MAp AIRPORTS INTERNATIONAL LIMITED

INTERIM FINANCIAL REPORT FOR HALF YEAR ENDED
30 JUNE 2011

Interim Financial Report
for half year ended 30 June 2011

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for half year ended 30 June 2011

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Directors' Report
for half year ended 30 June 2011

Directors' Report

For the half year ended 30 June 2011, the directors of MAp Airports International Limited (the Company or MAIL) submit the following report on the consolidated interim financial statements of the Company and its controlled entities (the Consolidated Entity).

Principal Activities

The principal activity of the Consolidated Entity is investment in airport assets. The Consolidated Entity's investment policy is to invest funds in accordance with the provisions of the governing documents of the individual entities comprising MAp, which also include MAp Airports Trust 1 (MAT1) and MAp Airports Trust 2 (MAT2).

There were no significant changes in the nature of the Consolidated Entity's activities during the period.

Directors

The following persons were directors of the Company during the half year and up to the date of this report:

Name	**Role**	**Period of Directorship**
Jeffrey Conyers	Chairman, Non-executive director	Since July 2003
Sharon Beesley	Non-executive director	Since February 2002
Max Moore-Wilton	Non-executive director	Since April 2006
Stephen Ward	Non-executive director	Since July 2006

Dividends

There were no interim dividends proposed for the half year ended 30 June 2011 (30 June 2010: nil). A final dividend for the year ended 31 December 2010 of $29,816,322 was paid during the half year ended 30 June 2011 (for the year ended 31 December 2009: $148,896,863). A special distribution of 12.5 cents per stapled security was paid on 21 October 2010.

Review and Results of Operations

The performance of the Consolidated Entity for the half year, as represented by the combined result of its operations, was:

	6 months to 30 Jun 2011 $'000	6 months to 30 Jun 2010 $'000
Revenue	**13,922**	11,282
Revaluation gains / (losses) from investments	**(214,305)**	117,963
Other income	**(891)**	25,354
Total revenue / (loss) from continuing operations	**(201,274)**	154,599
Profit / (loss) from continuing activities after income tax expense	**(287,077)**	55,964
Profit / (loss) attributable to MAIL shareholders	**(287,895)**	56,073
Basic earnings per share	**(15.5c)**	3.0c
Diluted earnings per share	**(15.5c)**	3.0c

Directors' Report
for half year ended 30 June 2011

Significant Changes in State of Affairs

Sale of interests in Brussels Airport and Copenhagen Airports, and acquisition of additional interest in Sydney Airport

On 22 June 2011 MAp advised that it had entered into exclusive negotiations following receipt of a non-binding, highly conditional Asset Swap Proposal from Ontario Teachers' Pension Plan Board (OTPP). The Proposal involved the potential sale of MAIL's non-controlling interests in Brussels Airport and Copenhagen Airports in exchange for OTPP's 11.02% interest in Sydney Airport and a net cash payment of $850.0 million (fixed in EUR and based on an exchange rate of 0.7236, as at the date of receipt of the Proposal).

On 19 July 2011 MAIL entered into a binding agreement with OTPP with respect to the Asset Swap Proposal. Under the conditions of that agreement, completion is expected to occur in the fourth quarter of 2011. As a consequence of adverse movements in the AUD/EUR exchange rate, and subject to completion adjustments, the net cash payment has been adjusted to $790.5 million.

Events Occurring after Balance Sheet Date

On 4 July 2011 Sydney Airport completed a successful $1,069.0 million bank and bond financing. These commitments provide Sydney Airport the ability to redeem Sydney Kingsford Smith Interest Earning Securities (SKIES) and fund capital expenditure through to 2014. Redemption of SKIES remains conditional on the fulfilment of a number of procedural and documentation steps associated with the bank debt commitments.

On 12 July 2011 Copenhagen Airports Denmark (a wholly owned subsidiary of Copenhagen Airports Denmark Holdings, the ultimate Danish parent company of the Copenhagen Airports Group) successfully raised DKK5.3 billion of new debt facilities. The proceeds will primarily be used to refinance the existing bank debt facility due to mature in December 2012, and to pay hedge break costs and refinancing fees. The newly established facilities were provided by a combination of existing and new banks and are evenly split between five year and seven year maturities.

As noted within the Significant Changes in State of Affairs, on 19 July 2011 MAIL entered into a binding agreement with OTPP in which MAIL will exchange its interests in Brussels Airport and Copenhagen Airports for OTPP's 11.02% interest in Sydney Airport and a net cash payment of $790.5 million. The net cash payment comprises a fixed Australian dollar cash consideration of $772.0 million and additional completion adjustments in relation to the settlement mechanics of the transaction estimated at $18.5 million as at 19 July 2011. These adjustments would lead to a revaluation increment to MAIL's investment in Brussels Airport and Copenhagen Airports at completion.

