



Friday, 17 May 2013

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

Dear Sir / Madam

INVESTOR PRESENTATION – UK/EUROPE ROAD SHOW

I enclose the presentation to be delivered to investors in the UK and Europe on 20-24 May 2013.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Alex Finley".

Alexandra Finley
Company Secretary



Delivering
NOW

Investor Presentation
UK/Europe non-deal road show
20-23 May 2013

Yield, Growth and Quality

Presentation Agenda

1. OVERVIEW
2. REGULATION
3. GROWTH
4. FY 2012 PERFORMANCE – SPARK INFRASTRUCTURE
5. FY 2012 PERFORMANCE – ASSET COMPANIES
6. SUMMARY AND OUTLOOK

APPENDICES



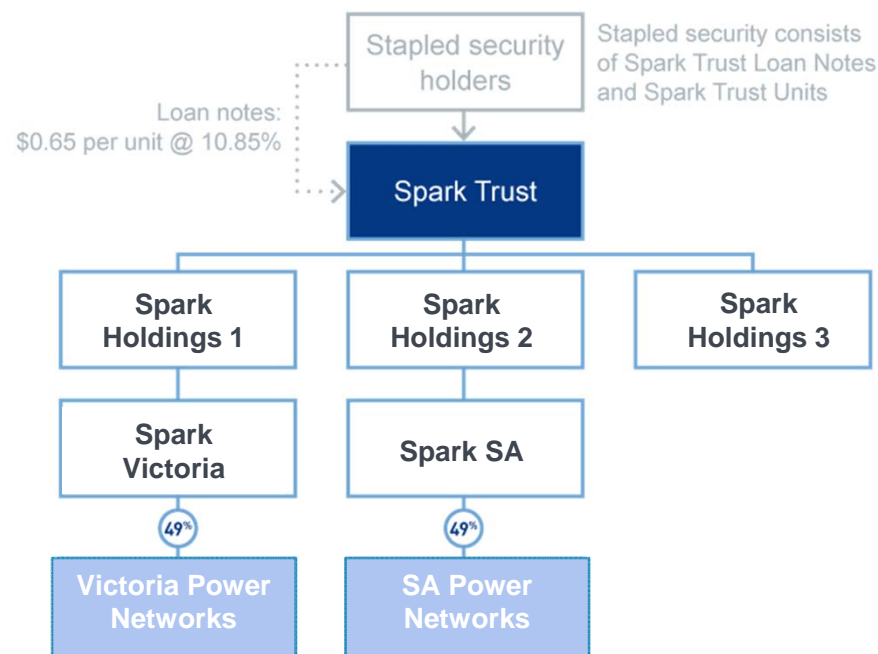
1. OVERVIEW



SPARK INFRASTRUCTURE

Overview

- Australian based specialist infrastructure fund with a portfolio of high quality regulated electricity distribution businesses
- Listed on the ASX in December 2005 with a current market capitalisation of around AUD\$2.4 billion
- Objective is to invest in regulated electricity and gas distribution or transmission assets, or water and sewerage assets in established regulatory jurisdictions (with Australia being a focus in the short term), that offer predictable earnings and reliable cashflows
- Currently holds a 49% interest in SA Power Networks (formerly known as ETSA Utilities), CitiPower and Powercor (Victoria Power Networks). The remaining 51% is held by Cheung Kong Infrastructure and Power Assets Holdings (both Hong Kong companies).
- The total Regulated Asset Base (“RAB”) of the Asset Companies was around \$8.1 billion at 31 December 2012 (Spark Infrastructure’s share is 49%).



CURRENT ASSET PORTFOLIO

Regulated growth and reliable cashflows



With the exception of South Australia and Victoria, all other electricity distribution and transmission networks in Australia are under State government ownerships

