

10 November 2010

TO: ASX Limited
Singapore Exchange Securities Trading Limited

SP AusNet 2010/11 Half-Year Results Release and Presentation

Please find attached the following:

1. ASX and SGX-ST Release – *SP AusNet 2010/11 Half-Year Results – Strong Revenue and NPAT Growth*; and
2. SP AusNet 2010/11 Half-Year Results presentation.

Susan Taylor
Company Secretary

For further information contact:

Investor Relations

John Nicolopoulos
Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Relations

Louisa Graham
Manager – Corporate Communications
+61 3 9695 6401 or + 61 418 358 327

SP AusNet

SP Australia Networks (Distribution) Ltd
ABN 37 108 788 245

SP Australia Networks (Transmission) Ltd
ABN 48 116 124 362

SP Australia Networks (Finance) Trust
ARSN 116 783 914

SP Australia Networks (RE) Ltd
ABN 46 109 977 371
AFS Licence No. 294117 as responsible entity
for SP Australia Networks (Finance) Trust

Level 31
2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

Tel: +61 3 9695 6000
Fax: +61 3 9695 6666

www.sp-ausnet.com.au

10 November 2010

SP AusNet 2010/11 Half Year Results

Strong Revenue and NPAT Growth

2010/11 Earnings (A\$M, comparison to prior period)	Actual	Variance to Prior Year	
Total Revenues	785.8	up	10.1%
EBITDA	463.2	up	8.1%
EBIT	337.7	up	7.0%
NPAT	166.0	up	22.6%

Distributions (Aust. cents)	2010/11	2009/10
Half Year Distribution	4.000¢	4.000¢
Percentage Fully Franked	39.8%	32.2%
Percentage Tax Deferred	4.5%	20.6%
Percentage Interest Income	55.7%	47.2%

Key Points

- Revenues 10.1% higher as a result of incentive scheme payments due to improvements in network reliability, additional revenues from the Advanced Metering Infrastructure ("AMI") program, strong growth in customer numbers, favourable weather conditions and the increase in service revenue from Select Solutions
- EBITDA growth of 8.1%. NPAT growth of 22.6% driven by lower income tax expense
- On track to deliver a full year distribution of at least 8.000 cents per security
- Fully franked dividend component increased to 39.8% of total distribution
- Continuation of Distribution Reinvestment Plan for the 2010/11 interim distribution
- Higher net finance charges, mainly due to \$11.8m of hedge de-designations. No economic loss as recovery will occur over the term of the hedge.

10 November 2010

SP AusNet 2010/11 Half Year Results

SP AusNet (ASX Code: SPN) today lodged its half year results with the ASX and SGX-ST and is pleased to report a 10.1% increase in Revenue, a 8.1% increase in Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) and a 22.6% increase in Net Profit After Tax (NPAT) to A\$166.0m. The strong result was due to higher revenues from incentive scheme payments due to improvements in network reliability, additional revenues from the Advanced Metering Infrastructure ("AMI") program, higher volumes due to colder weather conditions, increased activity associated with Select Solutions and a lower income tax expense.

The Directors delivered on guidance by declaring an interim distribution to securityholders of 4.000 Australian cents per security.

Managing Director Nino Ficca said, "We are pleased to deliver another strong half of revenue and earnings growth. SP AusNet continues to remain in a strong financial position, underpinned by growing cash flows and sound financial management".

Distribution Key Dates

The 2010/11 interim distribution of 4.000 Australian cents per security comprises 1.59 cents from a fully franked dividend (39.8%); 0.18 cents from a return of capital (4.5%); and 2.23 cents from interest income (55.7%). The increased interest income component of the distribution is reflective of higher interest income received by SP Australia Networks (Finance) Trust.

Important dates:

Monday 22 November 2010	ASX ex-distribution date
Wednesday 24 November 2010	SGX-ST ex-distribution date
Friday 26 November 2010	Record date for distribution and deadline for receipt of Election Notices for participation in DRP
Wednesday 22 December 2010	Payment of distribution

The Distribution Reinvestment Plan (DRP) will be in operation for the 2010/11 interim distribution at a 2.5% discount to the average trading price. The average trading price will be the average of the volume weighted average price of securities sold on the ASX over the 10 trading days immediately following the Record Date. The DRP will not be underwritten. The last day for elections to participate in the DRP for the interim 2010/11 distribution is Friday 26 November 2010 (**Record Date**). For further information please refer to the DRP Rules at www.sp-ausnet.com.au.

10 November 2010

Outlook

Looking forward, SP AusNet will determine future distribution amounts based on operating cash flows after servicing its maintenance capital expenditure and a portion of its growth capital expenditure. For FY11, SP AusNet expects to at least match the distributions per security for FY10. As with prior years, the seasonality of revenues, particularly due to higher demand on the gas distribution network for heating during the winter months, results in a larger proportion of revenues being earned in the first half of the year. Operating costs are more evenly spread over the full year, resulting in lower revenues and NPAT in the second half of the year.

Organic growth in the regulated asset base continues to be strong, with high levels of demand for energy infrastructure from new housing developments and peak demand growth within the distribution network areas. New wind farm and gas fired generation connections on the transmission network also ensure growth in SP AusNet's asset base. SP AusNet remains committed to growing and modernising its existing networks. SP AusNet will also focus on expanding and commercialising niche asset services, in particular metering and technical services. In addition, the adoption of smart networks via the Advanced Metering Infrastructure (AMI) program is a key platform for future growth.

SP AusNet now expects capital expenditure in FY11 to be around 16% higher than FY10. Prior guidance for capital expenditure in FY11 was to be around 5% higher than FY10. The revised guidance is due to changes in the AMI program and the acquisition by Select Solutions of water metering business Schultz Plumbing.

On 4 October 2010, SP AusNet confirmed to the ASX and SGX-ST an improvement in NPAT for HY11, in the range of 15 – 25% over the previous corresponding period. The HY11 NPAT improvement is mainly driven by \$28m (approx.) of favourable income tax expense adjustments, arising from tax consolidation, investment allowance and research and development deductions. The favourable tax adjustments recorded in HY11 will consequentially impact (favourably) FY11 NPAT.

Victorian February Bushfires

On 7 February 2009, the state of Victoria was impacted by significant bushfires. The Victorian Government subsequently established a Royal Commission of Inquiry into the Victorian bushfire crisis. The Royal Commission made a number of recommendations that are intended to reduce the occurrence and impact of future bushfires. SP AusNet will continue to work with the Victorian Government, its Powerlines Bushfire Safety Taskforce ("the Taskforce") and electricity regulators to scope the recommendations, with a view to making constructive improvements designed to make the electricity network even safer.

Until the full extent and nature of the recommendations are worked through, it is not possible to accurately estimate the costs that will result from implementation of the recommendations. The Taskforce is expected to provide its final report by 30 June 2011. It is required to recommend a 10 year plan to reduce bushfire risk accompanied with options for fairly and efficiently recovering the costs of that plan.

10 November 2010

SP AusNet is a defendant in litigation that has been brought in connection with the 7 February 2009 bushfires located at Kilmore East and Beechworth, respectively. SP AusNet denies it was negligent. SP AusNet alleges that its conduct was at all times reasonable, in compliance with technical regulations and reasonable in light of economic regulations applicable to SP AusNet. SP AusNet will vigorously defend these claims.

It is too early for SP AusNet to speculate on the outcome of any claims which may be instituted by third parties. If these claims are pursued, SP AusNet has liability insurance which specifically provides cover for bushfire liability. SP AusNet reviews its insurance cover annually and ensures it is commensurate with the scale and size of its operations, the risks assessed to be associated with its operations and with industry standards and practice. SP AusNet's bushfire mitigation and vegetation management programs are audited annually by Energy Safe Victoria. SP AusNet had a "zero" bushfire mitigation index throughout the 2008-09 bushfire season.

Tax Audits

The Australian Taxation Office (ATO) is undertaking large business audits of the SP AusNet group. The audits are focusing on deductions claimed in respect of fees imposed under Section 163AA of the Electricity Industry Act 1993 in the 1999 to 2001 tax years, intellectual property deductions referable to the 1998 tax year and each subsequent year and the entry allocable cost amount when the SPI Australia Group Pty Ltd consolidated group joined the SP AusNet Distribution consolidated group on 2 August 2004. Further details are contained in SP AusNet's 2009/10 financial statements.

In correspondence dated 31 March 2010, the ATO advised SP AusNet that it intends to disallow deductions claimed in respect of Section 163AA imposts, although it has not yet issued an amended assessment to confirm this position. On 7 September 2010, the ATO informed SP AusNet that it will not be liable for any administrative penalties under the *Taxation Administration Act 1953* in relation to Section 163AA imposts. The ATO also informed SP AusNet of its decision to remit part of the interest charges that would otherwise apply to any subsequent amended assessment.

SP AusNet has not changed its view in regard to the availability of the Section 163AA or intellectual property deductions, or its entry ACA step 1 amount for the SPIAG consolidated group. The ultimate timeframe or likely outcomes of the ATO audits are not known.

For further information contact:

Investor Relations

John Nicolopoulos
 Manager, Investor Relations
 +61 3 9695 6301 or +61 409 672 912

Media Relations

Louisa Graham
 Manager Corporate Communications
 +61 3 9695 6401 or +61 418 358 327

SP AusNet

SP Australia Networks (Distribution) Ltd
 ABN 37 108 788 245

SP Australia Networks (Transmission) Ltd
 ABN 48 116 124 362

SP Australia Networks (Finance) Trust
 ARSN 116 783 914

SP Australia Networks (RE) Ltd
 ABN 46 109 977 371
 AFS Licence No. 294117 as responsible entity for
 SP Australia Networks (Finance) Trust

Level 31
 2 Southbank Boulevard Southbank
 Victoria 3006 Australia

Locked Bag 14051
 Melbourne City Mail Centre
 Victoria 8001 Australia

Tel: +61 3 9695 6000
 Fax: +61 3 9695 6666

SP AusNet 2010/11 Operational Review

SP AusNet's assets include Victoria's high voltage electricity transmission network, an electricity distribution network located in eastern Victoria and a gas distribution network in western Victoria. As a diversified energy networks business, SP AusNet plays a vital role in underpinning the economic and social strength of Victorian communities, while also contributing to the wider Australian energy market.

