

*spark*infrastructure

Delivering

FUTURE ENERGY

**FACT BOOK
FULL YEAR 2018**

TUESDAY, 26 FEBRUARY 2019

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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)	12 months to 31 December 2018	12 months to 31 December 2017
Share of equity accounted profits	212.0	200.4
Interest income from associates	73.6	82.7
	285.6	283.1
Other income - interest	2.4	1.9
Total revenue	288.0	285.0
Interest expense (including borrowing costs)	(1.7)	(2.2)
General and administrative expenses	(15.8)	(17.0)
Impairment expense	(270.0)	-
Profit before Loan Note interest	0.5	265.8
Interest expense - Loan Notes	(118.6)	(118.6)
(Loss)/profit before income tax	(118.1)	147.2
Income tax benefit/(expense)	21.4	(58.6)
(Loss)/profit after tax attributable to Securityholders	(96.7)	88.6

BALANCE SHEET

(A'\$million)	31 December 2018	31 December 2017
Assets		
Cash and cash equivalents	134.3	117.3
Receivables from associates	8.3	9.2
Other current assets	2.2	2.0
Total current assets	144.8	128.5
Property, plant & equipment	0.6	0.7
Investments in associates:		
-Investments accounted for using the equity method	2,326.1	2,550.3
-Loans to associates	503.4	598.8
-Loan notes to associates	237.4	237.4
Total non-current assets	3,067.5	3,387.2
Total assets	3,212.3	3,515.7
Liabilities		
Payables	2.2	3.5
Loan Note interest payable to Securityholders	59.7	59.7
Total current liabilities	61.9	63.2
Payables	0.1	0.2
Loan Notes attributable to Securityholders	1,061.8	1,061.7
Deferred tax liabilities	282.7	313.8
Total non-current liabilities	1,344.6	1,375.7
Total liabilities	1,406.5	1,438.9
Net assets	1,805.8	2,076.8
Equity		
- Issued capital	923.3	1,067.5
- Reserves	(69.6)	(40.9)
- Retained earnings	952.1	1,050.2
Total equity	1,805.8	2,076.8

CASHFLOW STATEMENT

(A\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Cash flows from operating activities		
Distributions from associates - preferred partnership capital	69.6	69.6
Distributions from associates - other	65.5	50.9
Interest received - associates	74.4	82.0
Interest received - other	2.2	1.9
Interest paid - other	(1.3)	(1.4)
Other expenses	(15.7)	(17.3)
Net cash inflows from operating activities	194.7	185.7
Cash flows from Investing activities		
Purchase of property, plant and equipment	(0.0)	(0.7)
Repayment of borrowings by associate	95.5	81.8
Equity investment in TransGrid Services	(9.8)	-
Net cash inflows from investing activities	85.7	81.1
Cash flows from financing activities		
Payment of external borrowing costs	(0.6)	(0.3)
Distributions to Securityholders:		
- Loan Note interest	(118.6)	(118.6)
- Capital distributions	(144.2)	(131.6)
Net cash outflows from financing activities	(263.4)	(250.5)
Net Cash Movement	17.0	16.3
Opening cash	117.3	101.0
Closing Cash	134.3	117.3

VICTORIA POWER NETWORKS

FINANCIAL RESULTS

INCOME STATEMENT

VICTORIA POWER NETWORKS (100% RESULTS)

(A\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Distribution revenue ⁽¹⁾	922.5	903.3
Transmission revenue	288.4	301.4
Transmission charges	(288.4)	(301.4)
	922.5	903.3
Metering revenue	93.0	102.5
Semi-regulated and unregulated revenue	271.8	206.9
Total revenue	1,287.3	1,212.7
Operating expenses	(455.7)	(432.3)
EBITDA	831.6	780.4
Depreciation and amortisation	(325.1)	(302.2)
Senior debt	(164.4)	(156.1)
Subordinated debt	(123.2)	(143.3)
Interest income	0.7	0.6
Profit before tax	219.6	179.4
Tax expense	(69.0)	(56.1)
Profit after tax	150.6	123.3

(1) Variances from other Spark Infrastructure reporting documents relate to the following:

- adjustments made 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

(2) Includes non-cash credit valuation hedge adjustment

BALANCE SHEET

VICTORIA POWER NETWORKS (100% RESULTS)

