QUALITY AUSTRALIAN INFRASTRUCTURE ASSETS

spark infrastructure

A time for quality

Shareholder Review 2013

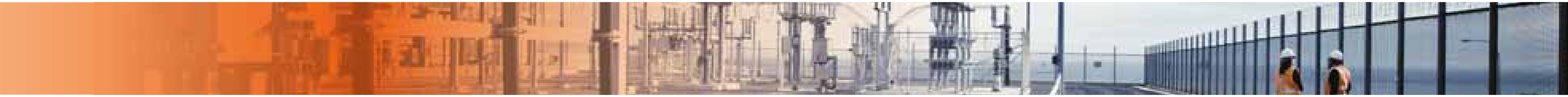
QUALITY AUSTRALIAN ASSETS / PAGE 02

QUALITY MANAGEMENT / PAGE 04

QUALITY RETURNS / PAGE 06

CONTENTS

02 Our Investment Proposition
10 Business Overview
12 Financial Highlights
13 Chairman's Message
16 Managing Director's Message
22 SA Power Networks
30 Victoria Power Networks (CitiPower & Powercor)
38 Management Team
40 Board of Directors



THE RIGHT TIME & PLACE / PAGE 08

AGM 11.30am, Friday 23 May 2014
Marble Room, Radisson Blu Hotel, 27 O'Connell Street, Sydney NSW

QUALITY AUSTRALIAN ASSETS

Spark Infrastructure owns 49% interests in three quality Australian electricity distribution networks in Victoria and South Australia. These businesses have a combined Regulatory Asset Base of $8.6 billion. They are ranked amongst the safest and most reliable networks in Australia and have a substantial capital expenditure growth profile approved by the Regulator out to 2015.

SA Power Networks manages South Australia's electricity distribution network, supplying 839,819 residential and business customers in the capital, Adelaide, and all regions across the State. The network is one of the most reliable in Australia, with 99.96% network availability achieved across a State of widely-varied and challenging terrain and extremes of weather.

839,819 customers

408 zone/73,629 distribution substations

718,000 poles

CitiPower owns and operates the distribution network that supplies electricity to 321,520 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 99.98% network availability.

321,520 customers

106 zone/4,621 distribution substations

58,660 poles

Powercor Australia (Powercor) is the largest distributor of electricity in Victoria, owning and operating a network that serves 750,745 customers in central and western Victoria and the western suburbs of Melbourne. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.97% network availability.

750,745 customers

140 zone/82,779 distribution substations

547,567 poles

SA Power Networks and CitiPower and Powercor (together known as "Victoria Power Networks") (the "Asset Companies") generate reliable and growing operational cashflows which are sufficient to simultaneously fund the equity portion of their substantial capital expenditure programs, to de-gear their balance sheets and to make distributions to their shareholders without the need for any new equity before 2015. In turn, this allows Spark Infrastructure to provide a growing distribution profile to its securityholders.

The regulatory framework continues to provide a high degree of certainty and a range of in-built protections for investors. The completion of the Australian Energy Regulator's (AER) 'Better Regulation' program has restored certainty to the regulatory regime and re-affirmed predictable revenues and inflation linked cashflows with the potential to capture outperformance over regulatory determinations.

QUALITY MANAGEMENT

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

Spark Infrastructure is run by a small team of experienced professionals with expertise in the management of infrastructure businesses across multiple sectors.

The strategy applied by the management team has provided Spark Infrastructure with a strong balance sheet with no drawn debt at 31 December 2013 and with the funding flexibility to support the substantial organic growth in the Asset Companies. The 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 the end of 2015 at the earliest.

The Asset Companies in our portfolio continue to be regarded as among the most efficient and reliable of their kind in Australia. Importantly for our investors, their strong operational performance combined with regulatory protections translates into reliable cashflows, which in turn support Spark Infrastructure's distributions to its securityholders.

QUALITY RETURNS

Quality returns to our securityholders are the direct result of overlaying quality management over a quality asset base. Spark Infrastructure has a proven track record of delivering steadily growing returns by applying its prudent financial oversight and regulatory expertise to quality assets. The result is a reliable investment capable of profitable growth over the long term.

Spark Infrastructure is delivering a secure and steadily growing distribution profile to its securityholders, after supporting growth in the Asset Companies. Distributions are fully covered by operating cash flows.

In 2014 Spark Infrastructure is expected to pay a distribution of 11.5 cents per security, an increase of 4.5% on 2013. In addition, the Directors have undertaken to continue to grow distributions by 3-5% in 2015, subject to business conditions.

Long term capital growth through increasing Spark Infrastructure's net equity investment in the Asset Companies will also add to growth. Their combined Regulated Asset Bases (RAB) are expected to grow by a compound 7-8% per annum over the current regulatory periods. At the same time they are de-gearing their balance sheets to a net debt to RAB ratio of around 75%, by the end of 2015.

QUALITY ASSET COMPANIES GENERATING STRONG CASHFLOWS

- Quality assets delivering strong reliability, efficiency and safety
- Strong investment grade ratings
- Asset Companies de-gearing towards a net debt to RAB level of around 75% by the end of 2015
- No capital raisings to fund Asset Company capex until 2015 at the earliest
- Deleveraging at the Spark level to further strengthen balance sheet – nil drawn debt at 31 December 2013

SOLID YIELD AND GROWING DISTRIBUTION PROFILE

- FY 2013 distribution of 11.0cps and FY 2014 guidance of 11.5cps (up 4.5% on FY 2013)
- Reliable Asset Company Distributions to Spark of $203.2 million for the 12 months to 31 December 2013
- Distributions fully covered by operating cashflows
- Expected growth in distributions remains at 3-5% per annum to 2015

ORGANIC GROWTH IS LOCKED IN

- Regulated capital expenditure approved by the AER out to 2015
- 7-8% CAGR[1] in RAB over 2010-15
- RAB growth to 2015 at zero premium
- Current businesses are generating reliable cashflows, possess strong balance sheets and consistently outperform regulatory benchmarks
- Focussed on continuous improvement in capital and cost management, network planning, safety and customer service

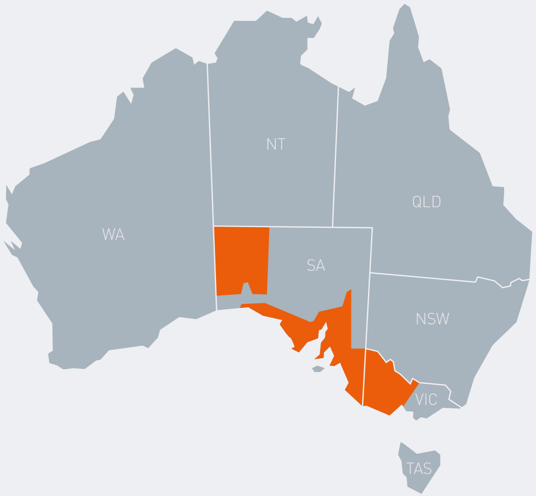
REGULATORY ENVIRONMENT SUPPORTS INVESTMENT

- Regulatory certainty to mid 2015 for SA Power Networks and 2016 for Victoria Power Networks
- Regulatory regime remains incentive based with opportunities for outperformance
- Revenue and RAB are inflation protected. Pass through provisions apply for operating and capital costs
- Asset Companies are now focussed on developing regulatory submissions to the AER for the next 5-year regulatory periods; covering capital and operating expenditure, rate of return and incentive mechanisms. Ongoing asset replacement programs will continue to drive capital expenditure

1. Compound Annual Growth Rate

THE RIGHT TIME & PLACE

Spark Infrastructure is an ASX listed, internally managed investment vehicle with proven expertise in managing investments in regulated infrastructure utilities. With a strong balance sheet and an existing investment portfolio of quality Australian assets, Spark Infrastructure is a logical partner for investors seeking quality returns from infrastructure assets underpinned by reliable cashflows, predictable growth and local knowledge.



SPARK INFRASTRUCTURE HAS PROVEN EXPERTISE IN THE MANAGEMENT OF INVESTMENTS IN REGULATED INFRASTRUCTURE UTILITIES.

IT IS WELL PLACED AS AN ASX LISTED COMPANY TO PROVIDE SECURITY – HOLDERS WITH ACCESS TO THESE RELIABLE ASSETS.

WITH THE EXCEPTION OF SOUTH AUSTRALIA AND VICTORIA, ALL OTHER ELECTRICITY DISTRIBUTION AND TRANSMISSION NETWORKS IN AUSTRALIA ARE PRESENTLY UNDER STATE GOVERNMENT OWNERSHIP.

Australia remains a good place to invest in quality infrastructure. With the completion of the Australian Energy Regulator's "Better regulation" program in December 2013, we have now seen certainty restored to the Australian regulatory regime. It remains fundamentally unchanged as a genuine incentive based regime which provides a range of rewards for out-performance against regulatory targets.