Electricity distribution business

SP AusNet's electricity distribution business contributed A\$361.6m in total revenues for the HY2010/11. Revenues were 19.5% higher than the previous corresponding period, principally driven by increased revenues from incentive scheme payments due to improvements in network reliability, additional revenues from the AMI program, strong growth in customer numbers and favourable weather conditions. Total electricity distributed through the network was 4,163 GWh representing an increase of 2.7% from the previous corresponding period.

In the HY2010/11, 6,382 additional customers were connected to the network, representing an increase of 1.0% in total customers. Total capital expenditure for the period, excluding AMI, was A\$129.6m, of which A\$49.9m was customer initiated. The total capital expenditure for the period in relation to AMI was A\$56.8m.

On 29 October 2010, the Australian Energy Regulator ("AER") released its Final Decision regarding the Victorian electricity distribution network price determination for 2011 to 2015. The Final Decision provides for a Weighted Average Cost of Capital ("WACC") for SP AusNet of 9.65 per cent (in nominal after-tax terms). In addition, the Final Decision allows for the following over the five year period:

- total revenue of \$2,479.9 million (nominal);
- total capital expenditure of \$1,416.9 million (real \$2010); and
- total operating expenditure of \$858.1 million (real \$2010).

Gas distribution business

SP AusNet's gas distribution business contributed A\$139.5m in total revenues for the HY2010/11, up 4.0% on the previous corresponding period due to a growth in consumer numbers and a colder winter resulting in higher volumes. Total gas delivered through the network was 46.1PJ, an increase of 1.8% over the previous corresponding period.

Demand in Victoria's growth corridors is continuing to generate consumer connections to the network. In the HY2010/11, 9,477 additional customers were connected to the network, representing growth of around 1.7%. Capital expenditure for the period, excluding AMI, was A\$30.9m of which A\$22.1m was customer initiated.

Electricity transmission business

SP AusNet's electricity transmission business contributed A\$291.5m in total revenues for the HY2010/11, up 2.8% on the previous corresponding period due to the increased revenues under the

regulated price path. Total electricity transmitted through the network was 26,367 GWh, an increase of 3.0% from the previous corresponding period, due to higher demand in the second quarter combined with a more consistent winter demand. Transmission regulated revenue is not subject to volume risk.

The program of capital expenditure on the transmission network has progressed well during the year, and total capex for the period, excluding AMI was A\$68.6m, of which A\$20.1m was customer-initiated.

Select Solutions business

During the period, Select Solutions contributed \$55.6m in service revenue and \$2.0m in other revenue, an increase of \$7.4m over the previous year. Select Solutions contribution to EBITDA for the year was \$6.3m.

Select Solutions provides services to SP AusNet and also provides niche asset services, in particular metering and vegetation management, asset inspection and technical services to external parties including Jemena Asset Management Pty Ltd (referred to as "Jemena"). The agreements with Jemena commenced 1 April 2009 and are for an initial five year term. The agreements will continue for further five year terms unless terminated by either party by giving notice to terminate at the end of the current term. These agreements have resulted in SP AusNet extending its footprint to introduce these niche services into New South Wales.

SP AusNet Half Year Results 2010/11



10 November 2010

Disclaimer

The SP AusNet Group (SP AusNet) comprises SP Australia Networks (Transmission) Ltd (SP AusNet Transmission), SP Australia Networks (Distribution) Ltd (SP AusNet Distribution) (together, the Companies) and their subsidiaries, SP Australia Networks (Finance) Trust (SP AusNet Finance Trust) and the responsible entity for the SP AusNet Finance Trust, SP Australia Networks (RE) Ltd (Responsible Entity), which is the holder of the Australian Financial Services Licence No. 294117. Shares in each of the Companies are stapled to units in the SP AusNet Finance Trust.

The information in this presentation is not a prospectus or offering document and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in SP AusNet. The information is an overview (in summary form) and does not purport to be complete or contain all the information necessary to make an investment decision. This presentation is not financial product advice and does not take into consideration the investment objectives, financial situation or particular needs of any particular person. Therefore, before acting on any information contained in this presentation, each person should consider the appropriateness of the information having regard to its individual objectives, financial situation and needs, and should seek its own independent professional advice. This presentation, and the information in this presentation, will not form the basis of any contract or commitment.

This presentation has been prepared by SP AusNet on the information available. To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions in this presentation and SP AusNet, its directors, officers, employees, agents and advisers disclaim all liability and responsibility (including for negligence) for any direct or indirect loss or damage which may be suffered by any recipient through use or reliance on anything contained in or omitted from this presentation.

This presentation contains certain “forward-looking statements” and prospective financial information. These forward looking statements and information are based on the beliefs of SP AusNet’s management as well as assumptions made by and information currently available to SP AusNet’s management, and are current only as of the date of this presentation. All statements other than statements of historical facts included in this presentation, including without limitation, statements regarding SP AusNet’s forecasts, business strategy, synergies, plans and objectives, are forward-looking statements. In addition, when used in this presentation, the words “guidance”, “forecast”, “estimate”, “expect”, “anticipated” and similar expressions are intended to identify forward looking statements. Such statements are subject to significant assumptions, risks and uncertainties, many of which are outside the control of SP AusNet and are not reliably predictable, which could cause actual results to differ materially, in terms of quantum and timing, from those described in this presentation.

In receiving this presentation, you agree to the above restrictions and limitations.

Overview of Results

Financial Performance

Operational Review

Strategy & Outlook

Note:

All references to '\$' are Australian dollars unless otherwise stated.





Delivering results



- Delivered solid revenue & NPAT growth
- On track to deliver at least 8cps distribution
- Continued RAB growth



Maintained financial discipline



- Maintained 'A' range credit rating
- Maintained low gearing and strong interest cover
- Distributions fully funded via operating cash flows

2010/11 Half Year Highlights (A\$M, comparison to prior year)

	Actual	Variance to Prior Year
Revenues *	785.8	↑ 10.1%
EBITDA	463.2	↑ 8.1%
EBIT	337.7	↑ 7.0%
NPAT	166.0	↑ 22.6%
Interim Distribution per stapled security	4.0 cents	— 0.0%

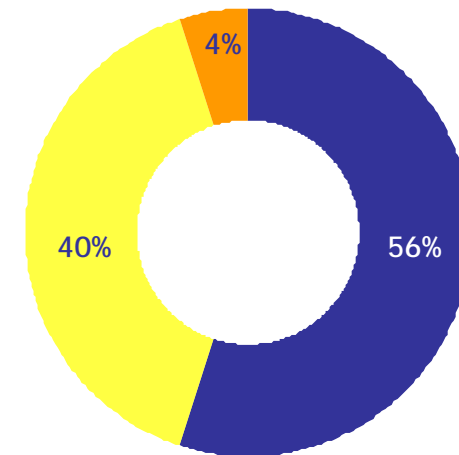
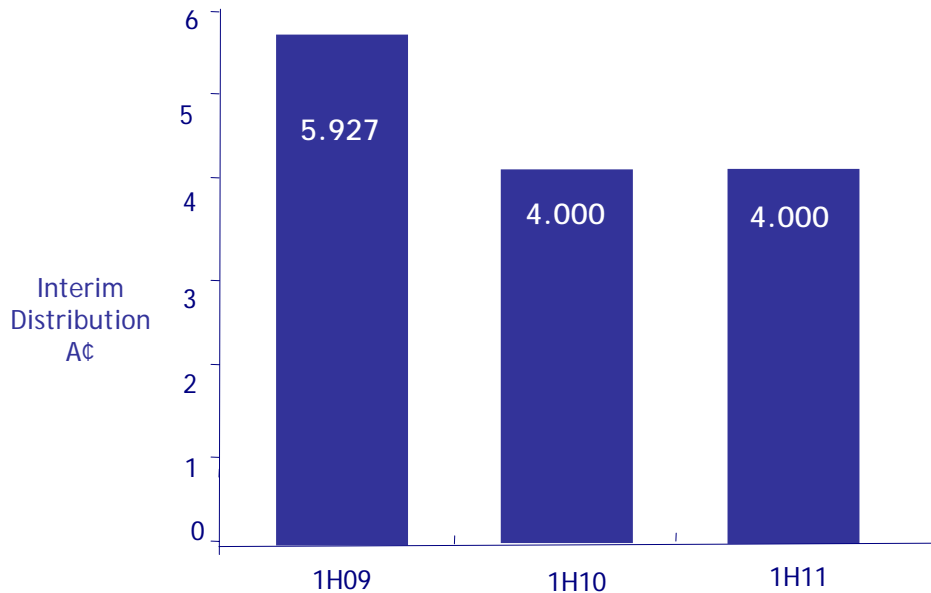
- Higher incentive scheme revenues due to improvements in network reliability & additional revenues from the Advanced Metering Infrastructure ("AMI") program
- Favourable weather conditions and continued growth in consumer connections
- Substantially lower income tax expense
- Higher net finance charge associated with \$11.8m (non cash) de-designation of interest rate hedges

* Includes 1H11 customer contributions of \$16.6m (1H10 customer contributions also \$16.6m)

Higher regulated revenues & lower tax expense driving NPAT growth

- Increased fully franked dividend component and maintained tax effectiveness of distribution

1H11 Distribution Components



	1H11	1H10
Interest Income	55.7%	47.2%
Fully Franked Dividend	39.8%	32.2%
Return Of Capital	4.5%	20.6%

