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ASX RELEASE

FY2017 INTERIM FINANCIAL RESULTS

DUET Group (DUET or the Group) is pleased to announce its results for the six months ended 31 December 2016.

Consolidated Results

\$m	1H17	1H16	Change
Extract from Appendix 4D			
Revenues from ordinary activities	853.0	809.7	5.3%
EBITDA	465.1	449.6	3.4%
NPAT excluding significant items	98.1	98.9	(0.8%)

Proportionate Results

\$m	1H17	1H16 pro forma	Change
Refer to Management Information Report (MIR)			
Core Revenue	630.1	648.0	(2.8%)
Total Revenue	692.0	724.2	(4.5%)
Opex	(254.3)	(239.0)	(6.4%)
EBITDA	437.7	485.2	(9.8%)
Customer Contributions (net of margin)	(20.4)	(18.1)	(12.3%)
Adjusted EBITDA	417.3	467.1	(10.7%)
Net Interest Expense	(134.1)	(158.9)	15.6%
SIB Capex	(48.6)	(53.2)	8.8%
Tax Paid	(1.4)	(4.7)	69.8%
Proportionate Earnings	233.2	250.2	(6.8%)
Earnings (cents per stapled security, "cpss") ¹	9.58c	11.05c	(13.3%)
Interim distribution (cpss)	9.25c	9.00c	2.8%
Earnings coverage of interim distribution¹	104%	123%	(19.2%)

Commenting on DUET's performance for the period, DUET's CEO, David Bartholomew, said: "Yesterday DUET paid its FY17 interim distribution of 9.25 cents per stapled security, in line with our FY17 distribution guidance. The interim distribution was 104% covered by proportionate earnings. Proportionate earnings were 6.8% lower than the prior period's pro forma result, mainly due to a number of non-recurring items."

¹ 1H16 earnings per stapled security based on actual (not pro forma) proportionate earnings of \$239.0 million.

CKI Consortium proposed acquisition

In respect of the CKI-led consortium's offer to acquire 100% of DUET, DIHL/DUECo Chairman, Mr Doug Halley said: "While the transaction remains subject to regulatory approvals, we are working towards holding extraordinary general meetings, at which we will seek DUET securityholder approval of the proposed acquisition, in mid to late April."

Distributions

Yesterday, DUET paid an interim distribution of 9.25 cents per stapled security and today we have reaffirmed our full year distribution guidance for FY17 of 18.5 cents per stapled security².

Operating Company Performance

DBP

\$m, 100%	1H17	1H16 pro forma	Change
Throughput (TJ)	168,275	163,623	2.8%
Transmission Revenue	176.2	191.6	(8.0%)
Total Revenue	179.4	199.5	(10.0%)
Opex	(44.9)	(39.1)	(14.8%)
EBITDA	134.6	160.4	(16.1%)
EBITDA margin	75.0%	80.4%	(5.4%)
Adjusted EBITDA	134.4	156.3	(14.0%)
Net Interest Expense	(66.3)	(83.8)	20.8%
SIB Capex	(8.3)	(12.7)	34.5%
Proportionate Earnings	59.7	59.8	(0.1%)
RAB	3,440.5	3,606.5	(4.6%)

Transmission revenue was down 8.0% as 15% of DBP's firm full haul shipper contracted volume moved to the regulated tariff from 1 January 2016 and with the full period impact of the non-renewal of the South West Cogen shipper contract (35 TJ/day). Opex was 14.8% higher with system use gas volumes consistent with higher throughput and an increase in the average contract price of system use gas. Interest expense was 20.8% lower given the profile of DBP's base interest rate hedges which, with lower SIB capex, largely offset the earnings impact of lower transmission revenue.

DBP Development Group

\$m, 100%	1H17	1H16	Change
Transmission Revenue	17.1	17.2	(0.3%)
Total Revenue	17.6	18.2	(3.1%)
Opex	(2.7)	(2.4)	(13.9%)
EBITDA	14.9	15.8	(5.7%)
EBITDA margin	84.7%	87.0%	(2.3%)
Proportionate Earnings	14.8	15.7	(6.0%)

Transmission revenue was in line with the prior period.

