Monday, 26 August 2013

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

Dear Sir / Madam

HALF YEAR RESULTS FOR SIX MONTHS ENDED 30 JUNE 2013

I enclose Spark Infrastructure Group's Consolidated Financial Report and Appendix 4D for the six months ended 30 June 2013. A media release, results presentation and Fact Book are also attached.

Yours faithfully,

Alexandra Finley
Company Secretary

Spark Infrastructure RE Limited ABN 36 114 940 984
as Responsible Entity of Spark Infrastructure Trust (ARSN 116 670 725)
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Interim Financial Report
30 June 2013

Spark Infrastructure represents Spark Infrastructure Trust and its Consolidated Entities. Spark Infrastructure RE Limited (ABN 36 114 940 984) is the responsible entity of Spark Infrastructure Trust.

Each unit in Spark Infrastructure Trust is stapled to one Loan Note issued by Spark Infrastructure Trust. The stapled securities trade on the Australian Securities Exchange.

Spark Infrastructure

Appendix 4D

Results for Announcement to the Market for the Half Year Ended 30 June 2013

1. Company Details

Name of entity
SPARK INFRASTRUCTURE comprises • Spark Infrastructure Trust ("Spark Trust") and its Controlled Entities.

Half year ended ("Current Period")	Half year ended ("Prior Period")
30 June 2013	30 June 2012

2. Results for Announcement to the Market

Commentary on the operations and results for the half year is provided in the Directors' Report.

	Percentage Change	30 June 2013 $'000
Income and Profit Summary		
Operating Cash Flow	Up 4.1% to	**83,338**
Total Income	Up 1.9% to	**156,609**
Profit before Loan Note Interest and Income Tax	Up 3.4% to	**146,738**
Net Profit after Income Tax Attributable to the Securityholders	Down 14.3% to	**76,000**
Earnings (before Loan Note Interest and Income Tax) per Security		**11.06¢**
Earnings per Security		**5.73¢**
Underlying Income and Profit Summary		
Operating Cash Flow	Up 4.1% to	**83,338**
Underlying Total Income	Up 1.9% to	**156,609**
Underlying Profit before Loan Note Interest and Income Tax	Up 3.4% to	**146,738**
Underlying Net Profit Attributable to the Securityholders	Down 21.0% to	**76,000**
Underlying Earnings (before Loan Note Interest and Income Tax) per Security		**11.06¢**
Operating Cash Flow per Security		**6.28¢**

Note on Net Profit for the Period

The underlying income and profit summary reports the operating results of Spark Infrastructure after excluding certain non-cash and non-operating items which do not relate to the respective year's underlying performance ("Underlying Adjustments"). The Underlying Adjustments have been presented in accordance with the Australian Securities and Investment Commission ("ASIC") Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. The Directors consider that the underlying results provide users of these reports with a clearer explanation of Spark Infrastructure's operating performance for the period. No adjustments have been made to the reported results for 2013 (2012 figures have been provided for comparative purposes):

Underlying Adjustments:	Impact on Share of Equity Accounted Profit		Impact on Net Profit after Tax Attributable to Securityholders	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$'000	$'000	**$'000**	$'000
Underlying result	**115,807**	112,522	**76,000**	96,190
Income tax expense on items recognised directly in equity in SIH No.2 [1]	**-**	-	**-**	(7,489)
Total Underlying Adjustments	**-**	-	**-**	(7,489)
Statutory result	**115,807**	112,522	**76,000**	88,701

[1] Spark Infrastructure Holdings No. 2 Pty Limited

3. Net Tangible Assets per Security

	30 June 2013 $'000	31 December 2012 $'000
Net Assets	**1,570,045**	1,473,456
Loan Notes attributable to Securityholders	**836,817**	836,807
Net Assets and Loan Notes attributable to Securityholders	**2,406,862**	2,310,263
No. of Securities ('000)	**1,326,734**	1,326,734
Net Tangible Assets per Security ($)	**1.81**	1.74

4. Details of Associates

	Ownership Interest		Contribution to Net Profit	
Equity accounted income:	**2013 (%)**	2012 (%)	**30 June 2013 $'000**	30 June 2012 $'000
Victoria Power Networks Pty Ltd	**49%**	49%	**12,071**	(2,126)
SA Power Networks Partnership	**49%**	49%	**103,736**	114,648
Sub-total			**115,807**	112,522
Interest income:				
Victoria Power Networks Pty Ltd			**40,116**	40,338
Total			**155,923**	152,860

5. Entities Gained/Lost Control during the Period

During the period the following entities were incorporated but did not trade:

- Nil

6. Distributions

(Cents per Security – "cps")	**30 June 2013 $'000**	30 June 2012 $'000
Paid:		
Final distribution in respect of year ended 31 December 2012, paid on 15 March 2013 (2012: In respect of year ended 31 December 2011, paid on 15 March 2012):		
- Interest on Loan Notes (2013: 3.55 cps; 2012: 3.55 cps)	**47,099**	47,099
- Capital distribution (2013: 1.70 cps; 2012: 1.70 cps)	**22,555**	22,555
Total (2013: 5.25 cps; 2012: 5.25 cps)	**69,654**	69,654
Payable:		
Interim distribution in respect of half year ended 30 June 2013, payable 13 September 2013 (2012: In respect of half year ended 30 June 2012, paid on 14 September 2012):		
- Interest on Loan Notes (2013: 3.50 cps; 2012: 3.52 cps)	**46,436**	46,701
- Capital distribution (2013: 2.00 cps; 2012: 1.73 cps)	**26,534**	22,953
Total (2013: 5.50 cps; 2012: 5.25 cps)	**72,970**	69,654

The above distributions are unfranked.

The record date for determining entitlements to the distribution is 4 September 2013.

7. Distribution Reinvestment Plan

The distribution reinvestment plan in operation is the Spark Infrastructure Group Distribution Reinvestment Plan (the "Plan"). The Plan was established on 8 November 2005 and was formally activated for the first time on 29 May 2009.

The Plan was suspended on 25 February 2010, and remains suspended.

8. Foreign Entities

Not Applicable.

Results for Announcement to the Market for the Half Year Ended 30 June 2013

Compliance Statement

Information on Audit or Review

(a) The Half Year Report is based on accounts to which one of the following applies.

	The accounts have been audited.	X	The accounts have been subject to review.
	The accounts are in the process of being audited or subject to review.		The accounts have not yet been audited or reviewed.

(b) Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subject to review.

- Not Applicable

(c) Description of dispute or qualification if the accounts have been audited or subjected to review.

- Not Applicable

(d) The entity has a formally constituted audit committee.

Signed on behalf of the Board

B Scullin
Chairman

R Francis
Managing Director

Sydney
23 August 2013

Directors' Report
for the Half Year Ended 30 June 2013

The Directors of Spark Infrastructure RE Limited ("Spark RE" or the "Company") as responsible entity of Spark Infrastructure Trust ("Spark Trust") provide this financial report for the half year ended 30 June 2013 ("Current Period") of Spark Trust and its Consolidated Entities ("Spark Infrastructure" or the "Group").

In order to comply with the requirements of the *Corporations Act 2001*, the Directors report as follows:

Directors

The following persons were Directors at any time during the period and as at the date of this report:

Mr Brian Scullin (Chair)
Mr Rick Francis (Chief Executive Officer and Managing Director)
Ms Cheryl Bart, AO
Mr Andrew Fay
Ms Anne McDonald
Dr Keith Turner

Principal activity

The principal activity of Spark Infrastructure during the Current Period was investment in regulated electricity distribution businesses in Victoria and South Australia (the "Asset Companies"). There has been no significant change in the activity of Spark Infrastructure during the Current Period.

Stapled securities

Spark Infrastructure is a stapled structure, wherein:

- one unit in Spark Trust; and
- one Loan Note issued by the Responsible Entity of the Spark Trust

are "stapled" and are quoted on the Australian Securities Exchange ("ASX") as if they were a single security.

