

ASX & SGX-ST Release



23 July 2015

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Annual General Meeting Presentation

Enclosed is an announcement made by AusNet Services which is provided for the information of AusNet Services Holdings Pty Ltd noteholders.

Susan Taylor
Company Secretary

ASX & SGX-ST Release



23 July 2015

TO: ASX Limited
Singapore Exchange Securities Trading Limited

Annual General Meeting Presentation

The presentation for today's Annual General Meeting is attached.

Susan Taylor
Company Secretary

AusNet Services Ltd Annual General Meeting

23 July 2015



mission**zero**

Disclaimer



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Chairman's address

Ng Kee Choe

Managing Director address

Nino Ficca



Safety mission & performance

Our missionZERO journey continues

► About missionZero

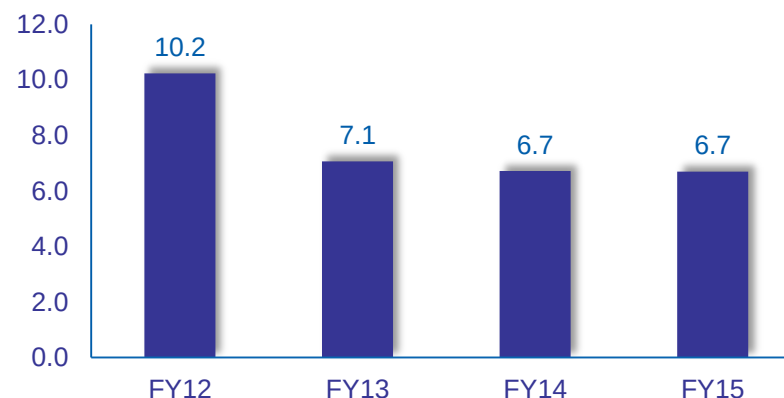
- › Symbolises our safety vision and values. When it comes to the safety of our people our target is ZERO injuries
- › Underpinned by a strategy focused on strong safety leadership, safe behaviour, the creation of safe work environments and improved systems and measurement

► missionZero progress

- › Stronger line management accountability
- › Focus on elimination and/or minimisation of risk

Performance

- 26% improvement in Hazard and near miss reporting
- 78% improvement in corrective action close out by due date
- FY15 Recordable Injury Frequency Rate (RIFR) = 6.7
- Contractors account for 65% of recordable injuries



Our People

Values

Refreshed our corporate values to align with our new name and brand:

- *we do what's right - we work safely - we're one team - we deliver*

Talent

- Executive-led **Talent and Diversity** Council has overseen a range of initiatives to attract, engage and create opportunities to strengthen our workforce diversity and talent pipeline.

Growing our leaders

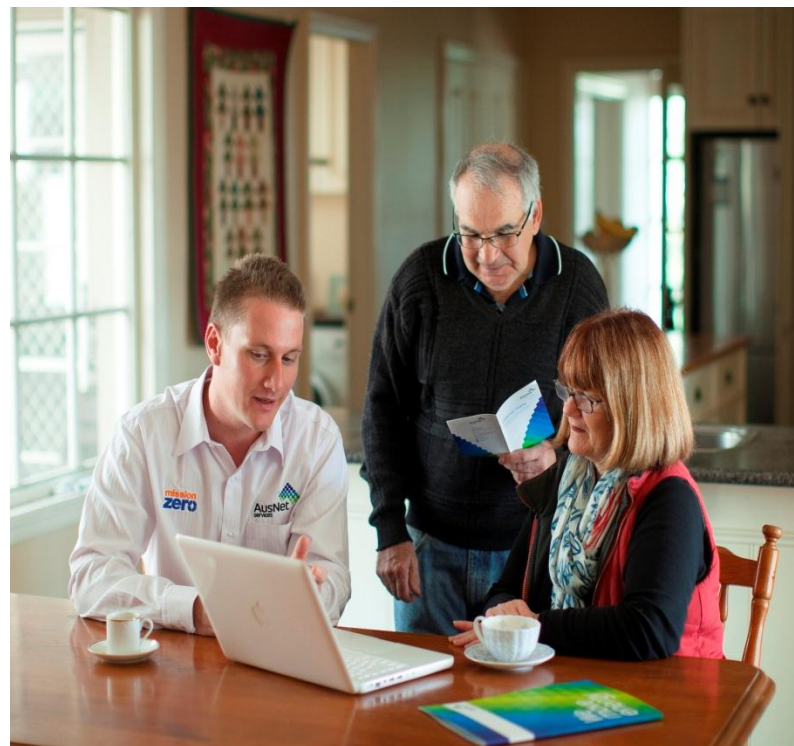
- **New Manager program** delivered to 50 new managers
- **Leadership Development program** to build capability and capacity for leaders at all levels of the business



