



20 February 2015

## ASX RELEASE

### INTERIM FY2015 FINANCIAL RESULTS

DUET Group (DUET or the Group) announces its results for the six months ended 31 December 2014.

#### Consolidated Results

\$m	1H15	1H14	Change
Extract from Appendix 4D			
Revenues from ordinary activities, adjusted	611.5	608.0	0.6%
EBITDA, adjusted	371.7	398.5	(6.7%)
NPAT excluding significant items	16.8	41.6	(59.6%)

#### Proportionate Results<sup>1</sup>

\$m	1H15	1H14	Change
Refer to Management Information Report (MIR)			
Transmission and Distribution Revenue	364.0	371.5	(2.0%)
Total Revenue	415.0	426.2	(2.6%)
Opex	126.0	116.6	(8.1%)
EBITDA	289.1	309.6	(6.7%)
EBITDA less customer contributions (net of margin) ("Adjusted EBITDA")	279.3	301.6	(7.4%)
Net external interest expense ("Interest")	142.6	161.4	11.7%
Adjusted EBITDA less Interest	136.7	140.2	(2.5%)
Group Gearing <sup>2</sup>	68.1%	73.2%	5.1%
Interim Distribution Cash Coverage <sup>3</sup>	101%	104%	n/a

Commenting on DUET's performance for the six months, DUET's Chief Executive Officer, Mr David Bartholomew, said:

"DUET's FY15 interim result was largely in line with management's expectations following DBP's recontracting of its shipper contracts last year. Pleasingly, DBP is on track to meet its full-year FY15 post-financing earnings forecast. The successful completion of the Wheatstone Ashburton West Pipeline and the soon to be commissioned Fortescue River Gas Pipeline will see DDG contribute to future Group earnings. DUET's interim FY15 distribution of 8.75 cents per stapled security was paid yesterday and today we have reaffirmed our full year distribution guidance for FY15 of 17.5 cents per stapled security."

1. The policies adopted in preparing the proportionately consolidated results, along with reconciliations to the statutory results, are contained in DUET's Management Information Report (MIR) for the six months ended 31 December 2014.
2. Group Gearing as at 30 June 2014 shown for 1H14 comparison.
3. Based on unconsolidated cash flows contained in the MIR.

**Note:** As DUECo is the parent entity of the DUET Group, it and DIHL (as the Corporate Arm) are responsible for all information contained in this announcement. DFL and DFT (as the Funding Arm) are only responsible for the general stapled securityholder information and financial information of DFL and DFT incorporated into the consolidated financial information referred to in this announcement.

## **Operating Performance**

### ***DBP***

Throughput was 2.6% lower in line with recontracted full haul capacity, although the business benefitted from an 11% increase in backhaul deliveries, demonstrating the shift in gas demand to the Pilbara.

Transportation revenue was 10.5% lower, in line with the lower recontracted tariffs foreshadowed last year. Net external interest expense fell by 18.9% as DBP benefitted from resetting its base interest rate hedges at the time of recontracting.

### ***DBP Development Group***

The Wheatstone Ashburton West Pipeline achieved practical completion in late December 2014. The project was completed on time and within the agreed budget cap.

The Fortescue River Gas Pipeline is expected to reach practical completion at the end of 1Q15.

### ***United Energy***

Distribution revenue was up 8.5%, reflecting annual regulated tariff increases and a prior period revenue accrual. This was partly offset by 1.4% lower throughput, as a result of the mild Victorian spring.

Operating expenses were \$7.7m higher as the business booked costs in relation to its upcoming regulatory reset submission, IT, internalisation of its Network Control Centre and consulting fees.

### ***Multinet Gas***

Distribution revenue was up 1.0% as annual regulated tariff increases were offset by a 0.3% reduction in throughput.

Operating expenses were \$3.9m higher as the business booked a provision for unaccounted for gas charges, IT, operating contract costs and consulting fees.

The accelerated pipeworks capex program remains on schedule to reach the threshold for which the business can approach the AER for approval for further capital expenditure. Assuming regulatory approval of such expenditure is provided this calendar year, the business is expected to benefit from tariff increases in CY16 and 17 above the current regulated tariff price path.

## **Management Presentation**

A presentation of DUET's results will be made by the management team today at **11.00am** (Sydney time). Investors and analysts can access the presentation via DUET's website ([www.duet.net.au](http://www.duet.net.au)) or by calling 1800 801 825 or +61 2 8524 5042 (outside Australia) and quoting the passcode "**7735165**".

## **Interim Results Documents**

Further information regarding DUET's interim 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.

## **Board and Committee Changes**

The DUET Boards have determined there is no current need to retain the common director arrangements. As a result, Mr Ron Finlay has resigned from the board of DUET Finance Limited. Mr Finlay remains a director of DUET Investment Holdings Limited (DIHL) and DUET Company Limited (DUECo) and has been appointed the chair of the Audit and Risk Committees for both DIHL and DUECo.

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