

*spark*infrastructure

Delivering

FUTURE ENERGY

**FACT BOOK
HALF YEAR 2019**

TUESDAY, 27 AUGUST 2019

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Spark Infrastructure RE Limited ACN 114 940 984 AFSL 290436 as responsible entity of Spark Infrastructure Trust ARSN 116 870 725

The following information represents the total results for Victoria Power Networks Pty Limited, SA Power Networks and TransGrid. Spark Infrastructure owns 49% of Victoria Power Networks Pty Limited and SA Power Networks and 15.01% of TransGrid.

The following information for TransGrid represents an aggregation of NSW Electricity Networks Operations Holdings Trust (TOTH) and its controlled entities, and NSW Electricity Networks Assets Holdings Trust (TATH) and its controlled entities, recognising that TOTH does not control TATH and that TATH does not control TOTH. Transactions and balances between the entities have been eliminated.

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INCOME STATEMENT

(A\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Share of equity accounted profits	113.0	123.0
Interest income from associates	32.5	37.7
	145.4	160.6
Other income - interest	1.0	1.1
Total revenue	146.5	161.8
Interest expense (including borrowing costs)	(0.3)	(0.9)
General and administrative expenses	(7.9)	(7.6)
Transaction expenses - Bomen	(2.7)	-
Unrealised gains from derivative instruments	5.3	-
Profit before Loan Note interest	140.7	153.3
Interest expense - Loan Notes	(58.9)	(58.9)
Profit before income tax	81.8	94.4
Income tax expense	(29.0)	(36.3)
Profit after tax attributable to Securityholders	52.8	58.1

BALANCE SHEET

(A'\$million)	30 June 2019	31 December 2018
Assets		
Cash and cash equivalents	86.6	134.3
Receivables from associates	7.8	8.3
Derivative instruments - FX	1.1	--
Other current assets	7.3	2.2
Total current assets	102.8	144.8
Property, plant & equipment	46.9	0.6
Derivative instruments - Power Purchase Agreements (PPA)	6.7	--
Other non-current assets	1.4	--
Investments in associates:		
-Investments accounted for using the equity method	2,175.5	2,326.1
-Loans to associates	460.6	503.4
-Loan notes to associates	237.4	237.4
Total non-current assets	2,928.5	3,067.5
Total assets	3,031.3	3,212.3
Liabilities		
Payables	16.5	2.2
Tax payable	68.1	--
Loan Note interest payable to Securityholders	58.9	59.7
Total current liabilities	143.5	61.9
Payables	1.9	0.1
Derivative instrmnts - interest rate swaps	0.8	--
Loan Notes attributable to Securityholders	1,061.8	1,061.8
Deferred tax liabilities	183.0	282.7
Total non-current liabilities	1,247.5	1,344.6
Total liabilities	1,391.0	1,406.5
Net assets	1,640.3	1,805.8
Equity		
- Issued capital	848.4	923.3
- Reserves	(190.1)	(69.6)
- Retained earnings	982.0	952.1
Total equity	1,640.3	1,805.8

CASHFLOW STATEMENT

(A'\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Cash flows from operating activities		
Distributions from associates - preferred partnership capital	34.3	34.3
Distributions from associates - other	42.5	22.6
Interest received - associates	33.0	37.9
Interest received - other	1.1	1.1
Interest paid - other	(0.2)	(0.7)
Other expenses	(9.0)	(8.1)
Bomen transaction costs	(2.6)	-
Tax paid	(13.8)	-
Net cash inflows from operating activities	85.3	87.3
Cash flows from Investing activities		
Repayment of borrowings by associate	42.8	43.1
Acquisition of subsidiary - Bomen	(1.4)	-
Purchase of property, plant and equipment - Bomen	(29.2)	-
Purchase of Land - Bomen	(7.8)	-
Equity investment in TransGrid Services	(2.7)	-
Net cash inflows from investing activities	1.7	43.1
Cash flows from financing activities		
Payment of external borrowing costs	(0.2)	(0.0)
Distributions to Securityholders:		
- Loan Note interest	(59.7)	(59.7)
- Capital distributions	(74.8)	(68.5)
Net cash outflows from financing activities	(134.7)	(128.3)
Net Cash Movement	(47.7)	2.0
Opening cash	134.3	117.3
Closing Cash	86.6	119.3

