

Pricing Supplement dated 13 December 2016

AusNet Services Holdings Pty Ltd

Issue of HKD567,000,000 3.084 per cent. Notes due 2026 (the "Notes")

Guaranteed by AusNet Asset Services Pty Ltd, AusNet Electricity Services Pty Ltd, AusNet Finance Pty Ltd, AusNet Gas Services Pty Ltd and AusNet Transmission Group Pty Ltd under the U.S.\$5,000,000,000 Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 23 November 2016. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1	(i) Issuer:	AusNet Services Holdings Pty Ltd (ABN 97 086 006 859)
	(ii) Guarantors:	AusNet Asset Services Pty Ltd (ABN 27 075 826 881), AusNet Electricity Services Pty Ltd (ABN 91 064 651 118), AusNet Finance Pty Ltd (ABN 69 092 341 690), AusNet Gas Services Pty Ltd (ABN 43 086 015 036) and AusNet Transmission Group Pty Ltd (ABN 78 079 798 173)
2	(i) Series Number:	19
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Hong Kong dollars ("HKD")
4	Aggregate Nominal Amount:	
	(i) Series:	HKD567,000,000
	(ii) Tranche:	HKD567,000,000
5	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	HKD567,000,000
6	(i) Specified Denominations:	HKD1,000,000 and integral multiples of HKD1,000,000 in excess thereof.
	(ii) Calculation Amount	HKD1,000,000
7	(i) Issue Date:	15 December 2016
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	16 March 2026
9	Interest Basis:	3.084 per cent. Fixed Rate, subject to Condition 6(g) (Step Up Rating Change or Step Down Rating Change), further particulars of which are set out in Annex 1 to this Pricing Supplement
10	Redemption/Payment Basis:	Redemption at par – 100%

11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Call Option (further particulars specified below)
13	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
14	Listing:	Australian Securities Exchange ("ASX")
15	Method of distribution:	Non-Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate Note Provisions	Applicable
	(i) Rate of Interest:	3.084 per cent per annum payable in arrear, subject to Condition 6(g) (Step Up Rating Change or Step Down Rating Change) as set out in Annex 1 to this Pricing Supplement
	(ii) Interest Payment Date(s):	16 March in each year commencing 16 March 2017 up to and including the Maturity Date, subject in each case to adjustment in accordance with the Modified Following Business Day Convention for which the Business Days are Hong Kong Business Days, Sydney Business Day, Melbourne Business Days and London Business Days
	(iii) Fixed Coupon Amount:	Not Applicable
	(iv) Broken Amount:	Not Applicable
	(v) Day Count Fraction:	Actual/365 (Fixed), adjusted
	(vi) Determination Date:	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Condition 6(g) (Step Up Rating Change or Step Down Rating Change) as set out in Annex 1 to this Pricing Supplement
17	Floating Rate Provisions	Not Applicable
18	Zero Coupon Note Provisions	Not Applicable
19	Index Linked Interest Note Provisions	Not Applicable
20	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	Call Option	Applicable
	(i) Optional Redemption Date(s):	The date fixed for redemption in the notices referred to in Condition 8(c) as amended as set out in paragraph 21(ii) below.
	(ii) Optional Redemption Amount(s) of each Note and specified denomination method, if any, of	For the purposes of Condition 8(c), "Optional Redemption Amount" means with respect to each Note the greater of:

calculation of such amount(s):

- (i) 100 per cent. of the principal amount of the Notes being redeemed; and
- (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such Note to be redeemed (not including any portion of any such interest accrued to the Optional Redemption Date on an annual basis, assuming a day count fraction of Actual/365(fixed), adjusted) discounted to the Optional Redemption Date at the Reference Rate,

plus, in each case, accrued and unpaid interest thereon and any accrued and unpaid additional amounts which may be payable with respect to the Notes under Condition 9 to the Optional Redemption Date.

In this Condition 8(c), the "Reference Rate" means the yield to maturity implied by the mid-market swap rate (expressed as a quarterly rate) reported at 11:00 a.m. in Hong Kong on the second Business Day preceding the Optional Redemption Date (as reported in writing to the Issuer by an independent financial adviser operating in the Hong Kong Dollar swap market appointed by the Issuer and approved by the Dealers) having a maturity equal to the remaining term of the Notes, minus 0.50 per cent. per annum. Such implied yield will be determined, if necessary, by linear interpolation between (1) the mid rate of the Hong Kong interest rate swap with the maturity closest to and greater than the remaining term of the Notes and (2) the mid rate of the Hong Kong interest rate swap with the maturity closest to and less than the remaining term of the Notes.

