

**DUET GROUP**

INTERIM FINANCIAL REPORT FOR THE HALF YEAR  
ENDED 31 DECEMBER 2009



DUET Group comprises Diversified Utility and Energy Trust No.1 (ASRN 109 363 037) and its controlled entities (DUET1), Diversified Utility and Energy Trust No.2 (ASRN 109 363 135) (DUET2), Diversified Utility and Energy Trust No. 3 (ASRN 124 997 986) (DUET3) and DUET Investment Holdings Limited (ABN 22 120 456 573) (DIHL)

# Interim Financial Report

## for half year ended 31 December 2009

---

AMPCI Macquarie Infrastructure Management No.1 Limited (ABN 99 108 013 672) (RE1) (AFSL 269286) is the responsible entity for Diversified Utility and Energy Trust No.1 (DUET) (ARSN 109 363 037) (ABN 83 495 791 796) and the manager of DUET Investment Holdings Limited (DIHL) (ABN 22 120 456 573) and AMPCI Macquarie Infrastructure Management No.2 Limited (ABN 15 108 014 062) (RE2) (AFSL 269287) is the responsible entity for Diversified Utility and Energy Trust No.2 (DUET2) (ARSN 109 363 135) (ABN 85 482 841 876) and Diversified Utility and Energy Trust No. 3 (DUET3) (ARSN 124 997 986) (ABN 42 998 980 995) (in combination referred to as "DUET" or "the DUET Group"). RE1 and RE2 are joint ventures between AMP Capital Holdings Limited, a wholly owned subsidiary of AMP Limited (AMP), and Macquarie Capital Group Limited, a wholly owned subsidiary of Macquarie Group Limited (MGL).

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). MBL provides a limited \$2.5 million guarantee to the Australian Securities and Investments Commission in respect of Corporations Act obligations of each of RE1 and RE2 as responsible entities of managed investment schemes. MBL and AMP Bank do not otherwise guarantee or provide assurance in respect of the obligations of RE1 or RE2 or any other entity noted in this document.

Neither RE1, RE2, members of MGL nor members of AMP guarantee the performance of the DUET Group or repayment of capital or income.

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, 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.

RE1 as responsible entity for DUET1 and manager of DIHL, and RE2 as responsible entity of DUET2 and DUET3 are entitled to fees for so acting. RE1, RE2, AMP and MGL and their related corporations, together with their officers and directors, may hold stapled securities in DUET from time to time.

---

# Interim Financial Report

## for half year ended 31 December 2009

---

### Contents

Explanation of the Financial Report .....	1
Directors' Reports – DUET1, DUET2, DUET3 and DIHL .....	2
Principal Activities .....	2
Directors Names (and period of service) .....	2
Distributions and Dividends .....	3
Review and Results of Operations .....	4
Significant Changes in State of Affairs .....	6
Events Occurring After Balance Sheet Date .....	6
Likely Developments and Expected Results of Operations .....	7
Indemnification and Insurance of Officers and Auditors .....	7
Directors' Holdings of Stapled Securities .....	7
Application of Class Orders .....	7
Auditor's Independence Declaration to the Directors of the Responsible Entities of DUET1, DUET2, DUET3 and the Directors of DIHL .....	9
Income Statements .....	10
Statements of Comprehensive Income .....	11
Balance Sheets .....	12
Statements of Changes in Equity .....	14
Statements of Cash Flows .....	18
Notes to the Financial Statements .....	20
1 Summary of Significant Accounting Policies .....	20
2 Profit for the half year .....	26
3 Distributions Paid and Proposed .....	28
4 Contributed Equity .....	28
5 Retained Profits / (Accumulated Losses) .....	30
6 Segment Information .....	31
7 Contingent liabilities .....	37
8 Events Occurring After Balance Sheet Date .....	37
Statement by the Directors of the Responsible Entity of DUET1 .....	38
Statement by the Directors of the Responsible Entity of DUET2 .....	39
Statement by the Directors of the Responsible Entity of DUET3 .....	40
Statement by the Directors of DIHL .....	41
Independent auditor's review report to the unit holders of DUET1, DUET2, DUET3 and to the shareholders of DIHL .....	42

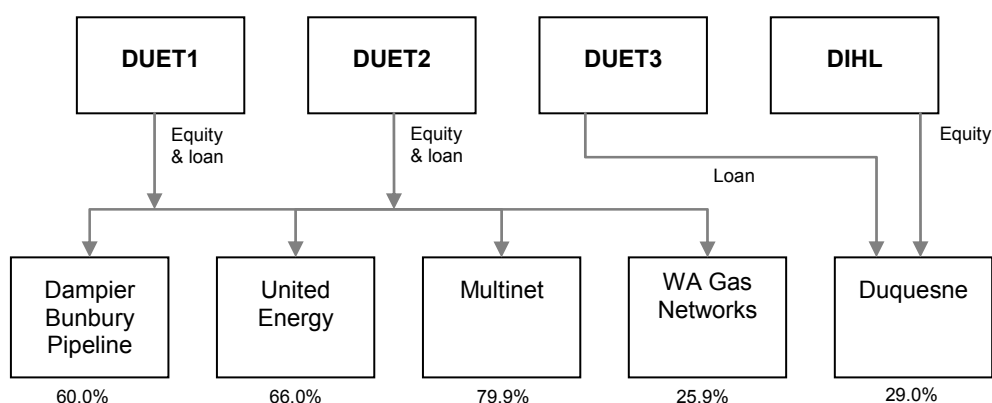
---

## Explanation of the Interim Financial Report for half year ended 31 December 2009

### Explanation of the Financial Report

At 31 December 2009, DUET Group comprises Diversified Utility and Energy Trust No.1 (DUET1), Diversified Utility and Energy Trust No.2 (DUET2), Diversified Utility and Energy Trust No.3 (DUET3) and DUET Investment Holdings Limited (DIHL or Company) and their subsidiaries (together DUET). These four stapled entities DUET1, DUET2, DUET3 and DIHL trade as one listed security, DUET Group, on the Australian Securities Exchange (ASX Code: DUE)

A summary of the Group structure as at 31 December 2009 is illustrated below.



DUET holds a controlling interest in the Dampier Bunbury Natural Gas Pipeline Trust and its controlled entities (DBP or Dampier Bunbury Pipeline), United Energy Distribution Holdings Limited and its controlled entities (UEDH or United Energy) and Multinet Group Holdings Limited and its controlled entities (MGH or Multinet). Accordingly the results, assets and liabilities of these entities are consolidated into the DUET Group Interim Financial Report. DUET holds non-controlling interests in WA Network Holdings Pty Limited (WAGN or WA Gas Networks) and DQE Holdings LLC (DQE or Duquesne), and therefore these investments are equity accounted into the DUET Group Interim Financial Report. This means DUET Group's share of profits and losses of WAGN and DQE are recognised on one line in the Income Statement.

Under Australian Accounting Standards, DUET1 has been deemed the parent entity of DUET2, DUET3 and DIHL for accounting purposes. Therefore, the DUET1 consolidated financial statements for the half year ended 31 December 2009, include all entities forming DUET.

Interim Financial statements for DUET2, DUET3 and DIHL for the half year ended 31 December 2009 have also been presented in this report jointly, as permitted by ASIC class order 05/642 and 06/441.

The interim financial report for DUET Group, presented in the first column in the attached interim financial report, serves as a summary of the financial performance and financial position of DUET Group as a whole, while the three other columns of the interim financial report provide the individual entity interim financial reports of DUET2, DUET3 and DIHL.

As the securities held by investors are stapled securities in DUET Group, the interim financial report for DUET Group provides the most concise information regarding the performance of investors' funds, with further information on the components of the investment presented in the remaining columns.

## Directors' Report

### for half year ended 31 December 2009

---

#### Directors' Reports – DUET1, DUET2, DUET3 and DIHL

AMPCI Macquarie Infrastructure Management No.1 Limited (RE1) acts as responsible entity for Diversified Utility and Energy Trust No.1 (DUET1) and manager of DUET Investment Holdings Limited (DIHL).

AMPCI Macquarie Infrastructure Management No.2 Limited (RE2) acts as responsible entity for Diversified Utility and Energy Trust No.2 (DUET2) and Diversified Utility and Energy Trust No.3 (DUET3).

DUET Group previously applied AASB Interpretation 1013 *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* in preparation of its consolidated financial statements. This Interpretation required the Group's financial statements to reflect the aggregation of the consolidated financial statements of DUET1 and DUET2, DUET3 and DIHL, whereby DUET1 was deemed to be the parent entity of the DUET Group and DUET2 was treated as part of the parent equity. The revised AASB3 *Business Combinations* supersedes AASB Interpretation 1013 and therefore the Group is required to prepare its consolidated financial statements in accordance with the revised AASB127 *Separate and Consolidated Financial Statements*. In accordance with AASB127, DUET1 continues to be identified as the parent of the consolidated Group consisting of DUET1, DUET2, DUET3 and DIHL and the entities they control, together acting as DUET or DUET Group. The impact of this is disclosed in note 1(b) in the financial report.

RE1 and RE2 are joint ventures between AMP Capital Holdings Limited (AMPCH), a wholly owned subsidiary of AMP Limited, and Macquarie Capital Group Limited (MCGL), a wholly owned subsidiary of Macquarie Group Limited (MGL).

The directors of RE1 submit the following report for DUET1 for the half year ended 31 December 2009.

The directors of RE2 submit the following report for DUET2 and DUET3 for the half year ended 31 December 2009.

The directors of DIHL submit the following report for DIHL for the half year ended 31 December 2009.

The units of DUET1, DUET2 and DUET3 together with the ordinary shares in DIHL are issued as stapled securities in DUET.

#### Principal Activities

The principal activity of DUET1, DUET2, DUET3 and DIHL is investment in energy utility assets. The investment policy of DUET Group is to invest funds in accordance with the provisions of the Trust Constitutions and the governing documents of the individual entities within DUET Group.

#### Directors Names (and period of service)

The following persons held office as directors of RE1 during the half year and up to the date of this report:

- Philip Garling (Chairman)
- John Roberts
- The Hon. Michael Lee
- Emma Stein
- Douglas Halley
- Dr Greg Roder (alternate for Philip Garling – resigned 12 October 2009)
- Francis Kwok (alternate for John Roberts)

## Directors' Report

### for half year ended 31 December 2009

---

#### Directors' names (and period of service) (continued)

The following persons held office as directors of RE2 during the half year and up to the date of this report:

- Philip Garling (Chairman)
- John Roberts
- Ron Finlay
- Eric Goodwin
- Duncan Sutherland
- Dr Greg Roder (alternate for Philip Garling – resigned 12 October 2009)
- Francis Kwok (alternate for John Roberts)

The following persons held office as directors of DIHL during the half year and up to the date of this report:

- Philip Garling (Chairman)
- John Roberts
- Ron Finlay
- Douglas Halley
- Emma Stein
- Dr Greg Roder (alternate for Philip Garling – resigned 12 October 2009)
- Francis Kwok (alternate for John Roberts)

#### Distributions and Dividends

An interim distribution for the half year ended 31 December 2009 of 10.000 cents per stapled security was announced on 15 December 2009 (2008: 14.125 cents per stapled security). This consisted of 3.600 cents per unit from DUET1 (2008: 4.880 cents per unit), 4.850 cents per unit from DUET2 (2008: 6.511 cents per unit) and 1.550 cents per unit from DUET3 (2008: 2.726 cents per unit).