VICTORIA POWER NETWORKS

FINANCIAL RESULTS

INCOME STATEMENT

VICTORIA POWER NETWORKS (100% RESULTS)

(A\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Distribution revenue ⁽¹⁾	479.0	473.0
Transmission revenue	143.1	143.7
Transmission charges	(143.1)	(143.7)
	479.0	473.0
Metering revenue	42.5	40.2
Semi regulated and unregulated revenue	157.4	124.5
Total revenue	678.9	637.7
Operating expenses	(261.1)	(209.4)
EBITDA	417.8	428.3
Depreciation and amortisation	(157.4)	(147.9)
Senior debt ⁽²⁾	(84.4)	(72.5)
Subordinated debt	(53.1)	(63.5)
Interest income	0.3	0.5
Profit before tax	123.2	144.9
Tax expense	(38.7)	(45.1)
Profit after tax	84.5	99.8

(1) Variances from other Spark Infrastructure reporting documents relate to the following:

- adjustments made to defer/accrue for amounts in excess of/under the regulated revenue cap to reflect that these amounts will be returned to/recovered from electricity consumers in future periods via adjustments to tariffs

(2) Includes non-cash credit valuation hedge adjustment

BALANCE SHEET

VICTORIA POWER NETWORKS (100% RESULTS)

(A'\$million)	30 June 2019	31 December 2018
Assets		
Cash and deposits	79.1	57.7
Trade and other receivables	206.1	161.4
Inventories	44.2	45.7
Derivative financial instruments	122.6	32.0
Other	17.5	21.3
Total current assets	469.5	318.1
Property, plant and equipment	6,961.1	6,892.5
Derivative financial instruments	277.7	269.8
Intangible assets	820.6	825.3
Other	84.3	27.9
Total non-current assets	8,143.7	8,015.5
Total assets	8,613.2	8,333.6
Liabilities		
Trade and other payables	406.7	334.2
Borrowings ⁽¹⁾	1,161.2	1,081.2
Provisions	116.0	94.1
Other	5.8	11.6
Total current liabilities	1,689.7	1,521.1
Borrowings ⁽¹⁾	4,697.2	4,653.6
Provisions	4.8	18.4
Deferred tax liabilities	452.8	464.5
Derivative financial instruments	205.2	82.0
Other	86.9	18.8
Total non-current liabilities	5,446.9	5,237.3
Total liabilities	7,136.6	6,758.4
Net assets	1,476.6	1,575.2
Equity		
Share capital	1,639.2	1,639.2
Reserves	(1,979.3)	(1,871.5)
Retained profit	1,816.7	1,807.5
Total equity	1,476.6	1,575.2

(1) Includes external debt, subordinated debt and accounting adjustments e.g. capitalised debt costs. Refer to Spark HY 2019 Investor Presentation for gross and net debt balances.

CASHFLOW STATEMENT

VICTORIA POWER NETWORKS (100% RESULTS)

(A'\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Cash flows from operating activities		
Receipts from customers	871.2	816.2
Receipts from customers for capital works	11.7	12.3
Cash payments to suppliers and employees	(489.6)	(458.7)
Interest received	0.3	0.8
Net receipt/(repayment) of trust monies	(0.3)	0.6
Interest and other costs of senior debt	(82.8)	(83.0)
Net cash inflows from operating activities	310.6	288.3
Cash flows from Investing activities		
Purchase of property, plant and equipment	(220.1)	(211.6)
Proceeds from sale of property, plant and equipment	8.8	2.8
Net cash outflows from investing activities	(211.3)	(208.8)
Cash flows from financing activities		
Proceeds from borrowings - external	320.0	80.1
Repayment of borrowings - external	(240.0)	0.0
Interest payments on subordinated debt	(54.0)	(64.6)
Subordinated debt principal repayment	(87.3)	(87.9)
Dividends paid	(14.3)	
Lease repayments	(2.4)	0.0
Net cash outflows from financing activities	(77.9)	(72.4)
Net cash movement	21.4	7.1
Opening cash	57.7	30.0
Closing cash	79.1	37.1

