UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2008

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from to .

Commission File Number: 001-32384

MACQUARIE INFRASTRUCTURE COMPANY LLC

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	43-2052503 (IRS Employer Identification No.)

125 West 55th Street
New York, New York 10019

(Address of Principal Executive Offices) (Zip Code)

(212) 231-1000

(Registrant s Telephone Number, Including Area Code)

N/A

(Former Name, Former Address and Former Fiscal Year if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer x Accelerated Filer o Non-accelerated Filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

There were 44,948,694 limited liability company interests without par value outstanding at August 6, 2008.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

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Macquarie Infrastructure Company LLC is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Infrastructure Company LLC.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MACQUARIE INFRASTRUCTURE COMPANY LLC

CONSOLIDATED CONDENSED BALANCE SHEETS ($ In Thousands, Except Share Data)

	June 30, 2008 (Unaudited)	December 31, 2007
ASSETS		
Current assets:		
Cash and cash equivalents	$46,460	$57,473
Restricted cash	1,601	1,335
Accounts receivable, less allowance for doubtful accounts of $1,919 and $2,380, respectively	104,329	94,541
Dividends receivable	7,000	7,000
Other receivables	42	445
Inventories	21,888	18,219
Prepaid expenses	6,209	10,418
Deferred income taxes	9,330	9,330
Land available for sale	5,965	
Other	14,061	11,706
Total current assets	216,885	210,467
Property, equipment, land and leasehold improvements, net	699,822	674,952
Restricted cash	19,717	19,363
Equipment lease receivables	37,511	38,834
Investment in unconsolidated business	204,159	211,606

Goodwill	775,684	770,108
Intangible assets, net	864,312	857,345
Deferred costs on acquisitions		278
Deferred financing costs, net of accumulated amortization	26,532	28,040
Other	2,261	2,036
Total assets	$2,846,883	$2,813,029
LIABILITIES AND MEMBERS EQUITY		
Current liabilities:		
Due to manager related party	$4,575	$5,737
Accounts payable	70,753	59,303
Accrued expenses	29,096	31,184
Current portion of notes payable and capital leases	3,437	5,094
Current portion of long-term debt	6,426	162
Fair value of derivative instruments	27,095	14,224
Customer deposits	9,248	9,481
Other	8,370	8,330
Total current liabilities	159,000	133,515
Notes payable and capital leases, net of current portion	2,923	2,964
Long-term debt, net of current portion	1,497,550	1,426,494
Deferred income taxes	204,832	202,683
Fair value of derivative instruments	25,263	42,832
Other	31,926	30,817
Total liabilities	1,921,494	1,839,305
Minority interests	6,473	7,172

See accompanying notes to the consolidated condensed financial statements.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

CONSOLIDATED CONDENSED BALANCE SHEETS (continued)
($ In Thousands, Except Share Data)

	June 30, 2008 (Unaudited)	December 31, 2007
Commitments and contingencies		
Members equity:		
LLC interests, no par value; 500,000,000 authorized; 44,948,694 LLC	994,938	1,052,062

interests issued and outstanding at June 30, 2008 and 44,938,380 LLC interests issued and outstanding at December 31, 2007		
Accumulated other comprehensive loss	(29,913)	(33,055)
Accumulated deficit	(46,109)	(52,455)
Total members equity	918,916	966,552
Total liabilities and members equity	$2,846,883	$2,813,029

See accompanying notes to the consolidated condensed financial statements.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS (Unaudited) ($ In Thousands, Except Share and per Share Data)

	Quarter Ended		Six Months Ended	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
Revenue				
Revenue from product sales	$166,834	$91,989	$326,159	$180,346
Revenue from product sales utility	31,858	22,820	61,257	45,111
Service revenue	86,672	61,161	175,457	118,247
Financing and equipment lease income	1,179	1,235	2,373	2,483
Total revenue	286,543	177,205	565,246	346,187
Costs and expenses				
Cost of product sales	119,501	57,692	228,018	111,374
Cost of product sales utility	26,679	17,429	51,014	34,231
Cost of services	32,289	26,323	65,545	49,665
Selling, general and administrative	61,645	38,564	125,502	77,542
Fees to manager related party	4,509	48,964	9,135	54,525
Depreciation	6,315	4,162	13,038	8,053
Amortization of intangibles	10,904	7,004	21,643	13,932
Total operating expenses	261,842	200,138	513,895	349,322
Operating income (loss)	24,701	(22,933)	51,351	(3,135)
Other income (expense)				
Interest income	297	1,465	770	2,924
Interest expense	(25,676)	(17,705)	(51,502)	(35,271)
Equity in earnings (losses) and amortization charges of investee	8,641	(1,145)	6,552	2,320

