



Thursday, 24 May 2012

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

Dear Sir / Madam

2012 ANNUAL GENERAL MEETING

I enclose the Chairman's address and management presentation to be delivered today at the 2012 AGM of Spark Infrastructure.

Yours faithfully,

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

Alexandra Finley
Company Secretary



Spark Infrastructure Annual General Meeting 2012

Thursday, 24 May 2012

Chairman's address – Brian Scullin

Ladies and Gentlemen,

Thank you for attending the 2012 Annual General Meeting of Spark Infrastructure.

The past twelve months have been busy and productive for us, with a number of outstanding matters at the asset level resolved favourably, and some significant changes in the structure and leadership of Spark itself.

I became Chairman of Spark in September 2011. The investment vehicle I have inherited is in excellent shape, and well positioned to deliver on its core investment proposition – to provide a competitive and reliable yield plus strong asset growth. All of this is based on the quality assets in our portfolio, which operate in a stable, regulated environment, benefiting from skilled and effective management, and generating strong and growing operational cashflows.

At the end of this month we will also have a new Managing Director, with Laura Reed choosing to return to her home in Adelaide after more than five and a half years at Spark, three of those as Chief Executive, and our current Chief Financial Officer, Rick Francis, taking over the reins of management. I want to thank Laura for her enormous contribution to Spark, and to welcome Rick to his new role, and will do so in more detail later on.

In an operational sense, the first half of 2011 saw the culmination of a series of changes to the structure of Spark Infrastructure in the form of the internalisation of its management function. This completed an extensive program of reform designed to provide increased financial flexibility, a simpler ownership structure and a more sustainable distribution profile supported by operating cashflows.

The aim of these changes was to position Spark to take advantage of the substantial organic growth in the Asset Companies in which Spark holds a 49% interest - ETSA Utilities based in South Australia, and CitiPower and Powercor based in Victoria - over the current five year regulatory periods to 2015.

At the same time, as I mentioned earlier, we have seen a range of outstanding matters in the Asset Companies favourably resolved.

In the past year we reached a conclusion to the regulatory appeals launched by the Asset Companies to certain elements of the Australian Energy Regulator's Final Decisions issued in 2010.

The Australian Competition Tribunal, the body who determines such appeals, issued a favourable decision in relation to ETSA Utilities' appeals in May 2011. That decision will add approximately \$154 million of additional revenue, which represents Spark's 49% share, in the current regulatory period to 2015.

In March of this year the tribunal issued its decision in relation to CitiPower and Powercor's regulatory appeals. That decision was also favourable on some but not all matters, and will add approximately \$59 million additional revenue, again representing Spark's 49% share, in the current regulatory period.

In December 2011 the Victorian government announced its decision in relation to the Bushfire Task Force. This comprised a total package of \$750 million of investment over ten years in bushfire prone areas, largely in the form of new generation electrical asset protection and control equipment and the under grounding of power lines.

The government will provide \$250 million while the remainder is to be allocated between the two relevant electricity distribution businesses, Powercor Australia and SP AusNet, over a period expected to extend up to ten years. All of this is recoverable through the normal regulatory processes under the building block regime.

In November 2011 the Australian Energy Regulator released its Final decision in relation to the Advanced Metering Infrastructure, otherwise known as the 'smart meter' program. This sets the parameters for the remainder of the roll-out of smart meters including the capital and operating expenditure allowances for CitiPower and Powercor. The roll-out of meters has recently passed the halfway mark with over 600,000 of the total of 1.1 million meters now installed.

In summary, we now have as much certainty as there is possible to have around the remainder of the regulatory period to 2015.

At the Spark level the story is similar. We have implemented an extensive range of reforms designed to simplify Spark's structure and remove any value leakage from its management structure. We have done as much as we can in this regard.

The most significant of these changes was arguably the internalisation of the management function that was implemented on 31 May last year, following securityholder approval.

Internalisation eliminated the payment of base fees and potential performance fees to the Manager. Since the listing of Spark Infrastructure on the Australian Securities Exchange in December 2005, a total of \$65.7 million in base fees and performance fees had been paid to the Manager, up to 31 December 2010.

The management fees were replaced by the costs of self-management which were estimated to be around \$5 million in the first year, but in fact were kept well below this level.

Just as important was the elimination of potential performance fees. The impact of movements in our security price vis a vis general market fluctuations, both of which are largely unpredictable and outside our control, determined the size of any performance fee and served to create a high degree of volatility in our potential cashflows.

In addition to these financial impacts, Internalisation created an independently managed group with enhanced alignment of interests, continuity of management and greater autonomy over decision-making.

The change moved Spark Infrastructure to a more contemporary structure in line with recent market practice, and reflected the clear feedback we had received from securityholders on this matter.

As an objective measure of our success, we have seen the market respond to these changes and to the flow of good news from the Asset Companies with a positive movement in the share price.

In 2011 our Total Securityholder Return was approximately 33.5%, which placed us in the top 10 performers in the ASX. We issued capital at \$1.00 in a rights issue in September 2010, today we are trading at around \$1.50, after having also paid out a healthy distribution of ten cents per security with respect to 2011.

Having placed Spark in the position we wanted it to be, the natural question now is – what next?

If this is a question that you may be asking with some trepidation, please allow me to reassure you. The reality is that we do not plan to make any radical changes to Spark in the future.

The reason our investors have chosen Spark is for the certainty it can provide, and while we will continue to search for ways of adding value for Securityholders, we understand that a full cup must be carried steadily.

Supporting the substantial organic growth in our existing assets will remain our primary focus going forward. Our current assets are in the midst of an exciting period of growth with regulator approved capital expenditure forecast to drive a compound annual growth of 8% in their Regulatory Asset Bases to 2015.

The Regulated Asset Bases (RAB) of the Asset Companies are expected to grow by from \$6.8 billion at the start of the current regulatory periods in 2010 to around \$10.0 billion by the time they finish in December 2015, based on the Australian Energy Regulator's determinations.

In 2011 the total RAB actually grew by 9.5%. This is the best kind of growth as it is underpinned by the regulatory system and comes at no acquisition premium.

The Asset Companies' consistently strong performance, combined with the asset growth I have outlined above, means tangible benefits for Securityholders.

In the short to medium term it means a growing distribution profile contributing to a solid yield. Our strong cash position, combined with the five year business plans we have in place with our co-shareholders in the Asset Companies, Cheung Kong Infrastructure and Power Assets Holdings, gave us sufficient confidence to increase the total distribution for 2011 to 10.0 cps.

In addition, we have provided distribution guidance for 2012 of 10.5 cps, which is 5% higher than 2011 and represents a yield of 7.1% based on the yesterday's closing security price of \$1.475.

We have also provided distribution growth guidance of 3-5% per year to the end of the current regulatory periods in 2015 based on a target payout ratio of approximately 80% of standalone operational cashflows.

As always, our distributions are 100% covered by operational cashflows from the Asset Companies, by standalone operating cashflows from Spark, or both.

Over the longer term, when combined with the Asset Companies' gearing target of 75% net debt to RAB, it means a growing net equity investment in the Asset Companies for Securityholders.

As I have already stated, supporting the substantial organic growth in the Asset Companies, and pursuing continual improvements in the way they do business remains our central focus. We will not be distracted from this.

