



**FINANCING EUROPE'S INFRASTRUCTURE NEEDS**

JIRI ZRUST - MANAGING DIRECTOR  
MACQUARIE INFRASTRUCTURE AND REAL ASSETS  
MAY 2012



MACQUARIE



# MACQUARIE INFRASTRUCTURE AND REAL ASSETS

SERVING THE COMMUNITY EVERY DAY

Every day ~100 million people use essential services provided by MIRA managed businesses



## AIRPORTS

+45 million passengers per annum



## ROADS

+1.7 million vehicles per day



## RAIL

+64 million passengers per annum



## FERRIES

+6.6 million passengers per annum



## ELECTRICITY

+4.1 million households



## SEA PORTS

+2.4 million standard container units handled per annum



## COMMUNICATIONS

+120 million people through television, telephone and radio infrastructure & newspaper services



## GAS

+7.7 million households



## WATER

+8.0 million households



## CAR PARKS

+240,000 car spaces



## EMPLOYEES

+68,500 across the businesses

At 31 December 2011



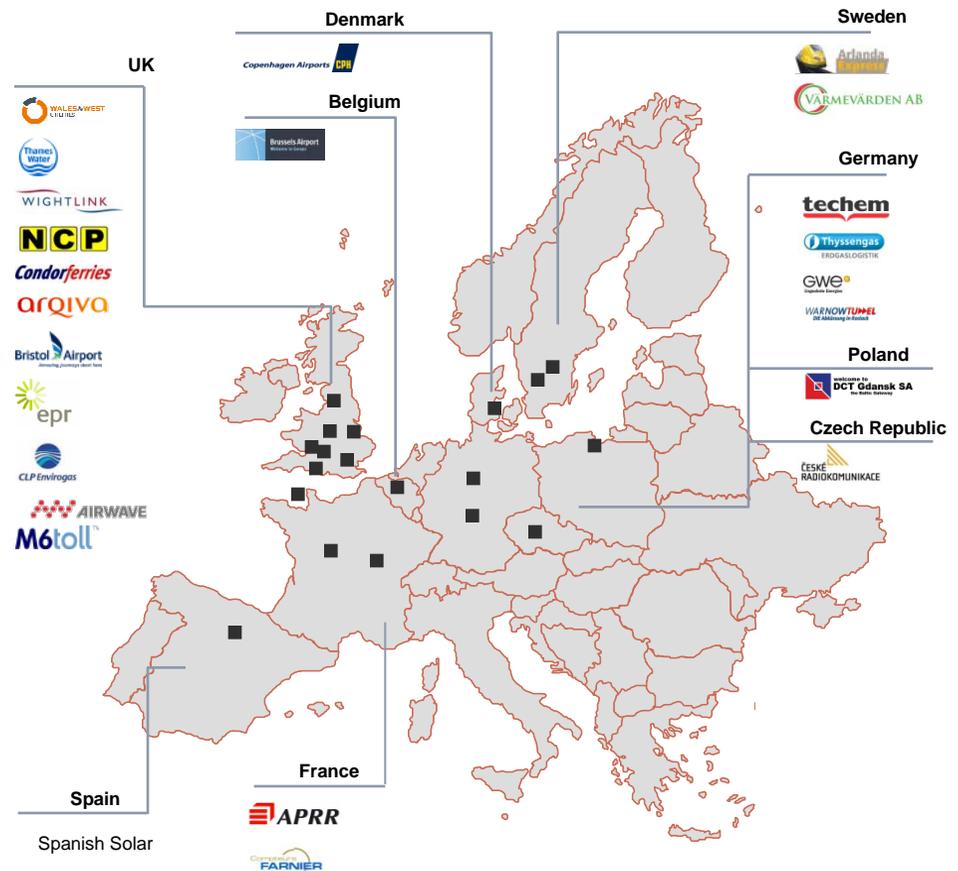
# MACQUARIE'S INFRASTRUCTURE CAPABILITIES

## Macquarie Infrastructure & Real Assets (MIRA) has a long track record in European infrastructure

### Macquarie Coverage Across Europe

- Founded in 1998, MIRA has made investments across Europe in 36 businesses in 12 countries a diverse range of sectors including:
  - Regulated Utilities
  - Airports
  - Toll Roads
  - Communications infrastructure
  - Renewables
- Globally, MIRA has around 100 businesses (worth around US\$95 billion) in 24 countries managed by c.400 professionals
- Macquarie has 12 offices across Europe, in London, Paris, Frankfurt, Madrid, Stockholm, Munich, Vienna, Zurich, Dublin, Amsterdam, Geneva and Luxembourg

