Monday, 22 August 2016

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

Dear Sir / Madam

HALF YEAR RESULTS FOR SIX MONTHS ENDED 30 JUNE 2016

I enclose Spark Infrastructure Group's Consolidated Financial Report and Appendix 4D for the six months ended 30 June 2016. A media release and results presentation are also attached.

Yours faithfully,

Alexandra Finley
Company Secretary

Spark Infrastructure RE Limited ABN 36 114 940 984
as Responsible Entity of Spark Infrastructure Trust (ARSN 116 670 725)
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Spark Infrastructure

Appendix 4D

Results for Announcement to the Market
for the Half Year Ended 30 June 2016

1. Company Details

Name of entity
SPARK INFRASTRUCTURE comprises • Spark Infrastructure Trust (Spark Trust) and its Controlled Entities.

Half year ended (Current Period)	Half year ended (Prior Period)
30 June 2016	30 June 2015

	Percentage Change	30 June 2016 A$'000	30 June 2015 A$'000
Income and Profit Summary			
Total Income from Investments in Associates	Down 6.5%	132,364	141,524
Total Income	Up 1.3%	138,659	136,900
Profit before Loan Note Interest and Income Tax	Down 2.4%	127,158	130,333
Net Profit Attributable to the Stapled Security Holders	Up 31.6%	51,562	39,176
Operating Cash Flow (including repayment of shareholder loans from Victoria Power Networks)	Up 28.6%	130,045	101,162
Earnings per Stapled Security before Loan Note Interest and Income Tax	Down 15.0%	7.56¢	8.89¢
Earnings per Stapled Security	Up 15.0%	3.07¢	2.67¢
Operating Cash Flow (including repayment of shareholder loans from Victoria Power Networks) per Stapled Security	Up 12.0%	7.73¢	6.90¢
Underlying Income and Profit Summary*			
Underlying Income from Investments in Associates	Down 12.6%	132,364	151,525
Underlying Total Income	Down 5.6%	138,659	146,901
Underlying Profit before Loan Note Interest and Income Tax	Down 9.4%	127,158	140,334
Underlying Net Profit Attributable to the Stapled Security Holders	Down 27.2%	51,562	70,832

*Explanation of Underlying Adjustments provided below

Results for Announcement to the Market for the Half Year Ended 30 June 2016

Explanation of Underlying Adjustments for the Current Period

The underlying income and profit summary reports the operating results of Spark Infrastructure after excluding certain non-cash and non-operating items which do not relate to the respective year's underlying performance (Underlying Adjustments). The Underlying Adjustments have been presented in accordance with the Australian Securities and Investment Commission (ASIC) Regulatory Guide 230 *Disclosing non-IFRS financial information* issued in December 2011. The Directors consider that the underlying results provide users of these reports with a clearer explanation of Spark Infrastructure's operating performance for the half year.

There are no underlying adjustments in the Current Period. In respect of the Prior Period, Spark Infrastructure, Victoria Power Networks and other relevant parties signed a Heads of Agreement with the ATO in June 2015 to finalise all outstanding matters in respect of the interest deductibility on subordinated loans to both SA Power Networks and Victoria Power Networks. In respect of prior tax years, Victoria Power Networks wrote off deductions and losses amounting to $132,222,000 and Spark Infrastructure wrote off $82,189,000 of net losses in respect of its investment in SA Power Networks. As a result, Spark Infrastructure recorded a one-off, non-cash post tax expense item of $31,656,000 in the Prior Period.

Underlying Adjustments:	Impact on Share of Equity Accounted Profit		Impact on Net Profit after Tax Attributable to Securityholders	
	30 June 2016 $'000	30 June 2015 $'000	30 June 2016 $'000	30 June 2015 $'000
Underlying Result	85,662	111,409	51,562	70,832
ATO settlement regarding deductibility of interest on subordinated loans:				
- Reflected in SA Power Networks and Victoria Power Networks results	-	(10,001)	-	(7,001)
- Net losses cancelled with respect to SA Power Networks	-	-	-	(24,655)
Total Adjustments	-	(10,001)	-	(31,656)
Statutory Result	85,662	101,408	51,562	39,176

3. Net Tangible Assets per Security

	30 June 2016 $'000	31 December 2015 $'000
Net Assets	2,060,358	2,156,355
Loan Notes attributable to Security Holders	1,061,714	1,061,704
Net Assets and Loan Notes attributable to Security Holders	3,122,072	3,218,059
No. of Securities ('000)	1,682,011	1,682,011
Net Tangible Assets per Security ($)	$1.86	$1.91

4. Details of Associates

Associate	Ownership Interest		Contribution to Net Profit	
	30 June 2016 (%)	30 June 2015 (%)	30 June 2016 $'000	30 June 2015 $'000
Equity accounted income:				
Victoria Power Networks Pty Ltd	49.00%	49.00%	31,783	1,693
SA Power Networks Partnership	49.00%	49.00%	47,880	99,715
NSW Electricity Networks Assets Holdings Trust	15.01%	-	(1,466)	-
NSW Electricity Networks Operations Holdings Trust	15.01%	-	7,465	-
Sub-total			85,662	101,408
Interest income:				
Victoria Power Networks Pty Ltd			39,674	40,116
NSW Electricity Networks Operations Holdings Trust			7,028	-
Total			132,364	141,524

5. Entities Gained/Lost Control during the Period

- Nil

6. Distributions

	30 June 2016		30 June 2015	
	Cents per Security	Total $'000	Cents per Security	Total $'000
Distribution Paid:				
Final distribution paid in respect of year ended 31 December 2015, paid on 15 March 2016 (2015: In respect of year ended 31 December 2014, paid on 13 March 2015):				
Interest on Loan Notes	3.55	59,712	3.55	52,055
Capital Distribution	2.45	41,209	2.20	32,260
	6.00	100,921	5.75	84,315
Distribution Payable/Proposed:				
Interim 2016 distribution payable 15 September 2016 (Interim 2015 distribution, paid on 15 September 2015):				
Interest on Loan Notes	3.50	58,870	3.50	51,323
Capital Distribution	3.75	63,075	2.50	36,659
	7.25	121,945	6.00	87,982

The above distributions are unfranked.

The record date for determining entitlements to the distribution is 6 September 2016.

Results for Announcement to the Market for the Half Year Ended 30 June 2016

7. Details of Distribution Reinvestment Plan

The DRP will not be in operation for the September 2016 distribution.

8. Foreign Entities

Not Applicable

Compliance Statement

Information on Audit or Review

(a) The Half Year Report is based on accounts to which one of the following applies.

☐	The accounts have been audited.	X	The accounts have been subject to review.
☐	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

(b) Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

- N/A -

(c) Description of dispute or qualification if the accounts have been audited or subjected to review.

- N/A -

(d) The entity has a formally constituted audit committee.

Signed on behalf of the Board:

D McTaggart
Chair

R Francis
Managing Director

22 August 2016

Interim Financial Report
30 June 2016

Spark Infrastructure represents Spark Infrastructure Trust and its Consolidated Entities. Spark Infrastructure RE Limited (ABN 36 114 940 984) is the responsible entity of Spark Infrastructure Trust.

Each unit in Spark Infrastructure Trust is stapled to one Loan Note issued by Spark Infrastructure Trust. The stapled securities trade on the Australian Securities Exchange.

Directors' Report
for the Half Year Ended 30 June 2016

The Directors of Spark Infrastructure RE Limited (Spark RE or the Company) as responsible entity of Spark Infrastructure Trust (the Trust) provide this financial report for the half year ended 30 June 2016 (Current Period) of the Trust and its Consolidated Entities (Spark Infrastructure or the Group). In order to comply with the requirements of the *Corporations Act 2001*, the Directors report as follows:

Directors

The persons listed below were Directors of Spark RE as at the date of this report:

Dr Douglas McTaggart (appointed Chair on 20 May 2016)
Mr Rick Francis (Managing Director and Chief Executive Officer)
Mr Andrew Fay
Ms Anne McDonald
Ms Christine McLoughlin
Ms Karen Penrose
Dr Keith Turner

Retired during Current Period

Mr Brian Scullin (retired 20 May 2016)

Principal Activity

The principal activity of Spark Infrastructure during the Current Period was investment in regulated electricity distribution and transmission businesses in Australia.

Stapled Securities

Spark Infrastructure is a stapled structure, wherein:

- one unit in the Trust; and
- one Loan Note issued by the Responsible Entity of the Trust

are "stapled" and are quoted on the Australian Securities Exchange (ASX) as if they were a single security.