Highest level of franking in the regulated utility sector

STABILITY

- 89% of revenues are regulated
- Regulated revenues are inflation protected
- Prudent gearing - 'A' range credit rating enables access to competitive financing
- Debt hedged against movements in interest rates (1H11 net debt hedging @ 98%)
- Distributions fully funded from operating cash flows

GROWTH

- Strong housing demand
- Organic growth from energy infrastructure demand (e.g. renewable generation)
- Ongoing evaluation of opportunities outside regulated asset base, e.g. Desalination Transmission
- Acquisition of niche asset services business
- Investment required to implement Royal Commission findings

Stable underlying cash flows to support future growth opportunities

Overview of Results

Financial Performance

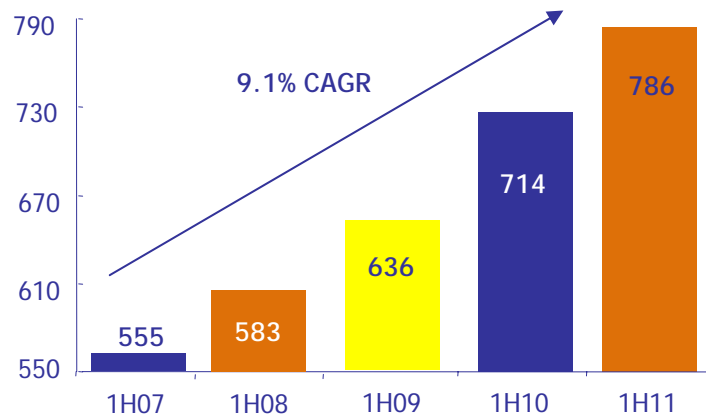
Operational Review

Strategy & Outlook

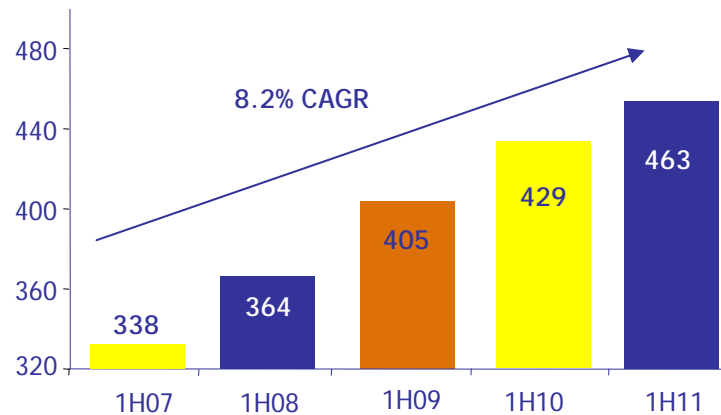


Strong underlying performance

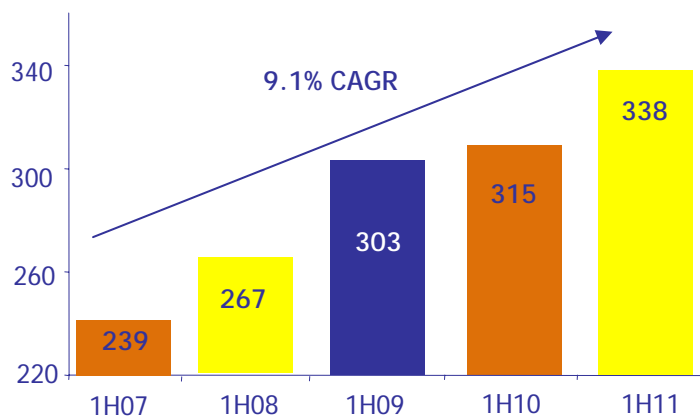
Revenue Growth (A\$M)



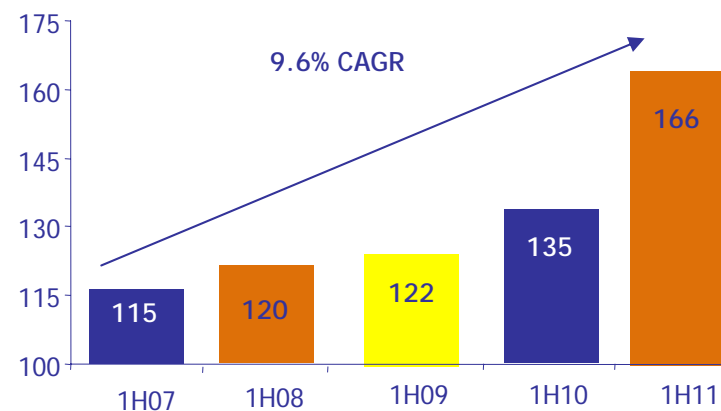
EBITDA* Growth (A\$M)



EBIT* Growth (A\$M)



NPAT* Growth (A\$M)

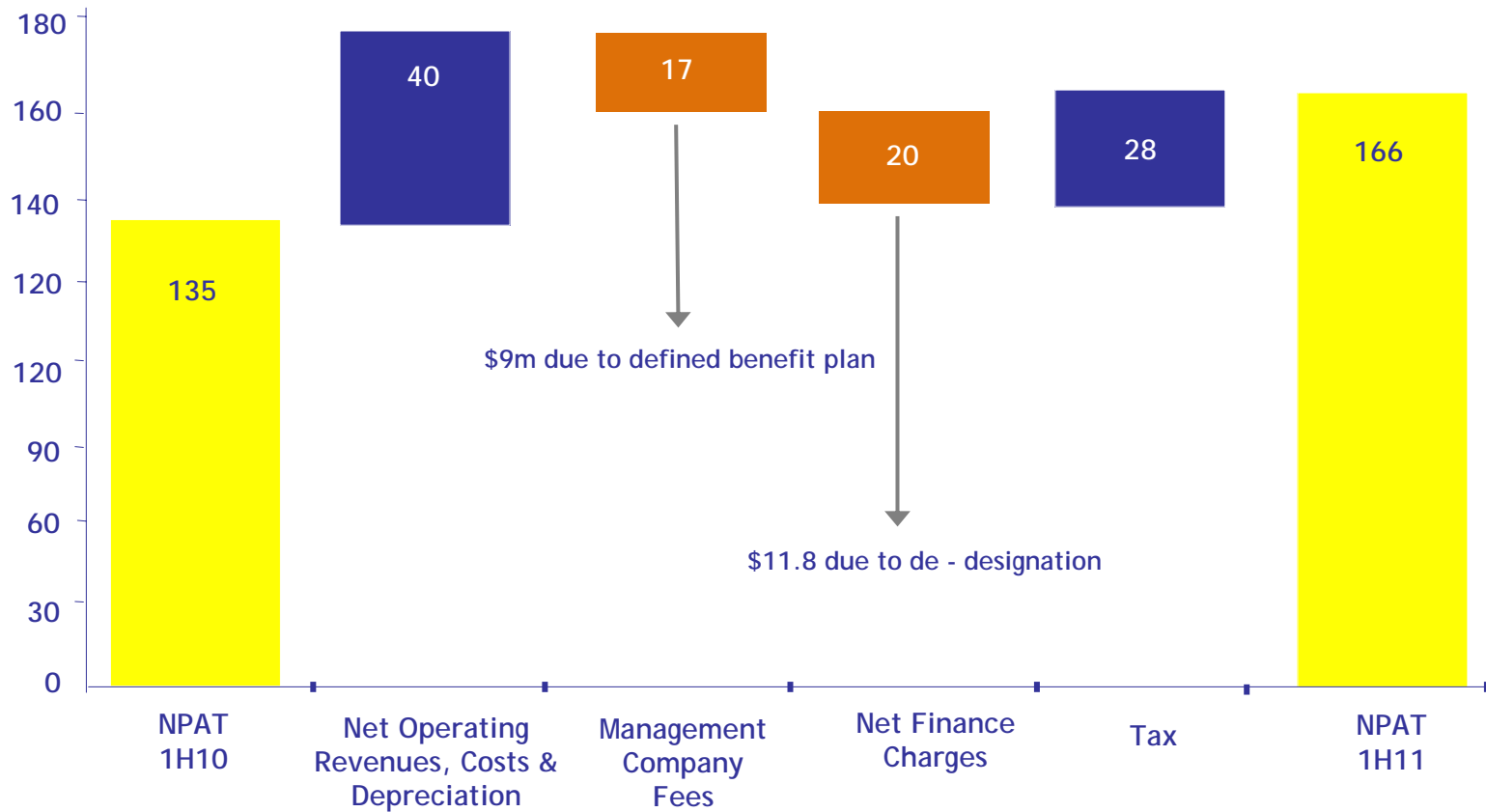


* Underlying

Sustainable year on year growth

Growth in NPAT

Half Year to 30 September 2010 (A\$M)



