ERES 2010
Project Finance for Infrastructures

24 June, 2010
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Section 1

Project Finance: what is PF?
Project Finance
What is Project Finance

Project Finance ("PF") is a financial technique that involves a corporate sponsor investing in and owning a single-purpose industrial asset through an economically and legally independent entity.

The providers of funds are primarily interested in the cash flows generated by the project.

This scheme of financing is project-specific and is debt, rather than equity, driven.
The Project **generates** Cash Flow sufficient to cover operational costs and to **repay** the Debt.

The Project **does not generate** sufficient cashflow and the PA must participate providing **grants** or taking part of **Project risks**.
# Project Finance

## Main Features

<table>
<thead>
<tr>
<th>Feature</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash-Flow based</td>
<td>The project, as well as its assets, contracts, inherent economies and cash flows are separable from promoters/sponsors in order to allow independent credit appraisal.</td>
</tr>
<tr>
<td>Off-Balance</td>
<td>Attractiveness of Project Finance lies in its capability to fund projects off balance sheet, without impacting Sponsors’ merit of credit.</td>
</tr>
<tr>
<td>Limited/No Recourse</td>
<td>In case of project failure, lenders are allowed recourse only to the project assets, with limited or no recourse to other assets of the equity investors.</td>
</tr>
<tr>
<td>Ring Fenced</td>
<td>In case of Sponsor’s failure, Sponsors’ corporate lenders are not allowed to recourse to the Special Purpose Vehicle assets.</td>
</tr>
<tr>
<td>Risk Allocation</td>
<td>Project risks identification, analysis, allocation and mitigation are the key aspects of Project Financing.</td>
</tr>
</tbody>
</table>
## Project Finance

### Pros & Cons

<table>
<thead>
<tr>
<th>Pros</th>
<th>Cons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allows promoters to undertake projects without impacting their ability to borrow for traditional projects.</td>
<td>Complexity: high number of involved parties links to high transaction costs.</td>
</tr>
<tr>
<td>Limits project financial risks to the amount of equity/quasi-equity invested.</td>
<td>Costs: levels of due diligence required lead to high project development costs.</td>
</tr>
<tr>
<td>High leverage is possible as lenders are assured that cash flows from the project will not be used for other corporate uses.</td>
<td>Time-consuming negotiations.</td>
</tr>
<tr>
<td>Project finance provides strong incentives for careful project evaluation and risk assessment.</td>
<td>Volume and complexity of information required.</td>
</tr>
<tr>
<td>Deep technical and financial review of the projects provides a very high probability of repayment (&gt; 95%).</td>
<td>Specific skills required</td>
</tr>
</tbody>
</table>

- Sophisticated financial modelling competences.
- Financial structuring competencies.
- Fund raising competencies.
- Negotiation skills.
Project Finance
Objectives of Project Finance transactions

- **Ensure availability** of financial resources to the project
- Secure the necessary **funds** at the **lowest** possible **cost**
- **Minimize sponsors’ exposure** to the project
- Establish a dividend policy to **maximize** the **return on equity** subject to the **constraints** imposed by the lenders (financial covenants)
- **Maximize** the **value** of **Tax Benefits**
- Achieve a **beneficial regulatory treatment**

**Pre-commitment of Funds**
Commitment from lenders and equity investors have to be coordinated and inter-related in order to cover the initial construction expenditure amount

**Maximum Feasible Debt to Equity ratio**
- Expected profitability and operating risks of the project
- Adequacy of project security arrangements

**Timing of the Drawdown**
The drawdowns schedule should match the schedule of construction expenditure
Lenders can require a certain amount of equity to be invested before first debt drawdown take place (Equity upfront payment)

**Expected Project Cash Flows Profile**
The project’s cash flows determine the debt repayment schedule. The cash flows structure should cover the maturities of fund raised
Project Finance
Cash Flow Based

The Repayment Mechanism is Cash Flow Based

Sculpted repayment profile

Construction Period

Operation Period

Cushion

Repayment Period

Cashflow
Debt Flows

Cushion → Debt Capacity > Debt Repayment
### Project Finance

#### Ratios

<table>
<thead>
<tr>
<th></th>
<th>Natural resources</th>
<th>Road</th>
<th>Power</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DSCR Minimum</strong></td>
<td>1.25</td>
<td>1.25</td>
<td>1.35</td>
<td>1.20</td>
</tr>
<tr>
<td><strong>LLCR Minimum</strong></td>
<td>1.75</td>
<td>1.50</td>
<td>1.35</td>
<td>1.30</td>
</tr>
<tr>
<td><strong>PLCR Expected</strong></td>
<td>2.00</td>
<td>1.80</td>
<td>1.50</td>
<td>1.40</td>
</tr>
</tbody>
</table>

