In a strong position to deliver...

SHAREHOLDER REVIEW 2011

spark infrastructure

AGM
11:30am, Thursday 24 May 2012
Room II, Level 3
Establishment
252 George Street
Sydney, NSW

CONTENTS

Yield
+
Growth
+
Quality

In a strong position to deliver...

Yield

OPERATING CASHFLOWS (STAND ALONE)

$189M **40.3%**

ASSET COMPANY EBITDA[1] ($) (100%)

$1,177M **7.1%**

SPARK PROFIT BEFORE LOAN NOTE INTEREST AND TAX ($) UNDERLYING[2]

$269M **12.1%**

1. Excluding customer contributions
2. Underlying figures exclude non-cash movements in hedging instruments and derivatives

Spark's distributions are fully covered by the operating cashflows of the Asset Companies, after maintaining their Regulated Asset Bases (RABs), with a target payout ratio to 2015 of approximately 80% of standalone operating cashflow. Distributions are expected to grow by 3–5% per annum over the remainder of the current regulatory periods to 2015.

Robust operational cashflows

The Asset Companies are generating strong operational cashflows equivalent to 17.8 cents per Spark security in 2011. This enabled them to fund the substantial organic growth provided by the regulator from operational cashflows and external debt, and to make distributions to Spark Infrastructure of $211.2 million[1], which in turn, can be provided to Securityholders.

Growing distributions

Spark is committed to delivering reliable distributions to our Securityholders which grow over the long term, after supporting growth in the Asset Companies.

Distributions are fully covered by operating cash flows.

In 2012 Spark will pay a projected yield of approximately 7.5% per annum[2] – a solid return given the low risk profile and substantial organic asset growth. In addition, the Directors have undertaken to grow distributions by 3-5% per annum for the remainder of the current five year regulatory periods to 2015, subject to business conditions.

Strong cash position

Spark Infrastructure is in a strong cash position and possesses the funding flexibility to properly support the substantial organic growth in the Asset Companies. Spark's required equity investment in the Asset Companies has been pre-funded, such that it will not be necessary to raise capital to fund capital expenditure before 2015. In addition, the Directors have decided to keep the Distribution Reinvestment Plan suspended indefinitely, further highlighting the strength of Spark's cash position, safe guarding the quality of distributions and protecting value for Securityholders.

1. Including an amount of $17.6 million from CHEDHA deferred from 2010
2. Based on a forecast distribution of 10.5 cents per security and on a trading price of $1.395 for Spark Infrastructure securities on 24 February 2012, the day prior to the announcement of FY11 results

Growth

The Asset Companies are currently in the midst of an exciting growth phase based on large increases in regulated capital expenditure which is designed to augment and replace their network infrastructure and to cater for growth in customer numbers. Capital expenditure is the means by which these businesses grow and it receives a return from day one.

What is our investment strategy?

Spark's investment mandate includes electricity and gas distribution and transmission and regulated water and sewerage assets which offer relatively low risk and stable cash flows, facilitating the payment of relatively predictable distributions to investors and offering the potential for long-term capital growth. We will investigate opportunities for growth by acquisition but only when it can be clearly demonstrated this will add value. Supporting the abundance of organic growth in the existing portfolio will remain our primary focus.

Reliable and regulated asset growth

The Regulated Asset Bases (RAB) of the Asset Companies are expected to grow by a compound 8% per annum, over the current regulatory periods, to around $10.0 billion by the time they finish in December 2015, based on the Australian Energy Regulator's (AER) determinations.

It is expected that the Asset Companies will achieve a gearing level of 75% net debt to RAB by 2015. This will support and enhance their strong investment grade (A minus) credit ratings from Standard and Poor's and equivalent ratings from Moody's. Importantly for investors, it also means that Spark Infrastructure's net equity investment in the Asset Companies' RABs is expected to increase by a compound annual growth rate of 14% per annum based on the regulator's assumed funding formula of 60% debt and 40% equity of the approved capital expenditure.

Well placed to diversify the portfolio

Spark is now well positioned to assess further investment opportunities with a view to diversifying its portfolio – by asset class, geography or income stream. Any potential investment must demonstrate that it clearly adds to Securityholder value. Yield accretion will also be a key consideration.

Spark will not deviate from its disciplined investment philosophy which is based on securing quality regulated assets, or comparable assets with predictable cashflows, at a reasonable price.

How are we delivering on our objectives?

Organic growth in the Asset Companies Regulated Asset Bases (RABs) in 2011 was 9.5%.

Spark will prioritise organic growth in the existing asset portfolio.

The Asset Companies in which Spark holds a 49% interest are in the midst of an exciting period of growth based on substantially increasing regulated capital expenditure.

What this means for Spark and its investors

- Strong growth in the Asset Companies' RABs over the current five year regulatory periods to 2015, and therefore correspondingly increasing revenues
- Greater relative returns than growth by acquisition as investment in existing regulated assets occurs at 1.0 times RAB (ie. no acquisition premium)
- Long term capital growth through increasing net equity investment in the total RAB reflecting de-gearing of the Asset Companies to a net debt to RAB ratio of around 75% by 2015

Quality

Spark is an internally managed investment vehicle with a 49% interest in three quality electricity distribution businesses.

With no long term debt maturities until 2013 and no regulatory resets until 2015, Spark and its Asset Companies are in the midst of an exciting period of secure organic growth.

Stable, predictable and regulated

The regulatory framework provides a high degree of certainty and a range of built-in protections for investors. This includes predictable revenues and inflation linked cashflows with the potential to capture outperformance over regulatory determinations. In addition, the Asset Companies are currently at a favourable stage of the regulatory cycle, with their next regulatory resets still another 3-4 years away. The result is a stable and predictable operating environment.

Quality assets with skilled operational management

The Asset Companies in our portfolio continue to be regarded as among the most efficient and reliable in Australia. This has been confirmed on numerous occasions by the relevant regulatory bodies and by consumers through independent feedback mechanisms. Importantly for our investors, their strong operational performance combined with regulatory protections translate into reliable cashflows, which in turn fully support Spark's distributions to Securityholders.

Good governance and prudent financial oversight

Spark applies rigorous financial and operational oversight of its investments through its representation on the Asset Companies' Boards. The emphasis is always on prudent financial management, efficiency of operations, a safe and engaged workforce, and the effective management of every type of business risk.

During the year, Spark reduced the size of its own Board from nine Directors to six, including the Managing Director. All of which, with the exception of the Managing Director, are independent or non-executive.

Internalisation of the management function has eliminated base fees to the external Manager of over $3 million per year net of operating costs. Importantly, Internalisation has also removed any cashflow volatility associated with the potential payment of performance fees. It has created an independently managed group with enhanced alignment of interests, continuity of management and autonomy over decision-making.

TOTAL REGULATED ASSET BASE (RAB)

$7.37BN 9.5%

REGULATED REVENUE

$1.44BN 7.6%

TOTAL REVENUE[1]

$1.98BN 6.6%

1. Including customer contributions and gifted assets

Spark offers a solid yield based on quality operational cash flows generated by its Asset Companies plus reliable organic growth underpinned by the regulatory system.

Financial Highlights

2011 DISTRIBUTION PER STAPLED SECURITY	10.00¢	
2012 FORECAST DISTRIBUTION PER STAPLED SECURITY	10.50¢	5.0%
2012 YIELD[1]	7.5%	

ASSET COMPANY REVENUE (SPARK 49% SHARE)

$1,982M

09	1,762.1
10	1,859.7
11	1,982.0

6.6%

ASSET COMPANY EBITDA (SPARK 49% SHARE)[2]

$1,177.3M

09	999.5
10	1,099.6
11	1,177.3

7.1%

SPARK UNDERLYING INCOME ($)

$290.2M

09	266.6
10	290.6
11	290.2

0.1%

SPARK PROFIT BEFORE LOAN NOTE INTEREST AND TAX ($)

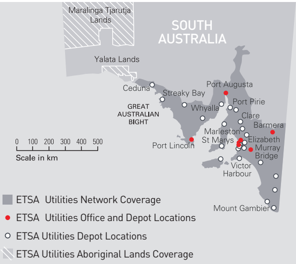
$269.0M

09	224.0
10	240.0
11	269.0

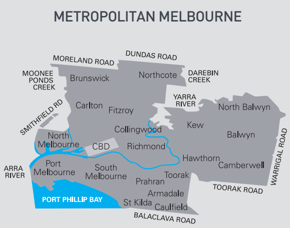
12.1%

1. Based on a Spark security price of $1.395 on 24 February 2012, the trading day prior to announcement of FY11 results
2. Excluding customer contributions and gifted assets which are non-cash and do not contribute to profit

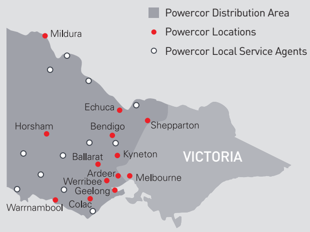
ETSA Utilities



CitiPower



Powercor Australia



The Asset Companies in which Spark Infrastructure holds a 49% interest are in an exciting period of growth arising from substantial increases in regulated capital expenditure that is expected to grow their Regulated Asset Base (RAB) by 8% (CAGR) per annum to 2015. When combined with the planned de-levering to 75% net debt to RAB, this is expected to lead to growth in Securityholders' net equity investment in the Asset Companies of 14% per annum (CAGR).