Credit rating
A -

Customers
834,554

Network availability
99.96%

Next regulatory reset
Jul 2015

Credit rating
A -

Customers
740,200

Network availability
99.96%

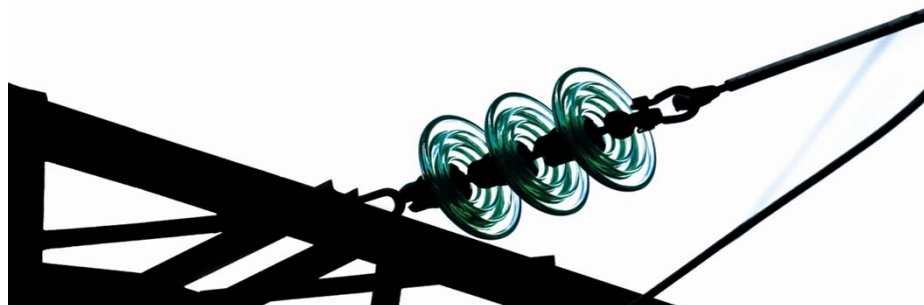
Next regulatory reset
Jan 2016

Credit rating
A -

Customers
318,101

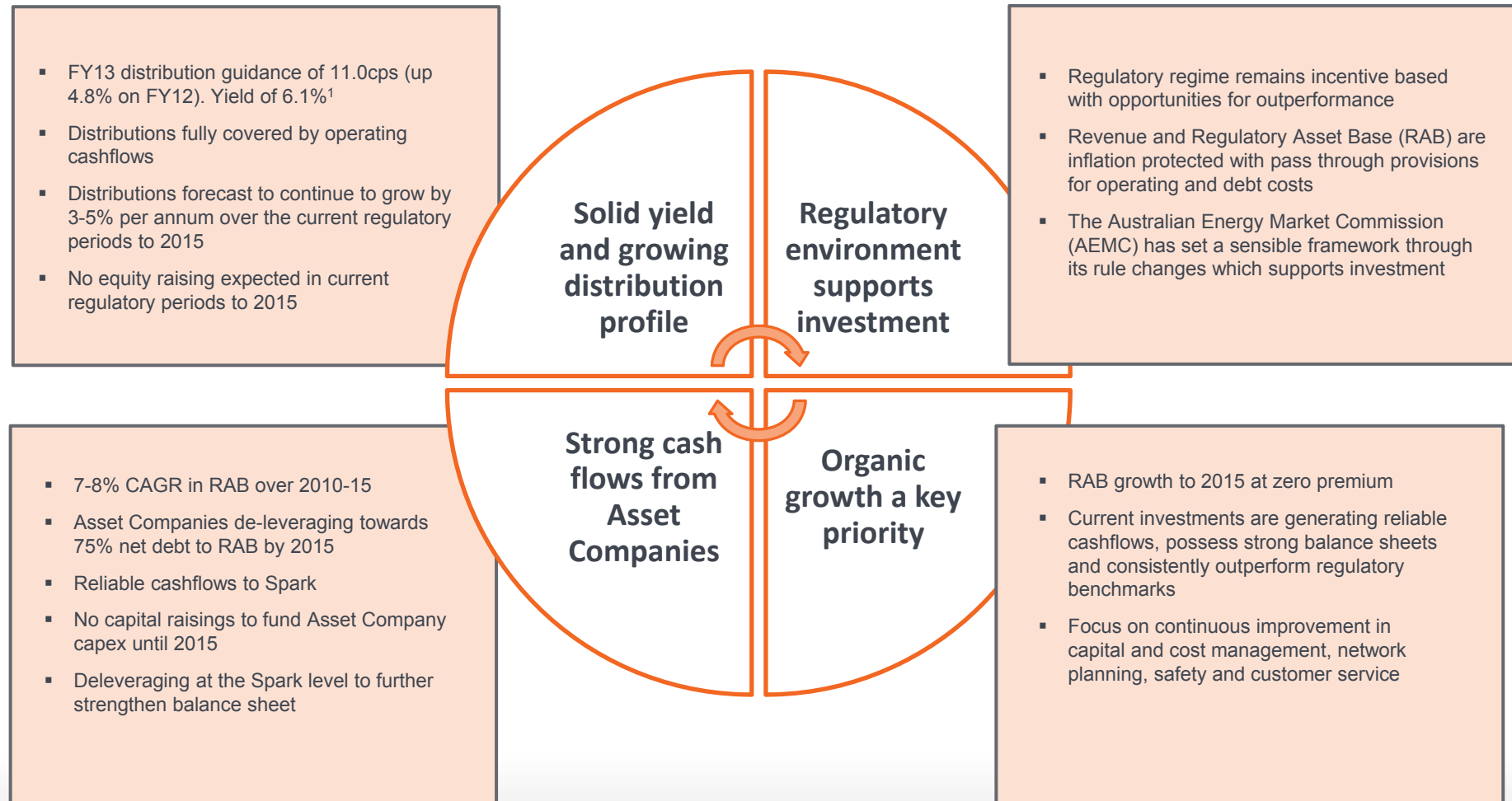
Network availability
99.99%

Next regulatory reset
Jan 2016



INVESTMENT PROPOSITION

Yield plus Growth based on Quality



1. Based on FY 2013 distribution guidance of 11.0cps and a closing market price of \$1.815 on Wednesday, 15 May 2013

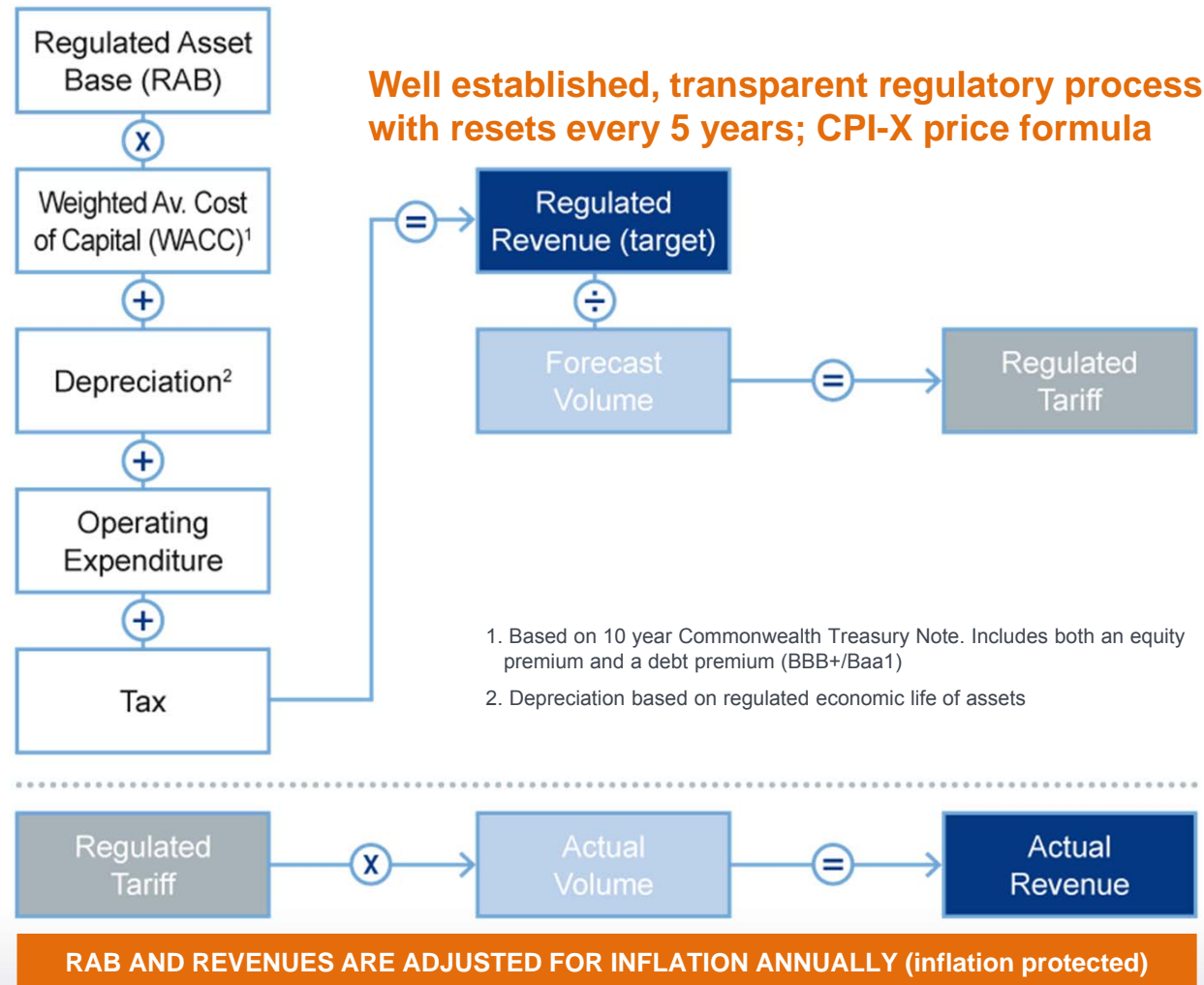


2. REGULATION



REGULATORY FRAMEWORK

In-Built protections – No regulatory resets until 2015



CURRENT REGULATORY SETTINGS TO 2015

SA Power Networks and Victoria Power Networks (100% figures)

REGULATORY PERIOD	SA Power Networks ¹ 1 Jul 2010 – 30 Jun 2015	Victoria Power Networks ² 1 Jan 2011 – 31 Dec 2015
Beta	0.8	0.8
Risk Free Rate	5.89%	5.08%
Debt risk premium (DRP)	2.98%	3.89% ³
Market risk premium (MRP)	6.5%	6.5%
Nominal vanilla WACC	9.76%	9.49%
Nominal post tax return on equity (2010 decision)	11.09%	10.28%
Gamma (Imputation)	0.25 (following successful appeal)	0.25 (following successful appeal)
Net capex over 5 years (\$ 2010) ⁴	\$1,645m	\$2,115m
Opex over 5 years (\$ 2010) ⁴⁵	\$1,025m	\$997m
Revenue (Nominal) ⁴⁶	\$3,902m	\$3,845m

1. Figures relate to DUOS incl. ACS
2. Figures relate to DUOS only
3. Victoria Power networks DRP 3.89% following appeal outcomes (3.74% per final 2010 determination)
4. Figures revised for all successful appeal outcomes for both assets
5. Opex numbers adjusted for efficiency carryover amounts and S-factor amounts per determinations
6. Revenue numbers not updated for actual CPI

Source:

Regulatory determinations South Australia 2010 – 2015

<http://www.aer.gov.au/node/4>

Regulatory determinations Victoria 2010 – 2015

<http://www.aer.gov.au/node/7208>

<http://www.aer.gov.au/node/7210>

REGULATORY ENVIRONMENT

Regulation under review

AER Rate of Return Guidelines	AER Expenditure Incentive Guidelines	SCER ¹ Limited Merits Review (LMR)
<ul style="list-style-type: none"> In October 2012 the Australian Energy Market Commission (AEMC) amended the National Electricity Rules (NER) The Australian Energy Regulator (AER) is now determining the rate of return guidelines <p>Industry position</p> <ul style="list-style-type: none"> Benchmarking of 'an efficient entity' should exclude benefits of government ownership Calculation of specific inputs to returns should adopt an approach that includes all available information Regulatory judgement should be accompanied by accountability 	<ul style="list-style-type: none"> In March 2013 the AER issued an issues paper on expenditure incentive guidelines Its aims are to incentivise Network Service Providers (NSPs) to: <ul style="list-style-type: none"> Seek efficiency improvements in capital expenditure and opex Share efficiency losses and gains between the NSP and its customers <p>Asset Companies' position</p> <ul style="list-style-type: none"> <i>Setting capex incentives</i> - support the introduction of a continuous, cumulative and symmetric ex-ante capital expenditure sharing scheme <i>Assessing actual capex</i> - greater clarity around all aspects of capex that may be excluded from the RAB <i>Opex incentives</i> - support increasing the benefit sharing ratio (beyond the proposed 30:70) for more efficient businesses 	<ul style="list-style-type: none"> The SCER has proposed three options: <ol style="list-style-type: none"> Retain the status quo Amend the framework but keep the existing appeal body; or Amend the framework and create a new appeal body - the AEAA² <p>Industry position</p> <ul style="list-style-type: none"> The Financial Investors Group (FIG) supports Option 2 with amendment: <ul style="list-style-type: none"> Include two grounds of appeal Limit scope of a review to those matters raised by appellants The appeal body should remain as is
Next milestone: A consolidated consultation paper was issued 10 May 2013; submissions close 14 June 2013	Next milestone: Draft guidelines to be published on 9 August 2013	Next milestone: Awaiting decision from SCER which next meets in late May 2013

