to be paid as follows:			
3.0 cents fixed distribution for the period ended	(i)	22,157	16,903

(i) Distributions on 738,607,134 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 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 2007 was paid on 25 February 2008 in the following manner, cash component \$9,747,622 and DRP component \$12,410,592. Under the DRP component, there will be an issue of units on 25 February 2008 at a price of 63.97 cents per unit. The general operation of the mechanism used to price these units is as detailed above.

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.

#### 5. Contingent Liabilities

There have been no significant changes in contingent liabilities since 30 June 2007.

## 6. 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 2007	13 April 2006 to 31 December 2006
	\$'000	\$'000
<b>ABN AMRO Rothschild</b>		
Underwriting fee	194	32,174
<b>Babcock &amp; Brown Limited</b>		
Financial advisory fee	-	11,000
<b>ABN AMRO Australia Pty Limited</b>		
Sponsor development fee	-	7,000
Out of pocket expenses reimbursed	-	5,212
<b>Leighton Contractors Pty Limited <sup>(1)</sup></b>		
Sponsor development fee	-	7,000
Consultants bid costs and success fees reimbursed	-	5,154
Out of pocket expenses reimbursed	-	5,212
<b>Bilfinger Berger Concessions Pty Limited</b>		
Sponsor development fee	-	8,000
Out of pocket expenses reimbursed	-	5,212
<b>RiverCity Motorway Management Limited as responsible entity</b>		
Management fees	267	248
<b>Leighton Infrastructure Investments Pty Limited</b>		
Deferred equity contribution support fee	-	3,200
<b>Bilfinger Berger BOT GmbH</b>		
Deferred equity contribution support fee	-	3,000

<sup>(1)</sup> LBBJV (a joint venture between Leighton Contractors Pty Limited, Boulderstone Hornibrook Pty Ltd, Bilfinger Berger Civil Pty Ltd and Boulderstone Hornibrook Queensland Pty Ltd) has been engaged to complete the construction activities. The amount payable to LBBJV during period was \$219,230,502 (amount outstanding at 31 December 2007 \$38,434,018 incl GST).

### 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.

## 7. Available Facilities

Total facilities available to the RiverCity Motorway Group at 31 December 2007 were as follows:

<b>Facility</b>	<b>Used at Balance Date</b>	<b>Facility Limit</b>
Council Works	\$145,313,608	\$ 502,825,911
Equity Bridge	\$128,157,208	\$ 155,000,000
Construction *	Nil	\$1,336,000,000

Used at Balance Date is actual drawdown and accrued interest.

\* The Construction facility has not been drawn down at 31 December 2007 and it is not scheduled for drawdown until August 2008.

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

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

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

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

## 8. Events Occurring After Reporting Date

No matter or circumstance arose since 31 December 2007 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.

Given the recent market conditions (stock market, liquidity market and movement in interest rates) the Board has given consideration to whether there has been any material adverse impact on the RiverCity Motorway Group.

The Group's funding arrangements are in place until 4 August 2014 and the interest rate exposure is fully hedged up to construction completion in 2010 with a further 70% hedged to 2014. The Board has determined that there has been no current material adverse impact on the RiverCity Motorway Group as a result of market conditions.

## 9. Segment Information

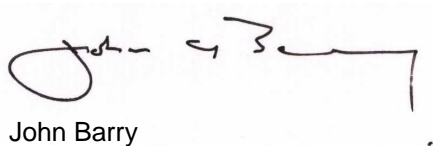
The consolidated entity operates as one business segment being the RiverCity Motorway Project, in one geographic segment being Queensland.

## 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 4 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) Complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001;
  - (ii) giving a true and fair view of the Group's financial position as at 31 December 2007 and of its performance, for the period ended on that date; 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.

A handwritten signature in black ink, appearing to read "John Barry", is written over a faint, light-colored rectangular stamp or watermark.

John Barry  
Chairman

26 February 2008



## **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 2007, 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 9 and the Directors' declaration of the Group comprising the RiverCity Motorway Investment Trust and RiverCity Motorway Holding Trust and the entities they 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 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 Group's financial position as at 31 December 2007 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 Group's financial position as at 31 December 2007 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  
*Partner*

Brisbane

26 February 2008