	ETSA Utilities	CitiPower	Powercor Australia
Business	Electricity distribution network in the state of South Australia	Electricity distribution network in the CBD and inner suburban areas of Melbourne	Electricity distribution network in Central and Western Victoria and the Western suburbs of Melbourne
Network	87,536 km servicing 178,200 km^2 of South Australia	7,406 km servicing 157 km^2	84,790 km servicing 150,000 km^2
Customers	829,674	313,409	730,273
Asset infrastructure	403 zone / 72,600 distribution substations and 723,000 poles	105 zone / 4,498 distribution substations and 58,882 poles	137 zone / 81,553 distribution substations and 540,344 poles
Lines underground	19%	40%	11%
Electricity throughput	11,093 GWh	6,105 GWh	10,470 GWh
Network availability	99.97%	99.99%	99.96%
Regulator	Australian Energy Regulator	Australian Energy Regulator	Australian Energy Regulator
Price determination	Completed 2010-2015 Final Price (variation) Determination (Note: 30 June regulatory period)	Completed 2010-2015 Final Price Decision (Note: 31 December regulatory period)	Completed 2010-2015 Final Price Decision (Note: 31 December regulatory period)

Message from the Chairman

With a simplified structure, transparent governance and reliable cash flows, Spark Infrastructure is now ideally placed to support the organic growth in its existing assets and to consider potential investments which may provide yield accretion and portfolio diversification.

Dear Securityholders,

The first half of 2011 saw the culmination of a series of changes to the structure of Spark Infrastructure in the form of the internalisation of its management function. This completed an extensive program of reform designed to provide increased financial flexibility, a simpler ownership structure and a more sustainable distribution profile supported by operating cashflows.

The purpose of all these changes was to position Spark to take advantage of the substantial organic growth in the Asset Companies in which Spark Infrastructure holds a 49% interest – ETSA Utilities based in South Australia, and CitiPower and Powercor based in Victoria – over the current five year regulatory periods to 2015.

The Regulated Asset Bases (RAB) of the Asset Companies are expected to grow by a compound 8% per annum from $6.8 billion at the start of the current regulatory periods in 2010 to around $10.0 billion by the time they finish in December 2015, based on the Australian Energy Regulator's (AER) determinations. The total RAB grew by 9.5% in 2011. This is the best kind of growth as it is underpinned by the regulatory system and comes at no acquisition premium.

I became Chairman of Spark in September 2011. The investment vehicle I have joined is in excellent shape, and well positioned to deliver on its core investment proposition – to provide a competitive and reliable yield plus strong asset growth. All of this is based on the quality assets in our portfolio, which operate in a stable, regulated environment, benefit from skilled and effective management, and generate strong and growing operational cashflows.

At this point I want to pay tribute to my predecessor as Chairman of Spark Infrastructure, Mr Stephen Johns. Stephen made a huge contribution to this organisation. He successfully steered Spark through its listing in 2005, the challenges of the global financial crisis, the strategic review of 2010 and the successful internalisation of its management function completed in 2011. His legacy will be as enduring as it is positive.

The Asset Companies' consistently strong performance, combined with the asset growth I have outlined above, means tangible benefits for Securityholders. In the short to medium term it means a growing distribution profile contributing to a solid yield. Over the longer term, when combined with the Asset Companies' gearing forecast of 75% net debt to RAB, it means a growing net equity investment in the Asset Companies for Securityholders.

We started 2011 with five year business plans in place that map out the businesses strategy in terms of operations, funding of organic growth through capital expenditure and distributions to the shareholders. They have been developed to match the five year regulatory periods, which end in June and December 2015.

These five year plans represent an agreed position with our co-shareholders in the Asset Companies, Cheung Kong Infrastructure and Power Assets Holdings. They provide a stable and coherent operational blueprint and predictability for Spark's cashflows over the five year regulatory periods.

They also demonstrate the strong alignment of interests we have with our co-shareholders in relation to the Asset Companies, and our shared vision for their profitable long term growth. These five year agreements, combined with our current strong cash position, have given us sufficient confidence to increase our final distribution for 2011 to 5.25 cents per security (cps). This brings the total distribution for 2011 to 10.0 cps. In addition, we have provided distribution guidance for 2012 of 10.5 cps, which is 5% higher than 2011 and represents a yield of 7.5% based on the trading price at the time we announced our full year results. We have also provided distribution growth guidance of 3-5% per year to the end of the current regulatory periods in 2015 based on a target payout ratio of approximately 80% of standalone operational cashflows. As always, our distributions are 100% covered by operational cashflows from the Asset Companies, by standalone operating cashflows from Spark, or both.

There are not many businesses that can put in place five year plans with the degree of confidence that we possess in relation to their ultimate implementation. This is because of the certainty, and the in-built protections, provided by the current regulatory system.

The regime presided over by the AER is an incentive based system which promotes stability, provides clear line of sight of capital and operating costs over a five year period, and rewards out-performance against the regulator's targets.

Message from the Chairman (cont.)

We will not be distracted from our focus on supporting the substantial organic growth in the Asset Companies, and pursuing continual improvements in the way they do business.

Supporting the substantial organic growth in the Asset Companies, and pursuing continual improvements in the way they do business remains our central focus. We will not be distracted from this.

At the same time, Spark has now put itself in a position where it is able to assess other investment opportunities with a view to diversifying its investment portfolio – by asset class, geography or income stream. As always, our prime concern will be to achieve yield accretion. Any potential investment must add long-term value for Securityholders.

Spark will not deviate from its disciplined investment philosophy which is based on securing quality regulated assets, or comparable assets with predictable cashflows, at a reasonable price. Spark has no incentive to do otherwise, and has no doubt that this is the right formula to achieve profitable long term growth.

Laura Reed has decided to retire from her position as Managing Director at the end of May 2012 after five and a half years at Spark and over three years leading the organisation. After commuting to Sydney each week for that entire period she has decided to return to her home in Adelaide to spend more time with her family. She will leave a lasting and positive legacy at Spark which includes the recent Repositioning and the Internalisation of the management function. We are sad to see her go but wish her all the best for her future endeavours.

At the same time I am pleased to welcome Rick Francis as the new Chief Executive. Rick has served as our Chief Financial Officer since February 2009 and has a wealth of experience in senior financial roles in the energy and utilities sectors. He is therefore extremely familiar with Spark, its Asset Companies, our investors and the industry in general.

Finally, I want to thank my fellow Board members for their support over the past year and the staff of Spark for their energy and contribution during 2011, in particular the successful implementation of the internalised management structure.

The work of the past two years has left Spark well placed to benefit from the opportunities that may arise in the future. I thank Securityholders for their ongoing support and I look forward to the coming year working alongside you.

Brian Scullin
Chairman
Spark Infrastructure

Answering the questions that matter

Message from the Managing Director

Spark Infrastructure is in a strong position to deliver on its investment proposition. Our Asset Companies continue to generate strong operational cashflows to fund the substantial growth in their Regulated Asset Bases while at the same time reducing their overall levels of debt. Over time, this will mean higher distributions for our Securityholders as well as a growing net equity investment in Spark Infrastructure.

Q *You announced your Full Year results in February. How did you track compared to last year?*

Spark delivered another strong underlying performance for Full Year 2011 with underlying profit before Loan Note interest to Securityholders at $269.0 million, an increase of 12.1% on the previous year. Our performance is based in most part on the consistent performance of the three Asset Companies.