Directors' Report
for the Half Year Ended 30 June 2016

Review of Performance

The following table provides a summary of key financial performance data:

	Half Year Ended 30 June		Change Compared to Underlying 2015	
	Underlying 2016	Underlying 2015		
	$'000	$'000	$'000	%
Share of equity accounted profits	85,662	111,409	(25,747)	(23.1)
Interest income from associates	46,702	40,116	6,586	16.4
	132,364	151,525	(19,161)	(12.6)
Gain/(loss) on derivative contracts	5,772	(6,486)	12,258	189.0
Other income - interest	523	1,862	(1,339)	(71.9)
Total Income	138,659	146,901	(8,242)	(5.6)
Interest expense - other	(3,633)	(1,095)	(2,538)	231.8
General and administrative expenses	(7,868)	(5,472)	(2,396)	43.8
Profit before Loan Note Interest	127,158	140,334	(13,176)	(9.4)
Loan Note Interest (LNI)	(58,870)	(51,323)	(7,547)	14.7
Profit before tax	68,288	89,011	(20,723)	(23.3)
Income tax expense	(16,726)	(18,179)	1,453	(8.0)
Profit Attributable to Stapled Securityholders	51,562	70,832	(19,270)	(27.2)
Profit before LNI per security (cents)[1]	7.56¢	9.57¢	(2.01)¢	(21.0)
Distributions from Associates	125,656	94,485	31,171	33.0
Operating Cash Flow (including repayment of shareholder loans from Victoria Power Networks)	130,045	101,162	28,883	28.6

[1] Based on weighted average number of securities.

Directors' Report
for the Half Year Ended 30 June 2016

Underlying Profit
The Underlying Profit before Loan Note Interest for the Current Period decreased by 9.4% to $127,158,000 compared to the half year ended 30 June 2015 (Prior Period), a result of lower equity accounted profits from associates, increased net interest expense and increased general and administrative costs, partially offset by increased interest income from associates and a gain on derivative contracts associated with the economic interest in DUET Group (DUET).

The following adjustments have been made to the reported results in order to calculate the underlying results:

Underlying Adjustments	Impact on Share of Equity Accounted Profit 30 June 2016 $'000	Impact on Share of Equity Accounted Profit 30 June 2015 $'000[1]	Impact on Net Profit after Tax Attributable to Securityholders 30 June 2016 $'000	Impact on Net Profit after Tax Attributable to Securityholders 30 June 2015 $'000[1]
Underlying Result	85,662	111,409	51,562	70,832
- Reflected in SA Power Networks and Victoria Power Networks results	-	(10,001)	-	(7,001)
- Net losses written off with respect to SA Power Networks	-	-	-	(24,655)
Total Adjustments	-	(10,001)	-	(31,656)
Statutory Result	85,662	101,408	51,562	39,176

(1) Further details on the Prior Period underlying adjustments are provided in the ATO Tax Matters section of the Directors' Report.

Underlying Results
The underlying income and profit summary reports the operating results of Spark Infrastructure after excluding certain non-cash and non-operating items which do not relate to the respective period's underlying performance (Underlying Adjustments). The Underlying Adjustments have been presented in accordance with the Australian Securities and Investment Commission (ASIC) Regulatory Guide 230 Disclosing non-IFRS financial information issued in December 2011. The Directors consider that the underlying results provide users of these reports with a clearer explanation of Spark Infrastructure's operating performance for the half year.

Operating Cash Flow
Operating cash flow for the Current Period, including repayment of shareholder loans from Victoria Power Networks, increased by $28,883,000 or 28.6% on the Prior Period, primarily due to increased distributions from associates and distribution equivalents received under the DUET related derivative contracts, offset by finance costs paid on those derivative contracts, lower interest income and higher finance charges on corporate bank debt facilities.

Note that no distributions from TransGrid were scheduled to be received in the first half of 2016. Distributions of $25,730,000 (comprising loan note interest of $7,658,000 and ordinary distributions of $18,072,000) were received in July 2016 and TransGrid remains on track to distribute approximately $45,000,000 to Spark Infrastructure in relation to the calendar year 2016.

Directors' Report
for the Half Year Ended 30 June 2016

SA Power Networks (100% basis)	30 June 2016 $'000	30 June 2015 $'000	Variance $'000	Variance %
Distribution Revenue	346,226	475,023	(128,797)	(27.1)
Other Revenue	130,390	116,938	13,452	11.5
Total Revenue	476,616	591,961	(115,345)	(19.5)
Operating Costs	(184,507)	(194,342)	9,835	(5.1)
EBITDA	292,109	397,619	(105,510)	(26.5)
Net Capital Expenditure	121,300	158,300	(37,000)	(23.4)

Note
Customer contributions and gifted assets revenue is recorded by SA Power Networks using the replacement cost approach to determine fair value. Spark Infrastructure makes an adjustment to its share of equity accounted profits in relation to these customer contributions and gifted assets such that the fair value of these revenue items is effectively nil.

Amounts in excess of the regulated revenue cap are recorded by SA Power Networks as revenue in the Current Period. Spark Infrastructure makes an adjustment to its share of equity accounted profits in order to reflect that these amounts will be returned to electricity consumers in future periods. These adjustments are reflected in the table above.

During the Current Period, Distribution Use of System (DUoS) revenue (excluding revenue in excess of the regulated revenue cap) decreased by 27.1% to $346,226,000. This decrease is reflective of SA Power Networks current five year regulatory period which commenced on 1 July 2015. SA Power Networks operated under the less favourable parameters set under its Preliminary Determination for the first year of the current regulatory period, which ended on 30 June 2016. Not including the impact of any appeals, the Final Determination granted SA Power Networks additional regulated revenues of $626,000,000 over the Preliminary Determination. Recovery of this 'true-up' commenced on 1 July 2016 and will continue through years 2-5 of the current regulatory period, reflecting the more favourable outcomes of SA Power Networks' Final Determination. From 1 July 2015, SA Power Networks has operated under a regulated revenue cap arrangement, whereby revenue in excess or under the cap in any given year is 'trued-up' across the following years such that revenue earned across the 5-year regulatory period is equal to the revenue cap outlined in the Final Determination. In the Current Period, SA Power Networks billed $16,661,000 in excess of the regulated revenue cap. Across the 2015/16 regulatory year, SA Power Networks billed $35,806,000 in excess of the regulated revenue cap, which has been deferred in full at the Spark Infrastructure level to reflect that these amounts will be returned to consumers via future tariffs.

Current Period revenue does not include any recovery of service target performance incentive scheme (STPIS). Aggregate STPIS outcomes in respect of the 2013/14 and 2014/15 regulatory years of $15,800,000 are being recovered in the regulatory year commenced 1 July 2016. In the Prior Period, $6,500,000 of STPIS recovery relating to the 2012/13 regulatory year was recovered.

Other unregulated and semi-regulated revenues increased by 11.5% to $130,390,000, largely reflecting an increase in asset relocation revenues primarily resulting from road infrastructure projects, partially offset by a step down of National Broadband Network (NBN) contracted revenues, which had included material sales in revenue as well as a non-recurring step up in revenues due to the timing of works.

SA Power Networks operating expenses decreased by 5.1% in the Current Period to $184,507,000, due to a decrease in NBN related costs due to both the timing and level of NBN related activity and materials costs, decreased vegetation management costs and various productivity and efficiency savings, partially offset by higher asset relocation related costs compared to the Prior Period.

Directors' Report
for the Half Year Ended 30 June 2016

Victoria Power Networks (100% basis)	30 June 2016 $'000	30 June 2015 $'000	Variance $'000	Variance %
Distribution Revenue	457,968	467,275	(9,307)	(2.0)
Advanced Metering Infrastructure (AMI) Revenue	53,592	56,486	(2,894)	(5.1)
Other Revenue	104,711	65,604	39,107	59.6
Total Revenue	616,271	589,365	26,906	4.6
Operating Costs	(189,415)	(178,626)	(10,789)	6.0
EBITDA	426,856	410,740	16,116	3.9
Net Capital Expenditure	176,600	197,900	(21,300)	(10.8)

Note
Customer contributions and gifted assets revenue is recorded by Victoria Power Networks using the replacement cost approach to determine fair value. Spark Infrastructure makes an adjustment to its share of equity accounted profits in relation to these customer contributions and gifted assets such that the fair value of these revenue items is effectively nil.

Amounts in excess of the regulated revenue cap are recorded by Victoria Power Networks as revenue in the Current Period. Spark Infrastructure makes an adjustment to its share of equity accounted profits in order to reflect that these amounts will be returned to electricity consumers in future periods. These adjustments are reflected in the table above.

