
# 2016 Results Presentation

19 August 2016

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**Important Information**

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**Distribution Guidance**

The DUET Group's distribution guidance and related statements in this presentation are subject to DUET's forecast assumptions being met.

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# Agenda

DUET GROUP

# Performance Highlights

**Growth**

- Acquired 100% of EDL ($1.67b incl degearing): integration completed; development synergies emerging
- Acquired Cullerin Range Wind Farm ($72m): targeting further growth in sector
- Acquired remaining 20% interest in DBP ($205m)

**Regulatory**

- United Energy's final decision was a 14% improvement on draft: potential appeal upside
- DBP's final decision was a 6% improvement on draft: potential appeal upside
- Preparation under way for Multinet Gas' 2018-2022 submission

**Operational**

- Recontracting completed by EDL (Appin Tower, Pine Creek)
- Strong improvement in network performance at United Energy
- Business transformation project underway at United Energy and Multinet Gas

**Capital and Distributions**

- $1.92b of equity raised primarily to fund EDL and DBP acquisitions
- Over $2.4b of debt raised and refinanced during FY16
- Delivered 18.0 cpss FY16 distribution guidance
  - 18.5 cpss distribution guidance for FY17[1] reaffirmed



1. Forward-looking statements by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET. Guidance subject to forecast assumptions being met.

# Group Results

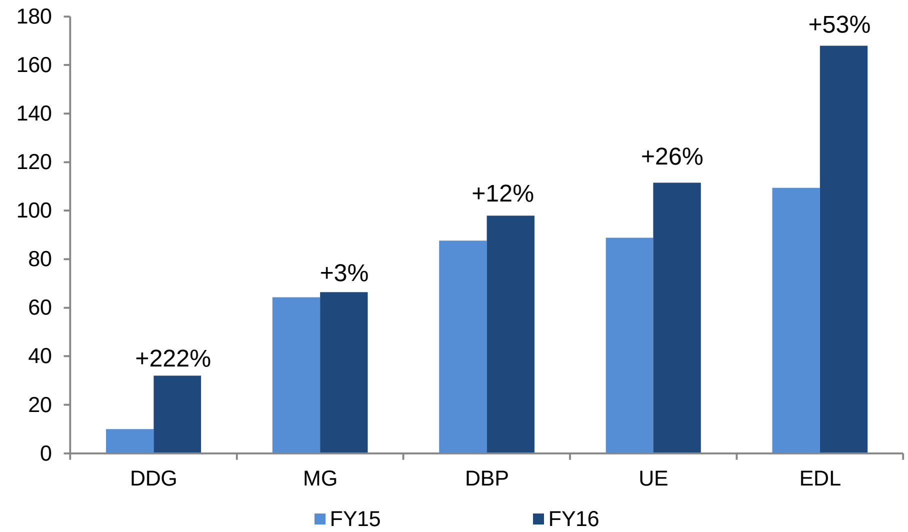
# Group Results

## Proportionate earnings up 35.4% with 117% distribution coverage

| Consolidated Results ($m) Extract from Appendix 4E | FY16 | FY15 | *Change* |
|---|---|---|---|
| Revenues from ordinary activities | **1,638.2** | 1,269.3 | *29.1%* |
| EBITDA | **946.8** | 783.5 | *20.8%* |
| NPAT excluding significant items | **195.2** | 77.0 | *153.5%* |

| Proportionate Results[1] ($m) Refer to Management Information Report (MIR) | FY16 | FY15 Pro Forma | *Change* |
|---|---|---|---|
| Core Revenue | **1,221.0** | 1,193.4 | *2.3%* |
| Total Revenue | **1,361.1** | 1,321.0 | *3.0%* |
| Opex | **(465.7)** | (478.3) | *2.6%* |
| EBITDA | **895.5** | 842.7 | *6.3%* |
| Customer Contributions (net of margin) | **(40.8)** | (20.5) | *(98.6%)* |
| Adjusted EBITDA | **854.6** | 822.2 | *3.9%* |
| Net Interest Expense | **(272.5)** | (324.7) | *16.1%* |
| SIB Capex | **(100.8)** | (108.8) | *7.3%* |
| Tax paid | **(5.0)** | (36.8) | *86.3%* |
| **Proportionate Earnings** | **476.3** | 351.8 | *35.4%* |
| **Earnings Coverage of Distribution** | **117%** | 85%[2] | *31.8%* |

### Higher proportionate earnings ($m)




### Lower borrowing costs

| OpCo | *Change* |
|---|---|
| DBP | *down 15.3%* |
| EDL | *down 31.6%* |
| UE | *down 11.5%* |

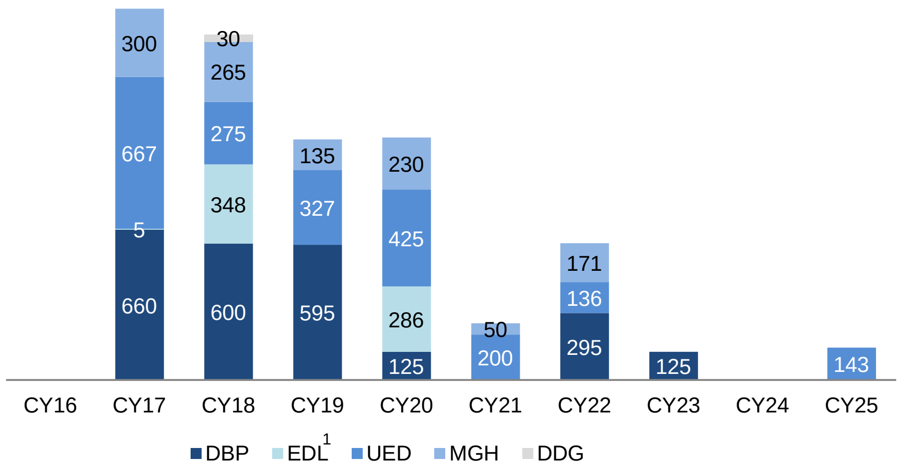
1. DUECo completed its acquisition of 100% of EDL on 22 October 2015. As EDL did not declare and pay any dividends to its shareholders from its FY2016 earnings in the period 1 July 2015 to 22 October 2015, DUET Group has reported EDL's full year FY16 results. DIHL completed its acquisition of a 20% interest in DBP from Alcoa of Australia on 6 April 2016. As a result, DUET Group's aggregate ownership interest in DBP increased from 80% to 100%.To provide an appropriate year-on-year comparison, each of the FY15 results for EDL (extracted from EDL's FY15 financial report) and DBP have been included assuming, for EDL, 100% ownership by DUET Group for all of FY15 (excluding the uplift of asset values and consequent depreciation and amortisation) and, for DBP, the same time-weighted average beneficial ownership interest as for FY16 for proportionate earnings.
2. FY15 earnings coverage based on actual (not pro forma) proportionate earnings of $210.9 million. FY15 earnings did not have the benefit of a full-year earnings contribution from both of DDG's two gas transmission pipelines.

