Monday, 5 September 2011

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

Dear Sir / Madam

RELEASES UPDATED 2011 HALF YEAR RESULTS PRESENTATION

Spark Infrastructure refers to its 2011 Half Year Results Presentation noting a minor factual correction on page 30. The reference to $50 million in the third bullet point should not include the words "per annum".

As set out in Spark's Media Release dated 26 August 2011, Powercor Network Services was advised by SP AusNet that the construction and maintenance contract, which ends in April 2012, was renewed for a further five years with revenue of up to $50 million over the five year period.

This correction has no impact on Spark's 2011 HY Results released on 26 August 2011.

The updated presentation is attached.

Yours faithfully,

Alexandra Finley
Company Secretary

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2011 Half Year Results

Yield plus Growth

Friday, 26 August 2011

Presentation Agenda

2011 HY Results

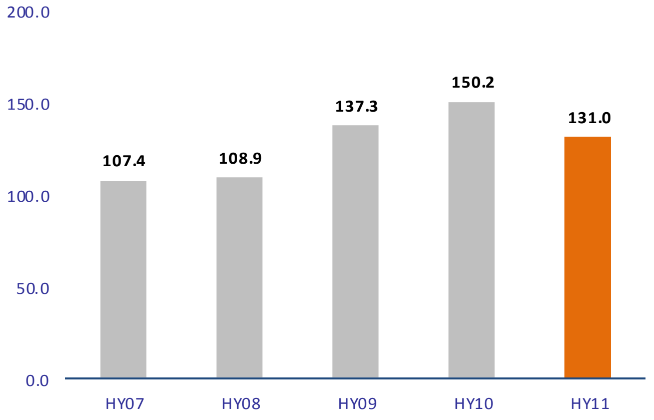
1. HIGHLIGHTS
2. THE NEW SPARK
3. GROWTH AND REGULATORY
4. SPARK INFRASTRUCTURE PERFORMANCE
5. ASSET COMPANY PERFORMANCE
6. OUTLOOK AND GUIDANCE

HIGHLIGHTS

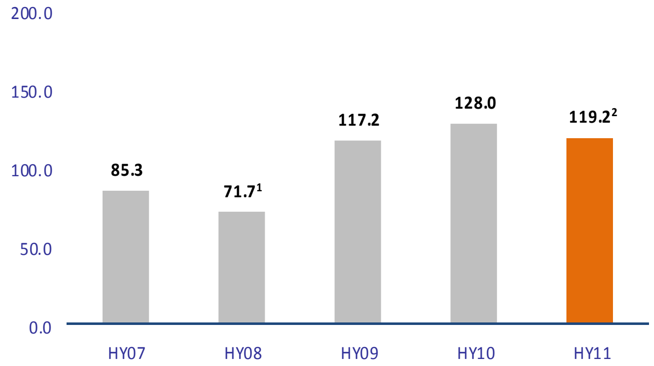
2011 Half Year Results

FINANCIAL HIGHLIGHTS
Spark Infrastructure

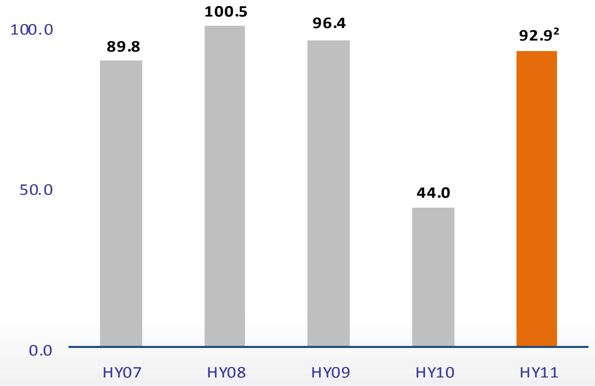
UNDERLYING INCOME ($M)



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



STANDALONE OPERATING CASHFLOWS ($M)



HY11 distribution declared 4.75cps, comprising

- Loan Note interest - 3.5cps
- Tax deferred - 1.25cps

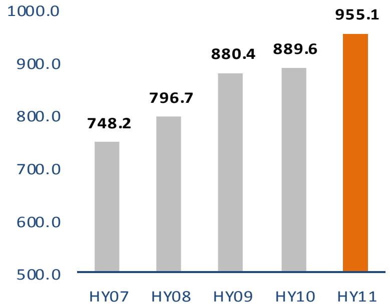
1 Includes a performance fee of $16.5 million incurred in HY08

2 Excludes Internalisation payment and related costs of $51 million incurred in HY11

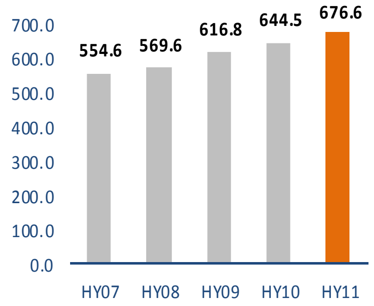
FINANCIAL HIGHLIGHTS

Aggregated Asset Companies (100% results)

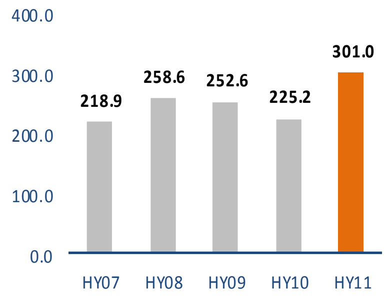
TOTAL REVENUE ($M)



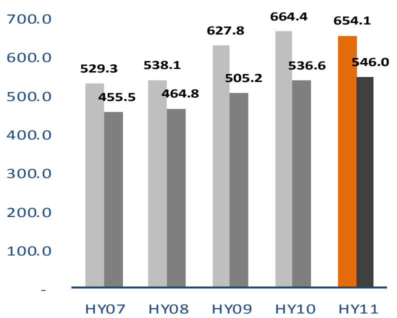
PRESCRIBED REVENUE ($M) (Including AMI)



TOTAL OPERATING COSTS ($M)



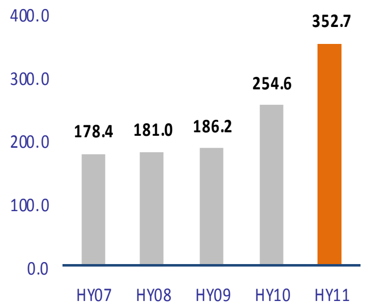
EBITDA ($M)



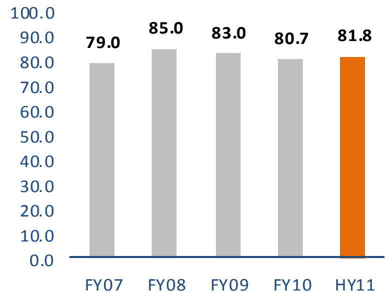
EBITDA including customer contributions

EBITDA excluding customer contributions

NET CAPITAL EXPENDITURE ($M)



ASSET COMPANY NET DEBT TO RAB (%) [1]



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

1. CHEDHA December 2010 RAB adjusted after finalisation of the new regulatory period reset

PERFORMANCE HIGHLIGHTS
Repositioned for growth

Asset Companies deliver solid performance	► The Asset Companies performed well in HY2011 despite lower volumes due to mild weather and lower consumption in the small commercial sector which is likely a function of the impacts of subdued economic conditions and the floods in Victoria.
Higher Asset Company distributions	► Strong cash distributions of $106.8 million received from the Asset Companies in accordance with agreed business plans, including payment by CHEDHA of $17.6 million of interest deferred from 2010.
Increased distributions to Securityholders	► The Directors have raised their full year distribution guidance to 9.5cps, up from 9.25cps. Accordingly, they have declared an interim distribution of 4.75cps, payable on 15 September 2011.
Higher future revenues	► A favourable determination of appeal matters by the Australian Competition Tribunal for ETSA Utilities will add $154.4 million of revenue (49% Spark share) in the current regulatory period. This additional revenue will be recovered from 1 July 2011 to 30 June 2015.
Strong cash position	► The Directors have decided that Internalisation can be funded from existing cash reserves and, as a consequence, the DRP will not be reactivated for the September 2011 distribution.
Internalisation and reduced cost base	► Spark Infrastructure's previous external management arrangements have been terminated, eliminating base management fees and the potential for future performance fees, as well as creating a self managed group with enhanced alignment of interests, continuity of management and greater autonomy over decision-making.