(A'\$million)	31 December 2018	31 December 2017
Assets		
Cash and deposits	57.7	30.0
Trade and other receivables	161.4	152.4
Inventories	45.7	36.6
Derivative financial instruments	32.0	119.0
Other	21.3	14.2
Total current assets	318.1	352.3
Property, plant and equipment	6,892.5	6,685.3
Derivative financial instruments	269.8	180.8
Intangible assets	825.3	830.6
Other	27.9	59.4
Total non-current assets	8,015.5	7,756.1
Total assets	8,333.6	8,108.4
Liabilities		
Trade and other payables	334.2	255.5
Borrowings ⁽¹⁾	1,081.2	1,232.1
Provisions	94.1	97.4
Other	11.6	116.4
Total current liabilities	1,521.1	1,701.4
Borrowings ⁽¹⁾	4,653.6	4,501.8
Provisions	18.4	4.7
Deferred tax liabilities	464.5	409.8
Derivative financial instruments	82.0	16.6
Other	18.8	18.0
Total non-current liabilities	5,237.3	4,950.9
Total liabilities	6,758.4	6,652.3
Net assets	1,575.2	1,456.1
Equity		
Share capital	1,639.2	1,639.2
Reserves	(1,871.5)	(1,835.0)
Retained profit	1,807.5	1,651.9
Total equity	1,575.2	1,456.1

(1) Includes external debt, subordinated debt and accounting adjustments e.g. capitalised debt costs

CASHFLOW STATEMENT

VICTORIA POWER NETWORKS (100% RESULTS)

(A'\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Cash flows from operating activities		
Receipts from customers	1,727.8	1,699.5
Receipts from customers for capital works	17.5	41.5
Cash payments to suppliers and employees	(946.1)	(848.0)
Interest received	0.8	0.7
Net receipt/(repayment) of trust monies	0.6	(0.5)
Interest and other costs of senior debt	(166.8)	(151.6)
Net cash inflows from operating activities	633.8	741.6
Cash flows from Investing activities		
Purchase of property, plant and equipment	(500.7)	(464.5)
Proceeds from sale of property, plant and equipment	4.7	3.8
Net cash outflows from investing activities	(496.0)	(460.7)
Cash flows from financing activities		
Proceeds from borrowings - external	1,302.9	794.2
Repayment of borrowings - external	(1,092.8)	(781.0)
Interest payments on subordinated debt	(125.4)	(148.1)
Subordinated debt principal repayment	(194.8)	(166.9)
Net cash outflows from financing activities	(110.1)	(301.8)
Net cash movement	27.7	(20.9)
Opening cash	30.0	50.9
Closing cash	57.7	30.0

SA POWER NETWORKS

FINANCIAL RESULTS

INCOME STATEMENT

SA POWER NETWORKS (100% RESULTS)

(A\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Distribution revenue ⁽¹⁾	829.9	788.6
Transmission revenue	240.9	243.4
Transmission charges	(240.9)	(243.4)
	829.9	788.6
Non prescribed revenue	276.6	258.7
Total revenue	1,106.5	1,047.3
Operating expenses	(441.5)	(403.1)
EBITDA	665.0	644.2
Depreciation and amortisation	(246.1)	(225.1)
Interest on senior debt and other finance costs ⁽²⁾	(124.6)	(128.1)
Interest on subordinated debt	(72.5)	(72.5)
Interest income	1.2	3.4
Profit before tax	223.0	221.9
Income tax expense	(1.7)	0.0
Profit after tax	221.3	221.9

(1) Variances from other Spark Infrastructure reporting documents relate to the following:

- adjustments made 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

(2) Includes non-cash credit valuation hedge adjustment

BALANCE SHEET

SA POWER NETWORKS (100% RESULTS)

(A'\$million)	31 December 2018	31 December 2017
Assets		
Cash and deposits	30.5	222.8
Trade and other receivables	227.6	161.9
Inventories	22.4	20.5
Other	53.0	16.4
Total current assets	333.5	421.6
Property, plant and equipment	5,114.0	4,927.1
Intangible assets	916.2	916.2
Inventories	10.5	9.8
Other	523.0	475.1
Total non-current assets	6,563.7	6,328.2
Total assets	6,897.2	6,749.8
Liabilities		
Trade and other payables	244.3	245.7
Borrowings ⁽¹⁾	810.0	349.5
Other	132.7	126.0
Total current liabilities	1,187.0	721.2
Borrowings ⁽¹⁾	3,165.6	3,470.5
Other	150.6	188.7
Total non-current liabilities	3,316.2	3,659.2
Total liabilities	4,503.2	4,380.4
Net assets	2,394.0	2,369.4
Equity		
Partners capital accounts	623.3	623.3
Partners current accounts	1,873.2	1,817.2
Reserves	(102.5)	(71.1)
Total equity	2,394.0	2,369.4

(1) Includes external debt, subordinated debt and accounting adjustments e.g. capitalised debt costs

CASHFLOW STATEMENT

SA POWER NETWORKS (100% RESULTS)