(Loss) gain on derivative instruments	(581)	1,138	(886)	661
Other income (expense), net	463	272	655	(644)
Net income (loss) before income taxes and minority interests	7,845	(38,908)	6,940	(33,145)
Benefit (provision) for income taxes	364	13,833	(1,000)	15,878
Net income (loss) before minority interests	8,209	(25,075)	5,940	(17,267)
Minority interests	(129)	(28)	(408)	(97)
Net income (loss)	$8,338	$(25,047)	$6,348	$(17,170)
Basic earnings (loss) per share:	$0.19	$(0.67)	$0.14	$(0.46)
Weighted average number of shares outstanding: basic	44,941,440	37,562,165	44,939,910	37,562,165
Diluted earnings (loss) per share:	$0.19	$(0.67)	$0.14	$(0.46)
Weighted average number of shares outstanding: diluted	44,954,123	37,562,165	44,951,408	37,562,165
Cash distributions declared per share	$0.645	$0.59	$1.28	$1.16

See accompanying notes to the consolidated condensed financial statements.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (Unaudited) ($ In Thousands)

	Six Months Ended	
	June 30, 2008	June 30, 2007
Operating activities		
Net income (loss)	$6,348	$(17,170)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization of property and equipment	18,549	13,029
Amortization of intangible assets	21,643	13,932
Equity in earnings and amortization charges of investee	(6,552)	(2,320)
Equity distributions from investee	6,552	2,320
Amortization of debt financing costs	3,350	2,883
Non-cash derivative loss (gain), net of non-cash interest expense	1,045	(2,500)
Performance fees settled in LLC interests		43,962

Equipment lease receivable, net	1,113	1,381
Deferred rent	1,071	1,264
Deferred taxes	(278)	(16,858)
Other non-cash expenses, net	179	1,118
Non-operating losses relating to foreign investments		2,799
Changes in other assets and liabilities, net of acquisitions:		
Restricted cash	(266)	(74)
Accounts receivable	(9,661)	(7,013)
Inventories	(3,222)	409
Prepaid expenses and other current assets	3,320	3,963
Due to manager related party	(1,161)	1,624
Accounts payable and accrued expenses	7,057	6,486
Income taxes payable	(850)	1,977
Other, net	353	1,326
Net cash provided by operating activities	48,590	52,538
Investing activities		
Acquisitions of businesses and investments, net of cash acquired	(41,914)	(86,900)
Costs of dispositions		(322)
Proceeds from sale of equity investment		84,977
Settlements of non-hedging derivative instruments		(1,965)
Purchases of property, equipment, land and leasehold improvements	(39,975)	(18,246)
Return of investment in unconsolidated business	7,447	11,680
Other	229	
Net cash used in investing activities	(74,213)	(10,776)

See accompanying notes to the consolidated condensed financial statements.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS (continued) (Unaudited) ($ In Thousands)

	Six Months Ended	
	June 30, 2008	June 30, 2007
Financing activities		
Proceeds from long-term debt	$ 5,000	$ 34,500
Proceeds from line of credit facilities	70,650	7,130

Offering and equity raise costs paid	(65)	
Distributions paid to holders of LLC interests	(57,528)	(43,572)
Distributions paid to minority shareholders	(292)	(408)
Payment of long-term debt	(80)	(77)
Debt financing costs paid	(1,846)	(687)
Change in restricted cash	(354)	(1,886)
Payment of notes and capital lease obligations	(875)	(1,149)
Net cash provided by (used in) financing activities	14,610	(6,149)
Effect of exchange rate changes on cash		(1)
Net change in cash and cash equivalents	(11,013)	35,612
Cash and cash equivalents, beginning of period	57,473	37,388
Cash and cash equivalents, end of period	$ 46,460	$ 73,000
Supplemental disclosures of cash flow information:		
Non-cash investing and financing activities:		
Accrued acquisition and equity offering costs	$	$ 2,757
Accrued purchases of property and equipment	$ 872	$ 2,620
Acquisition of equipment through capital leases	$ 490	$ 30
Issuance of LLC interests to independent directors	$ 450	$
Taxes paid	$ 2,237	$ 1,886
Interest paid	$ 48,572	$ 33,016