We received strong cash distributions from the Asset Companies of $211.2 million in accordance with agreed business plans and had cash reserves of $27.9 million, and undrawn facilities of $165 million, at balance date. These are available for use in the business, including equity contributions for the funding of capital expenditure of the Asset Companies.

Our strong cash position gave the Board the confidence to increase the final distribution for 2011 to 5.25 cents per security (cps), taking total distributions for 2011 to 10.0 cps. We have also provided distribution guidance for 2012 of 10.5 cps, which represents growth over 2011 of 5%. Just as importantly, we have also forecast distribution growth within the range of 3-5% per annum to 2015, which is the end of the current regulatory period.

Message from the Managing Director (cont.)

Q *What about the Asset Companies, are they performing according to plan?*

The total aggregated Asset Company revenue for 2011 was $1.98 billion, which was 6.6% higher than last year. This led to EBITDA of $1,177.3 billion, excluding customer contributions and gifted assets which are non-cash and do not contribute to profit, an increase of 7.1%.

As can be expected, the Asset Companies are performing in line with the Australian Energy Regulator's (AER) decisions handed down at the start of the current regulatory periods. The regulatory framework itself provides a high degree of certainty and a range of built-in protections for investors. This includes predictable revenues and inflation linked cashflows with the potential to capture outperformance over regulatory determinations.

In addition, the Asset Companies' revenues will benefit from the successful regulatory appeals handed down in May 2011 in the case of ETSA Utilities and a partial decision in January of this year in the case of CitiPower and Powercor. These positive appeal outcomes will add a total of $315 million of revenue for ETSA in the current regulatory period. Recovery commenced from 1 July 2011. For CitiPower and Powercor the increase in revenue will be approximately $120 million on the matters decided thus far, with recovery expected to commence from the start of its next pricing period on 1 January 2013.

Q *You have set a gearing forecast for your Asset Companies of 75% net debt to Regulated Asset Base to be achieved by the end of the current regulatory period in 2015. You are currently at 81.5%. Can you meet the forecast?*

We are very confident of meeting the forecast by 2015. It is important to remember that this is a target we have set for ourselves along with our fellow shareholders in the Asset Companies. It has not been imposed by the regulator, the banks or the credit rating agencies. It merely represents the agreed objective and expectation of the shareholders.

The Asset Companies generate very strong cashflows that are sufficient to fund a larger proportion of their capital expenditure requirements, relative to debt, and at the same time provide the cash distributions to Spark which we have agreed with our co-shareholders in the five year business plans.

The agreed level of 75% net debt to RAB can be achieved by funding capital expenditure in accordance with the Australian Energy Regulator's (AER) assumptions, that is, 60% debt and 40% equity. However the de-gearing will not occur in a straight line – there will be variations from period to period. The Asset Companies' gearing levels can be impacted in the short term by such things as movements in working capital, the timing of capital expenditure and the payment of distributions to the shareholders, however the medium term trajectory based on our funding formula is trending firmly downwards. Our business plans to 2015 provide for precisely this outcome.

Q *How is the roll-out of Advanced Metering Infrastructure (AMI) progressing in Victoria, and how has the program changed in light of the Victorian Government's review?*

By the end of 2011, CitiPower and Powercor had installed 500,000 smart meters in their operational areas. This represents nearly half of the total planned roll-out of 1.1 million meters. The program was independently reviewed by the Victorian Department of Treasury and Finance and the outcome of that review, announced in December 2011, has confirmed that the program's benefits outweigh the costs, and that smart meters are safe. The Government has delayed the introduction of flexible (time of use) pricing until at least 2013 and will subsidise the installation of in-home displays. They have also removed the provision for automatic cost over-runs. However, none of this has impacted the original planned capital investment by our Asset Companies of approximately $630 million. Regulatory capital expenditure costs and tariff changes have been confirmed for the next period 2013-15.

The AMI program has already delivered lower costs and benefits to Victorian electricity consumers, including remote meter reading which improves the accuracy of customers' bills by minimising estimated readings. Over time AMI will also provide faster connection and disconnections when moving home and better access to electricity consumption information available in real time, thus empowering customers to understand and manage their energy usage and bills as they choose.

Q *The installation of solar panels by residential customers, particularly in South Australia, has had a significant impact on your cash position. That was a bit of a surprise. Can you explain the reasons for this and any long term impact?*

Like other governments around the country, the South Australian government provided incentives to household customers to install solar panels on their homes. This was done by committing to a payment by volume for any electricity generated and returned to the grid. These payments are known as "feed-in tariffs" and must be made by the electricity distribution business, in this case ETSA Utilities. There was naturally no way of predicting the take-up by customers which turned out to be very high with around 100,000 households so far having installed, or applied to install, solar panels across South Australia.

It is important to note that the payment of feed in tariffs is not a cost to ETSA. Feed-in tariff payments are completely recoverable in the current regulatory period through the regulatory pricing mechanisms. The payments are a pass through cost in accordance with the regulatory system, with costs being offset by correspondingly higher tariffs for ETSA in forward years. So while there is a cash impact in the short term, there is no material cost to ETSA Utilities.

Message from the Managing Director (cont.)

Q *Spark Infrastructure remains a 49% holder of your Asset Companies in a market which clearly would prefer you to have a controlling stake. How is this impacting Spark?*

ETSA Utilities, CitiPower and Powercor are excellent assets with healthy growth profiles which generate very strong cashflows. I know that our co-shareholders, Cheung Kong Infrastructure (CKI) and Power Assets Holdings (PAH) hold these assets in the same high regard that we do so it appears unlikely that Spark will be able to acquire a controlling stake.

Would we prefer to own a controlling stake in the Asset Companies? Yes we would. Would owning a controlling stake make a radical difference to how these assets are operated? No.

We remain confident that the Shareholder Agreements entered into at the time that Spark listed on the ASX provides us with the necessary protections. This includes the requirement for a range of key decisions at the Asset Company Boards to be passed by a majority of 75%, where Spark nominates four out of the nine non-executive Directors.

It is important to remember that there is a great deal of commonality between us and our co-shareholders. In fact, there is strong alignment of interests between Spark and CKI and PAH in relation to the operation and growth of the Asset Companies. Each of us is committed to their long term profitable growth. That means operating them efficiently, funding the organic growth in a suitable manner, and ensuring prudent financial oversight. Like our co-shareholders, we are long term investors in these assets with active operational oversight.

There is a great deal on which we agree. The most tangible demonstration of this can be found in the five year business plans that were agreed between the shareholders at the start of the current regulatory periods, in December 2010. These cover all aspects of the businesses operations and capital management strategy including the funding of capital expenditure and the distributions of cash from the Asset Companies to the shareholders through to 2015.

Q *There are a lot of competing investments out there, some of which offer a higher yield than Spark does at the moment. What makes Spark different?*

Spark Infrastructure offers a solid yield combined with strong organic growth, based on quality assets operating in a stable regulated business environment. Moreover, our internal structure at the Spark level is efficient and transparent and ensures there is no fee or value leakage to parties other than Securityholders, and we have the financial flexibility to fund the ample organic growth in our existing portfolio of assets.

The RAB's of our Asset Companies are expected to grow by a compound 8% per annum from around $6.8 billion at the start of the current five year regulatory period to around $10.0 billion in December 2015, based on the regulatory determinations. Their combined RAB at 31 December 2011 was $7.4 billion. This organic growth is equivalent to making a $3 billion acquisition without paying an acquisition premium.

We have been very active over the past 18 months to make the changes we felt were necessary to properly support this growth in our Asset Companies, and to position ourselves for any other investment opportunities that may arise. I am satisfied that we have achieved our objective.

If there is another investment out there which offers a yield of over 7% per annum plus 8% per annum compound annual growth, based on the regulator's assumed funding formula of 60% debt and 40% equity, with the low risk profile which characterises Spark, then I am yet to see it.

Q *So now you have your structure right what comes next? Do you plan to add to your portfolio?*

Given the ample organic growth in our current Asset Companies there is no pressure at all on us to grow our portfolio through acquisition. We could quite happily continue to watch and support the Asset Companies' grow their RABs in line with their capital expenditure programs and to grow our distributions to Securityholders over time by doing nothing at all. Spark is in a good place at the moment, and we have no intention of doing anything that might detract from this.

However, it would be imprudent of us not to properly assess opportunities which may offer further value to our Securityholders. We have a solid track record of discipline in this area and no incentive to grow for growth's sake.