**Risk reduction**
Why is it important to understand the Risk of the Project?

- To allocate the risks among involved parties
  - key element in negotiations
  - risk / return reflected in the payment mechanism
- To evaluate and manage the project risks
  - risk response strategy (i.e. risk matrix)

More Information → Less Uncertainty
## Project Finance

### Key Risks

<table>
<thead>
<tr>
<th>Pre-completion risk</th>
<th>Operating risk</th>
<th>Market risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risks that face a project reaching completion and being able to deliver the required service</td>
<td>A project is defined as complete once it has reached, and usually maintained for a minimum period, a certain level of operating efficiency. Operating risk starts when the project can operate to specification.</td>
<td>A project which is completed successfully, and operates to specifications, may still fail if a change in the market makes its product uncompetitive or unwanted.</td>
</tr>
<tr>
<td>Abandonment / delays / cost overruns / partial failures</td>
<td>Sub-optimal performance due to poor design or build / poor operating management / rise in operating costs.</td>
<td>The aspects of market risk can be broken down into demand, supply and cost.</td>
</tr>
<tr>
<td>Generally perceived as the highest area of risk in any project as least ‘manageable’.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Examples:**

- **Pre-completion risk**
  - Scottish Parliament

- **Operating risk**
  - East Coast Main Line

- **Market risk**
  - M6 Toll
Section 1 – Project Finance: what is PF and key drivers for its development

**Project Finance**

**Risk Evolution over the Project Life**

![Graph showing risk evolution over the project life](image)
Project Finance
Risk Allocation

Identifying the project's risks and then analyzing, allocating, and mitigating them is the key in order to structure a project finance. Banks take a big portion of the operating risks if the cash flows margin is sufficient. Otherwise, residual risks have to be mitigated by contracts and guarantees.

The key issue in order to mitigate risks are:
- counter-party is able to manage the risk;
- counter-party is willing to retain the risk;
- counter-party has financial strength to afford the risk.

- Events/actions that adversely affect revenues/costs, performance, timing and viability of the project.
- Cost, time or reduction in performance in the case this events take place.
- Risk should be managed by the subject best able to manage it.
- Perform actions to reduce the likelihood of the adverse event.
- Quantify the cost of addressing the risk.
## Project Finance

### Risk Matrix

<table>
<thead>
<tr>
<th>Regulatory risks</th>
<th>Constructor</th>
<th>Administrator</th>
<th>SPV</th>
<th>Banks</th>
<th>PA</th>
<th>Insurer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction risks</td>
<td>✔️</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✔️</td>
</tr>
<tr>
<td>Commercial risks</td>
<td></td>
<td>✔️</td>
<td>✔️</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technological risks</td>
<td>✔️</td>
<td>✔️</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Permits” risks</td>
<td></td>
<td></td>
<td>✔️</td>
<td></td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Financial risks</td>
<td></td>
<td></td>
<td>✔️</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section 1 – Project Finance: what is PF and key drivers for its development
Project Finance
Risk Mitigation Strategy

- Long term Agr./
take or pay
- Constructio
n risks
- Financial risks
- Insurance /
rebalancing
clauses
- Derivatives
- Insurance
- Due diligence
- Market risks/
shortfall
- Regulator
y risks
- Contractor
- Residual risks are
retained by the
SPV
- Political risks
- Insurance &
liquidated
damages
- ERES 2010 - Project Finance for Infrastructures
A Project Finance loan is secured with its future revenues rather than existing Balance Sheet or other existing assets.

**Completion** of project and its profitability during operation are the key concern of the lenders and equity investors.

Hence all elements that determine **costs, revenues** and **returns** of the project are keys in order to structure the project.

**Analysis** of **projected cash flows** is essential from the **bankability** point of view.

The results of **financial analysis** support the decision whether the project is sound enough to be pursued by:

- giving an initial figure for project **internal rate of return** (IRR);
- establishing a sustainable Financial structure;
- reassuring lenders and equity investors to the attractiveness of the Project.
Section 1 – Project Finance: what is PF and key drivers for its development

Project Finance
Scheme for Financial Modelling

Technical Assumptions
- Investment Schedule
- Operating and Maintenance Costs

Financial and Tax Assumptions
- Capital Structure and Cost
- Financing and Insurance Terms and Conditions
- Macroeconomic Assumptions, Accounting Rules, Taxes.

