

Transport

BNP launches €1bn infra fund and seeks investors

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BNP Paribas Investment Partners has hit the fund-raising trail with its recently-launched infrastructure fund that will target Transport, Energy and Telecoms around continental Europe.

The fund - Antin Infrastructure Partners - has taken a "significant" stake in [Porterbrook Rail](#) which was sold at the end of October by Abbey National to a team of banks led by Deutsche Bank, Lloyds TSB and Antin.

Antin IP has been set up by Alain Rauscher, ex-head of BNP Paribas' oil, gas and mining group and now chief executive of the fund; and Mark Crosbie, Centrica's former director of corporate strategy and former investment banker, who will be the fund's managing partner. Chief operating officer is Mélanie Biessy, former general counsel of Caisse des Depots' infra fund Galaxy.

The fund will be run independently of the bank, but BNP has seeded it with €300 million of its €1 billion target - and AIP intends to leverage the bank's contacts and profile in the infrastructure world in making deals.

The model is reminiscent of both Deutsche Bank's [RREEF](#) fund, and the [Cube](#) infrastructure fund supported by Natixis.

While Antin IP is targeting energy, telecoms and transport, Rauscher said he saw potential in water projects, which are costly and therefore could particularly benefit from equity investors coming in on deals.

Along with Porterbrook, it has also bought the concession for Croatia's Bina Istra highway from compatriot Bouygues. Next week it hopes to close its third investment, which it says will see continental investments make up more than 60 per cent of its portfolio.

The fund says it's launching at the right time - it won't be investing at the top of the market, but at the same time the infrastructure sector is proving relatively resilient. On the other hand opportunities are also there for distressed sales, and it is a buyer's market at present.

The fund will not invest in PPP projects as returns are too low for its 15 per cent target. It also wants to avoid construction risk, so will focus its attentions on brownfield projects though not to the exclusion of greenfield.

On the energy side, Rauscher says the fund will consider greenfield for renewable energy - where developers have permits but just need investment for turbines, for instance. The example of Theolia was also invoked - GE stepped in to take the French renewables developer corporate, and AIP said it would look for a similar opportunity.

Likewise LNG terminals - if a project is about to be implemented, with all permits present and correct, AIP could get involved on the equity side.

It sees electricity as potentially a big play - but Rauscher was emphatic that it would not take on decommissioning risk if it were to get involved in a nuclear deal. That still leaves France and Germany in play, though, who are planning to keep decom risk with the government.

The partners were eager to emphasise a different approach from their London-based counterparts, where they said most deals are led by the financial sponsor. On the continent, the approach was much more through strategic - i.e. developer - investors.