STRATEGIC OVERVIEW

Strong operational cashflows and growing distributions to Securityholders

Invested in regulated assets with stable cashflows

- Regulated returns underpinned by built-in protections within regulatory framework
- ETSA Utilities, CitiPower and Powercor final regulatory decisions and appeal outcomes so far, provide for strong organic growth over current five year regulatory periods

Prioritise ongoing investment in existing asset portfolio

- Strong source of organic growth at zero premium (1.0 x RAB)
- RAB expected to grow by 8% p.a. (CAGR) in current regulatory periods based on AER determinations

Ensure prudent approach to gearing and hedging of debt

- Strong credit ratings of A- (S&P) at Asset Companies
- Ready access to capital markets and bank debt at asset and fund levels
- No debt refinancing at Spark until September 2013 and at Asset Companies until July 2012

Growing distributions alongside strong and growing look-through cashflows

- Strong and growing look-through operating cashflows
- Continue to fund distributions from operational cashflows from the Asset Companies
- Maintain attractive investment metrics and distributions growth over the current regulatory periods

THE NEW SPARK

2011 HY Results

THE NEW SPARK
Investment proposition

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
2. **Assets well positioned for growth**
   - The Asset Companies' Regulated Asset Base (RAB) is projected to grow at 8%[1] p.a. (CAGR) over the current 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 – combination of solid yield and capital growth**
   - FY 2011 distribution guidance of 9.5cps[2]
   - Spark's equity investment in the Asset Companies' RAB projected to grow by 14%[3] p.a. (CAGR) over the current five year regulatory periods
4. **Experienced management teams**
   - Spark's management team has extensive infrastructure industry experience
   - Asset Companies' management teams have extensive experience and a demonstrated track record of delivering strong financial and operational performance

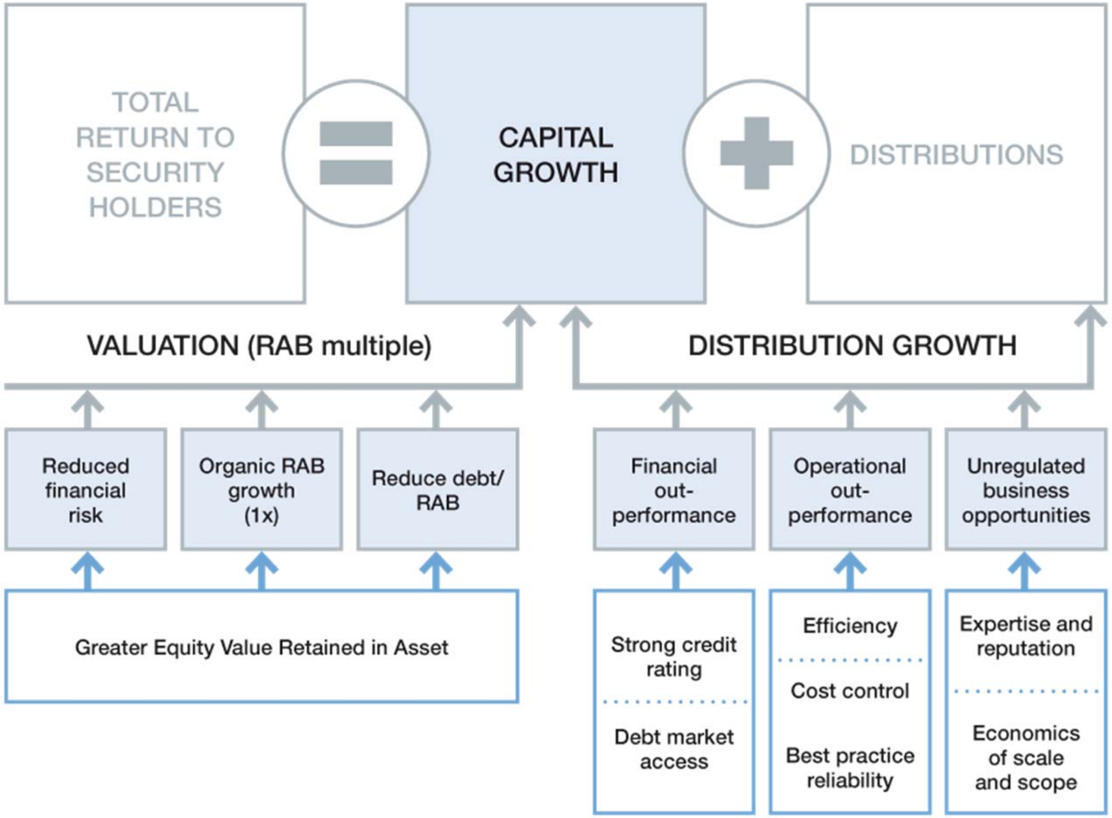
1 Based on AER's final determinations for ETSA Utilities, CitiPower and Powercor, and inclusion of AMI assets