Increased revenues & lower tax expense

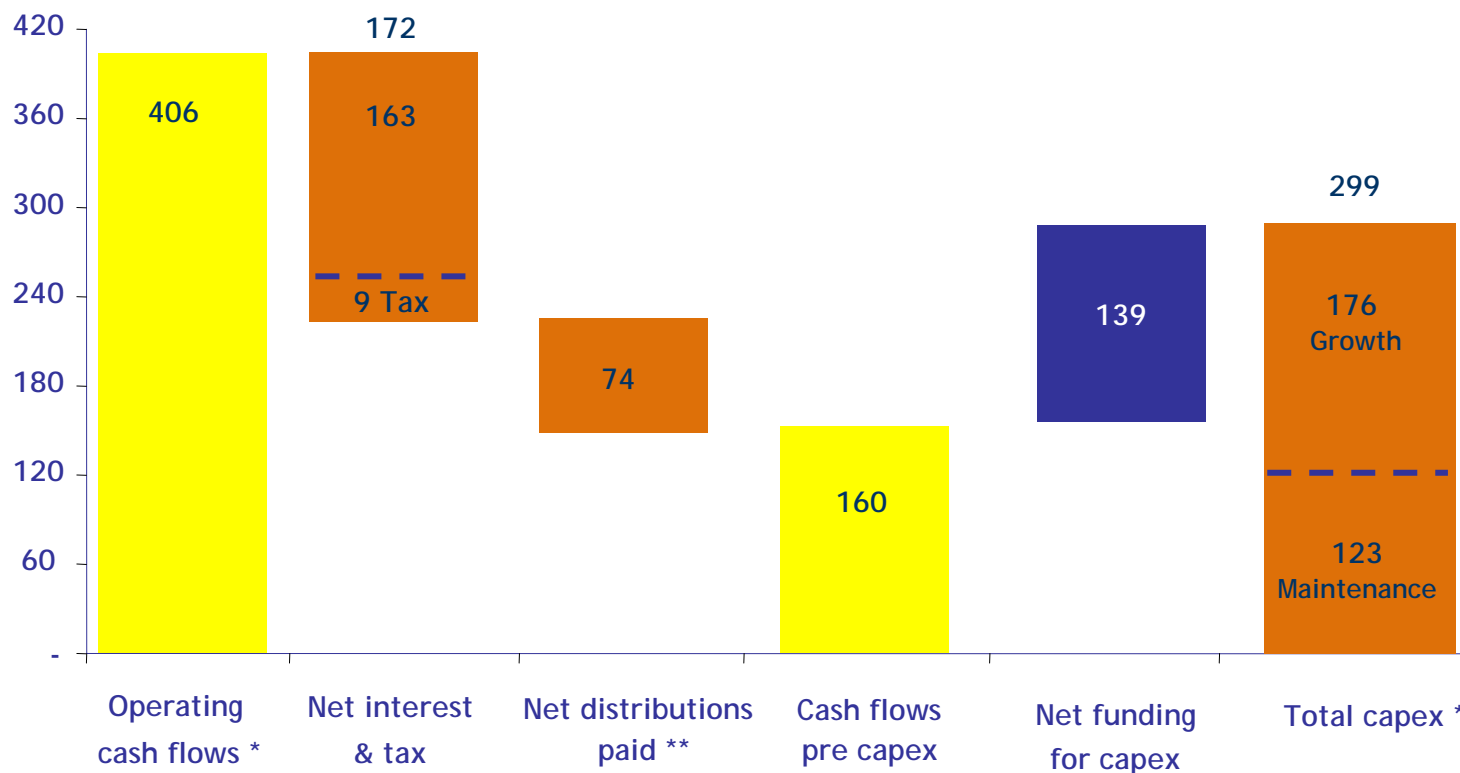
1H11 NPAT Reconciliation



	1H11	1H10
EBIT	338	315
- net interest expense	151	144
- de-designation of interest hedges / other	15	2
Net Finance Charges	166	146
- Prima facie tax @ 30%	52	51
<i>less</i>		
- SP AusNet Finance Trust interest (tax effected)	18	15
- investment allowance / R & D / other	18	2
- tax consolidation	10	-
Income Tax Expense	6	34
NPAT	166	135

Further tax consolidation credits may arise in 2H11, subject to legislation

Half Year to 30 September 2010 (A\$M)

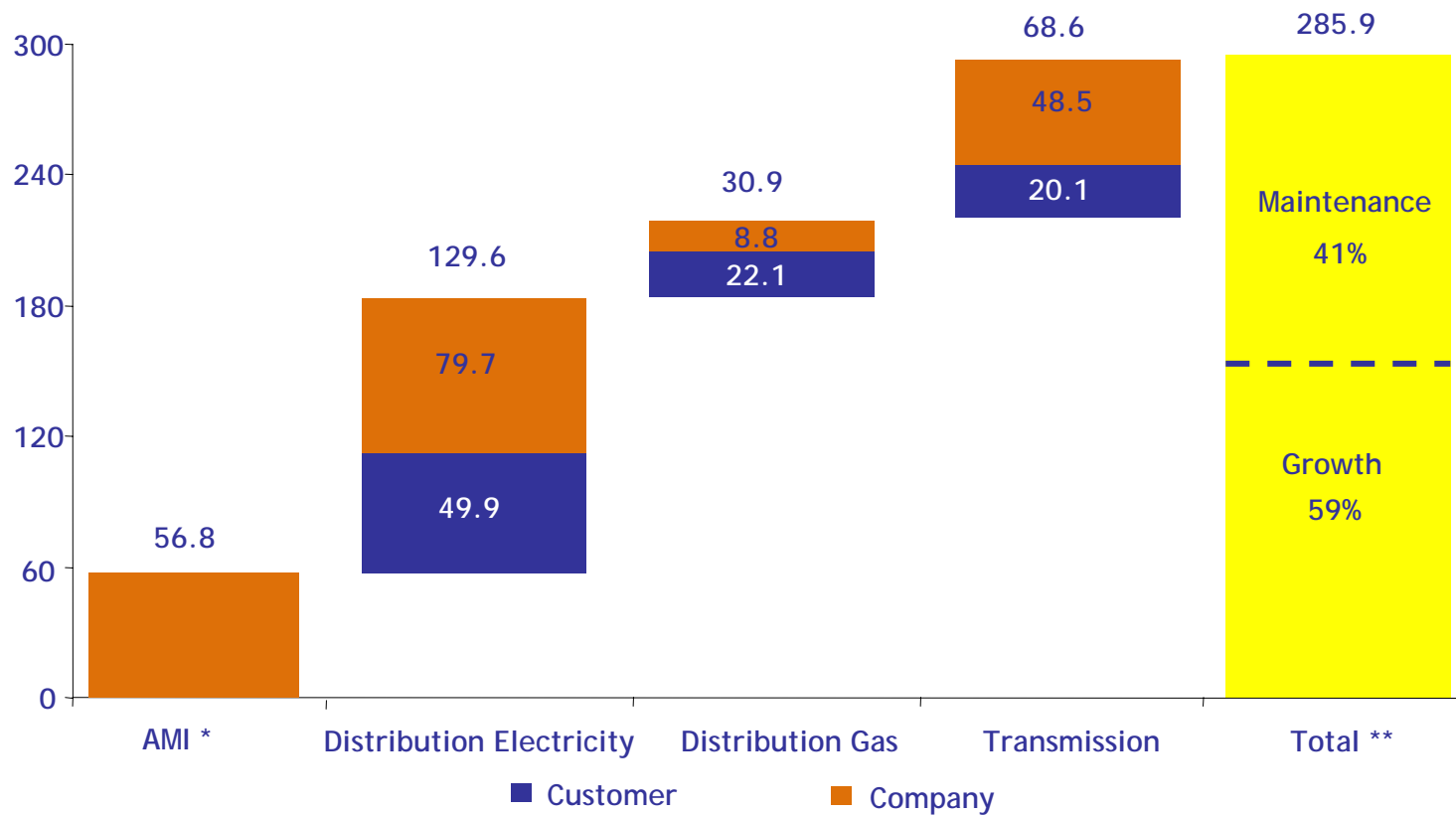


* Includes cash customer contributions of \$19.7m

** After deductions of \$34.6m retained via distribution reinvestment plan

Distributions funded from operating cash flows

Half Year to 30 September 2010 (A\$m)



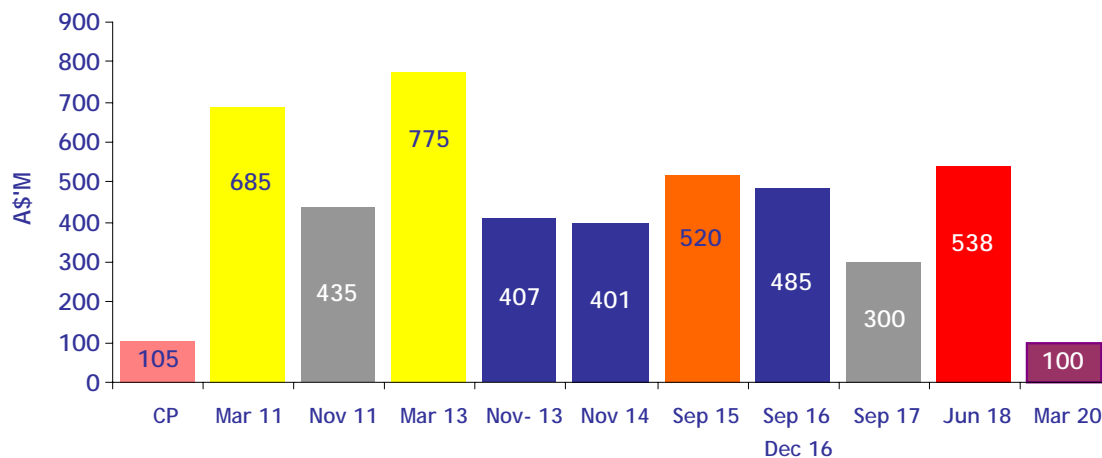
* Includes : Electricity distribution AMI capex \$53.5m. Transmission AMI Capex \$0.4m. Gas distribution AMI capex \$2.9m.

