In a strong position to deliver...

FACT BOOK 2012

spark infrastructure

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Yield + Growth + Quality

CONTENTS

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

$269M 12.1%

1 Excluding customer contributions

Spark's distributions are fully covered by operating cashflows 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 attendant 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 distribution of 10.5 cps for FY2012 and on a trading price for Spark Infrastructure securities of $1.395 at Friday 24 February 2012

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 equity investment in the Asset Company RAB 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

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 their RAB 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 RAB as gearing reduces in accordance with 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 Infrastructure's distributions to Securityholders.

Good governance and prudent financial oversight

Spark Infrastructure applies rigorous financial and operational oversight of its investments through its representation on the Asset Company 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. 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. 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)

$7.37B **9.5%**

REGULATED REVENUE

$1.44B **7.6%**

TOTAL REVENUE

$1.98B **6.6%**

Message from the Chairman

Welcome to Spark Infrastructure's 2012 Fact Book, which contains relevant information and historical data on a range of measures in relation to the 2011 Full Year.

Dear Investor,

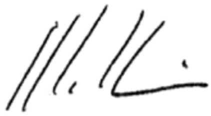
The purpose of this document is to provide a single authoritative source of information on the financial and operational performance of Spark Infrastructure and its three quality Australian electricity distribution businesses; ETSA Utilities based in South Australia, and CitiPower and Powercor (collectively known as "CHEDHA") based in Victoria. Spark Infrastructure has 49% investments in each business.

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 cater for growth in customer numbers and to enhance and replace their network infrastructure. Capital expenditure is the means by which these businesses grow, and they receive a return on the expenditure from the time it is spent.

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 December 2015, based on the Australian Energy Regulator's (AER) determinations. In 2011 the total RAB grew by approximately 9.5%.

In addition, 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 A minus credit ratings from Standard and Poor's and equivalent ratings from Moody's. Importantly for investors, it also means that Spark Infrastructures' equity investment in the Asset Company RAB 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.

I trust that the information contained in this Fact book will provide a useful reference for our investors, their advisors and any other interested parties.



Brian Scullin
Chairman
Spark Infrastructure

Key Metrics

SECURITY METRICS

Market Price (24 February 2012)	$1.395
Market Capitalisation ($B)	1.85

DISTRIBUTIONS

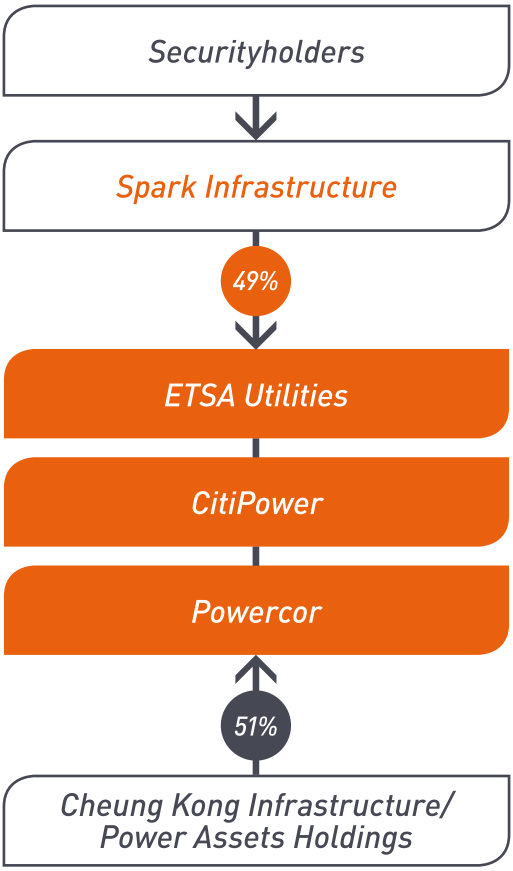
FY 2011	**10.00cps**
Comprising – Loan Note interest – Tax deferred amount	 **7.05cps** **2.95cps**
Distribution payout ratio (Stand alone)	70.2%
Total Shareholder Returns for 2011	33.5%
Look through operating cashflow (Asset level)	17.8cps
Look through operating cashflow (After Spark costs)	16.2cps
Stand-alone operating cashflow (Spark)	14.2cps

REGULATED ASSET BASE ($B) – ESTIMATE 31 DECEMBER 2011 (100% BASIS)

ETSA Utilities	**3.32**	**8.4%**
CitiPower (DUOS)	**1.35**	**4.7%**
Powercor Australia (DUOS)	**2.35**	**5.4%**
CitiPower (Advanced Metering Infrastructure)	**0.10**	**66.7%**
Powercor (Advanced Metering Infrastructure)	**0.25**	**66.7%**
Regulated asset base total	**7.37**	**9.5%**
Enterprise Value/RAB (un-adjusted)	**1.34**	
Enterprise Value/RAB (adjusted for total revenue exc. customer contributions)	**1.10**	
	2011	**2010**
Net debt/RAB –Asset Companies	**81.5%**	**80.7%**
Net debt/RAB – ETSA Utilities	**78.4%**	**78.3%**
Net debt/RAB – CHEDHA (CitiPower and Powercor)	**84.0%**	**82.7%**

Spark Infrastructure is a specialist infrastructure fund with a portfolio of high quality regulated electricity distribution companies – ETSA Utilities, CitiPower and Powercor, and a market capitalisation of around AUD$1.9 billion.

Business Overview



ETSA Utilities

ETSA Utilities is the sole operator of South Australia's electricity distribution network, supplying 829,674 residential and commercial customers in all regions and the major population centres, including the capital city, Adelaide. Despite the challenge of managing an extensive network in difficult terrain and adverse weather conditions, the ETSA Utilities network is one of the most reliable in Australia, with 99.97% network availability.

CitiPower

CitiPower owns and operates the distribution network that supplies electricity to 313,409 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% network availability.

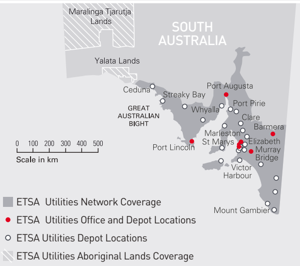
Powercor

Powercor is the largest distributor of electricity in Victoria, owning and operating a network that serves 730,273 customers in central and western Victoria and the western suburbs of Melbourne. This comprises 27% of Victoria's electricity users. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.96% network availability.

Each of these networks ranks highly in terms of industry measures of efficiency and reliability and is well placed to benefit from strong ongoing organic growth over the new regulatory period through to 2015.

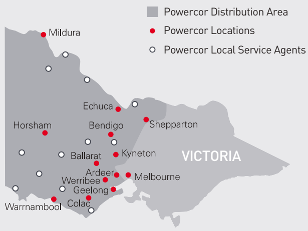
Their geographic proximity creates opportunities for synergy and allows for economies of scale. The application of their skilled workforces to a range of regulated, semi-regulated and unregulated business activities ensures optimal utilisation of resources.