At the same time, Spark has now put itself in a position where it is able to assess other investment opportunities with a view to diversifying its investment portfolio – by asset class, geography or income stream.

As you may be aware, Spark lodged a bid for the Sydney Desalination Plant (SDP for short) as part of its refinancing by the NSW Government last month.

Our interest in SDP was based on the uniqueness of the offering and that SDP is a regulated asset with a risk profile that was in line with Spark's long held investment mandate and consistent with its current investments in its electricity distribution businesses.

The acquisition would have been immediately yield accretive to Spark Securityholders based on SDP's strong and reliable cashflows.

In addition, under Spark's proposal SDP would have been operated and maintained under a long term operating agreement with an experienced Asset Operator who was involved in the design and construction of SDP and hence has an intimate knowledge of the asset.

While we are disappointed to have been unsuccessful in this process, we are satisfied that our bid was both competitive and consistent with our investment criteria, and would have complemented our existing asset portfolio extremely well.

Our decision to participate in the sales process for the Sydney Desalination Plant was made according to Spark's investment criteria, and it is important that we again set these out clearly here.

Any asset that Spark considers in future must possess a range of key characteristics:

- The asset must be in electricity and gas distribution or transmission, or be a water and sewerage asset in established jurisdictions - with Australia being a focus in the short term - that offers predictable earnings and reliable cashflows;
- It must be subject to independent and transparent regulation by appropriate bodies. For example, the Australian Energy Regulator or the Independent Pricing and Regulatory Tribunal of New South Wales, or supported by long term contractual arrangements with reliable counterparties;
- It must be yield accretive, either immediately or within a relatively short timeframe;
- It must be value accretive over the long term – offering the opportunity for low double digit returns on equity investment, using risk-adjusted return metrics appropriate for the relevant investment opportunity;
- It must display a similar risk profile to the assets in its current portfolio; and
- It must offer the opportunity for strategic diversification, by asset class, geography, regulatory regime and/or timing.

I want to emphasise that Spark is not actively hunting for potential acquisitions. The organic growth available in our existing assets means we would be quite happy to do no more than continue to support that growth and provide its benefits to Securityholders.

However, we also respect our obligation to examine opportunities to add value to the portfolio and to Securityholders. While these will naturally be subject to stringent investment hurdles, we would be negligent if we ignored them altogether.

Spark will not deviate from its disciplined investment philosophy which is based on securing quality regulated assets, or comparable assets with predictable cashflows, at a reasonable price.

We believe we have demonstrated this, and we have no doubt in our minds that this is the right formula to achieve profitable long term growth.

This brings me to the final part of my address which involves a celebration of the 'comings and goings' at Spark.

As we announced in January of this year, Laura Reed has decided to retire from her position as Managing Director after five and a half years at Spark and over three years leading the organisation.

After commuting to Sydney on a weekly basis for that entire period she has decided to return to her home in Adelaide to spend more time with her family. She will leave Spark at the end of next week.

Laura will leave a lasting and positive legacy at Spark which includes the recent Repositioning and the Internalisation of the management function. We are sad to see her go but wish her all the best for her future endeavours.

At the same time I am pleased to welcome Rick Francis as the new Chief Executive and Managing Director. Rick has served as our Chief Financial Officer since February 2009 and has a wealth of experience in senior financial roles in the energy and utilities sectors. He is therefore extremely familiar with Spark, its Asset Companies, our investors and the industry in general. The Board is confident that we and you as Securityholders remain in a safe pair of hands.

We will shortly hear from both of them as they deliver the management presentation and cover many of the issues which I have touched upon in more detail.

I also want to thank my fellow Board members for their support over the past year and the staff of Spark for their energy and contribution during 2011, in particular the successful implementation of the internalised management structure.

The work of the past two years has left Spark well placed to benefit from the opportunities that may arise in the future.

At this point I want to again pay tribute to my predecessor as Chairman of Spark Infrastructure, Mr Stephen Johns. Stephen made a huge contribution to this organisation. He successfully steered Spark through its listing in 2005, the challenges of the global financial crisis, the strategic review of 2010 and the successful internalisation of its management function completed in 2011. His legacy will be as enduring as it is positive.

Finally, on behalf of the Board, I would like to thank each of you for your participation in today's Annual General Meeting and we look forward to your ongoing support in the future.

Ends

go here...

Annual General Meeting 2012

Yield, Growth, Quality

VOTING ENTITLEMENTS AND INSTRUCTIONS

- ▶ The Annual General Meeting of Spark Infrastructure is open to Securityholders and proxy holders of Spark Infrastructure
- ▶ All Securityholders should clearly state their name and show their registration card to be entitled to vote and speak at the meeting
- ▶ Poll on all resolutions
- ▶ The poll will be conducted by Mr David Dickson of Computershare Investor Services
- ▶ We will allow time for questions on each resolution and then vote on them together at the end after we have considered and discussed all resolutions

Chairman's address



Mr Brian Scullin, Chairman

Managing Director's Presentation



Ms Laura Reed, Managing Director

Presentation Agenda

AGM 2012

1. STRATEGY
2. GROWTH
3. PERFORMANCE - SPARK INFRASTRUCTURE
4. PERFORMANCE - ASSET COMPANIES
5. OUTLOOK AND GUIDANCE



1. STRATEGY

AGM 2012



INVESTMENT PROPOSITION

Yield plus Growth based on Quality

Yield

- Increased FY11 Distribution to 10.0 cps
- FY12 Distribution Guidance of 10.5 cps, 5% growth on FY11. Yield of 7.1% - based on Spark price of \$1.475 at 23 May 2012
- Standalone FY11 operating cashflow per security of 14.2 cps
- Distributions fully covered by standalone and look through operating cashflows
- Target payout ratio to 2015 approximately 80% of standalone operating cashflow
- DRP remains suspended

Growth

- 9.5% RAB Growth in 2011. 8% CAGR expected 2010 – 2015
- Strong organic investment opportunity at 1x RAB
- 14% CAGR in equity investment in Asset Companies' net RABs over 2010-15
- Distribution guidance of 3-5% p.a. growth across 2013-15
- EBITDA (excluding customer contributions) growth
- Well positioned to diversify the portfolio of assets

Quality

- Internally managed
- No long term debt maturities in 2012
- No regulatory resets until 2015
- Spark's share of Regulated Asset Base now \$3.6bn +
- Robust Building Block Revenue regime
- Prudent gearing, moving towards 75% Net Debt / RAB by 2015

STRATEGIC OVERVIEW

Well positioned for growth

Invested in regulated assets with stable cash flows

- ▶ Regulated returns underpinned by built-in protections within regulatory framework
- ▶ ETSA Utilities, CitiPower and Powercor final regulatory decisions and appeal outcomes provide for strong organic growth over current five year regulatory periods

Growing distributions alongside strong and growing look-through cash flows

- ▶ Strong and growing look-through operating cash flows
- ▶ Continue to fund distributions from operational cash flows (80% target payout ratio) from the Asset Companies
- ▶ Maintain attractive investment metrics and distributions growth over the current regulatory periods

Ensure prudent approach to gearing and hedging of debt

- ▶ Stable credit ratings of A- (S&P) at Asset Companies
- ▶ Ready access to capital markets and bank debt at asset and fund levels
- ▶ No long term debt refinancing at Asset Companies until February 2013; none at Spark until September 2013