Under the binding agreement, MAIL has provided a comprehensive set of representations and warranties in respect of Copenhagen Airports and Brussels Airport, which are more commensurate with those normally provided by an owner / operator than a minority investor.

Completion of the asset swap is subject to:

- All regulatory approvals being obtained and not withdrawn, including European Commission Merger Regulation;
- No breach or potential breach of a material contract; and
- The conduct of pre-emptive rights processes for other Sydney Airport investors.

Other key terms include indemnities from MAIL to OTPP for OTPP's share of the challenged withholding tax liabilities, should they ever materialise, arising from the Danish Tax Office's current assessments to Copenhagen Airports Denmark Holdings. There are also indemnities for certain pre-existing disputes or litigation at Brussels Airport and other contingent liabilities.

Directors' Report
for half year ended 30 June 2011

Events Occurring after Balance Sheet Date (continued)

The asset swap terminates if the conditions precedent are not satisfied or waived. In addition, there are customary termination rights for material breach and material adverse events in each case exercisable where they result in a diminution in the value of Sydney, Brussels or Copenhagen airports exceeding 15%.

The Australian Government announced the "Securing a Clean Energy Future – the Australian Government's Climate Change Plan" on 10 July 2011. Whilst the announcement provides details of the framework for a carbon pricing mechanism (to be implemented from 1 July 2012), uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation has yet to be drafted, and must be voted on and passed by both houses of Parliament.

The current proposals will impose a carbon price on domestic air travel which contributes a proportionately smaller amount to revenue than international air travel which is not captured. Based on the details currently available and statements made by airlines operating in Australia regarding the likely impact on domestic airfares, the directors do not believe that the introduction of a carbon pricing mechanism will significantly impact the assumptions used for the purpose of the calculations used in asset impairment testing.

Since the end of the half year, the directors of the Consolidated Entity are not aware of any other matter or circumstance not otherwise dealt with in the interim financial report that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in periods subsequent to the half year ended 30 June 2011.

Rounding of Amounts in the Director's Report and the Consolidated Interim Financial Statements

Amounts in the directors' report and consolidated interim financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

This report is made in accordance with a resolution of the directors of MAp Airports International Limited.

Jeffrey Conyers

Bermuda
24 August 2011

Sharon Beesley

Bermuda
24 August 2011

Interim Financial Report
for half year ended 30 June 2011

Consolidated Statement of Comprehensive Income

	Note	**6 months to 30 Jun 2011 $'000**	6 months to 30 Jun 2010 $'000
Continuing Operations			
Revenue	2	**13,922**	11,282
Revaluation gains / (losses) from investments	2	**(214,305)**	117,963
Other income	2	**(891)**	25,354
Total revenue / (loss) from continuing operations		**(201,274)**	154,599
Finance costs	2	**56,254**	54,322
Other expenses	2	**14,819**	12,384
Operating expenses from continuing operations		**71,073**	66,706
Profit / (loss) from continuing operations before income tax expense		**(272,347)**	87,893
Income tax expense	6	**(14,730)**	(31,929)
Profit / (loss) from continuing operations after income tax expense		**(287,077)**	55,964
Other comprehensive income			
Exchange differences on translation of foreign operations		**611**	(40,263)
Other comprehensive income for the half year, net of tax		**611**	(40,263)
Total comprehensive income for the half year		**(286,466)**	15,701
Profit / (loss) attributable to:			
MAIL shareholders		**(287,895)**	56,073
Minority interest		**818**	(109)
		(287,077)	55,964
Total comprehensive income attributable to:			
MAIL shareholders		**(287,284)**	15,705
Minority interest		**818**	(4)
		(286,466)	15,701
Earnings per share from continuing operations attributable to MAIL shareholders			
Basic earnings per share[1]		**(15.5c)**	3.0c
Diluted earnings per share[1]		**(15.5c)**	3.0c

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

[1] Earnings used in the calculation of earnings per share includes revaluation gains / (losses) from airport investments, as well as income and expenses from revaluation of other financial instruments. Consequently, earnings per share reflect the impact of unrealised revaluation increments and decrements.

