

ASX Announcement



25 September 2020

AusNet Services successfully prices AUD650M subordinated hybrid issue

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

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AusNet Services successfully prices AUD650M subordinated hybrid issue

AusNet Services Group (**AusNet Services**) has successfully priced an AUD650 million, 60-year AUD hybrid security issue in the form of non-convertible subordinated notes. Settlement is subject to customary conditions.

Once settled, this will be AusNet Services' third issue of hybrid securities, following the previous issues in 2016 in US dollars and Singapore dollars. This latest hybrid security issue will form part of AusNet Services' ongoing capital management initiatives, as previously announced at the Full Year 2020 results on 12 May 2020, and hybrid securities are expected to be a long-term feature of the capital structure.

Key features of the notes are:

Issue	Floating Rate	Maturity
AUD650M	3-month BBSW* + 3.10%	6 October 2080

* Bank Bill Swap Rate

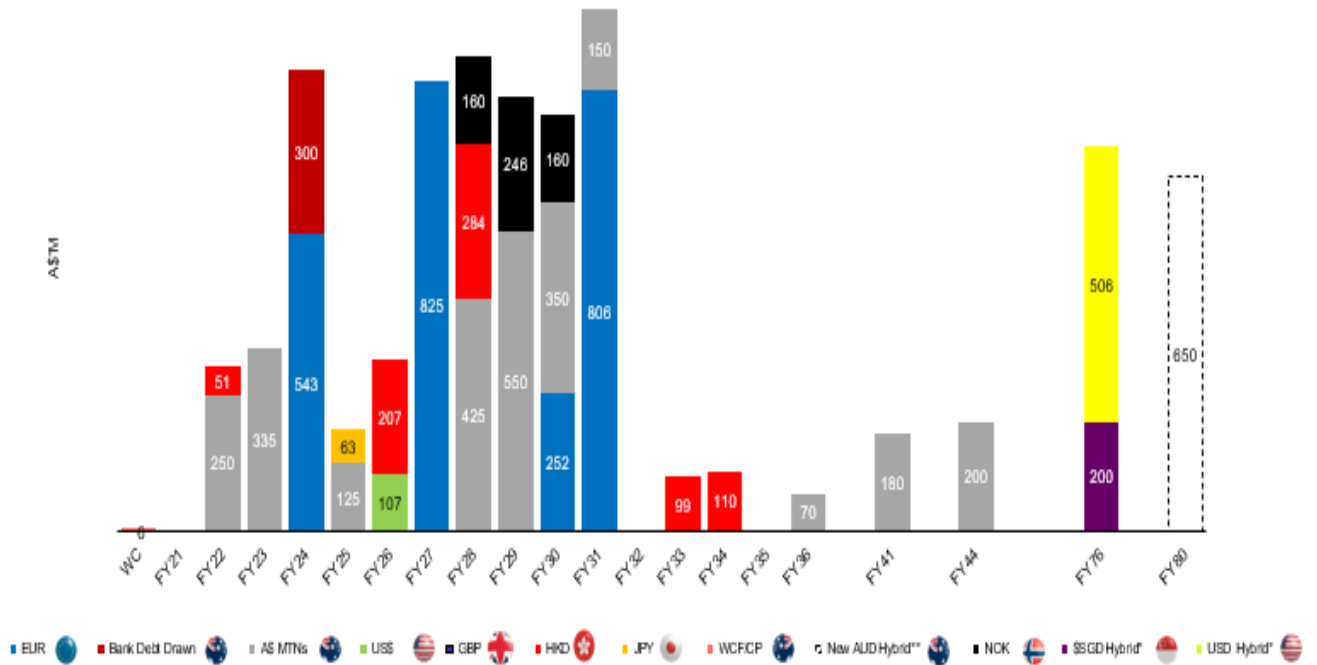
- 60-year maturity date and redeemable at par from the first call date in 2025;
- Subordinated to senior debt;
- Expected to receive 50% equity credit from Moody's Investors Service and Standard & Poor's; and
- No equity conversion features.

Mark Ellul, AusNet Services' Chief Financial Officer, said: "Our hybrid security portfolio forms an important part of our capital management strategy, including the two offshore hybrids issued in 2016. Once settled, AusNet Services will have a portfolio of AUD1,356 million in hybrids on issue. Hybrid securities enable us to diversify our capital base and support our credit ratings, whilst also providing a competitive cost of capital for our significant growth pipeline".

AusNet Services maintains a diversified debt maturity profile, accessing funds from a variety of sources. Its strong investment grade credit ratings ('A-' from Standard & Poor's and 'A3' from Moody's Investors Service) allows ready access to domestic and offshore markets.

As at 24 September 2020, AusNet Services had approximately AUD994 million of undrawn committed bank debt facilities and AUD100 million of cash on deposit.

Net Debt \$7,459m (as at 24 Sept 2020) - offshore debt shown at hedged rates



* First call date for hybrid securities is in September 2021
 ** First call date for new hybrid security is in October 2025

Naomi Kelly
 Company Secretary

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This announcement was authorised for release by the Disclosure Committee of AusNet Services Ltd

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