Prioritise ongoing investment in existing asset portfolio

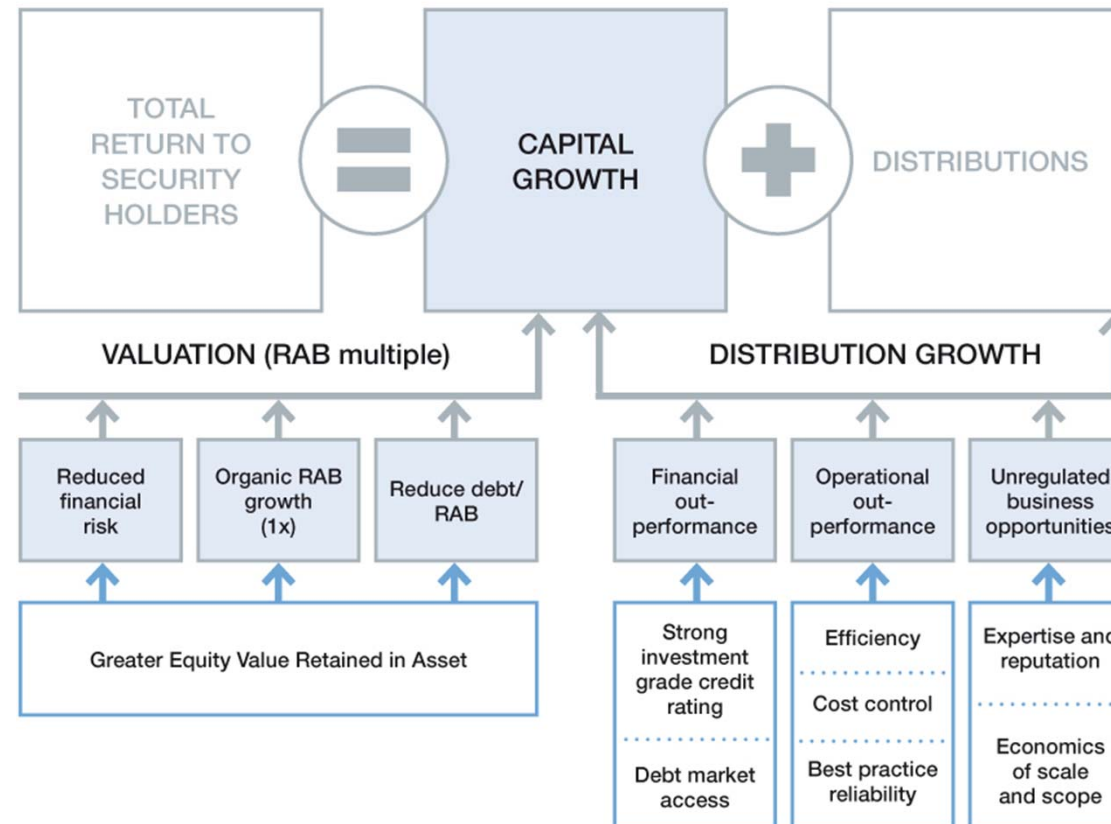
- ▶ Strong source of organic growth at zero premium (1.0 x RAB)
- ▶ RAB expected to grow by 8% p.a. (CAGR) in current regulatory periods based on AER determinations

Well placed to assess opportunities for diversification that will add value

- ▶ Maintain demonstrated discipline in assessing expansion and diversification opportunities
- ▶ Must demonstrate increased Securityholder value with yield accretion a key criterion in assessing potential investments
- ▶ Investment universe is restricted to regulated assets or comparable investments in electricity distribution and transmission, gas distribution and transmission and water utilities

VALUE DRIVERS

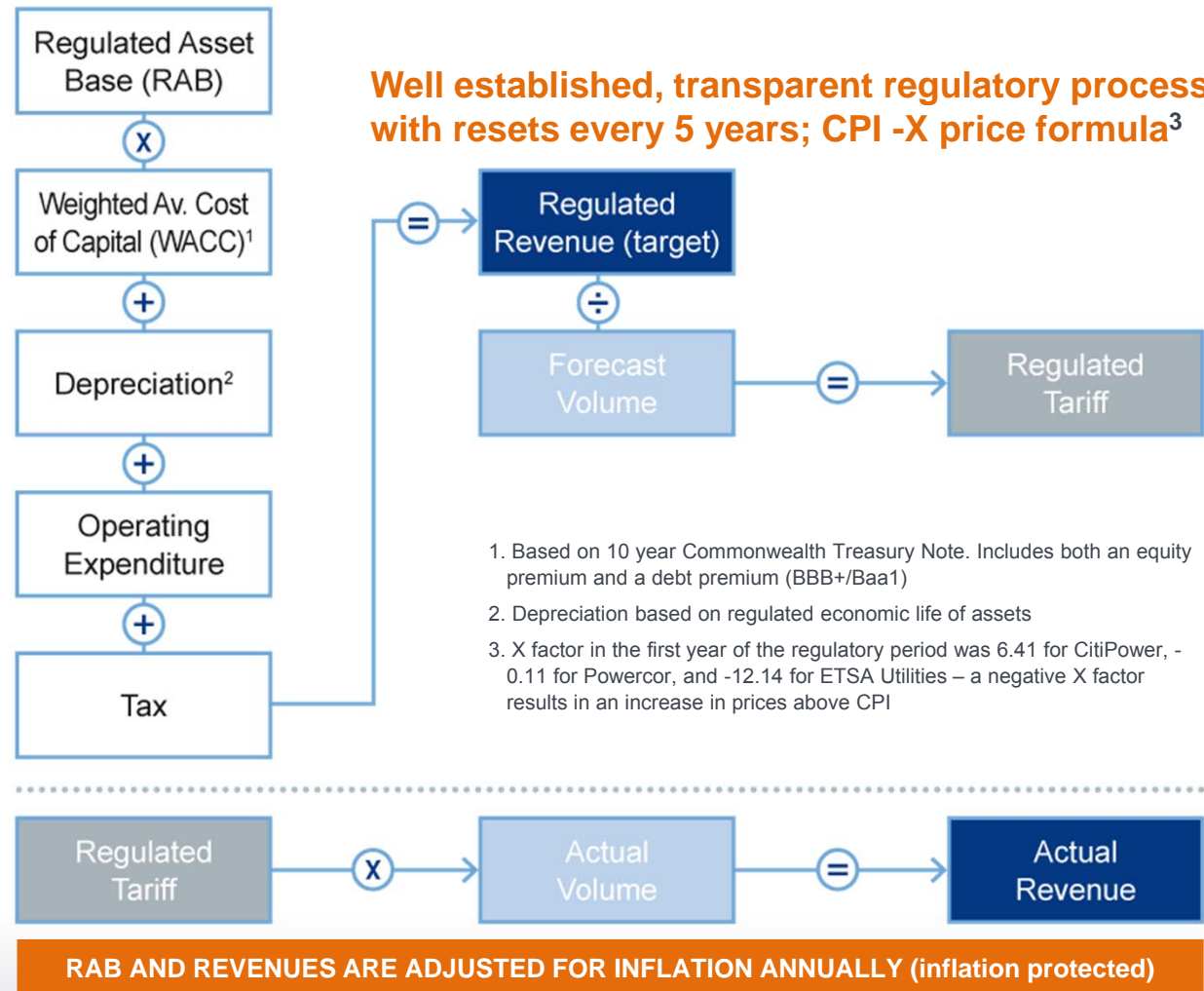
Yield plus capital growth based on quality assets



