2010 Full Year Results

FEBRUARY 2011

Repositioning for Growth

SparkInfrastructure

Presentation Agenda

2010 FY RESULTS

THE NEW
SPARK

GROWTH AND
REGULATORY OUTCOMES

SPARK INFRASTRUCTURE
PERFORMANCE

ASSET COMPANY
PERFORMANCE

OUTLOOK AND
GUIDANCE

SparkInfrastructure


THE NEW SPARK
SparkInfrastructure

STRATEGIC HIGHLIGHTS

Repositioned for growth

Solid Asset Company Performance	▶ Good operational performances of the three Asset Companies in which Spark holds a 49% interest – ETSA Utilities in South Australia, and CitiPower and Powercor Australia in Victoria.
Satisfactory regulatory determinations	▶ Satisfactory regulatory determinations for the Asset Companies from the Australian Energy Regulator (AER) for the new five year regulatory period to 2015.
Repositioning successfully completed	▶ Successful completion of the $295 million equity raising in October 2010, and the Corporate restructuring of Spark Infrastructure in December 2010.
Agreement with co-shareholders	▶ In principle agreement reached with Spark's co-shareholders in relation to the Asset Companies' business plans for the period to 2015, subject to business conditions and annual review

- As a result of the factors listed above, the Directors have increased their distribution guidance for 2011 to 9.25 cps, up from 9.11 cps
- Directors are confident of growing distributions over the new five year regulatory period, subject to business conditions

PERFORMANCE HIGHLIGHTS

Improved Spark structure and consistent Asset Company performance

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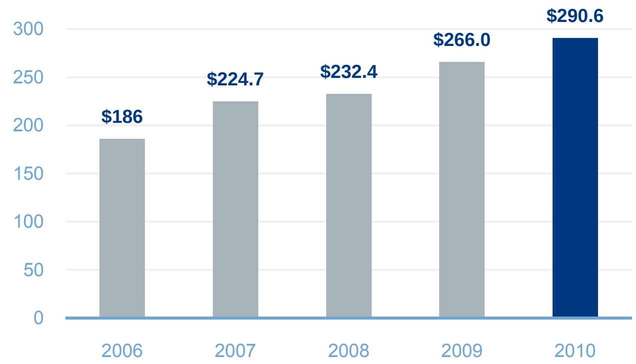
Repositioning successfully completed	▶ Equity raising strongly supported by both institutional and retail Securityholders with positive aftermarket security trading performance ▶ Equity raising has delivered increased financial flexibility and a stable register ▶ Restructure has delivered greater simplicity in single ASX listed vehicle, and aligned expected cashflows from the Asset Companies with interest obligations to Securityholders
Invested in regulated assets with stable cashflows	▶ Regulated returns underpinned by built-in protections within regulated structure ▶ ETSA Utilities, CitiPower and Powercor final regulatory decisions provide for strong organic growth over new five year regulatory periods ▶ Resilient income through economic downturn
Prioritise ongoing investment in existing asset portfolio	▶ Strong source of organic growth at zero premium (1.0 x RAB) ▶ RAB expected to grow 8% p.a. (CAGR) in new regulatory periods based on AER determinations ▶ Smart Meter capex of $630m to 2013 ($253m spent to date) providing accelerated returns with Beta of 1.0
Ensure prudent approach to gearing and hedging of debt	▶ Strong credit ratings of A- at Asset Companies (S&P); Baa1 at fund level (Moody's) reaffirmed ▶ Ready access to capital markets and bank debt at asset and fund levels evidenced ▶ Gearing broadly consistent with regulatory model
Growing distributions alongside strong and growing look-through cashflows	▶ Final distribution for 2010 of 6.82cps payable 15 March 2011, total distributions for 2010 of 13.54cps. The DRP will not be activated for the March 2011 distribution ▶ Increased distribution guidance of 9.25 cps for 2011 ▶ Maintain attractive investment metrics and distributions growth over the new regulatory period ▶ Strong and growing look-through operating cashflows ▶ Continue to fund distributions from operational cashflows from the Asset Companies

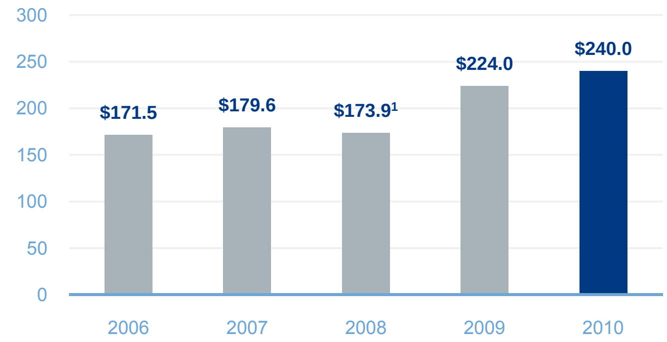
FINANCIAL HIGHLIGHTS

Spark Infrastructure

UNDERLYING INCOME ($M)

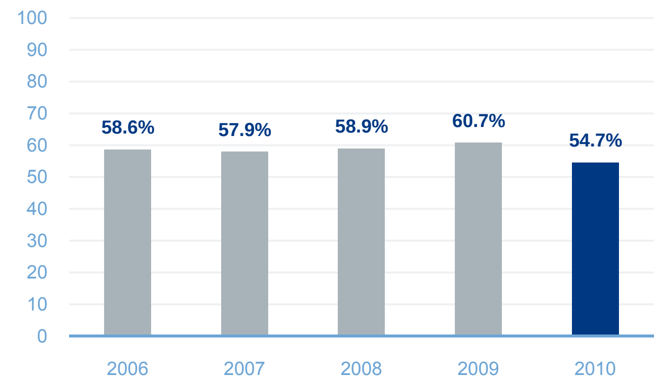


UNDERLYING PROFIT BEFORE INCOME TAX AND LOAN NOTES INTEREST ($M)



STANDALONE OPERATING AND INVESTING CASHFLOWS ($M)

NET GEARING – LOOKTHROUGH (%)[3]



1 Includes performance fee of $16.5 million paid to the Manager of Spark Infrastructure in relation to the HY 2008 period
2 Performance fee of $16.5 million was paid in 2008.
3 This excludes Loan Note interest principal attributable to Securityholders which is subordinated to senior debt. Net gearing is net of cash on hand

FINANCIAL HIGHLIGHTS

Aggregated Asset Companies (100% results)

TOTAL REVENUE ($M)

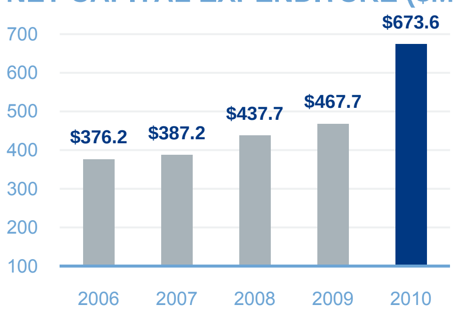
REGULATED REVENUE ($M)

SEMI-REGULATED REVENUE ($M)

UNREGULATED REVENUE ($M)

EBITDA ($M)

NET CAPITAL EXPENDITURE ($M)



Note: The 2006-2009 comparatives have been adjusted to reflect all metering revenue for CHEDHA as Regulated Revenue

THE NEW SPARK

Maximising Value

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The Repositioning has established the best structure for Spark Infrastructure to support, and in turn benefit from, the strong expected organic growth in the Asset Companies. The value this will deliver to our Securityholders is based on the following elements:

1. **Growing equity ownership** – The Regulated Asset Bases (RABs) of the Asset Companies are expected to grow from $6.8 billion to around $10 billion over the new five year regulatory period as a result of a substantial increase in growth capital expenditure - at the same time, the Asset Companies plan to deleverage their balance sheets with their ratio of net debt to RAB expected to decline from circa 80% at 31 December 2010 to around 75% at the end of calendar 2015

2. **Predictable cashflows from the Asset Companies** – The regulatory outcomes for the new five year periods are now established, thereby providing a high degree of certainty for cash flows in the medium term – together with the agreed business plans of the Asset Companies for the new cycle, this provides a sound basis for growing distributions over the new five year period

3. **Streamlined structure** – Simplified structure with the creation of a single ASX listed entity is expected to provide broader investor appeal

THE NEW SPARK

Outcomes of Strategic Review

The Repositioning has:

