

INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014



At 31 December 2014 the DUET Group comprised DUET Company Limited (DUETCo) (ABN 93 163 100 061), DUET Investment Holdings Limited (DIHL) (ABN 22 120 456 573), DUET Finance Limited (DFL) (ABN 15 108 014 062) (AFSL 269287) in its personal capacity and as Responsible Entity for DUET Finance Trust (DFT) (ARSN 109 363 135) (ABN 85 482 841 876) and the entities they controlled.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in DUET Group, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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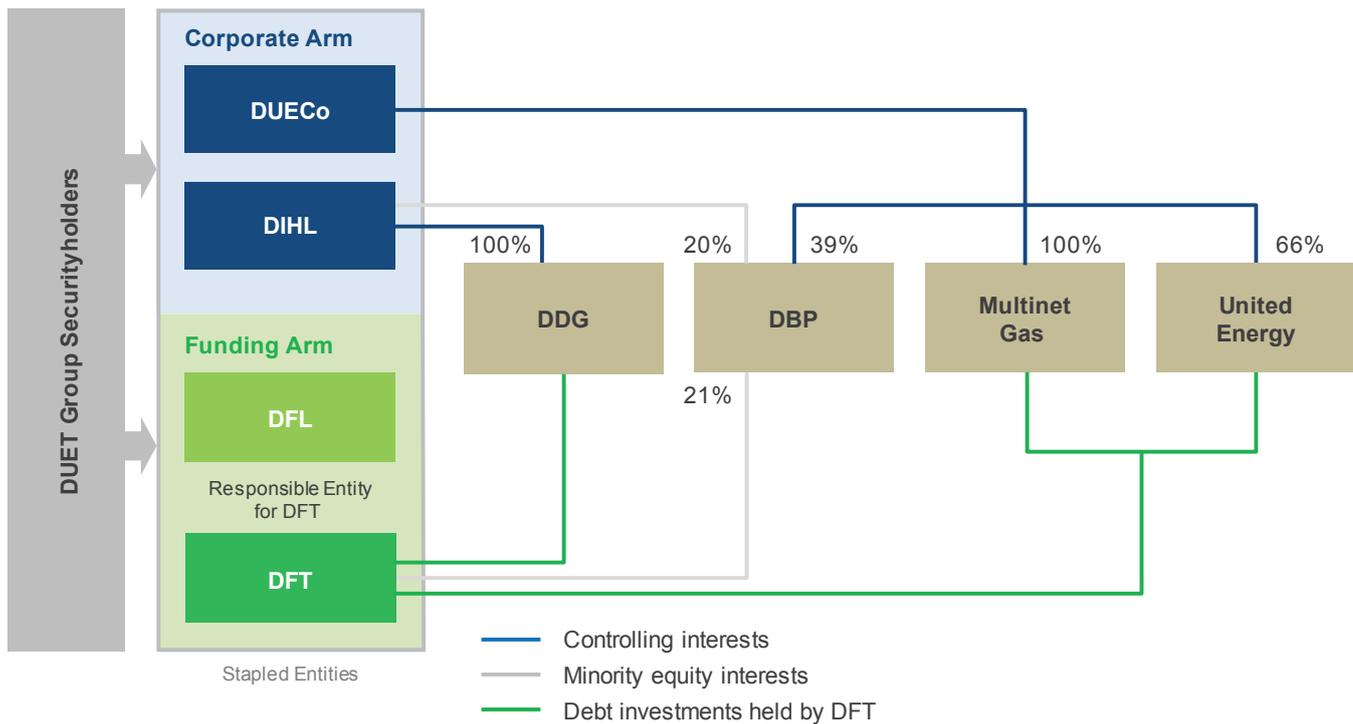
Explanation of the Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Explanation of the Interim Financial Report

DUET Group comprises DUET Company Limited (DUECo), DUET Investment Holdings Limited (DIHL), DUET Finance Limited (DFL) in its personal capacity and as responsible entity of DUET Finance Trust (DFT) and their subsidiaries (together DUET). These four stapled entities, DUECo, DIHL, DFL and DFT, trade as one listed security, DUET Group, on the Australian Securities Exchange (ASX Code: DUE).

A summarised structure of DUET as at 31 December 2014 is illustrated below:



Note: Structure is in summary form with interposed entities not shown

DUET consolidates its interest in United Energy Distribution Holdings Limited and its controlled entities (UEDH or United Energy), Multinet Group Holdings Limited and its controlled entities (MGH or Multinet Gas), the Dampier Bunbury Natural Gas Pipeline Trust and its controlled entities (DBP or Dampier Bunbury Pipeline) and DBP Development Group Nominees Pty Limited and its controlled entities (DDG) in compliance with accounting standards. Accordingly, the results, assets and liabilities of these entities are consolidated into the DUET Group Interim Financial Report.

In accordance with AASB10 *Consolidated Financial Statements*, DUECo has been identified as the parent of the consolidated group consisting of its subsidiaries, DIHL, DFL and DFT and their subsidiaries.

Interim financial statements for DFT, DIHL Group and DFL for the half year ended 31 December 2014 have also been presented in this report jointly, as permitted by ASIC Class Order 05/642 and 06/441.

In this interim financial report "DUET Group", the column presented first, serves as a summary of the financial performance and financial position of DUET Group as a whole, while the other columns of this report provide the individual entity interim financial reports of DFT Group, DIHL Group and DFL.

Directors' Reports

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Directors' Reports – DUECo, DFT, DIHL and DFL

DUET Finance Limited (DFL) acts as responsible entity for DUET Finance Trust (DFT).

The directors of DUET Company Limited (DUECo) submit the following report for DUECo for the half year ended 31 December 2014.

The directors of DUET Investment Holdings Limited (DIHL) submit the following report for DIHL for the half year ended 31 December 2014.

The directors of DFL submit the following report for DFL and DFT for the half year ended 31 December 2014.

The units of DFT together with the ordinary shares in DUECo, DIHL and DFL are issued as stapled securities in DUET Group.

Principal Activities

DUET Group owns various Australian energy utilities which generate regulated and long-term contracted cash flows.

Directors

The following persons held office as directors of DUECo and DIHL for the half year and up to the date of this report, unless otherwise stated:

- Douglas Halley (Chairman)
- Ron Finlay
- Emma Stein
- Shirley In't Veld
- John Roberts
- Jack Hamilton
- Duncan Sutherland (resigned 19 November 2014)

The following persons held office as directors of DFL for the half year and up to the date of this report, unless otherwise stated:

- Eric Goodwin (Chairman)
- Ron Finlay
- Terri Benson
- Jane Harvey
- Michael Lee (resigned 1 September 2014)

Distributions and Dividends

An interim distribution for the half year ended 31 December 2014 of 8.750 cents per stapled security (2013: 8.500 cents per stapled security) was announced on 11 December 2014. This consisted of 4.398 cents per unit from DFT and 4.352 cents per share from DUECo. The DUECo dividend was unfranked.

Directors' Reports

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Review and Results of Operations

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 to 31 December	2014 \$'000	2013 \$'000
Revenues from ordinary activities	616,192	620,803
Less: items not included in consolidated EBITDA		
Derivative movements	(93)	(7,318)
Interest revenue	(4,648)	(5,529)
Revenues from ordinary activities, adjusted	611,451	607,956
Operating expenses	(243,424)	(222,403)
Add: items not included in consolidated EBITDA		
FX movements	-	926
Loss on disposal of assets	3,623	3,431
Derivative movements	-	8,617
Operating expenses, adjusted	(239,801)	(209,429)
Consolidated EBITDA, adjusted	371,650	398,527
FX movements	-	(926)
Derivative movements	93	(1,299)
Loss on disposal of assets	(3,623)	(3,431)
Depreciation and amortisation	(135,445)	(137,347)
Consolidated EBIT	232,675	255,524
Net interest expense	(236,600)	(220,337)
Fair value movements on ineffective portion of interest hedges	26,152	1,299
Net profit before income tax, adjusted	22,227	36,486
Tax benefit/(expense)	(7,160)	107,041
Net profit after income tax, adjusted	15,067	143,527
Add/(subtract) significant items:		
Tax expense/(benefit) arising on group internalisation	7,130	(105,483)
Loss on disposal of assets	3,623	3,431
FX movements	-	926
Derivative movements	(93)	1,299
Tax effect on significant items	(8,905)	(2,087)
Net profit after income tax excluding significant items ⁽¹⁾	16,822	41,613
Basic and diluted earnings/(loss) per stapled security attributable to securityholders - cents	(0.06)	12.43
Cash available for distribution to securityholders (\$'000)	119,127	107,737
Weighted average DUET Group stapled securities on issue ('000's)	1,342,416	1,214,209
Cash available for distribution per stapled security - cents	8.87	8.87
Half year distribution declared and payable per stapled security - cents	8.75	8.50
Half year distribution coverage (%)	101%	104%

⁽¹⁾ Profit excluding significant items is non-IFRS information. Management has provided an analysis of significant items included in the reported IFRS financial information. These items have been considered in relation to their size and nature, and have been adjusted from the reported (i.e. IFRS) information to assist readers to better understand the financial performance of the underlying operating business. These adjustments are assessed on a consistent basis from period to period and include both favourable and unfavourable items. Non-IFRS financial information, while not subject to audit or review, has been extracted from the financial report which has been reviewed by external auditors.