- ▶ Total Shareholder Return in 2011 of 33.5%
- ▶ Distribution guidance for 2012 of 10.50 cps – 5% growth on 2011
- ▶ Distributions expected to grow by 3-5% per annum from 2013-15

REGULATORY FRAMEWORK

In-Built protections





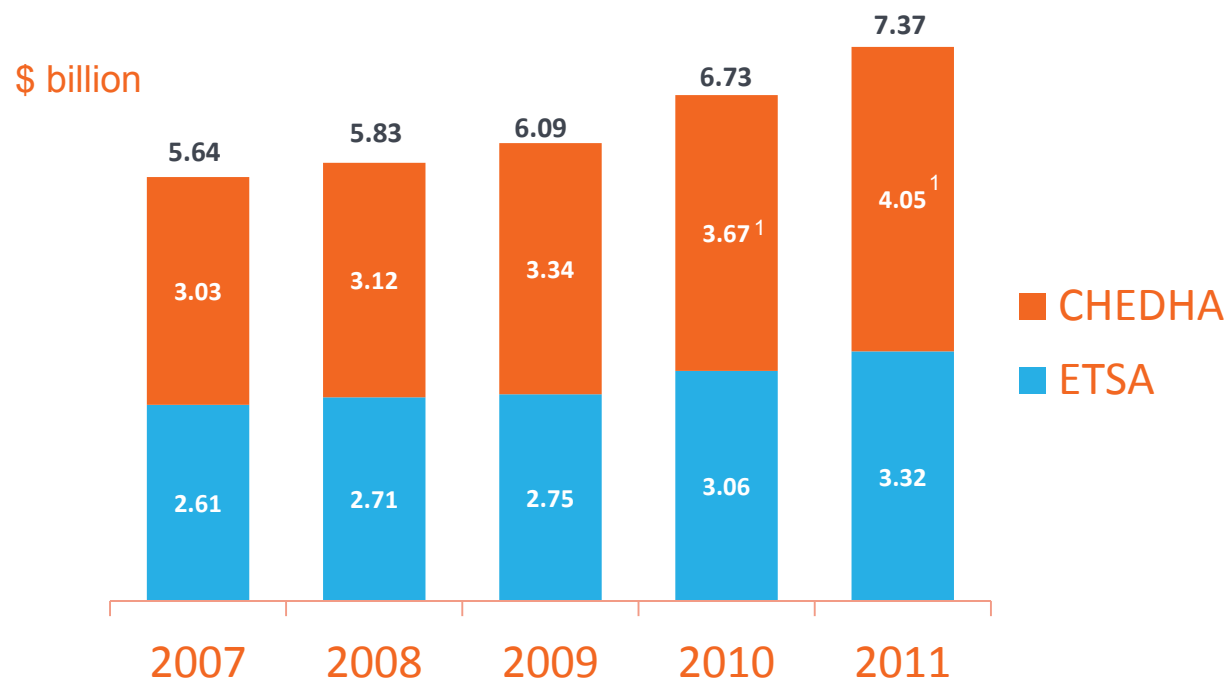
2. GROWTH

AGM 2012



RAB GROWTH

Total RAB now \$7.37 billion (100% basis)

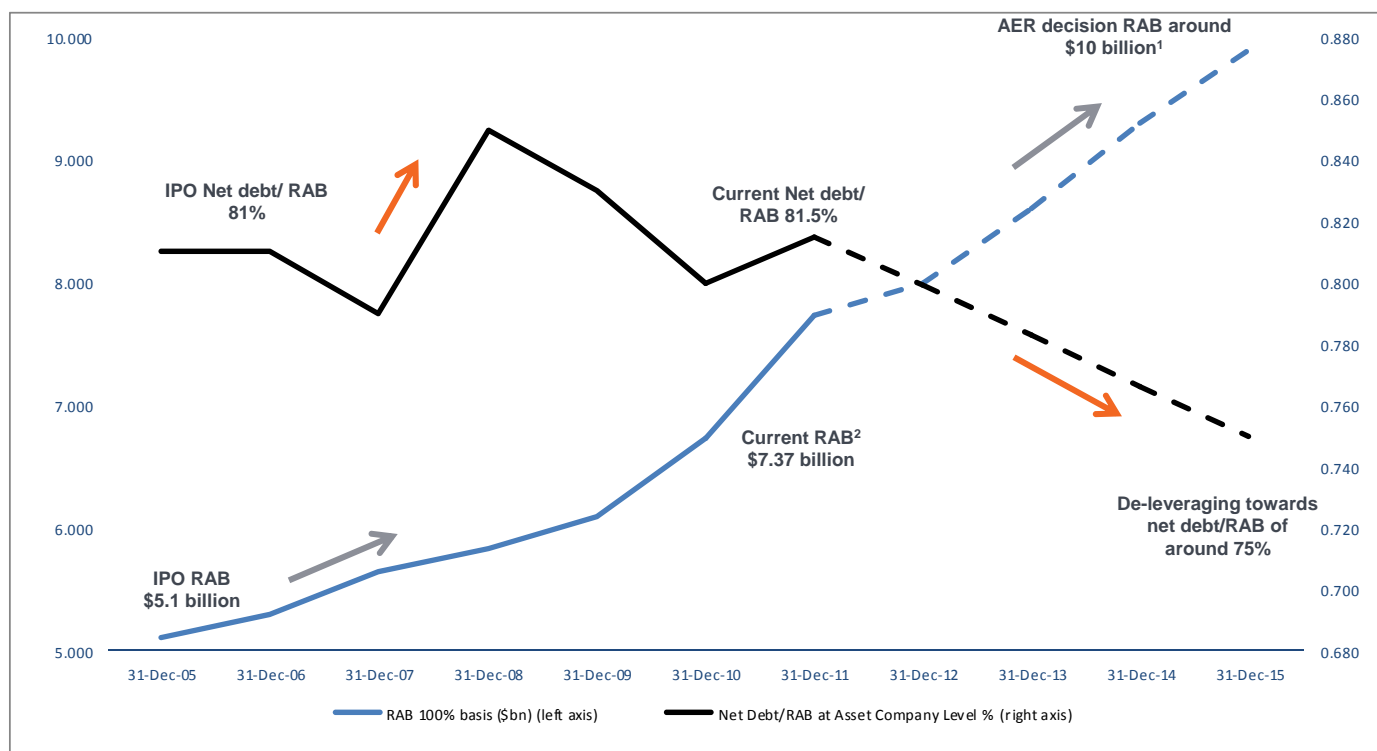


- ▶ RAB grew by 9.5% in 2011 - Growth of 8.0% CAGR over the five years of the current regulatory period expected
- ▶ Capital expenditure earns the regulatory return from day one
- ▶ Net debt to RAB at Asset Company level 81.5% - still on track to achieve 75% level by end 2015
- ▶ Equity investment projected to grow over time as RAB grows and gearing falls – 14% CAGR expected over current regulatory periods

1. CHEDHA figures include Advanced Metering Infrastructure RAB

GREATER EQUITY OWNERSHIP – 14% CAGR

Based on growing RAB and lower gearing



LEVERAGE PROJECTED TO FALL WHILE EQUITY INVESTMENT GROWS

1. Based on final AER decisions for current five year regulatory periods and funding of capital expenditure in accordance with 60:40 debt: equity assumption. Actual capital expenditure and funding mix may vary.

