



MACQUARIE KOREA INFRASTRUCTURE FUND (MKIF)

KRX - 088980 KS | LSE - MKIF LI

MKIF Fact sheet

February 2009

- Largest listed portfolio of infrastructure assets in Asia**
 Over KRW2.1 trillion (USD1.7 billion) of investment commitments to 15 infrastructure assets
- Underpinned by government revenue support**
 14 out of 15 assets supported by minimum revenue guarantee
- Attractive yield**
 2008 distribution totalled KRW 582, representing a trading yield of 9.1¹ per annum (on cash basis)
- Supported by Macquarie's global resources and expertise**
 Macquarie is a recognised leader in the ownership and management of infrastructure businesses and has 118 of assets under management via 35 listed and unlisted investment vehicles globally

MKIF SNAPSHOT

(As of 31 January 2009)

Establishment	December 2002
Date listed	March 2006
Investment Mandate	Infrastructure assets in Korean as defined under PPI Act ²
Manager	Macquarie Shinhan Infrastructure Asset Management Co., Ltd. ³
Market capitalisation	KRW 1.7trillion (USD1.2 billion)
Outstanding shares	323,490,204 shares
Freefloat	85%
International Shareholding	Around 31.6%
	Military Mutual Aid Association 11.8%
	Shinhan Financial Group 11.2%
	Kumho Life 7.5%
Top shareholders*	Capital Research & Mgt. Co. 6.0%
	Korea Life 5.9%
	Macquarie Group 4.4%
Financial year end	31 December

* source: Financial Supervisory Service

INVESTMENT HIGHLIGHTS

Government support underpinning investment

- Minimum Revenue Guarantee(MRG) support for 14 assets
- Real and inflation-linked revenue growth
- Termination payment arrangement for all 15 assets

Attractive distribution profile

- Long-term predictable cash flow
- Stable and relatively low operating costs
- Korean retail residents benefit from a lower distribution withholding tax⁴

Strong upside potential

- Reduction of risk premium of portfolio and individual assets
- Value creation from capital management
- Operational efficiency through active asset management
- Growth through acquisition

KEY FINANCIALS

	2005	2006	2007	2008
Revenue (W billion)	115.2	141.2	150.5	235.1
EBITDA (W billion)	95.0	5.6	83.7	200.0
Distribution per share (W)	495	420	440	582**

Source: non-consolidated financial reports

* Post performance is not a reliable indication of performance

** Including KRW 122 stock distribution

1. Based on the closing share price of KRW 5,070 as at 31 January 2009.

2. Private Participation in Infrastructure Act (PPI Act) defines infrastructure sector including roads, railways, port, energy, airport, communication, water resources etc.

3. A joint venture company between Macquarie Group and Shinhan Financial Group

4. Investments having a total par value of KRW 100million or less are subject to withholding tax of 5.5% (6.6% in 2010). Investments having a total value over KRW100 million are subject to 15.4% for distribution referable to the proportion of par value exceeding KRW 100million (applicable until December 2010)

ASSET SNAPSHOT

Class	Infrastructure assets
Operating assets	9 assets
Asset under construction	6 assets
Total investment commitment	KRW 2.13 trillion

✓ Balanced mix of investment commitments providing a stable return profile Young assets with dynamic growth potential

✓ Weighted average concession term:

26 YEARS

✓ Weighted average government revenue support:

14 YEARS*

✓ Termination payment coverage:

ALL 15 ASSETS

* Excluding Busan New Port Phase 2-3

CONSTRUCTION PROGRESS

97%¹ Construction progressing mostly on time and on budget
Actual vs Scheduled progress

First opening as early as June 2009 (Yongin-Seoul Expressway)

A Majority of the contractors are blue chip companies
Credit ratings² above

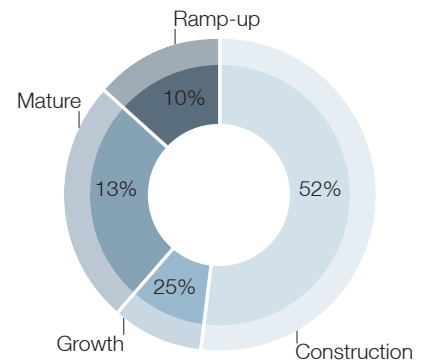
5/6 % of Greenfield assets in MKIF portfolio reduces from 52% to 12%³
Assets to be operational in 2009 Circa KRW 410billion of investment commitment remaining over next 3 years