Interim Financial Report
as at 30 June 2011

Consolidated Balance Sheet

	Note	30 Jun 2011 $'000	31 Dec 2010 $'000 (restated)
Current assets			
Cash and cash equivalents		**359,587**	435,099
Other financial assets		**90,473**	-
Receivables		**29,616**	28,569
Derivative financial instruments		**195**	2,076
Other assets		**280**	195
Total current assets		**480,151**	465,939
Non-current assets			
Investments in financial assets	4	**3,860,762**	4,158,353
Property, plant and equipment		**175**	196
Total non-current assets		**3,860,937**	4,158,549
Total assets		**4,341,088**	4,624,488
Current liabilities			
Payables		**81,567**	66,044
Distribution payable		**3**	29,819
Provisions		**2,937**	-
Current tax liabilities		**57**	229
Total current liabilities		**84,564**	96,092
Non-current liabilities			
Interest bearing liabilities	5	**677,930**	678,123
Deferred tax liabilities		**95,109**	80,322
Total non-current liabilities		**773,039**	758,445
Total liabilities		**857,603**	854,537
Net assets		**3,483,485**	3,769,951
Equity			
Shareholders' interests			
Contributed equity	7	**1,341,978**	1,341,978
Retained earnings	8	**2,173,034**	2,460,929[2]
Reserves	9	**(32,662)**	(33,273)[2]
Total shareholders' interests		**3,482,350**	3,769,634
Minority interest in controlled entities		**1,135**	317
Total equity		**3,483,485**	3,769,951

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

Jeffrey Conyers
Bermuda
24 August 2011

Sharon Beesley
Bermuda
24 August 2011

[2] The Group has restated the opening 1 January 2010 balances of retained earnings and foreign currency translation reserve in order to retrospectively apply AASB 121: *The Effects of Changes in Foreign Exchange Rates* whereby amounts previously recognised in the foreign currency translation reserve are required to be reclassified to profit or loss on disposal of a foreign operation. The reclassification between these lines was $59,785,558. There has been no change in total security holders' interests. Refer to Note 11 for further information.

Interim Financial Report
for half year ended 30 June 2011

Consolidated Statement of Changes in Equity

	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total $'000	Minority interest $'000	Total equity $'000
Total equity at 1 January 2011	**1,341,978**	**(33,273)**	**2,460,929**	**3,769,634**	**317**	**3,769,951**
Profit / (loss) for the period	**-**	**-**	**(287,895)**	**(287,895)**	**818**	**(287,077)**
Exchange differences on translation of foreign operations	**-**	**611**	**-**	**611**	**-**	**611**
Total comprehensive income	**-**	**611**	**(287,895)**	**(287,284)**	**818**	**(286,466)**
Total equity at 30 June 2011	**1,341,978**	**(32,662)**	**2,173,034**	**3,482,350**	**1,135**	**3,483,485**
Total equity at 1 January 2010 – as previously reported	1,342,036	79,579	2,453,708	3,875,323	321	3,875,644
Adjustment related to previous years (refer to Note 11)	-	(59,786)	59,786	-	-	-
Total equity at 1 January 2010 - restated	1,342,036	19,793	2,513,494	3,875,323	321	3,875,644
Profit / (loss) for the period	-	-	56,073	56,073	(109)	55,964
Exchange differences on translation of foreign operations	-	(40,368)	-	(40,368)	105	(40,263)
Total comprehensive income	**-**	**(40,368)**	**56,073**	**15,705**	**(4)**	**15,701**
Transactions with equity holders in their capacity as equity holders:						
Transaction costs paid in relation to contributions of equity (net of tax)	(16)	-	-	(16)	-	(16)
Total equity at 30 June 2010 – restated	**1,342,020**	**(20,575)**	**2,569,567**	**3,891,012**	**317**	**3,891,329**