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

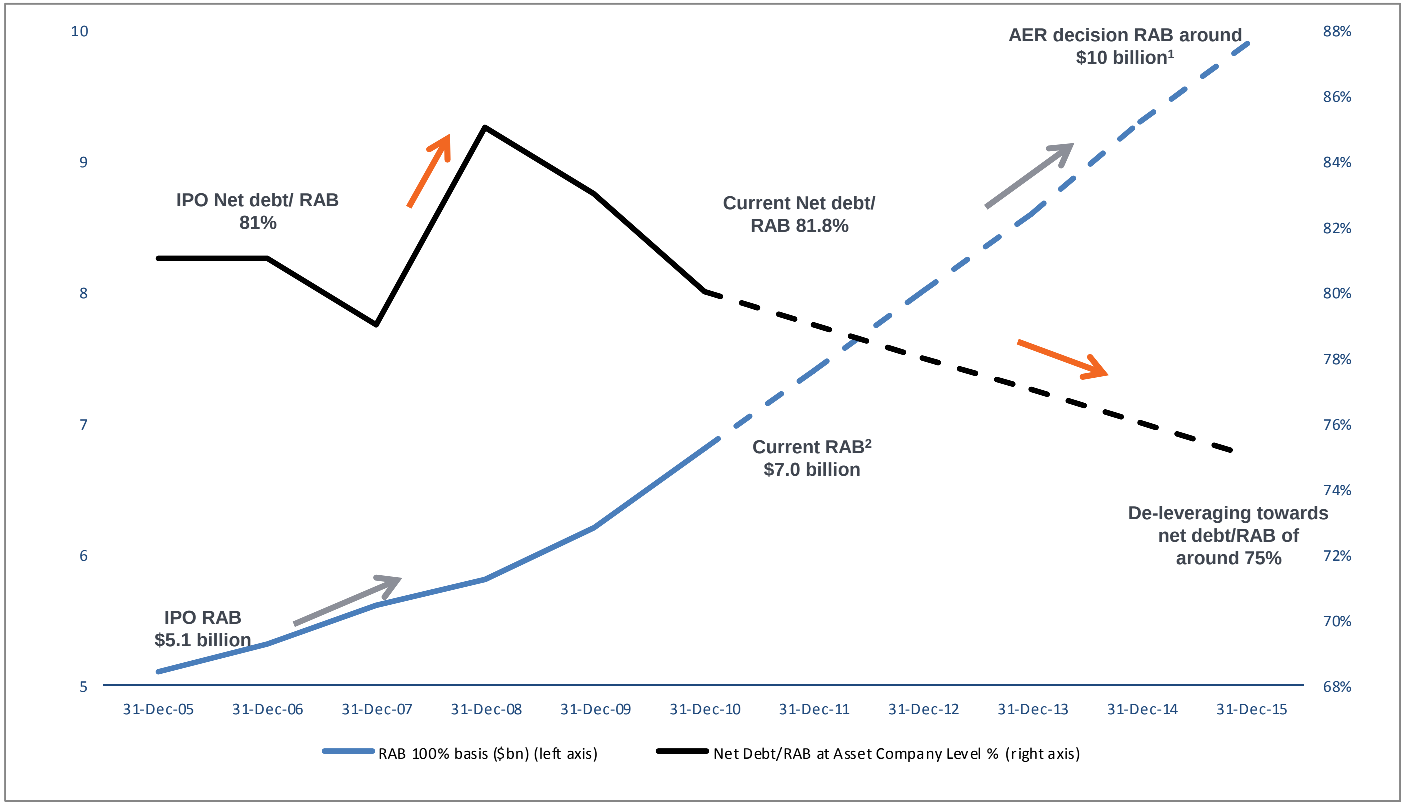
Yield plus capital growth



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

THE NEW SPARK

Growing RAB and lower gearing equals greater equity ownership



LEVERAGE PROJECTED TO FALL WHILE EQUITY LEVEL GROWS

1.Based on final AER decisions for current 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.
2. Asset Companies' Estimate at 30 June 2011

INTERNALISATION

Securing cost savings and broadening investor appeal

The Internalisation received overwhelming support from Securityholders at the EGM held 20 May 2011. Completion occurred on 31 May 2011.

- One-off up front payment to CKI and RREEF of $49 million[1];
- Elimination of base fees and performance fees
  - Replaced by the costs of internalised management of around $5 million (annualised) in the first year;
- Creation of a self managed group with enhanced alignment of interests, continuity of management and greater autonomy over decision making;
- Move to a more contemporary structure likely to generate broader investor appeal; and
- Complements the New Spark.

1. The Internalisation payment to CKI and RREEF was $49 million. In addition, there was also a payment of approximately $2 million for net working capital balances (i.e. predominantly cash or cash-settled balances) in the entities acquired at completion. The payment was funded from Spark's existing cash reserves.

GROWTH AND REGULATORY

2011 HY Results

REGULATORY FRAMEWORK

In-Built protections

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

Regulated Asset Base (RAB)
x
Weighted Av. Cost of Capital (WACC)[1]
+
Depreciation[2]
+
Operating Expenditure
+
Tax
= Regulated Revenue (target)

Regulated Revenue (target) ÷ Forecast Volume = Regulated Tariff

1. Based on 10 year 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 in the reporting period was 6.41 for CitiPower, -0.11 for Powercor, and -12.14 for ETSA Utilities – a negative X factor results in an increase in prices above CPI

Regulated Tariff x Actual Volume = Actual Revenue

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

The X Factors for ETSA Utilities in years 2-5 of its 5 year regulatory period incorporate the Australian Competition Tribunal appeal outcomes announced earlier this year.

REGULATED PRICE PATH

CPI minus X

- Regulated electricity sales revenues are determined by a price path set according to the CPI – X formula
- A negative X-Factor means a real increase in distribution tariffs

X FACTORS[1]	Year 1	Year 2	Year 3	Year 4	Year 5
ETSA Utilities	-12.14	-18.1	-7.0	-7.0	-0.89
CitiPower	6.41	-4.0	-4.0	-5.0	-5.0
Powercor Australia	-0.11	-3.0	-3.0	-3.5	-4.0

Actual CPI % *(Forecast CPI %)*	Year 1	Year 2	Year 3	Year 4	Year 5
ETSA Utilities	**2.9** *(2.52)*	**3.3** *(2.52)*	*(2.52)*	*(2.52)*	*(2.52)*
CitiPower	**3.1** *(2.57)*	*(2.57)*	*(2.57)*	*(2.57)*	*(2.57)*
Powercor Australia	**3.1** *(2.57)*	*(2.57)*	*(2.57)*	*(2.57)*	*(2.57)*

1. The X Factors for ETSA Utilities in years 2-5 incorporate the Australian Competition Tribunal appeal outcomes announced earlier this year. The X Factors for CitiPower and Powercor in years 2-5 are subject the ACTs decision in relation to their appeal matters which is expected later this year

REGULATORY UPDATE
Successful appeal outcomes

ETSA UTILITIES

- ETSA Utilities was successful in its appeals to the Australian Competition Tribunal (ACT) of the AER's decisions regarding the level of its opening RAB and the value of imputation credits (Gamma)
  - Opening RAB – the ACT has determined an uplift to ETSA Utilities' opening RAB of $127 million
  - Gamma – the ACT has determined that Gamma will be 0.25 for ETSA Utilities.
- These outcomes will result in additional revenue of approximately $315 million (Spark share $154.4 million) for ETSA Utilities over the remainder of the current regulatory period (i.e. the four years from 1 July 2011 to 2015)

CITIPOWER AND POWERCOR

- An announcement by the ACT in relation to the appeals by CitiPower and Powercor is expected in the final quarter of 2011

DIVERSIFICATION
Acquisition framework

- The focus in 2011 will remain on organic growth opportunities within the current portfolio
- Disciplined approach to acquisitions will be maintained - no pressure to acquire given the strength of organic growth opportunities
- Spark will only consider potential investments which we believe will enhance long term Securityholder value
- Spark's primary investment focus is on electricity and gas distribution and transmission and regulated water and sewerage assets which offer relatively low risk and stable cashflows

