



Tuesday, 31 May 2011

The Manager  
Company Announcements  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**SPARK INFRASTRUCTURE COMPLETED INTERNALISATION**

I enclose a statement announcing completion of internalisation by Spark Infrastructure.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Alexandra Finley". The signature is fluid and cursive, with a large loop at the end.

**Alexandra Finley**  
**Company Secretary**



# MEDIA RELEASE

Tuesday, 31 May 2011

## SPARK INFRASTRUCTURE COMPLETES INTERNALISATION

Spark Infrastructure announced that it had completed the internalisation of its management function today with the payment of an upfront fee of \$49 million<sup>1</sup> to Cheung Kong Infrastructure Holdings Limited ("CKI") and RREEF Infrastructure ("RREEF").

Securityholders overwhelmingly endorsed this initiative when they voted in favour of Internalisation at the recent Extraordinary General Meeting on 20 May 2011. This has been reinforced by the strong performance of Spark's securities since Internalisation was first announced on 1 April 2011.

Spark Infrastructure chairman Stephen Johns said today, "This final stage of the Internalisation marks a new beginning for Spark as an independently managed group with a more contemporary structure, and complements the repositioning and restructuring of the business completed in the second half of last year."

"Our Asset Companies<sup>2</sup> are now entering an exciting period of growth that is expected to see their Regulated Asset Bases (RAB) grow from \$6.8 billion to around \$10 billion at the end of 2015. Importantly, this also means that the value of Spark Infrastructure's equity investment in its Asset Companies is projected to grow at a compound rate of 14% per annum over the current five year regulatory period<sup>3</sup>", Mr Johns added.

On 26 May 2011 Spark Infrastructure announced that ETSA Utilities had received a favourable outcome to its appeal on certain elements of its final regulatory decision and is permitted to recover approximately \$300 million<sup>4</sup> in additional revenue over the current regulatory period. This determination only applies to ETSA Utilities. The two Victorian businesses are also appealing certain aspects of their final determination with the outcomes expected in the second half of 2011.

"This all contributes to a more certain and very positive outlook for Spark Infrastructure. Spark Infrastructure is well placed to support and benefit from the expected substantial growth of its Asset Companies. It has shifted from a business focussed primarily on high yield to an investment offering a solid and dependable distribution yield plus capital growth through its equity investment in its Asset Companies", Mr Johns said.

At the recent Annual General Meeting Spark Infrastructure directors reaffirmed their distribution guidance for 2011 of 9.25 cents per security and remain confident of growing distributions over the current five year regulatory period, subject to business conditions.

### Further Information:

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Managing Director

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<sup>1</sup> Plus approximately \$2.0 million in net working capital balances (predominantly cash or cash-settled balances).

<sup>2</sup> Spark Infrastructure holds 49% interests in three electricity distribution businesses – being ETSA Utilities based in South Australia, and CitiPower and Powercor based in Victoria. CitiPower owns the electricity distribution network in Melbourne's CBD and inner suburbs servicing around 310,000 customers; Powercor owns the largest electricity distribution network in Western Victoria covering 65% of the State and around 716,000 customers. ETSA Utilities owns South Australia's only significant electricity distribution network with around 820,000 residential, commercial and industrial customers.

<sup>3</sup> Assuming funding of net growth in RAB on a 60:40 debt to equity basis, in line with the regulatory model.

<sup>4</sup> ETSA Utilities estimates it will receive approximately \$315 million in increased revenues on a smoothed basis in nominal terms, over the remaining four years of the current regulatory period.