1. Standing Council on Energy and Resources
2. Australian Energy Appeals Authority

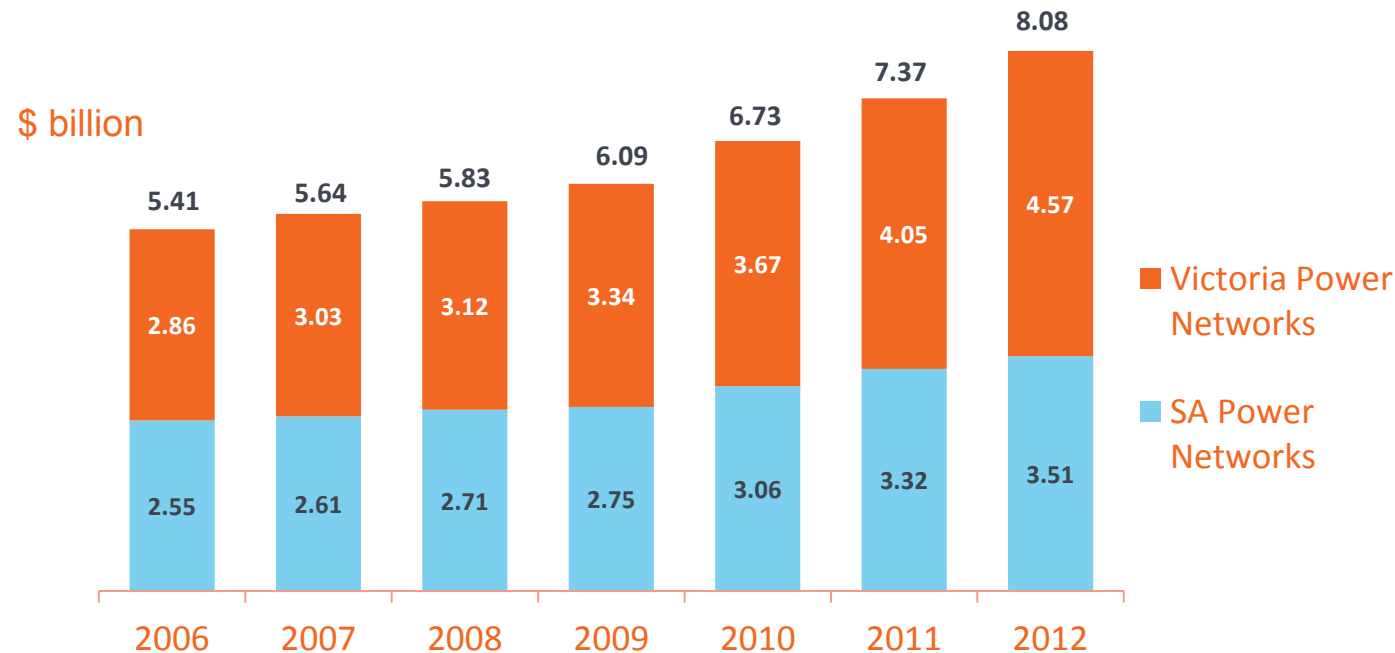


3. GROWTH



RAB GROWTH

Total RAB now \$8.08 billion¹ (100% basis)






- ▶ 9.7% growth in total RAB (incl. AMI) in FY 2012 (9.5% in FY 2011)
- ▶ Actual growth in RAB (DUOS) is tracking below regulatory projections due to capital expenditure outperformance
- ▶ 7-8% p.a. CAGR growth in total RAB (incl. AMI) expected over the 5 year regulatory periods to 2015 based on AER decisions and expected capital expenditure outperformance
- ▶ Capital expenditure earns the regulatory return from day one
- ▶ Net debt to RAB at Asset Company level 79.7% - reducing to around 75% level by end 2015
- ▶ Value of Spark's equity investment projected to grow over time as RAB grows and gearing moderates

1. Asset Companies' estimates. Victoria Power Networks figures include AMI RAB

REGULATED PRICE PATH

CPI minus X¹

- ▶ Regulated electricity sales revenues are determined by a price path set according to the CPI-X¹ formula. A negative X-Factor means a real increase in distribution tariffs
- ▶ The regulatory pricing period commences on 1 July each year for SA Power Networks and 1 January each year for Victoria Power Networks (CitiPower and Powercor)
- ▶ The X-Factors below include all regulatory appeal outcomes
- ▶ Whilst CPI-X is the key underlying driver for tariff increases, the tariff increases implied by reported results includes adjustments for other factors

 SA Power Networks	CPI (%) Actual (Forecast)	X-Factor ²	Tariff increase (%) Actual/forecast ³	 CitiPower	CPI (%) Actual (Forecast)	X-Factor ²	Tariff increase (%) Actual/forecast ³	 Powercor Australia	CPI (%) Actual (Forecast)	X-Factor ²	Tariff increase (%) Actual/forecast ³
Year 1 (1 Jul 10)	2.89 (2.52)	-12.14	15.38	Year 1 (1 Jan 11)	2.79 (2.57)	6.41	-3.80	Year 1 (1 Jan 11)	2.79 (2.57)	-0.11	2.90
Year 2 (1 Jul 11)	3.33 (2.52)	-18.10	22.03	Year 2 (1 Jan 12)	3.52 (2.57)	-4.00	7.66	Year 2 (1 Jan 12)	3.52 (2.57)	-3.00	6.63
Year 3 (1 Jul 12)	1.58 (2.52)	-4.97	6.63	Year 3 (1 Jan 13)	2.00 (2.57)	-6.78	8.92	Year 3 (1 Jan 13)	2.00 (2.57)	-6.30	8.43
Year 4 (1 Jul 13)	- (2.52)	-7.00	9.70	Year 4 (1 Jan 14)	- (2.57)	-7.80	10.57	Year 4 (1 Jan 14)	- (2.57)	-6.90	9.65
Year 5 (1 Jul 14)	- (2.52)	-0.89	3.43	Year 5 (1 Jan 15)	- (2.57)	-7.80	10.57	Year 5 (1 Jan 15)	- (2.57)	-7.40	10.16

1. Whilst referred to as "CPI-X", the actual tariff increase formula used by regulator is: $(1+CPI) \times (1-x) - 1$. Source: AER
2. Figures updated for 2012 regulatory appeals announced as appropriate.
3. Figures for SA Power Networks exclude adjustments for STPIS, PV and Q-factor actual and forecast adjustments. Figures for VPN exclude STPIS and any other adjustments.



4. FY 2012 PERFORMANCE SPARK INFRASTRUCTURE



KEY HIGHLIGHTS - FY 2012

Delivering now and into the future



TOTAL
REVENUE¹ (100%)

\$1.94BN

9.6%

TOTAL REGULATED
REVENUE (100%)

\$1.63BN

12.8%

ASSET COMPANY EBITDA²
(\$)³ (100%)

\$1.30BN

10.4%

CAPITAL GROWTH IN RAB (100% basis)

\$8.1bn

2012

9.7%

\$7.4bn

2011

9.5%

ASSET COMPANY GEARING

79.7%

2012

1.8%

81.5%

2011

0.8%



OPERATING CASHFLOWS
(STAND ALONE)

\$178.4M

4.1%³

SPARK PROFIT BEFORE LOAN NOTE
INTEREST & TAX (\$)⁴ UNDERLYING⁴

\$277.1M

2.9%

DISTRIBUTIONS

11.0cps

2013 Guidance

4.8%

10.5cps

2012 Actual

5.0%

1. Excluding transmission revenue and customer contributions

2. Excluding customer contributions

3. FY 2011 comparative figure adjusted to exclude \$17.6 million of deferred 2010 sub-debt interest received in May 2011

4. Underlying figures exclude certain non-cash and non-operating items which do not relate to the underlying performance for the period. No adjustments have been made to the reported results for 2012.