SPARK INFRASTRUCTURE

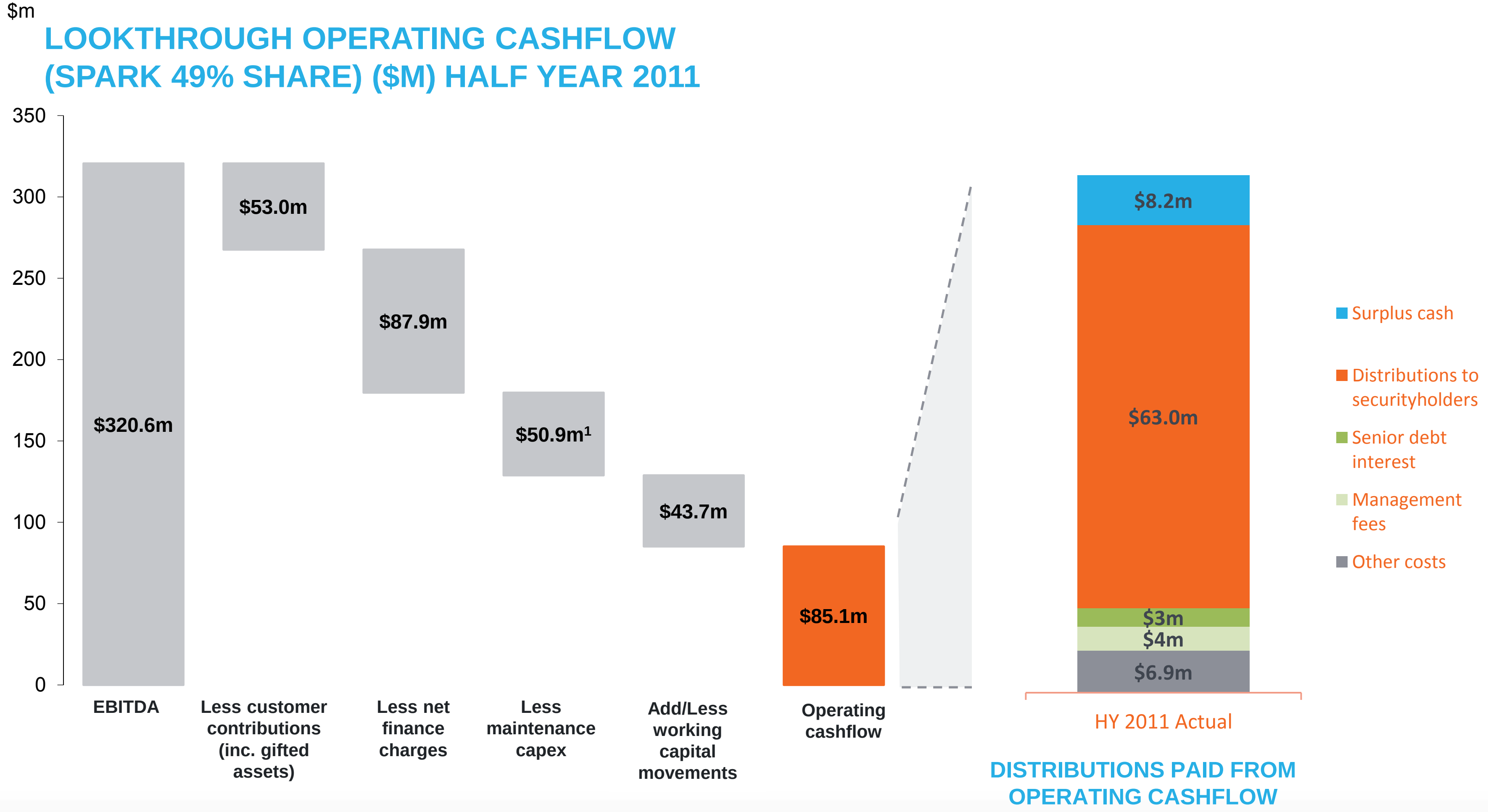
Performance

FINANCIAL PERFORMANCE
Spark Infrastructure

UNDERLYING RESULTS – PERIOD ENDED 30 JUNE 2011	HY 2011 ($m)	HY 2010 ($m)	Variance %
Total income	**131.0**	**150.2**	↓ **12.7**
Management fees	(3.5)	(4.1)	↓ 14.6
Interest expense (gross) – senior debt	(5.6)	(13.8)	↓ 59.4
General and administrative expenses	(2.8)	(4.2)	↓ 33.3
Profit before loan note interest and tax	**119.2**	**128.0**	↓ **6.9**
Loan Note Interest (Distributions to Securityholders)	(46.4)	(69.4)	↓ 33.1
Income tax expense	(3.9)	(3.0)	↑ 30.0
Profit attributable to Stapled Securityholders – underlying	**68.9**	**55.6**	↑ **23.9**
Profit attributable to Stapled Securityholders – statutory	**8.9**	**53.6**	↓ **83.4**
Operating cashflow	**92.9**	**43.6**	↑ **113**

OPERATING CASH FLOW MODEL

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



1 Maintenance capex allowance is calculated as regulatory depreciation net of CPI uplift in RAB

ASSET COMPANY OPERATING CASHFLOW

Sources and uses

- Growth in RAB to 30 June 2011 has been funded without an equity contribution from Spark
- Increased distributions from Asset Companies in HY 2011 – interest deferred in 2010 has been fully repaid (Spark share: $17.6 million)
- Net debt to RAB at Asset Company level is expected to decline over the current five year regulatory period

OPERATING CASHFLOWS *(Spark 49% share)*	**HY 2011**	**HY 2010**
	$m	**$m**
EBITDA (excluding non-cash customer contributions and gifted assets)	267.6	262.9
Senior debt interest paid (net)	(87.9)	(82.5)
Regulatory depreciation less CPI uplift (maintenance capital expenditure)	(50.9)	(64.4)
Net working capital	(43.7)	(32.0)
Operating cashflow from Asset Companies	**85.1**	**84.0**
less: Amounts distributed by Asset Companies[1]	(106.8)	(63.0)
Cash paid by Asset Companies or retained to fund growth or reduce gearing	**(21.7)**	**21.0**

Growth capital expenditure (net capex less net regulatory depreciation) *(100% results)*	**248.9**	**123.2**
Net debt/RAB (Average Asset Companies)	**81.8%**	**80.7%[2]**

1. Interest deferral of $17.6 million in 2010, received in full in May 2011
2. CHEDHA 31 December 2010 RAB adjusted post finalisation of regulatory period

OPERATING CASHFLOW – HY 2011

Spark Infrastructure

	HY 2011	HY 2010
	$m	$m
ETSA - PPC distributions	34.3	34.3
ETSA - other distributions	13.8	1.0
CHEDHA – sub debt interest	41.1	27.4
CHEDHA – 2010 sub debt interest	17.6	-
CHEDHA – sub debt principal repayment	-	0.3
Asset Company distributions	**106.8**	**63.0**
Interest received on cash balances	2.1	2.3
Interest paid on senior debt	(5.1)	(13.7)
Management fees (pre Internalisation)	(4.0)	(4.3)
Other (includes self management costs from 1 June 2011)	(6.9)	(3.4)
Net Operating Cashflow[1]	**92.9**	**44.0**
Distributions	**$63.0m**	**$69.4m**
Distribution pay-out ratio	**67.8%**	**158%[2]**

1. Includes $0.3 million distribution received from CHEDHA in prior corresponding period which was classified as investing cashflow
2. HY 2010 distribution was paid out of HY 2010 operating cashflow and retained operating cashflow from 2009