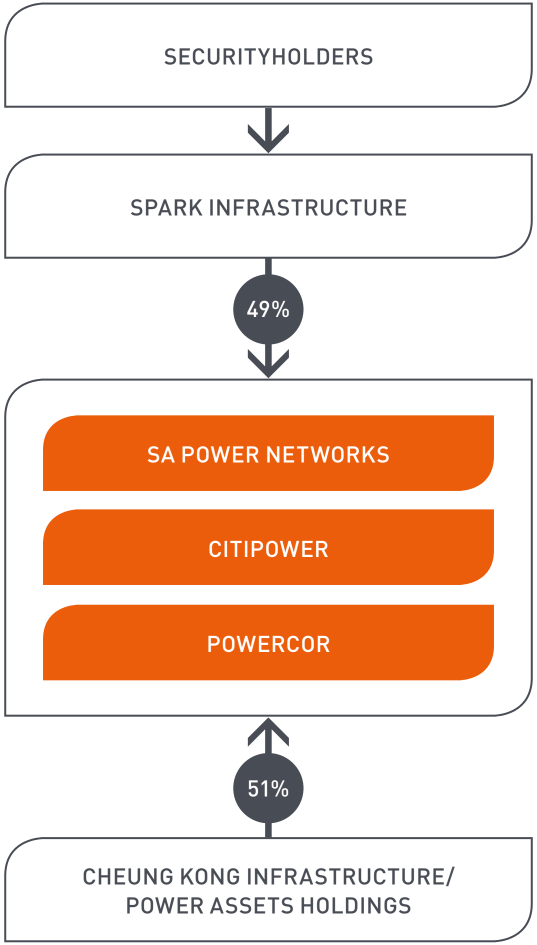
The Asset Companies continue to rank among the most efficient businesses of their kind and have successfully maintained their enviable standards of workplace safety. As a result, they are credibly placed as they set about developing their regulatory submissions to the AER for the 2015/16-2020 regulatory periods.

Underlying quality is particularly important in times of change and transition. With the completion of their regulatory reset processes in 2015, the Asset Companies will enter into new five year periods of regulatory certainty allowing them to continue delivering their characteristic reliable cashflows and predictable growth.

Spark Infrastructure will remain focussed on supporting the organic growth available in its existing assets and will also consider any compelling opportunities for further diversification if and when they arise. Spark Infrastructure will continue to apply its proven discipline in assessing acquisition opportunities. Only those that clearly add value will be considered, with cash and distribution accretion key criteria.

BUSINESS OVERVIEW

Spark Infrastructure is a specialist infrastructure fund with a portfolio of high quality regulated electricity distribution companies – SA Power Networks, CitiPower and Powercor (Victoria Power Networks), and a market capitalisation of around AUD$2.2 billion.



SA POWER NETWORKS

SA Power Networks is the sole operator of South Australia's electricity distribution network, supplying 840,000 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 SA Power Networks network is one of the most reliable in Australia, with 99.96% network availability.

CITIPOWER

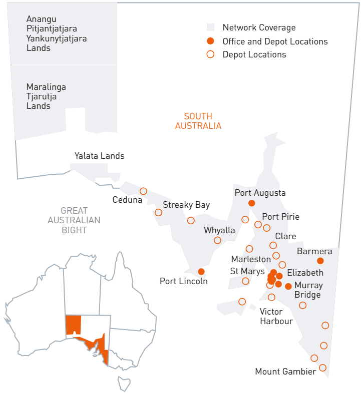
CitiPower owns and operates the distribution network that supplies electricity to around 322,000 customers in Melbourne's CBD and inner suburbs. These customers include some of Australia's largest companies, public transport systems and sporting venues. CitiPower operates with a reliability rating of 99.98% network availability.

POWERCOR

Powercor is the largest distributor of electricity in Victoria, owning and operating a network that serves around 751,000 customers in central and western Victoria and the western suburbs of Melbourne. This represents 27% of Victoria's electricity users. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.97% network availability.

Each of these networks ranks highly in terms of industry measures of efficiency and reliability and is currently benefiting from strong ongoing organic growth in capital expenditure, approved by the Regulator, over the current regulatory periods 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.

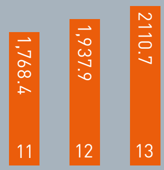


	SA Power Networks	CitiPower	Powercor Australia
Number of customers	839,819	321,520	750,745
Number of employees	2,169	2,012 (reported jointly)	
Network size (km length of all lines)	87,999	7,324	85,883
Network size (km^2 of area)	178,200	157	145,651
Electricity sales volume (GWh)	10,803	5,981	10,556
Network availability	99.96%	99.98%	99.97%
Number of distribution transformers	73,629	4,621	82,779
Number of zone substation transformers	408	106	140
Number of poles	718,000	58,660	547,567
Percentage of lines underground	19%	41%	12%
Peak demand	2,886	1,442	2,321

FINANCIAL HIGHLIGHTS

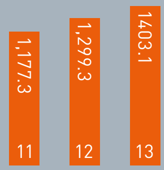
Asset Company Revenue[1] 8.9%

$2,110.7m



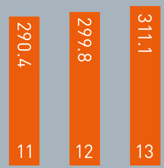
Asset Company EBITDA[1] 8.0%

$1,403.1m



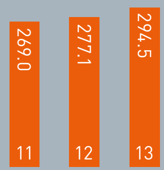
Spark Underlying Income ($) 3.8%

$311.1m



Spark Profit before loan note interest and tax ($) 6.3%

$294.5m



The cashflows generated by the Asset Companies are able to simultaneously fund the substantial equity portion of their capital expenditure without the need for new equity, to de-gear their balance sheets and to make distributions to their shareholders which allow Spark Infrastructure to provide a growing distribution profile to its securityholders.

2013 Distribution Per Stapled Security 4.8%

11.0cps

2014 Forecast Distribution Per Stapled Security 4.5%

11.5cps

2014 Yield[2]

6.8%

1. Excluding customer contributions and gifted assets which are non-cash and do not contribute to profit
2. Based on 2014 distribution guidance of 11.5cps and a Spark Infrastructure security price of $1.70 on 28 March 2014.

MESSAGE FROM THE CHAIRMAN

DEAR SECURITYHOLDERS,

I am pleased to report that in 2013 our investments have recorded another highly satisfactory year. The financial and operational performance of SA Power Networks and CitiPower and Powercor (Victoria Power Networks) (together the "Asset Companies") has once again been excellent.

The Asset Companies continue to rank among the most efficient businesses of their kind and they have successfully maintained their enviable standards of customer service, reliability and workplace safety. As a result, they are credibly placed as they set about developing their regulatory submission to the Australian Energy Regulator (AER) for the 2015/2016-20 regulatory periods.

At the Spark Infrastructure level the story is also good. Spark has reduced its drawn debt levels to nil at 31 December 2013 and has delivered another solid return to securityholders, with distributions growing at close to 5% over the prior year.

We are very pleased with these results, which were achieved in an environment of reducing volumes and economic uncertainty and volatility.

It is precisely in times of uncertainty and change that underlying quality is important. Quality assets with an overlay of quality management will inevitably result in quality returns. It is for this reason that I believe Spark Infrastructure continues to perform well and provide securityholders with a quality investment.

STRONG CASHFLOWS UNDERPIN STRATEGY

As an ASX listed Australian investment vehicle we see our comparative advantage as being in our regulatory expertise and in our approach to financial management, applied to the long term view of the asset portfolio. Our central value proposition continues to be the delivery of a growing distribution providing an attractive yield plus strong asset growth in quality businesses.

Underpinning our strategy is the strong and growing operating cashflow which is being generated by the Asset Companies. The quality of these cashflows remains the backbone of the Spark Infrastructure story. At the same time, these cashflows are sufficient to internally fund the equity portion of Asset Companies' substantial capital expenditure programs, to de-gear their balance sheets and to make distributions to their shareholders including Spark Infrastructure. In turn this allows us to provide a growing distribution profile to our securityholders.

At 31 December 2013 the Asset Companies gearing level as measured by net debt to Regulated Asset Base (RAB) was 78.5%, down from 79.7% last year. They remain on track to de-gear to around 75% net debt to RAB by the end of 2015. In accordance with our previous statements the majority of the de-gearing will occur towards the back end of the regulatory period as the rate of capital expenditure growth slows and revenues increase from cumulative tariff increases. This continues to provide strong growth in Spark Infrastructure's proportional equity ownership of the Asset Companies' asset bases.

However, it is also necessary to recognise that in 2013 our market performance has been impacted by two important issues.

REGULATORY CERTAINTY RESTORED, ATO AUDITS ONGOING

Firstly, there was the AER's 'Better Regulation' program. Lasting the better part of two years, it created a significant degree of uncertainty over the regulated utilities sector, with every aspect of the regulatory regime coming under review. In December 2013 the reviews came to a conclusion, and we have now seen certainty restored to the Australian regulatory regime.

