



Friday, 1 May 2015

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

Dear Sir / Madam

Canada and USA Investor Presentation

I enclose the presentation to be delivered to investors in Canada and the USA on 4-8 May 2015.

Yours faithfully,

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

Alexandra Finley
Company Secretary

INVESTOR PRESENTATION

4-8 May 2015

Canada and USA

THE AUSTRALIAN
INFRASTRUCTURE
NETWORK SPECIALISTS

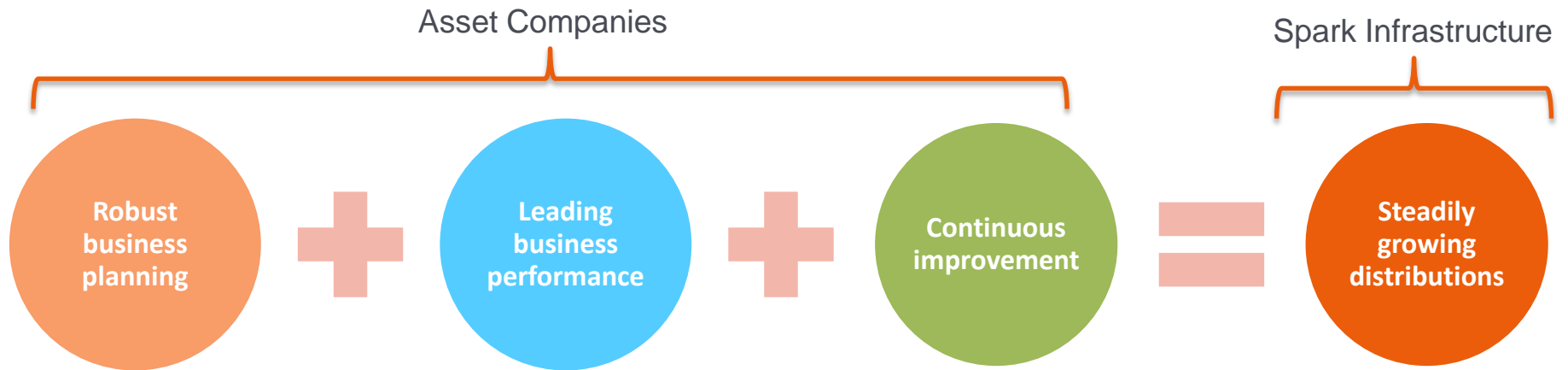
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1. OVERVIEW

GROWING DISTRIBUTIONS OVER TIME





CLEAR STRATEGY + CONSISTENT DELIVERY



1. Spark Infrastructure's core proposition is to deliver steadily growing distributions to its securityholders over time. This shapes our view of all matters relating to strategy and capital management
2. Consistent performance and returns from our investments are founded on business plans which are sufficiently robust and flexible to deliver growing cashflows under a variety of different business circumstances and regulatory outcomes, based on:
 - ▶ Disciplined financial and capital management
 - ▶ Scalable operations and cutting edge efficiency programs
 - ▶ Consistent out-performance of regulatory benchmarks and allowances
 - ▶ Business innovation and evolution
 - ▶ Appropriately incentivised management teams
3. Remain confident of delivering a growing distribution across the 2016-2020 regulatory period

CURRENT INVESTMENT PORTFOLIO

AUSTRALIAN BASED SPECIALIST INFRASTRUCTURE FUND WITH A PORTFOLIO OF HIGH QUALITY REGULATED ELECTRICITY AND GAS DISTRIBUTION BUSINESSES

| | | |
|-----------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | 49.0% Interest | SA Power Networks is the sole operator of South Australia's electricity distribution network, supplying around 847,000 residential and commercial customers in all regions and the major population centres. |
|  | 49.0% Interest | CitiPower owns and operates the distribution network that supplies electricity to over 323,000 customers in Melbourne's CBD and inner suburbs. |
|  | 49.0% Interest | Powercor is the largest distributor of electricity in Victoria, owning and operating a network that serves around 757,000 customers in central and western Victoria and the western suburbs of Melbourne. |
|  | 12.4% Economic Interest | ASX listed company \$3.7b market capitalisation. DUET's assets include an 80% stake in the Dampier to Bunbury Pipeline (gas transmission) and 100% interest in DBP Development Group (gas pipeline development) in Western Australia, a 100% stake in Multinet Gas Group (gas distribution) and a 66% stake in United Energy Distribution (electricity distribution) both in Victoria. |

Spark Infrastructure's 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 - that offer predictable earnings and reliable cashflows

ASSET COMPANY INVESTMENT PORTFOLIO



Spark Infrastructure's Asset Companies (SA Power Networks and CitiPower and Powercor) are among the most reliable, efficient and safe businesses of their kind in Australia, and rank above their government owned peers



Credit rating

A - / A3

Customers

846,846

Network availability

99.95%

Next regulatory reset

July 2015

Credit rating

BBB+ / Baa1

Customers

757,082

Network availability

99.96%

Next regulatory reset

Jan 2016

Credit rating

BBB+

Customers

323,487

Network availability

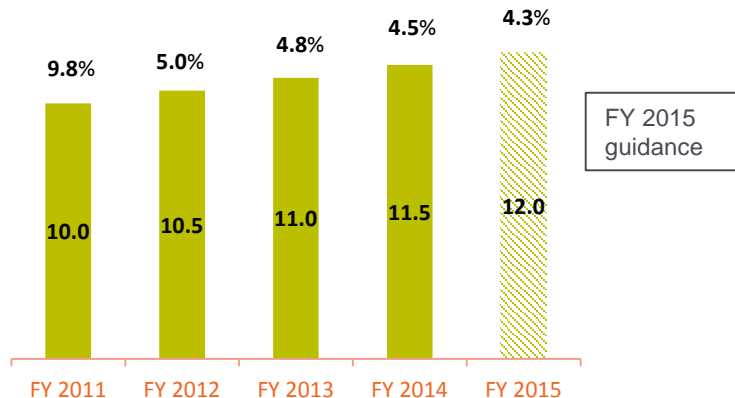
99.99%

Next regulatory reset

Jan 2016

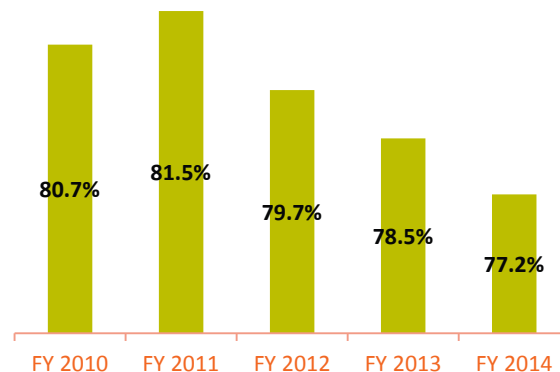
A PROVEN TRACK RECORD

DPS (cps and % growth)



