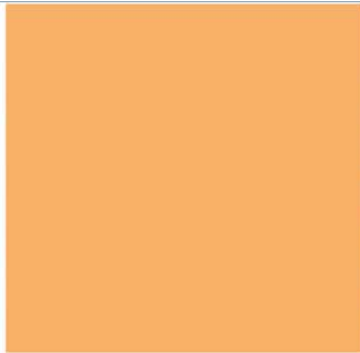




# Macquarie Power & Infrastructure Income Fund



**Harry Atterton**  
Analyst Day 2007





# Structure



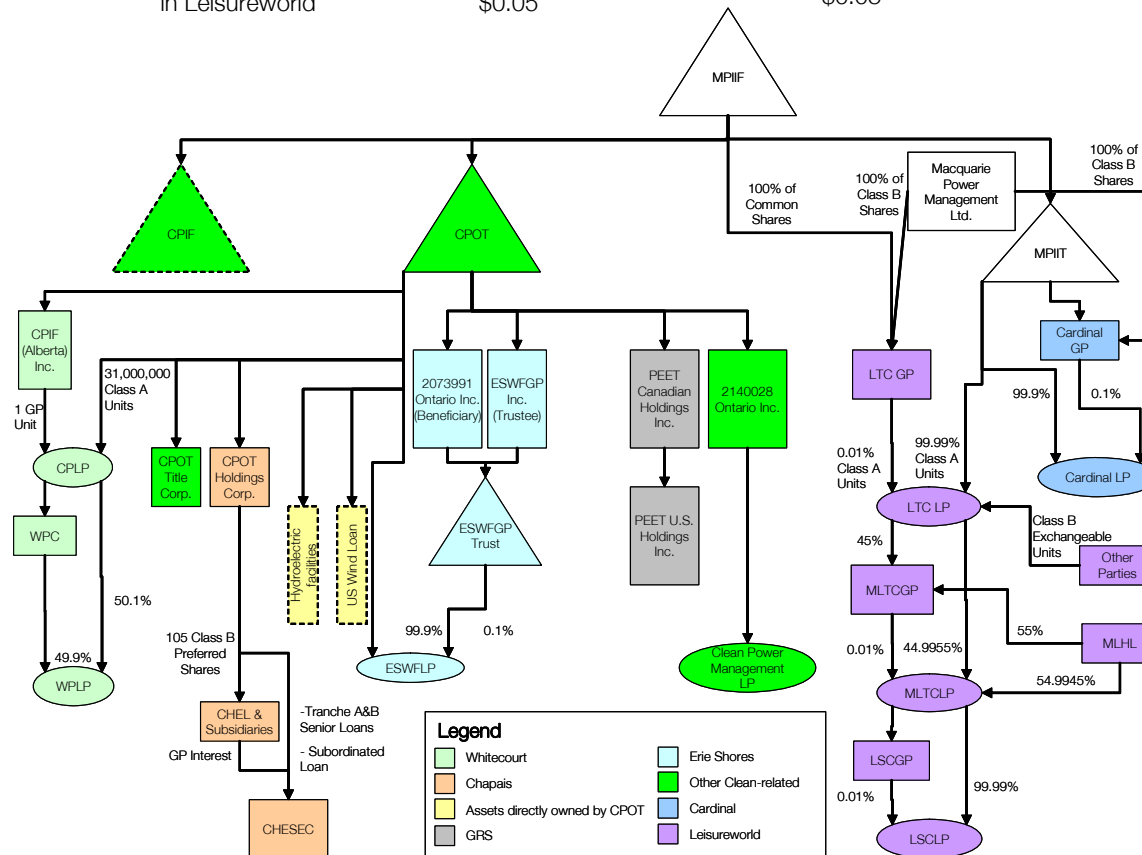
**April 30, 2004**  
IPO and acquisition  
of Cardinal