# Capital Management

## Most CY17 maturities to be refinanced by end of CY16 and over $100m of equity is available for future growth projects

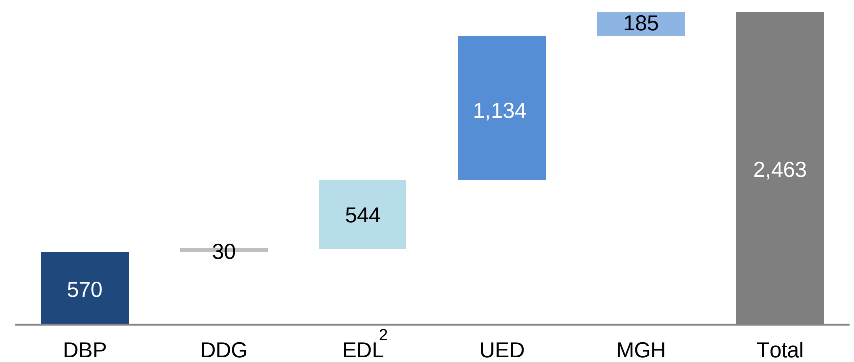
### Debt Maturities

(As at 30 June 2016, $m, by total facility limits)




### Debt Transactions FY16

(1 July 2015 to 30 June 2016, $m)




### Credit Ratings

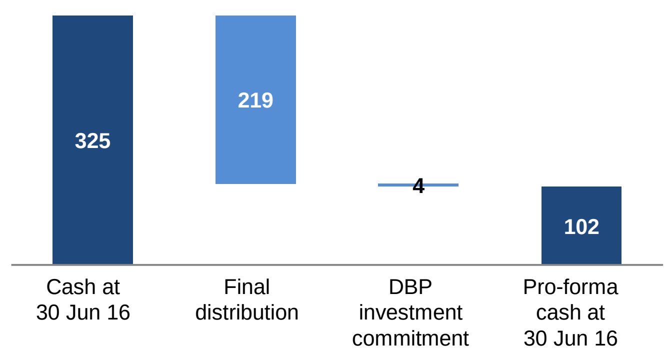
| OpCo | S&P | Moody's |
|---|---|---|
| DBP | BBB- Stable | Baa3 Stable |
| EDL | BBB- Stable | n/a |
| United Energy | BBB Stable | Baa2 Stable |
| Multinet | BBB- Stable | Baa3 Stable |

### Equity Raisings

| Amount | Type | Purpose | Issue Price |
|---|---|---|---|
| $1.67b | Placement and 1 for 2.69 rights issue | Acquire 100% of EDL and degear the business | $2.02 |
| $200m | Placement | Acquire 20% of DBP | $2.20 |
| $45.6m | SPP | DBP acquisition, transaction costs and working capital | $2.18 |

### Corporate Working Capital

(Pro forma, $m)






1. EDL's USD and GBP denominated debt has been converted to AUD at the 30 June 2016 closing spot rate
2. Using the AUD:GBP and AUD:USD spot rates on the day the facilities reached financial close

# Operating Results

# Dampier Bunbury Pipeline

## Commentary

- Throughput up 0.5%
- Transmission Revenue down 1.4%
  - ~15% of full haul contracted volumes moved to the regulated tariff on 1 January 2016
  - 35TJ/day reduction in full haul capacity from 1 April 2016 from closure of the SW Cogen facility
  - Switching to back haul volumes as Pilbara expands
- Opex down 6.3%
- Adjusted EBITDA down 2.4%
- RAB down 4.3%[1]

## Financial Summary

| $m, 100% per MIR | FY16 | FY15 | *Change* |
|---|---|---|---|
| Throughput (TJ) | **332,468** | 330,773 | *0.5%* |
| Transmission Revenue | **375.7** | 381.1 | *(1.4%)* |
| Total Revenue | **382.0** | 396.7 | *(3.7%)* |
| Opex | **(77.1)** | (82.2) | *6.3%* |
| EBITDA | **304.9** | 314.5 | *(3.0%)* |
| *EBITDA margin* | ***79.8%*** | *79.3%* | *0.6%* |
| Adjusted EBITDA | **300.8** | 308.1 | *(2.4%)* |
| RAB | **3,465.5** | 3,614.7 | *(4.3%)* |

| Throughput (TJ) | FY16 | FY15 | *Change* |
|---|---|---|---|
| Full Haul | **232,802** | 233,115 | *(0.1%)* |
| Part Haul | **35,982** | 43,864 | *(18.0%)* |
| Back Haul | **63,684** | 53,794 | *18.4%* |
| **Total Throughput** | **332,468** | **330,773** | ***0.5%*** |

1. Impacted in part by the final 2016-20 regulatory decision, which is under appeal, where $20m of capex was reclassified as opex and $15m of capex was disallowed by the regulator. The remaining difference relates primarily to shipper funded capex of $50m (which does not attract a regulated return on capital), regulatory depreciation and a low inflation uplift through the period.