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

Interim Financial Report
for half year ended 30 June 2011

Consolidated Statement of Cash Flows

	6 months to 30 Jun 2011 $'000	6 months to 30 Jun 2010 $'000
Cash flows from operating activities		
Distribution received from Southern Cross Australian Airports Trust	**41,227**	40,332
Investment income received on convertible loans – Brussels Airport	**9,995**	10,186
Other interest received	**11,935**	8,674
Distribution and dividend income received – Copenhagen Airports	**6,591**	2,520
Other distribution and dividend income received	**22,998**	5,542
Adviser's base fees paid	**(2,194)**	(2,176)
Operating expenses paid (inclusive of goods and services tax)	**(3,075)**	(3,529)
Income taxes paid	**(123)**	(134)
Net indirect taxes paid	**(2,017)**	(529)
Other income received	**1,083**	-
Net cash flows from operating activities	**86,420**	60,886
Cash flows from investing activities		
Payments for purchase of short term financial assets	**(90,473)**	-
Payments for purchase of investments	**(402)**	(215,453)
Transaction costs paid	**(840)**	(1,785)
Payments for purchase of fixed assets	**(5)**	(315)
Net cash flows from investing activities	**(91,720)**	(217,553)
Cash flows from financing activities		
Borrowing costs paid	**(41,940)**	(40,957)
Distributions paid	**(29,816)**	(148,897)
Net receipt upon settlement of derivatives	**1,060**	-
Net cash flows from financing activities	**(70,696)**	(189,854)
Net decrease in cash and cash equivalents held	**(75,996)**	(346,521)
Cash and cash equivalents at the beginning of the period	**435,099**	703,551
Exchange rate movements on cash denominated in foreign currency	**484**	11,669
Cash and cash equivalents at the end of the period	**359,587**	368,699

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

Notes to the Financial Report

1. Summary of Significant Accounting Policies

This general purpose financial report for the interim reporting period ended 30 June 2011, has been prepared in accordance with Accounting Standard AASB 134: *Interim Financial Reporting*.

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of MAIL for the year ended 31 December 2010 and any public announcements made by MAIL during the interim reporting period.

1.1. Basis of preparation

The accounting policies adopted in the preparation of the consolidated interim financial report are consistent with those of the previous financial year and corresponding half year unless otherwise stated. The principal accounting policies adopted in the preparation of the consolidated interim financial report are set out below.

The interim financial report consists of the consolidated interim financial statements of MAIL and the entities it controlled at the end of, and during, the half year (collectively referred to as the Consolidated Entity).

The interim financial report was authorised for issue by the directors of the Company on 24 August 2011. The directors have the power to amend and reissue the interim financial report.

1.1.1. Compliance with IFRSs

Compliance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* ensures that the interim financial report complies with IAS 34: *Interim Financial Reporting* as issued by the International Accounting Standards Board (IASB). Consequently, this interim financial report has also been prepared in accordance with and complies with IAS 34: *Interim Financial Reporting* as issued by the IASB.

1.1.2. Functional and presentation currency

These consolidated interim financial statements are presented in Australian dollars, which is the functional currency of the Consolidated Entity. Items in the interim financial statements of each of the entities within the Consolidated Entity are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

Amounts in the directors' report and consolidated interim financial statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

1.1.3. Historical cost convention

The consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

1.1.4. Stapled security

The units of MAT1 and MAT2 and the shares of MAIL are combined, issued and traded as stapled securities in MAp. The units of MAT1 and MAT2 and the shares of MAIL cannot be traded separately.

This interim financial report consists of the consolidated interim financial statements of MAIL and its controlled entities.

1. Summary of Significant Accounting Policies (continued)

1.2. Consolidated financial statements

UIG 1013: *Consolidated Financial Reports in Relation to Pre-Date-of-Transition Stapling Arrangements* requires one of the stapled entities of an existing stapled structure to be identified as the parent entity for the purpose of preparing consolidated financial statements. In accordance with this requirement MAT1 has been identified as the parent of the MAp consolidated group comprising MAT1 and its controlled entities, MAT2 and its controlled entities and MAIL and its controlled entities.

The consolidated interim financial statements of the Consolidated Entity should be read in conjunction with the separate consolidated interim financial statements of the MAp consolidated group for the half year ended 30 June 2011.

1.3. Principles of consolidation

The consolidated interim financial statements incorporate the assets and liabilities of the entities controlled by the Company at 30 June 2011 and during the period, and the results of those controlled entities for the half year then ended. The effects of all transactions between entities in the Consolidated Entity are eliminated in full. Minority interests in the results and equity are shown separately in the Consolidated Statement of Comprehensive Income and the Consolidated Balance Sheet respectively. Minority interests are those interests in partly owned subsidiaries which are not held directly or indirectly by the Company.

Total comprehensive income, including profit or loss and other comprehensive income components, is attributed to the owners of the parent and to the minority interests even if this results in the minority interests having a deficit balance.

Where control of an entity is obtained during a financial period, its results are included in the Consolidated Statements of Comprehensive Income from the date on which control commences. Upon the loss of control, the relevant Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

1.4. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short term, highly liquid investments that are held for the purpose of meeting short term cash commitments. These are considered to be readily convertible to known amounts of cash and subject to an insignificant risk of changes in value and have a remaining term to maturity of three months or less. The current maturity profile of cash and cash equivalents is as follows:

	30 Jun 11 $'000	31 Dec 10 $'000
Deposits		
Original term to maturity of less than three months	**-**	**90,817**
Original term to maturity of three to six months	**339,389**	**336,721**
Original term to maturity of greater than six months	**-**	**-**
Total deposits	**339,389**	**427,538**
Cash on hand	**20,198**	**7,561**
Total cash and cash equivalents	**359,587**	**435,099**

Deposits with a remaining term to maturity of greater than three months are classified separately as other financial assets.

