



# Management Information Report

**For the year ended  
30 June 2009**

AMPCI Macquarie Infrastructure Management No 1 Limited (ABN 99 108 013 672) (AFSL 269286) ("RE1") as Responsible Entity of Diversified Utility and Energy Trust No 1 (ARSN 109 363 037) ("DUET1") and manager of DUET Investment Holdings Limited (ACN 120 456 573) ("DIHL"), AMPCI Macquarie Infrastructure Management No 2 Limited (ABN 15 108 014 062) (AFSL 269287) ("RE2") as Responsible Entity of Diversified Utility and Energy Trust No 2 (ARSN 109 363 135) ("DUET2") and Diversified Utility and Energy Trust No 3 (ARSN 124 997 986) ("DUET3"). RE1 and RE2 are jointly owned by AMP Capital Holdings Limited ("AMPCH") and Macquarie Group Limited ("Macquarie").

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 AMPCI Macquarie Infrastructure Management No. 1 Limited and AMPCI Macquarie Infrastructure management No. 2 Limited as responsible entities of managed investment schemes. MBL and AMP Bank do not otherwise guarantee or provide assurance in respect of the obligations of AMPCI Macquarie Infrastructure Management No. 1 Limited or AMPCI Macquarie Infrastructure Management No. 2 Limited or any other entity noted in this document.

Neither AMPCI Macquarie Infrastructure Management No.1 Limited, AMPCI Macquarie Infrastructure Management No. 2 Limited, members of the Macquarie Capital Group nor members of the AMP Group guarantee the performance of Diversified Utility and Energy Trusts, DUET Investment Holdings Limited 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 Limited and Macquarie Group Limited and their related corporations, together with their officers and directors, may hold stapled securities in DUET from time to time.

# **DUET Group Management Information Report**

For the year ended 30 June 2009

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## DUET Group Management Information Report

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# Overview of DUET Group

## Group Structure

DUET Group ("DUET") 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"), DUET Investment Holdings Limited ("DIHL") and their subsidiaries.

DUET trades as one security, DUET Group, on the Australian Securities Exchange (ASX code: DUE).

A summary of the group structure at 30 June 2009 is illustrated below.



DUET holds a controlling interest in the Dampier Bunbury Natural Gas Pipeline Trust ("DBP" or "Dampier Bunbury Pipeline"), United Energy Distribution Holdings Limited ("United Energy") and Multinet Group Holdings Limited ("Multinet"). DUET holds non-controlling interests in WA Network Holdings Pty Limited ("WAGN" or "WA Gas Networks") and DQE Holdings LLC ("Duquesne").

## Energy Utility Assets

DUET is an investor in energy utility assets. At 30 June 2009, DUET's portfolio of energy utility assets and interests were as follows:

|                           | Dampier Bunbury Pipeline<br>% | United Energy<br>% | Multinet<br>% | WA Gas Networks<br>% | Duquesne<br>% |
|---------------------------|-------------------------------|--------------------|---------------|----------------------|---------------|
| <b>As at 30 June 2009</b> | <b>60.0</b>                   | <b>66.0</b>        | <b>79.9</b>   | <b>25.9</b>          | <b>29.0</b>   |
| As at 30 June 2008        | 64.9                          | 66.0               | 79.9          | 25.9                 | 29.0          |
| Change                    | (4.9)                         | -                  | -             | -                    | -             |

### Dampier Bunbury Pipeline

The Dampier to Bunbury Natural Gas Pipeline ("DBNGP") owned by DBP is the only natural gas pipeline connecting the natural gas reserves of the Carnarvon and Browse basins on Western Australia's North West Shelf with industrial, commercial and residential customers in Perth and the surrounding regions. The DBNGP runs from the Burrup Peninsula, near Dampier, to Bunbury in the south-west of the state. As at 30 June 2009, DUET holds a 60.0% interest in DBP and 100% of the subordinated debt. This holding has changed over the year as DBP's other equity holders completed their contractual capital commitments in the period.

### United Energy

United Energy's electricity distribution network covers 1,450 square kilometres of south-east Melbourne and the Mornington Peninsula. The distribution network transports electricity from the high voltage transmission network to residential, commercial and industrial electricity users. United Energy's distribution area is largely urban and, although geographically small (about 1% of Victoria's land area), it accounts for around one quarter of Victoria's population. DUET holds a 66% interest in United Energy and 100% of the subordinated debt.

