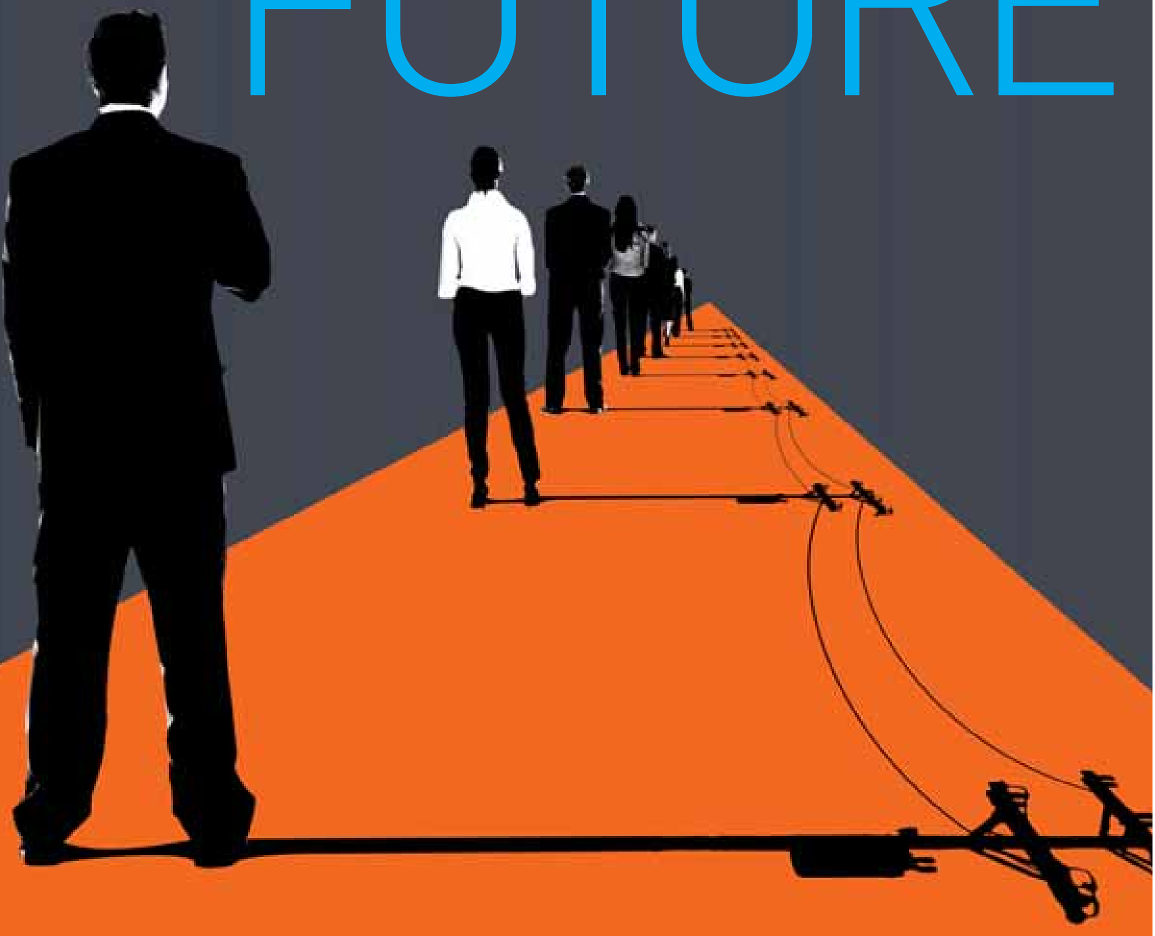
SHAREHOLDER REVIEW **2012**

Delivering NOW

AGM 11:30am, Thursday 16 May 2013, Marble Room, Radisson Blu Hotel, 27 O'Connell Street, Sydney NSW

and into the FUTURE



Yield + Growth + Quality

Delivering now and into the future through

YIELD

Delivering secure, cash backed and growing distributions...

Spark Infrastructure's distributions are fully covered by operating cashflows, after maintaining the Asset Companies' Regulated Asset Bases (RABs), with a target payout ratio of approximately 80% of standalone operating cashflow across the remainder of the regulatory periods to 2015. Distributions are expected to grow by 3-5% per annum to 2015. Distribution growth of 4.8% has been forecast for 2013.

Robust operational cashflows

The Asset Companies generated strong operational cashflows equivalent to 22.2 cents per Spark Infrastructure security in 2012. This enabled them to fund the substantial organic growth provided by the regulator internally from operational cashflows and external debt, and to make distributions to Spark Infrastructure of $199.3 million (equivalent to 15.0 cents per security).

Growing distributions

Spark Infrastructure is delivering a secure and steadily growing distribution profile to its securityholders, after supporting growth in the Asset Companies. Distributions are fully covered by operating cashflows.

In 2013 Spark Infrastructure is forecast to pay a distribution of 11.0 cents per security (an increase of 4.8% on 2012) which equates to a projected yield of approximately 6.5% per annum[1] – a solid return given the low risk profile and substantial organic asset growth inherent in the business. In addition, the Directors have undertaken to continue to grow distributions by 3-5% per annum over the remainder of the current five year regulatory periods to 2015, subject to business conditions.

Strong funding position

Spark Infrastructure is in a strong funding position and possesses the funding flexibility to support the substantial organic growth in the Asset Companies. Spark Infrastructure's required equity investment in the Asset Companies has been pre-funded, such that it will not be necessary to raise capital to fund capital expenditure before 2015. In addition, the Directors have decided to keep the Distribution Reinvestment Plan suspended, further highlighting the strength of Spark Infrastructure's funding position, safe guarding the quality of distributions and protecting value for securityholders.

OPERATING CASHFLOWS (STAND ALONE)

$178.4M

4.1%[2] ▲

ASSET COMPANY EBITDA[3] ($) (100%)

$1,299.3M

10.4% ▲

SPARK PROFIT BEFORE LOAN NOTE INTEREST & TAX ($) UNDERLYING[4]

$277.1M

2.9% ▲

1 Based on FY 2013 distribution guidance of 11.0cps and a closing price of $1.68 on 22 March 2013.
2 FY 2011 comparative figure adjusted to exclude $17.6 million of deferred 2010 sub-debt interest received in May 2011.
3 Excluding customer contributions.
4 Underlying figures exclude certain non-cash and non-operating items which do not relate to the underlying performance for the period. No adjustments have been made to the reported results for 2012.

Delivering asset growth at zero premium...

The Asset Companies are currently in the middle of an exciting growth phase based on significant increases in regulated capital expenditure which is designed to augment and replace their network infrastructure and to cater for customer growth. Capital expenditure is the means by which these businesses grow and they receive a return from day one.

Delivering now and into the future through

GROWTH

How are we delivering on our objectives?

Organic growth, based on net capital expenditure, in the Asset Companies Regulated Asset Bases (RABs) in 2012 was 9.7% (2011: 9.5%).

Spark Infrastructure will prioritise organic growth in the existing asset portfolio.

Long term capital growth through increasing our net equity investment in RAB will also add to growth as gearing reduces in accordance with de-gearing of the Asset Companies to a net debt to RAB ratio of around 75% by 2015

What this means for Spark Infrastructure and its investors

→ Strong growth in their RAB over the current five year regulatory periods to 2015, and correspondingly increasing revenues

→ Greater relative returns than growth by acquisition as investment in existing regulated assets occurs at 1.0 times RAB (ie. no acquisition premium)

What is our future investment strategy?

Supporting the abundance of organic growth in the existing portfolio will remain our primary focus. Where appropriate we will also investigate opportunities for growth by acquisition but only when it can be clearly demonstrated this will add value. Spark Infrastructure's investment universe includes electricity and gas distribution and transmission and regulated water and sewerage assets which offer relatively low risk and stable cashflows, facilitating the payment of relatively predictable distributions to investors and offering the potential for long-term capital growth.

Reliable and regulated asset growth

The "RABs" of the Asset Companies are expected to grow by a compound 7-8% per annum, over the current regulatory periods which finish in 2015, based on the Australian Energy Regulator's (AER) determinations and after factoring in expected out-performance against regulatory allowances.

It is expected that the Asset Companies will achieve a gearing level of around 75% net debt to RAB by 2015. This will support and enhance their already strong investment grade (A minus) credit ratings from Standard and Poor's and equivalent ratings from Moody's. Importantly for investors, it also means that Spark Infrastructure's net equity investment in the Asset Companies' RABs is expected to increase substantially.

Strong and growing cashflows

The cashflows generated by the Asset Companies are sufficient to simultaneously fund the substantial equity portion of their capital expenditure, to modestly de-gear their balance sheets and to make distributions to their shareholders without the need for any new equity before 2015. The cash distributions from the Asset Companies allow Spark Infrastructure to provide a growing distribution profile to its securityholders.

Delivering prudent financial management and sector leading operational performance...

Delivering now and into the future through

QUALITY

Spark Infrastructure is an internally managed investment vehicle with 49% interests in three quality electricity distribution businesses.