I am also pleased to say that it remains fundamentally unchanged. This is a good thing, as the Australian regime is genuinely 'incentive based' and provides a range of rewards for out-performance against regulatory targets. This system is of significant benefit to the Asset Companies in our portfolio, which operate at the upper end of performance relative to their peers.

While we were not successful in securing every review outcome our way, the final result continues to be supportive of investment and retains a range of in-built protections for investors. Importantly, revenues and the Regulatory Asset Base continue to be inflation protected, with pass-throughs for operating and debt costs.

Secondly, there are the Australian Taxation Office (ATO) audits into the Asset Companies. As we disclosed late in 2013, Spark, its fellow shareholders or "partners", and the Asset Companies remain in discussions with the ATO on the full range of matters in dispute.

Spark, its partners and the Asset Companies will seek to resolve all matters as quickly as possible whilst also aiming for the best possible outcome for securityholders. We have already seen some progress with the resolution of one matter in SA Power Networks. While each matter will be dealt with by the ATO on its particular merits, this does show that meaningful engagement can lead to sensible outcomes. Naturally we will keep the market informed of material developments as they occur.

I encourage you to read the Managing Director's report for more detail on the outcomes of the AER's reviews and for an update on the ATO matters.

UPCOMING REGULATORY RESETS – REVENUE CAP PREFERRED

Our attention now turns to the next regulatory periods which commence on 1 July 2015 in the case of SA Power Networks, and on 1 January 2016 in the case of Victoria Power Networks (CitiPower and Powercor). The respective regulatory teams in the Asset Companies are firmly focussed on their preparations for this.

SA Power Networks will make its initial submission to the AER in October of this year, while CitiPower and Powercor's submissions will follow six months later in April 2015. These submissions will put forward the businesses' cases in relation to operating and capital expenditure, the rate of return and other important elements of the regime to apply in the next 5-year regulatory periods.

The first step in the process is the new Framework & Approach paper (F&A paper) for SA Power Networks due to be published by the AER by the end of April 2014. This paper sets down the foundational framework upon which the AER's decision for the next regulatory period will be built.

One of the most important elements relates to the method of revenue recovery. Significantly, SA Power Networks supports the AER's proposal to change from the current approach of a 'price cap' to a 'revenue cap' as the means of undertaking its revenue recovery. This would make it indifferent to any fluctuations in electricity sales volumes in future.

While this removes an opportunity for out-performance based on volumes, it also removes the downside risk which we believe to be far more significant in the current environment which is characterised by volatile and weakening electricity volumes. It would also provide greater encouragement for demand management initiatives. It is expected that CitiPower and Powercor will make a similar election for its F&A paper. At the time of writing, the final F&A paper for SA Power Networks has not yet been published.

For our part, Spark will remain focussed on oversight of this process and on supporting the significant organic growth available in its existing assets. However we will also consider compelling opportunities for further diversification if and when they arise. Only acquisition opportunities that clearly add value will be considered, with cash and distribution accretion key criteria. I am confident that we have demonstrated the soundness and discipline of our approach in the past.

RELIABLE GROWTH IN DISTRIBUTIONS

Spark Infrastructure's Directors have provided distribution guidance for 2014 of 11.5 cents per security (cps). This is an increase of 4.5% over the full year distribution for 2013 of 11.0cps, which in turn, represented a 4.8% increase over 2012. We believe this track record of distribution growth since the business was restructured in 2010 demonstrates the fundamental quality of the current asset portfolio.

We have also once again re-affirmed our distribution growth guidance of 3-5% per annum for 2015 with a target payout ratio of approximately 80% of standalone operational cashflows.
As always, distributions are 100% covered by operational cashflows from the Asset Companies and by standalone operating cashflows from Spark Infrastructure.

Finally, I would like to thank my fellow Board members for their support and our Managing Director, Rick Francis, for his diligent and expert management of the business over the past year, and the staff of Spark Infrastructure for their energy and contribution during 2013.

I also thank securityholders for their ongoing support and I look forward to the coming year working on their behalf.

BRIAN SCULLIN
Chairman
Spark Infrastructure

MESSAGE FROM THE MANAGING DIRECTOR

DEAR SECURITYHOLDERS,

It is my pleasure to report that Spark again has delivered another solid result based on quality returns from our investments and characterised by focussed cost control and debt reduction at the Spark level.

Our investments continue to generate strong cashflows which are sufficient to simultaneously fund the equity portion of their capital expenditure, to de-gear their balance sheets and to make distributions to their shareholders, including Spark Infrastructure, without the need for any new equity before 2015. Over time, this will mean higher distributions for our securityholders as well as a growing capital investment.

Our balance sheet has never been more strongly positioned to support growth in the Asset Companies. During the year we refinanced all of our debt facilities reducing cost and adding flexibility, and by December we paid down our undrawn debt to nil.

SPARK INFRASTRUCTURE DELIVERING SECURE AND GROWING DISTRIBUTIONS

Spark Infrastructure delivered another strong underlying performance for FY 2013 with underlying profit before Loan Note interest to securityholders of $294.5 million, an increase of 6.3% on the previous year. We received cash distributions from the Asset Companies of $203.2 million, up 2.1%.

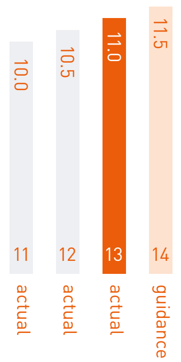
Overall, operating cashflow at the Spark level was up 6.1% to $189.3 million, and this enabled us to increase our distribution to securityholders by 4.8% to 11.0 cents per security (cps).

ASSET COMPANIES DELIVERING RELIABLE REVENUE AND EARNINGS GROWTH

The total aggregated Asset Company revenue for 2013, excluding customer contributions and gifted assets (exc.CC&GA), was $2,110.7 million, which was 8.9% higher than last year. This led to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $1,403.1 million, (exc. CC&GA), an increase of 8.0%.

UNDERLYING RESULTS YEAR ENDED 31 DECEMBER 2013	FY 2013 ($m)	FY 2012 ($m)	VARIANCE (%)
Total income	311.1	299.8	3.8
General, administrative and employee costs	(8.2)	(6.2)	32.2
SDP bid costs	–	(4.6)	n/m
Swap cancellation costs	(3.9)	(2.4)	62.5
Interest expense (gross) – senior debt	(4.5)	(9.5)	52.6
Profit before loan note interest and tax	294.5	277.1	6.3
Loan Note Interest (Distributions to securityholders)	(93.5)	(93.8)	(0.3)
Income tax expense	(72.5)[1]	(9.4)	497.9
Profit attributable to stapled securityholders – underlying	144.7	173.9	(16.7)
Profit attributable to stapled securityholders – statutory	128.4	173.9	(26.1)
Operating cashflow	189.3	178.4	6.1

DISTRIBUTIONS (cps)



Victoria Power Networks delivered a very strong result with revenue growth of 14.9% and growth in EBITDA (exc.CC&GA) of 14.3%. This positive result was driven by higher regulated tariffs, reflecting the commencement of recovery of additional appeal revenue from 1 January 2013 and growth in unregulated revenue driven by increased business activity by Powercor Network Services (PNS). Being margin based, PNS was also the main driver behind the rise on operating costs of 17.2%.

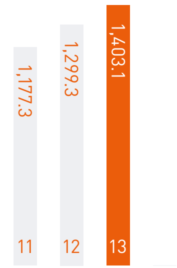
SA Power Networks showed solid growth in total revenues of 2.8% and a corresponding growth in EBITDA of 2.4% (exc. CC&GA). Operating costs rose 3.5% reflecting initial NBN contract costs of $3m, cost increases in the operation of the regulated business, partially offset by decreases in vegetation management costs reflecting the timing of activity.

Electricity sales volumes continue to soften. SA Power Networks volume was down 1.9% on the prior year, while Victoria Power Network's volumes were down 1.7%. The expected move from the existing price cap to a revenue cap form of revenue recovery will remove the impact of volume fluctuations in the future.

1. The increase in non-cash income tax expense, is largely due to increased deferred tax liabilities in relation to Spark's interest in SA Power Networks. In particular, there was a non-cash adjustment to deferred tax balances of $16.3 million resulting from a settlement with the Australian Taxation Office on the deductibility of rental instalments paid by SA Power Networks. As all previously unrecognised tax losses were brought to account in the prior year income tax expense for accounting purposes is higher in 2013 and for future periods.

