ASX Release

14 November 2018

AusNet Services Half Year Results 2019 Release and Presentation

The following documents are attached:

1. AusNet Services Half Year 2019 Results Release; and

2. AusNet Services Half Year 2019 Investor Presentation.

Claire Hamilton
Company Secretary

AusNet Services Ltd
ABN 45 603 317 559

Level 31, 2 Southbank Boulevard
Southbank Victoria 3006, Australia
www.ausnetservices.com.au

Investor Relations
John Nicolopoulos
Head of Tax & Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Enquiries
+61 3 9483 0989

ASX Release

AusNet services

14 November 2018

AusNet Services Half Year 2019 Results

AusNet Services reported its half year results for the period ending 30 September 2018. Key outcomes include:

- An interim dividend of 4.86 cps (40 per cent franked), up 5 per cent on prior corresponding period and re-affirming dividend guidance for FY19 of 9.72 cents per share;
- Lower regulated revenues (as flagged at the FY18 results release) partially offset by continued focus on cost efficiency; and
- Significant regulated and contracted asset base growth.

AusNet Services continues to generate significant operating cash flows from a growing asset base and ongoing operating efficiencies. This, together with continued maintenance of prudent financial settings, supports capital expenditure programs and dividends to shareholders in a sustainable manner.

Nino Ficca, Managing Director of AusNet Services said, “AusNet Services is focused on improving safety and reliability and moving ahead with our cost efficiency program to deliver better customer outcomes. At the same time, we are responding to demand for renewable generation connections by investing in our Electricity Transmission and Commercial Energy Services assets”.

A$M	HY 2019	HY 2018	Variance
Revenues	**995.8**	1,068.7	**↓6.8%**
EBITDA	**631.6**	647.4	**↓2.4%**
Earnings before interest and tax	**409.0**	427.1	**↓4.2%**
Profit before income tax	**259.6**	291.5	**↓10.9%**
Net profit after tax	**181.5**	203.7	**↓10.9%**
Cash flow from operations	**409.1**	455.7	**↓10.2%**
Dividend (cps)	**4.86**	**4.63**	**↑ 5.0%**

AusNet Services Ltd
ABN 45 603 317 559

Level 31, 2 Southbank Boulevard
Southbank Victoria 3006, Australia
www.ausnetservices.com.au

Investor Relations
John Nicolopoulos
Head of Tax & Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Enquiries
+61 3 9483 0989

Operating and Financial Review

Electricity transmission

	30 Sept 2018	30 Sept 2017	Movement	%
Segment revenue ($M)	**311.9**	325.3	(13.4)	(4.1)
Segment result - EBITDA ($M)	**201.5**	186.4	15.1	8.1
Capital expenditure ($M)	**98.1**	69.0	29.1	42.2

Transmission revenues decreased primarily as a result of the $27.3 million reduction in easement tax (pass-through revenue – no impact on EBITDA). While the quantum of easement tax for FY19 will be the same as FY18, this half year impact is due to changes in revenue recognition accounting standards requiring easement tax to have a linear profile for the financial year. Offsetting this revenue decrease are higher project revenues associated with transmission tower relocations.

Expenses decreased $1.2 million (excluding the $27.3 million decrease in easement tax) as a result of the continuing cost efficiency program.

Capital expenditure increased primarily as a result of $14.1 million of wind farm connection interface works (nil in the prior comparative period) as well as an increase in excluded projects (primarily customer initiated relocations). Major terminal station rebuilds at Richmond and West Melbourne make up $25 million of the spend, consistent with the prior comparative period.

Electricity distribution

	30 Sept 2018	30 Sept 2017	Movement	%
Segment revenue ($M)	**446.4**	473.5	(27.1)	(5.7)
Segment result - EBITDA ($M)	**277.2**	292.4	(15.2)	(5.2)
Volume (GWh)	**3,937**	4,021	(84)	(2.1)
Connections	**732,523**	712,375	20,148	2.8
Capital expenditure ($M)	**224.3**	196.7	27.6	14.0

Revenues fell due to lower incentive revenues ($21.7 million in prior period, zero in the current period due to lower reliability performance in CY2016) and a $19.5 million reduction in metering revenue, primarily due to the hand back of previously received excess expenditures disallowed by the Australian Energy Regulator (AER). Offsetting these is a $16.1 million increase in customer contributions, primarily new housing developments.

Operating expenses decreased $11.9 million as a result of the cost efficiency program, with outsourcing initiatives in vegetation management and corporate support functions, in particular, reducing costs.

Capital expenditure increased due to the $15.2 million increase in REFCL expenditure as the program was only in place for part of the prior comparative period as well as increases in customer connection works.

Gas distribution

	30 Sept 2018	30 Sept 2017	Movement	%
Segment revenue ($M)	**152.6**	167.6	(15.0)	(8.9)
Segment result - EBITDA ($M)	**122.1**	137.6	(15.5)	(11.3)
Volume (PJ)	**42.8**	44.2	(1.4)	(3.2)
Connections	**701,682**	684,735	16,947	2.5
Capital expenditure ($M)	**48.6**	44.6	4.0	9.0

Regulated gas distribution revenues decreased due to the 9.4 per cent reduction in gas tariffs from 1 January 2018. Operating expenses were positively impacted by our cost efficiency program. The increase in capital expenditure reflects higher levels of customer connections.

Commercial Energy Services

	30 Sept 2018	30 Sept 2017	Movement	%
Segment revenue ($M)	**92.3**	110.8	(18.5)	(16.7)
Segment result - EBITDA ($M)	**30.8**	31.0	(0.2)	(0.6)
EBITDA Margin (%)	**33.4**	28.0	5.4	19.3
Capital expenditure ($M)	**91.4**	10.7	80.7	754.2

The Commercial Energy Services business consists of contracted infrastructure asset services and specialised technology solutions to enable energy data and asset intelligence services. Contracted infrastructure asset services own and operate a portfolio of 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 decreased $18.5 million from the comparative period, which included several contracts that were exited in the prior year as part of a strategic refocus away from providing certain maintenance services. EBITDA margins have increased as a result of the refocus.

Capex in the current period primarily relates to four new wind farm connections that commenced construction in the current period. The prior period included minimal capex in relation to wind farms ($3.0 million for Salt Creek, which was energised in June 2018).

Outlook

For FY19, AusNet Services re-affirms dividend guidance and expects, subject to business conditions, to pay a total dividend of 9.72 cps, up 5 per cent on FY18, franked around 40 to 50 per cent. AusNet Services will continue to determine future dividends by reference to operating cash flows (using EBITDA as a proxy) after servicing all of its maintenance capital expenditure and a portion of its growth capital expenditure.

AusNet Services expects continued growth in its regulated asset base of around 3.5 per cent per annum to FY21. The business is also on track to achieve $1bn of contracted energy infrastructure assets by FY21. Importantly, net debt to regulated and contracted asset base is expected to remain below 70 per cent throughout this period.