2014 Apprentice and Trainee awards

Our Customers

- AusNet Services' purpose is to provide our customers with superior energy and network solutions
- Rebranded to AusNet Services, with a commitment to servicing our customers better now and in the future
- Our focus is on **Safety, Reliability, Innovation and improving customer service.**
- **Customer engagement** a key focus for our Electricity Distribution Price Review (EDPR) and current Transmission pricing reset.



Broadening the Investment appeal



Substantial progress on de-risking and resolving legacy issues in FY15

Settled bushfire class actions

Reached settlement on Kilmore East & Murrindindi bushfire class actions (without admission of liability). Contributions and costs have been, or will be, met under insurance cover.

Tax Certainty

Settled intra-group financing audit (Division 974 audit and related reviews), providing tax certainty over historical capital structure.

AMI completion Plan

Developed plan to complete the Advanced Metering Infrastructure (AMI) program. Silver Spring Networks contracted to develop complementary mesh technology.

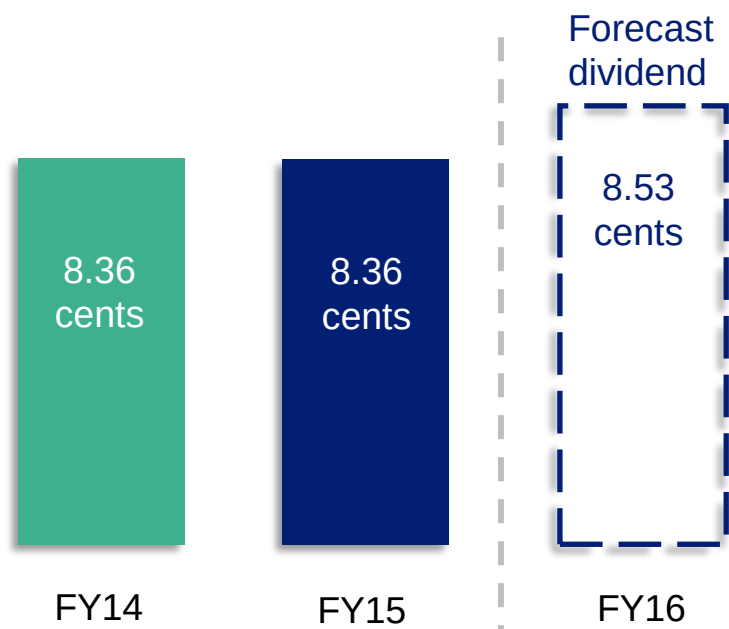
Transformation

Went 'live' with SAP platform on 4 May 2015, SAP is key enabler of more efficient and sustainable operating model, providing enhanced information management and processing. Implementation completed on time and on budget.

Restructure Proposal

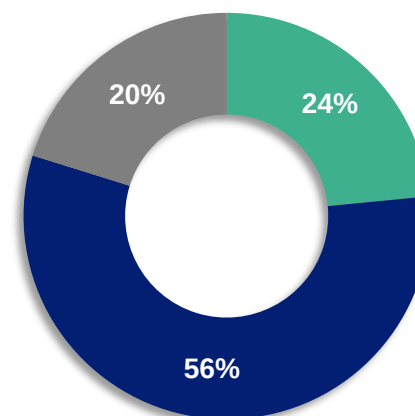
Restructure proposal implemented on June 18. Simplified corporate structure reduces complexity, broadens investment appeal and improves ability to distribute franking credits.

