ASX & SGX-ST Release

15 November 2017

TO: ASX Limited
Singapore Exchange Securities Trading Limited

AusNet Services Half Year 2018 Results Release and Presentation

The following documents are attached:

1. AusNet Services Half Year 2018 Results Release; and

2. AusNet Services Half Year 2018 Investor Presentation.

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ASX & SGX-ST Release

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AusNet Services Half Year 2018 Results

AusNet Services reported the following half year results for the period ending 30 September 2017. Key highlights include:

- Strong operating cash flow performance;
- Higher revenues and improved Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) due to colder weather and increased customer contributions;
- Decrease in operating expenses; and
- Interim dividend of 4.63 cps (unfranked), up 5% on prior corresponding period.

During the period, AusNet Services recorded an 8.8% increase in EBITDA due to higher revenues from increased energy consumption, increased customer contributions and lower operating costs. Depreciation and amortisation increased due to completion of both the metering program (resulting in short life software and communications assets placed into service) and the Brunswick terminal station rebuild.

AusNet Services continues to make progress on meeting customer needs of safe, reliable and affordable supply, whilst continuing to adapt to the rapidly changing energy landscape.

Nino Ficca, Managing Director of AusNet Services said, “Generating trust and respect with customers is a key part of our Focus 2021 strategy. Customers are increasingly embracing new technologies to take control of their energy use. Through network innovation, such as the Mooroolbark mini grid and the Yackandandah community grid, we are empowering communities and their energy future. Importantly, our cost efficiency program has been developed to provide affordability and value to customers. We have made significant progress on capturing efficiencies during the period and expect this to continue.”

A$M	HY 2018	HY 2017	Variance
Revenues	**1,068.7**	1,020.4	↑ 4.7%
EBITDA	**647.4**	595.3	↑ 8.8%
Earnings before interest and tax	**427.1**	388.9	↑ 9.8%
Profit before income tax	**291.5**	254.2	↑14.7%
Net profit after tax	**203.7**	178.6	↑ 14.1%
Cash flow from operations	**455.7**	325.5	↑ 40.0%
Interim dividend (cps)	**4.63**	**4.40**	**↑ 5.2%**

Operational Review

Electricity transmission business

	30 September 2017	30 September 2016	Movement	%
Segment revenue ($M)	**325.3**	311.8	13.5	4.3
Segment result - EBITDA ($M)	**186.4**	193.1	(6.7)	(3.5)
Capital expenditure ($M)	**69.0**	85.2	(16.2)	(19.0)

Higher transmission revenues were due to the $17.6 million rise in easement tax pass-through, offset by lower revenues resulting from the current period being the first under the TRR Final Determination for 2017-2022.

Total transmission expenses increased $20.2 million largely due to the $17.6 million increase in easement tax. The decline in EBITDA period-on-period reflects the lower revenues excluding the easement tax pass-through.

Of total capital expenditure, $30.7 million relates to the major terminal station rebuilds at Richmond, Brunswick and West Melbourne. The reduction in capital expenditure reflects the completion of Brunswick ($10.5 million) and the impact of Richmond nearing completion ($7.7 million), offset by the increase in West Melbourne ($6.9 million) which was in design phase in the comparative period.

Electricity distribution business

	30 September 2017	30 September 2016	Movement	%
Segment revenue ($M)	**473.5**	457.3	16.2	3.5
Segment result - EBITDA ($M)	**292.4**	253.3	39.1	15.4
Volume (GWh)	**4,021**	4,007	14	0.3
Connections	**712,375**	698,648	13,727	2.0
Capital expenditure ($M)	**196.7**	220.8	(24.1)	(10.9)

Increased revenues are due to the CY2017 revenue cap increase of 2.3%. In addition, volume outperformance also contributed $6.0 million additional revenue.

Operating expenses decreased $22.9 million or 11.2 per cent. The prior period included an $8.1 million write off of an IT project and an additional $4.5 million of service level payments arising from higher storm activities. The remaining decrease reflects the implementation of various cost efficiency programs.

Capital expenditure decreased due to the metering remediation program ($61.5 million) completing in March 2017. Offsetting this is an $18.6 million increase in Rapid Earth Fault Current Limiter (REFCL) and an increase of $8.4 million in Power of Choice expenditures.

We recognise revenue as services are provided, based on the prevailing tariffs at the time. Our electricity distribution business is regulated by the Australian Energy Regulator (AER) on a calendar year basis and operates under a revenue cap, which means that volume outperformance is handed back through tariff adjustments in subsequent periods. At 30 September 2017 we have a cumulative over-recovery of $5.7

million which will reduce future revenues. In addition, the AER's decision on our 2016 Advanced Metering Infrastructure (AMI) Transition Charges Application will result in a future negative revenue adjustment of $52.7 million ($2018), smoothed over calendar years 2018 to 2020. The FY2018 impact is expected to be approximately $6.7 million.

Gas distribution business

	30 September 2017	30 September 2016	Movement	%
Segment revenue ($M)	**167.6**	149.1	18.5	12.4
Segment result - EBITDA ($M)	**137.6**	118.3	19.3	16.3
Volume (PJ)	**44.2**	41.5	2.7	6.5
Connections	**684,735**	668,899	15,836	2.4
Capital expenditure ($M)	**44.6**	39.1	5.5	14.1

Regulated gas distribution revenues increased $10.9 million due to a combination of higher tariffs (average 5.0 per cent increase on 1 January 2017) and higher volumes due to colder weather and connections growth from new housing estates in the Western suburbs of Melbourne. In addition, customer contributions increased $7.6 million, primarily due to the completion of the Avoca rollout under the Victorian Government's Energy for the Regions program.

Capital expenditure was low in the prior period due to delays in obtaining council approvals for the mains renewal program, with the current period spend reflecting a return to more normal levels of work on the program.

Commercial Energy Services

	30 September 2017	30 September 2016	Movement	%
Segment revenue ($M)	**110.8**	110.1	0.7	0.6
Segment result - EBITDA ($M)	**31.0**	30.6	0.4	1.3
EBITDA Margin (%)	**28.0**	27.8	0.2	0.7
Capital expenditure ($M)	**10.7**	125.4	(114.7)	(91.5)

The commercial energy services business consists of contracted infrastructure services, energy services and asset intelligence services. The contracted infrastructure services component owns and operates a portfolio of infrastructure assets that fall outside the regulated asset base (the largest of which is the Wonthaggi desalination plant transmission connection). The investments are made through directly negotiated agreements, pursuant to which AusNet Services typically receives revenue over the contract period in exchange for the infrastructure and operational services provided. The customers of this business primarily operate in the utility, renewables and essential infrastructure sectors of electricity, water, gas and rail.

Revenues associated with Mortlake Terminal Station increased $3.1 million as a result of the contract being in place for the full six months compared with only three months in the prior period. Offsetting this was lower revenues from field services activity and the completion of contracts in metering services. Excluding the impact of the June 2016 acquisition of Mortlake Terminal Station for $116.5 million, the increase in capital expenditure was due to $3.0 million spent on the Salt Creek wind farm connection assets, which is expected to increase to approximately $19 million in the second half.

Outlook

Our Focus 2021 strategy is to become a leading innovative energy company with a diverse business portfolio. We aim to lead network transformation in our regulated energy services business, grow our commercial energy services, drive efficiency and effectiveness, and generate trust and respect with customers and partners. Key objectives are:

- Operate all three core networks in the top quartile of efficiency benchmarks;
- Target $1 billion in contracted energy infrastructure assets by 2021; and
- Grow specialist services to essential infrastructure operators.

AusNet Services will continue to determine future dividends by reference to operating cash flows after servicing all of its maintenance capital expenditure and a portion of its growth capital expenditure. For the 2018 financial year, AusNet Services expects, subject to business conditions, to increase dividends to 9.25cps and also expects the dividend to be unfranked (based on estimated net income tax payable).

Dividend key dates

The 2018 interim dividend of 4.63 Australian cps is unfranked.

Important dates:

17 November 2017	SGX-ST ex-date for interim dividend
20 November 2017	ASX ex-date for interim dividend
21 November 2017	Record date to identify shareholders entitled to interim dividend
22 November 2017	Last election date for participation in DRP for interim dividend
21 December 2017	Payment of interim dividend

The Dividend Reinvestment Program (DRP) will be in operation for the 2018 interim dividend at a 0% discount to the average trading price. The average trading price will be the average of the volume weighted average price of shares sold in ordinary market transactions on the ASX between 23 November 2017 and 6 December 2017 (inclusive).

For further information please refer to the DRP Rules at www.ausnetservices.com.au.

About AusNet Services

AusNet Services is the largest diversified energy network business in Victoria, owning and operating around $12 billion of assets. The company owns and operations three regulated networks - electricity distribution, gas distribution and the state-wide electricity transmission network. The company also has a Commercial Energy Services division, focusing on unregulated opportunities, including contracted infrastructure, asset intelligence and energy services.

Headquartered in Melbourne, Australia, AusNet Services employs around 2,000 people to service 1.4m customers and is listed on the Australian Securities Exchange (ASX: AST) and the Singapore Stock Exchange (SGX-ST: AZI.SI).

For more information visit AusNet Services' website, www.ausnetservices.com.au.

