

Macquarie Infrastructure CO LLC  
Form 10-Q  
May 08, 2008

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 10-Q**

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR  
15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Quarterly Period Ended March 31, 2008**

**OR**

- TRANSITION REPORT PURSUANT TO SECTION 13 OR  
15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the Transition Period from to .**

**Commission File Number: 001-32384**

# MACQUARIE INFRASTRUCTURE COMPANY LLC

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

43-2052503  
(IRS Employer  
Identification No.)

**125 West 55th Street  
New York, New York 10019**

(Address of Principal Executive Offices) (Zip Code)

**(212) 231-1000**

(Registrant's Telephone Number, Including Area Code)

(Former Name, Former Address and Former Fiscal Year if Changed Since Last Report): N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

Indicate by check mark whether the registrants are collectively a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were 44,938,380 limited liability company interests without par value outstanding at May 7, 2008.

---

TABLE OF CONTENTS

# MACQUARIE INFRASTRUCTURE COMPANY LLC

# TABLE OF CONTENTS

	Page
PART I. FINANCIAL INFORMATION	
<u>Item 1.</u>	1
<u>Financial Statements</u>	
<u>Consolidated Condensed Balance Sheets as of March 31, 2008 (Unaudited) and December 31, 2007</u>	1
<u>Consolidated Condensed Statements of Operations for the Quarters Ended March 31, 2008 and 2007 (Unaudited)</u>	2
<u>Consolidated Condensed Statements of Cash Flows for the Quarters Ended March 31, 2008 and 2007 (Unaudited)</u>	4
<u>Notes to Consolidated Condensed Financial Statements (Unaudited)</u>	5
<u>Item 2.</u>	17
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	
<u>Item 3.</u>	41
<u>Quantitative and Qualitative Disclosure About Market Risk</u>	
<u>Item 4.</u>	41
<u>Controls and Procedures</u>	
PART II. OTHER INFORMATION	
<u>Item 1.</u>	42
<u>Legal Proceedings</u>	
<u>Item 1A.</u>	42
<u>Risk Factors</u>	
<u>Item 2.</u>	42
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	
<u>Item 3.</u>	42
<u>Defaults Upon Senior Securities</u>	
<u>Item 4.</u>	42
<u>Submission of Matters to a Vote of Security Holders</u>	
<u>Item 5.</u>	42
<u>Other Information</u>	
<u>Item 6.</u>	42
<u>Exhibits</u>	

**Macquarie Infrastructure Company LLC is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and its obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Macquarie Infrastructure Company LLC.**

TABLE OF CONTENTS**PART I.****FINANCIAL INFORMATION****Item 1. Financial Statements****MACQUARIE INFRASTRUCTURE COMPANY LLC**

**CONSOLIDATED CONDENSED BALANCE SHEETS**  
**As of March 31, 2008 and December 31, 2007**  
**(\$ In Thousands, Except Share Data)**

	March 31, 2008 (Unaudited)	December 31, 2007
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$61,304	\$57,473
Restricted cash	1,312	1,335
Accounts receivable, less allowance for doubtful accounts of \$2,103 and \$2,380, respectively	107,067	94,541
Dividends receivable	7,000	7,000
Other receivables	75	445
Inventories	19,470	18,219
Prepaid expenses	10,180	10,418
Deferred income taxes	9,330	9,330
Other	12,364	11,706
Total current assets	228,102	210,467
Property, equipment, land and leasehold improvements, net	690,221	674,952
Restricted cash	19,786	19,363
Equipment lease receivables	38,176	38,834
Investment in unconsolidated business	202,518	211,606
Goodwill	775,565	770,108
Intangible assets, net	873,716	857,345
Deferred costs on acquisitions		278
Deferred financing costs, net of accumulated amortization	28,067	28,040
Other	2,042	2,036
Total assets	\$2,858,193	\$2,813,029

## LIABILITIES AND MEMBERS' EQUITY

## Current liabilities:

Due to manager related party	\$4,704	\$5,737
Accounts payable	68,933	59,303
Accrued expenses	25,934	31,184
Current portion of notes payable and capital leases	6,461	5,094
Current portion of long-term debt	4,394	162
Fair value of derivative instruments	38,153	14,224
Customer deposits	8,983	9,481
Other	9,248	8,330
Total current liabilities	166,810	133,515
Notes payable and capital leases, net of current portion	3,013	2,964
Long-term debt, net of current portion	1,490,821	1,426,494
Deferred income taxes	182,476	202,683
Fair value of derivative instruments	71,121	42,832
Other	32,521	30,817
Total liabilities	1,946,762	1,839,305
Minority interests	6,726	7,172
Commitments and contingencies		
Members' equity:		
LLC interests, no par value; 500,000,000 authorized; 44,938,380 LLC interests issued and outstanding at March 31, 2008 and December 31, 2007	1,023,480	1,052,062
Accumulated other comprehensive loss	(64,330 )	(33,055 )
Accumulated deficit	(54,445 )	(52,455 )
Total members' equity	904,705	966,552
Total liabilities and members' equity	\$2,858,193	\$2,813,029

*See accompanying notes to the consolidated condensed financial statements.*

1

---

TABLE OF CONTENTS

**MACQUARIE INFRASTRUCTURE COMPANY LLC**

**CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS**

**For the Quarters Ended March 31, 2008 and 2007**

**(Unaudited)**

**(\$ In Thousands, Except Share and per Share Data)**

Quarter Ended    Quarter Ended  
March 31,        March 31, 2007

Edgar Filing: Macquarie Infrastructure CO LLC - Form 10-Q

	2008	
Revenue		
Revenue from product sales	\$ 159,325	\$ 88,357
Revenue from product sales utility	29,399	22,291
Service revenue	88,785	57,086
Financing and equipment lease income	1,194	1,248
Total revenue	278,703	168,982
Costs and expenses		
Cost of product sales	108,517	53,706
Cost of product sales utility	24,335	16,778
Cost of services	33,256	23,342
Selling, general and administrative	63,857	38,978
Fees to manager related party	4,626	5,561
Depreciation	6,723	3,891
Amortization of intangibles	10,739	6,928
Total operating expenses	252,053	149,184
Operating income	26,650	19,798
Other income (expense)		
Interest income	473	1,459
Interest expense	(25,826 )	(17,566 )
Equity in (losses) earnings and amortization charges of investees	(2,089 )	3,465
Loss on derivative instruments	(305 )	(477 )
Other income (expense), net	192	(916 )
Net (loss) income before income taxes and minority interests	(905 )	5,763
(Provision) benefit for income taxes	(1,364 )	2,045
Net (loss) income before minority interests	(2,269 )	7,808
Minority interests	(279 )	(69 )
Net (loss) income	\$ (1,990 )	\$ 7,877
Basic (loss) earnings per share:	\$ (0.04 )	\$ 0.21
Weighted average number of shares outstanding: basic	44,938,380	