2. Asset Companies' Estimate at 31 December 2011

FUTURE DIVERSIFICATION

A disciplined approach

Spark will continue to adhere to its long held investment criteria which includes consideration of assets which have the following characteristics:

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

3. SPARK INFRASTRUCTURE

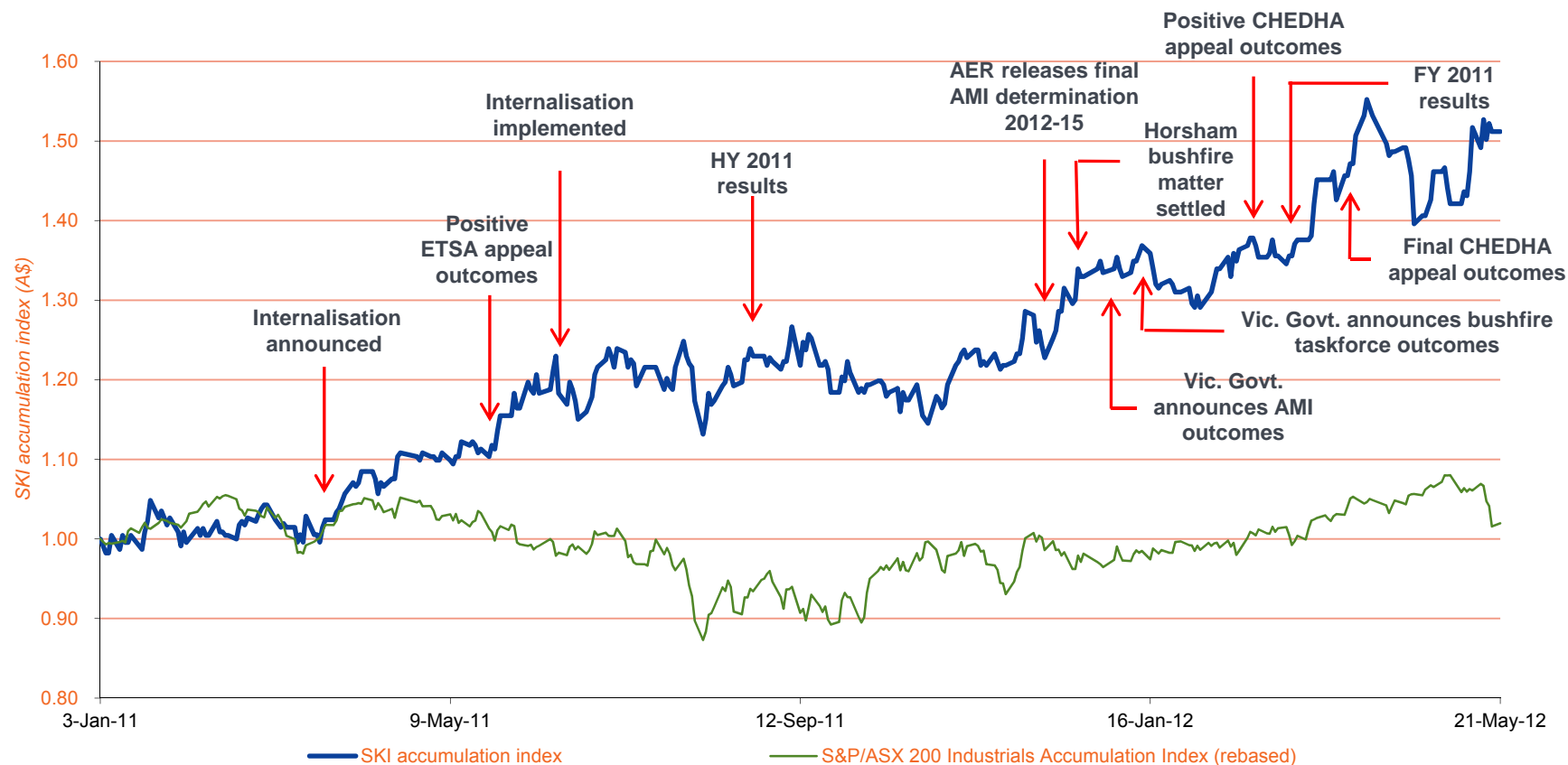
FY 2011 Performance



Mr Rick Francis, CFO & Managing Director elect

PERFORMANCE HIGHLIGHTS – 1 Jan 2011 to 21 May 2012

Total Shareholder Return (TSR) of 33.5% in 2011¹



- ▶ TSR of 33.5% in 2011¹
- ▶ Compares well to TSR of 9.7% for S&P/ASX Utilities Index and -3.5% for S&P/ASX 200 Industrials Index
- ▶ Investment proposition based on a reliable yield and organic regulated asset growth

1. Source: Bloomberg

PERFORMANCE HIGHLIGHTS – FY 2011

Delivering according to plan

Asset Companies generate reliable operating cash flows

- ▶ The Asset Companies performed solidly in accordance with the regulatory decisions
- ▶ Volumes down due to weather, storm events and economic climate, but offset by tariff increases
- ▶ Look-through free cash flows of \$236.6 million – equivalent to 17.8 cents per security

Successful appeal outcomes leading to higher future revenues

- ▶ Favourable determination of Asset Companies' appeal matters by the Australian Competition Tribunal will add approximately \$213 million of revenue (49% Spark share) in the current regulatory period. The additional revenue will be recovered from 1 July 2011 to 30 June 2015 for ETSA, and from 1 January 2013 (expected) to 31 December 2015 for CHEDHA.

Substantial RAB growth

- ▶ Total growth in RAB of 9.5% reflecting net capital expenditure of \$844.6 million (100% basis)

Strong funding position

- ▶ Cash distributions of \$211.2 million received from the Asset Companies in accordance with agreed business plans. Spark net gearing 2.5%

Increased distributions to Securityholders

- ▶ The Directors paid a final distribution of 5.25cps which delivered a full year distribution of 10.00cps (previous guidance 9.50cps). FY12 Guidance of 10.50 cps

Medium term distribution guidance

- ▶ The Directors have provided distribution growth guidance for the remainder of the current regulatory period of 3-5% per annum, subject to business conditions.
- ▶ Target payout ratio to 2015 approximately 80% of standalone operating cashflow

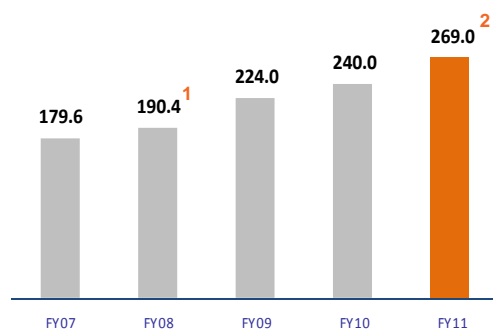
Internalisation delivers reduced cost base

- ▶ Base management fees and potential performance fees avoided
- ▶ Cost of self management tracking below the previously disclosed target of \$5 million in the first year.

