

BELL POTTER**SPARK INFRASTRUCTURE (SKI)**

1H16 result

RESULTS	1H15	1H16	CHANGE	CONSENSUS	BELL POTTER ESTIMATES	COMMENTS
Underlying revenue(\$m)	146.9	138.7	(5.6%)		153	
Underlying profit before Loan Note Interest Tax(\$m)	140.3	127.2	(9.4%)			
Underlying NPAT	70.8	51.6	(27.2%)			Mainly from lower equity accounted share of profits from SAPN and VPN who have been operating under the revenue allowances provided in their Preliminary Determinations for the first year of their new regulatory periods. Partially offsetting the reduction in underlying profit in the period is the first full half-year contribution from TransGrid acquired Dec15
Distribution (cents)	6.0	7.25	20.8%		7.3	In line with FY 2016 guidance of 14.5cps . pay 15 Sep. Consists of 3.50cps interest on Loan Notes and a return of capital amount of 3.75cps.

- Standalone operating cashflow up 28.6% to \$130 m. Standalone OCF per security up 12% to 7.7cps

Outlook: The Directors have reaffirmed medium term distribution guidance; expected to be fully covered by both standalone and look-through OCF: FY2016 14.5cps, □ FY2017 15.25cps □ FY2018 16.0cps

Today's share price reaction: Up 1% to \$2.49 (11.22 am).

Recommendation: The analyst currently has a Neutral recommendation and there is a likely chance this will be maintained given SKI has maintained its CY16 distribution guidance of 14.5 cps- in line with our estimates.

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