- **Strengthened** Spark's balance sheet and increased Spark's financial flexibility to fund growth capital expenditure requirements
- **Realigned** Spark's Loan Note interest obligations with cashflows expected to be available from the Asset Companies
- **Simplified** Spark's ownership and stapled security structure

The Repositioning included two key elements:

1. **Entitlement Offer** – approximately $295 million in new capital raised by means of an underwritten accelerated non-renounceable entitlement offer

   The Entitlement Offer received strong support from both Institutional and Retail investors

2. **Restructure** – simplification of Spark's ownership and stapled security structure and a reduction in the face value of Loan Notes held by Securityholders

   The Restructure was approved by Securityholders by overwhelming majorities with effect from 31 December 2010. The new single ASX listed vehicle commenced trading on 7 January 2011

THE NEW SPARK

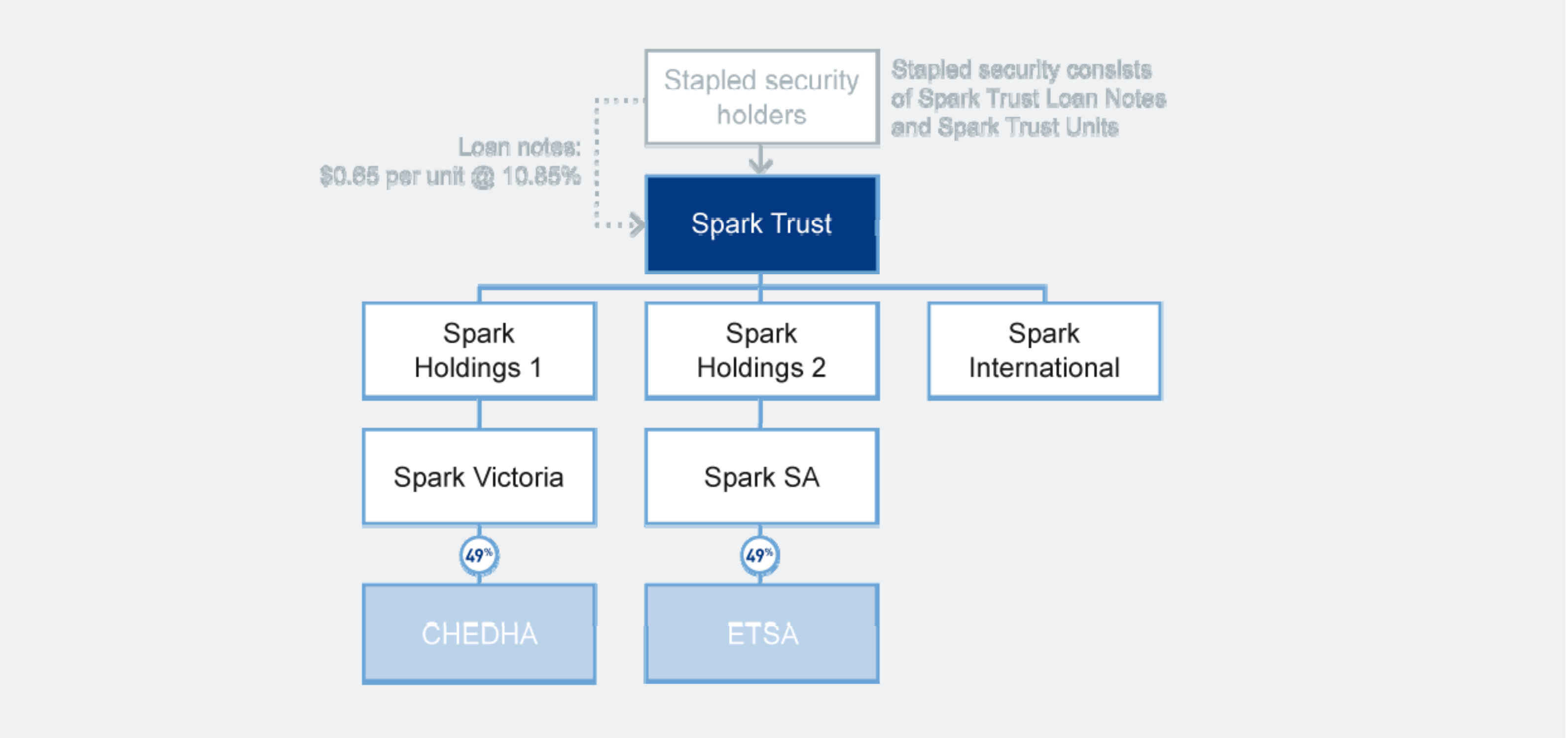
Delivering a simpler structure

1. **REDUCED LOAN NOTE FACE VALUE**

   Reduction in the principal amount outstanding on the Loan Notes held by Securityholders and therefore a reduction in the amount of Loan Note interest obligation in respect of each security

2. **SIMPLIFIED STAPLED SECURITY STRUCTURE**

   Restructure means that all existing entities sit below Spark Trust. Securities have been simplified from a four issuer five stapled security to a single issuer with two stapled securities (i.e. Unit and Stapled Loan Note)



THE NEW SPARK

Investment proposition

The Repositioned Spark offers investors distribution yield and capital growth in the Asset Companies

1. High quality regulated monopoly assets with stable cash flows

- Stable and predictable operating environment
- Regulatory regime provides in-built protections – inflation linked predictable cashflows
- ETSA Utilities and CHEDHA deliver essential services to approximately 1.85 million customers

2. Assets well positioned for growth

- Regulatory Asset Base (RAB) is projected to grow at 8%[1] p.a. (CAGR) over the coming five year regulatory periods with associated growth in revenues
- Regulated revenues are further supplemented by semi-regulated and unregulated business activity

3. Attractive investment metrics

- FY 2011 distribution guidance of 9.25 cps[2]
- Spark's equity investment in the Asset Companies' RAB projected to grow by 14% p.a. (CAGR) over their next five year regulatory periods assuming funding of net growth in RAB in line with the regulatory model[3]

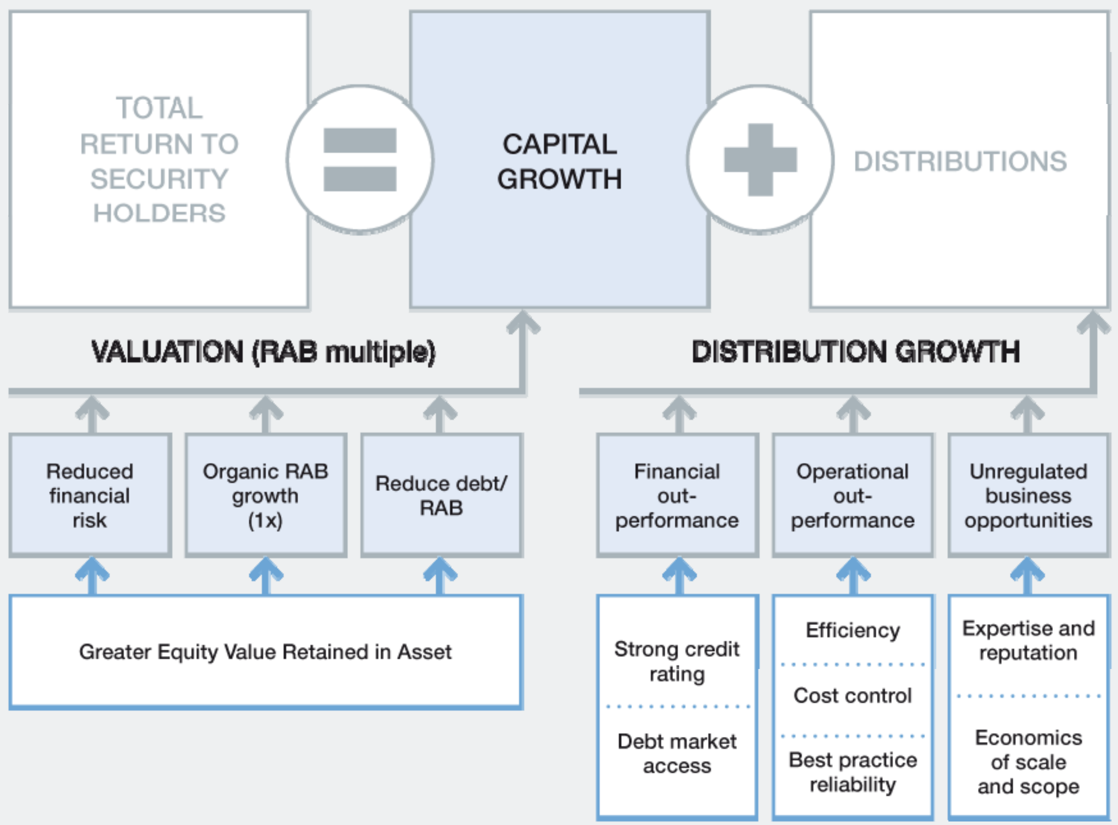
4. Experienced management teams

- Spark's management team has extensive infrastructure industry experience
- ETSA, CitiPower and Powercor management teams each have extensive experience and a demonstrated track record in delivering strong financial and operational performance