## Directors' Report

### for half year ended 31 December 2009

#### Review and Results of Operations

The performance of the DUET Group and entities comprising DUET for the half year ended 31 December 2009 were as follows:

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000
Revenue and other income	580,951	43,216	29,145	14,138
Profit/(loss) for the half year	94,464	33,082	961	11,536
Profit/(loss) attributable to security holders	80,733	33,082	961	11,536
Earnings used in calculation of basic and diluted earnings per stapled security/unit/share	35,154	33,082	961	11,536
Basic/(loss) earnings per stapled security/unit/share	4.11c	3.86c	0.11c	1.35c
Diluted earnings/(loss) per stapled security/unit/share	4.11c	3.86c	0.11c	1.35c

	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
Revenue and other income	584,754	51,225	46,936	6,885
(Loss)/profit for the half year	(143,333)	27,068	17,727	(137,985)
(Loss)/profit attributable to security holders	(146,679)	27,068	17,727	(137,985)
Earnings used in calculation of basic and diluted earnings per stapled security/unit/share*	(53,489)*	27,068	17,727	(137,985)
Basic earnings/(loss) per stapled security/unit/share	(8.48)c	4.29c	2.81c	(21.87)c
Diluted earnings/(loss) per stapled security/unit/share	(8.48)c	4.29c	2.55c	(21.87)c

\* DUET Group earnings used in calculation of basic and diluted earnings per stapled security have been restated following the revision of AASB 127. Refer note 1(b) for further discussion.

The DUET Group profit for the half year to 31 December 2009 of \$94.5m includes non cash changes in the fair value of derivatives and actuarial losses during the period. Net mark to market gains/(losses) of \$24.5m have been consolidated or equity accounted into the DUET Group result.

Significant movements from 30 June 2009 include the following:

- a) Consolidated: Unrealised non-cash mark to market gains/(losses) on derivatives at:
  - DUET corporate-level of \$41.1m (2008: \$(140.2)m); and
  - Multinet of \$4.6m (2008: \$(20.0)m).
- b) Equity accounted share of Duquesne's unrealised:
  - non-cash mark to market gains/(losses) (net of tax) of \$7.5m (2008: \$(76.3)m) on energy hedging derivatives;
  - actuarial loss on the defined benefit plan of \$(5.3)m (2008: \$(45.8)m).
- c) DUET Group unrealised foreign exchange gains/(losses), net of tax of \$(23.4)m (2008: \$81.2m) mostly related to the conversion into AUD of the USD-denominated DQE promissory note.

## **Directors' Report**

### for half year ended 31 December 2009

---

#### **Dampier Bunbury Pipeline**

During the 6 month period under review, DBP transmitted 161.4 PJ (2008: 134.7 PJ) of gas.

The expansion program of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) continued to be a major focus and underpinned increases in revenue and earnings. With the completion of the Stage 5A expansion project, DBP generated revenue growth of approximately 16% in the 6 months to 31 December 2009 compared to the 6 months to 31 December 2008.

DBP is currently undertaking the 112TJ/day Stage 5B expansion project which was 83.6% complete for looping and 80.1% complete for facilities at 31 December 2009 and remains on time and within budget. On completion of this project, the DBNGP will be approximately 80% duplicated over its entire length and over 90% duplicated between Dampier and Perth.

#### **United Energy**

During the 6 month period under review, United Energy distributed 4,062 GWh (2008: 3,997 GWh) of electricity. United Energy continues to progress the smart meter project in Victoria. This project will replace over 650,000 meters, deploy a new communications network, install new supporting IT systems and redesign business processes to accommodate the new meters. As at 31 December 2009, United Energy had rolled out approximately 12,600 meters. The installation is forecast to be completed by 2013.

#### **Multinet**

During the 6 month period under review, Multinet distributed 31.9 PJ (2008: 32.9 PJ) of gas.

Multinet has continued to perform in line with management's expectations.

#### **WA Gas Networks**

During the 6 month period under review, WAGN distributed 15.1 TJ (2008: 15.1 TJ) of gas. Continued population growth in and around Perth has underpinned the expansion of WAGN's gas distribution network.

#### **Duquesne**

During the 6 month period under review, Duquesne delivered 6,672 GWh (2008: 6,973 GWh) of electricity.

## **Directors' Report**

### for half year ended 31 December 2009

---

#### **Significant Changes in State of Affairs**

##### **US\$104.8 million investment in Duquesne**

DUET Group announced in December 2009 its pro-rata equity share participation in an initial US\$271.1 million equity investment by the Duquesne ownership consortium and a further US\$91.6m investment by the consortium during the period to 31 December 2010.

The total equity investment will be applied to mitigate the current impact of the defined benefit pension plan deficit (see next section) on the credit rating agency metrics of Duquesne and provide further equity funding for transmission growth capital expenditures.

##### **Duquesne defined benefit plan**

Due to the continued volatility in equity markets and the fall in pension obligation discount rates, the Duquesne defined benefit plan reported an actuarial net plan deficit of US\$266 million as at 31 December 2009 (2008: US\$218 million). Under US legislation, the Pension Protection Act of 2006 requires funding deficits to be met by the sponsoring company over a defined period. In Duquesne's case, based on current legislation, this is expected to be over a 7 year period commencing in the 2008 calendar year.

##### **Early close out of DUET Group interest rate derivatives**

As part of DUET Group's de-gearing initiatives, in December 2009 DUET closed out each of its US\$300 million cross currency interest rate swap and \$310 million Australian interest rate swap prior to their maturity date of 29 August 2011 at a net total cost of \$3.5 million. This action principally eliminated DUET's potential future cross-currency interest rate swap principal settlement obligations and has no impact on DUET's policy to hedge its future foreign currency income receipts (currently from Duquesne) through the use of FX forward derivative instruments.

##### **Refinancing of Multinet's \$135 million Medium Term Notes**

As announced on 25 March 2009, Multinet received commitments to refinance its \$135 million medium term notes that matured after 30 June 2009. The refinancing achieved financial close on 29 July 2009.

#### **Events Occurring After Balance Sheet Date**

##### **Interim distribution paid**

An interim distribution of 10.000 cents per stapled security was paid by DUET on 16 February 2010 (2008: 14.125 cents). This consisted of a distribution of 3.600 cents per unit from DUET1 (2008: 4.888 cents), 4.850 cents per unit from DUET2 (2008: 6.511 cents) and 1.550 cents per unit from DUET3 (2008: 2.726 cents).

##### **DUET Group securities issued under DRP**

Security holders participating in DUET's Distribution and Dividend Reinvestment Plan (DRP) reinvested \$19,978,144 of the distribution paid on 16 February 2010 in 11,395,525 DUET Group securities at a price of \$1.753157.

No other circumstances have arisen since the end of the half year that has significantly affected, or may significantly affect, the operations of DUET Group, the results of those operations in future financial years, or the state of affairs of DUET Group in years subsequent to the half year ended 31 December 2009.

## **Directors' Report**

### for half year ended 31 December 2009

---

#### **Likely Developments and Expected Results of Operations**

The Federal Government's current policy is to commence the Carbon Pollution Reduction Scheme at the start of the 2011/12 financial year. The bills have been twice rejected by the Senate and the government has announced its intention to bring the CPRS bills before parliament for a third time in February 2010. If the scheme is introduced it would appear that some of DUET's assets may incur obligations under the scheme for emissions permits. DUET continues to review the proposed scheme to confirm that all costs incurred can be passed through to consumers, as per the general intent of the scheme.

Further information on likely developments relating to the operations of DUET1, DUET2, DUET3 (together, the Trusts) and DIHL (Company) in future years and the expected results of those operations has not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Trusts and Company of DUET Group.

#### **Indemnification and Insurance of Officers and Auditors**

During the half year, RE1, RE2 and the Company 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 the Trusts and Company of DUET Group against any losses incurred while acting on behalf of the Trusts, Company and DUET Group. The auditors of DUET Group are in no way indemnified out of the assets of the Trust, Company or DUET Group.

#### **Directors' Holdings of Stapled Securities**

The aggregate number of DUET Group stapled securities held directly, indirectly or beneficially by directors at the date of this report is 4,221,850 (31 December 2008: 2,315,115).

Certain employees of MGL and AMPCH associated with the management of DUET hold stapled securities in DUET Group at the date of this report.

#### **RE1's and RE2's Holdings of Stapled Securities**

Neither RE1 nor RE2 holds stapled securities in DUET Group at the date of this report (31 December 2008: Nil).

#### **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.

#### **Application of Class Orders**

DUET Group, DUET2, DUET3 and DIHL 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, DUET2, DUET3 and DIHL are jointly presented in one interim report, as permitted by ASIC Class Order 05/642 and 06/441.

## Directors' Report for half year ended 31 December 2009

---

Signed in accordance with a resolution of directors of AMPCI Macquarie Infrastructure Management No.1 Limited.



---

**Philip Garling**

Director  
AMPCI Macquarie Infrastructure Management  
No.1 Limited  
Sydney  
18 February 2010



---

**John Roberts**

Director  
AMPCI Macquarie Infrastructure Management  
No.1 Limited  
Sydney  
18 February 2010

Signed in accordance with a resolution of directors of AMPCI Macquarie Infrastructure Management No.2 Limited.



---

**Philip Garling**

Director  
AMPCI Macquarie Infrastructure Management  
No.2 Limited  
Sydney  
18 February 2010



---

**John Roberts**

Director  
AMPCI Macquarie Infrastructure Management  
No.2 Limited  
Sydney  
18 February 2010

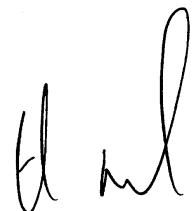
Signed in accordance with a resolution of directors of DUET Investment Holdings Limited.



