



Monday, 2 November 2015

The Manager
Company Announcements
Australian Stock Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

VICTORIA POWER NETWORKS ANNOUNCES NEW JOINT FUNDING VEHICLE FOR CITIPOWER AND POWERCOR

Victoria Power Networks Pty Ltd ("VPN"), in which Spark Infrastructure hold a 49% interest, today announced the establishment of a Common Funding Vehicle ("CFV") for its two wholly-owned electricity distribution networks, CitiPower and Powercor. The combined debt book for VPN is approximately A\$4.2bn.

With effect from today, Powercor Australia, LLC and CitiPower I Pty Ltd are substituted for the newly established CFV, Victoria Power Networks (Finance) Pty Ltd ("VPNF") as the borrower/issuer of all of CitiPower and Powercor's existing debt and associated derivatives. VPNF is a wholly-owned subsidiary of VPN.

Standard & Poor's has today initiated coverage of VPNF, ascribing a standalone corporate credit rating of BBB+ (stable outlook). This rating is consistent with the previous ratings for CitiPower and Powercor, which have now been withdrawn.

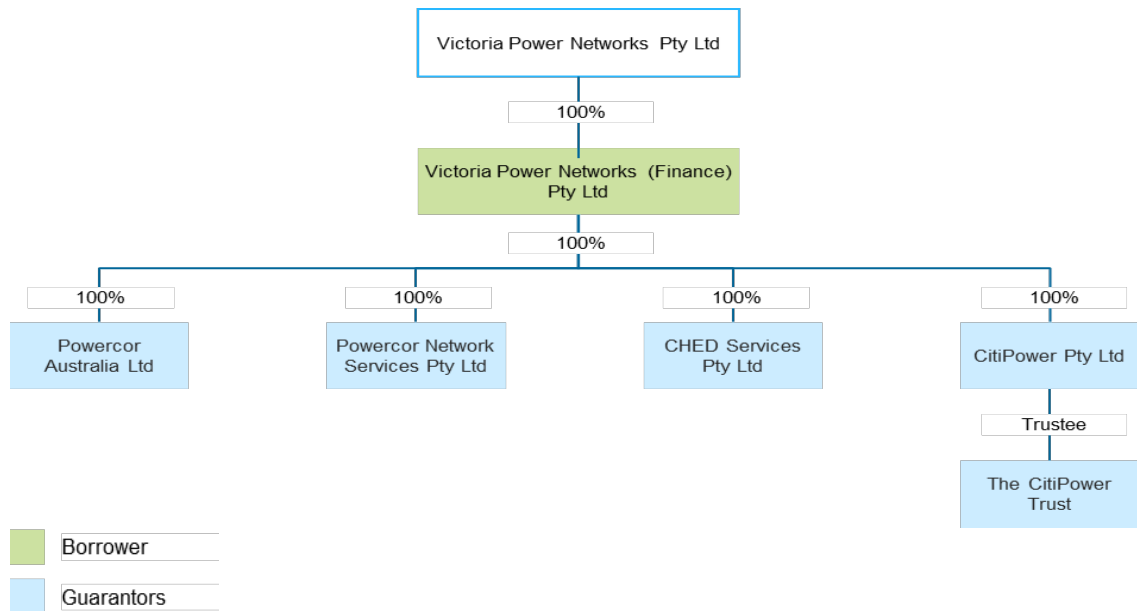
Moody's, which previously rated Powercor, has not been engaged to rate the new consolidated funding vehicle. However, it will continue to rate Spark Infrastructure and SA Power Networks.

Benefits of establishing the CFV include:

- Increased financial flexibility and synergies from a larger aggregated debt book
- Increased scale and diversity of cash flows
- Simplification of borrowing arrangements and reporting requirements
- More efficient interaction and greater transparency with debt investors and Standard & Poor's

As part of the CFV project, VPN will also streamline its corporate structure, with the number of entities in the group being reduced from 23 to 7.

The new simplified borrowing structure for the VPN group will be:



For more information please contact Mario Falchoni, General Manager, Investor Relations and Corporate Affairs on 02 9086 3607.

Yours faithfully,

Alexandra Finley
Company Secretary