Let me make this very clear. An acquisition must add long-term value for our Securityholders, with yield accretion also a key consideration.

In addition, we will continue to restrict our frame of reference to regulated utilities, or comparable investments with long term certainty around revenues and cashflows.

We have a clear understanding of the reasons why our Securityholders invest in Spark. It is very important to us that we keep faith with them by protecting value and maintaining the low risk profile displayed by our existing assets. That is exactly what we intend to do.

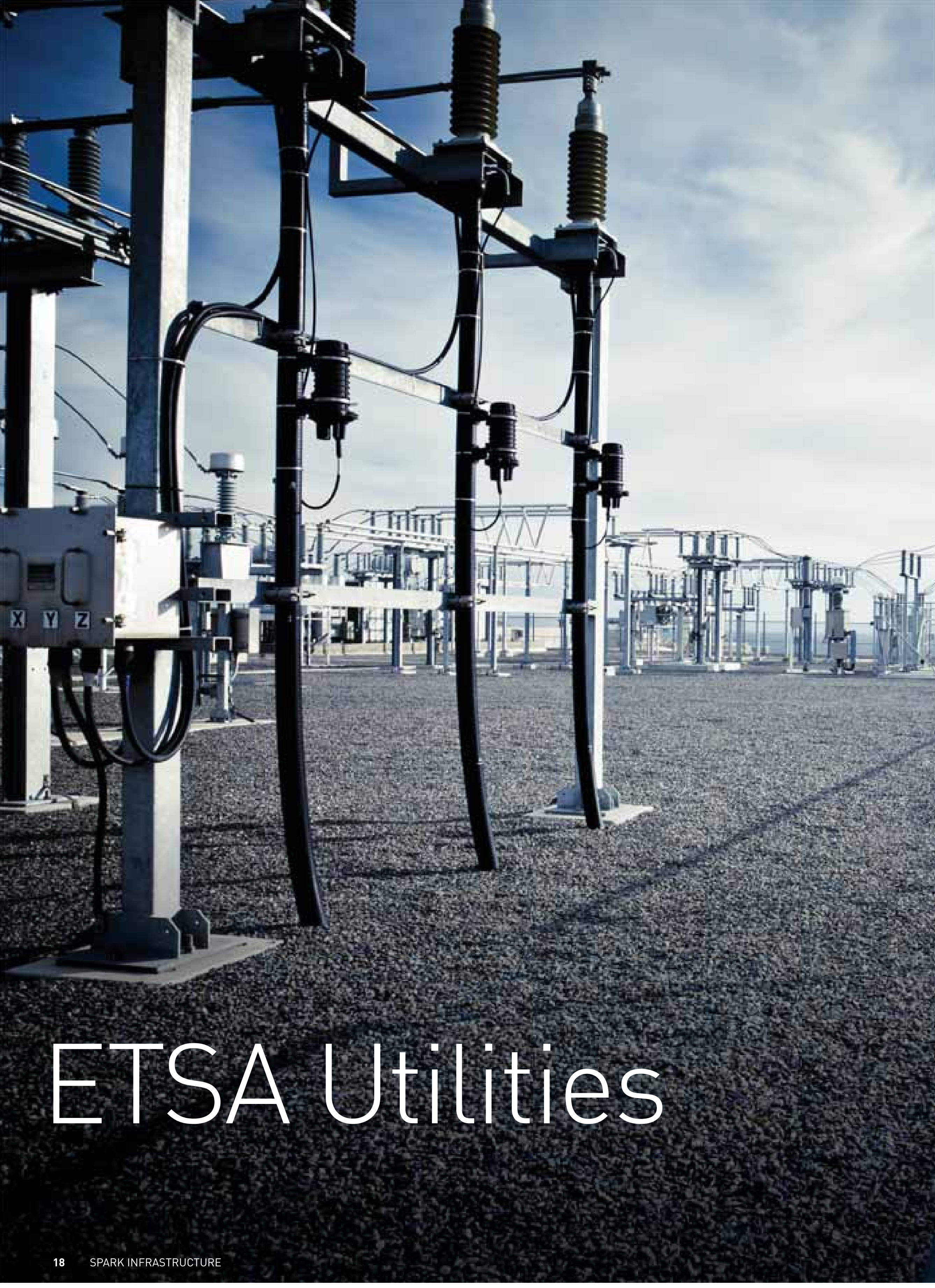
Q *It seems that you have just taken Spark to where you want it to be and now you are leaving. Can you tell us more about your decision to retire?*

I have very much enjoyed being involved with Spark and the many opportunities it has provided to me. I'm particularly pleased that during my time as CEO and Managing Director we have been able to position Spark to make the most of the growth inherent in its Asset Companies. Its share market performance over the past year demonstrates that it now ranks among the premier defensive listed equity investments in Australia. However, five years has been a long time to commute from my home in Adelaide to our offices in Sydney, and I have decided that now is the time to head back to spend more time with my family.

We have always placed a high priority on succession planning at Spark. I am pleased that Rick Francis has agreed to accept the role of Chief Executive of Spark Infrastructure. He has served as our Chief Financial Officer since February 2009 and has a wealth of experience in senior financial roles in the energy and utilities sectors. He is therefore extremely familiar with Spark, its Asset Companies and the industry in general.

When Rick joined Spark as our CFO three years ago I was keen to ensure we hired someone in that role who had the capacity and the skills to eventually lead the organisation. I can now leave Spark knowing that it will stay in safe hands with someone who will continue to apply the rigour and discipline that Spark Securityholders deserve and expect.

Laura Reed
Managing Director



ETSA Utilities

ETSA Utilities builds, maintains, extends and upgrades South Australia's electricity distribution network, supplying 829,674 residential and business customers in the capital, Adelaide, and all regions across the State. The network is one of the most reliable in Australia, with 99.97% network availability achieved across a State characterised by widely-varied and challenging terrain and extremes of weather.

Regulation

On 30 June 2011, ETSA Utilities completed its first full year of the current five year regulatory period. In 2010, the Australian Energy Regulator's (AER's) final determination on ETSA Utilities' allowable revenues for the five year period reflected an increased investment allowance to support South Australia's growing economy, support major infrastructure works, ensure sufficient levels of network capacity to meet projected demands, commence the task of renewing aging assets and provide adequate security of supply to meet Transmission Code obligations.

In May 2011, ETSA Utilities was successful in its appeal to the Australian Competition Tribunal on two components of the AER's final determination (relating to the value of the Regulated Asset Base and the value of imputation credits), which will result in an increase in allowable revenues across the remaining four years of a total of approximately $315 million.

Operational Summary for 2011

ETSA Utilities continued to meet all key financial targets in 2011.

Regulated revenues exceeded targets due to higher network tariffs in accordance with the 2010-15 regulatory reset and appeal outcome.

Total distribution revenue for 2011 (net of transmission charges) was $696.0 million, an increase of 17% from 2010. In 2011, sales volume declined approximately 2% to 11,093 GWh relative to the 11,320 GWh sold in 2010. This was largely due to milder weather and lower volumes in response to tariff increases, and higher than expected penetration of photo voltaic installations.

At $125.2 million, net asset related revenue continued to perform strongly, but was lower than the previous year due largely to the effective completion of the new desalination plant in the south of Adelaide in 2010, and a slowing of demand for customer projects.

Net capital expenditure increased significantly in 2011 to meet increased network capacity requirements as well as Transmission Code obligations. Net capital expenditure totalled $313.2 million, an increase of 30.3% from 2010.

Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding interest income) of $717.2 million was achieved in 2011, an increase of 8.6% on 2010.

Unregulated revenue grew by 27.2% in 2011, with earnings growth consistent throughout the portfolio. ETSA Utilities continued to undertake major work on behalf of ElectraNet, South Australia's sole electricity transmission company. Major projects included completion of the construction of the new City West and Mount Barker substations. ETSA Utilities also completed construction of the National Broadband Network first release site in Willunga, south of Adelaide. The outlook for unregulated business activity was further improved by the securing of material long term contracts during the year.

NET CAPITAL EXPENDITURE

$313.2M **30.3%**

Performance against non-financial targets during the year was solid. ETSA Utilities continues to be regarded as an industry leader in safety. A single Lost Time Injury (LTI) was recorded in February, which was the result of a minor burn to the hand of an apprentice. At 31 December 2011, ETSA Utilities employees had worked 334 days in succession without an LTI.