---

**Philip Garling**

Director  
DUET Investment Holdings Limited  
Sydney  
18 February 2010



---

**John Roberts**

Director  
DUET Investment Holdings Limited  
Sydney  
18 February 2010

## **Auditor's Independence Declaration to the Directors of Diversified Utility and Energy Trust No.1, Diversified Utility and Energy Trust No.2, Diversified Utility and Energy Trust No.3 and DUET Investment Holdings Limited**

In relation to our review of the financial report of DUET Group, Diversified Utility and Energy Trust No.1, Diversified Utility and Energy Trust No.2, Diversified Utility and Energy Trust No.3 and DUET Investment Holdings Limited for the half year ended 31 December 2009, 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

A stylized, handwritten signature of Ernst & Young.

Ernst & Young

A handwritten signature of Kester C Brown.

Kester C Brown  
18 February 2010

# Interim Financial Report

## for half year ended 31 December 2009

### Income Statements

	Note	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
Revenue	2	542,448	43,216	23,120	4,738	503,535	45,008	22,789	3,527
Other Income	2	38,503	-	6,025	9,400	81,219	6,217	24,147	3,358
Total Revenue and other income		580,951	43,216	29,145	14,138	584,754	51,225	46,936	6,885
Share of net profit/(loss) of associates accounted for using the equity method		7,947	8,825	-	4,047	(123,218)	(4,355)	-	(126,305)
Operating expenses	2	(163,894)	-	-	-	(141,000)	-	-	-
Depreciation and amortisation expense	2	(86,430)	-	-	-	(84,371)	-	-	-
Finance costs	2	(208,267)	(11,314)	(6,890)	(3,421)	(184,178)	(14,101)	(5,809)	(2,864)
Other expenses	2	(37,035)	(7,645)	(20,822)	(3,228)	(193,315)	(5,701)	(22,770)	(15,263)
Operating expenses		(495,626)	(18,959)	(27,712)	(6,649)	(602,864)	(19,802)	(28,579)	(18,127)
Profit/(loss) before income tax expense		93,272	33,082	1,433	11,536	(141,328)	27,068	18,357	(137,547)
Income tax expense		1,192	-	(472)	-	(2,005)	-	(630)	(438)
Profit/(loss) for the half year		94,464	33,082	961	11,536	(143,333)	27,068	17,727	(137,985)
Profit/(loss) is attributable to:									
DUET1 unitholders *		35,154	-	-	-	(53,489)	-	-	-
DUET2 and DUET3 unitholders and DIHL shareholders as non-controlling interests *		45,579	33,082	961	11,536	(93,190)	27,068	17,727	(137,985)
Stapled Securityholders		80,733	33,082	961	11,536	(146,679)	27,068	17,727	(137,985)
Other non-controlling interests		13,731	-	-	-	3,346	-	-	-
Basic earnings/(loss) per stapled security/share/unit		4.11c	3.86c	0.11c	1.35c	(8.48)c	4.29c	2.81c	(21.87)c
Diluted earnings/(loss) per stapled security/share/unit		4.11c	3.86c	0.11c	1.35c	(8.48)c	4.29c	2.55c	(21.87)c

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

\* The comparative has been restated due to the revision of AASB127 *Separate and Consolidated Financial Statements* (Refer to note 1(b)).

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Comprehensive Income

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
Profit/(loss) after income tax expense for the half year	94,464	33,082	961	11,536	(143,333)	27,068	17,727	(137,985)
Other comprehensive income/(expense)								
Changes in fair value of cashflow hedges, net of tax	50,265	-	-	-	(435,497)	-	-	-
Changes in share of associates reserves, net of tax	(583)	9,537	-	(1,315)	(3,786)	(60,237)	-	-
Changes in available for sale financial asset	-	(1,173)	-	-	-	-	-	-
Transfer of hedging reserve to income statement	-	-	-	-	-	-	-	-
Changes in share of associates foreign currency translation reserve	(787)	-	-	(787)	30,180	-	-	3,188
Total comprehensive income/(expense) for the half year	143,359	41,446	961	9,434	(552,436)	(33,169)	17,727	(134,797)
Total comprehensive income/(expense) for the half year is attributable to:								
DUET1 unitholders *	60,638	-	-	-	(260,349)	-	-	-
DUET2 and DUET3 unitholders and DIHL shareholders as non-controlling interests *	51,841	41,446	961	9,434	(150,239)	(33,169)	17,727	(134,797)
Stapled Securityholders	112,479	41,446	961	9,434	(410,588)	(33,169)	17,727	(134,797)
Other non-controlling interests	30,880	-	-	-	(141,848)	-	-	-
Total comprehensive income/(expense) for the half year	143,359	41,446	961	9,434	(552,436)	(33,169)	17,727	(134,797)

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

\* The comparative has been restated due to the revision of AASB127 *Separate and Consolidated Financial Statements* (Refer to note 1(b)).

# Interim Financial Report

## for half year ended 31 December 2009

### Balance Sheets

	DUET Group 31 Dec 09 \$'000	DUET2 31 Dec 09 \$'000	DUET3 31 Dec 09 \$'000	DIHL 31 Dec 09 \$'000	DUET Group 30 Jun 09 \$'000	DUET2 30 Jun 09 \$'000	DUET3 30 Jun 09 \$'000	DIHL 30 Jun 09 \$'000
Note								
<b>Current assets</b>								
Cash and cash equivalents	491,237	129,149	25,066	28,588	588,687	167,510	44,797	78,070
Receivables	35,510	7,750	304,863	100,322	56,602	4,233	291,236	137,482
Inventories	14,702	-	-	-	11,732	-	-	-
Current tax receivable	1,032	-	-	-	2,387	-	-	-
Other assets	80,538	-	-	32	64,334	27	9	123
Derivative Financial Instruments	3,997	-	3,997	-	470	-	193	-
<b>Total current assets</b>	<b>627,016</b>	<b>136,899</b>	<b>333,926</b>	<b>128,942</b>	<b>724,212</b>	<b>171,770</b>	<b>336,235</b>	<b>215,675</b>
<b>Non-current assets</b>								
Receivables	303,619	785,438	223,796	-	329,247	754,574	249,423	-
Other financial assets – investments in unlisted securities	-	53,344	-	-	-	54,050	-	-
Investment in associated entities	138,639	62,343	-	113,839	46,892	50,024	-	22,497
Property, plant and equipment	5,087,284	-	-	-	4,835,859	-	-	-
Deferred tax assets	19,542	-	-	-	24,725	-	-	-
Intangible assets	2,006,257	-	-	-	1,972,296	-	-	-
Derivative Financial Instruments	7,095	-	1,688	-	17,431	3,732	-	-
<b>Total non-current assets</b>	<b>7,562,436</b>	<b>901,125</b>	<b>225,484</b>	<b>113,839</b>	<b>7,226,450</b>	<b>862,380</b>	<b>249,423</b>	<b>22,497</b>
<b>Total assets</b>	<b>8,189,452</b>	<b>1,038,024</b>	<b>559,410</b>	<b>242,781</b>	<b>7,950,662</b>	<b>1,034,150</b>	<b>585,658</b>	<b>238,172</b>
<b>Current liabilities</b>								
Distribution payable	85,916	41,669	13,317	-	84,709	41,564	16,405	-
Payables	205,834	9,024	910	762	175,558	8,555	829	639
Interest bearing liabilities	23,000	272,373	254,965	127,482	147,984	277,484	260,211	130,106
Provisions	3,765	-	-	-	7,540	-	-	-
Derivative Financial Instruments	11,653	-	-	-	13,637	-	-	-
Other liabilities	32,781	-	13,040	6,520	36,460	-	13,649	6,824
<b>Total current liabilities</b>	<b>362,949</b>	<b>323,066</b>	<b>282,232</b>	<b>134,764</b>	<b>465,888</b>	<b>327,603</b>	<b>291,094</b>	<b>137,569</b>

# Interim Financial Report

## for half year ended 31 December 2009

### Balance Sheets (continued)

	Note	DUET Group 31 Dec 09 \$'000	DUET2 31 Dec 09 \$'000	DUET3 31 Dec 09 \$'000	DIHL 31 Dec 09 \$'000	DUET Group 30 Jun 09 \$'000	DUET2 30 Jun 09 \$'000	DUET3 30 Jun 09 \$'000	DIHL 30 Jun 09 \$'000
<b>Non-current liabilities</b>									
Interest bearing liabilities		5,457,808	-	1,289	-	5,161,459	-	1,289	-
Deferred tax liabilities		555,077	-	-	-	541,113	-	-	-
Derivative financial instruments		248,056	-	-	-	302,993	-	532	-
Provisions		21,144	-	-	-	18,586	-	-	-
Other Liabilities		23,363	-	12,933	6,466	20,132	-	20,474	10,236
<b>Total non-current liabilities</b>		<b>6,305,448</b>	<b>-</b>	<b>14,222</b>	<b>6,466</b>	<b>6,044,283</b>	<b>-</b>	<b>22,295</b>	<b>10,236</b>
<b>Total liabilities</b>		<b>6,668,397</b>	<b>323,066</b>	<b>296,454</b>	<b>141,230</b>	<b>6,510,171</b>	<b>327,603</b>	<b>313,389</b>	<b>147,805</b>
<b>Net assets</b>		<b>1,521,055</b>	<b>714,958</b>	<b>262,956</b>	<b>101,551</b>	<b>1,440,489</b>	<b>706,547</b>	<b>272,269</b>	<b>90,367</b>
<b>Equity</b>									
<b>Equity attributable to DUET1 unitholders</b>									
Contributed equity *	4	525,121	-	-	-	519,121	-	-	-
Reserves *		(126,699)	-	-	-	(152,172)	-	-	-
Accumulated losses *	5	(195,390)	-	-	-	(199,613)	-	-	-
<b>Unitholders interest *</b>		<b>203,032</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,336</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity attributable to DUET2, DUET3 and DIHL Securityholders (as non-controlling interest)</b>									
Contributed equity *	4	1,320,502	821,521	295,251	203,730	1,307,546	812,887	292,679	201,980
Reserves *		(163,372)	(106,563)	(32,295)	(24,514)	(155,297)	(106,340)	(26,545)	(22,412)
Retained profits/ accumulated (losses) *	5	(77,665)	-	-	(77,665)	(83,066)	-	6,135	(89,201)
<b>DUET2, DUET3 and DIHL securityholders interest</b>		<b>1,079,465</b>	<b>714,958</b>	<b>262,956</b>	<b>101,551</b>	<b>1,069,183</b>	<b>706,547</b>	<b>272,269</b>	<b>90,367</b>
Other non-controlling interest		238,558	-	-	-	203,970	-	-	-
<b>Total equity</b>		<b>1,521,055</b>	<b>714,958</b>	<b>262,956</b>	<b>101,551</b>	<b>1,440,489</b>	<b>706,547</b>	<b>272,269</b>	<b>90,367</b>

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

\* The comparative has been restated due to the revision of AASB127 *Separate and Consolidated Financial Statements* (Refer to note 1(b)).