Directors' Report
for the Half Year Ended 30 June 2013

Review of Performance

The following table provides a summary of key financial performance data:

	Half Year Ended 30 June		Change Compared to Underlying 2012	
	Underlying 2013	Underlying 2012		
	$'000	$'000	$'000	%
Interest income from associates	**40,116**	40,338	(222)	(0.6)
Share of equity accounted profits	**115,807**	112,522	3,285	2.9
	155,923	152,860	3,063	2.0
Other income - interest	**686**	854	(168)	(19.7)
Total Income	**156,609**	153,714	2,895	1.9
Interest expense - other	**(5,585)**	(4,691)	(894)	(19.1)
General and administrative expenses	**(4,286)**	(7,174)	2,888	40.3
Profit before Loan Note Interest	**146,738**	141,849	4,889	3.4
Loan Note Interest ("LNI")	**(46,436)**	(46,701)	265	0.6
Profit before tax	**100,302**	95,148	5,154	5.4
Income tax (expense)/benefit	**(24,302)**	1,042	(25,344)	nm
Profit Attributable to Stapled Securityholders	**76,000**	96,190	(20,190)	(21.0)
Profit before LNI per security (cents)	**11.06¢**	10.69¢	0.37¢	3.5
Operating Cash Flow	**83,338**	80,069	3,269	4.1
Net Capital Expenditure – Asset Companies	**422,300**	368,900	53,400	14.5

Underlying Results

The underlying income and profit summary reports the operating results of Spark Infrastructure after excluding certain non-cash and non-operating items which do not relate to the respective year's underlying performance ("Underlying Adjustments"). The Underlying Adjustments have been presented in accordance with the Australian Securities and Investment Commission ("ASIC") Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. The Directors consider that the underlying results provide users of these reports with a clearer explanation of Spark Infrastructure's operating performance for the period. No adjustments have been made to the reported results for 2013 (2012 figures have been provided for comparative purposes):

Underlying Adjustments:	Impact on Share of Equity Accounted Profit		Impact on Net Profit after Tax Attributable to Securityholders	
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[1] Spark Infrastructure Holdings No. 2 Pty Limited

Directors' Report
for the Half Year Ended 30 June 2013

Underlying Profit

The Underlying Profit before Loan Note Interest for the Current Period increased by 3.4%, compared to the Prior Period, to $146.738 million. The improved performance was a result of higher equity accounted share of profits from the Asset Companies and lower operating costs at the corporate level, principally being the costs relating to the unsuccessful bid for the Sydney Desalination Plant ("SDP") during the Prior Period.

Performance of the Asset Companies (100% basis)

SA Power Networks (100% basis)	**30 June 2013 $'000**	30 June 2012 $'000	Variance $'000	Variance %
Distribution Revenue	**418,623**	408,524	10,099	2.5
Customer Contributions and Gifted Assets	**43,525**	60,707	(17,182)	(28.3)
Other Revenue	**89,101**	83,303	5,798	7.0
Total Revenue	**551,249**	552,534	(1,285)	(0.2)
Operating Costs	**150,215**	141,021	9,194	6.5
EBITDA	**401,034**	411,513	(10,479)	(2.5)
EBITDA (excl Customer Contributions & Gifted Assets)	**357,509**	350,806	6,703	1.9
Total Volume (GWh)	**5,531**	5,523	8	0.1

In SA Power Networks Partnership ("SA Power Networks"), during the Current Period, Distribution Use of System ("DUoS") revenue increased by 2.5% to $418.623 million. This increase was principally due to higher tariffs, which increased following the start of the new regulatory year on 1 July 2012. The total volume delivered was relatively unchanged, increasing by 0.1% to 5,531 GWh in the Current Period, reflecting volume increases in the small and large business segments partially offset by reductions in the residential segment. SA Power Networks has recognised $21.700 million of service target performance incentive scheme ("STPIS") revenue in relation to the 2011/12 regulatory year, which will be recovered from 1 July 2013. $5.900 million was recognised in the Current Period, whilst $15.800 million was recognised in the Prior Period. No STPIS has been recognised as yet with respect to the 2012/13 regulatory year just ended.

Non-prescribed revenue, which includes customer contributions, semi-regulated meter reading, and the provision of construction and maintenance services to third parties, decreased by 7.9% to $132.626 million. Customer contributions (including gifted assets), which is either non-cash or the recovery of capital expenditure, decreased by 28.3% to $43.525 million. Other unregulated and semi-regulated revenues increased by 7.0% to $89.101 million, reflecting an increase in construction and maintenance activity for transmission business, ElectraNet.

During July 2013, SA Power Networks signed an initial three year contract with the National Broadband Network Company ("NBN Co") as a Tier 1 supplier for design and construction of overhead and underground cabling portions of the distribution network for the continuing roll-out of the NBN in South Australia. The construction of these distribution services will result in the connection of around 300,000 South Australians to the NBN. Preparation and ramp-up of activities are scheduled to occur in the second half of 2013 with construction and roll-out to commence in earnest from 2014.

SA Power Networks operating expenses increased by 6.5% in the Current Period to $150.215 million, reflecting the impact of the higher construction and maintenance activity and associated internal labour costs, plus an increase in non-cash superannuation expenses, arising from amendments to AASB 119 *Employee Benefits*.

Victoria Power Networks (100% basis)	**30 June 2013 $'000**	30 June 2012 $'000	Variance $'000	Variance %
Distribution Revenue	**383,922**	334,711	49,211	14.7
Advanced Metering Infrastructure ("AMI") Revenue	**69,287**	62,600	6,687	10.7
Customer Contributions and Gifted Assets	**33,761**	30,408	3,353	11.0
Other Revenue	**88,244**	62,100	26,144	42.1
Total Revenue	**575,214**	489,819	85,395	17.4
Operating Costs	**196,064**	175,024	21,040	12.0
EBITDA	**379,150**	314,795	64,355	20.4
EBITDA (excl Customer Contributions & Gifted Assets)	**345,389**	284,387	61,002	21.5
Total Volume	**8,340**	8,348	(8)	(0.1)

Directors' Report
for the Half Year Ended 30 June 2013

In Victoria Power Networks Pty Ltd ("Victoria Power Networks"), during the Current Period, DUoS revenue increased by 14.7% to $383.922 million. Total volume delivered was relatively unchanged, decreasing by 0.1% to 8,340 GWh. Powercor volumes decreased by 1.0% from 5,372 GWh to 5,319 GWh, largely due to reductions in the domestic and high voltage segments. CitiPower volumes increased by 1.5% from 2,976 GWh to 3,021 GWh, reflecting volume increases in the large low voltage segment partially offset by a decrease in the small commercial segment. Tariffs increased for both Powercor and CitiPower from 1 January 2013 in accordance with the regulatory determinations, including the catch up recovery of previous regulatory appeals which will be recovered over the remaining 3 years of the current regulatory determination. AMI related revenue increased by 10.7% to $69.287 million in the Current Period, reflecting the continued rollout of smart meters and the increasing size of its regulated asset base.

Non-prescribed revenue, which includes customer contributions, semi-regulated activities and other unregulated revenue such as the provision of network services to third parties, increased by 31.9% to $122.005 million. Customer contributions and gifted assets revenue increased by 11.0% to $33.761 million. Other non-prescribed revenue increased by 42.1% to $88.244 million largely due to higher than planned activity for the provision of network services to third parties, particularly with respect to Endeavour Energy and TransGrid in New South Wales and the Elaine Terminal Station project, for Meridian Energy Australia, in Victoria.

Victoria Power Networks operating expenses increased by 12.0% to $196.064 million, reflecting expenses associated with the increased activity around the provision of network services to third parties, and cost increases in the operation of the regulated businesses.

Aggregated Asset Company depreciation and amortisation grew by 10.6% from $197.224 million to $218.131 million, reflecting the increase in the depreciable asset base, including AMI. Net interest expense (excluding subordinated debt) was $219.938 million, 5.9% higher than the Prior Period, reflecting additional external debt to part finance the ongoing capital investment in the Regulated Asset Base ("RAB"), as well as the pricing impact of refinancing maturing facilities. Interest on subordinated (shareholder) debt decreased by 0.6% from $118.463 million to $117.811 million, reflecting the effect of the leap year in the Prior Period. Income tax expense increased by $14.452 million to $18.124 million primarily due to higher pre-tax profits in Victoria Power Networks.

Capital Expenditure and Regulatory Asset Base ("RAB")

Victoria Power Networks and SA Power Networks continue to invest in the expansion and renewal of their networks, improving asset performance and reliability. During the Current Period, total capital expenditure of $422.300 million (Spark Infrastructure share: $206.927 million) was invested on a net basis, i.e. after deducting customer contributions, an increase of 14.5% from $368.900 million (Spark Infrastructure share: $180.761 million) in the Prior Period. Capital expenditure is added to the RAB of the Asset Companies, which generates increased prescribed revenue in future periods.