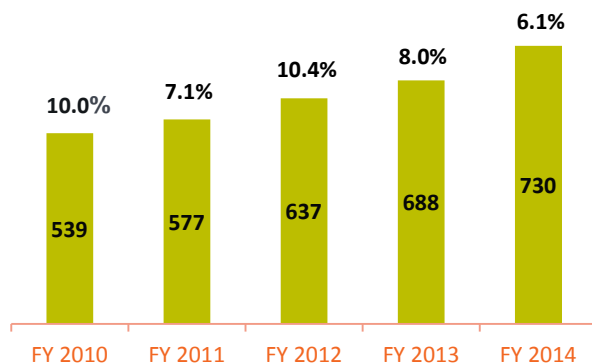
"3-5% growth p.a. to 2015"

Net Debt to RAB (%)

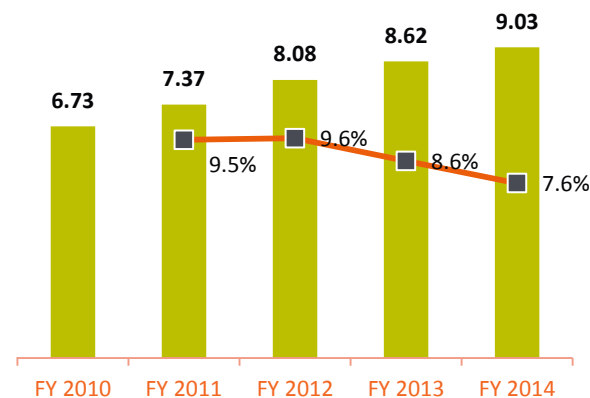


"Targeting 75% by 2015 in the Asset Companies"

Asset Company EBITDA (excl customer contributions)
- 49% basis (\$M and % growth)



Growth in RAB - rolling CAGR¹ (\$bn and %)



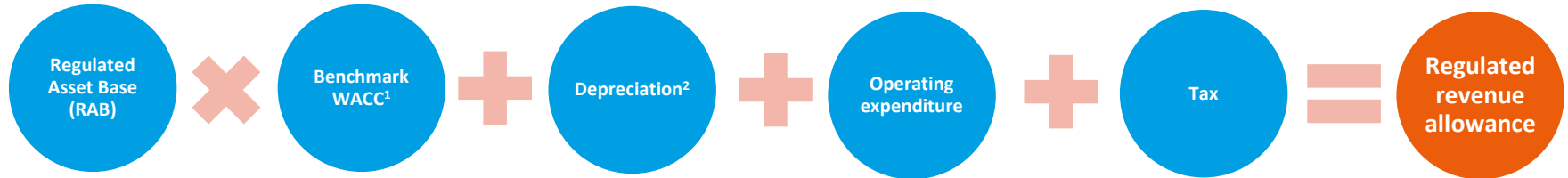
"7-8% CAGR¹ to 2015"

1. Compound Annual Growth Rate

2. REGULATORY ENVIRONMENT

REGULATORY FRAMEWORK

In-built protections and opportunities to out-perform



- ▶ For the 2015/16-2020 regulatory periods, there will be an annual adjustment to tariffs (either upwards or downwards) in subsequent years to remove the effect of variances in electricity sales volumes, so as to ensure Network Service Providers recover their regulated revenue allowance in full (i.e. Revenue cap methodology)
- ▶ Revenues and the Regulated Asset Base are adjusted annually to protect against inflation
- ▶ The regulatory framework allows for the pass-through of efficient operating costs and capital costs
- ▶ WACC parameters and operating and capital allowances are determined with reference to an efficient benchmark entity, providing a range of opportunities for efficient businesses to out-perform regulatory benchmarks

- **Revenue certainty**
- **Inflation protection**
- **Cost pass-throughs for operating and capital costs**



1. Based on 10 year Commonwealth Treasury Note. Includes both an equity premium and a debt premium (BBB+/Baa1)

2. Depreciation based on regulated economic life of assets

REGULATORY FRAMEWORK

Regulatory bodies and responsibilities

Ministerial Council on Energy (MCE)

- Focusses solely on energy market reform and the national energy market
- Reports to the Council of Australian Governments (COAG) which includes all State and Territory Ministers

Australian Energy Markets Commission (AEMC)

- Rule maker
- Responsible for rule making and market development for electricity and gas transmission and distribution networks and retail markets

Australian Energy Regulator (AER)

- Implements the rules
- Economic regulator
- Issues 5-year regulatory decisions for Network Service Providers (NSPs)
- Enforces the Rules made by the AEMC

Australian Energy Markets Operator (AEMO)

- System and market operator for the National Electricity Market and the wholesale gas market
- Independent company with both government and industry membership