**October 18, 2005**  
Acquisition of 45%  
in Leisureworld

**January 2006**  
Distribution increase  
\$0.05

**August 2006**  
Distribution increase  
\$0.03

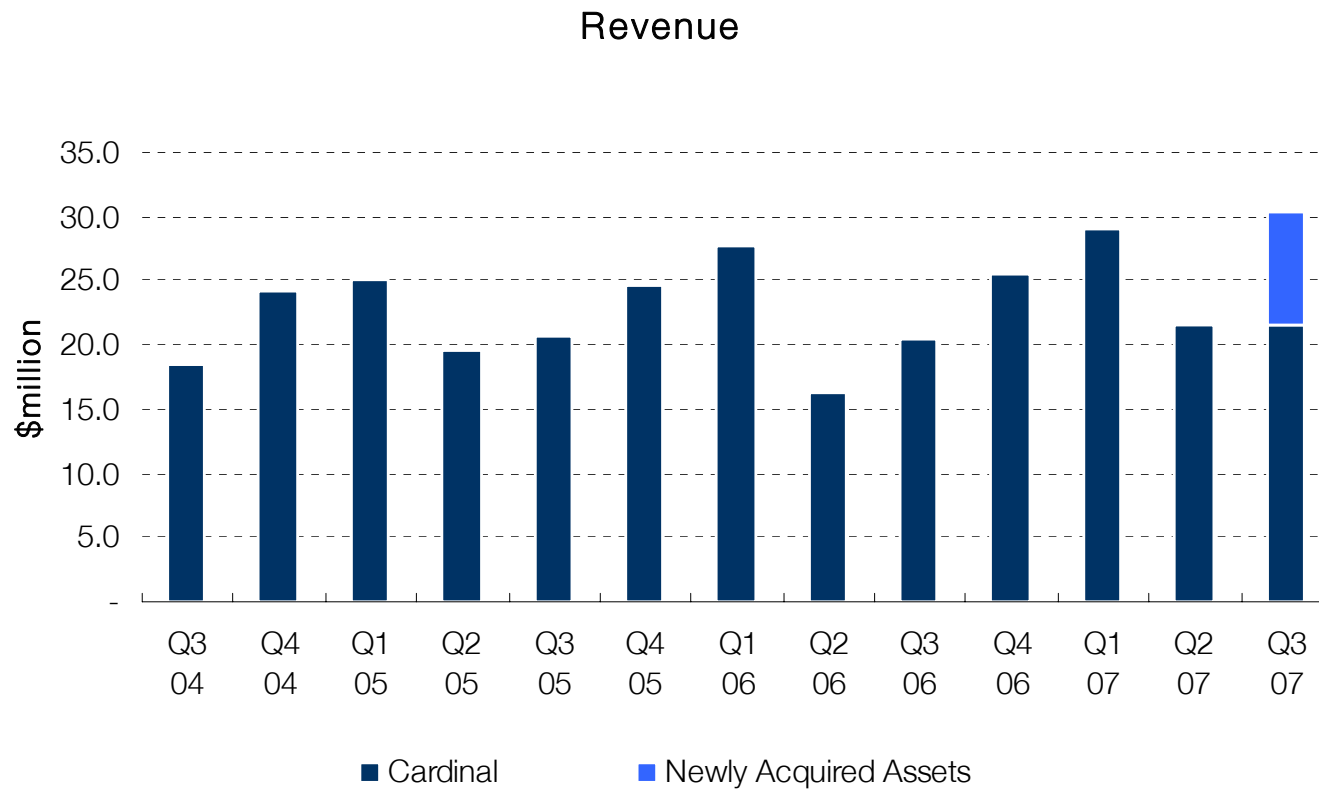
**June 2007**  
Unit exchange take-  
over of Clean Power  
Income Fund





