



Tuesday, 20 May 2014

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

Dear Sir / Madam

**Spark Infrastructure announces 14.1% interest in Duet Group and equity raising**

Please find attached a statement announcing that Spark Infrastructure has acquired a minimum 14.1% interest in Duet Group and will raise \$200 million via a fully underwritten placement to institutional securityholders.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Alex Finley".

**Alexandra Finley**  
**Company Secretary**



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# ASX RELEASE

Tuesday 20 May 2014

## Interest in DUET Group and equity raising

Spark Infrastructure has today announced that it has acquired an interest of a minimum of 14.1% in DUET Group (Ticker: DUE).

Rick Francis, Managing Director of Spark, said "We believe the acquisition of the 14.1% interest in DUET Group at the average entry price of \$2.16 per stapled security is economically and strategically attractive. It is expected to provide cash flow accretion and creates optionality for future value extraction. DUET's portfolio of assets is consistent with Spark's investment mandate of investing in quality electricity, gas and water regulated and long-lived infrastructure assets, and provides portfolio diversification on a geographic, energy and regulatory basis".

The 14.1% interest was acquired through derivative contracts with Deutsche Bank AG, Sydney Branch, comprising:

- Cash-settled equity swaps providing economic exposure to 4.6% of DUET, and
- 3-year Forward contracts which provide Spark with a 9.5% interest, and, at Deutsche Bank's election, a further 2.5% interest in DUET.

Spark has also entered into a cash-settled Collar over the 14.1% interest. Further details of the derivative contracts, including the Collar, are contained in the substantial shareholder notice lodged today. Spark has also lodged a Placement Pack for the information of potential investors in the equity raising (refer below).

The interest is consistent with Spark's established strategy of investing in quality regulated and long-lived infrastructure assets and creates an opportunity to capture additional value in the future for securityholders during a time when the Australian infrastructure sector is undergoing significant consolidation and change. In the current circumstances, particularly given the relative scale of the two entities, Spark does not intend to make a takeover bid for DUET.

The interest in DUET was acquired at an average entry price of \$2.16 per stapled security, being a 4.0% discount to DUET's last closing price of \$2.25 on 19 May 2014. The 14.1% interest will include an effective entitlement to the expected DUET June 2014 distribution, of 8.5 cents per stapled security (cps), and is expected to be accretive.<sup>1</sup>

The investment has been prudently funded through a combination of embedded funding and new equity. Spark has today launched a fully underwritten equity raising of \$200 million which complements the funding embedded within the derivative contracts. In addition, Spark has corporate bank facilities which total \$275 million and are fully available, as and when required.

The Board has today provided guidance for a 2014 Half Year distribution of 5.75 cps payable in September 2014, and has reconfirmed its Full Year 2014 distribution guidance of 11.5 cps, and growth of 3-5% in distributions per security for 2015, subject to business conditions.

The Board has also reiterated its previous guidance that Spark does not require any additional equity to fund capital expenditure in its existing investments in SA Power Networks (SAPN) and Victoria Power Networks (VPN) during the current regulatory periods (which end on 30 June 2015 in respect of SAPN and 31 December 2015 in respect of VPN).

## Overview of Equity Raising

Spark will raise \$200 million via a fully underwritten placement to institutional and professional investors to part fund the acquisition.

The final price will be determined via a bookbuild which is underwritten at a floor price of \$1.75 per stapled security. The floor price represents a 6.9% discount to the last close price of \$1.88 and a 5.4% discount to the 5-day volume weighted average price of \$1.85.

The stapled securities issued under the Placement will be within Spark's existing placement capacity pursuant to ASX Listing Rule 7.1. All stapled securities issued under the placement will rank equally with Spark's existing stapled securities and will be entitled to the full 2014 Half Year distribution of 5.75 cps, payable in September 2014.

The Placement Pack being used for the Equity Raising is attached.

Key dates for the placement:

| Event  | Date <sup>2,3</sup> |
|--|---------------------|
| Placement bookbuild  | 20 May              |
| Announcement of completion of Placement                                    | 21 May              |
| Settlement of new stapled securities issued under the Placement            | 26 May              |
| Allotment and trading of new stapled securities issued under the Placement | 27 May              |

Notes:

1 Subject to the Collar

2. Timetable is subject to change. Spark reserves the right to alter the above dates at its discretion and without notice, subject to the ASX Listing Rules and Corporations Act

3. All dates and times refer to Australian Eastern Standard Time

## Further Information:

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This press release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Rule 902(k) under the U.S. Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"), or in any other jurisdiction in which such an offer would be illegal. The new securities referred to herein (the "New Securities") have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. In addition, none of the Spark Infrastructure entities have been, or will be, registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on the exception provided by Section 3(c)(7) thereof. Accordingly, the New Securities cannot be held at any time by, or for the account or benefit of, any U.S. Person who is not both a "qualified institutional buyer", as defined under Rule 144A under the Securities Act ("QIB"), and a "qualified purchaser", as defined in section 2(a)(51) of the Investment Company Act ("QP"). Any U.S. Person who is not both a QIB and a QP (or any investor who holds New Securities for the account or benefit of any U.S. Person who is not both a QIB and a QP) is an "Excluded U.S. Person". Spark Infrastructure may require an investor to complete a statutory declaration as to whether they (or any person on whose account or benefit it holds New Securities) are an Excluded U.S. Person. Spark Infrastructure may treat any investor who does not comply with such a request as an Excluded U.S. Person. Spark Infrastructure has the right to: (i) refuse to register a transfer of New Securities to any Excluded U.S. Person; or (ii) require any Excluded U.S. Person to dispose of their New Securities; or (iii) if the Excluded U.S. Person does not do so within 30 business days, require the New Securities be sold by a nominee appointed by Spark Infrastructure. To monitor compliance with these foreign ownership restrictions, the ASX's settlement facility operator (ASTC) has classified the New Securities as Foreign Ownership Restricted financial products and put in place certain additional monitoring procedures. The New Securities may only be resold or transferred in regular brokered transactions on ASX in accordance with Regulation S under the Securities Act where neither such investor nor any person acting on its behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a U.S. Person or is acting for the account or benefit of a person in the United States or a U.S. Person, in each case in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in reliance on, and in compliance with, Regulation S under the Securities Act.

This press release contains certain "forward looking" statements. The words "anticipated", "expected", "projections", "forecast", "estimates", "guidance", "could", "may", "target", "consider" and "will" and other similar expressions are intended to identify forward looking statements. Forward looking statements, opinions and estimates provided in this press release are based on assumptions and contingencies which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, indications or guidance on future earnings, financial position or distributions and estimates and statements regarding Spark's future developments and the future operation of DUET Group are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, there can be no assurance that actual outcomes will not differ materially from these statements. To the full extent permitted by law, Spark and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

An investment in Spark's stapled securities is subject to investment and other known and unknown risks, some of which are beyond the control of Spark, including possible loss of income and capital invested. Spark does not guarantee any particular rate of return or the performance of Spark, nor does it guarantee the repayment of capital from Spark or any particular tax treatment. Persons should have regard to the risks outlined in this press release.