

Preqin Research Report

Infrastructure Deals to Date 2010

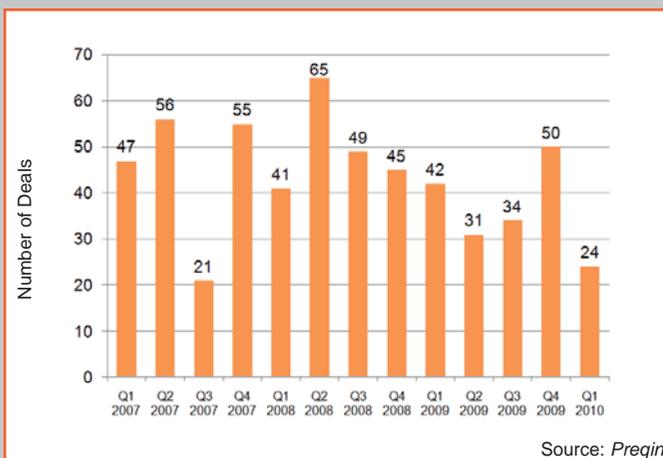
Despite the recent growth in the infrastructure fundraising market, infrastructure deal volume continues to be restricted by the effects of the financial crisis. The ongoing contraction of the credit markets and lack of available bank debt means that many deals are dependent on increased equity ratios and/or a reduction in asset valuations. As a result, a significant increase in the number of deals being made by fund managers in 2010 is unlikely.

As shown in Fig. 1, unlisted infrastructure fund managers reported 24 completed deals in Q1 2010, less than half of the number reported in Q4 2009 and less than the 42 reported at the same point last year. Q1 2010 yielded the lowest quarterly number of deals since Q3 2007.

Deal Activity by Region

Fig. 2 shows the geographic location of the infrastructure deals made in Q1 2010. Europe and North America were the most prominent regions, accounting for 18 of the 24 deals made during the quarter. Four deals were made in assets located in Asia, while a single deal was made in both Australasia and Africa.

Fig. 1: Quarterly Number of Deals Made by Unlisted Infrastructure Fund Managers Q1 2007 - Q1 2010



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Deal Activity by Industry

Core infrastructure sectors such as energy, utilities, transportation and telecommunications dominated Q1 2010 deal activity. As shown in Fig. 3, 13 deals were completed in the energy sector, five in utilities, three in transportation and one in the telecoms industry. Two deals were also completed in the healthcare sector.

Significant Deals Made in Q1 2010

A number of significant deals were completed in Q1 2010 including the purchase of a 100% stake in Swedegas, the owner and operator of a large portion of Sweden's natural gas transmission network, by EQT Infrastructure in February. EQT purchased the stake from Swedegas's four shareholders with the assistance of a debt package provided by Nordea Bank and SEB Skandinaviska Enskilda Banken AB.

In the US, Energy Capital Partners II acquired the MASSPOWER, Lake Road and Dighton power facilities from BG Group for a total purchase price of \$450mn. MASSPOWER is located in Massachusetts, and the Lake Road and Dighton facilities in Connecticut.

A significant deal made in Asia was the \$425mn investment in Asian Genco by a consortium of investors led by Morgan Stanley Infrastructure Partners. Asian Genco is an infrastructure company that owns a portfolio of hydro, thermal and non-conventional generation assets in India totalling 4000MW in aggregate capacity.

Fig. 2: Number of Infrastructure Deals By Region Q1 2010

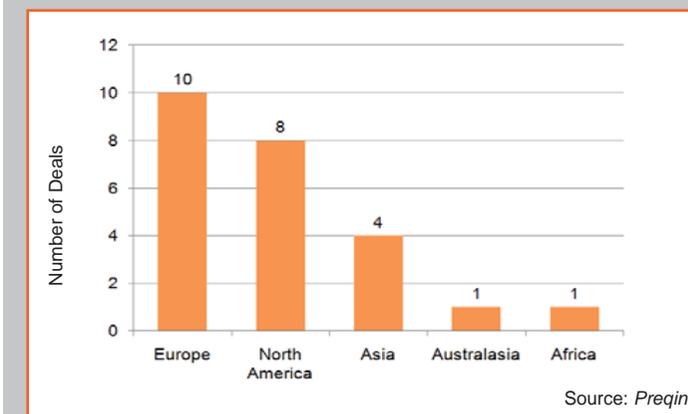
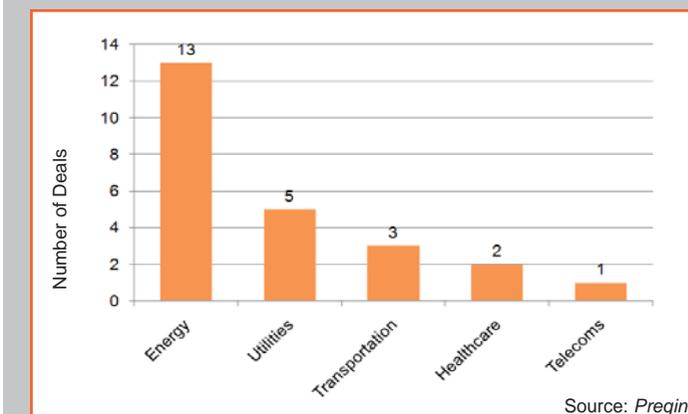


Fig. 3: Number of Infrastructure Deals By Industry Q1 2010



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