The roll out of the AMI programme by CitiPower and Powercor continues, with AMI related capital expenditure of $67.100 million invested during the Current Period (2012: $61.300 million). The AMI programme is expected to conclude in the second half of 2013.

The estimated RAB for Victoria Power Networks as at 30 June 2013 was $4.751 billion (100% basis), an increase of $178.784 million or 3.9% over December 2012. The estimated RAB for SA Power Networks as at 30 June 2013 was $3.578 billion, an increase of $68.900 million or 2.0% over December 2012. Spark Infrastructure's aggregate 49% share of the Asset Companies' RAB balances was $4.081 billion, an increase of $121.365 million or 3.1% over December 2012 and $325.472 million or 8.7% over the estimated RAB at 30 June 2012.

Corporate Expenses, Loan Note Interest and Tax Expense

General, administrative and employee expenses decreased in the Current Period to $4.286 million from $7.174 million. Corporate expenses in 2012 included expenses relating to the bid for the SDP of $4.614 million, and a benefit of $1.280 million resulting from the reversal of a prior year accrual. Excluding these items, corporate costs have increased $0.446 million from $3.840 million.

Interest expense and borrowing costs increased in the Current Period from $4.691 million to $5.585 million, reflecting costs of $2.199 million in relation to cancelling certain interest rate swaps during the Current Period, partially offset by interest savings from lower levels of drawn and undrawn senior debt. Unamortised borrowing costs attached to the old syndicated facilities of $0.952 million were also expensed. Excluding these two items, interest expense for the Current Period was $2.434 million.

Loan Note interest payable to Securityholders decreased by $0.265 million to $46.436 million for the Current Period, the decrease was due to an additional day's interest due to the leap year in 2012.

As all previously unrecognised tax losses in the Spark Infrastructure Holdings No.2 Pty Limited tax consolidated group have been recognised, the prima-facie income tax expense can no longer be offset for accounting purposes. Accordingly, the Spark Infrastructure Profit or Loss and Other Comprehensive Income Statement now records an income tax expense for accounting purposes, which is non-cash.

Directors' Report
for the Half Year Ended 30 June 2013

ATO Tax Matters

Both Asset Companies (SA Power Networks and Victoria Power Networks) have been subject to large business audits by the Australian Tax Office ("ATO"). The tax matters being reviewed as part of the audits date back a number of years. Details of these tax matters have been previously disclosed in the Financial Statements.

During the period Victoria Power Networks paid an amount of $3.137 million to the ATO in a part-payment arrangement in relation to an amended assessment for the year ended 31 December 2007. Spark Infrastructure is comfortable in how Victoria Power Networks is managing these tax matters and notes that Victoria Power Networks continue to actively engage with the ATO on these matters. Both Victoria Power Networks and SA Power Networks Partnership have obtained legal advice and intend to vigorously defend their positions.

Full details on the ATO matters are provided in Note 4 to the Financial Statements.

Debt, Gearing and Hedging

On 13 March 2013, Spark Infrastructure executed $150.000 million of bank debt facilities with the National Australia Bank ("NAB") and Westpac Banking Corporation ("Westpac") for the refinancing of all pre-existing drawn and undrawn bank debt facilities at the Spark Infrastructure level. The facilities comprise two $75.000 million 2-year revolving facilities, maturing on 13 March 2015. Spark Infrastructure pays an average margin of 152.5 basis points above the applicable bank bill swap rate on the facilities. In May 2013, $30.000 million of drawn bank debt was repaid. At the same time $30.000 million of interest rate swaps (which originally extended out till September 2015) were cancelled. At 30 June 2013 the drawn facilities were $25.000 million, with undrawn facilities of $125.000 million available.

Spark Infrastructure's standalone net gearing ratio was 0.2% (31 December 2012: 0.7%) after taking into account cash on hand at 30 June 2013 of $20.081 million (excluding $5.000 million of cash held for Australian Financial Services Licensing purposes). Spark Infrastructure's look-through net gearing, including its proportionate share of the net debt of Victoria Power Networks and SA Power Networks, was 57.4% as at 30 June 2013 (31 December 2012: 57.9%).

Net debt to RAB at the Asset Company level was 79.5%, down slightly from 31 December 2012. SA Power Networks' net debt to RAB was 78.1%, down from 78.6% as at December 2012, and down from 81.3% as at June 2012. Victoria Power Networks' net debt to RAB was 80.5%, unchanged from December 2012, and down from 82.2% as at June 2012. Achieving 75% net debt to RAB gearing at the aggregate Asset Company level by 2015 remains an objective.

As at 30 June 2013, Spark Infrastructure's standalone interest rate hedge ratio was 100.0% on a gross basis (2012: 100.0%). On a proportionate basis, 99.4% of gross debt (including Asset Company gross debt) was hedged as at 30 June 2013 (2012: 98.0%). This substantially limits the impact of volatility in the movement of interest rates on the financial results of Spark Infrastructure and the Asset Companies. In addition, Victoria Power Networks had $280.000 million of forward starting swaps in place as at 30 June 2013, of which $150.000 million commenced during July 2013.

Cashflow

During the Current Period, Spark Infrastructure received $91.339 million in distributions from the Asset Companies, up 1.1% from $90.366 million in the Prior Period.

Distributions received from SA Power Networks were $51.001 million, up $1.034 million or 2.1% on the Prior Period. Shareholder interest received from Victoria Power Networks was $40.338 million, down $0.061 million due to the impact of the leap year in the Prior Period. Cash inflows from interest received were $0.720 million for the Current Period, $0.194 million lower than the Prior Period reflecting reduced levels of surplus funds on deposit.

Cash outflows for interest paid on senior debt were $4.685 million for the Current Period, 11.9% higher than the Prior Period, reflecting swap cancellation payments of $2.199 million, partially offset by lower drawn and undrawn levels of senior debt at the Spark Infrastructure level compared to the Prior Period. Spark Infrastructure's cashflow from operating activities for the Current Period was $83.338 million which was 4.1% higher than the Prior Period of $80.069 million.

The refinancing of bank debt facilities in March 2013, incurred associated borrowing costs of $0.567 million. In May 2013 Spark Infrastructure repaid $30.000 million of the new senior debt facilities.

Spark Infrastructure paid a final distribution for the year ended 31 December 2012 of $69.654 million to Securityholders in March 2013, representing 5.25 cents per security ("cps").

Directors' Report
for the Half Year Ended 30 June 2013

Equity and Reserves

Total Equity including Loan Notes attributable to Securityholders increased by $96.599 million during the Current Period to $2.407 billion at 30 June 2013. Net profit after tax increased retained profits by $76.000 million, while other movements net of tax included: favourable mark-to-market movements in the value of interest rate derivatives held by Spark Infrastructure of $1.900 million and in the Asset Companies of $22.130 million; actuarial gains on defined benefit superannuation plans of the Asset Companies of $19.114 million; and a capital distribution paid during the Current Period to Securityholders of $22.555 million (1.70 cps). The mark-to-market movements and actuarial gains are non-cash impacts and result from the application of Australian Accounting standards.

Impairment Testing

The Directors have undertaken a detailed review of the carrying values of Spark Infrastructure's assets at half year to determine whether any impairment has arisen, and are satisfied that no impairment exists. The discounted cash flow analysis undertaken as part of this review takes into account the current agreed Corporate Plans for the Asset Companies.

Regulatory Appeals Update

On 31 July 2013, the Australian Energy Regulator ("AER") published its approval of SA Power Networks' revised cost pass through application for vegetation management costs. The AER acknowledged the increase in SA Power Networks' vegetation management costs as a result of the breaking of the 'millennium drought' and has determined a pass through amount of $39.800 million (nominal), to be recovered through an increase in 2013/14 tariffs.

Regulatory Process Reviews

Australian Energy Regulator's 'Better Regulation' program

The Australian Energy Regulator ("AER") has continued to progress its 'Better Regulation' reform program which has been underway since the Australian Energy Market Commission ("AEMC") published changes to the National Electricity Rules ("NER") in November 2011. A key element of the changes to the NER is that the AEMC has granted the AER additional discretion in the setting of regulatory guidelines, and in particular in the calculation of the rate of return.