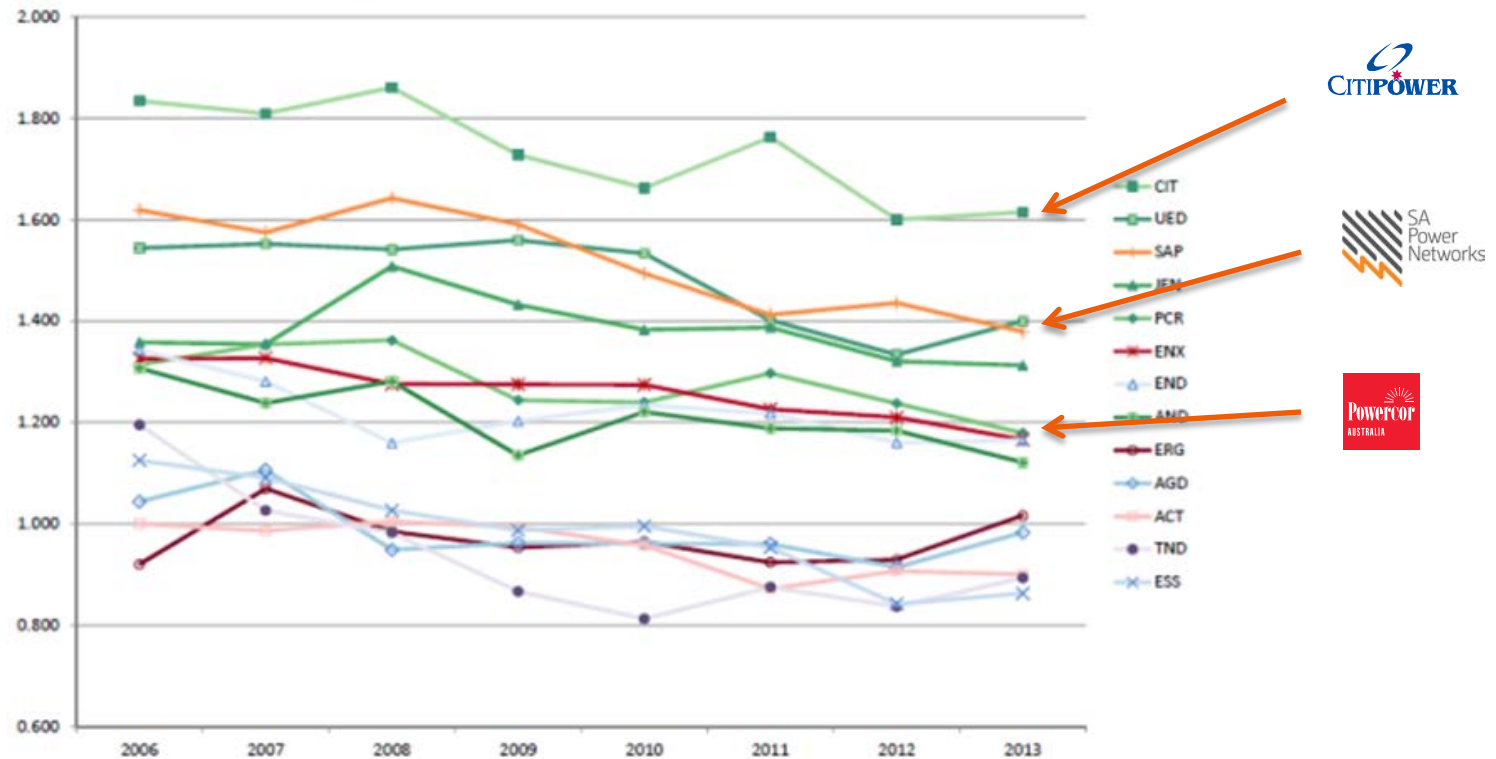
Australian Competition Tribunal (ACT)

- Independent appeal mechanism
- Operates Limited Merits Review (LMR)

Transparent separation of responsibilities between regulatory bodies

TOP RANKINGS CONFIRMED BY AER BENCHMARKING

Figure 16 Multilateral total factor productivity for each distributor



Australian Energy Regulator: Electricity distribution benchmarking report – November 2014

- ▶ SA Power Networks, CitiPower and Powercor ranked at the top end in AER Benchmarking report released in November 2014, compared to domestic peers

The Asset Companies in Spark Infrastructure's portfolio are among the most reliable, efficient and safe businesses of their kind in Australia, and rank above their government owned peers

SA POWER NETWORKS – 1 July 2015 - 30 June 2020

DRAFT DECISION RELEASED BY AER – 30 APRIL 2015

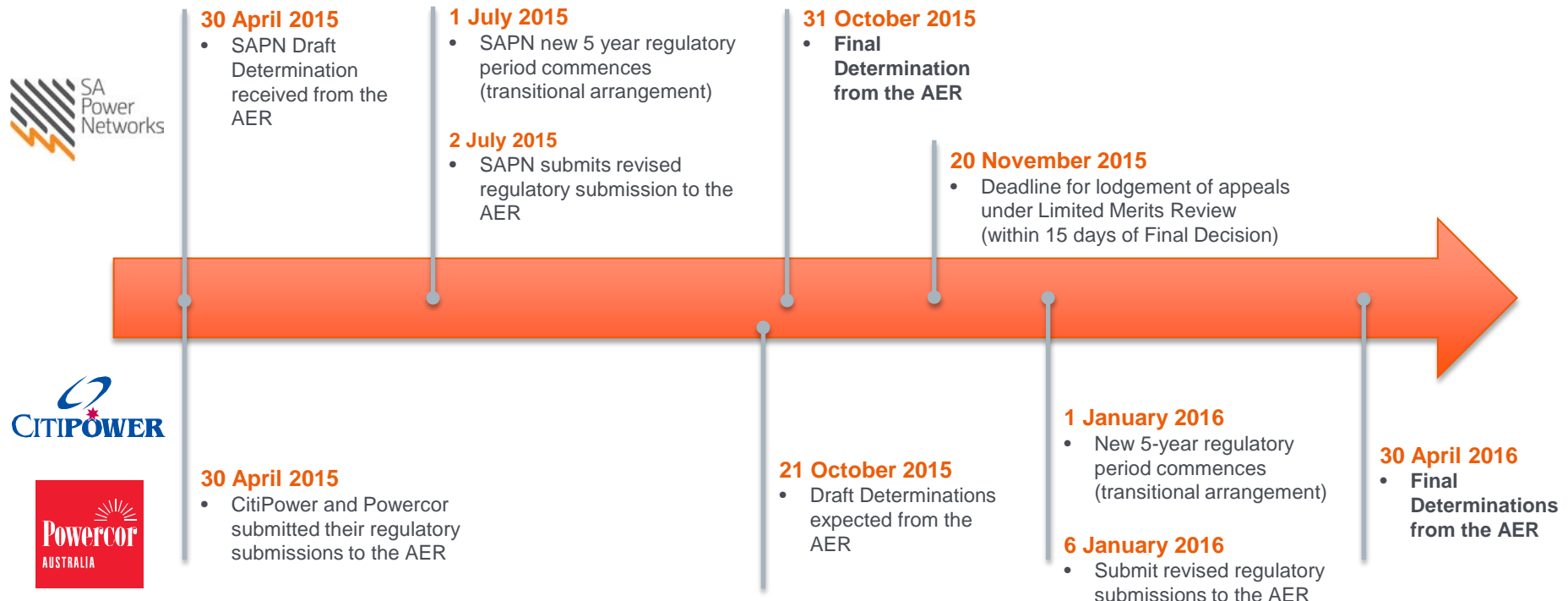
| REGULATORY PERIOD | Current regulatory period 1 Jul 2010 – 30 Jun 2015 | SAPN submission Lodged 31 Oct 2014 1 Jul 2015 – 30 Jun 2020 | Draft determination Received 30 Apr 2015 1 Jul 2015 – 30 Jun 2020 |
|-----------------------------------|-------------------------------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------------|
| Beta | 0.8 | 0.8 | 0.7 |
| Risk Free Rate | 5.89% | 3.43% | 2.55% |
| Debt risk premium (DRP) | 2.98% | 2.31% | 1.80% |
| Market risk premium (MRP) | 6.50% | 7.72% | 6.50% |
| Nominal vanilla WACC | 9.76% | 7.62% | 5.45% |
| Nominal post tax return on equity | 11.09% | 10.65% | 7.10% |
| Gamma (Imputation) | 0.25 (after successful appeal) | 0.25 | 0.4 |
| Net capex over 5 years | (\$2010) \$1.6b | (\$2015) \$2.5b | (\$2015) \$1.7b |
| Opex over 5 years | (\$2010) \$1.1b | (\$2015) \$1.6b | (\$2015) \$1.3b |
| Revenue (\$Nominal) | \$3.9b | \$4.9b | \$3.3b |

