

5 June 2006

2005-06 Full Year Results SP AusNet exceeds Prospectus EBIT forecast and confirms further organic growth

Directors announce 3.25 cent distribution, representing an annualised yield of 8.82%ⁱ

Full Year Highlights

- Total revenue of \$757.5 million
- Net Profit After Tax of \$335.2 million (Net Profit result from continuing operations was \$175.7 million)
- Pro-forma Earnings Before Interest and Tax of \$446.1m, exceeding prospectus forecasts by \$16.2 million or 3.8%ⁱⁱ
- A distribution totalling 3.25 cents per security representing an annualised yield of 8.82%ⁱ per cent.
- Distribution consistent with prospectus forecasts, comprising:
 - A fully franked dividend of 0.15 cents per security
 - An income distribution of 0.89 cents per security
 - A return of capital distribution of 2.21 cents per security
- Total capital investment of \$375.4 million in the transmission and distribution networks leading to future revenue growth.

SP AusNet (ASX: SPN) today announced a net profit after tax of \$335.2m for the 12 months ending 31 March 2006. The net profit result comprised \$175.7mⁱⁱⁱ from continuing operations and \$159.5m from discontinued operations.

The profit result from continuing operations was based on total revenues of \$757.5m and Earnings Before Interest and Tax (EBIT) of \$363.7m. The pro forma EBIT (with a full 12 months' earnings from both SP AusNet Transmission and SP AusNet Distribution) was \$446.1m, which was 3.8% higher than the pro forma prospectus 2006 EBIT forecast of \$429.9m. The increase in EBIT was mainly due to lower depreciation and operating expenses resulting from further efficiencies associated with the business integration programs.

Given the strong performance of the business, the Directors declared SP AusNet's first distribution payment of 3.25 Australian cents per security, which equates to an annualised yield of 8.82%ⁱ. Securityholders will benefit from the 68% tax deferred return of capital associated with this distribution.

SP AusNet Chairman, Mr Ng Kee Choe, said revenue was driven by the successful implementation of SP AusNet's plans for organic growth including increased usage and expansion of the network.

"Today's results are a strong demonstration of the high quality nature of the energy network businesses that we manage," said Mr Ng. "The regulated revenues and predictable cash flows will continue to support the payment of attractive distributions for our securityholders."

The Directors also reaffirmed the 2006-07 forecast distribution of 11.27 Australian cents per security which is equivalent to a yield of 9.05%ⁱ, based on the performance of the group to date.

SP AusNet is pursuing significant capital investment in the existing energy network businesses which will grow the asset base and revenues of the group. In the past year, SP AusNet has invested \$375.4 million in capital works with the intention of maintaining the quality and efficiency of existing assets and improving its reach in Victoria's growth corridors. The management team is confident that this strategy will continue to underpin organic growth.

SP AusNet Managing Director, Nino Ficca, said he was pleased with the steady performance of SP AusNet's assets and commended the experienced local team.

"The management and staff have focussed on further improving the operational efficiencies of the existing businesses and improving the health and safety of the workplace", said Mr Ficca.

"We have demonstrated an ability to continue to grow these network businesses organically via both the active pursuit of contestable revenue opportunities and the continued strong growth in Victorian energy demand." VENCORP's "VISION 2030" Report, which was released in October 2005, identified a significant level of new electricity transmission requirements. SP AusNet intends to actively pursue these contestable revenue opportunities and other expansionary distribution network opportunities.

SP AusNet continues to actively survey the Australian and New Zealand energy network market for acquisition opportunities, which are aligned with the Group's strategy and its core competencies of energy network ownership and management. SP AusNet's management team has built extensive experience in identifying, acquiring and integrating network businesses, as well as selling non-core businesses.

About SP AusNet:

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

- A 6,574-kilometre electricity transmission network indirectly servicing over 2.2 million electricity consumers across Victoria;
- An electricity distribution network delivering electricity to approximately 580,063 customer supply points in an area of more than 80,000 square kilometres of eastern Victoria; and
- A gas distribution network delivering gas to approximately 510,990 customer supply points in an area of more than 60,000 square kilometres in central and western Victoria.

SP AusNet was publicly listed on the Australian and Singapore Stock Exchanges (ASX Code: SPN and SGX-ST Code: SP AUSNET) on 14 December 2005. Singapore Power International Pte Ltd, a wholly-owned subsidiary of Singapore Power Limited, owns a 51% interest in SP AusNet. Singapore Power Limited is wholly owned by Temasek Holdings (Private) Limited, an investment company headquartered in Singapore with a diversified global investment portfolio of approximately US\$64 billion as at 31 March 2006. Temasek Holdings (Private) Limited's sole shareholder is the Minister for Finance (Incorporated), a body corporate constituted under the Minister for Finance (Incorporation) Act, Chapter 183 of Singapore.

For more information visit: www.sp-ausnet.com.au

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ⁱ Based on a price of A\$1.245 per security as at close of the ASX on Wednesday 31 May 2006.

ⁱⁱ Pro forma EBIT based on full 12 months' earnings from both SP AusNet Transmission and SP AusNet Distribution

ⁱⁱⁱ This result represents 12 months operations for SP Australia Networks (Distribution) Ltd (SP AusNet Distribution) but only 5 months operations for SP Australia Networks (Transmission) Ltd (SP AusNet Transmission) and SP Australia Networks (Finance) Trust, the latter having joined the Stapled Group from 21 October 2005. All financial figures are reported in Australian dollars unless otherwise stated.