** Total capex on accruals basis and includes \$16.6m in customer contributions.

Sustainable capex growth

Debt maturity profile as at 30 September 2010 (A\$M)

Debt as at 30 Sep 10: \$4,750M. Net debt as at 30 Sep 10: \$4,304m *



*Debt at face value. Offshore debt shown at hedged rates

■ Bank Debt
 ■ A\$ MTNs
 ■ US\$
 ■ GBP
 ■ CP & Working Capital
 ■ CHF
 ■ HKD

- All funding in place up to March 2011. \$446m in cash
- \$725m in total undrawn committed bank debt facilities to be used for refinancing and capital expenditure
- 100% of foreign debt hedged, no impact from rising \$A

Debt portfolio well positioned

Market Metrics 30 Sep 10	ASX	SGX
Security Price	A\$0.86	S\$1.09
Market Capitalisation	A\$2.4bn	S\$3.0bn
Net Tangible Assets Per Security	A\$0.91	S\$1.15
Financial Metrics	30 Sep 10	30 Sep 09
Total Assets *	A\$8.8bn	A\$7.9bn
Total Borrowings *	A\$4.6bn	A\$4.0bn
Net Debt	A\$4.1bn	A\$3.8bn
Total Gearing (CV) ¹	62%	59%
Net Gearing (CV) ²	59%	58%
Debt / RAB ³	83%	74%
Net Debt / RAB ⁴	75%	72%
Interest Cover (EBITDA) ⁵	3.0x	2.9x

* Carrying Value as per Balance Sheet

1 See Appendix for more details. Calculated as debt at carrying value divided by debt at carrying value plus equity

2 Calculated as net debt at carrying value divided by net debt at carrying value plus equity

3. Debt at face value divided by regulated asset base (RAB). \$5.73bn RAB is estimate only

4. Debt at face value less cash divided by regulated asset base (RAB). \$5.73bn RAB is estimate only

5. Excludes 1H11 de-designation costs of \$11.8m

Strong financial position

Overview of Results

Financial Performance

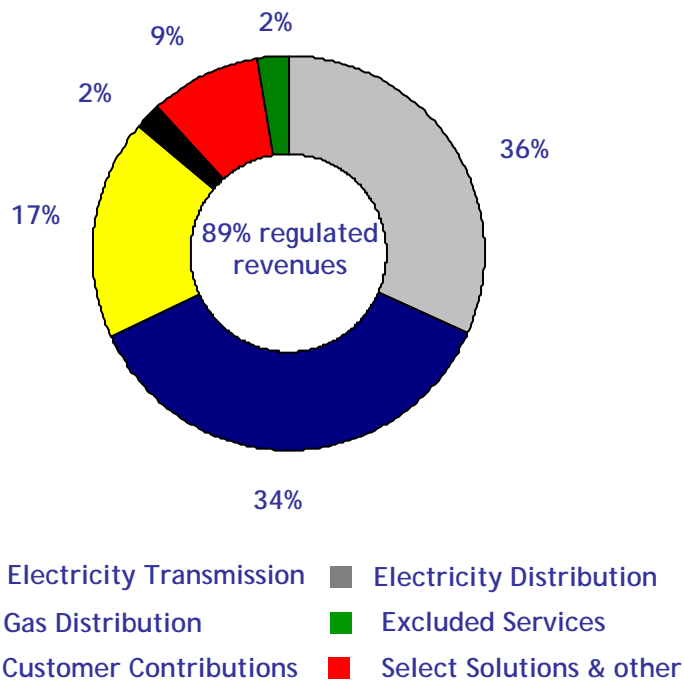
Operational Review

Strategy & Outlook

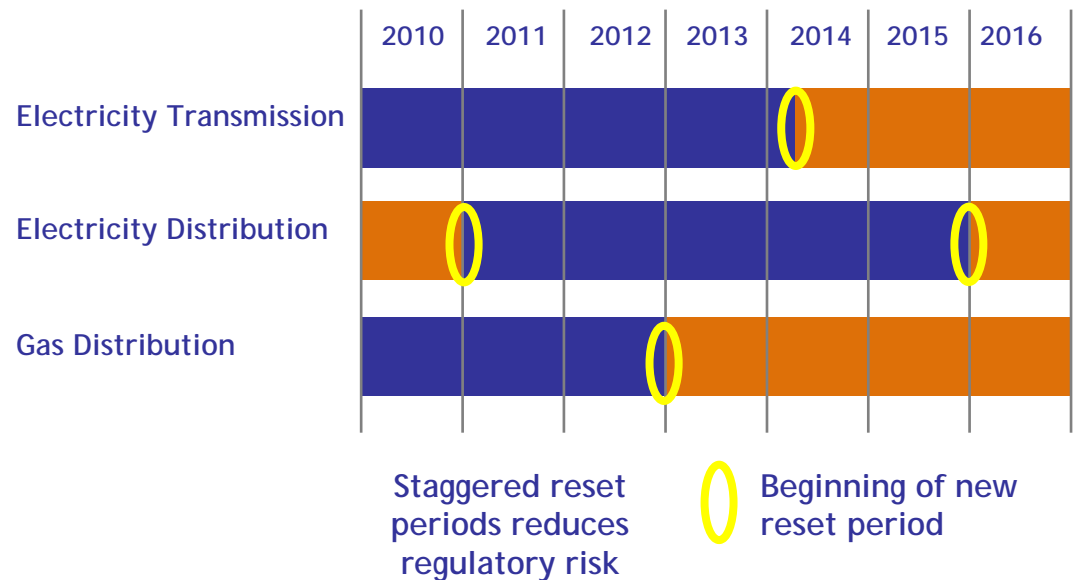


- 89% of revenues regulated
- As of Jan 1, 2011 approximately 90% of revenues locked in until the end of 2012

Total 1H11 Revenue A\$786m

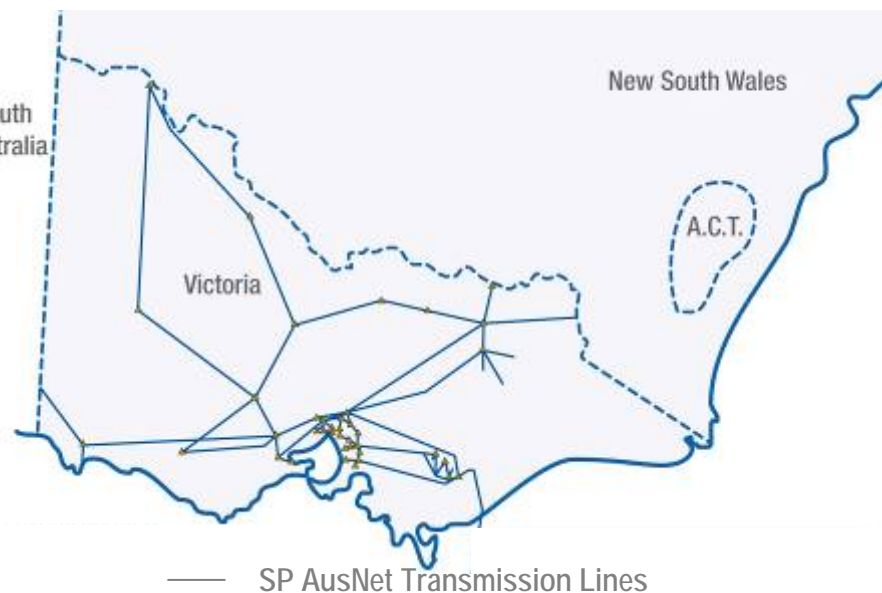


Diversified regulatory reset periods



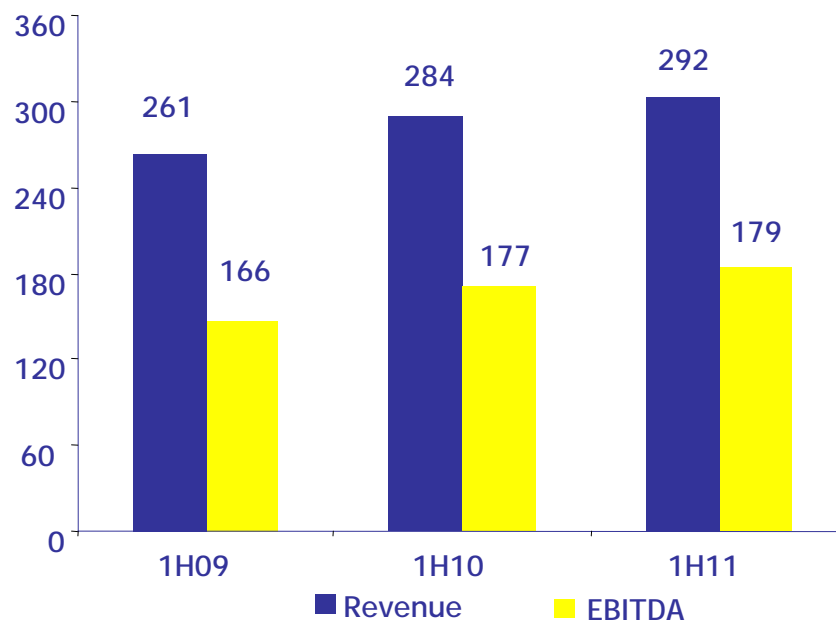
Operational Review

- Increase in regulated revenues
- Capacity to grow the network, both organically and through connection of new unregulated gas and wind generation
- ATO audits ongoing, no further confirmation of deductibility during 1H11



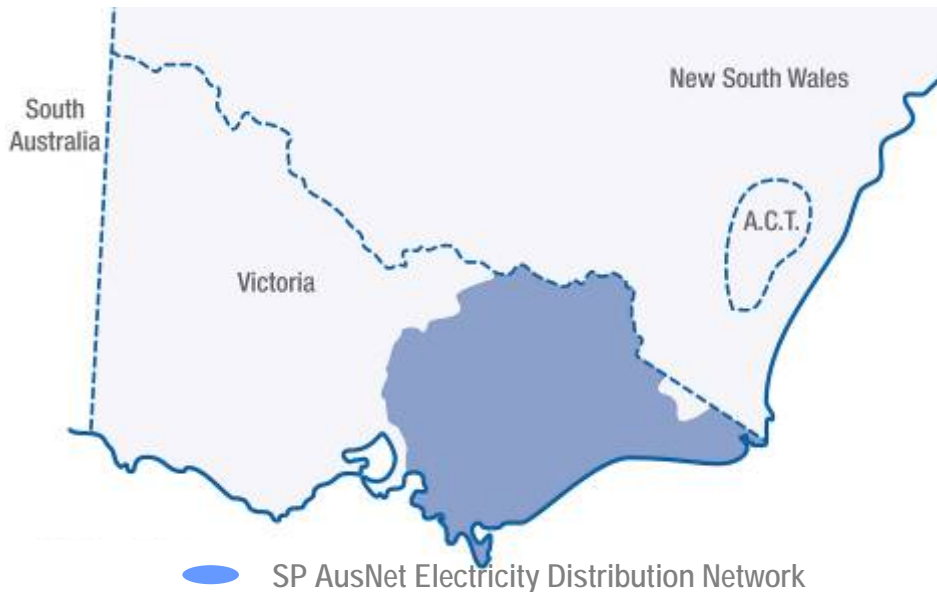
Half Year Financial Highlights (A\$M)