Market Assumptions
- Revenue breakdown (tariffs, service agreements, etc..)
- Growth estimates

Inputs

Financial Model

Outputs

Cash Flow
- Internal Rate of Return
- Net Present Value
- Payback

Sensitivity Analysis
- Exposure to Risks
- Breakeven Point
- Debt Service Cover Ratio

Payments
- Tariff incentives given by Public Authorities based on costs structure
Project Finance
The Role of the Financial Model

Section 1 – Project Finance: what is PF and key drivers for its development

Creditworthiness Analysis
Feasibility Study
Definition of the optimal financial structure
Role of the FM
Support to negotiations
Administration of the financing
Section 2

Project Finance Vs Other Lending Models
3 Key Types of Lending

Cashflow-based

Asset-based

Corporate-based
3 Key Types of Lending

Asset Based Lending

Bank takes fixed charge over assets and uses assets as primary security. **Example:** Mortgage.

- **BANKS**
  - Loan
  - Security

- **SPONSOR**
  - Debt Service

- **ASSETS**
  - Second hand-value

- **MARKETS**
  - A
  - B

- **Income**
3 Key Types of Lending
Corporate Based Lending

Bank takes floating charge over all the company’s assets, It is similar to personal loans/credit cards etc..

Loan

Debt Service

Income

Bank

Market

Business

SPONSOR

BANKS
3 Key Types of Lending
Cash Flow Based Lending

Project Finance relies completely on cash flows.

A special purpose company is granted a concession to design, build, finance, operate and maintain infrastructure to provide a specified level of service.

It earns income from:
- User charges
- A government payment subject to deductions for substandard services.

The special purpose company’s only asset of significance is the concession value.

Example: PPPs, oil exploration
## Project Finance Vs Corporate Finance Model

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Corporate Finance Model</th>
<th>Project Finance Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisation</strong></td>
<td>• Lending to the firm <em>(annual to 3 year horizon).</em></td>
<td>• Lending to the project <em>(asset Lifetime perspective).</em></td>
</tr>
<tr>
<td></td>
<td>• Cash flows generated by different assets/projects <em>(many activities in many places).</em></td>
<td>• Assets and cash flows are separated from other sponsors’ activities <em>(Usually single activity in a single place).</em></td>
</tr>
<tr>
<td></td>
<td>• Few constraints on management action</td>
<td>• Tight constraints on management action</td>
</tr>
<tr>
<td><strong>Risk Allocation</strong></td>
<td>• Creditors have full recourse to project sponsors</td>
<td>• Limited or non recourse financing</td>
</tr>
<tr>
<td></td>
<td>• Risk diversified across sponsors’ assets portfolio</td>
<td>• Creditors exposure is project-specific</td>
</tr>
<tr>
<td></td>
<td>• Exposed to range of commercial risks</td>
<td>• Contractual agreements signed in order to distribute project risks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exposure to a few key risks</td>
</tr>
<tr>
<td><strong>Financial Flexibility</strong></td>
<td>• Financing can be arranged quickly</td>
<td>• Higher financing costs and time consuming</td>
</tr>
<tr>
<td></td>
<td>• Internally generated funds can be used to finance other projects</td>
<td>• Internally generated funds are reserved for investors repayment</td>
</tr>
<tr>
<td><strong>Free Cash Flows</strong></td>
<td>• Under managers judgment</td>
<td>• Generally free cash flows to equity are fully distributed to the equity investors</td>
</tr>
<tr>
<td></td>
<td>• Cash flows mingled and then allocated as per the corporate policy</td>
<td></td>
</tr>
<tr>
<td><strong>Debt Capacity</strong></td>
<td>• Creditors look at sponsors’ entire assets portfolio for debt service repayment</td>
<td>• Creditors look at specific project/assets for debt service repayment</td>
</tr>
<tr>
<td></td>
<td>• Low debt:equity ratios eg 3:2</td>
<td>• Debt contracts tailored to specific characteristics of the project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• High debt:equity ratios eg 9:1</td>
</tr>
</tbody>
</table>
Section 3
Public Private Partnerships
Public Private Partnerships
Introduction (1/2)

“A cooperative venture between the public and private sectors, built on the expertise of each partner, that best meets clearly defined public needs.”