# DBP Development Group

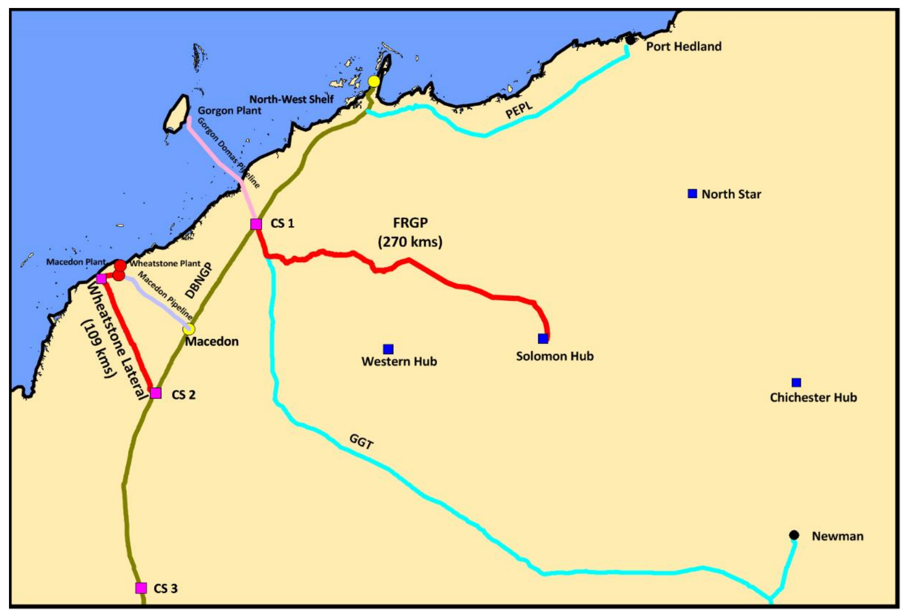
## Commentary

- Transmission Revenue up $20.6 million
  - First full year contribution from WAWP and FRGP projects
  - 100% take-or-pay tariff structures
- Customer-funded work completed
  - 24km Ashburton-Onslow Gas Pipeline for Chevron
  - Gorgon Onshore Meter Station Refurbishment project for Chevron
- Adjusted EBITDA up $23 million

## Financial Summary

| $m, 100% per MIR | FY16 | FY15 | *Change* |
|---|---|---|---|
| Transmission Revenue | **33.6** | 13.0 | *158.2%* |
| Total Revenue | **36.6** | 12.7 | *188.5%* |
| Opex | **(4.2)** | (3.4) | *(24.2%)* |
| EBITDA | **32.3** | 9.3 | *249.0%* |
| *EBITDA margin* | ***88.4%*** | *73.1%* | *15.3%* |
| Adjusted EBITDA | **32.3** | 9.3 | *249.0%* |

## Pilbara Pipeline Infrastructure




Fortescue controlled projects
DDG controlled pipelines

# United Energy

## Commentary

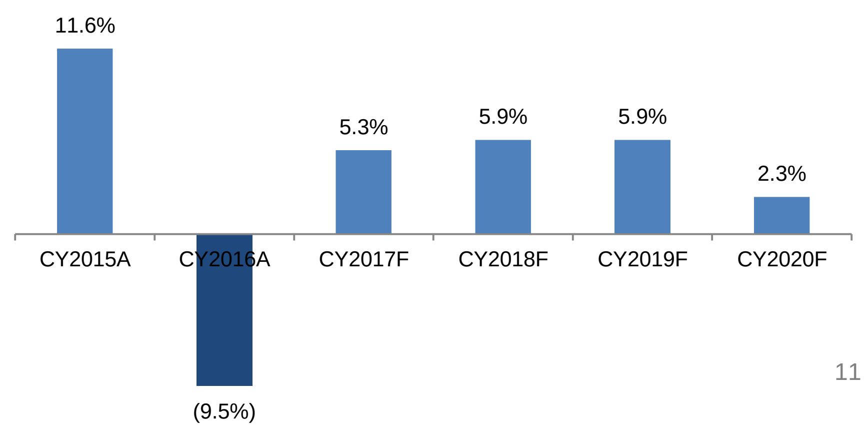
- Load up 1.1%
- Distribution revenue up 2.2%
  - Load increase and higher tariffs over 2015 winter
  - Partly offset by annual tariff reduction of 9.5% on 1 January 2016
- Opex up 2.2%
  - Catch-up 1H16 underspend
- Material improvement in network performance
  - SAIDI of 60 minutes well under regulatory benchmark

## Financial Summary

| $m, 100% per MIR | FY16 | FY15 | *Change* |
|---|---|---|---|
| Load (GWh) | **7,823** | 7,741 | *1.1%* |
| Distribution Revenue | **389.8** | 381.2 | *2.2%* |
| Total Revenue | **534.9** | 509.7 | *4.9%* |
| Opex | **(152.9)** | (149.6) | *(2.2%)* |
| EBITDA | **382.0** | 360.1 | *6.1%* |
| *EBITDA margin* | ***71.4%*** | *70.6%* | *0.8%* |
| Adjusted EBITDA | **342.6** | 342.3 | *0.1%* |
| RAB | **2,356.9** | 2,255.4 | *4.5%* |

## Network Tariff Path[1]

*(Nominal)*




1. Forecast tariff increases based on AER CPI assumptions

# Multinet Gas

## Commentary

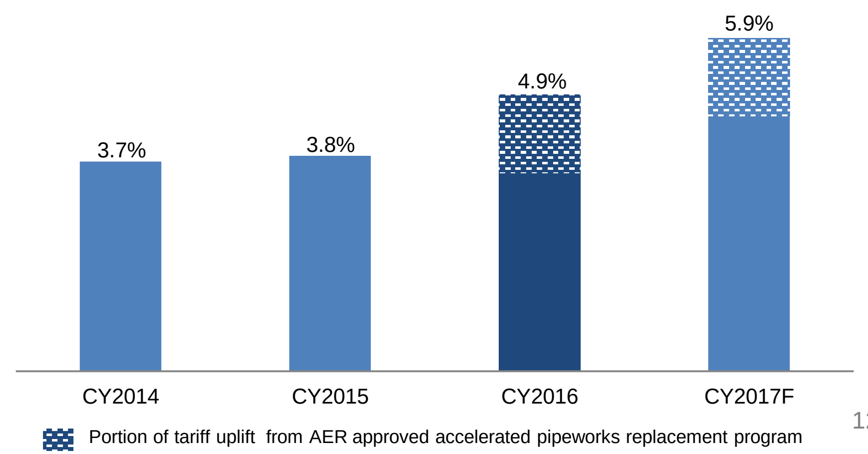
- Throughput slightly down
- Distribution revenue up 4.5%
  - Annual tariff increases
- Opex up 15.1%
  - Higher UAFG provision ($6.4m), employee and meter replacement costs and external operating fees
- Accelerated pipeworks replacement pass-through approved
  - Nominal tariff increases during remainder of 2013-2017 regulatory period
- Well progressed with preparation for 2018-2022 regulatory reset – submission due December 2016

