Fact Book 2011

Repositioning for growth

SparkInfrastructure

CONTENTS

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SIZE

SPARK INFRASTRUCTURE IS A SPECIALIST INFRASTRUCTURE FUND WITH A PORTFOLIO OF HIGH QUALITY REGULATED ELECTRICITY DISTRIBUTION COMPANIES – ETSA UTILITIES, CITIPOWER AND POWERCOR, AND A MARKET CAPITALISATION OF AROUND $1.5 BILLION.

REGULATED ASSET BASE
(RAB)

$6.79B

TOTAL REVENUE

$1.86B

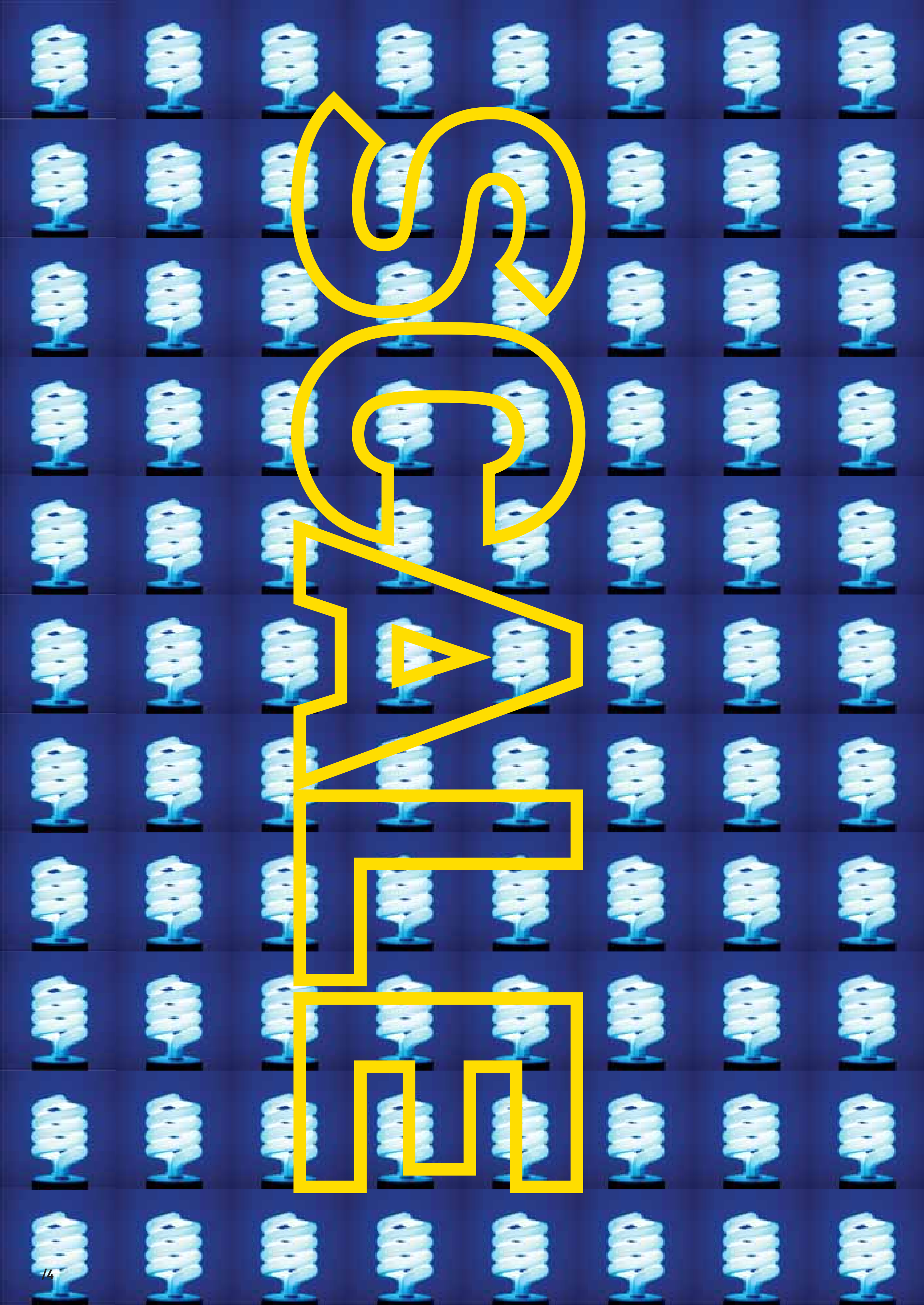
TOTAL NUMBER OF CUSTOMERS

1.85M

ETSA Utilities is the sole operator of South Australia's electricity distribution network, supplying 820,387 residential and commercial customers in all regions and the major population centres, including the capital city, Adelaide. Despite the challenge of managing an extensive network in difficult terrain and adverse weather conditions, the ETSA Utilities network maintains high reliability with 99.94% network availability.

CitiPower owns and operates the distribution network that supplies electricity to 309,770 customers in Melbourne's CBD and inner suburbs. These customers include some of Australia's largest companies, public transport systems and sporting venues. CitiPower operates with a reliability rating of 99.99% network availability.

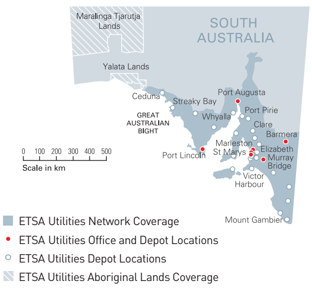
Powercor is the largest distributor of electricity in Victoria, owning and operating a network that serves around 715,915 customers in central and western Victoria and the western suburbs of Melbourne. This comprises 27% of Victoria's electricity users. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.96% network availability.


SALE

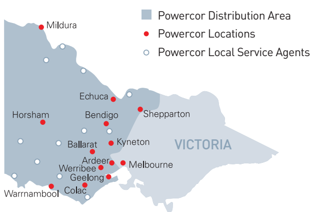
EACH OF THESE NETWORKS RANKS HIGHLY IN INDUSTRY MEASURES OF EFFICIENCY AND RELIABILITY AND IS WELL PLACED TO BENEFIT FROM STRONG ONGOING ORGANIC GROWTH OVER THE NEW REGULATORY PERIOD THROUGH TO 2015.

THEIR GEOGRAPHIC PROXIMITY CREATES OPPORTUNITIES FOR SYNERGY AND ALLOWS FOR ECONOMIES OF SCALE. THE APPLICATION OF THEIR SKILLED WORKFORCES TO A RANGE OF REGULATED, SEMI-REGULATED AND UNREGULATED BUSINESS ACTIVITIES PROMOTES OPTIMAL UTILISATION OF RESOURCES.

ETSA Utilities



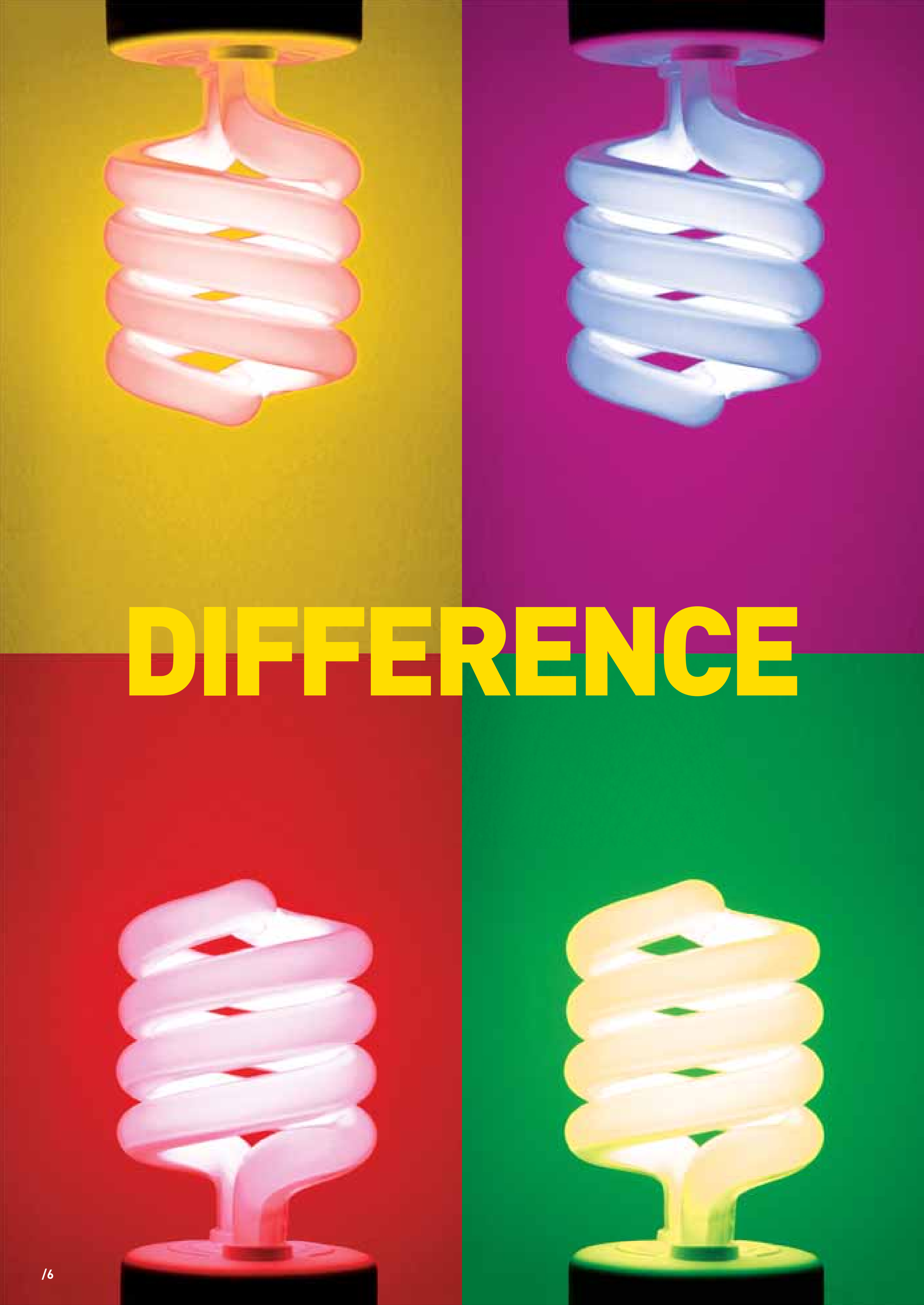
METROPOLITAN MELBOURNE



	ETSA Utilities	CitiPower	Powercor Australia
Number of customers:			
Residential	720,602	255,985	609,890
Commercial	99,785	53,785	106,025
Total	820,387	309,770	715,915
Electricity volume throughput (gwh)	11,320	6,210	10,678
Network availability (%)	99.94*	99.99	99.96
Number of distribution substation transformers	70,665	4,668	80,885
Number of poles (all)	723,000	58,779	535,941
Number of zone substation transformers	397	104	135
Percentage of lines underground (%)	19.0	37	10
Peak demand (mw)	3,086**	1,354	2,362
Network size (Km length of all lines)	88,703	6,505	84,026
Network size (Km squared of area)	178,200	157	145,651

* 2010 availability adversely affected by very high contribution from 'Major Event Days' (ie/ extreme weather) plus adoption of more accurate outage data from 2010 onwards.

