



Martin Liddell

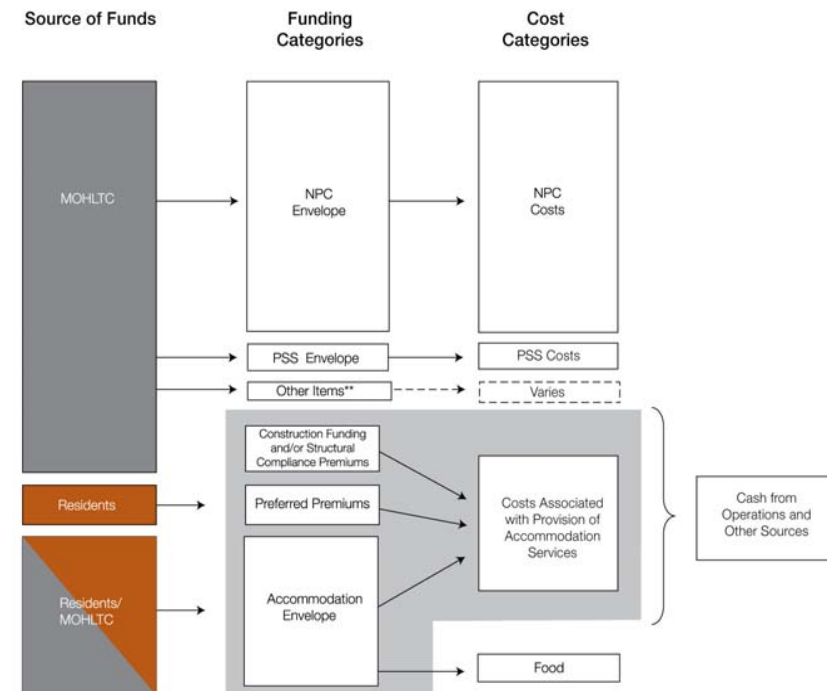


Macquarie Power & Infrastructure Income Fund
Analyst Day 2006



Leisureworld Overview of Funding Framework

- **Revenue significantly funded by Ontario government**
 - Min. 60% of revenue directly funded by government
 - Subsidy available to residents that cannot afford unfunded portion of tariff
- **Funding increases historically track increases in CPI**
- **Limited exposure to operating costs**



** Other Items includes items such as accreditation funding & pay equity funding



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Overview of Funding Framework

Typical New Class A Bed, Per Diem Funding

Category of Funding	Revenue per resident per day (\$)	Revenue Type	Source
Nursing & Personal Care	70.52	Flow-through	MOH
Programs & Support Services	6.82	Flow-through	MOH
Accommodation:			
Raw Food	5.46	Flow-through	MOH/Resident
Other Accommodation	45.20		MOH/Resident
Equalization Funding	3.25	Partly Flow-through	MOH
Private Room Premium ¹	10.80		Resident
Capital Cost Funding ²	10.35		MOH
Accreditation Funding ³	0.33		MOH
Total	152.73		

¹ Average Private Room Premium = 60% of beds x \$18 per resident per day

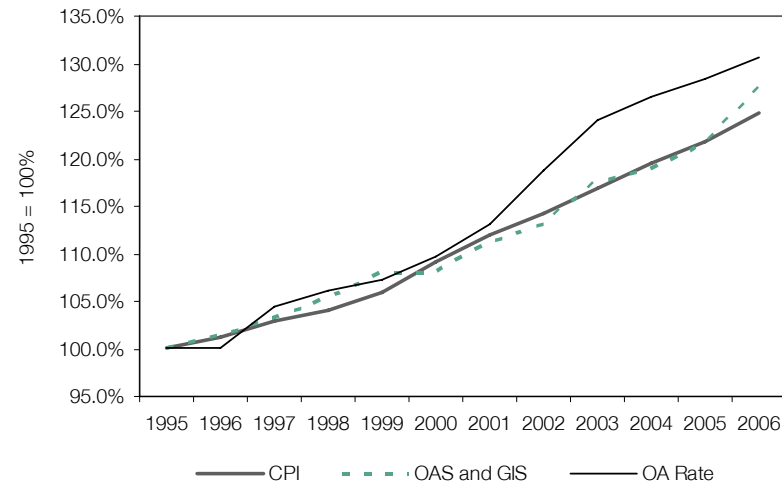
² Capital Cost Funding is not considered revenue under GAAP