Directors' Reports

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Review and Results of Operations (continued)

The financial results were impacted by the following significant items (i.e. non-cash, volatile items) during the current half year:

Half year to 31 December 2014	2014		2013	
	Pre tax \$'000	Tax effect \$'000	Pre tax \$'000	Tax effect \$'000
Loss on disposal of assets	3,623	(1,087)	3,431	(1,029)
Foreign exchange loss	–	–	926	(278)
Fair value losses on ineffective portion of hedges	26,152	(7,846)	1,299	(390)
Gain on derivatives not in hedge relationships	(93)	28	(7,318)	2,195
Loss on derivatives not in hedge relationships	–	–	8,617	(2,585)
Tax effect of group internalisation	–	7,130	–	(105,483)
	29,682	(1,775)	6,955	107,570

The profit after tax excluding significant items was \$16.8 million, which was \$24.8 million lower than the previous corresponding period. This was principally due to the foreshadowed reduction in revenue in DBP due to re-contracting and higher operating expenses. It should be noted that unlike the current half year period, the financial year ending 30 June 2015 will benefit from the commencement of contracted revenue in DDG's Wheatstone Ashburton West Pipeline and Fortescue River Gas Pipeline, improving operating results.

The proportionate revenue, expenses and EBITDA figures of each energy utility is as follows:

Half year ended 31 December \$'000	DBP		United Energy		Multinet Gas		DDG	
	2014	2013	2014	2013	2014	2013	2014	2013
Revenue	156,309	180,686	159,137	149,959	98,740	98,944	784	1,727
Expense	(33,123)	(37,146)	(54,119)	(48,984)	(32,121)	(28,240)	(1,042)	(1,577)
EBITDA	123,186	143,540	105,018	100,975	66,619	70,704	(258)	150

DBP

DBP owns Western Australia's principal gas transmission pipeline (the "Dampier to Bunbury Natural Gas Pipeline"), transporting around 50% of the state's total primary energy consumption.

During the half year, DBP transported 166,625 TJ of gas (2013: 170,990 TJ)

DBP Development Group

DDG owns and operates the Wheatstone Ashburton West Pipeline which connects onshore Wheatstone LNG complex to the DBNGP. The construction of the pipeline reached practical completion in late December 2014.

Further, in joint venture with TransAlta Corporation of Canada, DDG is building the Fortescue River Gas Pipeline which connects the DBNGP to Fortescue's Solomon Hub operations in Western Australia's Pilbara region. This pipeline is expected to reach practical completion by 31 March 2015.

The second half of this financial year will benefit from the commencement of revenue from each of the above pipelines.

United Energy

United Energy's distribution network covers south-east Melbourne and Mornington Peninsula. The network transports electricity from the high voltage transmission network to residential, commercial and industrial electricity users.

During the period, UED distributed 3,887 GwH (2013: 3,943 GwH).

Multinet Gas

Multinet Gas is a Victorian gas distribution company with a network covering eastern and south-eastern suburbs of Melbourne.

MGH distributed 30,209 TJ of gas during the period (2013: 30,291 TJ).

Directors' Reports

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Review and Results of Operations (continued)

Performance of Other DUET Stapled Entities

The performance of other stapled entities for the half year ended 31 December 2014 was as follows:

	DFT 1 Jul 14 – 31 Dec 14 \$'000	DIHL Group 1 Jul 14 – 31 Dec 14 \$'000	DFL 1 Jul 14 – 31 Dec 14 \$'000	DFT 1 Jul 13 – 31 Dec 13 \$'000	DIHL Group 1 Jul 13 – 31 Dec 13 \$'000	DFL 1 Jul 13 – 31 Dec 13 \$'000
Revenue and other income	71,779	12,054	255	62,386	1,866	51
Profit/(loss) after tax for the half year	32,897	(5,669)	136	62,160	(1,506)	(263)
Profit/(loss) after tax attributable to securityholders	32,897	(5,669)	136	62,160	(1,506)	(263)
Basic earnings/(loss) per stapled security/unit/share	2.45c	(0.42)c	0.01c	5.12c	(0.12)c	(0.02)c
Diluted earnings/(loss) per stapled security/unit/share	2.45c	(0.42)c	0.01c	5.12c	(0.12)c	(0.02)c

Financial Position and Capital Management

The net assets of the Group increased by \$239.1 million to \$2,044.1 million during the half year. The increase was due to additional equity raised during the period of \$411.1 million, net of costs and taxes. A part of the proceeds was utilised by DBP and MGH to repay debt of \$198.0 million. DBP's credit rating outlook with S&P was restored to stable following the debt repayment. As at 31 December 2014, the total interest bearing liabilities of the Group was \$5,578.7 million and the gearing (i.e. adjusted proportionate net external debt to proportionate RAB) was 68.1% (30 June 2014: 73.2%).

There was also an investment of \$283.7 million in property, plant and equipment during the period.

Events Occurring After Balance Sheet Date

An interim distribution of 8.750 cents per stapled security was paid by DUET on 19 February 2015. This consisted of 4.398 cents per unit from DFT and 4.352 cents per share from DUECo. The DUECo dividend was unfranked.

Indemnification and Insurance of Officers

During the year, DUECo, DFL and DIHL paid a premium to insure their respective officers. As long as these officers act in accordance with the Constitution and the law, they will remain indemnified out of the assets of DUECo, DFT, DFL and DIHL against any losses incurred while acting on behalf of DUET Group.

Indemnification of Auditors

DUET Group's auditor is Ernst & Young. DUET Group has agreed with Ernst & Young, as part of its terms of engagement, to indemnify Ernst & Young against certain liabilities to third parties arising from the audit engagement. The indemnity does not extend to any liability resulting from a negligent, or wilful act or omission by Ernst & Young.

During the half year:

- DUET Group has not paid any premium in respect to any insurance for Ernst & Young or a body corporate related to Ernst & Young, and
- There were no officers of DUET Group who were former partners or directors of Ernst & Young, whilst Ernst & Young conducted audits of DUET Group.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Directors' Reports

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Review and Results of Operations (continued)

Application of Class Orders

DUET Group, DFT, DIHL and DFL are of a kind referred to in Class Order 98/0100, issued by ASIC, relating to the 'rounding off' of amounts in the directors' report and interim financial report. Amounts in the directors' report and interim financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

The interim financial reports for DUET Group, DFT, DIHL and DFL are jointly presented in one interim report, as permitted by ASIC Class Order 05/642 and 06/441.

Directors' Reports

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Signed in accordance with a resolution of directors of
DUET Company Limited.



Douglas Halley

Chairman, Board of Directors
DUET Company Limited
Sydney

19 February 2015



Emma Stein

Chair, Audit and Risk Committee
DUET Company Limited
Sydney

19 February 2015

Signed in accordance with a resolution of directors of
DUET Finance Limited.



Eric Goodwin

Chairman, Board of Directors
DUET Finance Limited
Sydney

19 February 2015



Jane Harvey

Chair, Audit and Risk Committee
DUET Finance Limited
Sydney

19 February 2015

Signed in accordance with a resolution of directors of
DUET Investment Holdings Limited.



Douglas Halley

Chairman, Board of Directors
DUET Investment Holdings Limited
Sydney

19 February 2015



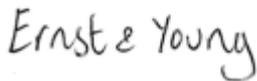
Emma Stein

Chair, Audit and Risk Committee
DUET Investment Holdings Limited
Sydney

19 February 2015

Auditor's Independence Declaration to the Directors of DUET Company Limited, DUET Investment Holdings Limited and DUET Finance Limited

In relation to our review of the interim financial report of DUET Group, DUET Company Limited, DUET Investment Holdings Limited, DUET Finance Limited and DUET Finance Trust for the half year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