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### Multinet

Multinet is a Victorian gas distribution company with a network covering 1,940 square kilometres of the eastern and south-eastern suburbs of Melbourne. Multinet is currently expanding its geographic base through participation in the state government's natural gas extension program. Multinet's distribution network transports gas from the high pressure transmission network to residential, commercial and industrial gas users. DUET holds a 79.9% interest in Multinet and 100% of the subordinated debt.

### WA Gas Networks

WAGN (formerly AlintaGas Networks) owns, operates and holds distribution licences for four gas distribution systems in Western Australia. These gas distribution networks supply natural gas to residential, commercial and industrial customers in metropolitan Perth, Geraldton, Bunbury, Busselton and Kalgoorlie-Boulder and liquefied petroleum gas to Albany. WAGN's customers represent the majority of Western Australian households and a range of commercial customers – all are supplied gas through its four networks. WAGN's networks include 12,773 kilometres of pipelines covering an area of approximately 3,800 square kilometres. DUET holds a 25.9% interest in WAGN and 100% of the subordinated debt.

### Duquesne

Duquesne is an energy utility based in Pennsylvania, USA. It provides essential electricity distribution and transmission services and Provider of Last Resort (PoLR) has a statutory obligation to approximately 587,000 customers in a service territory of over 2,072 square kilometres in Pittsburgh and surrounding regions. DUET holds a 29.0% interest in Duquesne.

Key asset statistics are set out below as at 30 June 2009:

|                            | Dampier Pipeline   | Bunbury | United Energy         | Multinet              | WA Gas Networks                        | Duquesne   |
|----------------------------|--|---------|-----------------------|-----------------------|--|--|
| Length of network          | 1,539 km (mainline)<br>299 km (Laterals)<br>813 km (Looping) |         | 12,696 km             | 9,627 km              | 12,773 km                              | 1,077 circuit-km (trans.)<br>30,127 circuit-km (dist.) |
| Area of network            | n/a  |         | 1,450 km <sup>2</sup> | 1,940 km <sup>2</sup> | 3,800 km <sup>2</sup> ( <sup>3</sup> ) | 2,072 km <sup>2</sup>                                  |
| Connections                | n/a  |         | 625,162               | 660,191               | 610,294                                | Approx. 587,000  |
| 30 June 2009 load          | 810 TJ/day( <sup>2</sup> )                                   |         | 7,928GWh              | 58.5 PJ               | 28.0 PJ                                | 13,423 GWh   |
| Next regulatory reset date | Jan 2011( <sup>1</sup> )                                     |         | Jan 2011              | Jan 2013              | July 2010                              | No set regulatory period                               |

<sup>(1)</sup> The reference tariffs do not presently apply to the existing gas transportation contracts. On 1 January 2016 the tariffs will revert to the regulated tariff for the shippers other than Alcoa.

<sup>(2)</sup> Average capacity per day for the 1 month to 30 June 2009.

<sup>(3)</sup> Includes regulated and unregulated networks.

## Report Summary

This MIR contains Proportionate Earnings, Gearing and Unconsolidated Cash Flows for DUET Group for the year ended 30 June 2009. It has been prepared using policies adopted by the directors of AMPCI Macquarie Infrastructure Management No.1 ("RE1") and AMPCI Macquarie Infrastructure Management No.2 ("RE2") and DIHL and, unless stated otherwise, these policies have been consistently applied to all periods presented in this MIR.

The purpose of this MIR is to provide information supplementary to the Financial Report of DUET Group. This MIR has been prepared on a different basis to the Financial Report of DUET Group. The information contained within this MIR does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of DUET Group as in the Financial Report. This MIR should be read in conjunction with the Financial Report of DUET Group, which can be found on the DUET website at [www.duet.net.au](http://www.duet.net.au).

Further details in relation to the preparation of this MIR are set out below and in the notes.