In Victoria Power Networks Pty Ltd (Victoria Power Networks), during the Current Period, DUoS revenue (excluding revenue in excess of the regulated revenue cap) decreased by 2.0% to $457,968,000. This decrease is reflective of Victoria Power Networks' new five year regulatory period which commenced 1 January 2016. Victoria Power Networks is operating under less favourable parameters set under its Preliminary Determination for the first year of the new regulatory period, which commenced on 1 January 2016. Not including the impact of any appeals, the Final Determination granted Victoria Power Networks additional regulated revenues of $180,000,000 over the Preliminary Determination. Recovery of this 'true-up' will commence on 1 January 2017 and will continue through years 2-5 of the current regulatory period, reflecting the more favourable outcomes of Victoria Power Networks Final Determination. From 1 January 2016, Victoria Power Networks has operated under a regulated revenue cap arrangement and has billed $5,342,000 in excess of the cap in the Current Period, which has been deferred in full at the Spark Infrastructure level. Current Period DUoS revenue also included a favourable impact from the reversal of a 2015 provision against revenue of $9,000,000 in respect of certain regulated revenue pass through matters.

Current Period DUoS revenue includes a $4,750,000 penalty relating to the 2014 regulatory year STPIS outcome. The STPIS outcome for the 2015 regulatory year of $15,000,000 is expected to be recovered in tariffs from 1 January 2017. AMI related revenue decreased by 5.1% to $53,592,000 in the Current Period, largely reflecting the impact of the depreciating AMI Regulatory Asset Base (RAB).

Other unregulated and semi-regulated revenue increased by 59.6% to $104,711,000. Revenue earned by Powercor Network Services from the Ararat wind farm project accounted for an increase of approximately $24,000,000 in revenue over the Prior Period, while approximately $20,000,000 was received in the Current Period in respect of a one-off reimbursement of certain tax-related costs incurred in prior years.

Victoria Power Networks operating expenses increased by 6.0% to $189,415,000 over the Prior Period. In the Current Period a change in accounting policy was adopted in respect of the capitalisation of certain corporate overhead costs for both statutory reporting purposes and regulatory revenue setting purposes, effective from 1 January 2016. The change accounted for an increase in operating costs over the Prior Period, during which $23,500,000 of relevant costs had been capitalised. Other cost increases in the Current Period resulted from an increase in third party unregulated activity, however these were more than offset by reductions in the World CLASS efficiency program costs incurred in the Prior Period together with significant ongoing savings flowing from the World CLASS program. As at June 2016, the annualised savings versus a 2013 base line either delivered or identified for delivery arising from the World CLASS program exceed $160,000,000 per annum in aggregate across both capital and operating expenditure.

Directors' Report
for the Half Year Ended 30 June 2016

TransGrid (100% basis)	30 June 2016 $'000
Transmission Revenue	423,702
Other Revenue	24,770
Total Revenue	448,472
Operating Costs	(91,750)
EBITDA	356,722
Net Capital Expenditure	100,600

Note
Under recovery of amounts below the regulated revenue cap have not been recorded as revenue by TransGrid in the Current Period. Spark Infrastructure makes an adjustment to its share of equity accounted profits in order to reflect that these amounts will be recovered from electricity consumers in future periods. This adjustment is reflected in the table above.

During the Current Period, Transmission Use of System (TUoS) revenue was $423,702,000 and includes an under recovery of revenue compared to the regulated revenue cap of $7,852,000, which will be recovered via future tariffs. This amount has been accrued and recognised as revenue at the Spark Infrastructure level. TransGrid has operated under a regulated revenue cap arrangement since the commencement of its current regulatory period on 1 July 2014.

Current Period TUoS revenue also included $6,500,000 of STPIS recovery relating to the 2014 calendar year, recovered from 1 July 2015. Recovery of a $12,100,000 STPIS benefit for the 2015 calendar year commenced on 1 July 2016.

Unregulated revenue for the current period was $24,770,000 and included telecommunications of $2,300,000, property services of $3,000,000 and $19,470,000 of infrastructure services, principally customer connections.

Operating expenditure for the Current Period was $91,750,000, including costs relating to both regulated and unregulated activities. Costs for the Current Period included various costs incurred in respect of the transition of TransGrid from public to private ownership and ongoing business improvement activities.

Capital Expenditure and Regulatory Asset Base (RAB)

The businesses in Spark Infrastructure's investment portfolio continue to invest in the augmentation and renewal of their networks, maintaining asset performance and reliability. During the Current Period, total capital expenditure of $121,300,000 was invested on a net basis (i.e. net of customer contributions) by SA Power Networks, a decrease of 23.4% from $158,300,000 in the Prior Period. Victoria Power Networks invested $176,600,000 on a net basis, a decrease of 10.8% from $197,900,000 in the Prior Period. During the Current Period, total capital expenditure of $100,600,000 was invested by TransGrid, comprising regulated capital expenditure of $90,600,000 and unregulated capital expenditure of $10,000,000. Net capital expenditure is added to the RAB of each of the businesses, generating prescribed (regulated) revenue in future periods.

The estimated RAB for SA Power Networks as at 30 June 2016 was $3,961,000,000 (100% basis), an increase of $32,000,000 or 0.8% over 31 December 2015. The estimated RAB for Victoria Power Networks as at 30 June 2016 was $5,688,000,000 (100% basis), an increase of $141,000,000 or 2.5% over 31 December 2015. The estimated RAB for TransGrid as at 30 June 2016 was $6,285,000,000 (100% basis), a decrease of $62,000,000 or 1.0% on 31 December 2015, reflecting lower than expected CPI and a 'true-up' of actual versus estimated regulatory capital expenditure incurred during 2015.

Spark Infrastructure's aggregate share of its investment portfolio RAB balances was $5,672,000,000, an increase of $76,000,000 or 1.4% over 31 December 2015.

Divestment of Economic Interest in DUET

During the Current Period, Spark Infrastructure divested its economic interest in DUET, following completion of a review into the holding. The derivative contracts held with Deutsche Bank were unwound via a staged process, with no remaining financial assets or liabilities in respect of the economic interest being held at 30 June 2016.

Distribution equivalents of $22,952,000 were received in relation to the economic interest during the Current Period and associated finance costs of $7,743,000 were paid. In addition, transaction costs of $4,031,000 were incurred in the Current Period, which largely reflected the cost of cancelling 63,780,000 call options under the DUET related derivative contracts.

Investment proceeds of $210,708,000 were received following completion of Spark Infrastructure's divestment of all derivative contracts during May and June 2016, resulting in a net surplus of $4,297,000 over the cost of the economic interest. These proceeds were used to bring forward repayment of Spark Infrastructure's drawn debt into the Current Period.

A net gain on derivative contracts of $5,772,000 has been recorded in the Current Period.

Corporate Expenses, Loan Note Interest and Tax Expense

Corporate expenses increased $2,396,000 over the Prior Period to $7,868,000. Interest expense and borrowing costs increased in the Current Period from $1,095,000 to $3,633,000, reflecting interest incurred on drawn debt. In the Prior Period only commitment fees were incurred on Spark Infrastructure's fully undrawn senior debt facilities.

Loan Note interest payable to Securityholders increased by $7,547,000 to $58,870,000, due to the additional Loan Notes issued during 2015 via an Entitlement Offer. Underlying income tax expense, which is non-cash, decreased by $1,453,000 to $16,726,000 for the Current Period.

Cashflow

Spark Infrastructure's cashflow from operating activities for the Current Period was $101,233,000, 0.1% higher than the Prior Period. After adding $28,812,000 of distributions from Victoria Power Networks received by way of repayments of shareholder loans and included in investing activities, Spark Infrastructure's cashflow from operating activities (including all distributions received from associates) was $130,045,000 or 28.6% higher than the Prior Period.

Distributions received from SA Power Networks were $56,827,000, up $3,376,000 or 6.3%. Victoria Power Networks commenced paying additional distributions by way of the repayment of shareholder loans in the Current Period, with $28,812,000 repaid to Spark Infrastructure in the Current Period. Shareholder interest received from Victoria Power Networks was $40,017,000, down $1,017,000 due to the reducing shareholder loan principal balance. In total, distributions from Victoria Power Networks were $68,829,000 in the Current Period, up $27,795,000 or 67.7% over the Prior Period.

Cash inflows from interest received were $516,000 for the Current Period, $1,392,000 lower than the Prior Period reflecting lower levels of surplus cash on deposit. Cash outflows for interest paid on senior debt were $3,924,000, up $3,031,000 on the Prior Period, reflecting commitment fees and interest paid on drawn debt.

Settlement of $1,733,000 in respect of residual issue costs relating to the 2015 Entitlement Offer occurred during the Current Period. Spark Infrastructure paid a final distribution for the year ended 31 December 2015 of $100,921,000 to Securityholders in March 2016, representing 6.00 cents per security (cps).

