



MACQUARIE

Macquarie Power & Infrastructure Income Fund

Investor eNewsletter

May 2010

Macquarie Power & Infrastructure Income Fund's bi-monthly investor newsletter brings you updates about MPT's assets and activities as well as our views on news and market developments. To subscribe, email us at mpt@macquarie.com.

Quick Facts

Ticker Symbols

MPT.UN; MPT.DB.A

Trust Units Outstanding

49,914,369*

Recent Trading Price

\$7.11 (as at April 30, 2010)

52-week High/Low

\$7.34 - \$5.37

Average Monthly Volume

~2 million units

Number of Unitholders

~19,500

* As at March 31, 2009, including 3,249,390 Class B Exchangeable Units

Feedback

We encourage readers to share their feedback and ideas for future eNewsletters or our investor relations website. Let us know what you think by emailing us at mpt@macquarie.com.

Website

Visit MPT's website at <http://www.macquarie.com/mpt> to read more about our portfolio of assets and to access investor relations information.

Disclaimer

Certain of the statements contained in this Investor eNewsletter are forward-looking and reflect management's expectations regarding the Fund's future growth, results of operations, performance and business based on information currently available to the Fund. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "estimate", "believe" or other similar words.

These statements are subject to significant known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results. The forward-looking statements in this Investor eNewsletter are based on information currently available and what the Fund currently believes are reasonable assumptions, including the material assumptions for each of the Fund's assets set out in the Fund's 2009 Annual Report under the heading "Outlook" on page 42, as updated in subsequently filed Quarterly Financial Reports of the Fund (such documents are available on the Canadian Securities Administrators' System for Electronic Document Analysis and Review ("SEDAR") at www.sedar.com). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include the assumption that the business and economic conditions affecting the Fund's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity, regulations, weather, taxes and interest rates and that there will be no unplanned material changes to the Fund's facilities, equipment and contractual arrangements. Although the Fund believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons, including risks related to: power infrastructure (operational performance; power purchase agreements; fuel; contract performance; default under credit agreements; land tenure and related rights; regulatory regime and permits and force majeure) and the Fund (changes in federal tax rules for flow through entities; other tax related risks; variability of distributions; geographic concentration and non-diversification; dependence on the Manager and potential conflicts of interest; insurance; environmental, health and safety regime; availability of financing; unitholder dilution; volatile market price for units; international financial reporting standards; nature of units; unitholder liability). For a more comprehensive description of these and other possible risks, please see the Fund's Annual Information Form dated March 25, 2010 for the year ended December 31, 2009 as updated in subsequently filed Quarterly Financial Reports and other filings of the Fund with the Canadian securities regulators. These filings are available on SEDAR at www.sedar.com. The assumptions, risks and uncertainties described above are not exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. These forward-looking statements reflect current expectations of the Fund as at the date of this Investor eNewsletter and speak only as at the date of this Investor eNewsletter. The Fund does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.

This Investor eNewsletter is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in the Fund, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult our investment adviser if necessary.

The Fund is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Units are not "deposits" within the meaning of the Canada Deposit Insurance Corporation Act and are not insured under the provisions of that act or any other legislation.

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Leisureworld IPO successfully completed

MPT has significantly increased its financial flexibility for growth in core infrastructure categories such as power generation, transportation and utilities.

On March 23, 2010, MPT completed the divestment of its 45% interest in Leisureworld through an initial public offering (IPO), thereby strengthening the Fund's flexibility for growth.

MPT received total net proceeds of approximately \$50 million. As the over-allotment option granted to the IPO underwriters was not exercised, the Fund retains a 45% interest in Macquarie Long Term Care LP (MLTCLP). MLTCLP indirectly beneficially owns 958,624 common shares of Leisureworld Senior Care Corporation, the new public entity. A copy of the news release announcing the closing of the IPO is available on the [Fund's website](#).

"Our decision to divest of our interest in Leisureworld reflected favourable market conditions for senior care due to positive demographics, as well as investor appetite for yielding investments, which together created an excellent opportunity for MPT to maximize the value of Leisureworld for our unitholders," said Michael Bernstein, President and Chief Executive Officer of MPT.

Mr. Bernstein added, "This initiative also aligned with our increased focus on core infrastructure categories, such as power generation, electricity transmission or distribution, and utilities and transportation, which are the areas where we are currently seeing the highest potential growth opportunities for MPT."

The Fund is now strongly positioned to pursue growth with access to approximately \$150 million in capital, including about \$85 million available under its credit facility, net proceeds from the divestment of Leisureworld and the balance of proceeds from the Fund's convertible debenture issue earlier this year. Additionally, the Fund expects to accumulate cash annually due to its lower distribution level.

"Given our current size, we are generally looking at deals where the equity investment is in the range of \$30 million to \$50 million," said Mr. Bernstein. "This means that smaller or mid-sized deals are the most realistic for us right now ---- but we're continuing to look for that transformational deal, too."

Did you know?

MPT's growth strategy encompasses both operating infrastructure businesses as well as selective development projects, including public-private-partnerships, across a range of infrastructure categories in Canada and internationally.



Promoting workplace safety

Cardinal Power general manager Dennis Dmytrow receives a safety award from MPT CEO Michael Bernstein to recognize the facility's outstanding safety record in 2009.

Across MPT's businesses, workplace safety is a priority for all employees and contractors. Each of the power facilities has a safety committee that meets regularly to identify issues and recommend and initiate safety improvements.

