



## **MEDIA RELEASE**

28/01/2015

### **Capital structure review**

An independent review of the capital structure of State-owned electricity businesses has been completed by the Tasmanian Government.

TasNetworks has cooperated with the Department of Treasury and Finance throughout the review process.

The outcome of the review is that the Government has decided to transfer a maximum of \$325 million from Hydro Tasmania to TasNetworks.

“It was envisaged at the start of the merger process last year that some adjustment of equity would occur subsequent to a capital structure review,” TasNetworks CEO Lance Balcombe said.

“Although these arrangements will increase TasNetworks’ borrowings and associated funding costs, our financial position and debt and gearing profiles remain strong and provide capacity to manage the additional debt.

“Importantly, the debt transfer will have no impact on power prices or TasNetworks’ ability to fund business operations and capital expenditure.”

Timing and transfers are as follows:

- \$205 million in 2014-15
- \$70 million in 2015-16
- \$50 million in 2016-17

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