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QIC INFRASTRUCTURE ACQUIRES 58% INTEREST IN POWERCO NEW ZEALAND

QIC Infrastructure on behalf of funds it manages advises that the acquisition of 58% of Powerco Limited (Powerco) has reached completion. A conditional agreement was entered into on 4 November 2008 for QIC funds to acquire 50% of Powerco from Babcock & Brown Infrastructure (BBI).

“It is pleasing to note that all consents including regulatory and lender consents have been received and the acquisition of an interest in Powerco is now complete.” QIC Head of Global Infrastructure, Ross Israel said.

“Since we announced our intention to acquire an interest in Powerco, QIC on behalf of its funds has been working with BBI in a challenging environment to obtain the necessary consents to the transaction proceeding.

“The result of this process has seen the acquisition proceed on revised terms which now see QIC funds acquiring 58% of Powerco.

“As a core regulated utility the investment will provide both geographic and sector diversification to our clients’ portfolios.

We now look forward to working with Powerco management and BBI to continue to provide strong service levels for Powerco customers and to further grow the Powerco business.”

The purchase price for the 58 percent equity interest in Powerco is approximately NZ\$423 million, paid in cash; it is subject to certain post-completion adjustments. The sale price implies an FY08 EV/EBITDA of 8.8x¹ for Powerco’s New Zealand business.

Powerco is New Zealand’s second largest electricity and gas distribution business and provides essential electricity and gas supplies to more than 400,000 network customers in the North Island of New Zealand. The acquisition excludes Powerco’s gas business in Tasmania, which has been transferred out of Powerco.

QIC Infrastructure is part of QIC Private Capital. Its investment objective is to achieve a diversified global portfolio of infrastructure investments across lifecycle, sector and geography which provide long-term stable returns.

Established in January 2006, QIC Infrastructure manages a global portfolio in excess of \$2 billion in unlisted infrastructure investments.

QIC is one of Australia’s largest institutional fund managers with more than \$70 billion currently under management for its clients.

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¹ Based on an Enterprise Value of NZ\$1.95 Billion for the Powerco New Zealand business only and is subject to adjustments under the sale agreement.