FINANCIAL HIGHLIGHTS – FY 2012

Spark Infrastructure

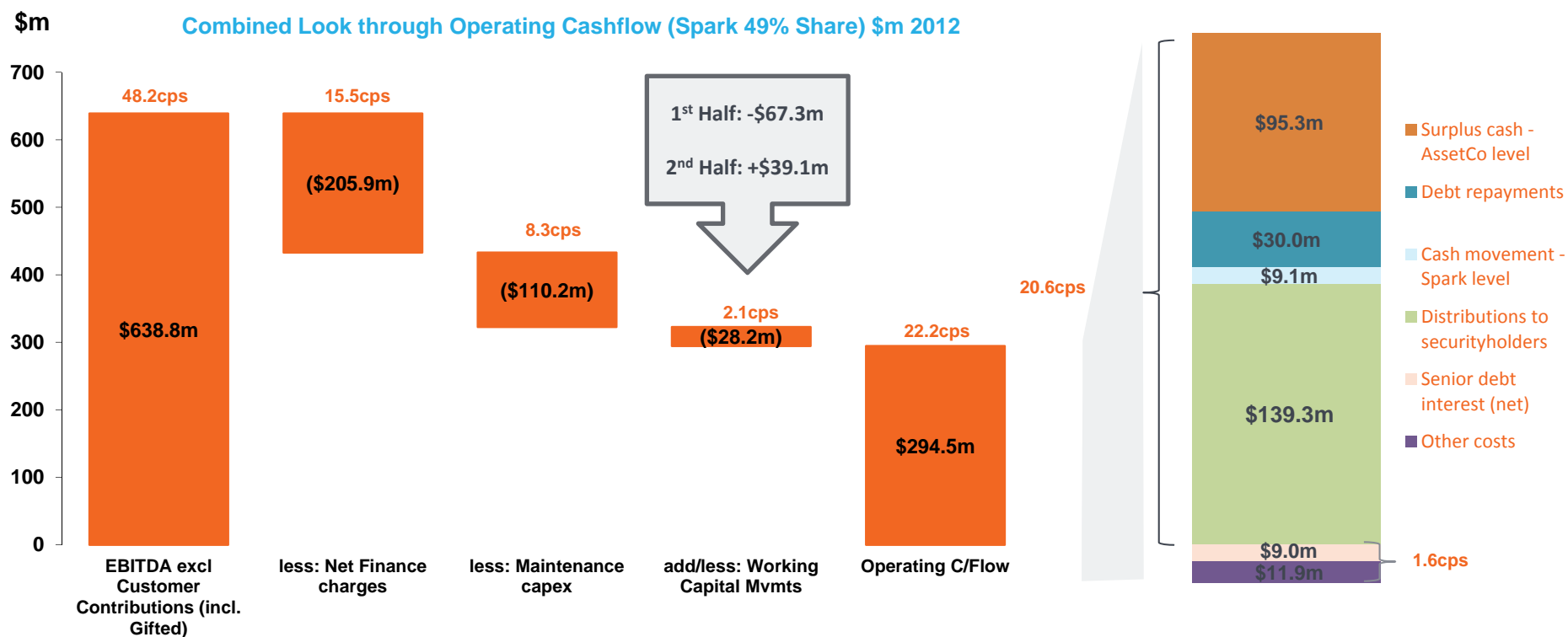
UNDERLYING RESULTS - Year ended 31 December 2012	FY 2012	FY 2011	% Change
Spark distribution per security	10.50cps	10.00cps	↑ 5.0
Total income	\$299.8m	\$290.4m	↑ 3.2
Profit before loan note interest and tax	\$277.1m	\$269.3m	↑ 2.9
Profit attributable to Stapled Securityholders – underlying	\$173.9m	\$167.1m	↑ 4.1
Operating cashflow	\$178.4m	\$189.0m ¹	↓ 5.6
Total Asset Company distributions to Spark	\$199.3m	\$193.6m ²	↑ 2.9
Standalone OCF	13.4cps	12.9cps ²	↑ 3.9
Look through OCF	20.6cps	16.2cps	↑ 27.2

1. Figure includes \$17.6m of 2010 deferred interest received in 2011

2. Figure excludes \$17.6m of 2010 deferred interest received in 2011

OPERATING CASH FLOW MODEL – FY 2012

Asset Companies producing 22.2 cps Operating Cash



SURPLUS CASH IS USED TO REINVEST IN NETWORK GROWTH AND TO PAY DOWN DEBT AT THE SPARK LEVEL



5. FY 2012 PERFORMANCE ASSET COMPANIES



AGGREGATED FINANCIAL PERFORMANCE (100% RESULTS)

SA Power Networks and Victoria Power Networks Year ended 31 December 2012 (100% Basis)	FY 2012 \$m	FY 2011 \$m	Change %
Regulated Revenue – DUOS	1,508.0	1,323.5	13.9
Regulated Revenue – AMI	122.7	121.5	1.0
Semi-regulated Revenue – other	85.2	88.0	(3.7)
Unregulated revenue	222.0	235.4	(5.7)
Total revenue (ex customer contributions)	1,937.9	1,768.4	9.6
Semi-regulated Revenue – customer contributions	176.3	214.0	(17.6)
Total Revenue	2,114.2	1,982.4	6.6
Total operating costs	638.6	591.1	8.0
EBITDA (excl customer contributions)	1,299.3	1,177.3	10.4
EBITDA (incl customer contributions)	1,475.6	1,391.3	6.1
EBITDA margin (excl. customer contributions)	67.0%	66.6%	0.4
Capital Expenditure (Net)	864.7	844.6	2.4

SA POWER NETWORKS – FY 2012

(100% results)

Financial	FY 2012 (\$m)	FY 2011 (\$m)	Variance %
Regulated revenue – DUOS	826.2	696.0	18.7
Semi-regulated – other	40.3	47.8	(15.6)
Unregulated revenue	128.3	139.9	(8.3)
Total revenue (ex customer contributions)	994.8	883.7	12.6
Customer contributions incl gifted assets	114.4	132.2	(13.5)
Total revenue	1,109.2	1,015.9	9.2
Cash operating costs	301.5	298.7	0.9
EBITDA (ex customer contributions)	693.3	585.0	18.5
EBITDA	807.7	717.2	12.6
EBITDA ex customer contributions margin	69.7%	66.2%	3.5
Total Capex (net)	331.6	313.2	5.9

Operational	FY 2012	FY 2011	Variance	Variance (%)
Customer numbers	834,554	829,674	4,880	0.6
Employee numbers ¹	2,039	1,914	125	6.5
Network availability (%)	99.96	99.97	(0.01)	n/m
Volume sold (GWh)	11,016	11,093	(77)	(0.7)

► Regulated distribution revenue:

- Tariff increase – July 2011 (22.03%) and July 2012 (6.63%)²
- Overall volumes down 0.7% year on year
- \$15m STPIS incentive accrual for 2011/12 regulatory year
- Relatively favourable weather conditions (residential)
- WACC recovery on deferred feed in tariff \$6m

► Operating costs up 0.9%:

- Additional vegetation management costs of \$14m (FY12: \$40m)
- Lower semi and unregulated related costs in line with lower revenues
- One off benefit resulting from change of discount rate on employee provisions \$7m

1. Incl. term contract employees

2. Excluding adjustments for recovery of STPIS, PV and Q-factor

SA POWER NETWORKS – FY 2012



- ▶ **Reliability** – Service Target Performance Incentive Scheme (STPIS) \$20.8 million favourable for calendar year 2012 (maximum possible \$25 million)
- ▶ **Customer service** – in 2012 SA Power Networks received its highest ever customer satisfaction rating of 5.7 out of 7
- ▶ **Safety** – in 2012 SA Power Networks recorded only one Lost Time Injury (LTI)
- ▶ **Workforce** - During 2012 there were 164 apprentices in training plus 25 engineering graduates; SA Power Network's support of "Powerful Pathways for Women" led to recruitment of 5 female apprentices in February 2013
- ▶ **Major projects**
 - 12 major substation upgrades completed including two connection point substations with ElectraNet
 - Connection of Adelaide's new water pumping system
 - Asset relocations for the north-south road transport corridor
 - Network Operations Centre has been significantly rebuilt

VICTORIA POWER NETWORKS – FY 2012

(100% results)

Financial	FY 2012 (\$m)	FY 2011 (\$m)	Variance %
Regulated revenue - DUOS	681.8	627.5	8.6
Prescribed metering (AMI)	122.7	121.5	1.0
Semi-regulated other	44.9	40.2	11.6
Unregulated revenue	93.7	95.5	(2.0)
Total revenue (ex customer contributions)	943.1	884.7	6.6
Customer contributions	61.9	81.8	(24.4)
Total revenue	1,005.0	966.5	4.0
Cash operating costs	337.1	292.4	15.3
EBITDA (Ex Customer Contributions)	606.0	592.3	2.3
EBITDA	667.9	674.1	(0.9)
EBITDA ex customer contributions margin	64.3%	66.9%	(2.6)
Total Capex (Inc. AMI)	533.1	531.4	0.3

Operational	FY 2012	FY 2011	Variance	Variance (%)
Customer numbers	1,058,301	1,043,682	14,619	1.4
Employee numbers	1,990	1,957	33	1.7
Network availability(%) - CitiPower	99.99	99.99	-	-
- Powercor	99.96	99.96	-	-
Volume sold GWh - CitiPower	6,085	6,105	(20)	(0.3)
- Powercor	10,744	10,471	275	2.6
Total	16,829	16,575	254	1.5