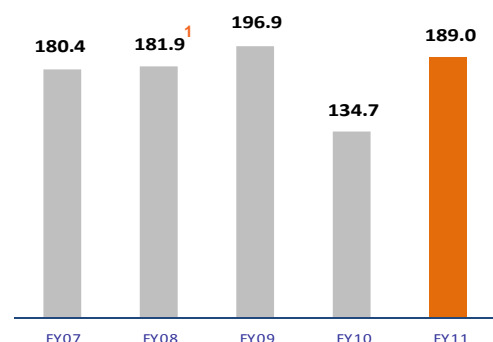
FINANCIAL HIGHLIGHTS – FY 2011

Spark Infrastructure

UNDERLYING PROFIT BEFORE INCOME TAX AND LOAN NOTES INTEREST (\$M)



STANDALONE OPERATING CASHFLOWS (\$M)



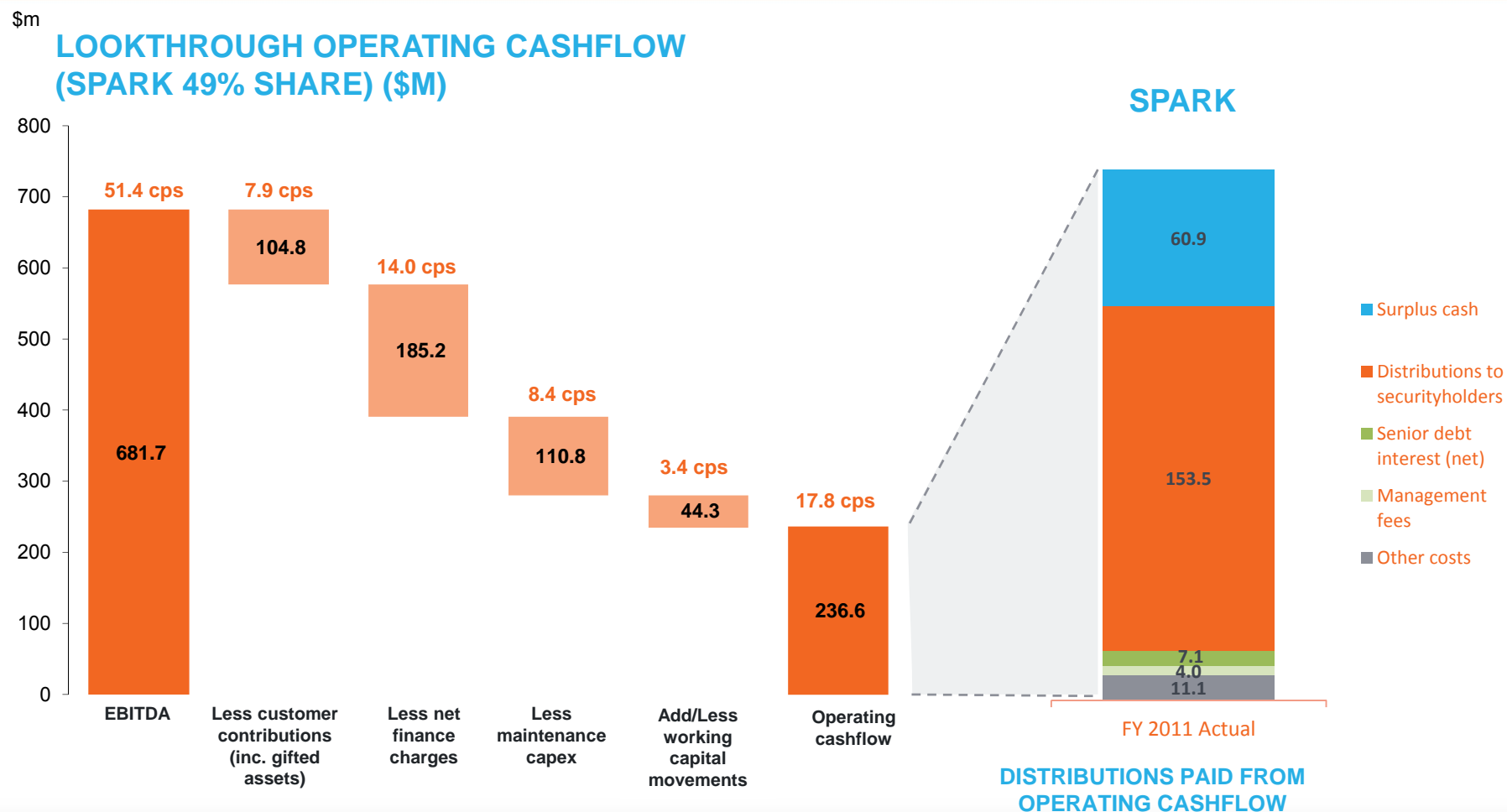
- ▶ Operating cashflow (Asset level) – 17.8 cps
- ▶ Operating cashflow (Look through) – 16.2 cps
- ▶ Operating cashflow (Spark) – 14.2 cps
- ▶ Total RAB growth in 2011 – 9.5%
- ▶ Gearing
 - Net debt to RAB (Asset level) – 81.5%
 - Net gearing (Spark) – 2.5%
- ▶ FY11 Distribution payout ratio (FY11: 10.0cps)
 - 70% stand alone (77% excluding CHEDHA deferred interest)
 - 62% look through
- ▶ No DRP/equity raisings in 2011. No capital injections into Asset Companies.

¹ Excludes a performance fee of \$16.5 million incurred in FY08

² Excludes Internalisation payment and related transaction costs of \$51.5 million incurred in FY11

OPERATING CASH FLOW MODEL – FY 2011

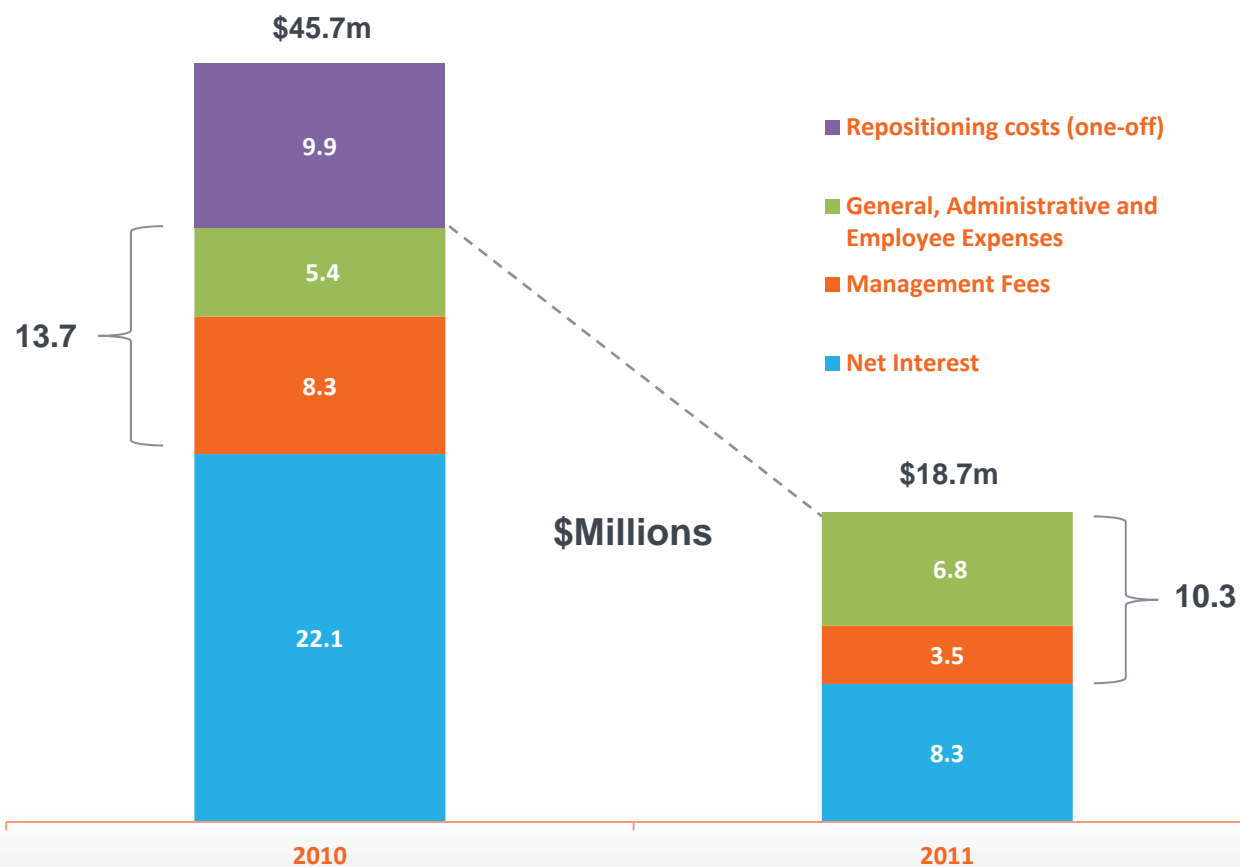
Asset Companies producing 17.8 cents free cashflow per Spark security
Distributions fully covered