Debt, Gearing and Hedging

Spark Infrastructure has no drawn debt as at 30 June 2016. Spark Infrastructure has bank debt facilities of $250,000,000, with $225,000,000 maturing in November 2018 and $25,000,000 maturing in November 2020. A total of $205,000,000 of these available facilities were drawn down during December 2015 in order to part fund Spark Infrastructure's investment in TransGrid. A further $15,000,000 was temporarily drawn during the Current Period, prior to the facilities being fully repaid by 30 June 2016. Spark Infrastructure had cash on hand at 30 June 2016 of $42,352,000 (excluding $5,000,000 of cash held for Australian Financial Services Licensing purposes).

SA Power Networks' net debt to RAB was 70.4%, down from 71.9% at 31 December 2015. Victoria Power Networks' net debt to RAB was 71.8%, down from 73.8% at 31 December 2015. TransGrid's net debt to RAB was 85.7%, down from 86.5% at 31 December 2015. Based on current business conditions, Spark Infrastructure expects that the gearing of these businesses will remain around these levels over their current regulatory periods.

At 30 June 2016, SA Power Networks, Victoria Power Networks and TransGrid had 100%, 93% and 74% of gross debt hedged respectively, with interest rate swaps with terms between one and ten years in place and some fixed rate debt in place for SA Power Networks and Victoria Power Networks. This substantially limits the impact of volatility in the movement of interest rates on the financial results of these businesses and in turn on those of Spark Infrastructure. There is currently no interest rate hedging at the Spark Infrastructure level.

Directors' Report
for the Half Year Ended 30 June 2016

Following the expiry of previous interest rate swap arrangements put in place at the beginning of the last 5-year regulatory period, new interest rate swaps totalling $3,400,000,000 were entered into by Victoria Power Networks during the Current Period. Tenors ranged from one to ten years to align to the AER's revised cost of debt methodology which includes a ten year trailing average approach.

SA Power Networks entered into new ten year interest rate swaps totalling $303,400,000 in the Current Period. These are in addition to $2,410,000,000 interest rate swaps with tenors ranging from one to ten years entered into in 2015. No new interest rate swaps were entered into by TransGrid in the Current Period.

ATO Tax Matters

Both SA Power Networks and Victoria Power Networks have been subject to large business audits by the Australian Tax Office (ATO). The tax matters being reviewed as part of the audits date back a number of years. Details of these tax matters have been previously disclosed in the Spark Infrastructure Financial Statements.

In June 2015, Spark Infrastructure, Victoria Power Networks and other relevant parties signed a Heads of Agreement with the ATO to finalise all outstanding matters in respect of the interest deductibility on subordinated loans to both SA Power Networks and Victoria Power Networks. As a result, Spark Infrastructure recorded a one-off, non-cash post tax expense item of $31,656,000 in the Prior Period, disclosed as an Underlying Adjustment.

The ATO refunded $38,994,000 plus $2,359,000 of interest accrued on this amount to Victoria Power Networks following the execution of a Deed of Settlement (incorporating the Heads of Agreement) in the Current Period.

As previously reported both Victoria Power Networks and the SA Power Networks Partnership have obtained legal advice with regard to the ongoing matters and will continue to vigorously defend their positions. SA Power Networks, its partners and Victoria Power Networks continue to actively engage with the ATO on these matters.

Further details on the ATO matters are provided in Note 4 to the Financial Statements.

Equity and Reserves

Total Equity including Loan Notes attributable to Securityholders decreased by $95,987,000 during the Current Period to $3,122,072,000 at 30 June 2016. Net profit after tax increased retained profits by $51,562,000, while other movements net of tax included: unfavourable mark-to-market movements in the value of interest rate derivatives held by the associates of $76,954,000; actuarial losses on defined benefit superannuation plans of the associates of $29,741,000; recognition of share based payment amounts of $345,000 and a capital distribution paid during the Current Period to Securityholders of $41,209,000 (2.45 cps). The mark-to-market movements and actuarial gains are non-cash impacts and result from the application of Australian Accounting Standards.

Impairment Testing

The Directors have undertaken a detailed review of the carrying values of Spark Infrastructure's assets to determine whether there is any indication that those assets have suffered an impairment loss. The Directors are satisfied no such indicators existed at 30 June 2016.

Regulatory Update

In October 2015, the Australian Energy Regulator (AER) released the Final Determination for SA Power Networks' 5-year regulatory period which commenced on 1 July 2015. In May 2016 the AER released the Final Determination for CitiPower's and Powercor's (together known as Victoria Power Networks) 5-year regulatory periods which commenced on 1 January 2016.

Consistent with the AER's stated timelines, SA Power Networks, CitiPower and Powercor have been operating under the parameters set by the AER's Preliminary Determinations for the first year of the 5-year regulatory periods. In years 2-5 a 'true-up' will be undertaken to reflect the parameters set in the Final Determinations on a no disadvantage basis. As previously disclosed, SA Power Networks received an additional $626,000,000 in its Final Determination relative to its Preliminary Determination, applicable to the 5-year regulatory period. Similarly, CitiPower and Powercor collectively received an additional $180,000,000 in their Final Determinations relative to their Preliminary Determinations, applicable to their 5-year regulatory periods.

Directors' Report
for the Half Year Ended 30 June 2016

The Final Determinations for CitiPower and Powercor differ from their Preliminary Determinations, published in October 2015, in a number of respects:

- Operating expenditure allowance of $1,793,000,000 (up $28,000,000);
- Capital expenditure allowance of $2,520,000,000 (up $152,000,000); and
- Total revenue allowance of $4,936,000,000 (up $180,000,000).

The Final Determination for SA Power Networks also differs from its Preliminary Determination in a number of respects:

- Operating expenditure allowance of $1,360,000,000 (up $26,000,000);
- Capital expenditure allowance of $1,840,000,000 (up $162,000,000); and
- Total revenue allowance of $3,840,000,000 (up $626,000,000).

Both SA Power Networks and CitiPower and Powercor have lodged appeals on various elements of their Final Determinations with the Australian Competition Tribunal (ACT). In March 2016, the ACT published decisions in respect of appeals lodged by NSW and ACT distributors (amongst others) which may have positive flow-on effects for SA Power Networks and CitiPower and Powercor. The AER has subsequently sought a judicial review of the ACT decisions by the Federal Court. Hearings are expected to commence in October 2016 with an outcome possible in the first quarter of 2017. SA Power Networks' and Victoria Power Networks' appeal processes will proceed independently of this action but cannot take effect until its outcomes are known.

TransGrid is subject to a 4-year regulatory period for the current regulatory cycle, which expires in June 2018. From 1 July 2018, TransGrid will revert to a standard 5-year regulatory period. TransGrid's regulatory reset process for the 2018 to 2023 regulatory period is underway with its initial submission due to the AER in January 2017. The AER published its Framework and Approach paper for TransGrid in July 2016. This is the first step in the process to determine the revenue that TransGrid can recover from its customers over the next regulatory period. The Framework and Approach sets out how the AER proposes to apply a range of incentive schemes and guidelines to TransGrid along with its proposed approach to the calculation of depreciation. The incentive regulation framework is designed to encourage regulated businesses to make efficient decisions on when and what type of expenditure to incur in order to meet their network reliability, safety, security and quality requirements.

Distributions and Capital Management

Spark Infrastructure only pays out distributions which are fully supported by operating cashflows. Distribution coverage from operating cashflows is assessed annually, while also taking into account the relevant regulatory period under which the investment business is operating. Operating cashflows are reviewed at both the Spark Infrastructure level as well as on a look-through proportionate basis (i.e. at the investment level). Operating cashflows are reviewed after deducting an allowance for maintaining the relevant investment's regulated asset base where applicable. Within this framework, Spark Infrastructure continues to manage fluctuations in its working capital as efficiently as possible.

Distributions paid to Securityholders comprise interest income on the Loan Notes and can also include a return of capital on Units and income distributions from the Trust. A final cash distribution of 6.00 cps was paid on 15 March 2016 in relation to the six months ended 31 December 2015 and comprised 3.55 cps of interest on the Loan Notes and 2.45 cps of capital distributions.

Outlook

Victoria Power Networks is currently expected to continue to pay distributions to Spark Infrastructure in excess of interest on shareholder loans for the next few years.

Subject to business conditions, the Directors have reaffirmed distribution guidance for full year 2016 of 14.50 cps, which is an increase of 20.8% on full year 2015. In line with that guidance the Board has declared an interim cash distribution for 2016 of 7.25 cps. The interim distribution is payable on 15 September 2016, and consists of 3.50 cps interest on Loan Notes for the period and 3.75 cps return of capital. The interim distribution is unfranked and will be made by the Trust. The Directors have determined that the Distribution Reinvestment Plan (DRP) will remain suspended.

The Directors have also reaffirmed distribution guidance for 2017 and 2018, subject to business conditions, of 15.25 cps and 16.00 cps respectively, representing annual growth of 5.2% and 4.9% respectively.