** Recorded in 2009



DIFFERENCE

BY REPOSITIONING THE BUSINESS TO TAKE ADVANTAGE OF THE REGULATED ORGANIC GROWTH OPPORTUNITIES IN ITS ASSET COMPANIES SPARK INFRASTRUCTURE HAS SHIFTED FROM A SECURITY FOCUSSED PRIMARILY ON A HIGH YIELD TO AN INVESTMENT THAT OFFERS A SOLID DISTRIBUTION YIELD PLUS CAPITAL GROWTH.

This is different.

// A strong operational performer that is positioned for growth

// Protected by long term regulatory certainty

// A portfolio of high quality natural monopoly assets

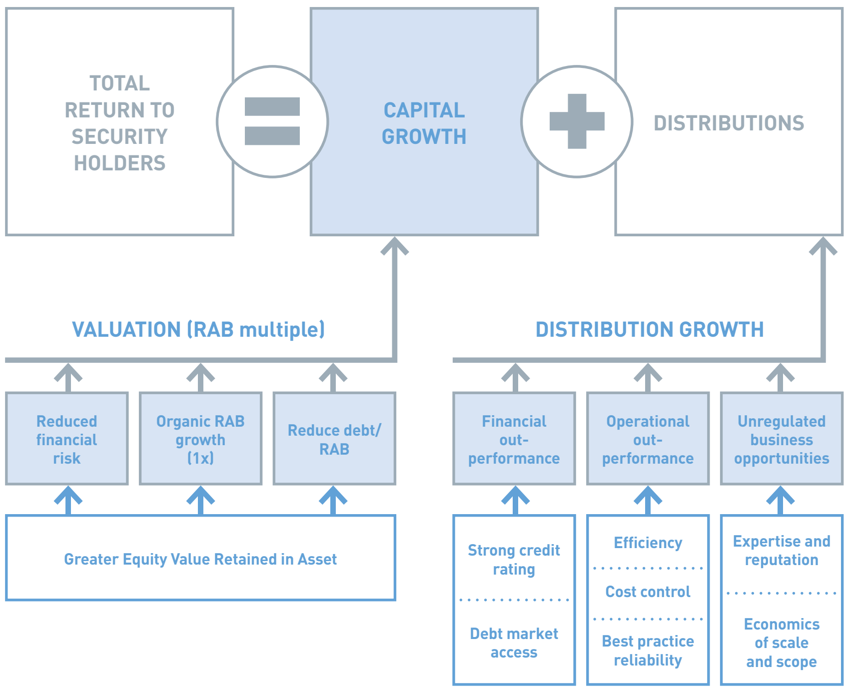
// Experienced management with a history of outperformance against regulatory benchmarks

// Committed to sustainable business practices

// Has a robust capital structure with increased funding flexibility

// An attractive investment with prudent and sustainable distributions

// Strong cashflows from operations supporting organic growth



PLAN

THE RECENTLY COMPLETED REPOSITIONING HAS DELIVERED A SIMPLER AND MORE TRANSPARENT CORPORATE STRUCTURE TOGETHER WITH A ROBUST CAPITAL STRUCTURE AND GROWING DISTRIBUTIONS.

THESE INITIATIVES HAVE ESTABLISHED THE FRAMEWORK FOR SPARK INFRASTRUCTURE TO SUPPORT, AND IN TURN BENEFIT FROM, THE STRONG ORGANIC GROWTH EXPECTED IN THE ASSET COMPANIES.

OVERSEEING THE PLAN TO DELIVER ON PERFORMANCE TARGETS WILL BE DISCIPLINED MANAGEMENT TEAMS AT BOTH THE SPARK AND ASSET COMPANY LEVELS.

WHAT IS THE GROWTH OPPORTUNITY?

The Asset Companies in which Spark holds a 49% interest are entering an exciting period of growth based on substantially increasing regulated capital expenditure. This means:

// Strong growth in their Regulated Asset Bases (RAB) over the next five year regulatory period, and therefore correspondingly increasing revenues

// Investment in existing regulated assets occurs at 1.0 times RAB (no acquisition premium)

// Long term capital growth through increasing net equity investment as gearing reduces in Asset Companies towards a net debt/RAB ratio of around 75% by 2015

HOW WILL WE TAKE ADVANTAGE OF THE OPPORTUNITY?

Spark Infrastructure has proactively implemented its Strategic Review to put the Asset Companies, and it's Securityholders, in the best possible position to take advantage of this growth by:

// Increasing Spark's funding flexibility to meet future capital expenditure requirements by reducing its debt

// Re-aligning Spark's distribution profile with expected future cashflows from the Asset Companies

// Providing a simplified and more transparent corporate structure

WHAT DOES THIS MEAN FOR SPARK AND ITS INVESTORS?

Spark's repositioning represents a shift in investment proposition from a pure yield stock to an investment with strong growth qualities which is ideally suited to long term investors. Going forward, Spark Infrastructure will:

// Continue to focus on its core business of investing in its existing portfolio of high quality regulated infrastructure businesses

// Operate with a capital structure that supports the significant organic growth in the regulated businesses over the coming regulatory period

// Continue to fund distributions from look-through operational cashflows generated by the Asset Companies

WHAT IS OUR INVESTMENT STRATEGY?

Spark's investment mandate includes electricity and gas distribution and transmission and regulated water and sewerage assets which offer relatively low risk and stable cash flows, facilitating the payment of relatively predictable distributions to investors and which offer the potential for long-term capital growth.

We will investigate opportunities for growth by acquisition, but only when it can be clearly demonstrated this will add value. Supporting the abundance of organic growth in the existing portfolio will remain our primary focus.

MESSAGE FROM THE CHAIRMAN

WELCOME TO SPARK INFRASTRUCTURE'S 2011 FACT BOOK, WHICH CONTAINS RELEVANT INFORMATION AND HISTORICAL DATA ON A RANGE OF MEASURES UP TO AND INCLUDING THE 2010 FULL YEAR.

DEAR INVESTOR,

The purpose of this document is to provide a single authoritative source of information on the financial and operational performance of Spark Infrastructure and the three quality Australian electricity distribution businesses in which it has a 49% interest; ETSA Utilities based in South Australia, and CitiPower and Powercor based in Victoria.

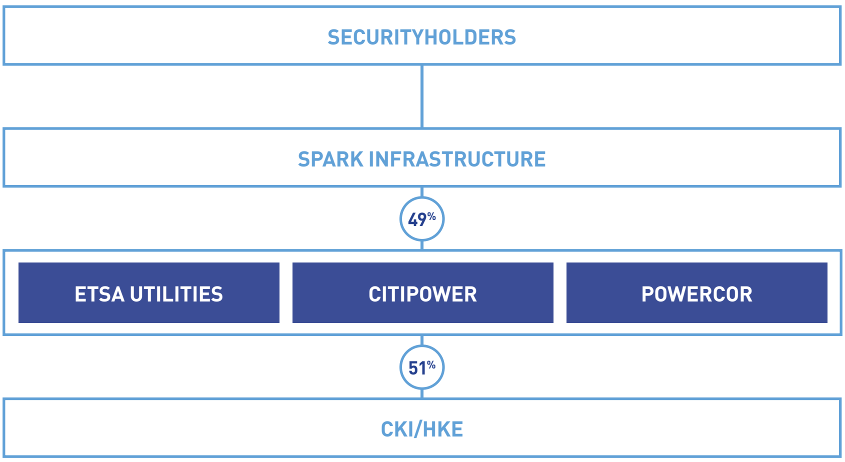
The successful completion of the Repositioning in 2010 has established the framework for Spark Infrastructure to support, and in turn benefit from, the strong organic growth expected in Asset Companies.

In addition, we are now at the stage in the regulatory cycle which offers the highest degree of certainty for the Asset Companies, with clear operational parameters established through to 2015. Combined with our simpler and more transparent corporate structure, this provides a solid foundation for Securityholders' investment in Spark Infrastructure.

I trust that the information contained in this Fact book will provide a useful reference for our investors, their advisors and any other interested parties.