The program includes, amongst other elements, the proposed release of new Rate of Return Guidelines and Expenditure Efficiency Guidelines. The review process has been conducted by the AER in a transparent and consultative manner and Spark Infrastructure and the Asset Companies have participated in that process and made submissions at various relevant points. Spark Infrastructure is reassured by the level of transparency and objectivity being displayed by the regulators, and their apparent desire to run a balanced process. The draft guidelines are scheduled for release in August and the final guidelines by the end of November 2013.

Limited Merits Review

The Standing Council on Energy and Resources ("SCER") issued its decision in relation to the future character and operation of the Limited Merits Review system on 6 June 2013. The outcome largely incorporates the preferred position of Spark Infrastructure in that it retains the Australian Competition Tribunal ("ACT") as the review body, and has set an acceptable basis for applying for leave to appeal. Applicants will be required to establish an error of fact, incorrect exercise of discretion or unreasonableness in the original decision; and that correcting the alleged error will result in a materially preferable outcome compared to the original decision. In addition, the ACT will be required to consult more with users and consumers as part of its review process.

Productivity Commission Report

The Productivity Commission ("PC") released its final report into the Electricity Network Regulatory Framework at the end of June. The report's terms of reference were primarily around the use of benchmarking and the operations of transmission interconnectors. However, the various recommendations were far broader than this and included all parts of the electricity supply chain from generation through to retail. The recommendations include increased consumer participation in regulatory processes, the privatisation of State owned operators, relaxation of reliability standards, removal of subsidies for the installation of solar panels, and a more considered approach to incentive regulation.

Growth in Regulatory Asset Bases to 2015

The Asset Companies are in the midst of a period of strong growth. The AER has approved capital expenditure for the current 5-year regulatory periods that will drive increased growth in the RABs of the Asset Companies. Corresponding increases in Asset Company revenues have also been approved by the AER. Funding of this capital expenditure in line with the AER's assumptions will lead to long term growth in the Asset Companies' RABs, in which Securityholders are expected to benefit via their investment in Spark Infrastructure.

During the current five year regulatory periods, which extend to 30 June 2015 for SA Power Networks and 31 December 2015 for Victoria Power Networks, the Asset Companies in total have net capital expenditure allowances from the AER of $3.729 billion (real 2010 dollars) (Spark Infrastructure share: $1.830 billion), equivalent to $747.000 million (real 2010 dollars) per annum (Spark

Directors' Report
for the Half Year Ended 30 June 2013

Infrastructure share: $366.030 million). In addition, the AMI rollout programme in Victoria Power Networks which amounts to a capital investment of approximately $630.000 million (Spark Infrastructure share: $308.700 million) from 2009 to 2013, will largely complete by 31 December 2013. Overall, based on the regulatory determinations, the combined RABs of the Asset Companies are expected to grow by an average of 7%-8% per annum in accordance with the 2010 regulatory decisions after factoring in expected out-performance against regulatory allowances. Assuming that this net growth in RAB is funded with 60% debt (in accordance with the AER's regulatory assumptions), Spark Infrastructure's equity investment in the Asset Companies' RABs would grow by approximately 12%-14% per annum over the same period.

Distributions and Capital Management
As an investment proposition, Spark Infrastructure offers a sustainable distribution yield with the possibility of capital growth through Spark Infrastructure's equity investment in the Asset Companies' RABs.

Spark Infrastructure only pays out distributions which are fully supported by operating cashflows. Operating cashflows are reviewed at both the Spark Infrastructure level as well as on a look-through proportionate basis, i.e. including Spark Infrastructure's 49% share of the Asset Companies relevant operating cashflows. Operating cashflows are reviewed after deducting an allowance for maintaining the Asset Companies' RABs. Distribution coverage from operating cashflows is assessed annually, while also taking into account the relevant 5-year regulatory period under which the Asset Companies are operating.

Distributions paid to Securityholders comprise interest income on the Loan Notes and can also include a return of capital on Units and income distributions from the Spark Trust. A final cash distribution of 5.25 cps was paid on 15 March 2013 in relation to the six months ended 31 December 2012 and comprised 3.55 cps of interest on the Loan Notes and 1.70 cps of capital distributions.

The Directors have reaffirmed distribution guidance for full year 2013 of 11.00 cps, representing an increase of 4.8% on 2012. In line with that guidance the Board has declared an interim cash distribution of 5.50 cps for the six months ended 30 June 2013, representing a standalone payout ratio of 87.6% and a look through payout ratio of 66.1% for the Current Period. The interim distribution is payable on 13 September 2013, and consists of 3.50 cps interest on Loan Notes for the period and 2.00 cps return of capital. The interim distribution is unfranked and will be made by the Spark Trust. The Directors have determined that the Distribution Reinvestment Plan ("DRP") will remain suspended.

Outlook
Each Asset Company is in the midst of a period of strong growth through the delivery of AER approved capital expenditure over the five years to 2015. Funding of this capital expenditure in line with the AER's assumptions will lead to long term growth in Spark Infrastructure's equity investment in the Asset Companies' RABs.

Subject to business conditions, the Directors have reaffirmed their previous guidance that Spark Infrastructure will have the ability to grow distributions at between 3-5% per annum to 2015. Such future distributions will be fully covered by operating cashflows, and are not dependent on the operation of the DRP. Spark Infrastructure will continue to target a payout ratio of approximately 80% of standalone operating cashflows for distributions across of the current regulatory periods to 2015.

Spark Infrastructure's Investment Mandate
In addition to the regulatory approved growth in the Asset Companies RAB's, Spark Infrastructure has established the financial flexibility to consider other opportunities to grow the business for the benefit of Securityholders. In this regard, Spark Infrastructure will continue to adhere to its well established investment criteria, which includes consideration of assets which have the following characteristics:

- Electricity and gas distribution or transmission, or water and sewerage assets in established jurisdictions, that offer predictable earnings and reliable cashflows;
- Subject to independent and transparent regulation by appropriate bodies, or supported by long term contractual arrangements with reliable counterparties;
- Yield accretive, either immediately or within a relatively short timeframe;
- Value accretive over the long term – offering the opportunity for low double digit returns on equity investment, using risk-adjusted return metrics appropriate for the relevant investment opportunity;
- Display a similar risk profile to the assets in its current portfolio; and
- Offer the opportunity for strategic diversification, by asset class, geography, regulatory regime and/or timing.

Directors' Report
for the Half Year Ended 30 June 2013

Events Occurring after Reporting Date

The Directors of Spark Infrastructure are not aware of any other matter or circumstance not otherwise dealt with in this interim financial report that has significantly affected or may significantly affect the operations or the state of affairs in the period since 30 June 2013 up to the date of this report.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 33.

Spark Infrastructure is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and interim financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors:

B Scullin
Chairman

R Francis
Managing Director

Sydney
23 August 2013

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 30 June 2013

	Note	Consolidated 30 June 2013 $'000	30 June 2012 $'000
Income from associates:			
- Interest income	3	**40,116**	40,338
- Share of equity profits	3	**115,807**	112,522
		155,923	152,860
Other income – interest		**686**	854
Total income		**156,609**	153,714
Interest expense		**(5,585)**	(4,691)
General and administrative expenses		**(4,286)**	(7,174)
Profit for the period before Loan Note interest and income tax		**146,738**	141,849
Interest expense – Loan Notes		**(46,436)**	(46,701)
Profit for the period before income tax		**100,302**	95,148
Income tax expense		**(24,302)**	(6,447)
Net profit for the period attributable to Securityholders		**76,000**	88,701

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 30 June 2013 (continued)

	Consolidated	
	30 June 2013 $'000	30 June 2012 $'000
Net profit for the period attributable to Securityholders	**76,000**	88,701
Other comprehensive income:		
Cash flow gain/(loss) on hedges	**2,715**	(1,346)
Share of associates' other comprehensive income:		
- gain/(loss) on hedges	**31,613**	(39,533)
- actuarial gain on defined benefits plan	**27,305**	1,386
Income tax related to components of other comprehensive income	**(18,489)**	11,848
Other comprehensive income/(loss) for the period (net of tax)	**43,144**	(27,645)
Total comprehensive income for the period	**119,144**	61,056
Net profit attributable to:		
- equity holders of the Parent Entity	**76,000**	88,701
	76,000	88,701
Total comprehensive income attributable to:		
- equity holders of the Parent Entity	**119,144**	61,056
	119,144	61,056
Earnings per Security		
Weighted average number of stapled securities (No'000)	**1,326,734**	1,326,734
Profit before Loan Note interest and income tax ($'000)	**146,738**	141,849
Basic earnings per security before Loan Note interest and income tax (cents)	**11.06¢**	10.69¢
Earnings used to calculate earnings per security ($'000)	**76,000**	88,701
Basic earnings per security based on net profit (cents)	**5.73¢**	6.69¢
(Diluted earnings per security is the same as basic earnings per security)		

Notes to the financial statements are included on pages 20 – 31.