As part of Focus 2021 strategy, AusNet Services will continue to relentlessly focus on productivity and efficiency, targeting top quartile of efficiency benchmarks for all networks, and strengthening our culture and capabilities required to deliver against our strategy. Our vision is to create 'Energising Futures' by delivering value to our customers, communities and partners, leveraging our reputation as a trusted and respected partner.

Dividend key dates

The 2019 interim dividend of 4.86 Australian cps is 40 per cent franked.

The Dividend Reinvestment Plan (DRP) will be in operation for the 2019 interim dividend at a 2 per cent 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 22 November 2018 and 5 December 2018 (inclusive).

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

Relevant dates:

19 November 2018	Ex-date for interim dividend
20 November 2018	Record date to identify shareholders entitled to the interim dividend
21 November 2018	Last election date for participation in the DRP
20 December 2018	Payment of interim dividend

About AusNet Services

AusNet Services is the largest diversified energy network business in Victoria, owning and operating $12.4 billion of assets. The company owns and operates 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 1,900 people to service over 1.4 million consumers. For more information visit AusNet Services' website, www.ausnetservices.com.au.

AusNet Services Ltd
ABN 45 603 317 559

Level 31, 2 Southbank Boulevard
Southbank Victoria 3006, Australia
www.ausnetservices.com.au

Investor Relations
John Nicolopoulos
Head of Tax & Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Enquiries
+61 3 9483 0989

Supporting Australia's energy future

Brunswick Terminal Station

Half Year 2019 Results

For the period ended 30 September 2018

Disclaimer

- The AusNet Services Group (AusNet Services) comprises AusNet Services Ltd and its subsidiaries.
- The information in this presentation is not a prospectus, product disclosure statement or other offering document and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in AusNet Services. The information is an overview (in summary form) and does not purport to be complete or contain all the information necessary to make an investment decision. This presentation is not financial product advice and does not take into consideration the investment objectives, financial situation or particular needs of any particular person. You should consider the appropriateness of the information having regard to your individual objectives, financial situation (including taxation position) and needs, and seek independent professional advice. This presentation, and the information in this presentation, will not form the basis of any contract or commitment.
- This presentation has been prepared by AusNet Services on the information available. To the maximum extent permitted by law, no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions in this presentation and AusNet Services, its directors, officers, employees, agents and advisers disclaim all liability and responsibility (including for negligence) for any direct or indirect loss or damage which may be suffered by any recipient through use or reliance on anything contained in or omitted from this presentation.
- This presentation contains certain "forward-looking statements" and prospective financial information. These forward looking statements and information are based on the reasonably held beliefs of AusNet Services management as well as reasonable assumptions made by and information currently available to AusNet Services management, and are current only as of the date of this presentation. All statements other than statements of historical facts included in this presentation, including without limitation, statements regarding AusNet Services forecasts, business strategy, synergies, plans and objectives, are forward-looking statements. In addition, when used in this presentation, the words "guidance", "forecast", "estimate", "expect", "anticipated" and similar expressions are intended to identify forward looking statements. Such statements are subject to significant assumptions, risks and uncertainties, many of which are outside the control of AusNet Services and are not reliably predictable, which could cause actual results to differ materially, in terms of quantum and timing, from those described in this presentation. In receiving this presentation, you agree to the above restrictions and limitations.

Introduction

Financial Performance

Regulated Energy Services

Commercial Energy Services

Outlook

Safety Mission & Performance

mission zero

21% ↓ Reduction in Recordable Injury Frequency Rate (HY19 RIFR 4.63)

Embedding clear leadership accountabilities for all employees and promoting improved communication and recognition of safety performance

Our vision is to create energising futures by delivering value to our customers, communities and partners

- Efficient network assets with high levels of utilisation
- Strong track record of delivering value to customers (45% improvement in reliability from 2007 to 2017)
- 14.3% reduction in electricity distribution component of the average Victorian electricity bill (in real terms, post 1995 privatisation to 2017)
- Significant transmission growth opportunities facilitating the transition to renewables

West Melbourne Terminal Station

Regulatory and Policy Environment

AusNet services

Escalating interventions on price and performance….

- Heightened uncertainty at a time when significant network investment is required
- Needs strong policymaker focus on AEMO's Integrated System Plan

…but AST outperformance under incentive based regulation delivers value to customers

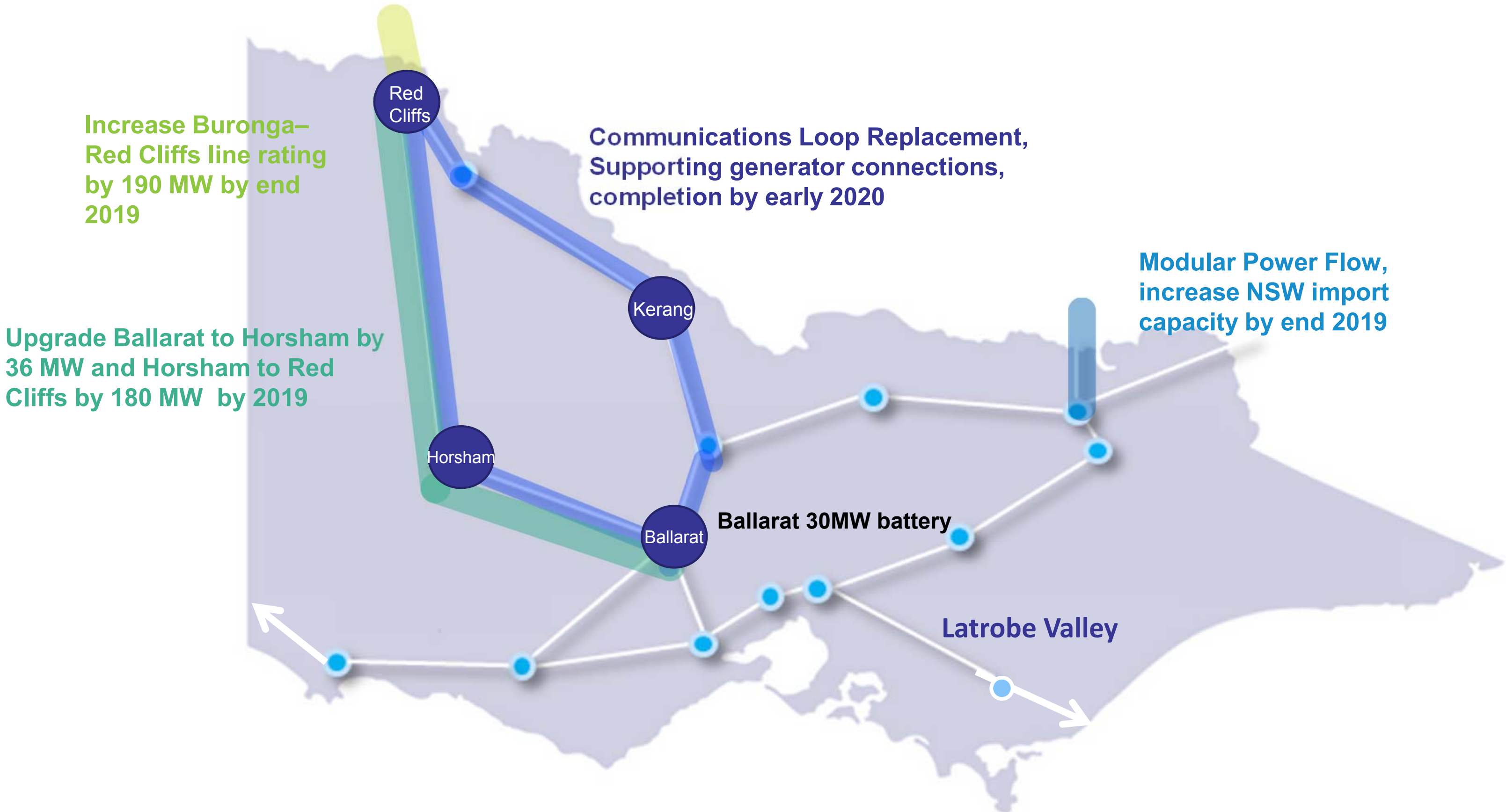
- Privatised electricity businesses deliver lower prices for consumers, without compromising reliability or safety, as confirmed by ACCC report