ETSA Utilities continued its strong focus on nationally recognised accredited training with an apprenticeship program which surpasses industry requirements. During 2011 there were 164 apprentices in training and a further 22 engineering graduates participating in a three year development program. In September ETSA Utilities was awarded the title of Employer of the Year at the South Australian Training Awards. ETSA Utilities was also a national finalist in the same category.

Workforce numbers remained stable with 1,914 full time equivalent employees at year end.

Customer Service Performance

ETSA Utilities has a positive track record of meeting its reliability standards and improving its customer service performance.

Reliability as measured by System Average Interruption Duration Index (SAIDI), the annual minutes without supply per customer for 2011, was 178 minutes, compared to the annual target of 179 minutes. ETSA Utilities therefore met the implied regulated service target.

The weather is a key variable for the Service Performance Scheme (SPS). Extreme weather conditions in July, September and December 2010, and February, May and June 2011 therefore had a negative impact on results. As a consequence, the SPS performance was $1.2 million unfavourable (of a maximum possible penalty of $23 million), equalling 0.15% of ETSA Utilities' annual revenue.

The severe weather also impacted the Guaranteed Service Level Scheme (GSL) payments for duration and frequency of interruptions. As a consequence of the severe storms in early 2011, GSL payments for 2011 were also unfavourable.

ETSA Utilities continued its strong focus on nationally recognised accredited training with an apprenticeship program which surpasses industry requirements. During 2011 there were 164 apprentices in training and a further 22 engineering graduates participating in a three year development program. In September ETSA Utilities was awarded the title of Employer of the Year at the South Australian Training Awards.

In 2011 ETSA Utilities focused on developing a new suite of customer self-service applications including Power@MyPlace™, which is a free SMS service that will advise registered customers of interruptions to their electricity supply as well as providing estimated restoration times. The service will also provide updated information on power outages as it is becomes available, including notification of when the power has been restored.

ETSA Utilities was recently awarded South Australian Large Business of the Year and received several other individual awards for customer service excellence at the 2011 Customer Service Institute Awards.

Major projects

In 2011 ETSA Utilities completed work associated with a major upgrade of electricity supply to Adelaide's Central Business District (CBD). The project involved significant investment to build a second transmission supply and consequent distribution connection for the CBD.

Other major projects included the construction of new major distribution substations at North Adelaide, Happy Valley and Mount Barker as well as the completion of works on the new Mount Barker South, Wudinna and Kadina East connection point substations with ElectraNet.

Government infrastructure projects continued to contribute to a strong flow of major project activity for ETSA Utilities in 2011. This included continued infrastructure works supporting the construction of Adelaide's first desalination plant, as well as works arising from upgrades of key transport infrastructure and commencement of the redevelopment of the Adelaide Oval.

ETSA Utilities
Sustainability, Community & Environment

ETSA Utilities maintains a comprehensive business structure for managing environmental impacts and risks. Compliance with environmental legislation and regulation is viewed as a minimum requirement and the business was successful in implementing a number of voluntary environmental commitments in 2011.

Environment

The Board of ETSA Utilities is active in seeking to reduce the organisation's environmental footprint, particularly greenhouse gas emissions, and to adapting the network to better withstand forecast climate conditions. Meeting national reporting obligations with regard to greenhouse gas emissions has involved considerable work to improve data collection and measurement for internal mitigation and reporting.

In 2011 ETSA Utilities' Construction and Maintenance Services department maintained its ISO14001 certification and work continues to accredit the rest of the organisation. ETSA Utilities develops an Environmental Management Plan each year to identify objectives, strategies, managerial controls and continuous improvement mechanisms. Overseeing the implementation of the Environmental Management Plan is the Environmental Management Committee, which is made up of senior and operational staff. Topics covered in the annual Plan include climate change regulation, energy, waste and water management, oil filled assets management, hazardous substances management, site (land) contamination, fleet efficiency and electric and magnetic fields.

ETSA Utilities was successful in a number of environmental management areas in 2011. It signed a Memorandum of Understanding with the State Government's peak recycling body, Zero Waste SA to further the two organisation's work together, including piloting a supply chain sustainability program and the implementation of the Clean Site® Program on project sites.

Several key initiatives detailed in the Waste and Recycling Improvement Action Plan were implemented, including battery and toner cartridge recycling systems and the commencement of a source separation recycling system for offices. Waste Soil Guidelines were developed to encourage efficient and cost effective management of waste soil, including its beneficial re-use, and these were promoted to ETSA Utilities staff and contractors.

ETSA Utilities continued to closely monitor and report on organisational energy and water use throughout the year. In October the organisation submitted its annual National Energy and Greenhouse Report to the Federal Government for the 2010/11 financial year. These annual reports are a requirement of the Commonwealth Government as part of a national framework for reporting information about greenhouse gas emissions, greenhouse gas projects, and energy use and production by large corporations.

ETSA Utilities – Sustainability, Community and Environment (cont.)

To ensure compliance with the Scheme, and the accuracy of the greenhouse data reported, ETSA Utilities commissioned an audit by an external consultant with expertise in this area.

Innovative initiatives continued within ETSA Utilities' Fleet department, with ongoing performance monitoring of the three Mitsubishi i-MiEV electric vehicles purchased in 2010 and the eight hybrid Elevated Work Platform (EWP) trucks.

ETSA Utilities has also been invited by the South Australian Environmental Protection Authority to join the Sustainability Licence Program.

Health and Safety

The safety of the public, the community and its employees is a key focus for ETSA Utilities. An extensive 'Summer Preparations Program' which factors in associated risks is reviewed and updated each year to ensure continuity of supply and public safety. In addition to this program, ETSA Utilities also has crisis management policies and procedures in place should a crisis event occur.

To ensure ETSA Utilities remains an industry leader in safety, ETSA Utilities' Safety Management System was certified in early 2011 to comply with Australian Standard AS4801 and the International Standard OHSAS 18001. These third party audits confirmed its compliance with the Safety Management Standards protocols and measured the deployment of the system in a broad range of operational activities. ETSA Utilities continues to measure lead and lag indicators to ensure the safety of its people and continuous improvement of the Safety Management System.

A Switching Behavioural Program, Muscular Skeletal Incident Reduction Program and a Driving Incident Reduction Strategy have all been introduced in 2011 with positive results. ETSA Utilities is undergoing extensive planning and consultation to introduce a Drug and Alcohol Prevention Program which will commence in 2012. A key feature of the 2012 Safety Management Plan is to effectively address the new National Harmonisation Legislation due to be introduced across Australia on 1 January 2012.

Workforce development programs complement the safety strategies in place and focus on areas of workforce culture, attraction, retention and training.

ETSA Utilities continued its strong focus on nationally recognised accredited training and an apprenticeship program which surpasses industry requirements. During 2011 there were 164 apprentices in training and a further 22 engineering graduates participating in a three year development program.

In September ETSA Utilities was awarded the title of Employer of the Year at the South Australian Training Awards. ETSA Utilities was also a national finalist in the same category. ETSA Utilities' focus on learning and development and its One-ETSA culture has contributed to ensuring a safe, skilled and committed workforce.

Society

ETSA Utilities continues to meet the expanding requirements of a growing population and respond to immediate and longer-term growth and demographic changes in residential and industrial customer sectors.

In 2011 ETSA Utilities has been focused on developing a new suite of customer self-service applications including Power@MyPlace™, which is a free SMS service that will advise registered customers of interruptions to their electricity supply as well as providing estimated restoration times. The service will also provide updated information on power outages as it is becomes available, including notification of when the power has been restored.

ETSA Utilities continues to prioritise the meeting of its reliability standards and has aligned its ongoing reliability programs with the objectives of the AER's Service Target Performance Incentive Scheme, which took effect for ETSA Utilities on 1 July 2010.

ETSA Utilities has a strong presence within the community in which it operates and pays all government taxes, levies and duties for which it is liable. It respects the privacy of individuals through compliance with privacy laws.

ETSA Utilities recognises the impact it has and the importance it holds within the community and complies with relevant laws, regulations and rules governing its activities and acts responsibly in its dealings with all relevant regulators. ETSA Utilities continues to maintain strong community ties via various sponsorships, and the Employee Foundation remains a committed vehicle for support of important local social activity.

ETSA Utilities' Customer Service Strategy guides the organisation's customer service direction and is supported by a detailed set of policies, procedures, work instructions, manuals and guidelines to allow ETSA Utilities to pursue continuous improvement in this area.