► Distribution revenue growth:

- Tariff increases from 1 January 2012 – 7.66% for Citi Power and 6.63% for Powercor¹
- Electricity sales volume growth of 1.5% overall
- Customers connecting to lower tariffs, and shifting consumption to lower cost periods
- No regulatory appeal revenues (\$149m) accrued or cash received in FY12 – included in tariffs from 1 January 2013

► Operating costs up 15.3% reflecting:

- Approved increases in regulated business
- \$20m of additional vegetation management costs - \$35m (FY11) to \$55m (FY12)

1. Excludes adjustments for recovery of STPIS and any other adjustments

VICTORIA POWER NETWORKS – FY 2012



- ▶ **Reliability** – In 2012 CitiPower was ranked the best electricity distribution business in Australia while Powercor ranked mid field from a total of 16 businesses by the Electricity Supply Association of Australia
- ▶ **Customer service** – CitiPower and Powercor received a number of awards in the 2012 Australian Service Excellence Awards including, Best of the Best Customer Service Organisation, and National Large Business of the Year (joint winner)
- ▶ **Safety** – In 2012 CitiPower and Powercor recorded only two Lost Time Injuries (LTI) down from 7 in 2011
- ▶ **Workforce** – During 2012 there were 93 apprentices in training plus 12 engineering graduates
- ▶ **Major projects**
 - Advanced Metering Infrastructure (AMI) - As at 30 April 2013 957,000 smart meters had been installed, of a total goal of 1.1 million
 - The Metro Project aimed at providing increased capacity for Melbourne's north east completed
 - Second stage of major expansion of BQ zone substation in progress

TAXATION UPDATE

ATO Matters

SA Power Networks (Spark Infrastructure is the taxpayer given the partnership structure)

- ▶ Objections to the amended assessments for the 2007 to 2010 tax years have been lodged with the ATO by Spark Infrastructure
- ▶ SA Power Networks believe no adjustments are required and will vigorously defend its positions
- ▶ No tax is payable by Spark Infrastructure for the 2007 to 2010 years due to carried forward tax losses
- ▶ Spark Infrastructure believes that the overall impact of any adjustments that may arise would not be material

Victoria Power Networks

- ▶ An amended assessment for the 2007 tax year was received by VPN in March 2013.
- ▶ This resulted in negative adjustments of \$296m (ATO calculation) and gave rise to tax payable for the 2007 tax year of \$18m after utilisation of some available carried forward tax losses. VPN has paid \$3m following negotiation with the ATO
- ▶ VPN has obtained legal advice and disagrees with the ATO's positions on these matters and will vigorously defend its position
- ▶ No adjustments have been recognised in the VPN financial statements or Spark's equity accounted results

Details of current ATO audits are disclosed in Note 4 of Spark Infrastructure's FY12 financial statements

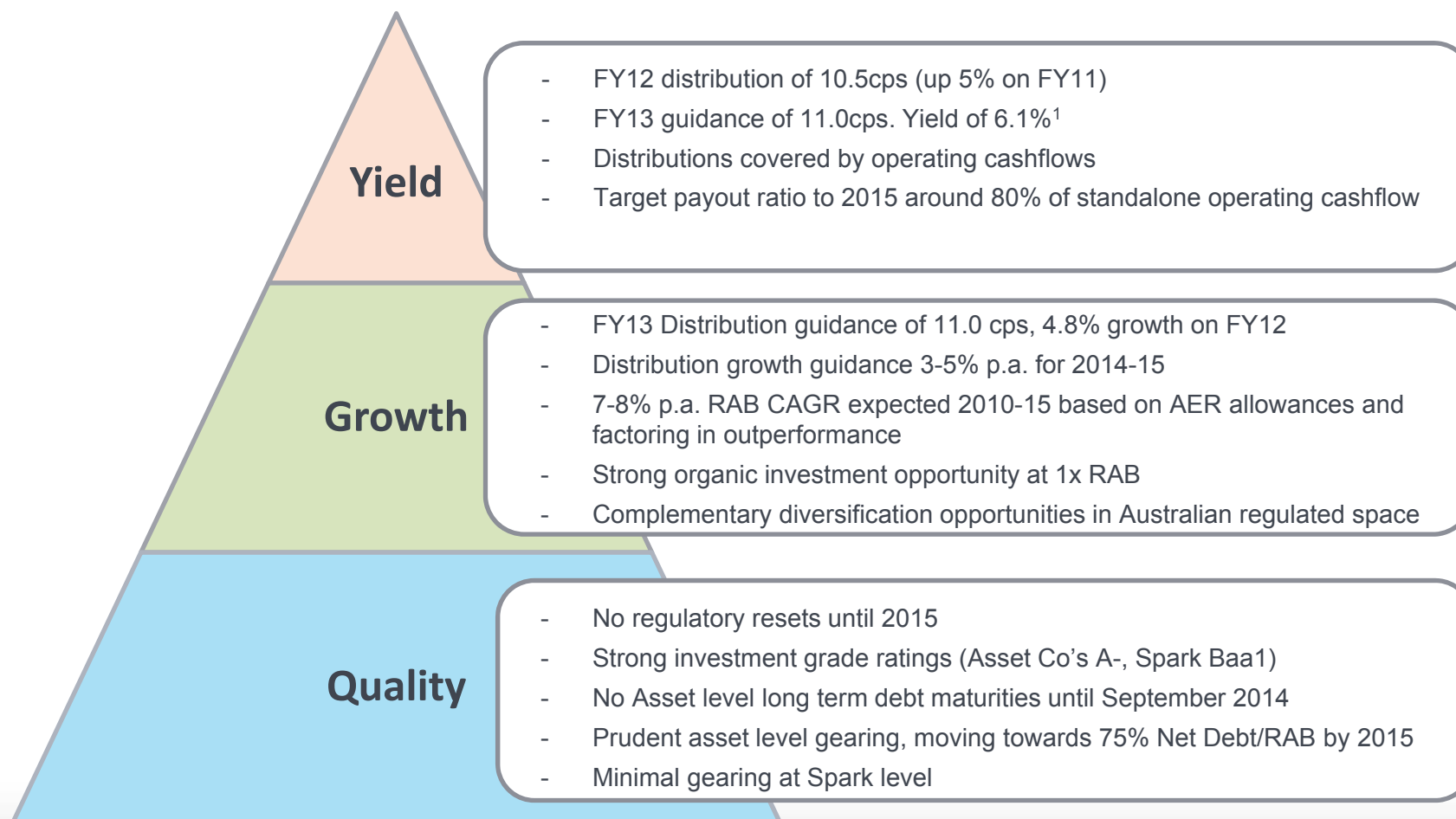


6. SUMMARY AND OUTLOOK



SUMMARY AND OUTLOOK

Yield plus Growth based on Quality



1. Based on FY 2013 distribution guidance of 11.0cps and a closing market price of \$1.815 on Wednesday, 15 May 2013



APPENDICES



KEY METRICS – FY 2012

SECURITY METRICS

Market Price at 15 May 2013	\$1.815
Market capitalisation	\$2.4 billion

DISTRIBUTIONS

FY 2012 Actual	10.50cps
Comprising	
- Loan Note interest	7.07cps
- Tax deferred amount	3.43cps
FY 2013 Guidance	11.00cps

GEARING AND CREDIT RATINGS

Net book gearing (Spark standalone)	0.7%
Net book gearing (Look through)	57.0% ¹
Asset level credit rating	A- (S&P) stable
Fund level credit rating	Baa1 (Moody's) stable

1. Excludes reserves

REGULATED ASSET BASE (100%) – (Estimates at December 2012)

SA Power Networks (DUOS) (\$bn)	3.51
CitiPower (DUOS) (\$bn)	1.50
Powercor Australia (DUOS) (\$bn)	2.63
CitiPower (Advanced Metering Infrastructure) (\$bn)	0.13
Powercor (Advanced Metering Infrastructure) (\$bn)	0.31
Victoria Power Networks total (\$bn)	4.57
Regulated asset base total (\$bn)	8.08
Net debt/RAB – Asset Co combined	79.7%
Net debt/RAB - SA Power Networks	78.6%
Net debt/RAB – Victoria Power Networks	80.5%