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Half Year 2018 Results

For the period ended 30 September 2017

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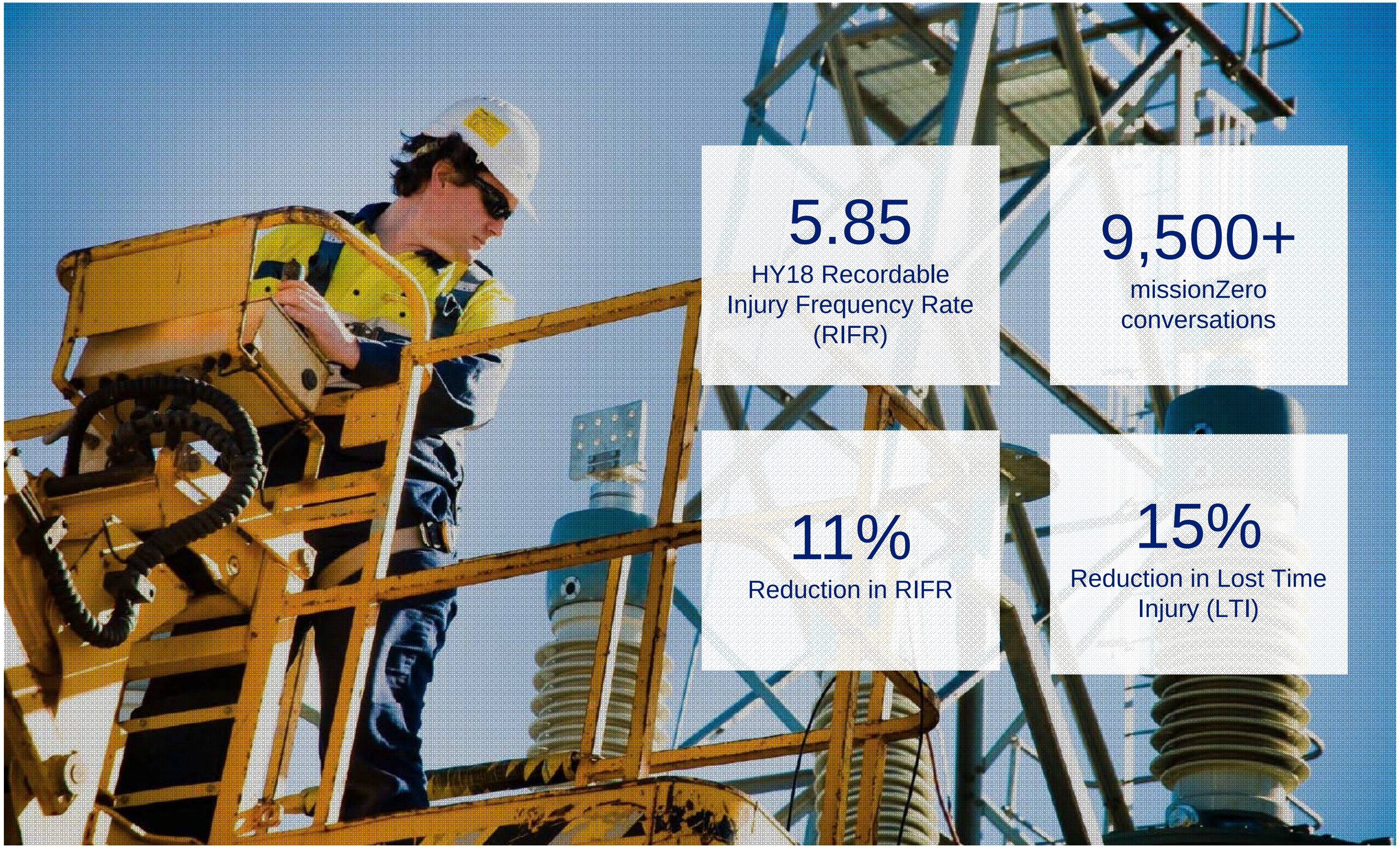
Introduction

Financial Performance

Operational & Regulatory Review

Outlook

Safety Mission & Performance



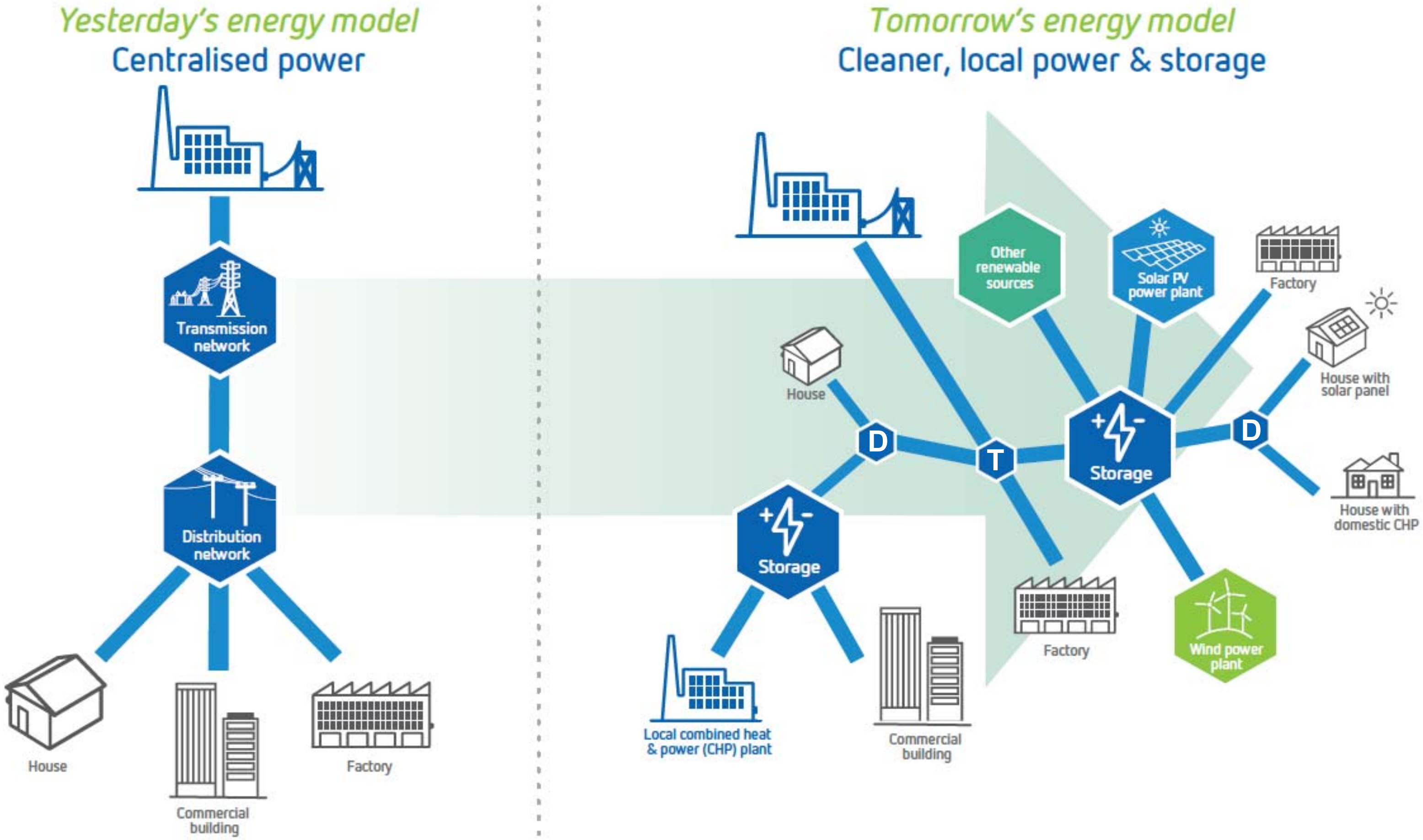
5.85
HY18 Recordable Injury Frequency Rate (RIFR)

9,500+
missionZero conversations

11%
Reduction in RIFR

15%
Reduction in Lost Time Injury (LTI)

Traditional Energy Models Are Changing Rapidly



Focus 2021

FY18 marks year two of our five year strategy

Build a portfolio of high performing and sustainable Regulated and Commercial Energy Services businesses

- Mooroolbark Mini Grid named joint winner of the Clean Energy Council's Innovation Award

Operate all three core networks in the top quartile of efficiency benchmarks

REGULATED ENERGY SERVICES BUSINESS

Lead network transformation and embrace change

COMMERCIAL ENERGY SERVICES BUSINESS

Grow commercial services

Generate trust and respect with customers and partners

Drive efficiency and effectiveness

Grow contracted energy infrastructure asset base to $1bn

- Appointed to construct Salt Creek wind farm connection
- Advanced negotiations on four projects nationally >$200m

