

*spark*infrastructure

# FUTURE. ENERGY.

FACT BOOK HALF YEAR 2018



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## **Spark Infrastructure RE Limited ACN 114 940 984 AFSL 290436 as responsible entity of Spark Infrastructure Trust ARSN 116 870 725**

The following information represents the total results for Victoria Power Networks Pty Limited, SA Power Networks and TransGrid. Spark Infrastructure owns 49% of Victoria Power Networks Pty Limited and SA Power Networks and 15.01% of TransGrid.

The following information for TransGrid represents an aggregation of NSW Electricity Networks Operations Holdings Trust (TOTH) and its controlled entities, and NSW Electricity Networks Assets Holdings Trust (TATH) and its controlled entities, recognising that TOTH does not control TATH and that TATH does not control TOTH. Transactions and balances between the entities have been eliminated.

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# INCOME STATEMENT

(A'\$million)	6 months to 30 June 2018	6 months to 30 June 2017
Share of equity accounted profits	123.0	107.2
Interest income from associates	37.7	42.1
	<b>160.6</b>	<b>149.3</b>
Other income - interest	1.1	0.9
<b>Total revenue</b>	<b>161.8</b>	<b>150.2</b>
Interest expense (including borrowing costs)	(0.9)	(1.3)
General and administrative expenses	(7.6)	(10.2)
<b>Profit before Loan Note interest</b>	<b>153.3</b>	<b>138.7</b>
Interest expense - Loan Notes	(58.9)	(58.9)
<b>Profit before income tax</b>	<b>94.4</b>	<b>79.8</b>
Income tax expense	(36.3)	(30.9)
<b>Profit after tax attributable to Securityholders</b>	<b>58.1</b>	<b>48.9</b>

# BALANCE SHEET

(A'\$million)	June 2018	December 2017
<b>Assets</b>		
Cash and cash equivalents	119.3	117.3
Receivables from associates	8.9	9.2
Other current assets	2.2	2.0
<b>Total current assets</b>	<b>130.4</b>	<b>128.5</b>
Property, plant & equipment	0.6	0.7
Investments in associates:		
-Investments accounted for using the equity method	2,645.8	2,550.3
-Loans to associates	555.8	598.8
-Loan notes to associates	237.4	237.4
<b>Total non-current assets</b>	<b>3,439.6</b>	<b>3,387.2</b>
<b>Total assets</b>	<b>3,570.0</b>	<b>3,515.7</b>
<b>Liabilities</b>		
Payables	2.9	3.5
Loan Note interest payable to Securityholders	58.9	59.7
<b>Total current liabilities</b>	<b>61.8</b>	<b>63.2</b>
Payables	0.4	0.2
Loan Notes attributable to Securityholders	1,061.8	1,061.7
Deferred tax liabilities	358.5	313.8
<b>Total non-current liabilities</b>	<b>1,420.6</b>	<b>1,375.7</b>
<b>Total liabilities</b>	<b>1,482.4</b>	<b>1,438.9</b>
<b>Net assets</b>	<b>2,087.6</b>	<b>2,076.8</b>
<b>Equity</b>		
- Issued capital	999.0	1,067.5
- Reserves	(33.4)	(40.9)
- Retained earnings	1,122.0	1,050.2
<b>Total equity</b>	<b>2,087.6</b>	<b>2,076.8</b>

# CASH FLOW STATEMENT

(A*\$million)	6 months to 30 June 2018	6 months to 30 June 2017
<b>Cash flows from operating activities</b>		
Distributions from associates - preferred partnership capital	34.3	34.3
Distributions from associates - other	22.6	21.3
Interest received - associates	37.9	40.4
Interest received - other	1.1	0.9
Interest paid - other	(0.7)	(0.7)
Other expenses	(8.1)	(10.6)
<b>Net cash inflows from operating activities</b>	<b>87.3</b>	<b>85.6</b>
<b>Cash flows from Investing activities</b>		
Purchase of property, plant and equipment	(0.0)	-
Repayment of borrowings by associate	43.1	36.2
<b>Net cash inflows from investing activities</b>	<b>43.0</b>	<b>36.2</b>
<b>Cash flows from financing activities</b>		
Payment of external borrowing costs	(0.0)	(0.3)
Distributions to Securityholders:		
- Loan Note interest	(59.7)	(59.7)
- Capital distributions	(68.5)	(62.2)
<b>Net cash outflows from financing activities</b>	<b>(128.3)</b>	<b>(122.3)</b>
<b>Net Cash Movement</b>	<b>2.0</b>	<b>(0.4)</b>
Opening cash	117.3	101.0
<b>Closing Cash</b>	<b>119.3</b>	<b>100.6</b>