- **Revised submissions** - due 2 July 2015
- **Final Decision** – due by 31 October 2015
- **Limited Merits Appeal** - Appeals must be lodged within 15 business days of Final Decision, i.e. by 20 November 2015
- **Transitional arrangement** - Network Service Providers will operate under the Draft Decisions for the first year of their 5-year regulatory periods. When Final Decisions are published the AER will make adjustments to revenue recovery arrangements to years 2-5 to reflect any changes under a 'no disadvantage' basis

SA POWER NETWORKS – 1 July 2015 - 30 June 2020

- ▶ The AER has proposed rate of return parameters which are inconsistent with the intention of the rule changes announced by the Australian Energy Markets Commission (AEMC) in 2011
 - Maintained a prescriptive application of the Sharpe-Lintner CAPM with its reliance on historically low bond rates as the proxy for the long-term Risk Free Rate
- ▶ AER's Draft Decision has confirmed its acceptance of the 2014 'revealed cost year' as the baseline in determining the starting operating allowances, i.e. no efficiency adjustments were made for SA Power Networks' opex figures due to their strong benchmarking performance
- ▶ Despite strong support from the community, the AER has not approved some important programs proposed by SA Power Networks, for example:
 - Improved vegetation management or clearance outcomes
 - Improved bushfire management and safety programs
 - Hardening of the electricity network against extreme weather events
 - Preparation of the electricity network and back-office systems for growth in customer-led innovations and new technology such as; solar PV, battery storage and electric vehicles
- ▶ The AER's proposed changes to the calculation of regulatory depreciation have not been subject to an appropriate consultation process and if implemented will have a negative impact on investment in these businesses, to the long term detriment of consumers
- ▶ SA Power Networks will vigorously respond to the AER on these matters and intends to resubmit these initiatives to the AER in its revised proposal to be lodged on 2 July 2015
- ▶ The Australian Competition Tribunal provides an independent appeal mechanism for Network Service Providers to appeal specific elements of an AER Final Decision

2015/16 REGULATORY TIMELINE

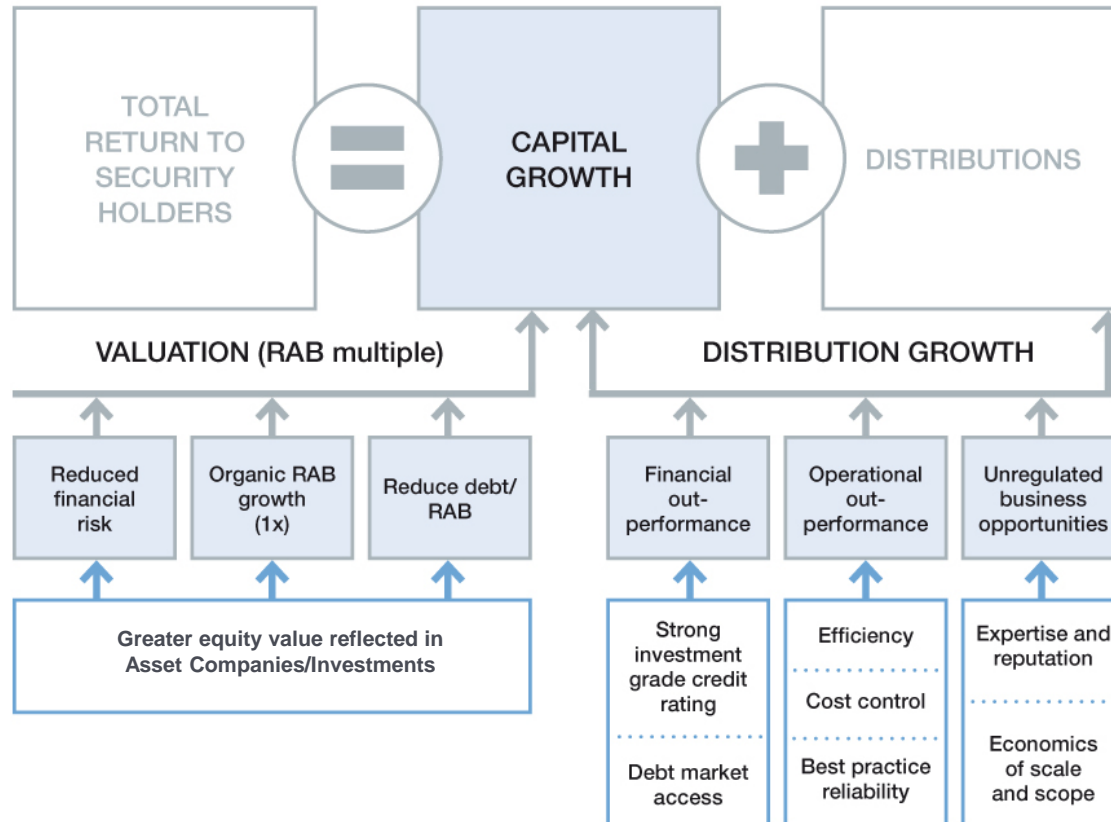


- Under the transitional arrangements the businesses will operate under the AER's Draft Determinations for year 1 of their regulatory periods
- When the Final Determinations are published the AER will make adjustments to revenue recovery arrangements to years 2-5 of the regulatory periods to reflect any changes under a 'no disadvantage' basis