CAPITAL MANAGEMENT

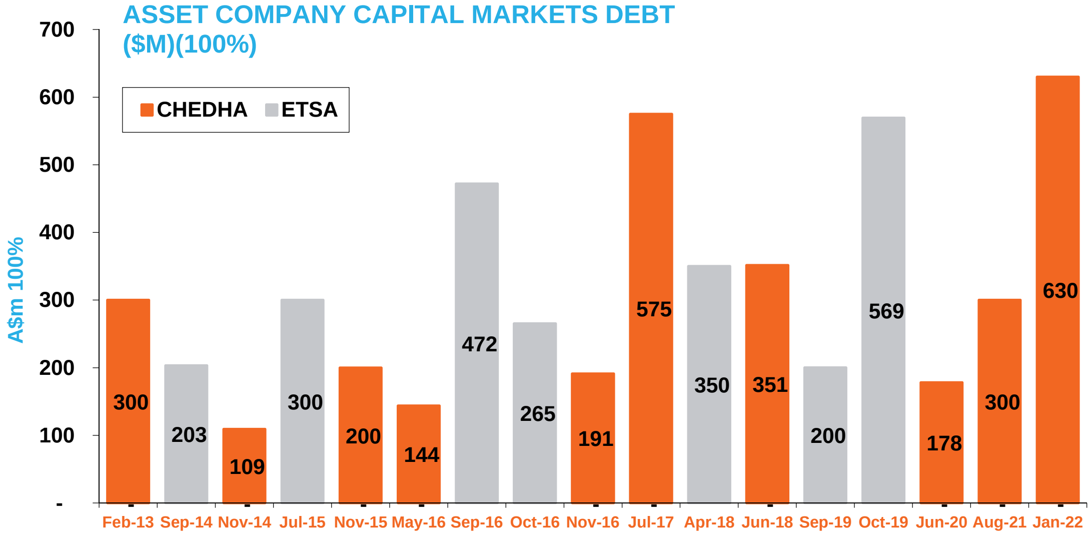
Focus on funding organic growth (at 30 June 2011)

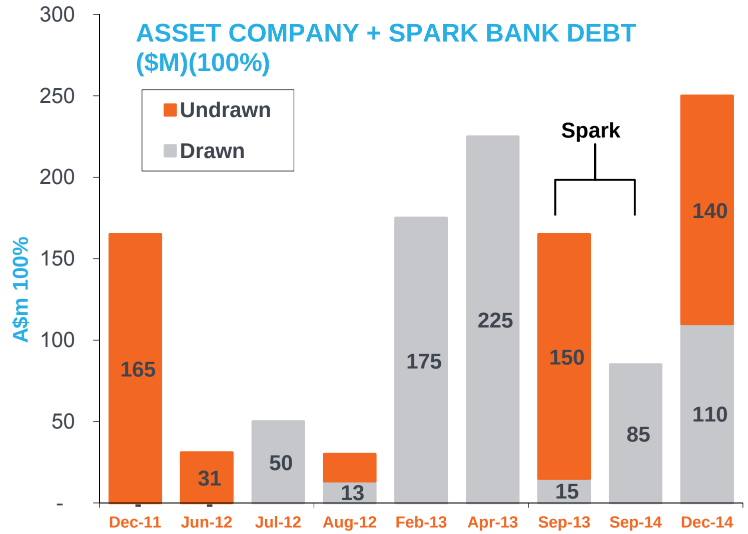
Net debt Spark Infrastructure level	\$84.1 million (drawn \$100.0m less cash \$15.9m) Committed undrawn facilities of \$150.0 million
Gearing - Net Spark stand-alone basis - Net look through basis	 3.7% 56.6%
Credit ratings	Spark Infrastructure: Baa1 (Moody's) Asset Companies: A- (S&P)
Interest cover ratios (12 month figures)	Spark Infrastructure (stand-alone gross) 10.7x Spark Infrastructure (look through) 2.7x

- The Spark corporate structure is designed to support the funding of organic growth in the Asset Companies – minimising the need for external equity calls while delivering investors a strong distribution yield
- Sufficient capital to fund organic growth requirements in the Asset Companies for 2011
- Interest rate hedging policy in line with regulatory periods
- CitiPower and Powercor had their A- credit ratings re-affirmed in August 2011

DEBT POSITION AT 30 JUNE 2011

Maturities well spread





- No re-financings at Spark Infrastructure level until September 2013
- Undrawn bank facilities at Spark of $150 million
- Cash balances total $194.9 million – Spark $15.9 million, Asset Companies $179.0 million
- The Asset Companies have no re-financings until July 2012 and have in place sufficient facilities for 2011
  - In March 2011 ETSA Utilities successfully priced AUD$250 million of unsecured Australian Medium Term Notes to fund future capital expenditure requirements
  - In April 2011 Powercor placed approximately AUD$674 million (US$700 million) into the US Private Placement market. The funds were used to refinance AUD$350 million of Australian credit wrapped bonds and allocated to capital expenditure requirements

ASSET COMPANY

Performance

AGGREGATED FINANCIAL PERFORMANCE (100% RESULTS)

ETSA, CitiPower and Powercor Half Year ended 30 June 2011	HY 2011 $m	HY 2010 $m	Variance %
Regulated Revenue – DUOS	617.0	595.0	3.7
Regulated Revenue – AMI	59.6	49.5	20.4
Semi-regulated Revenue – customer contributions	108.1	127.8	(15.4)
Semi-regulated Revenue – other	40.0	34.7	15.3
Unregulated revenue	130.4	82.6	57.9
Total Revenue	**955.1**	**889.6**	**7.4**
Total operating costs	301.0	225.2	33.7
EBITDA	**654.1**	**664.4**	**(1.5)**
EBITDA (excl. customer contributions)	**546.0**	**536.6**	**1.8**
Capital expenditure (net)	352.7	254.6	38.5

- Electricity distribution revenue increased due to higher tariffs as provided for in the final regulatory decisions, partially offset by lower sales volumes due to mild weather and lower consumption due to subdued economic conditions and the impact of storms and floods
- Unregulated revenue was up largely due to increased activity in the Construction and Maintenance Services (CaMS) business in ETSA Utilities
- Higher operating expenditure associated with increased unregulated business activity, vegetation clearance, storms in South Australia and floods in Victoria

NETWORK AND OPERATIONS

	ETSA Utilities HY 2011	ETSA Utilities HY 2010	CitiPower HY 2011	CitiPower HY 2010	Powercor Australia HY 2011	Powercor Australia HY 2010
Volume sold GWh	5,556	5,660	3,058	3,098	5,188	5,345
Customer numbers	825,218	817,270	311,993	307,987	722,400	705,673
Employee numbers	1,891	1,841	2,064	1,956	Reported jointly with CitiPower	Reported jointly with CitiPower
Network availability	99.96%	99.96%	99.99%	99.99%	99.95%	99.96%

HY 2011 Sales volume growth	%	%	%
Underlying[1]	-0.2	-0.1	-0.9
Weather[1]	-1.7	-1.2	-2.0
Total[1]	**-1.9**	**-1.3**	**-2.9**

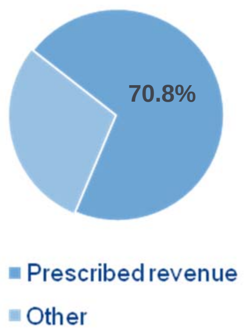
- Electricity sales volumes were impacted by the milder than usual weather across all operating areas
- Lower underlying volumes largely reflect lower consumption caused by a decline in economic conditions across the Small Commercial and High Voltage segments

1. Asset Companies' estimates

PRESCRIBED REVENUE

Regulated electricity distribution revenue (100% results)

Total revenue

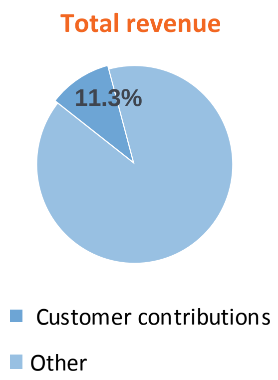


	HY 2011 $m	HY 2010 $m	Variance %
ETSA Utilities	310.5	277.5	↑ 11.9
CitiPower Powercor Australia	306.5	317.5	↓ 3.5
CitiPower Powercor Australia AMI	59.6	49.5	↑ 20.4
TOTAL	**676.6**	**644.5**	↑ **5.0**

