

7 April 2014



TO: ASX Limited
Singapore Exchange Securities Trading Limited

Australian Taxation Office (ATO) Dispute

SP AusNet Unsuccessful in Appeal Against Section 163AA Impost Assessments

Enclosed is an announcement made by SP AusNet which is provided for the information of SPI Electricity & Gas Australia Holdings Pty Ltd noteholders.

Susan Taylor
Company Secretary

Australian Taxation Office (ATO) Dispute

SP AusNet Unsuccessful in Appeal Against Section 163AA Impost Assessments

The Full Court of the Federal Court of Australia today delivered judgment against SP AusNet in an appeal against disputed tax amended assessments relating to the 2001 to 2006 income years. The majority decision (2:1) of the Full Federal Court dismissed SP AusNet's appeal.

The disputed amended assessments relate to deductions claimed for amounts imposed under Section 163AA of the *Electricity Industry Act (1993) (Vic)*. The current after tax disputed amount is \$86.7 million (representing \$54.0 million of primary tax, plus a tax-effected interest component of \$32.7 million).

SP AusNet paid \$30.6 million to the ATO in October 2011 in relation to the dispute as part of a 50/50 payment arrangement. Following the Federal Court's first instance decision, a Profit & Loss charge of \$86.7 million was recorded by SP AusNet in its accounts for the financial period ended 30 September 2013.

SP AusNet is seeking legal advice about the Full Court's decision and will decide whether to apply to the High Court of Australia for special leave to appeal against the decision after fully considering that advice.

For further information contact:**Investor Relations**

John Nicolopoulos
Manager, Investor Relations
+61 3 9695 6301 or +61 409 672 912

Media Relations

Jonathan Geddes
Corporate Relations
+61 3 9695 6401 or +61 410 573 278

SP AusNet

SP Australia Networks (Distribution) Ltd
ABN 37 108 788 245

SP Australia Networks (Transmission) Ltd
ABN 48 116 124 362

SP Australia Networks (Finance) Trust
ARSN 116 783 914

SP Australia Networks (RE) Ltd
ABN 46 109 977 371
AFS Licence No. 294117 as responsible entity for
SP Australia Networks (Finance) Trust

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