STEPHEN JOHNS
Chairman

CORPORATE STRUCTURE



KEY METRICS

SECURITY METRICS

Market Price (21 February 2011)	**$1.135**
Market capitalisation	**$1.51 billion**

DISTRIBUTIONS

FY 2010	**13.54cps**

MANAGEMENT FEES

Base fees	**0.5% of EV < $2.4b**
	1.0% of EV > $2.4b
Performance fee[1]	**20% return > ASX200 Ind. Acc. Index**
Performance fee deficit at 31 Dec 2010	**$148.4 million**

FINANCIALS

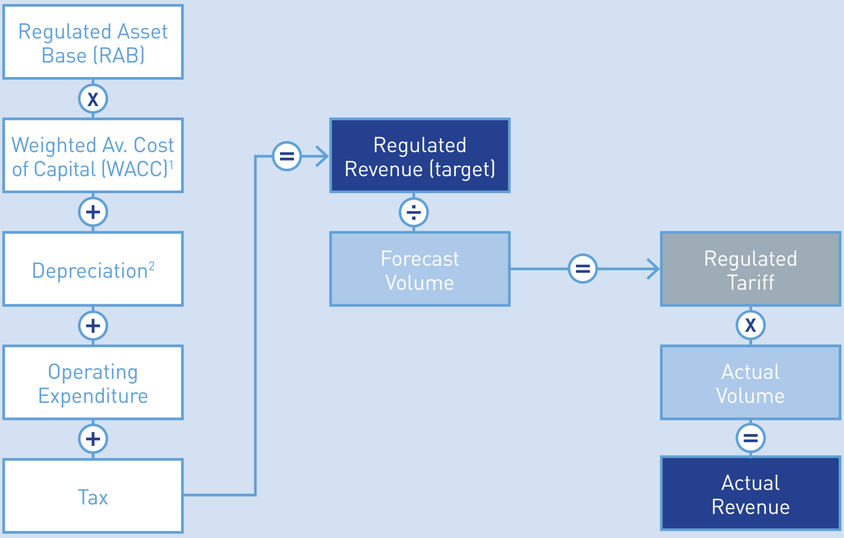
Net gearing[2]	**54.7%**
Asset level credit rating	**A-(S&P) stable**
Fund level credit rating	**Baa1 (Moody's) stable**

REGULATORY REVENUE BASE – 31 DECEMBER 2010

ETSA Utilities	**$3.06 billion**
CitiPower (DUOS)	**$1.29 billion**
Powercor Australia (DUOS)	**$2.23 billion**
CitiPower (Advanced Metering Infrastructure)	**$0.06 billion**
Powercor (Advanced Metering Infrastructure)	**$0.15 billion**
Regulated asset base total	**$6.79 billion (Spark share $3.33 billion)**
Enterprise Value/RAB[3] (Adjusted for total revenue)	**0.91x**
Enterprise Value/RAB (Adjusted for total revenue excluding customer contributions)	**1.05x**
Net debt/RAB look through	**81.1%**
Net debt/RAB ETSA Utilities	**78.3%**
Net debt/RAB CHEDHA (CitiPower and Powercor)	**81.4%**

1 Any deficit in performance fee is carried forward and taken into account in determining whether the return exceeds the benchmark return in future period.
2 Based on Spark Infrastructure's net debt of $35.7 million plus Spark share of asset company net senior debt ($2,661.2 million)/debt + equity.
3 Enterprise Value/RAB (unadjusted) – 1.26x.

REGULATORY FRAMEWORK BUILT-IN PROTECTIONS

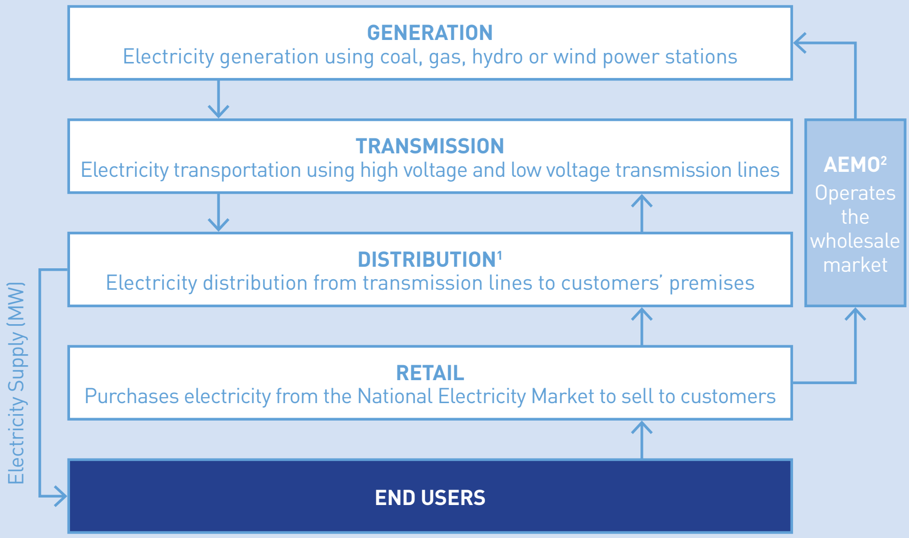


1 Based on 10 yr Commonwealth Treasury Note. Includes both an equity premium and a debt premium (BBB+/Baa1)

2 Depreciation based on regulated economic life of assets

3 X factor is currently -0.11 for CitiPower, 6.41 for Powercor (2011–2015) and -5.75 in South Australia (2010–2015) – a negative X factor results in an increase in prices above CPI

ELECTRICITY SUPPLY CHAIN IN AUSTRALIA



1 Only revenues relating to the transmission and distribution network access are regulated. Businesses may earn additional revenue outside the scope of regulation, e.g. offering back office support, maintenance and development services to other utilities.

2 AEMO – Australian Energy Market Operator.

BOARD OF DIRECTORS & MANAGEMENT

STEPHEN JOHNS (1)
BEc, FCA
Chairman and Independent Director

CHERYL BART (2)
AO, BCom, LLB, FAICD
Independent Director

DOMINIC CHAN (3)
FCPA, FCCA
CKI Board Appointee and Non-Executive Director (since 28 May 2010)

JOHN DORRIAN (4)
BA, FCA, MAICD
RREEF Board Appointee and Non-Executive Director

ANDREW FAY (5)
BAgEc (Hons) ASIA
RREEF Board Appointee and Non-Executive Director

ANDREW HUNTER (6)
MA, MBA, MICAS, MHKICPA
CKI Board Appointee and Non-Executive Director (appointed 31 March 2010)

ANNE MCDONALD (7)
BEc, FCA
Independent Director

DON MORLEY (8)
BSc, MBA, FAustIMM
Independent Director

DR. KEITH TURNER (9)
BE (Hons), ME, PhD (Elec Eng)
Independent Director

LAURA REED (10)
BBus (Acc), FCPA, MBA
Chief Executive Officer

RICK FRANCIS (11)
BCom, MBA, CA, GAICD
Chief Financial Officer

ALEXANDRA FINLEY (12)
Dip Law, MLM
Company Secretary

MARIO FALCHONI (13)
BEc, MPA, GradDipComm
General Manager, Investor Relations and Corporate Affairs

GREG BOTHAM (14)
BBus, MAppFin, CA
Group Financial Controller

Retired/resigned during 2010:
Mr Hing Lam Kam (retired 28 May 2010)
Mr Timothy Keith (resigned 15 March 2010)

KEY MANAGEMENT ASSET COMPANIES

CITIPOWER & POWERCOR (CHEDHA)

SHANE BREHENY (1)
Chief Executive Officer

JULIE WILLIAMS (2)
Chief Financial Officer

SIMON LUCAS (3)
Company Secretary and General Manager Legal Services

GARRY AUDLEY (4)
General Manager Electricity Networks

RICHARD GROSS (5)
General Manager Regulation and Business Development

GLEN MCLEAN (6)
General Manager Information Technology

BRENDAN BLOORE (7)
General Manager Customer Services

MARK STURGESS (8)
General Manager Network Services

PETER BRYANT (9)
General Manager Advanced Metering Infrastructure Services

BRIAN SULLIVAN (10)
General Manager Human Resources and Corporate Affairs

ETSA UTILITIES

ROB STOBBE (1)
Chief Executive Officer

DR ERIC LINDNER (2)
General Manager Regulation and Risk

ROB STEVENS (3)
Chief Financial Officer

DOUG SCHMIDT (4)
General Manager Network Management

ROB SNOWDON (5)
General Manager Construction and Maintenance Services

SUE FILBY (6)
General Manager Customer Relations

SEAN KELLY (7)
General Manager Business Improvement

DAVID SYME (8)
General Manager People and Culture

MARK BROWNLEY (9)
General Manager Field Services

ELECTRICITY DISTRIBUTION SALES

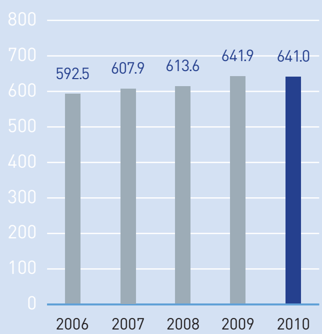
Tariff Class	GWh 2010 ETSA	GWh 2009 ETSA	Variance %
Residential	3,813	3,818	(0.1%)
Hot Water	616	666	(7.5%)
Small Business	5,496	5,533	(0.7%)
Large Business	1,290	1,317	(2.1%)
Unmetered	105	113	(7.1%)
	11,320	11,447	(1.1%)

Tariff Class	GWh 2010 CitiPower	GWh 2009 CitiPower	Variance %
Domestic	1,374	1,342	2.4%
Small Commercial	2,116	2,113	0.1%
Unmetered Supplies	41	42	(1.8%)
Large Low Voltage	2,067	2,072	(0.2%)
High Voltage	499	475	5.0%
Subtransmission	113	107	5.6%
	6,210	6,151	0.9%

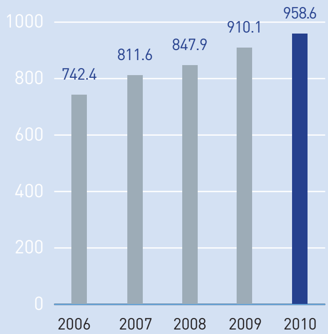
Tariff Class	GWh 2010 Powercor	GWh 2009 Powercor	Variance %
Domestic	3,622	3,637	(0.4%)
Small Commercial	1,972	2,036	(3.1%)
Unmetered Supplies	101	96	5.1%
Large Low Voltage	2,109	2,080	1.4%
High Voltage	1,758	1,729	1.7%
Subtransmission	1,116	913	22.2%
	10,678	10,491	1.8%