SA POWER NETWORKS AND VICTORIA POWER NETWORKS YEAR ENDED 31 DECEMBER 2013 (100% BASIS)	FY 2013 ($m)	FY 2012 ($m)	VARIANCE (%)
Regulated Revenue – Distribution Network	1,621.8	1,508.0	7.6
Regulated Revenue – Advanced Metering Infrastructure	138.0	122.7	12.5
Semi-regulated Revenue – other	85.1	85.2	(0.0)
Unregulated revenue	265.8	221.9	19.8
Total revenue (exc. customer contributions and gifted assets)	**2,110.8**	**1,937.9**	**8.9**
Semi-regulated Revenue – customer contributions and gifted assets	176.5	176.3	0.1
Total Revenue	**2,287.2**	**2,114.2**	**8.2**
Total operating costs	(707.7)	(638.6)	10.8
EBITDA (excl. customer contributions and gifted assets)	**1,403.1**	**1,299.3**	**8.0**
EBITDA	**1,579.6**	**1,475.6**	**7.0**
Capital expenditure (net)	882.9	864.7	2.1

AGGREGATED ASSET COMPANY EBITDA (exc. CC&GA) ($m)



AER 'BETTER REGULATION' PROGRAM COMPLETE – CERTAINTY RESTORED

The Australian Energy Regulator ("AER") has now concluded 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.

In November 2013, the AER published Final Guidelines in relation to Expenditure Assessments, Expenditure Incentives, Shared Assets, Efficiency Benefits Sharing, Consumer Engagement and Confidentiality. In December 2013 the AER published the Final Rate of Return Guideline. None of the published guidelines, with the exception of the Rate of Return Guideline, is expected to have a material impact on the Asset Companies.

In its Rate of Return Guideline, the AER has accepted the need for a more qualitative and conceptual assessment which will require the application of judgment. However, its proposals remain mechanistic in character and anchored narrowly to its traditional Capital Assets Pricing Model (CAPM). As a consequence, the AER has failed to break the nexus between equity returns and the risk free rate, which means that returns will continue to be linked to the prevailing level of bond rates at the time of each respective regulatory reset. The table (page 19) illustrates the main changes from the current regime contained in the Final Guideline.

While the Final Guideline represents an improvement on the earlier Draft Guideline, it still fell short of the parameter levels proposed to the AER by Spark and its peers in the sector. In particular, the reduction of the equity beta to 0.7, the proposed change in gamma to 0.5, and the maintenance of the BBB+ credit rating assumption were disappointing outcomes.

On the positive side, the indicative setting of the Market Risk Premium (MRP) at 6.5% signals the AER's willingness to make use of this parameter to ensure a commercial outcome and will serve to partially compensate for the current level of bond rates. In addition, the use of a 10 year trailing average for the calculation of debt costs better

	CURRENT REGULATORY PERIOD (2010/11-2015)	NEXT REGULATORY PERIOD (2015/16-2020)
Risk Free rate (proxy)	10 year Commonwealth bond rate	10 year Commonwealth bond rate
Market Risk Premium (MRP)	6.5%	6.5% subject to review at time of the relevant regulatory reset (indicative range 5.0 to 7.5%)
Debt costs	20 day average around time of reset	10 year trailing average
Beta	0.8	0.7
Gamma	0.25	0.5
Funding assumption	60% debt/40% equity	60% debt/40% equity
Benchmark credit rating	BBB+	BBB+

reflects the longevity of the underlying assets than the 7 year average proposed in the Draft Guideline.

Importantly, Spark notes that the Limited Merits Review system, which provides an independent appeal mechanism for Network Service Providers to challenge AER decisions, continues to provide scope for future appeals. SA Power Networks and CitiPower and Powercor, in which Spark holds a 49% interest, will have an opportunity to assess their position in this regard at the time of their next regulatory resets. A challenge by the Asset Companies to the proposed level of gamma is more than likely, while other contentious matters will also be assessed in due course.

FRAMEWORK AND APPROACH PAPERS

In September 2013 the AER issued its decision to replace the Framework and Approach (F&A) paper for SA Power Networks for the regulatory period of 2015/16-2020. This is a key document which sets out the foundational considerations in relation to revenue recovery and various incentive mechanisms for SA Power Networks.

SA Power Networks supports the AER's proposal to move from a 'price cap' to a 'revenue cap' as the method of recovering revenue from its customers. This is a significant change from the current arrangements and will make SA Power Networks indifferent to any changes in electricity sales volumes in the future. We believe this is the more prudent choice in an environment of falling, and more volatile, electricity sales volumes.

The AER will publish a replacement F&A paper by 30 April 2014. It is expected that CitiPower and Powercor will follow a similar path with their replacement F&A Paper due from the AER by 31 October 2014. Revenue caps are already in place for all electricity distribution and transmission businesses in Queensland and New South Wales.

REGULATORY RESETS FOR 2015/16-20

The Asset Companies' next five year regulatory periods will take effect on 1 July 2015 in the case of SA Power Networks, and on 1 January 2016 in the case of CitiPower and Powercor. Work on the development of the Asset Companies' respective regulatory submissions is well underway with the Asset Companies continuing their collaborative approach to their preparations. The Asset Companies' submissions will address the full range of elements required by the AER including proposed capital expenditure, operating expenditure, incentive mechanisms and rate of return parameters.

SA Power Networks submission is due to the AER by 31 October 2014, with a Draft Determination expected from the AER on 30 April 2015. CitiPower and Powercor will submit their regulatory submissions by 30 April 2015 with Draft Determinations expected from the AER on 31 October 2015.

Due to the delay caused by the 'Better Regulation' program, the AER will not publish Final Determinations until after the start of the new regulatory periods. The Asset Companies will operate under transitional arrangements which mean the Draft Determinations will apply for year 1 of their regulatory periods. The AER will then amend the arrangements for years 2-5 of the regulatory periods once the Final Determinations are published, such that there is no disadvantage to the businesses.

TAXATION

The ATO audits of various matters pertaining to SA Power Networks and Victoria Power Networks have now reached an advanced stage of review and negotiation.

Over the course of 2013, Victoria Power Networks received amended tax assessments from the ATO for all of the income tax years under audit, being from 2007 through to 2010. Following the election by Victoria Power Networks to utilise the available proportion of its carried forward tax losses in respect of these ATO adjustments, the primary tax payable as a result of the amended assessments is a combined total for all four years of approximately $67 million. Under part payment arrangements with the ATO, which apply whilst the disputes remain unresolved, Victoria Power Networks paid a total of $27.6 million (including $1.2 million of shortfall interest relating to the 2007 tax year) on account of these amended assessments during 2013 and a further $11.4 million in January 2014.

While the ATO matters are potentially material it is important to note that it is not expected that they will impact Spark Infrastructure's distributions or distribution guidance to its securityholders for the periods out to 2015. Our stated distribution guidance of 11.5cps for 2014 with growth over and above this of 3-5% for 2015 factors in consideration of these matters. As I mentioned earlier, the Asset Companies' cashflows are very strong and our balance sheet has never been in better shape.

In a potentially worst case scenario, after taking into account the current ATO adjustments (including those years prior to Spark's IPO in 2005) for all years up to the 2010 tax year and for previously disclosed potential further adjustments on claims for interest deductions for the 2009 and 2010 tax years, Victoria Power Networks expects the remaining carried forward tax losses available for use will be approximately $50 million.

It is important to note that Victoria Power Networks disagrees with the ATO's positions and has lodged objections with the ATO on all of these matters. Just as importantly, Victoria Power Networks remains engaged in on-going discussions with the ATO. Victoria Power Networks has also sought legal advice and will continue to vigorously defend its position. This is also true for Spark and its partners in SA Power Networks.

However, there has been progress. In January of this year we announced the acceptable resolution of one matter under ATO audit pertaining to SA Power Networks – the deduction of rental instalments on the 200 year lease arrangements which apply to that business. The ATO agreed to the preservation of all deductions already made (up to and including 2012) but the partners will not claim any future deductions in respect of this matter. As a result Spark Infrastructure has reported a one-off non-cash tax expense for the year ended 31 December 2013 of $16 million. Importantly, no cash payment is due to the ATO and there will be no further amendments relating to this matter in future.

While this outcome is not material to the business and there are several other matters which for the moment remain unresolved, it does show that progress is possible and that meaningful discussions with the ATO can reach mutually acceptable conclusions. We will continue to update the market as matters develop.

DELIVERING RESULTS NOW AND INTO THE FUTURE

Spark Infrastructure continues to deliver quality returns. It provides an attractive solid yield combined with strong organic growth, based on quality assets operating in a stable regulated business environment.

The quality returns that Spark Infrastructure offers are the result of applying quality management to quality assets. At this point I would like to thank Rob Stobbe and his team at SA Power Networks for another solid contribution. My thanks also go to Tim Rourke, who took over as CEO of Victoria Power Networks in April 2013 following the retirement of Shane Breheny after 9 years at the helm, and to his management team. Victoria Power Network's contribution to the FY2013 results, which included growth in EBITDA of 14.3%, was very pleasing.

Over the next 12-18 months the Asset Companies will be focussed on their submissions to the AER for the next regulatory periods. It gives me great comfort to know that we have the highest quality regulatory and management teams working on it for us at the asset level.

Finally, I give thanks to my management team and all the staff at Spark Infrastructure for their diligence and hard work throughout the year.