1 Maintenance capex allowance is calculated as regulatory depreciation net of CPI uplift in RAB (refer to page 37)

SPARK OPERATING COSTS – FY 2011

Benefits of Repositioning and Internalisation





4. ASSET COMPANIES

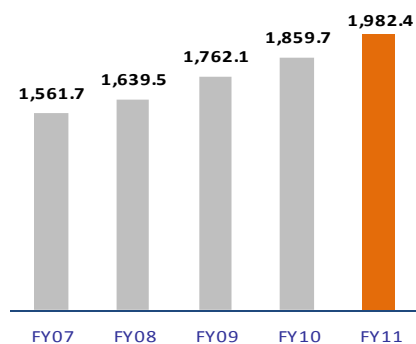
FY 2011 Performance



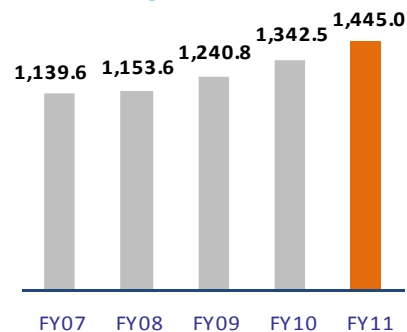
FINANCIAL HIGHLIGHTS - FY 2011

Aggregated Asset Companies (100% results)

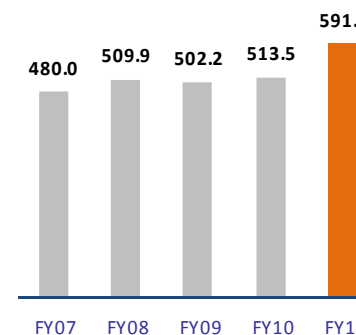
TOTAL REVENUE (\$M)



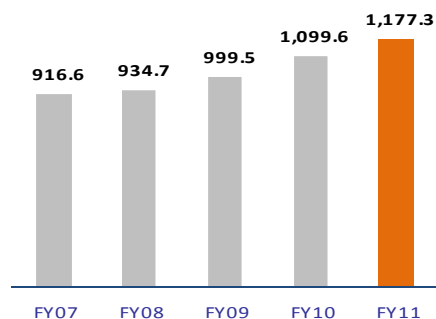
PRESCRIBED REVENUE (\$M)
(Including AMI)



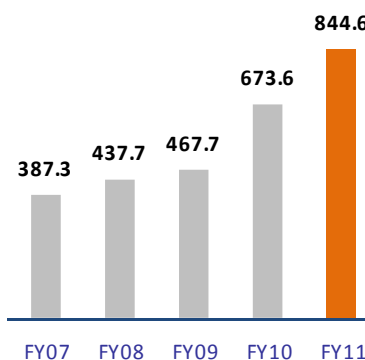
TOTAL OPERATING COSTS (\$M)



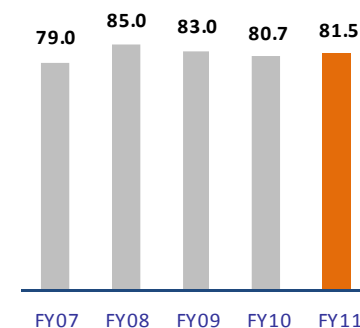
EBITDA (\$M)
(Excluding customer contributions)



NET CAPITAL EXPENDITURE (\$M)



**ASSET COMPANY
NET DEBT TO RAB (%)¹**



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

1. CHEDHA December 2010 RAB adjusted after finalisation of the new regulatory period reset

ETSA UTILITIES – FY 2011

(100% results)

Financial	FY 2011 (\$m)	FY 2010 (\$m)	Variance %	Operational	FY 2011	FY 2010	Variance
Regulated revenue	696.0	595.0	17.0	Customer numbers	829,674	820,387	9,287
Customer contributions	132.2	159.8	(17.3)	Employee numbers	1,914	1,833	81
Semi-regulated other	47.8	36.3	31.7	Network availability (%)	99.97	99.94	0.03
Unregulated revenue	139.9	110.0	27.2	Volume sold (GWh)	11,093	11,320	(227)
Total revenue	1,015.9	901.1	12.7	Sales volume growth			
Cash operating costs	298.7	240.5	24.2	Underlying ¹ (%)	-0.3	-0.3	-
EBITDA (Excluding Customer Contributions)	585.0	500.8	16.8	Weather ¹ (%)	-1.7	-0.8	(0.9)
EBITDA	717.2	660.6	8.6	Total ¹ (%)	-2.0	-1.1	(0.9)
Total capital expenditure	313.2	240.3	30.3				

- ▶ DUoS revenue increased by 17.0%, including the half year benefit of July 2011 tariff increases
- ▶ The total volume delivered decreased by 2.0% from 11,320 GWh to 11,093 GWh in the Current Year due largely to mild weather
- ▶ Increases in semi-regulated and unregulated business activity will drive a corresponding increase in operating costs

1. Asset Companies' estimates

BUSINESS AND REGULATORY UPDATE

ETSA Utilities

- ▶ **Regulatory appeals** – positive outcomes from the Australian Competition Tribunal (ACT) will result in additional revenue of approximately \$315 million (Spark share \$154 million) over the remainder of the current regulatory period to 2015 – increased revenue from 1 July 2011 (half year benefit in 2011)

- ▶ **Key Projects**
 - Major upgrade of electricity supply to Adelaide's Central Business District (CBD)
 - Construction of new major distribution substations at North Adelaide, Happy Valley and Mount Barker
 - Completion of works on the new Mount Barker South, Wudinna and Kadina East connection point substations with ElectraNet
 - Infrastructure works supporting the construction of Adelaide's first desalination plant