Grow specialist services to essential infrastructure operators

- Supporting Yackandandah community goal of 100% renewable energy supply by 2022

Empowering Communities and Their Energy Future

Delivering safe, reliable and efficient services to customers

Increased customer satisfaction, decrease in customer complaints

▼29%
Customer complaints

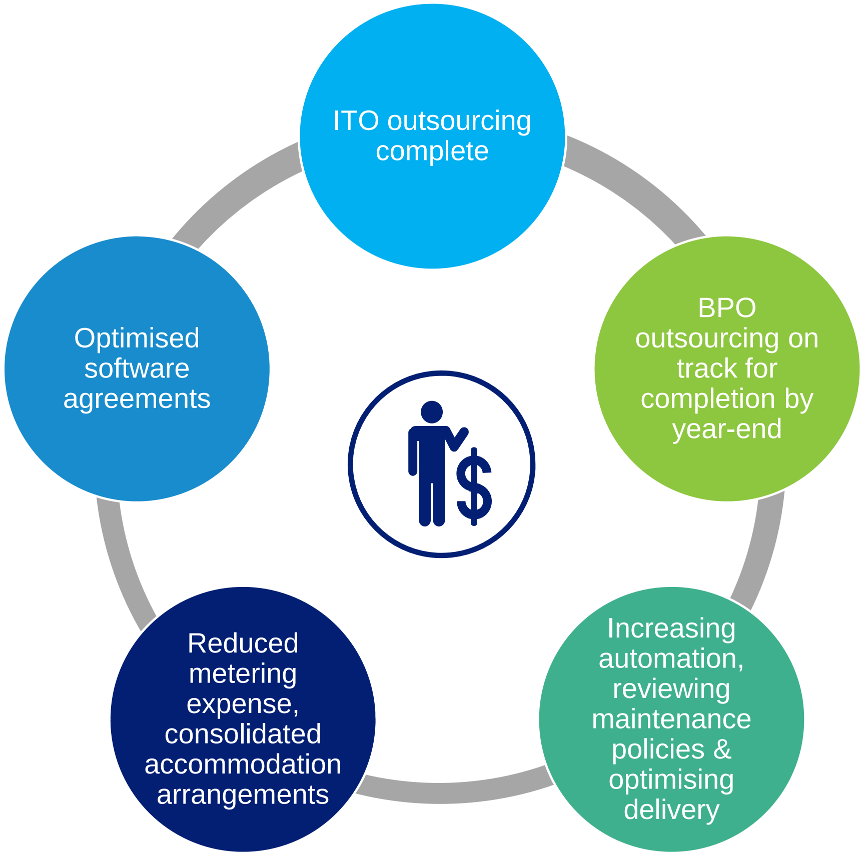
▼53%
Planned outage overruns

Providing easy and accessible information to support energy choices
Developing a customer enablement culture

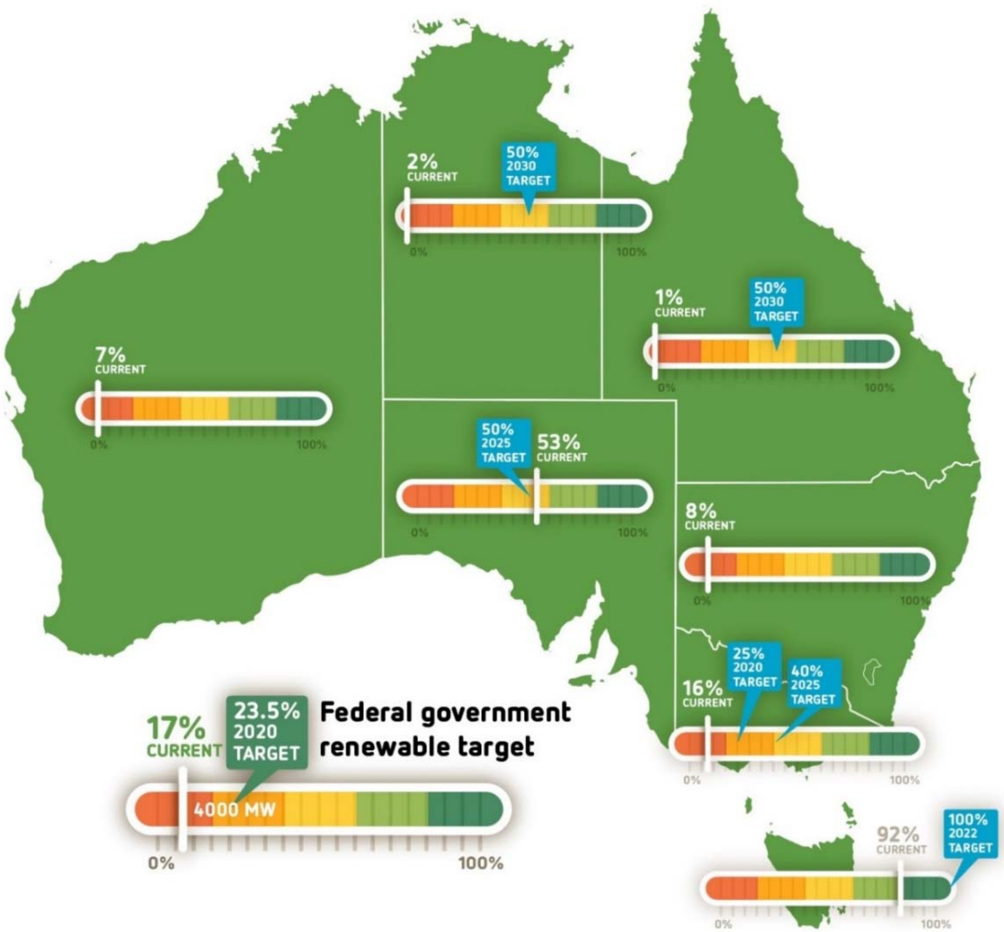
Driving Efficiency and Effectiveness

Cost Efficiency Program

- Continuing business transformation journey. Building on foundational initiatives, such as ERP implementation and operating model changes.
- Focused on maintaining top quartile efficiency in Electricity Transmission and Gas Distribution benchmarking.
- Targeting top quartile efficiency in Electricity Distribution by FY20.
- As at 30 September 2017, reduced headcount by around 500 since April 2016 (~18% decrease).
- Net operating cost efficiencies of $8m in HY18 (FY17: $9m).
- Also $20m of capital investment efficiencies in HY18 (FY17: $38m).



State of Renewables



Commitment varies by state, but overall, policy and legislated energy targets will continue to drive investment in renewables

Throughout Australia, project generation required to meet renewable targets will exceed **15,000 MW**

Supporting contracted energy infrastructure asset base target of $1bn

Investment Proposition

Stability	No revenue resets for 3 years Net debt hedged against movements in interest rates (97%) 100% control, own and operate high quality, critical energy delivery infrastructure assets
Capital management & shareholder focus	Strong balance sheet A-range credit rating FY18 dividend growth guidance of 5%
Focus 2021 strategy	Focused on growth Partner with customers to support energy choices Adopting and embracing new technologies
Operational outperformance	Maintain top-quartile efficiency in Electricity Transmission and Gas Distribution Moving to top-quartile efficiency in Electricity Distribution by FY20

Financial Performance

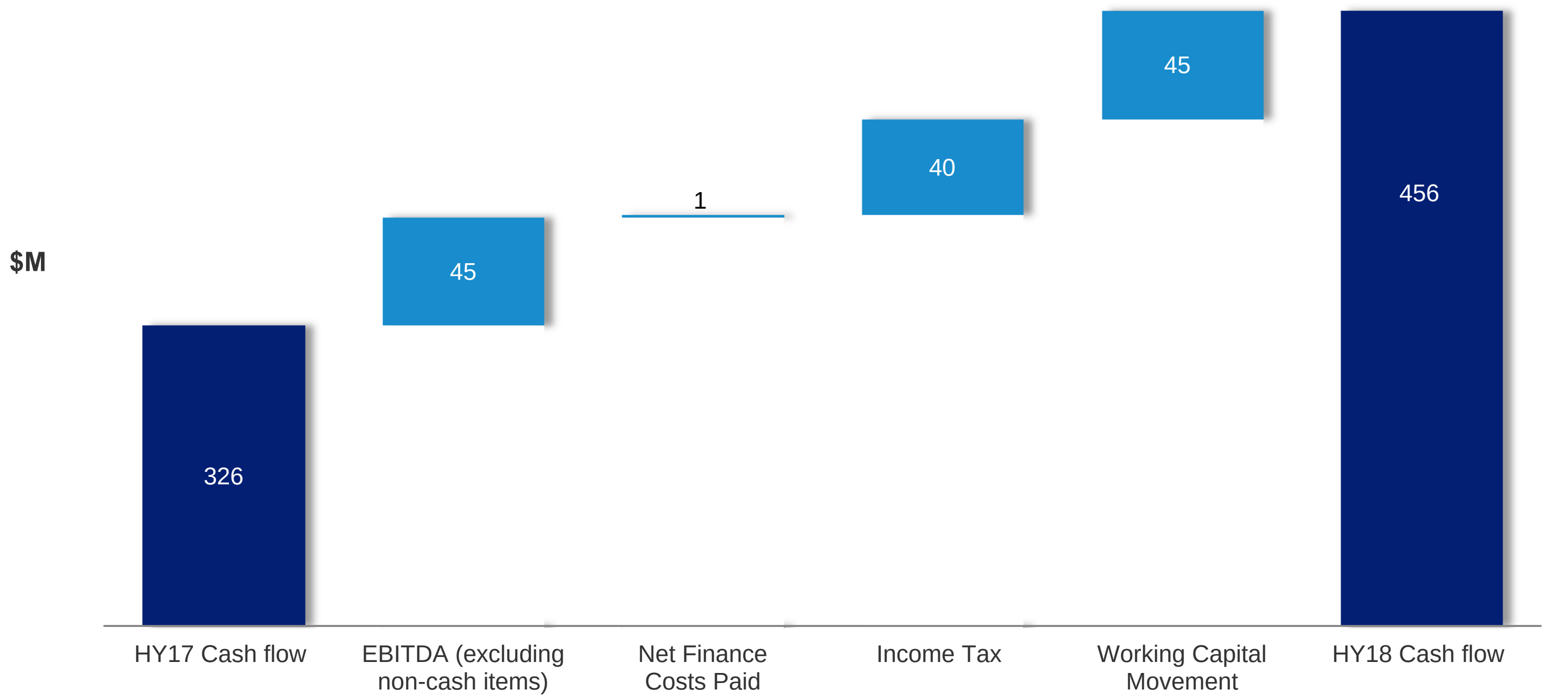
Financial Performance

- Higher network tariffs due to regulated price path.
- Increased consumption due to colder winter weather for both distribution networks.
- Higher easement tax pass-through revenues in Electricity Transmission.
- Higher customer contributions.
- Decrease in operating expenses driven by cost efficiency program.
- Strong cash performance underpinning dividend growth.