1. As at 31 December 2008. Average construction progress of 6 greenfield assets. Construction progress is measured in terms of actual progress against scheduled progress to date

2. Based on domestic credit rating

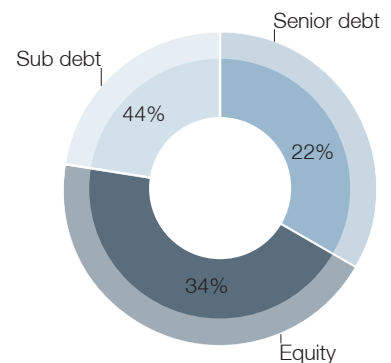
3. On a commitment basis

STAGE OF OPERATION



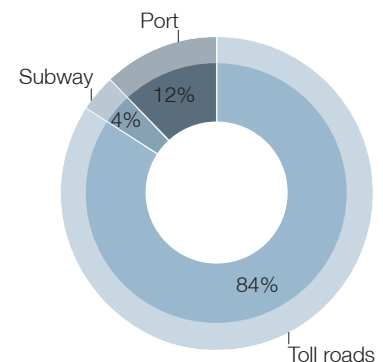
- Balanced mix of greenfield and brownfield assets
- Relatively young asset portfolio to support long-term growth
- Refinancing opportunities arising as assets mature

INVESTMENT TYPE



- Sub debt: Generates cash yields
- Equity: Active asset management
- Senior debt: Stable cash flow

INFRASTRUCTURE SECTOR



- Predominantly toll roads
- Diversification into essential infrastructure assets

[Seoul-Chuncheon Expressway](#)

Seoul Chuncheon Expressway Co., Ltd.

[Seoul Subway Line 9, Section 1](#)

Seoul Metro Line 9 Co., Ltd.

[Incheon International Airport Expressway](#)

New Airport Hiway Co., Ltd.

[Incheon Grand Bridge](#)

Incheon Bridge Co., Ltd.

[Woomyunsan Tunnel](#)

Woomyunsan Infracore Co., Ltd.

[Yongin-Seoul Expressway](#)

Gyeonggi Highway Co., Ltd.

[Seosuwon-Osan-Pyungtaek Expressway](#)

Kyunggi Highway Co., Ltd.

[Cheonan-Nonsan Expressway](#)

Cheonan Nonsan Expressway Co., Ltd.

[Daegu 4th Beltway, East](#)

Daegu East Circulation Road Co., Ltd.

[Gwangju 2nd Beltway, Section 1](#)

Kwangju Beltway Investment Co., Ltd.

[Gwangju 2nd Beltway, Section 3-1](#)

Kwangju Ring Road Co., Ltd.

[Baekyang Tunnel](#)

Baekyang Tunnel Ltd.

[Machang Bridge](#)

