

SPARK INFRASTRUCTURE

PROFILE

Spark Infrastructure is a specialist infrastructure fund. Its objective is to invest in regulated utility infrastructure, both within Australia and overseas. This includes electricity and gas distribution and transmission and regulated water and sewerage assets which offer relatively low risk and stable cashflows, facilitate the payment of relatively predictable distributions to investors and offer the potential for long term capital growth.

The initial public offering completed in December 2005 enabled the Fund to acquire a 49% interest in each of the following businesses:

ETSA Utilities – is South Australia's only significant electricity distributor, delivering electricity to approximately 803,000 customers over an area of approximately 178,200 square kilometres. ETSA Utilities is one of the largest infrastructure businesses in South Australia.

CitiPower – is the owner and manager of the electricity distribution network servicing Melbourne's central business district (CBD) and inner suburbs, delivering electricity to approximately 302,000 customers.

Powercor Australia – (Powercor) is the owner and manager of the largest electricity distribution network in Victoria, delivering electricity to approximately 684,000 customers across 65% of the State.

The other 51% interest in each of ETSA Utilities, CitiPower and Powercor is held by Cheung Kong Infrastructure (CKI) and Hong Kong Electric (HKE), which is part of the CKI group. CKI also has a direct interest in the Fund.

MISSION

To build a major Australian listed infrastructure investment fund, by:

- achieving long term, attractive and stable returns and capital growth for investors in line with Spark Infrastructure's risk profile and market expectations; and
- establishing a diversified global portfolio of quality regulated infrastructure assets.

VALUES

Spark Infrastructure promotes the values of honesty, integrity, fairness and efficiency in the way its employees conduct themselves in business and community activities.

Financial disclosure to Securityholders will be based on best practice applicable to the markets in which the relevant securities are issued and will comply with all relevant laws, regulations and rules. Spark Infrastructure will communicate openly, honestly and on a timely basis with its Securityholders and the financial markets generally.

Spark Infrastructure will comply with all applicable laws and regulations which govern its business environment.

Spark Infrastructure will seek to contribute in a positive way to the business and social community in which it operates.

INVESTMENT STRATEGY AND CRITERIA

Spark Infrastructure seeks to provide an attractive cash yield and long term capital growth for its investors. Its key objectives are to:

- maintain and optimise the performance of the portfolio of assets according to agreed criteria over time;
- grow the portfolio of businesses in line with a well-defined strategy;
- maintain the market positioning of Spark Infrastructure; and
- maintain best practice compliance and governance standards.

Spark Infrastructure seeks to invest in OECD countries and countries which have comparable sovereign credit ratings or level of economic development.

The investment opportunity must have a risk/return profile complementary to the existing investment portfolio.

When considering potential acquisitions, Spark Infrastructure will seek an interest or shareholding which enables it to have influence over key strategic, operating and commercial decisions affecting its investments:

- the investment opportunity must have predictable and stable long term cashflows and have revenue growth potential;
- the investment opportunity must operate in a transparent regulatory regime and have relatively high barriers to entry; and
- there must be capable operational management in place or available to manage the business in accordance with agreed business plans.

FUTURE GROWTH

The performance of the Fund is underpinned by high quality seed assets and management of the asset businesses. Future growth is likely to come from our existing portfolio.

Spark Infrastructure possesses a quality portfolio of assets which consists of a 49% interest in three electricity distribution businesses. These businesses rank among the most reliable and efficient of their kind in Australia. They produce predictable and growing cashflows from their current operations and possess strong organic growth opportunities. Investing in the existing portfolio of assets offers a secure path towards profitable growth and will continue to be a key priority for Spark Infrastructure.

Spark Infrastructure will consider acquisition opportunities in the utility infrastructure sector both in Australia and internationally, focusing on regulated utility infrastructure assets in electricity and gas distribution and transmission, and regulated water and sewerage assets.

Over time, Spark Infrastructure will seek a portfolio of international utility infrastructure assets, with the objective of diversifying the future asset portfolio by asset class, region and regulatory regime.

Spark Infrastructure will aim to establish itself as an Australian market leader in managing, enhancing and growing a significant portfolio of quality infrastructure assets, for the benefit of its investors.

STRATEGIC PARTNERS

Cheung Kong Infrastructure & RREEF Infrastructure

The Manager and Responsible Entity of Spark Infrastructure are 50% jointly owned by Cheung Kong Infrastructure and RREEF Infrastructure.

The Manager and Responsible Entity operate Spark Infrastructure Trust in accordance with the Corporations Act and the Spark Infrastructure Trust Constitution. This includes holding any investments of Spark Infrastructure, ensuring compliance with the Compliance Plan, and acting in the best interests of Securityholders.

CKI and RREEF together provide investment management expertise to the operations of Spark Infrastructure.

Cheung Kong Infrastructure

CKI is the largest publicly listed infrastructure company in Hong Kong with diversified investments in a range of infrastructure related businesses, including energy, transportation and water infrastructure. It has investments in Hong Kong, China, the United Kingdom, Canada, the Philippines and Australia.

RREEF Infrastructure

RREEF is an experienced investment manager with significant expertise in asset and funds management. It is the infrastructure investment arm of Deutsche Asset Management, the asset management business of Deutsche Bank AG.