Condensed Consolidated Statement of Financial Position as at 30 June 2013

	Note	Consolidated 30 June 2013 $'000	31 December 2012 $'000
Current Assets			
Cash and cash equivalents		**25,081**	41,966
Receivables from associates		**11,202**	11,424
Other current assets		**620**	597
Total Current Assets		**36,903**	53,987
Non-Current Assets			
Property, plant and equipment		**247**	269
Investments in associates:			
- Investments accounted for using the equity method	4	**1,762,507**	1,638,784
- Loans to associates	5	**745,601**	745,601
Total Non-Current Assets		**2,508,355**	2,384,654
Total Assets		**2,545,258**	2,438,641
Current Liabilities			
Payables		**2,084**	1,864
Loan Note interest payable to Securityholders		**46,436**	47,099
Other financial liabilities		**789**	1,626
Total Current Liabilities		**49,309**	50,589
Non-Current Liabilities			
Payables		**695**	774
Loan Notes attributable to Securityholders		**836,817**	836,807
Interest bearing liabilities		**24,512**	54,048
Deferred tax liabilities		**63,025**	20,234
Other financial liabilities		**855**	2,733
Total Non-Current Liabilities		**925,904**	914,596
Total Liabilities		**975,213**	965,185
Net Assets		**1,570,045**	1,473,456

Condensed Consolidated Statement of Financial Position as at 30 June 2013 (continued)

	Consolidated	
	30 June 2013 $'000	31 December 2012 $'000
Equity		
Equity attributable to the Parent Entity		
- Issued capital	**1,048,687**	1,071,242
- Reserves	**(60,481)**	(84,511)
- Retained earnings	**581,839**	486,725
Total Equity	**1,570,045**	1,473,456

Total Equity attributable to Securityholders is as follows:		
Total Equity	**1,570,045**	1,473,456
Loan Notes attributable to Securityholders	**836,817**	836,807
Total Equity and Loan Notes	**2,406,862**	2,310,263

Notes to the financial statements are included on pages 20 – 31.

Condensed Consolidated Statement of Changes in Equity for the Half Year Ended 30 June 2013

	CONSOLIDATED			
	Issued Capital $'000	Hedging Reserve $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2012	1,116,749	(48,336)	265,407	1,333,820
Net profit for the period	-	-	88,701	88,701
Cashflow hedges – loss on interest rate swaps	-	(1,346)	-	(1,346)
Share of associates' other comprehensive income/(loss):				
- loss on hedges	-	(39,533)	-	(39,533)
- actuarial gain on defined benefits plan	-	-	1,386	1,386
Related tax	-	12,264	(416)	11,848
Total comprehensive income for the period	-	(28,615)	89,671	61,056
Capital distributions	(22,555)	-	-	(22,555)
Balance at 30 June 2012	1,094,194	(76,951)	355,078	1,372,321
Balance at 1 January 2013	**1,071,242**	**(84,511)**	**486,725**	**1,473,456**
Net profit for the period	**-**	**-**	**76,000**	**76,000**
Cashflow hedges – gain on interest rate swaps	**-**	**2,715**	**-**	**2,715**
Share of associates' other comprehensive income:				
- gain on hedges	**-**	**31,613**	**-**	**31,613**
- actuarial gain on defined benefits plan	**-**	**-**	**27,305**	**27,305**
Related tax	**-**	**(10,298)**	**(8,191)**	**(18,489)**
Total comprehensive income for the period	**-**	**24,030**	**95,114**	**119,144**
Capital distributions	**(22,555)**	**-**	**-**	**(22,555)**
Balance at 30 June 2013	**1,048,687**	**(60,481)**	**581,839**	**1,570,045**

Notes to the financial statements are included on pages 20 – 31.

Condensed Consolidated Statement of Cash Flows for the Half Year Ended 30 June 2013

	Note	Consolidated	
		30 June 2013 $'000	30 June 2012 $'000
Cash Flows from Operating Activities			
Distributions from associates - preferred partnership capital		**34,341**	34,532
Dividends received - associates		**16,660**	15,435
Interest received - associates		**40,338**	40,399
Interest received - other		**720**	914
Interest paid - other		**(4,685)**	(4,186)
Other expenses		**(4,036)**	(7,025)
Net Cash Inflow Related to Operating Activities		**83,338**	80,069
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		**(2)**	(5)
Net Cash Outflow Related to Investing Activities		**(2)**	(5)
Cash Flows from Financing Activities			
Drawdown of new external borrowings		**55,000**	-
Repayment of external borrowings		**(85,000)**	-
Payments of external borrowing costs		**(567)**	-
Distributions to Securityholders:			
- Loan Note interest		**(47,099)**	(47,099)
- Capital distributions		**(22,555)**	(22,555)
Net Cash Outflow Related to Financing Activities		**(100,221)**	(69,654)
Net (Decrease)/Increase in Cash and Cash Equivalents for the Period		**(16,885)**	10,410
Cash and cash equivalents at the beginning of the period		**41,966**	32,901
Cash and Cash Equivalents at the end of the Period [1]		**25,081**	43,311

[1] Includes $5.000 million of cash which is required to be held by Spark Infrastructure RE Limited at all times for Australian Financial Services Licence ("AFSL") purposes (30 June 2012: $5.000 million)

Notes to the financial statements are included on pages 20 – 31.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

1. Summary of Accounting Policies

Basis of Preparation and Statement of Compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting.* Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.*

The interim financial report is for Spark Infrastructure consisting of Spark Infrastructure Trust ("Spark Trust") and its Controlled Entities ("Spark Infrastructure" or "the Group"). This interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the 31 December 2012 annual financial report of Spark Infrastructure, together with any public announcements made by Spark Infrastructure during the period in accordance with any continuous disclosure obligation arising under the *Corporations Act 2001*. The report has been prepared on the basis of historical cost except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of Spark Infrastructure's financial statements for the year ended 31 December 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Spark Infrastructure is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Directors' report and interim financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

The interim financial report was authorised for issue by the Directors of Spark RE as the responsible entity for Spark Trust on 23 August 2013.

Adoption of new and revised Standards

The following amendments have been issued and are of relevance in the Current Period:

New and Revised Standard	Requirements and impact assessment
AASB 10 Consolidated Financial Statements	AASB 10 *Consolidated Financial Statements*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* requires a parent to present consolidated financial statements as those of a single economic entity, replacing the requirements previously contained in AASB 127 *Consolidated and Separate Financial Statements* and INT-112 *Consolidation - Special Purpose Entities*. The Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. The application of the requirements of the Standard has not had a material effect on the Group's financial information as all potential investees are currently presented in the consolidated financial statements.
AASB 11 Joint Arrangements	AASB 11 *Joint Arrangements*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* replaces AASB 131 *Interests in Joint Ventures*. Requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. The application of the requirements of the Standard has not had a material effect on the Group's financial information as it does not participate in any joint arrangements.
AASB 12 Disclosure of Interests in Other Entities	AASB 12 *Disclosure of Interests in Other Entities*, AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. The application of the requirements of the Standard has not had a material effect on the Group's financial information as appropriate disclosures of interests in other entities are already provided within the consolidated financial statements.