- Canadian Council for Public-Private Partnerships

The Public Private Partnership (PPP) describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.
Public Private Partnerships
Introduction (2/2)

Key Differences between PPPs and Traditional Procurement:
- Transfer and sharing of risk;
- Private sector equity investments required;
- Single long-term Concession Agreement versus multiple contracts;
- Private sector returns and payments linked to satisfactory delivery of the asset and performance over the life of the contract;
- Timing of payments.
### Public Private Partnerships

#### Main Area of Application

<table>
<thead>
<tr>
<th>Public &amp; Social Infrastructures</th>
<th>Traditional Infrastructures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prison</td>
<td>Power &amp; Energy</td>
</tr>
<tr>
<td>Hospital</td>
<td>Construction</td>
</tr>
<tr>
<td>Roads</td>
<td>Public Transport</td>
</tr>
<tr>
<td>Water Infrastructure</td>
<td>Airports</td>
</tr>
<tr>
<td>School</td>
<td>Sports Center</td>
</tr>
</tbody>
</table>
# Project Finance
## Key Drivers for PPP Development

<table>
<thead>
<tr>
<th>Efficient procurement, design construction and operation</th>
<th>User Payments</th>
<th>Budgetary and Accounting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer of key risks - construction cost overruns, construction delays, commissioning problems, operating issues; Transfer of whole life cost risk produces better designed, optimised solutions; Transfer of cost/time risk improves costing of contracts and speeds up delivery of contracts; PPP concession contracts lock in quality and stop raids on maintenance budgets.</td>
<td>Creating a new charge for services usually leads to the government considering whether it needs private sector involvement.</td>
<td></td>
</tr>
</tbody>
</table>
| **Examples:**
  - UK Private Finance Initiative
  - Canada P3 programme
  - PPPs in Holland and Norway | **Examples:**
  - Toll roads have been operated successfully by both government and private sector;  
  - Existing user paid government services may be privatised to free up investment.  
  - Airports have historically been more profitable in the private sector. | **Examples:**
  - In most territories, PPPs can be deemed off balance for the government;  
  - In the eurozone, the key test is ESA 95 – “is construction and either availability or usage risk transferred?”;  
  - Opportunity for governments running deficits to defer the impact of new assets on their accounts;  
  - Not necessarily a bad thing – in growing economies can provide a better match between necessary investment and returns on such investment. |

Examples:
- Hungarian and Slovakian Roads
- Toll Roads in the USA, Spain, Italy
- Airport privatisations/commercialisations throughout the world
Public Private Partnerships
PPP schemes (1/2)

BOT

Build-operate-transfer (BOT) contracts are designed to bring private investment into the construction of new infrastructure plants. Under a BOT, the private sector finances, builds and operates a new infrastructure facility or system according to performance standards set by the government.

The government retains ownership of the infrastructure facilities and becomes both the customer and the regulator of the service.

Other Concessions Schemes

- BOO (Build, Own and Operate)
- BTO (Build Transfer and Operate)
- BOST (Build, Operate, Subsidize and Transfer)
- BLT (Build, Lease and Transfer)
### Public Private Partnership

#### PPP schemes (2/2)

<table>
<thead>
<tr>
<th>PPP’s scheme</th>
<th>Property</th>
<th>Initiative</th>
<th>Design</th>
<th>Construction</th>
<th>O&amp;M</th>
<th>Financial Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design, Build</td>
<td>PA</td>
<td>PA</td>
<td>Private with contract</td>
<td>Private with contract</td>
<td>PA</td>
<td>PA</td>
</tr>
<tr>
<td>Build, Transfer and Operate (BTO)</td>
<td>PA</td>
<td>PA</td>
<td>Private with contract</td>
<td>Private with contract</td>
<td>PA PA/Private</td>
<td>PA</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>PA</td>
<td>PA</td>
<td>Private with contract</td>
<td>Private with contract</td>
<td>Private with contract</td>
<td>PA/Private</td>
</tr>
<tr>
<td>Build, Operate and Transfer (BOT)</td>
<td>PA</td>
<td>PA o Privato</td>
<td>Private with contract</td>
<td>Private with contract</td>
<td>Private with contract</td>
<td>Private</td>
</tr>
<tr>
<td>Build, Own, Operate (BOO)</td>
<td>Private</td>
<td>PA / Private</td>
<td>Private with contract</td>
<td>Private with contract (Concession)</td>
<td>Private</td>
<td></td>
</tr>
</tbody>
</table>