Ernst & Young



Matthew A. Honey
Partner
Melbourne
19 February 2015

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Income Statements

	DUET Group	DFT	DIHL Group	DFL	DUET Group	DFT	DIHL Group	DFL
	1 Jul 14	1 Jul 14	1 Jul 14	1 Jul 14	1 Jul 13	1 Jul 13	1 Jul 13	1 Jul 13
	– 31 Dec 14	– 31 Dec 14	– 31 Dec 14	– 31 Dec 14	– 31 Dec 13	– 31 Dec 13	– 31 Dec 13	– 31 Dec 13
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2	616,099	71,779	12,051	255	613,485	1,866	51
Other Income	2	93	–	3	–	7,318	–	–
Total Revenue and other income		616,192	71,779	12,054	255	620,803	1,866	51
Share of net profit/(loss) of associates accounted for using the equity method	2	–	(37,800)	1,903	–	–	4,916	–
Operating expenses	2	(235,176)	–	(13,066)	–	(203,648)	–	–
Other expenses	2	(8,248)	(1,082)	(3,165)	(119)	(18,755)	(5,109)	(87)
Depreciation and amortisation expense	2	(135,445)	–	(190)	–	(137,347)	(175)	–
Finance costs	2	(241,248)	–	(2,917)	–	(225,866)	(1,293)	(2,834)
Total expenses		(620,117)	(1,082)	(19,338)	(119)	(585,616)	(8,118)	(87)
Profit/(loss) before income tax expense		(3,925)	32,897	(5,381)	136	35,187	(1,335)	(36)
Income tax benefit/(expense)		(7,160)	–	(288)	–	107,041	(171)	(228)
Profit/(loss) for the half year after tax		(11,085)	32,897	(5,669)	136	142,228	(1,506)	(263)
Profit/(loss) is attributable to:								
DUeCo unitholders		(28,123)	–	–	–	86,169	–	–
DFT unitholders and DIHL/DFL shareholders as non-controlling interests		27,364	32,897	(5,669)	136	60,391	(1,506)	(263)
Stapled Securityholders		(759)	32,897	(5,669)	136	146,560	(1,506)	(263)
Other non-controlling interests		(10,326)	–	–	–	(4,332)	–	–
Earnings attributable to Securityholders:								
Basic earnings/(loss) per stapled security/share/unit		(0.06)c	2.45c	(0.42)c	0.01c	12.43c	(0.12)c	(0.02)c
Diluted earnings/(loss) per stapled security/share/unit		(0.06)c	2.45c	(0.42)c	0.01c	12.43c	(0.12)c	(0.02)c

The above Income Statements should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Other Comprehensive Income

	DUET Group		DIHL Group		DUET Group		DIHL Group		DFL	
	1 Jul 14	31 Dec 14	1 Jul 14	31 Dec 14	1 Jul 13	31 Dec 13	1 Jul 13	31 Dec 13	1 Jul 13	31 Dec 13
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss) after income tax expense for the half year	(11,085)	32,897	(5,669)	136	142,228	62,160	(1,506)	(263)		
Other comprehensive income/(expense):										
Items that may be reclassified subsequently to profit or loss										
Changes in fair value of cashflow hedges, net of tax	(19,487)	-	-	-	(29,410)	-	-	-	-	-
Gain/(loss) taken to equity	1,759	-	-	-	63,234	-	-	-	-	-
Transferred to income statements	-	-	(5,680)	-	-	-	4,976	-	-	-
Changes in share of associates other reserves, net of tax	-	-	-	-	(1,903)	-	-	-	-	-
Gain/(loss) on dilution of minority interest	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(expense) for the half year	(28,813)	32,897	(11,349)	136	174,149	62,160	3,470	(263)		
Total comprehensive income/(expense) for the half year is attributable to:										
DUETCo unitholders	(56,337)	-	-	-	107,637	-	-	-	-	-
DFT unitholders and DIHL/DFL shareholders as non-controlling interests	21,684	32,897	(11,349)	136	65,367	62,160	3,470	(263)		
Stapled Securityholders	(34,653)	32,897	(11,349)	136	173,004	62,160	3,470	(263)		
Other non-controlling interests	5,840	-	-	-	1,145	-	-	-	-	-
Total comprehensive income/(expense) for the half year	(28,813)	32,897	(11,349)	136	174,149	62,160	3,470	(263)		

The above Statements of Other Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Balance Sheets

	Note	DUET Group 31 Dec 14 \$'000	DFT 31 Dec 14 \$'000	DIHL Group 31 Dec 14 \$'000	DFL 31 Dec 14 \$'000	DUET Group 30 Jun 14 \$'000	DFT 30 Jun 14 \$'000	DIHL Group 30 Jun 14 \$'000	DFL 30 Jun 14 \$'000
Current assets									
Cash and cash equivalents		233,432	4,998	17,441	6,375	423,434	77,010	145,422	5,671
Short term deposits		206,864	-	-	-	85,000	-	15,000	-
Receivables	4	55,677	1,927	10,313	31	42,745	1,423	2,303	-
Inventories		25,060	-	1,327	-	22,946	-	-	-
Other assets	5	102,391	-	253	574	108,981	-	2,990	282
Derivative financial instruments		10,251	-	-	-	2,895	-	-	-
Total current assets		633,675	6,925	29,334	6,980	686,001	78,433	165,715	5,953
Non-current assets									
Receivables	4	20,125	1,477,349	588	-	20,559	1,257,108	238	-
Investment in associated entities		-	-	167,166	-	-	-	145,779	-
Property, plant and equipment		5,966,352	-	201,157	-	5,784,571	-	82,215	-
Deferred tax assets		269,872	-	-	-	264,755	-	582	-
Intangible assets		2,050,958	-	116	-	2,067,797	-	-	-
Other assets	5	-	-	-	-	7,131	-	152	-
Derivative financial instruments		85,531	-	-	-	15,433	-	-	-
Total non-current assets		8,392,838	1,477,349	369,027	-	8,160,246	1,257,108	228,966	-
Total assets		9,026,513	1,484,274	398,361	6,980	8,846,247	1,335,541	394,681	5,953

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FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Balance Sheets (continued)

	DUET Group 31 Dec 14 \$'000	DFT 31 Dec 14 \$'000	DIHL Group 31 Dec 14 \$'000	DFL 31 Dec 14 \$'000	DUET Group 30 Jun 14 \$'000	DFT 30 Jun 14 \$'000	DIHL Group 30 Jun 14 \$'000	DFL 30 Jun 14 \$'000
Current liabilities								
Distribution payable	130,697	65,697	-	-	112,014	99,214	3,400	-
Payables	206,639	-	24,595	5	241,546	2,359	24,724	3
Interest bearing liabilities	811,744	-	-	-	648,460	-	94,737	18
Provisions	23,417	-	558	-	25,698	-	532	-
Derivative financial instruments	95,475	-	-	-	109,733	-	-	-
Other liabilities	58,218	4,320	5,574	-	39,556	-	76	-
Total current liabilities	1,326,190	70,017	30,727	5	1,177,007	101,573	123,469	21
Non-current liabilities								
Interest bearing liabilities	4,766,955	-	164,950	-	5,019,202	-	117,655	-
Deferred tax liabilities	610,246	-	574	-	610,758	-	867	-
Derivative financial instruments	185,392	-	-	-	166,457	-	-	-
Provisions	67,720	-	3,514	-	44,289	-	3,248	-
Retirement benefit obligations	5,033	-	-	-	2,449	-	-	-
Other liabilities	20,849	-	-	-	21,058	-	-	-
Total non-current liabilities	5,656,195	-	169,038	-	5,864,213	-	121,770	-
Total liabilities	6,982,385	70,017	199,765	5	7,041,220	101,573	245,239	21
Net assets	2,044,128	1,414,257	198,596	6,975	1,805,027	1,233,968	149,442	5,932

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Balance Sheets (continued)

	Note	DUET Group 31 Dec 14 \$'000	DFT 31 Dec 14 \$'000	DIHL Group 31 Dec 14 \$'000	DFL 31 Dec 14 \$'000	DUET Group 30 Jun 14 \$'000	DFT 30 Jun 14 \$'000	DIHL Group 30 Jun 14 \$'000	DFL 30 Jun 14 \$'000
Equity									
Equity attributable to DUECo unitholders									
Contributed equity	7	929,704	-	-	-	793,109	-	-	-
Reserves		(321,997)	-	-	-	(293,783)	-	-	-
Retained profits/accumulated (losses)	8	(348,216)	-	-	-	(255,093)	-	-	-
Unitholders interest		259,491	-	-	-	244,233	-	-	-
Equity attributable to DFT, DIHL and DFL Securityholders (as non-controlling interest)									
Contributed equity		2,131,991	1,778,932	345,998	7,061	1,857,492	1,565,843	285,495	6,154
Reserves		(345,974)	(364,675)	18,701	-	(307,492)	(331,875)	24,381	-
Retained profits/ accumulated (losses)	8	(166,186)	-	(166,103)	(86)	(160,655)	-	(160,434)	(222)
DFT, DIHL, DFL securityholders interest		1,619,831	1,414,257	198,596	6,975	1,389,345	1,233,968	149,442	5,932
Other non-controlling interest		164,806	-	-	-	171,449	-	-	-
Total Equity		2,044,128	1,414,257	198,596	6,975	1,805,027	1,233,968	149,442	5,932

The above Balance Sheets should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Changes in Equity