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Changes in Equity

#### DUET Group

#### Attributable to DUET1 Unitholders

	Attributable to DUET1 Unitholders						Total \$'000	DUET2, DUET3 and DIHL non- controlling interests \$'000	Other non- controlling interest \$'000	Total equity \$'000
	Contributed equity \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000				
<b>Total equity at 1 July 2009</b>	<b>519,121</b>	<b>(48,309)</b>	<b>-</b>	<b>(90,324)</b>	<b>(13,539)</b>	<b>(199,613)</b>	<b>167,336</b>	<b>1,069,183</b>	<b>203,970</b>	<b>1,440,489</b>
Profit/(loss) for the half year	-	-	-	-	-	35,154	35,154	45,579	13,731	94,464
Other comprehensive income/(expense) for the half year	-	26,260	(787)	-	-	-	25,473	6,262	17,160	48,895
Total comprehensive income for the half year	-	26,260	(787)	-	-	35,154	60,627	51,841	30,891	143,359
Transactions with equity holders in their capacity as equity holders:										
Contributions of equity, net of transaction costs	6,000	-	-	-	-	-	6,000	12,956	-	18,956
Distribution paid and provided for to DUET equity holders	-	-	-	-	-	(30,931)	(30,931)	(54,515)	-	(85,446)
Dividends and distributions provided for or paid to non-controlling interests	-	-	-	-	-	-	-	-	(26,809)	(26,809)
Contributions of equity by non-controlling interests	-	-	-	-	-	-	-	-	30,506	30,506
<b>Total equity at 31 December 2009</b>	<b>525,121</b>	<b>(22,049)</b>	<b>(787)</b>	<b>(90,324)</b>	<b>(13,539)</b>	<b>(195,390)</b>	<b>203,032</b>	<b>1,079,465</b>	<b>238,558</b>	<b>1,521,055</b>
<b>Total equity at 1 July 2008</b>	<b>416,865</b>	<b>76,627</b>	<b>-</b>	<b>(77,876)</b>	<b>6,042</b>	<b>(127,749)</b>	<b>293,909</b>	<b>980,851</b>	<b>272,034</b>	<b>1,546,794</b>
Profit/(loss) for the half year	-	-	-	-	-	(53,489)	(53,489)	(93,190)	3,346	(143,333)
Other comprehensive income/(expense) for the half year	-	(237,040)	30,180	-	(8,849)	12,448	(203,261)	(57,049)	(148,793)	(409,103)
Total comprehensive income for the half year	-	(237,040)	30,180	-	(8,849)	(41,041)	(256,750)	(150,239)	(145,447)	(552,436)
Transactions with equity holders in their capacity as equity holders:										
Contributions of equity, net of transaction costs	23,251	-	-	-	-	-	23,251	49,821	-	73,072
Distribution paid and provided for to DUET equity holders	-	-	-	-	-	(30,944)	(30,944)	(57,846)	-	(88,790)
Dividends and distributions provided for or paid to non-controlling interests	-	-	-	-	-	-	-	-	(22,518)	(22,518)
Contributions of equity by non-controlling interests	-	-	-	-	-	-	-	-	23,789	23,789
<b>Total equity at 31 December 2008</b>	<b>440,116</b>	<b>(160,413)</b>	<b>30,180</b>	<b>(77,876)</b>	<b>(2,807)</b>	<b>(199,734)</b>	<b>29,466</b>	<b>822,587</b>	<b>127,858</b>	<b>979,911</b>

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Changes in Equity (continued)

DUET2	Contributed equity \$'000	Hedging reserve \$'000	Capital reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total \$'000
<b>Total equity at 1 July 2009</b>	<b>812,887</b>	<b>(23,439)</b>	<b>(113,752)</b>	<b>30,851</b>	<b>-</b>	<b>706,547</b>
Profit/(loss) for the half year	-	-	-	-	33,082	33,082
Other comprehensive income/(expense) for the half year	-	9,537	(8,587)	(1,173)	8,587	8,364
Total comprehensive income for the half year	-	9,537	(8,587)	(1,173)	41,669	41,446
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	8,634	-	-	-	-	8,634
Distribution paid and provided for to DUET2 equity holders	-	-	-	-	(41,669)	(41,669)
<b>Total equity at 31 December 2009</b>	<b>821,521</b>	<b>(13,902)</b>	<b>(122,339)</b>	<b>29,678</b>	<b>-</b>	<b>714,958</b>
<b>Total equity at 1 July 2008</b>	<b>661,569</b>	<b>18,516</b>	<b>(84,774)</b>	<b>-</b>	<b>-</b>	<b>595,311</b>
Profit/(loss) for the half year	-	-	-	-	27,068	27,068
Other comprehensive income/(expense) for the half year	-	(60,236)	(14,151)	-	14,151	(60,236)
Total comprehensive income for the half year	-	(60,236)	(14,151)	-	41,219	(33,168)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	31,819	-	-	-	-	31,819
Distribution paid and provided for to DUET2 equity holders	-	-	-	-	(41,219)	(41,219)
<b>Total equity at 31 December 2008</b>	<b>693,388</b>	<b>(41,720)</b>	<b>(98,925)</b>	<b>-</b>	<b>-</b>	<b>552,743</b>

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Changes in Equity (continued)

DUET3	Contributed equity \$'000	Capital reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total \$'000
<b>Total equity at 1 July 2009</b>	292,679	(26,545)	6,135	272,269
Profit/(loss) for the half year	-	-	961	961
Other comprehensive income/(expense) for the half year	-	(5,750)	5,750	-
Total comprehensive income for the half year	-	(5,750)	6,711	961
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity, net of transaction costs	2,572	-	-	2,572
Distribution paid and provided for to DUET3 equity holders	-	-	(12,846)	(12,846)
<b>Total equity at 31 December 2009</b>	<b>295,251</b>	<b>(32,295)</b>	<b>-</b>	<b>262,956</b>
<b>Total equity at 1 July 2008</b>	245,995	(26,545)	-	219,450
Profit/(loss) for the half year	-	-	17,727	17,727
Other comprehensive income/(expense) for the half year	-	-	-	-
Total comprehensive income for the half year	-	-	17,727	17,727
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity, net of transaction costs	7,897	-	-	7,897
Distribution paid and provided for to DUET3 equity holders	-	-	(16,627)	(16,627)
<b>Total equity at 31 December 2008</b>	<b>253,892</b>	<b>(26,545)</b>	<b>1,100</b>	<b>228,447</b>

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Changes in Equity (continued)

DIHL	Contributed equity \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Retained profits/ (accumulated losses) \$'000	Total \$'000
<b>Total equity at 1 July 2009</b>	201,980	(23,564)	1,858	(706)	(89,201)	90,367
Profit/(loss) for the half year	-	-	-	-	11,536	11,536
Other comprehensive income/(expense) for the half year	-	-	(787)	(1,315)	-	(2,102)
Total comprehensive income for the half year	-	-	(787)	(1,315)	11,536	9,434
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	1,750	-	-	-	-	1,750
Distribution paid and provided for to DIHL equity holders	-	-	-	-	-	-
<b>Total equity at 31 December 2009</b>	<b>203,730</b>	<b>(23,564)</b>	<b>1,071</b>	<b>(2,021)</b>	<b>(77,665)</b>	<b>101,551</b>
<b>Total equity at 1 July 2008</b>	153,624	-	(26,037)	-	38,503	166,090
Profit/(loss) for the half year	-	-	-	-	(137,985)	(137,985)
Other comprehensive income/(expense) for the half year	-	-	3,189	-	-	3,189
Total comprehensive income for the half year	-	-	3,189	-	(137,985)	(134,796)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	10,103	-	-	-	-	10,103
Distribution paid and provided for to DIHL equity holders	-	-	-	-	-	-
<b>Total equity at 31 December 2008</b>	<b>163,727</b>	<b>-</b>	<b>(22,848)</b>	<b>-</b>	<b>(99,482)</b>	<b>41,397</b>

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

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Cash Flows

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
<b>Cash flows from operating activities</b>								
Receipts from customers	524,929	69	3	41	540,264	157	-	42
Payments to suppliers and employees	(174,494)	(743)	(717)	(535)	(184,888)	(5,175)	(1,033)	(1,050)
Income tax received/(paid)	611	-	(472)	-	(1,633)	-	(630)	(438)
Interest received from associates	32,746	32,385	30,284	-	20,111	2,297	15,517	-
Dividends received	5,162	11,675	-	-	19,631	16,357	-	13,855
Other interest received	13,302	4,680	1,200	1,201	11,997	37,078	1,986	1,168
Management and performance fee paid	(9,047)	(4,083)	(1,287)	(853)	(5,231)	(2,277)	(566)	(725)
Indirect tax net (paid) /received	(5,832)	295	133	81	(17,146)	2,303	638	792
<b>Net cash flows from operating activities</b>	<b>387,377</b>	<b>44,278</b>	<b>29,144</b>	<b>(65)</b>	<b>383,105</b>	<b>50,740</b>	<b>15,912</b>	<b>13,644</b>
<b>Cash flows from investing activities</b>								
Payments for purchase of property, plant and equipment	(326,003)	-	-	-	(179,920)	-	-	-
Payments for purchase of software	(34,004)	-	-	-	(19,847)	-	-	-
Payments for purchase of investments	(86,611)	(26,954)	-	(85,677)	-	(7,318)	-	-
Proceeds from sale of non-current assets	315	-	-	-	283	-	-	-
<b>Net cash flows from investing activities</b>	<b>(446,303)</b>	<b>(26,954)</b>	<b>-</b>	<b>(85,677)</b>	<b>(199,484)</b>	<b>(7,318)</b>	<b>-</b>	<b>-</b>

