



MACQUARIE
ACN 002 574 923

Macquarie Private Wealth

Snapshot

Aust Infrastructure Fund

Business Description

Australian Infrastructure Fund (AIX) is an Australian diversified listed infrastructure fund. Its stapled securities combine units in Australian Infrastructure Fund Trust and shares in Australian Infrastructure Fund Limited. It is managed by Hastings Funds Management which in turn, is owned by Westpac Banking Corporation. Transport infrastructure assets account for 100% of the company's portfolio which include; airports, seaports, toll roads and rail.

Strategy Analysis

AIX's primary objective is to offer investors returns through cash yield and capital growth by actively managing a diversified portfolio of transport infrastructure assets for the medium to long term. The main areas of focus will be organic growth opportunities, prudent capital management, and acquisition opportunities. The strategic direction is to remain purely in transport infrastructure with a preference for unlisted assets. The fund plans to work closely with technical partners and maintain increasing cash flows while paying regular distributions and will continue to sustain appropriate gearing levels for the underlying assets in the portfolio. Australian Infrastructure Fund reported statutory NPAT down 51% to \$100.59m for the year ended 30 June 2009, predominantly due to reduced unrealised gains from investments in the year. Revenues from ordinary activities were \$116.43m, down 53% from last year. Basic EPS was 26.33 cents compared to 54.65 cents last year. Net operating cash flow was \$28.66m compared to \$36.81m last year. The final dividend declared was 5.0 cents, taking the full year dividend to 13.0 cents compared with 16.5 cents last year. Looking ahead, the Company reported that it is well positioned with a track record of passenger growth, relatively conservative gearing and strong interest coverage ratios, as well as a diversity of passenger and airline customers. AIX remains cautiously optimistic towards the short term performance of these assets and is confident of their value over the longer term.

28 July 2010

Recommendation

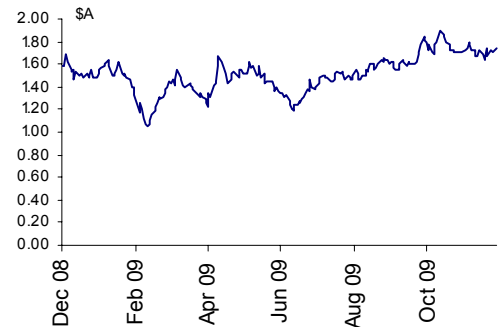
Recommendation: Outperform
Relative to: All Ind (ex Fins)

Investment Fundamentals

ASX code: AIX
Stock price: \$1.80
Market cap: \$1,120m

Y/E	30/06/2010	2010e	2011e	2012e	2013e
Reported e	\$m	221.4	197.0	216.1	324.6
Adjusted e	\$m	67.3	64.3	78.7	86.2
EPS adjusted	¢	11.1	10.4	12.7	13.9
EPS growth	%	-7.4	-6.8	22.4	9.5
PE	x	16.1	17.3	14.1	12.9
PE relative	x	0.8	1.3	1.3	1.3
DPS	¢	10.0	11.0	12.5	13.5
Yield	%	5.6	6.1	7.0	7.5
Franking	%	0.0	0.0	0.0	

Share Price



Source: ASX and Company accounts

Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Investment in Infrastructure	100.0	100.0	100.0	21.0%	-10.0%
Total	100.0	100.0	100.0	1.0%	7.0%
Results by Geography				Dividend Reinvestment	
Australia	77.7	0.0	0.0	Plan	No
Europe	22.3	0.0	0.0	Shareholder	
Total	100.0			Discounts	No

Company contact details:

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