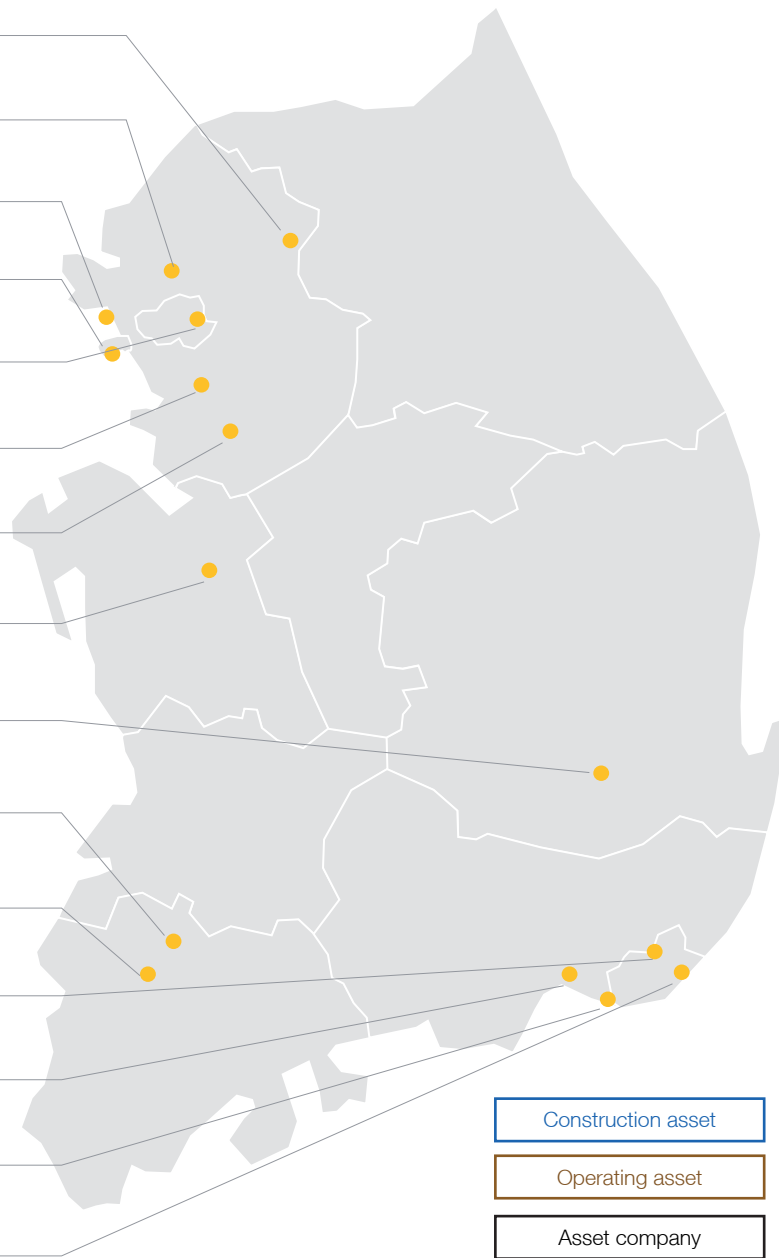
MCB Co., Ltd.

[Busan New Port Phase 2-3](#)

Busan New Container Terminal Co., Ltd.

[Soojungsan Tunnel](#)

Soojungsan Investment Co., Ltd.



MACQUARIE CAPITAL FUNDS TRACK RECORDS

	Unit	1996		December 2008
Funds/Vehicles	No.	2	▶	35
Assets	No.	4	▶	118
Asset Under Management	\$bn	1.6	▶	151 ¹
Equity Under Management	\$bn	0.6	▶	52 ²
Offices	No.	1	▶	20 ³
Mac Cap Funds Staff	No.	5	▶	780+ ³
Return to Investor	%	n/a	▶	9%pa ^{4,5}
- Listed fund return	%	n/a	▶	4%pa ⁵
- Unlisted fund return	%	n/a	▶	16%pa ^{4,5}

1. As at 31 December 2008 exchange rates. Based on proportionate enterprise value, calculated as proportionate net debt and equity value as at the most recent valuation date. For the majority of the businesses this will be at 30 September 2008, but no earlier than 30 June 2008. Businesses acquired subsequent to 30 September have been included at cost. Includes \$A2.6b held directly by Macquarie and managed by Macquarie Capital Funds

2. As at 31 December 2008. Listed funds – market capitalisation plus fully underwritten or committed future capital raisings. Unlisted funds – committed capital less any called capital which has subsequently been returned to investors. Invested capital for other Macquarie-managed businesses. For jointly managed funds the amount is representative of Macquarie's economic ownership of the JV manager. Adjustments have been made where Macquarie-managed funds have invested in other Macquarie-managed funds

3. As at 30 September 2008

4. Annualised internal rate of return for Macquarie Capital Funds since inception based on all capital raised, distributions and valuations (market capitalisation for listed funds as at 31 December and the net asset value for the most recent valuation date. For the majority of unlisted funds and managed businesses this will be at 30 September 2008, but no earlier than 30 June 2008). Calculated on an AUD basis, with cash flows converted at fixed exchange rates (based on the date of listing for listed funds, first close date for unlisted funds, and financial close date for managed businesses). Past performance is not indicative of future results

5. Should the unrealised performance fees/carried interest payable by unlisted funds/vehicles as at the applicable calculation date be taken into account, the unlisted annualised return would have been 15% and the total Macquarie Capital Funds annualised return would have been 8%. Past performance is not indicative of future results

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