# Interim Financial Report

## for half year ended 31 December 2009

### Statements of Cash Flows (continued)

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
<b>Cash flows from financing activities</b>								
Payments for capital raising costs	(120)	(52)	(17)	(17)	-	-	-	-
Proceeds from securities issued to non-controlling interests	30,503	-	-	-	23,874	-	-	-
Proceeds from borrowings from external parties	489,645	-	-	-	812,767	-	-	-
Repayment of borrowings from external parties	(273,000)	-	-	-	(150,000)	-	-	-
Repayment of POWERS holders	-	-	-	-	(564,220)	(7,233)	-	-
Loans to related parties	-	(7,425)	(34,994)	36,499	-	(274,877)	(228,736)	(114,368)
Loans from related parties	-	(5,981)	(6,698)	(3,349)	-	280,453	228,745	116,958
Finance costs paid	(193,332)	(9,289)	(1)	(2)	(209,186)	(22,635)	-	-
Interest received from related parties	-	-	6,286	3,166	-	-	-	-
Dividends paid to non-controlling interest	(26,797)	-	-	-	(22,518)	-	-	-
Distributions paid	(65,301)	(32,938)	(13,364)	-	(63,391)	(28,273)	(13,205)	-
<b>Net cash flow from financing activities</b>	<b>(38,402)</b>	<b>(55,685)</b>	<b>(48,788)</b>	<b>36,297</b>	<b>(172,764)</b>	<b>(52,565)</b>	<b>(13,194)</b>	<b>2,591</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>(97,328)</b>	<b>(38,361)</b>	<b>(19,644)</b>	<b>(49,445)</b>	<b>10,857</b>	<b>(9,143)</b>	<b>2,718</b>	<b>16,235</b>
Cash and cash equivalents at the beginning of the half year	588,687	167,510	44,797	78,070	305,118	82,232	6,994	30,015
Effects of exchange rate changes on cash and cash equivalents	(122)	-	(87)	(37)	346	-	-	-
<b>Cash and cash equivalents at the end of the half year</b>	<b>491,237</b>	<b>129,149</b>	<b>25,066</b>	<b>28,588</b>	<b>316,321</b>	<b>73,089</b>	<b>9,712</b>	<b>46,250</b>

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

# Interim Financial Report

## for half year ended 31 December 2009

---

### Notes to the Financial Statements

#### 1 Summary of Significant Accounting Policies

This general purpose interim financial report for the half year reporting period ended 31 December 2009 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial 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 report of DUET1, DUET2, DUET3, DIHL and the DUET Group for the year ended 30 June 2009 and any public announcements made by DUET during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

##### (a) Basis of preparation of interim financial report

The principal accounting policies adopted in the preparation of the interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

###### *Compliance with IFRS*

Compliance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* ensures that the interim financial report of the DUET Group complies with IAS 34: *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

###### *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 DUET1, DUET2, DUET3 and the ordinary shares in DIHL are combined and issued as stapled securities in DUET Group. The individual securities cannot be traded separately and can only be traded as stapled securities.

This interim financial report consists of the consolidated Financial Statements of DUET1, which comprises DUET1, DUET2, DUET3, DIHL and the entities they control, together acting as DUET.

As permitted by ASIC Class order 06/441, this interim financial report consists of the consolidated Financial Statements of DUET1 and its controlled entities (collectively referred to as "DUET" or "DUET Group"), and the Interim Financial Statements of DUET2, DUET3 and DIHL.

##### (b) Consolidated accounts

The Group previously applied AASB Interpretation 1013 *Consolidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* in the preparation of its consolidated financial statements. This interpretation required the Group's financial statements to reflect the aggregation of the consolidated financial statements of DUET1 and DUET2, DUET3 and DIHL, whereby DUET1 was deemed to be the parent entity of the Group and DUET2 was treated as parent equity.

The revised AASB 3 *Business Combinations* supersedes AASB Interpretation 1013 and therefore, the Group is required to prepare its consolidated financial statements in accordance with the revised AASB 127 *Separate and Consolidated Financial Statements*. Under an interpretation of the new standards DUET2 is no longer presented as parent equity and is instead presented as a non-controlling interest, together with DUET3 and DIHL. This interpretation requires "non-controlling interests" formerly known as "outside equity interests" to be presented in the consolidated balance sheet within equity but separately from the equity owners of the parent. In addition, total comprehensive income has been apportioned to reflect the amount attributable to the owners of the parent and to the non-controlling interests.

# Interim Financial Report

## for half year ended 31 December 2009

### 1 Summary of Significant Accounting Policies (continued)

#### Consolidated accounts (continued)

This change will result in the equity of DUET2, DUET3 and DIHL being presented as “non-controlling interests”, rather than equity attributable to owners of the parent, representing the fact that DUET2, DUET3 and DIHL are not owned by DUET1, but rather by security holders directly.

These changes have had a significant impact of how the financial statements are presented, however, the underlying results to stapled security holders is not impacted by virtue of the stapling arrangement, the owners of DUET1 are also the owners of DUET2, DUET3 and DIHL.

The revised AASB 3 and revised AASB 127 makes a number of amendments to the accounting for business combinations and consolidations, including requiring acquisition costs to be expensed, the clarification of the accounting treatment for changes in ownership interests and the fair value measurement of contingent consideration in the statement of financial position at acquisition date with subsequent changes reflected in the income statement.

These accounting standards are applied prospectively on acquisitions completed on or after 1 July 2009. During the half-year ended 31 December 2009, there were no acquisitions and these accounting standards did not have any impact on DUET.

The revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101* became applicable from 1 July 2009. Revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but does not affect any of the amounts recognised in the Financial Statements. If an entity has made a prior period adjustment or has reclassified items in the Financial Statements, it will need to disclose a third balance sheet, this one being as at the beginning of the comparative period.

#### (c) Principles of consolidation

The consolidated Financial Statements incorporate the assets and liabilities of the entities controlled by DUET1, DUET2, DUET3 and DIHL at 31 December 2009, including those deemed to be controlled by DUET1 by identifying it as the parent of DUET and in relation to subsequent staplings, and the results of those controlled entities for the period then ended. 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 those interests in partly owned subsidiaries which are not held directly or indirectly by DUET1, DUET2, DUET3 or DIHL. Non-controlling interests also represent the interests of DUET2, DUET3 and DIHL.

Where control of an entity is obtained during a financial period, its results are included in the Income Statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

#### (d) Net current asset deficiency

DUET2 and DIHL have net current liabilities at 31 December 2009 of \$186.2m and \$5.8m respectively. The net current liability position of DUET2 and DIHL includes \$272.4m and \$127.5m respectively of related party loans. The related party loans arise on the internal funding structure following the redemption of POWERS. The purpose of the loans is to provide funding to the Australian asset companies (classified as non-current). As these related party loans are repayable upon demand they are classified as current in the balance sheet of DUET2. Any material call for repayment of the related party loans would be met as necessary by the funds ultimately on-lent to the Australian majority controlled asset companies or through the realisation of investments. The related party loans are not expected to be called upon in the next twelve months.

# Interim Financial Report

## for half year ended 31 December 2009

### 1 Summary of Significant Accounting Policies (continued)

#### (e) Income tax

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Income tax has not been brought to account in respect of DUET1, DUET2 and DUET3 as, pursuant to the Income Tax Assessment Act, the Trusts are not liable for income tax provided that their taxable income (including any assessable realised capital gains) is fully distributed to their unitholders each year.

Certain DUET3 unitholders bear US withholding tax on US sourced interest income.

Some subsidiaries of the Group have implemented the tax consolidation legislation. DUET Group is not a tax consolidated group.

#### (f) Derivative financial instruments

DUET Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. DUET Group does not speculatively trade in derivative financial instruments.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps and cross currency swaps is the estimated amount that DUET Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest and foreign exchange rates and the current credit worthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

*AASB 2009-2 Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments* became applicable to DUET on 1 July 2009. AASB 2009-2 requires enhanced disclosures about fair value measurements and liquidity risk and in particular, introduces a three level hierarchy for making fair value measurements. These disclosures are not applicable for the half-year, and as such this standard did not have any impact on our financial results or disclosures for the half-year ended 31 December 2009.

# Interim Financial Report

## for half year ended 31 December 2009

### 1 Summary of Significant Accounting Policies (continued)

#### Derivative financial instruments (continued)

##### *(i) Fair value hedge*

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability or an unrecognised firm commitment (or an identified portion of such assets, liability or firm commitment), any gain or loss on the hedging instrument is recognised in the income statement. The hedged item also is remeasured at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement. The ineffective portion of the hedge is within other income or other expense. The effective portion is within the same category of the fair value of the hedged item.

##### *(ii) Cash flow hedge*

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expense.

When the forecast transaction subsequently results in the recognition of a non financial asset or non financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e. when interest income or expense is recognised).

For cash flow hedges, other than those covered above, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

##### *(iii) Net investment hedge*

Where a derivative or financial instrument is designated as hedging a net investment in a foreign operation, the gain or loss on the derivative or financial instrument associated with the effective portion of the hedge is initially recognised in the foreign currency translation reserve and subsequently released to the Income Statement when the foreign operation is disposed. The ineffective portion is recognised immediately in the Income Statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the income statement.

#### **(g) Foreign currency translation**

##### ***Functional and presentation currency***

The Interim Financial Statements are presented in Australian dollars, which is DUET Group's presentation currency. The Interim Financial Statements of the individual entities are also in Australian dollars which is the individual entity's functional and presentation currency.

# Interim Financial Report

## for half year ended 31 December 2009

### 1 Summary of Significant Accounting Policies (continued)

#### Foreign currency translation (continued)

One associated entity of DUET Group (DQE Holdings LLC) has a functional currency in US dollars. The financial information of the associate is translated into Australian dollars in order to equity account this investment for this interim financial report.

#### *Transactions*

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At balance date, amounts payable and receivable in foreign currencies are translated to Australian dollars at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the half year.

#### *Translation*

The results and financial position of DUET Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Income Statement are translated at exchange rates at the dates of transactions or at an average rate as appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign entities are taken to security holders' equity or non-controlling equity. When a foreign operation is sold or borrowings that form part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the Income Statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### (h) Investments in associates

The Group's investment in its associates is accounted for using the equity method in the consolidated Interim Financial Statements of DUET Group, and the financial statements of DUET2 and DIHL. Under the equity method, the entity's share of the post-acquisition profits and losses of associates is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves.

The cumulative post-acquisition movements in retained earnings and reserves are adjusted against the cost of the investment. Dividends receivable from associates reduce the carrying amount of the investment. When the share of losses in an associate equals or exceeds an entity's interest in the associate, further losses are not recognised unless the entity has incurred obligations or made payments on behalf of an associate.

Associates are those entities over which the entity exercises significant influence, but not control.

#### (i) Interest bearing liabilities

Bank loans, guaranteed notes and redeemable preference shares are recognised at cost, being fair value of the consideration received net of transaction costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount premium on settlement. DUET Group enters into derivatives on interest bearing liabilities. The accounting policies are as described in note 1(f).

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any new cash assets transferred or liabilities assumed, is recognised in the income statement as other income or other expenses.

# Interim Financial Report

## for half year ended 31 December 2009

### 1 Summary of Significant Accounting Policies (continued)

#### (j) Segment reporting

DUET Group has applied AASB8 *Operating Segments* from 1 July 2009. AASB8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in a change in the identification of reportable segments presented as in the prior period the primary basis of segment reporting was in according to the nature of products and services provided.

Operating segments are now reported in a manner that is consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Boards of RE1, RE2 and DIHL.

For the half year ended 31 December 2009 the segments are based on the core assets of DUET's investment portfolio being Dampier Bunbury Pipeline, United Energy, Multinet, WA Gas Networks and Duquesne. Comparatives for the half year ended 31 December 2008 have been restated.