With no long term debt maturities until 2014 and no regulatory resets until 2015/16, the Asset Companies are in the middle of an exciting period of secure organic growth.

Stable, predictable and regulated

The regulatory framework continues to provide a high degree of certainty and a range of in-built protections for investors. The recent review undertaken by the Australian Energy Markets Commission has set a sensible framework in its final rule change decision which recognises the importance of promoting investment.

The framework re-affirms predictable revenues and inflation linked cashflows with the potential to capture outperformance over regulatory determinations. In 2013 the AER will develop detailed guidelines for the calculation of returns, in consultation with a range of stakeholders including industry, which ideally will further enhance transparency and certainty for participants, investors and other stakeholders.

In addition, the Asset Companies are currently at a favourable stage of the regulatory cycle, with their next regulatory resets not until 2015/16. The result is a stable and predictable operating environment.

Quality assets with skilled operational management

The Asset Companies in our portfolio continue to be regarded as among the most efficient and reliable of their kind in Australia. This has been confirmed on numerous occasions by the relevant regulatory bodies and by consumers through independent feedback mechanisms. Importantly for our investors, their strong operational performance combined with regulatory protections translate into reliable cashflows, which in turn fully support Spark Infrastructure's distributions to securityholders.

Good governance and prudent financial oversight

Spark Infrastructure applies rigorous financial and operational oversight of its investments through its representation on the Asset Companies' Boards. The emphasis is always on prudent financial management, efficiency of operations, a safe and engaged workforce, and the effective management of every type of business risk.

Spark Infrastructure's Board consists of six Directors including the Managing Director. All of which, with the exception of the Managing Director, are independent.

TOTAL REGULATED ASSET BASE (RAB) (100%)

$8.08BN

9.7%

TOTAL REGULATED REVENUE (100%)

$1.63BN

12.8%

TOTAL REVENUE[1] (100%)

$1.94BN

9.6%

1 Excluding customer contributions.

The cashflows generated by the Asset Companies are able to simultaneously fund the substantial equity portion of their capital expenditure without the need for new equity, to de-gear their balance sheets and to make distributions to their shareholders which allow Spark Infrastructure to provide a growing distribution profile to its securityholders.

Financial Highlights

ASSET COMPANY REVENUE[1]

$949.6M

9.6%

ASSET COMPANY EBITDA[1]

$636.7M

10.4%

SPARK UNDERLYING INCOME ($)

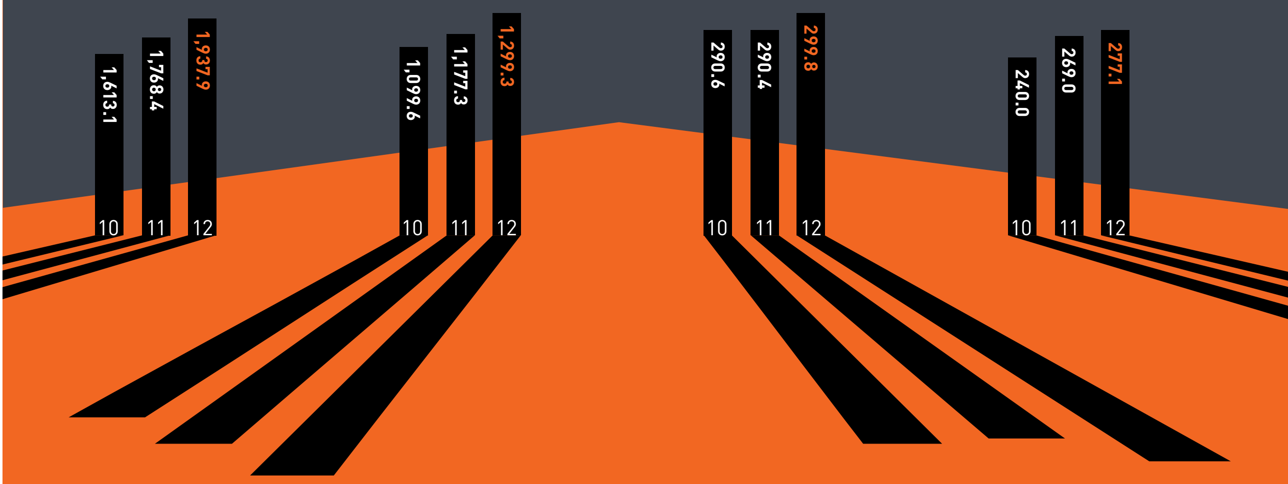
$299.8M

3.2%

SPARK PROFIT BEFORE LOAN NOTE INTEREST AND TAX ($)

$277.1M

2.9%



2012 DISTRIBUTION PER STAPLED SECURITY

10.50¢

5.0%

2013 FORECAST DISTRIBUTION PER STAPLED SECURITY

11.00¢

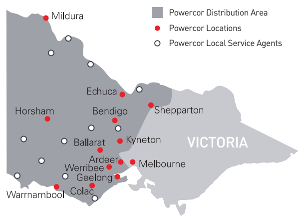
4.8%

2013 YIELD[2]

6.5%

1. Excluding customer contributions and gifted assets which are non-cash and do not contribute to profit
2. Based on 2013 distribution guidance of 11.0cps and a Spark Infrastructure security price of $1.68 on 22 March 2013.

Spark Infrastructure owns a 49% share of three quality electricity distribution businesses – SA Power Networks based in South Australia and CitiPower and Powercor Australia (Victoria Power Networks) based in Victoria. Each of these networks ranks highly in industry measures of efficiency and reliability and will benefit from strong organic growth over the current 5-year regulatory periods to 2015.



	SA Power Networks	CitiPower	Powercor Australia
Business	Electricity distribution network in the state of South Australia	Electricity distribution network in the CBD and inner suburban areas of Melbourne	Electricity distribution network in Central and Western Victoria and the Western suburbs of Melbourne
Network	87,817 km servicing 178,200 km^2 of South Australia	6,529 km servicing 157 km^2	84,630 km servicing 150,000 km^2
Customers	834,554	318,101	740,200
Asset infrastructure	405 zone/74,245 distribution substations and 723,000 poles	105 zone/4,673 distribution substations and 58,882 poles	137 zone/81,553 distribution substations and 540,344 poles
Wires underground	19%	38%	11%
Electricity throughput	11,016 GWh	6,085 GWh	10,744 GWh
Network availability	99.96%	99.99%	99.96%
Regulator	Australian Energy Regulator	Australian Energy Regulator	Australian Energy Regulator
Price determination	Completed 2010-2015 Final Price (variation) Determination (Note: 30 June regulatory year)	Completed 2010-2015 Final Price Decision (Note: 31 December regulatory year)	Completed 2010-2015 Final Price Decision (Note: 31 December regulatory year)

Message from the Chairman

Dear Securityholders In 2012, during a period of protracted global market uncertainty, Spark Infrastructure has maintained its focus on core business, while at the same time remaining alert to opportunities to add further value to the portfolio. This included delivering a growing distribution for securityholders, continuing to support the strong organic growth in the existing assets and increasing our net equity investment in the existing assets through the ongoing de-leveraging in the businesses.

The value proposition

Our central value proposition continues to be the delivery of a growing distribution providing an attractive yield plus strong asset growth in quality businesses. Underpinning this is the strong and growing operating cashflow which is being generated by our investments, being our 49% holdings in SA Power Networks and CitiPower and Powercor (Victoria Power Networks) (the "Asset Companies"). The quality of these cashflows is the backbone of the Spark Infrastructure story. They are sufficient to simultaneously internally fund the substantial equity portion of Asset Companies' capital expenditure, to modestly de-gear their balance sheets and to make distributions to their shareholders, which in turn allows Spark Infrastructure to provide a growing distribution to its securityholders.

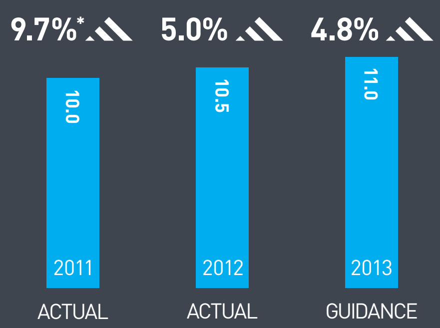
The Asset Companies' combined Regulated Asset Base (RAB) grew by 9.7% in 2012 based on net capital expenditure minus net regulatory depreciation. This remains the best kind of growth as it is underpinned by the regulatory system and comes at no acquisition premium. The combined RAB of the Asset Companies is expected to grow by a compound 7-8% per annum in the current five year regulatory periods to December 2015, based on the Australian Energy Regulator's (AER) 2010 determinations and after factoring in the expected outperformance against regulatory allowances.

At 31 December 2012 the Asset Companies gearing level as measured by net debt to RAB was 79.7%. They expect to de-lever to around 75% net debt to RAB by 2015. The majority of the de-levering will occur towards the back end of the regulatory period as the rate of capital expenditure growth slows and revenues increase from cumulative tariff increases. This will provide strong growth in Spark Infrastructure's net equity investment in the Asset Companies' asset bases.