A$M	HY 2018	HY 2017	Variance
Statutory Result			
Revenues	**1,068.7**	1,020.4	↑ 4.7%
EBITDA	**647.4**	595.3	↑ 8.8%
EBIT	**427.1**	388.9	↑ 9.8%
PBT	**291.5**	254.2	↑ 14.7%
NPAT	**203.7**	178.6	↑ 14.1%
Cash flow from operations	**455.7**	325.5	↑ 40.0%
Dividends (cps)	**4.63**	4.40	↑ 5.2%

Cash Flow from Operations

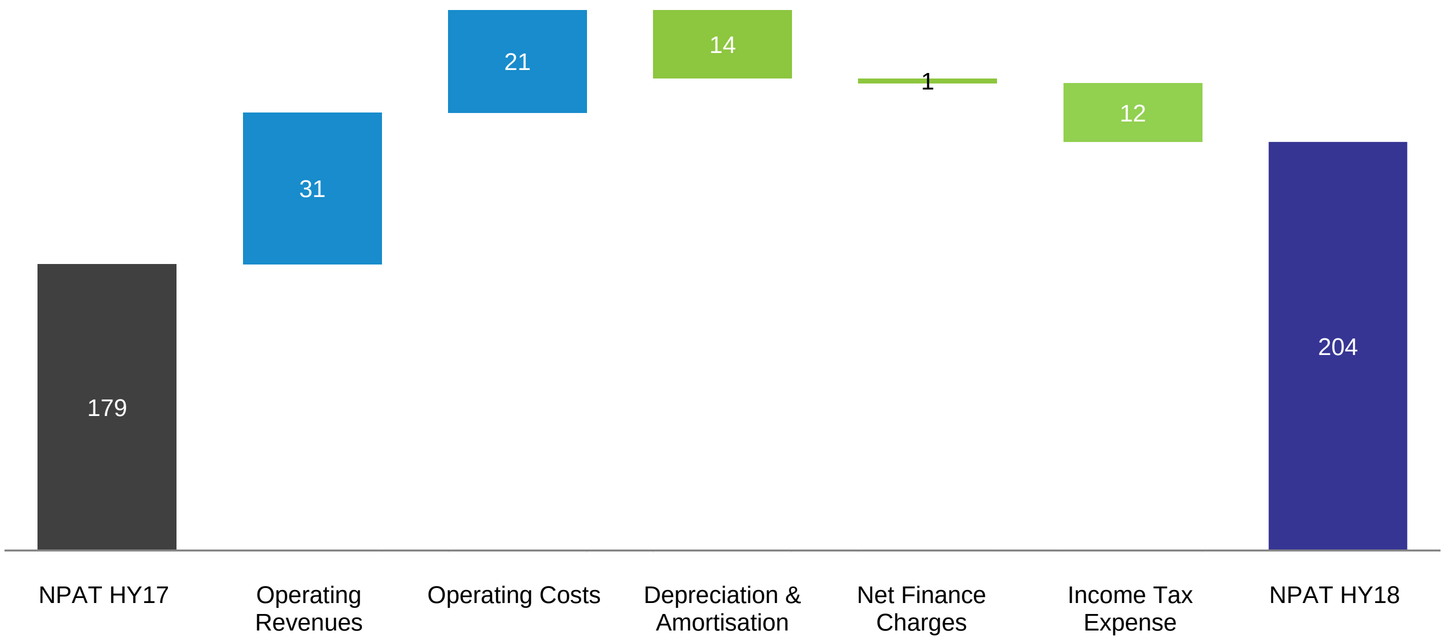
- Receipt of FY17 income tax refund and improved working capital movements driving strong cash performance.



***Note**: HY17 income tax paid of $29.6m vs HY18 net income tax received $10.5m.*

NPAT Performance

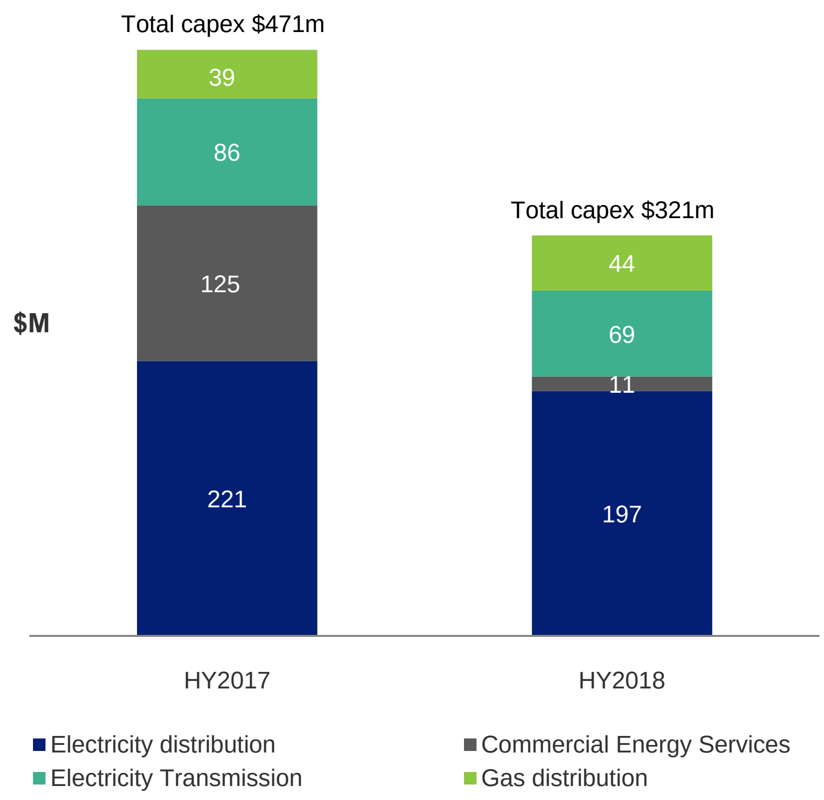
- Strong EBITDA performance driven by higher revenues and disciplined cost management.
- Higher Depreciation and Amoritisation due to completion of Metering program, resulting in short life metering assets placed into service.



***Note**: Easement tax excluded from revenues and operating costs, **HY18:$96m** vs **HY17:$78m**. Easement tax is a straight pass-through in Electricity Transmission.*