# Victoria Power Networks



## Financial Results



# INCOME STATEMENT

(A'\$million)	6 months to 30 June 2018	6 months to 30 June 2017
Distribution revenue <sup>(1)</sup>	473.0	441.2
Transmission revenue	143.7	150.1
Transmission charges	(143.7)	(150.1)
	<b>473.0</b>	<b>441.2</b>
Metering revenue	40.2	50.4
Non prescribed revenue	124.5	77.3
<b>Total revenue</b>	<b>637.7</b>	<b>568.9</b>
Operating expenses	(209.4)	(195.3)
<b>EBITDA</b>	<b>428.3</b>	<b>373.6</b>
Depreciation and amortisation	(147.9)	(145.0)
Senior debt <sup>(2)</sup>	(72.5)	(77.1)
Subordinate debt	(63.5)	(73.1)
Interest income	0.5	0.4
<b>Profit before tax</b>	<b>144.9</b>	<b>78.8</b>
Tax expense	(45.1)	(26.4)
<b>Profit after tax</b>	<b>99.8</b>	<b>52.4</b>

(1) Victoria Power Networks defers/accrues for amounts in excess of/under the regulated revenue cap to reflect that these amounts will be returned to/recovered from electricity consumers in future periods via adjustments to tariffs

(2) Includes non-cash credit valuation hedge adjustment

# BALANCE SHEET

(A'\$million)	June 2018	December 2017
<b>Assets</b>		
Cash and deposits	37.1	30.0
Trade and other receivables	194.9	152.4
Inventories	41.9	36.6
Other	28.8	133.2
<b>Total current assets</b>	<b>302.7</b>	<b>352.3</b>
Property, plant and equipment	6,780.9	6,866.1
Intangible assets	827.2	830.6
Other	253.0	59.4
<b>Total non-current assets</b>	<b>7,861.1</b>	<b>7,756.1</b>
<b>Total assets</b>	<b>8,163.8</b>	<b>8,108.4</b>
<b>Liabilities</b>		
Trade and other payables	244.4	255.5
Borrowings	700.0	1,232.1
Provisions	107.2	97.4
Other	115.6	116.4
<b>Total current liabilities</b>	<b>1,167.2</b>	<b>1,701.4</b>
Borrowings	4,822.0	4,501.8
Provisions	5.4	4.7
Deferred tax liabilities	470.5	409.8
Other	106.0	34.6
<b>Total non-current liabilities</b>	<b>5,403.9</b>	<b>4,950.9</b>
<b>Total liabilities</b>	<b>6,571.1</b>	<b>6,652.3</b>
<b>Net assets</b>	<b>1,592.7</b>	<b>1,456.1</b>
<b>Equity</b>		
Share capital	1,639.2	1,639.2
Reserves	(1,813.3)	(1,835.0)
Retained profit	1,766.8	1,651.9
<b>Total equity</b>	<b>1,592.7</b>	<b>1,456.1</b>



# CASH FLOW STATEMENT

(A*\$million)	6 months to 30 June 2018	6 months to 30 June 2017
<b>Cash flows from operating activities</b>		
Receipts from customers	816.2	812.4
Receipts from customers for capital works	12.3	30.3
Cash payments to suppliers and employees	(458.7)	(452.3)
Interest received	0.8	0.5
Net receipt/(repayment) of trust monies	0.6	(0.2)
Interest and other costs of senior debt	(83.0)	(76.3)
<b>Net cash inflows from operating activities</b>	<b>288.3</b>	<b>314.4</b>
<b>Cash flows from Investing activities</b>		
Purchase of property, plant and equipment	(211.6)	(174.7)
Proceeds from sale of property, plant and equipment	2.8	1.5
<b>Net cash outflows from investing activities</b>	<b>(208.8)</b>	<b>(173.2)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings - external	80.1	551.4
Repayment of borrowings - external	-	(550.0)
Interest payments on subordinated debt	(64.6)	(76.0)
Subordinated debt principal repayment	(87.9)	(74.0)
<b>Net cash outflows from financing activities</b>	<b>(72.4)</b>	<b>(148.6)</b>
<b>Net cash movement</b>	<b>7.1</b>	<b>(7.4)</b>
Opening cash	30.0	50.9
<b>Closing cash</b>	<b>37.1</b>	<b>43.5</b>