## Financial Summary

| $m, 100% per MIR | FY16 | FY15 | *Change* |
|---|---|---|---|
| Throughput (TJ) | **55,727** | 55,958 | *(0.4%)* |
| Distribution Revenue | **183.0** | 175.1 | *4.5%* |
| Total Revenue | **202.5** | 184.1 | *10.0%* |
| Opex | **(71.3)** | (61.9) | *(15.1%)* |
| EBITDA | **131.2** | 122.2 | *7.4%* |
| *EBITDA margin* | ***64.8%*** | *66.4%* | *(1.6%)* |
| Adjusted EBITDA | **119.9** | 118.9 | *0.9%* |
| RAB | **1,157.8** | 1,141.2 | *1.4%* |

## Network Tariff Path[1]

*(Nominal)*




1. Forecast tariff increases based on AER CPI assumptions

# Energy Developments

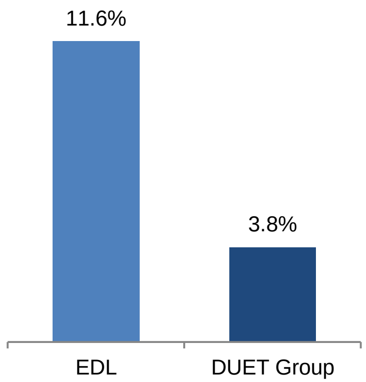
## Commentary

- Generation Revenue down 0.5%
  - Temporary supply interruptions in UK/US clean
  - Partly offset by LGC[1] revenue
- Opex down 9.0%
- EBITDA up 6.7%
- Acquisition of Cullerin Range Wind Farm completed in July 2016

## Financial Summary

| $m, 100% per MIR | FY16 | FY15 | *Change* |
|---|---|---|---|
| Generation (GWh) | **4,020** | 4,080 | *(1.5%)* |
| Generation Revenue | **425.9** | 428.0 | *(0.5%)* |
| Total Revenue | **442.5** | 448.7 | *(1.4%)* |
| Opex | **(209.7)** | (230.5) | *9.0%* |
| EBITDA | **232.8** | 218.2 | *6.7%* |
| *EBITDA margin* | ***52.6%*** | *48.6%* | *4.0%* |

**EDL's Variable Price Revenue[2] As % of Group Proportionate Revenue**
**(FY16)**




1. Large-Scale Generation Certificates
2. Variable Price revenue is revenue which is not Fixed Price or Take-or-Pay revenue.

# Outlook

# DBP Final Regulatory Decision

- ERA Final Determination published on 30 June 2016
  - Only applicable to ~15% of firm full-haul contracted capacity given Standard Shipper recontracting in August 2014
  - Final decision more favourable than draft decision:
    - 6.1% increase in the total allowed revenue ($real)
    - 34.6% increase in total allowed capital expenditure ($real) for 2016-20 period

- DBP appeal lodged with Australian Competition Tribunal – outcome expected 1H2017

**Revenue Building Block Summary**

| ($m Real) | ERA Final Decision | ERA Draft Decision | % Change |
|---|---|---|---|
| Return on capital | 720 | 668 | 7.8% |
| Regulatory Depreciation | 482 | 479 | 0.6% |
| Operating Expenditure | 515 | 509 | 1.2% |
| Tax allowance | 51 | 10 | nm |
| Total Revenue (unsmoothed) | 1,768 | 1,666 | 6.1% |

**WACC Parameters**

| | ERA Final Decision | ERA Draft Decision |
|---|---|---|
| Nominal Post Tax WACC | 5.83% | 6.02% |
| Nominal Post Tax ROE | 6.98% | 7.28% |
| Return on Debt | 5.06% | 5.18% |
| Gamma | 0.4 | 0.4 |
| Gearing | 60% | 60% |

**Forecast Capital Expenditure**

| ($m real) | ERA Final Decision | ERA Draft Decision | % Change |
|---|---|---|---|
| **Stay in business capex** | 100 | 78 | 28.2% |
| Enhancement capex | 5 | - | Nm |
| **Total Capital Expenditure** | 105 | 78 | 34.6% |

**Regulated Asset Base**

| ($m real) | ERA Final Decision | ERA Draft Decision | % Change |
|---|---|---|---|
| Opening RAB | 3,502 | 3,497 | 0.1% |

# United Energy Final Regulatory Decision

- AER Final Determination published on 26 May 2016; more favourable than draft decision:
  - 14.1% increase in the total allowed revenue (nominal)
  - 11.8% increase in total allowed capital expenditure (nominal) for 2016-20 period
  - 9.6% increase in total allowed operating expenditure[1] (nominal)
- UE appeal (gamma and inflation) lodged with Australian Competition Tribunal (ACT) – outcome expected 1H2017
  - Outcome will be influenced by current appeals by SAPN to ACT and AER to the Federal court (re NSW ACT appeal outcome)

**Revenue Building Block Summary**

| ($m nominal) | AER Draft Decision | AER Final Decision | % Change |
|---|---|---|---|
| Return on capital | 701.0 | 746.9 | 6.5% |
| Regulatory Depreciation | 315.4 | 421.9 | 33.7% |
| Operating Expenditure[1] | 711.2 | 779.1 | 9.6% |
| Revenue adjustments (EBSS and shared assets) | 28.9 | 40.8 | 41.2% |
| Tax allowance | 84.6 | 112.7 | 33.3% |
| Total Revenue (unsmoothed) | 1,841.2 | 2,101.3 | 14.1% |

**Forecast Capital Expenditure**

| ($m Nominal) | AER Draft Decision | AER Final Decision | % Change |
|---|---|---|---|
| **Opening Regulated Asset Base** | 2051.9 | 2,083.0 | 1.5% |
| **Total gross capex** | 975.3 | 1,126.7 | 15.5% |
| Less customer contributions | 98.6 | 146.4 | 48.5% |
| **Total Net Capex** | 876.7 | 980.3 | 11.8% |

**WACC Parameters**

| | AER Draft Decision | AER Final Decision |
|---|---|---|
| Rf – equity only | 2.76% | 2.94% |
| Implied DRP | 2.58% | 2.68% |
| Equity Beta | 0.7 | 0.7 |
| MRP | 6.5% | 6.5% |
| Gamma | 0.4 | 0.4 |
| Gearing | 60% | 60% |
| Nominal Vanilla WACC | 6.12% | 6.37% |
| Post tax Nominal ROE | 7.30% | 7.50% |

**Proposed Tariff Path**

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| AER Draft Decision | CPI – 8.72% | CPI – 8.72% | CPI – 0% | CPI – 0% | CPI – 0% |
| AER Final Decision | CPI – 8.72% | CPI + 4.21% | CPI + 3.50% | CPI + 3.50% | CPI - 0.00% |