³ For qualifying homes accredited by CCHSA



Leisureworld Overview of Funding Framework

Funding Envelope	1996 (\$ per resident per day)	2006 (\$ per resident per day)	Compound Annual Growth Rate
Nursing & Personal Care	42.27	70.52	5.25%
Programs & Support Services	3.24	6.82	7.73%
Accommodation:			
Food	4.26	5.46	2.51%
Other Accommodation	34.61	45.20	2.71%
CPI			2.12%





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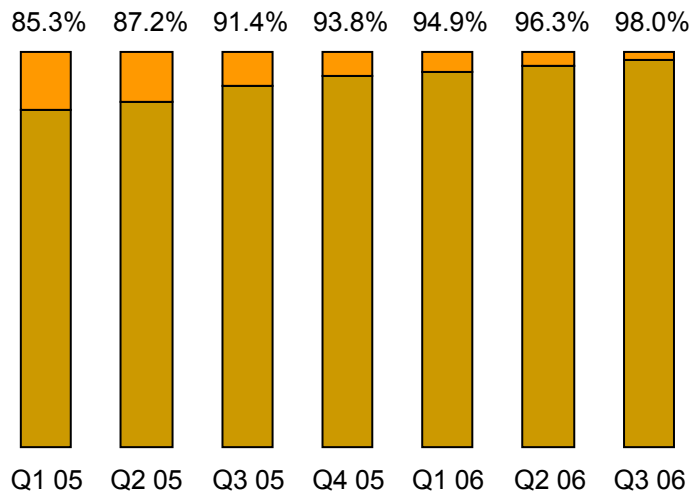
Overview of Funding Framework

Funding Envelope	At July 1, 2005 (\$)	At April 1, 2006 (\$)	At July 1, 2006 (\$)	% Increase
Nursing & Personal Care	68.19	70.52	70.52	3.42%
Programs & Support Services	6.60	6.82	6.82	3.33%
Accommodation:				
Food	5.34	5.34	5.46	2.25%
Other Accommodation	44.42	44.42	45.20	1.76%
Total	124.55	127.10	128.00	2.77%

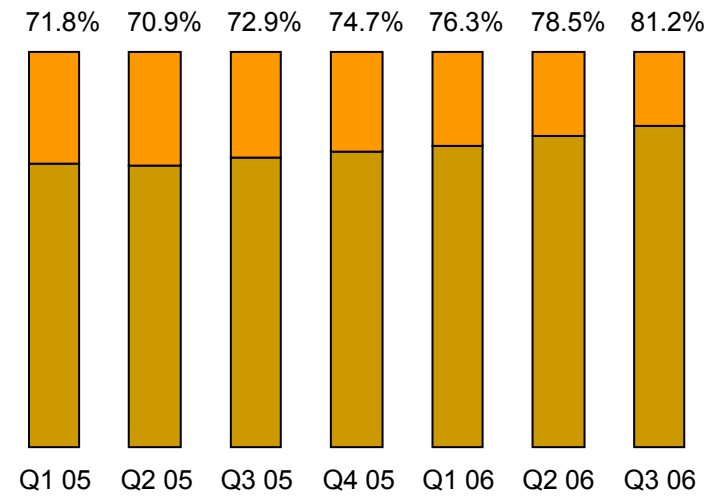


Leisureworld Occupancy

Total Occupancy



Preferred Occupancy





Leisureworld Year-to-Date Performance

	Nine months ended September 30, 2006 (\$000s)	Nine months ended September 30, 2005 (\$000s)	% Change
Revenue	125,067	114,086	9.6%
EBITDA	18,187	15,479	17.5%
<u>Distributable Cash</u>			
Net loss	(4,614)		
Amortization	15,776		
Amortization of deferred gain	(339)		
Accretion of annuity	(130)		
Cash flow from operating activities excluding changes in working capital	10,693		
Construction funding ¹	2,858		
Annuity payments ²	756		
Maintenance capital expenditures	(203)		
Distributable cash	14,104		
Distributions	17,250		

¹ Only principal portion of construction funding, interest portion is included in net loss