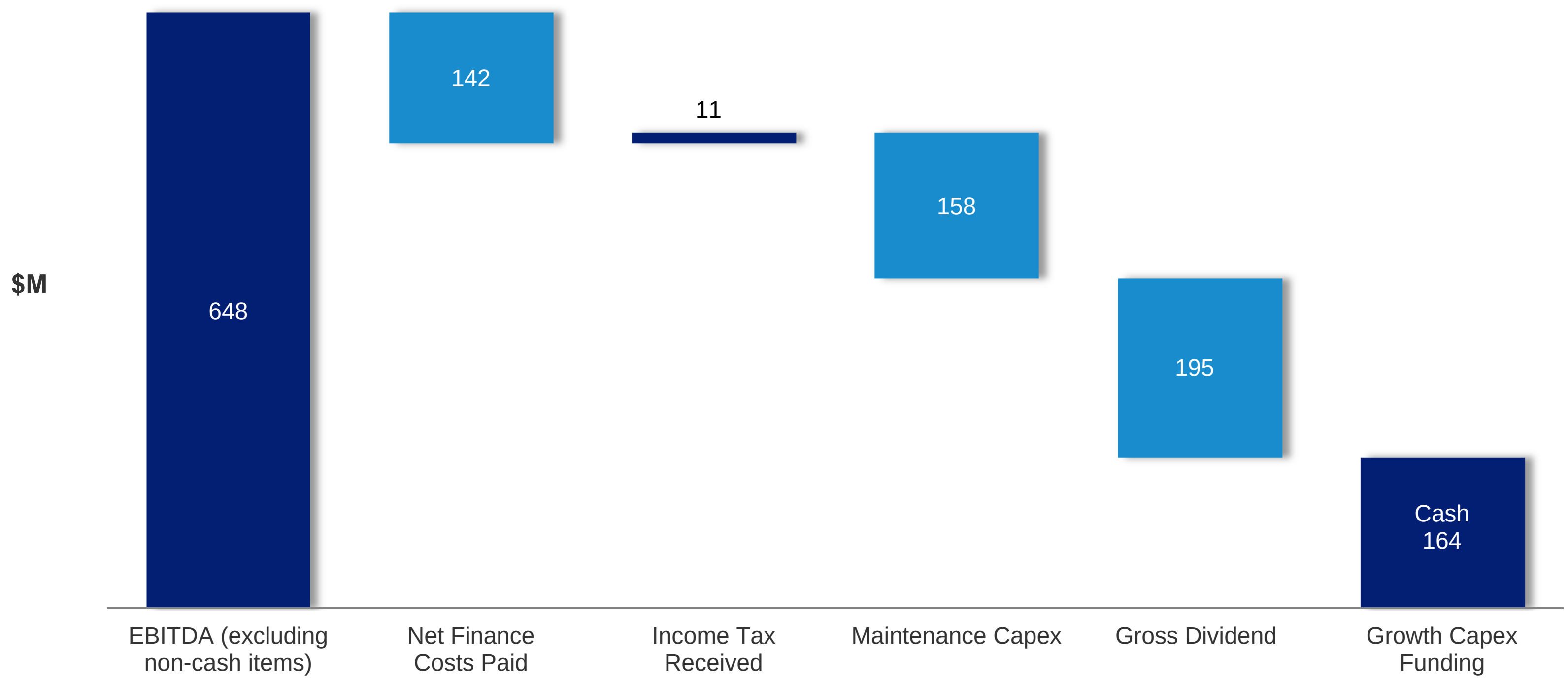
Capital Investment

- Decline in capital investment due to completion of the Metering Program (HY17:$62m) and Mortlake Terminal Station acquisition in prior period (HY17:$116m).
- Growth capex of **$163m** and maintenance capex of **$158m**.
- Continued significant investment **($59m)** in bushfire mitigation and other safety measures (HY17:$50m).
- Higher customer contributions on the Gas Network due to Victorian Government's Energy for the Regions program.
- Capital efficiency initiatives creating opportunities for regulatory outperformance.
- HY18 capital investment includes customer contributions of $30m (HY17:$18m).



Dividend and Capital Investment Funding

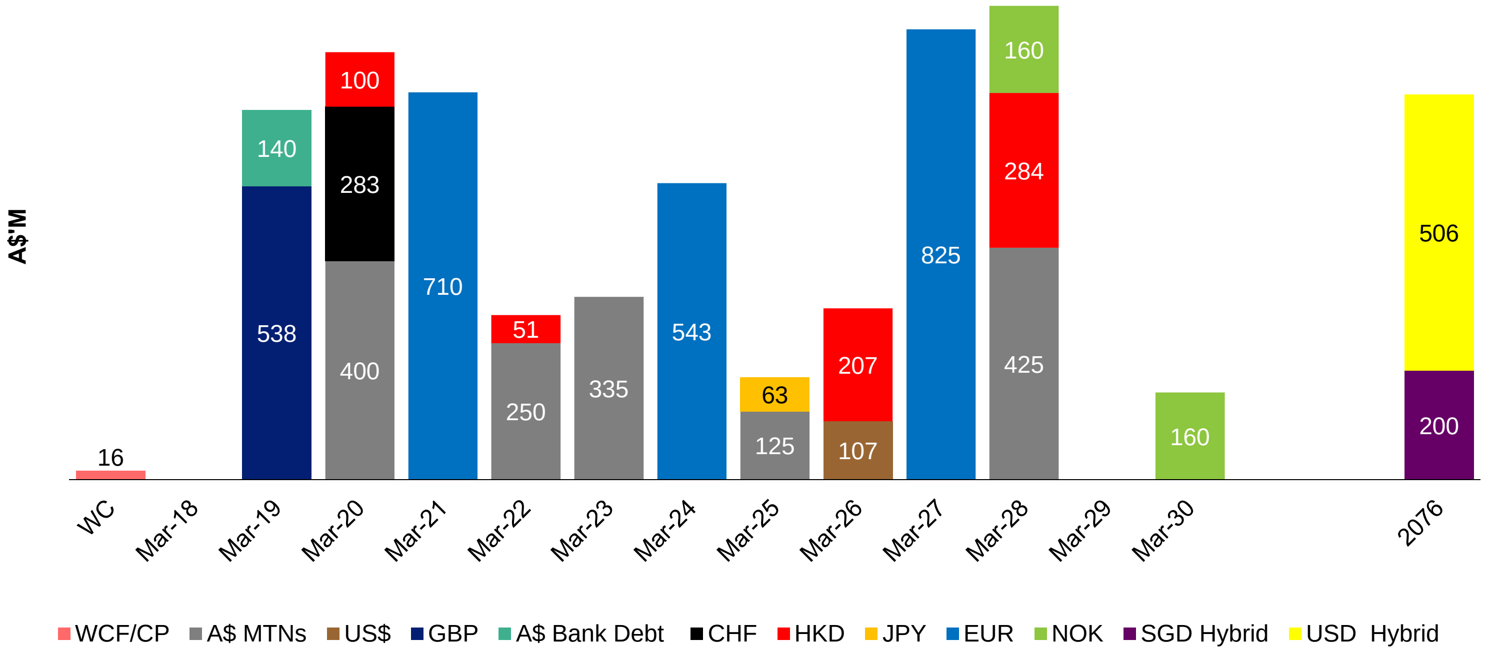
- Dividends remain fully covered by strong net operating cash flows (for which EBITDA is used as a proxy when considering dividends).



***Note**: Estimated regulatory depreciation of $234m. Indexation of $73m.*
Income tax received includes FY18 tax instalments of $14m offset by FY17 income tax refund of $25m.

Diversified Debt Portfolio

- **$6,411m** net debt hedged against movements in interest rates **(97%).**
- Undrawn committed bank facilities as at 30 September 2017 of **$474m.**
- Weighted average interest rate of total hedge portfolio **2.61%** vs **3.10%** as at 30 September 2016.



Note: *Net debt = Debt at face value ($6,426M) less cash of $15m. Offshore debt shown at hedged rates (face value).*
First call date for SGD and USD hybrid securities is in September 2021.

Operational & Regulatory Review


Regulated
Energy
Services
AusNet
services

An Increasingly Complex Energy Landscape

Energy awareness, driven by large energy price rises, combined with evolving technology is driving increased customer choice, expectation and control. Shift from 'passive' to 'prosumer' behaviour

Recent, unprecedented electricity price growth has increased public concern, leading to heightened political sensitivity and subsequent policy and regulatory developments

A number of trends with potential to impact our future including big data, cyber security, climate change and resource scarcity

Rapid advancement in technologies and grid alternatives are transforming the energy sector impacting energy demand, business models and competition

Industry and Regulatory Developments

ESB and NEG

- Starting to see the impact of the Energy Security Board (ESB).
- National Energy Guarantee (NEG) requires political consensus to succeed.

Price Reviews

- Accepted GAAR 2018-22 draft decision, final decision expected 29 November.
- EDPR 2016-20 Gamma appeal withdrawn. Unsuccessful appeal outcome in relation to debt cost estimation and self insurance.

AER Reviews

- Rate of Return guideline, return on equity a key focus.
- Demand Management Incentive Scheme.

AEMC Rule Changes

- Distribution Market Model project and Contestability of Energy Services rule change explore approaches to integrate distributed energy resources.
- Review into coordination of generation and transmission investment.
- Continuing review of power system security and reliability frameworks.
- Reviewing AEMC 5 Minute Settlement draft rule determination.

Operational Highlights

Electricity Transmission

- Facilitated safe closure and disconnection of Hazelwood Power Station.
- Completion of Brunswick Terminal Station, on time and on budget.
- Richmond terminal station rebuild 80% complete.
- Commenced West Melbourne terminal station rebuild.
- Working closely with AEMO and Victorian Government to ensure summer peak readiness.

Electricity Distribution

- Mooroolbark Mini Grid named joint winner of the Clean Energy Council's Innovation Award.
- Insourcing of Asset Inspection, Vegetation Management and Meter reading complete.
- Continued investment in bushfire mitigation.
- “Power of Choice” metering program on track for go live in December 2017.

Gas Distribution

- Highest peak consumption since July 2012.
- Mains replacement program has delivered 47% reduction in leak volumes since 2013.
- New prices take effect 1 January 2018.
- Approval given to transition gas meter reading to Downer, delivering operating cost reductions.