# SA Power Networks



## Financial Results

# INCOME STATEMENT

(A'\$million)	6 months to 30 June 2018	6 months to 30 June 2017
Distribution revenue <sup>(1)</sup>	407.0	387.3
Transmission revenue	118.1	122.5
Transmission charges	(118.1)	(122.5)
	<b>407.0</b>	<b>387.3</b>
Non prescribed revenue	147.3	120.6
<b>Total revenue</b>	<b>554.3</b>	<b>507.9</b>
Operating expenses	(210.2)	(162.8)
<b>EBITDA</b>	<b>344.1</b>	<b>345.1</b>
Depreciation and amortisation	(119.4)	(110.8)
Interest on senior debt <sup>(2)</sup>	(55.6)	(65.2)
Interest on subordinate debt	(35.9)	(35.9)
Interest income	1.1	1.5
<b>Profit before tax</b>	<b>134.3</b>	<b>134.7</b>
Income tax expense	-	-
<b>Profit after tax</b>	<b>134.3</b>	<b>134.7</b>

(1) SA Power Networks defers/accrues for amounts in excess of/under the regulated revenue cap to reflect that these amounts will be returned to/recovered from electricity consumers in future periods via adjustments to tariffs

(2) Includes non-cash credit valuation hedge adjustment

# BALANCE SHEET

(A'\$million)	June 2018	December 2017
<b>Assets</b>		
Cash and deposits	20.3	222.8
Trade and other receivables	227.4	161.9
Inventories	22.1	20.5
Other	6.1	16.4
<b>Total current assets</b>	<b>275.9</b>	<b>421.6</b>
Property, plant and equipment	5,020.2	4,927.1
Intangible assets	918.7	916.2
Inventories	9.8	9.8
Other	514.2	475.1
<b>Total non-current assets</b>	<b>6,462.9</b>	<b>6,328.2</b>
<b>Total assets</b>	<b>6,738.8</b>	<b>6,749.8</b>
<b>Liabilities</b>		
Trade and other payables	250.9	245.7
Borrowings	11.5	349.5
Other	105.2	126.0
<b>Total current liabilities</b>	<b>367.6</b>	<b>721.2</b>
Borrowings	3,755.3	3,470.5
Other	166.8	188.7
<b>Total non-current liabilities</b>	<b>3,922.1</b>	<b>3,659.2</b>
<b>Total liabilities</b>	<b>4,289.7</b>	<b>4,380.4</b>
<b>Net assets</b>	<b>2,449.1</b>	<b>2,369.4</b>
<b>Equity</b>		
Partners capital accounts	623.3	623.3
Partners current accounts	1,900.4	1,817.2
Reserves	(74.6)	(71.1)
<b>Total equity</b>	<b>2,449.1</b>	<b>2,369.4</b>

# CASH FLOW STATEMENT

(A'\$million)	6 months to 30 June 2018	6 months to 30 June 2017
<b>Cash flows from operating activities</b>		
Receipts from customers	680.3	650.6
Cash payments to suppliers and employees	(391.4)	(375.1)
Interest and other costs of senior debt	(62.6)	(64.2)
Interest received	1.2	2.0
<b>Net cash inflows from operating activities</b>	<b>227.5</b>	<b>213.3</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(229.2)	(162.9)
Proceeds from sale of property, plant and equipment	1.4	0.8
<b>Net cash outflows from investing activities</b>	<b>(227.8)</b>	<b>(162.1)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings - external	261.4	-
Repayment of borrowings - external	(350.0)	-
Payment for debt issue costs	(2.0)	(2.5)
Interest and other payments on subordinated debt <i>(CKI / PAH)</i>	(35.7)	(35.7)
Preferred partnership distribution <i>(Spark Infrastructure)</i>	(34.4)	(34.4)
Ordinary distributions <i>(All partners)</i>	(41.5)	(40.5)
<b>Net cash outflows from financing activities</b>	<b>(202.2)</b>	<b>(113.1)</b>
<b>Net cash movement</b>	<b>(202.5)</b>	<b>(61.9)</b>
Opening cash	222.8	213.3
<b>Closing cash</b>	<b>20.3</b>	<b>151.4</b>