ETSA Utilities



CitiPower

Powercor AUSTRALIA

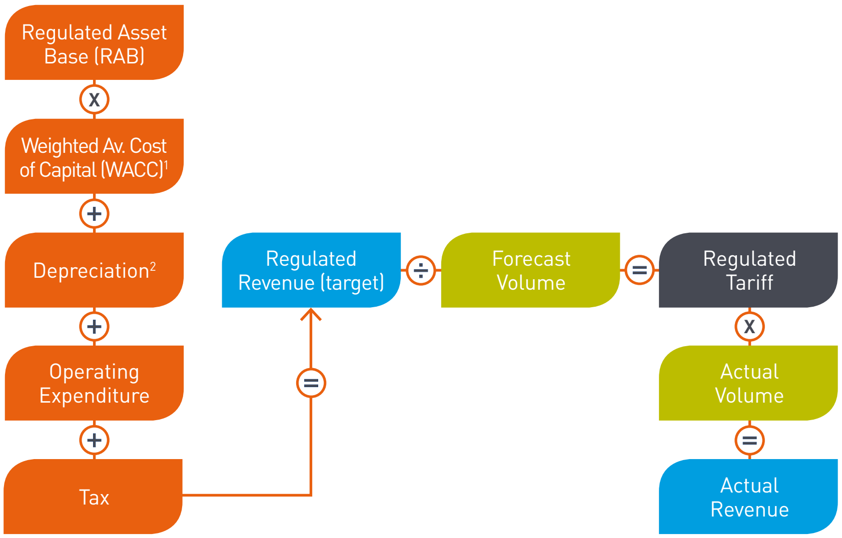


	ETSA Utilities	CitiPower	Powercor Australia
Number of customers	829,674	313,409	730,273
Number of employees	1,914	1,957 (reported jointly)	
Network size (km length of all lines)	87,536	6,529	84,630
Network size (km^2 of area)	178,200	157	145,651
Electricity volume throughput (GWh)	11,093	6,105	10,470
Network availability	99.97%	99.99%	99.96%
Number of distribution transformers	72,600	4,673	81,553
Number of zone substation transformers	403	105	137
Number of poles	723,000	58,799	540,344
Percentage of lines underground	19	38	11
Peak demand	3,031	1,436	2,263

TOTAL NUMBER OF CUSTOMERS

1.87M 2%

Regulatory Framework Built-in Protections



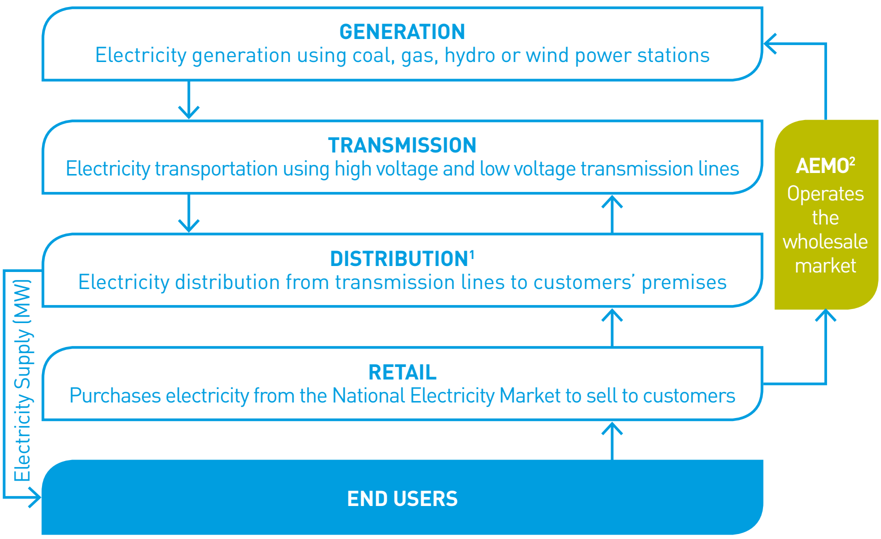
Well established, transparent regulatory process with resets every 5 years; CPI –X[3] formula

1 Based on 10 yr Commonwealth Treasury Note. Includes both an equity premium and a debt premium (BBB+/Baa1)

2 Depreciation based on regulated economic life of assets

3 X factor 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

Electricity Supply Chain in Australia



1 Only revenues relating to the transmission and distribution network access are regulated. Businesses may earn additional revenue outside the scope of regulation, e.g. offering back office support, maintenance and development services to other utilities.

2 AEMO – Australian Energy Market Operator.

Regulated Price Path – CPI Minus X

X Factors[1]	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
ETSA Utilities	-12.14 (1 Jul 2010)	-18.1 (1 Jul 2011)	-7.0	-7.0	-.89
CitiPower	6.41 (1 Jan 2011)	-4.0 (1 Jan 2012)	-4.0	-5.0	-5.0
Powercor	-0.11 (1 Jan 2011)	-3.0 (1 Jan 2012)	-3.0	-3.5	-4.0
Actual CPI% (Forecast CPI%)	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**
ETSA Utilities	2.89 (2.52)	3.33 (2.52)	(2.52)	(2.52)	(2.52)
CitiPower	3.10 (2.57)	3.52 (2.57)	(2.57)	(2.57)	(2.57)
Powercor	3.10 (2.57)	3.52 (2.57)	(2.57)	(2.57)	(2.57)

1 The X Factors for ETSA Utilities in years 2-5 incorporate the Australian Competition Tribunal (ACT) appeal outcomes announced in mid-2011. The X Factors for CitiPower and Powercor in years 3-5 are still to be adjusted for the ACTs decision in relation to their appeal matters which is expected later in 2012.

Regulatory Settings

Regulatory Period	**ETSA Utilities** 1 Jul 2010 – 30 Jun 2015	**CitiPower and Powercor** 1 Jan 2011 – 31 Dec 2015
Beta	0.8	0.8
Risk Free Rate	5.89%	5.08%
Debt risk premium (DRP)	2.98%	3.74%
Market risk premium (MRP)	6.5%	6.5%
Nominal vanilla WACC	9.76%	9.4%
Nominal post tax return on equity (2010 decision)	11.09%	10.28%
Gamma (Imputation)[1]	0.25	0.25
Net capex over 5 years ($June 2010)	$1,637m	$2,092m
Opex over 5 years ($June 2010)	$1,066m	$1,027m
Revenue (Nominal)	$3,949m[1]	$3,815m[2]

1 Includes successful appeal outcomes.

2 A number of outstanding appeal matters for CitiPower and Powercor are expected to be finalised later in 2012 which will increase revenue.

Board of Directors & Management

BRIAN SCULLIN
BEc, FCA

Chairman and Independent Director

CHERYL BART
AO, BCom, LLB, FAICD

Independent Director

ANDREW FAY
BAgEc (Hons) ASIA

Non-Executive Director

ANNE MCDONALD
BEc, FCA

Independent Director

DR. KEITH TURNER
BE (Hons), ME, PhD (Elec Eng)

Independent Director

LAURA REED
BBus (Acc), FCPA, MBA

Managing Director

Retiring 31 May 2012

RICK FRANCIS
BCom, MBA, CA, GAICD

Chief Financial Officer

CEO-Elect

ALEXANDRA FINLEY
Dip Law, MLM

Company Secretary

MARIO FALCHONI
BEc, MPA, GradDipComm

General Manager, Investor Relations and Corporate Affairs

GREG BOTHAM
BBus, MAppFin, CA

Group Financial Controller

Key Management Asset Companies

CitiPower and Powercor (CHEDHA)

SHANE BREHENY (1)
Chief Executive Officer

JULIE WILLIAMS (2)
Chief Financial Officer

SIMON LUCAS (3)
Company Secretary and General Manager Legal Services

GARRY AUDLEY (4)
General Manager Electricity Networks

RICHARD GROSS (5)
General Manager Regulation and Business Development

GLEN MCLEAN (6)
General Manager Information Technology

BRENDAN BLOORE (7)
General Manager Customer Services

MARK STURGESS (8)
General Manager Network Services

PETER BRYANT (9)
General Manager Advanced Metering Infrastructure Services

ETSA Utilities

ROB STOBBE (1)
Chief Executive Officer

DR ERIC LINDNER (2)
Company Secretary

ROB STEVENS (3)
Chief Financial Officer

DOUG SCHMIDT (4)
General Manager Network Management

ROB SNOWDON (5)
General Manager Construction and Maintenance Services

SUE FILBY (6)
General Manager Customer Relations

SEAN KELLY (7)
General Manager Corporate Services

DAVID SYME (8)
General Manager People and Culture

MARK BROWNLEY (9)
General Manager Field Services

Electricity Distribution Sales

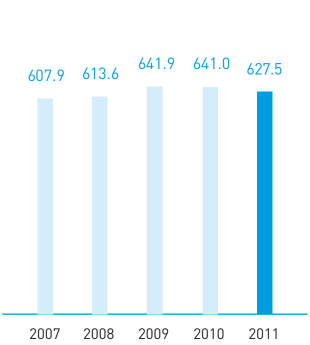
Tariff Class	GWh 2011 ETSA	GWh 2010 ETSA	Variance %
Residential	**3,535**	3,813	(7.3%)
Hot Water	**682**	616	10.7%
Small Business	**5,472**	5,496	(0.4%)
Large Business	**1,285**	1,290	(0.4%)
Unmetered	**119**	105	13.3%
	11,093	11,320	(2.0%)