At the same time, the Asset Companies' business plans to 2015 provide for ongoing distributions to the shareholders sufficient to allow Spark Infrastructure to provide a growing distribution to its securityholders.

Spark Infrastructure's Directors have provided distribution guidance for 2013 of 11.0 cents per security (cps). This is an increase of 4.8% over the full year

CENTS PER SECURITY



* Based on a FY 2010 distribution of 9.11cps which was reset at the time of the Restructure in 2010.

Our central value proposition continues to be the delivery of a solid yield plus strong asset growth based on quality operations. Underpinning this is the strong and growing operating cashflow which is being generated by the Asset Companies. The quality of these cashflows is the strength behind the Spark Infrastructure story.

distribution for 2012 of 10.5cps, which in turn, represented a 5% increase over 2011. We believe this track record of distribution growth since the business was restructured in 2010 demonstrates the fundamental strength of the current asset portfolio.

We have also re-affirmed our previous medium term distribution growth guidance of 3-5% per annum over the remainder of the current regulatory periods to 2015 based on a target payout ratio of approximately 80% of standalone operational cashflows. As always, our distributions are fully covered by operational cashflows from the Asset Companies, by standalone operating cashflows from Spark Infrastructure, or both.

Regulatory developments

The regulatory environment has been the subject of a number of reviews since late 2011 with the most significant of these being the rule change process undertaken by the Australian Energy Markets Commission (AEMC). The AEMC sets the National Electricity Rules (NER), which are then administered by the Australian Energy Regulator (AER) in the setting of price determinations every five years for SA Power Networks and CitiPower and Powercor.

Under the AEMCs revised rules the regulatory regime will remain incentive based with opportunities for out-performance against regulatory allowances. Supporting investment remains a priority within the NER with the introduction of a less prescriptive approach to the calculation of returns including the application of a 'market test' when setting Weighted Average Cost of Capital (WACC) parameters. Revenues and RAB continue to be inflation protected with pass-throughs for operating and debt costs.

The appeal system, known as Limited Merits Review (LMR) has also been under review. Spark Infrastructure, along with its peers in the sector, has consistently argued for the retention of an evidence and precedent based system which maintains the integrity of the appeal body through its separation from the AEMC and AER. We are looking forward to a decision on this matter in the near future.

Future Strategy

Supporting the substantial organic growth in the Asset Companies, and pursuing continual improvements in the way they do business remains our central focus. We will not be distracted from this. However, we will remain alert to opportunities to add further value for securityholders.

A significant growth opportunity that we explored in 2012 involved Spark Infrastructure's bidding for the Sydney Desalination Plant (SDP). Our interest in SDP was based on its nature as a regulated asset with a risk profile in line with Spark Infrastructure's long-held investment mandate. SDP offered predictable earnings and reliable cash flows, independent and transparent regulation, and importantly, would have been yield accretive from day one at our bid price.

We will not be distracted from our focus on supporting the substantial organic growth in the Asset Companies and pursuing continual improvements in the way they do business.

Although we were ultimately unsuccessful, we were satisfied that our bid was competitive, would have been complementary to our current portfolio, and was consistent with our strict investment criteria. The process enabled us to position Spark Infrastructure as a strong disciplined bidder, and the market response has ultimately been favourable.

Spark Infrastructure will remain focussed on supporting the ample organic growth available in its existing assets but will consider compelling opportunities for further diversification if and when they arise. Only acquisition opportunities that clearly add value will be considered, with yield accretion a key criterion.

Conclusion

We remain in a solid financial position, with an experienced management team and Board in place. Our new Managing Director and Chief Executive Officer (CEO), Rick Francis, has brought fresh energy and a safe pair of hands to the role following the retirement of Laura Reed in May 2012.

At this point I would like to thank Laura for her energy and diligence in her three and a half years as CEO of Spark Infrastructure. Together with Rick, Laura guided the business through the Strategic Review of 2010 and the associated Restructure as well as the internalisation of the management function which followed in 2011. Her efforts were instrumental in placing the business in an ideal position to grow in the future.

Another significant recent departure from the group is the resignation of Shane Breheny from the position of CEO of CitiPower and Powercor after nine years in the role. The Board of Victoria Power Networks has appointed Tim Rourke as its new CEO. I offer my thanks to Shane for his many years of excellent leadership of the Victorian business, and I welcome Tim to his new role as he leads it through its new phase of development.

I also want to thank my fellow Board members for their support over the past year, our new Managing Director, Rick Francis, for his excellent stewardship of the business since taking the reins of management, and the staff of Spark Infrastructure for their energy and contribution during 2012.

Finally, I thank securityholders for their ongoing support and I look forward to the coming year working on their behalf.

Brian Scullin
Chairman
Spark Infrastructure

Message from the Managing Director

I am delighted to provide my first report back to securityholders following my step up to Managing Director in May 2012, and I am pleased to be able to report that the business continues to be in a very strong position.

Despite a challenging business environment in 2012 with flat electricity sales volumes, SA Power Networks and CitiPower and Powercor (Victoria Power Networks) (together the Asset Companies) have again demonstrated the strength and quality of their operations in producing growing results and cashflows.

The cashflows they generate are sufficient to simultaneously fund the substantial equity portion of their capital expenditure, to de-gear their balance sheets and to make distributions to their shareholders, including Spark Infrastructure, without the need for any new equity before 2015. Over time, this will mean higher distributions for our securityholders as well as a growing capital investment in Spark Infrastructure.

Our balance sheet is also strongly positioned to support growth in the Asset Companies, if and when it is required. In December 2012 we reduced our fixed levels of debt by $30 million and in March 2013 we restructured Spark Infrastructure's debt on improved margins, terms and conditions. All of this means we are in tremendous shape to respond to any changes in business conditions that may arise.

Spark Infrastructure delivering secure and growing distributions

Spark Infrastructure delivered another strong underlying performance for Full Year 2012 with underlying profit before Loan Note interest to securityholders at $277.1 million, an increase of 2.9% on the previous year. Our performance is based in most part on the consistent performance of the three Asset Companies currently in the portfolio.

We received cash distributions from the Asset Companies of $199.3 million in accordance with agreed business plans and had cash reserves of $43.0 million, and undrawn facilities of $165.0 million at the Spark Infrastructure level, at balance date. These are available for use in the business for general funding purposes as required.

Underlying results Year ended 31 December 2012	FY 2012 ($m)	FY 2011 ($m)	Variance (%)
Total income	**299.8**	290.4	**3.2**
Management fees	**–**	3.5	**n/m**
General, administrative and employee expenses	**6.3**	6.8	**8.6**
SDP bid costs	**4.6**	–	**n/m**
Interest expense (gross) – senior debt	**11.9**	10.8	**9.7**
Profit before loan note interest and tax	**277.1**	269.3	**2.9**
Loan Note Interest (Distributions to securityholders)	**93.8**	93.4	**0.5**
Income tax benefit/(expense)	**9.4**	8.8	**6.9**
Profit attributable to stapled securityholders – underlying	**173.9**	167.1	**4.1**
Profit attributable to stapled securityholders – statutory	**173.9**	82.6	**110.5**
Operating cashflow	**178.4**	189.0[1]	**(5.6)**

1 Includes $17.6 million of deferred interest received in 2011

Asset Companies delivering reliable revenue and earnings growth

The total aggregated Asset Company revenue for 2012, excluding customer contributions and gifted assets, which are non-cash and do not contribute to profit, was $1,937.9 million, which was 9.6% higher than last year. This led to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of $1,299.3 million, excluding customer contributions and gifted assets, an increase of 10.4%.

Despite soft electricity sales volumes, the Asset Companies are returning significant increases in revenues and EBITDA, particularly in the case of SA Power Networks, due to strong tariff increases and the positive impacts of favourable regulatory appeal outcomes, supported by effective operational management.

SA Power Networks has displayed strong growth in regulated revenue due to higher network tariffs as a result of the 2010-15 regulatory reset and its subsequent appeal outcomes. Total distribution revenue for 2012 (net of transmission charges) was $826.2 million, an increase of 18.7% over 2011. SA Power Networks also performed strongly under its service performance incentive schemes, which measures network and business performance against reliability and customer service targets, and accordingly was able to book a $15 million benefit in relation to the 2012 regulatory year. This was a very pleasing result and testament to the strong management team in place.

Victoria Power Networks had more modest tariff increases at the beginning of the year and had more challenging economic conditions. Notwithstanding this Victoria Power Networks also performed strongly with total distribution revenue (including advanced metering or smart meter revenue) of $804.5 million, an increase of 7.4% over 2011. Victoria Power Networks will also benefit from its successful appeal outcomes which will lead to increased revenue from 1 January 2013.

Victoria Power Networks continues to demonstrate its high standards of reliability and customer service. CitiPower and Powercor recently won a number of awards at the Australian Service Excellence Awards held by the Customer Service Institute of Australia (CSIA) in October 2012. These included Best of the Best Customer Service organisation; National Large Business of the Year (joint winner) and Victorian Large Business of the Year.