# MPT Financial Overview

## Revenue



Stability

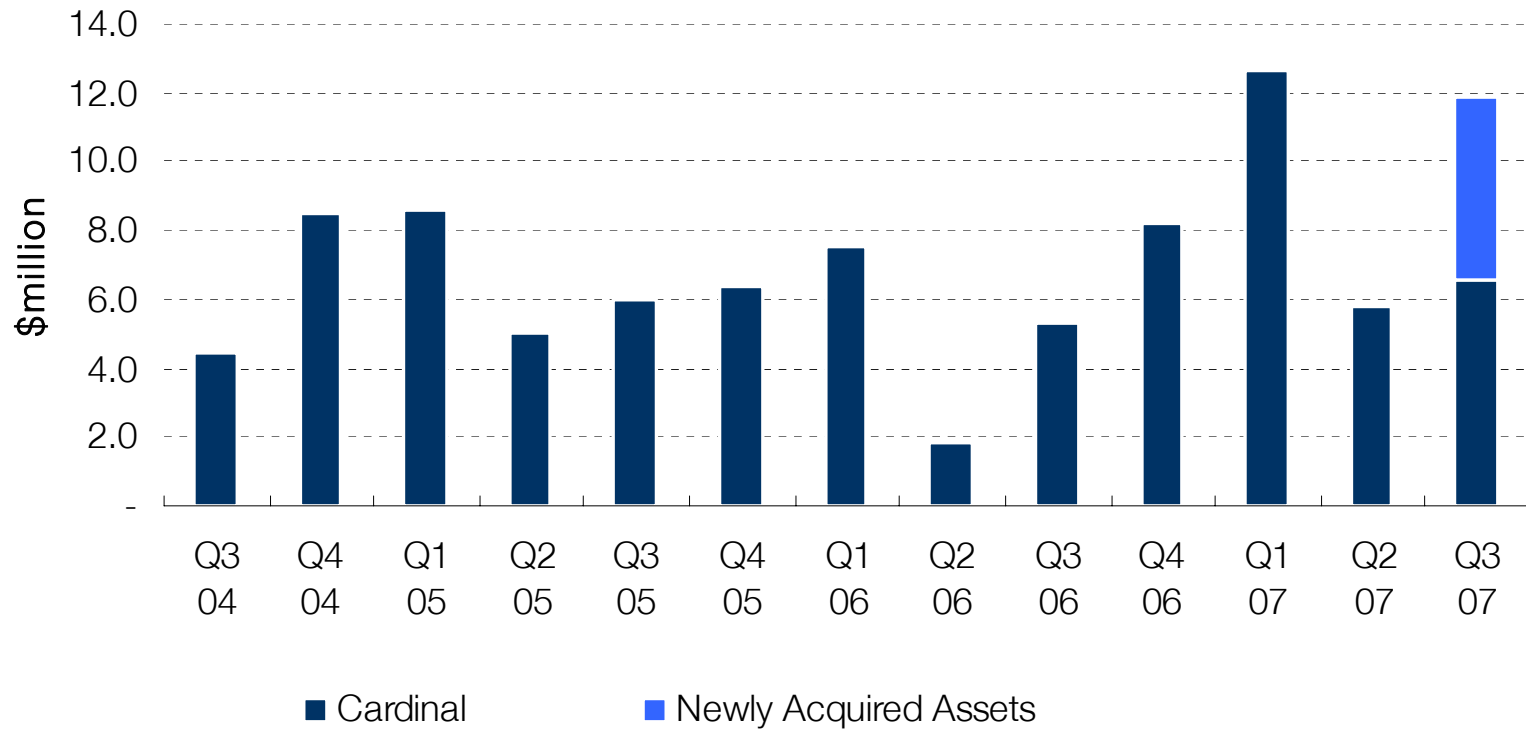


# MPT Financial Overview

## EBITDA



### EBITDA



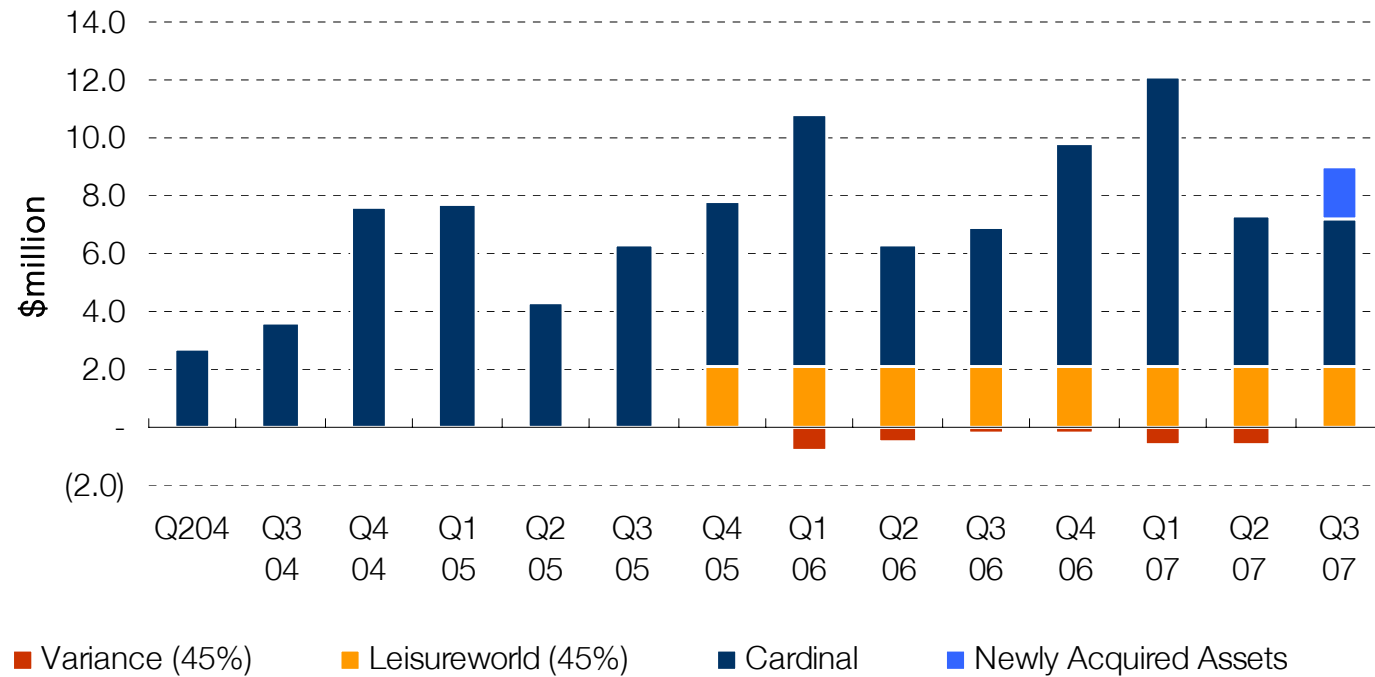


# MPT Financial Overview

## Distributable Cash



Distributable Cash



**Diversification & Growth**

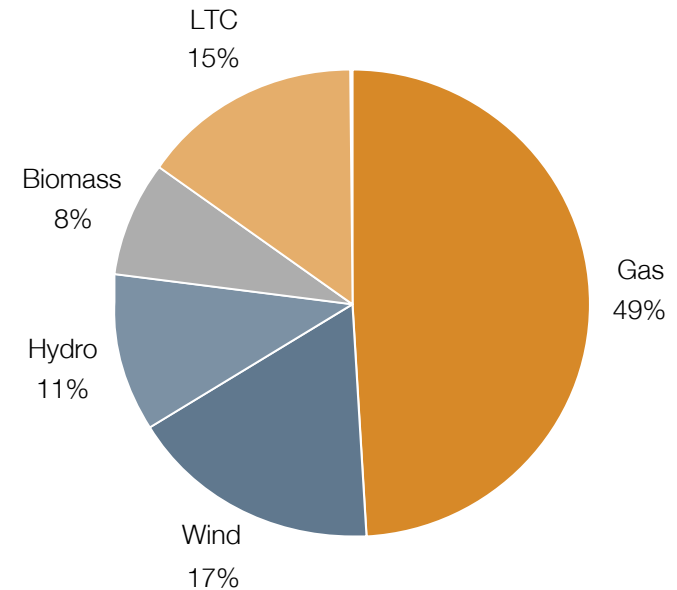


# Distributable Cash



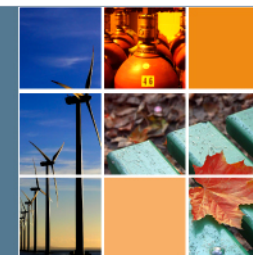
- ▶ Newly acquired assets have provided diversity
- ▶ Year-to-date payout ratio is 106%
- ▶ Target is to achieve approximately 95% payout ratio
- ▶ Leisureworld payout ratio will be approximately 100% for 2007

Estimated Distributable Cash Contribution





# Income Statement



(Unaudited, in thousands of dollars)