In 2009, Cardinal's 18 employees received a total of 1,403 hours of safety and technical training, an average of 78 hours per employee. Whitecourt's 33 employees received a total of 903 hours of training, an average of 27 hours per employee. Erie Shores' three employees received a total of 68 hours of technical and safety training, an average of 23 hours per employee. Operators at the hydro power facilities received a total of 250 hours of training, an average of 23 hours per operator.

The topics covered in training range from working in confined spaces, first aid, fall prevention and high voltage operations.

"We put a lot of time and effort at Cardinal Power into training and finding ways to do our jobs even better," said Dennis Dmytrow, general manager at Cardinal Power. "All of our employees participate in cross-training courses so that they better understand the safety and technical requirements of fellow employees as well as total plant systems. This kind of teamwork has resulted in an excellent health and safety record, with no lost-time accidents in 13 years."

Did you know?

New fact sheets are now available online for our [Cardinal](#), [Erie Shores](#), [Whitecourt](#) and [hydro power](#) facilities.



Harvesting the benefits of ash

Biomass combustion creates a waste product called fly ash that can be used to improve crop production.

As a wood-waste fired biomass power facility, Whitecourt Power generates an environmentally-friendly form of electricity.

It is also delivering significant agricultural benefits to Alberta farmers with the waste, or fly ash, that biomass combustion produces.

Fly ash raises the alkalinity, or pH, of soil, which helps to create a more favourable environment for soil microbiological activity and to alter the soil's chemistry, thereby improving the availability of several nutrients that plants need. According to the Alberta Ministry of Agriculture and Rural Development, wood ash originating from highly controlled burner systems consists of very small particle sizes. As a result, it is very reactive when incorporated into soil. Fly ash also contains several highly water soluble nutrients such as calcium, which means that it can quickly change the pH of soil.

Whitecourt Power produces about 8,000 tonnes of fly ash every year, which is used by local farmers in their operations. These farmers include Jody Klassen, who has been using Whitecourt's fly ash since 2006. Mr. Klassen, a lifelong farmer, grows mostly canola, wheat and peas over 5,000 acres in the Mayerthorpe area, producing about 8,000 tonnes of crops each year.

For Mr. Klassen, Whitecourt Power's ash represents good value. "There are many benefits to using ash on our crops, the greatest of which is the increase in soil pH," he said. "Our soils are on the acidic side, so the liming effect of ash is a big positive. The ash contains a significant amount of other nutrients as well, especially potassium and sulphur, which can reduce our need for commercial fertilizers. Some of the micronutrients the ash provides may even reduce disease and insect pressures, although that effect is hard to quantify."

Mr. Klassen believes the ash has had a positive effect on his crop yields while reducing the amount and cost of the fertilizer that is required.

There are few alternatives that pack the same cost-benefit punch as fly ash. While calcium carbonate (CaCO_3) and gypsum, for example, have a greater impact on soil pH, they lack the other crop nutrients that fly ash provides. Using CaCO_3 or gypsum as a liming agent instead of fly ash would require a greater amount of expensive fertilizer to achieve the same results.

For Whitecourt Power, supporting the agricultural sector is a good fit with the facility's longstanding commitment to environmental responsibility, for which it earned the Canadian federal government's EcoLogo™ designation in 1997.

"When used properly, fly ash can really help farmers to get more out of the crops they plant. But too much fly ash, or fly ash on the wrong kind of soil, can actually do damage," said Erwin Karst, manager of Whitecourt Power. "We retain a professional agronomist to test local soils and advise farmers on what quantity of ash they should be using and when it should be spread, so that we can achieve a win-win outcome."

Geoff Doell of GROWTH Agri-Coaching has been working with Whitecourt Power and area farmers since 2005.

"I work closely with Erwin and his team to manage the use of wood ash only on lands that will see all physical and chemical conditions met for a positive benefit for growers," said Mr. Doell. "For example, soil that is low in magnesium needs to be avoided or otherwise subsidized in a fertilizer program. I watch several criteria when making recommendations so that this wonderful resource can be managed to maximum benefit for all parties."

Mr. Klassen, who uses two to six tonnes of ash per acre depending on the soil pH, is pleased with the results.

"Overall, the use of fly ash on our farm has been very positive," said Mr. Klassen. "It helps us improve our soil's health and therefore productive ability. It also helps us to control costs, reduce our carbon footprint and indirectly participate in producing green power."

Did you know?

According to the Canadian Bioenergy Association, biomass is an important part of Canada's energy mix, supplying about 6% of the country's energy supply, which makes it the second largest source of green energy after hydroelectricity.





Mark your calendars for upcoming MPT investor events

MPT will release its financial results for the first quarter of fiscal 2010 on May 11, 2010 after market close, to be followed by an investment community conference call on May 12, 2010 at 8:30 a.m. ET.

To listen in to the call, dial 416-340-2216 in Canada or 1-866-226-1792 in North America. A recording of the call will be available until May 26, 2010 by dialling 416-695-5800 or 1-800-408-3053 and entering the passcode 4680588. The event will also be available via live webcast on the [Fund's website](#).

On June 29, 2010, MPT will hold its annual general meeting of unitholders at [One King West Hotel](#) in Toronto, in the Chairman's Boardroom, starting at 11 a.m. The Fund's information circular and voting information will be available in late May. The meeting will be broadcast live on the [Fund's website](#).

Did you know?

MPT's fiscal 2009 annual report was released on March 30, 2010 and is available on the [Fund's website](#). To request a printed copy, email us at mpt@macquarie.com.