

**News Release
For Immediate Release**

Arbitrator Rules 407 ETR Toll Increase is in Compliance with Contract

TORONTO, July 10, 2004 – 407 ETR today announced that an independent arbitrator's decision has confirmed that the company is not required to submit a Change Request, nor obtain any other Government approval, in order to change tolls or fees.

The decision is the result of the agreement of both parties on an expedited arbitration by a retired Ontario judge. In his ruling, the arbitrator stated that the company's February 1 toll increase was in compliance with the contracts with the Province and he therefore ruled that the company was not in default of the contracts.

The Province had alleged that the company did not have the right to increase tolls without first obtaining the government's approval. Specifically, the Government suggested that the company had to file a Change Request in order to increase tolls and was in default for not doing so earlier this year.

407 ETR disagreed with the government's position, pointing out that the contract signed between the Company and the Government in 1999 did not contain such terms and conditions. The dispute went to arbitration in mid-June after amicable negotiation and mediation did not resolve the issue.

"We are pleased with the independent arbitrator's decision," said Enrique Díaz-Rato, President and Chief Executive Officer of 407 ETR. "All along, our position has been that we are acting in compliance with the contract."

In another matter, 407 ETR announced that it had recently filed a judicial application seeking to enforce a settlement agreement made with the Province to bring a resolution to disputes regarding annual audited traffic reports for 2001 and 2002.

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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For more information, contact:
Dale Albers
Manager, Public Relations
Tel: 905-264-5221

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

407 ETR Concession Company Limited

6300 Steeles Avenue West, Woodbridge, Ontario, Canada L4H 1J1
Tel: 905.265.4070 Fax: 905.265.4071 www.407etr.com