1 Based on AER's final determinations for ETSA Utilities, CitiPower and Powercor, and inclusion of AMI assets
2 Guidance only. Distributions are not guaranteed
3 Assuming growth in RAB including AMI over the coming regulatory periods is 60% debt funded in line with AER's assumptions. The Asset Companies operate in an incentive based regulatory regime - they can benefit from efficient out-performance on operating expenditure, capital expenditure and reliability

THE NEW SPARK

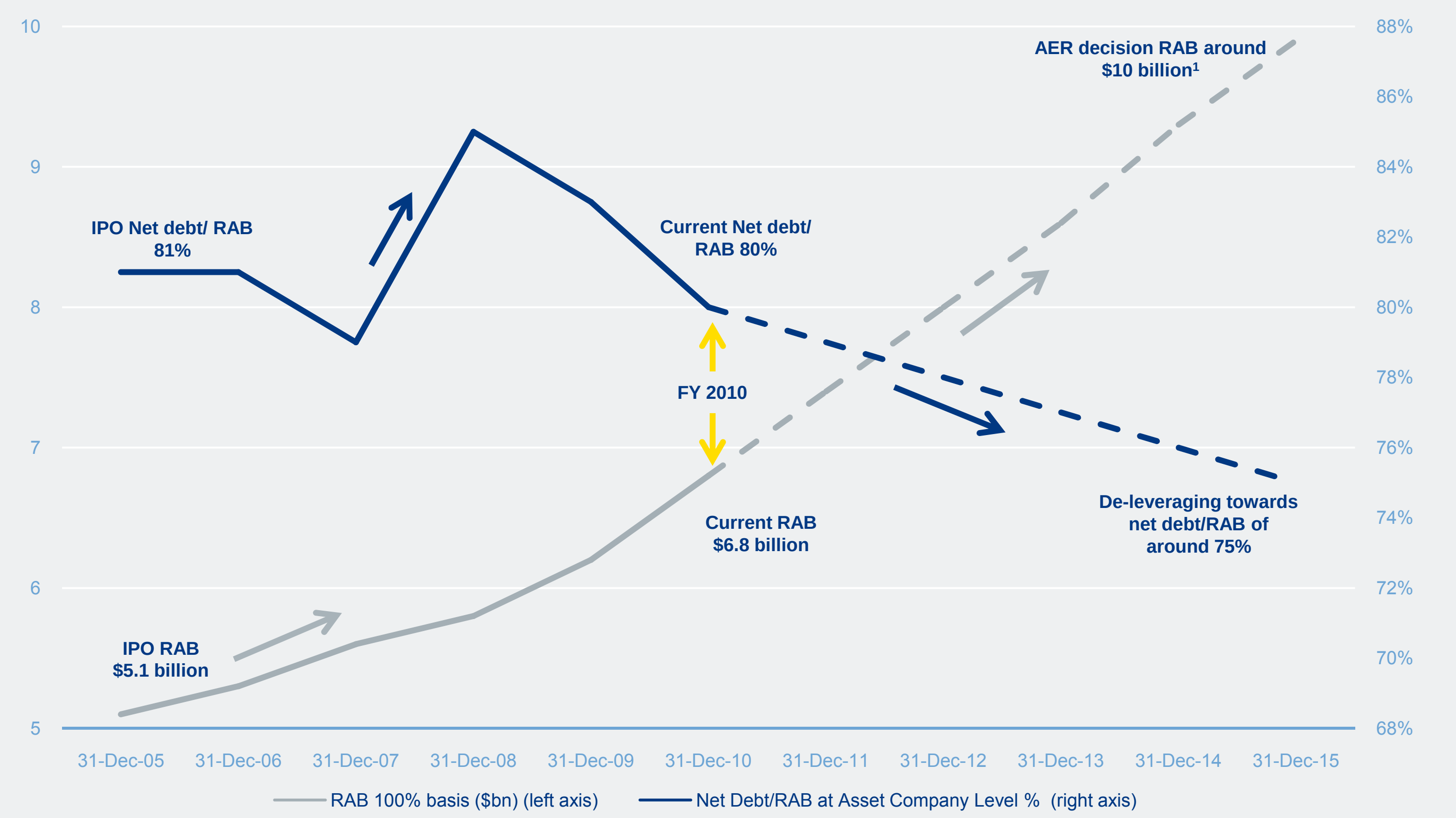
Yield plus capital growth



SHIFT FROM A SECURITY FOCUSSED PRIMARILY ON YIELD TO AN INVESTMENT OFFERING SOLID DISTRIBUTION YIELD PLUS CAPITAL GROWTH

THE NEW SPARK

Growing equity ownership



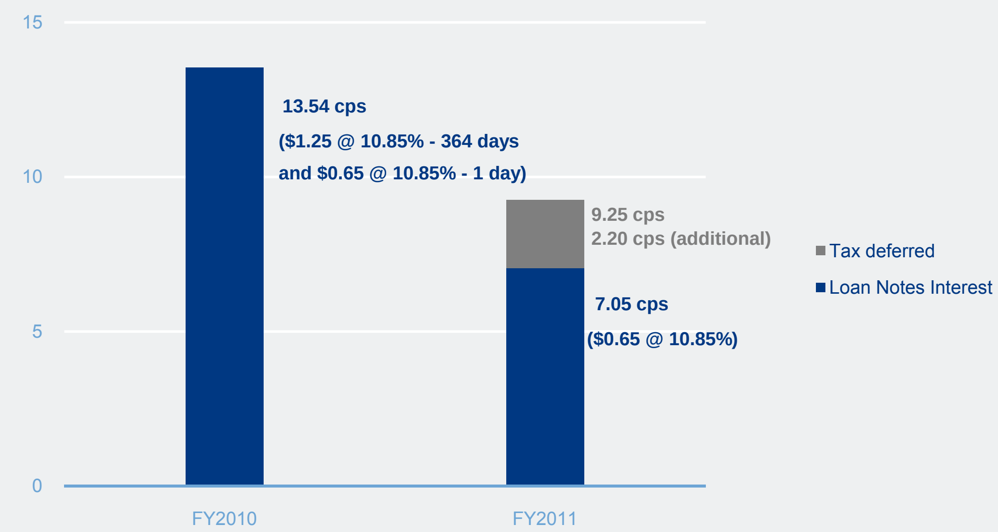
GROWING RAB AND LOWER GEARING EQUALS A LARGER SLICE OF GROWING ASSETS

1. Based on final AER decisions for new five year regulatory periods and funding of capital expenditure in accordance with 60:40 debt:equity assumption. Actual capital expenditure and funding mix may vary.