# DUET Group Management Information Report

For the year ended 30 June 2009

## Proportionate Earnings

|   | Actual Results<br>12 months to<br>30 June 2009 | Pro forma Results<br>12 months to<br>30 June 2008 <sup>(1)</sup> | Actual Results<br>12 months to<br>30 June 2008 <sup>(1)</sup> |
|---|--|--|---|
|   | \$'000   | \$'000   | \$'000  |
| <b>Energy Utility Assets</b>                        |  |  |   |
| Revenue   | 1,064,503                                      | 1,004,479  | 942,766   |
| Operating expenses                                  | (448,989)                                      | (431,468)  | (386,568)   |
| <b>Energy utility asset EBITDA</b>                  | <b>615,514</b>                                 | <b>573,011</b>   | <b>556,198</b>  |
| Maintenance capital expenditure                     | (94,164)                                       |  | (79,562)  |
| Net external interest expense <sup>(4)</sup>        | (255,655)                                      |  | (214,487)   |
| SOLA interest expense <sup>(3)</sup>                | (34,951)                                       |  | (33,817)  |
| Net tax expense                                     | (24,415)                                       |  | (20,852)  |
| <b>Proportionate earnings (pre-corporate items)</b> | <b>206,329</b>                                 |  | <b>207,480</b>  |
| Net interest income                                 | 9,104  |  | 11,719  |
| SOLA interest income <sup>(3)</sup>                 | 51,921   |  | 56,198  |
| Hybrid capital interest expense                     | (10,090)                                       |  | (54,517)  |
| Corporate interest expense                          | (37,691)                                       |  | -   |
| Corporate expenses <sup>(2)</sup>                   | (23,748)                                       |  | (22,898)  |
| Net tax expense                                     | (438)  |  | (552)   |
| Realised gains/(losses) on FX hedge contracts       | (2,715)  |  | 6,871   |
| <b>Proportionate earnings</b>                       | <b>192,672</b>                                 |  | <b>204,301</b>  |

<sup>(1)</sup> Duquesne's actual results for the 12 months to 30 June 2008 are restated to remove the proportionate share of the:

- Discontinued business EBITDA (SynFuel, Energy Facilities and LILLO transactions) of \$12.4 million;
- Unrealised mark-to-market gain on revenue and interest rate hedges totalling \$12.4 million; and
- Adjustment for the reclassification of current net tax expense of \$10.9 million following Duquesne management's finalisation the tax calculations for the 12 months to 30 June 2008.

<sup>(2)</sup> Excluded from expenses for the year to 30 June 2008 was a performance fee of \$54.2 million which the Responsible Entities elected to reinvest in DUET Group securities.

<sup>(3)</sup> DUET's Australian assets have subordinated debt which has been wholly provided by DUET under on-lending agreements known as SOLAs (Second On-Lending Agreements). DUET received 100% of the interest income on the SOLA, whilst at the asset level (on a proportionate ownership basis) DUET shares the SOLA interest expense with the other asset owners.

<sup>(4)</sup> United Energy's net external interest expense in the 12 months to 30 June 2008 has been reduced to eliminate \$11.3m of interest paid to shareholders.

### EBITDA commentary

Proportionate EBITDA of \$615.5 million increased 7.4% on the prior corresponding period's (pcp) pro forma result of \$573.0 million, due to:

- Dampier Bunbury Pipeline: increased by 24.0% to \$172.4 million, driven by the full-period contribution of the Stage 5A expansion project delivering gas since March 2008;
- United Energy: decreased 1.8% to \$166.0 million;
- Multinet: increased by 7.5% to \$106.7 million due to higher weather driven volumes and tariff increases;
- WA Gas Networks: \$23.7 million was in line with the pcp; and
- Duquesne: increased by 3.3% to \$146.6 million.

### Proportionate Earnings commentary

Proportionate earnings of \$192.7m were down 5.7% compared with the prior year actual result predominantly due to realised losses on FX hedge contracts. DUET realised a FX loss of \$2.7m during the period representing an AUD/USD FX spot rate at the time of receiving USD distributions being below DUET's average hedged rate of 78c.

Growth in EBITDA from Dampier Bunbury Pipeline and Multinet was offset by higher maintenance capital expenditure at both United Energy and Duquesne.

The net external interest expense increase was predominantly attributable to DBP (as a result of interest costs ceasing to be capitalised following the completion of the Stage 5A expansion) and MGH following higher hedged interest rates for the new regulatory period that commenced on 1 January 2008.