Notes to the Financial Statements
for the Half Year Ended 30 June 2013

1. Summary of Accounting Policies (continued)

Adoption of new and revised Standards (continued)

New and Revised Standard	Requirements and impact assessment
AASB 127 Separate Financial Statements (2011)	AASB 127 *Separate Financial Statements* (2011), AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* amends AASB 127 which now only deals with the requirements for separate financial statements, which have been carried over largely unamended from AASB 127 *Consolidated and Separate Financial Statements.* Requirements for consolidated financial statements are now contained in AASB 10 *Consolidated Financial Statements.* The Standard requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with AASB 9 *Financial Instruments.* The application of the requirements of the Standard has not had a material effect on the Group's financial information as the requirements of the revised Standard are currently being adhered to.
AASB 13 Fair Value Measurement and related AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13	AASB 13 *Fair Value Measurement* and related AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* replaces the guidance on fair value measurement in existing AASB accounting literature with a single standard. The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value. AASB 13 applies when another AASB requires or permits fair value measurements or disclosures about fair value measurements (and measurements, such as fair value less costs to sell, based on fair value or disclosures about those measurements). Entities are required to make various disclosures depending upon the nature of the fair value measurement (e.g. whether it is recognised in the financial statements or merely disclosed) and the level in which it is classified. The application of the requirements of the Standard has not had a material effect on the Group's financial information as the requirements of the revised standard are currently being adhered to.
AASB 119 Employee Benefits (2011)	AASB 2011-10 *Amendments to Australian Accounting Standards arising from AASB 119* (2011) amends AASB 119 *Employee Benefits* with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes. The amendments include but are not limited to the classification of short term employee benefits as employee benefits that are expected to be settled wholly before twelve months after the end of annual reporting period. The application of the requirements has not had a material effect on the Group's financial information as the requirements of the amended Standard are currently being adhered to.
AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income	These amendments arise from the issuance of the IASB *Standard Presentation of Items of Other Comprehensive Income* (Amendments to IAS 1) in June 2011. The amendments requires entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments), and requires tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). The application of the requirements of the Standard has not had a material effect on the Group's financial information as the requirements of the amended Standard are currently being adhered to.
AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to AASB 7)	The amendments to AASB 7 *Financial Instruments: Disclosures* to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The application of the requirements of the Standard has not had a material effect on the Group's financial information as it has not entered into arrangements of this type.
AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments	The transition guidance amendments to AASB 10 *Consolidated Financial Statements* and related Standards and interpretations clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The application of the requirement has not had a material effect on the Group's financial information as the requirements of the amended Standard are currently being adhered to.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

1. Summary of Accounting Policies (continued)

Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', AASB 2009 'Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	**1 January 2015**	**31 December 2015**
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	**1 January 2014**	**31 December 2014**
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	**1 January 2014**	**31 December 2014**
AASB 2012-3 Amendments to Australian Accounting Standards Disclosure – offsetting Financial Assets and Liabilities (Amendments to AASB 132)	**1 January 2014**	**31 December 2014**

The Directors' anticipate that the above amendments and Interpretations will not have a material impact on the financial report of the Group in the year of initial application.

Principles of consolidation
The interim financial report of Spark Infrastructure incorporates the financial statements of Spark Trust and its Controlled Entities. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during the financial period, its results are included in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income from the effective date of control. Control is achieved where Spark Trust has the power to govern financial and operating policies of an entity so as to obtain benefits from its activities.

Critical Accounting Estimates and Judgements
The preparation of this report required the use of certain critical accounting estimates and exercise of judgement in the process of applying the accounting policies. The estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectation of future events. The Directors believe the estimates and judgements are reasonable. Actual results in the future may differ from those reported.

Impairment of Assets
At each reporting date, Spark Infrastructure tests whether there are any indicators of impairment. Each Associate, being SA Power Networks and Victoria Power Networks, is regarded as a separate cash generating unit for the purposes of such testing. If any indicators are identified, a discounted cashflow analysis is undertaken.

Substantial changes to external market conditions over the past few years have the potential to impact asset values and Spark Infrastructure regards these as potential indicators of impairment. Accordingly, impairment testing was undertaken to confirm that the carrying value of assets do not exceed their respective recoverable values. The following key parameters were used in testing for impairment:

- Cashflow projections, based on financial forecasts approved by management containing assumptions about business conditions, growth in regulated asset base ("RAB") and future regulatory returns, over a period of 10 years with an appropriate terminal value based on RAB multiples for regulated activities and EBITDA multiples for unregulated activities;
- Growth rates for volume of electricity delivered are based on observed historical values and studies undertaken by independent experts; and
- Appropriate discount rates specific to the individual assets.

Cashflow projections for a 10 year period are deemed appropriate as electricity distribution assets are long life assets.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

1. Summary of Accounting Policies (continued)

Deferred Tax Assets

Deferred tax assets are recognised to the extent that it is probable that there are sufficient taxable amounts available against which deductible temporary differences or unused tax losses and tax offsets can be utilised and they are expected to reverse in the foreseeable future. As at 30 June 2013 there are no amounts unrecognised on the basis that the above criteria were not met (30 June 2012: $7.491 million).

Working Capital Deficiency

These consolidated interim financial statements have been prepared on a going concern basis. Spark Infrastructure currently has a working capital deficiency of $12.406 million as at 30 June 2013 (31 December 2012: $3.398 million, surplus). Excluding the accrual for the Loan Note interest owing to Securityholders of $46.436 million, which is due for payment on 13 September 2013, Spark Infrastructure would have had a surplus working capital balance of $34.030 million. Further distributions are expected to be received post 30 June 2013 from Spark Infrastructure's Asset Companies prior to this amount becoming payable.

Spark Infrastructure also has funding capacity from committed undrawn bank facilities of $125.000 million as at 30 June 2013.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

2. Segment Information

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the Managing Director) in order to allocate resources to the segment and to assess its performance. Two segments are reported, Victoria Power Networks – which represents the 49% interest in two electricity distribution businesses in Victoria (i.e. CitiPower and Powercor), and SA Power Networks – which represents the 49% interest in the electricity distribution business in South Australia.

The segments noted also fairly represent the Group's geographical segments determined by location within Australia.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

	Victoria Power Networks		SA Power Networks		Corporate		Total	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Segment Cashflows								
Net cashflows	**40,338**	40,399	**51,001**	49,967	**(4,036)**	(7,025)	**87,303**	83,341
Net interest paid							**(3,965)**	(3,272)
Total Operating Cashflows							**83,338**	80,069

	Victoria Power Networks		SA Power Networks		Corporate		Total	
	2013 $'000	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000	**2013 $'000**	2012 $'000
Segment Revenue								
Share of equity accounted profits	**12,071**	(2,126)	**103,736**	114,648	**-**	-	**115,807**	112,522
Interest income - associates	**40,116**	40,338	**-**	-	**-**	-	**40,116**	40,338
Segment revenue	**52,187**	38,212	**103,736**	114,648	**-**	-	**155,923**	152,860
Interest revenue							**686**	854
Total Revenue							**156,609**	153,714
Segment Results								
Segment contribution	**52,187**	38,212	**103,736**	114,648	**(4,286)**	(7,174)	**151,637**	145,686
Net interest expense							**(4,899)**	(3,837)
Profit for the period before Loan Note interest and income tax							**146,738**	141,849
Interest on Loan Notes							**(46,436)**	(46,701)
Income tax expense							**(24,302)**	(6,447)
Net Profit for the Period							**76,000**	88,701

Notes to the Financial Statements
for the Half Year Ended 30 June 2013

2. Segment Information (continued)

	Victoria Power Networks		SA Power Networks		Corporate		Total	
	Jun 2013 $'000	Dec 2012 $'000	**Jun 2013 $'000**	Dec 2012 $'000	**Jun 2013 $'000**	Dec 2012 $'000	**Jun 2013 $'000**	Dec 2012 $'000
Segment Assets								
Investment accounted using equity method	**284,443**	254,240	**1,478,064**	1,384,544	**-**	-	**1,762,507**	1,638,784
Loan to associates	**745,601**	745,601	**-**	-	**-**	-	**745,601**	745,601
Receivables from associates	**11,202**	11,424	**-**	-	**-**	-	**11,202**	11,424
Other current assets	**-**	-	**-**	-	**620**	597	**620**	597
Property, plant & equipment	**-**	-	**-**	-	**247**	269	**247**	269
Total Segment Assets	**1,041,246**	1,011,265	**1,478,064**	1,384,544	**867**	866	**2,520,177**	2,396,675
Unallocated Assets								
Cash and cash equivalents							**25,081**	41,966
Total Assets							**2,545,258**	2,438,641
Segment Liabilities								
Liabilities	**-**	-	**-**	-	**2,710**	2,435	**2,710**	2,435
Unallocated Liabilities								
Loan Notes attributable to Securityholders							**836,817**	836,807
Interest bearing liabilities							**24,512**	54,048
Other liabilities							**48,149**	51,661
Deferred tax liabilities							**63,025**	20,234
Total Liabilities							**975,213**	965,185