DISTRIBUTIONS

Composition

- Restructured principal from $1.25 per security to $0.65 per security (on 31 December 2010)
- Interest rate on Loan Notes unchanged at 10.85% (to at least 2015)
- Increased 2011 guidance of 9.25 cps
- The Directors are confident of growing distributions over the remainder of the new five year regulatory period to 2015, subject to business conditions
- The Asset Companies are currently at the point of greatest certainty in the regulatory cycle



DISTRIBUTION GROWTH OVER THE NEW FIVE YEAR REGULATORY PERIOD


GROWTH
& REGULATORY OUTCOMES

REGULATORY FRAMEWORK

Built in protections

Well established, transparent regulatory process with resets every 5 years; CPI -X[3] formula

Regulated Asset Base (RAB)

x

Weighted Av. Cost of Capital (WACC)[1]

+

Depreciation[2]

+

Operating Expenditure

+

Tax

=

Regulated Revenue (target)

÷

Forecast Volume

=

Regulated Tariff

Regulated Tariff

x

Actual Volume

=

Actual Revenue

1. Based on 10 yr Commonwealth Treasury Note. Includes both an equity premium and a debt premium (BBB+/Baa1)
2. Depreciation based on regulated economic life of assets
3. X factor is currently 6.41 for CitiPower, -0.11 for Powercor (2010-15), and -5.75 for ETSA Utilities (2010-15) – a negative X factor results in an increase in prices above CPI

RAB AND REVENUES ARE ADJUSTED FOR INFLATION ANNUALLY (inflation protected)

REGULATORY FRAMEWORK

Incentive based system

- **Efficiency carry-over mechanism** – Electricity distribution businesses are rewarded for efficiency gains achieved and penalised for losses against operating expenditure forecasts, which are carried over into the next regulatory period

- **Service target performance incentive schemes** – provides financial rewards and penalties for Electricity distribution businesses to maintain and improve service performance

- **Demand management incentive scheme** – provides incentives to seek out and implement efficient and innovative non-network solutions in response to growing demand and network constraints

- **Track record of out-performance** - ETSA Utilities and CitiPower and Powercor have consistently out-performed against regulatory benchmarks and are incentivised to do so by the regulatory system. Details are provided in the following reports:
  - AER – Victorian Electricity Distribution Businesses: Comparative performance report for 2009
  - ESCOSA – 2009/10 Annual Performance Report: South Australian Energy Supply Industry

REGULATORY SYSTEM ENCOURAGES OUT-PERFORMANCE AGAINST BENCHMARKS SUBJECT TO MAINTENANCE OF RELIABILITY AND EFFICIENCY STANDARDS

GROWTH DRIVERS

- Spark Infrastructure's Asset Companies are entering an exciting period of growth
  - significant increase in regulated capital expenditure
  - corresponding strong growth in the Asset Companies' RAB over the five year regulatory periods of 8% p.a. (CAGR) (including AMI)
  - as the RAB increases, regulated revenues and operating cashflows will correspondingly increase (subject to the X factor set by the regulator)
  - investment in existing regulated assets occurs at 1.0x RAB (no acquisition premium) – Attractive regulated returns on equity of 11.09% for ETSA and 10.28% for CHEDHA (for the next five years to 2015)
- Return on investment in growth capital expenditure realised over the longer term, as the Asset Companies generate higher operating cash flows from the growing RAB
- Regulated revenues are further supplemented by semi-regulated and unregulated business activity
- Net capital expenditure is added to the RAB and earns a return from day one

COMBINED ASSET COMPANY RAB (Inc AMI) IS PROJECTED TO GROW BY 8% P.A. (CAGR) OVER THE NEW FIVE YEAR REGULATORY PERIODS

REGULATORY OUTCOMES

ETSA Utilities

- Final decision from Australian Energy Regulator provides for substantial increases in capital expenditure and operating expenditure allowances to cater for strong asset renewal and expansion programs
- AER decision has set WACC at 9.76% and Return on Equity at 11.09% (based on risk free rate of 5.89%)
- Increase in the debt risk premium to 2.98% to compensate for the prevailing market conditions which have seen debt costs rise
- Interest rate hedging is undertaken by the Asset Companies at the same time as the AER sets the risk free rate

REGULATORY PERIOD	2005-10 decision	2010-2015 decision
Beta	0.9	**0.8**
Risk Free Rate	5.8%	**5.89%**
Debt risk premium (DRP)	1.65%	**2.98%**
Market risk premium (MRP)	6.0%	**6.5%**
Nominal vanilla WACC	8.95%	**9.76%**
Nominal post tax return on equity	11.2%	**11.09%**
Gamma (Imputation)	0.5	**0.65**[1]
Net capex over 5 years ($June 2010)	$886m	**$1,643m**
Opex over 5 years ($June 2010)	$760m	**$1,066m**
Revenue (Nominal)	$2,518m	**$3,637m**

Regulatory appeal

- ETSA Utilities was granted a review by the Australian Competition Tribunal of the AER's decision regarding the value of imputation credits (gamma) and the level of its opening RAB
- Opening RAB - If successful this will result in an uplift to the opening RAB of up to $127 million and additional revenue of up to $51 million over the new five year regulatory period. An outcome on this is expected shortly
- Gamma - An outcome in relation to gamma is expected in the second quarter of 2010

1. The final Gamma is subject to the outcomes of an appeal which has been lodged by ETSA Utilities with the Australian Competition Tribunal and an outcome is expected around the middle of the year. The AER's decision for CitiPower and Powercor which was delivered subsequent to the decision for ETSA Utilities contained a Gamma of 0.5

REGULATORY OUTCOMES

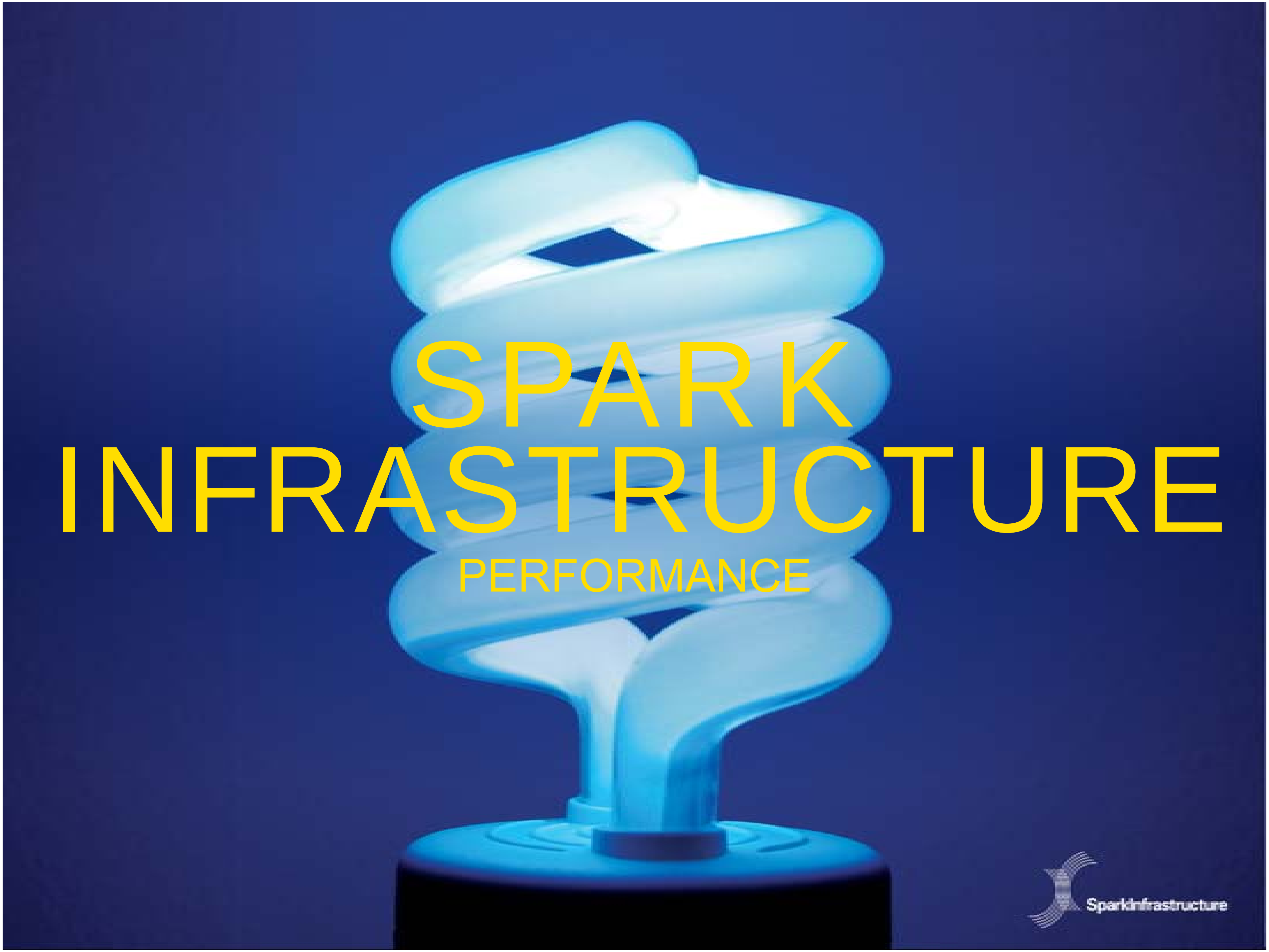
CitiPower and Powercor

- Final decision from Australian Energy Regulator delivered significant improvements over draft decision in relation to operating expenditure and capital expenditure
- Return on equity of 10.28% (based on risk free rate of 5.08%) is lower than the previous period
- Increase in the debt risk premium to compensate for the prevailing market conditions which have seen debt costs rise
- Interest rate hedging is undertaken by the Asset Companies at the same time as the AER sets the risk free rate
- Smart metering expenditure is an additional $630 million of capital expenditure with returns based on beta of 1.0 to 2013 (not included below)