Dividends / Distributions



- ▶ **FY16 dividend growth guidance of 2%**
- ▶ Interim 2016 dividend expected to be **75%** franked

FY 2015 Distribution Components



	FY15	FY14
Franked Dividend	56.4%	33.3%
Interest income	23.5%	57.3%
Unfranked dividend	20.1%	0.0%
Return of Capital	0.0%	9.4%

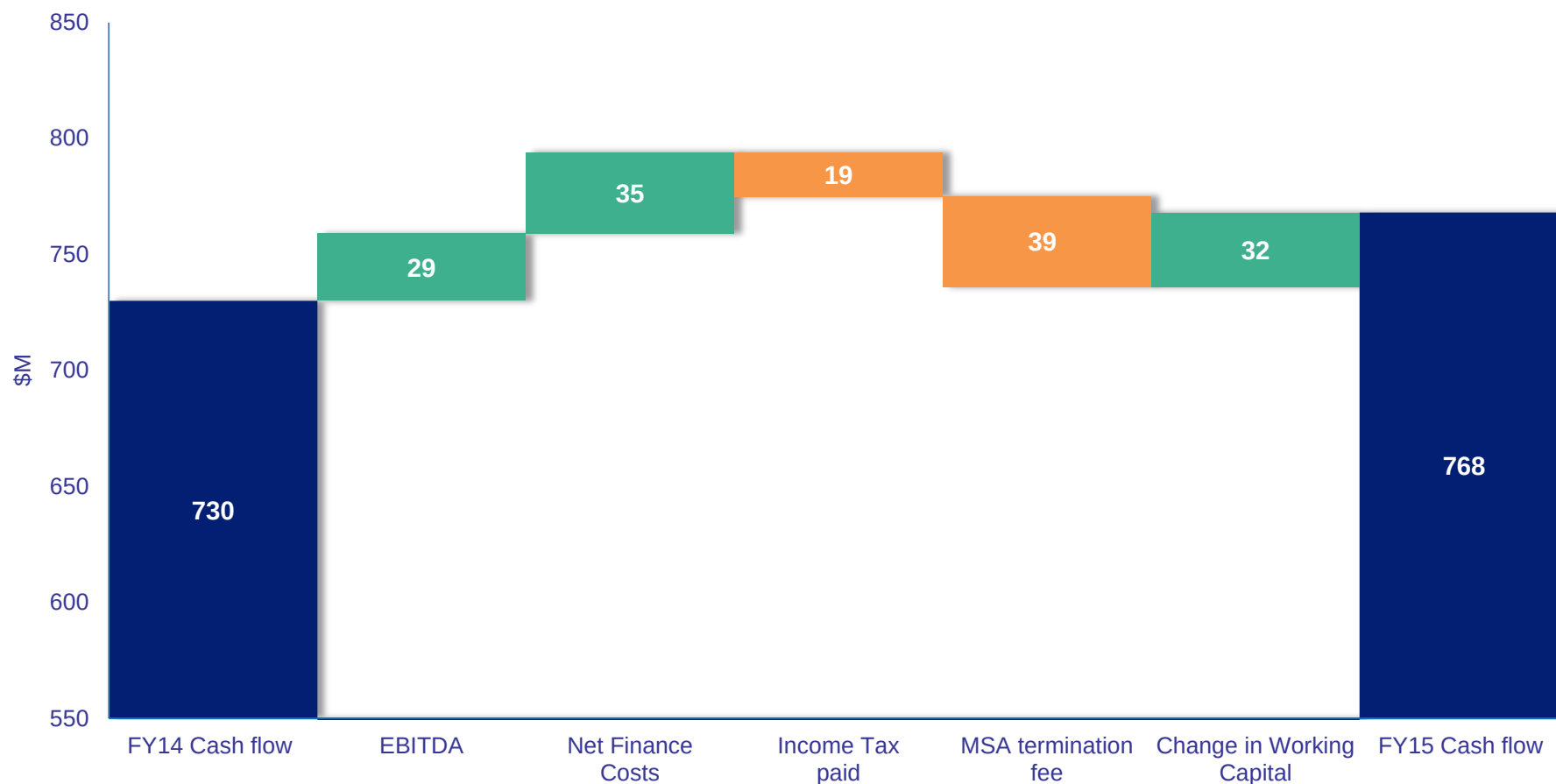
Financial performance

Full Year to 31 March 2015 (A\$M)

A\$M	FY 2015	FY 2014	Variance	
Statutory Result				
Revenues	1,833.9	1,799.4	1.9%	▶ Higher revenues from electricity distribution regulated price path and from AMI
EBITDA	1,047.2	1,017.4	2.9%	▶ EBITDA impacted by recognition of AMI customer rebate (\$33m) and AMI asset write-off (\$28m)
EBIT	668.0	647.7	3.1%	
PBT	354.4	305.4	16.0%	▶ Higher income tax expense due to:
NPAT	22.6	178.3	-87.3%	• (\$183m) ATO Audit settlement (intra-group financing audit) and; • (\$84m) potential exposure relating to Intellectual Property dispute with the ATO
Final distribution	4.18	4.18	0.0%	
Adjusted EBITDA	1,079.7	1,097.3	-1.6%	
Adjusted NPAT	312.8	320.9	-2.6%	