…with relentless focus on productivity essential

- Execute on efficiency, deliver for customers and facilitate growth in renewables

Renewables connections require increased network capacity in north west Victoria

- ~4,000MW enquiries and applications in north-west Victoria
- Growth driven by Victorian Government Renewable Energy Target (25% by 2020, 40% by 2025)
- Assisting AEMO with Regulatory Investment Tests to increase capacity



Note: AusNet Services' investment commences when contracted with counterparty or regulatory approved

Investment Proposition and HY19 Highlights

Stability

- Inflation protected revenues, next regulated revenue reset 1 Jan 2021
- Long-term maintenance of A-range credit rating, through prudent and sustainable financial settings

Shareholder returns

- HY19 dividend up 5% (franked 40%), in-line with FY19 guidance
- Continued organisational transformation driving efficiencies and improved returns
- Regulated and Contracted Asset base in excess of $10bn, comprising critical energy infrastructure assets

Focus 2021 strategy

- Putting customers at the centre of what we do
- Over 50% increase in contracted transmission asset base*
- Supporting transition to new energy future

Operational excellence

- Maintained top-quartile efficiency in Electricity Transmission and Gas Distribution
- Continued focus on improving Electricity Distribution benchmarking performance

* Growth over last 12 months to 30 September 2018 and inclusive of contracted energy infrastructure assets under construction

Financial Performance

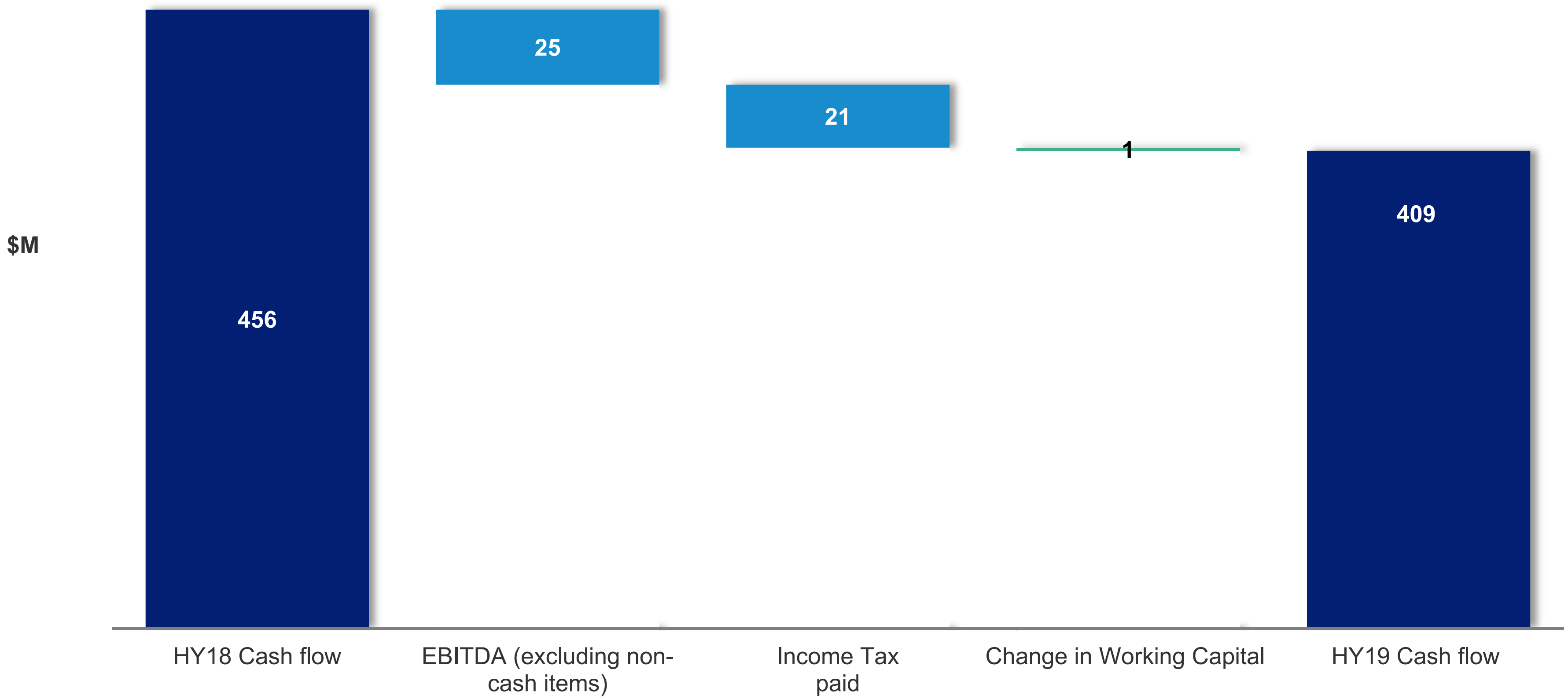
Financial Performance

- Lower reliability incentive scheme (↓$22m) and metering revenues (↓$20m)
- Lower easement tax (↓$27m) revenues and costs (pass-through, no EBITDA impact)
- Decrease in regulated operating expenses (↓$12m), driven by efficiency program (net of wage and contract price increases)
- Interim 2019 dividend up 5%, 40% franked (HY18 Franking 0%)

A$M	HY 2019	HY 2018	Variance
Statutory Result			
Revenues	**995.8**	**1,068.7**	↓**6.8%**
EBITDA	**631.6**	**647.4**	↓**2.4%**
EBIT	**409.0**	**427.1**	↓**4.2%**
PBT	**259.6**	**291.5**	↓**10.9%**
NPAT	**181.5**	**203.7**	↓**10.9%**
Cash flow from operations	**409.1**	**455.7**	↓**10.2%**
Dividend (cps)	**4.86**	**4.63**	↑**5.0%**