- ▶ **Photovoltaic panels installation** (and associated cashflow impact)
 - Feed-in tariff payments commenced in 2010/11. Actual installations of solar panels have been much higher than expected
 - Payments are recoverable within current regulatory period to 2015 – the first pass-through application for 2010-11 (Year 1) has been approved for \$8.84 million (\$7.69 million under recovery plus \$1.15 million interest)
 - Pass-through arrangements for 2011/12 onwards are currently being considered by the AER

CITIPOWER AND POWERCOR – FY 2011

(100% results)

Financial	FY 2011 (\$m)	FY 2010 (\$m)	Variance %	Operational	FY 2011	FY 2010	Variance
Regulated revenue	627.5	641.0	(2.1)	Customer numbers	1,043,682	1,025,685	17,997
Prescribed metering (AMI)	121.5	106.5	14.1	Employee numbers	1,957	1,988	(31)
Customer contributions	81.8	86.8	(5.8)	Network availability - CitiPower	99.99	99.99	-
Semi-regulated other	34.8	27.1	28.4	- Powercor	99.96	99.96	-
Unregulated revenue	100.9	97.2	3.8	Volume sold GWh - CitiPower	6,105	6,210	(105)
Total revenue	966.5	958.6	0.8	- Powercor	10,470	10,678	(208)
Cash operating costs	292.4	273.1	7.1	Sales volume growth			
EBITDA (Excluding Customer Contributions)	592.3	598.7	(1.1)	Underlying ¹ - CitiPower	0.4	0.7	(0.3)
EBITDA	674.1	685.5	(1.7)	- Powercor	0.5	2.9	(2.4)
Total capital expenditure	531.4	433.3	22.6	Weather ¹ - CitiPower	-2.1	0.2	(2.3)
				- Powercor	-2.5	-1.0	(1.5)
				Total ¹ - CitiPower	-1.7	0.9	(2.6)
				- Powercor	-2.0	1.9	(3.9)

- ▶ Electricity distribution revenue was down by 2.1% due to lower demand caused by subdued economic conditions and mild weather in the operating areas, partially offset by higher tariffs
- ▶ Operating expenditure increased by 7.1%, largely reflecting known cost increases related to the operations of the regulated businesses as allowed for in the current 5-year regulatory period

1. Asset Companies' estimates

BUSINESS AND REGULATORY UPDATE

CitiPower and Powercor

- ▶ **Regulatory appeals** – positive outcomes from the Australian Competition Tribunal (ACT) will result in additional revenue of \$120 million (Spark share \$58.8 million) over the remainder of the current regulatory period to 2015 – increased revenue expected from 1 January 2013
- ▶ **Advanced Metering infrastructure (AMI)** - In November the AER released its final decision on AMI for CitiPower and Powercor - total capital expenditure allowance of \$308.2 million and a total operating expenditure allowance of \$127.4 million for 2012-15 (real 2011 figures)
 - Only minor changes between final submission and final decision
- ▶ **Bushfire Taskforce** – Total of \$750 million over 10 years, including \$500 million to be invested by Powercor and SP AusNet and to be recovered through the normal regulatory processes
- ▶ **Bushfire litigation** – Powercor's insurers have settled Horsham and Coleraine litigation on a no admission of liability basis
 - Powercor is required to meet the first \$5 million of any award of damages or settlement and this was provided for in the 2009 financial accounts
 - The fires at Horsham, Coleraine and Pomboorneit/Weerite in February 2009 are treated as one event
- ▶ **Key Projects**
 - The Metro Project aims to provide increased electrical infrastructure capacity in Melbourne's north east CBD
 - The CBD Security of Supply Project - expansion of the Victoria Market zone substation marked a significant milestone
 - Major expansion works at the Boovery Queensbury zone substation, adjacent to the CBD and significant underground cabling works undertaken.



5. OUTLOOK AND GUIDANCE



OUTLOOK AND GUIDANCE

Yield

- Yield of 7.1% - based on FY12 Distribution Guidance of 10.5 cps and Spark price of \$1.475 at 23 May 2012
- Distributions covered by operating cashflows
- Target payout ratio to 2015 approximately 80% of standalone operating cashflow

Growth

- FY12 Distribution Guidance of 10.50 cps, 5% growth on FY11
- 3-5% p.a. growth in Distribution per Security guidance for 2013-15
- 8% CAGR in RAB expected 2010-15
- Strong organic investment opportunity at 1x RAB

Quality

- Internally managed
- No long term debt maturities in 2012
- No regulatory resets until 2015
- Prudent gearing, moving towards 75% Net Debt / RAB by 2015



QUESTIONS

VOTING ENTITLEMENTS AND INSTRUCTIONS

- ▶ The Annual General Meeting of Spark Infrastructure is open to Securityholders and proxy holders of Spark Infrastructure
- ▶ All Securityholders should clearly state their name and show their registration card to be entitled to vote and speak at the meeting
- ▶ Poll on all resolutions
- ▶ The poll will be conducted by Mr David Dickson of Computershare Investor Services
- ▶ We will allow time for questions on each resolution and then vote on them together at the end after we have considered and discussed all resolutions

FINANCIAL REPORT

- ▶ The financial report, director's report and auditor's report for the Spark Infrastructure Group were lodged with the ASX on Monday 27 February 2012 and were included in the annual report
- ▶ The financial report is now formally tabled at the 2012 AGM of Spark Infrastructure

RESOLUTION 1 – REMUNERATION REPORT

To seek approval of the following ordinary resolution as a non-binding resolution of Securityholders:

“That Spark Infrastructure’s remuneration report for the financial period ended 31 December 2011 be adopted.”

Proxy votes	For	Against	Open/usable	Abstain	Total (usable votes)
Resolution 1 Eligible votes	851,563,563	16,414,477	2,531,491	2,585,666	870,509,531
Percentage of available votes	97.82	1.89	0.29	-	100

RESOLUTION 2 – ELECTION OF ANNE MCDONALD

To seek approval of the following ordinary resolution as a resolution of Securityholders:

“That Ms Anne McDonald, who retires by rotation, be re-elected as a Director of Spark Infrastructure RE.”

Proxy votes	For	Against	Open/usable	Abstain	Total (usable votes)
Resolution 2 Eligible votes	863,595,187	4,739,482	6,652,964	1,739,562	874,987,633
Percentage of available votes	98.7	0.54	0.76	-	100

RESOLUTION 3 – ELECTION OF DR KEITH TURNER

To seek approval of the following ordinary resolution as a resolution of Securityholders:

“That Dr Keith Turner, who retires by rotation, be re-elected as a Director of Spark Infrastructure RE.”

Proxy votes	For	Against	Open/usable	Abstain	Total (usable votes)
Resolution 1 Eligible votes	867,444,056	920,015	6,692,892	1,670.232	875,056,963
Percentage of available votes	99.13	0.11	0.76	-	100

POLLS

- ▶ Mr David Dickson of Computershare Investor Services has been appointed as Returning Officer to conduct the polls of the 2012 Spark Infrastructure AGM
- ▶ The results of the poll will be announced to the ASX and placed on Spark Infrastructure's website this afternoon



CLOSE OF MEETING



FOR FURTHER INFORMATION

Please contact

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