	Attributable to DUECo Unitholders							
	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/(accumulated losses) \$'000	DFT, DIHL, & DFL non-controlling interests \$'000	Other non-controlling interest \$'000	Total equity \$'000
DUET Group								
Total equity at 1 July 2014	793,109	(14,934)	(90,324)	(188,525)	(255,093)	1,389,345	171,449	1,805,027
(Loss)/profit for the half year	-	-	-	-	(28,123)	27,364	(10,326)	(11,085)
Other comprehensive income/(expense) for the half year	-	(28,214)	-	-	-	(5,680)	16,166	(17,728)
Total comprehensive income/(expense) for the half year	-	(28,214)	-	-	(28,123)	21,684	5,840	(28,813)
Transactions with equity holders in their capacity as equity holders:								
Contributions of equity, net of transaction costs and deferred tax	136,595	-	-	-	-	274,499	-	411,094
Distribution paid and provided for to DUET equity holders	-	-	-	-	(65,000)	(65,697)	-	(130,697)
Distribution paid and provided for to NCI	-	-	-	-	-	-	(19,663)	(19,663)
Contributions of equity by non-controlling interests	-	-	-	-	-	-	7,180	7,180
Total equity at 31 December 2014	929,704	(43,148)	(90,324)	(188,525)	(348,216)	1,619,831	164,806	2,044,128

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Changes in Equity (continued)

	Attributable to DUECo Unitholders							Total equity \$'000
	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000	DFT, DIHL, & DFL non- controlling interests \$'000	Other non- controlling interest \$'000	
DUET Group								
Total equity at 1 July 2013	688,011	(48,264)	(90,324)	(12,882)	(300,132)	1,096,102	189,538	1,522,049
Profit/(loss) for the half year	-	-	-	-	86,169	60,391	(4,332)	142,228
Other comprehensive income/(expense) for the half year	-	31,983	-	(10,514)	-	4,976	5,476	31,921
Total comprehensive income/(expense) for the half year	-	31,983	-	(10,514)	86,169	65,367	1,144	174,149
Transactions with equity holders in their capacity as equity holders:								
DUECo acquisition of DMC1	5,488	-	-	-	-	(5,488)	-	-
Transfer of investments in subsidiaries	-	-	-	(155,728)	-	155,728	-	-
Reserves movement as a result of restructure	-	-	-	(9,399)	-	9,399	-	-
Contributions of equity, net of transaction costs	45,409	-	-	-	-	93,143	-	138,552
Distribution paid and provided for to DUECo equity holders	-	-	-	-	(6,600)	(98,562)	-	(105,162)
Distribution paid and provided for to NCI	-	-	-	-	-	-	(18,972)	(18,972)
Contributions of equity by non-controlling interests	-	-	-	-	-	-	5,679	5,679
Total equity at 31 December 2013	738,908	(16,281)	(90,324)	(188,523)	(220,563)	1,315,689	177,389	1,716,295

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Changes in Equity (continued)

DFT	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total \$'000
Total equity at 1 July 2014	1,565,843	(17,774)	(349,848)	35,747	–	1,233,968
(Loss)/profit for the half year	–	–	–	–	32,897	32,897
Other comprehensive income/(expense) for the half year	–	–	(32,800)	–	32,800	–
Total comprehensive income for the half year	–	–	(32,800)	–	65,697	32,897
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	213,089	–	–	–	–	213,089
Distribution paid and provided for to DUET equity holders	–	–	–	–	(65,697)	(65,697)
Total equity at 31 December 2014	1,778,932	(17,774)	(382,648)	35,747	–	1,414,257

DFT	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total \$'000
Total equity at 1 July 2013	1,051,517	(15,624)	(283,076)	–	–	752,817
(Loss)/profit for the half year	–	–	–	–	62,160	62,160
Other comprehensive income/(expense) for the half year	–	–	(32,771)	–	32,771	–
Total comprehensive income for the half year	–	–	(32,771)	–	94,931	62,160
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	75,156	–	–	–	–	75,156
Distribution paid and provided for to DUET equity holders	–	–	–	–	(94,931)	(94,931)
Reserves movement as a result of restructure	–	–	–	35,747	–	35,747
Change in equity as a result of acquisition	351,480	–	–	–	–	351,480
Total equity at 31 December 2013	1,478,153	(15,624)	(315,847)	35,747	–	1,182,429

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Changes in Equity (continued)

DIHL Group	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total \$'000
Total equity at 1 July 2014	285,495	(15,709)	–	40,090	(160,434)	149,442
(Loss)/profit for the half year	–	–	–	–	(5,669)	(5,669)
Other comprehensive income/(expense) for the half year	–	(5,680)	–	–	–	(5,680)
Total comprehensive income for the half year	–	(5,680)	–	–	(5,669)	(11,349)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	60,503	–	–	–	–	60,503
Total equity at 31 December 2014	345,998	(21,389)	–	40,090	(166,103)	198,596

DIHL Group	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total \$'000
Total equity at 1 July 2013	248,034	(22,214)	–	–	(155,799)	70,021
(Loss)/profit for the half year	–	–	–	–	(1,506)	(1,506)
Other comprehensive income/(expense) for the half year	–	4,976	–	–	–	4,976
Total comprehensive income for the half year	–	4,976	–	–	(1,506)	3,470
Transactions with equity holders in their capacity as equity holders:						
Distributions paid	–	–	–	–	(3,630)	(3,630)
Reserves movement as a result of restructure	–	–	–	40,090	–	40,090
Contributions of equity, net of transaction costs	17,670	–	–	–	–	17,670
Total equity at 31 December 2013	265,704	(17,238)	–	40,090	(160,935)	127,621

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Changes in Equity (continued)

DFL	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total \$'000
Total equity at 1 July 2014	6,154	–	–	–	(222)	5,932
Profit for the half year	–	–	–	–	136	136
Other comprehensive income/(expense) for the half year	–	–	–	–	–	–
Total comprehensive income for the half year	–	–	–	–	136	136
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	907	–	–	–	–	907
Total equity at 31 December 2014	7,061	–	–	–	(86)	6,975

DFL	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Accumulated losses \$'000	Total \$'000
Total equity at 1 July 2013	5,486	–	–	–	101	5,587
Profit for the half year	–	–	–	–	(263)	(263)
Other comprehensive income/(expense) for the half year	–	–	–	–	–	–
Total comprehensive income for the half year	–	–	–	–	(263)	(263)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	316	–	–	–	–	316
Total equity at 31 December 2013	5,802	–	–	–	(162)	5,640

The above Statements of Changes in Equity should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Cash Flows

	DUET Group 1 Jul 14 – 31 Dec 14 \$'000	DUET Group 1 Jul 13 – 31 Dec 13 \$'000
Cash flows from operating activities		
Receipts from customers (including GST)	679,808	719,293
Payments to suppliers and employees (including GST)	(325,177)	(293,307)
Payments relating to Head Office projects	(1,061)	(5,097)
Income tax (paid)/received	(1,761)	–
Other interest received	5,886	6,693
Indirect tax net received/(paid)	(304)	(6,540)
Net cash flows from operating activities	357,391	421,042
Cash flows (used in)/from investing activities		
Payment for purchase of short term deposits	(206,864)	–
Proceeds from short term deposits	85,000	–
Payments for purchase of property, plant and equipment	(253,825)	(172,112)
Payments for purchase of software and other intangibles	(16,695)	(23,825)
Proceeds from sale of non-current assets	89	824
Net cash flows (used in)/from investing activities	(392,295)	(195,113)
Cash flows from financing activities		
Proceeds from issue of stapled securities, net of costs	410,373	138,543
Proceeds from securities issued to non-controlling interests	7,180	5,679
Proceeds from borrowings from external parties	738,500	603,000
Repayment of borrowings from external parties	(985,042)	(542,500)
Proceeds from loan from non-controlling interest	16,430	–
Finance costs paid	(210,860)	(219,049)
Dividends paid to non-controlling interest	(19,663)	(18,972)
Distributions paid to DUET securityholders	(112,014)	(96,468)
Net cash flow from/(used in) financing activities	(155,096)	(129,767)
Net (decrease)/increase in cash and cash equivalents held	(190,000)	96,162
Cash and cash equivalents at the beginning of the half year	423,434	402,181
Effects of exchange rate changes on cash and cash equivalents	(2)	15
Cash and cash equivalents at the end of the half year	233,432	498,358

The above Statements of Cash Flows should be read in conjunction with the accompanying notes.