(A'\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Cash flows from operating activities		
Receipts from customers ⁽¹⁾	1,437.3	1,423.7
Cash payments to suppliers and employees	(797.8)	(749.4)
Interest and other costs of senior debt	(127.9)	(131.0)
Interest received	1.4	4.0
Net cash inflows from operating activities	513.0	547.3
Cash flows from investing activities		
Purchase of property, plant and equipment ⁽¹⁾	(469.6)	(438.2)
Proceeds from sale of property, plant and equipment	3.2	2.0
Net cash outflows from investing activities	(466.4)	(436.2)
Cash flows from financing activities		
Proceeds from borrowings - external	349.9	146.7
Repayment of borrowings - external	(350.0)	0.0
Payment for debt issue costs	(3.7)	(5.3)
Interest and other payments on subordinated debt (CKI / PAH)	(72.5)	(72.5)
Preferred partnership distribution (Spark Infrastructure)	(69.6)	(69.6)
Ordinary distributions (All partners)	(93.0)	(101.0)
Net cash outflows from financing activities	(238.9)	(101.7)
Net cash movement	(192.3)	9.4
Opening cash	222.8	213.4
Closing cash	30.5	222.8

(1) 2017 balances have been adjusted to gross up for customer contributions.

TRANSGRID

FINANCIAL RESULTS

INCOME STATEMENT

TRANSGRID (100% RESULTS)

(A\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Transmission revenue ⁽¹⁾	729.8	769.0
Unregulated revenue	149.5	66.8
Other revenue	13.3	9.3
Total revenue	892.6	845.1
Operating expenses	(227.5)	(194.4)
EBITDA	665.1	650.7
Depreciation and amortisation	(326.3)	(332.4)
Interest expense	(218.6)	(204.2)
Interest on shareholder loan	(87.3)	(83.9)
Interest income	4.1	3.0
Other financing charges	(37.2)	(24.4)
Profit before tax	(0.2)	8.8
Income tax expense	-	-
Profit after tax	(0.2)	8.8

- 1) Variances from other Spark Infrastructure reporting documents relate to the following:
 - adjustments made to defer/accrete 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) Financial reporting is based on TransGrid's special purpose financial statements for the year ended 30 June 2018 and half year ended 31 December 2018. Results have been adjusted by Spark Infrastructure to reflect the 12 month period to 31 December 2018.

BALANCE SHEET

TRANSGRID (100% RESULTS)

(A'\$million)	December 2018	December 2017
Assets		
Cash and cash equivalents	195.0	160.4
Trade and other receivables	61.0	78.0
Inventories	28.4	28.9
Other current assets	8.9	8.3
Total current assets	293.3	275.6
Property, plant and equipment	7,531.2	7,592.6
Intangibles	2,593.6	2,593.3
Other non-current assets	99.8	87.4
Total non-current assets	10,224.5	10,273.3
Total assets	10,517.8	10,548.9
Liabilities		
Trade and other payables	75.4	103.7
Provisions	60.0	60.1
Other current liabilities	147.0	98.1
Total current liabilities	282.4	261.9
Borrowings ⁽¹⁾	5,634.8	5,459.5
Shareholder loans	1,581.9	1,581.9
Provisions	35.5	23.0
Other non-current liabilities	79.7	156.3
Total non-current liabilities	7,331.9	7,220.7
Total liabilities	7,614.3	7,482.6
Net assets	2,903.5	3,066.2
Equity		
Units on issue	3,048.0	3,137.0
Reserves	(117.7)	(72.1)
Retained earnings	(26.8)	1.3
Total equity	2,903.5	3,066.2

(1) Includes external debt and accounting adjustments e.g. capitalised debt costs

CASHFLOW STATEMENT

TRANSGRID (100% RESULTS)

(A'\$million)	12 months to 31 December 2018	12 months to 31 December 2017
Cash flows from operating activities		
Receipts from customers	1,004.6	931.8
Payments to suppliers and employees	(315.2)	(265.5)
Interest paid for shareholder loans	(86.3)	(62.9)
Finance costs paid	(219.5)	(205.5)
Rental income from investment property	5.8	5.4
Interest received	4.0	2.8
Net cash inflows from operating activities	393.3	406.1
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(295.5)	(299.0)
Proceeds from sale of property, plant and equipment	5.2	3.9
Net cash outflows from investing activities	(290.4)	(295.1)
Cash flows from financing activities		
Repayment of borrowings	-	(940.7)
Proceeds from borrowings	17.6	-
Proceeds from Bond issuance	-	940.7
Proceeds from unit issuance	65.0	-
Debt establishment costs	(17.9)	(3.9)
Distribution to securityholders	(133.0)	(9.6)
Net cash outflows from financing activities	(68.3)	(13.4)
Net cash movement	34.6	97.6
Opening cash	160.4	62.8
Closing cash	195.0	160.4

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Investment company financial reporting - The financial reporting is based on TransGrid's special purpose financial statements for the year ended 30 June 2018 and half year ended 31 December 2018. Results have been adjusted by Spark Infrastructure to reflect the 12 month period to 31 December 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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