DISTRIBUTIONS

11.0cps
2013 Guidance
4.8%

10.5cps
2012 Actual
5.0%

CAPITAL GROWTH IN RAB (100% basis)

$8.1bn
2012
9.7%

$7.4bn
2011
9.5%

SA Power Networks and Victoria Power Networks Year ended 31 December 2012 (100% Basis)	FY 2012 ($m)	FY 2011 ($m)	Variance (%)
Regulated Revenue – DUOS	**1,508.0**	1,323.5	**13.9**
Regulated Revenue – AMI	**122.7**	121.5	**1.0**
Semi-regulated Revenue – other	**85.2**	88.0	**(3.7)**
Unregulated revenue	**222.0**	235.4	**(5.7)**
Total revenue (exc. customer contributions)	**1,937.9**	1,768.4	**9.6**
Semi-regulated Revenue – customer contributions	**176.3**	214.0	**(17.6)**
Total Revenue	**2,114.2**	1,982.4	**6.6**
Total operating costs	**638.6**	591.2	**(8.0)**
EBITDA (excl. customer contributions)	**1,299.3**	1,177.3	**10.4**
EBITDA	**1,475.5**	1,391.3	**6.1**
Capital expenditure (net)	**67.0%**	66.6%	**0.4**

It is clear the regulatory framework will continue to provide a high degree of certainty and a range of in-built protections for investors. This includes predictable revenues and inflation linked cashflows with the potential to capture outperformance over regulatory determinations.

Prudent management of debt

I am pleased to report that the Asset Companies' current combined level of gearing is 79.7% net debt to RAB. It is great to see this tracking down according to plan.

As part of the original five year business plans Spark Infrastructure agreed with its co-shareholders in 2010, the Asset Companies intend to reduce this to around 75% by 2015. This can be achieved simply by funding capital expenditure in accordance with the Australian Energy Regulator's (AER) assumptions, that is, 60% debt and 40% equity.

We are confident of meeting the target by 2015 subject to business conditions. However the de-gearing will not occur in a straight line – there will be variations from period to period. The Asset Companies' gearing levels can be impacted in the short term by such things as movements in working capital, the timing of capital expenditure, annual CPI fluctuations and the payment of distributions to the shareholders, however the medium term trajectory based on our funding formula is trending firmly downwards.

It is also important to remember that this is a target we, along with our co-shareholders in the Asset Companies, have set for ourselves. It has not been imposed by the regulator, the banks or the credit rating agencies. It merely represents the agreed objective and expectation of the shareholders.

Combined with our recent refinancing of debt at the Spark Infrastructure level, this leaves us very well placed to support the businesses and to weather any potential storm that may come our way.

ASSET COMPANY GEARING

2012	2011
79.7%	**81.5%**
1.8%	0.8%

SPARK INFRASTRUCTURE GROSS DEBT

2012	2011
$55m	**$85m**
$30m	$40m

Regulatory environment

Some of the most significant external developments have been occurring in the regulatory environment, certain elements of which have been under review since late 2011. These have now been broadly determined with finalisation of the Australian Energy Markets Commission's (AEMC) rule change process which was released in November 2012. The AEMC is the body which makes the rules for our industry which are then applied by the Australian Energy Regulator (AER).

Based on the policy direction provided by the AEMC, it is clear the regulatory framework will continue to provide a high degree of certainty and a range of in-built protections for investors. This includes predictable revenues and inflation linked cashflows with the potential to capture outperformance over regulatory determinations. In addition, Spark Infrastructure is well placed relative to its peers in the sector due to the fact that it does not face regulatory resets until 2015, providing a significant degree of certainty.

While the AEMC has set a clear framework, the AER is now required to work out the details around the rate of return guidelines and other capital expenditure and operating expenditure incentive schemes which will apply for future regulatory resets. The AER has established a consultative process which includes all stakeholders including Spark Infrastructure's Asset Companies. The Financial Investors Group, of which Spark Infrastructure is a member, will also participate in this process at the appropriate times. The AER is expected to publish its final decision on the rate of return guidelines in August 2013.

In addition to the AEMC's review of the rules, the Standing Council for Energy and Resources (SCER) has being undertaking a review of the regulatory appeal mechanism known as Limited Merits Review. In February 2013 the Financial Investors Group, which consists of a number of ASX listed and private infrastructure investors including Spark Infrastructure, made a submission to the SCER in response to its request for input from stakeholders. The submission supports the retention of an appeal body similar to the one that exists, along with its evidence and precedent based approach, within the Australian Competition and Consumer Commission.

NEXT REGULATORY RESETS

SA Power Networks	CitiPower and Powercor
1 July 2015	1 January 2016

This is also beneficial for consumers, as the businesses' outperformance is returned to them by the regulatory framework in the form of relatively lower electricity prices in the future.

A decision on this matter is expected by the end of March 2013 but had not yet been announced at the time of writing.

There has ultimately been no fundamental change in the regulatory regime. It will continue to be an incentive based system which promotes stability, provides clear line of sight of capital and recovery of operating costs for an efficient network provider over a five year period, and rewards outperformance against the regulator's targets.

This is also beneficial for consumers, as the businesses' outperformance is returned to them by the regulatory framework in the form of relatively lower electricity prices in the future.

Taxation

There are a number of previously disclosed taxation audits currently being undertaken by the Australian Taxation Office (ATO) in relation to Victoria Power Networks and the SA Power Networks partnership. These audits are in relation to the Asset Companies only and there have been no discussions with the ATO in relation to Spark Infrastructure Trust.

In relation to SA Power Networks, which is legally a partnership comprised of Spark Infrastructure, Cheung Kong Infrastructure and Power Assets Holdings, amended assessments were issued in July of 2012 to all partners for the 2007 to 2010 tax years. Objections to all amended assessments have since been lodged with the ATO by Spark Infrastructure.

No adjustments in relation to these matters have been recognised in the Spark Infrastructure financial statements, and SA Power Networks and the partners are of the opinion that no adjustments are required in relation to these items. Spark Infrastructure and its fellow partners will vigorously defend their positions.

Spark Infrastructure is a 49% shareholder in Victoria Power Networks and therefore management of ATO tax audit activity and response lies with Victoria Power Networks.

An amended assessment was received by Victoria Power Networks for the 2007 tax year in March 2013. Victoria Power Networks has elected to utilise some carried forward losses to offset most of the ATO's proposed adjustments for the 2007 year which will result in a small payment of tax of approximately $18 million (100% basis) for the 2007 year. Victoria Power Networks has obtained legal advice and disagrees with the ATO's positions on these matters and will vigorously defend its position.

ATO audit activity at Victoria Power Networks is continuing in relation to the years ended 31 December 2008 to 2011 although no adjustments for these years have been finalised. The Asset Companies, Spark Infrastructure and its co-shareholders are keen to see these matters resolved as soon as possible. Spark Infrastructure will keep the market informed of any further material developments.

Investment proposition

Spark Infrastructure continues to deliver on its core investment proposition. The Asset Companies' combined RAB at 31 December 2012 was $8.1 billion. Their RAB's are expected to grow by a compound 7-8% per annum across the current regulatory periods to December 2015, based on the 2010 regulatory determinations, recent favourable regulatory appeal outcomes and after factoring in the expected outperformance against regulatory targets.

Spark Infrastructure's market performance in 2012, which reflects the fundamental strength of the Asset Companies, continues to make it an attractive investment proposition. We continue to offer an attractive yield combined with strong organic growth, based on quality assets operating in a stable regulated business environment. Moreover, our internal structure at the Spark Infrastructure level is efficient and transparent and we have the financial flexibility to fund the ample organic growth in our existing portfolio of assets, without the need to raise further capital from securityholders.

Our market performance in 2012, which reflects the fundamental strength of the Asset Companies, continues to make Spark Infrastructure an attractive investment proposition. We offer a solid yield combined with strong organic growth, based on quality assets operating in a stable regulated business environment.

We also have excellent people at the Asset Company level. I would like to thank Rob Stobbe and his team at SA Power Networks for an excellent contribution to the aggregated results for the year. Their financial results have been outstanding. Likewise Shane Breheny and his team have weathered the storm in Victoria well and progress towards completion of the Advanced Metering Infrastructure roll-out has been excellent. After nine years at the helm of his business, Shane retires having laid firm foundations for future growth and I thank him personally for his contribution. I also welcome Tim Rourke, Shane's replacement as CEO of Victoria Power Networks who starts in mid-April 2013.

Finally, I give sincere thanks to my management team and all the staff at Spark infrastructure for their diligence and hard work throughout the year. Their contribution has been outstanding.

Rick Francis
Managing Director
and Chief Executive Officer

NET CAPITAL EXPENDITURE

$331.6M

5.9%

SA Power Networks (formerly known as ETSA Utilities) manages South Australia's electricity distribution network, supplying 834,554 residential and business customers in the capital, Adelaide, and all regions across the State. The network is one of the most reliable in Australia, with 99.96% network availability achieved across a State of widely-varied and challenging terrain and extremes of weather.