Cash Flow from Operations

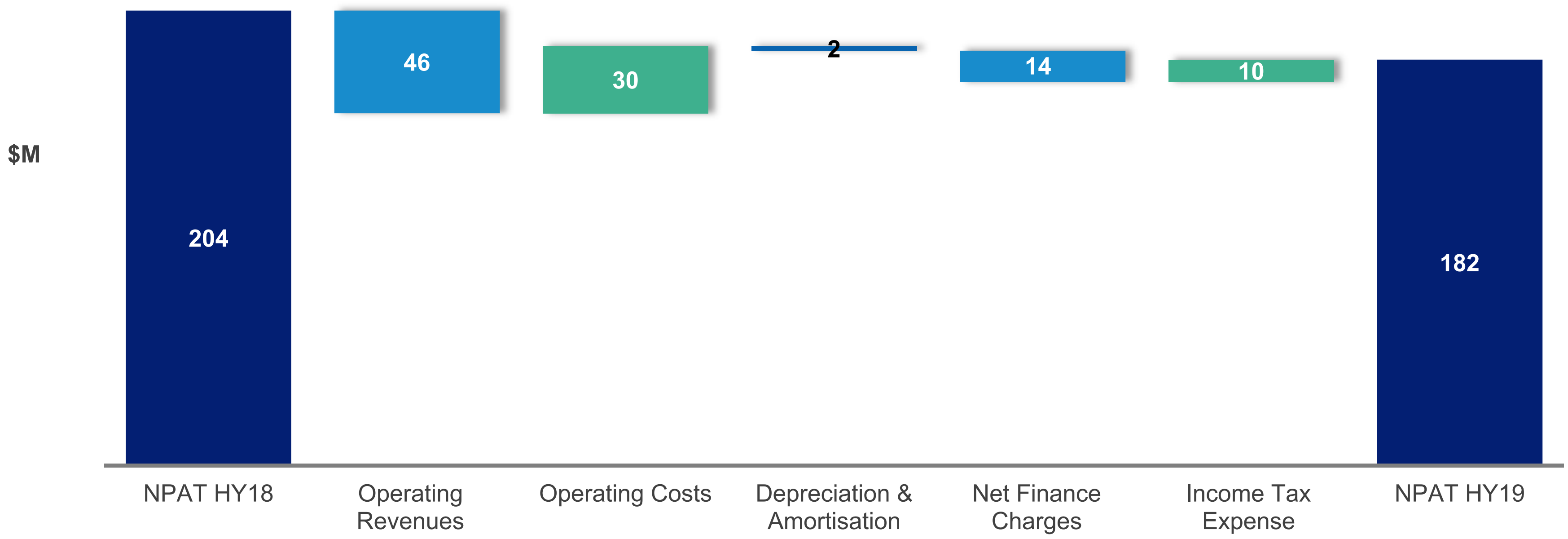
- Continued strong operating cash flows, despite lower revenues



Note:
HY18 cash flow includes $10.5m net income tax received.
Immaterial movement in net finance costs paid.

NPAT Performance

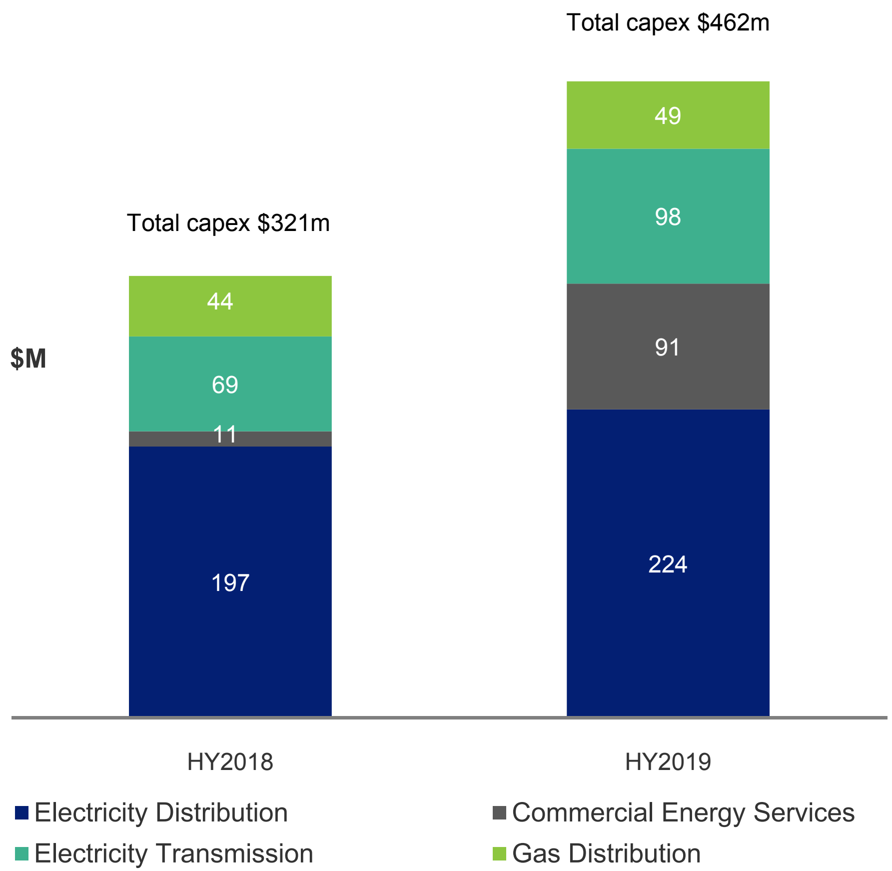
- Decline in regulated revenues partially offset by efficiency program



Note:
Excludes impact of AASB 15 on easement tax pass-through ($27m). See slide 26 for further details.

