

**AMPCI Macquarie Infrastructure Management No 1 Limited**

ABN 99 108 013 672

AFS Licence No. 269286

**AMPCI Macquarie Infrastructure Management No 2 Limited**

ABN 15 108 014 062

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**DUET Investment Holdings Limited**

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## **ASX RELEASE**

### **FINANCIAL RESULTS FOR THE YEAR TO 30 JUNE 2011**

DUET Group (DUET or the Group) today announced its results for the financial year to 30 June 2011.

Proportionately consolidated results versus the prior corresponding period<sup>1</sup>:

- Revenue of \$1,059 million, up 7%
- EBITDA of \$641 million, up 7%
- Cash available for distribution of 17.5 cents per stapled security<sup>2</sup>
- EPS of 21.9 cents per stapled security, down 11%, covered the declared FY2011 distributions by 109%

DUET's statutory net result of \$188.4 million was up 8% on the prior year.

Mr David Bartholomew, Chief Executive Officer of DUET said: "It has been a solid year for DUET, with our portfolio of regulated utility assets delivering strong growth in both proportionate revenue and EBITDA. Pleasingly, this growth was achieved despite proportionate earnings being affected by higher maintenance capital expenditure and increased interest expense at our asset companies."

#### **Operational performance**

EBITDA at Dampier Bunbury Pipeline (DBP) increased 14% as a result of the higher contribution from the Stage 5B expansion project, which also saw a further increase in the EBITDA margin to 84%.

United Energy's (UED) EBITDA was up 4% due to an increased contribution from the smart meter program and the new regulatory tariff path that became effective on 1 January 2011. UED also successfully transitioned all corporate and asset management functions in-house

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<sup>1</sup> pcip figures are on a pro forma basis, adjusted for changes in foreign exchange rates.

<sup>2</sup> excludes \$1.5m of Duquesne sale transaction costs (non-recurring item), \$8.8m for three months of additional interest brought forward into FY2011 as a result of the refinancing of the DUET corporate facility in June 2011 (which otherwise would have been paid in September 2011) and \$0.4m of legal and bank fees associated with that refinancing (non-recurring item).

None of the entities noted in this document is an authorised deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL) or AMP Bank Limited ABN 15 081 596 009 (AMP Bank). AMP Capital Holdings Limited (ABN 69 078 651 966) has arranged for an external bank limited \$2.5 million guarantee which together with an MBL limited \$2.5 million guarantee are provided to the Australian Securities and Investments Commission in respect of Corporations Act obligations of each of AMPCI Macquarie Infrastructure Management No. 1 Limited and AMPCI Macquarie Infrastructure Management No. 2 Limited as responsible entities of managed investment schemes. MBL and AMP Bank and their related corporations do not otherwise guarantee or provide assurance in respect of the obligations of AMPCI Macquarie Infrastructure Management No. 1 Limited or AMPCI Macquarie Infrastructure Management No. 2 Limited or any other entity noted in this document.

and finalised the operating structure that will see a second network operator in place from 1 January 2012.

Multinet's EBITDA was up 6% reflecting its CPI linked tariff path, strong demand and continued growth in connections. This result was achieved despite bringing to account three years of charges for unaccounted-for-gas totalling \$2.5 million.

### **Statutory Net Result**

DUET's statutory net result for FY2011 was a profit of \$188.4 million, an increase of 8% over the prior year. This result included DUET's consolidation of 100% of DBP's recognition in its income statement of \$112 million in respect of tax losses not previously accounted for. This was largely offset by a number of other significant items including unrealised foreign exchange movements in respect of DUET's promissory note held in Duquesne.

### **Recent initiatives and developments**

During the period, and in the months since financial year end, DUET has:

- raised, refinanced and repaid over \$2.3 billion in debt facilities in FY2011;
- acquired an additional 20% interest in DBP (to own an aggregate 80% stake);
- acquired an additional 20.1% interest in Multinet (to own an aggregate 100% stake);
- sold its minority interest and SOLA subordinated loan in WA Gas Networks; and
- sold its minority interest in Duquesne Light (with financial close scheduled to occur in September 2011).

On 4 August 2011, DUET launched a fully underwritten \$277 million entitlement offer. The institutional component of the offer was oversubscribed, with the retail component scheduled to close on 25 August 2011. Proceeds from the capital raising will be applied to a number of initiatives that will further strengthen and simplify the Group, including:

- the repayment of all outstanding corporate debt (post the Duquesne settlement);
- a significant de-gearing of DBP; and
- a de-gearing of the Group, bringing DUET in line with its listed peers.

### **Outlook**

"DUET will continue to focus on delivering reliable and growing distributions for security holders while continuing to invest in and grow its portfolio of Australian regulated energy utility assets," said Mr Bartholomew.

DUET has provided distribution guidance for FY2012 of 16 cents per stapled security which is expected to be fully covered by forecast operating cash flows. DUET is targeting 3% annual growth in distributions over the medium term.

Please refer to the ASX and the DUET website for the following:

- Appendix 4E;
- Financial Report for the year ended 30 June 2011;
- Concise Financial Report for the year ended 30 June 2011;
- Investor Presentation; and
- Management Information Report.

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**End Notes**

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