# TransGrid

## Financial Results

# INCOME STATEMENT

(A'\$million)	6 months to 30 June 2018	6 months to 30 June 2017
Transmission revenue	397.8	378.5
Unregulated revenue	81.7	29.3
Other revenue	8.2	6.8
<b>Total revenue</b>	<b>487.7</b>	<b>414.6</b>
Operating expenses	(124.8)	(99.4)
<b>EBITDA</b>	<b>362.9</b>	<b>315.2</b>
Depreciation and amortisation	(159.3)	(163.0)
Interest expense	(107.8)	(100.2)
Interest on shareholder loan	(42.9)	(41.9)
Interest income	1.8	1.2
Other financing charges	(33.7)	(9.2)
<b>Profit before tax</b>	<b>21.1</b>	<b>2.1</b>
Income tax expense	-	-
<b>Profit after tax</b>	<b>21.1</b>	<b>2.1</b>



# BALANCE SHEET

(A*\$million)	June 2018	December 2017
<b>Assets</b>		
Cash and cash equivalents	176.2	160.4
Trade and other receivables	96.3	78.0
Inventories	29.2	28.9
Other current assets	9.4	8.3
<b>Total current assets</b>	<b>311.1</b>	<b>275.6</b>
Property, plant and equipment	7,577.9	7,592.6
Intangibles	2,591.1	2,593.3
Other non-current assets	95.6	87.4
<b>Total non-current assets</b>	<b>10,264.5</b>	<b>10,273.3</b>
<b>Total assets</b>	<b>10,575.6</b>	<b>10,548.9</b>
<b>Liabilities</b>		
Trade and other payables	74.4	103.7
Provisions	62.8	60.1
Other current liabilities	172.7	98.1
<b>Total current liabilities</b>	<b>309.9</b>	<b>261.9</b>
Borrowings	5,501.1	5,459.5
Shareholder loans	1,581.9	1,581.9
Provisions	21.2	23.0
Other non-current liabilities	151.6	156.3
<b>Total non-current liabilities</b>	<b>7,255.8</b>	<b>7,220.7</b>
<b>Total liabilities</b>	<b>7,565.7</b>	<b>7,482.6</b>
<b>Net assets</b>	<b>3,009.9</b>	<b>3,066.2</b>
<b>Equity</b>		
Units on issue	3,067.9	3,137.0
Reserves	(66.9)	(72.1)
Retained earnings	8.9	1.3
<b>Total equity</b>	<b>3,009.9</b>	<b>3,066.2</b>

# CASH FLOW STATEMENT

(A'\$million)	6 months to 30 June 2018	6 months to 30 June 2017
<b>Cash flows from operating activities</b>		
Receipts from customers	517.8	455.8
Payments to suppliers and employees	(169.9)	(132.4)
Interest paid for shareholder loans	(41.8)	(20.9)
Finance costs paid	(109.3)	(101.2)
Rental income from investment property	2.8	2.8
Interest received	1.7	1.1
<b>Net cash inflows from operating activities</b>	<b>201.3</b>	<b>205.2</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and intangibles	(174.9)	(116.8)
Proceeds from sale of property, plant and equipment	2.5	1.1
<b>Net cash outflows from investing activities</b>	<b>(172.4)</b>	<b>(115.7)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	17.6	-
Debt establishment costs	(15.4)	-
Distribution to securityholders	(15.3)	(9.6)
<b>Net cash outflows from financing activities</b>	<b>(13.1)</b>	<b>(9.6)</b>
<b>Net cash movement</b>	<b>15.8</b>	<b>79.9</b>
Opening cash	160.4	62.8
<b>Closing cash</b>	<b>176.2</b>	<b>142.7</b>

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**Investment company financial reporting** – Where noted adjustments are made to distribution and transmission revenues to defer/accrue for amounts in excess of/under the regulated revenue cap to reflect that these amounts will be returned to/recovered from electricity consumers in future periods via adjustments to tariffs.

**Investment company financial reporting – TransGrid.** The financial reporting is based on TransGrid's special purpose financial statements for the year ended 30 June 2018. Results have been adjusted by Spark Infrastructure to reflect the 6 month period to 30 June 2018.

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**Rounding.** Amounts have been rounded to one decimal place. As a result, totals as correctly stated in tables may differ from individual calculations.

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