See accompanying notes to the consolidated condensed financial statements.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

1. Organization and Description of Business

Macquarie Infrastructure Company LLC, a Delaware limited liability company, was formed on April 13, 2004. Macquarie Infrastructure Company LLC, both on an individual entity basis and together with its wholly-owned subsidiaries, is referred to in these financial statements as the Company. The Company owns, operates and invests in a diversified group of infrastructure businesses in the United States. Macquarie Infrastructure Management (USA) Inc. is the Company s manager and is referred to in these financial statements as the Manager. The Manager is a subsidiary of the Macquarie Group of companies, which is comprised of Macquarie Group Limited and its subsidiaries and affiliates worldwide. Macquarie Group Limited is headquartered in Australia and is listed on the Australian Stock Exchange.

Macquarie Infrastructure Company Trust, or the Trust, a Delaware statutory trust, was also formed on April 13, 2004. Prior to December 21, 2004, the Trust was a wholly-owned subsidiary of the Manager. On June 25, 2007, all of the outstanding shares of trust stock issued by the Trust were exchanged for an equal number of limited liability company, or LLC, interests in the Company, and the Trust was dissolved. Prior to this exchange of trust stock for LLC interests and the dissolution of the Trust, all interests in the Company were held by the Trust. The Company continues to be an operating entity with a Board of Directors and other corporate governance responsibilities generally consistent with that of a Delaware corporation.

The Company owns its businesses through its wholly-owned subsidiary Macquarie Infrastructure Company Inc., or MIC Inc. The Company s businesses operate predominantly in the United States, and comprise the following:

(i) an airport services business operates a network of fixed base operations, or FBOs, in the U.S. FBOs provide products and services like fuel and aircraft parking for owners and operators of private jets;

(ii) a 50% interest in a bulk liquid storage terminal business provides bulk liquid storage and handling services in North America and is one of the largest participants in this industry in the U.S., based on capacity;

(iii) a gas production and distribution business a full-service gas energy company, making gas products and services available in Hawaii;

(iv) a district energy business operates the largest district cooling system in the U.S. and serves various customers in Chicago, Illinois and Las Vegas, Nevada; and

(v) an airport parking business a provider of off-airport parking services in the U.S., with 30 facilities in 20 major airport markets.

During the year ended December 31, 2007, the Company completed the following acquisitions:

On May 30, 2007, the Company completed the acquisition of 100% of the interests in entities that own and operate two FBOs at Stewart International Airport in New York and Santa Monica Municipal Airport in California, together referred to as Supermarine .

On August 9, 2007, the Company completed the acquisition of approximately 89% of the equity of Mercury Air Center, Inc., or Mercury, which owns and operates 24 FBOs in the United States. On October 2, 2007, the Company acquired the remaining 11% of equity.

On August 17, 2007, the Company completed the acquisition of 100% of the membership interests in SJJC Aviation Services, LLC, or San Jose, which owns and operates the two FBOs at San Jose Mineta International Airport, located in San Jose, California.

On November 30, 2007, the Company completed the acquisition of 100% of the membership interests in Rifle Jet Center, LLC and Rifle Jet Center Maintenance, LLC, which own and operate an FBO at Garfield County Regional Airport in Rifle, Colorado.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

1. Organization and Description of Business (continued)

During the six months ended June 30, 2008, the Company completed the following acquisition:

On March 4, 2008, the Company completed the acquisition of 100% of the equity in entities that own and operate three FBOs in Farmington and Albuquerque, New Mexico and Sun Valley, Idaho, collectively referred to as Seven Bar.

2. Basis of Presentation

The unaudited consolidated condensed financial statements have been prepared in accordance with accounting principles generally accepted in the United States and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. The preparation of consolidated financial statements in conformity with GAAP requires estimates and assumptions. Management evaluates these estimates and judgments on an ongoing basis. Actual results may differ from the estimates and assumptions used in the financial statements and notes. Operating results for the quarter and six months ended June 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

The consolidated balance sheet at December 31, 2007 has been derived from audited financial statements but does not include all of the information and notes required by accounting principles generally accepted in the United States for complete financial statements. Certain reclassifications were made to the financial statements for the prior period to conform to current year presentation.

The interim financial information contained herein should be read in conjunction with the consolidated financial statements and notes thereto for the year ended December 31, 2007 included in the Company s Annual Report on Form 10-K, as filed with the SEC on February 28, 2008.