In 2011 ETSA Utilities was successful in winning five awards at the Customer Services Institute of Australia (CSIA) Australian Service Excellence Awards:

- Large Business – South Australia
- Customer Service Professional of the Year
- Customer Service Manager of the Year
- Call Centre Manager of the Year
- Customer Service Advocate of the Year

In 2012, ETSA Utilities will be working towards achieving International Customer Services Standard accreditation from CSIA.

CHEDHA

The CitiPower and Powercor Australia networks are comprised of a joint management team and workforce within the CHEDHA Group of companies. CitiPower and Powercor Australia owns and operates two of the five fully regulated electricity distribution networks in Victoria under the regulatory supervision of the Australian Energy Regulator. Powercor Network Services and CHED Services provide design and construction services and back office services respectively on a commercial basis to a range of internal and external customers across Australia and within the region.

Electricity Networks 2011

CitiPower owns and operates the distribution network that supplies electricity to around 313,000 customers in Melbourne's CBD and inner suburbs. These customers include some of Australia's largest companies, public transport systems and sporting venues. CitiPower operates with a reliability rating of 99.99 per cent network availability.

Powercor Australia (Powercor) is the largest distributor of electricity in Victoria, owning and operating a network that serves around 730,000 customers in central and western Victoria and the western suburbs of Melbourne. This comprises 27 per cent of Victoria's electricity users. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.96 per cent network availability.

2011 Operational Summary

The CHEDHA business has performed well in challenging circumstances during 2011. The impact on distribution revenue of mild weather and the weakening economic environment pushed profits lower.

Notable achievements included the successful completion of a capital works program almost 20 per cent larger than that of 2010, and the delivery of the 2011 Advanced Metering Infrastructure (AMI) program in an uncertain environment.

An electricity reliability benchmarking report released in 2011 by the Energy Supply Association of Australia revealed the CitiPower and Powercor networks performed strongly in comparison with 16 peer distribution businesses from across Australia. CitiPower was rated the best performer in the total number of average minutes that customers experienced planned and unplanned power interruptions. Powercor ranked mid-range among the surveyed businesses which was a good result considering its predominantly rural distribution area.

CitiPower Network

CitiPower's electricity distribution revenue was $200.2 million excluding all metering revenue and pass-through transmission revenue. Electricity sales volume was 6,105 GWh, down from 6,210 GWh in 2010.

Powercor Network

Electricity distribution revenue for the Powercor network was $427.3 million, excluding all metering revenue and pass-through transmission revenue. Electricity sales volume for Powercor was 10,470 GWh, down from 10,678 GWh in 2010.

NET CAPITAL EXPENDITURE

$531.4M **▲ 22.6%**

Advanced Metering Infrastructure

In December the Victorian Government announced the continuation of the Advanced Metering Infrastructure (AMI) program after an independent review by the Victorian Government Department of Treasury and Finance and Deloitte. As at 31 December 2011, CitiPower and Powercor had installed more than 500,000 smart meters at its Victorian customers' premises, of a total goal of about 1.1 million. More than 230,000 of these meters are now being read remotely, with most of the remainder expected to "go live" in 2012. CitiPower and Powercor is the industry leader in the Victorian rollout, and has exceeded all Government smart meter deployment targets so far.

Electricity Distribution Price Review 2011-15

In 2010 the business exercised its right of appeal against the final determination of the AER to seek clarification of a number of technical and financial matters, as did the other distributors. The outcomes of these appeals will not be known until 2012, and any outcomes will not take effect until 2013.

The network tariffs charged to retailers by CitiPower and Powercor Australia rose on 1 January 2012 by an average of 15 per cent for residential customers. Significant parts of these increases are attributable to higher transmission charges, and in Powercor's case, to cross-subsidies deriving from the Victorian Government's Premium Feed-in Tariff scheme.

Customer Service Performance

CitiPower and Powercor has an ongoing focus on maintaining reliability and improving its customer service performance. This is supported by customer service strategies and a detailed set of policies, procedures, work instructions, manuals and guidelines.

The business enjoys a strong reputation with customers and in the communities where it operates. This was reflected in the 2011 Community Reputation Index, benchmarked against other Victorian and South Australian electricity distributors. CitiPower's index score rose by seven points on 2010, while Powercor saw a rise of two points and also enjoyed its eleventh successive year as the most reputable electricity distributor across the two states.

CitiPower and Powercor was again successful at the 2011 Australian Service Excellence Awards conducted by the Customer Service Institute of Australia (CSIA). The business won the National and Victorian Large Business of the Year awards, as well as a High Commendation in the Team Leader of the Year category. The awards endorse the significant and sustained Powerful Customer Service campaigns undertaken over a number of years. During the year the CSIA also renewed CitiPower and Powercor's accreditation for compliance with the International Customer Service Standard.

CitiPower and Powercor's monthly mass market customer satisfaction surveys continued to illustrate strong performance, with a 2011 overall result of 76 per cent satisfaction rating. Satisfaction among retailers was again strong at 78 per cent whilst the major customer satisfaction rating came in at 85 per cent, which is higher than the average across the last five years.

Network reliability is CitiPower and Powercor's most important customer service measure. The weather was a key determinant and several severe storms affected an otherwise good year. Reliability is measured by System Average Interruption Duration Index (SAIDI), and CitiPower recorded 39.64 average minutes off supply in 2011, an improvement on the previous year. Powercor recorded 244.69 minutes, a small increase on 2010. The results included both planned and unplanned interruptions.

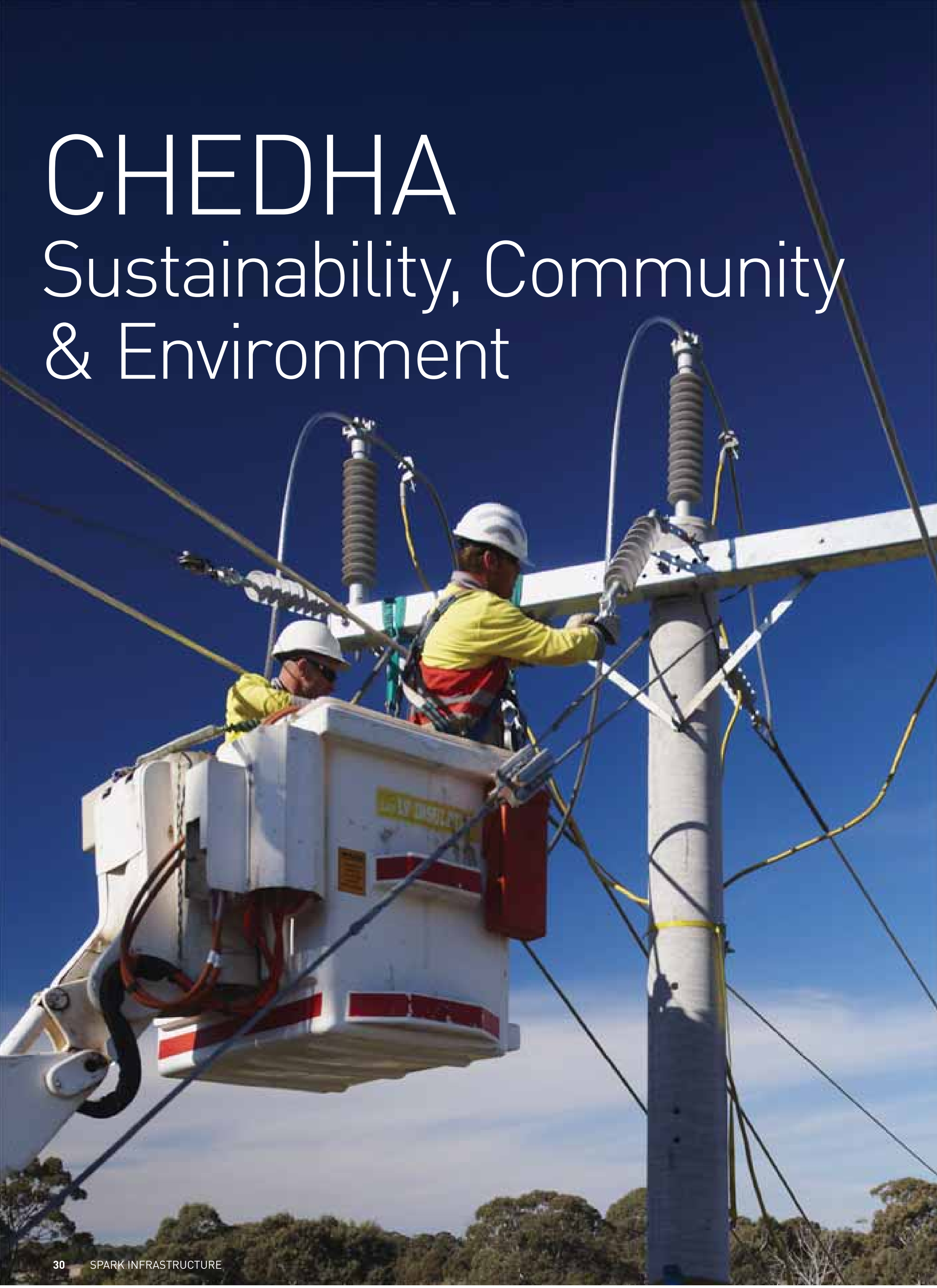
An increased level of Guaranteed Service Level (GSL) payments were made to customers in 2011.

