

**News Release
For Immediate Release**

**Court of Appeal Issues Decision Regarding
407 ETR Dispute Resolution Process**

TORONTO, June 20, 2005 – The Ontario Court of Appeal has issued a decision regarding a ruling by Ontario Superior Court Justice Ian Nordheimer regarding the contract between 407 ETR and the Government.

On February 9, 2004, Justice Nordheimer issued a “final and declaratory” ruling that the contract’s 60-day “cure period” could not begin until after an arbitrator ruled that a default had taken place.

Today, the Court of Appeal found that Justice Nordheimer was correct to prevent the cure period from beginning as soon as the default notice was served. However, the Court found that – rather than issuing a final and declaratory ruling, Justice Nordheimer should have provided a remedy that would have delayed the running of the cure period only until an arbitrator had determined the underlying dispute and the application of the cure period.

The issue of the cure period arose when the Government served the company with a default notice after the company raised tolls on February 1, 2004. Under the contract, the company has 60 days to “cure” a default. The Government argued that the cure period ran from the date that the default notice is served, while the company took the position that the cure period does not begin until after an arbitrator rules that a default has taken place.

“The Court has clarified an important provision of the contract regarding the cure period,” said Enrique Diaz-Rato, President and Chief Executive Officer of 407 ETR. “The Court agreed with our fundamental point which is that the cure period does not automatically begin when a notice is served by the Government, but only after the matter can be determined by an independent arbitrator.”

The dispute over the right to raise tolls is expected to be heard by the Court of Appeal later this year, following a decision by an arbitrator and the Superior Court in the Company’s favour. Today’s decision states that 407 ETR is not in default and its effect is that the running of the cure period has not commenced pending the upcoming Court of Appeal decision.

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

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