SA Power Networks

Operational Summary for 2012

SA Power Networks continued to meet all key financial targets in 2012. Regulated revenues grew due to higher network tariffs as a result of the 2010-15 regulatory reset and appeal outcome.

Total distribution revenue for 2012 (net of transmission charges) was $826.1 million, an increase of 18.7% from 2011. At 11,016 GWh in 2012, sales volume declined approximately 0.7% relative to the 11,093 GWh sold in 2011. This was largely due to lower volumes in response to tariff increases and higher than expected penetration of photo voltaic installations.

At $108 million, net asset related revenue continued to perform strongly, but was lower than the previous year due in part to completion of the new desalination plant in the south of Adelaide in 2011 and reduced contributions from a number of major projects which had significant associated augmentation works.

In 2012, net capital expenditure increased by $18.4 million primarily due to reduced customer contributions. Net capital expenditure totalled $331.6 million, an increase of 5.9% from 2011.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of $807.7 million were achieved in 2012, an increase of 12.6% on 2011 performance. SA Power Networks' unregulated business continued to outperform targets in 2012, and whilst revenue was down compared to 2011 results, the order book of work for 2013 is strong, particularly from existing customers.

To ensure SA Power Networks remains an industry leader in safety, the SA Power Networks Safety Management System was certified in early 2012 to Australian Standard AS/NZS4801 and the International Standard OHSAS 18001. The third party audit confirmed compliance to the Safety Management Standards protocols and measured the deployment of the system in a broad range of operational activities. SA Power Networks also successfully achieved a level 3 self-insurance renewal after external audit of its claims, rehabilitation and prevention management systems by WorkCover SA.

Workforce numbers remained stable with 1,923 full time equivalent employees at year end, excluding term contractors.

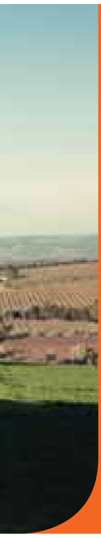
Customer Service Performance

SA Power Networks has an ongoing focus on meeting its reliability standards and improving its customer service performance.

In terms of reliability, the annual minutes without supply per customer for 2012, as measured by System Average Interruption Duration Index (SAIDI), was 149 minutes compared to a target of 150 minutes. This excludes events that meet the criteria of a Major Event Day (MED).

For the Service Performance Scheme (SPS), the SPS performance for 2011/12 was approximately $20.8 million favourable (out of a maximum possible incentive of approximately $25 million), corresponding to around 2.5% of forecast annual revenue for 2013/14.

Negative weather impacted the Guaranteed Service Level Scheme (GSL) payments for duration and frequency of interruptions. Severe storms in March, August, September, November and December 2012 laid the foundations for a challenging year. As a consequence, GSL payments for 2012 were unfavourable.



SA Power Networks continues to return excellent financial results coupled with strong operational performance. Earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding customer contributions) of $693.3 million was achieved in 2012, up 18.5% on 2011.

In 2012, SA Power Networks has continued its strong focus on reaching a high standard of customer service, particularly in the areas of improved customer communications. A suite of customer communication and self-service products was released earlier in the year, receiving positive recognition from customers who have appreciated the opportunity to interact with the business when and where they choose to.

SA Power Networks also received its highest ever customer satisfaction rating, (5.7 out of 7) with significant improvements being noted in the way it deals with unplanned interruptions.

Major projects

In 2012, SA Power Networks completed project works including major distribution substation upgrades at Kent Town, Burnside, Panorama, Ingle Farm, Tea Tree Gully, North Adelaide, Kapunda, Cavan and Kilburn as well as completing the Ardrossan West and Dorrien connection point substations with ElectraNet.

Government infrastructure activity included commencement of connection works for the Adelaide Oval redevelopment and the New Royal Adelaide Hospital.

Additionally, SA Power Networks completed the connection of major supplies to Adelaide's new pipeline water pumping stations and asset relocations for the southern train electrification and the north – south road transport corridor, contributing to a steady flow of major project activity in 2012.

Significant works also commenced in 2012 to replace the ageing operating system that has been used since 2000 to manage and monitor the distribution network. The Network Operations Centre (NOC) has also been rebuilt, significantly modernising and increasing network control and despatch facilities. The NOC has been purpose built and is a key step towards implementation of the full update to the Advanced Distribution Management System (ADMS).

Sustainability, Community and Environment

Safety

SA Power Networks is the leader in safety amongst Australian electricity distribution businesses.

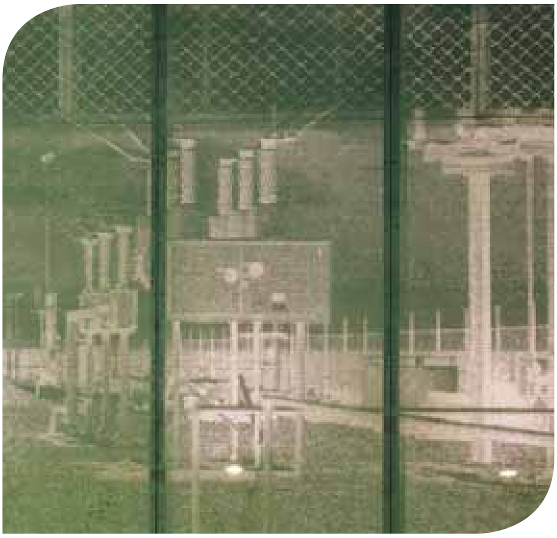
In 2012 SA Power Networks recorded one Lost Time Injury and 30 Medical Treatment Injuries. SA Power Networks is an Exempt Employer under the Workers Rehabilitation and Compensation Act 1986. For 2012 the estimated Exempt Employer savings compared to what would be incurred as a Registered Employer were approximately $673,000.

SA Power Networks continues to maintain certification of its Safety Management System against AS/NZS 4801 and the International Standard OHSAS 18001. This certification is in addition to the maintenance of its Self-Insured Status under the WorkCover SA Performance Standards for Self-Insurers.

In the most recent surveillance audit against AS/NZS 4801 and OHSAS 18001 the auditor found high levels of compliance with the work health and safety management system requirements and found that operational work teams were committed to safe systems of work.

In 2012, SA Power Networks conducted a field trial of the "Switch Safe" Program as part of a range of strategies to achieve the highest level of safe switching behaviour and performance. The Muscular Skeletal Injury Reduction Program was extended across all operations with good effect. A new Drug and Alcohol Directive and Testing Program is in the final stages of endorsement after an extensive consultation period.

The new Nationally Harmonised Work Health and Safety Legislation was passed in South Australia's Parliament in late 2012 with a start date of 1st January 2013. A Legislative Compliance Management Committee has been working on the relevant management plan over the past 12 months.



SA Power Networks continues to monitor the safety of its people through its internal audit program and to assess its performance against both lead and lag indicators. SA Power Networks is committed to continuous improvement of its Safety Management System and safety culture.

Environment

SA Power Networks maintains a comprehensive business structure for managing environmental impacts and risks. Compliance with environmental legislation and regulation is viewed as a minimum requirement and the business was successful in implementing a number of voluntary environmental commitments in 2012.

Meeting national reporting obligations with regard to greenhouse gas emissions has involved considerable work to improve data collection and measurement for internal mitigation and reporting. An external audit of the organisation's Environmental Governance by KPMG recognised SA Power Networks' robust environmental management systems and identified no major issues.

In 2012, SA Power Networks' Construction and Maintenance Services department maintained its ISO14001 certification and work continues to accredit the rest of the organisation.

SA Power Networks develops an Environmental Management Plan each year to identify objectives, strategies, managerial controls and continuous improvement mechanisms. Overseeing the implementation of the Environmental Management Plan is the Environmental Management Committee, which is made up of senior and operational staff. Topics covered in the annual plan include climate change regulation, energy, waste and water management, oil filled assets management, hazardous substances management, site (land) contamination, fleet efficiency and electric and magnetic fields.

SA Power Networks was successful in a number of environmental management areas in 2012. It renewed a Memorandum of Understanding with the State Government's peak recycling body, Zero Waste SA to further the two organisation's work together, including

piloting a supply chain sustainability program and the implementation of the Clean Site® Program on project sites.

As part of the *Waste and Recycling Improvement Action Plan* a new waste management service provider was engaged, resulting in the implementation of expanded recycling and resource recovery systems. Early results have indicated a significant improvement in the organisation's (non-salvage) recycling rate from 8% in 2009 to 27% in 2012. With the bulk of our general waste going to an advanced alternative fuels facility for re-processing, only 6% is being sent to landfill.

In 2012 SA Power Networks was the first electricity distribution business to become a Signatory in the Federal Government's FluoroCycle Scheme, which aims to increase the recycling of mercury-containing street lamps and reduce the amount of mercury entering the environment. As the main provider of public lighting services in South Australia, with responsibility for more than 200,000 streetlights, SA Power Networks is in a unique position to make a significant, positive impact on the amount of mercury entering the environment.