1. Summary of Significant Accounting Policies (continued)

1.5. Other financial assets

Other financial assets include deposits with a remaining term to maturity of greater than three months.

1.6. Foreign currency translation

1.6.1. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of each transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in other income in the Consolidated Statement of Comprehensive Income.

1.6.2. Consolidated Entity entities

The results and financial position of all the entities within the Consolidated Entity that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the relevant exchange rates at the date of that Balance Sheet;
- income and expenses for each Consolidated Statement of Comprehensive Income are translated at exchange rates prevailing at the dates of each transaction; and
- all resulting exchange differences are recognised as a separate component of equity within other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are taken to security holders' equity. On disposal of a foreign operation, the cumulative exchange differences are recognised in profit or loss in the Consolidated Statement of Comprehensive Income as part of the gain or loss on sale. On partial disposal of a foreign operation the proportionate share of the cumulative exchange differences recognised in other comprehensive income are re-attributed to the non-controlling interests in that foreign operation. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate at the date of that Consolidated Balance Sheet.

1.7. Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of MAIL.

For the half year ended 30 June 2011 the segments are based on the core assets of the Consolidated Entity's investment portfolio being Sydney Airport, Copenhagen Airports and Brussels Airport.

1.8. Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

1.9. Company formation

The Company was incorporated in Bermuda on 4 February 2002. The Responsible Entity of MAT1 and the Responsible Entity of MAT2, MAIL and MAIL's Adviser are parties to the Stapling Deed dated 28 March 2002.

Interim Financial Report
for half year ended 30 June 2011

2. Profit / (Loss) for the Half Year

The profit / (loss) from continuing operations before income tax includes the following specific items of revenue, other income and expense:

	6 months to 30 Jun 2011 $'000	6 months to 30 Jun 2010 $'000
Revenue from continuing operations		
Revenue		
Interest income	**11,298**	8,816
Revenue from rendering of services	**2,624**	2,466
Total revenue	**13,922**	11,282
Revaluation gains / (losses) from investments		
Revaluation of ASUR	**-**	(6,735)
Revaluation of Bristol Airport	**186**	-
Revaluation of Brussels Airport	**(178,979)**	(35,097)
Revaluation of Copenhagen Airports	**(166,218)**	(21,197)
Revaluation of Sydney Airport	**104,831**	159,724
Revaluation of other investments	**25,875**	21,268
Total revaluation gains / (losses) from investments	**(214,305)**	117,963
Other income		
Fair value movement on derivative contracts	**(2,095)**	(2,744)
Foreign exchange gains on recycling of foreign currency translation reserve	**6,560**	-
Foreign exchange gains / (losses)	**(5,356)**	28,098
Total other income	**(891)**	25,354
Total revenue / (loss) from continuing operations	**(201,274)**	154,599

2. Profit / (Loss) for the Half Year (continued)

	6 months to 30 Jun 2011 $'000	6 months to 30 Jun 2010 $'000
Operating expenses from continuing operations		
Finance costs		
Interest expense - related parties RPS	**56,254**	53,898
Interest expense other	**-**	424
Total finance costs	**56,254**	54,322
Other expenses		
Adviser's fees – MAp entities	**5,343**	4,124
Investment transaction expenses	**3,525**	2,110
Staff costs	**1,886**	1,733
Directors' fees	**115**	185
Premises costs	**115**	75
Registry fees	**95**	124
Auditor's remuneration	**88**	116
Amortisation and depreciation	**28**	17
Legal fees	**24**	130
Other expenses	**3,600**	3,770
Total other expenses	**14,819**	12,384
Total operating expenses from continuing operations	**71,073**	66,706

3. Dividends Paid and Proposed

There were no interim dividends proposed for the half year ended 30 June 2011 (30 June 2010: nil). A final dividend for the year ended 31 December 2010 of $29,816,322 was paid during the half year ended 30 June 2011 (for the year ended 31 December 2009: $148,896,863). A special distribution of 12.5 cents per stapled security was paid on 21 October 2010.