CHEDHA PERFORMANCE

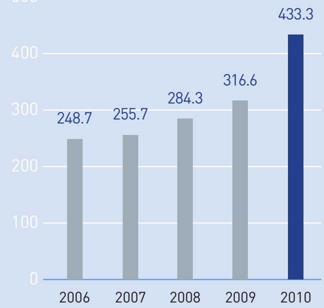
REVENUE – ELECTRICITY DISTRIBUTION ($M)



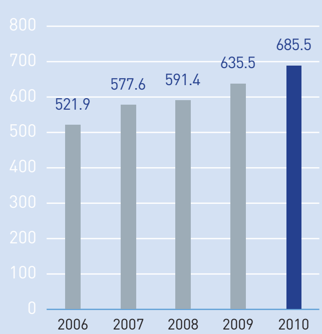
REVENUE – TOTAL ($M)



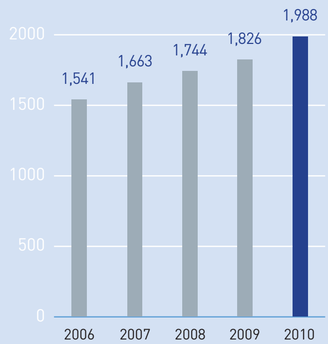
CAPITAL EXPENDITURE NET – TOTAL ($M)



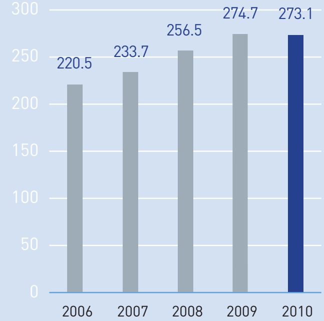
EBITDA ($M)



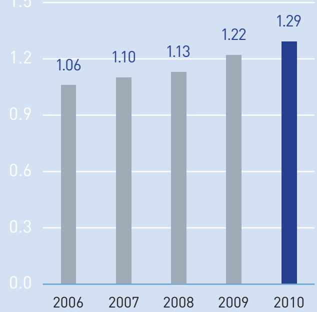
EMPLOYEE NUMBERS



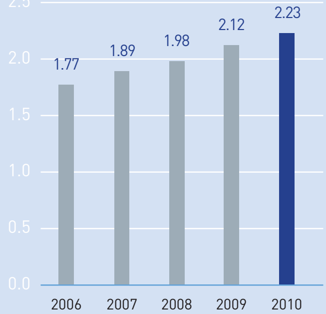
OPERATING COSTS ($M)



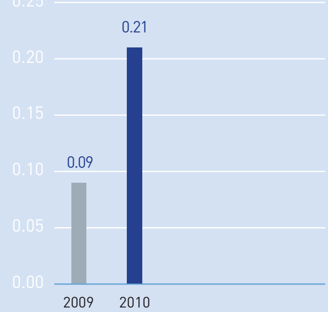
DISTRIBUTION RAB – CITIPOWER ($B) 31 DEC 2010



DISTRIBUTION RAB – POWERCOR ($B) 31 DEC 2010



AMI RAB TOTAL CITIPOWER + POWERCOR ($M)



CHEDHA HOLDINGS PTY LIMITED FINANCIAL SUMMARY

Year end 31 December				
(A'$million)	**Dec 10**	**Dec 09**	**Change**	**Change (%)**
Electricity Distribution Revenue	**641.0**	641.9	**(0.9)** ↓	(0.1%)
Total Revenue	**958.6**	910.1	**48.5** ↑	5.3%
EBITDA	**685.5**	635.5	**50.0** ↑	7.9%
EBIT	**481.1**	435.5	**45.6** ↑	10.5%
Net Profit After Tax – Underlying	**78.8**	69.4	**9.4** ↑	13.5%
Total Assets	**5,969.5**	5,652.5	**317.0** ↑	5.6%
Net Assets	**887.4**	734.4	**153.0** ↑	20.8%
Net Capital Expenditure	**433.3**	316.6	**116.7** ↑	36.9%
Key Performance Indicators				
Gearing (net)	**55.9%**	56.0%	**(0.1%)** ↓	(0.2%)
RAB ($ million) – including AMI	**3,726.3**	3,432.5	**293.8** ↑	8.6%
Debt – hedge total % (total net debt)	**96.5%**	87.0%	**9.5%** ↑	-
Volume Delivered (GWH)	**16,888**	16,642	**246.0** ↑	1.5%
No. of Customers ('000's)	**1,026**	1,003	**23.0** ↑	2.3%
Non Prescribed Revenue % to Total Revenue	**22.0%**	22.8%	**(0.8%)** ↓	(3.5%)

COMMENTARY

- CHEDHA Holdings includes both Powercor and CitiPower in Victoria.
- EBITDA increased by 7.9% over the previous year to $685.5 million (2009:$635.5 million) reflecting increases in Advanced Metering Infrastructure revenues and relatively flat total operating costs.
- Distribution revenue fell by 0.1% over previous year despite total volume delivered increasing by 1.5% to 16,888 GWH. Distribution revenue declined while volume increased due to an unfavourable year on year change in rate and mix.
- Non-prescribed revenue is 22.0% of total revenue compared to 22.9% in 2009. Metering revenue is included in prescribed revenue.
- The underlying net profit after tax was $9.4 million (13.5%) higher than 2009.
- Net assets increased by 20.8% over the previous year mainly due an increase in property plant and equipment.
- Growth in the Regulated Asset Base ("RAB") of 8.6% during the year will generate revenue growth in future periods. RAB is one of the components that determines distribution revenue. The RAB includes Advanced Metering Infrastructure related assets.

CHEDHA HOLDINGS PTY LIMITED
INCOME STATEMENT

(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009	Change	Change (%)
Distribution Revenue				
Distribution Revenue	**641.0**	641.9	**(0.9)** ↓	(0.1%)
Transmission Revenue	**216.4**	146.6	**69.8** ↑	47.6%
Transmission Charges	**(216.4)**	(146.6)	**69.8** ↑	47.6%
	641.0	641.9	**(0.9)** ↓	(0.1%)
Metering Revenue	**106.5**	60.3	**46.5** ↑	76.6%
Non Prescribed Revenue	**211.1**	207.9	**3.2** ↑	1.5%
Total Revenue	**958.6**	910.1	**48.5** ↑	5.3%
Operating Expenses				
Cash Operating Expenses	**(273.1)**	(274.7)	**(1.6)** ↓	(0.6%)
EBITDA	**685.5**	635.5	**50.0** ↑	7.9%
Depreciation and Amortisation				
Depreciation	**(198.8)**	(192.9)	**(5.9)** ↑	3.1%
Amortisation	**(5.7)**	(5.7)	**0.0** ●	–
EBIT	**481.1**	436.8	**44.2** ↑	10.1%
Finance Charges				
Senior Debt	**(188.5)**	(171.2)	**17.3** ↑	10.1%
Subordinate Debt	**(167.8)**	(170.5)	**2.7** ↓	(1.6%)
Derivative (expense)/income – AIFRS	**0.0**	0.1	**(0.1)** ↑	(100.0%)
Interest Income	**4.9**	5.1	**(0.2)** ↓	(3.9%)
Profit Before Tax	**129.7**	100.3	**29.4** ↑	29.3%
Tax expense	**(50.9)**	(30.5)	**(20.4)** ↑	66.9%
Profit After Tax	**78.8**	69.8	**9.0** ↑	12.9%
Underlying Profit After Tax	**78.8**	69.4	**9.4** ↑	13.5%

COMMENTARY

- The Earnings before interest, tax, depreciation and amortisation ("EBITDA") of CHEDHA increased by 7.9% over the previous year to $685.5 million.
- Transmission revenue is collected from the electricity retailers and passed on to the transmission companies.
- The regulated electricity distribution revenue in CHEDHA decreased by 0.1% over the previous year to $641.0 million despite the total volume delivered increasing by 1.5% from 16,642 GWh to 16,888 GWh.
- CHEDHA's non prescribed revenue increased by 1.5% over the previous year to $211.1 million largely due to moderate increase in construction and maintenance activity during the year.

CHEDHA HOLDINGS PTY LIMITED
ANALYSIS OF NON PRESCRIBED REVENUE

(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009	Change	Change (%)
Customer Contributions				
Cash	**61.5**	63.3	**(1.8)** ↓	(2.8%)
Gifted Assets	**25.2**	28.6	**(3.4)** ↓	(11.9%)
	86.8	91.9	**(5.1)** ↓	(5.6%)
Other Non Prescribed Revenue				
Public Lighting	**15.1**	13.4	**1.7** ↑	12.7%
Customer transfers and connections	**17.4**	14.0	**3.4** ↑	24.3%
Unregulated	**91.8**	88.6	**3.2** ↑	3.5%
	124.3	116.0	**8.3** ↑	7.2%
Total Non Prescribed Revenue	**211.1**	207.9	**3.2** ↑	1.5%

COMMENTARY

- Non prescribed revenue increased by 1.5% over the prior year to $211.1 million.
- Other non prescribed revenue has increased by 7.2% over previous year to $124.3 million.
- Customer contribution revenue (including non cash gifted assets) decreased by 5.5% to $86.8 million.
- Metering revenue has been reclassified as prescribed revenue, to better reflect the regulatory arrangements in place in respect of the rollout of advanced metering infrastructure ("AMI").