Bushfire Mitigation Investment

Rapid Earth Fault Current Limiter (REFCL)

Cuts fault current within milliseconds in the event of a single phase to ground fault (e.g. a fallen line)

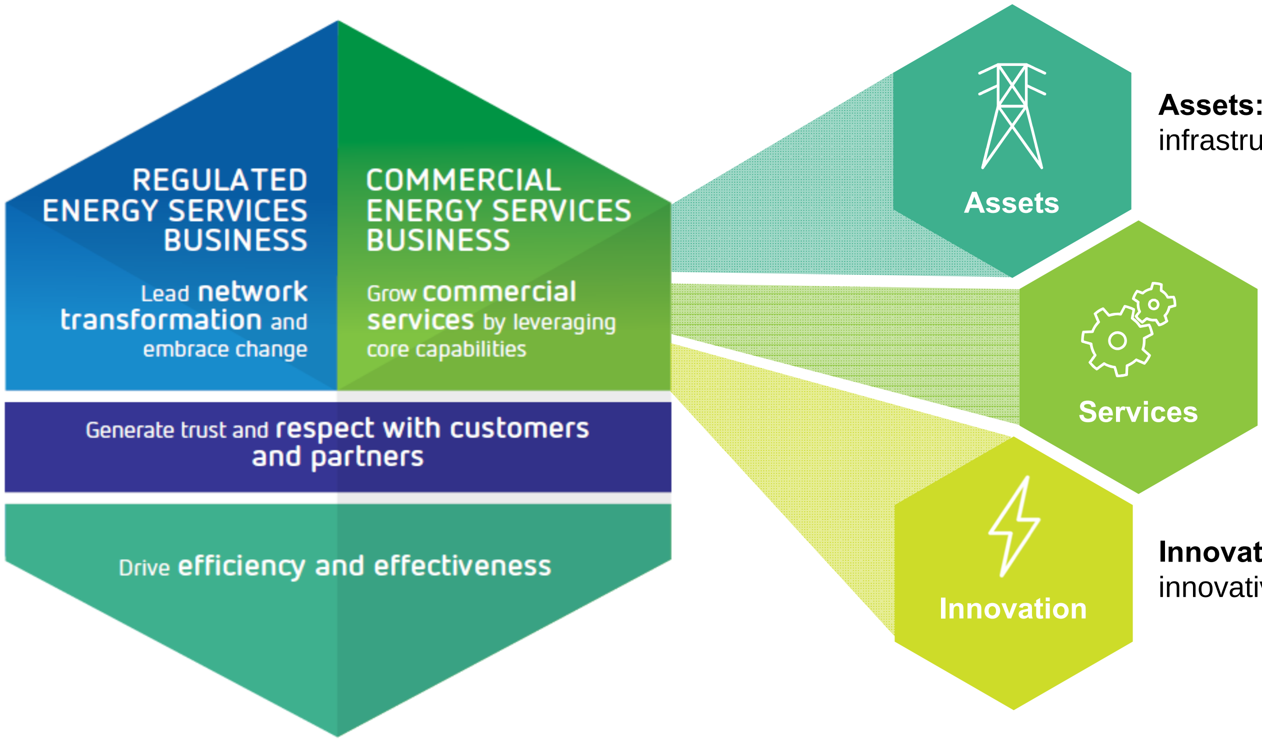
Estimated $300m capex between CY17-CY23

AER approval for Tranche 1 capex of $97m for CY17 & CY18, $29m in revenues to be recovered by CY20

Commercial Energy Services

Focus 2021

Grow Commercial Energy Services by leveraging core capabilities

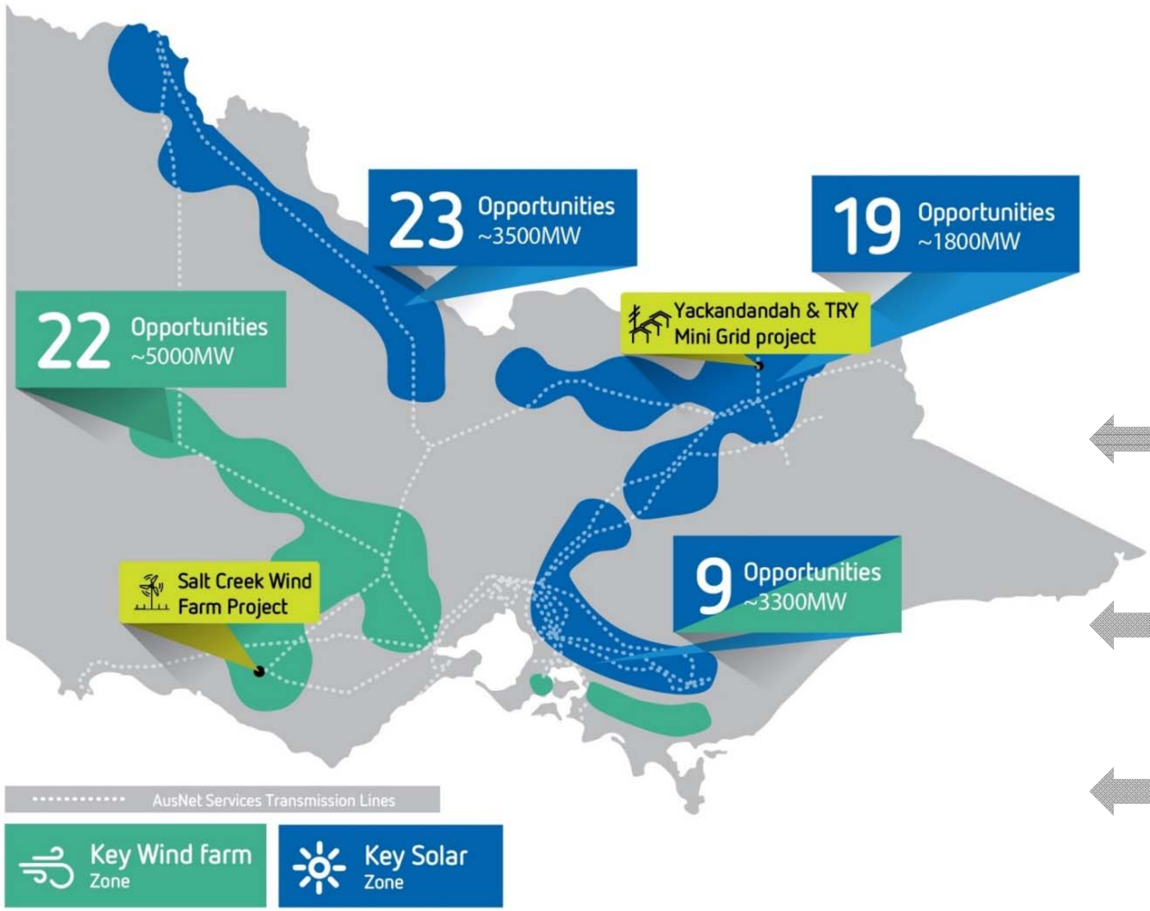


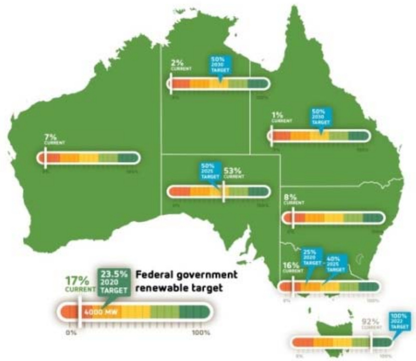
Assets: grow contracted energy infrastructure asset base to $1bn

Services: focus on high value energy and asset intelligence services

Innovation: development of innovative commercial models

State of Renewable Developments throughout Victoria….a lens to the national opportunity





CES currently in advanced negotiations on projects nationally **>$200m**

Strong market opportunity exists to achieve **$1bn target**

Technology and business model innovation will be key to business growth

CES Vision – *Lead the creation of an efficient, secure, sustainable and integrated energy future*

Outlook

Outlook

Stability	- Forecast Net Debt to Regulated and Contracted Asset Base of <70% to FY20 - Regulated Asset Base growth forecast at around 3% p.a. to FY20
Shareholder focus	- FY18 dividend guidance of 9.25cps up 5% on 8.80cps (subject to business conditions) - FY18 dividend expected to be unfranked, based on estimated net income tax payable
Focus 2021 strategy	- Targeting $1bn of contracted energy infrastructure assets by FY21 - Adopting and embracing new technologies
Operational outperformance	- Maintain top-quartile efficiency in Electricity Transmission and Gas Distribution - Moving to top-quartile efficiency in Electricity Distribution by FY20

Appendices

Electricity Transmission Network

- FY18 revenue cap **$543m.**
- Excluded revenues **$26m** (HY17:$19m), increase due to completion of Brunswick Terminal Station.
- HY18 easement tax (straight pass-through) of **$96m** (HY17:$78m), expect total of **$137m** for FY18 (FY17: $111m).

	30-Sep-17	30-Sep-16	Variance
Revenue	**325.3**	311.8	4.3%
EBITDA	**186.4**	193.1	-3.5%
EBITDA Margin	**57.3%**	61.9%	-4.6%
EBIT	**133.4**	143.1	-6.8%
EBIT Margin	**41.0%**	45.8%	-4.8%
Regulated Asset Base	**3,452**	3,321	3.9%

Electricity Distribution Network

- CY17 revenue cap **$642m**, inclusive of **$39m** of reliability incentives STPIS (CY16 revenue cap: $606m).
- CY18 expected revenue cap **$617m**.
- Regulated revenues (DUOS) of **$394m** (HY17: $379m).
  - As at 30 Sep 2017, revenue cap over–recovered by **$6m**, to be returned in future periods.
  - Net solar over- recovery of **$5m.**
- HY18 metering revenue **$45m** (HY17:$48m). Expect CY17 metering revenue of **$90m** and **$51m** in CY18 (CY18 inclusive of negative revenue adjustment).
- CY18-CY20 metering revenues impacted by negative revenue adjustment arising from cost recovery process. Profile of adjustment is; CY18:$27m, CY19: $17m, and CY20:$9.5m.

