



SP AusNet™
A member of Singapore Power Group

SP AusNet – Half Year Report

Dear Securityholders

It is my pleasure to present SP AusNet's results for the first half of the financial year, 2010 / 2011.

SP AusNet has delivered an improved financial performance on all metrics specifically a 10.1 per cent increase in revenues, an 8.1 per cent increase in EBITDA, and a 22.6 per cent increase in NPAT for the half year compared to the same period last year.

Securityholders will be pleased to note that SP AusNet announced an interim distribution of 4 Australian cents per security. The tax effective nature of the distribution has also improved, increasing the fully franked component to 40 per cent of the total distribution.

We have demonstrated financial discipline by maintaining an 'A' range credit rating.

SP AusNet saw increased capital expenditure for the half year, up 11.7 per cent to \$286m. Organic growth continues to be strong and at full year 2011, SP AusNet expects our capital expenditure to be around 16 per cent higher than full year 2010.

As of September 2010, we had installed approximately 42,000 smart meters across our network in Victoria as part of the Advanced Metering Infrastructure (AMI or smart meters) program as mandated by the Victorian Government, to give customers access to energy usage information and increase their

ability to make informed decisions about their energy consumption.

On 29 October 2010, the Australian Energy Regulator released its Final Decision regarding the Victorian electricity distribution network price determination for 2011 to 2015. This decision provides funding for SP AusNet to proceed with extensive safety related replacement programs, arising from the Electrical Safety Management Scheme, enhanced bushfire mitigation programs and expanded vegetation management programs to meet additional bushfire mitigation and regulatory requirements.

SP AusNet contributed to the Royal Commission of Inquiry into the bushfires of February 2009 and welcomes the Bushfire Royal Commission's recommendations. We are pleased to work with the Powerline Bushfire Safety Taskforce to assist in evaluating options for the electricity industry based on latest technologies and robust risk analysis. SP AusNet is also a defendant in legal proceedings before the Supreme Court of Victoria concerning the bushfires. SP AusNet has liability insurance in place which 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 and the risks assessed to be associated with its operations.

Reflecting on what has been a strong half year for SP AusNet, I would like to thank you for your continued support. We remain committed to providing a sustainable investment and a reliable network and are on target to deliver our distribution guidance of at least 8 cents per stapled security for the 2010 / 2011 full year.

I encourage you to visit our Investor Centre on the SP AusNet website at www.sp-ausnet.com.au, where you can view our company reports, and obtain the latest news, updates and ASX and SGX-ST releases.

Regards

Nino Ficca
Managing Director
SP AusNet



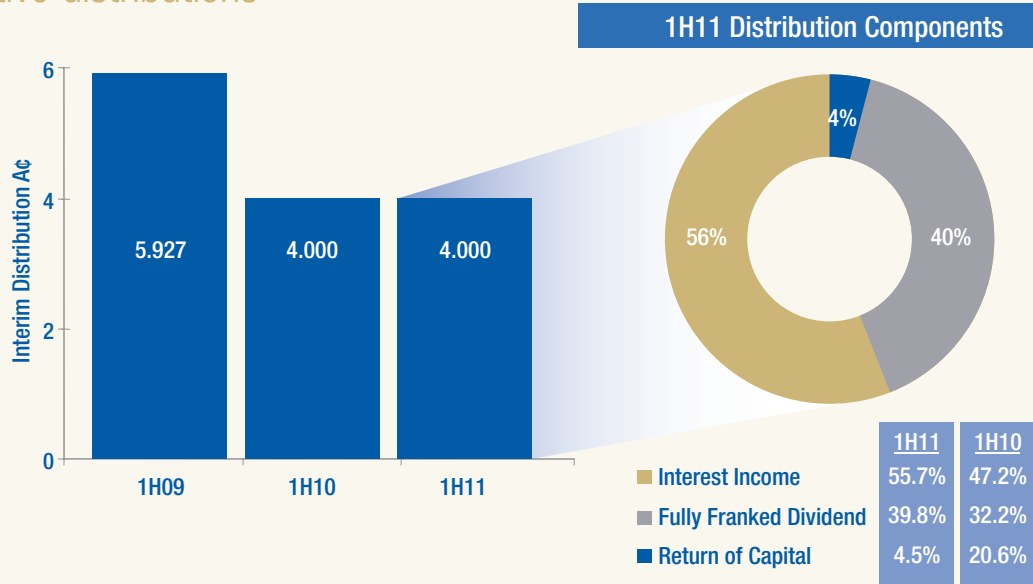
Revenues
10.1%

EBITDA
8.1%

NPAT
22.6%

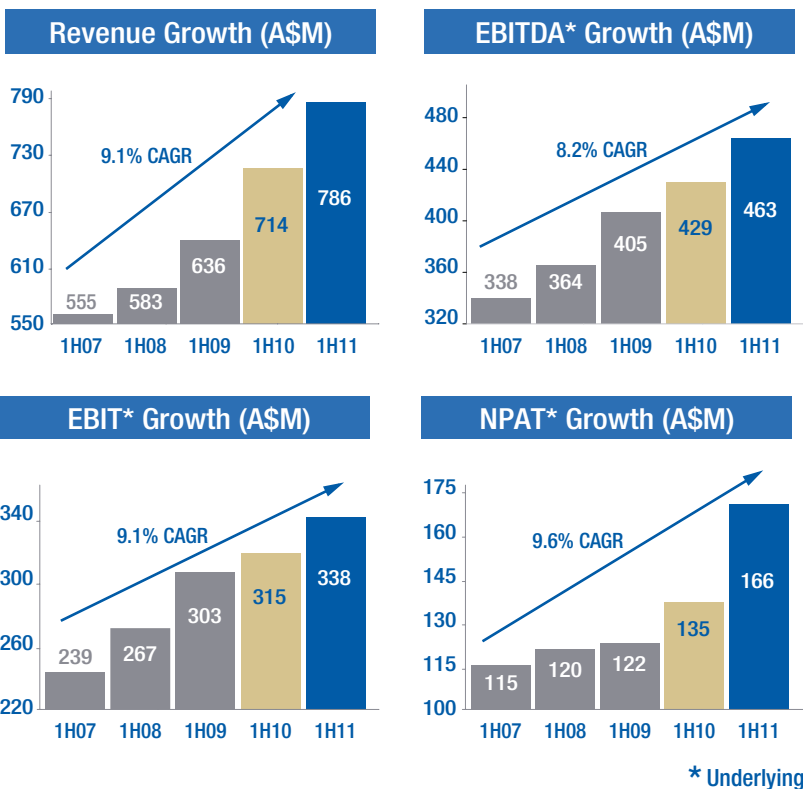
Highest level of franking in the regulated utility sector

Tax effective distributions



Delivering stable year on year growth

Strong underlying performance



Stable regulated revenue streams