## DUET Group Management Information Report

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# Energy Utility Asset Operating Performance

Actual results – 12 months to 30 June 2009

|   | Dampier<br>Bunbury<br>Pipeline | United<br>Energy | Multinet | WA Gas<br>Networks | Duquesne  | Corporate | Total     |
|---|--------------------------------|------------------|----------|--------------------|-----------|-----------|-----------|
|   | \$'000                         | \$'000           | \$'000   | \$'000             | \$'000    | \$'000    | \$'000    |
| <b>Revenue</b>                                      |                                |                  |          |                    |           |           |           |
| Gas transmission                                    | 218,563                        | -                | -        | -                  | -         | -         | 218,563   |
| Electricity transmission                            | -                              | -                | -        | -                  | 40,923    | -         | 40,923    |
| Gas distribution                                    | -                              | -                | 138,185  | 33,766             | -         | -         | 171,951   |
| Electricity distribution                            | -                              | 194,111          | -        | -                  | 148,662   | -         | 342,773   |
| Other   | 1,980                          | 33,886           | 5,696    | 1,613              | 247,118   | -         | 290,293   |
|   | 220,543                        | 227,997          | 143,881  | 35,379             | 436,703   | -         | 1,064,503 |
| <b>Operating expenses</b>                           |                                |                  |          |                    |           |           |           |
| Operations and maintenance                          | (48,176)                       | (53,237)         | (31,879) | (11,185)           | (57,885)  | -         | (202,362) |
| Energy sales  | -                              | -                | -        | -                  | (205,147) | -         | (205,147) |
| Other expenses                                      | -                              | (8,714)          | (5,267)  | (457)              | (27,042)  | -         | (41,480)  |
|   | (48,176)                       | (61,951)         | (37,146) | (11,642)           | (290,074) | -         | (448,989) |
| <b>Proportionate EBITDA</b>                         | 172,367                        | 166,046          | 106,735  | 23,737             | 146,629   | -         | 615,514   |
| <i>EBITDA margin</i>                                | 78.2%                          | 72.8%            | 74.2%    | 67.1%              | 33.6%     |           | 57.8%     |
| Maintenance capital expenditure                     | (12,194)                       | (35,444)         | (7,855)  | (1,862)            | (36,809)  | -         | (94,164)  |
| Net interest expense                                | (86,739)                       | (57,728)         | (54,037) | (9,527)            | (47,624)  | -         | (255,655) |
| SOLA interest expense                               | (9,861)                        | (11,744)         | (11,678) | (1,668)            | -         | -         | (34,951)  |
| Net tax expense                                     | -                              | 208              | -        | (1,617)            | (23,006)  | -         | (24,415)  |
| <b>Proportionate earnings (pre-corporate items)</b> | 63,573                         | 61,338           | 33,165   | 9,063              | 39,190    | -         | 206,329   |
| Interest income                                     | -                              | -                | -        | -                  | -         | 9,104     | 9,104     |
| SOLA interest income                                | -                              | -                | -        | -                  | -         | 51,921    | 51,921    |
| Hybrid capital interest expense                     | -                              | -                | -        | -                  | -         | (10,090)  | (10,090)  |
| Corporate interest expense                          | -                              | -                | -        | -                  | -         | (37,691)  | (37,691)  |
| Corporate expenses                                  | -                              | -                | -        | -                  | -         | (23,748)  | (23,748)  |
| Net tax expense                                     | -                              | -                | -        | -                  | -         | (438)     | (438)     |
| Realised gains/(losses) on FX hedge contracts       | -                              | -                | -        | -                  | -         | (2,715)   | (2,715)   |
| <b>Proportionate earnings</b>                       | 63,573                         | 61,338           | 33,165   | 9,063              | 39,190    | (13,657)  | 192,672   |