3. GROWTH

VALUE DRIVERS

Distributions and Capital growth based on Quality Assets

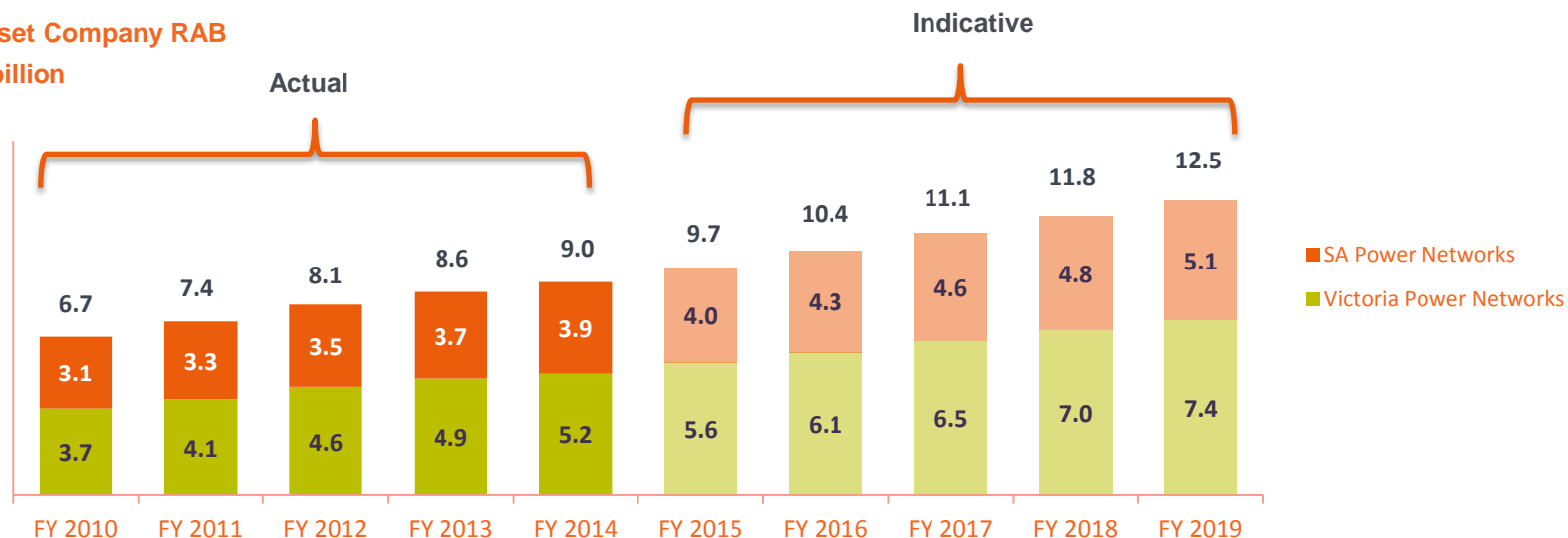


- ▶ Regulatory regime is “incentive based” with a range of opportunities to outperform regulatory benchmarks and allowances

GROWING EQUITY INVESTMENT IN RAB

SA POWER NETWORKS AND VICTORIA POWER NETWORKS

Asset Company RAB
\$ billion



Source: Asset Companies' estimates, VPN AER Draft Submission (30 April 2015), SAPN Draft Determination (30 April 2015). VPN figures include AMI RAB

- ▶ Capital expenditure earns the full regulatory return from day one
- ▶ 7-8% p.a. CAGR growth in total RAB (incl. AMI) expected over the 5 years to December 2015 based on AER decisions and expected capital expenditure outperformance
- ▶ Potential 6-7% p.a. CAGR growth in total RAB (incl. AMI) from FY 2015 to FY 2019 based on RAB projections derived from the SAPN Draft Determination and VPN Draft Submission. *Note that these figures are indicative only and subject to change based on Final Determinations*
- ▶ Targeting degearing in Asset Companies to around 75% Net Debt to RAB by end-2015

Growth in RAB combined with reduction in gearing means increasing equity share of asset base

PROPOSED LEASES OF NSW ELECTRICITY NETWORKS

- ▶ Empirical evidence¹ shows that distribution network charges have increased significantly more in government owned businesses than in equivalent privatised businesses
- ▶ The NSW Government was re-elected on 28 March 2015 with a mandate to lease certain electricity network assets currently in public ownership
- ▶ Spark Infrastructure has formed a Consortium with other like-minded investors to assess the opportunities presented by the expected privatisation of electricity network transmission and distribution businesses - Transgrid, Ausgrid and Endeavour Energy - via long term lease
- ▶ The Consortium comprises specialist infrastructure expertise with extensive experience in managing large scale infrastructure in Australia and internationally:
 - Spark Infrastructure
 - Hastings Funds Management
 - Abu Dhabi Investment Authority
 - Caisse de depot et placement du Quebec
 - Wren House (Kuwait Investment Authority)
- ▶ The Consortium is well balanced, well funded and firmly aligned with each member making a material contribution to the process
- ▶ Any acquisition will be consistent with Spark Infrastructure's strategy and will meet its established investment criteria

1. "Electricity network services : Long term trends in prices and costs" EY, June 2014 Commissioned by NSW Treasury

NSW POLES AND WIRES PRIVATISATION

OVERVIEW OF OPPORTUNITIES

Asset Summary Table



| Network Type | Transmission | Distribution / Transmission | Distribution |
|-----------------------------------------------------|---------------|-----------------------------|---------------|
| Percentage of Asset being Sold ¹ | 100% | 50.4% | 50.4% |
| RAB – Transmission (A\$ billion FYE15) ² | \$6.2 billion | \$2.0 billion | n/a |
| RAB – Distribution (A\$ billion FYE15) ² | n/a | \$12.7 billion | \$5.9 billion |
| FTE employees ³ | 1,074 | 5,388 | 2,533 |

