

DUET Company Limited
ABN 93 163 100 061
DUET Investment Holdings Limited
ABN 22 120 456 573
DUET Finance Limited
ABN 15 108 014 062
AFS Licence No. 269287

Level 15, 55 Hunter Street
SYDNEY NSW 2000
GPO Box 5282
SYDNEY NSW 2001
AUSTRALIA

Telephone +61 2 8224 2750
Facsimile +61 2 8224 2799
Internet www.duet.net.au



6 May 2014

ASX RELEASE

STABLE CREDIT RATING OUTLOOK FOR MULTINET GAS

DUET Group is pleased to note the attached research update by Standard & Poor's Ratings Services affirming Multinet Gas' BBB- investment grade credit rating and revising the outlook from negative to stable.

For further information, please contact:

Investor Enquiries:

Nick Kuys

GM Operations and Investor Relations

Tel: +61 2 8224 2727

Email: n.kuys@duet.net.au

Media Enquiries:

Ben Wilson

Public Affairs Manager

Tel: +61 407 966 083

Email: benw@coswaypr.com.au

Research

Outlook On Energy Partnership (Gas) Pty Ltd. Revised To Stable; 'BBB-' Rating Affirmed

Primary Credit Analyst:

Parvathy Iyer, Melbourne (61) 3-9631-2034; parvathy.iyer@standardandpoors.com

Secondary Contact:

Richard P Creed, Melbourne (61) 3-9631-2045; richard.creed@standardandpoors.com

MELBOURNE (Standard & Poor's) May 6, 2014--Standard & Poor's Ratings Services said today that it had revised its rating outlook on Energy Partnership (Gas) Pty Ltd. (EPG) to stable from negative. EPG is the financing arm of Multinet Group Holdings Pty Ltd. (Multinet), one of the three regulated monopoly gas distributors in the State of Victoria, Australia. At the same time, we affirmed our 'BBB-' long-term issuer credit rating on EPG.

"The revision of the rating outlook reflects our expectations of a steady improvement in EPG's financial profile on the back of approved regulated tariff increases to 2017 and EPG's parent DUET Group's commitment to provide equity support to maintain the improving trend," said Standard & Poor's credit analyst Parvathy Iyer. We expect EPG to operate with a ratio of funds from operations (FFO)-to-total debt of 6%-7% that will improve progressively until 2017, when the next regulatory reset is due. We also forecast the FFO interest cover will be about 2x, up from weak levels in the past two years.

DUET's expected equity contributions to EPG over the next three years should support EPG's capital expenditure and restrain an increase in debt levels. We also expect that EPG will proactively manage its operating costs and capital works subject to gas consumption trends to maintain its credit quality. We continue to view EPG's business profile as "excellent" and its financial profile as "aggressive". However, the relative weakness of EPG's financial profile to its peers in Australia is reflected in the final rating of 'BBB-'

The stable outlook reflects the underlying stability of EPG's cash flows and a steady improvement in its financial profile supported by expected equity contributions by the DUET Group over the next three years. Nonetheless, there

is limited buffer in the financials to withstand any sustained decline in gas volumes. Given our expected trend in financials to 2017, the prospects for an upgrade is very limited. Nonetheless, the rating could go up by one notch if EPG's FFO to total debt were to approach 8%, and management is committed to sustaining the stronger credit profile.

Ms. Iyer added: "The rating could come under pressure if EPG's FFO to total debt were to remain less than 6% on a sustained basis. This could occur if there were persistently lower demand for gas, an unexpected increase in EPG's operating costs, or lower-than-forecast equity infusion into EPG over the next three years."

RELATED CRITERIA AND RESEARCH

Related Criteria

- The Treatment Of Non-Common Equity Financing In Nonfinancial Corporate Entities, April 29, 2014
- Methodology And Assumptions: Liquidity Descriptors for Global Corporate Issuers, Jan. 2, 2014
- Corporate Methodology, Nov. 19, 2013
- Corporate Methodology: Ratios and Adjustments, Nov. 19, 2013
- Methodology: Industry Risk, Nov. 19, 2013
- Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- Key Credit Factors For The Regulated Utilities Industry, Nov. 19, 2013
- Group Rating Methodology, Nov. 19, 2013
- Methodology: Management And Governance Credit Factors For Corporate Entities And Insurers, Nov. 13, 2012
- Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 01, 2010
- 2008 Corporate Criteria: Rating Each Issue, April 15, 2008

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at www.spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

Copyright © 2014 by Standard & Poor's Financial Services LLC (S&P), a subsidiary of The McGraw-Hill Companies, Inc. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P. The Content shall not be used for any unlawful or unauthorized purposes. S&P, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions and analyses do not address the suitability of any security. S&P does not act as a fiduciary or an investment advisor. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.