Cash flow from operations

Full Year to 31 March 2015 (A\$M)

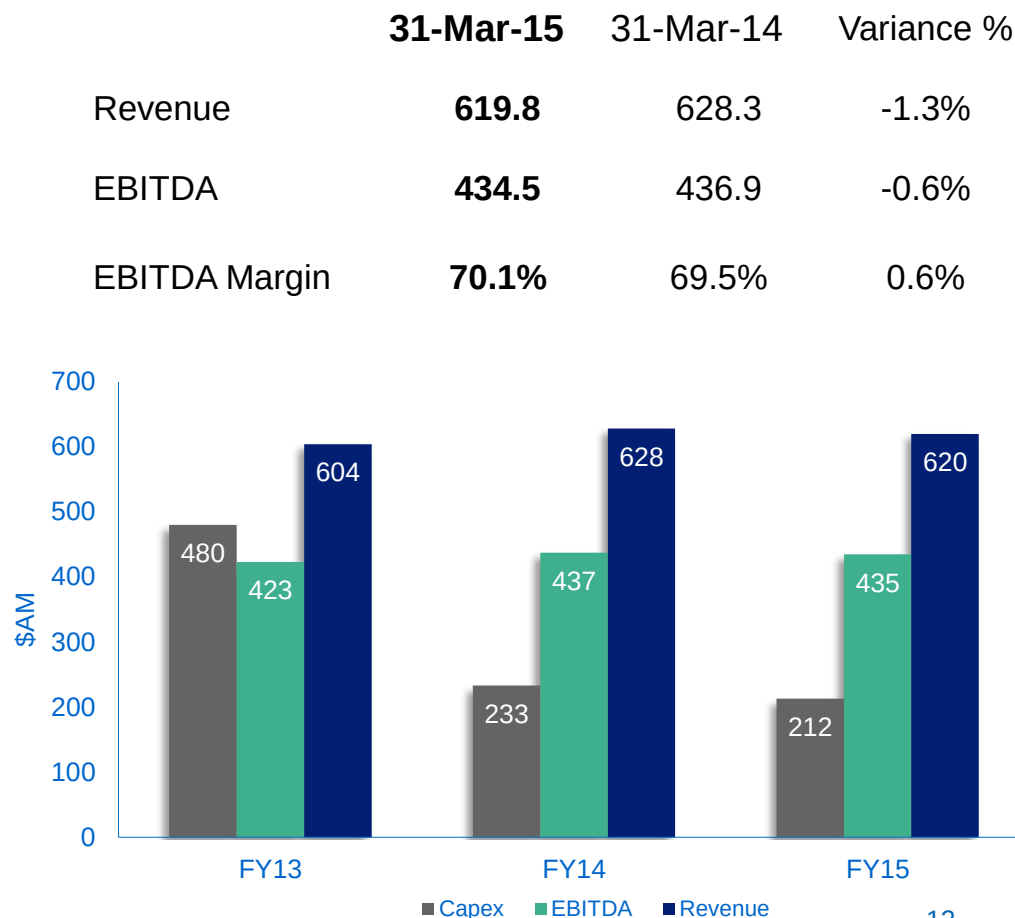


Notes: FY14 cash flow includes \$22m in performance fees, no longer payable from 31 March 2014

Electricity transmission network

Full Year Highlights (A\$M)

- ▶ Lower revenue and EBITDA due to price path commencing on 1 April 2014 under TRR 2014-17
- ▶ Recovered \$11m from Transmission Service target performance incentive scheme (STPIS) (FY14:\$8.4m) and expecting \$13m recovery in FY16
- ▶ AER benchmarking highlights strong performance, particularly in opex
- ▶ Continued to develop a pipeline of unregulated transmission opportunities