CHEDHA HOLDINGS PTY LIMITED
BALANCE SHEET

(A'$million)	Dec 10	Dec 09
Cash & Deposits	**47.4**	167.5
Trade and Other Receivables	**45.5**	19.6
Inventories	**44.3**	24.0
Other	**166.7**	146.9
Current Assets	**303.9**	358.0
Trade and Other Receivables	**0.0**	25.0
Property, plant and equipment	**4,709.7**	4,392.0
Deferred Tax Asset	**0.0**	8.4
Intangible Assets	**854.3**	859.9
Other	**101.6**	9.2
Total Non-Current Assets	**5,665.6**	5,294.5
Total Assets	**5,969.5**	5,652.5
Trade and Other Payables	**262.0**	186.3
Borrowings	**367.0**	175.0
Provisions	**69.4**	70.9
Other	**37.7**	43.3
Current Liabilities	**736.1**	475.5
Borrowings	**4,194.1**	4,366.5
Deferred tax Liabilities	**74.4**	0.0
Provisions	**2.6**	2.1
Other	**74.9**	74.0
Non Current Liabilities	**4,346.0**	4,442.6
Total Liabilities	**5,082.1**	4,918.1
Net Assets	**887.4**	734.4
Equity		
Share capital	**279.5**	279.5
Reserves	**(394.7)**	(475.6)
Retained Profits/(loss)	**1,002.6**	930.5
	887.4	734.4

COMMENTARY

- Net assets increased by 20.8% over the prior year mainly due an increase in property plant and equipment.
- The non current borrowings includes $1.522 billion in subordinated long term debt which is contributed by the owners. An amount of $0.7 million (Spark share $0.3 million) was repaid by CHEDHA to the owners during the year.
- Current borrowings relate to $350 million of Medium Term Notes which mature in June 2011, and $17 million in short term borrowings.
- Other non current liabilities includes a defined benefit plan deficit of $39.6 million (2009: $40.8 million).

CHEDHA HOLDINGS PTY LIMITED
CASH FLOW STATEMENT

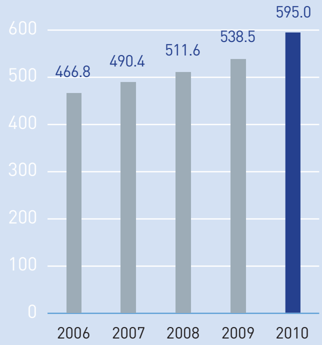
(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009
Cash flows from Operating Activities		
Receipts from customers	**1,172.6**	1,026.2
Receipts from customers for capital works	**68.3**	61.0
Cash payments to suppliers and employees	**(600.6)**	(524.2)
Interest received	**4.9**	5.1
Net repayment of trust monies	**(3.6)**	(6.4)
Interest and other costs of senior debt	**(192.2)**	(167.7)
	449.4	394.0
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	**(493.1)**	(374.4)
Proceeds from sale of property, plant and equipment	**4.3**	1.2
Payment for intangible assets	**–**	–
	(488.8)	(373.2)
Cash Flows from Financing Activities		
Proceeds from borrowings – external	**227.0**	496.5
Repayment of borrowings – external	**(175.0)**	(250.0)
Repayment of borrowings – related parties	**(0.7)**	(95.5)
Interest payments on subordinated debt	**(132.0)**	(174.3)
	(80.7)	(23.3)
Net Cash Movement	**(120.1)**	(2.5)
Opening cash	**167.5**	170.0
Closing Cash	**47.4**	167.5

COMMENTARY

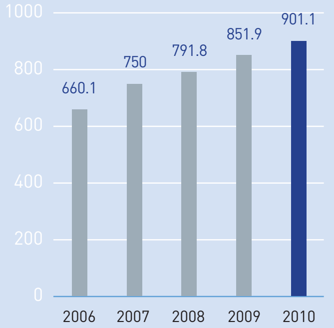
- Cashflow from operations increased by 14.1% over previous year to $449.4million.
- Shareholder distributions in the year were $132.7 million (2009: $269.8 million). Spark's share of these distributions was $65.0 million (2009: $132.2 million). Distributions comprise both repayments of loan principal and interest payments on subordinated debt.

ETSA UTILITIES PERFORMANCE

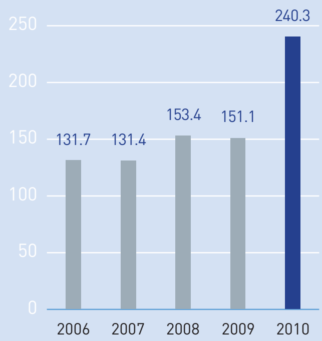
REVENUE – ELECTRICITY DISTRIBUTION ($M)



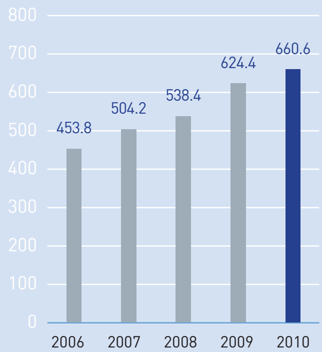
REVENUE – TOTAL ($M)



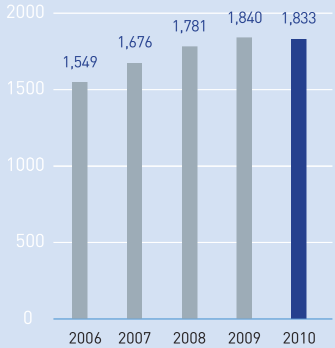
CAPITAL EXPENDITURE NET – TOTAL ($M)



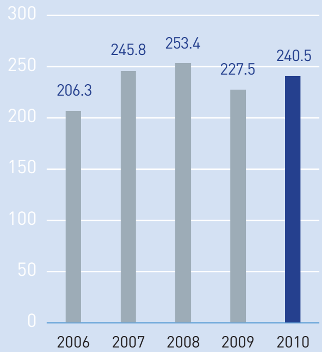
EBITDA ($M)



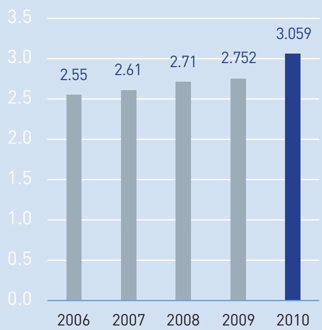
EMPLOYEE NUMBERS (FTEs)



OPERATING COSTS ($M)



RAB ($B) 31 DEC 2010



ETSA UTILITIES FINANCIAL SUMMARY

Year end 31 December				
(A'$million)	Dec 10	Dec 09	Change	Change (%)
Electricity Distribution Revenue	595.0	538.4	56.6 ↑	10.5%
Total Revenue	901.1	851.9	49.2 ↑	5.8%
EBITDA	660.6	624.4	36.2 ↑	5.8%
EBIT	507.2	474.4	32.8 ↑	6.9%
Net Profit After Tax – Underlying	276.2	237.2	39.0 ↑	16.4%
Total Assets	4,879.5	5,115.7	(236.2) ↓	(4.6%)
Net Assets	1,449.4	1,302.3	147.1 ↑	11.3%
Net Capital expenditure	240.3	151.1	89.2 ↑	59.0%
Performance Indicators				
Gearing (net)	53.3%	53.6%	0.3% ↓	0.6%
RAB* ($ million)	3,059	2,752	307 ↑	11.2%
Hedge – (% to Structured Senior Debt)	100.0%	100.0%	0.0% ↓	-
Volume Delivered (GWH)	11,320	11,447	(127) ↓	(1.1%)
No. of Customers ('000's)	820	812	8 ↑	1.0%
Non Prescribed Revenue % to Total Revenue	34.0%	36.8%	(2.8%) ↓	-

*RAB estimated at 31 December

COMMENTARY

- A combination of increased distribution and non prescribed revenue has resulted in 5.8% growth in total revenue compared to the previous year.
- The growth in electricity distribution revenue of 10.5% over previous year has resulted from higher tariffs which moved up in line with the regulatory formula, and higher residential volumes.
- EBITDA increased by 5.8% in 2010.
- Total assets have decreased by 4.6% in 2010, due to use of cash to repay debt maturing in April 2010.
- Net assets have increased by 11.3% in 2010.
- Net capital expenditure increased by 59.0% compared to prior year, primarily for capacity expansion and asset replacement projects.
- Net gearing stands at 53.3% in 2010. This includes the impact during 2010 due to defined benefits actuarial changes and mark to market hedging movements.
- The regulated Asset Base ("RAB") increased by 11.2% over the prior year to $3.06 bn.
- Non prescribed revenue accounts for 34.0% of total revenue. Total revenue excludes transmission revenue passed through to the transmission company (Electranet).

ETSA UTILITIES
INCOME STATEMENT

(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009	Change	Change (%)
Electricity Distribution Revenue				
Electricity Distribution Revenue	**595.0**	538.4	**56.6** ↑	10.5%
Transmission Revenue	**217.4**	192.9	**24.5** ↑	12.7%
Transmission charges	**(217.4)**	(192.9)	**24.5** ↑	12.7%
	595.0	538.4	**56.6** ↑	10.5%
Non Prescribed Revenue	**306.1**	313.4	**(7.3)** ↓	(2.3%)
Total Revenue	**901.1**	851.9	**49.2** ↑	5.8%
Operating Expenses				
Cash Operating Expenses	**(240.5)**	(227.5)	**(13.0)** ↑	5.7%
EBITDA	**660.6**	624.4	**36.2** ↑	5.8%
Depreciation and Amortisation				
Depreciation	**(146.2)**	(142.8)	**(3.4)** ↑	2.4%
Amortisation	**(7.2)**	(7.2)	**0.0** ●	0.0%
EBIT	**507.2**	474.4	**32.8** ↑	6.9%
Finance Charges				
Senior Debt	**(166.9)**	(170.1)	**3.2** ↓	(1.9%)
Subordinate Debt	**(72.5)**	(72.5)	**0.0** ●	0.0%
Derivative income/(expense) – AIFRS	**(3.3)**	35.3	**(38.5)** ↓	-
Interest Income	**8.4**	8.0	**0.4** ↑	5.0%
Profit Before Tax	**272.9**	275.1	**(2.2)** ↓	(0.8%)
Tax (expense)/income	**0.0**	(2.6)	**2.6** ↓	-
Profit After Tax	**272.9**	272.5	**0.4** ↑	0.1%
Underlying Profit After Tax	**276.2**	237.2	**39.0** ↑	16.4%

COMMENTARY

- Regulated electricity distribution revenue increased by 5.2% to $595.0 million resulting from tariff changes in accordance with the regulatory formula, offsetting a total volume decrease of 1.1% to 11,320 GWh in 2010.
- Transmission revenue is collected from the electricity retailers and passed on to the transmission company (Electranet).
- ETSA's non prescribed revenue decreased by 2.3% over the previous year to $306.1 million.
- EBITDA increased by 5.8% to $660.6 million compared to the previous year.
- The underlying profit after tax excludes the impact of AIFRS mark to market movements in the value of financial instruments, a loss of $3.3 million (2009:benefit of $35.3 million).
- The partnership is not subject to tax in it own right, as the partnership fully distributes any taxable income or tax losses to the partners. The prior year tax expense related to subsidiaries of the partnership that were taxable entities.