Interim Financial Report

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Statements of Cash Flows (continued)

	DFT 1 Jul 14 – 31 Dec 14 \$'000	DIHL Group 1 Jul 14 – 31 Dec 14 \$'000	DFL 1 Jul 14 – 31 Dec 14 \$'000	DFT 1 Jul 13 – 31 Dec 13 \$'000	DIHL Group 1 Jul 13 – 31 Dec 13 \$'000	DFL 1 Jul 13 – 31 Dec 13 \$'000
Cash flows from operating activities						
Receipts from customers (including GST)	33,499	14,966	–	29,716	13,160	–
Payments to suppliers and employees (including GST)	(1,200)	(21,841)	(249)	(2,283)	(5,008)	4
Payments relating to internalisation and group simplification project	–	–	–	(1,992)	(996)	(2)
Distribution received from associate	–	11,136	–	–	–	–
Other interest received	344	1,436	48	460	182	51
Indirect tax net received/(paid)	257	(628)	3	–	(1,276)	–
Net cash flows from operating activities	32,900	5,069	(198)	25,901	6,062	53
Cash flows from investing activities						
Proceeds from short term deposits	–	15,000	–	–	–	–
Payments for purchase of property, plant and equipment	–	(113,804)	–	–	(12,757)	–
Cash acquired as a result of restructure	–	–	–	3,772	–	–
Net cash flows (used in)/from investing activities	–	(98,804)	–	3,772	(12,757)	–
Cash flows from financing activities						
Proceeds from issue of stapled securities, net of costs	–	–	851	–	97,857	–
Proceeds from borrowing from external parties	–	–	–	–	50,000	–
Repayment of borrowings from related parties	–	(31,467)	–	–	–	–
Loans to related parties	(41,712)	–	–	–	(58,000)	287
Loans from related parties	–	5,000	51	39,115	2,832	–
Finance costs paid to external parties	–	–	–	–	(449)	–
Finance costs paid to related parties	–	(5,085)	–	–	(918)	–
Distributions paid to DUET securityholders	(63,200)	(2,692)	–	(28,102)	–	–
Net cash flow from/(used in) financing activities	(104,912)	(34,244)	902	11,013	91,322	287
Net increase/(decrease) in cash and cash equivalents held	(72,012)	(127,979)	704	40,686	84,627	340
Cash and cash equivalents at the beginning of the half year	77,010	145,422	5,671	52,476	11,984	5,511
Effects of exchange rate changes on cash and cash equivalents	–	(2)	–	–	(5)	–
Cash and cash equivalents at the end of the half year	4,998	17,441	6,375	93,162	96,606	5,851

The above Statements of Cash Flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1 Basis of Preparation

This interim condensed financial report for the half year ended 31 December 2014 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual reports of the DUET Group for the year ended 30 June 2014 and any public announcements made by DUET since that date.

(a) Basis of preparation

The accounting policies and methods of computation applied in the preparation of this report are the same as those adopted in the most recent full year financial report. The impact of adopting any amendments to standards was not material.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value.

Stapled Security

The units of DFT and the ordinary shares in DIHL, DUECo and DFL are combined and issued as stapled securities in the DUET Group. The individual securities cannot be traded separately.

This report consists of the consolidated financial statements of DUECo, DIHL, DFT and DFL and the entities they control, together acting as DUET Group. DUECo is the parent entity of the Group.

As permitted by ASIC Class Order 06/441, this report consists of the consolidated financial statements of DUECo and its controlled entities and the interim condensed financial statements of DIHL, DFT and their subsidiaries and DFL.

(b) Principles of consolidation

The consolidated financial statements incorporate the results of the entities, which DUECo, DIHL, DFT and DFL collectively hold a majority interest in, including those deemed to be controlled by DUECo by identifying it as the parent of DUET. The effects of all transactions between entities in DUET Group are eliminated in full. Non-controlling interests in the results and equity are shown separately in the Income Statement and the Balance Sheet respectively. Non-controlling interests are outside interests held directly or indirectly in DUET Group. It also includes the interests of DIHL, DFT and DFL in the DUET Group.

(c) Net current asset deficiency

At 31 December 2014 the DUET Group had a net current liability position of \$692.5 million which is primarily due to the balance of the current portion of derivatives used as financial risk management tools and the following interest bearing term borrowings maturing in the next 12 months:

Company	Maturity date	Borrowings outstanding \$million
DBP - Medium Term Notes	29 Sep 2015	\$415.5
DBP - Fixed Rate Notes	29 Sep 2015	\$150.0
MGH - US PP Notes	9 Aug 2015	\$62.2
MGH - US PP Notes	8 Nov 2015	\$167.6
Total		\$795.3

MGH and DBP expect that all debt will be re-financed before the maturity dates. Further, DBP has undrawn facilities and cash of \$62.4 million and MGH of \$107.9 million. Also, DUET Group's stapled entities had \$367.9 million of cash and short-term deposits as at 31 December 2014.

Notwithstanding the net current asset deficiency, the financial report has been prepared on a going concern basis as DUET Group is forecast to continue to generate positive operating cash flows and has sufficient capital in place to enable operations to continue as a going concern.

DFT has a net current asset deficiency of \$63.1 million. Notwithstanding this, the financial report has been prepared on a going concern basis as DFT continues to generate positive cash flows and has sufficient equity in place to enable

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

1 Basis of Preparation (continued)

operations to continue as a going concern. The net current asset deficiency is primarily due to the distribution declared and payable by DUET Group. However, intra-group loans receivable by DFT are available to be partially repaid to fund the distribution.

DIHL has a net current asset deficiency of \$1.4 million. Notwithstanding the net current asset deficiency, the financial report has been prepared on a going concern basis as DIHL is forecast to continue to generate positive operating cash flows and has sufficient equity in place to enable operations to continue as a going concern.

(d) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current period.

(e) Rounding of amounts

DUET Group, DFT, DIHL Group and DFL are of a kind referred to in Class Order 98/0100, issued by ASIC, relating to the 'rounding off' of amounts in the directors' report and financial report. Amounts in the directors' report and interim financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

2 Profit for the half year

	DUET Group 1 Jul 14 – 31 Dec 14 \$'000	DUET Group 1 Jul 13 – 31 Dec 13 \$'000
(i) Revenue		
Sales revenue		
Distribution revenue	338,594	316,227
Metering revenue	44,204	45,716
Transportation revenue	188,499	210,490
New connections revenue	1,166	1,305
Other sales revenue	10,854	14,589
	583,317	588,327
Other revenue		
Interest revenue	4,648	5,529
Customer contributions	13,502	11,033
Miscellaneous revenue	14,632	8,596
	32,782	25,158
Total revenue	616,099	613,485
(ii) Other income		
Net fair value gain on derivative contracts	93	7,318
Foreign exchange gains	–	–
Total other income	93	7,318
Total revenue and other income	616,192	620,803
(iii) Expenses		
Operating expenses		
Operating fees	133,299	118,833
Other operating expenses	101,877	84,815
	235,176	203,648
Other expenses		
Net loss on disposal of property, plant and equipment	3,623	3,431
Foreign exchange losses	–	926
Net fair value loss on derivative contracts	–	8,617
Other	4,625	5,781
	8,248	18,755
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	101,885	105,799
Amortisation of intangible assets	33,560	31,548
	135,445	137,347
Finance costs		
Financing costs	4,542	13,572
Fair value loss on ineffective portion of hedges	26,152	1,299
Interest expense	202,228	199,149
Amortisation of borrowing costs	8,326	11,846
	241,248	225,866
Total other operating expenses	620,117	585,616

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

2 Profit for the half year (continued)

	DFT 1 Jul 14 – 31 Dec 14 \$'000	DIHL Group 1 Jul 14 – 31 Dec 14 \$'000	DFL 1 Jul 14 – 31 Dec 14 \$'000	DFT 1 Jul 13 – 31 Dec 13 \$'000	DIHL Group 1 Jul 13 – 31 Dec 13 \$'000	DFL 1 Jul 13 – 31 Dec 13 \$'000
(i) Revenue						
Sales revenue						
Transportation revenue	–	335	–	–	324	–
	–	335	–	–	324	–
Revenue from investments						
Interest revenue	71,444	–	–	61,903	–	–
	71,444	–	–	61,903	–	–
Other revenue						
Interest revenue - external	335	354	57	478	135	51
Customer contributions	–	–	–	–	–	–
Miscellaneous revenue	–	11,362	198	5	1,407	–
	335	11,716	255	483	1,542	51
Total revenue	71,779	12,051	255	62,386	1,866	51
(ii) Other Income						
Other income	–	3	–	–	–	–
Total other income	–	–	–	–	–	–
	–	3	–	–	–	–
Total revenue and other income	71,779	12,054	255	62,386	1,866	51
(iii) Share of net profit/(losses) of associates accounted for using the equity method						
Share of net profit/(loss) of associates	–	1,903	–	2,539	4,916	–
Share of (losses) of associate previously unrecognised	(37,800)	–	–	–	–	–
	(37,800)	1,903	–	2,539	4,916	–

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

2 Profit for the half year (continued)

	DFT 1 Jul 14 – 31 Dec 14 \$'000	DIHL Group 1 Jul 14 – 31 Dec 14 \$'000	DFL 1 Jul 14 – 31 Dec 14 \$'000	DFT 1 Jul 13 – 31 Dec 13 \$'000	DIHL Group 1 Jul 13 – 31 Dec 13 \$'000	DFL 1 Jul 13 – 31 Dec 13 \$'000
(iv) Expenses						
Operating expenses						
Operating fees	–	10,915	–	–	–	–
Other operating expenses	–	2,151	–	–	–	–
	–	13,066	–	–	–	–
Other expenses						
Net loss on disposal of property, plant and equipment	–	–	–	504	–	–
Trustee fees paid	198	–	–	–	–	–
Other	884	3,165	119	968	5,109	87
	1,082	3,165	119	1,472	5,109	87
Depreciation and amortisation expense						
Depreciation of property, plant and equipment	–	179	–	–	173	–
Amortisation of intangible assets	–	11	–	–	2	–
	–	190	–	–	175	–
Finance costs						
Financing costs	–	59	–	–	108	–
Interest expense	–	2,858	–	1,293	2,696	–
Amortisation of borrowing costs	–	–	–	–	30	–
	–	2,917	–	1,293	2,834	–
Total other operating expenses	1,082	19,338	119	2,765	8,118	87

