

Tuesday, 14 January 2014

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

Dear Sir / Madam

SA Power Networks partners reach agreement with ATO on rent instalments dispute

I enclose a statement concerning the agreement reached by the SA Power Networks partners with the ATO in relation to the deductibility of rent instalments paid by the SA Power Networks partnership.

Yours faithfully,



Greg Botham
CFO and Acting Company Secretary



ASX RELEASE

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SA Power Networks partners reach settlement agreement with ATO on rent instalments dispute

- The SA Power Networks partners have agreed terms of settlement with the ATO concerning the deductibility of rent instalments paid by the SA Power Networks partnership
- No cash tax payable by Spark as a result of the settlement and no further adjustments will be made in relation to this matter
- Other ATO matters in respect of SA Power Networks are ongoing

The partners of the SA Power Networks partnership, together with Spark Infrastructure Holdings No. 2 Pty Limited¹, have reached agreement with the Australian Taxation Office (ATO) to settle an outstanding matter concerning the denial of deductions for rent instalments paid by SA Power Networks. A Deed of Settlement has now been entered into by the parties.

The agreed settlement, made without concessions or admissions of liability by either the SA Power Networks partners or the ATO, ensures that no cash tax is payable by the partners with respect to prior years and provides certainty going forward.

Specifically, the terms of the settlement provide that there will be no adjustment to the rent instalment deductions claimed by SA Power Networks in prior income tax years up to the 2012 tax year, and no deductions will be claimed in future income tax years.

As a result of the settlement, Spark Infrastructure expects to report a one-off, non-cash income tax expense item of approximately \$16m² in its financial statements for the year ending 31 December 2013, reflecting the impact of this settlement on Spark Infrastructure's deferred tax liability.

There are no other changes in respect of tax matters from information previously disclosed.

Spark Infrastructure holds 49% interests in electricity distribution businesses SA Power Networks and CitiPower and Powercor Australia (Victoria Power Networks).

Further Information:

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Investor Relations and Corporate Affairs

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¹ As the head entity of the relevant tax consolidated group. The tax consolidated group includes the Spark SA Power Networks partner entities.

² Represents the nominal income tax expense impact arising from Spark Infrastructure's share of future net rent instalment deductions no longer to be claimed over the balance of the 200 year lease.