REGULATORY PERIOD	2006-10 decision	2011-2015 decision
Beta	1.0	**0.8**
Risk Free Rate	5.27%	**5.08%**
Debt risk premium (DRP)	1.43%	**3.74%**
Market risk premium (MRP)	6.0%	**6.5%**
Nominal vanilla WACC	8.61%	**9.4%**
Nominal post tax return on equity	11.27%	**10.28%**
Gamma (Imputation)	0.5	**0.5**
Net capex over 5 years ($June 2010)	$1,488m	**$2,092m**
Opex over 5 years ($June 2010)	$777m	**$1,027m**
Revenue (Nominal)	$2,872m	**$3,695m**

Regulatory appeal

- CitiPower and Powercor have appealed a number of elements of their final decisions, including gamma
- The resolution of this appeal is expected in the second quarter of 2011
- Spark Infrastructure notes that the final AER decision included gamma of 0.5 for CitiPower and Powercor, compared to 0.65 for ETSA Utilities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FINANCIAL PERFORMANCE

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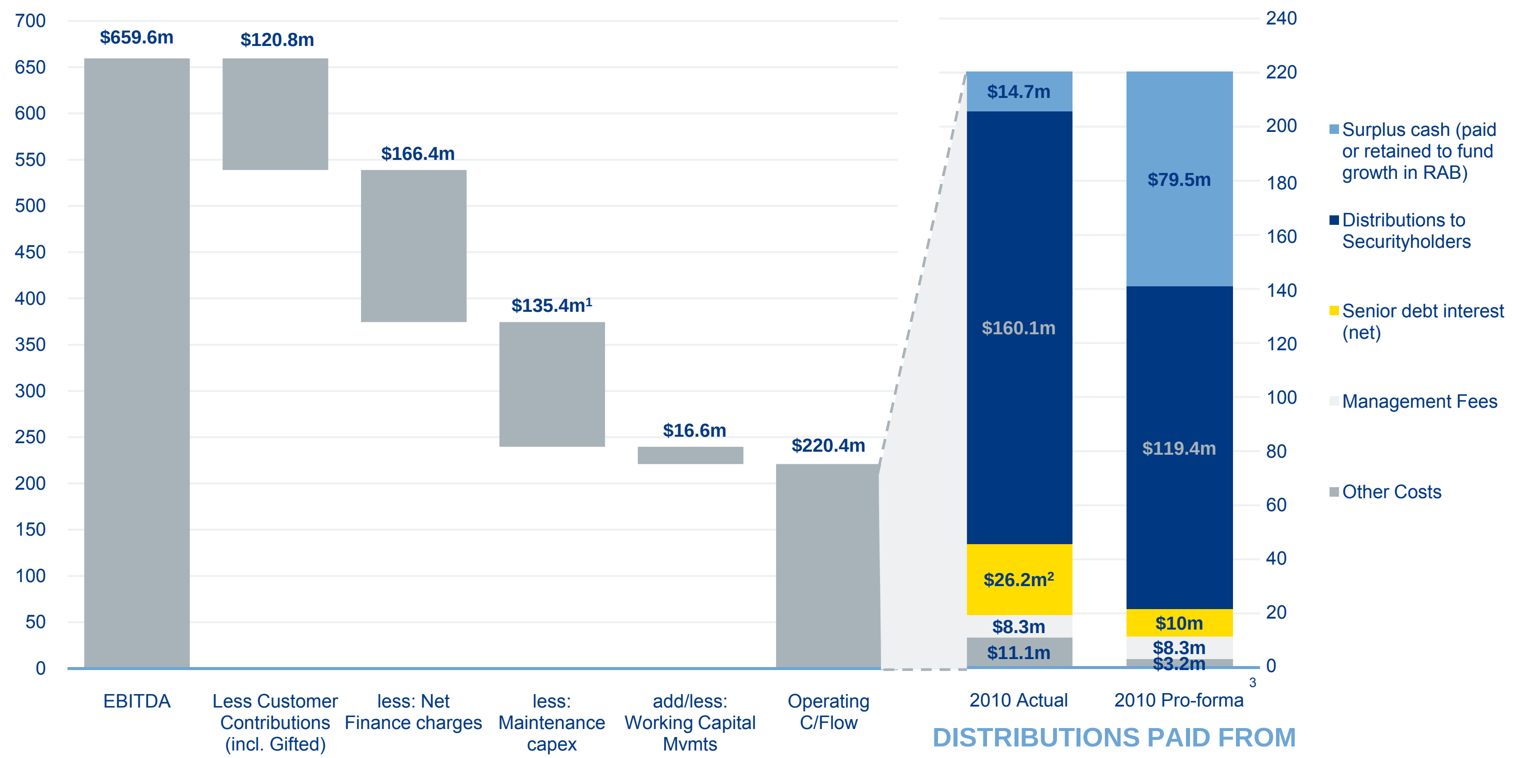
UNDERLYING RESULTS –YEAR ENDED 31 DECEMBER 2010	FY 2010 ($m)	FY 2009 ($m)	Variance %
Total income	**290.6**	**266.0**	**9.3**
Management fee	(8.3)	(7.9)	(4.8)
Interest expense (gross) – senior debt	(27.1)	(29.3)	7.4
General and administrative expenses	(15.2)	(4.8)	(216)
Profit before loan note interest, performance fee and tax	**240.0**	**224.0**	**7.1**
Loan Note Interest (Distributions to Securityholders)	(160.1)	(138.4)	(15.7)
Income tax expense	(1.5)	(4.2)	65.6
Profit attributable to Stapled Securityholders – underlying	**78.5**	**81.4**	**(3.7)**
Operating cashflow including investing activities	**134.7**	**196.9**	**(31.6)**

OPERATING CASHFLOW MODEL

Spark Infrastructure's 49% share of Asset Companies' total

LOOKTHROUGH OPERATING CASHFLOW (SPARK 49% SHARE) ($M) 2010



DISTRIBUTIONS PAID FROM OPERATING CASHFLOW

1 Maintenance capex allowance is calculated as regulatory depreciation net of CPI uplift in RAB
2 Includes debt refinance costs
3 2010 Pro forma numbers adjust for full year impact of significant one-off events in 2010 e.g. Loan Note principal reduction to $0.65 equating to a distribution level of 9.0cps (based on 1.326 billion securities), $125 million drawn gross senior debt @ 8.0% interest, and removal of one off other costs in relation to the Strategic Review and debt refinancing

UNDISTRIBUTED OPERATING CASHFLOW

Distributions fully covered by Operating Cashflow

- $112.8 million received from Asset Companies in six months to 31 December 2010 ($75.5 million ETSA Utilities; $37.3 million CHEDHA) vs 1H 2010 $63.0 million
- Operating cashflow of $44.6 million retained at Asset Company level during FY 2010 growing long term value of the Asset Companies – no equity injections made in 2010
- $17.6 million temporary deferral of CHEDHA sub-debt interest in 2H 2010, to be paid in 1H 2011 – no further deferrals expected

SPARK UNDISTRIBUTED OPERATING CASHFLOW (OCF)

Balance available from FY 2009	**$58.5 million**
1H 2010 OCF	$44.0 million
1H 2010 Distribution	($69.4 million)
2H 2010 OCF	$86.4 million[1]
2H 2010 Distribution	($90.5 million) – based on $1.25 per security
Balance at 31 December 2010	**$29.0 million**

1. Includes debt refinance costs incurred in 2H 2010

ASSET COMPANY OPERATING CASHFLOW

Sources and uses

- Growth in RAB to 2010 has been funded without an equity contribution from Spark
- Strong distributions from Asset Companies have been maintained
- Net debt to RAB at Asset Company level is expected to decline over the new five year regulatory period