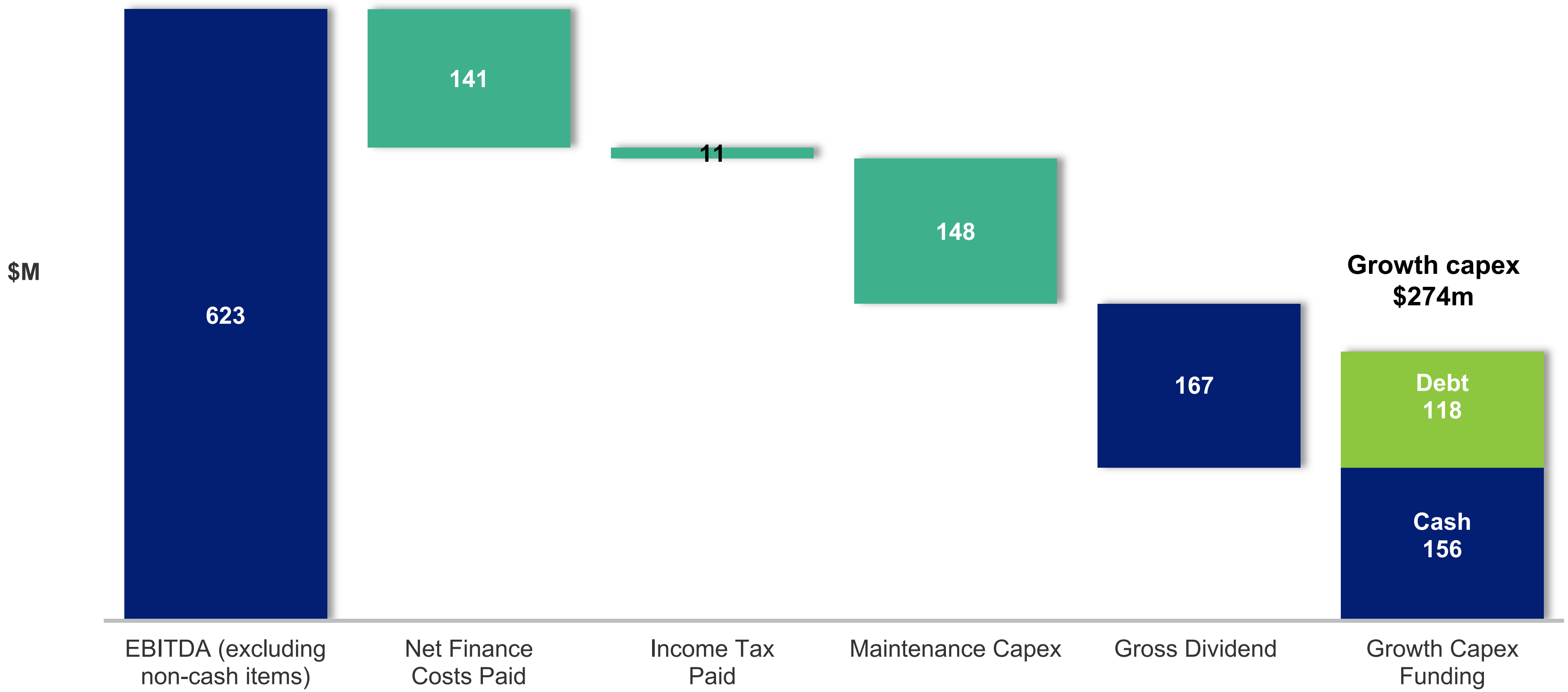
Capital Investment

- Increase in CES growth capex due to construction of five wind farm connections and Ballarat battery facility
- Transmission customer connections **$32m**, (HY18: $12m) mainly due to an increase in new renewable projects
- Growth / maintenance capex split approximately 65/35
- Continued significant investment in bushfire mitigation **$59m,** (HY18:$46m) and other safety measures
- HY19 capital investment includes customer contributions of **$42m** (HY18:$30m)



Dividend and Capital Investment Funding

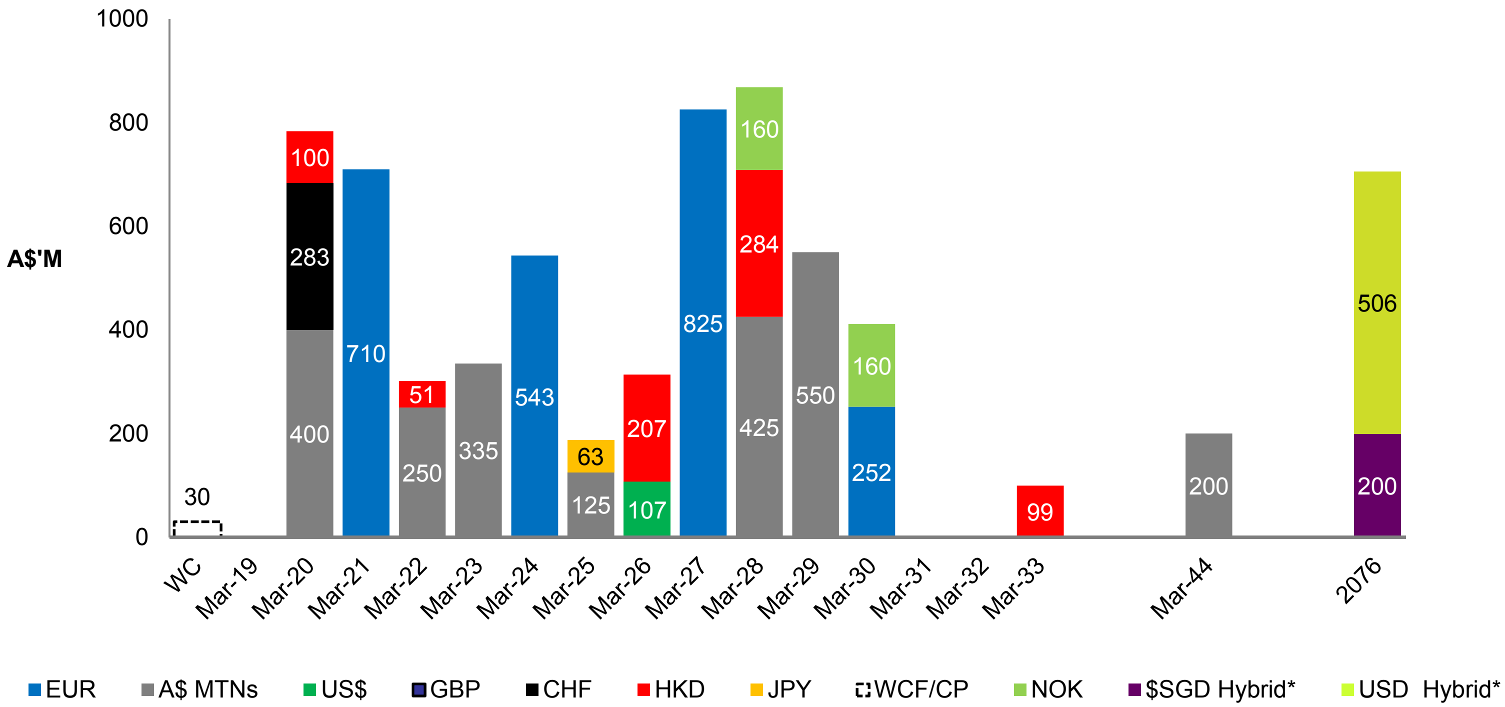
- Dividends remain fully covered by strong operating cash flows (EBITDA is used as a proxy when considering dividends)



Note:
Capital investment as per cash flow statement $422m.
Estimated net regulatory depreciation $171m (Indexation $68m).
Dividend Reinvestment Program was not in operation for the final FY18 dividend due to the SGX delisting.

Diversified Debt Portfolio

- **$6,700m** net debt hedged against movements in interest rates **(99%)**
- Raised **$900m** in funding via **$200m** 25-year Australian Dollar bonds and **$700m** of 5, 6 and 7-year revolving bank debt facilities
- Undrawn committed bank facilities as at 30 September 2018 of **$770m**



Note:
Net debt = Debt at face value ($6,863M) less cash of $163m. Offshore debt shown at hedged rates (face value).
First call date for SGD and USD hybrid securities is September 2021.