- Increased revenue for ETSA Utilities due to higher tariffs as provided for in the final regulatory decision, partially offset by lower volumes caused by mild weather and subdued economic conditions
- Volumes were also lower in CitiPower and Powercor due to mild weather and lower consumption in the small commercial sector which is believed to be a result of the impacts of subdued economic conditions and the floods in Victoria
- CitiPower was further impacted by a significant decrease in tariffs as provided for in the regulatory decision, while Powercor received a small price increase

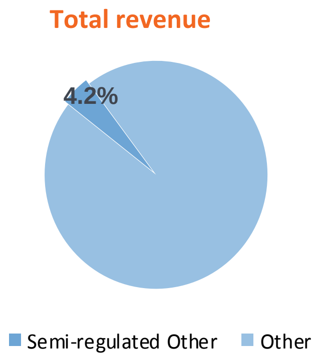
NON-PRESCRIBED REVENUE
Semi regulated (100% results)

CUSTOMER CONTRIBUTIONS



	HY 2011 $m	HY 2010 $m	Variance %
ETSA Utilities	65.4	83.6	↓ 21.8
CitiPower Powercor Australia	42.7	44.2	↓ 3.4
TOTAL	**108.1**	**127.8**	**↓ 15.4**

OTHER SEMI-REGULATED



	HY 2011 $m	HY 2010 $m	Variance %
ETSA Utilities	26.5	17.8	↑ 48.9
CitiPower Powercor Australia	13.5	16.9	↓ 20.1
TOTAL	**40.0**	**34.7**	**↑ 15.3**

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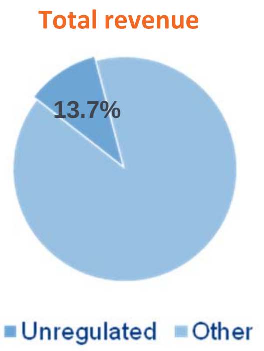
UNREGULATED REVENUE

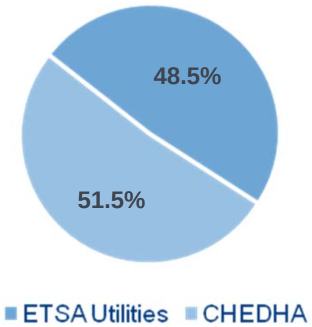
Diversified sources (100% results)



	HY 2011 $m	HY 2010 $m	Variance %
ETSA Utilities	77.0	45.7	↑ 68.5
CitiPower Powercor Australia	53.4	36.9	↑ 44.7
TOTAL	**130.4**	**82.6**	↑ **57.9**

- Unregulated revenue derived from a range of sources and is underpinned by long term contracts with electricity transmission businesses ElectraNet in South Australia and SP AusNet in Victoria
- In June 2011, ETSA Utilities was awarded a new contract to supply construction and maintenance services to ElectraNet worth approximately $300 million in revenue for the first five years. The contract may be extended up to a total of eight years
- In August 2011, the construction and maintenance contract between Powercor Network Services (PNS) and SP AusNet worth up to $50 million, which ends in April 2012, was renewed for a further five years

OPERATING COSTS
(100% results)



	HY 2011 $m	HY 2010 $m	Variance %
ETSA Utilities	145.8	92.8	⬆ 57.1
CitiPower / Powercor Australia	155.1	132.4	⬆ 17.2
TOTAL	**301.0**	**225.2**	⬆ **33.7**

- ETSA Utilities' cost increases reflect increases in unregulated business activity (CaMS) and asset relocation revenue
- Operating expenditure increases largely reflect known cost increases related to the operations of the regulated business as allowed for in the current regulatory determinations
- Significant items include increased wages costs and vegetation clearance costs, along with increased costs for land tax, substation management and aerial inspections
- CitiPower and Powercor's cost increases include wages and employee costs and costs associated with the AMI rollout, which are allowed for in the current regulatory determinations - and increased external services costs (PNS) due to higher unregulated business activity
- Costs have also been impacted by storms in South Australia and floods in Victoria, which have resulted in higher guaranteed service level payments and expected service performance penalties

CAPITAL EXPENDITURE

Growing the asset base (100% figures)

$ million	ETSA Utilities	CitiPower Powercor Australia	TOTALS
Growth Capex AMI	-	68.8	68.8
Growth Capex other	72.8	119.8	192.6
Maintenance capex	50.4	40.9	91.3
TOTAL	**123.2**	**229.5**	**352.7**
Increase (%)	47.5%	34.1%	38.5%

KEY PROJECTS

- **ETSA Utilities**
  - Capacity expansion - $54.9 million
  - Underground residential development - $2.8 million
- **CitiPower and Powercor**
  - Advanced Metering Infrastructure (AMI) roll-out - $68.8 million
  - Network Engineering (Metro 2012 CBD Security of Supply Project, Geelong Terminal Station) - $51.6 million

Increases in growth capital expenditure are included in the higher allowances in the current regulatory period

Capital expenditure earns a full regulatory return from day one

CAPITAL EXPENDITURE

Maintaining reliability

$ million	Maintenance capex spend		Regulatory depreciation		Less inflation uplift on RAB		Net regulatory depreciation	
	HY 2011	HY 2010	HY 2011	HY 2010	HY 2011	HY 2010	HY 2011	HY 2010
ETSA Utilities	50.4	39.4	87.8	93.3	49.2	40.0	38.6	53.3
CitiPower Powercor Australia	40.9	35.9	114.1	99.1	48.9	21.0	65.2	78.1
Totals	**91.3**	**75.3**	**201.9**	**192.4**	**98.1**	**61.0**	**103.8**	**131.4**
Spark 49% share	44.7	36.9	98.9	94.3	48.1	29.9	50.8	64.4

KEY PROJECTS

► **ETSA Utilities**

- Capital refurbishment - $29.3 million
- Information technology – $5.8 million
- Vehicles and property - $6.6 million

► **CitiPower and Powercor**

- Asset replacement - $40.9 million
  - cross arm replacement
  - pole replacement
  - Zone Substation replacement

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OUTLOOK
AND GUIDANCE

OUTLOOK & GUIDANCE

- Strong increase in capital expenditure allowed by the regulator means an annual growth in the combined Asset Company RAB of 8% p.a.(CAGR) over current five year regulatory periods
- Spark's equity investment in the Asset Companies' RAB projected to grow by 14% p.a. (CAGR) over their current five year regulatory periods, assuming funding of net growth in RAB consistent with the regulatory model
- De-leveraging will reduce net debt to RAB towards 75% at Asset Company level by end 2015
- CitiPower and Powercor appeal outcomes expected in final quarter of 2011
- Distribution guidance for 2011 has been raised to 9.5cps. The Directors remain confident of further growing distributions over the remainder of the five year regulatory periods, subject to business conditions

FOR FURTHER INFORMATION

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KEY METRICS

SECURITY METRICS

Market Price (25 August 2011)	$1.325
Market capitalisation	$1.76 billion

DISTRIBUTIONS

HY 2011	4.75 cps
Comprising - Loan Note interest - Tax deferred amount	 3.50 cps 1.25 cps

FINANCIALS

Net gearing[1] (Look through)	56.6%
Asset level credit rating	A- (S&P) stable
Fund level credit rating	Baa1 (Moody's) stable