Events Occurring after Reporting Date

The Directors of Spark Infrastructure are not aware of any other matter or circumstance not otherwise dealt with in this interim financial report that has significantly affected or may significantly affect the operations or the state of affairs in the period since 30 June 2016 up to the date of this report.

Directors' Report
for the Half Year Ended 30 June 2016

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 32.

Rounding of Amounts
As permitted by ASIC Class Order 2016/191 dated 24 March 2016, amounts in the Directors' Report and the financial report have been rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

On behalf of the Directors:

D McTaggart
Chair

R Francis
Managing Director

Sydney
22 August 2016

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 30 June 2016

	Note	30 June 2016 $'000	30 June 2015 $'000
Income from associates:			
- Share of equity profits	3	85,662	101,408
- Interest income	3	46,702	40,116
		132,364	141,524
Gain/(loss) on derivative contracts		5,772	(6,486)
Other income – interest		523	1,862
Total income		138,659	136,900
Interest expense		(3,633)	(1,095)
General and administrative expenses		(7,868)	(5,472)
Profit for the period before Loan Note interest and income tax		127,158	130,333
Loan Note interest		(58,870)	(51,323)
Profit for the period before income tax		68,288	79,010
Income tax expense		(16,726)	(39,834)
Net profit for the period attributable to Securityholders		51,562	39,176

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half Year Ended 30 June 2016 (continued)

	30 June 2016 $'000	30 June 2015 $'000
Net profit for the period attributable to Securityholders	51,562	39,176
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Share of associates' other comprehensive income:		
- (loss)/gain on hedges	(103,621)	13,725
- actuarial (loss)/gain on defined benefits plan	(40,670)	39,086
Income tax related to components of other comprehensive income	37,596	(15,843)
Other comprehensive (loss)/income for the period	(106,695)	36,968
Total comprehensive (loss)/income for the period attributable to Securityholders	(55,133)	76,144
Earnings per Security		
Weighted average number of stapled securities on issue during the period (No '000)	1,682,011	1,466,360
Profit before Loan Note interest and income tax ($'000)	127,158	130,333
Basic earnings per security before Loan Note interest and income tax (cents)	7.56¢	8.89¢
Earnings used to calculate earnings per security ($'000)	51,562	39,176
Basic earnings per security based on net profit (cents)	3.07¢	2.67¢
(Diluted earnings per security is the same as basic earnings per security)		

Notes to the financial statements are included on pages 18 – 30.

Condensed Consolidated Statement of Financial Position as at 30 June 2016

	Note	30 June 2016 $'000	31 December 2015 $'000
Current Assets			
Cash and cash equivalents		47,352	18,284
Receivables from associates		17,263	10,578
Other financial assets	7	-	1,748
Other current assets		1,680	811
Total Current Assets		66,295	31,421
Non-Current Assets			
Property, plant and equipment		122	147
Investments in associates:			
- Investments accounted for using the equity method	4(d)	2,379,800	2,495,256
- Loans to associates	5	716,789	745,601
- Loan notes to associates	6	237,444	237,444
Other financial assets	7	-	214,369
Total Non-Current Assets		3,334,155	3,692,817
Total Assets		3,400,450	3,724,238
Current Liabilities			
Payables		4,651	6,822
Loan Note interest payable to Securityholders		58,870	59,711
Total Current Liabilities		63,521	66,533
Non-Current Liabilities			
Payables		1,462	1,907
Loan Notes attributable to Securityholders	8	1,061,714	1,061,704
Interest bearing liabilities		-	203,422
Deferred tax liabilities		213,395	234,317
Total Non-Current Liabilities		1,276,571	1,501,350
Total Liabilities		1,340,092	1,567,883
Net Assets		2,060,358	2,156,355

Condensed Consolidated Statement of Financial Position as at 30 June 2016 (continued)

	Note	30 June 2016 $'000	31 December 2015 $'000
Equity			
Equity attributable to the Parent Entity			
- Issued capital	9	1,262,195	1,303,404
- Reserves		(94,013)	(17,404)
- Retained earnings		892,176	870,355
Total Equity		2,060,358	2,156,355

Total Equity attributable to Securityholders is as follows:

Total Equity	2,060,358	2,156,355
Loan Notes attributable to Securityholders	1,061,714	1,061,704
Total Equity and Loan Notes	3,122,072	3,218,059

Notes to the financial statements are included on pages 18 – 30.

Condensed Consolidated Statement of Changes in Equity for the Half Year Ended 30 June 2016

	Issued Capital $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 1 January 2015	1,115,263	(28,622)	758,927	1,845,568
Net profit for the period	-	-	39,176	39,176
Share of associates' other comprehensive income:				
- gain on hedges	-	13,725	-	13,725
- actuarial gain on defined benefits plan	-	-	39,086	39,086
Related tax	-	(4,117)	(11,726)	(15,843)
Total comprehensive income for the period	-	9,608	66,536	76,144
Capital distributions	(32,260)	-	-	(32,260)
Balance at 30 June 2015	1,083,003	(19,014)	825,463	1,889,452
Balance at 1 January 2016	1,303,404	(17,404)	870,355	2,156,355
Net profit for the period	-	-	51,562	51,562
Share of associates' other comprehensive income:				
- loss on hedges	-	(103,621)	-	(103,621)
- actuarial loss on defined benefits plan	-	-	(40,670)	(40,670)
Related tax	-	26,667	10,929	37,596
Total comprehensive income for the period	-	(76,954)	21,821	(55,133)
Recognition of share-based payments	-	345	-	345
Capital distributions	(41,209)	-	-	(41,209)
Balance at 30 June 2016	1,262,195	(94,013)	892,176	2,060,358

Notes to the financial statements are included on pages 18 – 30.

Condensed Consolidated Statement of Cash Flows for the Half Year Ended 30 June 2016

	Note	30 June 2016 $'000	30 June 2015 $'000
Cash Flows from Operating Activities			
Distributions from associates - preferred partnership capital		34,532	34,341
Dividends received - associates		22,295	19,110
Interest received - associates		40,017	41,034
Interest received - other		516	1,908
Interest paid - other		(3,924)	(893)
Distributions received from derivative contracts		22,952	16,267
Finance costs paid – derivative contracts		(7,743)	(4,471)
Other expenses		(7,412)	(6,134)
Net Cash Inflow Related to Operating Activities		101,233	101,162
Cash Flows from Investing Activities			
Purchase of property, plant and equipment		-	(31)
Repayment of borrowings by associates		28,812	-
Proceeds from divestment of derivative contracts		210,708	-
Transaction costs – derivative contracts		(4,031)	-
Net Cash Inflow/(Outflow) Related to Investing Activities		235,489	(31)
Cash Flows from Financing Activities			
Payment of issue costs		(1,733)	-
Drawdown of external borrowings		15,000	-
Repayment of external borrowings		(220,000)	-
Distributions to Securityholders:			
- Loan Note interest	12	(59,712)	(52,056)
- Capital distributions	12	(41,209)	(32,260)
Net Cash Outflow Related to Financing Activities		(307,654)	(84,316)
Net Increase in Cash and Cash Equivalents for the Period		29,068	16,815
Cash and cash equivalents at the beginning of the period		18,284	124,435
Cash and Cash Equivalents at the end of the Period [1]		47,352	141,250

[1] Includes $5,000,000 of cash which is required to be held by Spark Infrastructure RE Limited (Spark RE) at all times for Australian Financial Services Licence (AFSL) purposes (30 June 2015: $10,000,000).

Notes to the financial statements are included on pages 18 – 30.

Notes to the Financial Statements for the Half Year Ended 30 June 2016

1. Summary of Accounting Policies

Basis of Preparation and Statement of Compliance

The interim financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim financial report for the half year ended 30 June 2016 (Current Period), is for Spark Infrastructure consisting of Spark Infrastructure Trust (the Trust) and its Controlled Entities (Spark Infrastructure or the Group). This interim financial report does not include all the notes of the type normally included in an annual report. Accordingly, it is recommended that this report be read in conjunction with the 31 December 2015 annual financial report of Spark Infrastructure, together with any public announcements made by Spark Infrastructure during the Current Period in accordance with any continuous disclosure obligation arising under the *Corporations Act 2001*. The report has been prepared on the basis of historical cost except for the revaluation of certain financial instruments. Cost is based on the fair value of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in the preparation of Spark Infrastructure's financial statements for the year ended 31 December 2015, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Spark Infrastructure is an entity of the kind referred to in ASIC Class Order 2016/191, dated 24 March 2016, and in accordance with that Class Order amounts in the Directors' report and interim financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

The interim financial report was authorised for issue by the Directors of Spark RE as the responsible entity for the Trust on 22 August 2016.