ETSA UTILITIES
ANALYSIS OF NON PRESCRIBED REVENUE

(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009	Change	Change (%)
Customer Contributions				
Cash	**109.5**	132.2	(22.7) ↓	(17.2%)
Gifted Assets	**50.3**	36.3	**14.0** ↑	38.6%
	159.8	168.5	**(8.7)** ↓	(5.2%)
Other Non Prescribed Revenue				
Public Lighting	**15.0**	14.8	**0.2** ↑	1.4%
Construction and Maintenance Services ("CaMS")	**109.8**	107.4	**2.4** ↑	2.2%
Other	**21.5**	22.7	**(1.2)** ↓	(5.3%)
	146.3	144.9	**1.4** ↑	1.0%
Total Non Prescribed Revenue	**306.1**	313.4	**(7.3)** ↓	(2.3%)

COMMENTARY

- Customer contribution (cash) decreased by 17.2% versus the prior year to $109.5 million. The current year figure included an amount of $24.5 million relating to contribution in respect to the Port Stanvac desalination plant project, some $19 million less than received for the same project in 2009.
- Gifted asset revenue increased by 38.6% over the prior year to $50.3 million. Gifted asset revenue is non-cash.
- Construction and Maintenance Services ("CaMS") increased 2.4% from prior year to $109.8 million.

ETSA UTILITIES
BALANCE SHEET

(A'$million)	Dec 10	Dec 09
Cash & Deposits	**58.9**	552.5
Trade and Other Receivables	**108.2**	99.9
Inventories	**7.5**	7.3
Other	**4.0**	4.5
Current Assets	**178.6**	664.2
Property, plant and equipment	**3,329.0**	3,082.4
Intangible Assets	**956.7**	961.8
Inventories	**6.0**	6.2
Other	**409.2**	401.1
Total Non-Current Assets	**4,700.9**	4,451.5
Total Assets	**4,879.5**	5,115.7
Trade and Other Payables	**191.2**	176.0
Borrowings	**112.3**	707.1
Provisions	**94.1**	91.3
Current Liabilities	**397.6**	974.4
Borrowings	**2,688.2**	2,624.0
Other Financial Liabilities	**245.2**	126.4
Deferred Tax Liabilities	**8.3**	8.3
Provisions	**90.8**	80.3
Non Current Liabilities	**3,032.5**	2,839.0
Total Liabilities	**3,430.1**	3,813.4
Net Assets	**1,449.4**	1,302.3
Equity		
Partners capital accounts	**623.3**	623.3
Partners current accounts	**779.3**	674.7
Reserves	**46.8**	4.3
	1,449.4	1,302.3

COMMENTARY

- Net assets increased by 11.3% over the period.
- The non-current borrowings of $2.688 billion includes $647.7 million in subordinated debt provided by the CKI and HKE partners.
- Partners capital accounts in equity of $623.3 million includes Spark's Preferred Partnership Capital of $622.3 million.
- Cash & Deposits decreased year on year due to the repayment of a debt maturity in April 2010, funds for which were raised in 2009.
- Other non current financial liabilities represent the mark to market valuation of interest rate and cross currency swaps.

ETSA UTILITIES
CASH FLOW STATEMENT

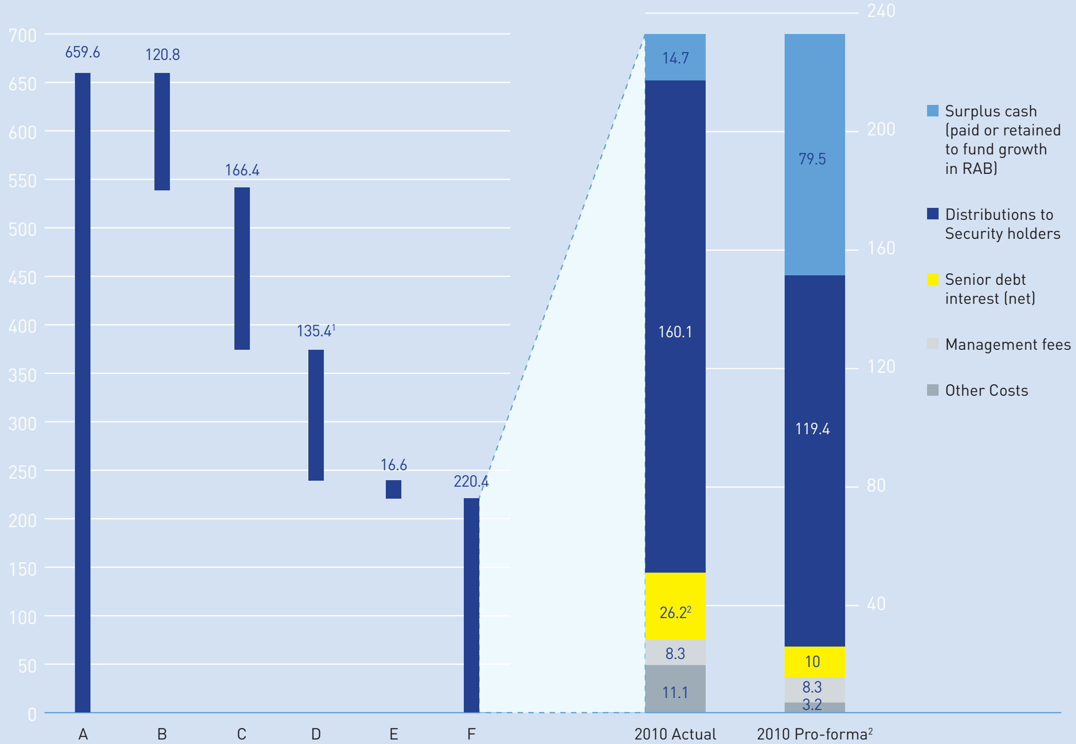
(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009
Cash flows from Operating Activities		
Receipts from customers	**1,136.3**	1,104.3
Cash payments to suppliers and employees	**(534.1)**	(499.3)
Interest and other costs of senior debt	**(164.7)**	(153.8)
Interest received	**15.0**	1.4
	452.5	452.6
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	**(344.3)**	(277.2)
Proceeds from sale of property, plant and equipment	**1.9**	1.4
	(342.4)	(275.8)
Cash Flows from Financing Activities		
Proceeds from borrowings – external	**260.0**	700.5
Repayment of borrowings – external	**(632.7)**	(125.0)
Payment for debt issue costs	**(5.1)**	(6.0)
Interest and other payments on subordinated debt	**(72.3)**	(72.3)
Preferred partnership distribution	**(69.6)**	(69.6)
Ordinary distributions	**(84.0)**	(67.7)
	(603.7)	359.9
Net Cash Movement	**(493.6)**	536.7
Opening cash	**552.5**	15.8
Closing Cash	**58.9**	552.5

COMMENTARY

- The operating cashflow was flat year on year at $452.5 million.
- An amount of $225.9 million was paid to shareholders in distributions (Spark 49% share $111 million).
- Spark receives all Preferred partnership distributions. Spark's partners (CKI and HKE) receive all amounts in respect of subordinated debt. Ordinary distributions are shared in line with partnership interests (Spark share 49%).
- Receipts from customers include receipts in relation to customer contributions (net of rebates). Gifted asset revenue is non cash.
- The decrease in cash of $493.7 million includes the use of cash on balance sheet as at December 2009 for the repayment of a Medium Term Note maturity in April 2010.

OPERATING CASH FLOWS

LOOKTHROUGH OPERATING CASHFLOW
(SPARK 49% SHARE) ($M) 2010



1 Maintenance capex allowance is calculated as regulatory depreciation net of CPI uplift in RAB
2 Includes debt refinance costs
3 2010 Pro forma numbers adjust for full year impact of significant one-off events in 2010 e.g. Loan Note principal reduction to $0.65 equating to a distribution level of 9.0cps (based on 1.326 billion securities), $125 million drawn gross senior debt @ 8.0% interest, and removal of one off other costs in relation to the Strategic Review and debt refinancing

DISTRIBUTIONS PAID FLOW
OPERATING CASHFLOW

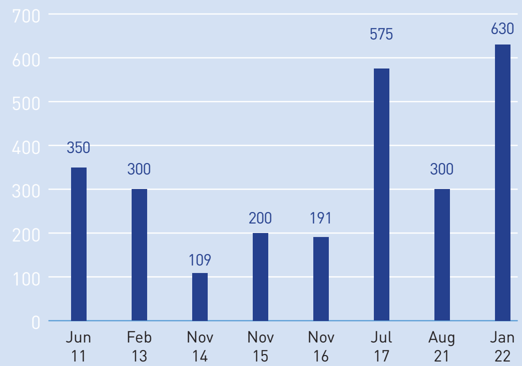
A EBITDA
B Less Customer Contributions (incl. Gifted)
C less: Net Finance charges
D less: Maintenance capex
E add/less: Working Capital Mvmts
F Operating C/Flow