SA POWER NETWORKS

FINANCIAL RESULTS

INCOME STATEMENT

SA POWER NETWORKS (100% RESULTS)

(A'\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Distribution revenue ⁽¹⁾	412.6	407.0
Transmission revenue	(117.2)	118.1
Transmission charges	117.2	(118.1)
	412.6	407.0
Non prescribed revenue	150.6	147.3
Total revenue	563.2	554.3
Operating expenses	(225.4)	(210.2)
EBITDA	337.8	344.1
Depreciation and amortisation	(120.4)	(119.4)
Interest on senior debt and other finance costs ⁽²⁾	(69.7)	(55.6)
Interest on subordinated debt	(35.9)	(35.9)
Interest income	0.1	1.1
Profit before tax	111.9	134.3
Income tax expense	(1.0)	0.0
Profit after tax	110.9	134.3

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(2) Includes non-cash credit valuation hedge adjustment

BALANCE SHEET

SA POWER NETWORKS (100% RESULTS)

(A'\$million)	30 June 2019	31 December 2018
Assets		
Cash and deposits	6.1	30.5
Trade and other receivables	278.9	227.6
Inventories	19.5	22.4
Other	47.8	53.0
Total current assets	352.3	333.5
Property, plant and equipment	5,222.5	5,114.0
Intangible assets	913.7	916.2
Inventories	10.5	10.5
Other	649.9	523.0
Total non-current assets	6,796.6	6,563.7
Total assets	7,148.9	6,897.2
Liabilities		
Trade and other payables	261.5	244.3
Borrowings ⁽¹⁾	814.7	810.0
Other	137.1	132.7
Total current liabilities	1,213.3	1,187.0
Borrowings ⁽¹⁾	3,373.8	3,165.6
Other	336.0	150.6
Total non-current liabilities	3,709.8	3,316.2
Total liabilities	4,923.1	4,503.2
Net assets	2,225.8	2,394.0
Equity		
Partners capital accounts	623.3	623.3
Partners current accounts	1,858.2	1,873.2
Reserves	(255.7)	(102.5)
Total equity	2,225.8	2,394.0

(1) Includes external debt, subordinated debt and accounting adjustments e.g. capitalised debt costs. Refer to Spark HY 2019 Investor Presentation for gross and net debt balances.

CASHFLOW STATEMENT

SA POWER NETWORKS (100% RESULTS)

(A'\$million)	12 months to 31 December 2018	6 months to 30 June 2018
Cash flows from operating activities		
Receipts from customers	713.9	680.3
Cash payments to suppliers and employees	(371.8)	(391.4)
Interest and other costs of senior debt	(64.5)	(62.6)
Interest received	0.1	1.2
Income tax paid	(1.8)	-
Net cash inflows from operating activities	275.9	227.5
Cash flows from investing activities		
Purchase of property, plant and equipment	(252.3)	(229.2)
Proceeds from sale of property, plant and equipment	1.4	1.4
Net cash outflows from investing activities	(250.9)	(227.8)
Cash flows from financing activities		
Proceeds from borrowings - external	66.5	261.4
Repayment of borrowings - external	-	(350.0)
Payment for debt issue costs	(1.7)	(2.0)
Repayment of lease liabilities	(1.7)	0.0
Interest and other payments on subordinated debt <i>(CKI / PAH)</i>	(35.7)	(35.7)
Preferred partnership distribution <i>(Spark Infrastructure)</i>	(34.3)	(34.4)
Ordinary distributions <i>(All partners)</i>	(42.5)	(41.5)
Net cash outflows from financing activities	(49.4)	(202.2)
Net cash movement	(24.4)	(202.5)
Opening cash	30.5	222.8
Closing cash	6.1	20.3

TRANSGRID

FINANCIAL RESULTS

INCOME STATEMENT

TRANSGRID (100% RESULTS)