	30 June 2013 $'000	30 June 2012 $'000
3. Share of Equity Accounted Profits and Interest		
Equity Accounted Profits/(Losses):		
Victoria Power Networks Pty Ltd	**12,071**	(2,126)
SA Power Networks Partnership	**103,736**	114,648
	115,807	112,522
Interest income – Associates:		
Victoria Power Networks Pty Ltd	**40,116**	40,338
	155,923	152,860

Notes to the Financial Statements for the Half Year Ended 30 June 2013

4. Investments Accounted for using the Equity Method

(a) Particulars of Investment in Associates:

Name of entity	Principal activity	Ownership interest %		Country of Incorporation/ Formation
		2013	2012	
Victoria Power Networks Pty Ltd	Ownership of electricity distribution businesses in Victoria	**49**	49	Australia
SA Power Networks	Ownership of electricity distribution business in South Australia	**49**	49	Australia

	30 June 2013 $'000	30 June 2012 $'000
(b) Share of Revenue and Expenses of Associates:		
Revenue - distribution and metering	**427,198**	394,859
Revenue - semi regulated and unregulated	**86,899**	71,247
Customer contributions and gifted assets [a]	**37,870**	44,646
Operating revenue	**551,967**	510,752
Revenue - transmission (pass through)	**137,173**	131,861
Total revenue	**689,140**	642,613
Expenses	**(442,058)**	(411,291)
Transmission charges (pass through)	**(137,173)**	(131,861)
Profit before income tax	**109,909**	99,461
Income tax expense	**(8,881)**	(1,799)
Net profit for the period accounted for using the equity accounting method	**101,028**	97,662
Additional share of profit from preferred partnership capital [b]	**17,611**	17,708
Additional depreciation/amortisation charge [c]	**(2,832)**	(2,848)
Share of net profits from Associates	**115,807**	112,522

[a] Customer contributions and gifted assets are booked as revenue in their entirety upfront by the Asset Companies in accordance with Australian accounting standards. Accounting for customer contributions and gifted assets under the accounting standards requires that the full amount be brought to account upfront as fixed assets and revenue by the Asset Companies, notwithstanding that the assets do not generate any regulatory returns in the future or any additional cash earnings. In turn, this leads to higher equity accounted income being reported by Spark Infrastructure and an increased carrying value of its investment in associates on initial recognition.

The increased carrying value of these assets in the Asset Companies will result in a higher depreciation expense over their expected economic life, which can range from 40 to 70 years, and correspondingly will lead to lower equity accounted profits being reported by Spark Infrastructure over the same time period. As a consequence of the timings of the above accounting treatment, an additional accounting adjustment (impairment or expense) may be required in the future should the assets future recoverable amount (as determined under the accounting standards) be determined to be less than its accounting carrying value due to this timing mis-match.

[b] Under the partnership agreement, Spark Infrastructure is entitled to an additional share of profit in SA Power Networks, which ensures that Spark Infrastructure shares in 49% of the overall results of operations from SA Power Networks.

[c] Relates to depreciation/amortisation of fair value on uplift of assets on acquisition.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

4. Investments Accounted for using the Equity Method (continued)

	30 June 2013 $'000	31 December 2012 $'000
(c) Share of Assets and Liabilities of Associates		
Assets		
Current assets	**366,271**	349,082
Non-current assets	**5,873,785**	5,691,114
Total Assets	**6,240,056**	6,040,196
Liabilities		
Current liabilities	**293,351**	513,499
Non-current liabilities	**4,620,793**	4,343,641
Total Liabilities	**4,914,144**	4,857,140
Net assets before SA Power Networks preferred partnership capital	**1,325,912**	1,183,056
SA Power Networks preferred partnership capital	**622,300**	622,300
Net Assets applicable to Spark Infrastructure	**1,948,212**	1,805,356

	30 June 2013 $'000	30 June 2012 $'000
(d) Movement in Carrying Amounts		
Carrying amount at the beginning of the Financial Period	**1,638,784**	1,525,438
Share of profits after income tax	**115,807**	112,522
Preferred partnership distribution received	**(34,341)**	(34,532)
Dividends received - associates	**(16,660)**	(15,435)
Share of associates' gain/(loss) recognised directly in equity	**58,917**	(38,147)
Carrying amount at the end of the Financial Period	**1,762,507**	1,549,846

(e) Tax Matters

SA Power Networks Partnership

The Australian Taxation Office ("ATO") has completed its tax audits of the SA Power Networks Partnership and has made adjustments to the income tax treatment adopted by SA Power Networks in relation to the following matters:

a) a denial of deductions for rent instalments paid by SA Power Networks on the grounds that they are of a capital nature;
b) a denial of deductions for direct internal labour and motor vehicle costs incurred by SA Power Networks on self-constructed assets, after separate favourable adjustments for asset replacement, on the grounds that they are of a capital nature, and a corresponding allowance of tax depreciation deductions for those costs over the effective life of the assets; and
c) a denial of deductions for a part of the interest cost incurred by SA Power Networks on its subordinated debt under Part IVA, not Division 974, of the Income Tax Assessment Acts.

During July and August 2012, the ATO adjusted the income tax returns of SA Power Networks Partnership for the years 2000 through to 2010 and amended tax assessments have been issued to all the SA Power Networks partners, including Spark Infrastructure Holdings No.2 Pty Limited ("SIH No. 2") as the head entity of the relevant tax consolidated group for the 2007 to 2010 years in respect of the above adjustments. In June 2013, an amended assessment in respect of (a) and (b) above was issued to SIH No. 2 for the 2011 year.

4. Investments Accounted for using the Equity Method (continued)

SA Power Networks Partnership (continued)

SA Power Networks has obtained legal advice that supports its current tax treatment of items (a), (b) and (c) above. SA Power Networks and the partners are of the opinion that no adjustments are required in relation to these items, and will vigorously defend their positions. Objections to all amended assessments for the years 2007 to 2011 have been lodged with the ATO by SIH No. 2, and SA Power Networks and the partners continue to actively engage with the ATO on these matters. Notwithstanding the ATO's adjustments, no amount of cash tax is payable by SIH No.2 from the amended assessments for the 2007 to 2011 years due to the availability of carried forward tax losses, and on the basis of all the information currently available, Spark Infrastructure is of the opinion that the overall impact of any adjustments that may arise would not be material.

Victoria Power Networks Pty Ltd

In December 2010, the ATO advised that its large business tax audit in relation to the financing structure/arrangements of the CKI/HEI Electricity Distribution Holdings (Australia) Pty Ltd ("CHEDHA") consolidated group had been completed. The ATO advised that certain material tax adjustments were required for the years ended 31 December 2002 to 2005 on the basis that Division 974 of the Income Tax Assessment Act 1997 ("Division 974") and Part IVA of the Income Tax Assessment Act 1936 ("Part IVA") applied.

No assessments have been issued to CHEDHA by the ATO, as the CHEDHA tax consolidated group is in a carry forward tax loss position in those years. The company has sought legal advice. The company disagrees with the ATO's position and, based on all available information, is of the opinion that no tax adjustments are required, and will vigorously defend its position.

On 23 February 2012, Victoria Power Networks received notification from the ATO that it would be undertaking a large business comprehensive audit of the financing costs of the Victoria Power Networks tax consolidated group for years ended 31 December 2006 to 31 December 2010.

On 8 March 2012, the ATO notified Victoria Power Networks of a further specific tax audit relating to claims for labour costs associated with self-constructed depreciating assets for the years ended 31 December 2007 to 31 December 2011. Additionally, on 3 July 2012, the ATO notified Victoria Power Networks that it had expanded the scope of its current specific tax audit to include consideration of non-cash customer contributions and asset replacements.