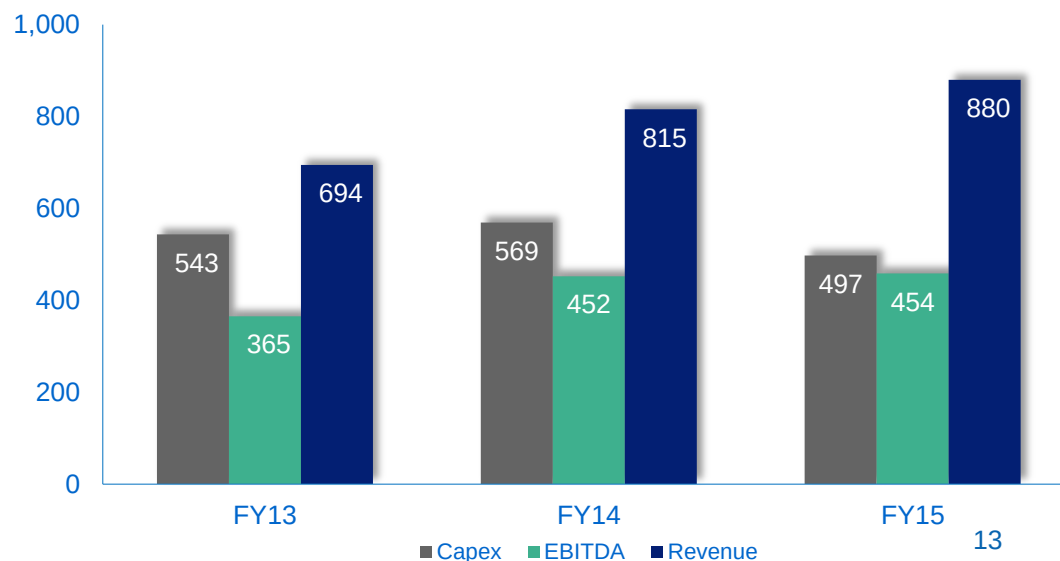


Electricity distribution network

Full Year Highlights (A\$M)

- Higher revenues from regulated price increases (13.75% in CY14 and 8.4% in CY15), partially offset by lower Transmission charges (\$31m lower TUOS pass through revenue)
- Margins impacted by recognition of \$32.5m AMI rebate and \$28.1m AMI asset write-off
- FY15 AMI revenue \$134m (FY14:\$107m)

	31-Mar-15	31-Mar-14	Variance %
Revenue	879.6	815.1	7.9%
EBITDA	453.7	451.6	0.5%
EBITDA Margin	51.6%	55.4%	-3.8%
Volume (GWh)	7,361	7,483	-1.6%
Connections	679,213	668,603	1.6%

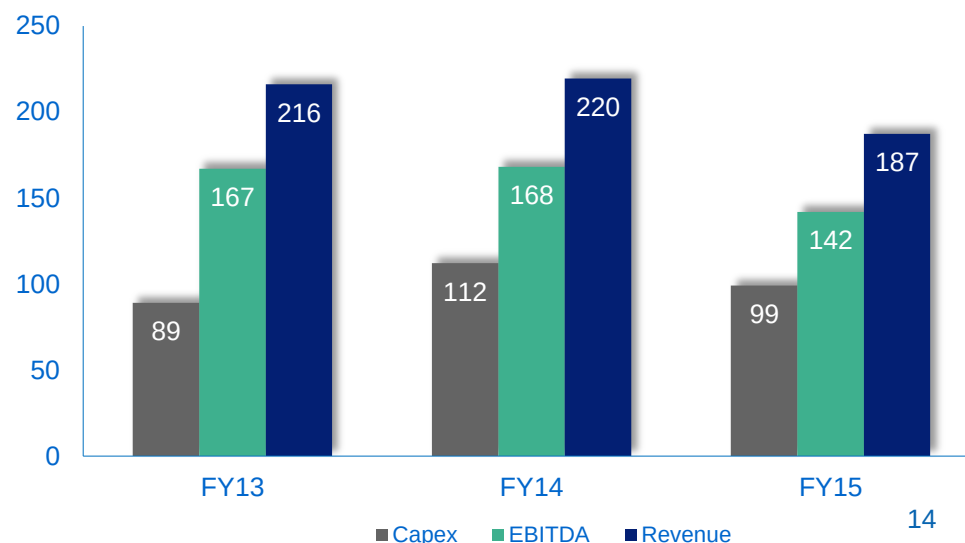


Gas distribution network

Full Year Highlights (A\$M)