4. Investments in Financial Assets

	Sydney Airport $'000	Brussels Airport $'000	Copenhagen Airports[3] $'000	Bristol Airport $'000
Balance at 1 January 2011	**1,461,844**	**1,013,963**	**924,580**	**5,286**
Acquisitions	-	-	402	-
Income received from investments	(41,227)	(9,995)	(6,591)	-
Revaluation increment / (decrement)	104,831	(214,593)	(198,547)	-
Revaluation increment attributable to foreign exchange movements	-	35,614	28,271	186
Revaluation decrements attributable to foreign exchange movements recognised directly in equity	-	-	4,058	-
Balance at 30 June 2011	**1,525,448**	**824,989**	**752,173**	**5,472**

At 30 June 2011, the value of MAIL's investments in financial assets is $3,860.8 million (31 December 2010: $4,158.4 million). Interests in unlisted companies and trusts are brought to account at fair value, determined in accordance with a valuation framework adopted by the directors. The fair values of Brussels Airport and Copenhagen Airports have been based upon the agreed Australian dollar sale price within the binding agreement with Ontario Teachers' Pension Plan Board (OTPP) signed on 19 July 2011.

Furthermore, there will be additional completion adjustments in relation to the settlement mechanics of the transaction. As at 19 July 2011, these adjustments would lead to a revaluation increment to MAIL's investment in Brussels Airport and Copenhagen Airports at completion, of approximately $18.5 million.

5. Interest Bearing Liabilities

	30 Jun 2011 $'000	31 Dec 2010 $'000
Non-current		
Redeemable preference shares issued by MASHT	**155,840**	155,872
Redeemable preference shares issued by MASKS1	**172,457**	172,514
Redeemable preference shares issued by MASKS4	**349,633**	349,737
	677,930	678,123

[3] Copenhagen Airports represents MAIL's investment in Copenhagen Airports S.a r.l., the holding entity through which the Copenhagen Airports investment was held as well as a direct investment into Copenhagen Airports. Effective 12 July 2011, and pursuant to the Copenhagen Airports Denmark Holdings ApS refinancing, MAIL's investment in Copenhagen Airports is now held through Kastrup Airports Parent ApS.

6. Income Tax Expense

The MAIL consolidated effective tax rate in respect of continuing operations for the half year ended 30 June 2011 was (5.4)% (for the half year ended 30 June 2010: 36.4%). Revaluation gains of MAIL's interest in Sydney Airport led to deferred tax expense, as a deferred tax liability is recognised for potential Australian Capital Gains Tax in the event of a future sale. Revaluation losses on Brussels Airport and Copenhagen Airports are excluded for income tax purposes, as no Australian or foreign tax is expected to be paid in the event of a future sale of those assets.

During the prior period, profit before tax primarily related to revaluation of the MAIL's interests in Sydney Airport. This in turn led to a deferred tax expense, and a deferred tax liability.

7. Contributed Equity

	30 Jun 2011 $'000	30 Jun 2010 $'000	**30 Jun 2011 Number of shares**	30 Jun 2010 Number of shares
Opening balance 1 January	**1,341,978**	1,342,036	**1,861,211**	1,861,211
Transaction costs paid in relation to contributions to equity (net of tax)	**-**	(16)	**-**	-
Closing balance 30 June	**1,341,978**	1,342,020	**1,861,211**	1,861,211

8. Retained Earnings

	30 Jun 2011 $'000	30 Jun 2010 $'000
Opening balance at 1 January	**2,460,929**	2,453,708
Adjustment related to previous years (refer to Note 11)	**-**	59,786
Opening balance at 1 January – prior period restated	**2,460,929**	2,513,494
Profit / (loss) attributable to MAIL shareholders	**(287,895)**	56,073
Closing balance at 30 June – prior period restated	**2,173,034**	2,569,567

9. Reserves

	30 Jun 11 $'000	**31 Dec 10** $'000
Balance previously reported for 31 December 2010	**-**	26,513
Adjustment related to previous years (refer to Note 11)	**-**	(59,786)
Closing balance for period – restated for 31 December 2010	**(32,662)**	(33,273)

10. Segment Reporting

The directors of MAIL have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Board of MAIL.

The Board considers the business from the aspect of each of the core portfolio airports and has identified three operating segments for which it receives regular reports. The segments are the investments in Sydney Airport, Brussels Airport and Copenhagen Airports.

For 2010 MAIL's airport business also included an investment in ASUR (up to 16 August 2010). However, given the relative value of this investment, and also the fact that the chief operating decision maker did not receive regular reports on this investment, it did not meet the definition of operating segments under AASB 8: *Operating Segments*.