EQUITY ACCOUNTING PROFITS – 2012

	SA Power Networks	Victoria Power Networks	Combined	Spark 49% Share
100% Basis				
Regulated revenue - distribution and metering	826.2	804.5	1,630.6	799.0
Semi regulated and unregulated revenue	168.6	138.6	307.3	150.6
Customer contributions and gifted assets	114.4	61.9	176.3	86.4
Total Income	1,109.2	1,005.0	2,114.2	1,036.0
Operating Costs	(301.5)	(337.1)	(638.6)	(312.9)
EBITDA	807.7	667.9	1,475.6	723.0
Depreciation & Amortisation	(167.1)	(246.7)	(413.8)	(202.8)
EBIT	640.6	421.2	1,061.8	520.3
Net interest expense (excl Sub Debt)	(200.2)	(226.0)	(426.2)	(208.8)
Sub Debt interest expense	(72.7)	(165.5)	(238.2)	(116.7)
NPBT	367.7	29.7	397.4	194.7
Tax Expense	2.2	(18.1)	(15.9)	(7.8)
NPAT	369.9	11.6	381.5	186.9
less: additional share of profit from preferred partnership capital (PPC) ¹	(69.8)	-	(69.8)	(34.2)
Asset Company Net Profits for Equity Accounting	300.1	11.6	311.7	152.7
49% Basis - Spark Share	147.0	5.7	152.7	152.7
Add back: additional share of profit from preferred partnership capital (PPC) ¹	69.8	-	69.8	69.8
Less: Depreciation/amortisation of fair value on uplift of assets on acquisition	(0.8)	(4.9)	(5.7)	(5.7)
Share of equity accounted profits	216.1	0.8	216.8	216.8
Add: Interest Income from Associates (CHEDHA 49% sub debt)		81.2	81.2	81.2
Total Income from Asset Companies included in Spark Profit and Loss				298.0
Interest income				1.8
Interest expense - Other				(11.9)
Interest expense – Loan Notes				(93.8)
General and administrative expenses (incl SDP bid costs)				(10.8)
Profit before Loan Notes interest and tax attributable to Spark Securityholders				183.3
Income tax expense				(9.4)
Net profit attributable to Spark Securityholders				173.9

1. Under the partnership agreement, Spark is entitled to an additional share of profit in SA Power Networks.

Note: Numbers may contain rounding errors.

OPERATING CASHFLOW – FY 2012

Spark Infrastructure

	FY 2012	FY 2011	YOY
	\$m	\$m	
SA Power Networks - PPC distributions	69.8	69.6	↑ 0.3%
SA Power Networks - other distributions	48.5	42.1	↑ 15.1%
Victoria Power Networks – sub debt interest	80.9	81.8	↓ 1.1%
Victoria Power Networks – 2010 deferred sub-debt interest	-	17.6	n/m
Asset Company distributions	199.3	211.2	↓ 5.7%
Interest received on cash balances	1.8	2.8	↓ 37.6%
Interest paid on senior debt	(10.8) ²	(9.9)	↑ 9.1%
Management fees (pre Internalisation)	-	(4.0)	n/m
Other (includes self management costs)	(11.9) ³	(11.2)	↑ 6.0%
Stand Alone Net Operating Cashflow	178.4	189.0	↓ 5.6%
Stand Alone Net Operating Cashflow - adjusted¹	178.4	171.4	↑ 4.1%
Stand Alone Net Operating Cashflow per security - adjusted¹	13.4cps	12.9cps	↑ 0.5cps
Distributions	10.50cps	10.00cps	↑ 5.0%
Distribution pay-out ratio (stand alone – adjusted¹)	78.1%	77.4%	

1. FY 2011 ex \$17.6 million deferred sub debt interest received in full in May 2011

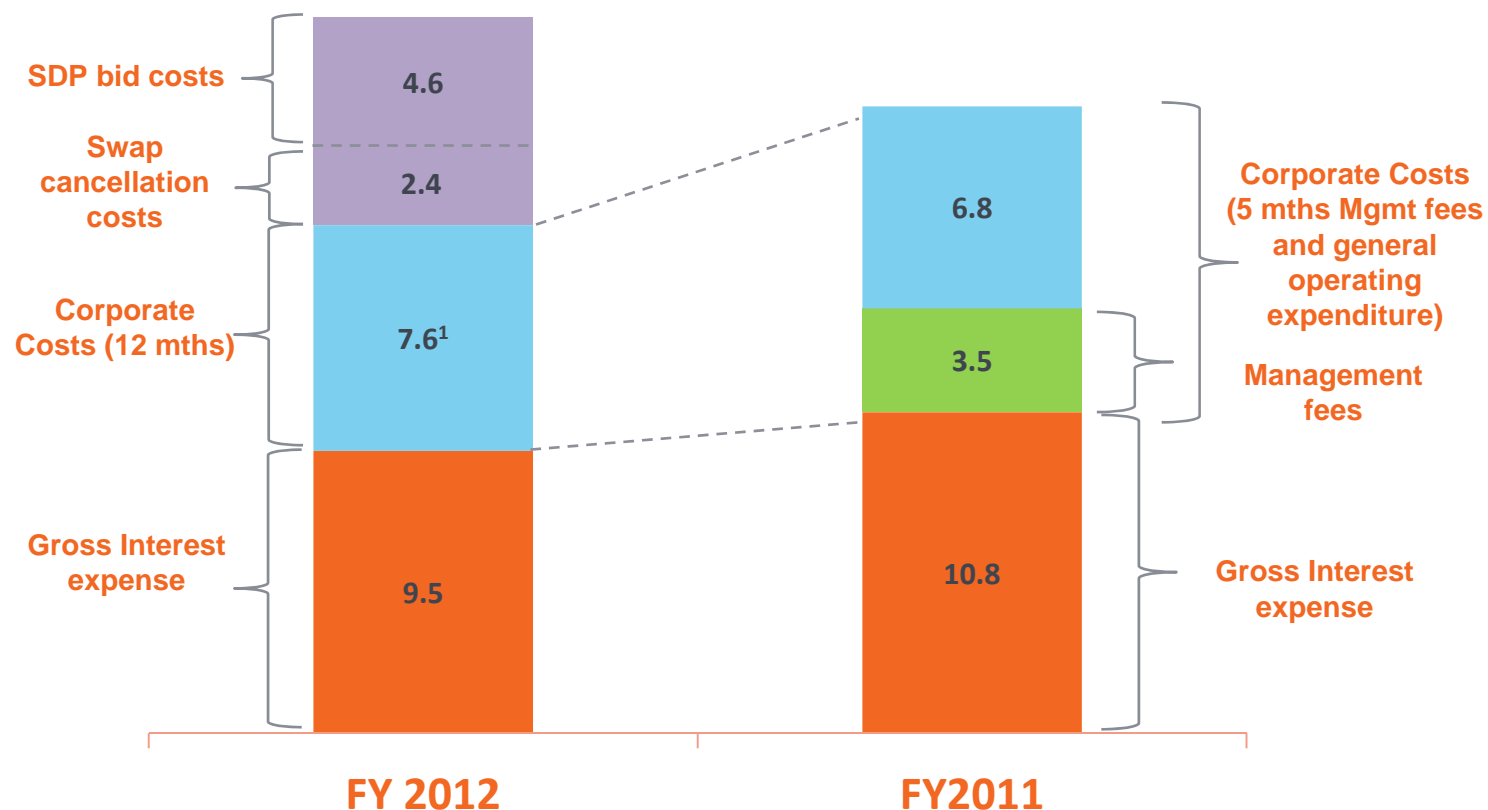
2. Includes swap cancellation costs of \$2.4m