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

3 Distributions Paid and Proposed

	DUET Group 1 Jul 14 – 31 Dec 14	DFT 1 Jul 14 – 31 Dec 14	DIHL Group 1 Jul 14 – 31 Dec 14	DFL 1 Jul 14 – 31 Dec 14	DUET Group 1 Jul 13 – 31 Dec 13	DFT 1 Jul 13 – 31 Dec 13	DIHL Group 1 Jul 13 – 31 Dec 13	DFL 1 Jul 13 – 31 Dec 13
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Final distribution paid for the year ended 30 June	112,014	99,214	3,400	–	96,468	48,837	–	–
Interim distribution proposed for the half year ended 31 December	130,697	65,697	–	–	105,162	94,932	3,630	–

	Cents per stapled security	Cents per unit	Cents per share	Cents per share	Cents per stapled security	Cents per unit	Cents per share	Cents per share
Final distribution paid for the year ended 30 June	8.50	7.529	0.258	–	8.25	4.176	–	–
Interim distribution proposed for the half year ended 31 December	8.75	4.398	–	–	8.50	7.673	0.293	–

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

4 Receivables

	DUET Group 31 Dec 14 \$'000	DFT 31 Dec 14 \$'000	DIHL Group 31 Dec 14 \$'000	DFL 31 Dec 14 \$'000	DUET Group 30 Jun 14 \$'000	DFT 30 Jun 14 \$'000	DIHL Group 30 Jun 14 \$'000	DFL 30 Jun 14 \$'000
Current								
Trade receivables	51,415	1,387	9,881	-	37,072	-	1,497	-
Provision for impairment of receivables	(1,896)	-	-	21	(2,349)	-	-	-
GST receivable	683	124	432	-	806	-	806	-
Interest receivable - other parties	5,475	-	-	-	5,445	-	-	-
Other receivables related parties	-	405	-	-	-	1,423	-	-
Other debtors	-	11	-	10	1,771	-	-	-
	55,677	1,927	10,313	31	42,745	1,423	2,303	-
Non-current								
Redeemable preference shares – associated entity	-	415,737	-	-	-	383,842	-	-
Shareholder loans – associated entities	-	560,355	588	-	-	560,355	-	-
Other receivables related parties	-	501,257	-	-	-	312,911	-	-
Other receivables	20,125	-	-	-	20,559	-	238	-
	20,125	1,477,349	588	-	20,559	1,257,108	238	-

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

5 Other Assets

	DUET Group 31 Dec 14 \$'000	DFT 31 Dec 14 \$'000	DIHL Group 31 Dec 14 \$'000	DFL 31 Dec 14 \$'000	DUET Group 30 Jun 14 \$'000	DFT 30 Jun 14 \$'000	DIHL Group 30 Jun 14 \$'000	DFL 30 Jun 14 \$'000
Current								
Accrued revenue	78,452	-	-	-	88,787	-	1,585	-
Prepaid expenses	23,509	-	253	376	16,669	-	265	282
Other assets	430	-	-	198	3,525	-	1,140	-
	102,391	-	253	574	108,981	-	2,990	282
Non-current								
Accrued revenue	-	-	-	-	6,979	-	-	-
Other assets	-	-	-	-	152	-	152	-
	-	-	-	-	7,131	-	152	-

6 Other Liabilities

	DUET Group 31 Dec 14 \$'000	DFT 31 Dec 14 \$'000	DIHL Group 31 Dec 14 \$'000	DFL 31 Dec 14 \$'000	DUET Group 30 Jun 14 \$'000	DFT 30 Jun 14 \$'000	DIHL Group 30 Jun 14 \$'000	DFL 30 Jun 14 \$'000
Current								
Unearned revenue	53,280	4,320	5,574	-	36,712	-	76	-
Finance lease liabilities	896	-	-	-	-	-	-	-
Current tax liabilities	4,042	-	-	-	2,844	-	-	-
	58,218	4,320	5,574	-	39,556	-	76	-
Non-current								
Unearned revenue	20,849	-	-	-	21,058	-	-	-
	20,849	-	-	-	21,058	-	-	-

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

7 Contributed Equity

(a) Ordinary Equity

	DUET Group 1 Jul 14 – 31 Dec 14	DFT 1 Jul 14 – 31 Dec 14	DIHL 1 Jul 14 – 31 Dec 14	DFL 1 Jul 14 – 31 Dec 14	DUET Group 1 Jul 13 – 31 Dec 13	DFT 1 Jul 13 – 31 Dec 13	DIHL 1 Jul 13 – 31 Dec 13	DFL 1 Jul 13 – 31 Dec 13
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
On issue at the beginning of the period	2,650,601	1,565,843	285,495	6,154	2,350,015	1,051,517	248,034	5,486
Equity issued as part of restructure	–	–	–	–	–	351,480	–	–
Equity issued during the period, net of costs and deferred tax	387,810	200,992	57,060	856	99,999	54,485	11,253	232
DRP during the period	23,284	12,097	3,443	51	38,553	20,671	6,417	84
On issue at the end of the period	3,061,695	1,778,932	345,998	7,061	2,488,567	1,478,153	265,704	5,802

	DUET Group 1 Jul 14 – 31 Dec 14	DFT 1 Jul 14 – 31 Dec 14	DIHL 1 Jul 14 – 31 Dec 14	DFL 1 Jul 14 – 31 Dec 14	DUET Group 1 Jul 13 – 31 Dec 13	DFT 1 Jul 13 – 31 Dec 13	DIHL 1 Jul 13 – 31 Dec 13	DFL 1 Jul 13 – 31 Dec 13
	Number of stapled securities '000							
On issue at the beginning of the period	1,317,809	1,317,809	1,317,809	1,317,809	1,169,314	1,169,314	1,169,314	1,169,314
Equity issued during the period	165,960	165,960	165,960	165,960	48,544	48,544	48,544	48,544
DRP during the period	9,910	9,910	9,910	9,910	19,337	19,337	19,337	19,337
On issue at the end of the period	1,493,679	1,493,679	1,493,679	1,493,679	1,237,195	1,237,195	1,237,195	1,237,195

(b) Ordinary units in DFT and ordinary shares in DIHL, DUECo and DFL

Each fully paid stapled security confers the right to vote at meetings of securityholders, subject to any voting restrictions imposed on a securityholder under the *Corporations Act 2001* and the ASX Listing Rules. On a show of hands, every securityholder present in person or by proxy has one vote. On a poll, every securityholder who is present in person or by proxy has one vote for each dollar of the value of the total interest they have in DFT and one vote for each share in respect of DIHL, DUECo and DFL.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

8 Retained Profits / (Accumulated Losses)

	DUET Group		DFT		DIHL		DFL		DUET Group		DFT		DIHL		DFL	
	1 Jul 14	31 Dec 14	1 Jul 14	31 Dec 14	1 Jul 14	31 Dec 14	1 Jul 14	31 Dec 14	1 Jul 13	31 Dec 13	1 Jul 13	31 Dec 13	1 Jul 13	31 Dec 13	1 Jul 13	31 Dec 13
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of the period	(255,093)				(160,434)	(222)	(222)	(222)	(300,132)				(155,799)		101	
Profit/(Loss) attributable to securityholders	(28,123)		32,897		(5,669)	136	136	136	86,169		62,160		(1,506)		(263)	
Distribution provided for or paid	(65,000)		(65,697)					(6,600)			(94,932)		(3,630)			
Transfer from Capital Reserve			32,800								32,772					
Balance at the end of the period	(348,216)				(166,103)	(86)	(86)	(86)	(220,563)				(160,935)		(162)	

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

9. Segment Information

The Directors of the responsible entity (being DFL) of DFT and the Directors of DIHL and DUECo have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Boards of DUECo, DIHL and DFL.

The Boards consider the business from the aspect of each of DUET's energy utilities and have identified four operating segments during the year. The segments are DBP, United Energy, Multinet Gas and DDG.

The operating segments note discloses performance by each energy utility. The information is presented as DUET's proportionate share of the earnings before interest, tax, depreciation and amortisation ("EBITDA") as detailed in the DUET Group's Management Information Report. There is no inter-segment revenue.