OPERATING CASHFLOWS *(Spark 49% share)*	2010	2009
	$m	$m
EBITDA (cum customer contributions)	660	617
Senior debt interest paid (net)	(166)	(160)
Regulatory depreciation less CPI uplift (maintenance capital expenditure)	(135)	(76)
Net working capital, actual customer contributions and gifted assets	(137)	(142)
Operating cashflow from Asset Companies	**220**	**239**
less: Amounts distributed by Asset Companies	(176)	(235)
Cash retained by Asset Companies to fund growth or reduce gearing	**45**	**4**

Growth capital expenditure (gross less maintenance capital expenditure)	**195**	**157**
Net debt/RAB (Average Asset Companies)	**80%**	**83%**

CAPITAL EXPENDITURE

Maintenance capital expenditure comparisons

$ million	Maintenance capex spend		Regulatory depreciation		Less inflation uplift on RAB		Net regulatory depreciation	
	FY 10	FY 09	FY 10	FY 09	FY 10	FY 09	FY 10	FY 09
ETSA Utilities	113.7	77.8	171.3	168.7	(74.4)	(60.2)	96.9	108.5
CitiPower	33.8	33.7	79.9	74.0	(15.9)	(57.7)	64.0	16.3
Powercor Australia	50.6	45.8	143.5	132.4	(28.1)	(101.1)	115.4	31.4
Totals	198.1	157.3	394.9	375.1	(118.5)	(218.9)	276.3	156.2
Spark 49% share	**97.1**	**77.1**	**193.4**	**183.8**	**(58.0)**	**(107.3)**	**135.4**	**76.5**

The table above compares the following FY 2010 figures:

- **Maintenance capital expenditure** – actual spend during the period
- **Net regulatory depreciation -** (depreciation net of inflation uplift on the RAB) provided for in allowed revenue. Includes AMI.
- Net regulatory depreciation has been impacted by some CPI volatility. Normalising for a long term CPI assumption of 2.5% would equate to Net regulatory depreciation of $115m (2009: $111m)

CAPITAL MANAGEMENT

Focus on funding organic growth

- The Repositioned Spark corporate structure is designed to support the funding of organic growth in the Asset Companies – minimising need for external equity calls while still delivering investors a strong distribution yield
- Sufficient capital to fund organic growth requirements in the Asset Companies for 2011
- Interest cover ratios are strong – 6.0x (gross) at Spark Infrastructure level; 2.9x on look through basis
- Gearing is 54.7% on net look through basis
- Credit ratings strong
  - Spark Infrastructure at Baa1 by Moody's; outlook stable
  - Asset Companies at A- by Standard & Poor's; outlook stable
- Net debt at Spark level is $35.7 million with no refinancing required until September 2013 – committed undrawn facilities of $214.3 million (undrawn $125.0m and cash $89.3m)
- Conservative interest rate hedging policy in line with regulatory periods

DEBT POSITION

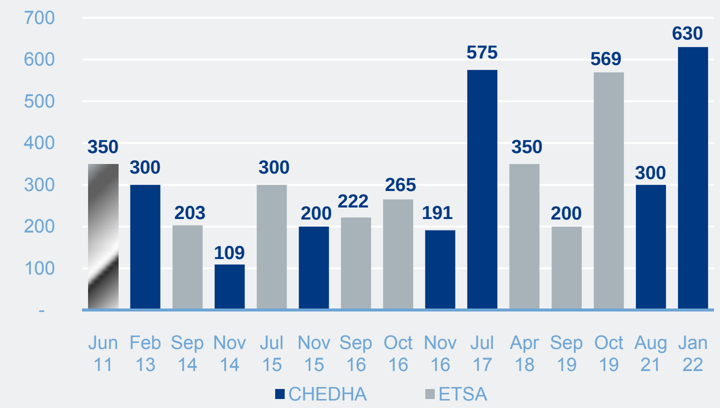
Maturities well spread

- No re-financings at Spark Infrastructure level until September 2013
- Undrawn bank facilities at Spark of $125 million
- Cash balances total $177 million – Spark $89 million, Asset Companies $88 million
- No re-financings at Asset Company level until Dec 2011 (Note: bridge facility in place for June 2011 for $350 million maturity expiring in Dec 2011)

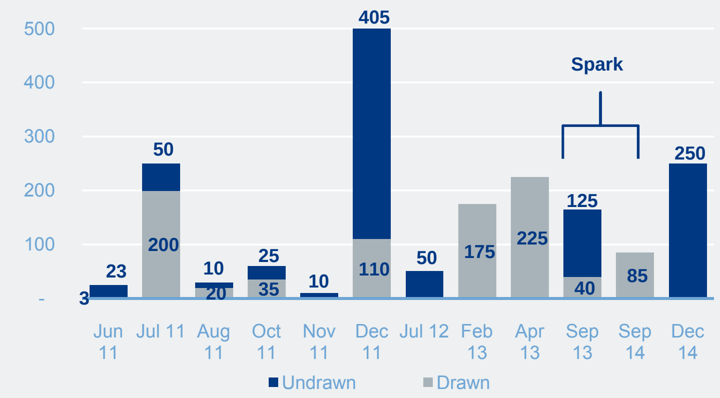
	Credit Rating	Next Maturity
Spark Fund level	Baa1 stable (Moody's)	Sep 2013
ETSA Utilities	A- stable (S&P)	Apr 2013[1]
CitiPower and Powercor	A- stable (S&P)	Dec 2011

1. Syndicated loan facility

ASSET COMPANY CAPITAL MARKETS DEBT (100%) (A$M)



ASSET COMPANY & SPARK BANK DEBT FACILITIES (100%) (A$M)



DEBT POSITION

Conservative and carefully managed

- Asset Company hedging timed to match new five year regulatory period
- Spark Infrastructure hedging to 2015
- Hedging undertaken with counterparties with credit ratings of A and above

ETSA UTILITIES	$m
Net Debt	2,396.2
Spark Share of net debt	1,174.1
Percentage Hedged (net)	97.5%

CITIPOWER AND POWERCOR (CHEDHA)	$m
Net Debt	3,034.9
Spark Share of net debt	1,487.1
Percentage Hedged (net)	96.5%

SPARK INFRASTRUCTURE	$m
Net debt at Spark Infrastructure level	35.7
Net debt at asset level (Spark Share)	2,661.2
Total net debt	2,697.0
Total equity and Loan Notes (book)	2,235.1
Gearing net (Look through)	54.7%

Hedged at Spark level	**80.0%**
Spark look through proportion of hedge (net)	99.4%

- A level of forward start interest rate swaps have been put in place at the Asset Company level
- Net debt/RAB at 31 December 2010 is 81.1% on a look-through basis, 80.0% at the Asset Company level

ASSET COMPANY

PERFORMANCE

AGGREGATED FINANCIAL PERFORMANCE (100% results)

ETSA, CitiPower and Powercor Full Year ended 31 December 2010	2010 $m	2009 $m	Variance %
Regulated Revenue – DUOS + AMI	1,342.5	1,240.8	8.2
Semi-regulated Revenue – customer contributions	246.6	260.4	5.3
Semi-regulated Revenue – other	68.8	64.9	6.0
Unregulated revenue	201.8	196.0	3.0
Total Revenue	**1,859.7**	**1,762.1**	5.5
Total operating costs	513.6	502.2	2.3
EBITDA	**1,346.1**	**1,259.9**	6.8
Capital expenditure (net)	673.6	467.7	44.0

ETSA UTILITIES (100% results)

Strong growth in regulated business
New regulatory period from 1 July 2010

- Growth in EBITDA of 5.8% based on stronger regulated revenues and partially offset by lower non-prescribed revenues
- Regulated electricity distribution revenue up 10.5% due to higher tariffs and despite 1.1% lower volume sold
- Operating costs 5.7% higher due to increased service costs including vegetation management and guaranteed service level payments associated with severe storm activity
- Capital expenditure increased by 59.0% for expansion of the network, improving asset performance and reliability, and replacement of existing assets
- Closing RAB at 31 December 2010 was $3.06 billion (100%)

Financial	FY 2010 ($m)	FY 2009 ($m)	Variance %
Regulated revenue	595.0	538.5	↑ 10.5
Customer contributions	159.8	168.5	↓ 5.2
Semi-regulated other	36.3	37.5	↓ 3.2
Unregulated revenue	110.0	107.4	↑ 2.4
Total revenue	901.1	851.9	↑ 5.8
Cash operating costs	240.5	227.5	↑ 5.7
EBITDA	660.6	624.4	↑ 5.8
Net capital expenditure	240.3	151.1	↑ 59.0