	Nine months Ended September 30, 2007	Nine months Ended September 30, 2006	Year Ended December 31, 2006
<b>Revenue</b>	80,988	64,318	89,940
<b>Costs and expenses</b>			
Operating costs	49,216	44,674	59,670
Administrative expenses	5,185	4,889	7,163
Depreciation and amortization	12,179	9,395	12,541
	66,580	58,958	79,374
	14,408	5,360	10,566
Unrealized gain on swap contracts and embedded derivative instruments	7,073	1,811	1,520
Foreign exchange loss	(1,311)	-	-
Net interest expense	(3,851)	(710)	(974)
Equity accounted loss from long-term investments	(2,134)	(2,076)	(2,701)
Income tax expense	(43,437)	-	-
<b>Net income (loss)</b>	<b>(29,252)</b>	<b>4,385</b>	<b>8,411</b>
Basic and diluted weighted average number of trust units and Class B exchangeable units outstanding ("Unit")	37,156,092	30,048,387	30,048,386
Basic income (loss) per Unit	(0.787)	0.146	0.280



# Income Statement Plant Performance



- ▶ Cardinal & Whitecourt are top-of-class plants
  - High availability & capacity
  - Long-term power & fuel agreements
- ▶ Erie Shores is achieving availability targets
  - Availability guarantee until 2010
- ▶ Hydro plants have long history of high availability
- ▶ Strong maintenance program across the portfolio
- ▶ Leisureworld positioned for continuing strong performance

**Strong Results**



# Income Expenses Maintenance Schedule



Year	Sechelt	Wawatay	Dryden	Hluey Lakes	Cardinal	Erie Shores	Whitecourt
2008	E, M	E		E	CI	A	MM, SA
2009		M	E & M		HGPI	A	SA
2010	E	E		E & M	CI	A	SA
2011	M		E		CI	A	SA
2012	E	E & M	M	E	MM	A	SA
2013			E	M	CI	A	SA

## Legend

**A** = Annual maintenance

**CI** = Combustion inspection

**E** = Electrical inspection

**HGPI** = Hot gas path inspection

**M** = Mechanical inspection

**MM** = Major maintenance

**SA** = Semi-annual maintenance



# Income Expenses

## Operating Expenses



- ▶ Nature of plants means differing cost structures
- ▶ Newly acquired assets have changed overall composition of operating costs
- ▶ In Q3 2007, operating costs were \$18.3 million of which:
  - 72.8% fuel & transportation
  - 8.2% labour
  - 8.1% general maintenance
  - 2.3% insurance



# Income Statement Administration Expenses

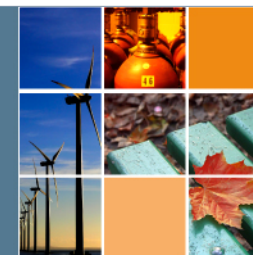


- ▶ Major components of administrative fees for the nine months ended September 30 are as follows:

	2007	2006
Management and Admin Fees	1,056	868
Cost recovery	1,863	1,049
Accounting and legal	677	887
Incentive fee	962	787
Other	627	1,298
	<u>\$5,185</u>	<u>\$4,889</u>



# Statements of Financial Position



(Unaudited, in thousands of dollars)

	September 30, 2007	December 31, 2006
<b>Current Assets</b>		
Cash and cash equivalents	21,489	12,142
Accounts receivable	17,803	18,021
Other assets	10,001	1,825
Current portion of loans receivable	624	-
	<u>49,917</u>	<u>31,988</u>
Loans receivable	24,342	-
Long-term investments	71,745	77,592
Capital assets and contracts	508,397	169,789
Other assets	23,719	-
Goodwill	101,646	18,023
<b>Total Assets</b>	<u><u>779,766</u></u>	<u><u>297,392</u></u>
<b>Current Liabilities</b>		
Accounts payables and accrued liabilities	16,243	12,837
Current portion of long-term debt	2,738	-
Current portion of capital lease obligations	195	-
Other liabilities	6,214	-
	<u>25,390</u>	<u>12,837</u>
Long-term debt	216,069	35,000
Convertible debentures	38,918	-
Levelization and capital lease	19,185	-
Other long-term liabilities	94,970	2,668
<b>Total Liabilities</b>	<u>394,532</u>	<u>50,505</u>
<b>Unitholders' Equity</b>	<u>385,234</u>	<u>246,887</u>
<b>Total Liabilities and Unitholders' Equity</b>	<u><u>779,766</u></u>	<u><u>297,392</u></u>
Commitments and contingencies		