3. New Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, *Fair Value Measurements* , or FASB No. 157, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. FASB No. 157 applies under other accounting pronouncements that require or permit fair value measurements. Accordingly, FASB No. 157 does not require any new fair value measurements. FASB No. 157 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 inputs), second priority to other observable information such as quoted prices in markets that are not active or other directly or indirectly observable inputs (level 2 inputs) and the lowest priority to unobservable data (level 3 inputs). A financial instrument s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The provisions of FASB No. 157 were effective as of the beginning of the Company s 2008 fiscal year. The Company adopted FASB No. 157 on January 1, 2008 and the required disclosures are included in these financial statements, except as noted below. The impact of the adoption did not have a material impact on the Company s financial results of operations and financial condition. In accordance with FASB Staff Position No. FAS 157-2, *Effective Date of FASB Statement No. 157* , which was issued in February 2008, the Company has deferred the adoption of FASB No. 157 for all non-financial assets and liabilities. Major categories of non-financial assets and liabilities to which this deferral applies include, but is not limited to, the Company s property, equipment, land and leasehold improvements; intangible assets; and goodwill.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

3. New Accounting Pronouncements (continued)

In December 2007, the FASB revised Statement of Financial Accounting Standards No. 141, *Business Combinations*, or FASB No. 141(R). The revised standard includes various changes to the business combination rules. Some of the changes include immediate expensing of acquisition-related costs rather than capitalization, and 100% of the fair value of assets and liabilities acquired being recorded, even if less than 100% of the business is acquired. FASB No. 141(R) is effective for business combinations consummated in periods beginning on or after December 15, 2008. The Company expects the revised standard to have the following significant impacts on its financial statements compared with existing business combination rules: (1) increased selling, general and administrative costs due to immediate expensing of acquisition costs, resulting in lower net income; (2) lower cash provided by operating activities and lower cash used in investing activities in the statements of cash flows due to the immediate expensing of acquisition costs, which under existing rules are included as cash out flows in investing activities as part of the purchase price of the business; and (3) 100% of fair values recorded for assets and liabilities on the balance sheet even where a noncontrolling interest exists resulting in larger assets and liability balances compared with existing business combination rules.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160, *Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51*, or FASB No. 160, which requires noncontrolling interests (previously referred to as minority interests) to be treated as a separate component of equity, not as a liability or other item outside of permanent equity. FASB No. 160 is effective for periods beginning on or after December 15, 2008 and will be applied prospectively to all noncontrolling interests with comparative period information reclassified. While the Company s district energy and airport parking businesses each have noncontrolling interests, the Company does not expect the adoption of FASB No. 160 to have a material impact on the Company s financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, *Disclosure about Derivative Instruments and Hedging Activities an amendment of FASB Statement No. 133*, or FASB No. 161, which requires companies with derivative instruments to disclose information about how and why a company uses derivative instruments, how derivative instruments and related hedged items are accounted for under FASB No. 133, *Accounting for Derivative Instruments and Hedging Activities*, and how derivative instruments and related hedged items affect a company s financial position, financial performance and cash flows. The required disclosures include the fair value of derivative instruments and their gains or losses in tabular format, information about credit-risk-related contingent features in derivative agreements, counterparty credit risk, and the company s strategies and objectives for using derivative instruments. FASB No. 161 is effective for periods beginning on or after November 15, 2008. The Company does not expect the adoption of FASB No. 161 to have a material impact on the Company s financial statements.

4. Earnings (Loss) Per Share

The following is a reconciliation of the basic and diluted number of shares used in computing earnings (loss) per share:

	Quarter Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Weighted average number of shares outstanding: basic	44,941,440	37,562,165	44,939,910	37,562,165
Dilutive effect of restricted stock unit grants	12,683		11,498	
Weighted average number of shares outstanding: diluted	44,954,123	37,562,165	44,951,408	37,562,165

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

4. Earnings (Loss) Per Share (continued)

The effect of potentially dilutive shares for the quarter and six months ended June 30, 2008 is calculated by assuming that the 14,115 restricted stock unit grants provided to the independent directors on May 27, 2008 and the 10,314 restricted stock unit grants provided to the independent directors on May 24, 2007 had been fully converted to shares on those dates. However, the restricted stock unit grants were anti-dilutive for the quarter and six months ended June 30, 2007, due to the Company s net loss for those periods.

5. Acquisitions

Seven Bar FBOs

On March 4, 2008, the Company s airport services business completed the acquisition of 100% of the interests in Sun Valley Aviation, Inc., SB Aviation Group, Inc. and Seven Bar Aviation Inc. (collectively referred to as Seven Bar). Seven Bar owns and operates three FBOs located in Farmington and Albuquerque, New Mexico and Sun Valley, Idaho.