SA Power Networks continued to closely monitor and report on organisational energy and water use throughout the year. In October the organisation submitted its annual National Energy and Greenhouse Report to the Federal Government for the 2011/12 financial year. These annual reports are a requirement of the Commonwealth Government as part of a national framework for reporting information about greenhouse gas emissions, greenhouse gas projects, and energy use and production by large corporations. To ensure compliance with the Scheme, and the accuracy of the greenhouse data reported, SA Power Networks commissioned an audit by an external consultant with expertise in this area.

Innovative initiatives continued within SA Power Networks' Fleet department, with ongoing performance monitoring of three Mitsubishi i-MiEV electric vehicles purchased in 2010 and eight hybrid Elevated Work Platform (EWP) trucks.

Society

SA Power Networks has a very proud role in the South Australian community.

It is one of the State's major employers with a strong presence in Adelaide and regional South Australia. It also indirectly employs many hundreds of contractors, suppliers and business partners who undertake a range of activity on behalf of the business.

SA Power Networks continues its strong focus on nationally recognised accredited training and an apprenticeship program that surpasses industry requirements. During 2012, there were 164 apprentices in training and a further 25 engineering graduates participating in a three year development program.

As a good corporate citizen, SA Power Networks has many long and fruitful partnerships with a range of community organisations, enabling hundreds of thousands of South Australians to benefit from, and participate in, activities supported by the organisation.

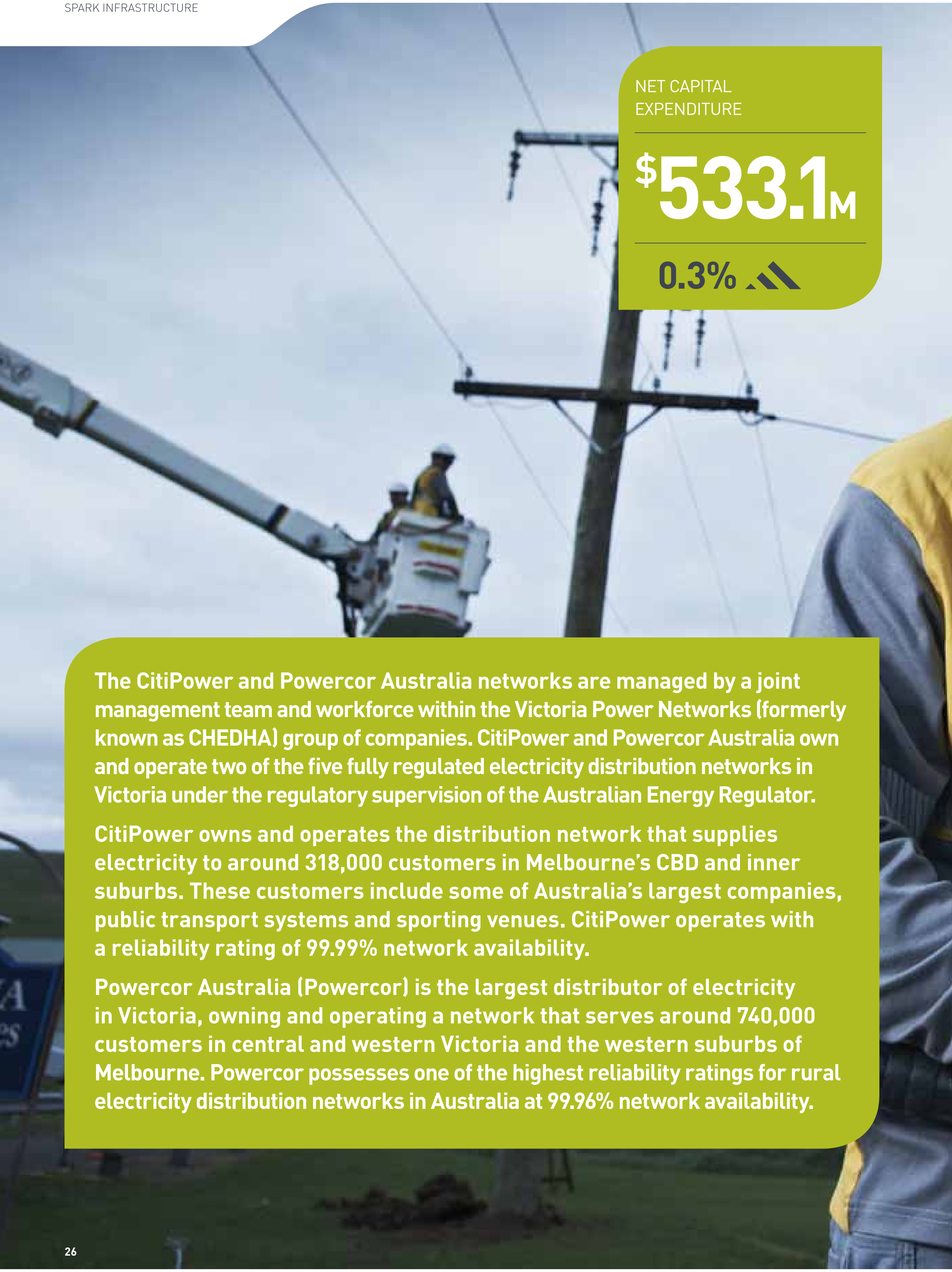
This support reaches all parts of South Australia and ranges from the arts, to sport, to student exchange and conservation.

In 2012, the company took up a major new sponsorship as supporter of the activities of the Starlight Foundation. SA Power Networks' sponsorship of the Starlight Room at the Women's and Children's Hospital brings a smile to the face of many sick children being treated at the hospital, as well as their brothers and sisters.

Employees also make a huge personal contribution to life in the community through the SA Power Networks Employee Foundation.

Some staff support the Foundation's nominated charities directly through salary sacrifice, others make contributions linked to specific fundraising activities and others provide in-kind support through volunteering.

The activities of the Foundation are assisted by SA Power Networks, which provides matching funding for donations as well as office and management resources and other support.



NET CAPITAL EXPENDITURE

$533.1M

0.3%

The CitiPower and Powercor Australia networks are managed by a joint management team and workforce within the Victoria Power Networks (formerly known as CHEDHA) group of companies. CitiPower and Powercor Australia own and operate two of the five fully regulated electricity distribution networks in Victoria under the regulatory supervision of the Australian Energy Regulator.

CitiPower owns and operates the distribution network that supplies electricity to around 318,000 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 Australia (Powercor) is the largest distributor of electricity in Victoria, owning and operating a network that serves around 740,000 customers in central and western Victoria and the western suburbs of Melbourne. Powercor possesses one of the highest reliability ratings for rural electricity distribution networks in Australia at 99.96% network availability.

Victoria Power Networks

Operational summary for 2012

Victoria Power Networks has performed well in challenging circumstances during 2012. The impact on distribution revenue of mild weather and the weakening economic environment pushed profits lower. Notable achievements included the successful completion of another significant capital works program and the delivery of the 2012 Smart Meter roll out program.

An electricity reliability benchmarking report released in 2012 by the Energy Supply Association of Australia revealed the CitiPower and Powercor networks perform strongly in comparison with 16 peer distribution businesses across Australia.

The report revealed that CitiPower was the best performer of all businesses in the average total number of minutes for which its customers experienced unplanned and planned power interruptions. Powercor ranks mid-range among the 16 surveyed businesses in the report – a good result considering its significantly rural status.

CitiPower's total regulated revenue was $253.4 million, up 6.3% on 2011, including all metering revenue and excluding pass-through transmission revenue. Electricity sales volume was 6,085 GWh, compared to 6,105 GWh in 2011. Total regulated revenue for the Powercor network was $551.1 million, up 8.1% on 2011, including all metering revenue and excluding pass-through transmission revenue. Electricity sales volume for Powercor was 10,744 GWh compared to 10,471 GWh in 2011.

Victoria Power Networks (CitiPower and Powercor Australia) results were resilient despite a difficult economic climate and consumer reactions to environmental factors and price increases.

Advanced Metering Infrastructure

As at 31 March 2013, CitiPower and Powercor has installed more than 901,000 smart meters at its Victorian customers' premises, of a total goal of about 1.1 million. More than 830,000 of these meters are being remotely read, with the great majority of the rest expected to go live in 2013. The CitiPower and Powercor networks are the industry leaders in the Victorian rollout, and have met all Government smart meter deployment targets so far.

The network tariffs charged to retailers by CitiPower and Powercor rose respectively by 5.6% and 4.7% on 1 January 2013. Increases in distribution charges were offset by decreases in transmission charges and to cross-subsidies deriving from the Victorian Government's Feed-in Tariff schemes.