RICK FRANCIS
Managing Director
and Chief Executive Officer

Credit Rating

A-/A3

Network Availability

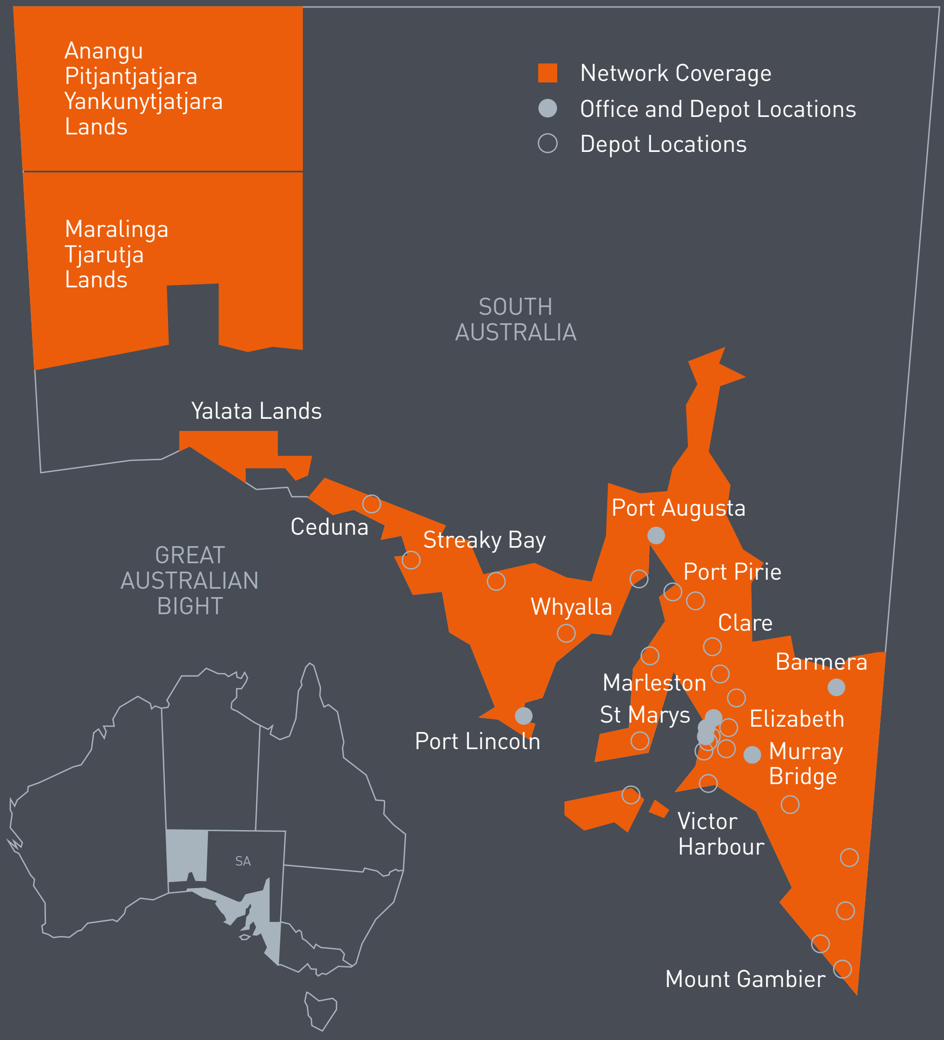
99.96%

Next Regulatory Reset

July 2015

Regulated Asset Base 5.1%

$3.7b



SA POWER NETWORKS

SA Power Networks manages South Australia's electricity distribution network, supplying 839,819 residential and business customers in the capital, Adelaide, and all regions across the State. The network is one of the most reliable in Australia, with 99.96% network availability achieved across a State of widely-varied and challenging terrain and extremes of weather.

OPERATIONAL SUMMARY

Total distribution revenue for 2013 (net of transmission charges) was $854 million, an increase of 3.4% from 2012. At 10,803 GWh in 2013, sales volume declined approximately 1.9% relative to the 11,016 GWh delivered in 2012. This was largely due to lower volumes in response to tariff increases and higher than expected penetration of photo voltaic (PV) installations.

At $104.0 million, net asset related revenue was $4.1 million lower than the previous year primarily due to reduced gifted asset revenue from weaker residential development activity. This was partly offset by higher customer contributions largely due to the New Royal Adelaide Hospital project.

Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding interest income) of $820.5 million were achieved in 2013, an increase of $12.8 million or 1.6% on 2012 performance.

SA Power Networks' non-regulated business continued to outperform targets in 2013. Preparations for works for the National Broadband Network began to ramp-up in the final months of 2013, partially replacing a reduced demand in major project activity.

CUSTOMER SERVICE PERFORMANCE

SA Power Networks has an ongoing focus on meeting its reliability standards and improving its customer service performance.

In terms of reliability, the annual minutes without supply per customer for 2013, as measured by System Average Interruption Duration Index (SAIDI), is expected to be 202 minutes, compared to the annual target of 179 minutes. This was due to severe storms which occurred in February, March, July, August and December. Also as a consequence, Guaranteed Service Level (GSL) payments for duration and frequency of interruptions for 2013 were unfavourable relative to targets.

However, the Service Performance Scheme (SPS), performance for 2012/13 was approximately $12 million favourable, delivering a strong outcome for the second year in a row. This benefit has not been booked and will be recoverable in the 12 months commencing 1 July 2014.

In 2013, SA Power Networks achieved a telephone Grade of Service of 89.0% (calls answered within 30 seconds) against a target of 88.7%.

SA Power Networks has almost completed its revised Customer Service Strategy. The strategy outlines its customer service vision and initiatives that are expected to deliver improved customer satisfaction. The strategy for the period 2014-2020 is based on insights gathered through research, and engagement with employees and customers.

SAFETY AND WORKFORCE

SA Power Networks continued its strong focus on nationally recognised accredited training and an apprenticeship program which surpasses industry requirements. During 2013 there were 192 apprentices in training and a further 27 engineering graduates participating in a three year development program.

SA Power Networks maintained its safety certifications against AS/NZS 4801 and the International Standard OHSAS 18001 in 2013. Under the WorkCover Self Insurance Standards, a Superior Level Rating was received after the triennial recertification audit.

In 2013, SA Power Networks was shortlisted for two national safety awards by SafeWork Australia and the National Safety Council of Australia. SA Power Networks was a finalist in the National Safety Council of Australia awards in the category Best Safety Leadership Program.

SA Power Networks' 'Making a Difference Award' recognise those employees that make a significant difference to their work environment in one or more of our six cultural signpost areas:

- → Ensures safety in all we do
- → Delivers results for customers and owners
- → Is efficient and innovative
- → Has capable and committed people
- → Has empowering and inspiring leaders
- → Works with a 'can do' attitude.

In 2013, SA Power Networks recorded 0 Lost Time Injuries (LTI) against a target of 2, and 32 Medical Treatment Injuries (MTIs) against a target of 25. SA Power Networks has been closely working with its contractors to improve reporting. Its contractors recorded 7 LTIs and 5 MTIs during 2013 while working on or around SA Power Networks' assets. Notably, the number of contractor MTIs has significantly decreased compared to the 37 MTIs recorded in 2012. SA Power Networks is a self-insured employer which results in significantly reduced WorkCover expenses.

SA Power Networks' investment in its leadership programs over recent years is delivering positive results, with 89% of leaders recording a good or better result in 2013 on the leadership effectiveness index. This has also translated to improved employee engagement, with positive survey results of 82%, above the target of 75%.

Net Capital Expenditure 5.1%

$384.5m

SA Power Networks has signed a contract with NBN Co to construct fibre-optic services that will pave the way for connection of about 300,000 South Australians to the National Broadband Network (NBN).


5670
X Y Z

MAJOR PROJECTS

New Work

SA Power Networks has signed a contract with NBN Co to construct fibre-optic services that will pave the way for connection of about 300,000 South Australians to the National Broadband Network (NBN). This will mean a substantial body of work for our business with up to 400 people forecast to be employed at the project's peak.

The work will be managed by our Construction and Maintenance Services (CaMS) division, which has signed a contract with NBN Co as a Tier 1 supplier for design and construct services in South Australia. The contract, which is for an initial three-year term, covers construction of overhead and underground portions of the 'local and distribution' network for the NBN, but not customer connections.

Energy Generation

SA Power Networks received 15,000 Solar PV installation applications for September, the last month of Solar Feed in Tariff (FiT) applications. While this was nowhere near the 35,000 applications received in the final month before the FiT was substantially reduced in 2012, by the end of the year SA Power Networks had over 160,000 customers with solar PV, with some 450MW of residential solar PV capacity connected to the network.

Network Technologies

The business continues to upgrade its SCADA (network data communications) system to the Advanced Distribution Management System (ADMS) supplied by Telvent/Schneider Electric with a go live date of March 2014. The SCADA/ADMS is a software solution set that will enable management, the control room and field services to better manage the real time operation of SA Power Networks' electricity grid. Operators are presented with a real time view of the entire electrical network, which allows them to respond swiftly to unplanned outages. The ability to see the network in real time also enables more accurate switching program writing and switching in the field.