ETSA OCF 2010
(49%) ($M)

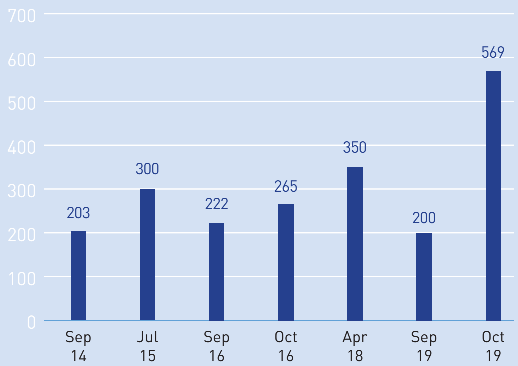
CHEDHA OCF 2010
(49%) ($M)

ASSET COMPANY DEBT

ASSET COMPANY CAPITAL MARKETS DEBT (100%) (A$M) – CHEDHA



ASSET COMPANY CAPITAL MARKETS DEBT (100%) (A$M) – ETSA



ETSA

Instrument	$m Limit (100% basis)	$m Drawn (100% basis)	$m Drawn Spark 49% Share	Start Date	Maturity Date
Domestic Credit Wrapped 10 Year Medium Term Notes	300	300	147	Jul-05	Jul-15
Domestic Credit Wrapped 11 Year Medium Term Notes	350	350	172	Apr-07	Apr-18
Domestic Credit Wrapped 12.5 Year Medium Term Notes	300	300	147	Apr-07	Oct-19
2004 US Private Placement (USD192.0M)	265	265	130	Nov-04	Oct-16
2004 US Private Placement (USD195.0M)	269	269	132	Nov-04	Oct-19
2009 US Private Placement (USD162.5M)	203	203	100	Sep-09	Sep-14
2009 US Private Placement (USD177.5M)	222	222	109	Sep-09	Sep-16
2009 US Private Placement (USD160.0M)	200	200	98	Sep-09	Sep-19
Sub-Total Capital Markets	**2,110**	**2,110**	**1,034**		
Syndicated Loan Facility	225	225	110	Apr-10	Apr-13
Cash Advance Facility	150	110	54	Dec-10	Dec-11
Sub-Total Bank Facilities	**375**	**335**	**164**		
Total	**2,485**	**2,445**	**1,198**		

Excludes $9m lease facilities

CHEDHA

Powercor Credit Wrapped Floating Rate Notes[1]	350	350	172	Jun-01	Jun-11
Powercor Credit Wrapped Floating Rate Notes	630	630	309	Jan-08	Jan-22
Powercor Credit Wrapped Floating Rate Notes	300	300	147	Aug-07	Aug-21
CitiPower Credit Wrapped Floating Rate Notes	575	575	282	Jan-07	Jul-17
Powercor US Private Placement	191	191	94	Nov-09	Nov-16
Powercor Credit Wrapped Floating Rate Notes	200	200	98	Nov-05	Nov-15
Powercor US Private Placement	109	109	54	Nov-09	Nov-14
CitiPower Credit Wrapped Floating Rate Notes	300	300	147	Feb-03	Feb-13
Sub-Total Capital Markets	**2,655**	**2,655**	**1,301**		
Powercor Syndicated Revolving Facility	250	200	98	Jul-08	Jul-11
Powercor Revolving Facility	60	35	17	Aug-10	Oct-11
CitiPower Revolving Facility	50	0	0	Jul-09	Jul-12
Powercor Syndicated Revolving Facility	250	0	0	Jul-11	Dec-14
Powercor Bridge Facility[1]	350	0	0	Jun-11	Dec-11
CitiPower Syndicated Revolving Facility	175	175	86	Feb-10	Feb-13
Working Capital and Overdraft Facilities	97	39	19		
Sub-Total Bank Facilities	**1,232**	**449**	**220**		
Total	**3,887**	**3,104**	**1,521**		

1 Bridge Facility put in place out to Dec 2011. Available for drawdown from June 2011.

INTEREST RATE HEDGING

CHEDHA	Avge contracted fixed interest rate		Notional Principal		Fair Value at 31 Dec	
	2010	2009	2010	2009	2010	2009
	%	$m	$m	$m	$m	$m
Less than 1 year	5.66	5.47	615.0	1,650.0	0.0	(12.5)
1 to 2 years	0	5.66	0.0	615.0	0.0	(6.1)
2 to 5 years	4.74	4.74	265.0	265.0	4.3	6.4
5 years +	5.21	-	3,610.3	0.0	97.3	0.0
			4,490.3	**2,530.0**	**101.6**	**(12.2)**

Source: CHEDHA 2010 Financial Statements Note 36

// As at December 2010, there were forward start commitments in place with a notional principal value of $1,565 million (December 2009: $265 million)

// These forward start commitments have commencement dates from 2011 to 2014

// Swaps commitments of $615 million of notional principal noted as maturing less than 1 year as at December 2010 matured in January 2011

ETSA	Avge contracted fixed interest rate		Notional Principal		Fair Value at 31 Dec	
	2010	2009	2010	2009	2010	2009
	%	$m	$m	$m	$m	$m
Less than 1 year	–	6.41	0.0	2,234.5	0.0	(6.8)
1 to 5 years	5.97	–	2,335.1	0.0	(17.4)	0.0
			2,335.1	**2,234.5**	**(17.4)**	**(6.8)**

Source: ETSA Utilities 2010 Financial Statements Note 38

// As at December 2010, there were no forward start commitments in place (December 2009: $1,525 million, relating to period January to July 2010). Note 2009 excludes $647.7 million of interest rate swaps relating to subordinated debt, which have since expired.

DISTRIBUTION FROM ASSET COMPANIES

SPARK INFRASTRUCTURE'S MAIN SOURCE OF CASHFLOW IS DERIVED FROM INTEREST AND DISTRIBUTIONS ON SUBORDINATED LOANS AND PREFERRED PARTNERSHIP CAPITAL (PPC) FROM ITS 49% INTEREST IN ETSA UTILITIES AND CHEDHA.

SPARK HAS REACHED AN IN-PRINCIPLE AGREEMENT WITH ITS CO-SHAREHOLDERS IN RELATION TO THE ASSET COMPANY BUSINESS PLANS OVER THE NEW FIVE YEAR REGULATORY PERIOD TO 2015, SUBJECT TO BUSINESS CONDITIONS AND ANNUAL REVIEW.

DISTRIBUTION POLICY OF THE ASSET COMPANIES IS TO DISTRIBUTE AVAILABLE SURPLUS CASH TO THE SHAREHOLDERS.

THE ASSET COMPANIES WILL RETAIN A GREATER PROPORTION OF OPERATING CASH TO FUND CAPITAL EXPENDITURE AND REDUCE GEARING OVER THE NEW FIVE YEAR REGULATORY PERIOD.

CHEDHA SUBORDINATED LOANS

// Investment is largely by way of subordinated loan (December 2010: $745.6 million)

// Interest set at 10.85%

// Classed as subordinated debt

// Ability to defer interest exists in limited circumstances and attracts interest at the current rate

// No deferral expected over new five year regulatory period

// Other distributions can be made in the form of repayment of subordinated loan principal or dividends

ETSA PREFERRED PARTNERSHIP CAPITAL

// Spark's distributions from its investment is largely by way of PPC (December 2010: $622.3 million)

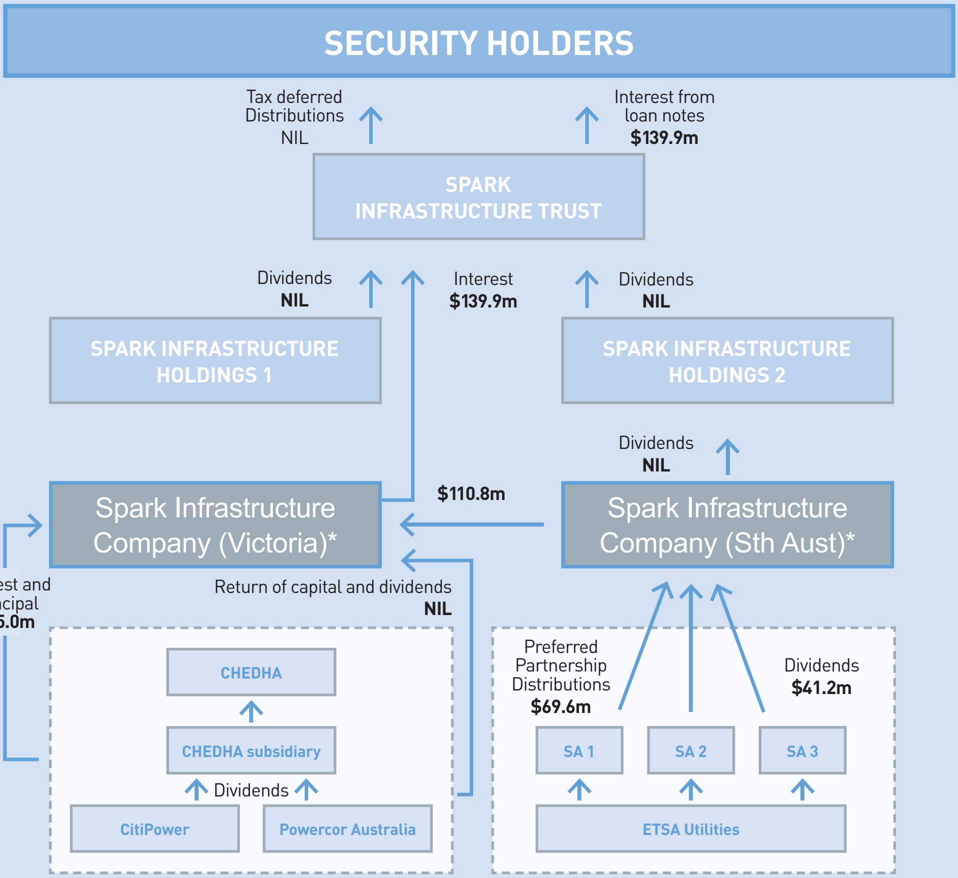
// The specified rate of PPC distributions is 11.19%