On 7 February 2013, the ATO notified Victoria Power Networks that it intended to make material adjustments in relation to the years ended 31 December 2006 and 31 December 2007 ("2007 tax year"). The adjustments reflect the following:

(a) a denial of deductions for interest paid by Victoria Power Networks on certain shareholder loans during the years ended 31 December 2006 and 31 December 2007 on the basis that Division 974 or (in the alternative) Part IVA applied;
(b) a denial of deductions for certain labour costs and motor vehicle running costs incurred in the year ended 31 December 2007;
(c) the recognition of assessable income for assets transferred by customers to entities within the Victoria Power Networks consolidated group in the year ended 31 December 2007;
(d) a denial of deductions for rebates paid to customers by entities within the Victoria Power Networks consolidated group in the year ended 31 December 2007; and
(e) a further consequential increase in the allowance of depreciation for the labour costs, motor vehicle running costs and transferred assets in the year ended 31 December 2007.

Subsequently, the ATO issued an Amended Assessment Notice for the 2007 tax year, consistent with the adjustments above. In aggregate these amendments totalled $296.000 million, of this $108.900 million related to tax deductions which can be claimed in the form of tax depreciation in future periods. Victoria Power Networks continues to disagree with the ATO's positions on the matters under audit, has sought legal advice and will vigorously defend its position.

Victoria Power Networks has elected to utilise some carried forward losses to reduce the ATO's adjustments, resulting in a net taxable income for the 2007 tax year of $60.166 million and a tax payable balance of $18.050 million. Under a part payment arrangement with the ATO, Victoria Power Networks subsequently remitted $3.137 million in respect of the 2007 tax year, which has been recorded as a current receivable.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

4. Investments Accounted for using the Equity Method (continued)

Victoria Power Networks Pty Ltd (continued)

On 26 April 2013, Victoria Power Networks lodged notices of objection with the ATO in relation to the amended tax assessment for the 2007 tax year.

The ATO has issued a Shortfall Penalty Assessment Notice for $0.145 million in respect of the 2007 tax year, reflecting a 25% administrative penalty on rebates; with no other administrative penalties for the 2007 tax year to be applied. Victoria Power Networks has not, as yet, remitted any payment to the ATO.

The ATO has also issued a Shortfall Interest Charge Notice for $7.041 million in respect of the 2007 tax year. Victoria Power Networks is in discussion with the ATO to have a part payment arrangement applied to the shortfall interest charge consistent with the arrangement in place for the primary tax payable balance.

Aside from the $3.137 million current receivable, no further adjustments in relation to the above matters have been recognised in this financial report.

While audit activity in relation to the years ended 31 December 2008 to 31 December 2010 continues, the ATO has indicated to Victoria Power Networks that it intends to make adjustments in relation to these later years, broadly consistent with those made for the 2007 tax year. The adjustments for those years have not yet been finalised but are likely to be material.

5. Loans to Associates

	30 June 2013 $'000	31 December 2012 $'000
Loans to associates - interest bearing	**745,601**	745,601

100 year loan to Victoria Power Networks at a fixed interest rate of 10.85% per annum. The loan is repayable at the discretion of the borrower.

6. Interest Bearing Liabilities

	30 June 2013 $'000	31 December 2012 $'000
Syndicated bank loan at amortised cost (Non-Current)	**-**	55,000
Bilateral corporate debt facilities at amortised cost (Non-Current)	**25,000**	-
Unamortised costs	**(488)**	(952)
	24,512	54,048

On 13 March 2013, Spark Infrastructure executed $150.000 million bank debt facilities with NAB and Westpac for the re-financing of all pre-existing drawn and undrawn bank debt facilities. The facilities comprise two $75.000 million unsecured 2-year revolving facilities that will mature on 13 March 2015. Unamortised borrowing costs attached to the old syndicated facilities of $0.952 million have been expensed in the Current Period. During May 2013 $30.000 million of the drawn revolving facilities were repaid.

7. Key Management Personnel ("KMP")

KMP are those having the authority and responsibility for directing and controlling the activities of an entity. Remuneration arrangements of KMP are disclosed in the annual financial report.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

8. **Notes to the Statement of Cash Flows**

(a) Cash transactions

As at 30 June 2013, and at all times during the period, the Responsible Entity of the Group held $5.000 million of cash to meet its financial requirements as a holder of an Australian Financial Services Licence ("AFSL") (30 June 2012: $5.000 million).

(b) Committed Finance Facilities	**30 June 2013 $'000**	31 December 2012 $'000
Bank facilities:		
• Amount used	**25,000**	55,000
• Amount unused	**125,000**	165,000
	150,000	220,000

The syndicated bank loan facilities of $220.000 million at 31 December 2012 were cancelled as part of the March 2013 refinancing of Spark Infrastructure's bank facilities and two new $75.000 million unsecured 2-year revolving facilities were executed with NAB and Westpac respectively. In May 2013 $30.000 million of the new facilities were paid down. Amounts paid down are available for re-draw in the future.

Committed Finance Facility maturities are:

- March 2015: $75.000 million 2-year revolving facility with NAB
- March 2015: $75.000 million 2-year revolving facility with Westpac

(c) Bank Guarantee facility

A bank guarantee of $0.420 million equivalent to twelve months' rent and share of outgoings plus GST has been provided to the Landlord in respect of Spark Infrastructure's office lease.

	2013		2012	
9. Details Relating to Distributions	**Cents Per Security**	**Total $'000**	Cents Per Security	Total $'000
Distribution Paid:				
Final distribution paid in respect of year ended 31 December 2012, paid on 15 March 2013 (2012: In respect of year ended 31 December 2011, paid on 15 March 2012):				
Interest on Loan Notes	**3.55**	**47,099**	3.55	47,099
Capital Distribution	**1.70**	**22,555**	1.70	22,555
	5.25	**69,654**	5.25	69,654
Distribution Payable:				
Interim distribution in respect of half year ended 30 June 2013 payable 13 September 2013 (2012: In respect of half year ended 30 June 2012, paid on 14 September 2012):				
Interest on Loan Notes	**3.50**	**46,436**	3.52	46,701
Capital Distribution	**2.00**	**26,534**	1.73	22,953
	5.50	**72,970**	5.25	69,654

The distributions are unfranked.

Notes to the Financial Statements for the Half Year Ended 30 June 2013

10. Commitments, Contingent Liabilities and Contingent Assets

(a) There were no material Contingent Liabilities or Contingent Assets as at 30 June 2013 which have not already been disclosed.

(b) As at 30 June 2013, there were total expenditure commitments of $1.841 million (2012: $2.315 million) comprising operating leases that relate to the office premises and information technology. Office premises are located at 259 George Street, Sydney 2000.

11. Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors' Declaration

The Directors declare that:

(a) in their opinion, there are reasonable grounds to believe that Spark Infrastructure Trust will be able to pay its debts as and when they become due and payable; and

(b) in their opinion, the financial statements and notes as set out on pages 20 – 31 are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of Spark Infrastructure Trust.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors:

B Scullin
Chairman

R Francis
Managing Director

Sydney
23 August 2013

Deloitte Touche Tohmatsu
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The Board of Directors
Spark Infrastructure RE Limited
As responsible entity for Spark Infrastructure Trust
Level 25
259 George Street
SYDNEY NSW 2000

23 August 2012

Dear Board Members

Spark Infrastructure Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Spark Infrastructure RE Limited, as responsible entity for Spark Infrastructure Trust and its controlled entities.

As lead audit partner for the review of the financial statements of Spark Infrastructure Trust for the financial half-year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

BJ Pollock
Partner
Chartered Accountants

Deloitte.

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Independent Auditor's Review Report to the members of Spark Infrastructure Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Spark Infrastructure Trust, which comprises the condensed statement of financial position as at 30 June 2013, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 14 to 32.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Spark Infrastructure Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Spark Infrastructure Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Spark Infrastructure Trust is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Report on the Non-IFRS Financial Information in the Directors' Report

We have reviewed the non-IFRS financial information disclosed as 'Underlying Results' included in page 7 of the directors' report for the half year ended 30 June 2013. The directors of the trustee are responsible for the preparation and presentation of the non-IFRS financial information in accordance with the basis of preparation described in the directors' report in the section entitled 'Underlying Results' on page 7. Our responsibility is to express a conclusion on the non-IFRS financial information, based on our review conducted in accordance with Australian Auditing Standards on Review Engagements.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the non-IFRS financial information disclosed as 'Underlying Results' included in page 7 of the directors' report for the half year ended 30 June 2013, is not prepared, in all material respects, in accordance with the basis of preparation set out in the directors' report in the section entitled 'Underlying Results' on page 7.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

BJ Pollock

BJ Pollock
Partner
Chartered Accountants
Sydney, 23 August 2013