The cost of the acquisition, including transaction costs, was $41.8 million and the Company has pre-funded integration costs of $300,000. The Company financed the acquisition with part of the $56.0 million of borrowings under the MIC Inc. revolving acquisition credit facility.

For a description of related party transactions associated with the Company s acquisition, see Note 13, Related Party Transactions. The acquisition has been accounted for under the purchase method of accounting. Accordingly, the results of operations of Seven Bar are included in the consolidated statements of operations and as a component of the Company s airport services business segment since March 4, 2008.

The preliminary allocation of the purchase price, including transaction costs, was as follows ($ in thousands):

Current assets	$ 1,147
Property, equipment and leasehold improvements	10,244
Intangible assets:	
Customer relationships	690
Contract rights	26,370
Non-compete agreements	50
Goodwill	4,966
Total assets acquired	43,467
Current liabilities	1,296
Other liabilities	370
Net assets acquired	$ 41,801

The Company paid more than the fair value of the underlying net assets as a result of the expectation of its ability to earn a higher rate of return from the acquired business than would be expected if those net assets had to be acquired or developed separately. The value of the acquired intangible assets was determined by taking into account risks related to the characteristics and applications of the assets, existing and future markets and analysis of expected future cash flows to be generated by the business.

The Company allocated $690,000 of the purchase price to customer relationships in accordance with EITF 02-17, *Recognition of Customer Relationship Intangible Assets Acquired in a Business Combination.* The Company will amortize the amount allocated to customer relationships over a nine-year period.

MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

5. Acquisitions (continued)

Pro Forma Information

The following unaudited pro forma information summarizes the results of operations for the quarter and six months ended June 30, 2008 and 2007 as if the acquisition of Seven Bar had been completed at the beginning of the prior comparative period, January 1, 2007. The pro forma data combine the Company s consolidated results with those of the acquired entities (prior to acquisition) for the periods shown. The results are adjusted for amortization, depreciation and income taxes relating to the acquisition. No effect has been given to cost reductions or operating synergies in this presentation. These pro forma amounts do not purport to be indicative of the results that would have actually been achieved if the acquisition had occurred as of the beginning of the periods presented or that may be achieved in the future. The pro forma amounts are as follows ($ in thousands, except per share data):

	Quarter Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Pro forma consolidated revenue	$ 286,543	$ 180,059	$ 568,352	$ 353,161
Pro forma consolidated net income (loss)	$ 8,338	$ (25,751)	$ 6,179	$ (18,049)
Basic and diluted earnings (loss) per share	$ 0.19	$ (0.69)	$ 0.14	$ (0.48)

6. Property, Equipment, Land and Leasehold Improvements

Property, equipment, land and leasehold improvements consist of the following ($ in thousands):

	June 30, 2008	December 31, 2007
Land(1)	$ 69,015	$ 63,275
Easements	5,624	5,624
Buildings	36,214	36,202
Leasehold and land improvements	284,998	270,662
Machinery and equipment	311,110	302,408
Furniture and fixtures	9,982	9,006
Construction in progress	72,091	59,292
Property held for future use	1,541	1,503
	790,575	747,972
Less: accumulated depreciation	(90,753)	(73,020)
Property, equipment, land and leasehold improvements, net(2)	$ 699,822	$ 674,952

(1) In April 2008, the airport parking business acquired land, that was previously leased, for $13.5 million. The business also reversed the $1.5 million accrued rent liability in relation to this land, resulting in a net book value of $12.0 million. The business has taken steps to effect the sale of the portion of the land acquired in excess of the requirements for the parking facility, which is at least half of the land. Therefore, $6.0 million of the acquired land is included in property, equipment, land and leasehold improvements and the remainder is disclosed as land-available for sale, in the consolidated condensed balance sheets. The airport parking business has entered an agreement with a potential buyer, which the buyer may terminate at their discretion until August 8, 2008. In the event that this sale is not completed, the business will continue to pursue its sale strategy with other buyers. The business expects to complete the sale within the next year.