Adoption of new and revised Standards

The following amendments have been issued and are of relevance in the Current Period:

New and Revised Standard	Requirements and impact assessment
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	Amends a number of pronouncements as a result of the IASB's 2012-2014 annual improvements cycle. Key amendments include: AASB 5 – Change in methods of disposal; AASB 7 – Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; AASB 119 – Discount rate: regional market issue; and AASB 134 – Disclosure of information 'elsewhere in the interim financial report'.
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	Amends AASB 101 *Presentation of Financial Statements* to provide clarification regarding the disclosure requirements in AASB 101. Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*	Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.

1. Summary of Accounting Policies (continued)

Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial report, the following Standards and Interpretations listed below were on issue but not yet effective.

Standard	Effective for the annual reporting period beginning on	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (December 2014), AASB 2014-7 'Amendments to Australian Accounting Standards arising from AASB 9' (December 2014)	1 January 2018	31 December 2018
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	31 December 2018
AASB 16 Leases	1 January 2019	31 December 2019

The Directors' anticipate that the above Standards will not have a material impact on the financial report of the Group in the year of initial application.

Principles of consolidation

The interim financial report of Spark Infrastructure incorporates the financial statements of the Trust and its Controlled Entities. The effects of all transactions between entities in the consolidated entity are eliminated in full.

Where control of an entity is obtained during the financial period, its results are included in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income from the effective date of control. Control is achieved where the Trust has the power to govern financial and operating policies of an entity so as to obtain benefits from its activities.

Critical Accounting Estimates and Judgements

The preparation of this report required the use of certain critical accounting estimates and exercise of judgement in the process of applying the accounting policies. The estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectation of future events. The Directors believe the estimates and judgements are reasonable. Actual results in the future may differ from those reported.

Impairment of Assets

At each reporting date, Spark Infrastructure tests whether there are any indicators of impairment. Each associate, being SA Power Networks, Victoria Power Networks and TransGrid (the investment portfolio), is regarded as a separate cash generating unit (CGU) for the purposes of such testing. If any indicators are identified, the recoverable amounts are determined as the higher of fair value less costs to sell and value in use.

The Directors have undertaken a detailed review of the carrying values of Spark Infrastructure's assets to determine whether there is any indication that those assets have suffered an impairment loss. The Directors are satisfied no such indicators existed at 30 June 2016.

If indicators of impairment were identified, fair value less costs to sell calculations would be used to assess Spark Infrastructure's investments in SA Power Networks, Victoria Power Networks and TransGrid to confirm that their carrying values did do not exceed their respective recoverable values.

The following key assumptions would be used in the assessment of fair value less costs to sell:

- Fair value less costs to sell assessments are based on discounted cash flow projections over a period of 10 years;
- Cash flow projections are based on financial forecasts approved by management containing assumptions about business conditions, growth in RAB and future regulatory return;
- Appropriate discount rates specific to each CGU; and
- Appropriate terminal values based on RAB multiples for regulated activities and EBITDA multiples for unregulated activities. Reflecting recent transmission and distribution transaction multiples, Spark Infrastructure would adopt RAB multiples in line with market evidence when calculating appropriate terminal values during the Current Period.

Notes to the Financial Statements
for the Half Year Ended 30 June 2016

1. Summary of Accounting Policies (continued)

Impairment of Assets (continued)
Cash flow projections for a 10 year period are deemed appropriate as SA Power Networks, Victoria Power Networks and TransGrid operate within a regulated industry that resets generally every five years and have electricity distribution and transmission assets that are long life assets.

Sensitivity analysis would be undertaken regarding the impact of possible changes in key assumptions.

Fair value less costs to sell is measured using inputs that are unobservable in the market and are therefore deemed to be level 3 fair value measurements in accordance with *AASB 13 Fair Value Measurement*.

Significant influence over NSW Electricity Networks Assets Holdings Trust and NSW Electricity Networks Operations Holdings Trust
Note 4 describes that NSW Electricity Networks Assets Holdings Trust and NSW Electricity Networks Operations Holdings Trust are associates of Spark Infrastructure although Spark Infrastructure only has a 15.01% ownership interest. Spark Infrastructure has significant influence over NSW Electricity Networks Assets Holdings Trust and NSW Electricity Networks Operations Holdings Trust by virtue of its right under the Shareholders Agreement to appoint one director for every 10% shareholding. In addition, Spark Infrastructure has a special right to appoint a second director while its ownership remains at or above 15.01%. This right is particular to Spark Infrastructure.

Deferred Tax Arising on the Investment in NSW Electricity Networks Assets Holdings Trust and NSW Electricity Networks Operations Holdings Trust
Deferred tax arising on the initial investment in NSW Electricity Networks Assets Holdings Trust and NSW Electricity Networks Operations Holdings Trust is considered to relate to temporary differences that give rise to no accounting or taxable profit. As such, deferred tax is not recognised under the initial recognition exemption. Furthermore, subsequent changes to the unrecognised deferred tax are not recorded.

Deferred Tax Assets
Deferred tax assets are recognised to the extent that it is probable that there are sufficient taxable amounts available against which deductible temporary differences or unused tax losses and tax offsets can be utilised and they are expected to reverse in the foreseeable future. As at 30 June 2016 (30 June 2015: nil) there are no amounts unrecognised on the basis that the above criteria were not met.

2. Segment Information

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Four segments are reported:

- Victoria Power Networks – the 49% interest in two electricity distribution businesses in Victoria (i.e. CitiPower and Powercor);
- SA Power Networks – the 49% interest in the electricity distribution business in South Australia;
- TransGrid – the 15.01% interest in the electricity transmission business in New South Wales (i.e. NSW Electricity Networks Assets Holdings Trust (NSW Electricity Networks Assets) and NSW Electricity Networks Operations Holdings Trust (NSW Electricity Networks Operations)); and
- Other – which represented the economic interest in DUET Group, an ASX listed entity head quartered in New South Wales.

The segments noted also fairly represent the Group's geographical segments determined by location within Australia.

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

Notes to the Financial Statements
for the Half Year Ended 30 June 2016

2. Segment Information

	Victoria Power Networks		SA Power Networks		TransGrid		Other		Total	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Segment Cashflows										
Net cashflows from investments	68,829	41,034	56,827	53,451	-	-	221,886	11,796	347,542	106,281
Net interest received									(3,408)	1,015
Corporate costs									(7,412)	(6,165)
Total Operating and Investing Cashflows									336,722	101,131
Segment Revenue										
Share of equity accounted profits	31,783	1,693	47,880	99,715	5,999	-	-	-	85,662	101,408
Interest income - associates	39,674	40,116	-	-	7,028	-	-	-	46,702	40,116
Gain/(loss) on derivative contracts	-	-	-	-	-	-	5,772	(6,486)	5,772	(6,486)
Segment revenue	71,457	41,809	47,880	99,715	13,027	-	5,772	(6,486)	138,136	135,038
Interest revenue									523	1,862
Total Revenue									138,659	136,900
Segment Results										
Segment contribution	71,457	41,809	47,880	99,715	13,027	-	5,772	(6,486)	138,136	135,038
Net interest (expense)/benefit									(3,110)	767
Corporate costs									(7,868)	(5,472)
Profit for the year before Loan Note interest and income tax expense									127,158	130,333
Interest on Loan Notes									(58,870)	(51,323)
Income tax expense									(16,726)	(39,834)
Net Profit attributable to Securityholders									51,562	39,176

Notes to the Financial Statements
for the Half Year Ended 30 June 2016

2. Segment Information (continued)

	Victoria Power Networks		SA Power Networks		TransGrid		Other		Total	
	Jun 2016 $'000	Dec 2015 $'000	Jun 2016 $'000	Dec 2015 $'000	Jun 2016 $'000	Dec 2015 $'000	Jun 2016 $'000	Dec 2015 $'000	Jun 2016 $'000	Dec 2015 $'000
Segment Assets										
Investments accounted for using the equity method	356,520	369,917	1,543,294	1,632,382	479,986	492,957	-	-	2,379,800	2,495 256
Loans to associates	716,789	745,601	-	-	-	-	-	-	716,789	745,601
Loan notes to associates	-	-	-	-	237,444	237,444	-	-	237,444	237,444
Receivables from associates	9,622	9,964	-	-	7,641	614	-	-	17,263	10,578
Other financial assets	-	-	-	-	-	-	-	216,117	-	216,117
Total Segment Assets	1,082,931	1,125,482	1,543,294	1,632,382	725,071	731,015	-	216,117	3,351,296	3,704,996
Unallocated Assets										
Cash and cash equivalents									47,352	18,284
Other current assets									1,680	811
Property, plant & equipment									122	147
Total Assets									3,400,450	3,724,238
Unallocated Liabilities										
Loan Notes attributable to Securityholders									1,061,714	1,061,704
Interest bearing liabilities									-	203,422
Other liabilities									64,983	68,440
Deferred tax liabilities									213,394	234,317
Total Liabilities									1,340,091	1,567,883

Notes to the Financial Statements for the Half Year Ended 30 June 2016

	30 June 2016 $'000	30 June 2015 $'000
3. Share of Equity Accounted Profits and Interest		
Equity Accounted Profits:		
Victoria Power Networks Pty Ltd	31,783	1,693
SA Power Networks Partnership	47,880	99,715
NSW Electricity Networks Assets[(1)]	(1,466)	-
NSW Electricity Networks Operations[(1)]	7,465	-
	85,662	101,408
Interest Income – Associates:		
Victoria Power Networks Pty Ltd	39,674	40,116
NSW Electricity Networks Operations	7,028	-
	46,702	40,116
	132,364	141,524

(1) Together referred to as TransGrid.