#### (k) Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 July 2009 or later periods but which have not yet been adopted. The significant ones and an assessment of the impact of these are as follows:

##### ***AASB 9 Financial Instruments***

AASB 9 *Financial Instruments* was issued by the AASB in December 2009 and is applicable to annual reporting periods beginning on or after 1 January 2013, with early adoption permitted. A related omnibus standard AASB 2009-11: "Amendments to Australian Accounting Standards arising from AASB 9" makes a number of amendments to other accounting standards as a result of AASB 9 and must be adopted at the same time.

AASB 9 introduces new classification and measurement models for financial assets. For financial assets, there are only two models, amortised cost and fair value. To be classified and measured at amortised cost, the asset must satisfy the business model test and have contractual cash flow characteristics. All other instruments are to be classified and measured at fair value.

The accounting for financial liabilities will continue to be performed under AASB 139 until further amendments are made by the International Accounting Standards Board. We are currently assessing the impact of these standards.

Apart from this standard, we have considered other accounting standards that will be applicable in future periods, however they have been considered insignificant to DUET.

#### (l) Comparative figures

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

#### (m) Rounding of amounts

DUET Group, DUET2, DUET3 and DIHL 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.

# Interim Financial Report

## for half year ended 31 December 2009

### 2 Profit for the half year

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
<b>(i) Revenue</b>								
<b>Sales revenue</b>								
Distribution revenue	288,693	-	-	-	274,209	-	-	-
Metering revenue	14,442	-	-	-	11,631	-	-	-
Transportation revenue	186,098	-	-	-	166,359	-	-	-
New connections revenue	764	-	-	-	1,098	-	-	-
Other sales revenue	7,666	-	-	-	10,876	-	-	-
	<b>497,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>464,173</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Revenue from investments</b>								
Interest revenue	17,790	32,655	15,218	-	21,785	36,101	17,766	-
Distribution and dividend revenue	-	2,581	-	-	-	2,584	-	-
	<b>17,790</b>	<b>35,236</b>	<b>15,218</b>	<b>-</b>	<b>21,785</b>	<b>38,685</b>	<b>17,766</b>	<b>-</b>
<b>Other revenue</b>								
Interest revenue	10,886	7,920	7,902	4,697	10,807	6,231	5,023	3,485
Customer contributions	13,208	-	-	-	3,876	-	-	-
Miscellaneous revenue	2,901	60	-	41	2,894	92	-	42
	<b>26,995</b>	<b>7,980</b>	<b>7,902</b>	<b>4,738</b>	<b>17,577</b>	<b>6,323</b>	<b>5,023</b>	<b>3,527</b>
<b>Total revenue</b>	<b>542,448</b>	<b>43,216</b>	<b>23,120</b>	<b>4,738</b>	<b>503,535</b>	<b>45,008</b>	<b>22,789</b>	<b>3,527</b>
<b>(ii) Other income</b>								
Net Fair value gain on Derivative Contracts	38,503	-	6,025	-	-	6,217	-	-
Net Foreign exchange gains	-	-	-	9,400	81,219	-	24,147	3,358
<b>Total other income</b>	<b>38,503</b>	<b>-</b>	<b>6,025</b>	<b>9,400</b>	<b>81,219</b>	<b>6,217</b>	<b>24,147</b>	<b>3,358</b>
<b>Total revenue and other income</b>	<b>580,951</b>	<b>43,216</b>	<b>29,145</b>	<b>14,138</b>	<b>584,754</b>	<b>51,225</b>	<b>46,936</b>	<b>6,885</b>

# Interim Financial Report

## for half year ended 31 December 2009

### 2 Profit for the half year (continued)

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
<b>(iii) Expenses</b>								
<b>Operating expenses</b>								
Operating fees	120,107	-	-	-	122,480	-	-	-
Other operating expenses	43,787	-	-	-	18,520	-	-	-
	<b>163,894</b>	-	-	-	<b>141,000</b>	-	-	-
<b>Depreciation and amortisation expense</b>								
Depreciation of property, plant and equipment	80,911	-	-	-	79,225	-	-	-
Amortisation of intangible assets	5,519	-	-	-	5,146	-	-	-
	<b>86,430</b>	-	-	-	<b>84,371</b>	-	-	-
<b>Finance costs</b>								
Amortisation of borrowing costs	9,715	1,200	-	-	3,407	2,434	-	-
Financing costs	2,424	-	-	-	1,197	-	-	-
Interest expense								
- Related parties	-	10,114	6,890	3,421	-	11,663	5,809	2,864
- Other parties	196,128	-	-	-	179,574	4	-	-
	<b>208,267</b>	<b>11,314</b>	<b>6,890</b>	<b>3,421</b>	<b>184,178</b>	<b>14,101</b>	<b>5,809</b>	<b>2,864</b>
<b>Other expenses</b>								
Net loss on write off / abandonment	2,170	-	-	-	1,662	-	-	-
Management fees	9,826	4,375	1,377	1,075	10,338	4,783	781	1,259
Net foreign exchange losses	23,374	-	15,381	-	-	-	-	598
Net fair value loss on derivative contracts	-	2,924	-	-	169,934	-	21,705	13,095
Other	1,665	346	4,064	2,153	2,276	918	284	311
Write off of goodwill on recognition of pre acquisition tax losses	-	-	-	-	9,105	-	-	-
	<b>37,035</b>	<b>7,645</b>	<b>20,822</b>	<b>3,228</b>	<b>193,315</b>	<b>5,701</b>	<b>22,770</b>	<b>15,263</b>
<b>Total expenses</b>	<b>495,626</b>	<b>18,959</b>	<b>27,712</b>	<b>6,649</b>	<b>602,864</b>	<b>19,802</b>	<b>28,579</b>	<b>18,127</b>

# Interim Financial Report

## for half year ended 31 December 2009

### 3 Distributions Paid and Proposed

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
Final distribution paid for the year ended 30 June 2009	84,709	41,564	16,405	-	82,277	36,507	15,236	-
Interim distribution proposed and subsequently paid for the half year ended 31 December 2009	85,916	41,669	13,317	-	89,420	41,219	17,257	-
	<b>170,625</b>	<b>83,233</b>	<b>29,722</b>	<b>-</b>	<b>171,697</b>	<b>77,726</b>	<b>32,493</b>	<b>-</b>
	<b>Cents per stapled security</b>	<b>Cents per unit</b>	<b>Cents per unit</b>	<b>Cents per share</b>	<b>Cents per stapled security</b>	<b>Cents per unit</b>	<b>Cents per unit</b>	<b>Cents per share</b>
Final distribution paid for the year ended 30 June 2009	10.000	4.907	1.936	-	13.500	5.990	2.500	-
Interim distribution proposed and subsequently paid for the half year ended 31 December 2009	10.000	4.850	1.550	-	14.125	6.511	2.726	-

### 4 Contributed Equity

#### (a) Ordinary Equity

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
On issue at the beginning of the half year	1,826,667	812,887	292,679	201,980	1,478,053	661,569	245,995	153,624
Capital raising costs	20	8	3	4	-	-	-	-
Performance fee reinvested on 8 July 2008	-	-	-	-	54,188	23,584	5,866	7,512
DRP on 15 August 2008	-	-	-	-	18,883	8,235	2,031	2,591
DRP on 14 August 2009	18,936	8,626	2,569	1,746	-	-	-	-
On issue at the end of the half year	<b>1,845,623</b>	<b>821,521</b>	<b>295,251</b>	<b>203,730</b>	<b>1,551,124</b>	<b>693,388</b>	<b>253,892</b>	<b>163,727</b>

# Interim Financial Report

## for half year ended 31 December 2009

### 4 Contributed Equity (continued)

#### (a) Ordinary Equity (continued)

	DUET Group 1 Jul 09 - 31 Dec 09 Number of stapled securities '000	DUET2 1 Jul 09 - 31 Dec 09 Number of stapled securities '000	DUET3 1 Jul 09 - 31 Dec 09 Number of stapled securities '000	DIHL 1 Jul 09 - 31 Dec 09 Number of stapled securities '000	DUET Group 1 Jul 08 - 31 Dec 08 Number of stapled securities '000	DUET2 1 Jul 08 - 31 Dec 08 Number of stapled securities '000	DUET3 1 Jul 08 - 31 Dec 08 Number of stapled securities '000	DIHL 1 Jul 08 - 31 Dec 08 Number of stapled securities '000
On issue at the beginning of the half year	847,086	847,086	847,086	847,086	609,459	609,459	609,459	609,459
Performance fee reinvested on 8 July 2008	-	-	-	-	17,022	17,022	17,022	17,022
DRP on 15 August 2008	-	-	-	-	6,583	6,583	6,583	6,583
DRP on 14 August 2009	12,078	12,078	12,078	12,078	-	-	-	-
On issue at the end of the half year	859,164	859,164	859,164	859,164	633,064	633,064	663,064	663,064

#### (b) Ordinary units in DUET1, DUET2, DUET3 and ordinary shares in DIHL

Each fully paid stapled security confers the right to vote at meetings of security holders, subject to any voting restrictions imposed on a security holder under the Corporations Act 2001 and the Listing Rules. On a show of hands, every security holder present in person or by proxy has one vote. On a poll, every security holder who is present in person or by proxy has one vote for each dollar of the value of the total interest they have in DUET1, DUET2, DUET3, and one vote for each share in respect of DIHL.

#### (c) 'A' Special Share

RE1 in its personal capacity holds 1 A Special Share in DIHL. The Share carries the right to appoint directors constituting up to 40% of the DIHL Board including the managing director. Any person appointed Director by the A Special Shareholder may at any time be removed by the A Special Shareholder only. The A Special Shareholder may not vote at meetings except in relation to a proposal to appoint a Director or vary the rights attached to the A Special Share. The holder of an A Special Share is not entitled to receive any dividends.

#### (d) 'B' Special Share

RE2 as responsible entity of DUET2 holds 1 B Special Share in DIHL. The Share carries the right to appoint directors constituting up to 40% of the DIHL Board. Any person appointed Director by the B Special Shareholder may at any time be removed by the B Special Shareholder only. The B Special Shareholder may not vote at meetings except in relation to a proposal to appoint a Director or vary the rights attached to the B Special Share. The holder of a B Special Share is not entitled to receive any dividends.

# Interim Financial Report

## for half year ended 31 December 2009

### 4 Contributed Equity (continued)

#### (e) 'C' Special Share

RE1 and RE2 each hold 1 C Special Share issued in DIHL in their capacity as responsible entity for DUET1 and DUET2 respectively. The shares carry the right to jointly appoint up to 20% of the directors of the DIHL Board. Any person appointed Director by the C Special Shareholders may at any time be removed by the C Special Shareholders only. The C Special Shareholders may not vote at meetings except in relation to a proposal to appoint a Director or vary the rights attached to the C Special Shares. The holders of C Special Shares are not entitled to receive any dividends.

