

Province Appeals Arbitration Decision on Base Year Dispute with 407 ETR

TORONTO, September 15, 2005 – 407 ETR announced today that the Province of Ontario had served 407 ETR with a notice to appeal the recent arbitration decision dated August 16, 2005, that 407 ETR achieved Base Year in 2002.

In the majority decision, James Redmond Q.C., a senior Alberta lawyer, and the Hon. George D. Finlayson Q.C., a retired Justice of the Ontario Court of Appeal, ruled that Base Year was achieved in 2002 based on a review of the contract and facts of the case. Furthermore, the arbitrators ruled that the Province, by its conduct, had accepted 2002 as Base Year.

Base Year is defined in the contract between the Province and 407 ETR. The achievement of Base Year permits 407 ETR to raise tolls above the toll threshold without making congestion payments to the Province, as long as traffic thresholds are met. 407 ETR designated Base Year in 2002 and has operated accordingly since that time. Two years later, on February 2, 2004, the Province alleged for the first time that 407 ETR had not achieved the conditions required to establish 2002 as the Base Year, leading to the arbitration.

“The arbitration panel’s majority decision was strongly in our favour,” said Enrique Díaz-Rato, President and Chief Executive Officer of 407 ETR. “Although we are disappointed that the Province has chosen to appeal, we are confident in the strength of our legal position.”

The appeal to the Ontario Superior Court is not expected to be heard for several months.

407 International Inc. is the sole shareholder of 407 ETR, the operator and manager of Highway 407, which extends 108 kilometres east-west, just north of Toronto. 407 International Inc. is owned by a consortium comprised of Cintra Concesiones de Infraestructuras de Transporte, Macquarie Infrastructure Group and SNC-Lavalin.

- 30 -

For more information, contact:

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

News releases are available at www.407etr.com.