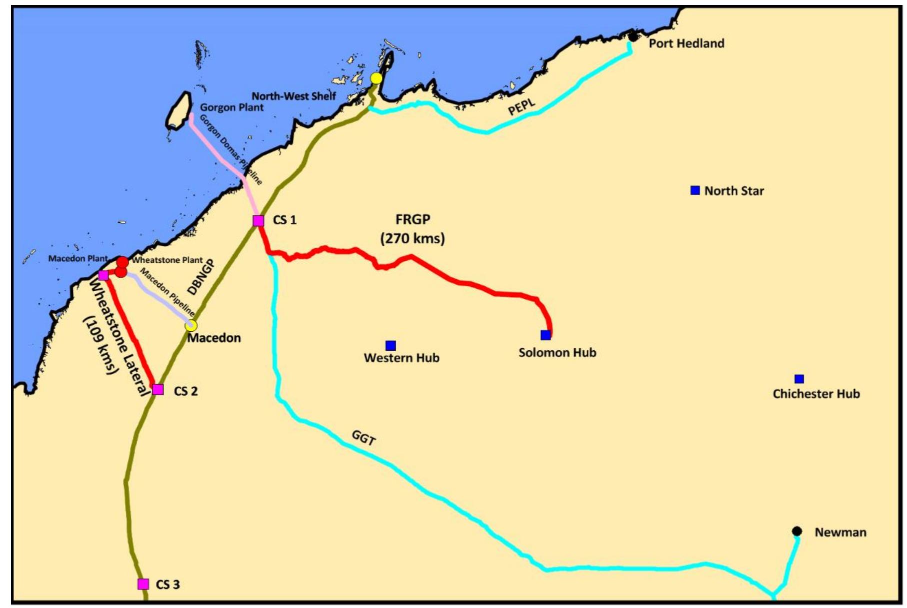
1. For the Final Decision the AER has included approximately $55m in opex that has been transferred across from metering expenditure. Therefore this is a reallocation and not a net increase in allowed revenues.

# DDG Development Opportunities

- Exploring options to extend FRGP to multiple Pilbara iron ore mining sites
  - Further reduces iron ore miners' cash costs
  - Frees up rail capacity by eliminating the need to transport diesel

- Working with EDL on a number of joint gas transmission and generation opportunities
  - Connect remote sites via gas transmission laterals and onsite gas–fired generation
  - Switch existing diesel only generation to dual fuel (diesel displacement)
  - Provide customers with a 'single' energy provider off balance sheet solution

## Pilbara Pipeline Infrastructure

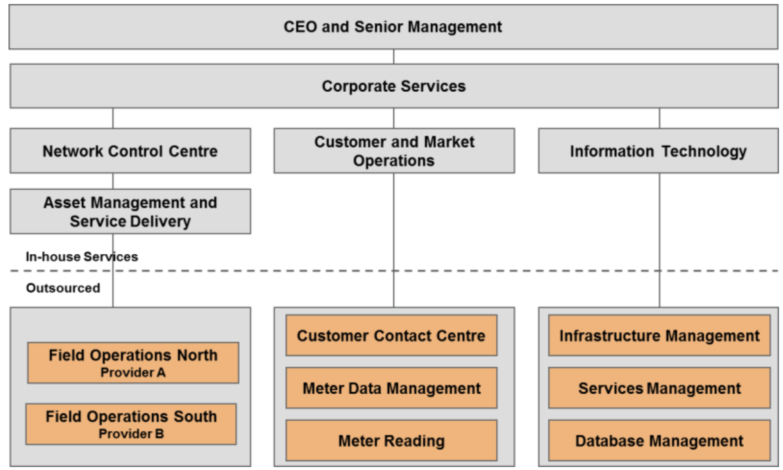



Fortescue controlled projects
DDG controlled pipelines

# UE and MG Transformation Project

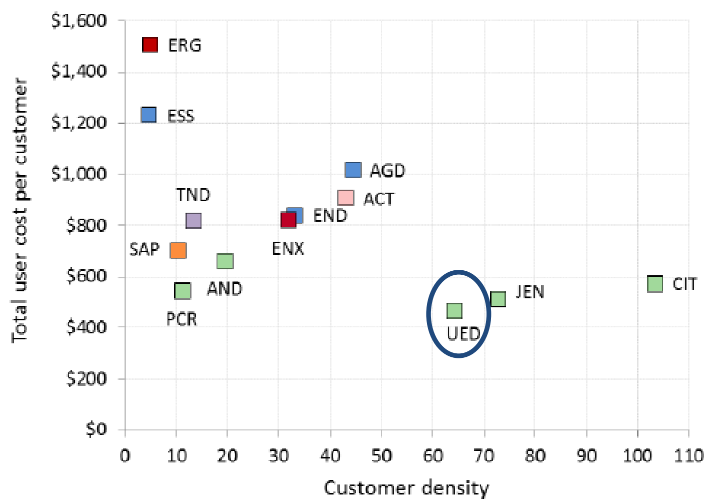
- In-housing of business operating model initiated in 2011 completed
  - Greater level of operating control
  - Dual contractor model to increase competition for network services
  - Transition resourced to ensure consistent service delivery
- Tier 1 global consulting firm engaged to undertake Transformation Project
  - All areas of operation under review
  - Focus on driving further efficiencies across each business
- Objective is to maintain benchmark efficient status and remain competitive against emerging disruptive technologies

**Current UE/MG Operating Model**




**United Energy**

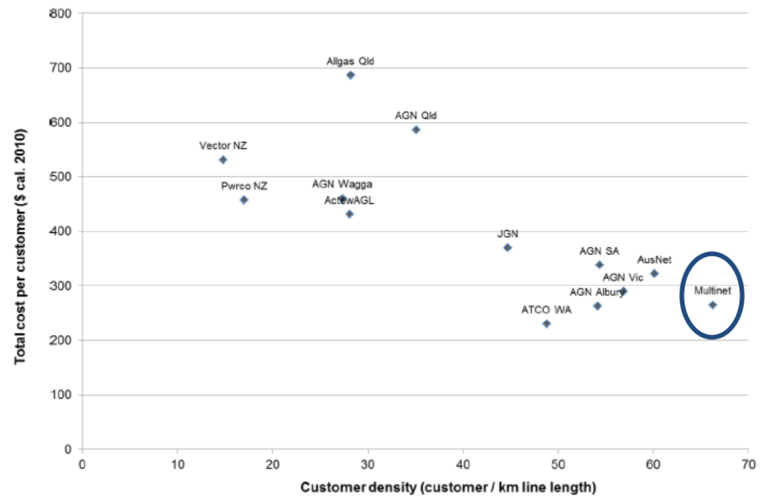
**Total cost per customer against customer density (2010–14 average)**