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## Actual results – 12 months to 30 June 2008

|   | Dampier<br>Bunbury<br>Pipeline | United<br>Energy <sup>1</sup> | Multinet | WA Gas<br>Networks | Duquesne <sup>2</sup> | Corporate | Total     |
|---|--------------------------------|-------------------------------|----------|--------------------|-----------------------|-----------|-----------|
|   | \$'000                         | \$'000                        | \$'000   | \$'000             | \$'000                | \$'000    | \$'000    |
| <b>Revenue</b>                                      |                                |                               |          |                    |                       |           |           |
| Gas transmission                                    | 182,765                        | -                             | -        | -                  | -                     | -         | 182,765   |
| Electricity transmission                            | -                              | -                             | -        | -                  | 27,914                | -         | 27,914    |
| Gas distribution                                    | -                              | -                             | 126,380  | 32,612             | -                     | -         | 158,992   |
| Electricity distribution                            | -                              | 195,996                       | -        | -                  | 125,755               | -         | 321,751   |
| Other   | 6,963                          | 33,092                        | 9,499    | 1,663              | 200,127               | -         | 251,344   |
|   | 189,728                        | 229,088                       | 135,879  | 34,275             | 353,796               | -         | 942,766   |
| <b>Operating expenses</b>                           |                                |                               |          |                    |                       |           |           |
| Operations and maintenance                          | (43,964)                       | (52,349)                      | (31,210) | (10,235)           | (61,305)              | -         | (199,063) |
| Energy sales  | -                              | -                             | -        | -                  | (153,640)             | -         | (153,640) |
| Other expenses                                      | -                              | (7,696)                       | (5,401)  | (291)              | (20,477)              | -         | (33,865)  |
|   | (43,964)                       | (60,045)                      | (36,611) | (10,526)           | (235,422)             | -         | (386,568) |
| <b>Proportionate EBITDA</b>                         | 145,764                        | 169,043                       | 99,268   | 23,749             | 118,374               | -         | 556,198   |
| <i>EBITDA margin</i>                                | 76.8%                          | 73.8%                         | 73.1%    | 69.3%              | 33.5%                 |           | 59.0%     |
| Maintenance capital expenditure                     | (12,136)                       | (26,591)                      | (19,146) | (571)              | (21,118)              | -         | (79,562)  |
| Net interest expense                                | (66,686)                       | (55,732)                      | (45,797) | (8,858)            | (37,414)              | -         | (214,487) |
| SOLA interest expense                               | (9,993)                        | (10,915)                      | (10,693) | (2,216)            | -                     | -         | (33,817)  |
| Net tax expense                                     | -                              | (1,160)                       | -        | (2,015)            | (17,677)              | -         | (20,852)  |
| <b>Proportionate earnings (pre-corporate items)</b> | 56,949                         | 74,645                        | 23,632   | 10,089             | 42,165                | -         | 207,480   |
| Interest income                                     | -                              | -                             | -        | -                  | -                     | 11,719    | 11,719    |
| SOLA interest income                                | -                              | -                             | -        | -                  | -                     | 56,198    | 56,198    |
| Hybrid capital interest expense                     | -                              | -                             | -        | -                  | -                     | (54,517)  | (54,517)  |
| Corporate expenses                                  | -                              | -                             | -        | -                  | -                     | (22,898)  | (22,898)  |
| Net tax expense                                     | -                              | -                             | -        | -                  | -                     | (552)     | (552)     |
| Realised gains/ (losses) on FX hedge contracts      | -                              | -                             | -        | -                  | -                     | 6,871     | 6,871     |
| <b>Proportionate earnings</b>                       | 56,949                         | 74,645                        | 23,632   | 10,089             | 42,165                | (3,179)   | 204,301   |

<sup>1</sup> United Energy's net external interest expense has been reduced to eliminate \$11.3m of interest paid to shareholders.

<sup>2</sup> Duquesne's actual results are restated to bring to account various adjustments as detailed on page 5 of this MIR.