*The allocation of responsibility and risk is related to scheme selected.*
### PPPs Vs Property Finance

<table>
<thead>
<tr>
<th>PPPs</th>
<th>Property Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schemes generated by government</td>
<td>Schemes generated by mixture of clients and developers</td>
</tr>
<tr>
<td>Fixed and fully specified end project</td>
<td>Product not defined or specified, but determined by the market which changes</td>
</tr>
<tr>
<td>Guaranteed income from unitary charge</td>
<td>over the life of the project - 5 years min.</td>
</tr>
<tr>
<td>Product definition and pricing certainty provides refinancing</td>
<td>Income subject to market risk</td>
</tr>
<tr>
<td>opportunity and short term exit potential</td>
<td>Nurture of market through up front capital investment provides limited opportunity</td>
</tr>
<tr>
<td></td>
<td>to exit project before success is clearly established - @ 3 years min before exit.</td>
</tr>
</tbody>
</table>
Section 4
Credit Crunch
Credit Crunch
Impact on Infrastructure Finance

- The liquidity constraints have certainly impacted the appetite of lenders into infrastructure. Pre-credit crunch, large banks were willing to enter into sole-underwrite positions at a fixed price on large infrastructure deals.

- Now these same banks want one or more co-underwriters and require market flex (a right for lenders to increase interest rates) on pricing (and sometimes other terms).

- Credit committees want much higher comfort that they will be able to sell down debt through the syndication markets, to avoid holding significant debt on their balance sheets. In this context, banks decided to “club” together ahead of financial close to remove the risk of changes in terms that may otherwise arise from the market flex process.

“Raising PFI debt is a nightmare”

- Financial Times
Credit Crunch
Demand/Supply for Project Finance Debt

- PFI is seen as a high quality product;
- Bond market has reduced with the collapse of monoline insurance;
- More demand for bank debt than before, but about 50% of top layer banks have gone;
- Bank debt available has reduced significantly (no banks willing to take on debt to sell down) - banks restructure their balance sheets and reduce lending ratios:
  - Maturity of debt has reduced (miniperm structures);
  - Margins have increased from 50 bps to 300 bps.
- Sources of debt for project finance banks much reduced due to reduction in interbank market.

Result: Increase in demand, reduction in supply
Section 5
International PPP Market
## International PPP Market
### Impact of Credit Crunch

<table>
<thead>
<tr>
<th>Banks</th>
<th>Sponsors</th>
<th>Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Although PPPs are high quality loans, capacity has shrunk like all other sectors</td>
<td>No shortage of equity available – too many infra funds prior to crunch.</td>
<td>Deals have taken longer to do or been cancelled</td>
</tr>
<tr>
<td>Banks are charging far higher margins, and making more money providing less debt</td>
<td>Sponsors now being pushed around by banks rather than vice versa</td>
<td>Increased cost of financing is passed through to government.</td>
</tr>
<tr>
<td>They believe that the door is closing on high margin deals as more banks reenter the market.</td>
<td>In some cases sponsors asked to take refinancing risk</td>
<td></td>
</tr>
</tbody>
</table>

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ERES 2010 - Project Finance for Infrastructures
International PPP Market
European Union

Costs of PPPs have risen

• *Private financing margin over public debt has risen significantly*

PPPs are the only infrastructure some governments can afford

• *Most PPPs do not count against government debt under Eurostat rules*

Governments’ focus has moved from accounting rules to rating agencies

• *Rating agencies will often count PPP debt as government debt*

Richer countries will use to improve value for money

Poorer countries will use to access capital
International PPP Market
North America

• US Market on verge of explosion for last 5 years
  • Scheme development hamstrung by short termism linked to US political system

• Highly successful PPP programme
  • PPPs in health, transport, accommodation
  • Increased focus on water and energy
International PPP Market
Rest of the World

• Strong state level PPP programme
  • Move away from user payments to government payments
  • New roads, transit and environmental projects coming to market

• Enormous number of projects coming to market
  • Projects in transport, water and accommodation
  • Drivers for PPP very different from anywhere else in the world
Section 6
Italian Infrastructure Market
### Italian Infrastructure Market

