

This report is an excerpt from: **Preqin Quarterly: Infrastructure, Q3 2012**. To download the full report please visit: https://www.preqin.com/docs/quarterly/INF/Infrastructure_Quarterly_Q3_2012.pdf

Deals Overview

A total of 47 deals were completed by unlisted infrastructure fund managers in Q3 2012. As shown in Fig. 21, this represents a 12% increase on the 42 deals finalized by unlisted infrastructure fund managers in Q2 2012, but a slight drop from the 48 deals reported in Q1 2012.

Despite this small quarter-on-quarter increase, the general plateau in infrastructure deal flow since the global financial crisis illustrates the tough conditions faced by fund managers in the current environment. Although the number of deals completed in Q3 2012 is expected to rise as more information becomes available, fund managers continue to suffer from a lack of cost-effective long-term debt financing available from traditional sources and unrealistically high asset valuations. Banks are also further pressurized by impending liquidity regulations.

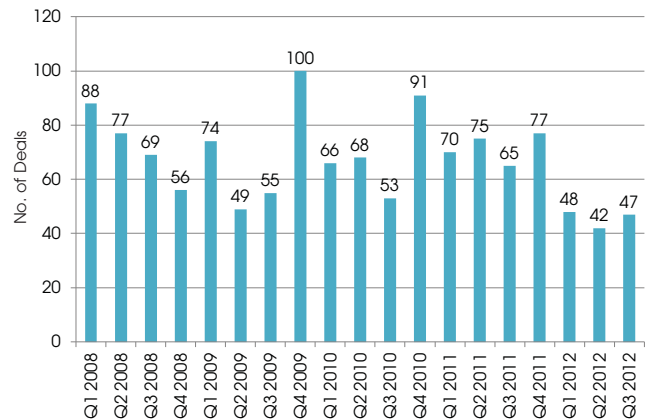
Although deal flow remains constricted, the average infrastructure deal value between January and September 2012 was above that of recent years. As shown in Fig. 22, the average infrastructure deal size in Q1 to Q3 2012 was \$552mn, a 34% increase on the \$411mn average for 2011. This indicates that despite ongoing market difficulties, infrastructure fund managers are still able to close sizeable transactions.

Fig. 23 provides a regional breakdown of deals completed by infrastructure fund managers since 2011. Europe remained the most prominent region, accounting for 46% of total transactions finalized during the period, while North American assets represented 25% of deals completed since Q1 2011. In Q3 2012, 18 deals were completed in Europe, 14 in North America and six in Asia, with a further nine deals made by infrastructure fund managers in assets located outside these three regions. Core infrastructure industries continued to dominate in Q3 2012, with 73% of total deals made in the energy, transportation, utilities and telecoms sectors.

Preqin's Infrastructure Online product has details of over 2,700 infrastructure deals and allows users to fully analyze current and historic deal-making conditions by a variety of criteria, including geography, industry, size, service providers and more. For more information, or to register for an online demonstration, please visit:

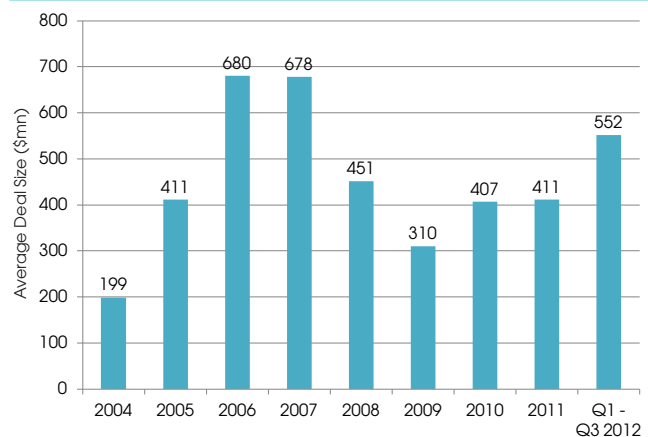
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Fig. 21: Quarterly Number of Deals Made by Unlisted Infrastructure Fund Managers, Q1 2008 - Q3 2012



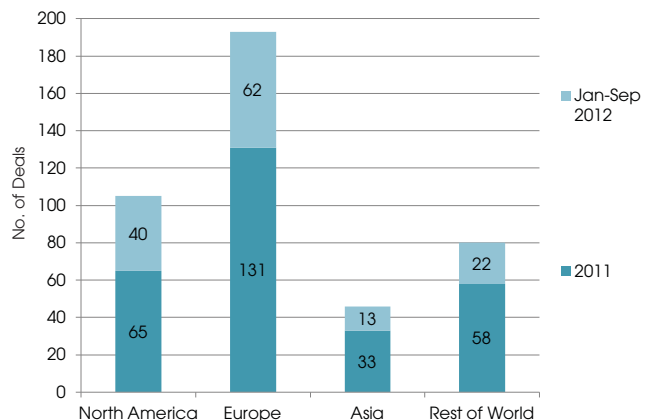
Source: Preqin Infrastructure Online

Fig. 22: Annual Average Deal Size, 2004 - Q3 2012



Source: Preqin Infrastructure Online

Fig. 23: Number of Infrastructure Deals by Region, 2011 - Q3 2012



Source: Preqin Infrastructure Online