The operating segments note discloses airport performance by individual core-portfolio airport in their respective local currencies. The information is presented at 100% of the earnings before interest, tax, depreciation and amortisation (EBITDA) rather than based on MAIL's proportionate share. This is consistent with the manner in which this information is presented to the Board on a monthly basis in its capacity as chief operating decision maker, to monitor the portfolio asset fair values.

The segments noted below also represent MAIL's geographical segments, determined by country in which they operate. All airport investments are deemed non-controlled investments and are carried at fair value with changes recognised through profit and loss.

	Sydney Airport $'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000
6 months to 30 June 2011			
Total segment revenues from external customers	**472,402**	**1,586,900**	**188,387**
Total segment expenses from external customers	**(90,866)**	**(782,500)**	**(79,890)**
EBITDA	**381,536**	**804,400**	**108,498**
6 months to 30 June 2010			
Total segment revenues from external customers	452,651	1,603,300	170,641
Total segment expenses from external customers	(85,419)	(738,900)	(79,557)
EBITDA	367,232	864,400	91,084

	Sydney Airport $'000	Copenhagen Airports $'000	Brussels Airport $'000	Bristol Airport $'000	Other $'000	Total $'000
30 June 2011						
Non-current assets	**1,525,448**	**752,173**	**824,989**	**5,472**	**752,855**	**3,860,937**
Total assets	**1,525,448**	**752,173**	**824,989**	**5,472**	**1,233,006**	**4,341,088**
Total liabilities	**-**	**-**	**-**	**-**	**857,603**	**857,603**
31 December 2010						
Non-current assets	1,461,844	924,580	1,013,963	5,286	752,876	4,158,549
Total assets	1,461,844	924,580	1,013,963	5,286	1,218,815	4,624,488
Total liabilities	-	-	-	-	854,537	854,537

10. Segment Reporting (continued)

A reconciliation of MAp EBITDA to profit / (loss) before income tax expense is provided as follows:

	Sydney Airport $'000	Copenhagen Airports DKK'000	Brussels Airport EUR'000	Total $'000
6 months to 30 June 2011				
EBITDA	**381,536**	**804,400**	**108,498**	
EBITDA of investments carried at Fair Value	**(381,536)**	**(804,400)**	**(108,498)**	
AUD equivalent	**-**	**-**	**-**	**-**
Other income and expenses				
Interest income				**11,298**
Fair value movement on derivative contracts				**(2,095)**
Foreign exchange gains				**(5,352)**
Other income				**9,184**
Revaluation gains from investments				**(214,305)**
Finance costs				**(56,254)**
Other expenses				**(9,480)**
Service fee to related entities				**(5,343)**
Loss before income tax expense				**(272,347)**

	Sydney Airport $'000	Copenhagen Airports $'000	Brussels Airport $'000	Total $'000
6 months to 30 June 2010				
EBITDA	367,232	864,000	91,084	
EBITDA of investments carried at Fair Value	(367,232)	(864,000)	(91,084)	
AUD equivalent	-	-	-	-
Other income and expenses				
Interest income				11,282
Fair value movement on derivative contracts				(2,744)
Foreign exchange gains				28,098
Revaluation losses from investments				117,963
Finance costs				(54,322)
Other expenses				(8,260)
Service fee to related entities				(4,124)
Profit before income tax expense				87,893

11. Restatements

Changes in the accounting for foreign exchange

The Group has restated the opening 1 January 2010 balances of retained earnings and foreign currency translation reserve disclosed in these consolidated interim financial statements in order to retrospectively apply AASB 121: *The Effects of Changes in Foreign Exchange Rates* whereby amounts previously recognised in the foreign currency translation reserve are required to be reclassified to profit or loss on disposal of a foreign operation.

In accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, the opening 1 January 2010 balances on the consolidated interim statement of financial position and the consolidated interim statement of changes in equity have been restated as follows:

- Foreign currency translation reserve has been debited by $59,785,558
- Retained earnings have been credited by $59,785,558

12. Contingent Assets and Liabilities

At 30 June 2011 the Consolidated Entity has no contingent assets or liabilities which are material either individually or as a class (30 June 2010: nil).

13. Events Occurring after Balance Sheet Date

On 4 July 2011 Sydney Airport completed a successful $1,069.0 million bank and bond financing. These commitments provide Sydney Airport the ability to redeem Sydney Kingsford Smith Interest Earning Securities (SKIES) and fund capital expenditure through to 2014. Redemption of SKIES remains conditional on the fulfilment of a number of procedural and documentation steps associated with the bank debt commitments.