TransGrid

▶ Asset Overview

- TransGrid owns and manages one of the largest high voltage transmission networks in Australia
- TransGrid's total network is over 12,600 kilometres with the business employing more than 1,000 staff
- Largest sole electricity transmission provider in NSW

Ausgrid

▶ Asset Overview

- Ausgrid supplies electricity to more than 1.64 million customers in Sydney, the Central Coast and the Hunter Region in New South Wales.
- Largest electricity distribution company in NSW and one of the largest electricity distribution companies in Australia

Endeavour Energy

▶ Asset Overview

- Endeavour Energy manages a \$5.6 billion electricity distribution network with ~900,000 customers in Sydney's Greater West, Illawarra and South Coast, the Blue Mountains and the Southern Highlands

(1) Source: NSW Government website nsw.gov.au/rebuilding

(2) Source: AER final determinations 2015 aer.gov.au

(3) Source: Transgrid, Ausgrid and Endeavour Energy 2014 Annual Reports

4. SPARK INFRASTRUCTURE PERFORMANCE – FY 2014

BUSINESS OVERVIEW – FY 2014

DELIVERING NOW AND INTO THE FUTURE

Invested in regulated assets with stable cash flows

- ▶ Current Regulatory Asset Base (RAB) of \$9.03 billion (est.) (Spark share \$4.42 billion)
- ▶ RAB growth of 4.8% for FY2014. RAB CAGR¹ of 7.6% since 2010
- ▶ Asset Company net capital expenditure for FY2014 of \$869.8 million

Asset Companies² delivering solid performance year on year

- ▶ Total revenue³ of \$2,214.8 million – up 4.9%
- ▶ Regulated revenue⁴ of \$1,878.8 million – up 6.8%
- ▶ Operating costs of \$725.9 million – up 2.6%
- ▶ Aggregate EBITDA³ of \$1,488.9 million – up 6.1%

Growing distributions on back of growing standalone and lookthrough OCF

- ▶ 11.50cps in FY2014; guiding 4.3% growth to 12.0cps for FY2015 (subject to business conditions)
- ▶ Standalone OCF per security up 3.0% to 14.7cps⁵
- ▶ Lookthrough OCF per security up 12.4% to 25.1cps⁵
- ▶ Distributions more than covered by both standalone and lookthrough cashflows
- ▶ Distributions to Spark from Asset Companies of \$206.3 million received in FY2014

Prudent balance sheet

- ▶ Net debt to RAB at FY2014 is 77.2% (down from 78.5% at FY2013)
- ▶ Strong investment grade credit ratings of A- (S&P) at SA Power Networks, BBB+ (S&P) at CitiPower and Powercor, Spark Baa1 (Moody's)

1. Compound Annual Growth Rate
2. Spark Infrastructure holds 49% interests in SA Power Networks (SAPN) and CitiPower and Powercor Australia (Victoria Power Networks (VPN)) (Asset Companies), results shown on a 100% basis
3. Excludes customer contributions and gifted assets
4. Includes AMI (Advanced Metering Infrastructure) revenue
5. Per security figures calculated using weighted average number of securities for the year.

FINANCIAL HIGHLIGHTS – FY 2014

SPARK INFRASTRUCTURE

| | FY 2014 | FY 2013 | % Change |
|---------------------------------------------------------------------------------|----------|----------|----------|
| Spark Infrastructure dps ¹ | 11.50cps | 11.00cps | 4.5 |
| Payout ratio - standalone ^{1,2} | 81.5% | 77.1% | +4.4% |
| Payout ratio - lookthrough (post Spark Infrastructure net costs) ^{1,2} | 47.7% | 49.2% | -1.5% |
| Total Asset Company distributions to Spark | \$206.3m | \$203.2m | 1.5 |
| Standalone OCF | \$206.9m | \$189.3m | 9.3 |
| Standalone OCF per security ³ | 14.7cps | 14.3cps | 3.0 |
| Lookthrough OCF per security (post Spark Infrastructure costs) ³ | 25.1cps | 22.3cps | 12.4 |
| Net debt to RAB (Asset Company level) ⁴ | 77.2% | 78.5% | -1.3% |

1. On an accrued basis

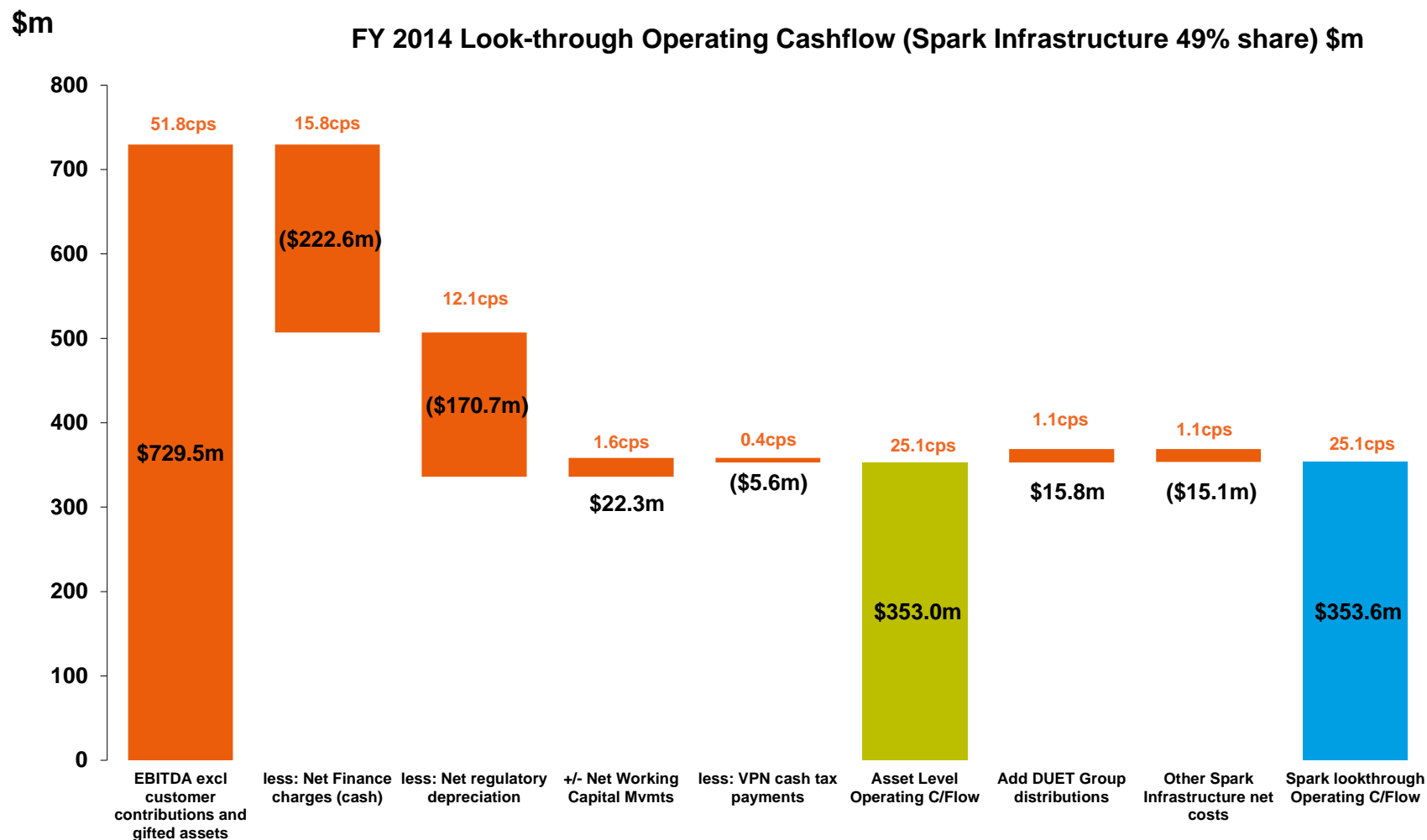
2. For FY 2014 calculated using securities outstanding at 31 December 2014 (1.466bn securities)