(A\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Transmission revenue ⁽¹⁾	339.6	397.8
Unregulated revenue	74.4	81.7
Other revenue	1.2	8.2
Total revenue	415.2	487.7
Operating expenses	(102.6)	(124.8)
EBITDA	312.6	362.9
Depreciation and amortisation	(186.9)	(159.3)
Interest expense	(109.4)	(107.8)
Interest on shareholder loan	(42.9)	(42.9)
Interest income	1.6	1.8
Other financing charges	(3.4)	(33.7)
Profit before tax	(28.4)	21.1
Income tax expense	-	-
Profit after tax	(28.4)	21.1

- 1) Variances from other Spark Infrastructure reporting documents relate to the following:
 - adjustments made to defer/accrue for amounts in excess of/under the regulated revenue cap to reflect that these amounts will be returned to/recovered from electricity consumers in future periods via adjustments to tariffs.
- 2) Financial reporting is based on TransGrid's special purpose financial statements for the year ended 30 June 2019 and half year ended 31 December 2018. Results have been adjusted by Spark Infrastructure to reflect the 6 month period to 30 June 2019.

BALANCE SHEET

TRANSGRID (100% RESULTS)

(A'\$million)	30 June 2019	31 December 2018
Assets		
Cash and cash equivalents	121.2	195.0
Trade and other receivables	65.4	61.0
Inventories	25.6	28.4
Other current assets	13.7	8.9
Total current assets	225.9	293.3
Property, plant and equipment	7,570.9	7,531.2
Intangibles	2,595.4	2,593.6
Other non-current assets	100.3	99.8
Total non-current assets	10,266.5	10,224.5
Total assets	10,492.4	10,517.8
Liabilities		
Trade and other payables	107.9	75.4
Provisions	63.0	60.0
Other current liabilities	87.7	147.0
Total current liabilities	258.6	282.4
Borrowings ⁽¹⁾	5,848.5	5,634.8
Shareholder loans	1,581.9	1,581.9
Provisions	53.8	35.5
Other non-current liabilities	108.9	79.7
Total non-current liabilities	7,593.1	7,331.9
Total liabilities	7,851.7	7,614.3
Net assets	2,640.7	2,903.5
Equity		
Units on issue	3,034.3	3,048.0
Reserves	(318.3)	(117.7)
Retained earnings	(75.3)	(26.8)
Total equity	2,640.7	2,903.5

(1) Includes external debt and accounting adjustments e.g. capitalised debt costs. Refer to Spark HY 2019 Investor Presentation for gross and net debt balances.

CASHFLOW STATEMENT

TRANSGRID (100% RESULTS)

(A'\$million)	6 months to 30 June 2019	6 months to 30 June 2018
Cash flows from operating activities		
Receipts from customers	434.1	517.8
Payments to suppliers and employees	(134.8)	(169.9)
Interest paid for shareholder loans	(43.8)	(41.8)
Finance costs paid	(111.0)	(109.3)
Rental income from investment property	2.2	2.8
Interest received	1.8	1.7
Net cash inflows from operating activities	148.5	201.3
Cash flows from investing activities		
Acquisition of property, plant and equipment and intangibles	(203.9)	(174.9)
Proceeds from sale of property, plant and equipment	1.9	2.5
Net cash outflows from investing activities	(202.0)	(172.4)
Cash flows from financing activities		
Proceeds from borrowings	61.1	17.6
Capital injections from Securityholders	18.0	-
Debt establishment costs	-	(15.4)
Distribution to securityholders	(99.4)	(15.3)
Net cash outflows from financing activities	(20.3)	(13.1)
Net cash movement	(73.8)	15.8
Opening cash	195.0	160.4
Closing cash	121.2	176.2

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Investment company financial reporting - The financial reporting is based on TransGrid's special purpose financial statements for the year ended 30 June 2019 and half year ended 31 December 2018. Results have been adjusted by Spark Infrastructure to reflect the 6 month period to 30 June 2019.

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Rounding. Amounts have been rounded to one decimal place. As a result, totals as correctly stated in tables may differ from individual calculations.

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