	30-Sep-17	30-Sep-16	Variance
Revenue	**473.5**	457.3	3.5%
EBITDA	**292.4**	253.3	15.4%
EBITDA Margin	**61.8%**	55.4%	6.4%
EBIT	**157.0**	128.8	21.9%
EBIT Margin	**33.2%**	28.2%	5.0%
Volumes (GWh)	**4,021**	4,007	0.3%
Connections	**712,375**	698,648	2.0%
Regulated Asset Base	**4,037**	3,883	4.0%

Gas Distribution Network

- Higher revenues due to **5%** tariff increase (on average) for CY17 and higher volumes due to the colder winter weather.
- HY18 customer contributions **$9m** (HY17:$1m).
- New prices take effect on **1 Jan 2018**, average tariffs to decline by around **10%** (subject to finalisation of GAAR 2018-22).

	30-Sep-17	30-Sep-16	Variance
Revenue	**167.6**	149.1	12.4%
EBITDA	**137.6**	118.3	16.3%
EBITDA Margin	**82.1%**	79.3%	2.8%
EBIT	**114.9**	93.8	22.5%
EBIT Margin	**68.6%**	62.9%	5.7%
Volume (PJ)	**44.2**	41.5	6.5%
Connections	**684,735**	668,899	2.4%
Regulated Asset Base	**1,515**	1,484	2.1%

Commercial Energy Services

- Increase in Mortlake terminal station revenues offset by lower contribution from field services due to strategic refocus and contract completion.
- Salt Creek Wind Farm (54MW wind farm in western Victoria):
  - In June 2017, AusNet Services secured an agreement with Tilt Renewables to develop a new transmission line.
  - Construction to be completed by end of FY18.
  - AusNet Services to invest **$22m**.
- Contracted Infrastructure Asset Base decline due to desalination licence receivable amortisation of **$8.8m**.

	30-Sep-17	30-Sep-16	Variance
Revenue	**110.8**	110.1	0.6%
EBITDA	**31.0**	30.6	1.3%
EBITDA Margin	**28.0%**	27.8%	0.2%
EBIT	**21.8**	23.2	-6.0%
EBIT Margin	**19.7%**	21.1%	-1.4%
Contracted Infrastructure Asset Base	**538**	545	-1.3%

Sound Fundamentals

Financial Metrics	30-Sep-17	30-Sep-16
Market Capitalisation	**$6.1bn**	$5.8bn
Total Assets	**$11.7bn**	$11.6bn
Regulated / Contracted Asset Base	**$9.5bn**	$9.2bn
Total Borrowings	**$6.6bn**	$6.8bn
Net Debt [1]	**$6.6bn**	$6.8bn
Net Gearing (CV) [2]	**64%**	66%
Net Debt (FV) to Regulated / Contracted Asset Base [3]	**67%**	68%
Interest Cover [4]	**4.3x**	3.6x
Credit Ratings (S&P / Moody's)	**A- / A3**	A- / A3

Note

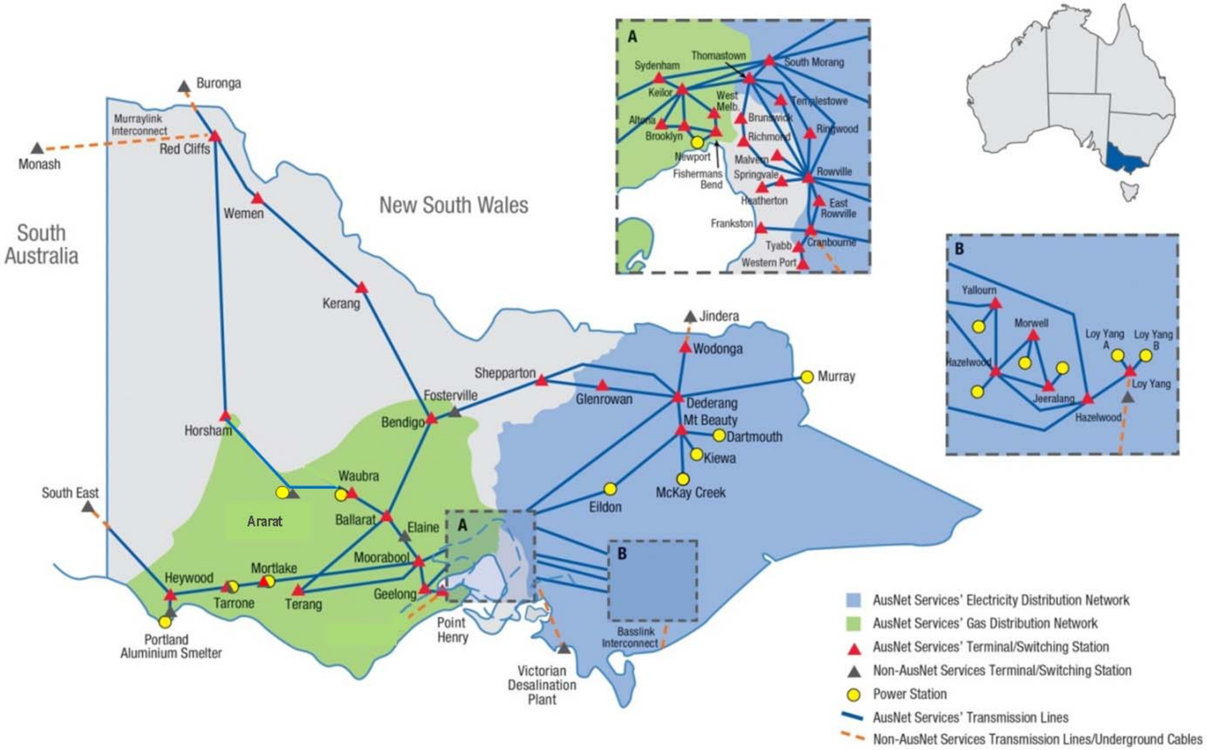
1. Net debt is debt at carrying value. Includes full amount of $A706m in Hybrids, despite receiving 50% equity credit.

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

3. Debt at face value less cash divided by Regulated / Contracted Asset Base. Demonstrates how AusNet Services funds its capex in terms of debt vs. income generating assets. Includes full amount of $A706m in Hybrids, despite receiving 50% equity credit.

4. Calculated as EBITDA less customer contributions and tax paid, divided by net interest expense (including return on desalination licence receivable). This is how interest cover is measured for internal management purposes, as it provides an accurate reflection of how after-tax operating cash flows are used to meet interest payments. Includes full amount of $A706m in Hybrids, despite receiving 50% equity credit.

High Quality Regulated Asset Base

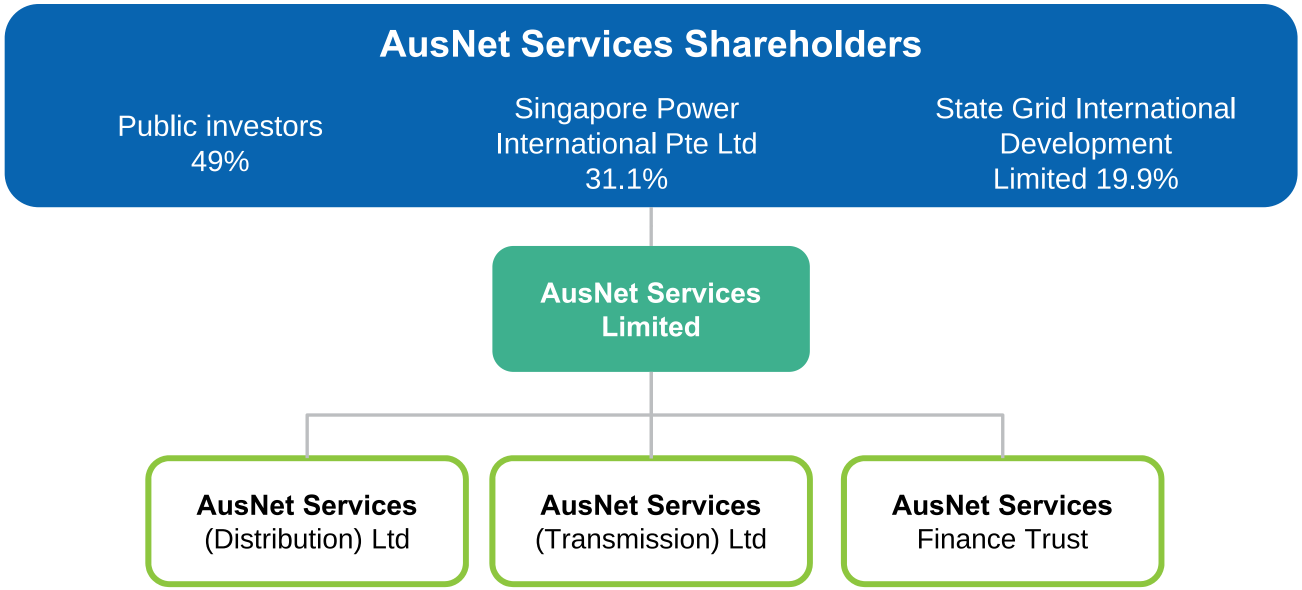


Electricity Transmission
- 6,625km of transmission lines
- 13,260 towers

Electricity distribution
- 52,135km of electricity distribution network
- 712,375 customers
- 383,000 power poles