Energy Developments

\$m, 100%	1H17	1H16 pro forma	Change
Generation (GWh)	2,068	2,014	2.7%
Generation Revenue	209.4	208.3	0.5%
Total Revenue	213.4	216.6	(1.5%)
Opex	(114.3)	(108.5)	(5.4%)
EBITDA	99.1	108.1	(8.3%)
EBITDA margin	46.4%	49.9%	(3.5%)
Net Interest Expense	(14.0)	(15.9)	12.0%
SIB Capex	(21.1)	(20.4)	(3.6%)
Tax paid	(1.7)	(4.3)	60.9%
Proportionate Earnings	62.3	67.5	(7.8%)

² If the proposed CKI-led consortium acquisition of DUET is implemented per the proposed timetable, no further distributions will be paid to DUET securityholders other than the Special Distribution of at least 3 cents per stapled security.

Generation revenue was in line with the prior period. Proportionate earnings were down \$5.2 million mainly due to \$4.9 million of rectification costs (currently subject to an insurance claim) associated with a temporary outage of EDL's West Kimberley Power Plant.

United Energy

\$m, 100%	1H17	1H16	Change
Load (GWh)	3,928	4,030	(2.5%)
Distribution Revenue	182.4	198.8	(8.3%)
Total Revenue	247.8	275.6	(10.1%)
Opex	(73.9)	(74.9)	1.2%
EBITDA	173.9	200.7	(13.4%)
<i>EBITDA margin</i>	70.2%	72.8%	(2.7%)
Adjusted EBITDA	154.3	185.0	(16.6%)
Net Interest Expense	(45.4)	(69.1)	34.2%
SIB Capex	(25.3)	(25.9)	2.4%
Proportionate Earnings	83.5	90.0	(7.2%)
RAB	2,391.1	2,310.2	3.5%

Distribution revenue was down 8.3% due to a 2.5% weather-related reduction in load and a 9.5% reduction in regulated tariffs on 1 January 2016. Opex was down 1.2% and included \$3.8 million of costs associated with the Transformation Project. Interest expense was 34.2% lower as UE re-set its base interest rate hedges in accordance with its regulatory cycle.

Multinet Gas

\$m, 100%	1H17	1H16	Change
Throughput (TJ)	32,259	32,073	0.6%
Distribution Revenue	107.0	99.8	7.2%
Total Revenue	117.9	108.1	9.1%
Opex	(37.5)	(35.0)	(7.3%)
EBITDA	80.4	73.1	10.0%
<i>EBITDA margin</i>	68.2%	67.6%	0.5%
Adjusted EBITDA	73.1	69.4	5.4%
Net Interest Expense	(25.2)	(25.0)	(0.8%)
SIB Capex	(2.4)	(3.0)	21.6%
Proportionate Earnings	45.5	41.3	10.1%
RAB	1,175.3	1,155.6	1.7%

Distribution revenue was up 7.2% due to a 4.7% increase in annual tariffs and slightly higher throughput on the network. Opex was up 7.3% as the business incurred \$1.0 million in consulting costs associated with its regulatory submission, \$2.3m in unaccounted for gas charges and \$1.4 million of costs for the ramp up of the Transformation Project.

Management Presentation

A presentation of DUET's results will be made by the management team today at **10.30am** (Sydney time). Investors and analysts can access the presentation via DUET's website (www.duet.net.au) or by calling 1800 558 698 or +61 2 9007 3187 (outside Australia) and quoting the passcode "312291".

Interim Results Documents

Further information regarding the results is contained in the following documents released today and which are available on each of the ASX and DUET websites:

- Appendix 4D;
- Interim Financial Report;
- Management Information Report; and
- Interim Results Presentation.

For further enquiries, please contact:

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