3. Includes \$4.6m SDP bid costs



SPARK OPERATING COSTS – FY 2012 vs. FY 2011

P&L

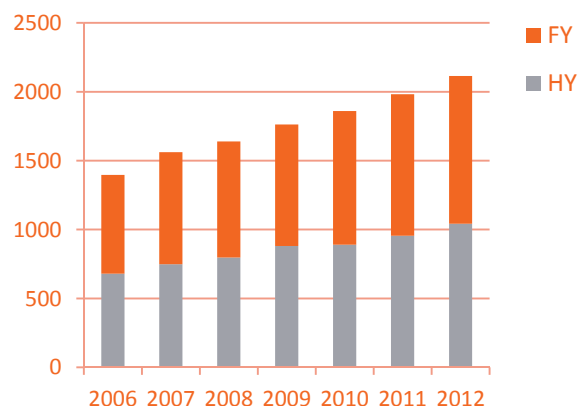


1. Includes add back of \$1.3 million reversal of cost provision.

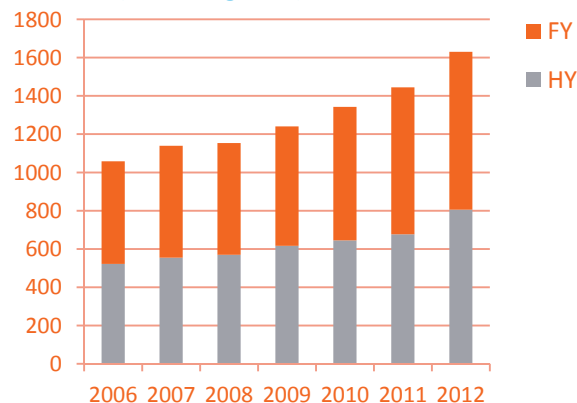
PERFORMANCE HISTORY

Aggregated Asset Companies (100% results)

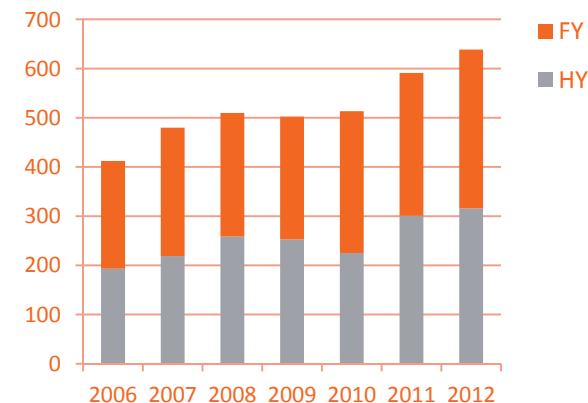
TOTAL REVENUE (\$M)



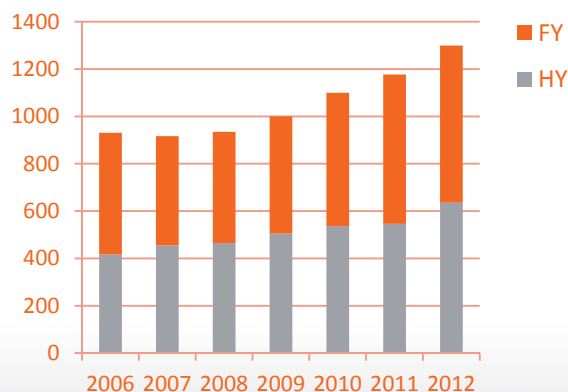
PRESCRIBED REVENUE (\$M)
(Including AMI)



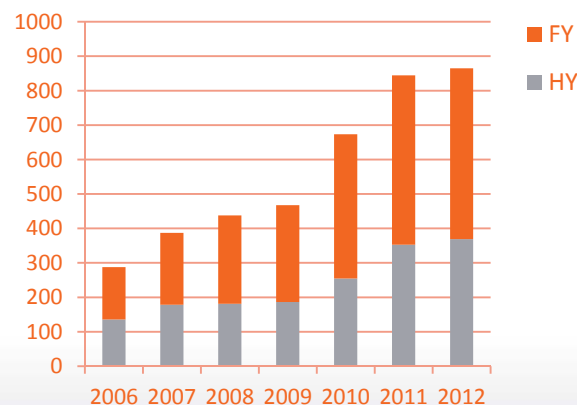
TOTAL OPERATING COSTS (\$M)



EBITDA (\$M) (Excluding customer contributions)



NET CAPITAL EXPENDITURE (\$M)



Regulatory decisions

- Regulatory periods apply for five years and commenced for each business as follows:
- SA Power Networks** – current from 1 July 2010 (next reset from 1 July 2015)
- Victoria Power Networks** – current from 1 January 2011 (next reset from 1 January 2016)

Note: The 2007-2009 comparatives have been adjusted to reflect all metering revenue for Victoria Power Networks as Prescribed Revenue

DEBT POSITION (AT 31 DECEMBER 2012)

SA Power Networks (100%)	\$m
RAB	3,509
Net Debt	2,757
Net Debt/RAB	78.6%
Spark Share of Net Debt	1,351
Percentage Hedged (gross)	102.4%
Rolling 12 Month ICR ¹ (x net interest)	3.5x

Victoria Power Networks (100%)	\$m
RAB (Including AMI ²)	4,573
Net Debt	3,681
Net Debt/RAB	80.5%
Spark Share of Net Debt	1,804
Percentage Hedged (gross)	94.6%
Rolling 12 Month ICR (x net interest)	2.7x

SPARK INFRASTRUCTURE	\$m
Total RAB (49% share)	3,960
Net Debt at Spark Level	13
Net Debt at Asset Level (49% Share)	3,155
Total Proportionate Net Debt	3,167
Net Debt/RAB – Asset Level ³	79.7%
Book Gearing Net (Look through) ⁴	57.0%
Hedged at Spark Level	100.0%
Spark Look Through Proportion of Hedging (gross)	98.0%

¹ Calculated as (EBITDA less customer contributions incl gifted assets)/P&L net senior interest expense

² Advanced Metering Infrastructure (AMI)

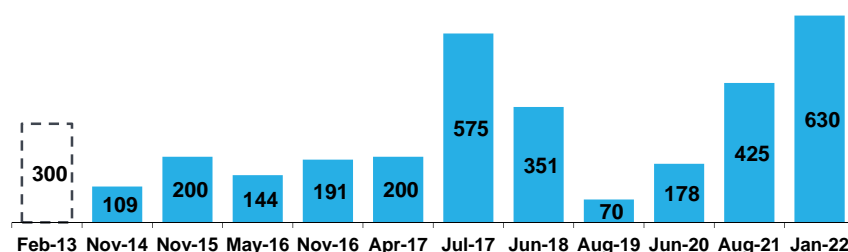
³ Including Spark level debt, 80.1% look through

⁴ Excludes reserves

ASSET COMPANIES' DEBT POSITION At 31 Dec 2012

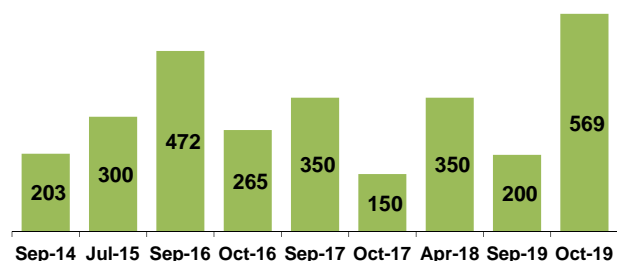
No refinancing of long term senior debt until September 2014

Victoria Power Networks – Capital Markets Debt (\$m 100%)



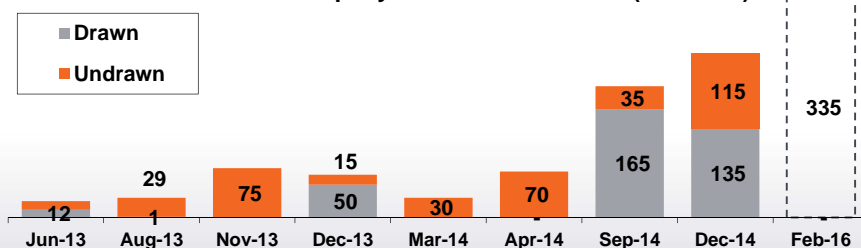
- ▶ Powercor issued A\$200m 5 year MTNs April 2012
- ▶ CitiPower placed A\$194m USPP in July 2012 across 7 and 9 year tenors
- ▶ CitiPower executed A\$335m syndicated bank facility in September 2012 (maturity February 2016), drawn in February 2013, refinancing A\$300m February 2013 FRNs

SA Power Networks – Capital Markets Debt (\$m 100%)






- ▶ SA Power Networks issued A\$200m 5.5 year MTNs in March 2012
- ▶ A\$300m of SA Power Networks February 2013 maturities refinanced in November 2012: A\$150 million FRN issue, maturing October 2017, and A\$150 million increase to existing September 2017 maturity FRN issue

Asset Company Bank Debt Facilities (\$m 100%)



ELECTRICITY SALES VOLUMES

Regulatory allowances v Actual sales (GWh) (by regulatory year)