- ▶ Lower revenues due to a reduction in tariffs on 1 July 2013 (-15%) and 1 Jan 2014 (- 4%)
- ▶ Customer contributions reduced by \$13m, previous period included \$21m Regional Rail Link assets
- ▶ Continued growth in new connections, due to residential housing growth in the western corridor
- ▶ Benchmarking highlights AusNet Services as an efficient operator
- ▶ Corio City Gate upgrade (\$3.5m), ensuring additional supply for Geelong and surrounding townships

	31-Mar-15	31-Mar-14	Variance %
Revenue	187.3	219.5	-14.9%
EBITDA	142.0	168.1	-15.5%
EBITDA Margin	75.8%	76.6%	-0.8%
Volume (PJ)	64.2	67.0	-4.2%
Connections	647,536	633,184	2.3%



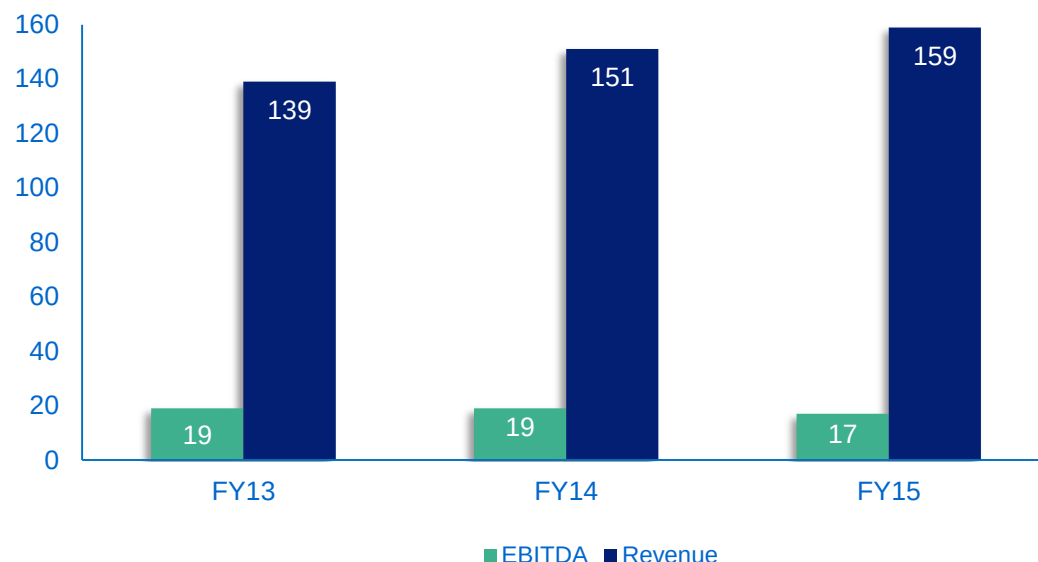
Select Solutions

Full Year Highlights (A\$M)

	31-Mar-15	31-Mar-14	Variance %
▶ Increased revenues due to the acquisition of Geomatic Technologies (GT) in February 2014			
Revenue	158.9	150.7	5.4%
EBITDA	17.0	18.5	-8.1%
▶ Margins impacted by 'up-front' mobilisation activity for new contract wins			
EBITDA Margin	10.7%	12.3%	-1.6%

▶ **Select Solutions has delivered in the following areas:**

- › Meter Replacement programs with Endeavour Energy, South Australia Water and Southern Water (Tasmania);
- › Continued growth in contestable metering;
- › Corrosion Protection services for Melbourne Water, City West Water and Jemena; and
- › Revenue growth from Singapore based laboratory