3. For FY 2014 calculated using weighted average securities outstanding during the period (1.408bn securities)

4. Based on Asset Company estimates - including DUOS and AMI RAB

OPERATING CASH FLOW MODEL – FY 2014

Spark Infrastructure distribution more than 2x covered by lookthrough cashflow



Notes:

1. All cents per security figures calculated using weighted average securities during the period (1.408bn securities)
2. Other Spark Infrastructure net costs include distribution from derivative contracts, operating costs, interest and derivative finance costs

5. INVESTMENT PORTFOLIO PERFORMANCE – FY 2014

SA POWER NETWORKS – FY 2014



(100% results)

Financial

| | FY 2014 | FY 2013 | Change |
|--------------------------------------------------|----------------|----------------|---------------|
| | \$m | \$m | % |
| Regulated revenue – DUOS | 920.0 | 854.4 | 7.7 |
| Semi-regulated – other | 39.5 | 38.8 | 1.8 |
| Unregulated revenue | 147.5 | 129.2 | 14.2 |
| Total revenue (ex customer contributions) | 1,107.0 | 1,022.4 | 8.3 |
| <i>Customer contributions incl gifted assets</i> | <i>80.4</i> | <i>110.3</i> | <i>(27.1)</i> |
| <i>Total revenue</i> | <i>1,187.3</i> | <i>1,132.7</i> | <i>4.8</i> |
| Operating costs | (356.8) | (312.2) | 14.3 |
| EBITDA (ex customer contributions) | 750.2 | 710.2 | 5.6 |
| <i>EBITDA</i> | <i>830.5</i> | <i>820.5</i> | <i>1.2</i> |
| EBITDA ex customer contributions margin | 67.8% | 69.5% | (1.7%) |
| Total Capex (net) | 363.8 | 348.5 | 4.4 |

Operational

| | FY 2014 | FY 2013 | Change | Change % |
|--------------------------|---------|---------|--------|----------|
| Customer numbers | 846,846 | 839,819 | 7,027 | 0.8 |
| Employee numbers | 2,199 | 2,169 | 30 | 1.4 |
| Network availability (%) | 99.95% | 99.96% | -0.01% | - |
| Volume sold (GWh) | 10,586 | 10,803 | (217) | (2.0) |

► Revenue growth of 8.3%:

- CPI-X increase for regulatory years 2013/2014 and 2014/2015 of 9.67%¹ and 3.84%¹ respectively;
- DUOS revenue includes ~\$20m of vegetation management cost passthrough (~\$40m across 2014/15 regulatory year);
- 14.2% growth in unregulated revenues reflect growth in NBN revenues (additional \$35m), partly offset by lower ElectraNet spending (down \$13m).

► Operating costs up 14.3%:

- Vegetation management up \$13m to \$37m. Spend in line with regulatory allowance including additional pass-through;
- GSL² costs up \$6m primarily due to January and February severe weather events;
- Higher costs associated with increased unregulated business, including NBN.

1. Excluding adjustments for recovery of STPIS, PV, vegetation management appeal passthrough and other immaterial adjustments
2. Guaranteed Service Levy

VICTORIA POWER NETWORKS – FY 2014

(100% results)



Financial

| | FY 2014 | FY 2013 | Change |
|--------------------------------------------------|----------------|----------------|-------------|
| | \$m | \$m | % |
| Regulated revenue - DUOS | 843.5 | 767.4 | 9.9 |
| Prescribed metering (AMI) | 115.4 | 138.0 | (16.4) |
| Semi-regulated other | 45.9 | 46.3 | (0.8) |
| Unregulated revenue | 103.0 | 136.6 | (24.6) |
| Total revenue (ex customer contributions) | 1,107.8 | 1,088.3 | 1.8 |
| <i>Customer contributions incl gifted assets</i> | <i>67.0</i> | <i>66.2</i> | <i>1.2</i> |
| <i>Total revenue</i> | <i>1,174.7</i> | <i>1,154.5</i> | <i>1.8</i> |
| Operating costs | (369.1) | (395.5) | (6.7) |
| EBITDA (ex customer contributions) | 738.7 | 692.8 | 6.6 |
| <i>EBITDA</i> | <i>805.7</i> | <i>759.0</i> | <i>6.1</i> |
| EBITDA ex customer contributions margin | 66.7% | 63.7% | 3.0% |
| Total Capex (Inc. AMI) | 506.0 | 534.4 | (5.3) |