	DBP \$'000	United Energy \$'000	Multinet Gas \$'000	DDG \$'000	Total \$'000
DUET Group for the 6 months to 31 December 2014					
Total segment revenues	156,309	159,137	98,740	784	414,970
Total segment expenses	(33,123)	(54,119)	(32,121)	(1,042)	(120,405)
Proportionate EBITDA (excluding Head Office) ⁽¹⁾	123,186	105,018	66,619	(258)	294,565
DUET Group for the 6 months to 31 December 2013					
Total segment revenues	180,686	149,959	98,944	1,727	431,316
Total segment expenses	(37,146)	(48,984)	(28,240)	(1,577)	(115,947)
Proportionate EBITDA (excluding Head Office) ⁽¹⁾	143,540	100,975	70,704	150	315,369

⁽¹⁾ Excludes changes in the fair value of derivatives and net foreign exchange gains/losses.

A reconciliation of proportionate EBITDA to profit before income tax expense is provided as follows:

	DBP \$'000	United Energy \$'000	Multinet Gas \$'000	DDG \$'000	Head Office \$'000	Total \$'000
DUET Group for the 6 months to 31 December 2014						
Proportionate EBITDA (excl. Head Office)	123,186	105,018	66,619	(258)	–	294,565
Additional EBITDA from controlled assets ⁽¹⁾	29,752	53,681	–	–	–	83,433
Net gain/(loss) on disposal of assets	76	(1,185)	(2,514)	–	–	(3,623)
Change in fair value of derivatives	37	51	3	2	–	93
Head office expenses	–	–	–	–	(6,348)	(6,348)
Consolidated EBITDA						368,120
Controlled Assets						
Interest income	192	1,082	260	30	–	1,564
Depreciation and amortisation	(37,828)	(73,499)	(23,928)	(152)	–	(135,407)
Finance costs	(102,566)	(112,646)	(25,921)	(58)	(57)	(241,248)
Head Office						
Interest income	–	–	–	–	3,084	3,084
Depreciation & amortisation	–	–	–	–	(38)	(38)
Loss before income tax expense						(3,925)

⁽¹⁾ To consolidate 100% of controlled asset EBITDA.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

9. Segment Information (continued)

	DBP \$'000	United Energy \$'000	Multinet Gas \$'000	DDG \$'000	Head Office \$'000	Total \$'000
DUET Group for the 6 months to 31 December 2013						
Proportionate EBITDA (excl. Head Office)	143,540	100,975	70,704	150	–	315,369
Additional EBITDA from controlled assets ⁽¹⁾	35,957	52,329	–	–	–	88,286
Net gain/(loss) on disposal of assets	70	(2,945)	(556)	–	–	(3,431)
Head office expenses	–	–	–	–	(5,129)	(5,129)
Net FX gains/(losses)	60	(986)	–	–	–	(926)
Change in fair value of derivatives	6,080	(8,617)	1,238	–	–	(1,299)
Consolidated EBITDA						392,870
Controlled Assets						
Interest income	199	3,912	214	4	–	4,329
Depreciation and amortisation	(39,242)	(74,632)	(23,298)	(150)	–	(137,322)
Finance costs	(119,335)	(79,006)	(27,396)	(129)	–	(225,866)
Head Office						
Interest income	–	–	–	–	1,200	1,200
Depreciation & amortisation	–	–	–	–	(24)	(24)
Profit before income tax expense						35,187

⁽¹⁾ To consolidate 100% of controlled asset EBITDA.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

9. Segment Information (continued)

DFT

Proportionate EBITDA for each of DBP, United Energy, Multinet Gas and DDG is set out on page 32.

A reconciliation of DFT's proportionate EBITDA to profit before income tax expense is provided as follows:

	DBP \$'000	United Energy \$'000	Multinet Gas \$'000	DDG \$'000	DFT \$'000	Total \$'000
DFT Group for the 6 months to 31 December 2014						
Proportionate EBITDA	123,186	105,018	66,619	–	–	294,823
Exclude non-controlled assets ⁽¹⁾	(123,186)	(105,018)	(66,619)	–	–	(294,823)
DFT expenses	–	–	–	–	(1,082)	(1,082)
Equity accounted profit / (loss)	–	–	–	–	(37,800)	(37,800)
Consolidated EBITDA						(38,882)
Interest income	–	–	–	–	71,779	71,779
Profit before income tax expense						32,897

	DBP \$'000	United Energy \$'000	Multinet Gas \$'000	DDG \$'000	DFT \$'000	Total \$'000
DFT Group for the 6 months to 31 December 2013						
Proportionate EBITDA	143,540	–	–	–	–	143,540
Exclude non-controlled assets ⁽¹⁾	(143,540)	–	–	–	–	(143,540)
DFT income	–	–	–	–	5	5
DFT expenses	–	–	–	–	(1,472)	(1,472)
Equity accounted profit	–	–	–	–	2,539	2,539
Consolidated EBITDA						1,072
Interest income	–	–	–	–	62,381	62,381
Finance costs	–	–	–	–	(1,293)	(1,293)
Profit before income tax expense						62,160

⁽¹⁾ Excludes proportionate EBITDA of associates and includes the equity accounted share of profits/(losses).

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

9 Segment Information (continued)

DIHL Group

Proportionate EBITDA for each of DBP and DDG is set on page 32.

A reconciliation of DIHL Group's proportionate EBITDA to profit before income tax expense is provided as follows:

	DBP \$'000	DDG \$'000	DIHL \$'000	Total \$'000
DIHL Group for the 6 months to 31 December 2014				
Proportionate EBITDA	123,186	(258)	–	122,928
Exclude non-controlled assets ⁽¹⁾	(123,186)	–	–	(123,186)
DIHL expenses	–	–	(4,270)	(4,270)
Equity accounted profit	1,903	–	–	1,903
Changes in fair value of derivatives	–	(3)	–	(3)
Consolidated EBITDA				(2,628)
Interest income	–	31	323	354
Depreciation & amortisation	–	(152)	(38)	(190)
Finance costs	–	(58)	(2,859)	(2,917)
Loss before income tax expense				(5,381)
	DBP \$'000	DDG \$'000	DIHL \$'000	Total \$'000
DIHL Group for the 6 months to 31 December 2013				
Proportionate EBITDA	143,540	150	–	143,690
Exclude non-controlled assets ⁽¹⁾	(143,540)	(150)	–	(143,690)
DIHL income	–	–	1,732	1,732
DIHL expenses	–	–	(5,109)	(5,109)
Equity accounted profit	–	–	–	4,916
Consolidated EBITDA				1,539
Interest income	–	–	135	135
Depreciation & amortisation	–	–	(175)	(175)
Finance costs	–	–	(2,834)	(2,834)
Loss before income tax expense				(1,335)

⁽¹⁾ Excludes proportionate EBITDA of associates and includes the equity accounted share of profits/(losses).

DFL

The chief operating decision maker of DFL, being its Board of Directors, has determined that DFL is one operating segment. The Board reviews DFL's operations based on financial information as presented in this report.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

10 Financial Instruments

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by DUET Group:

DUET Group	Loans and receivables 31 Dec 14 \$'000	Fair value profit or loss 31 Dec 14 \$'000	Fair value other comprehensive income 31 Dec 14 \$'000	Loans and receivables 30 Jun 14 \$'000	Fair value profit or loss 30 Jun 14 \$'000	Fair value other comprehensive income 30 Jun 14 \$'000
Financial assets:						
Receivables	55,677	–	–	42,745	–	–
Derivative financial instruments	–	2,047	8,204	–	–	2,895
Total current	55,677	2,047	8,204	42,745	–	2,895
Receivables	20,125	–	–	20,559	–	–
Derivative financial instruments	–	4,342	81,189	–	–	15,433
Total non-current	20,125	4,342	81,189	20,559	–	15,433
Total	79,402	6,389	89,393	63,304	–	18,328
Financial liabilities						
Payables	206,639	–	–	241,546	–	–
Interest bearing liabilities	581,930	229,814	–	648,460	73,758	–
Derivative financial instruments	–	9,323	86,152	–	8,394	101,339
Total current	788,569	239,137	86,152	890,006	82,152	101,339
Interest bearing liabilities	4,290,892	476,063	–	5,019,202	819,825	–
Derivative financial instruments	–	6,939	178,453	–	3,279	163,178
Total non-current	4,290,892	483,002	178,453	5,019,202	823,104	163,178
Total	5,079,461	722,139	264,605	5,909,208	905,256	264,517

DFT, DIHL Group and DFL do not hold any financial instruments except for loans and receivables as disclosed in the Balance Sheets and the notes to the financial statements.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

10 Financial Instruments (continued)

Fair values

Set out below is a comparison of the carrying amounts and fair values of financial instruments:

DUET Group	Carrying amount 31 Dec 14 \$'000	Fair value 31 Dec 14 \$'000	Carrying amount 30 Jun 14 \$'000	Fair value 30 Jun 14 \$'000
Financial assets:				
Receivables	55,677	55,677	32,093	32,093
Derivative financial instruments	10,251	10,251	9,052	9,052
Total current	65,928	65,928	41,145	41,415
Receivables	20,125	20,125	20,812	20,812
Derivative financial instruments	85,531	85,531	57,797	57,797
Total non-current	105,656	105,656	78,609	78,609
Total	171,584	171,584	119,754	119,754
Financial liabilities				
Payables	206,639	206,639	211,323	211,323
Interest bearing liabilities	811,744	850,885	1,072,628	1,114,092
Derivative financial instruments	95,475	95,475	112,707	112,707
Total current	1,113,858	1,152,999	1,396,658	1,438,122
Interest bearing liabilities	4,766,954	5,179,116	4,684,899	5,297,236
Derivative financial instruments	185,392	185,392	173,403	173,403
Total non-current	4,952,346	5,364,508	4,858,302	5,470,639
Total	6,066,204	6,517,507	6,254,960	6,908,761

DFT has non-current receivables with a carrying amount of \$1,477.3 million (30 June 2014: \$1,257.1 million) and a fair value of \$1,922.5 million (30 June 2014: \$1,691.0 million). All other financial instruments are held at fair value.