Expected benefits of the ADMS include:

- reduced manual processes;
- improved visibility of unplanned outages; and
- improved efficiency of planned outages and switching.

ENVIRONMENT AND SUSTAINABILITY

SA Power Networks continued its success in a number of environmental management and sustainability areas in 2013.

It extended the Memorandum of Understanding with the State Government's peak recycling body, Zero Waste SA. One of the initiatives the two organisations worked on together was the trialling of a Supply Chain Sustainability project. This project involved a number of key suppliers to SA Power Networks to assist them to improve the environmental sustainability and cost of their own operations. The project fostered innovation and efficiency gains in the supply chain, improved the participants' ability to meet client sustainability standards, and promoted a more collaborative relationship with stakeholders.

Over 2013, the newly expanded recycling and resource recovery systems continued to achieve positive results, with a significant improvement in the organisation's (non-salvage) recycling rate from 8% in 2009 to 32% in 2013. With the bulk of its general waste going to an advanced alternative fuels facility for re-processing, only 6.5% is being sent to landfill.

SA Power Networks continued to closely monitor and report organisational energy and water use throughout the year. Initiatives to reduce energy and water consumption are identified and actioned by the Resource Efficiency Working Group. In October, SA Power Networks submitted its annual National Energy and Greenhouse Report to the Federal Government.

Community

As South Australia's sole distributor, SA Power Networks has a significant role in the community and this is reflected through a substantial sponsorship and community support program.

In 2013, a major sponsorship supporting the activities of the Starlight Children's Foundation was further extended by two years resulting in a three year sponsorship arrangement. SA Power Networks' sponsorship of the Starlight Room at the Women's and Children's Hospital helps to bring smiles to the faces of many children attending the hospital for treatment as well as their brothers and sisters.

The LED sign on the Adelaide headquarters of SA Power Networks is now being used for promotion of significant community events. This promotional service is provided free to community groups and charities.

In 2013, the Contax Netball team also won its 10th State League title in 18 years of support from SA Power Networks.

The SA Power Networks Employee Foundation continued its support of a number of worthy causes. Since 2009, it has been a key corporate supporter of Cancer Council SA, including through refurbishment of Flinders Lodge, which provides supportive accommodation for regional cancer sufferers and their carers while in Adelaide for treatment.

The newly expanded recycling and resource recovery systems continued to achieve positive results, with a significant improvement in the organisation's (non-salvage) recycling rate from 8% in 2009 to 32% in 2013.

Credit Rating

BBB+

Network Availability

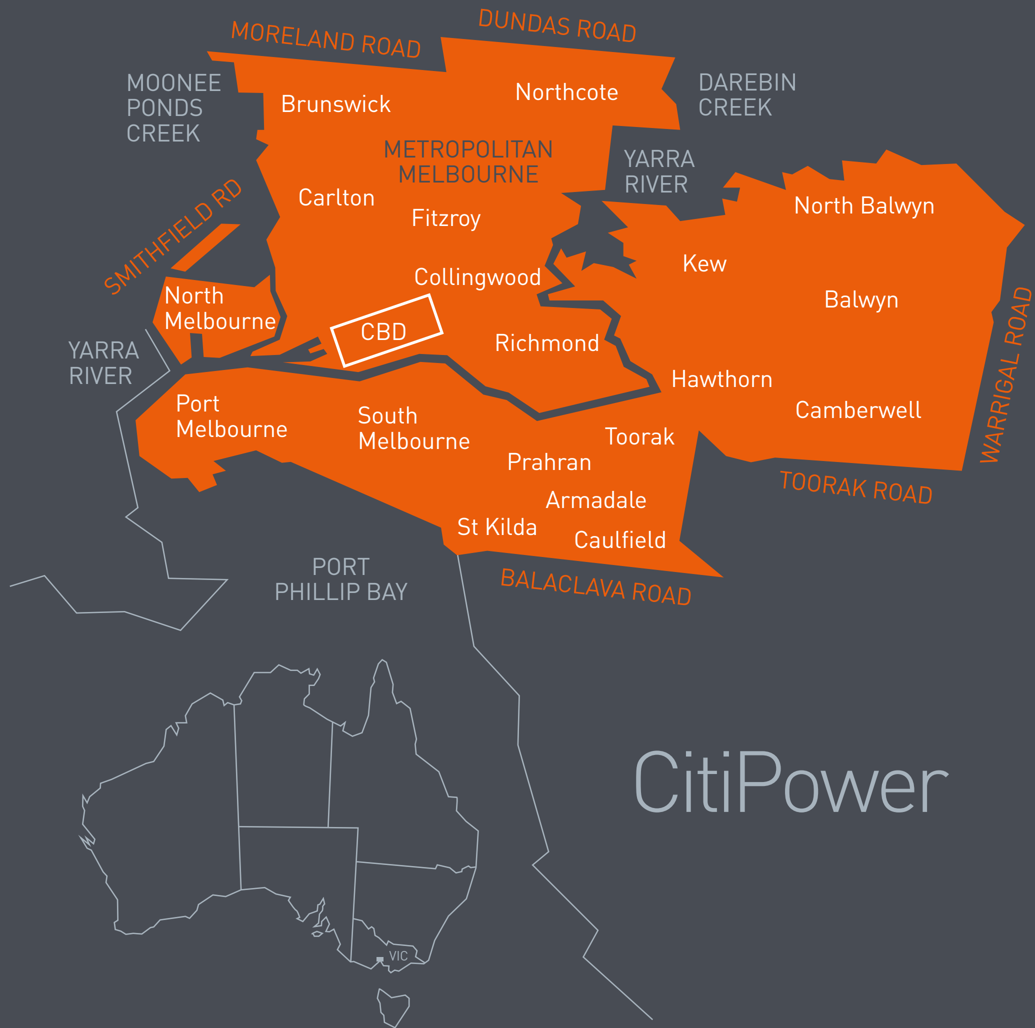
99.98%

Next Regulatory Reset

Jan 2016

Regulated Asset Base (Inc. AMI) **6.1%**

$1.73b



CitiPower

Credit Rating

BBB+/Baa1

Network Availability

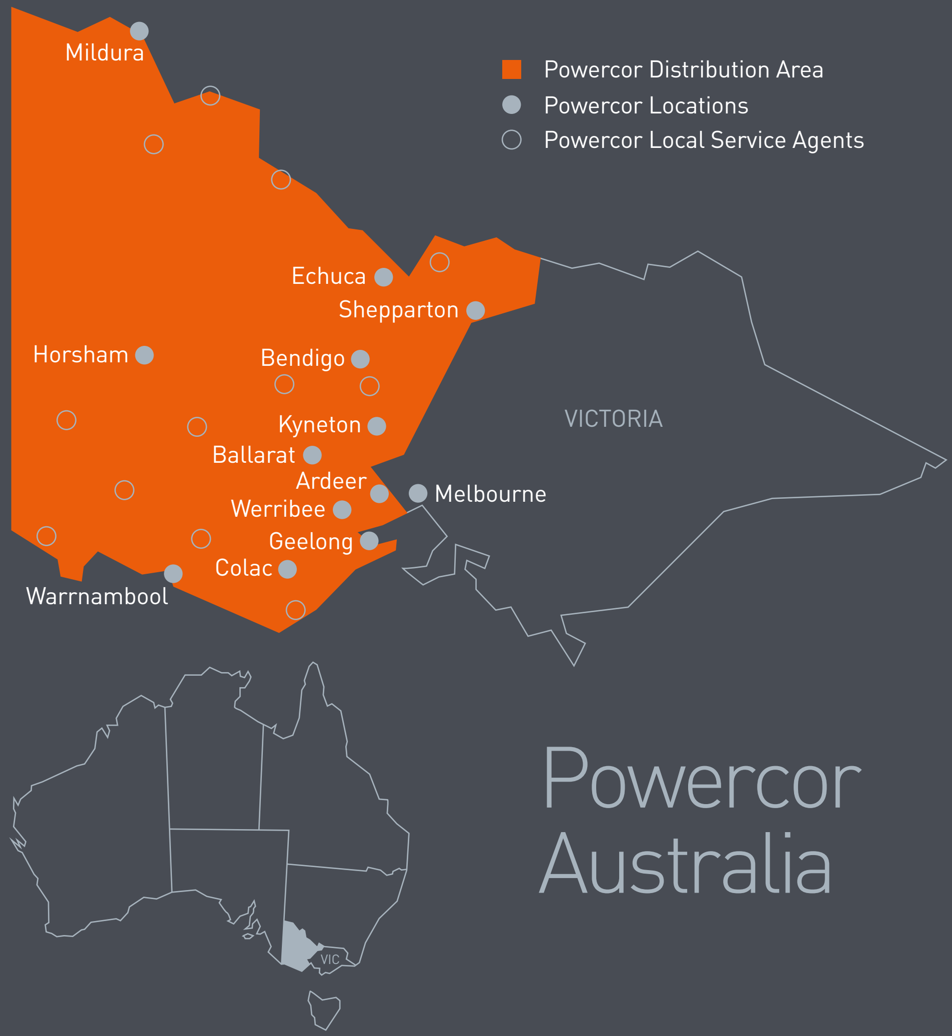
99.97%

Next Regulatory Reset

Jan 2016

Regulated Asset Base (Inc. AMI) **8.8%**

$3.20b



Powercor Australia

VICTORIA POWER NETWORKS

The CitiPower and Powercor Australia networks are managed by a joint management team and workforce within the Victoria Power Networks group of companies. CitiPower and Powercor Australia own and operate two of the five fully regulated electricity distribution networks in Victoria under the regulatory supervision of the Australian Energy Regulator.