Tariff Class	GWh 2011 CitiPower	GWh 2010 CitiPower	Variance %
Domestic	**1,264**	1,374	(8.0%)
Small Commercial	**2,059**	2,116	(2.7%)
Unmetered Supplies	**40**	41	(2.6%)
Large Low Voltage	**2,087**	2,067	1.0%
High Voltage	**545**	500	9.1%
Subtransmission	**110**	113	(2.2%)
	6,105	6,210	(1.7%)

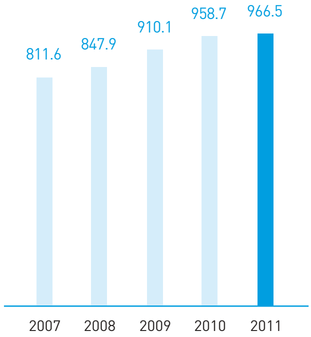
Tariff Class	GWh 2011 Powercor	GWh 2010 Powercor	Variance %
Domestic	**3,443**	3,621	(4.9%)
Small Commercial	**1,945**	1,972	(1.3%)
Unmetered Supplies	**102**	101	0.7%
Large Low Voltage	**2,141**	2,109	1.5%
High Voltage	**1,649**	1,758	(6.2%)
Subtransmission	**1,191**	1,116	6.7%
	10,471	10,678	(1.9%)

CHEDHA Holdings Performance

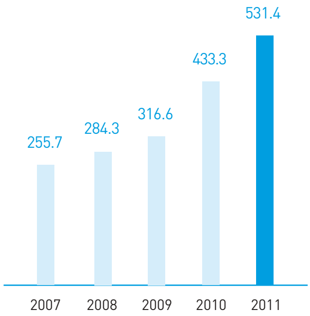
REVENUE – ELECTRICITY DISTRIBUTION ($M)



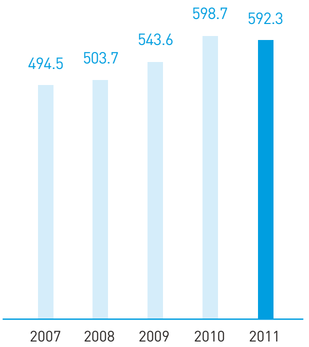
REVENUE – TOTAL ($M)



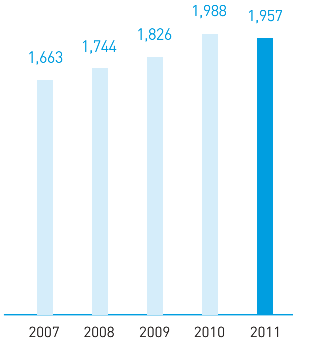
CAPITAL EXPENDITURE NET – TOTAL ($M)



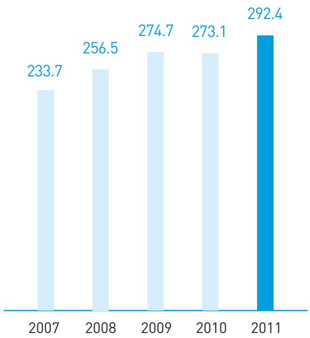
EBITDA ($M) (EXCL. CUSTOMER CONTRIBUTIONS)



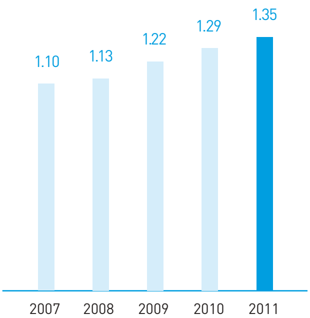
EMPLOYEE NUMBERS



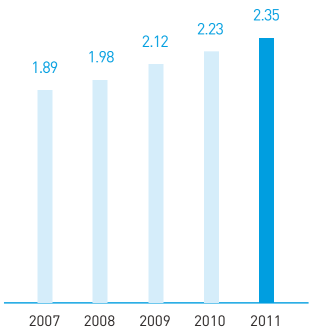
OPERATING COSTS ($M)



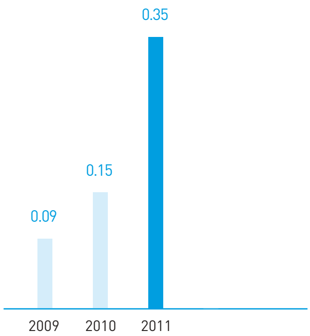
DISTRIBUTION RAB – CITIPOWER ($B) 31 DEC 2010



DISTRIBUTION RAB – POWERCOR ($B) 31 DEC 2010



AMI RAB TOTAL CITIPOWER + POWERCOR ($M)



CHEDHA Holdings Pty Limited
Financial Summary

Year end 31 December				
(A'$million)	**Dec 11**	**Dec 10**	**Change**	**Change (%)**
Electricity Distribution Revenue	**627.5**	641.0	**(13.5)** ↓	(2.1%)
Prescribed metering (including Advanced Metering Infrastructure)	**121.5**	106.5	**15.0** ↑	14.1%
Total Revenue	**966.5**	958.6	**7.9** ↑	0.8%
EBITDA	**674.1**	685.5	**(11.4)** ↓	(1.7%)
EBITDA (excluding customer contributions and gifted assets)	**592.3**	598.7	**(6.4)** ↓	(1.1%)
EBIT	**447.7**	481.1	**(33.4)** ↓	(6.9%)
Net Profit After Tax – Underlying	**53.2**	78.8	**(25.6)** ↓	(32.5%)
Total Assets	**6,322.1**	5,969.5	**352.6** ↑	5.9%
Net Assets	**795.9**	887.4	**(91.5)** ↓	(10.3%)
Net Capital Expenditure	**531.4**	433.3	**98.1** ↑	22.6%
Key Performance Indicators				
Gearing (net) – book	**59.5%**	55.9%	**3.6%** ↑	–
RAB[1]	**4,051.6**	3,671.2	**380.4** ↑	10.4%
Net debt to RAB (Asset Companies)	**84.0%**	82.7%	**(1.3%)** ↓	–
Hedge – net (% to Senior Debt)	**98.4%**	96.5%	**1.9%** ↑	–
Volume Delivered (GWH)	**16,576**	16,888	**(312)** ↓	(1.8%)
No. of Customers ('000's)	**1,044**	1,026	**18** ↑	1.7%
Non Prescribed Revenue % to Total Revenue	**22.5%**	22.0%	**0.5%** ↑	–

[1] CHEDHA December 2010 RAB adjusted post finalisation of the new regulatory period reset.

COMMENTARY

- CHEDHA Holdings includes both Powercor and CitiPower in Victoria.
- EBITDA decreased by 1.7% over the previous year.
- Distribution revenue decreased by 2.1% over the previous year to $627.5 million. Total volume delivered decreased by 1.8% from 16,888 GWh to 16,576 GWh.
- Non-prescribed revenue is 22.5% of total revenue compared to 22.0% in the previous year.
- Net assets decreased by 10.3% over the previous year mainly due impact of mark to market valuation of financial instruments and actuarial losses on defined benefit superannuation liabilities.
- The growth in the RAB (including Advanced Metering related assets) of 10.4% during 2011 will generate revenue growth in future periods. RAB is one of the components that determines distribution revenue.

