

## **407 International Reports \$22.8 Million in Loss for the Second Quarter of 2004**

**TORONTO, July 23, 2004** – 407 International Inc. announced today a loss of \$22.8 million for the second quarter of 2004 compared with \$19.8 million for the second quarter of 2003. The increase in net loss was primarily caused by higher non-cash interest expense on Real Return Bonds. Earnings before interest, taxes, depreciation and amortization (“EBITDA”) totalled \$71.6 million compared with \$57.8 million in the corresponding period of 2003, reflecting an 8 per cent increase in traffic and 12 per cent increase in operating efficiency. The highway set a one-day traffic record of 384,242 on June 30. The Board of Directors declared and paid a dividend of approximately \$0.024 per common share (calculated on a fully-diluted basis) on or about July 23, 2004, to equityholders of record on July 23, 2004.

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.

- 30 -

For more information, contact:

Investors:  
Kenneth A. Walker  
Chief Financial Officer  
Tel: 905-265-4070

Media:  
Dale A. Albers  
Manager, Public Relations  
Tel: 905-264-5221

*News releases are available at [www.407etr.com](http://www.407etr.com).*

*EBITDA is not a recognized measure under Canadian generally accepted accounting principles and investors are cautioned that EBITDA should not be construed as an alternative to net loss or cash from operating activities as an indicator of the Company's performance or cash flows. The Company's method of calculating EBITDA may differ from other companies' and may not be comparable to measures used by other companies. EBITDA less Depreciation and amortization, Interest and other expenses (net), and Income taxes – current, result in Net loss.*

## Highlights Unaudited

	Second Quarter		Six months ended June 30	
	2004	2003	2004	2003
<b>Selected Financial Information (in thousands)</b>				
Revenues	\$ 97,009	\$ 86,756	\$ 179,483	\$ 157,629
Operating expenses	25,377	28,930	54,717	55,031
Depreciation and amortization	13,372	12,252	25,577	25,071
	<u>38,749</u>	<u>41,182</u>	<u>80,294</u>	<u>80,102</u>
Income from operations	58,260	45,574	99,189	77,527
Interest and other expenses, net	80,069	64,268	150,296	116,637
Loss before income taxes	(21,809)	(18,694)	(51,107)	(39,110)
Income taxes - current	1,026	1,125	2,289	2,249
Net loss	<u>(22,835)</u>	<u>(19,819)</u>	<u>(53,396)</u>	<u>(41,359)</u>
<b>Traffic</b>				
Total trips (in thousands)	25,223	23,382	47,542	44,516
Average revenue per trip	\$3.85	\$3.74	\$3.76	\$3.59
Average workday number of trips	337,340	311,844	317,175	298,987
Total vehicle kilometres (in thousands)	492,108	450,327	910,402	837,109
Number of transponders in circulation at June 30	602,689	556,686	602,689	556,686