Regulated Energy Services

Industry Developments

Industry Reviews

- ACCC report confirms privatised electricity businesses deliver lower prices for consumers, without compromising reliability or safety

Regulatory Reforms

- AER rate of return review Final Decision due in December 2018
- AER tax review due in December 2018

Market Developments

- Launch of AEMO Integrated System Plan, provides a roadmap for future network investment

Operational Highlights

AusNet services

Electricity Transmission

- Richmond and West Melbourne terminal station rebuilds 92% and 42% complete
- North West Communications Loop project 27% complete
- Critical Loy Yang upgrade progressing well (23% complete)
- Supported Western Vic RIT-T and second Bass Strait interconnector feasibility
- Received 455MW of new connection applications

Electricity Distribution

- REFCL* Tranche one (allowance of $97m) in progress
- REFCL Tranche two (allowance of $140m), Final Decision approved in August 2018
- Working with high voltage customers and modifying the network to mitigate REFCL program delays
- EDPR Customer Forum established and negotiations commenced

Gas Distribution

- Bannockburn connected to natural gas in July 2018, concluding 'Energy for the Regions' program
- Significant reduction in unaccounted for gas resulting in over $1M p.a. in savings
- Hydrogen building momentum in Australia with key reports from Dr. Alan Finkel, amongst others
- AusNet Services sponsoring Future Fuels Co-operative Research Centre

Extensive network resilience program undertaken in advance of peak summer period

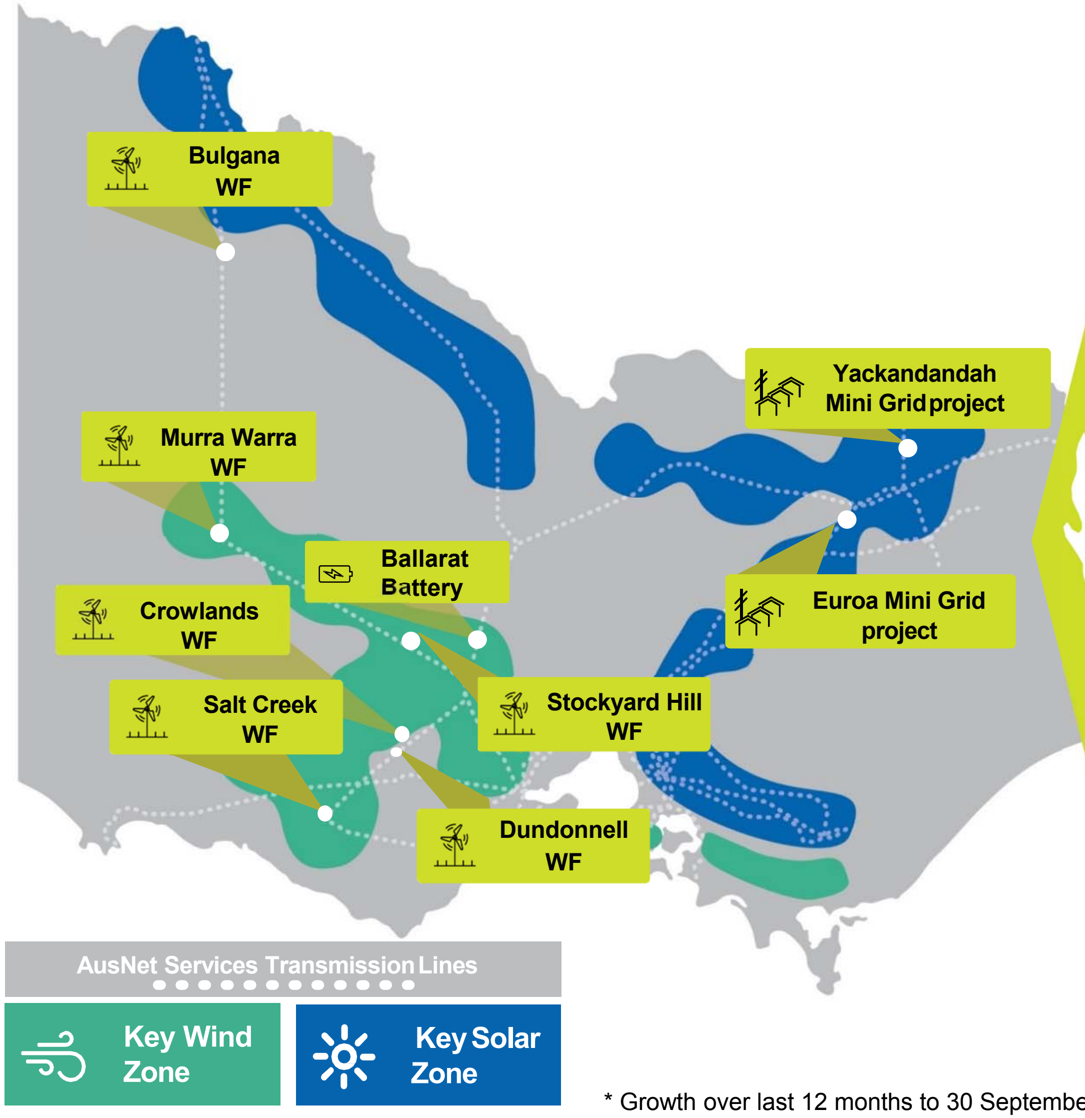
* Rapid Earth Fault Current Limiter

Commercial Energy Services

Battery Storage System at Ballarat Terminal Station

Portfolio Update

Deploying core skills to develop new infrastructure and technology



Future Focus

- Executing a disciplined national growth strategy, with refocused service offerings delivering margin improvements
- Supporting Australia's transition to a new efficient, secure, sustainable and integrated energy future
- New transmission investment and business /community mini-grid developments to unlock new revenue streams
- Interstate pipeline building with a significant number of opportunities being developed
- Over 50% increase in contracted energy infrastructure assets*

Currently $937m of committed infrastructure either complete or currently under construction

* Growth over last 12 months to 30 September 2018 and inclusive of assets under construction

Renewable Opportunities

Current market conditions and renewable energy targets are driving growth

Salt Creek Wind Farm

Projects	Expected Completion
Crowlands	Completed
Salt Creek	Completed
Ballarat Battery	Nov 2018
Bulgana	1H CY 2019
Murra Warra	1H CY 2019
Stockyard Hill	2H CY 2019

New Project Win: Dundonnell Wind Farm

Tilt Renewables is building the 336MW Dundonnell wind farm, located approximately 23km north-east of Mortlake

AusNet Services awarded contract to connect the project, providing a unique community energy solution:

- Expected completion mid CY 2020
- $80m investment

Ballarat Battery – Victoria's first utility scale battery energy storage system

Outlook

AusNet services

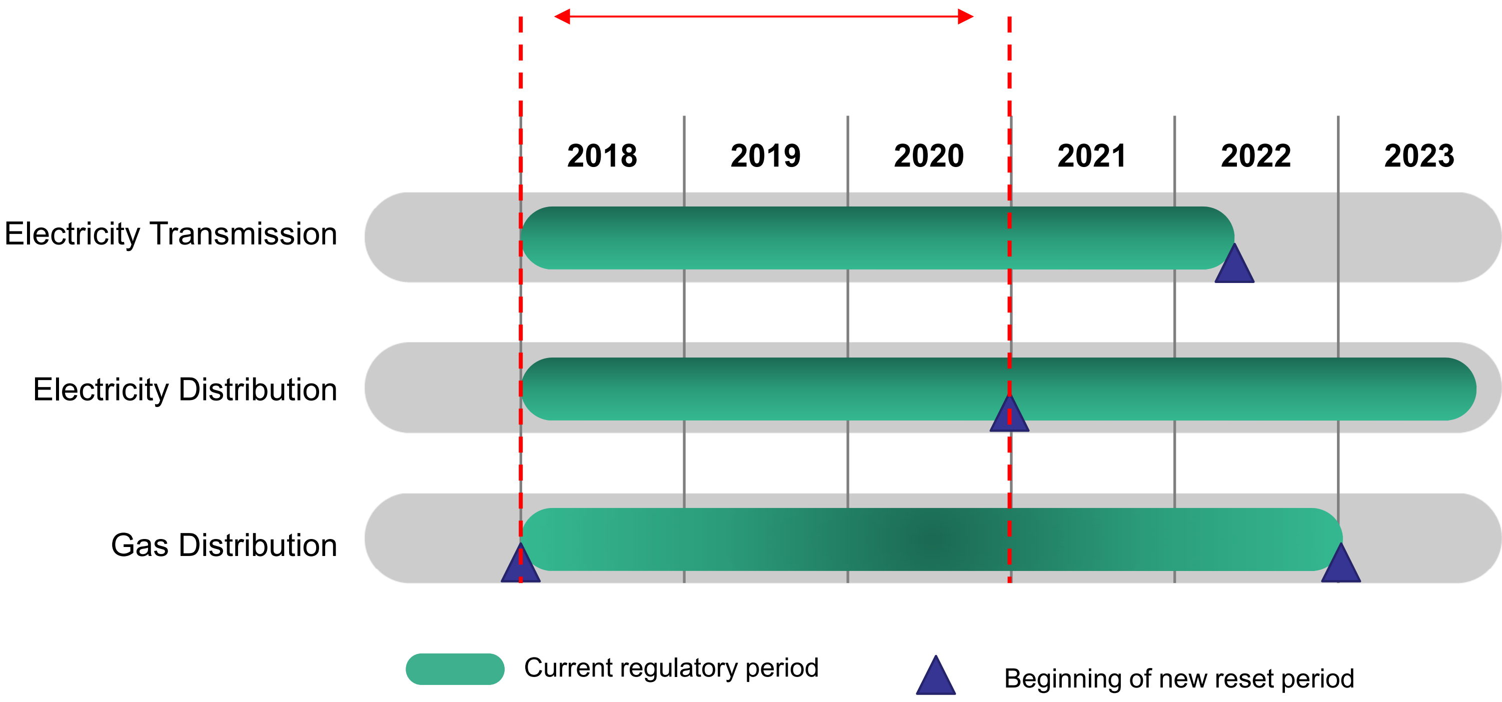
Outlook

Dividends	FY19 dividend guidance of 9.72cps, up 5%, expected to be franked around 40%-50% (subject to business conditions)
Asset Base and Capital Management	Regulated Asset Base growth forecast at around 3.5% p.a. to FY21 On track to achieve $1bn of contracted energy infrastructure assets by FY21 Forecast Net Debt to Regulated and Contracted Asset Base of <70% to FY21
Focus 2021 strategy	Targeting top quartile of efficiency benchmarks for all networks Enhance customer experience, greater digital enablement and adaptive leadership Ensure we have the culture and capabilities required to deliver on our strategy

Appendices

Regulatory Reset Summary

- **From 1 January 2018, around 85% of total revenues locked-in until 1 Jan 2021**



Electricity Transmission Network

- FY19 revenue cap **$541m**
- Excluded revenues **$39m** (HY18:$26m), increase due to Metro Tunnel Tower relocation
- AASB 15 and impact on easement tax:
  - The payment profile of easement tax to the State Revenue Office is not linear. In HY19, **$95m** of a total annual assessment of **$136m** has been paid
  - Due to AASB 15, easement tax expense (and pass-through revenue) should represent 50% of the annual charge
  - This results in the deferral of $27m of revenue and the prepayment of $27m of easement tax expense

	HY 2019	HY 2018	Variance
Revenue	**311.9**	325.3	↓4.1%
EBITDA	**201.5**	186.4	↑8.1%
EBITDA Margin	**64.6%**	57.3%	↑7.3%
EBIT	**154.7**	133.4	↑16.0%
EBIT Margin	**49.6%**	41.0%	↑8.6%
Regulated Asset Base	**3,519**	3,452	↑1.9%

Electricity Distribution Network

- CY18 revenue cap **$697m** (no STPIS based on CY16 performance and includes TUOS pass through of around $86m)
- CY19 revenue cap **$728m** (includes TUOS pass through of around $80m) and $10m STPIS revenue (entitled to $19.4m in CY19, deferring remainder to CY20)
- HY19 metering revenue **$26m** (HY18:$45m)
- Expect CY18 metering revenue **$51m** (inclusive of negative revenue adjustment. CY17 metering revenues $90m)
- CY18-CY20 metering revenues impacted by negative revenue adjustment arising from cost recovery process. Profile of adjustment is; CY18:$27m, CY19: $17m, and CY20:$11m
- Customer contributions **$33m** (HY18:$16m)
- Excluded revenues **$13m** (HY18: $14m)

	HY 2019	HY 2018	Variance
Revenue	**446.4**	473.5	↓5.7%
EBITDA	**277.2**	292.4	↓5.2%
EBITDA Margin	**62.1%**	61.8%	↑0.3%
EBIT	**136.7**	157.0	↓12.9%
EBIT Margin	**30.6%**	33.2%	↓2.6%
Volumes (GWh)	**3,937**	4,021	↓2.1%
Connections	**732,523**	712,375	↑2.8%
Regulated Asset Base	**4,293**	4,037	↑6.3%

Gas Distribution Network

- New prices took effect on **1 Jan 2018**, average tariffs declined by **9.4%**
- HY19 customer contributions **$5m** (HY18:$9m)

	HY 2019	HY 2018	Variance
Revenue	**152.6**	167.6	↓8.9%
EBITDA	**122.1**	137.6	↓11.3%
EBITDA Margin	**80.0%**	82.1%	↓2.1%
EBIT	**97.3**	114.9	↓15.3%
EBIT Margin	**63.8%**	68.6%	↓4.8%
Volume (PJ)	**42.8**	44.2	↓3.2%
Connections	**701,682**	684,735	↑2.5%
Regulated Asset Base	**1,587**	1,515	↑4.8%