CHEDHA Holdings Pty Limited
Income Statement

(A'$million)	12 mths to Dec 2011	12 mths to Dec 2010	Change	Change (%)
Distribution Revenue				
Distribution revenue	**627.5**	641.0	**(13.5)** ↓	(2.1%)
Network transmission revenue	**234.5**	216.4	**18.1** ↑	8.4%
Network transmission charges	**(234.5)**	(216.4)	**(18.1)** ↓	8.4%
	627.5	641.0	**(13.5)** ↓	(2.1%)
Metering Revenue	**121.5**	106.5	**15.0** ↑	14.1%
Non Prescribed Revenue	**217.5**	211.1	**6.4** ↑	3.0%
Total Revenue	**966.5**	958.6	**7.9** ↑	0.8%
Operating Expenses				
Cash operating expenses	**(292.4)**	(273.1)	**(19.3)** ↑	7.1%
EBITDA	**674.1**	685.5	**(11.4)** ↓	(1.7%)
Depreciation and Amortisation				
Depreciation	**(220.7)**	(198.8)	**(21.9)** ↑	11.0%
Amortisation	**(5.7)**	(5.7)	**–** ●	–
EBIT	**447.7**	481.1	**(33.4)** ↓	(6.9%)
Finance Charges				
Senior debt	**(207.5)**	(188.5)	**(19.0)** ↑	10.1%
Subordinate debt	**(166.6)**	(167.8)	**1.2** ↓	(0.7%)
Derivative income – A-IFRS	**0.6**	–	**0.6** ↑	100.0%
Interest income	**7.7**	4.9	**2.8** ↑	57.7%
Profit Before Tax	**81.8**	129.7	**(47.8)** ↓	(36.9%)
Tax benefit/(expense)	**(28.1)**	(50.9)	**22.8** ↑	(44.8%)
Profit After Tax	**53.7**	78.8	**(25.0)** ↓	(31.8%)
Underlying Profit After Tax	**53.2**	78.8	**(25.6)** ↓	(32.5%)

COMMENTARY

- EBITDA decreased by 1.7% over the previous year to $674.1 million.
- Transmission revenue is collected from electricity retailers and passed on to the transmission companies.
- The regulated electricity distribution revenue in CHEDHA decreased by 2.1% over the previous year to $627.5 million. Total volume delivered decreased by 1.8% from 16,888 GWh to 16,576 GWh.
- Advanced Metering Infrastructure (AMI) revenue increased by 14.1% over the previous year to $121.5 million.
- The underlying profit excludes favourable 'mark to market' valuations of financial instruments of $0.5 million post tax, that are reflected through the income statement.

CHEDHA Holdings Pty Limited
Analysis of Non Prescribed Revenue

(A'$million)	12 mths to Dec 2011	12 mths to Dec 2010	Change	Change %
Customer Contributions				
Cash	**57.4**	61.5	**(4.1)** ↓	(6.7%)
Gifted assets	**24.4**	25.2	**(0.8)** ↓	(3.3%)
	81.8	86.7	**(4.9)** ↓	(5.7%)
Other Non Prescribed Revenue				
Public lighting	**12.1**	9.7	**2.4** ↑	24.7%
Customer transfers and connections	**22.7**	17.4	**5.3** ↑	30.5%
Unregulated	**100.9**	97.2	**3.7** ↑	3.8%
	135.7	124.3	**11.4** ↑	9.2%
Total Non Prescribed Revenue	**217.5**	211.0	**6.5** ↑	3.1%

COMMENTARY

- Non prescribed revenue recorded growth of 3.1% over previous year to $217.5 million.
- Other non prescribed revenue increased 9.2% over the previous year to $135.7 million.
- Customer contribution revenue (including non cash gifted assets) decreased by 5.7% to $81.8 million.
- $5.4 million of revenue classified as public lighting in the prior year has been reclassified to unregulated.

CHEDHA Holdings Pty Limited
Balance Sheet

(A'$million)	Dec 11	Dec 10
Cash and deposits	**56.6**	47.4
Trade and other receivables	**22.3**	45.5
Inventories	**37.6**	44.3
Other	**197.3**	166.7
Current Assets	**313.8**	303.9
Property, plant and equipment	**5,096.1**	4,709.7
Intangible assets	**848.6**	854.3
Other	**63.6**	101.6
Total Non-Current Assets	**6,008.3**	5,665.6
Total Assets	**6,322.1**	5,969.5
Trade and other payables	**204.8**	262.0
Borrowings	**7.5**	367.0
Provisions	**70.5**	69.4
Other	**25.6**	37.7
Current Liabilities	**308.4**	736.1
Borrowings	**4,966.4**	4,194.1
Provisions	**3.1**	2.6
Deferred tax liabilities	**40.1**	74.4
Other	**208.2**	74.9
Non Current Liabilities	**5,217.8**	4,346.0
Total Liabilities	**5,526.2**	5,082.1
Net Assets	**795.9**	887.4
Equity		
Share capital	**279.5**	279.5
Reserves	**(511.1)**	(394.7)
Retained Profits/(loss)	**1,027.5**	1,002.6
Total Equity	**795.9**	887.4

COMMENTARY

- Net assets decreased by 10.3% over the previous year mainly due impact of mark to market valuation of financial instruments and actuarial losses on defined benefits superannuation plans. The debt also increased during the year, which was utilised to support growth in capital expenditure on property, plant and equipment.
- Non current borrowings includes $1.522 billion in subordinate long term debt which is contributed by the owners.

CHEDHA Holdings Pty Limited
Cash Flow Statement

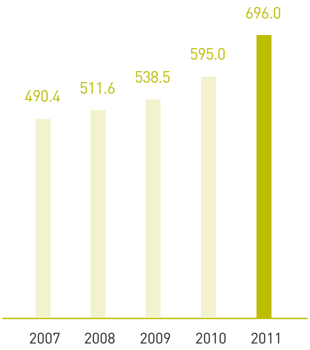
(A'$million)	12 mths to Dec 11	12 mths to Dec 10
Cash flows from Operating Activities		
Receipts from customers	1,210.9	1,172.6
Receipts from customers for capital works	43.1	68.3
Cash payments to suppliers and employees	(642.0)	(600.6)
Interest received	7.7	4.9
Net repayment of trust monies	(1.7)	(3.6)
Interest and other costs of senior debt	(202.2)	(192.2)
	415.8	449.4
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(586.4)	(493.1)
Proceeds from sale of property, plant and equipment	3.8	4.3
	(582.6)	(488.8)
Cash Flows from Financing Activities		
Proceeds from borrowings – external	738.4	227.0
Repayment of borrowings – external	(359.5)	(175.0)
Repayment of subordinated debt to owners	–	(0.7)
Interest payments on subordinated debt	(202.9)	(132.0)
	176.0	(80.7)
Net Cash Movement	9.2	(120.1)
Opening cash	47.4	167.5
Closing Cash	56.6	47.4

COMMENTARY

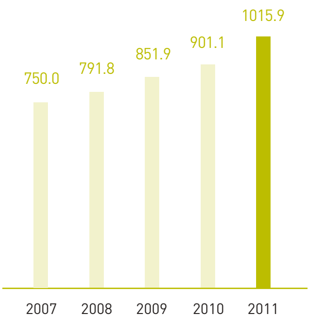
- Cashflow from operations decreased by 7.5% over the previous year to $415.8 million.
- Shareholder distributions in the year were $202.9 million (2010: $132.7 million), and consisted entirely of interest payments on subordinated debt (2010 included $0.7 million of subordinated debt repayments).
- Shareholders distributions in 2011 included $35.9 million of interest held over from 2010.

