



Morgan Stanley

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## **Ontario Teachers' Pension Plan and Morgan Stanley Infrastructure complete acquisition of SAESA Group**

TORONTO/NEW YORK (July 24, 2008): The Ontario Teachers' Pension Plan (Teachers') and Morgan Stanley Infrastructure (MSI) have completed the transaction to jointly acquire SAESA Group (SAESA), a Chilean electricity distribution, transmission and generation company from Public Service Enterprise Group (PSEG) for a purchase price of US\$887 million. Under the agreement announced with PSEG on June 17, Teachers' and MSI each own 50% of the company and have assumed approximately US\$400 million in existing company debt. The enterprise value of the company is US\$1.3 billion.

"As an international infrastructure investor, we are very pleased to be a new, long-term shareholder of SAESA's diversified electricity assets," said Stephen Dowd, Teachers' Senior Vice-President, Infrastructure. "We invest in companies with stable cash flows linked to inflation to help pay inflation-indexed pensions. SAESA is an excellent fit for our portfolio and we look forward to supporting Francisco Mualim and his management team both strategically and financially to foster the company's future growth and success."

"We are pleased to have SAESA as part of our portfolio of infrastructure investments," said Ron Lepin, Chief Operating Officer of MSI. "SAESA operates in a high-growth market within a favorable regulatory environment, which allows for long-term predictable cash flows that fit our investment objectives. We look forward to working closely with SAESA's experienced management team to extend the company's strong track record and sector performance."

SAESA is the second largest electricity distributor in Chile in terms of geographical coverage, and is the main provider of electricity in the rapidly growing southern regions of the country. The company serves 16% of Chile's population, providing electric service to approximately 2.6 million people. In addition, SAESA owns and operates 135MWs of wind, hydro, and thermal power generation capacity, and through its transmission company, owns and operates 950 km of transmission lines. Francisco Mualim, Chief Executive Officer, and his management team will continue to operate SAESA's electricity assets from the company's head office in Osorno, Chile.

**About the Ontario Teachers' Pension Plan**

The Ontario Teachers' Pension Plan is the largest single-profession pension plan in Canada, with C\$108.5 billion (US\$107.1 billion) in net assets as of December 31, 2007. An independent corporation, it is responsible for investing the pension fund's assets and administering the pensions of Ontario's 278,000 active and retired teachers. Teachers' Infrastructure portfolio was initiated in 2001 and focuses on the acquisition and long-term retention of assets that have a long economic life and offer low-risk, reliable returns linked to inflation to pay indexed pensions. More information is available at [www.otpp.com](http://www.otpp.com).

**About Morgan Stanley Infrastructure**

Morgan Stanley Infrastructure is a global investment platform that focuses on long-term investments associated with providing essential public goods and services to societies across the globe. With offices in North America, Europe and Asia, Morgan Stanley Infrastructure is part of the Merchant Banking Division within Morgan Stanley Investment Management. Morgan Stanley Investment Management has US\$605 billion in assets under management as of May 31, 2008. For further information about Morgan Stanley Infrastructure, please visit [www.morganstanley.com/infrastructure](http://www.morganstanley.com/infrastructure).

Contact:

Carol Dunsmore  
Ontario Teachers' Pension Plan  
416-730-5302  
[carol\\_dunsmore@otpp.com](mailto:carol_dunsmore@otpp.com)  
[www.otpp.com](http://www.otpp.com)

Marie Ali  
Vice President, Corporate Communications  
Morgan Stanley Infrastructure  
212762-6884  
[Marie.Ali@morganstanley.com](mailto:Marie.Ali@morganstanley.com)  
[www.morganstanley.com/infrastructure](http://www.morganstanley.com/infrastructure)