Major Projects Infrastructure Upgrades

Two key infrastructure upgrades are underway in inner Melbourne to improve security of supply and meet increasing demand in the Central Business District (CBD). The Metro Project is aimed at providing increased electrical infrastructure capacity to meet a significant increase in energy demand in Melbourne's north-east CBD. During 2011 major expansion works at the Bouverie/Queensberry Zone Substation, adjacent to the CBD, were commissioned, and significant underground cabling works undertaken.

The CBD Security of Supply Project is a separate initiative which will increase the level of supply security in CitiPower's 66kV network across the CBD, to meet the increased expectation of a non-interruptible electricity supply for this region. In 2011 the expansion of the Victoria Market Zone Substation marked a significant milestone for the project.

CHEDHA
Sustainability, Community & Environment



Health and Safety

CitiPower and Powercor's Health and Safety Management System is certified to the AS/NZS 4801 Occupational Health and Safety Management Systems Standard. Two surveillance audits were conducted in 2011 with no non-conformances identified and very positive feedback received from the auditor.

Powercor Network Services also achieved accreditation from the Office of the Federal Safety Commission during the year. This allows Powercor Network Services to bid directly for Federal Government funded projects.

The Health and Safety Management System is supported by Health and Safety Committees at all locations, and a Health and Safety Steering Committee chaired by the Chief Executive Officer. The steering committee met five times in 2011 at a variety of locations across the business.

In 2011, CitiPower and Powercor recorded seven Lost Times Injuries (LTIs) against a target of two, and 28 Medical Treatment Injuries (MTIs) against a target of 21. The increase in LTIs prompted a 'Back to Basics' half day training session for our field workers.

Our contractors recorded six LTIs and 18 MTIs while working on or around our assets. In 2011 we launched the CitiPower and Powercor "Never Compromise" message to contractors to strengthen and support their health and safety messages.

There was significant work done in 2011 monitoring the harmonisation of Occupational Health and Safety Legislation across all jurisdictions with some States, both Territories and the Commonwealth implementing the new legislation on 1 January 2012.

Health and Safety performance reporting was further enhanced during the year with a new monthly snapshot, a revised detailed monthly report and business unit specific monthly reports.

Occupational Health and Safety leadership training was rolled-out for all CitiPower and Powercor business leaders. This one day course focuses on company and legislative responsibilities and building the "Never Compromise" culture.

Other initiatives in 2011 included the installation of defibrillators at all offices and depots, and the commencement of a project to ensure hazards are identified and, where possible, eliminated at the earliest stage of a project, thus minimising risk through the asset lifecycle.

Environment

The business has comprehensive structures in place for managing environmental impacts and risks. Compliance with environmental legislation and regulation is viewed as a minimum requirement. The business has an Environmental Management System (EMS) which is certified to the international standard ISO 14001:2004. In 2011 two external audits were conducted to ensure our compliance with the standard, with no non-conformances identified.

The EMS provides a framework for identifying and managing environmental issues and risks. In 2011 an external consultant was engaged to independently review the EMS and provide recommendations to maintain continuous improvement.

CHEDHA – Sustainability, Community and Environment (cont.)

CitiPower and Powercor was again successful at the 2011 Australian Service Excellence Awards conducted by the Customer Service Institute of Australia (CSIA) winning the National and Victorian Large Business of the Year awards.

During the year CitiPower and Powercor also conducted an extensive review of environmental legislation and regulation to ensure compliance with current and future requirements.

The business has developed and implemented a detailed environmental relationship management strategy to improve compliance, manage risk and enhance our connection with Governments, Government agencies and industry bodies. This is complemented by a comprehensive communication strategy which was developed in 2011 for implementation in 2012.

The business has an Environmental Steering Committee which is supported by employees with specific environmental responsibilities. All offices and depots also have a Site Environmental Representative and many now have Green Teams, which are groups of employees with an interest in identifying and implementing environmental improvements.

There was a continued focus on environmental training during the year. This included special workshops for Site Environmental Representatives, as well as specific environmental training for many employees as required by the Victorian Electricity Supply Industry.

CitiPower and Powercor is committed to minimising its environmental impact in addition to managing factors such as hazardous substances. The business also focuses on key areas including material and resource efficiency, and recycling and waste. Waste audits were undertaken at several sites and our sites in Melbourne and Ardeer were both awarded Waste Wise accreditation.

The business has a Climate Change Policy and Strategy to manage the impacts of climate change on assets and operations, and to reduce its contribution to climate change. Updates regarding the implementation of this strategy are regularly reported to the Board's Risk and Compliance Committee.

CitiPower and Powercor reports annually its greenhouse gas emissions as part of the Department of Climate Change's National Greenhouse and Energy Reporting Scheme (NGERS). After a comprehensive review of emissions the report was submitted in October. To ensure compliance with the Scheme, and the accuracy of the greenhouse data, an external consultant reviewed the data prior to submission.

As a signatory to the Energy Supply Association of Australia's (ESAA) Sustainable Practice Framework, CitiPower and Powercor also report each year against the key indicators of the Framework and make a commitment to public reporting.

Society

CitiPower and Powercor has strong connections within the communities it serves.

The business plays an important role in supporting local communities as an employer, with a workforce of more than 2000 employees across 15 locations. In addition, CitiPower and Powercor indirectly employs many hundreds of contractors, suppliers and business partners who undertake a range of roles on behalf of the business.

Thirty seven apprentices and trainees started with the business in 2011, taking the total number of participants in the apprenticeship and trainee program to 111. Four graduates also joined, taking the number in the graduate program to 14.

The business provides learning opportunities for engineering students with the availability of five student placements for third and fourth year students over the summer period.

CitiPower and Powercor also invests heavily in the training and development of its employees, with a focus on leadership, mentoring and career development.

The business also has strong links with the community through various partnerships, sponsorships and other support activities. Employees and the business together contributed more than $126,000 to a range of charities and organisations through the workplace giving scheme and other campaigns.

In 2011 CitiPower and Powercor supported 18 business awards across the distribution networks. These awards showcase the achievements of local businesses.

The company is also the longest continuous sponsor of the Melbourne Symphony Orchestra (MSO) and the primary sponsor of the MSO Regional Tour. During the year, Powercor and the MSO were presented with a national award from the Australian Business Arts Foundation in recognition of their shared dedication to taking the arts to regional Victoria.

CitiPower and Powercor also continued its strong commitment to the community and the environment through its partnership with Landcare Australia supporting such activities as revegetation projects and improvement of natural habitat.

Management Team

LAURA REED
BBus, MBA, FCPA
Managing Director
(Retiring 31 May 2012)

RICHARD FRANCIS
BCom, MBA, CA, GAICD
Chief Financial Officer
(CEO-elect)

GREG BOTHAM
BBus, MAppFin, CA
Group Financial Controller

Laura Reed has over 20 years' experience working in various financial and commercial roles in the gas industry. Prior to joining Spark Infrastructure, Laura spent nine years at ASX listed gas distribution business Envestra Limited in a number of senior financial roles and most recently as CFO of that organisation.

She has an intimate knowledge of the utilities sector and extensive experience in all matters related to strategic planning, financial forecasting, treasury management and taxation.

Laura was appointed Chief Executive Officer of Spark Infrastructure in September 2008 after serving as Chief Financial Officer from February 2007.

In May 2011, Laura was elected by Securityholders as a Director of Spark Infrastructure and appointed as Managing Director by the Board.

Rick Francis has significant experience in the Australian energy infrastructure industry. He joined Spark Infrastructure from the APA Group, where he was Chief Financial Officer for four years.