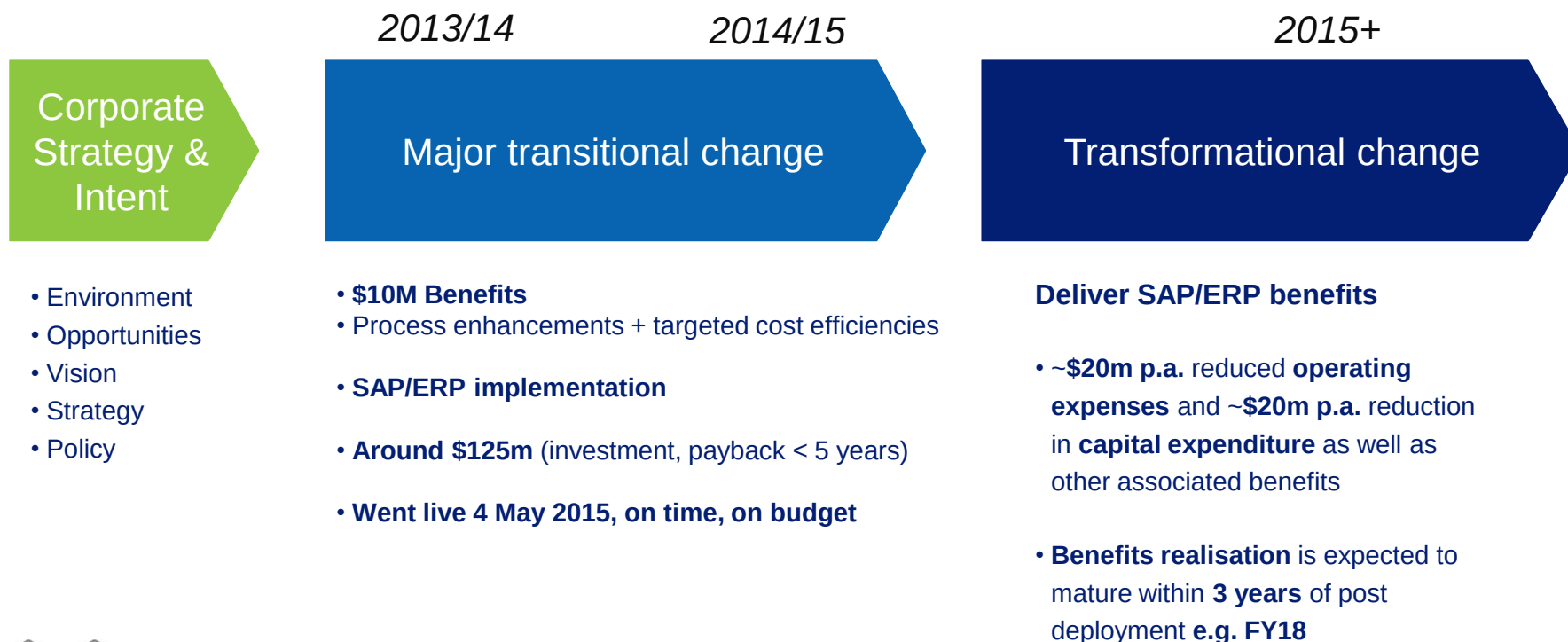
Advanced Metering Infrastructure

Update

	31-Mar-15	31-Mar-14	Variance %
▶ Improved system stability allowed further meter conversions by 31 March 2015	Installed 700,000	686,000	2.0%
▶ Priority vendors engaged	Communicating 420,000	390,000	7.7%
› Complementary telecoms network same as other Victorian Distributors › Wider coverage provides higher program certainty and contributes to \$45m increase in forecast costs			
▶ Technology complete by late 2016			
› 95% of meters expected to be communicating to market by March 2017			
▶ \$324m expenditure subject to future regulatory approval by the AER			
› Recent changes to process published by Victorian Government.			

- ▶ Victorian Government's customer rebate policy
 - › \$125 per customer as a one-off lump sum for premises which do not have a remotely communicating smart meter installed as at 31 March 2015.
 - › Almost 230,000 customers were eligible for this rebate.
 - › Payment and the administration costs provided in the FY 2015 results (\$32.5m).
 - › Payments were largely completed by 30 June 2015.