Actual volume (AER forecast volume) <i>Growth in actual %</i> (Growth in AER forecast %)	Regulatory year ¹						<i>Cumulative average actual to date</i> (Cumulative average annual forecast change)
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
	11,504 (11,555)	11,249 (11,618) -2.2% (+0.5%)	11,019 (11,422) -2.0% (-1.7%)	(11,264) - (-1.4%)	(11,194) - (-0.6%)	(11,194) - (0.0%)	-2.1% (-0.9%)
	6,210 (6,125)	6,105 (6,180) -1.7% (+0.9%)	6,085 (6,227) -0.3% (+0.8%)	(6,218) - (-0.1%)	(6,201) - (-0.3%)	(6,237) - (+0.6%)	-1.0% (+0.2%)
	10,678 (10,585)	10,470 (10,726) -1.9% (+1.3%)	10,744 (10,795) +2.6% (+0.6%)	(10,781) - (-0.1%)	(10,761) - (-0.2%)	(10,797) - (+0.3%)	+0.3% (+0.2%)

1. June year end for SA Power Networks, December year end for CitiPower and Powercor

REGULATED ALLOWANCES - EBITDA

X factor impacts per regulatory decisions

\$m nominal ¹	Average reg. allowance EBITDA p.a. years 1 and 2 ²	Average reg. allowance EBITDA p.a. years 3 to 5 ²	Average increase p.a.
SA Power Networks	\$500m	\$605m	\$105m
Victoria Power Networks (DUOS only)	\$493m	\$607m	\$115m

- ▶ Per the regulatory determinations, including additional outcomes from regulatory appeals, the regulatory EBITDA (i.e. allowance revenues less opex) increases significantly towards the later stages of the 5 year regulatory periods
- ▶ Regulatory allowance numbers presented assume no opex outperformance

1. Figures adjusted for actual CPI
2. June year end regulatory year for SA Power Networks, December year end regulatory year for VPN

Source:

Regulatory determinations South Australia 2010 – 2015

<http://www.aer.gov.au/node/4>

Regulatory determinations Victoria 2010 – 2015

<http://www.aer.gov.au/node/7208>

<http://www.aer.gov.au/node/7210>

SEMI REGULATED REVENUES

FY12 vs FY11(100% figures)

 SA Power Networks	FY 2012 (\$m)	FY 2011 (\$m)	Variance (\$m)
Public Lighting	15.7	15.2	0.5
Asset Relocation ¹	10.1	18.4	(8.3)
Metering Services	9.7	9.1	0.6
Feeder Standby / Excess kVAR	2.3	2.6	(0.3)
Pole/Duct Rental	1.8	1.7	0.1
Other Excluded Services	0.7	0.6	0.1
TOTAL²	40.3	47.8	(7.5)


  CitiPower Powercop Australia	FY 2012 (\$m)	FY 2011 (\$m)	Variance (\$m)
Public Lighting	13.2	12.1	1.1
New Connections	9.3	8.7	0.6
Special Reader Activities	7.8	6.8	1.0
PV installation	5.2	4.8	0.4
Service Truck Activities	5.5	5.4	0.1
Other	3.9	2.3	1.5
TOTAL	44.9	40.1	4.7

1. Includes profit/loss on asset disposals

2. Does not include Alternative Control Services (ACS) revenue, which is reported in DUOS revenue

UNREGULATED REVENUES

FY12 vs FY11(100% figures)


 SA Power Networks	FY 2012 (\$m)	FY 2011 (\$m)	Variance (\$m)
Construction and Maintenance Services (CaMS ¹) T&D - ElectraNet	78.6	75.9	2.7
Material Sales	13.0	16.4	(3.4)
Interstate work	6.3	5.6	0.7
Asset rentals	3.3	3.4	(0.1)
Telecommunications	2.8	7.5	(4.7)
Facilities Access / Dark Fibre	2.5	2.7	(0.2)
Sale of Salvage	1.9	2.2	(0.3)
Construction and Maintenance Services (CaMS) - Government	1.4	1.9	(0.5)
Other ²	18.5	24.3	(5.8)
TOTAL	128.3	139.9	(11.6)

1. Construction and Maintenance Services (CaMS)

2. Decline in other revenue relates to Bluff Wind farm project in FY11 not repeated in FY12.




UNREGULATED REVENUES (cont.)




FY12 vs FY11(100% figures)

	FY 2012 (\$m)	FY 2011 (\$m)	Variance (\$m)
PNS Resources	31.0	27.8	3.3
PNS Transmission and Distribution - SP AusNet	19.3	19.3	0.0
SLA Revenue (SA Power Networks)	13.1	12.2	0.9
Material Sales	6.4	5.9	0.5
Telecommunications	5.1	6.1	(1.1)
Wellington Management Fee - ongoing services	4.1	4.2	(0.1)
Other Network Revenue	3.5	1.8	1.7
Joint Use of Poles	2.9	3.0	(0.1)
Duct Rental	1.0	0.9	0.1
Property Rental	0.8	1.1	(0.3)
Other ¹	6.5	13.3	(6.8)
TOTAL	93.7	95.5	(1.9)

1. Includes profit/loss on asset disposals. Decline in other unregulated revenue primarily driven by Dockland lease finishing 31 Dec 2011 (\$2.1m) and completion of SA Power Networks IT capital works project in FY 2011 (\$5.2m).

CAPITAL EXPENDITURE (100%)

\$ million			 		TOTALS	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
Growth Capex	188.6	176.8	260.5	265.8	449.1	442.6
Growth Capex AMI	-	-	177.9	180.6	177.9	180.6
Maintenance capex	143.0	136.4	94.7	85.0	237.7	221.4
Total	331.6	313.2	533.1	531.4	864.7	844.6
Increase (%)	5.9		0.3		2.3	

\$ million	Maintenance capex spend		Regulatory depreciation		Less inflation uplift on RAB		Net regulatory depreciation	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
	143.0	136.4	198.2	185.0	(89.9)	(90.0)	108.3	95.0
	19.3	20.4	90.5	80.2	(52.8)	(35.2)	37.7	45.0
	75.4	64.6	171.8	148.1	(93.0)	(62.0)	78.8	86.1
Totals	237.7	221.4	460.5	413.3	(235.7)	(187.2)	224.8	226.1
Spark 49% share	116.4	108.5	225.6	202.5	(115.5)	(91.7)	110.2	110.8

NON-AUSTRALIAN SECURITYHOLDERS

Tax and Securities Regulation

- ▶ **Distributions** - Interest paid on Loan Notes to non-resident holders should be exempt from withholding tax
- ▶ **Disposal** – non-Australian holders should not be subject to Capital Gains Tax on disposal of Spark securities provided they:
 - Have not held an interest of 10% or more in the Stapled Securities for at least 12 months in the 24 months before the disposal, and
 - Do not hold the Securities at any time in connection with carrying on a business at or through a permanent establishment in Australia
- ▶ **Eligible Securityholders** - No action has been taken to register or qualify the Stapled Securities in any jurisdiction outside Australia or New Zealand. Accordingly, under securities laws applicable in each of the relevant European jurisdictions, only certain institutional, professional and qualified investors will be eligible to invest
- ▶ **Tax Treaties** - Tax treatment of interest, distributions and disposals of Spark securities may also be affected by applicable tax treaties
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USEFUL LINKS

Spark Infrastructure www.sparkinfrastructure.com

Fact Book <http://sparkinfrastructure.com/investor/reports/fact-books>

SA Power Networks www.sapowernetworks.com.au

Citi Power and Powercor Australia www.powercor.com.au

Australian Energy Regulator www.aer.gov.au

Advanced Metering Infrastructure cost recovery and charges for 2012-15

<http://www.aer.gov.au/node/10216>

Regulatory determinations South Australia 2010 – 2015

<http://www.aer.gov.au/node/4>

Regulatory determinations Victoria 2010 – 2015

<http://www.aer.gov.au/node/7208>

<http://www.aer.gov.au/node/7210>

Comparative performance report Victoria

<http://www.aer.gov.au/node/14950>

Australian Energy Regulator News

<http://www.aer.gov.au/node/450>

Australian Energy Market Commission www.aemc.gov.au

Energy Networks Association www.ena.asn.au

Essential Services Commission of South Australia www.escosa.sa.gov.au

Performance reports South Australia

<http://www.escosa.sa.gov.au/electricity-overview/market-information/energy-performance-monitoring.aspx>

Essential Services Commission (Victoria) www.esc.vic.gov.au

Standing Council on Energy and Resources www.scer.gov.au

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Spark infrastructure RE Limited (ACN 114 940 984; AFSL 290436) is the responsible entity for Spark Trust (ARSN 116 870 725)

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