DIHL Group has interest bearing liabilities with a carrying amount of \$165.0 million (30 June 2014: \$117.7 million) which is equal to its fair value.

DFL does not hold any financial instruments except for short term receivables and payables where the carrying amount is a reasonable approximation of fair value.

Valuation techniques for derivative financial instruments

The fair value of a swap is calculated as its present value, ie the sum of all the discounted future cash flows for both the fixed leg and floating leg, using the techniques set out below.

For an interest rate swap, the fixed leg of the swap has fixed payments as per the swap confirmation.

For the floating coupon payments, implied forward rates are determined from a zero coupon curve. Where single currency basis adjustment is applicable the implied forward rates include the inter-tenor spreads over the benchmark zero coupon curve. The floating margin (if applicable) is then added to these forward rates to calculate the expected floating leg coupon rates on each reset date.

The future cash flows of both legs are then discounted from their future payment dates back to the valuation date using a benchmark zero coupon curve, which may differ to the zero coupon curve used to calculate the forward rates. Credit risk adjustment is also incorporated (see further details below).

A cross currency interest rate swap is an interest rate swap with each leg in different currencies. The legs on a cross currency swap can be fixed-fixed, fixed-floating or floating-floating. Each leg is valued in the same way as an interest

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

10 Financial Instruments (continued)

rate swap, but cross currency basis is included in the discount curve. The currency basis is derived through quoted currency basis swaps. The mark to market value is then calculated by converting the legs to a common currency at the spot FX rate.

Valuation techniques for debt held at fair value

Debt has one series of cash flows which includes the payment of interest on the principal and the repayment of the principal itself. Interest rates applicable to the debt can be either floating (adjusted for margin where applicable) or fixed.

The series of cash flows is discounted using the same methodology as discounting a series of cashflows for an interest rate swap as noted above.

Where foreign currency debt is held, the series of cashflows is translated to the functional and presentation currency using the appropriate foreign exchange rates at valuation date as observed in the market.

Credit risk adjustment

In valuing over-the-counter derivatives, and debt at fair value, allowance is made for the impact of credit risk, where one party may default on the obligatory payments to the other party. Each counterparty is subject to the credit risk of the other counterparty.

An appropriate credit spread is used when determining the magnitude of the credit value adjustment. This credit spread is sourced from a traded credit default swap spread, any recent debt issuance from the relevant counterparty or from an index credit default swap spread based on the relevant counterparty's credit rating.

Bilateral collateral arrangements, master netting agreements and other credit enhancement or risk mitigation tools reduce the credit exposure associated with an asset or liability and are considered in determining the fair value of the liability.

Fair value hierarchy

Fair value measurements of financial assets (being derivative financial instruments) and liabilities (being derivatives and interest bearing liabilities at fair value through profit or loss) are measured using Level 2 of the following fair value measurements hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (Level 3).

For assets and liabilities that are recognised on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As all significant inputs into the fair value calculations of the Group's financial instruments are observable either directly or indirectly in the market, but as the fair values themselves are not based on quoted prices in an active market, the Group has classified all financial instruments as being in Level 2.

DFT, DIHL Group and DFL do not hold any financial instruments measured at fair value.

Re-financing

During the half year, DUET Group re-financed an aggregate of \$735 million, which included \$570 million in UED and \$165 million in DBP. Since 1 July 2014, \$795.3 million of interest bearing liabilities as set out in Note 1(c) have become current due to the maturity of the debt falling within the 12 months of balance sheet date. DUET Group is in the process of refinancing these facilities.

Notes to the Financial Statements

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

11 Contingent Liabilities

The Group had no contingent liabilities at 31 December 2014.

12 Events Occurring After Balance Sheet Date

An interim distribution of 8.750 cents per stapled security was paid by DUET on 19 February 2015. This consisted of 4.398 cents per unit from DFT and 4.352 cents per share from DUECo. The DUECo dividend was unfranked.

Statement by the Directors of DUECo

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

In the opinion of the Directors of DUET Company Limited (DUECo), the consolidated interim financial report for DUECo and its controlled entities (DUET Group) set out on pages 10 to 39 are in accordance with the *Corporations Act 2001*, including:

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
- giving a true and fair view of DUET Group's financial position as at 31 December 2014 and its performance for the half year ended on that date.

There are reasonable grounds to believe that DUET Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of DUET Company Limited.



Douglas Halley

Chairman, Board of Directors
Sydney

19 February 2015



Emma Stein

Chair, Audit and Risk Committee
Sydney

19 February 2015

Statement by the Directors of the Responsible Entity of DFT

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

In the opinion of the Directors of DUET Finance Limited, as the Responsible Entity for DUET Finance Trust (DFT), the interim financial report set out on pages 10 to 39 are in accordance with the *Corporations Act 2001*, including:

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
- giving a true and fair view of DFT's financial position as at 31 December 2014 and its performance for the half year ended on that date.

There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of DUET Finance Limited (as Responsible Entity of DFT).



Eric Goodwin

Chairman, Board of Directors
Sydney

19 February 2015



Jane Harvey

Chair, Audit and Risk Committee
Sydney

19 February 2015

Statement by the Directors of DIHL

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

In the opinion of the Directors of DUET Investment Holdings Limited (DIHL), the interim financial report for DIHL and its controlled entities (DIHL Group) set out on pages 10 to 39 are in accordance with the *Corporations Act 2001*, including:

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
- giving a true and fair view of DIHL's financial position as at 31 December 2014 and its performance for the half year ended on that date.

There are reasonable grounds to believe that DIHL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of DUET Investment Holdings Limited.



Douglas Halley

Chairman, Board of Directors
Sydney

19 February 2015



Emma Stein

Chair, Audit and Risk Committee
Sydney

19 February 2015

Statement by the Directors of DFL

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

In the opinion of the Directors of DUET Finance Limited (DFL), the interim financial report set out on pages 10 to 39 are in accordance with the *Corporations Act 2001*, including:

- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting*, and the *Corporations Regulations 2001*; and
- giving a true and fair view of DFL's financial position as at 31 December 2014 and its performance for the half year ended on that date.

There are reasonable grounds to believe that DFL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors of DUET Finance Limited.



Eric Goodwin

Chairman, Board of Directors
Sydney

19 February 2015



Jane Harvey

Chair, Audit and Risk Committee
Sydney

19 February 2015

To the shareholders of DUET Company Limited, DUET Investment Holdings Limited and DUET Finance Limited and the unitholders of DUET Finance Trust

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of the stapled entity DUET Group comprising DUET Company Limited, DUET Investment Holdings Limited, DUET Finance Limited (together “the companies”) and DUET Finance Trust (“the trust”) and the entities they controlled during the half year, which comprises the balance sheets as at 31 December 2014, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the half year ended on that date, other selected explanatory notes and the directors’ declarations of the companies, and DUET Finance Limited on behalf of the trust, and the entities they controlled at the half year end or from time to time during the half year.

Directors’ Responsibility for the Interim Financial Report

The directors of the companies are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Corporations Act 2001*, and for the trust, the Trust Deed, and for such internal controls as the directors determine are necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001*, and for the trust, the Trust Deed, including: giving a true and fair view of the consolidated entity’s, the trust’s and the companies’ financial position as at 31 December 2014 and their performance for the half year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of DUET Group and the entities it controlled during the half year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

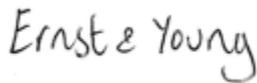
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the companies a written Auditor’s Independence Declaration, a copy of which is included in the Directors’ Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of DUET Group, DUET Investment Holdings Limited, DUET Finance Limited and DUET Finance Trust is not in accordance with the *Corporations Act 2001*, and for the trust, the Trust Deed, including:

- (i) giving a true and fair view of the consolidated entities' and trust's financial positions as at 31 December 2014 and of their performance for the half year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.



Ernst & Young



Matthew A. Honey
Partner
Melbourne
19 February 2015