ETSA Utilities Performance

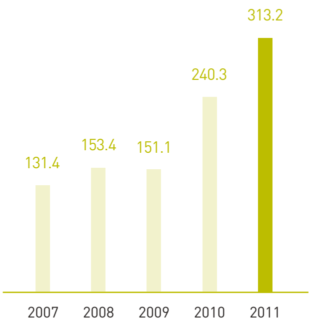
REVENUE – ELECTRICITY DISTRIBUTION ($M)



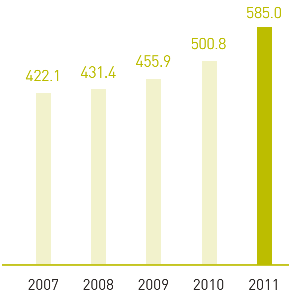
REVENUE – TOTAL ($M)



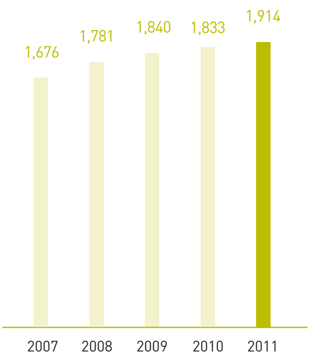
CAPITAL EXPENDITURE NET – TOTAL ($M)



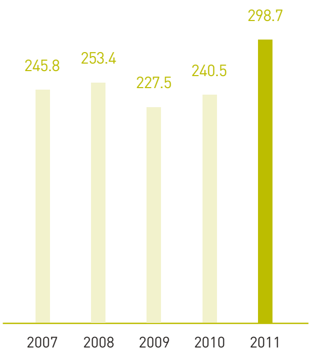
EBITDA ($M) (EXCL. CUSTOMER CONTRIBUTIONS)



EMPLOYEE NUMBERS (FTEs)



OPERATING COSTS ($M)



RAB ($B) 31 DEC 2010

ETSA Utilities
Financial Summary

Year end 31 December					
(A'$million)	**Dec 11**	**Dec 10**	**Change**		**Change (%)**
Electricity distribution revenue	**696.0**	595.0	**101.0**	↑	17.0%
Total revenue	**1,015.9**	901.1	**114.8**	↑	12.7%
EBITDA	**717.2**	660.6	**56.6**	↑	8.6%
EBITDA (excluding customer contributions and gifted assets)	**585.0**	500.8	**81.2**	↑	8.6%
EBIT	**561.7**	507.2	**54.5**	↑	10.7%
Net profit after tax – Underlying	**306.3**	276.2	**30.1**	↑	10.9%
Total assets	**5,217.8**	4,879.5	**338.3**	↑	6.9%
Net assets	**1,375.5**	1,449.4	**(73.9)**	↓	(5.1%)
Net capital expenditure	**313.2**	240.3	**72.9**	↑	30.3%
Performance Indicators					
Gearing (net) – book	**56.2%**	53.3%	**(2.9%)**	↑	–
RAB* ($ million)	**3,317**	3,059	**258**	↑	8.4%
Net debt to RAB	**78.4%**	78.3%	**(0.1%)**	↓	–
Hedge – (% to Term Senior Debt)	**100.0%**	100.0%	**–**	●	–
Volume delivered (GWH)	**11,093**	11,320	**(227)**	↓	(2.0%)
No. of Customers ('000's)	**830**	820	**10**	↑	1.2%
Non prescribed revenue % to total revenue	**31.5%**	34.0%	**(2.5%)**	↓	–

*RAB estimates as at December.

COMMENTARY

- A combination of increased distribution and non prescribed revenue has resulted in 12.7% growth in total revenue compared to the previous year.
- The growth in electricity distribution revenue of 17.0% over previous year has resulted from higher tariffs which moved up in line with the regulatory formula.
- EBITDA increased by 8.6% in 2011.
- Total assets have increased by 6.9% in 2011.
- Net assets have decreased by 5.1% in 2011.
- Net capital expenditure increased by 30.3% compared to prior year.
- Net gearing stands at 56.2% in 2011. This includes the impact of the decreases in equity during 2011 due to defined benefits actuarial changes and mark to market hedging movements.
- The estimated Regulated Asset Base ("RAB") increased by 8.4% over the prior year to $3,317 million.
- Non prescribed revenue accounts for 31.5% of total revenue.

ETSA Utilities
Income Statement

(A'$million)	12 mths to Dec 2011	12 mths to Dec 2010	Change		Change %
Electricity Distribution Revenue					
Electricity distribution revenue	**696.0**	595.0	**101.0**	↑	17.0%
Transmission revenue	**255.9**	217.4	**38.5**	↑	17.7%
Transmission charges	**(255.9)**	(217.4)	**(38.5)**	↑	17.7%
	696.0	595.0	**101.0**	↑	17.0%
Non Prescribed Revenue	**319.9**	306.1	**13.8**	↑	4.5%
Total Revenue	**1,015.9**	901.1	**114.8**	↑	12.7%
Operating Expenses					
Cash operating expenses	**(298.7)**	(240.5)	**(58.2)**	↑	24.2%
EBITDA	**717.2**	660.6	**56.6**	↑	8.6%
Depreciation and Amortisation					
Depreciation	**(148.3)**	(146.2)	**(2.1)**	↑	1.4%
Amortisation	**(7.2)**	(7.2)	**–**	●	–
EBIT	**561.7**	507.2	**54.5**	↑	10.7%
Finance Charges					
Senior debt	**(187.1)**	(166.9)	**(20.2)**	↑	12.1%
Subordinate debt	**(72.5)**	(72.5)	**–**	●	–
Derivative income/(expense) – AIFRS	**–**	(3.3)	**3.3**	↓	–
Interest income	**2.2**	8.4	**(6.2)**	↓	(73.8%)
Profit Before Tax	**304.3**	272.9	**31.4**	↑	11.5%
Tax (expense)/income	**2.0**	–	**2.0**	↑	–
Profit After Tax	**306.3**	272.9	**33.4**	↑	12.2%
Underlying Profit After Tax	**306.3**	276.2	**30.1**	↑	10.9%

COMMENTARY

- Regulated electricity distribution revenue increased by 17.0% to $696.0 million resulting from tariff changes in accordance with the regulatory formula offsetting a total volume decrease of 2.0% to 11,093 GWh in 2011.
- Transmission revenue is collected from the electricity retailers and passed on to the transmission company (Electranet).
- ETSA's non prescribed revenue increased by 4.5% over the previous year to $319.9 million.
- Cash operating expenses include materials and other costs associated with the increase in CaMS and other non-prescribed revenue activities.
- EBITDA increased by 8.6% to $717.2 million compared to the previous year.
- The underlying profit after tax excludes the impact of AIFRS mark to market movements in the value of financial instruments, no impact was recorded in 2011 (2010:loss of $3.3 million).
- The partnership is not subject to tax in it own right, as the partnership fully distributes any taxable income or tax losses to the partners. The current year tax expense relates to now dormant corporate subsidiaries of the partnership that are taxable entities.

ETSA Utilities
Analysis of Non Prescribed Revenue

(A'$million)	12 mths to Dec 2011	12 mths to Dec 2010	Change	Change %
Customer Contributions				
Cash	**91.5**	109.5	**(18.0)** ↓	(16.4%)
Gifted assets	**40.7**	50.3	**(9.6)** ↓	(19.1%)
	132.2	159.8	**(27.6)** ↓	(17.3%)
Other Non Prescribed Revenue				
Public lighting	**15.2**	15.0	**0.2** ↑	1.6%
Construction and Maintenance Services ("CaMS")	**125.1**	109.8	**15.3** ↑	13.9%
Other	**47.4**	21.5	**25.9** ↑	120.5%
	187.7	146.3	**41.4** ↑	28.3%
Total Non Prescribed Revenue	**319.9**	306.1	**13.8** ↑	4.5%

COMMENTARY

- Customer contributions (cash) decreased by 16.4% versus the prior year to $91.5 million.
- Gifted asset revenue decreased by 19.1% over the prior year to $40.7 million. Gifted asset revenue is non-cash.
- Construction and Maintenance Services ("CaMS") increased 13.9% from prior year to $125.1 million.
- Other revenue of $47.4 million in 2011 included $19.2 million of asset relocation revenue, $9.1 million of metering related revenues, and $16.4 million of material sales.