### MIRA's European Portfolio





# ATTRACTING INVESTMENT INTO EUROPEAN INFRASTRUCTURE

## Significant private investment is needed in order to meet Europe's energy objectives

- **Around €1 trillion must be invested in Europe's energy system over next 8 years to meet policy objectives and environmental goals**
  - Similar size investments required for replacement of the existing infrastructure
- **Incumbent integrated utilities are deleveraging and refocusing on new energy sources**
- **Public sector facing challenges in sourcing capital for infrastructure**
  - It will be up to the private sector to deliver a lot of these investments
- **Does private sector ownership of infrastructure networks help?**
  - Institutional hands-on investors, typical of infrastructure funds, provide a long-term focus and help drive efficiencies
  - Though a regulatory framework that places right incentives on networks is critical
  - Private investors 'will make the case for European infrastructure', if returns are appropriate



# ATTRACTING INVESTMENT INTO EUROPEAN INFRASTRUCTURE

## However, clear rules and stable regulation is essential in attracting foreign capital to Europe

- **There is up to 65tn USD in pension and insurance funds available globally for potential infrastructure investments**
  
- **What will attract this private sector investment into European infrastructure?**
  - Political and regulatory stability (long term)
  - Appropriate returns for the risk of deploying capital, including relative to other opportunities
  - Clear and transparent rules in privatisation and sale processes
  
- **Recent moves to harmonise and improve regulatory framework (e.g. Third Package) should help promote greater investment**
  - Harmonisation of regulatory framework
  - Unbundling should provide greater transparency and allow a more targeted risk profile match for investors



# Important Notice

The name "Macquarie" in this document refers to the Macquarie Group which comprises Macquarie Group Limited ABN 94 122 169 279 and its worldwide affiliates. Macquarie Group comprises two separate sub groups, a banking group (including Macquarie Bank Limited ABN 46 008 583 542) and a non-banking group known as Macquarie Capital which undertakes principal investment activity and provides a full range of investment services including financial advisory and funds management. Macquarie Capital Funds (Europe) Limited, the issuer of this document, is a member of the Macquarie Group and is authorised and regulated by the UK Financial Services Authority.

This document does not constitute an offer to sell or a solicitation of an offer to subscribe or purchase or a recommendation of any securities and may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. The information contained in this document is subject to discussion, completion and amendment. This document does not contain all the information necessary to fully evaluate the potential of an investment in any fund and does not take into account the investment objectives or financial circumstances of the recipient and, as such, no reliance should be placed on its contents. No person is authorised to give any information or to make any representation not contained in this document in connection with the matters described in this document, and, if given or made, such information or representation may not be relied upon as having been authorised.

This document and its contents are confidential to the person to whom it is delivered and must not be reproduced or distributed, either in whole or in part, nor its contents be divulged by such persons to any other person without the prior written consent of Macquarie. Nothing in this document constitutes a commitment from Macquarie to provide or arrange any facility or is otherwise imposing any obligation on Macquarie. Past performance is not an indication of future performance and Macquarie does not guarantee the performance of or return of capital from any investment in any fund.

Other than Macquarie Bank Limited ABN 46 008 583 542 (MBL), none of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia). The obligations of these entities do not represent deposits or other liabilities of MBL. MBL does not guarantee or otherwise provide assurance in respect of the obligations of these entities.

This document is only being distributed to and is directed only at persons falling within the following exemptions from the financial promotion restriction in s 21 of the United Kingdom Financial Services and Markets Act 2000 ("FSMA"): (a) authorised firms under FSMA and certain other investment professionals falling within article 14 of the FSMA (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 Promotion) Order, (the "Order"); (b) high net worth entities (not individuals) falling within article 22 of the Order; and their directors, officers and employees acting for such entities in relation to investment; and (c) persons who receive this document outside the United Kingdom, in accordance with applicable local requirements. The distribution of this document in the United Kingdom to anyone not falling within the above categories is not permitted and may contravene FSMA.

No action has been or will be taken which would allow an offering of securities to the public. Accordingly, the securities referred to in this document may not be offered, sold or delivered, and neither this document nor any offering material may be distributed or made available to the public.

Macquarie has prepared this document on the basis of sources believed to be reliable. The accuracy of such information (including all assumptions) has been relied upon by Macquarie, and has not been independently verified by Macquarie. Nothing in this document constitutes accounting, legal, regulatory, tax or other advice. Prospective investors should conduct their own independent investigation and assessment and should seek independent advice as to the validity of the information contained in this document, and the economic, financial, regulatory, legal, taxation, stamp duty and accounting implications of that information, including the merits of and any risks relating to any investment. Except as required by law, Macquarie and its respective directors, officers, employees, agents and consultants make no representation or warranty as to the accuracy or completeness of the information contained in this document, and take no responsibility under any circumstances for any loss or damage suffered as a result of any omission, inadequacy, or inaccuracy in this document.

This document may contain certain forward looking statements, forecasts, estimates, projections and opinions ("Forward Statements"). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results and operations to vary materially from the Forward Statements. Similarly no representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund will be achieved or that investors will receive a return of the amount invested. Investment in any fund is subject to significant risks of loss of income and capital.