

**News Release
For Immediate Release**

Court Finds That Default Process Does Not Begin Until Dispute Resolution Is Complete

TORONTO, February 9, 2004 – 407 ETR announced today that Mr. Justice Ian Nordheimer of the Ontario Superior Court of Justice has released a decision stating that the Government's default process does not begin until the dispute resolution process is complete.

"We think this is fair and we are happy," said Dale Albers, 407 ETR's Manager of Public Relations. "Today, we received exactly what we were looking for – a declaration that the government's default notice is not appropriate."

Last week, the Province served the company with a notice of default, alleging that the company does not have the right to increase tolls without the government's approval. The company does not agree with the government's assertion that 407 ETR should submit a change request which must be approved by the government before tolls can be increased.

In his decision, Mr. Justice Nordheimer stated that the default process "does not commence until the time when a default by [407 ETR] is determined to have occurred in accordance with the dispute resolution process" set out in the contract between the Province and 407 ETR.

"Now that the issue of default has been addressed, we will turn our attention to the dispute resolution process," Albers said, noting that the company is disappointed the issue has progressed this far. "We are confident in our contractual rights to raise tolls and we look forward to putting our case forward."

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 -

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

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