REGULATED ASSET BASE (ESTIMATE) – 30 JUNE 2011

ETSA Utilities	$3.15 billion
CitiPower (DUOS)	$1.31 billion
Powercor Australia (DUOS)	$2.27 billion
CitiPower (Advanced Metering Infrastructure)	$0.08 billion
Powercor (Advanced Metering Infrastructure)	$0.20 billion
Regulated asset base total	$7.01 billion (Spark share $3.43 billion)
Enterprise Value/RAB (un-adjusted)	1.35x
Enterprise Value/RAB (adjusted for total revenue exc. customer contributions)	1.08x
Net debt/RAB look through - Spark	84.2%
Net debt/RAB - ETSA Utilities	79.3%
Net debt/RAB - CHEDHA (CitiPower and Powercor)	83.7%

1 Based on Spark Infrastructure's look-through net debt of $2,808.6

Appendix 1

UNDERLYING ADJUSTMENTS

Non-cash related

UNDERLYING ADJUSTMENTS	Underlying result ($m)		MTM interest swaps[1] ($m)		Spark tax expense[2] ($m)		Internalisation costs ($m)		Reported result ($m)	
	HY 2011	HY 2010	HY 2011	HY 2010	HY 2011	HY 2010	HY 2011	HY 2010	HY 2011	HY 2010
Total income – Inc. associates and interest	131.0	150.2	0.1	(1.8)	-	-	-	-	131.1	148.4
Profit before income tax and Loan Notes interest	119.2	128.0	-	(1.8)	-	-	-	-	119.2	126.2
Profit attributable to Securityholders	68.9	55.6	-	(1.8)	(9.0)	(0.2)	(51.0)	-	8.9	53.6
Operating cashflow	92.9	43.6	-	-	-	-	-	-	92.9	43.6

(1) Favourable/(Unfavourable) movement in mark-to-market of 'ineffective' interest rate swaps under AASB139
(2) Income tax expense due to items recognised directly in equity relate to Spark Infrastructure Holdings No.2

Appendix 2

REGULATORY SETTINGS

ETSA Utilities – five year period from 1 July 2010

- AER decision has set WACC at 9.76% and Return on Equity at 11.09% (based on risk free rate of 5.89%)
- Successful appeal outcomes in relation to the level of the opening RAB and "Gamma" will result in additional revenue of approximately $315 million in the current regulatory period to 2015

REGULATORY PERIOD	2005-10 decision	2010-15 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** **(0.25 following successful appeal)**
Net capex over 5 years ($June 2010)	$886m	**$1,643m**
Opex over 5 years ($June 2010)	$760m	**$1,066m**
Revenue (Nominal)	$2,518m	**$3,952m**

Appendix 3

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REGULATORY SETTINGS

CitiPower and Powercor – five year period from 1 January 2011

- AER decision has set WACC at 9.4% and Return on Equity at 10.28% (based on risk free rate of 5.08%)
- Regulatory appeals by CitiPower and Powercor and the Victorian Government in relation to a number of matters including the level of “Gamma” are currently pending. Successful appeals by CitiPower and Powercor will positively impact revenues over the period to 2015

REGULATORY PERIOD	2006-10 decision	2011-15 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**

Appendix 4

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SEMI REGULATED REVENUES
Six months to 30 June 2011

ETSA Utilities	HY 2011 ($m)	HY 2010 ($m)	Variance ($m)
Public Lighting	7.4	7.4	0.0
Asset Relocation	11.6	3.3	8.3
Metering Services	4.4	4.0	0.4
Feeder Standby / Excess kVAR	1.2	1.2	0.0
Pole/Duct Rental	1.5	1.4	0.1
Other Excluded Services	0.4	0.5	(0.1)
TOTAL	**26.5**	**17.8**	**8.7**

CitiPower Powercor Australia	HY 2011 ($m)	HY 2010 ($m)	Variance ($m)
Public Lighting	6.0	7.2	1.2
New Connections	3.9	2.3	1.6
Special Reader Activities	3.4	5.0	(1.6)
Other	0.1	2.4	(2.3)
TOTAL	**13.5**	**16.9**	**(3.5)**

Appendix 5

UNREGULATED REVENUES

Six months to 30 June 2011

ETSA Utilities	HY 2011	HY 2010	Variance
Provision of Electricity Infrastructure (CaMS)	57.7	32.3	25.4
Telecommunications	5.4	2.3	3.1
Asset rentals	1.6	1.1	0.5
Material Sales	9.9	7.6	2.3
Facilities Access / Dark Fibre	1.3	1.3	-
Sale of Salvage	1.1	1.1	-
TOTAL	**77.0**	**45.7**	**31.3**

CitiPower Powercor Australia	HY 2011 ($m)	HY 2010 ($m)	Variance ($m)
Provision of Electricity Infrastructure (PNS)	25.7	17.0	8.7
Telecommunications	3.2	2.7	0.5
Material Sales	3.0	3.6	(0.6)
Management Services	8.0	7.9	0.1
Joint Use of Poles rental	1.4	1.8	(0.4)
Property Rental	0.7	0.6	0.1
Docklands Revenue	1.0	1.0	-
Other	10.4	2.4	8.0
TOTAL	**53.4**	**36.9**	**16.5**

Appendix 6

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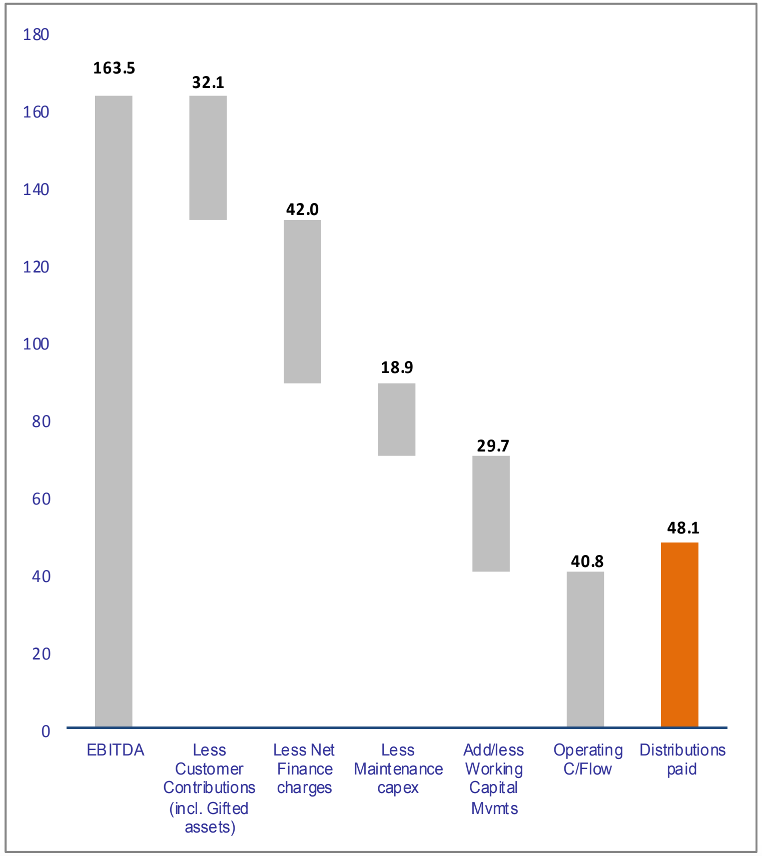
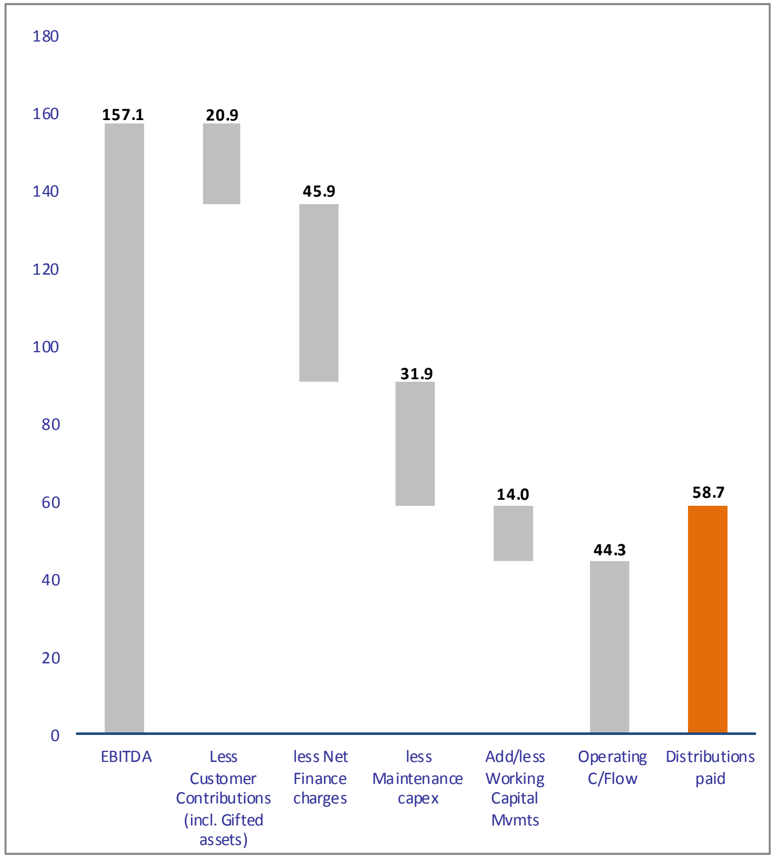
OPERATING CASHFLOW MODEL