(iii) If redeemable in part:

- | | |
|--------------------------------|----------------|
| (a) Minimum Redemption Amount: | Not Applicable |
| (b) Maximum Redemption Amount: | Not Applicable |

	(c) Make-Whole Spread:	Not Applicable
	(iv) Notice period:	As set out in Condition 8(c) as amended as set out in paragraph 21(ii) above
	(v) Basis for calculation of discount to Optional Redemption Date:	Not Applicable
22	Put Option	Not Applicable
23	Final Redemption Amount of each Note	HKD1,000,000 per Calculation Amount
24	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 8(b)) or an event of default (Condition 11) and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)):	Conditions 8(b) and 8(e) apply

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	Bearer Notes:
	(i) Temporary or permanent global Notes:	Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only in the limited circumstances specified in the Permanent Global Note
	(ii) Applicable TEFRA exemption:	D Rules
26	Financial Centre(s) or other special provisions relating to payment dates:	Melbourne, Sydney, Hong Kong, London
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
31	Consolidation provisions:	Not Applicable
32	Rounding:	Not Applicable
33	Other terms or special conditions:	The Notes are expected to be rated A3 by Moody's Investors Services, Inc. and A- by Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc.

on the Issue Date

DISTRIBUTION

- | | | |
|----|---------------------------------------|-----------------------------|
| 34 | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 35 | If non-syndicated, name of Dealer: | Westpac Banking Corporation |
| 36 | Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

- | | | |
|----|--|--------------------------|
| 37 | ISIN Code: | XS1534927352 |
| 38 | Common Code: | 153492735 |
| 39 | Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): | Not Applicable |
| 40 | Delivery: | Delivery against payment |
| 41 | Additional Agents appointed in respect of the Notes: | Not Applicable |

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Medium Term Note Programme of AusNet Services Holdings Pty Ltd.

ADDITIONAL INFORMATION

To the extent the Notes are capable of being traded on ASX, the Notes may only be traded on ASX in parcels with a minimum value of AUD500,000.

The Notes may only be transferred (whether on ASX or elsewhere) in or from Australia to a person who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 (Cth).

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: Alastair Watson
Duly authorised
ALASTAIR WATSON

Signed on behalf of the Guarantors:

By: Alastair Watson
Duly authorised
ALASTAIR WATSON

Annex 1

For the purposes of the Notes only, a new Condition 6(g) shall apply as follows:

"(g) Step Up Rating Change or Step Down Rating Change

(I) The Rate of Interest payable on the Notes will be subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change as follows:

- (A) if the Notes are assigned a credit rating from the two Rating Agencies of Baa1/BBB+ (or equivalent) or better as at any Interest Payment Date, the Rate of Interest payable on the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be 3.084 per cent. per annum (the "Initial Rate of Interest"). For the avoidance of doubt, the Rate of Interest payable on the Notes shall remain at the Initial Rate of Interest, notwithstanding any increase in the rating assigned to the Notes above Baa1/BBB+ (or equivalent);
- (B) if in the Interest Period ending on the date immediately prior to an Interest Payment Date:
- (a) either Rating Agency has announced a Step Up Rating Change, the Rate of Interest shall be adjusted such that the Rate of Interest, with effect from the Interest Period commencing on such Interest Payment Date (subject to any further adjustment pursuant to this Condition 6(g)), for each subsequent Interest Period thereafter, will increase above the Initial Rate of Interest by an amount per Rating Agency equal to the percentage set out opposite the applicable lower rating of the Notes assigned by that Rating Agency in the table below:

Rating (or equivalent)	Applicable percentage adjustment per Rating Agency
Baa2/BBB	0.25
Baa3/BBB-	0.50
Ba1/BB+ (or lower)	1.00

For the avoidance of doubt, should one Rating Agency announce one or more Step Up Rating Changes that in aggregate result in the rating assigned to the Notes by that Rating Agency being Ba2/BB or lower (or equivalent), no further increase in the Rate of Interest above the Initial Rate of Interest plus 1.00 per cent. shall occur in respect of Step Up Rating Changes announced by that Rating Agency.