	30-Sep-10	30-Sep-09	Variance %
Revenue	291.5	283.5	2.8%
EBITDA	178.8	176.7	1.2%
EBITDA Margin	61.3%	62.3%	-
Volume (GWh)	26,367	25,603	3.0%



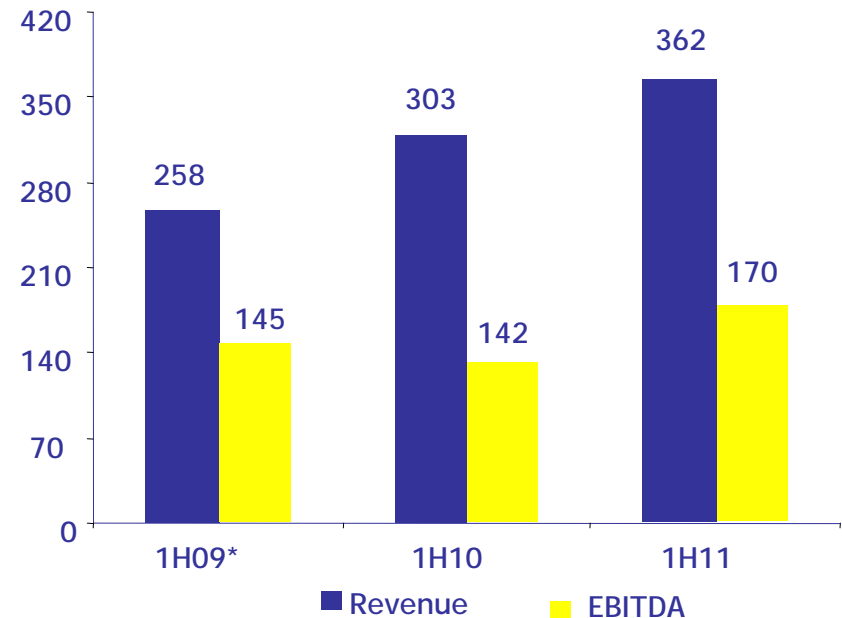
Operational Review

- Higher incentive scheme revenues due to improvements in network reliability & additional revenues from AMI
- Higher volumes due to favourable weather conditions & strong connection growth
- Filed defence & counterclaim relating to bushfire litigation
- Continued bushfire mitigation planning



Half Year Financial Highlights (A\$M)

	30-Sep-10	30-Sep-09	Variance %
Revenue	361.6	302.6	19.5%
EBITDA	169.9	141.5	20.1%
EBITDA Margin	47.0%	46.8%	-
Volume (GWh)	4,163	4,054	2.7%
Connections	626,110	613,633	2.0%

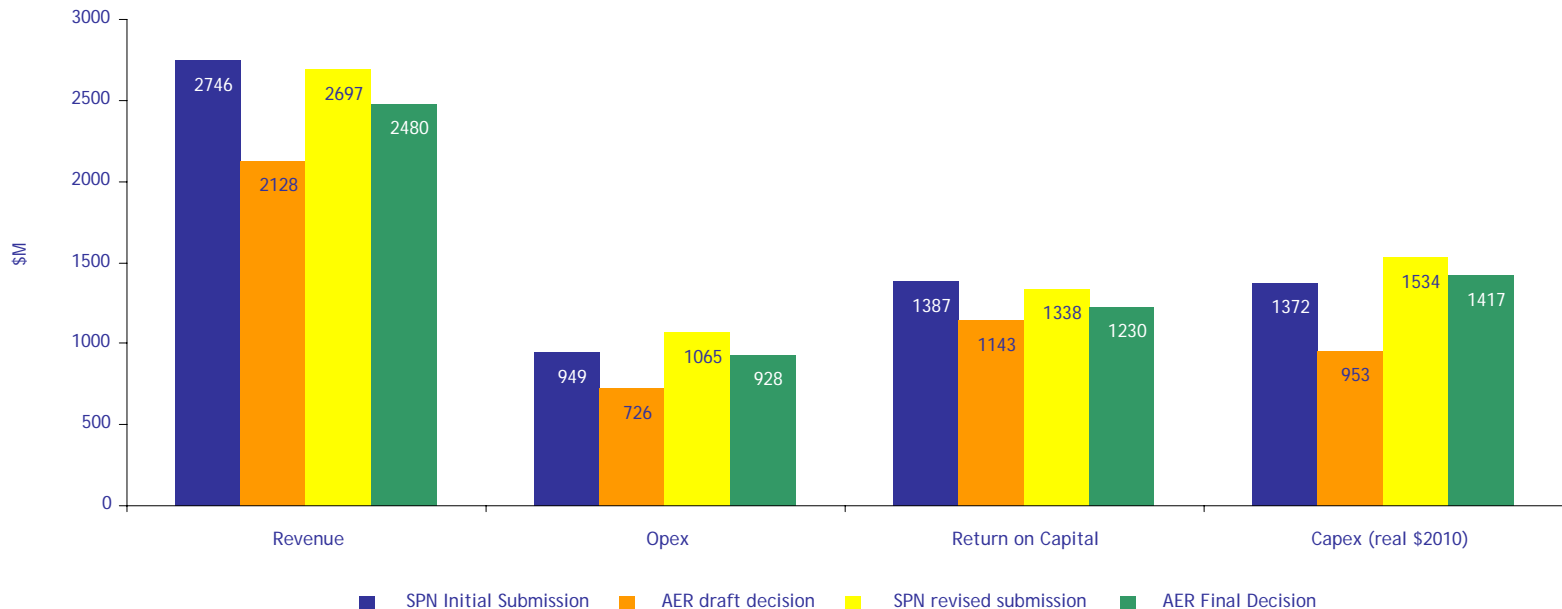


* FY09 adjusted for non-cash impairment of meters under AMI of \$43.3m pre-tax and \$30.3m post-tax.

Electricity Distribution Price Review (EDPR)



- Final decision received on 29 October 2010, with new pricing regime to apply from 1 Jan 2011 for 5 years
- Final decision provides \$2.5bn of revenues, through higher allowances for capital and operating expenditure
- See Appendices for further detail



EDPR final decision a significant improvement on draft

AMI - Advanced Metering Infrastructure

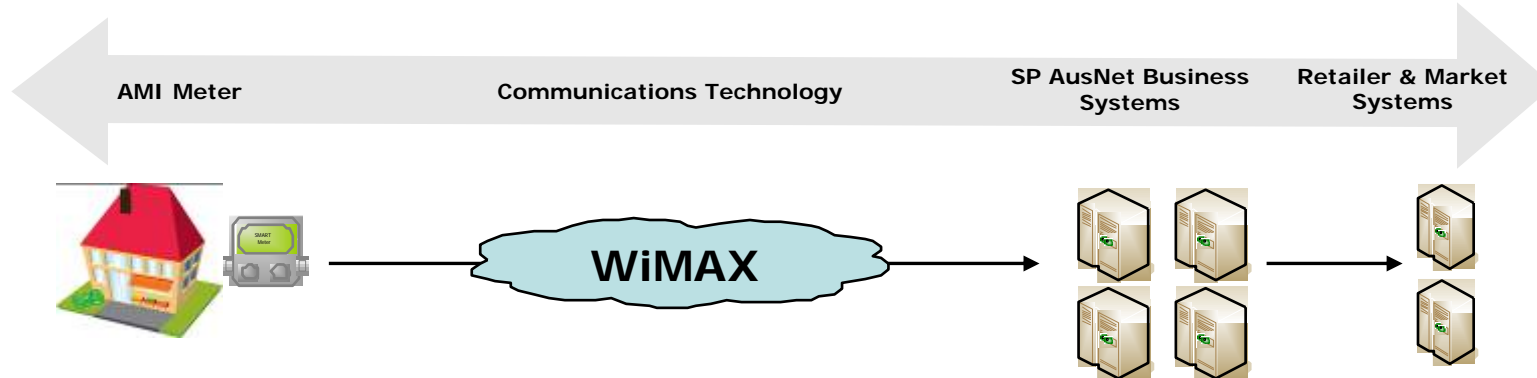
AMI Timetable

Dec 2009
First meters installed

Sep 2010
42,000 meters installed

Dec 2013
Complete

- As at September 30, approx 42,000 smart meters were installed
- Achieved Government target of 5% of all meters installed & operating to specifications
- Capex spent to date is approx \$160m and will peak in FY12 before completion in FY14
- Estimated capex of \$450m - \$500m, approximately 680,000 meters rolled into the RAB
- Independent report¹ confirms benefits of AMI, e.g. improved reliability
- 1H11 revenues of \$33m



¹ Oakley Greenwood Report : Benefits & Costs of AMI Program, August 2010

AMI remains on track

Royal Commission

- Royal Commission published findings on 31 July and made 67 recommendations, 8 of which relate to electricity assets. Key recommendations include :
 - Replacement of SWER lines with aerial bundled cable, undergrounding or other technology
 - Asset inspection regimes in high bushfire risk areas to move from 5yr to 3yr cycles
 - Improve training and auditing processes for asset inspectors
 - Increased vegetation management outside clearance zone
 - Disable /adjust reclose function on SWER lines and 22Kv feeders
 - Fit additional equipment to high risk lines
 - Strengthen Energy Safe Victoria's mandate

- Government response : Government established Powerline Bushfire Safety Taskforce to investigate full range of options. Interim report due Jan 2011, final report due June 2011. SP AusNet assisting Taskforce with scope, timing and implementation of investigation to meet objectives of the Royal Commission.