Operational

| | FY 2014 | FY 2013 | Change | Change % |
|------------------------------|-----------|-----------|--------|----------|
| Customer numbers | 1,080,569 | 1,072,266 | 8,303 | 0.8 |
| Employee numbers | 1,971 | 2,012 | (41) | (2.1) |
| Network availability(%) - CP | 99.99% | 99.98% | 0.01% | - |
| - PC | 99.96% | 99.97% | -0.01% | - |
| Volume sold GWh - CP | 5,919 | 5,981 | (62) | (1.0) |
| - PC | 10,333 | 10,556 | (223) | (2.1) |
| Volume sold GWh (total) | 16,252 | 16,537 | (285) | (1.7) |

► Revenue growth of 1.8%:

- CPI-X from 1 January 2014 – 10.13% for CitiPower and 9.00% for Powercor¹
- STPIS benefit of \$20m recovered (FY2013: \$15m), and Powercor VBRC² pass through \$9.7m (FY2013: \$10.3m)
- AMI revenues decreased as RAB depreciates post roll out
- Unregulated revenue reflects lower PNS third party works (\$33m decrease), primarily a result of the Elaine Terminal Station project completion in 2013 (\$23m)

► Operating costs down 6.7%:

- Reduction in PNS third party works related costs
- Reduction in vegetation management costs (\$10m reduction)

1. Excluding adjustments for recovery of STPIS, VBRC and any other immaterial adjustments
 2. Victoria Bushfire Royal Commission

VICTORIA POWER NETWORKS

WORLD CLASS OPERATIONS PROGRAM

- ▶ AER benchmarking shows CitiPower and Powercor to be amongst the most efficient distributions businesses
- ▶ The objective is to build from this position towards world class levels of efficiency, for the benefit of customers, staff and shareholders
- ▶ Areas of focus and opportunity:
 - ▶ Increasing efficiency and removing 'red tape' across the business - has enabled reduction of ~100 positions across support areas,
 - redeployment and reinvestment in people across frontline areas (including apprentices)
 - ▶ Improved contractor management, more rigorous and competitive tendering and policy reviews
 - ▶ New centralised and refreshed procurement function set to deliver significant value in medium to longer term
 - ▶ Streamlined maintenance processes and avoidance of unnecessary maintenance
 - ▶ Numerous field workforce productivity initiatives
 - ▶ Longer term system replacements initiated:
 - Workforce management
 - End to end connections
 - Design processes



ASSET COMPANY TAXATION UPDATE¹

Progress during FY 2014



Developments during FY 2014

- ▶ ATO advised VPN in May 2014 that it will not pursue its position re Division 974 (debt/equity), which concluded that matter for all years in question
- ▶ Continued steady progress, no subsequent updates to previously disclosed position
- ▶ All other matters with the ATO remain ongoing, including Part IVA
- ▶ No further updates on SAPN matters
- ▶ SAPN and VPN remain engaged in discussions with the ATO

Outlook

- ▶ The developments during 2014, in particular the withdrawal of the Division 974 matter, demonstrated continued progress on ATO matters
- ▶ Spark Infrastructure and the Asset Companies remain engaged with the ATO on the various matters and will provide updates as they emerge

1. Full details of ongoing ATO matters disclosed in the Spark Infrastructure Financial Statements

6. SUMMARY AND OUTLOOK

SUMMARY – SPARK INFRASTRUCTURE



- ▶ Spark is invested in quality regulated infrastructure assets in an established jurisdiction (Australia)
 - 49% interests in SAPN and VPN are consistently amongst best performers in peer group
 - SAPN and VPN are performing strongly with solid cash flows, funding both distributions and capital growth
 - Substantial growth in equity share of RAB – growth of 7-8% CAGR in RAB across 2010-15 coupled with asset level gearing moving towards 75% by end-2015
 - Quality management teams – including quality operational and regulatory teams
 - 12.4% economic interest in DUET Group - regulated electricity and gas distribution and gas transmission businesses
- ▶ SAPN Draft Regulatory Determination received 30 April 2015. Further clarity on Final Determination and potential appeal processes will be provided during 2015. CitiPower and Powercor lodged their Regulatory Submissions (for 2016-2020) on 30 April 2015
- ▶ Spark is well placed to examine opportunities that may arise to expand investment base in regulated infrastructure assets with NSW Government looking to privatise electricity T&D assets in 2015-16
- ▶ Spark has delivered on its distribution objective of 3-5% growth p.a. across the current regulatory period to 2015
 - Distribution growth of 4.7% CAGR across 2010-14
 - Guidance of 12.0cps for FY 2015; 4.3% growth on FY 2014 (subject to business conditions)
- ▶ Central focus remains on distributions – fully covered on both a standalone and look-through cashflow basis
 - Remain confident of delivering a growing distribution across the 2016-2020 regulatory period
 - Currently expect to be in a position to provide a further update in August, at the time of release of Half Year results

7. APPENDICES

KEY METRICS

SECURITY METRICS

| | |
|---------------------------------|-------------|
| Market price at 1 May 2015 (\$) | 1.95 |
| Market capitalisation (\$) | 2.8 billion |

DISTRIBUTIONS

| | |
|-----------------------|----------|
| FY 2014 | 11.50cps |
| Comprising | |
| - Loan Note interest | 7.05cps |
| - Tax deferred amount | 4.45cps |
| FY 2015 Guidance | 12.00cps |

CREDIT RATINGS

| | |
|----------------------------|--------------------------------------------------------------------------|
| Asset level credit ratings | SA Power Networks: A-/A3 Powercor: BBB+/Baa1 CitiPower: BBB+ |
| Spark level credit rating | Baa1 |

REGULATED ASSET BASE – (Estimates at December 2014)

| | |
|--------------------------------------------|--------------|
| SA Power Networks (DUOS) (\$m) | 3,862 |
| CitiPower (DUOS) (\$m) | 1,657 |
| Powercor (DUOS) (\$m) | 3,022 |
| CitiPower (AMI) (\$m) | 136 |
| Powercor (AMI) (\$m) | 352 |
| Victoria Power Networks total (\$m) | 5,167 |
| RAB total (\$m) | 9,029 |
| Net debt/RAB – Asset Companies combined | 77.2% |
| Net debt/RAB - SA Power Networks | 74.2% |
| Net debt/RAB – Victoria Power Networks | 79.5% |

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