On 12 July 2011 Copenhagen Airports Denmark (the wholly owned subsidiary of Copenhagen Airports Denmark Holdings, the ultimate Danish parent company of the Copenhagen Airports Group) successfully raised DKK5.3 billion of new debt facilities. The proceeds will primarily be used to refinance the existing bank debt facility due to mature in December 2012, and to pay hedge break costs and refinancing fees. The newly established facilities were provided by a combination of existing and new banks and are evenly split between five year and seven year maturities.

As noted within the Significant Changes in State of Affairs, on 19 July 2011 MAIL entered into a binding agreement with OTPP in which MAIL will exchange its interests in Brussels Airport and Copenhagen Airports for OTPP's 11.02% interest in Sydney Airport and a net cash payment of $790.5 million. The net cash payment comprises a fixed Australian dollar cash consideration of $772.0 million and additional completion adjustments in relation to the settlement mechanics of the transaction estimated at $18.5 million as at 19 July 2011. These adjustments would lead to a revaluation increment to MAIL's investment in Brussels Airport and Copenhagen Airports at completion.

Under the binding agreement, MAIL has provided a comprehensive set of representations and warranties in respect of Copenhagen Airports and Brussels Airport, which are more commensurate with those normally provided by an owner/operator than a minority investor.

Completion of the asset swap is subject to:

- All regulatory approvals being obtained and not withdrawn, including European Commission Merger Regulation;
- No breach or potential breach of a material contract; and
- The conduct of pre-emptive rights processes for other Sydney Airport investors.

Other key terms include indemnities from MAIL to OTPP for OTPP's share of the challenged withholding tax liabilities, should they ever materialise, arising from the Danish Tax Office's current assessments to Copenhagen Airports Denmark Holdings. There are also indemnities for certain pre-existing disputes or litigation at Brussels Airport and other contingent liabilities.

13. Events Occurring after Balance Sheet Date (continued)

The asset swap terminates if the conditions precedent are not satisfied or waived. In addition, there are customary termination rights for material breach and material adverse events, in each case exercisable where they result in a diminution in the value of Sydney, Brussels or Copenhagen airports exceeding 15%.

The Australian Government announced the "Securing a Clean Energy Future – the Australian Government's Climate Change Plan" on 10 July 2011. Whilst the announcement provides details of the framework for a carbon pricing mechanism (to be implemented from 1 July 2012), uncertainties continue to exist on the impact of any carbon pricing mechanism on the Group as legislation has yet to be drafted, and must be voted on and passed by both houses of Parliament.

The current proposals will impose a carbon price on domestic air travel which contributes a proportionately smaller amount to revenue than international air travel which is not captured. Based on the details currently available and statements made by airlines operating in Australia regarding the likely impact on domestic airfares, the directors do not believe that the introduction of a carbon pricing mechanism will significantly impact the assumptions used for the purpose of the calculations used in asset impairment testing.

Since the end of the half year, the directors are not aware of any other matter or circumstance not otherwise dealt with in the consolidated interim financial report that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in periods subsequent to the half year ended 30 June 2011.

Interim Financial Report
for half year ended 30 June 2011

Statement by the Directors of MAp Airports International Limited

In the opinion of the directors of MAp Airports International Limited:

a. the consolidated interim financial statements and notes for the Consolidated Entity set out on pages 4 to 18 are:

   i. complying with Accounting Standards and other mandatory professional reporting requirements;

   ii. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2011 and of its performance for the half year ended on that date; and

b. there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

The directors draw attention to Note 1 to the consolidated interim financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors.

Jeffrey Conyers

Bermuda

24 August 2011

Sharon Beesley

Bermuda

24 August 2011

Independent Auditor's Review Report to the Members of MAp Airports International Limited

We have reviewed the accompanying interim financial report of MAp Airports International Limited, which comprises the consolidated balance sheet as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, Notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration for MAp Airports International Limited (the Consolidated Entity). The Consolidated Entity comprises MAp Airports International Limited and the entities it controlled at the half year end or from time to time during the half year.

Directors' responsibility for the interim financial report

The directors of MAp Airports International Limited are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

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 Australian Accounting Standards including: giving a true and fair view of MAp Airports International Limited's financial position as at 30 June 2011 and its performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*. As auditor of MAp Airports International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, we have complied with the independence requirements of Australian professional ethical pronouncements.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of MAp Airports International Limited is not in accordance with the Australian Accounting Standards, including:

(a) giving a true and fair view of MAp Airports International Limited's financial position as at 30 June 2011 and of its performance for the half year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

KPMG

KPMG

Andrew Yates
Partner
Sydney
24 August 2011