Customer Service Performance

CitiPower and Powercor Australia have been recognised in 2012 for achievement and high standards of management, training, and commitment to excellence in customer service with the following prestigious Australian Service Excellence Awards:

- Best of the Best Customer Service organisation
- National Large Business of the Year (Joint winner)
- Victorian Large Business of the Year
- Highly Commended Victorian Customer Charter

The businesses have enjoyed success at these award programs over a number of years, but this is the first time CitiPower and Powercor have won the Best of the Best category. This result recognises the businesses have a sustained commitment to delivering Powerful Customer Service. The winners of this year's awards were chosen from a field of Australia's top and most successful customer service organisations.

CitiPower and Powercor's monthly mass market customer satisfaction surveys continue to illustrate strong performance, with a 2012 overall result of 76% satisfaction rating. Satisfaction among retailers was again strong at 88% whilst the Major Customer satisfaction rating came in at 90%, which is higher than the average across the last five years.

The CitiPower and Powercor businesses enjoy a strong reputation with customers and in the communities where they operate. This was reflected in the 2012 Community Reputation index, benchmarked against other Victorian and South Australian electricity distributors. CitiPower's community reputation index score remained steady on 45 points, while Powercor saw a statistically insignificant fall of 2 points to 54.

Major Projects

CBD Infrastructure Upgrades

Two key infrastructure upgrades are in progress in inner Melbourne to improve security of supply and meet increasing demand in the central business district.

The Metro Project is aimed at providing increased electrical infrastructure capacity to meet a significant increase in energy demand in Melbourne's north east central business district. During 2012 the second stage of the major expansion works at the BQ zone substation, adjacent to the CBD, were commissioned, and additional 66kV underground cabling works completed.

The CBD Security of Supply Project is an initiative which will increase the level of supply security in the CitiPower 66kV network across the central business district, to meet the increased expectation of a non-interruptible electricity supply for this region. In 2012 the planning commenced for a further major 66kV cable installation.

Gisborne Zone Substation

Work commenced on new 66kV zone substation to enhance supply capacity in this growing region. The project is scheduled for commissioning in early 2013.

Sunshine Zone Substation

The first stage of a refurbishment and upgrade was completed on a 66kV transformers and 22kV switchboard. The program will eventually produce a fully indoor substation in the Powercor network residential area of Sunshine.

Bendigo to Charlton 66kV line

This staged augmentation and duplication of the 66kV Powercor network line from Bendigo to Charlton continued during 2012. This is a long term project.

Bushfire Mitigation

CitiPower and Powercor bushfire mitigation activities are conducted in the context of the Victorian Bushfire Royal Commission (VBRC) and Powerline Bushfire Safety Taskforce (PBST) recommendations. Powercor invests millions of dollars each year to minimise the risk of bushfires and to avert potential faults caused by trees coming into contact with powerlines and will increase these investments over the next 10 years following the recommendations of the PBST. New investments include the development and use of remote Single Wire Earth Return (SWER) Automatic Circuit Recloser (ACR) technology to help reduce the risk of bushfire – and installing 175 of these devices in the highest bushfire risk areas by the beginning of the 2012-2013 fire season.

In 2013, Powercor will start to install vibration dampeners and armour rods on powerlines across high bushfire risk areas, and will install up to 1200 remote ACRs across the network over the next 10 years. Powercor also conducts annual powerline inspections using helicopters equipped with laser technology and ground patrols to identify vegetation which is growing too close to our lines.

Vegetation Management

Vegetation management, which largely involves keeping trees away from power lines, is an essential element of CitiPower and Powercor's commitment to providing a safe and reliable electricity supply for its customers. State regulations set out under the Electric Safety Act incorporate a state wide powerline clearance code for vegetation. These regulations changed in 2010 as part of the Electricity Safety (Electric Line Clearance) Regulations (2010) by the State Government following the recommendations of the Victorian Bushfire Royal Commission. As part of the new regulations, the minimum clearances and vegetation management cycles have changed leading to an expanded management program by CitiPower and Powercor.

Victoria Power Networks was recognised in 2012 for achievement and high standards of management, training, and commitment to excellence in customer service; winning the prestigious Australian Service Excellence Awards for Best of the Best Customer Service organisation and National Large Business of the Year (Joint winner).

Sustainability, Community and Environment

Safety

CitiPower and Powercor's Health and Safety Management System is certified to the AS/ NZS 4801-Occupational Health and Safety Management Systems Standard. Two surveillance audits were conducted in 2012 with accreditation being maintained.

Powercor Network Services also maintained its accreditation from the Office of the Federal Safety Commission during the year. This allows it to continue bidding directly for Federal Government funded projects.

The Health and Safety Management System is supported by a strong Health and Safety structure with Health and Safety Committees at all locations, and a Health and Safety Steering Committee chaired by the Chief Executive Officer. The Steering Committee met five times in 2012, with meetings held at a variety of locations across the business.

In 2012, CitiPower and Powercor recorded three Lost Time Injuries (LTI) compared with 7 LTIs in 2011, and 35 Medical Treatment Injuries (MTIs). Our contractors recorded nine LTIs and 18 MTIs while working on or around our assets. CitiPower and Powercor's WorkCover premium for 2012/13 is 0.422% of payroll, which continues to be well below the average of all participants in the WorkCover scheme (1.298% of payroll).

There was significant work undertaken in 2012 in revising the health and safety management system to ensure compliance with model Work Health & Safety legislation in relevant states.

Occupational Health and Safety leadership training was rolled-out for all CitiPower and Powercor leaders. This one day course focuses on company and legislative responsibilities and building the "*Never Compromise*" culture.

Environment

The business has in place comprehensive structures for managing environmental impacts and risks. Compliance with environmental legislation and regulation is viewed as a minimum requirement.

The business has an Environmental Management System (EMS) which is certified to the international standard ISO 14001. In 2012 two surveillance audits were conducted and confirmed our compliance with the standard. The EMS provides a framework for identifying and managing environmental issues and risks.

It has developed and implemented a whole-of-business environmental strategy which is complemented by a comprehensive communication strategy that was developed and implemented in 2012.

The Business has an Environmental Steering Committee which is supported by employees with specific environmental responsibilities. All office/depots also have a Site Environmental Representative and many now have Green Teams – groups of employees with an interest in identifying and implementing environmental improvements.

There was a continued focus on environmental training during the year. This included specific workshops designed for specific roles within the business, as well as specific environmental training for many employees, as required by the Victorian Electricity Supply Industry.

CitiPower and Powercor are committed to minimising its environmental impact in addition to managing factors such as hazardous substances. The Business also focuses on key areas including material and resource efficiency, and recycling and waste.

The Businesses' Climate Change Policy and Strategy seeks to manage the impacts of climate change on assets and operations, and to work to reduce its contribution to climate change. These Strategies have been embedded operationally within the business, and greenhouse issues considerations now form part of business as usual activities and are overseen by the executive Environmental Steering Committee.

As part of the Department of Climate Change's National Greenhouse and Energy Reporting Scheme (NGERS), CitiPower and Powercor reports annually on its greenhouse gas emissions. After a comprehensive review of emissions the report was submitted in October. The data was reviewed by an external consultant prior to submission to ensure accuracy and compliance with the Scheme.

As a signatory to the Energy Supply Association of Australia's (ESAA) Sustainable Practice Framework, CitiPower and Powercor also report each year against the key indicators of the Framework.

Society

CitiPower and Powercor have strong connections within the communities they serve. The Business plays an important role as an employer, supporting local communities, with a workforce of more than 2000 employees across 15 locations. In addition to this, the businesses indirectly employ many hundreds of contractors, suppliers and business partners who fulfil a range of roles on behalf of the Business.

In 2012, 15 apprentices and trainees started with the business taking the total number of participants in the apprenticeship and trainee program to 93. Four graduates also joined, taking the number in the graduate program to 12. The businesses provide learning opportunities for engineering students by making available up to five student placements for third and fourth year students over the summer period. CitiPower and Powercor also invest heavily in the training and development of its employees, with a focus on leadership, mentoring and career development.

The business also has strong links with the community through various partnerships, sponsorships, workplace giving, and other support. During 2012, employees and the business joined together to contribute more than $93,000 to a range of charities and organisations.

The business takes an active partnership approach to sponsorship in the communities it serves. Powercor continues its long standing support of business awards in regional Victoria, and sponsored 16 awards programs in 2012. Powercor is the longest continuous corporate sponsor of the Melbourne Symphony Orchestra (MSO) and the primary sponsor of the MSO Regional Tour, which takes the orchestra to six different regional locations in Victoria every year.

CitiPower and Powercor extended its sponsorship reach in the last few years to include a number of events in support of Country Fire Authority and State Emergency Services, which has helped to forge a strong relationship between essential services and emergency management entities. CitiPower and Powercor also continued their strong commitment to the community and the environment through the partnership with Landcare Australia supporting such activities as revegetation projects and improvement of natural habitat.

Management Team

RICHARD (RICK) FRANCIS
BCom, MBA, CA, GAICD

Managing Director
and Chief Executive Officer

Rick Francis has over 15 years' experience in the Australian energy and energy infrastructure industries. He joined Spark Infrastructure in February 2009 from the ASX listed gas transmission and energy infrastructure business APA Group, where he was Chief Financial Officer for four years.

