

APPENDIX 4D

Half year report

Name of entity: **DUET Group**

1. Details of the reporting period

Current Period: 1 July 2016 – 31 December 2016

Previous Corresponding Period: 1 July 2015 – 31 December 2015

2. Results for announcement to the market

2.1	Revenues from ordinary activities	\$853.0 million, up 5.3%.	
2.2	Profit after tax and excluding significant items	\$98.1 million, down 0.8%.	
2.3	Profit from ordinary activities after tax (statutory)	\$71.6 million, down 34.1%.	
2.4	Profit from ordinary activities attributable to securityholders (statutory)	\$65.6 million, down 26.6%.	
2.5	Dividends / Distributions	Amount per security	Franked amount per security
	<i>Current Period:</i> Interim dividend / distribution	9.250 cents	-
	<i>Previous Corresponding Period:</i> Interim dividend / distribution	9.000 cents	-
2.6	Record date for determining entitlements to the interim dividend / distribution for current period	30 December 2016	
2.7	Payment date	16 February 2017	

2. Results for announcement to the market (continued)

2.8 DUET derives its revenue from operations in gas transmission and distribution and electricity distribution and remote and clean energy generation.

DUET Group's net profit after tax for the period was \$71.6 million (2015: \$108.5 million). Excluding significant items, the result was \$98.1 million (2015: \$98.9 million) as follows:

Half year ended 31 December ⁽¹⁾	2016 \$'million	2015 \$'million
Revenues from ordinary activities	853.0	809.7
Less: items not included in consolidated EBITDA		
Net fair value movements on debt and derivative contracts	(15.9)	(47.1)
Unrealised foreign exchange movements	(0.2)	(1.1)
Interest revenue	(2.4)	(12.6)
Revenues from ordinary activities, adjusted	834.5	749.0
Operating expenses	(376.2)	(304.0)
Add: items not included in Consolidated EBITDA		
Loss on disposal of assets	5.8	4.0
Operating expenses, adjusted	(370.4)	(300.0)
Equity accounted profits	1.0	0.6
Consolidated EBITDA	465.1	449.6
Unrealised foreign exchange movements	0.2	1.1
Net fair value movements on debt and derivative contracts	15.9	47.1
Loss on disposal of assets	(5.8)	(4.0)
Depreciation and amortisation	(236.4)	(165.3)
Consolidated EBIT	238.9	328.3
Net interest expense	(154.8)	(207.6)
Net profit before income tax	84.1	120.7
Tax expense	(12.6)	(12.2)
Net profit after income tax	71.6	108.5
Add/(subtract) significant items:		
Derecognition of temporary differences in deferred tax	15.6	-
Acquisition related expenses ⁽²⁾	26.0	30.8
Loss on disposal of assets	5.8	4.0
Unrealised foreign exchange movements	(0.2)	(1.1)
Net fair value movements on debt and derivative contracts	(15.9)	(47.1)
Tax effect on significant items	(4.8)	3.7
Net profit after income tax excluding significant items	98.1	98.9

⁽¹⁾ Due to rounding, certain totals presented may not be the exact sum of the individual line items they comprise.

⁽²⁾ Current Period includes costs of \$25.9m attributable to the CKI Consortium acquisition proposal (Previous Corresponding Period: expenses relating to acquisition of EDL).

For further explanation of the results, please refer to the accompanying Directors' Reports for the half year ended 31 December 2016.

3. Net tangible asset backing per security

	Current period	Previous corresponding period
Net asset backing per ordinary security	\$1.37	\$1.53
Net tangible asset backing per ordinary security (Consolidated net assets less consolidated intangible assets)	\$0.16	\$0.22

4. Details of Dividends/distributions

The final distribution for the year ended 30 June 2016 of \$219.0 million (9.00 cents per stapled security) was paid on 18 August 2016 and the interim distribution for the half year ended 31 December 2016 of \$225.1 million (9.25 cents per stapled security) was paid on 16 February 2017.

5. Distribution Reinvestment Plan (DRP)

A portion of stapled security holders elected to participate in DUET's Distribution and Dividend Reinvestment Plan ('DRP') for the distribution paid on 16 February 2017. Of the interim distribution declared, \$102.1 million was reinvested in DUET Group stapled securities.

6. Details of associates and joint venture entities

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

DUET Group, through its 100% interest in EDL, has a 50% interest in a joint venture with Helector, a Greek renewable energy generation company, at the Ano Liosia site near Athens, Greece. The principal activity is the development and operation of land fill gas projects.

7. Accounting standards used by foreign entities

N/A

8. Details of Audit / Review

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