ETSA Utilities
Balance Sheet

(A'$million)	Dec 11	Dec 10
Cash and deposits	**26.7**	58.9
Trade and other receivables	**190.6**	108.2
Inventories	**10.2**	7.5
Other	**6.3**	4.0
Current Assets	**233.8**	178.6
Property, plant and equipment	**3,618.5**	3,329.0
Intangible assets	**951.6**	956.7
Inventories	**7.0**	6.0
Other	**406.9**	409.2
Total Non-Current Assets	**4,984.0**	4,700.9
Total Assets	**5,217.8**	4,879.5
Trade and other payables	**215.5**	191.2
Borrowings	**36.3**	112.3
Provisions	**105.3**	94.1
Current Liabilities	**357.1**	397.6
Borrowings	**2,968.9**	2,688.2
Other financial liabilities	**331.8**	245.2
Deferred tax liabilities	**6.3**	8.3
Provisions	**178.2**	90.8
Non Current Liabilities	**3,485.2**	3,032.5
Total Liabilities	**3,842.3**	3,430.1
Net Assets	**1,375.5**	1,449.4
Equity		
Partners' capital accounts	**623.3**	623.3
Partners' current accounts	**824.8**	779.3
Reserves	**(72.6)**	46.8
Total Equity	**1,375.5**	1,449.4

COMMENTARY

- Net assets decreased by 5.1% over the period including the impact of mark to market revaluation of hedges and changes to defined benefit superannuation liabilities.
- The non-current borrowings of $2.969 billion includes $647.7 million in subordinated debt provided by the CKI and PAH partners.
- Partners capital accounts in equity of $623.3 million includes Spark's Preferred Partnership Capital of $622.3 million and aggregate ordinary capital of $1.0 million held by all partners.
- Other non current financial liabilities represent the mark to market valuation of interest rate and currency swaps.

ETSA Utilities
Cash Flow Statement

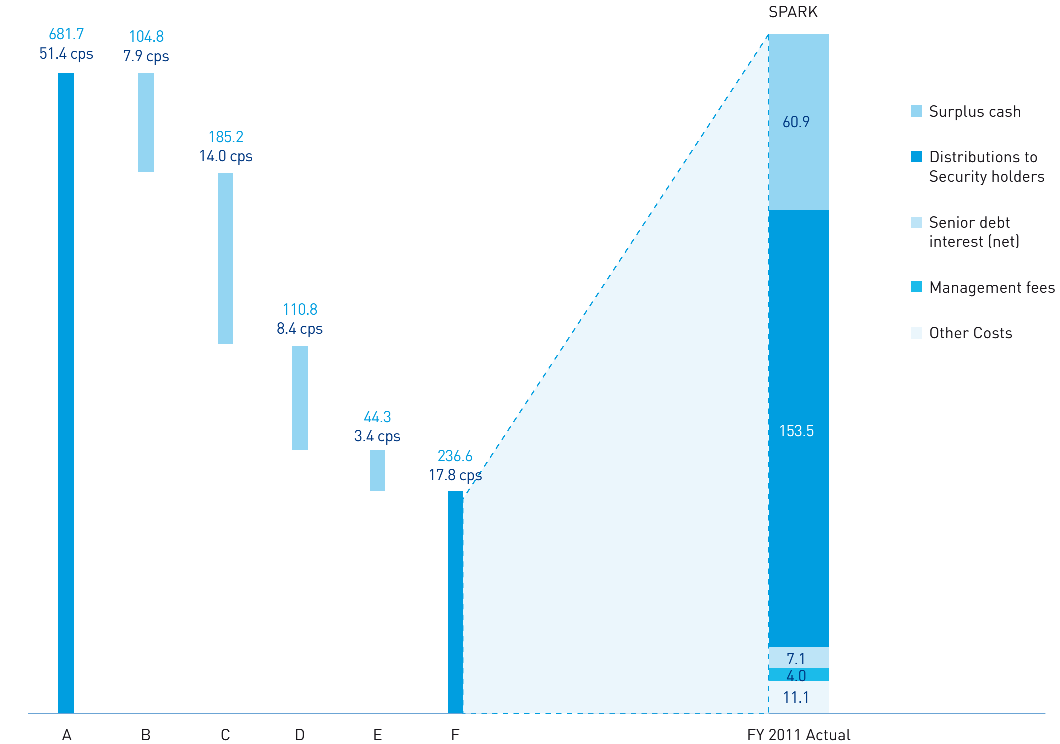
(A'$million)	12 mths to Dec 2011	12 mths to Dec 2010
Cash flows from Operating Activities		
Receipts from customers	**1,255.5**	1,136.3
Cash payments to suppliers and employees	**(652.3)**	(534.1)
Interest and other costs of senior debt	**(181.3)**	(164.7)
Interest received	**2.3**	15.0
	424.2	452.5
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	**(399.5)**	(344.3)
Proceeds from sale of property, plant and equipment	**1.6**	1.9
	(397.9)	(342.4)
Cash Flows from Financing Activities		
Proceeds from borrowings – external	**247.5**	260.0
Repayment of borrowings – external	**(77.1)**	(632.7)
Payment for debt issue costs	**(0.9)**	(5.1)
Interest and other payments on subordinated debt *(CKI/PAH)*	**(72.3)**	(72.3)
Preferred partnership distribution *(Spark)*	**(69.6)**	(69.6)
Ordinary distributions *(All partners)*	**(86.0)**	(84.0)
	(58.4)	(603.7)
Net Cash Movement	**(32.1)**	(493.6)
Opening cash	**58.9**	552.5
Closing Cash	**26.9**	58.9

COMMENTARY

- An amount of $227.9 million was paid to shareholders in distributions (Spark 49% share $111.7 million).
- Spark receives all Preferred partnership distributions. Spark's partners (CKI and PAH) receive all amounts in respect of subordinated debt. Ordinary distributions are shared in line with partnership interests (Spark share 49%).
- Receipts from customers include receipts in relation to customer contributions (net of rebates). Gifted asset revenue are non cash.

Operating Cash Flows

LOOKTHROUGH OPERATING CASHFLOW (SPARK 49% SHARE) ($M) 2011

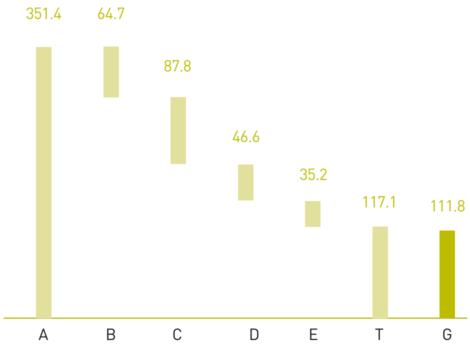


1 Maintenance capex allowance is calculated as regulatory depreciation net of CPI uplift in RAB

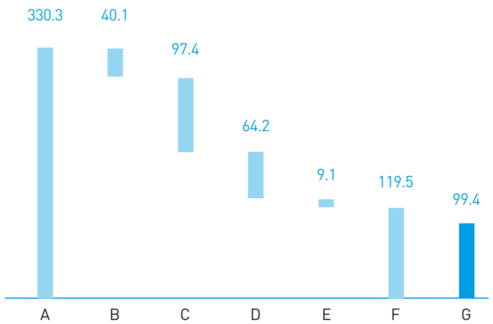
DISTRIBUTIONS PAID FLOW OPERATING CASHFLOW

A EBITDA **B** Less Customer Contributions (incl. Gifted)	**C** less: Net Finance charges **D** less: Maintenance capex	**E** add/less: Working Capital Mvmts **F** Operating C/Flow	**G** Distributions paid

ETSA OCF 2011 (49%) ($M)

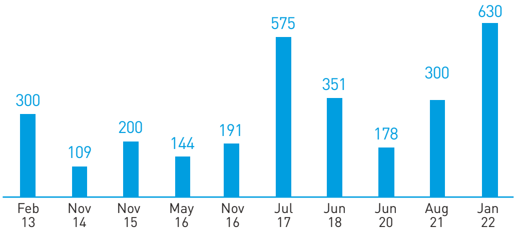


CHEDHA OCF 2011 (49%) ($M)