Commercial Energy Services

- Revenue decrease due to exit of some maintenance services contracts
- Invested **$82m** in wind farm connections and battery storage project, including $34m for Stockyard Hill
- Second half capex expected to be around **$120m,** subject to individual project timing

	HY 2019	HY 2018	Variance
Revenue	**92.3**	110.8	↓16.7%
EBITDA	**30.8**	31.0	↓0.6%
EBITDA Margin	**33.4%**	28.0%	↑5.4%
EBIT	**20.3**	21.8	↓6.9%
EBIT Margin	**22.0%**	19.7%	↑2.3%
Contracted Infrastructure Asset Base	**637**	538	↑18.4%

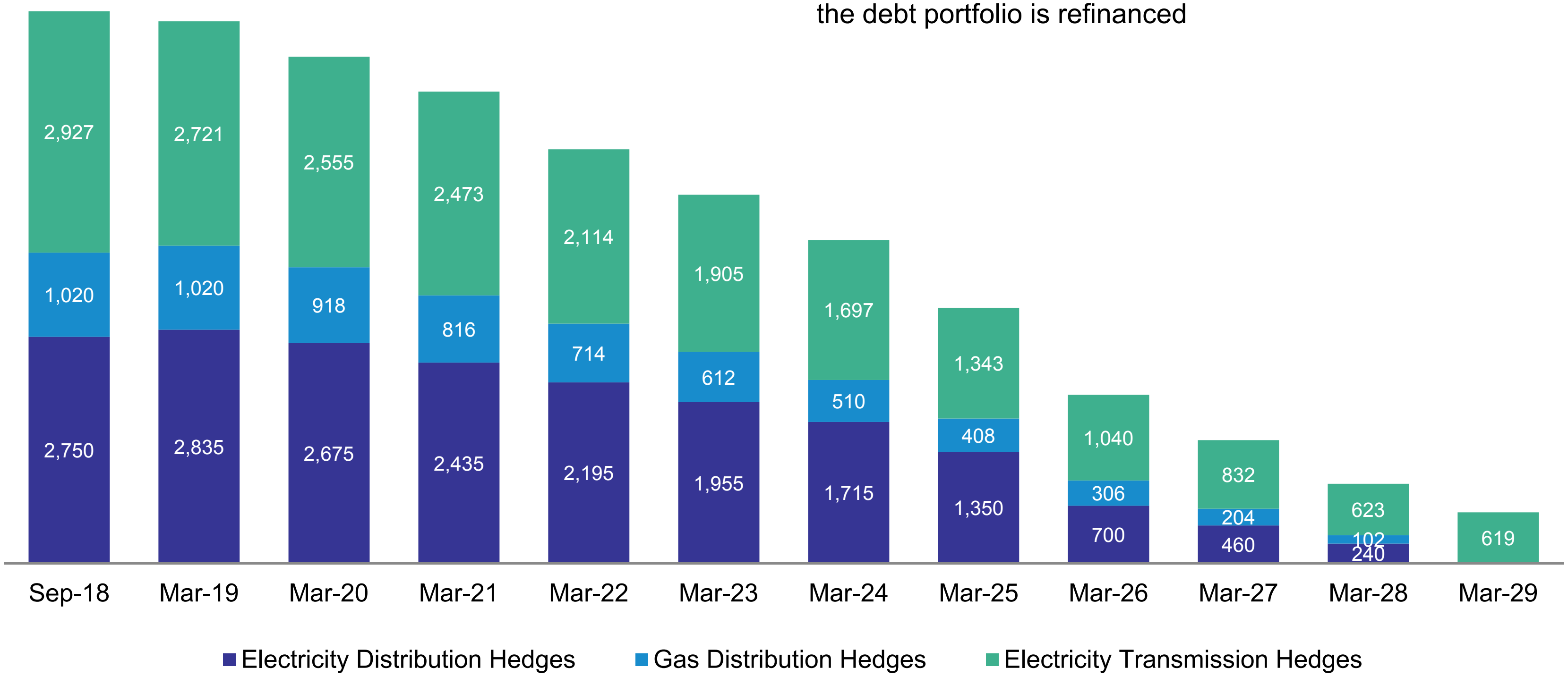
Sound Fundamentals

Financial Metrics	HY2019	HY2018
Market Capitalisation	**$5.9bn**	$6.1bn
Total Assets	**$12.4bn**	$11.7bn
Regulated / Contracted Asset Base	**$10.0bn**	$9.5bn
Total Borrowings (Face Value)	**$6.9bn**	$6.6bn
Net Debt [1]	**$7.3bn**	$6.6bn
Net Gearing (Carrying Value) [2]	**67%**	64%
Net Debt (Face Value) to Regulated / Contracted Asset Base [3]	**67%**	67%
Interest Cover [4]	**3.8x**	4.3x
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.

Interest Rate Hedging Profile

- As at 30 September 2018, the weighted average interest rate of the total hedge portfolio was 2.63% vs 2.61% as at 30 September 2017
- AER approach assumes that every year, one-tenth (10%) of the debt portfolio is refinanced



Note:
Face value of hedges outstanding as at the end of the financial year.
Electricity transmission hedges include unregulated transmission connection hedges.

Current Regulatory Determinations

Regulatory period	Gas distribution 2018-22	Electricity distribution 2016-20	Electricity Transmission 2017-22
Beta	0.70	0.70	0.70
Risk Free Rate	2.73%	2.93%	2.52%
Cost of Debt	5.04%	5.52%	4.94%
Gamma	0.40	0.40	0.40
Market Risk Premium	6.50%	6.50%	6.50%
Nominal Vanilla WACC	5.94%	6.31%	5.80%
Return on Equity	7.30%	7.50%	7.10%
Net Capex (Nominal)	$522m	$1,788m	$780m
Opex (Nominal)	$293m	$1,355m	$1,225m
Revenue (Nominal)	$1,040m	$3,524m	$2,742m

Note:
All data in table is based on original regulatory determinations.

Regulated Network Statistics

Around 85% of total revenues

Electricity Transmission

- Over 6,600km of lines
- 53 terminal stations and switchyards
- Over 13,000 towers

Electricity Distribution

- 732,000 customers
- 60 zone substations
- Over 7,000 Gwh of throughput p.a.
- Around 383,000 power poles

Gas Distribution

- 701,000 customers
- 11,400km of gas mains
- 66 PJ of throughout p.a.

Further information and contacts

- AusNet Services is the largest diversified energy network business in Victoria, owning and operating $12.4 billion of assets.
- The company owns and operates 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 1,900 people to service over 1.4 million customers and is listed on the Australian Securities Exchange (ASX: AST).
- For more information visit www.ausnetservices.com.au

For further information contact:

Investor Relations
John Nicolopoulos
Head of Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Relations
Sarah Ward
Corporate Affairs
+61 3 9695 6521 or +61 447 289 452

AusNet Services Ltd

Level 31
2 Southbank Boulevard Southbank
Victoria 3006 Australia

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia

Tel: +61 3 9695 6000
Fax: +61 3 9695 6666