Gas distribution
- 11,245km of gas distribution network
- 684,735 customers

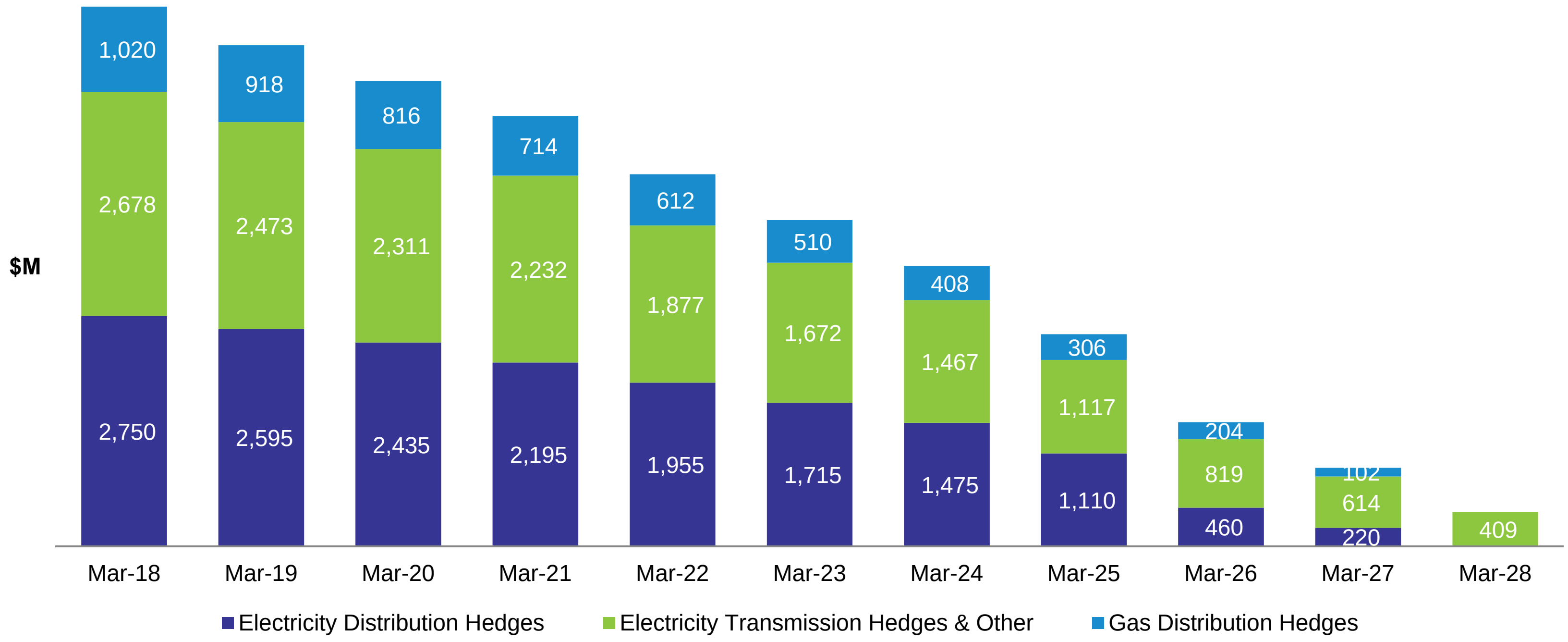
Current Ownership Structure



- AusNet Services 100% owns, operates and controls its assets, providing shareholders with a secure pathway to cash flows. AusNet Services is not an infrastructure fund model.
- Singapore Power is a long term investor, purchasing the original Transmission assets in 2000 and the Distribution assets in 2004, prior to the listing of AusNet Services in December 2005.
- State Grid Corporation of China is the largest utility in the world and became a substantial shareholder in AusNet Services on 3 January 2014.

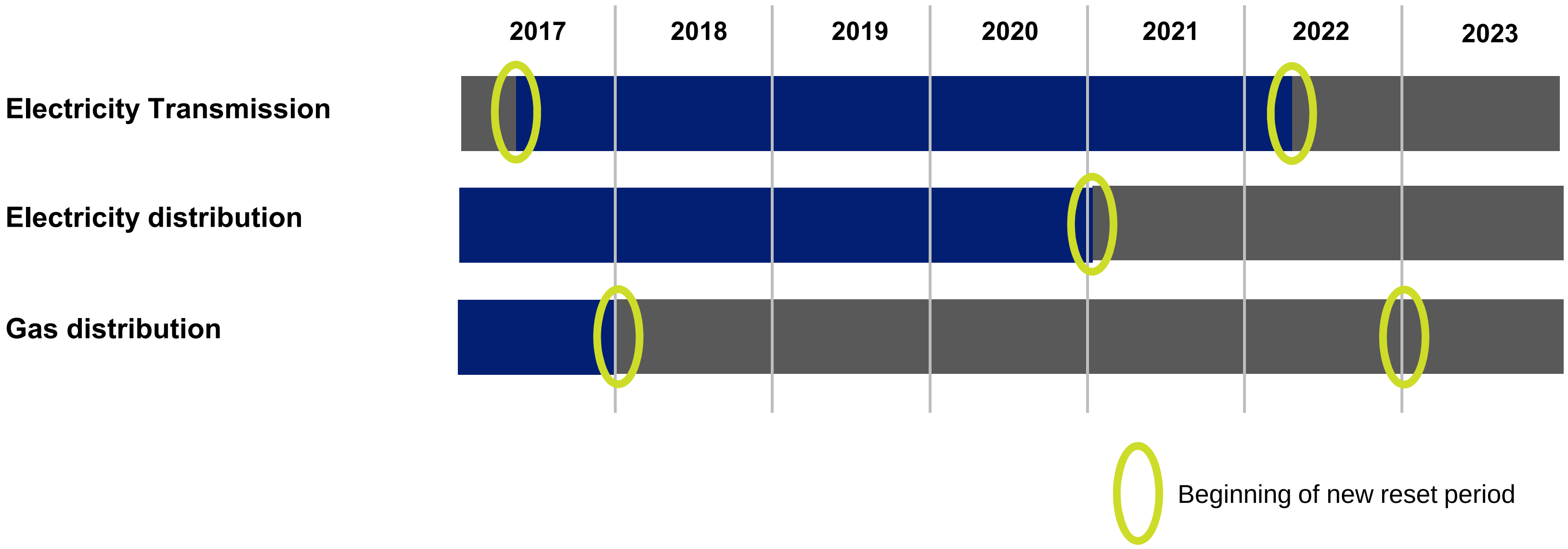
Interest Rate Hedging Profile

- As at 30 September 2017, the weighted average interest rate of the total hedge portfolio was 2.61% vs 3.10% as at 30 September 2016.
- New AER approach assumes that every year, one-tenth (10%) of the debt portfolio is refinanced.



Regulatory Reset Summary

- Diversified networks and staggered reset periods reduce regulatory risk.
- From 1 January 2018, around 85% of total revenues locked-in until FY20 under regulatory determinations.



GAAR 2018 - 2022

Regulatory period	2013-17 Current Period	2018-2022 Draft
Beta	0.8	0.7
Risk Free Rate	3.14%	2.60%
Cost of Debt	6.50%	5.10%
Gamma	0.25	0.40
Market Risk Premium	6.00%	6.50%
Nominal Vanilla WACC	7.07%	5.94%
Return on Equity	7.94%	7.20%
Net Capex (Nominal)	$512m	$502m
Opex (Nominal)	$277m	$289m
Revenue (Nominal)	$952m	$1,045m

***Note**: Accepted AER Draft Decision in July 2017. Final decision to be published in November with an updated risk free rate to capture the September to October sampling period.*

Current Regulatory Determinations

Regulatory period	Gas distribution 2013-17	Electricity distribution 2016-20	Electricity Transmission 2017-22
Beta	0.8	0.70	0.7
Risk Free Rate	3.14%	2.93%	2.52%
Cost of Debt	6.50%	5.52%	4.94%
Gamma	0.25	0.40	0.40
Market Risk Premium	6.00%	6.50%	6.50%
Nominal Vanilla WACC	7.07%	6.31%	5.80%
Return on Equity	7.94%	7.50%	7.10%
Net Capex (Nominal)	$512m	$1,788m	$780m
Opex (Nominal)	$277m	$1,355m	$1,225m
Revenue (Nominal)	$952m	$3,524m	$2,742m

Note: *EDPR 2016-20 is inclusive of Metering.*
Figures do not incorporate within-period updates to the cost of debt.

Further information and contacts

- AusNet Services is the largest diversified energy network business in Victoria, owning and operating around $12 billion of assets.
- The company owns and operations three regulated networks - electricity distribution, gas distribution and the state-wide electricity transmission network. The company also has a Commercial Energy Services division, focusing on unregulated opportunities, including contracted infrastructure, asset intelligence and energy services.
- Headquartered in Melbourne, Australia, AusNet Services employs around 2,000 people to service 1.4 million customers and is listed on the Australian Securities Exchange (ASX: AST) and the Singapore Stock Exchange (SGX-ST: AZI.SI).
- For more information visit www.ausnetservices.com.au

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