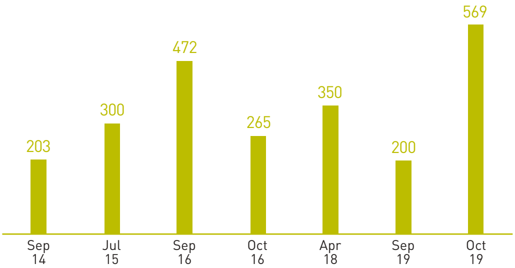


Asset Company Debt

ASSET COMPANY CAPITAL MARKETS DEBT ($M 100%) – CHEDHA



ASSET COMPANY CAPITAL MARKETS DEBT ($M 100%) – ETSA



CHEDHA

Instrument	$m 100% Limit	$m 100% Drawn	$m Drawn Spark 49% Share	Start Date	Maturity Date
Powercor Credit Wrapped Floating Rate Notes	630	630	309	Jan-08	Jan-22
Powercor Credit Wrapped Floating Rate Notes	300	300	147	Aug-07	Aug-21
CitiPower Credit Wrapped Floating Rate Notes	575	575	282	Jan-07	Jul-17
Powercor US Private Placement	191	191	94	Nov-09	Nov-16
Powercor Floating Rate Notes	200	200	98	Nov-05	Nov-15
Powercor US Private Placement	109	109	54	Nov-09	Nov-14
CitiPower Floating Rate Notes	300	300	147	Feb-03	Feb-13
Powercor US Private Placement	144	144	70	Apr-11	May-16
Powercor US Private Placement	351	351	172	Apr-11	Jun-18
Powercor US Private Placement	178	178	87	Apr-11	Jun-20
Sub-Total Capital Markets	**2,979**	**2,979**	**1,460**		
Powercor Syndicated Revolving facility	250	200	98	Dec-10	Dec-14
CitiPower Syndicated Revolving facility	175	175	86	Feb-10	Feb-13
CitiPower Revolving Facility	200	100	49	Sep-11	Sep-14
Working Capital and Overdraft Facilities	74	8	4		
Sub-Total Bank Facilities	**699**	**483**	**236**		
Total	**3,678**	**3,461**	**1,696**		

ETSA

Instrument	$m 100% Limit	$m 100% Drawn	$m Drawn Spark 49% Share	Start Date	Maturity Date
Domestic Credit Wrapped 10 Year Medium Term Notes	300	300	147	Jul-05	Jul-15
Domestic Credit Wrapped 11 Year Medium Term Notes	350	350	172	Apr-07	Apr-18
Domestic Credit Wrapped 12.5 Year Medium Term Notes	300	300	147	Apr-07	Oct-19
Domestic 5.5 Year Fixed Rate Notes	250	250	123	Mar-11	Sep-16
2004 US Private Placement (USD192.0M)	265	265	130	Nov-04	Oct-16
2004 US Private Placement (USD195.0M)	269	269	132	Nov-04	Oct-19
2009 US Private Placement (USD162.5M)	203	203	100	Sep-09	Sep-14
2009 US Private Placement (USD177.5M)	222	222	109	Sep-09	Sep-16
2009 US Private Placement (USD160.0M)	200	200	98	Sep-09	Sep-19
Sub-Total Capital Markets	**2,360**	**2,360**	**1,156**		
Syndicated Loan Facility	225	225	110	Apr-10	Apr-13
Cash Advance Facility	75	35	17	Dec-11	Dec-12
Cash Advance Facility	75	–	–	Dec-11	Nov-13
Sub-Total Bank Facilities	**375**	**260**	**127**		
Total	**2,735**	**2,620**	**1,284**		

Excludes $8m lease facilities

Distributions from Asset Companies

Spark Infrastructure's main source of cashflow is derived from interest and distributions on subordinated loans and Preferred Partnership Capital (PPC) from its 49% interest in ETSA Utilities and CHEDHA.

In 2010, Spark reached an agreement with its co-shareholders in relation to the Asset Company business plans over the current five year regulatory periods to 2015, subject to business conditions and annual review.

Distribution policy of the Asset Companies is to distribute available surplus cash to the shareholders.

The Asset Companies will retain a greater proportion of operating cash to fund capital expenditure and reduce gearing over the current five year regulatory periods.

CHEDHA Subordinated Loans

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

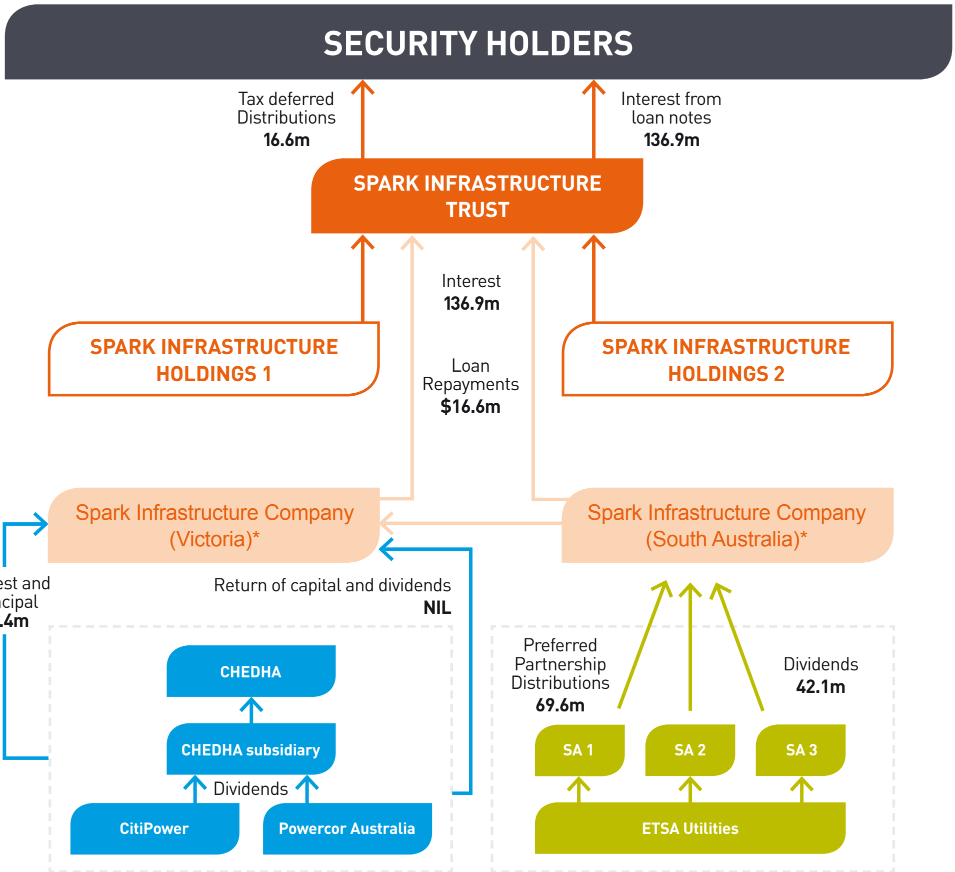
ETSA Preferred Partnership Capital

- Spark's distributions from its investment is largely by way of PPC
- The specified rate of PPC distributions is 11.19%
- Unpaid distributions are cumulative and attract interest at the current rate
- Ordinary distributions are shared by all the partners in their respective proportionate share

Flow of Distributions

Worked example with actual cashflows

For the year ended 31 December 2011



* Inflows to Spark Victoria of $211.2m, less net interest of $7.1m and management fees and other fund costs of $15.2m = Spark investing and operating cashflows of $189.0m

Distributions to Security Holders

- FY distribution of 10.00 cps has been declared for the FY to 31 Dec 2011, representing interest on Loan Notes payable by the Trust of 7.05 cps and return of capital of 2.95 cps.
- Distributions in excess of this level can be tax deferred (2010: Nil):
  - Repayment of loan principal
  - Tax is deferred until investment is sold
  - Concessional CGT arrangements may apply

Surplus operating cash from Asset Companies

- Surplus operating cash in line with agreed business plans is available for distribution to Spark
- Cash primarily flows to Spark Infrastructure from:
  - ETSA through preferred partnership distributions and ordinary distributions
  - CHEDHA through interest on subordinated shareholder loans

