

**News Release
For Immediate Release**

407 ETR Reaffirms Confidence in its Contractual Rights

TORONTO, January 9, 2004 — 407 ETR today announced that it strongly disagrees with the Government's continued suggestion that the company requires toll rates to be authorized or approved in advance by the Government of Ontario.

"We continue to completely reject the position set out in today's letter from the Government," said Enrique Diaz-Rato, President and Chief Executive Officer of 407 ETR. "We disagree with the Government's view that our right to increase toll rates is subject to a submission of a change request which must be approved or consented to by the Government or that 407 ETR requires any authorization, consent or approval of toll changes.

"Today's letter provides us with notice of the Government's desire for dispute resolution. We look forward to the opportunity to defend our contractual rights," said Diaz-Rato.

Today's letter from the Government also stated that if 407 ETR proceeds with the proposed toll increase without complying with the change request provisions of the CGLA, such action, in the opinion of the Province, would constitute a default.

"We completely reject the view that a change in toll rates would put the company in default. We are extremely disappointed that the Government has threatened 407 ETR in this manner. We note that the contract includes clear provisions to determine whether a default has taken place and, if so, ways to rectify such a finding."

Today's letter from the Government also indicated the government's intention later this year to exercise its rights under the Tolling, Congestion Relief and Expansion Agreement to request that amendments be made to this agreement to more fully achieve its purpose.

The section of the Tolling, Congestion and Relief Agreement cited by the Government states that either party can request an amendment to that agreement. However, Diaz-Rato notes that the section states that "unless both parties agree to the contrary", any such amendment "shall not result in a material increase or decrease in current and future earnings" of 407 ETR.

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407 International Inc. is the sole shareholder, operator and manager of 407 ETR, which extends 108 kilometres east-west, just north of Toronto. 407 International Inc. is owned by a consortium comprised of the Canadian subsidiary of Cintra Concesiones de Infraestructuras de Transporte (co-owned by Grupo Ferrovial and Australian-headquartered Macquarie Infrastructure Group) and Canadian-based SNC-Lavalin.

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