### 5 Retained Profits / (Accumulated Losses)

	DUET Group 1 Jul 09 - 31 Dec 09 \$'000	DUET2 1 Jul 09 - 31 Dec 09 \$'000	DUET3 1 Jul 09 - 31 Dec 09 \$'000	DIHL 1 Jul 09 - 31 Dec 09 \$'000	DUET Group 1 Jul 08 - 31 Dec 08 \$'000	DUET2 1 Jul 08 - 31 Dec 08 \$'000	DUET3 1 Jul 08 - 31 Dec 08 \$'000	DIHL 1 Jul 08 - 31 Dec 08 \$'000
Balance at the beginning of the half year	(199,613)	-	6,135	(89,201)	(127,749)	-	-	38,503
Profit attributable to security holders	35,154	33,082	961	11,536	(53,489)	27,068	17,727	(137,985)
Distribution provided for or paid	(30,931)	(41,669)	(12,846)	-	(30,944)	(41,219)	(16,627)	-
Transfer from Capital Reserve	-	8,587	5,750	-	12,448	14,151	-	-
<b>Balance at the end of the half year</b>	<b>(195,390)</b>	<b>-</b>	<b>-</b>	<b>(77,665)</b>	<b>(199,734)</b>	<b>-</b>	<b>1,100</b>	<b>(99,482)</b>

# Interim Financial Report

## for half year ended 31 December 2009

### 6 Segment Information

The directors of the Responsible Entities (RE1 and RE2) of DUET1, DUET2, DUET3 and DIHL have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Boards of AMPCI Macquarie Infrastructure Management No.1 Limited, AMPCI Macquarie Infrastructure Management No.2 Limited and DIHL.

The Boards consider the business from the aspect of each of the core portfolio assets and has identified five operating segments. The segments are the investments in Dampier Bunbury Pipeline (DBP), United Energy (UEDH), Multinet (MGH), WA Gas Networks (WAGN) and Duquesne (DQE). DUET Group has control or significant influence of these investments and as such, the directors of RE1, RE2 and DIHL can exert control or significant influence over the management control of the entities.

DBP, UEDH, MGH and WAGN are all located in Australia; with DQE located in the United States.

The operating segments note discloses performance by individual core-portfolio assets in Australian dollars. The information is presented as DUET's proportionate share of the earnings before interest, tax, depreciation and amortisation ("EBITDA").

	DBP \$'000	UEDH \$'000	MGH \$'000	WAGN \$'000	DQE \$'000	Total \$'000
<b>DUET Group for the 6 months to 31 December 2009</b>						
Total segment revenues	116,292	114,107	80,260	20,036	185,269	515,964
Total segment expenses	(26,878)	(33,128)	(18,051)	(5,893)	(127,092)	(211,042)
Proportionate EBITDA <sup>(1)</sup>	89,414	80,979	62,209	14,143	58,177	304,922
<b>DUET Group for the 6 months to 31 December 2008</b>						
Total segment revenues	107,853	111,982	76,629	18,887	213,988	529,339
Total segment expenses	(22,534)	(29,934)	(18,009)	(5,609)	(142,911)	(218,997)
Proportionate EBITDA <sup>(1)</sup>	85,319	82,048	58,620	13,278	71,077	310,342
<b>Total proportionate segment assets</b>						
31 December 2009	2,261,077	1,527,877	1,066,400	236,003	1,373,038	6,464,395
30 June 2009	2,124,366	1,451,764	1,090,250	226,271	1,406,860	6,299,511

<sup>(1)</sup> Excludes changes in the fair value of derivatives, net fx gains/losses and actuarial losses on the Duquesne defined benefit pension plan.

# Interim Financial Report

## for half year ended 31 December 2009

### 6 Segment Information (continued)

A reconciliation of DUET EBITDA to profit/(loss) before income tax expense is provided as follows:

	DBP \$'000	UEDH \$'000	MGH \$'000	WAGN \$'000	DQE \$'000	Corporate \$'000	Total \$'000
<b>DUET Group for the 6 months to 31 December 2009</b>							
<b>Proportionate EBITDA</b>	89,414	80,979	62,209	14,143	58,177	-	304,922
Additional EBITDA from controlled assets <sup>(1)</sup>	59,678	40,528	14,739	-	-	-	114,945
Exclude non-controlled assets <sup>(2)</sup>	-	-	-	(14,143)	(58,177)	-	(72,320)
Corporate income	-	-	-	-	-	162	162
Corporate expenses	-	-	-	-	-	(11,491)	(11,491)
Equity accounted profits <sup>(2)</sup>	-	-	-	3,900	4,278	-	8,178
<b>Consolidated EBITDA</b>							<b>344,396</b>
<b>Controlled Assets</b>							
Interest income	1,179	310	343	-	-	-	1,832
Depreciation and amortisation	(31,889)	(39,250)	(15,291)	-	-	-	(86,430)
Finance costs	(86,201)	(60,492)	(38,390)	-	-	-	(185,083)
Changes in fair value of derivatives	(5,343)	2,133	2,019	-	-	-	(1,191)
<b>Non-controlled Assets</b>							
Change in fair value of derivatives	-	-	-	-	7,473	-	7,473
Change in defined benefit pension plan	-	-	-	-	(5,254)	-	(5,254)
Amortisation of intangible asset <sup>(3)</sup>	-	-	-	-	(2,451)	-	(2,451)
<b>Corporate</b>							
Interest income	-	-	-	-	-	26,844	26,844
Finance costs	-	-	-	-	-	(23,184)	(23,184)
Changes in fair value of derivatives	-	-	-	-	-	(23,374)	(23,374)
Net foreign exchange gains/(losses)	-	-	-	-	-	39,694	39,694
<b>Profit before income tax expense</b>							<b>93,272</b>

<sup>(1)</sup> To consolidate 100% of controlled asset EBITDA.

<sup>(2)</sup> Excludes proportionate EBITDA of associates and includes the equity accounted result.

<sup>(3)</sup> Amortisation of the fair value of electricity contracts recognised on acquisition reported by the non-controlled asset with operating costs.

# Interim Financial Report

## for half year ended 31 December 2009

### 6 Segment Information (continued)

	DBP \$'000	UEDH \$'000	MGH \$'000	WAGN \$'000	DQE \$'000	Corporate \$'000	Total \$'000
<b>DUET Group for the 6 months to 31 December 2008</b>							
<b>Proportionate EBITDA</b>	85,319	82,048	58,620	13,278	71,077	-	310,342
Additional EBITDA from controlled assets <sup>(1)</sup>	37,846	37,938	17,349	-	-	-	93,133
Exclude non-controlled assets <sup>(2)</sup>	-	-	-	(13,278)	(71,077)	-	(84,355)
Corporate income	-	-	-	-	-	228	228
Corporate expenses	-	-	-	-	-	(12,786)	(12,786)
Equity accounted profits <sup>(2)</sup>	-	-	-	3,087	(4,205)	-	(1,118)
<b>Consolidated EBITDA</b>							<b>305,444</b>
<b>Controlled Assets</b>							
Interest income	1,217	677	810	-	-	-	2,704
Depreciation and amortisation	(29,033)	(40,265)	(15,193)	-	-	-	(84,491)
Finance costs	(80,108)	(80,367)	(43,275)	-	-	-	(203,750)
Changes in fair value of derivatives	(1,192)	185	(28,733)	-	-	-	(29,740)
<b>Non-controlled Assets</b>							
Change in fair value of derivatives	-	-	-	-	(76,300)	-	(76,300)
Change in defined benefit pension plan	-	-	-	-	(45,800)	-	(45,800)
<b>Corporate</b>							
Interest income	-	-	-	-	-	29,888	29,888
Depreciation and amortisation	-	-	-	-	-	121	121
Finance costs	-	-	-	-	-	19,571	19,571
Changes in fair value of derivatives	-	-	-	-	-	(140,194)	(140,194)
Net foreign exchange gains/(losses)	-	-	-	-	-	81,219	81,219
<b>Loss before income tax expense</b>							<b>(141,328)</b>

<sup>(1)</sup> To consolidate 100% of controlled asset EBITDA.

<sup>(2)</sup> Excludes proportionate EBITDA of associates and includes the equity accounted result.

# Interim Financial Report

## for half year ended 31 December 2009

### 6 Segment Information (continued)

#### DUET2

DUET2 co-owns investments in UEDH and MGH with DUET1. The Boards consider the business for these two segments on a combined proportionate EBITDA basis. Proportionate earnings for DBP, UEDH, MGH and WAGN are set out on page 31.

A reconciliation of DUET2 EBITDA to profit before income tax expense is provided as follows:

	DBP \$'000	UEDH \$'000	MGH \$'000	WAGN \$'000	DUET2 \$'000	Total \$'000
<b>DUET2 for the 6 months to 31 December 2009</b>						
<b>Proportionate EBITDA</b>	<b>89,414</b>	<b>80,979</b>	<b>62,209</b>	<b>14,143</b>	-	<b>246,745</b>
Exclude non-controlled assets <sup>(1)</sup>	(89,414)	(80,979)	(62,209)	(14,143)	-	(246,745)
Corporate income	-	-	-	-	2,641	2,641
Corporate expenses	-	-	-	-	(4,721)	(4,721)
Equity accounted profits	-	372	8,453	-	-	8,825
<b>Consolidated EBITDA</b>						<b>6,745</b>
Interest income	-	-	-	-	40,575	40,575
Finance costs	-	-	-	-	(11,314)	(11,314)
Changes in fair value of derivatives	-	-	-	-	(2,924)	(2,924)
<b>Profit before income tax expense</b>						<b>33,082</b>

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

	DBP \$'000	UEDH \$'000	MGH \$'000	WAGN \$'000	DUET2 \$'000	Total \$'000
<b>DUET2 for the 6 months to 31 December 2008</b>						
<b>Proportionate EBITDA</b>	<b>85,319</b>	<b>82,048</b>	<b>58,620</b>	<b>13,278</b>	-	<b>239,265</b>
Exclude non-controlled assets <sup>(1)</sup>	(85,319)	(82,048)	(58,620)	(13,278)	-	(239,265)
Corporate income	-	-	-	-	2,676	2,676
Corporate expenses	-	-	-	-	(5,701)	(5,701)
Equity accounted profits	-	882	(5,601)	-	364	(4,355)
<b>Consolidated EBITDA</b>						<b>(7,380)</b>
Interest income	-	-	-	-	42,332	42,332
Finance costs	-	-	-	-	(14,101)	(14,101)
Changes in fair value of derivatives	-	-	-	-	6,217	6,217
<b>Profit before income tax expense</b>						<b>27,068</b>

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

# Interim Financial Report

## for half year ended 31 December 2009

### 6 Segment Information (continued)

#### DUET3

DUET3 has a promissory note with DQE. This is the only segment in which it operates. Proportionate earnings for DQE are set out on page 31.

