

407 International Reports Second Quarter Financial Results

TORONTO, July 21, 2005 – 407 International Inc. announced today revenues of \$109.2 million for the second quarter of 2005 compared with revenues of \$95.5 million for the same period of 2004. Traffic increased by 6.9% to 27 million trips during the quarter setting a one-day traffic record of 413,687 trips on June 30, 2005. Earnings before interest, taxes, depreciation and amortization (“EBITDA”¹) totalled \$84.1 million compared with \$71.6 million in the corresponding period of 2004. After giving effect to interest and taxes, the Company experienced a net profit of \$17.0 million during the second quarter of 2005, compared with a net loss of \$22.8 million in the second quarter of 2004. Non-cash interest expense relating to inflation-linked bonds in the second quarter of 2005 was lower than in the second quarter of 2004 by \$30.3 million. The Board of Directors declared and paid a dividend of approximately \$0.027 per common share payable on or about July 21, 2005, to shareholders of record on July 21, 2005.

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 Cintra Concesiones de Infraestructuras de Transporte, Macquarie Infrastructure Group and SNC-Lavalin.

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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.

¹ 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	
	2005	2004	2005	2004
Revenues	\$ 109,208	\$ 95,481	\$ 198,537	\$ 176,515
Operating expenses	25,141	23,849	52,712	51,749
Depreciation and amortization	13,927	13,372	26,645	25,577
	39,068	37,221	79,357	77,326
Income from operations	70,140	58,260	119,180	99,189
Interest and other expenses, net	52,033	80,069	113,127	150,296
Income (loss) before income taxes	18,107	(21,809)	6,053	(51,107)
Income taxes - current	1,076	1,026	2,151	2,289
Net income (loss)	\$ 17,031	\$ (22,835)	\$ 3,902	\$ (53,396)

Selected Financial Information (in thousands)

Traffic

Total trips (in thousands)	26,954	25,223	50,038	47,542
Average revenue per trip	\$4.05	\$3.79	\$3.97	\$3.71
Average workday number of trips	357,600	337,340	335,989	317,175
Total vehicle kilometres (in thousands)	533,540	492,108	975,365	910,402
Number of transponders in circulation at June 30	674,264	602,689	674,264	602,689