(2) Includes $978,000 and $1.5 million of capitalized interest for the six months ended June 30, 2008 and the year ended December 31, 2007, respectively.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

7. Intangible Assets

Intangible assets consist of the following ($ in thousands):

	Weighted Average Life (Years)	June 30, 2008	December 31, 2007
Contractual arrangements	30.4	$ 830,142	$ 802,272
Non-compete agreements	2.5	9,515	9,465
Customer relationships	10.1	85,990	85,300
Leasehold rights	14.5	8,359	8,359
Trade names	Indefinite [1]	17,497	17,497
Domain names	Indefinite [2]	2,108	2,108
Technology	5.0	460	460
		954,071	925,461
Less: Accumulated amortization		(89,759)	(68,116)
Intangible assets, net		$ 864,312	$ 857,345

(1) Trade names of $2.1 million are being amortized over a period within 1.5 years.

(2) Domain names of $334,000 and $440,000 are being amortized over a period within 4 years and 1.5 years, respectively.

8. Long-Term Debt

Long-term debt consists of the following ($ in thousands):

	June 30, 2008	December 31, 2007
MIC Inc. acquisition facility	$ 56,000	$
Airport services	927,550	911,150
Gas production and distribution	169,000	164,000
District energy	150,000	150,000
Airport parking[1]	201,426	201,506
	1,503,976	1,426,656
Less current portion	(6,426)	(162)
Long-term portion	$ 1,497,550	$ 1,426,494

(1)

Under the terms of its loan arrangement, the airport parking business is required to undertake certain capital improvements and environmental remediation. The due date for completion was June 2008. The airport parking business has made progress on these projects but has not completed them. The airport parking business sought, and obtained, a waiver on this covenant from the lender extending the due date until June 2009, to allow the business additional time to fulfill the requirements.

9. Derivative Instruments

The Company and its businesses have in place variable-rate debt. Management believes that it is prudent to limit the variability of a portion of its interest payments. To meet this objective, the Company enters into interest rate swap and cap agreements to manage fluctuations in cash flows resulting from interest rate risk on a majority of its variable-rate debt.

In accordance with Statement of Financial Accounting Standards No. 133, *Accounting for Derivative Instruments*, or FASB No. 133, the Company has concluded that all of its interest rate swaps and caps qualify as cash flow hedges, and the Company applies hedge accounting for these instruments. Changes in the fair value of interest rate derivatives designated as hedging instruments that effectively offset the variability of cash flows associated with variable-rate, long-term debt obligations are reported in other comprehensive

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NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

9. Derivative Instruments (continued)

income or loss. Any ineffective portion on the change in the valuation of derivatives is taken through earnings, and reported in the gain or loss on derivative instruments line.

At June 30, 2008, the Company had $1.5 billion of long-term debt, $1.3 billion of which was hedged with interest rate swaps, $58.7 million of which was hedged with interest rate caps, $92.6 million of which was unhedged and $6.4 million of which incurred interest at fixed rates.

For the six months ended June 30, 2008, the Company recorded the following movements in the value of its derivative instruments ($ in thousands):

	Assets (Included in Other)	Liabilities

Opening balance, December 31, 2007 (includes current and non-current portions)	$ 47	$ 57,056
Unrealized loss on derivative instruments included in other comprehensive loss	(47)	5,024
Ineffective portion of the changes in the valuation of the derivative instruments, representing unrealized gains, included in loss on derivative instruments		(28)
Reclassification of realized losses on derivative instruments into interest expense		(9,694)
Closing balance, June 30, 2008 (includes current and non-current portions)	$	$ 52,358

Also included within loss on derivative instruments for the six month period is a $914,000 expense, representing a reclassification of realized losses from other comprehensive loss into earnings.

In accordance with FASB No. 133, the Company s derivative instruments are recorded on the balance sheet at fair value. The Company measures derivative instruments at fair value using the income approach, which converts future amounts (being the future net cash settlements expected under the derivative contracts) to a discounted present value. These valuations primarily utilize observable (level 2) inputs including contractual terms, interest rates and yield curves observable at commonly quoted intervals.

The Company s fair value measurements of its derivative instruments are as follows ($ in thousands):

		Fair Value Measurements at Reporting Date Using		
Description	Total at June 30, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivative Instruments:				
Current liabilities	$ 27,095	$	$ 27,095	$
Non-current liabilities	25,263		25,263	
Total, net	$ 52,358	$	$ 52,358	$

10. Comprehensive Income (Loss)

Total comprehensive income for the quarter and six months ended June 30, 2008 was $42.7 million and $9.5 million, respectively. These amounts are included in the accumulated other comprehensive loss on the Company s consolidated condensed balance sheet. The difference between net income of $8.3 million for the quarter and comprehensive income was attributable to an unrealized gain on derivative instruments of $29.1 million (net of taxes) and a $5.3 million (net of taxes) reclassification of realized losses into earnings.