Electricity distribution network - Victorian Bushfires February 2009



Litigation

- In August 2010, SP AusNet filed its defence & counterclaim in the proceedings relating to the Beechworth fires. SP AusNet has counterclaimed against three parties: the Department of Sustainability and Environment, Parks Victoria and a contracted inspector of vegetation.
- In September 2010, SP AusNet filed its defence & counterclaim in the proceedings relating to the Kilmore East fires and has counterclaimed against several parties: the Department of Sustainability and Environment, the State of Victoria (Victoria Police), the Country Fire Authority and a contracted inspector of electricity assets.
- The purpose of the counterclaims is to join other parties where they may be relevant to the Court's consideration of the causes and consequences of the Kilmore East fire & Beechworth fires.
- The hearings in the legal proceedings relating to the Kilmore East & Beechworth fires will be heard separately and are unlikely to commence until late 2011. The Plaintiffs' claims have not identified any quantum of damages sought in proceedings relating to either the Kilmore East or Beechworth fires.
- SP AusNet has liability insurance which specifically covers bushfire liability. SP AusNet reviews its insurance cover annually & ensures it is commensurate with the scale and size of its operations and with industry standards and practice.

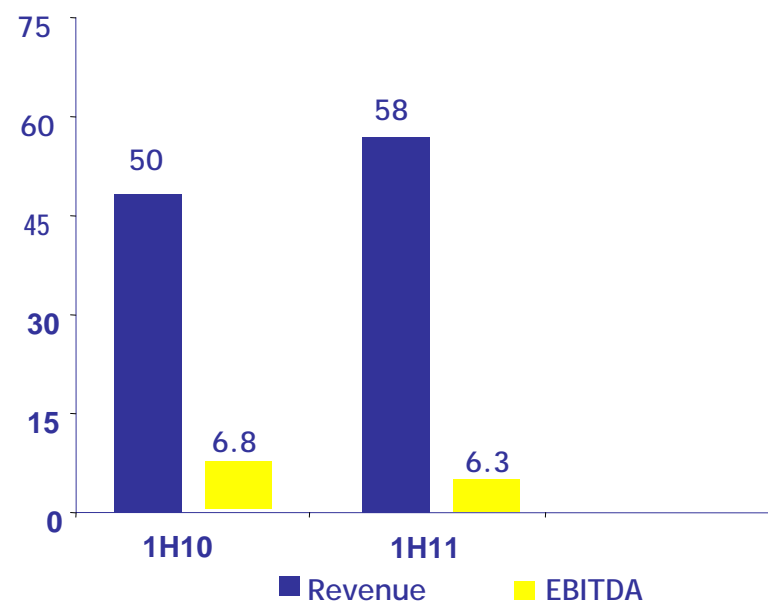
SP AusNet will vigorously defend any legal claims

Operational Review

- Leverage off regulated asset base
- Margins to improve over time
- Successful tenders with Ergon & TransGrid
- Effective 1 October 2010, SP AusNet acquired Schultz plumbing. Schultz plumbing is a leading water metering service provider in Victoria.

Full Year Financial Highlights (A\$M)

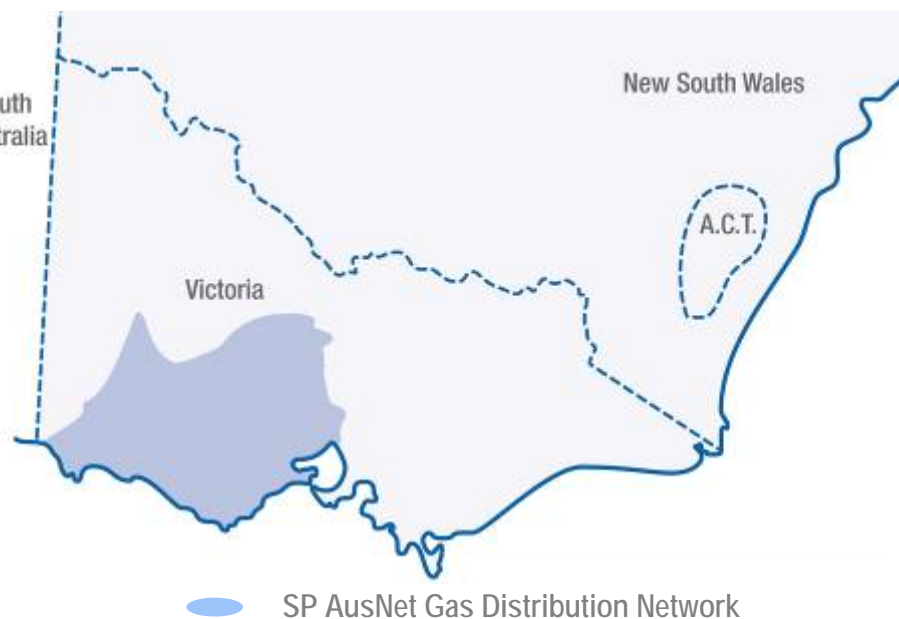
	30-Sep-10	30-Sep-09	Variance %
Revenue	57.6	50.2	14.7%
EBITDA *	6.3	6.8	-7.4%
EBITDA Margin	10.9%	13.5%	-



*Excludes allocation of corporate overheads

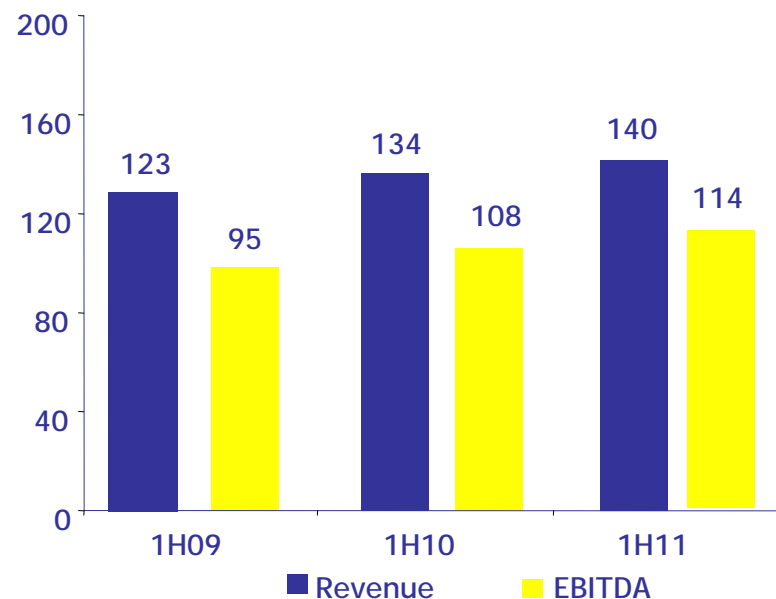
Operational Review

- Increase in regulated revenues
- Higher volumes due to favourable weather conditions & strong connection growth
- Continued growth in new housing connections



Half Year Financial Highlights (A\$M)

	30-Sep-10	30-Sep-09	Variance %
Revenue	139.5	134.1	4.0%
EBITDA	114.4	107.7	6.2%
EBITDA Margin	82.0%	80.3%	-
Volume (PJ)	46.1	45.3	1.8%
Connections	581,155	563,592	3.1%



Overview of Results

Financial Performance

Operational Review

Strategy & Outlook



- To provide our customers with superior network and energy solutions. The focus will be on adding value to customers and Securityholders with development in the following key business areas:
 - **Existing Networks** - our existing asset base must remain resilient and reliable. Organic growth is strong & shows no sign of abating. It must also provide a foundation for Smart Network development. This will require investment in new technology and the exploration of emerging markets.
 - **Smart Networks** - strategy and capability will be developed over the next five years and become integrated within SP AusNet's standard asset management response function and will provide energy solutions to third parties.
 - **Select Solutions Services** - SP AusNet's competitive niche services business, will grow revenues and increase market share by offering new products and services to existing and new customers.

M&A will only be explored if it adds value to securityholders

- For FY11, SP AusNet expects to at least match distributions per security in FY10
- Organic growth continues to be strong, FY11 capital expenditure is expected to be around 16% higher than FY10
- Expanding niche asset services remains a strategic focus
- Will continue to explore growth opportunities beyond traditional regulated businesses
- Target 130,000 smart meters installed by March 31, 2011