Source: Australian Energy Regulator Annual Benchmarking Report 2015

**Multinet Gas**

**Total cost per customer against customer density (2009–13 average)**




Source: Economic Insights Benchmarking Report - July 2015

# EDL Waste Coal Mine Gas Growth Potential

Energy Developments

## FY2016 Achievements

- Appin and Tower extension
  - 18 year tolling agreement (97MW) with South32
- Grosvenor construction commencement
  - Commenced construction of new 21MW power station on Anglo's new Grosvenor underground met coal mine
  - Underpinned by 20+ year gas agreement
- Grosvenor second power station opportunity
  - New agreement executed with Anglo providing opportunity for EDL to add a further 15MW to the 21MW project currently under construction
- Oaky Creek extension and expansion
  - Extension of existing gas agreement with Glencore to 2036, including expansion rights
  - 15MW expansion construction completed (July 2016), adding to existing 21MW power station

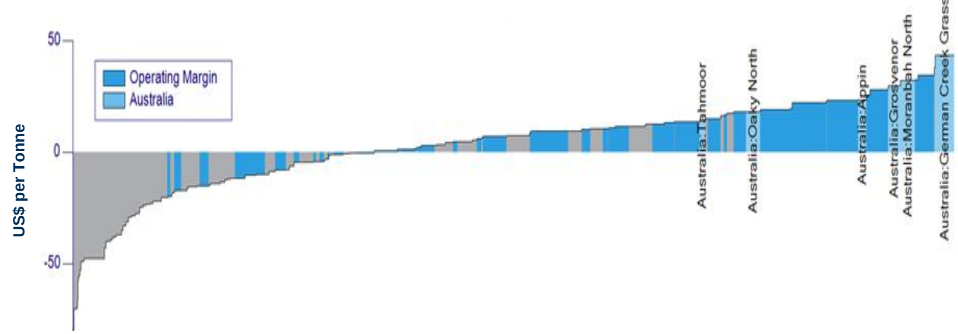
## Growth Potential

- Miners seeking value-add / off balance sheet solutions
  - Working with existing and new customers on expansion/greenfield opportunities
- Well placed to leverage market conditions, existing relationships and presence in metallurgical coal regions

## Macro – Metallurgical Coal

- Global met coal prices expected to remain subdued in near to mid term
- Australian met coal mines expected to remain cash positive
- Further market consolidation expected
- EDL positioned on premium Australian Met coal mines

**Seaborne Export Metallurgical Curve 2017**




Source: Wood Mackenzie Ltd, Dataset: February 2016

# EDL Remote Energy Growth Potential

## FY2016 Achievements

- Sunrise Dam Expansion
  - Completion of 8MW expansion – Dec 15
  - Tolling Service Agreement extension to Dec 25
- Sunrise Dam and Tropicana Gas Skids
  - Acquisition of gas skid facilities at Sunrise Dam and Tropicana
  - Contracted to Dec 2025 at Sunrise Dam; Dec 2027 at Tropicana
- Pine Creek Extension
  - 3 year offtake extension (26MW) with Territory Generation to June 2019

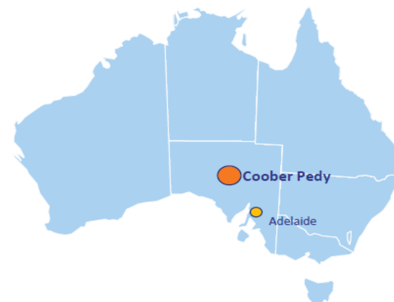
## Growth Potential

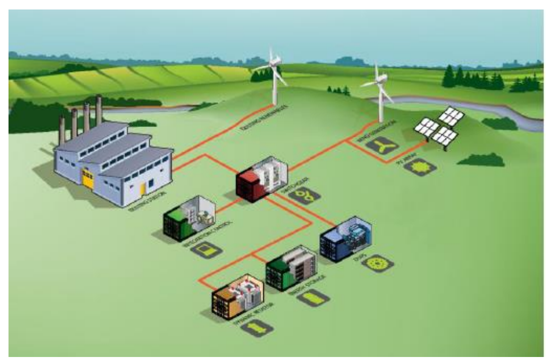
- Good opportunities in gold sector; existing and new mines
- Increasing global demand for batteries may assist approvals for lithium mine developments in WA
- Power price increases and desire for improved green credentials expected to encourage more customers to seek hybrid (diesel displacement) solutions
  - Potential for roll out of Cooper Pedy style hybrid solution to other sites

## Hybrid Renewable Project

- Coober Pedy Hybrid Project
  - 20 year PPA
  - Renewable expansion (1MW Solar PV, 4MW Wind, 1MW Battery)
  - 3.9MW existing diesel generation backup
  - Commissioning mid 2017
  - ~70% diesel displacement target

**Coober Pedy Hybrid Project**



# EDL Landfill Gas Growth Potential

## FY2016 Achievements

- Acquisition of Landfill Gas and Power Pty Ltd (LGP) in WA
  - 10MW across 3 sites
- Brown County (Ohio, US)
  - 5MW greenfield project, COD March 2017
  - New landfill customer – Rumpke
  - 25 year gas agreement; 15 year offtake agreement
- Gas Supply Agreement Extensions
  - Tessman Road (12 years)
  - Zion (15 Years)
- Pecan Row (Georgia, US)
  - 4.8 MW acquisition; completion July 2016

## US LFG Macro Environment

- US renewable energy market growing while coal and nuclear baseload being phased out
- LFG viewed favourably in US; baseload small footprint; methane abatement
- US LFG market highly fragmented; top 5 players own ~50%

## Growth Opportunities – US LFG

- Pecan Row expansion
- Greenfield/brownfield opportunities underpinned by:
  - Sector consolidation/divestment of non-core LFG assets
  - >500MW of sector greenfield development
- EDL cultivating strong relationship with landfill counterparties
  - Capacity expansions at existing sites (growing US gas curves)
  - EDL equipment onto new sites owned by existing customers

# EDL’s Cullerin Range Wind Farm

- EDL acquired Cullerin from Origin Energy Limited (Origin) on 13 July 2016 for $72m[1]
- Acquisition funded from EDL’s corporate debt facility