CitiPower owns and operates the distribution network that supplies electricity to 321,520 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 99.98% network availability.

Powercor Australia (Powercor) is the largest distributor of electricity in Victoria, owning and operating a network that serves 750,745 customers in central and western Victoria and the western suburbs of Melbourne. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.97% network availability.

Victorian smart meter roll-out installation

1,105,000 meters

OPERATIONAL SUMMARY

Victoria Power Networks has performed well in challenging circumstances during 2013. The impact on distribution revenue of continued uptake of solar energy has impacted customer demand, in particular across the Powercor network where 11 per cent of households have installed solar panels. Changes in the way today's more technology aware, energy conscious and price sensitive consumers use power is also contributing to some decline in electricity volumes across both networks. CitiPower and Powercor's most notable achievement of the year is the successful completion of the mass rollout of the Smart Meter program which is widely recognised as the best in Victoria.

CitiPower's total regulated revenue was $274.6 million, up 8.4% on 2012, including all metering revenue and excluding pass-through transmission revenue. Electricity sales volume was 5,981 GWh, compared to 6,085 GWh in 2012. Total regulated revenue for the Powercor network was $630.8 million, up 14.5% on 2012, including all metering revenue and excluding pass-through transmission revenue. Electricity sales volume for Powercor was 10,556 GWh compared to 10,744 GWh in 2012.

Advanced Metering Infrastructure

As at 31 December 2013, CitiPower and Powercor has achieved 'practical completion' of the roll-out with the installation of more than 1,105,000 smart meters at its Victorian customers' premises, over 96 per cent of all sites. More than 1,074,000 of these meters are being remotely read, with the great majority of the rest expected to go live in 2014. The CitiPower and Powercor networks are the industry leaders in the Victorian rollout, and have met all Government smart meter deployment targets.

The network tariffs charged to retailers by CitiPower and Powercor will rise respectively by 6.5% and 8.1% on 1 January 2014. Increases in distribution charges were offset by decreases in transmission charges and to cross-subsidies deriving from the Victorian Government's Feed-in Tariff schemes.

CUSTOMER SERVICE PERFORMANCE

Each year CitiPower and Powercor undergo a compliance assessment with the International Customer Service Standard undertaken by the Customer Service Institute of Australia (CSIA). The business sits at the highest integration level available in the standard and the CSIA rate it "...in the top five per cent of customer service organisations and best of class for a utility company demonstrating continual growth of the organisation year on year". CitiPower and Powercor has been assessed by the CSIA against the International Customer Service Standard and achieved a result of 8 out of a possible 10, one of the highest scores ever given by CSIA.

In 2013, CitiPower and Powercor won an Innovation award at the Australian Business Awards. The Australian Business Awards recognise Australia's most innovative organisations, their outstanding achievements and contribution to the economy.

In 2012-2013 CitiPower and Powercor outperformed other Victorian distribution businesses in the Energy Water Ombudsman Victoria annual reports, coming in at number one and number two respectively.

CitiPower and Powercor's monthly mass market customer satisfaction surveys continue to illustrate strong performance. On a full year basis, the customer satisfaction result was 79%, achieving a 3% increase on the 2012 result.

Satisfaction among retailers was again strong at 90% whilst the Major Customer satisfaction rating came in at 85%, which is higher than the average across the last five years. There was an increase of 15.6% in Guaranteed Service Level (GSL) payments made to customers in 2013.

SAFETY AND WORKFORCE

CitiPower and Powercor's Health and Safety Management System is certified to the AS/ NZS 4801 – Occupational Health and Safety Management Systems Standard. Powercor Network Services also maintained its accreditation from the Office of the Federal Safety Commission during the year. This allows it to continue bidding directly for Federal Government funded projects.

The Health and Safety Management System is supported by a strong Health and Safety structure with Health and Safety Committees at all locations, and a Health and Safety Steering Committee chaired by the Chief Executive Officer. The Steering Committee met 5 times in 2013, with meetings held at a variety of locations across the business.

In 2013, CitiPower and Powercor recorded 1 Lost Time Injury (LTI) against a target of 2, and 20 Medical Treatment Injuries (MTIs) against a target of 21. It's contractors recorded 7 LTIs and 21 MTIs while working on or around its assets. CitiPower and Powercor's WorkCover premium for 2013/14 continues to be well below the average of all participants in the WorkCover scheme.

In 2013, 25 apprentices and trainees started with the business taking the total number of participants in the apprenticeship and trainee program to 112. CitiPower and Powercor has trained more than 289 apprentices and trainees since 2001. CitiPower and Powercor also invest heavily in the training and development of its employees, with a focus on leadership, mentoring and career development.

MAJOR PROJECTS

Bushfire Mitigation

CitiPower and Powercor bushfire mitigation activities are conducted in the context of the Victorian Bushfire Royal Commission (VBRC) and Powerline Bushfire Safety Taskforce (PBST) recommendations. Powercor invests millions of dollars each year to minimise the risk of bushfires and to avert potential faults caused by trees coming into contact with power lines and will increase these investments over 10 years following the recommendations of the PBST. New investments include the development and use of remote Single Wire Earth Return (SWER) Automatic Circuit Recloser (ACR) technology to help reduce the risk of bushfire – and installing 179 of these devices in the highest bushfire risk areas.

In 2013, Powercor started to install vibration dampeners and armour rods on power lines across high bushfire risk areas at more than 35,000 sites of the 170,000 to be installed by October 2015, and will install up to 1200 remote ACRs across the network over the next 10 years. Powercor also conducts annual power line inspections using helicopters equipped with laser technology and ground patrols to identify vegetation which is growing too close to our lines.

In partnership with the Victorian Government, Powercor began working on a pilot project to underground six Private Overhead Electricity Lines in the Surf Coast Shire and in late 2013 began to underground the first four of 20 of our overhead distribution lines in the same area.

Vegetation Management

Vegetation management, which largely involves keeping trees away from power lines, is an essential element of CitiPower and Powercor's commitment to providing a safe and reliable electricity supply for its customers. State regulations set out under the Electric Safety Act incorporate a state wide power line clearance code for vegetation. These regulations changed in 2010 as part of the Electricity Safety (Electric Line Clearance) Regulations (2010) by the State Government following the recommendations of the Victorian Bushfire Royal Commission. As part of the new regulations, the minimum clearances and vegetation management cycles have changed leading to an expanded management program by CitiPower and Powercor.

Gisborne Zone Substation

Powercor's new $13.7 million Gisborne Zone Substation was officially opened in February 2013 to enhance supply capacity in this growing region.

EBITDA (exc. customer contributions) **14.3%**

$692.8m

CitiPower and Powercor's most notable achievement of the year is the successful completion of the mass rollout of the Smart Meter program which is widely recognised as the best in Victoria.

ENVIRONMENT AND SUSTAINABILITY

CitiPower and Powercor has in place comprehensive structures for managing environmental impacts and risks. Compliance with environmental legislation and regulation is viewed as a minimum requirement.

The Business has an Environmental Management System (EMS) which is certified to the international standard ISO 14001. The EMS provides a framework for identifying and managing environmental issues and risks.

It has developed and implemented a whole-of-business environmental strategy which is complemented by a comprehensive communication strategy. The Business has an Environmental Steering Committee which is supported by employees with specific environmental responsibilities. All offices and depots also have a Site Environmental Representative and many now have Green Teams – groups of employees with an interest in identifying and implementing environmental improvements.

CitiPower and Powercor are committed to minimising its environmental impact in addition to managing factors such as hazardous substances. The Business also focuses on key areas including material and resource efficiency, and recycling and waste.

The Businesses' Climate Change Policy and Strategy seeks to manage the impacts of climate change on assets and operations, and to work to reduce its contribution to climate change. These Strategies have been embedded operationally within the Business, and greenhouse issues considerations now form part of business as usual activities and are overseen by the executive Environmental Steering Committee.