Accordingly, if one Rating Agency assigns a rating of Ba2/BB or lower (or equivalent), the Rate of Interest payable on the Notes shall be the Initial Rate of Interest plus 1.00 per cent. If both Rating Agencies assign ratings of Ba2/BB or lower (or equivalent) the Rate of Interest payable on the Notes shall be the Initial Rate of Interest plus 2.00 per cent.;

- (b) either Rating Agency has announced a Step Down Rating Change which change remains in effect on the relevant Interest Payment Date, the Rate of Interest shall be adjusted such that the Rate of Interest, with effect from the Interest Period commencing on such Interest Payment Date (subject to any

further adjustment pursuant to this Condition 6(g)), for each subsequent Interest Period thereafter, will decrease by either:

- (i) 0.25 per cent. per notch per Rating Agency for each notch above the rating which is assigned by that Rating Agency to the Notes immediately prior to the announced Step Down Rating Change (the "Base Rating") if the Base Rating was at such time at Baa3/BBB- (or equivalent) or higher; or
- (ii) an initial 0.50 per cent. per Rating Agency if the Base Rating was at such time Ba1/BB+ (or equivalent) or lower plus an additional 0.25 per cent. per notch per Rating Agency for every notch the newly assigned rating is above Baa3/BBB- (or equivalent);

until the Rate of Interest equals the Initial Rate of Interest (and for the avoidance of doubt, the Rate of Interest shall never be less than the Initial Rate of Interest);

(C) if on any Interest Payment Date a credit rating is:

- (a) assigned to the Notes by only one Rating Agency (and for so long as this remains the case), any increase in the Rate of Interest of the Notes necessitated by a reduction in the rating by that Rating Agency shall be twice the applicable percentage set forth in this Condition; or
- (b) not assigned to the Notes by both Rating Agencies, the Rate of Interest applicable to the Notes in respect of the Interest Period commencing on such Interest Payment Date shall be the Initial Rate of Interest plus 2.00 per cent. until such Interest Payment Date on which there is once more a rating assigned to the Notes by at least one Rating Agency whereupon, from and including such Interest Payment Date, the Rate of Interest shall be determined in accordance with the provisions of this Condition; and

(D) if in any Interest Period one or more Step Down Rating Changes and/or Step Up Rating Changes occurs, the Rate of Interest applicable to the next following Interest Period shall be determined based on the ratings in effect as at the end of such Interest Period.

(iii) The Issuer shall use its reasonable endeavours to maintain a credit rating for the Notes assigned by two Rating Agencies. If, notwithstanding such reasonable efforts, such Rating Agency or Rating Agencies fail to or cease to assign a rating to the Notes, the Issuer shall use its reasonable endeavours to obtain a rating of the Notes from another Rating Agency or another two Rating Agencies, as the case may be, and references in this Condition 6 to a Rating Agency, or the ratings assigned thereby, shall be to such Rating Agency or, as the case may be, the equivalent ratings thereof.

(iv) Notwithstanding any other provision of this Condition 6, there shall be no adjustment in the Rate of Interest applicable to the Notes on the basis of any rating assigned to the Notes by any rating agency other than on a basis solicited by or on behalf of the Issuer even if at the relevant time such rating is the only rating then assigned to the Notes.

(v) There shall be no limit on the number of times that adjustments to the Rate of Interest payable on the Notes may be made pursuant to this Condition 6 during the term of the Notes, provided always that at no time during the term of the Notes will the Rate of Interest payable on the Notes be less than the Initial Rate of Interest or more than the Initial Rate of Interest plus 2.00 per cent. per annum.

(vi) The Issuer will cause the occurrence of an event giving rise to an adjustment in the Rate of Interest payable on the Notes pursuant to this Condition 6 to be notified to the Trustee and the Principal Paying Agent and notice thereof to be given in accordance with Condition 15 (*Notices*) as soon as possible after the occurrence of the relevant event but in no event later than the fourth Business Day thereafter.

(vii) In these Conditions:

"Moody's" means Moody's Investors Service and its successors or affiliates;

"Rating Agency" means each of S&P and Moody's and, only in the event that the Notes have ceased at any time to have a rating assigned to them by any of S&P and Moody's, any other credit rating agency of equivalent international standing specified from time to time by the Issuer and, in each case, their respective successors or affiliates, and together, the **"Rating Agencies"**;

"S&P" means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. and its successors or affiliates;

"Step Down Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Notes of an increase in, or confirmation of, a higher rating of the Notes but does not include any increase or confirmation of credit rating where the increased or confirmed credit rating is Ba1/BB+ (or equivalent) or lower; and

"Step Up Rating Change" means the public announcement by any Rating Agency assigning a credit rating to the Notes of a decrease in, or confirmation of, a lower rating of the Notes."