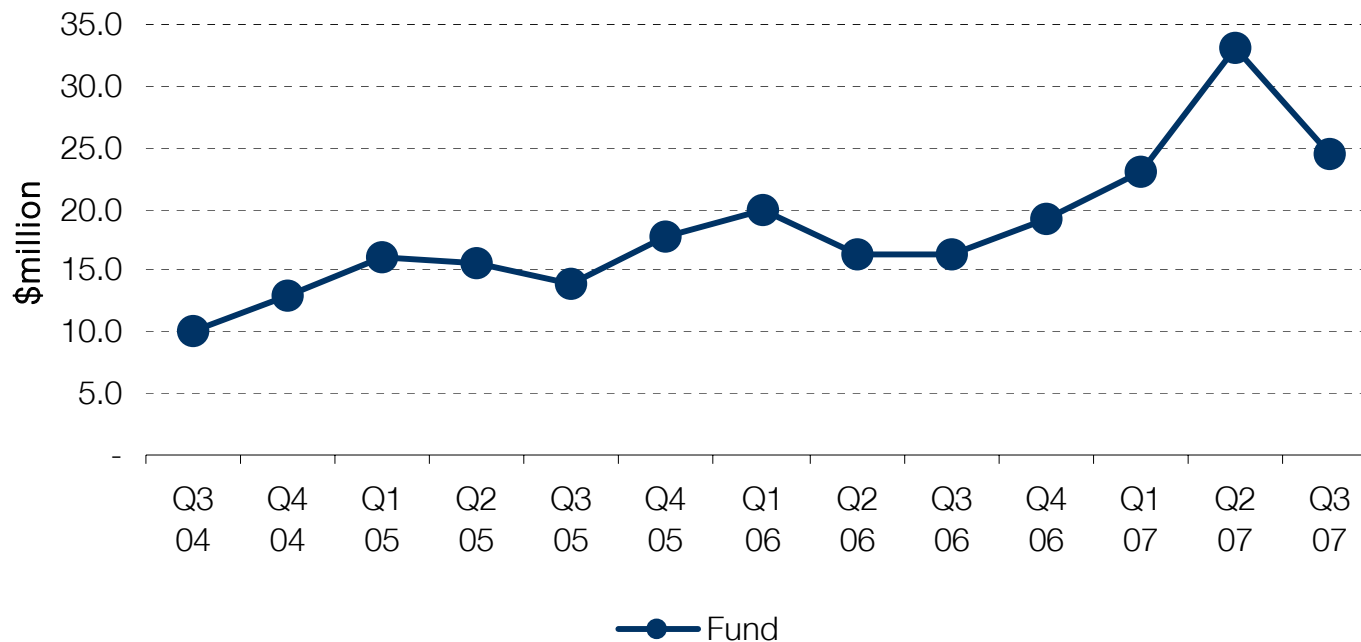


# Statements of Financial Position

## Working Capital & Debt



### Working Capital



- ▶ Operating line of \$15 million
- ▶ Acquisition facility of \$75 million



# Statement of Financial Position



## ▶ Long-term debt *(in thousands of dollars)*

Asset	Maturity	Instruments	Amount
Cardinal	May 2011	Annual BA's	35,000
CPOT	June 2010	Monthly BA's	68,000
Erie Shores*	April 2011	Fixed (5.05%)	40,000
	April 2016	Fixed (5.28%)	7,072
	April 2026	Fixed (5.96%)	69,498
			<hr/> 219,570
		Less current and deferred portion financing fees	3,501
			<hr/> <hr/> \$216,069

\* Interest rate swap on \$20,000 of \$40,000 Erie Shores debt due in 2011

## ▶ Convertible debentures at 6.75% due in December 2010

— Conversion price is \$18.28 per trust unit

## ▶ Levelization mechanism applies to Wawatay & Dryden and is in place until July 2012

— Interest is accrued at a variable rate currently approximately 7.52%



# Challenges & Outlook



- ▶ **Seasonality**
  - May be more pronounced
- ▶ **Taxing flow-through entities**
  - Legislation impacts the Fund in 2011
  - Non-discretionary & discretionary CCA available
- ▶ **Accounting**
  - Bill 198
- ▶ **Determination of distributable cash**
  - Guidance has been provided
- ▶ **Maintenance/reserves**
  - Allocations set to maintain requirements
- ▶ **Gas mitigation**
  - Gas swaps end in 2008; currently considering need
- ▶ **Debt/interest rate**
  - All facilities are well within required covenants