Prior to that, Rick was employed by Origin Energy Limited for over eight years in a number of senior management roles including those of Group Financial Controller and Operations Manager, Energy Trading.

Rick has considerable experience in matters related to strategy, financial accounting and reporting, capital and treasury management and taxation. He also has 15 years' experience in the chartered accounting and finance fields in Australia and the UK.

Rick commenced as Managing Director and Chief Executive Officer of Spark Infrastructure in May 2012 after being appointed to the role in January 2012. Prior to this he served as Chief Financial Officer for three and a half years.

GREG BOTHAM
BBus, MAppFin, CA

Chief Financial Officer

Greg has extensive experience in financial roles in energy and transport infrastructure businesses in Australia, covering financial reporting, corporate planning and analysis, project evaluation and risk management.

A Chartered Accountant, Greg has previously worked in senior finance and planning roles at Sydney Airport, having commenced his career as a Financial Analyst at Qantas.

Greg was appointed to the position of Chief Financial Officer in May 2012 after serving as Group Financial Controller for three years.

ALEXANDRA FINLEY
DipLaw, MLM

General Counsel and
Company Secretary

Alexandra Finley is an experienced corporate governance professional with over 15 years legal and commercial experience gained in private practice and in-house. Prior to joining Spark Infrastructure, she spent almost 10 years with National Australia Bank/MLC in various senior legal and commercial roles, most recently as Company Secretary of the MLC Group of Companies.

Alexandra has extensive experience in the financial services sector including mergers and acquisitions, risk management and regulatory compliance and has held strategic, operational and management roles.

Alexandra was appointed to the position of General Counsel and Company Secretary in September 2008.

MARIO FALCHONI
BEc, MPA, GradDipComm

General Manager, Investor
Relations and Corporate Affairs

Mario Falchoni has extensive experience in investor relations, government and industry relations and corporate communications.

Immediately prior to joining Spark Infrastructure, he was Corporate Relations Manager with ASX listed GrainCorp Limited, with responsibility for investor relations, marketing, internal communications and stakeholder management. Prior to that, he managed government relations and corporate affairs for a peak business lobby group and worked in various advisory roles in state and Federal governments.

Mario was appointed to the position of GM Investor Relations and Corporate Affairs in July 2006.

Board of Directors

BRIAN SCULLIN
BEc

Chairman and Independent Director (appointed May 2011, Chairman since September 2011)

Mr Scullin is the Independent Non-Executive Chair of BT Investment Management. He was appointed to the Board of BT Investment Management and as Chair in September 2007. Mr Scullin has previously served as a Non-Executive Director of Dexus Property Group and State Super Financial Services. Mr Scullin served as a Non-Executive Director and RREEF nominee of Spark Infrastructure from 1 November 2005 to 24 August 2007. During this time he was the Chair of the Compliance Committee and a member of the Audit and Risk Management Committee.

Mr Scullin has more than 20 years' experience in the funds management industry in both Australia and Asia. Following a career in the Federal Government and politics, Mr Scullin was appointed the Executive Director of the Association of Superannuation Funds of Australia ("ASFA") in 1987. In 1993, Mr Scullin joined Bankers Trust, holding a number of senior positions, including President of Japan Bankers Trust. He was appointed Chief Executive Officer – Asia/Pacific for Deutsche Asset Management in 1999. He retired from that full time position in 2002, although remained a Non-Executive Director of Deutsche Asset Management until June 2007.

Mr Scullin has held many industry positions including Vice Chair of the Financial Services Council (then known as IFSA), a part-time member of the Federal Government's Financial Reporting Council and a panel member for the Financial Industry Complaints Service. He is also a member of the BT Investment Management's Audit and Risk Management Committee and the Chair of the Remuneration and Nominations Committee.

Mr Scullin is Chair of the Remuneration and Nomination Committee ("RemCo").

CHERYL BART AO
BCom, LLB, FAICD

Independent Director (appointed November 2005)

Ms Bart is a lawyer and has been a Non-Executive Director on the board of SA Power Networks since 1995. She has significant utilities industry experience and is Chair of the Audit Committee of SA Power Networks and a member of its Risk and Compliance Committee.

Ms Bart is a Director on the Board of the Australian Broadcasting Corporation. Ms Bart is also Chair of ANZ Trustees Limited, the Environment Protection Authority ("EPA"), the South Australian Film Corporation and the Foundation for Alcohol Research and Education ("FARE").

Ms Bart is also on the Board of the AFC Asian Cup Australia 2015 and was formerly the Chair of the Adelaide Film Festival.

Her other current directorship positions include Audio Pixels Holdings Limited. Her previous directorships include the Economic Development Board (SA), Sydney Ports Corporation, the Australian Sports Foundation, Soccer Australia, the Information Economy Advisory Board, Defence Industries Advisory Board ("DIAB") and the William Buckland Foundation.

Ms Bart was awarded the Order of Australia in the Australia Day Honours in January 2009.

Ms Bart is a member of the Audit, Risk and Compliance Committee ("ARC").

ANDREW FAY
BAgEc (Hons) Dip Finsia

Independent Director (appointed March 2010)

Mr Fay is a Director of BT Investment Management Limited and is Chair of Deutsche Managed Investments Limited.

He consults to the Dexus Property Group Ltd in the area of capital markets and advises Microbiogen Pty Ltd, a private company which operates in the renewable energy industry, on corporate development.

Until September 2011 he was Chair of Deutsche Asset Management (Australia) Ltd ("DeAM") and associated companies. Prior to that until January 2008 he was Head of DeAM following a 20 year career in the financial services sector. He joined DeAM in 1994 as part of the Australian Equities team and in the ensuing years held a number of positions including head of Australian Equities, Chief Investment Officer for Australia, Chief Investment Officer for Asia Pacific and in April 2005 was promoted to the position of Head of the Australian business.

From November 2006 to November 2007 he was an Alternate Director for Spark Infrastructure and was also an Alternate Director for the Dexus Property Group from 2006 until 2009. For a period of four years until 2002 he was a member of the Investment and Financial Services Association ("IFSA") Investment Committee. IFSA is an industry body which represents companies operating in the Australian Funds Management industry. Prior to joining Deutsche, Mr Fay spent six years at AMP Global Investors working in the areas of Fixed Income, Economics and Australian Equities.

Mr Fay was appointed as a Director of Victoria Power Networks, CitiPower and Powercor on 1 June 2011, and a Director of SA Power Networks on 22 June 2011. He is also a member of the Remuneration Committees of the businesses.

Mr Fay is a member of the ARC.

ANNE McDONALD
BEc, FCA

Independent Director
(appointed January 2009)

Ms McDonald served as a partner of Ernst & Young for 15 years until 2005. She has broad based business and financial experience, gained through working with a wide cross section of international and local companies, assisting them with audit, transaction due diligence and regulatory and accounting requirements. She was a Board member of Ernst & Young Australia for 7 years.

Ms McDonald is a Non-Executive Director of listed entities, including the GPT Group and Speciality Fashion Group Limited. She is also a Non-Executive Director of Westpac Bank's Life and General Insurance businesses. Her previous directorships include the St Vincent's Healthcare Group.

Since 2009 Ms McDonald has been a Director of Victoria Power Networks, CitiPower and Powercor. In addition, she is Chair of the Audit Committee of Victoria Power Networks and a member of its Risk and Compliance Committee.

Ms McDonald is Chair of the ARC and a member of RemCo.

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

Independent Director
(appointed March 2009)

Dr Turner possesses extensive experience in the New Zealand energy sector. Most recently, he served as Chief Executive Officer of Meridian Energy Limited from 1999 to 2008. Prior to that, he worked as a private energy expert advising a range of large corporate clients and Government. He has previously served in a number of senior roles in establishing Contact Energy, and in the Electricity Corporation of New Zealand, and the New Zealand Electricity Department, as well as many industry reform roles.

He is currently the Deputy Chair of Auckland International Airport and is a Director of Chorus NZ Limited. Dr Turner is Chair of Fisher & Paykel Appliances Limited and Solar City Limited.

Dr Turner has been a Director of SA Power Networks, Victoria Power Networks, CitiPower and Powercor since 2009.

Dr Turner is a member of RemCo.

CORPORATE CONTACT DETAILS

Registered Office

SPARK INFRASTRUCTURE
Level 25, 259 George Street,
Sydney NSW 2000

T: +61 2 9086 3600
F: +61 2 9086 3666
E: info@sparkinfrastructure.com
W: sparkinfrastructure.com

Managing Director
RICK FRANCIS

Chief Financial Officer
GREG BOTHAM

Company Secretary
ALEXANDRA FINLEY

Investor Relations
MARIO FALCHONI

Security Registry

Computershare Investor Services
Level 3, 60 Carrington Street,
Sydney NSW 2000

GPO Box 7045, Sydney NSW 2000

T: (within Aus) 1300 608 629
T: (outside Aus) +61 2 9415 4068
E: webqueries@computershare.com.au
W: computershare.com