Prior to that, Rick was employed by Origin Energy Limited for over eight years in a number of senior management roles including those of Group Financial Controller and Operations Manager, Energy Trading.

Rick was appointed to the position of Chief Financial Officer of Spark Infrastructure in February 2009.

Greg has more than 8 years experience in financial roles within energy and transport infrastructure sectors, covering a broad range of responsibilities including financial reporting, corporate planning and analysis, project evaluation and risk management.

Prior to this, Greg commenced his career at Qantas Airways, where he worked primarily in the CFO's financial performance improvement team.

Greg was appointed to the position of Group Financial Controller in June 2009.

MARIO FALCHONI
BEc, MPA, GradDipCom

General Manager, Investor Relations and Corporate Affairs

ALEXANDRA FINLEY
DipLaw, MLM

General Counsel and Company Secretary

Mario Falchoni has extensive experience in corporate communications, government and industry relations, media and investor relations.

Immediately prior to joining Spark Infrastructure, he was Corporate Relations Manager with ASX listed GrainCorp Limited, with responsibility for marketing, internal communications, stakeholder management and investor relations. Prior to that, he managed government relations and corporate affairs for a peak business lobby group and worked in various advisory roles in state and Federal governments.

Mario was appointed to the position of GM Investor Relations and Corporate Affairs in July 2006.

Alexandra Finley is an experienced corporate governance professional with over 15 years legal and commercial experience gained in private practice and in-house. Prior to joining Spark Infrastructure, she spent almost 10 years with National Australia Bank/MLC in various senior legal and commercial roles, most recently as Company Secretary of the MLC Group of Companies.

Alexandra has extensive experience in the financial services sector including mergers and acquisitions, risk management and regulatory compliance and has held strategic, operational and management roles.

Alexandra was appointed to the position of General Counsel and Company Secretary in September 2008.

Board of Directors

BRIAN SCULLIN
BEc, FCA

Chairman and Independent Director

(Chairman since September 2011, Director since May 2011)

Mr Scullin is the Independent Non-Executive Chairman of BT Investment Management. He was appointed to the Board of BT Investment Management and as Chairman in September 2007. Mr Scullin has previously served as a Non-Executive Director of Dexus Property Group and State Super Financial Services. Mr Scullin served as a Non-Executive Director and RREEF nominee of the Spark Infrastructure Group from 1 November 2005 to 24 August 2007. During this time he was the Chairman of the Compliance Committee and a member of the Audit and Risk Management Committee.

Mr Scullin has more than 20 years' experience in the funds management industry in both Australia and Asia. Following a career in the Federal Government and politics, Mr Scullin was appointed the Executive Director of the Association of Superannuation Funds of Australia (ASFA) in 1987.

In 1993, Mr Scullin joined Bankers Trust, holding a number of senior positions, including President of Japan Bankers Trust. He was appointed Chief Executive Officer – Asia/Pacific for Deutsche Asset Management in 1999. He retired from that full time position in 2002, although remained a Non-Executive Director of Deutsche Asset Management until June 2007.

Mr Scullin has held many industry positions including Vice Chairman of the Financial Services Council (then known as IFSA), a part-time member of the Federal Government's Financial Reporting Council and a panel member for the Financial Industry Complaints Service. He is also a member of the BT Investment Management's Audit and Risk Management Committee and the Chairman of the Remuneration and Nominations Committee.

CHERYL BART
AO, BCom, LLB, FAICD

Independent Director

(since November 2005)

Ms Bart is a lawyer and has been a non-executive Director on the board of ETSA since 1995. She has significant utilities industry experience and is Chairman of the Audit Committee of ETSA and a member of its Risk and Compliance Committee.

Ms Bart is a director on the Board of the Australian Broadcasting Corporation, appointed on 3 June 2010. Ms Bart is also Chairman of ANZ Trustees Limited, the Environment Protection Authority (EPA), South Australian Film Corporation, the Adelaide Film Festival and the Alcohol Education and Rehabilitation Foundation.

Her other current directorship positions include Audio Pixels Holdings Limited (formerly Global Properties Limited). Her previous directorships include the Economic Development Board (SA), Sydney Ports Corporation, the Australian Sports Foundation, Soccer Australia, the Information Economy Advisory Board, Defence Industries Advisory Board (DIAB) and the William Buckland Foundation.

Ms Bart is a member of the Audit, Risk and Compliance Committee ("ARC").

Ms Bart was awarded the Order of Australia in the Australia Day Honours in January 2009.

ANDREW FAY
BAgEc (Hons) Dip Finsia

Non-Executive Director

(since 31 March 2010)

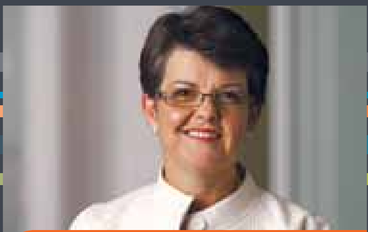
Mr Fay is a director of BT Investment Management Limited and is Chairman of Deutsche Managed Investments Limited. He consults to the Dexus Property Group Ltd in the area of capital markets and advises Microbiogen Pty Ltd, a private company which operates in the renewable energy industry, on corporate development.

Until September 2010 he was Chairman of Deutsche Asset Management (Australia) Ltd (DeAM) and associated companies. Prior to that until January 2008 he was Head of DeAM following a 20 year career in the financial services sector. He joined DeAM in 1994 as part of the Australian Equities team and in the ensuing years held a number of positions including head of Australian Equities, Chief Investment Officer for Australia, Chief Investment Officer for Asia Pacific and in April 2005 was promoted to the position of Head of the Australian business.

From November 2006 to November 2007 he was an Alternate Director for the Spark Infrastructure Group and was also an Alternate Director for the Dexus Property Group from 2006 until 2009. For a period of four years until 2002 he was a member of the Investment and Financial Services Association (IFSA) Investment Committee. IFSA is an industry body which represents companies operating in the Australian Funds Management industry.

Prior to joining Deutsche, Mr Fay spent six years at AMP Global Investors working in the areas of Fixed Income, Economics and Australian Equities.

Mr Fay was appointed as a Director of CHEDHA, CitiPower and Powercor on 1 June 2011, and a Director of ETSA on 22 June 2011. He is also a member of the Remuneration Committees of the businesses.



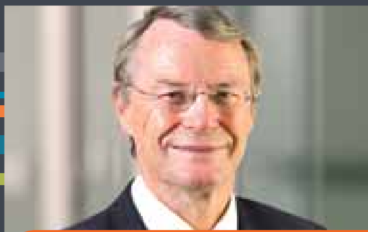
ANNE MCDONALD
BEc, FCA
Independent Director
(since January 2009)

Ms McDonald served as a partner of Ernst & Young for 15 years until 2005. She has broad based business and financial experience, gained through working with a wide cross section of international and local companies, assisting them with audit, transaction due diligence and regulatory and accounting requirements. She was a Board member of Ernst & Young Australia for 7 years.

Ms McDonald is a non-executive Director of listed entities, including the GPT Group and Speciality Fashion Group Limited. She is also a non-executive Director of Westpac Bank's Life and General Insurance businesses. Ms McDonald was a director of the St Vincent's Healthcare Group retiring on 1 October 2010.

Ms McDonald is a Director of CHEDHA, CitiPower and Powercor. In addition, she is Chairman of the Audit Committee of CHEDHA and a member of its Risk and Compliance Committee.

Ms McDonald is Chair of the ARC.



DR. KEITH TURNER
BE (Hons), ME, PhD (Elec Eng)
Independent Director
(since March 2009)

Dr Turner possesses extensive experience in the New Zealand energy sector. Most recently, he served as Chief Executive Officer of Meridian Energy Limited from 1999 to 2008. Prior to that, he worked as a private energy expert advising a range of large corporate clients and Government. He has previously served in a number of senior roles in establishing Contact Energy, and in the Electricity Corporation of New Zealand, and the New Zealand Electricity Department, as well as many industry reform roles.

Dr Turner is Chair of Fisher and Paykel Appliances, Deputy Chair of Auckland International Airport, and a Director of Chorus, Solar City and several other early stage start up companies.

Dr Turner was appointed as a Director of ETSA, CHEDHA, CitiPower and Powercor on 17 November 2009.

CORPORATE CONTACT DETAILS

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Managing Director
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Chief Financial Officer
RICK FRANCIS

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