Overview of Results

Financial Performance

Operational Review

Strategy & Outlook

Questions



Overview of Results

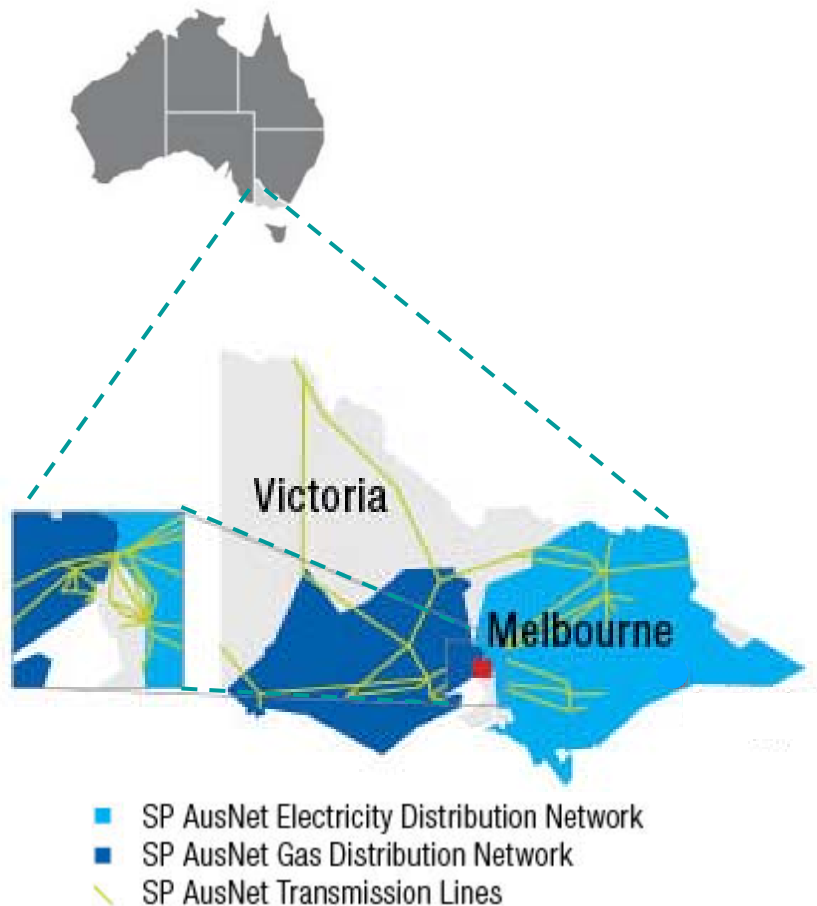
Financial Performance

Operational Review

Strategy & Outlook

Appendices





Key Network Statistics*

Electricity Transmission

- 6,585km of transmission lines
- 12,900 towers

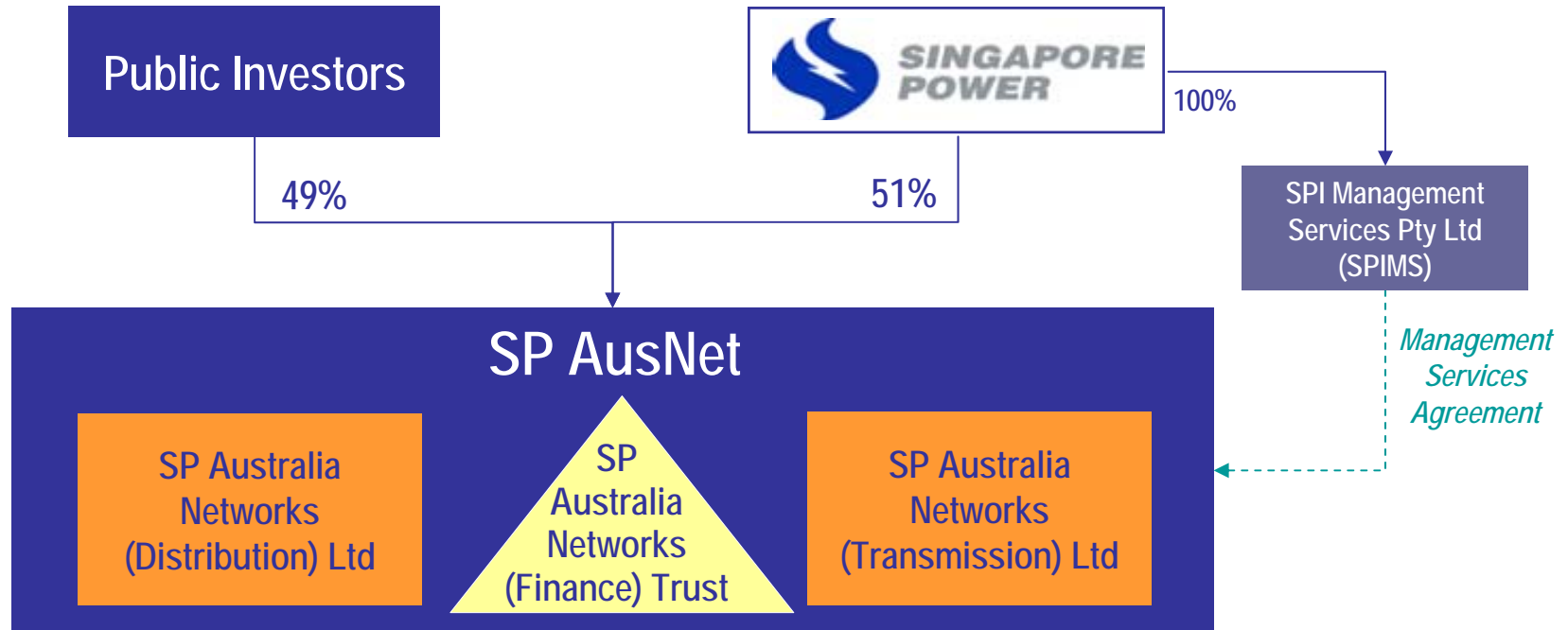
Electricity Distribution

- 46,937km of electricity distribution network
- 626,110 electricity distribution customers

Gas Distribution

- 9,652km of gas distribution network
- 581,155 gas distribution customers

* All figures are approximate as at 30 Sep 2010



➤ Investment in SP AusNet comprises a stapled security consisting of:

- One share in SP Australia Networks (Distribution) Ltd;
- One share in SP Australia Networks (Transmission) Ltd; and
- One unit in SP Australia Networks (Finance) Trust

Cash available for capex



	1H11	1H10
Statutory operating cash flow	406 ¹	404
<i>less</i> Net finance charges	163	168
<i>less</i> Tax paid	9	10
<i>less</i> Net Distribution ²	74	113
Cash flow available for capex	160	113
<i>less</i> maintenance capex	123	120
Cash available for growth capex	37	-7

¹ Lower than 1H11 EBITDA of \$463m due to increase in receivables of \$60m

² 1H11 amount shown represent distributions paid of \$108.2m offset by proceeds from the DRP of \$34.6m. 1H10 amount shown represent distributions paid of \$125.7m offset by proceeds from the DRP of \$12.3m

Distributions fully funded via operating cash flows

Management fees

Half year to 30 Sep (A\$M)	2010	2009	Variance
Management Services Charge	15.1	4.8	10.3
Performance Fees	12.0	5.1	6.9
Total Management Fees	27.1	9.9	17.2

- Management Services Charge is a direct pass through of senior management costs
- Increase in total management fees mainly related to defined benefit actuarial gain in Sep 09 (\$7M) whereas a defined benefit loss of (-\$2M) was recognised in Sep 10
- Increase in performance fees mainly due to nil network performance fees in Sep 09
 - Network Performance fees of \$7.7m
 - Financial Performance fees of \$3.1m
 - Capital Works Management fees of \$2.6m
 - Performance fee cap of (\$1.4m)

Performance fees capped at 0.50% of market capitalisation

Electricity Distribution Price Review (EDPR)



- Final AER decision under building block approach to apply from 1 Jan 2011 - 31 Dec 2015

Year ending 31 Dec (\$M)	2011	2012	2013	2014	2015	Total	Avg
Total Revenue	430	458	488	528	575	2480	496
Capital Expenditure	278	284	293	284	279	1417	283
Operating Costs	163	174	185	199	207	928	186
Return on Capital	200	220	245	270	296	1230	246
Regulatory Depreciation	91	51	62	58	55	318	64
Tax	11	3	5	4	4	27	5
Efficiency Carryover	11	-25	-9	2	0	-21	-4

Electricity Distribution Price Review (EDPR)



Parameter	Current Period	Draft Decision	Final Decision
Risk Free Rate	5.27%	5.65%	5.14%
Debt Risk Premium	1.43%	3.25%	4.05%
Beta	1.0	0.8	0.8
Gamma	0.50	0.65	0.50
Market Risk Premium	6.0	6.5	6.5
Nominal Vanilla WACC	8.53%	9.68%	9.65%
Nominal Post Tax Return on Equity	11.27%	10.85%	10.34%
Net Capex (\$M Dec 2010)	996	953	1417
Opex (\$M Dec 2010)	670	672	858
Revenue (Nominal)	1738	2,104	2,480

- SP AusNet Transmission notified of audits in Dec 2008
- Focus on Sec 163AA impost & Intellectual Property (“IP”) deductions dating back to 1998 tax year and subsequent years
- Primary Tax at risk = \$81m approx. (\$53.3m for Sec 163AA & \$27.7m for IP)
- On 31 Mar 2010, the ATO informed SP AusNet of its intention to deny Sec 163AA imposts - no amended assessments have yet issued to confirm this intention
- On 7 Sep 2010, the ATO informed SP AusNet that it will not be liable for any administrative penalties and has also granted a partial remission in respect of any future interest penalty imposed
- SP AusNet Distribution notified of tax consolidation audit in Dec 2009
- No cash tax at risk on consolidation audit due to significant tax losses
- All tax positions taken by SP AusNet are supported by independent tax advice

Despite ATO Audits, SP AusNet has not changed its view

Debt reconciliation

1H11 Face Value Debt	\$4,749.7M
Adjusted for ;	
Fair Value Debt (Hedging)	\$163.7M (principally FX movements)
Discount/Premium	\$0.1M
Loan Fees	\$14.1M
1H11 Carrying Value Debt	\$4,571.8m
1H 11 Face Value Debt	
Domestic	\$ 2,300.0M
International	\$2,449.7M

Fair Value Debt (Hedging) predominantly relates to the restatement of foreign debt for FX movements, which is hedged via derivative instruments

Further Information and Contacts



SP AusNet is a major energy network business, which owns and operates key regulated electricity transmission and electricity and gas distribution assets located in Victoria, Australia.

Further information is on SP AusNet's website: www.sp-ausnet.com.au

For further information contact:

Investor Relations

John Nicolopoulos
Manager, Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Relations

Louisa Graham
Manager Corporate Communications
+61 3 9695 6401 or + 61 418 358 327

SP AusNet

SP Australia Networks (Distribution) Ltd
ABN 37 108 788 245

SP Australia Networks (Transmission) Ltd
ABN 48 116 124 362

SP Australia Networks (Finance) Trust
ARSN 116 783 914

SP Australia Networks
ABN 46 109 977 371
AFS Licence No. 294117 as responsible entity
for SP Australia Networks (Finance) Trust

Level 31
2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Austr

Tel: +61 3 9695 6000
Fax: +61 3 9695 6666