Distributions supported by operations

ETSA OCF HY 2011 (49%) ($M)



CHEDHA OCF HY 2011 (49%) ($M)



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

Appendix 7

DEBT POSITION AT 30 JUNE 2011

Conservative and carefully managed

- Asset company hedging timed to match five year regulatory periods
- Spark Infrastructure hedging to September 2015
- Hedging undertaken with counterparties with credit ratings of A and above

ETSA UTILITIES	$m
Net Debt	2,495.7
Spark Share of net debt	1,222.9
Percentage Hedged (gross)	99.7%

CITIPOWER AND POWERCOR (CHEDHA)	$m
Net Debt	3,236.2
Spark Share of net debt	1,585.7
Percentage Hedged (gross)	96.5%

SPARK INFRASTRUCTURE	$m
Net debt at Spark Infrastructure level	84.1
Net debt at asset level (Spark Share)	2,808.6
Total net debt	2,892.7
Total equity and Loan Notes (book)	2,215.1
Gearing net (Look through)	56.6%

Hedged at Spark level	**85.0%**
Spark look through proportion of hedging (gross)	**97.4%**

- A level of forward start interest rate swaps have been put in place at the Asset Company level
- Estimated Net debt/RAB at 30 June 2011 is 84.2% on a look-through basis, and 81.8% at the Asset Company level

Appendix 8

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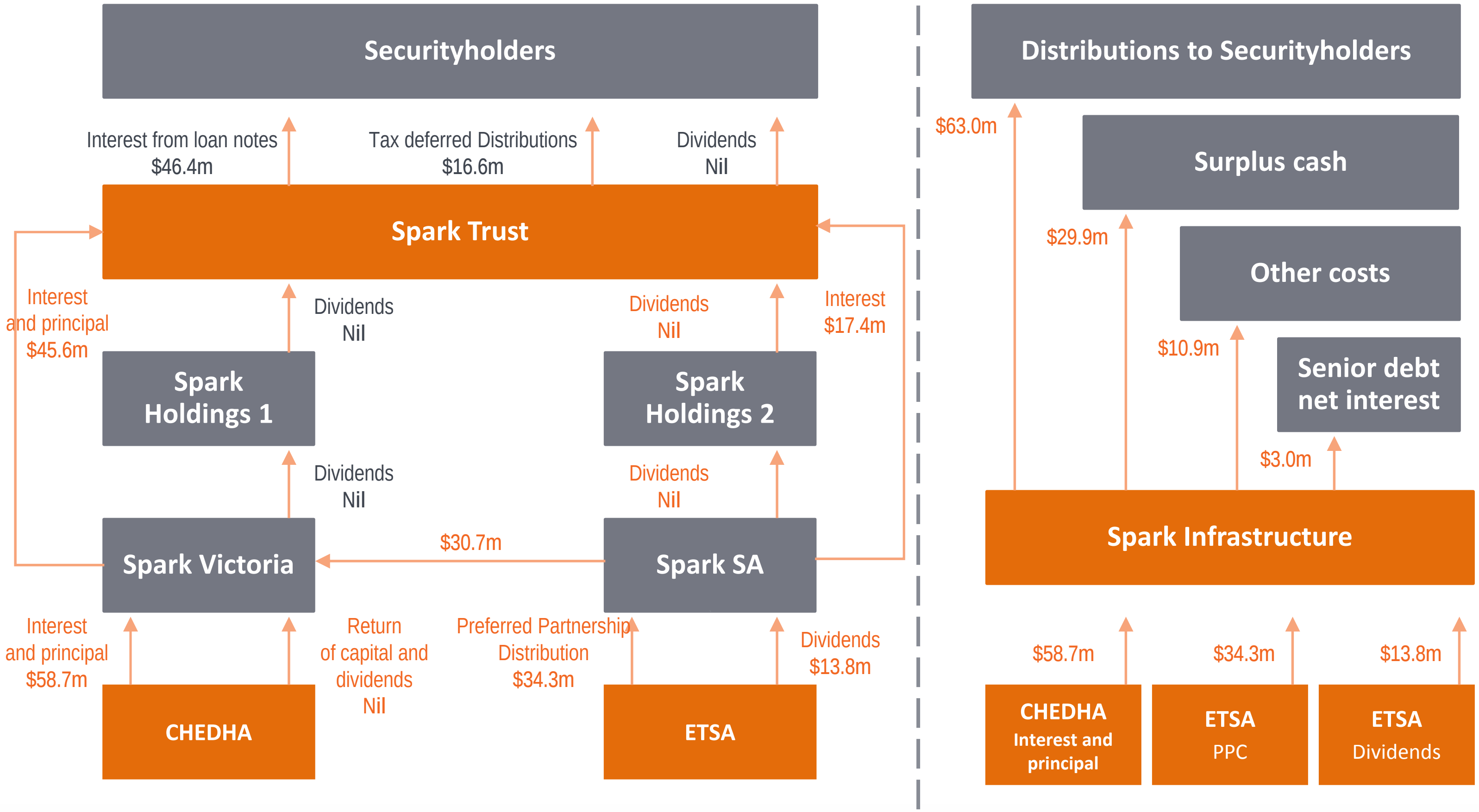
FLOW OF DISTRIBUTIONS

Actual cashflows to 30 June 2011



Appendix 9