***Asset Description***

- Located near Gunning in NSW
- 30MW windfarm comprising 15 x 2MW Senvion turbines
- Operational since July 2009
- Historical capacity factor of 38%, one of the highest for an Australian wind farm

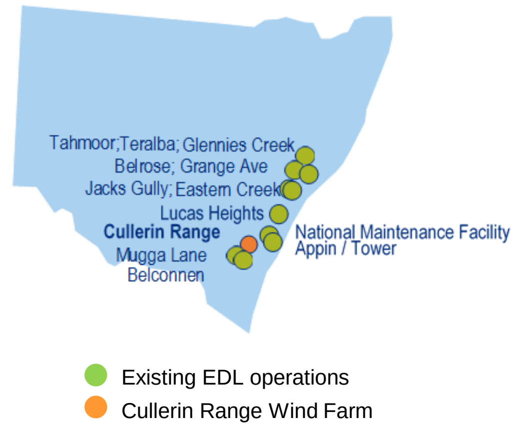
***Contracting arrangements***

- New service and availability agreement established with Senvion
- Long term offtake agreement with Origin
- Site leases in place until 2038

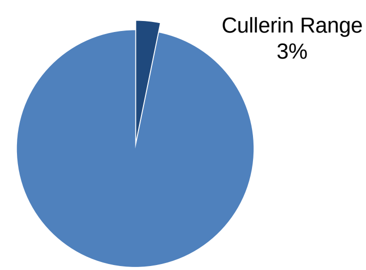
***Strategic Fit***

- Leverages EDL’s experience and capability in managing a distributed generation portfolio
- Represents only ~3% of EDL’s installed MW capacity
- Potential for EDL to grow in the mid-scale, grid connected renewable sector

**Location of Cullerin in relation to other EDL sites**
(NSW, Australia)




**EDL Installed Capacity**
**(MW)**






1. Excluding transaction costs

# EDL Renewables Expansion Strategy

## EDL rationale for expanding into renewables sector

- Distributed renewable generation consistent with EDL model
- Strong macro background
  - Bipartisan support for Renewable Energy Target (RET) to 2020
  - Federal and State based renewable objectives longer term
  - ~6GW of additional generation capacity required to meet current targets
- Customers seeking to enhance green credentials
- Leverages EDL capabilities

## EDL Competitive Advantage

- Can manage offtake within existing contracting portfolio
  - Balanced electricity portfolio
  - Ability to contract black and green offtake separately
  - Avoid bundled PPA discount
- Corporate level financing
  - Provides greater flexibility than project financing
- Ability to leverage existing asset management and infrastructure capabilities (OEM contracting; centralised control room)
- Able to focus on mid-scale opportunities

## Areas of Focus

- Near term: Mid-scale (20MW-120MW) grid connected wind/ solar PV
  - Already operational or development approved (‘shovel ready’)
  - Addressable market in Australia of around 500MW
  - Leverage Cullerin acquisition expertise
- Medium term: Integrated (hybrid) renewable solutions
  - Solar PV/wind/storage with diesel backup
  - Existing and new generation sites (focus on diesel displacement)
  - Leverage experience from EDL’s Coober Pedy hybrid project

# Emerging opportunities to leverage synergies

DUET GROUP

dbp / dbp DEVELOPMENT GROUP | Energy Developments | UNITED ENERGY

### Operating Synergies

- Safety best-practice sharing
- Maitland pipeline O&M
- Key Supplier O&M agreements
- Other supplier synergies

### Potential Growth Synergies

- Power generation for pipeline customers
- Combined pipeline and power generation for mines and remote towns
- Lateral pipelines for existing EDL customers (diesel displacement)

### Operating Synergies

- Safety best-practice sharing
- HV and cabling technical support
- Grid connection assistance for new sites

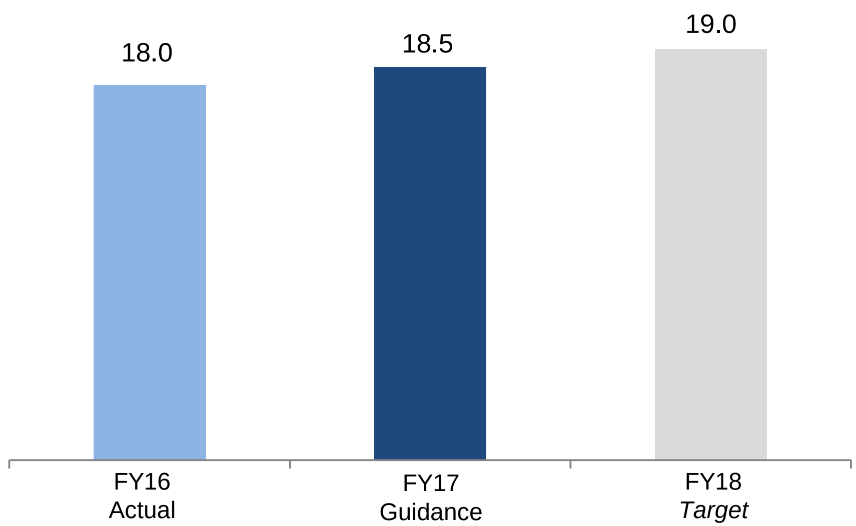
### Potential Growth Synergies

- Acquire or build private networks, combined with distributed generation
- Privatisation of ‘island’ networks, combined with power generation

# Distributions

- Achieved DUET's FY16 DPS guidance of 18.0cpss
  - Final distribution of 9.0 cpss paid 18 August 2016
- FY17 distribution guidance of 18.5 cpss reaffirmed
- Guidance expected to be fully covered by DUET's forecast proportionate earnings on a cpss basis

**DUET distributions**
**(cents per stapled security, "cpss")[1]**




Forward looking statements by their very nature are subject to uncertainties and contingencies, many of which are outside the control of DUET
1. Subject to DUET's forecast assumptions being met