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

COMMUNITY

CitiPower and Powercor have strong connections within the communities they serve. The Businesses play an important role as an employer, supporting local communities, with a workforce of more than 2000 employees across 15 locations. In addition to this, the Businesses indirectly employ many hundreds of contractors, suppliers and business partners who fulfil a range of roles on behalf of the Business.

The Business also has strong links with the community through various partnerships, sponsorships and other support. Through the workplace giving scheme, employees contributed more than $43,000 to a range of charities and organisations.

The Business takes an active partnership approach to sponsorship in the communities it serves. Powercor continues its long standing support of business awards in regional Victoria, and sponsored 20 awards programs in 2013.

CitiPower and Powercor extended its sponsorship reach in the last few years to include a number of events in support of Country Fire Authority and State Emergency Services, which has helped to forge a strong relationship between essential services and emergency management entities. CitiPower and Powercor also continued its strong commitment to the community and the environment through the partnership with Landcare Australia supporting such activities as revegetation projects and improvement of natural habitat.

MANAGEMENT TEAM

RICHARD (RICK) FRANCIS
BCom, MBA, CA, GAICD

Managing Director
and Chief Executive Officer

Rick Francis has over 15 years' experience in the Australian energy and energy infrastructure industries. He joined Spark Infrastructure in February 2009 from the ASX listed gas transmission and energy infrastructure business APA Group, where he was Chief Financial Officer for four years.

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

Rick has considerable experience in matters related to strategy, financial accounting and reporting, capital and treasury management and taxation. He also has 15 years' experience in the chartered accounting and finance fields in Australia and the UK.

Rick commenced as Managing Director and Chief Executive Officer of Spark Infrastructure in May 2012 after being appointed to the role in January 2012. Prior to this he served as Chief Financial Officer for three and a half years.

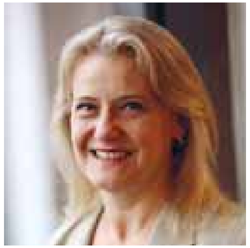
GREG BOTHAM
BBus, MAppFin, CA

Chief Financial Officer

Greg has extensive experience in financial roles in energy and transport infrastructure businesses in Australia, covering financial reporting, corporate planning and analysis, project evaluation and risk management.

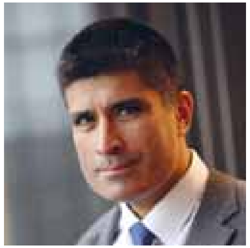
A Chartered Accountant, Greg has previously worked in senior finance and planning roles at Sydney Airport, having commenced his career as a Financial Analyst at Qantas.

Greg was appointed to the position of Chief Financial Officer in May 2012 after serving as Group Financial Controller for three years.



ALEXANDRA FINLEY
DipLaw, MLM

General Counsel and
Company Secretary



MARIO FALCHONI
BEc, MPA, GradDipComm

General Manager, Investor Relations
and Corporate Affairs

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

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

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

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

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

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

BOARD OF DIRECTORS

MR BRIAN SCULLIN
BEc, FCA

Independent Director (appointed May 2011) and Chair (from September 2011)

Mr Scullin was the Independent Non-Executive Chair of BT Investment Management and retired from this position on 6 December 2013, having been appointed to the Board of BT Investment Management and as Chair in September 2007. Mr Scullin has previously served as a Non-Executive Director of Dexus Property Group and State Super Financial Services. Mr Scullin served as a Non-Executive Director and RREEF nominee of Spark Infrastructure from 1 November 2005 to 24 August 2007. During this time he was the Chair of the Compliance Committee and a member of the Audit and Risk Management Committee.

Mr Scullin has more than 20 years' experience in the funds management industry in both Australia and Asia. Following a career in the Federal Government and politics, Mr Scullin was appointed the Executive Director of the Association of Superannuation Funds of Australia ("ASFA") in 1987. In 1993, Mr Scullin joined Bankers Trust, holding a number of senior positions, including President of Japan Bankers Trust. He was appointed Chief Executive Officer – Asia/Pacific for Deutsche Asset Management in 1999. He retired from that full time position in 2002, although remained a Non-Executive Director of Deutsche Asset Management until June 2007.

Mr Scullin has held many industry positions including Vice Chair of the Financial Services Council (then known as IFSA), a part-time member of the Federal Government's Financial Reporting Council and a panel member for the Financial Industry Complaints Service. In December 2013 Mr Scullin was appointed as President of the Board of the Retirement Benefits Fund of Tasmania (and its associated companies), as a nominee of the Minister, for a term of 3 years.

Mr Scullin is Chair of the Remuneration and Nomination Committee ("RemCo").

Mr Scullin has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
BT Investment Management Limited	2007 to 2013
Dexus Property Group	2005 to 2011

MS CHERYL BART AO
BCom, LLB, FAICD

Independent Director (since November 2005)

Ms Bart is a lawyer and has been a Non-Executive Director on the board of SA Power Networks since 1995. She has significant utilities industry experience and is Chair of the Audit Committee of SA Power Networks and a member of its Risk and Compliance Committee. Ms Bart is a Director on the Board of the Australian Broadcasting Corporation, appointed in June 2010. Ms Bart was appointed as a Director of the Australian Himalayan Foundation in December 2012 and to the Board of the Football Federation of Australia in November 2013. Most recently Ms Bart was appointed as a director of SG Fleet Group Limited, which plans to list on the ASX in March 2014. Ms Bart has previously been the Chair of ANZ Trustees Limited, the Foundation for Alcohol Research and Education, the South Australian Film Corporation, the Adelaide Film Festival, and the South Australian Environmental Protection Authority. Her other current directorship positions include Audio Pixels Holdings Limited.

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

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

Ms Bart has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
Audio Pixels Holdings Limited	2004 to present

MR ANDREW FAY
BAgEc (Hons) AFin

Independent Director
(since March 2010)

Mr Fay is a Director of BT Investment Management Limited and is Chair of Deutsche Managed Investments Limited. Mr Fay was appointed to the Board of J O Hambro Capital Management Holdings Limited, a UK company which is wholly owned by BT Investment Management, on 6 February 2014. Mr Fay consults to the Dexus Property Group Ltd in the area of capital markets and advises Microbiogen Pty Ltd, a private company which operates in the renewable energy industry, on corporate development.

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

From November 2006 to November 2007 he was an Alternate Director for Spark Infrastructure and was also an Alternate Director for the Dexus Property Group from 2006 until 2009. For a period of six years until 2006 he was a member of the Investment Board Committee of the Financial Services Council. Prior to joining Deutsche, Mr Fay spent six years at AMP Global Investors working in the areas of Fixed Income, Economics and Australian Equities.

Mr Fay was appointed as a Non-Executive Director of Victoria Power Networks, CitiPower and Powercor on 1 June 2011, and a Non-Executive Director of SA Power Networks on 22 June 2011. He is also a member of the Remuneration Committees of the businesses.

Mr Fay is a member of the ARC.

Mr Fay has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
BT Investment Management Limited	2011 to present

MS ANNE McDONALD
BEc, FCA

Independent Director
(since January 2009)

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

Ms McDonald is a Non-Executive Director of listed entities, including the GPT Group and Speciality Fashion Group Limited. She is also a Non-Executive Director of Westpac Bank's Life and General Insurance businesses and was appointed to the Board of Sydney Water Corporation with effect from August 2013 for a term of 3 years.

Ms McDonald has been a Non-Executive Director of Victoria Power Networks, CitiPower and Powercor since 2009. In addition, she is Chair of the Audit Committee of Victoria Power Networks and a member of its Risk and Compliance Committee.

Ms McDonald is Chair of the ARC and a member of RemCo.

Ms McDonald has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
GPT Group	2006 to present
Specialty Fashion Group Limited	2007 to present

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

Independent Director
(since March 2009)

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

He is currently the Deputy Chair of Auckland International Airport and is a Director of Chorus NZ Limited. Dr Turner is Chair of Fisher & Paykel Appliances Limited. Dr Turner was previously a director of Solar City Limited, until 31 December 2013.

Dr Turner has been a Non-Executive Director of SA Power Networks, Victoria Power Networks, CitiPower and Powercor since 2009.

Dr Turner is a member of RemCo.

Dr Turner has held the following directorships of other Australian listed entities within the last three years.

Listed Entity	Period directorship held
Auckland International Airport Limited	2004 to present
Fisher & Paykel Appliances Holdings Limited	2010 to present
Chorus NZ Limited	2011 to present

Corporate Contact Details

Registered Office

SPARK INFRASTRUCTURE
Level 25, 259 George Street,
Sydney NSW 2000

T: +61 2 9086 3600
F: +61 2 9086 3666
E: info@sparkinfrastructure.com
W: sparkinfrastructure.com

Managing Director
RICK FRANCIS

Chief Financial Officer
GREG BOTHAM

Company Secretary
ALEXANDRA FINLEY

Investor Relations
MARIO FALCHONI

Security Registry

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 8060 Australia

T: +61 3 9415 4286 (international)
T: Freecall 1300 730 579 (within Australia)
W: computershare.com