Operational	FY 2010	FY 2009	Variance
Volume sold GWh	11,320	11,447	↓ 1.1
Customer numbers	820,387	812,529	↑ 1.0
Employee numbers	1,833	1,840	■ 0.4

CITIPOWER & POWERCOR (100% results)

Advanced metering driving EBITDA growth
New regulatory period from 1 January 2011

- Growth in EBITDA of 7.9% reflecting Advanced Metering Infrastructure revenues and relatively flat total operating costs
- Regulated electricity distribution revenue flat despite 1.5% increase in volume sold due to unfavourable year on year change in rate and mix
- Operating costs 0.6% lower due largely to anticipated cost increases related to operations of the regulated business being offset by higher levels of capitalisation of costs to capital projects
- Capital expenditure up strongly as investment in Advanced Metering Infrastructure continues
- Closing RAB at 31 December 2010 was \$1.29 billion for CitiPower, \$2.23 billion for Powercor, and \$0.21 billion for AMI (CitiPower \$0.06 billion and Powercor \$0.15 billion)

Financial	FY 2010 (\$m)	FY 2009 (\$m)	Variance %
Regulated revenue DUOS	641.0	641.9	↓ 0.1
Regulated revenue AMI	106.5	60.4	↑ 76.3
Customer contributions	86.8	91.9	↓ 5.5
Semi-regulated other	32.5	27.4	↑ 18.6
Unregulated revenue	91.8	88.6	↑ 3.5
Total revenue	958.6	910.2	↑ 5.3
Cash operating costs	273.1	274.7	↓ 0.6
EBITDA	685.5	635.5	↑ 7.9
Net capital expenditure	433.3	316.6	↑ 36.9

Operational	FY 2010	FY 2009	Variance
Volume sold GWh	16,888	16,642	↑ 1.5
Customer numbers	1,025,685	1,003,468	↑ 2.2
Employee numbers	1,988	1,826	↑ 8.9

PRESCRIBED REVENUE (100% results)

Regulated revenue growth will track capital expenditure

	ETSA Utilities	CitiPower	Powercor Australia
FY 2010 Sales volume growth (FY 2009)			
Underlying[1]	**-0.3%** (0.0%)	**0.7%** (-0.3%)	**2.9%** (-1.0%)
Weather[1]	**-0.8%** (+0.9%)	**0.2%** (0.2%)	**-1.2%** (0.8%)
Total[1]	**-1.1%** (+0.9%)	**0.9%** (0.1%)	**1.7%** (0.2%)
FY 2010 Customer growth			
Customers	**820,387**	**309,770**	**715,915**
Percentage increase	**1.0%**	**1.6%**	**2.5%**
Net Capital Expenditure	**$240.3m**	**$433.3m**	
Increase (%)	**59.0%**	**36.9%**	
Growth Capex AMI	**n/a**	**$139.0m**	
Growth Capex other	**$126.6m**	**$209.9m**	
Maintenance Capex (Reported)	**$113.7**	**$84.4m**	

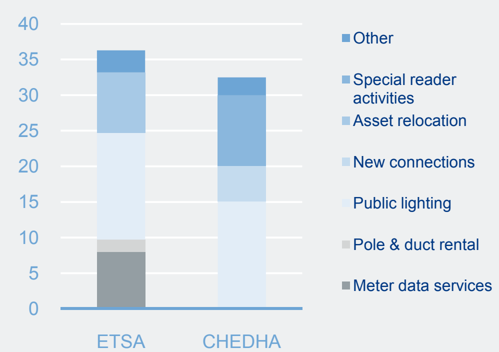
NET CAPEX IS ADDED TO THE RAB AND GENERATES A RETURN FROM DAY ONE

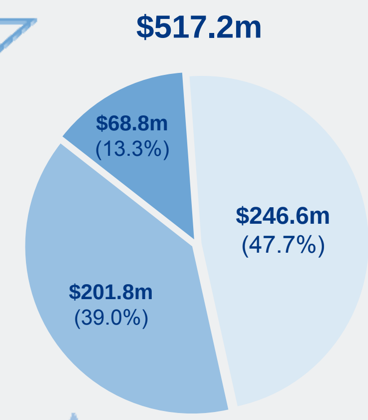
1 Asset company estimates represent changes relative to FY 2009 figures

NON-PRESCRIBED REVENUE

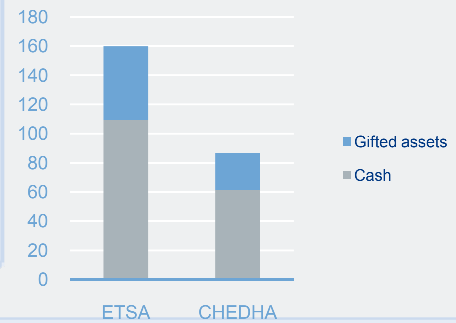
Diversified sources (100% results)

SEMI-REGULATED OTHER ($M)

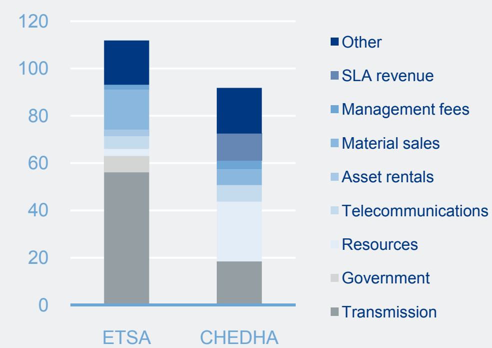




SEMI-REGULATED CUSTOMER CONTRIBUTIONS ($M)



UNREGULATED REVENUE ($M)




OUTLOOK
& GUIDANCE
SparkInfrastructure

OUTLOOK AND GUIDANCE

SparkInfrastructure

- The New Spark possesses increased financial flexibility, a simpler structure, and a growing distribution profile going forward
- Strong increase in capital expenditure means an annual growth in the combined Asset Company RAB of 8% p.a.(CAGR). This offers long term growth in Asset Company revenues and look-through cashflows
- Spark's equity investment in the Asset Companies' RAB projected to grow by 14% p.a. (CAGR) over their next five year regulatory periods assuming funding of net growth in RAB consistent with the regulatory model. De-leveraging will trend Net debt to RAB towards 75% at Asset Company level by end 2015
- High quality businesses generating stable look-through cashflows. Strong management teams in place
- Asset Companies operate in an incentive based regulatory system which encourages out-performance against benchmarks and provides a range of built in protections for investors
- Strong support from debt markets evidenced. Asset Companies remain well placed to meet future financing requirements
- Final FY 2010 distribution of 6.82 cps payable on 15 March 2011. Total distributions for 2010 are 13.54 cps. No DRP for March 2011 distribution
- Distribution guidance for 2011 to 9.25 cps, up from 9.11 cps. The Directors are confident of growing distributions over the new five year regulatory period, subject to business conditions
- No equity raisings to fund organic growth in Asset Companies over the next five years except for the possible operation of DRP

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KEY METRICS

SparkInfrastructure

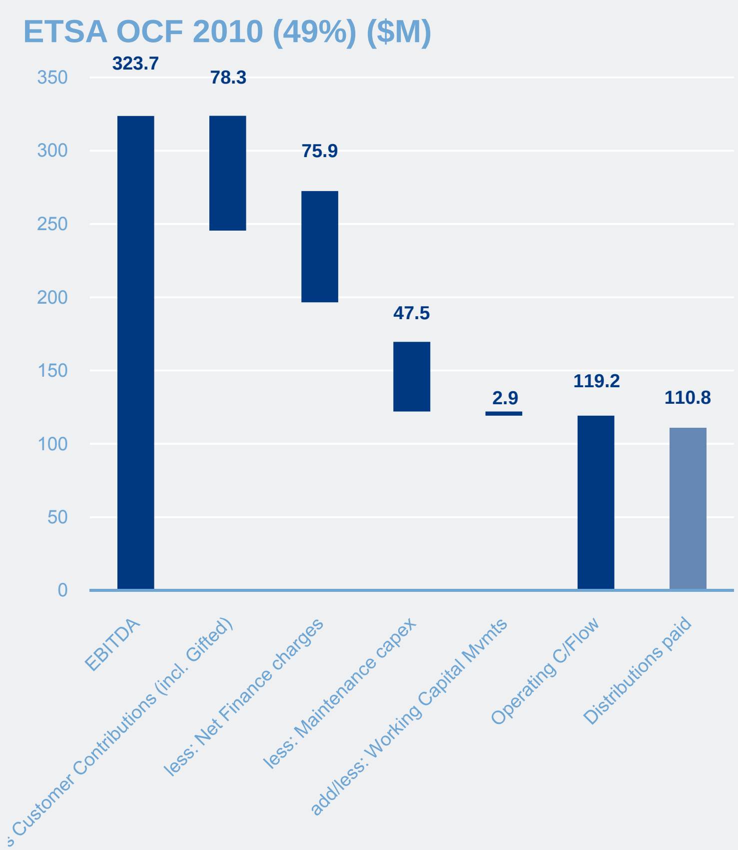
SECURITY METRICS	
Market Price (21 February 2011)	$1.135
Market capitalisation	$1.51 billion
DISTRIBUTIONS	
FY 2010	13.54cps
MANAGEMENT FEES	
Base Fees	0.5% of EV < $2.4b
	1.0% of EV > $2.4b
Performance fee[1]	20% return > ASX200 Ind.Acc. Index
Performance fee deficit at 31 Dec 2010	$148.4 million
FINANCIALS	
Net gearing[2] (Look through)	54.7%
Asset level credit rating	A- (S&P) stable
Fund level credit rating	Baa1 (Moody's) stable