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NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

10. Comprehensive Income (Loss) (continued)

The difference between net income of $6.3 million for the six month period and comprehensive income was attributable to an unrealized loss on derivative instruments of $3.4 million (net of taxes), offset by a $6.6 million (net of taxes) reclassification of realized losses into earnings.

Total comprehensive loss for the quarter and six months ended June 30, 2007 was $17.5 million and $11.3 million, respectively. The difference between net loss of $25.0 million for the quarter and comprehensive loss was attributable to an unrealized gain on derivative instruments of $7.5 million (net of taxes). The difference between net loss of $17.2 million for the six month period and comprehensive loss was attributable to an unrealized gain on derivative instruments of $5.9 million (net of taxes).

11. Members Equity

The Company is authorized to issue 500,000,000 LLC interests. Each outstanding LLC interest of the Company is entitled to one vote on any matter with respect to which holders of LLC interests are entitled to vote.

12. Reportable Segments

The Company s consolidated businesses are classified into the following reportable business segments: airport services business, gas production and distribution business, district energy business and airport parking business. All of the business segments are managed separately.

The Company also has a 50% investment in a bulk liquid storage terminal business, which is accounted for under the equity method. Financial information for this business is presented below ($ in thousands):

	As of and for the Quarter Ended June 30,		As of and for the Six Months Ended June 30,	
	2008	2007	2008	2007
Revenue	$ 78,230	$ 63,191	$ 156,624	$ 133,607
EBITDA[(1)]	47,562	13,382	59,847	41,257
Interest expense, net	5,173	3,961	9,892	7,368
Depreciation and amortization expense	10,323	9,040	20,657	17,562
Capital expenditures paid	54,674	44,199	113,180	78,122
Property, plant and equipment balance	823,461	606,245	823,461	606,245
Total assets balance	897,980	668,380	897,980	668,380

(1) EBITDA refers to earnings before interest, taxes, depreciation and amortization.

The airport services business reportable segment principally derives income from fuel sales and from other airport services. Airport services revenue includes fuel-related services, de-icing, aircraft hangarage, airport management and other aviation services. All of the revenue of the airport services business is generated in the United States. The airport services business operated 72 FBOs and managed six airports under management contracts as of June 30, 2008. In January 2008, the Company entered an agreement to sell its airport management business, and expects to complete the sale in the second half of 2008.

The revenue from the gas production and distribution business reportable segment is included in revenue from product sales and includes distribution and sales of synthetic natural gas, or SNG, and liquefied petroleum gas, or LPG. Revenue is primarily a function of the volume of SNG and LPG consumed by customers and the price per thermal unit or gallon charged to customers. Because both SNG and LPG are derived from petroleum, revenue levels, without organic operating growth, will generally track global oil prices. The utility revenue of the gas production and distribution business includes fuel adjustment charges, or FACs, through which changes in fuel costs are passed through to customers.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

12. Reportable Segments (continued)

The revenue from the district energy business reportable segment is included in service revenue and financing and equipment lease income. Included in service revenue is capacity charge revenue, which relates to monthly fixed contract charges, and consumption revenue, which relates to contractual rates applied to actual usage. Financing and equipment lease income relates to direct financing lease transactions and equipment leases to the Company s various customers. The Company provides such services to buildings throughout the downtown Chicago area and to a casino and shopping mall located in Las Vegas, Nevada.

The revenue from the airport parking business reportable segment is included in service revenue and primarily consists of fees from off-airport parking and ground transportation to and from the parking facilities and the airport terminals. The airport parking business operates 30 off-airport parking facilities located in 20 major airport markets across the United States.

Selected information by reportable segment is presented in the following tables. The tables do not include financial data for equity and cost investments.