² Calculated on accrual basis: 75% of annual payments of \$1,006



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Year-to-Date Performance

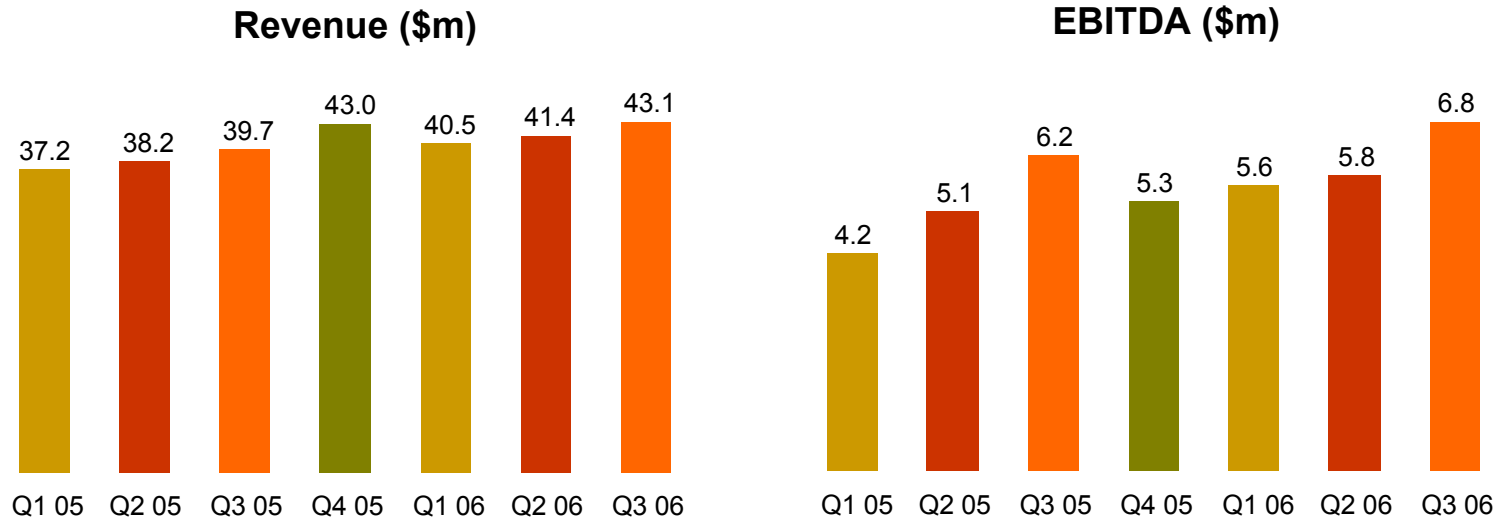
	Quarter ended March 31, 2006 (\$000s)	Quarter ended June 30, 2006 (\$000s)	Quarter ended September 30, 2006 (\$000s)
Revenue	40,487	41,437	43,143
EBITDA	5,571	5,789	6,826
<u>Distributable Cash</u>			
Net loss	(2,059)	(1,768)	(787)
Amortization	5,254	5,262	5,260
Amortization of deferred gain	(113)	(113)	(113)
Accretion of annuity	(44)	(45)	(41)
Cash flow from operating activities excluding changes in working capital	3,038	3,336	4,319
Construction funding ¹	952	954	952
Annuity payments ²	252	252	252
Maintenance capital expenditures	(32)	(77)	(94)
Distributable cash	4,210	4,465	5,429
Distributions	5,750	5,750	5,750

¹ Only principal portion of construction funding, interest portion is included in net loss

² Calculated on accrual basis, annual payments are \$1,006



Leisureworld Year-to-Date Performance





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Debt Service Coverage Ratio

October 18, 2005
- September 30, 2006
(\$000s)

EBITDA	22,313
Construction Funding (Principal)	3,973
Construction Funding (Interest)	3,954
Adjusted EBITDA	30,240
Pro Forma Debt Service	14,234
Less: Pro-rated annuity payments	(960)
Adjusted Debt Service	13,274
Debt Service Coverage Ratio	2.28x



Summary

Improving Profitability & Cash Flow

- **Mature homes have reached 97% occupancy**
 - Orillia to open in November
- **Continuing to increase preferred accommodation mix**
- **Disciplined approach to cost management**
- **Continue to benefit from increases in government funding**