4. Investments Accounted for using the Equity Method

(a) Particulars of Investment in Associates:

Name of entity	Principal activity	Ownership interest % June 2016	Ownership interest % December 2015	Country of Incorporation/ Formation
Victoria Power Networks Pty Ltd	Ownership of electricity distribution businesses in Victoria	49.00	49.00	Australia
SA Power Networks	Ownership of an electricity distribution business in South Australia	49.00	49.00	Australia
NSW Electricity Networks Assets Holdings Trust	Ownership of electricity transmission assets in New South Wales	15.01	15.01	Australia
NSW Electricity Networks Operations Holdings Trust	Ownership of an electricity transmission business in New South Wales	15.01	15.01	Australia

Notes to the Financial Statements
for the Half Year Ended 30 June 2016

4. Investments Accounted for Using the Equity Method (continued)

(b) Summarised Financial Position of Associates (100% basis)

	30 Jun 2016 $'000	30 Jun 2016 $'000	30 Jun 2016 $'000	30 Jun 2016 $'000	31 Dec 2015 $'000	31 Dec 2015 $'000	31 Dec 2015 $'000	31 Dec 2015 $'000
	Victoria Power Networks	SA Power Networks	NSW Electricity Networks Assets(1)	NSW Electricity Networks Operations(1)	Victoria Power Networks	SA Power Networks	NSW Electricity Networks Assets(1)	NSW Electricity Networks Operations(1)
Current assets	323,936	486,206	175,907	145,907	423,474	484,026	72,130	52,440
Non-current assets	7,693,855	6,212,822	7,639,259	2,690,684	7,624,530	6,125,120	7,665,330	2,716,490
Total assets	8,017,791	6,699,028	7,815,166	2,836,591	8,048,004	6,609,146	7,737,460	2,768,930
Current liabilities	1,812,165	1,077,361	42 190	187,484	1,756,334	1,096,064	50,020	125,160
Non-current liabilities	5,023,175	3,430,551	5,615,877	1,655,985	5,142,560	3,208,264	5,421,690	1,629,410
Total liabilities	6,835,340	4,507,912	5,658,067	1,843,469	6,898,894	4,304,328	5,471,710	1,754,570
Net assets	1,182,451	2,191,116	2,157,099	993,122	1,149,110	2,304,818	2,265,750	1,014,360

(1) Together referred to as TransGrid.

Notes to the Financial Statements
for the Half Year Ended 30 June 2016

4. Investments Accounted for Using the Equity Method (continued)

(c) Summarised Financial Performance of Associates (100% basis)

	30 Jun 2016 $'000 Victoria Power Networks	30 Jun 2016 $'000 SA Power Networks	30 Jun 2016 $'000 NSW Electricity Networks Assets(1)	30 Jun 2016 $'000 NSW Electricity Networks Operations(1)	30 Jun 2015 $'000 Victoria Power Networks	30 Jun 2015 $'000 SA Power Networks	30 Jun 2015 $'000 NSW Electricity Networks Assets(1)	30 Jun 2015 $'000 NSW Electricity Networks Operations(1)
Revenue – regulated	511,560	346,226	-	423,702	523,761	475,023	-	-
Revenue – excess over/(under collection of) regulated revenue cap	5,342	16,661	-	(7,852)	-	-	-	-
Revenue – other	104,711	130,390	254,230	38,161	65,604	116,938	-	-
Customer contributions & gifted assets	60,192	41,182	-	-	49,885	41,352	-	-
Operating revenue	681,805	534,459	254,230	454,011	639,250	633,313	-	-
Revenue – transmission (pass-through)	147,051	128,401	-	-	177,160	131,620	-	-
	828,856	662,860	254,230	454,011	816,410	764,933	-	-
Expenses	(507,914)	(404,572)	(264,804)	(407,232)	(532,384)	(435,632)	-	-
Expenses – transmission (pass-through)	(147,051)	(128,401)	-	-	(177,160)	(131,620)	-	-
Profit/(loss) before income tax	173,891	129,887	(10,574)	46,779	106,866	197,681	-	-
Income tax expense	(48,524)	-	-	-	(75,498)	-	-	-
Net profit/(loss)	125,367	129,887	(10,574)	46,779	31,368	197,681	-	-
Other comprehensive income:								
(Loss)/gain on hedges	(97,245)	(113,342)	(98,088)	(39)	18,754	14,883	-	-
Actuarial (loss)/gain on defined benefit plans	(34,471)	(50,214)	-	(28,260)	42,667	49,900	-	-
Income tax benefit/(expense) related to components of other comprehensive income	39,515	-	-	-	(18,427)	-	-	-
Other comprehensive (loss)/income for the Current Period	(92,201)	(163,556)	(98,088)	(28,299)	42,994	64,783	-	-
Total comprehensive income/(loss) for the Current Period	33,166	(33,669)	(108,662)	18,480	74,362	262,464	-	-

(1) Together referred to as TransGrid.

Notes to the Financial Statements for the Half Year Ended 30 June 2016

4. Investments Accounted for using the Equity Method (continued)

(c) Summarised Financial Performance of Associates (100% basis, continued)

Reconciliation of the above summarised financial performance to the net profit attributable to Spark Infrastructure from its associates recognised in the financial report:

	30 June 2016 $'000	30 June 2015 $'000
Victoria Power Networks net profit applicable to Spark Infrastructure	61,430	15,370
SA Power Networks net profit applicable to Spark Infrastructure	63,645	96,864
Additional share of profits from preferred partnership capital[a]	17,611	17,611
NSW Electricity Networks Assets net loss applicable to Spark Infrastructure	(1,587)	-
NSW Electricity Networks Operations net profit applicable to Spark Infrastructure	7,022	-
	148,121	129,845
Adjustment in respect of customer contributions and gifted assets[b]	(40,825)	(37,373)
Adjustment in respect of regulated revenue cap[c]	(8,818)	-
Additional adjustments made to share of equity profits[d]	(12,816)	8,936
	85,662	101,408

[a] Under the partnership agreement, Spark Infrastructure is entitled to an additional share of profit in SA Power Networks, which ensures that Spark Infrastructure shares in 49% of the overall results of operations from SA Power Networks.

[b] Differences in the measurement of the fair value of customer contributions and gifted assets under AASB 13 *Fair Value Measurement* (AASB 13). Spark Infrastructure changed its basis of estimating the fair value of customer contributions and gifted assets reported by SA Power Networks and Victoria Power Networks with effect from 1 January 2014 from 'depreciated replacement cost' to estimating the net present value of the future cashflows expected to be derived from the specific extension or modification to the network.

[c] Amounts in excess of/under the regulated revenue cap are not deferred/accrued by the associates. Spark Infrastructure makes adjustments to its share of equity accounted profits in order to reflect that these amounts will be returned to/recovered from electricity consumers in future periods.

[d] Additional adjustments made to share of equity profits includes additional depreciation/amortisation of fair value uplift of assets on acquisition.

Notes to the Financial Statements
for the Half Year Ended 30 June 2016

4. Investments Accounted for using the Equity Method (continued)

	6 months to 30 June 2016 $'000	Year Ended 31 December 2015 $'000
(d) Movement in Carrying Amounts		
Carrying amount at the beginning of the Current Period	2,495,256	1,898,979
Subscription of units in NSW Electricity Networks Assets	-	344,498
Subscription of units in NSW Electricity Networks Operations	-	153,342
Share of profits after income tax	85,662	161,465
Preferred partnership distribution received	(34,532)	(69,635)
Dividends received - associates	(22,295)	(44,590)
Share of associates' comprehensive (loss)/gain recognised directly in equity	(144,291)	51,197
Carrying amount at the end of the Current Period	2,379,800	2,495,256

(e) Tax Matters

In June 2015, Spark Infrastructure, Victoria Power Networks and other relevant parties signed a Heads of Agreement with the ATO to finalise all outstanding matters in respect of the interest deductibility on subordinated loans to both SA Power Networks and Victoria Power Networks. In March 2016, the ATO refunded $38,994,000 plus $2,359,000 of interest accrued on this amount to Victoria Power Networks, following the execution of a Deed of Settlement (incorporating the Heads of Agreement).