Spark Infrastructure
Income Statement

(A'$million)	12 mths to Dec 2011 Actual	12 mths to Dec 2011 Underlying	12 mths to Dec 2010 Underlying	Change Compared to Underlying	Change %
Income from associates	81.6	81.6	82.2	(0.6) ↓	(0.7%)
Share of equity accounted profits	206.2	206.0	203.5	2.6 ↑	1.3%
	287.9	287.7	285.7	2.0 ↑	0.7%
Other income	2.5	2.5	5.0	(2.4) ↓	(49.1%)
Total Income	290.4	290.2	290.6	(0.4) ↓	(0.1%)
Management fee	(3.5)	(3.5)	(8.3)	4.8 ↓	57.7%
Senior debt interest	(10.8)	(10.8)	(27.1)	16.3 ↓	60.0%
General administrative and employee expenses	(6.8)	(6.8)	(15.2)	8.4 ↓	55.1%
Internalisation payment	(49.0)	–	–	– ●	–
Internalisation transaction costs	(2.5)	–	–	– ●	–
Profit before Loan Note Interest	217.7	269.0	240.0	29.0 ↑	12.1%
Loan Note Interest ("LNI")	(93.4)	(93.4)	(160.1)	66.7 ↑	41.7%
Profit After LNI	124.4	175.7	79.9	95.8 ↑	119.8%
Income tax benefit/(expense)	(41.8)	(8.7)	(1.5)	(7.3) ↑	(498.8%)
Profit after Tax Attributable to Stapled Security Holders	82.6	166.9	78.5	88.5 ↑	112.8%

COMMENTARY

- Underlying Profit before Loan Note Interest increased by 12.1% from $240.0 million in 2010 to $269.0 million in 2011.
- Underlying profit after tax excludes Internalisation payment and transaction costs of $51.5 million, $0.2 million impact of mark to market movements in the value of asset company swaps, and income tax expense on items recognised directly in equity in Spark No 2 Group of $33.0 million.
- Management fees decreased by 57.7% in 2011. After internalisation on 31 May 2011 management fees are no longer incurred.
- General, administrative and employee expenses decreased over the previous year. The one-off costs of $9.9 million associated with the 2010 Restructure were partially offset by the move to self management from 1 June 2011 when various functions were brought 'in house'.

Spark Infrastructure
Balance Sheet

(A'$million)	Dec 11	Dec 10
Cash and cash equivalents	**32.9**	89.3
Receivables from associates	**11.2**	29.0
Other current assets	**0.6**	0.6
Current Assets	**44.8**	118.9
Property, plant & equipment	**0.3**	–
Investments in associates:		
– Investments accounted for using the equity method	**1,525.4**	1,612.2
– Loans to associates	**745.6**	745.6
Non-Current Assets	**2,271.4**	2,357.8
Total Assets	**2,316.1**	2,476.7
Payables	**3.7**	8.6
Loan note interest payable to Securityholders	**47.1**	90.6
Other financial liabilities	**–**	0.1
Current Liabilities	**50.8**	99.3
Payables	**0.2**	–
Loan notes attributable to Securityholders	**836.8**	836.8
Interest bearing liabilities	**82.9**	121.8
Deferred tax liabilities	**6.0**	20.1
Other financial liabilities	**5.7**	0.5
Non Current Liabilities	**931.5**	979.1
Total Liabilities	**982.3**	1,078.4
Net Assets	**1,333.8**	1,398.3
Equity		
Issued capital attributable to Securityholders		
– Equity holders of the parent entity	**1,116.7**	1,133.3
– Reserves	**(48.3)**	36.2
– Equity holders of the parent entity	**265.4**	228.8
Total Equity	**1,333.8**	1,398.3

COMMENTARY

- Net assets decreased by 4.6% during 2011.
- Investment in Associates decreased during 2011 primarily due to equity accounted share of movements in asset companies' hedge reserves and defined benefit actuarial losses more than offsetting equity accounted share of net profits after distributions. No injection of shareholder funds into the Asset Companies was made during 2011.
- Non current Interest bearing liability of $82.9 million represent $85.0m drawn debt less unamortised transaction costs. Spark has $250.0 million in bank facilities: $165.0 million bank facilities maturing in September 2013 (fully undrawn as at December 2011); and a further $85.0 million maturing in September 2014 (fully drawn as at December 2011)
- Loans to associates represents Spark's shareholder loan to CHEDHA, on which interest is receivable at 10.85% p.a.

Spark Infrastructure
Cash Flow Statement

(A'$million)	12 mths to Dec 2010	12 mths to Dec 2010
Cash flows from Operating Activities		
Preferred Partnership Capital (PPC) distributions from ETSA	69.6	69.6
Ordinary partnership distributions from ETSA	42.1	41.2
Interest received from CHEDHA	99.4	64.7
Interest received – other	2.8	4.8
Interest paid – senior debt	(9.9)	(26.7)
Management fees (pre internalisation only)	(4.0)	(8.3)
Other operating costs	(11.2)	(10.9)
Cash Flows Related to Operating Activities	189.0	134.3
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(0.3)	–
Internalisation payment	(49.0)	–
Internalisation – payment for net working capital	(2.0)	–
Internalisation transaction costs	(2.5)	–
Internalisation repayment of loan from RREEF	(2.5)	–
Internalisation – cash acquired as part of net working capital	4.5	–
Loan repayments received from CHEDHA	–	0.3
	(51.8)	0.3
Cash Flows from Financing Activities		
Repayment of senior debt	(40.0)	(300.0)
Payment for external borrowing costs	–	(4.3)
Proceeds from issue of loan notes	–	294.8
Payment of issue costs	–	(10.4)
Distributions to Stapled Security Holders:		
– Loan notes interest	(136.9)	(139.9)
– Capital distributions	(16.6)	–
	(193.5)	(159.7)
Net Cash Movement	(56.4)	(25.1)
Opening cash	89.3	114.3
Closing Cash	32.9	89.3

COMMENTARY

- Operating cashflow was $189.0 million in 2011, an increase of 40.7% on 2010.
- Distributions paid to securityholders in March 2011 included loan note interest in respect of the six month period up prior to the 2010 Restructure, at which time the Loan Note face value was reduced from $1.25 to $0.65 per security.
- Cash distributions to securityholders for the 2011 year were $153.5 million, comprising $136.9 million of interest on Loan Notes and $16.6 million of capital distributions.
- Spark repaid $40.0 million of revolving debt facilities during 2011. As at December 2011, $85.0 million of senior debt was drawn (2010: $125 million).
- Net cash outflows relating to the Internalisation completed in May 2011 were $51.5 million, comprising the $49.0 million payment for Internalisation and $2.5 million of related transaction costs.

Useful links

ETSA Utilities	etsautilities.com.au
CitiPower and Powercor Australia	powercor.com.au

Australian Energy Regulator — aer.gov.au

- Advanced Metering Infrastructure cost recovery and charges for 2011
  aer.gov.au/content/index.phtml?itemId=726410
- Regulatory determinations South Australia 2010 – 2015
  aer.gov.au/content/index.phtml/itemId/718200
- Regulatory determinations Victoria 2010 – 2015
  aer.gov.au/content/index.phtml/itemId/718202
- Australian Competition Tribunal Regulatory appeal outcomes CitiPower and Powercor 2011
  austlii.edu.au/au/cases/cth/ACompT/2012/1.html
- Performance reports Victoria
  aer.gov.au/content/index.phtml/itemId/742106
- News
  aer.gov.au/content/index.phtml/tag/aerNewsAndSpeeches/

Australian Energy Market Commission	aemc.gov.au
Australian Competition and Consumer Commission	acc.gov.au
Energy Networks Association	ena.asn.au
Essential Services Commission of South Australia	escosa.sa.gov.au

- Performance reports South Australia
  escosa.sa.gov.au/electricity-overview/market-information/energy-performance-monitoring.aspx

Essential Services Commission (Victoria)	esc.vic.gov.au
Ministerial Council on Energy	ret.gov.au/documents/mce/default.html

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