A reconciliation of DUET3 EBITDA to profit before income tax expense is provided as follows:

	DQE \$'000	DUET3 \$'000	Total \$'000
<b>DUET3 for the 6 months to 31 December 2009</b>			
<b>Proportionate EBITDA</b>	58,177	-	58,177
Exclude non-controlled assets	(58,177)	-	(58,177)
Corporate expenses	-	(5,441)	(5,441)
<b>Consolidated EBITDA</b>			<b>(5,441)</b>
DQE Promissory note interest	-	15,218	15,218
Interest income	-	7,902	7,902
Finance costs	-	(6,890)	(6,890)
Foreign exchange gains	-	(15,381)	(15,381)
Changes in fair value of derivatives	-	6,025	6,025
<b>Profit before income tax expense</b>			<b>1,433</b>
<b>DUET3 for the 6 months to 31 December 2008</b>			
<b>Proportionate EBITDA</b>	71,077	-	71,077
Exclude non-controlled assets	(71,077)	-	(71,077)
Corporate expenses	-	(1,065)	(1,065)
<b>Consolidated EBITDA</b>			<b>(1,065)</b>
DQE Promissory note interest	-	17,766	17,766
Interest income	-	5,023	5,023
Finance costs	-	(5,809)	(5,809)
Foreign exchange gains	-	24,147	24,147
Changes in fair value of derivatives	-	(21,705)	(21,705)
<b>Profit before income tax expense</b>			<b>18,357</b>

# Interim Financial Report

## for half year ended 31 December 2009

### 6 Segment Information (continued)

#### DIHL

DIHL has an investment in DQE. This is the only segment in which it operates. Proportionate earnings for DQE are set out on page 31.

	DQE \$'000	DIHL \$'000	Total \$'000
<b>DIHL for the 6 months to 31 December 2009</b>			
<b>Proportionate EBITDA</b>	58,177	-	58,177
Exclude non-controlled assets	(58,177)	-	(58,177)
Corporate income	-	41	41
Corporate expenses	-	(3,228)	(3,228)
Equity accounted profits	1,828	-	1,828
<b>Consolidated EBITDA</b>			<b>(1,359)</b>
Interest income	-	4,697	4,697
Finance costs	-	(3,421)	(3,421)
Foreign exchange gains	-	9,400	9,400
Changes in fair value of derivatives – DQE <sup>(1)</sup>	7,473	-	7,473
Changes in defined benefit pension plan – DQE <sup>(1)</sup>	(5,254)	-	(5,254)
<b>Loss before income tax expense</b>			<b>11,536</b>

<sup>(1)</sup> Equity accounted share of Duquesne's changes in fair value of derivatives and changes in defined benefit pension plan.

	DQE \$'000	DIHL \$'000	Total \$'000
<b>DIHL for the 6 months to 31 December 2008</b>			
<b>Proportionate EBITDA</b>	71,077	-	71,077
Exclude non-controlled assets	(71,077)	-	(71,077)
Corporate income	-	42	42
Corporate expenses	-	(1,570)	(1,570)
Equity accounted profits	(4,205)	-	(4,205)
<b>Consolidated EBITDA</b>			<b>(5,733)</b>
Interest income	-	3,485	3,485
Finance costs	-	(2,864)	(2,864)
Foreign exchange gains	-	2,760	2,760
Changes in fair value of derivatives	-	(13,095)	(13,095)
Changes in fair value of derivatives – DQE <sup>(1)</sup>	(76,300)	-	(76,300)
Changes in defined benefit pension plan – DQE <sup>(1)</sup>	(45,800)	-	(45,800)
<b>Loss before income tax expense</b>			<b>(137,547)</b>

<sup>(1)</sup> Equity accounted share of Duquesne's changes in fair value of derivatives and changes in defined benefit pension plan.

# Interim Financial Report

## for half year ended 31 December 2009

---

### **7 Contingent liabilities**

#### **United Energy**

United Energy is renegotiating the pricing of its services agreement with Jemena Asset Management (6) Pty Ltd and there may be a price adjustment to both capital expenditure and operating expenditure charges relating to the period from 1 July 2006 to 31 December 2009. United Energy's management is not able to quantify any price adjustment.

#### **Multinet**

Multinet is renegotiating the pricing of its services agreement with Jemena Asset Management (6) Pty Ltd and there may be a price adjustment to both capital expenditure and operating expenditure charges relating to the period from 1 July 2006 to 31 December 2009. Multinet's management do not expect any adjustment to the Operating Services Agreement fees to have a material impact on the amounts recognised in the financial statements to date.

#### **Duquesne**

The Internal Revenue Service (IRS) completed its examination of the Duquesne federal tax returns from 2003 through 2005 and has issued a proposed adjustment that would disallow approximately US\$150.0 million in capital loss deductions following the sale of a business in 2003. The cash cost to Duquesne, if the IRS were to prevail, would be approximately US\$36.0 million. Discussions to resolve this issue between Duquesne and the IRS Appeals Office have been ongoing since October 2008. Duquesne believes that it will prevail on appeal because the IRS Regulations in effect at the time should allow the tax basis claimed and the resulting capital loss as calculated upon the sale. A provision of approximately US\$6 million has been raised by Duquesne.

### **8 Events Occurring After Balance Sheet Date**

#### **Interim distribution paid**

An interim distribution of 10.000 cents per stapled security was paid by DUET on 16 February 2010 (2008: 14.125 cents). This consisted of a distribution of 3.600 cents per unit from DUET1 (2008: 4.888 cents), 4.850 cents per unit from DUET2 (2008: 6.511 cents) and 1.550 cents per unit from DUET3 (2008: 2.726 cents).

#### **DUET Group securities issued under DRP**

Security holders participating in DUET's Distribution and Dividend Reinvestment Plan (DRP) reinvested \$19,978,144 of the distribution paid on 16 February 2010 in 11,395,525 DUET Group securities at a price of \$1.753157.

No other circumstances have arisen since the end of the half year that has significantly affected, or may significantly affect, the operations of DUET Group, the results of those operations in future financial years, or the state of affairs of DUET Group in years subsequent to the half year ended 31 December 2009.

---

# Interim Financial Report

## for half year ended 31 December 2009

---

### Statement by the Directors of the Responsible Entity of DUET1

In the opinion of the directors of AMPCI Macquarie Infrastructure Management No.1 Limited as the Responsible Entity for Diversified Utility and Energy Trust No.1 (DUET1), the consolidated financial statements for DUET1 and its controlled entities (DUET Group) set out on pages 10 to 37 are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of DUET Group's financial position as at 31 December 2009 and of the performance, for the half year ended on that date;
- complying with Accounting Standard AASB134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
- there are reasonable grounds to believe that DUET Group will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of AMPCI Macquarie Infrastructure Management No.1 Limited (as Responsible Entity of DUET1).



---

Philip Garling  
Director  
Sydney  
18 February 2010



---

John Roberts  
Director  
Sydney  
18 February 2010

---

# Interim Financial Report

## for half year ended 31 December 2009

---

### Statement by the Directors of the Responsible Entity of DUET2

In the opinion of the directors of AMPCI Macquarie Infrastructure Management No.2 Limited as the Responsible Entity for Diversified Utility and Energy Trust No.2 (DUET2), the financial statements set out on pages 10 to 37 are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Trust's financial position as at 31 December 2009 and of its performance for the half year ended on that date;
- complying with Accounting Standard AASB134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
- 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 AMPCI Macquarie Infrastructure Management No.2 Limited (as Responsible Entity of DUET2).



---

Philip Garling  
Director  
Sydney  
18 February 2010



---

John Roberts  
Director  
Sydney  
18 February 2010

---

# Interim Financial Report

## for half year ended 31 December 2009

---

### Statement by the Directors of the Responsible Entity of DUET3

In the opinion of the directors of AMPCI Macquarie Infrastructure Management No.2 Limited as the Responsible Entity for Diversified Utility and Energy Trust No.3 (DUET3), the financial statements set out on pages 10 to 37 are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Trust's financial position as at 31 December 2009 and of its performance for the half year ended on that date;
- complying with Accounting Standard AASB134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
- 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 AMPCI Macquarie Infrastructure Management No.2 Limited (as Responsible Entity of DUET3).



---

Philip Garling  
Director  
Sydney  
18 February 2010



---

John Roberts  
Director  
Sydney  
18 February 2010

---

# Interim Financial Report

## for half year ended 31 December 2009

---

### Statement by the Directors of DIHL

In the opinion of the directors of DUET Investment Holdings Limited (DIHL), the financial statements set out on pages 10 to 37 are in accordance with the *Corporations Act 2001*, including:

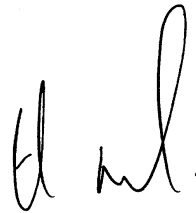
- giving a true and fair view of DIHL's financial position as at 31 December 2009 and of its performance for the half year ended on that date;
- complying with Accounting Standard AASB134 *Interim Financial Reporting*, the *Corporations Regulations 2001*; and
- there are reasonable grounds to believe 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.



---

Philip Garling  
Director  
Sydney  
18 February 2010



---

John Roberts  
Director  
Sydney  
18 February 2010

To the unitholders of Diversified Utility and Energy Trust No.1, Diversified Utility and Energy Trust No.2, Diversified Utility and Energy Trust No.3 and DUET Investment Holdings Limited

## Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of the stapled entity DUET Group comprising Diversified Utility and Energy Trust No.1, Diversified Utility and Energy Trust No.2, Diversified Utility and Energy Trust No.3 (together "the trusts") and DUET Investment Holdings Limited ("the company") and the entities they controlled during the half year, which comprises the balance sheet as at 31 December 2009, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the half year ended on that date, other selected explanatory notes and the directors' declarations of the DUET Group, the trusts, the company 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 responsible entities of the trusts, and the directors of the company, are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001*, and for the trusts, the Trust Deeds. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### 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 Standard 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 trusts, the Trust Deeds, including: giving a true and fair view of the consolidated entity's, the trust's and the company's financial position as at 31 December 2009 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 responsible entities of the trusts, and the directors of the company, 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 the DUET Group, Diversified Utility and Energy Trust No.2, Diversified Utility and Energy Trust No.3 and DUET Investment Holdings Limited is not in accordance with the *Corporations Act 2001*, and for the trusts, the Trust Deeds, including:

- (i) giving a true and fair view of the consolidated entity's, trusts' and company's financial position as at 31 December 2009 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



Kester C Brown  
Partner

Melbourne  
18 February 2010