A summary of the remaining items under ATO audit is provided below.

Victoria Power Networks Pty Ltd

(a) a denial of deductions for certain labour costs and motor vehicle running costs incurred during the years ended 31 December 2007 to 31 December 2010;
(b) the recognition of assessable income for assets transferred by customers to entities within the Victoria Power Networks consolidated group during the years ended 31 December 2007 to 31 December 2010;
(c) a denial of deductions for rebates paid to customers by entities within the Victoria Power Networks consolidated group during the years ended 31 December 2007 to 31 December 2010;
(d) a further consequential increase in the allowance of depreciation for the labour costs, motor vehicle running costs and transferred assets during the years ended 31 December 2007 to 31 December 2010; and
(e) a denial of deductions in respect of certain asset replacement projects during the years ended 31 December 2008 to 31 December 2010.

SA Power Networks Partnership

a) a denial of deductions for direct internal labour and motor vehicle costs incurred by SA Power Networks on self-constructed assets, after separate favourable adjustments for asset replacement, on the grounds that they are of a capital nature, and a corresponding allowance of tax depreciation deductions for those costs over the effective life of the assets.

Both SA Power Networks and Victoria Power Networks have lodged objections and obtained legal advice that supports their respective tax treatments of the remaining items noted above. Victoria Power Networks, SA Power Networks and the partners are of the opinion that no adjustments are required in relation to these items, and will vigorously defend their positions. SA Power Networks, its partners and Victoria Power Networks continue to actively engage with the ATO on these matters.

Details of these tax matters have been previously disclosed in the Spark Infrastructure Financial Statements.

Notes to the Financial Statements for the Half Year Ended 30 June 2016

5. Loans to Associates – interest bearing

	30 June 2016 $'000	31 December 2015 $'000
Victoria Power Networks	716,789	745,601

100 year loan to Victoria Power Networks at a fixed interest rate of 10.85% per annum. The loan is repayable at the discretion of the borrower.

6. Loan notes to Associates – interest bearing

	30 June 2016 $'000	31 December 2015 $'000
NSW Electricity Networks Operations	237,444	237,444

Loan notes advanced to NSW Electricity Networks Operations at the applicable bank bill interest rate plus a margin of 3.50% per annum. The loan notes are redeemable at the discretion of the issuer, with a maximum maturity in December 2025.

7. Other Financial Assets and Financial Liabilities

	30 June 2016 $'000	31 December 2015 $'000
Other financial assets (current)		
- derivative contracts at fair value	-	1,748
Other financial assets (non-current)		
- derivative contracts at fair value	-	214,369
	-	216,117

During the Current Period, Spark Infrastructure divested its economic interest in DUET, following completion of a review into the holding. The derivative contracts held with Deutsche Bank were unwound via a staged process, with no remaining financial assets or liabilities in respect of the economic interest at 30 June 2016.

8. Loan Notes Attributable to Securityholders

	30 June 2016 $'000	31 December 2015 $'000
Balance at beginning of the Current Period	1,061,704	925,841
Issue of Loan Notes under Entitlement Offer[a]	-	140,173
Issue costs associated with Loan Notes	-	(4,330)
Write back of deferred discount[b]	10	20
Balance at end of the Current Period	1,061,714	1,061,704

[a] Under the institutional tranche of the Entitlement Offer on 7 December 2015 and the retail tranche of the Entitlement Offer on 22 December 2015 additional securities were raised at a price of $1.88 per security of which $0.65 per security was allocated to Loan Notes.

[b] The deferred discount represents the difference between the Loan Notes face value of $1.25 and the price of securities issued under the Distribution Reinvestment Plan in September 2009 of $1.0862. The deferred discount is written back over the remaining term of the Loan Notes.

Notes to the Financial Statements for the Half Year Ended 30 June 2016

	6 months to 30 June 2016 $'000	Year Ended 31 December 2015 $'000
9. Issued Capital		
Balance at beginning of the Current Period	1,303,404	1,115,263
Issue of securities under Entitlement Offer[a]	-	265,251
Issue costs	-	(8,191)
Contributions of equity (net of issue costs)	-	257,060
Capital distribution	(41,209)	(68,919)
Balance at end of the Current Period	1,262,195	1,303,404

[a] Under the institutional tranche of the Entitlement Offer on 7 December 2015 and the retail tranche of the Entitlement Offer on 22 December 2015 additional securities were raised at a price of $1.88 per security of which $1.23 per security was allocated to Issued Capital.

Fully Paid Stapled Securities	No.'000	No.'000
Balance at the beginning of the Current Period	1,682,011	1,466,360
Issue of securities under Entitlement Offer	-	215,651
Balance at the end of the Current Period	1,682,011	1,682,011

10. Key Management Personnel (KMP)

KMP are those having the authority and responsibility for directing and controlling the activities of an entity. Remuneration arrangements of KMP are disclosed in the annual financial report.

11. Notes to the Statement of Cash Flows

(a) Cash transactions

As at 30 June 2016, and at all times during the period, the Responsible Entity of the Group held $5,000,000 of cash to meet its financial requirements as a holder of an AFSL (30 June 2015: $10,000,000).

(b) Committed Finance Facilities	30 June 2016 $'000	31 December 2015 $'000
Bank facilities:		
• Amount used	-	205,000
• Amount unused	250,000	45,000
	250,000	250,000

Committed Finance Facility maturities are:

- November 2018: $100,000,000 3-year revolving facility with Commonwealth Bank of Australia
- November 2018: $100,000,000 3-year revolving facility with Westpac Banking Corporation
- November 2018: $25,000,000 3-year revolving facility with The Bank of Tokyo-Mitsubishi UFJ, Ltd
- November 2020: $25,000,000 5-year revolving facility with The Bank of Tokyo-Mitsubishi UFJ, Ltd

At 30 June 2016 there were no drawn balances.

(c) Bank Guarantee facility

A bank guarantee of $420,000 equivalent to 12 months' rent and share of outgoings plus GST has been provided to the landlord in respect of Spark Infrastructure's office lease.

	2016		2015	
	Cents Per Security	Total $'000	Cents Per Security	Total $'000
12. Details Relating to Distributions				
Distribution Paid: Final distribution paid in respect of year ended 31 December 2015, paid on 15 March 2016 (2015: In respect of year ended 31 December 2014, paid on 13 March 2015):				
Interest on Loan Notes	3.55	59,712	3.55	52,055
Capital distribution	2.45	41,209	2.20	32,260
	6.00	100,921	5.75	84,315
Distribution Payable: Interim 2016 distribution payable on 15 September 2016 (Interim 2015 distribution paid on 15 September 2015):				
Interest on Loan Notes	3.50	58,870	3.50	51,323
Capital distribution	3.75	63,075	2.50	36,659
	7.25	121,945	6.00	87,982

The distributions are unfranked.

13. Commitments, Contingent Liabilities and Contingent Assets

(a) There were no material contingent liabilities or contingent assets as at 30 June 2016 which have not already been disclosed.

(b) As at 30 June 2016, there were total expenditure commitments of $668,000 (2015: $921,000) comprising operating leases that relate to the office premises and information technology. Office premises are located at 259 George Street, Sydney 2000.

14. Subsequent events

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors' Declaration

The Directors declare that:

(a) in their opinion, there are reasonable grounds to believe that Spark Infrastructure Trust will be able to pay its debts as and when they become due and payable; and

(b) in their opinion, the financial statements and notes as set out on pages 12 – 30 are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and give a true and fair view of the financial position and performance of Spark Infrastructure Trust.

This declaration is signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors:

D McTaggart
Chair

R Francis
Managing Director

Sydney
22 August 2016

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Spark Infrastructure RE Limited
as responsible entity for Spark Infrastructure Trust
Level 25
259 George Street
SYDNEY NSW 2000

22 August 2016

Dear Board Members

Spark Infrastructure Trust

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Spark Infrastructure RE Limited, as responsible entity for Spark Infrastructure Trust and its controlled entities.

As lead audit partner for the review of the financial statements of Spark Infrastructure Trust for the financial half-year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the members of Spark Infrastructure Trust

We have reviewed the accompanying half-year financial report of Spark Infrastructure Trust, which comprises the condensed statement of financial position as at 30 June 2016, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the trust and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 31.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Spark Infrastructure Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all

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significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Spark Infrastructure Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Spark Infrastructure Trust is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 22 August 2016