

## APPENDIX 4D

### Half year report

Name of entity: **DUET Group**

#### 1. Details of the reporting period

**Current Period:** 1 July 2014 – 31 December 2014

**Previous Corresponding Period:** 1 July 2013 – 31 December 2013

#### 2. Results for announcement to the market

2.1	Revenues from ordinary activities	\$616.2 million, down 0.7%.	
2.2	Profit after tax and excluding significant items	\$16.8 million, down 59.6%.	
2.3	Loss from ordinary activities after tax (statutory)	\$11.1 million, down \$153.3 million.	
2.4	Loss from ordinary activities attributable to securityholders (statutory)	\$0.8 million, down \$147.3 million.	
2.5	Dividends / Distributions	Amount per security	Franked amount per security
	<i>Current Period:</i> Interim dividend / distribution	8.750 cents	-
	<i>Previous Corresponding Period:</i> Interim dividend / distribution	8.500 cents	-
2.6	Record date for determining entitlements to the interim dividend / distribution for current period	31 December 2014	
2.7	Payment date	19 February 2015	

## 2. Results for announcement to the market (continued)

2.8 DUET derives its revenue from operations in gas transmission and distribution and electricity distribution.

DUET Group's net loss after tax for the period of \$11.1 million (2013: net profit after tax of \$142.2 million) included significant items such as fair value losses on ineffective portions of hedges. The exclusion of these significant items results in a net profit after tax of \$16.8 million for the half year ended 31 December 2014 (2013: \$41.6 million) as follows:

Half year ended 31 December	2014 \$'million	2013 \$'million
Revenues from ordinary activities	616.2	620.8
Less: items not included in consolidated EBITDA		
Derivative movements	(0.1)	(7.3)
Interest revenue	(4.6)	(5.5)
Revenues from ordinary activities, adjusted	611.5	608.0
Operating expenses	(243.4)	(222.4)
Add: items not included in Consolidated EBITDA		
FX movements	-	0.9
Loss on disposal of assets <sup>(1)</sup>	3.6	3.4
Derivative movements	-	8.6
Operating expenses, adjusted	(239.8)	(209.5)
Consolidated EBITDA, statutory	368.1	392.9
Consolidated EBITDA, adjusted	371.7	398.5
FX movements	-	(0.9)
Derivative movements	0.1	(1.3)
Loss on disposal of assets	(3.6)	(3.4)
Depreciation and amortisation	(135.5)	(137.4)
Consolidated EBIT	232.7	255.5
Net interest expense	(236.6)	(220.3)
Fair value movements on ineffective portion of interest hedges <sup>(1)</sup>	26.2	1.3
Net profit before income tax, adjusted	22.3	36.5
Tax benefit/(expense)	(7.2)	107.0
Net profit after income tax, adjusted	15.1	143.5
Add/(subtract) significant items:		
Tax expense/(benefit) arising on group internalisation	7.1	(105.5)
Loss on disposal of assets	3.6	3.4
FX movements	-	0.9
Derivative movements	(0.1)	1.3
Tax effect on significant items <sup>(1)</sup>	(8.9)	(2.0)
<b>Net profit after income tax excluding significant items</b>	<b>16.8</b>	<b>41.6</b>

<sup>(1)</sup> The Appendix 4D published for the previous corresponding period did not include these items. As they are material during the current period, corresponding comparative figures have also been disclosed. The inclusion of these items increased the 2013 reported Consolidated EBITDA, adjusted from \$395.1 million to \$398.5 million and the NPAT excluding significant items from \$38.9 million to \$41.6 million.

For further explanation of the results, please refer to the accompanying Directors' Report for the half year ended 31 December 2014.

**3. Net tangible asset backing per security**

	Current period	Previous corresponding period
Net asset backing per ordinary security	\$1.37	\$1.39
Net tangible asset backing per ordinary security (Consolidated net assets less consolidated intangible assets)	\$nil	\$nil

**4. Details of Dividends/distributions**

The final distribution for the year ended 30 June 2014 of \$112.0 million (8.500 cents per stapled security) was paid on 22 August 2014 and the interim distribution for the half year ended 31 December 2014 of \$130.7 million (8.750 cents per stapled security) was paid on 19 February 2015.

**5. Distribution Reinvestment Plan (DRP)**

Following the 1 for 8 rights issue that was completed in December 2014, the Directors have decided to suspend the DRP.

**6. Details of associates and joint venture entities**

DUET Group has a 57% interest in Fortescue River Gas Pipeline, a joint venture it operates with TEC Pilbara Pty Ltd (a subsidiary of TransAlta Corporation, Canada). The pipeline will deliver gas to iron ore operations in the Pilbara region.

**7. Accounting standards used by foreign entities**

N/A

**8. Details of Audit / Review**

There is no review dispute or qualification. A copy of the unqualified review report is included in the attached Interim Financial Report.