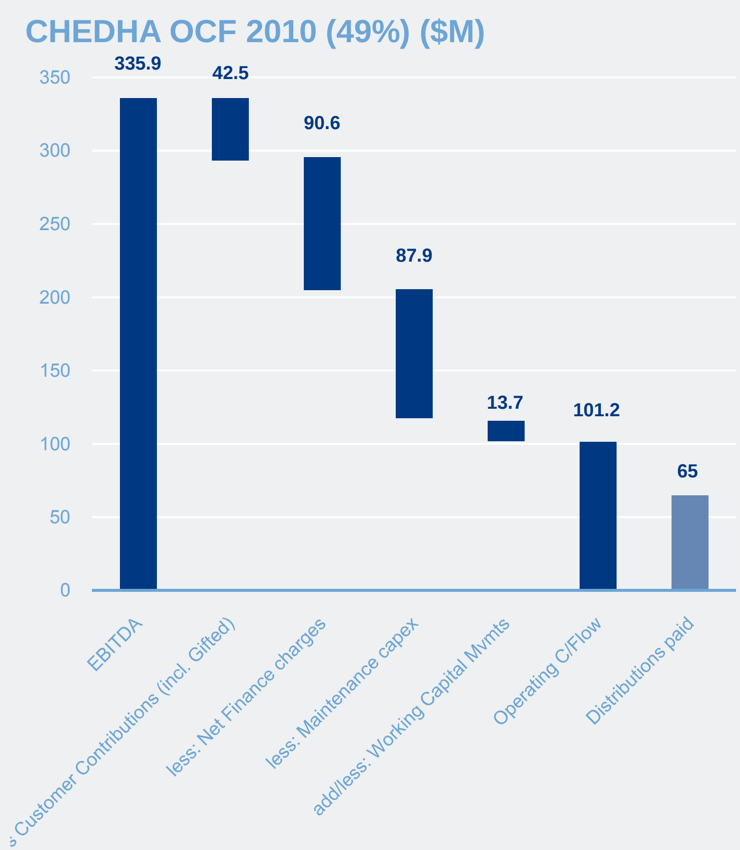
REGULATED ASSET BASE – 31 DECEMBER 2010	
ETSA Utilities	$3.06 billion
CitiPower (DUOS)	$1.29 billion
Powercor Australia (DUOS)	$2.23 billion
CitiPower (Advanced Metering Infrastructure)	$0.06 billion
Powercor (Advanced Metering Infrastructure)	$0.15 billion
Regulated asset base total	$6.79 billion (Spark share $3.33 billion)
Enterprise Value/RAB[3] (adjusted for total revenue)	0.91x
Enterprise Value/RAB (adjusted for total revenue exc. customer contributions)	1.05x
Net debt/RAB look through	81.1%
Net debt/RAB ETSA Utilities	78.3%
Net debt/RAB CHEDHA (CitiPower and Powercor)	81.4%

1 Any deficit in performance fee is carried forward and taken into account in determining whether the return exceeds the benchmark return in future periods
2 Based on Spark Infrastructure's net debt of $35.7
3 Enterprise Value/RAB (unadjusted) – 1.26x

OPERATING CASHFLOW MODEL

Distributions supported by operations





Note: Maintenance capex allowance is calculated as regulatory depreciation net of inflation uplift on the RAB

DISTRIBUTIONS FROM ASSET COMPANIES

- Spark Infrastructure's main source of cashflow is derived from interest and distributions on subordinated loans and Preferred Partnership Capital (PPC) from its 49% interest in CHEDHA and ETSA Utilities
- Distribution policy of the Asset Companies is to distribute available surplus cash to the shareholders
- Spark has reached an in-principle agreement with its co-shareholders in in relation to the Asset Companies business plans over the new five year regulatory period to 2015, subject to business conditions and annual review
- The Asset Companies will retain a greater proportion of operating cash to fund capital expenditure and reduce gearing over the new five year regulatory period
- In 2010 CHEDHA deferred $35.9m of interest (Spark share $17.6m) payable to shareholders. Deferred interest is forecast to be repaid in 2011 under current business plan

CHEDHA SUBORDINATED LOANS

- Investment is largely by way of subordinated loan ($745.6m)
- Interest set at 10.85%
- Classed as subordinated debt
- Ability to defer interest exists in limited circumstances and interest compounds at the current rate
- No deferral expected over new five year regulatory period
- Other distributions can be made in the form of repayment of subordinated loan principal or dividends

ETSA PREFERRED PARTNERSHIP CAPITAL (PPC)

- Spark's distributions from its investment is largely by way of PPC ($622.3m)
- The specified rate of PPC distributions is 11.19%
- Unpaid distributions are cumulative and attract interest at the current rate
- In addition, ordinary distributions are shared by all the partners in their respective proportionate share

There has been no change to these arrangements as a result of the Restructure of Spark Infrastructure

UNDERLYING ADJUSTMENTS

Non-cash related

UNDERLYING ADJUSTMENTS	Underlying result ($m)		MTM interest swaps[1] ($m)		Spark tax benefit[2]		Reported result ($m)	
	2010	2009	2010	2009	2010	2009	2010	2009
Total income – inc. associates and interest	290.6	266.0	(1.6)	17.3	-	-	289.1	283.3
Profit before income tax and Loan Notes interest	240.0	224.0	(1.6)	17.3	-	-	238.4	241.3
Profit attributable to Stapled Securityholders	78.5	81.4	(1.6)	17.3	4.1	23.8	80.9	122.5
Operating cashflow including investing activities	134.7	196.9	-	-	-	-	134.7	196.9

(1) Favourable (Unfavourable) movement in mark-to-market of 'ineffective' interest rate swaps under AASB139

(2) Income tax benefit on items recognised directly in equity relate to Spark Infrastructure Holdings No.2

STRATEGIC REVIEW

Background

- In February 2010, Spark Infrastructure ("Spark") announced a Strategic Review to consider its capital structure, ownership structure and future funding needs
- The Boards put in place governance protocols and established a committee of Independent Directors to manage any potential conflicts of interest arising during the Strategic Review process
- The Independent Directors conducted an extensive assessment of a wide range of options during the Strategic Review, with a focus on maximising Securityholder value. These included:
  - changes in ownership and stapled security structure
  - changes in capital structure including equity and debt levels at the Spark level
  - full or partial sales of assets
  - internalisation of the management structure
  - change of control of Spark
- Spark received a number of proposals including an indicative proposal for the Spark Infrastructure stapled group at a significant premium to the current market price
  - the proposal was highly conditional, was subject to the outcome of the Regulator's final determination for CitiPower and Powercor and involved a lengthy due diligence process
  - in the Independent Directors' opinion these matters created significant execution and timing risks which were considered unacceptable
  - had the Independent Directors pursued this indicative offer, it would have reduced Spark's options in relation to the restructure of the Loan Notes and simplification of the stapled group
  - All proposals received and discussions around full or partial sales of assets or changes in ownership are subject to strict confidentiality agreements
- In September 2010, after careful consideration, the Board formed the view that the best available option for Securityholders was to proceed with the Repositioning of Spark Infrastructure