# Management Priorities

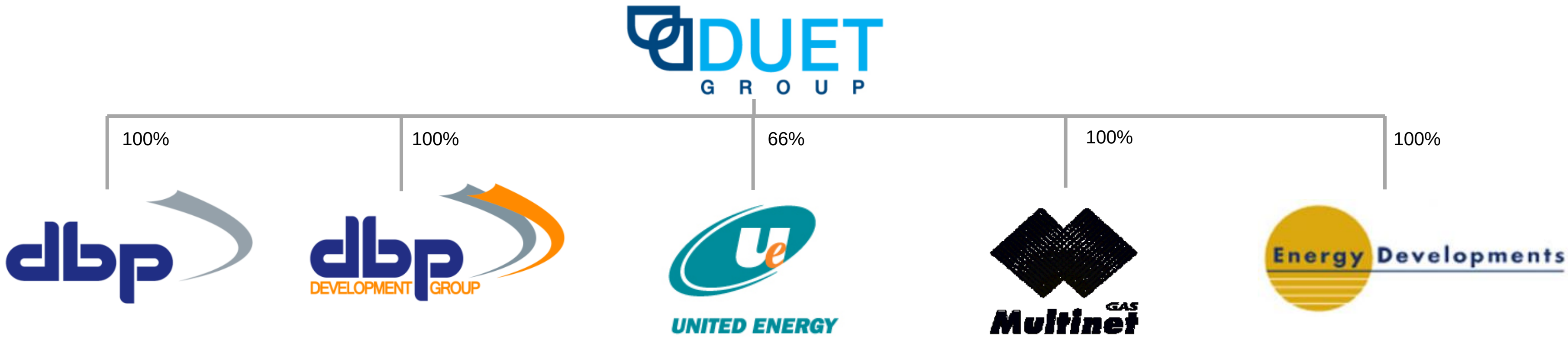
- Deliver full-year FY17 distribution guidance of 18.5 cents
- Seek improved outcomes from United Energy's and DBP's regulatory 2016 – 2020 appeals
- Achieve operating efficiencies from United Energy and Multinet Gas transformation project
- Grow EDL's revenue base
- Refinance operating company debt maturities on competitive terms
- Continue actively to look for accretive opportunities to develop and/or acquire energy infrastructure


# Questions

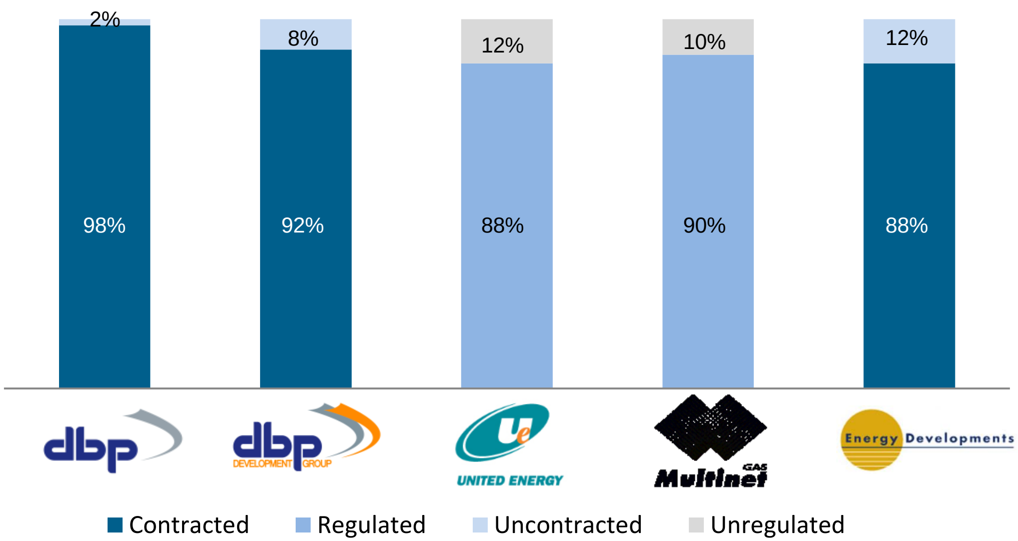
# Appendix

# DUET Group

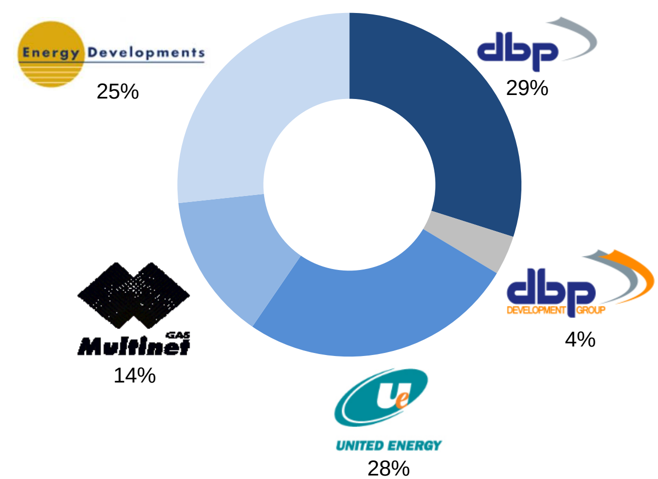
## Simplified Group Snapshot (aggregate ownership interests)




## FY16 Revenue Mix




## FY16 Proportionate EBITDA Contribution



# Consolidated Balance Sheet

| $m | As at 30 Jun 16 | As at 30 Jun 15 |
|---|---|---|
| Cash Assets and Term Deposits | 508 | 376 |
| Other Current Assets | 340 | 222 |
| PP & E | 7,066 | 6,003 |
| Intangible Assets | 2,963 | 2,034 |
| Other Non-Current Assets | 228 | 431 |
| **Total Assets** | **11,105** | **9,066** |
| Interest Bearing Liabilities | 6,263 | 5,731 |
| Other Current Liabilities | 610 | 492 |
| Other Non-Current Liabilities | 821 | 847 |
| **Total Liabilities** | **7,694** | **7,070** |
| **Net Assets** | **3,411** | **1,996** |
| **Total Equity** | **3,411** | **1,996** |

# Consolidated Cash Flow Statement

| $m | FY16 | FY15 |
|---|---|---|
| **Net cash flows from operations** | **908** | **755** |
| Payments for purchase of PP&E | (356) | (466) |
| Payments for purchase of software and other intangibles | (36) | (35) |
| Proceeds from term deposits | 54 | 28 |
| Proceeds from asset sales | 1 | 2 |
| Acquisition of subsidiary, net of cash acquired | (1,532) | - |
| **Net cash flows from investing** | **(1,868)** | **(471)** |
| Cash flows from capital raising | 1,880 | 411 |
| Net proceeds from/(payments) to non-controlling interests | 55 | (19) |
| Borrowing (net of repayments) | (78) | (142) |
| Finance costs paid | (371) | (392) |
| Dividends & distributions paid | (340) | (243) |
| **Net cash flow from financing** | **1,146** | **(387)** |
| **Net increase / (decrease) in cash** | **186** | **(103)** |