// Unpaid distributions are cumulative and attract interest at the current rate

// Ordinary distributions are shared by all the partners in their respective proportionate share

FLOW OF DISTRIBUTIONS

WORKED EXAMPLE WITH ACTUAL CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2010



* Inflows to Spark Victoria of $175.8m, less net interest of $21.9m and management fees and other fund costs of $19.2m = Spark investing and operating cashflows of $134.7m

Distributions to Security Holders

- FY distribution of 13.54 cps has been declared for the FY to 31 December 2010, representing interest on Loan Notes payable by the Trust
- Distributions in excess of this level can be tax deferred (2010: Nil):
  - Repayment of loan principal
  - Tax is deferred until investment is sold
  - Concessional CGT arrangements may apply

Surplus operating cash from Asset Companies

- Surplus operating cash in line with agreed business plans is available for distribution to Spark
- Cash primarily flows to Spark Infrastructure from:
  - ETSA through preferred partnership distributions and dividends
  - CHEDHA through interest on subordinated shareholder loan and loan repayments
  - There has been no change to these arrangements post Restructure

SPARK INFRASTRUCTURE INCOME STATEMENT

(A'$million)	12 mths to Dec 2010 Actual	12 mths to Dec 2010 Underlying	12 mths to Dec 2009 Underlying	Change Compared to Underlying	Change (%)
Income from Associates	82.2	82.2	83.5	(1.3) ↓	(1.6%)
Share of Equity Accounted Profits	201.9	203.5	180.2	23.3 ↑	12.9%
	284.1	285.7	263.7	22.0 ↑	8.3%
Other Income	5.0	5.0	2.3	2.7 ↑	117.4%
Total Income	289.1	290.6	266.0	24.6 ↑	9.3%
Management Fee	(8.3)	(8.3)	(7.9)	(0.4) ↑	4.8%
Senior Debt Interest	(27.1)	(27.1)	(29.3)	2.2 ↓	7.4%
General and Administrative Expenses	(15.2)	(15.2)	(4.8)	(10.4) ↑	216.2%
Profit before Loan note Interest and Performance Fee	238.4	240.0	224.0	16.0 ↑	7.1%
Loan Note Interest ("LNI")	(160.1)	(160.1)	(138.4)	(21.7) ↑	15.7%
Profit After LNI	78.3	79.9	85.7	(5.8) ↓	(6.7%)
Income Tax Benefit/(Expense)	2.6	(1.5)	(4.2)	2.8 ↓	65.6%
Profit after tax Attributable to Stapled Security Holders	80.9	78.5	81.4	(2.9) ↓	(3.7%)

COMMENTARY

- Underlying Profit before Loan Note Interest and Performance Fees increased by 7.1% from $224.0 million in 2009 to $240.0 million in 2010.
- Underlying profit after tax excludes the $1.6 million impact of mark to market movements in the value of financial instruments (swaps), and income tax expense on items recognised directly in equity in Spark No 2 Group of $4.1 million.
- Management fees increased by 4.8% in 2010. The base management fee is calculated quarterly based on the VWAP of stapled securities for the last 15 trading days of the quarter.
- General and administrative expenses increased over the previous year. The increase included one off project related costs incurred in respect of the 2010 Strategic Review of $9.9 million.
- No performance fee became payable to the Manager of Spark Infrastructure during 2010. The performance fee is an incentive fee payable for market outperformance. The outperformance is measured each half year by the movement in the Spark Infrastructure's Accumulation Index relative to the benchmark index, which is the S&P/ASX 200 Industrials Accumulation Index. The fee represents 20% of such outperformance.

SPARK INFRASTRUCTURE
BALANCE SHEET

(A'$million)	Dec 10	Dec 09
Cash and cash equivalents	**89.3**	114.3
Receivables from associates	**29.0**	11.5
Other Current Assets	**0.6**	0.8
Current Assets	**118.9**	126.6
Investments in associates:		
– Investments accounted for using the equity method	**1,612.2**	1,470.8
– Loans to associates	**745.6**	745.9
Non-Current Assets	**2,357.8**	2,216.7
Total Assets	**2,476.7**	2,343.3
Payables	**8.6**	4.3
Loan Note interest payable to Stapled Security Holders	**90.6**	70.5
Interest bearing liabilities	**0.0**	225.0
Other financial liabilities	**0.1**	2.9
Current Liabilities	**99.3**	302.7
Loan notes attributable to Stapled Security Holders	**836.8**	1,256.8
Interest bearing liabilities	**121.8**	200.0
Deferred Tax Liabilities	**20.1**	6.6
Other Financial Liabilities	**0.4**	1.0
Non Current Liabilities	**979.1**	1,464.4
Total Liabilities	**1,078.4**	1,767.1
Net Assets	**1,398.3**	576.2
Equity		
Issued capital attributable to Stapled Security Holders		
– Equity holders of the parent entity	**1,133.3**	183.0
– Minority interests – issued capital of other entities in Spark Infrastructure	**0.0**	246.8
Issued Capital Attributable to Stapled Security Holders	**1,133.3**	429.8
Reserves	**36.2**	(8.6)
Retained Earnings/(accumulated losses) attributable to:		
– Equity holders of the parent entity	**228.8**	32.5
– Minority interests	**0.0**	122.5
Total Equity	**1,398.3**	576.2

COMMENTARY

- The increase in net assets over the previous year included the impact of the Restructure implemented on 31 December 2010, which reduced the Face Value of Loan Notes (accounted for as a liability) from $1.25 to $0.65 per Loan Note and the $295 million equity raising completed in October 2010.
- Investment in Associates increased during 2010 due to equity accounted share of profits and movements in reserves. No injection of shareholder funds into the Asset Companies was made during 2010.
- Non current Interest bearing liability of $121.8m represent $125.0m drawn debt less unamortised transaction costs. Spark has $250.0m in bank facilities as at 31 December 2010: $165.0m bank facilities maturing in September 2013 ($40.0m drawn as at December 2010); and a further $85.0m maturing in September 2014 (fully drawn as at December 2010).
- Loans to associates represents Spark's shareholder loans to CHEDHA. This has reduced during 2010 by $0.3m due to repayments of loan principal by CHEDHA (refer cashflow).

SPARK INFRASTRUCTURE CASH FLOW STATEMENT

(A'$million)	12 mths to Dec 2010	12 mths to Dec 2009
Cash flows from Operating Activities		
Income from associates – preferred partnership capital	**69.6**	69.6
Dividends received – associates	**41.2**	33.2
Interest received – associates	**64.7**	85.4
Interest received – other	**4.8**	2.4
Interest paid – other	**(26.7)**	(27.4)
Management fees	**(8.3)**	(7.7)
Other	**(10.9)**	(5.4)
Cash Flows Related to Operating Activities	**134.3**	150.2
Cash Flows from Investing Activities		
Repayment of borrowings by associates	**0.3**	46.8
	0.3	46.8
Cash Flows from Financing Activities		
Repayment of external borrowings (net)	**(300.0)**	0.0
Payment for external borrowing costs	**(4.3)**	0.0
Proceeds from issue of loan notes	**294.8**	25.3
Payment of issue costs	**(10.4)**	0.0
Distributions to Stapled Security Holders:		
– Loan notes interest	**(139.9)**	(136.9)
– Capital distributions	**0.0**	(24.3)
	(159.7)	(135.9)
Net Cash Movement	**(25.1)**	61.0
Opening cash	**114.3**	53.3
Closing Cash	**89.3**	114.3

COMMENTARY

- Operating and Investing cashflow was $134.7 million in 2010, a decrease of 31.6% from 2009.
- An amount of $139.9 million was paid to shareholders in cash distributions compared to the previous year of $161.2 million. This fully comprised interest on Loan Notes for 2010.
- All of Spark's senior debt facilities were refinanced during 2010.
- Spark repaid and cancelled a $200.0 million debt facility maturing in June 2011 and paid down $100.0 million of new senior debt facilities during the year. As at December 2010, $125.0 million of refinanced facilities were drawn and $125.0 million in facilities were undrawn (total available facilities $250.0 million).
- No performance fee was paid during the 2010 year (2009: Nil).
- During 2010, $0.3 million in loans were repaid by CHEDHA to Spark (2009: $46.8 million). Refer to CHEDHA cashflow (Repayment of borrowings – related parties).
- Proceeds from issue of loan notes ($294.8 million) relates to Entitlement Offer completed in October 2010, resulting in the issue of 294.8 million additional securities at $1.00 each.

USEFUL LINKS

ETSA Utilities	etsautilities.com.au
CitiPower and Powercor Australia	powercor.com.au
Cheung Kong Infrastructure	cki.com.hk
RREEF Infrastructure	rreef.com

Australian Energy Regulator — aer.gov.au

- Advanced Metering Infrastructure cost recovery and charges for 2011
  aer.gov.au/content/index.phtml?itemId=726410
- Regulatory determinations South Australia 2010 – 2015
  aer.gov.au/content/index.phtml/itemId/718200
- Regulatory determinations Victoria 2010 – 2015
  aer.gov.au/content/index.phtml/itemId/718202
- Performance reports Victoria
  aer.gov.au/content/index.phtml/itemId/742106
- News
  aer.gov.au/content/index.phtml/tag/aerNewsAndSpeeches/

Australian Energy Market Commission	aemc.gov.au
Australian Competition and Consumer Commission	acc.gov.au
Energy Networks Association	ena.asn.au
Essential Services Commission of South Australia	escosa.sa.gov.au

- Performance reports South Australia
  escosa.sa.gov.au/electricity-overview/market-information/energy-performance-monitoring.aspx

Essential Services Commission (Victoria)	esc.vic.gov.au
Ministerial Council on Energy	ret.gov.au/documents/mce/default.html

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