**Project Finance market breakdown by business**

<table>
<thead>
<tr>
<th>Business</th>
<th>N.</th>
<th>%</th>
<th>Value (€mln)</th>
<th>%</th>
<th>Average (€mln)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water, gas, energy, telecom.</td>
<td>197</td>
<td>14,2%</td>
<td>1.202,1</td>
<td>11,5%</td>
<td>6,1</td>
</tr>
<tr>
<td>Marinas</td>
<td>15</td>
<td>1,1%</td>
<td>143,2</td>
<td>1,4%</td>
<td>9,5</td>
</tr>
<tr>
<td>Urban planning</td>
<td>211</td>
<td>15,3%</td>
<td>94,3</td>
<td>0,9%</td>
<td>0,4</td>
</tr>
<tr>
<td>Cultural heritage</td>
<td>3</td>
<td>0,2%</td>
<td>3,1</td>
<td>0,0%</td>
<td>1,0</td>
</tr>
<tr>
<td>All-purpose centers</td>
<td>5</td>
<td>0,4%</td>
<td>2,2</td>
<td>0,0%</td>
<td>0,4</td>
</tr>
<tr>
<td>Cemetery</td>
<td>54</td>
<td>3,9%</td>
<td>93,1</td>
<td>0,9%</td>
<td>1,7</td>
</tr>
<tr>
<td>Commerce</td>
<td>151</td>
<td>10,9%</td>
<td>222,8</td>
<td>2,1%</td>
<td>1,5</td>
</tr>
<tr>
<td>Directional</td>
<td>2</td>
<td>0,1%</td>
<td>11,1</td>
<td>0,1%</td>
<td>5,6</td>
</tr>
<tr>
<td>Public Health Service</td>
<td>11</td>
<td>0,8%</td>
<td>279,4</td>
<td>2,7%</td>
<td>25,4</td>
</tr>
<tr>
<td>Leisure Center</td>
<td>295</td>
<td>21,3%</td>
<td>276,7</td>
<td>2,6%</td>
<td>0,9</td>
</tr>
<tr>
<td>Parking</td>
<td>115</td>
<td>8,3%</td>
<td>232,9</td>
<td>2,2%</td>
<td>2,0</td>
</tr>
<tr>
<td>Urban division</td>
<td>25</td>
<td>1,8%</td>
<td>437,7</td>
<td>4,2%</td>
<td>17,5</td>
</tr>
<tr>
<td>Healthcare</td>
<td>58</td>
<td>4,2%</td>
<td>596,7</td>
<td>5,7%</td>
<td>10,3</td>
</tr>
<tr>
<td>Education &amp; Social</td>
<td>50</td>
<td>3,6%</td>
<td>136,4</td>
<td>1,3%</td>
<td>2,7</td>
</tr>
<tr>
<td>Spare time (cinema..)</td>
<td>54</td>
<td>3,9%</td>
<td>103,7</td>
<td>1,0%</td>
<td>1,9</td>
</tr>
<tr>
<td>Transportation</td>
<td>26</td>
<td>1,9%</td>
<td>6.450,6</td>
<td>61,7%</td>
<td>248,1</td>
</tr>
<tr>
<td>Turism</td>
<td>85</td>
<td>6,1%</td>
<td>46,2</td>
<td>0,4%</td>
<td>0,5</td>
</tr>
<tr>
<td>Other</td>
<td>26</td>
<td>1,9%</td>
<td>124,9</td>
<td>1,2%</td>
<td>4,8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.383</strong></td>
<td><strong>100,0%</strong></td>
<td><strong>10.457</strong></td>
<td><strong>100,0%</strong></td>
<td><strong>7,6</strong></td>
</tr>
</tbody>
</table>

(Source: osservatorio nazionale Project Finance)
Italian Infrastructure Market
Investments Value

Investment Value - 2009

(Source: osservatorio nazionale Project Finance)
## Italian Infrastructure Market

### Project Finance market breakdown by Area

<table>
<thead>
<tr>
<th>Area</th>
<th>N.</th>
<th>Value (€mln)</th>
<th>% Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>North - Ovest</td>
<td>347</td>
<td>1.671</td>
<td>16,0%</td>
</tr>
<tr>
<td>North - Est</td>
<td>217</td>
<td>2.458</td>
<td>23,5%</td>
</tr>
<tr>
<td>Center</td>
<td>227</td>
<td>4.422</td>
<td>42,3%</td>
</tr>
<tr>
<td>South</td>
<td>397</td>
<td>1.286</td>
<td>12,3%</td>
</tr>
<tr>
<td>Sicily / Sardinia</td>
<td>196</td>
<td>619</td>
<td>5,9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.384</strong></td>
<td><strong>10.457</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

(Source: osservatorio nazionale Project Finance)
Section 7
Contact Details
Contact Details

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