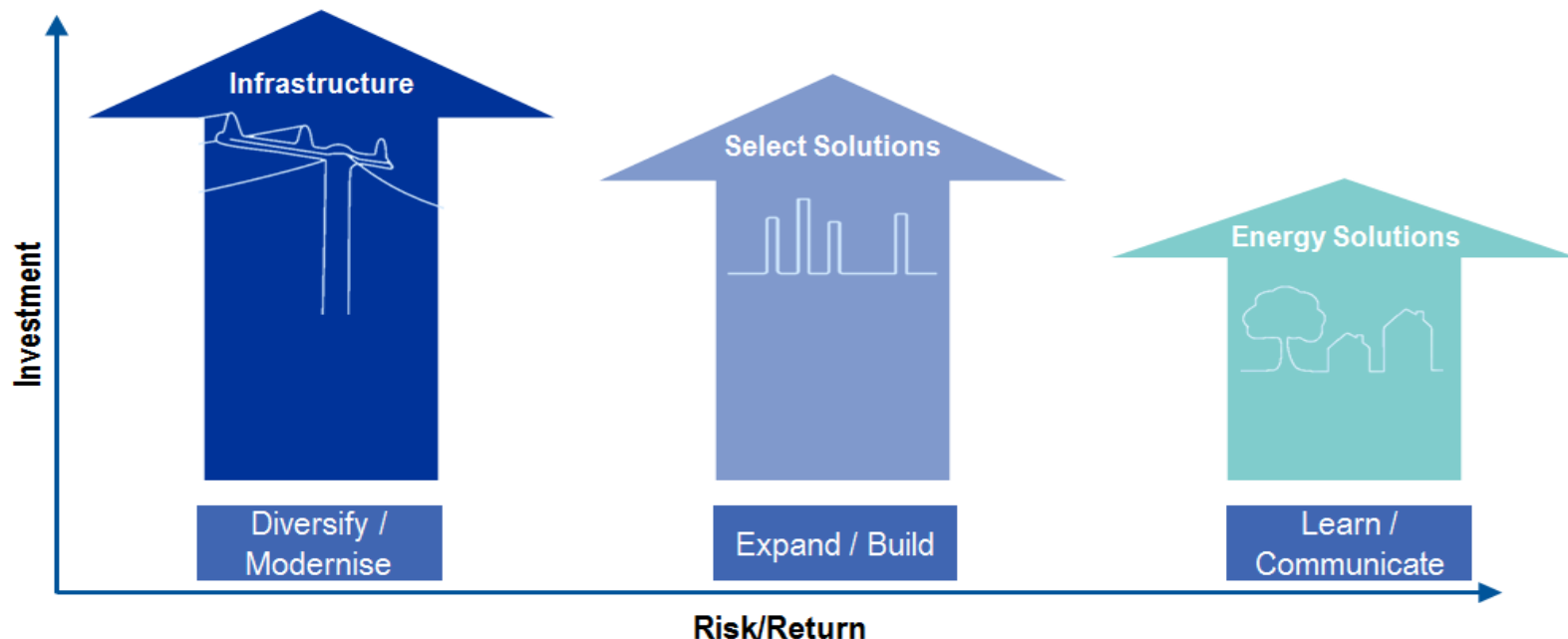
5-year Transformation journey



Strategy & growth

Our focus on growth will involve pursuing opportunities:

- in the privatisation of state-owned electricity infrastructure;
- in new markets for unregulated infrastructure;
- leveraging Select Solutions' expertise in utilities asset management services to reach new markets and customers; and
- with new technologies, such as battery storage, to provide energy solutions for both network and customer applications.



HOW TO USE YOUR HANDSET

- Insert the plastic smartcard into the top of the handset
- The chip should be facing you and at the bottom of the card



HOW TO USE YOUR HANDSET



- When inserted you will briefly see a welcome message on screen
- You will then be returned to the holding screen where your name will now appear at the top of the display



HOW TO USE YOUR HANDSET



- Press 1 to vote FOR
- Press 2 to vote AGAINST
- Press 3 if you wish to ABSTAIN



HOW TO USE YOUR HANDSET

- “Received” will appear on your handset to indicate your vote has counted
- The screen will then indicate the selection you have made
- If you wish to change your mind, simply enter your new choice



HOW TO USE YOUR HANDSET

- If you wish to ask a question press the microphone button to the left of the screen
- Then press the Green square to confirm
- This will place you in a queue of names that can be viewed by the chairman



HOW TO USE YOUR HANDSET

- When called by the Chairman your microphone will activate automatically.
- Hold the handset 10cm from your face and speak clearly



Formal Business

Item 1

Financial Statements and Reports

Stapled Group

Item 2

Election and Re-election of Directors

Item 2 (a)

Mr Robert Milliner

Item 2 (b)

Mr Ho Tian Yee

Item 2 (c)

Mr Tony Iannello

Remuneration report

Ian Renard

Item 3

Remuneration Report

Stapled Companies

Item 4

Appointment of Auditor

Item 5

Grant of Performance Rights to Managing Director

Item 6

***Increase in Maximum Aggregate Remuneration of
Non-Executive Directors***

Item 7

Issue of Shares



Meeting closed.

Thank you for your attendance.