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

12. Reportable Segments (continued)

Revenue from external customers for the Company's reportable segments was as follows ($ in thousands):

	Quarter Ended June 30, 2008				
	Airport Services	Gas Production and Distribution	District Energy	Airport Parking	Total
Revenue from Product Sales					
Product sales	$ 143,111	$ 23,723	$	$	$ 166,834
Product sales utility		31,858			31,858
	143,111	55,581			198,692
Service Revenue					
Other services	55,634		717		56,351
Cooling capacity revenue			4,828		4,828
Cooling consumption revenue			6,073		6,073
Parking services				19,420	19,420
	55,634		11,618	19,420	86,672
Financing and Lease Income					
Financing and equipment lease			1,179		1,179
			1,179		1,179
Total Revenue	$ 198,745	$ 55,581	$ 12,797	$ 19,420	$ 286,543

	Quarter Ended June 30, 2007				
	Airport Services	Gas Production and Distribution	District Energy	Airport Parking	Total
Revenue from Product Sales					
Product sales	$ 73,689	$ 18,300	$	$	$ 91,989
Product sales utility		22,820			22,820
	73,689	41,120			114,809
Service Revenue					
Other services	28,787		768		29,555
Cooling capacity revenue			4,738		4,738
Cooling consumption revenue			6,800		6,800
Parking services				20,068	20,068

	28,787		12,306	20,068	61,161
Financing and Lease Income					
Financing and equipment lease			1,235		1,235
			1,235		1,235
Total Revenue	$ 102,476	$ 41,120	$ 13,541	$ 20,068	$ 177,205

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MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

12. Reportable Segments (continued)

	Six Months Ended June 30, 2008				
	Airport Services	Gas Production and Distribution	District Energy	Airport Parking	Total
Revenue from Product Sales					
Product sales	$ 279,477	$ 46,682	$	$	$ 326,159
Product sales utility		61,257			61,257
	279,477	107,939			387,416
Service Revenue					
Other services	118,218		1,449		119,667
Cooling capacity revenue			9,634		9,634
Cooling consumption revenue			7,841		7,841
Parking services				38,315	38,315
	118,218		18,924	38,315	175,457
Financing and Lease Income					
Financing and equipment lease			2,373		2,373
			2,373		2,373
Total Revenue	$ 397,695	$ 107,939	$ 21,297	$ 38,315	$ 565,246

	Six Months Ended June 30, 2007				
	Airport Services	Gas Production and Distribution	District Energy	Airport Parking	Total
Revenue from Product Sales					
Product sales	$ 143,536	$ 36,810	$	$	$ 180,346

Product sales utility		45,111			45,111
	143,536	81,921			225,457
Service Revenue					
Other services	60,000		1,417		61,417
Cooling capacity revenue			9,289		9,289
Cooling consumption revenue			8,662		8,662
Parking services				38,879	38,879
	60,000		19,368	38,879	118,247
Financing and Lease Income					
Financing and equipment lease			2,483		2,483
			2,483		2,483
Total Revenue	$ 203,536	$ 81,921	$ 21,851	$ 38,879	$ 346,187

MACQUARIE INFRASTRUCTURE COMPANY LLC

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS (Unaudited)

12. Reportable Segments (continued)

EBITDA for the Company's reportable segments is shown in the below tables ($ in thousands). Allocation of corporate expenses, and the federal tax effect, have been excluded from the tables as they are eliminated on consolidation:

	Quarter Ended June 30, 2008				
	Airport Services	Gas Production and Distribution	District Energy	Airport Parking	Total Reportable Segments
Net income (loss)	$ 3,400	$ 1,728	$ 708	$ (1,699)	$ 4,137
Interest income	(154)	(8)	(5)	(27)	(194)
Interest expense	15,597	2,368	2,613	3,776	24,354
Provision (benefit) for income taxes	2,295	1,113	247	(1,270)	2,385
Depreciation	4,865	1,450	1,476	1,289	9,080
Amortization of intangibles	9,622	214	341	727	10,904
EBITDA	$ 35,625	$ 6,865	$ 5,380	$ 2,796	$ 50,666

	Quarter Ended June 30, 2007				
	Airport Services	Gas Production	District Energy	Airport Parking	Total Reportable

		and Distribution			Segments
Net income (loss)	$ 6,268	$ 1,485	$ 727	$ (867)	$ 7,613
Interest income	(324)	(38)	(80)	(68)	(510)
Interest expense	8,592	2,325	2,252	4,089	17,258
Provision (benefit) for income taxes	4,116	956	431	(689)	4,814
Depreciation	2,710	1,452	1,440	1,070	6,672
Amortization of intangibles	5,744	214	341	705	7,004
EBITDA	$ 27,106	$ 6,394	$ 5,111	$ 4,240	$ 42,851

	Six Months Ended June 30, 2008				
	Airport Services	Gas Production and Distribution	District Energy	Airport Parking	Total Reportable Segments
Net income (loss)	$ 9,342	$ 3,582	$ (305)	$ (3,704)	$ 8,915
Interest income	(332)	(24)	(25)		