# DUET Group Management Information Report

For the year ended 30 June 2009

## Pro forma Results – 12 months to 30 June 2008

|                             | Dampier<br>Bunbury<br>Pipeline | United Energy | Multinet | WA Gas<br>Networks | Duquesne <sup>1</sup> | Total     |
|-----------------------------|--------------------------------|---------------|----------|--------------------|-----------------------|-----------|
|                             | \$'000                         | \$'000        | \$'000   | \$'000             | \$'000                | \$'000    |
| <b>Revenue</b>              |                                |               |          |                    |                       |           |
| Gas transmission            | 174,247                        | -             | -        | -                  | -                     | 174,247   |
| Electricity transmission    | -                              | -             | -        | -                  | 33,479                | 33,479    |
| Gas distribution            | -                              | -             | 126,380  | 32,612             | -                     | 158,992   |
| Electricity distribution    | -                              | 195,996       | -        | -                  | 150,834               | 346,830   |
| Other                       | 6,639                          | 33,092        | 9,499    | 1,663              | 240,038               | 290,931   |
|                             | 180,886                        | 229,088       | 135,879  | 34,275             | 424,351               | 1,004,479 |
| <b>Operating expenses</b>   |                                |               |          |                    |                       |           |
| Operations and maintenance  | (41,915)                       | (52,349)      | (31,210) | (10,235)           | (73,531)              | (209,240) |
| Energy sales                | -                              | -             | -        | -                  | (184,280)             | (184,280) |
| Other expenses              | -                              | (7,696)       | (5,401)  | (291)              | (24,560)              | (37,948)  |
|                             | (41,915)                       | (60,045)      | (36,611) | (10,526)           | (282,371)             | (431,468) |
| <b>Proportionate EBITDA</b> | 138,971                        | 169,043       | 99,268   | 23,749             | 141,980               | 573,011   |
| <i>EBITDA margin</i>        | 76.8%                          | 73.8%         | 73.1%    | 69.3%              | 33.5%                 | 57.0%     |

<sup>1</sup> Duquesne's pro forma results are restated to remove the proportionate share of the:

- Discontinued business EBITDA (SynFuel, Energy Facilities and LILO transactions) of \$14.9 million; and
- Unrealised mark-to-market gain on revenue and interest rate hedges of \$14.9 million.

### Dampier Bunbury Pipeline

Dampier Bunbury Pipeline (DBP) transmitted a volume of 289.8 PJ (2008: 295.1 PJ).

The expansion program of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) continued to be a major focus during the year under review and underpinned increases in revenue and earnings. In November the completion of final commissioning of Stage 5A, on time and under budget, was announced. The 112 TJ/day Stage 5B expansion is proceeding well with major contracts awarded and construction works on the pipe-laying on track. Site establishment commenced in January 2009.

In February 2009, DBP reached final agreement with WestNet Energy for the transfer of asset management functions for the pipeline to DBP. These functions (including pipeline operations, engineering, maintenance and the majority of corporate support functions) were previously carried out by WestNet Energy and WestNet Infrastructure Group under an Operating Services Agreement (OSA).

### United Energy

United Energy distributed 7,928 GWh of electricity (2008: 7,925 GWh).

United Energy continues to progress its smart meter project in Victoria. This project will replace over 650,000 electricity meters, deploying a new communications network, installing new supporting IT systems and redesigning business processes to accommodate the new meters. Deployment of the new smart electricity meters is expected to be completed by the end of 2013.

### Multinet

Multinet performed above expectations due to higher weather driven volumes and tariff increases. Construction on the South Gippsland Natural Gas expansion project was 87% complete at 31 July 2009.

### WA Gas Networks

WAGN performed in line with expectations.

### Duquesne

Duquesne performed in line with expectations. The local currency proportionate EBITDA was US\$109.6 million (2008: US\$106.1 million).

## DUET Group Management Information Report

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### Proportionate Earnings per Stapled Security

|   | Actual Results<br>For the year end<br>30 June 2009 | Actual Results<br>For the year end<br>30 June 2008 <sup>1</sup> |
|---|--|---|
| Weighted average DUET Group securities on issue ('000's)      | 673,660  | 603,540   |
| Proportionate EPS - cents                                     | 28.6   | 33.9  |
| Adjusted DUET Group securities on issue ('000's) <sup>2</sup> | 739,195  | 605,225   |
| Adjusted proportionate EPS – cents                            | 26.1   | 33.8  |

<sup>1</sup>Adjusted for the restatement of the actual results for the year ended 30 June 2008 as detailed on page 5 of this MIR.

<sup>2</sup>The adjusted DUET Group securities on issue is calculated by assuming all securities issued during a half year period that are entitled to the distribution for that period, occurred at the beginning of that half year period. The resulting adjusted proportionate EPS more closely reflects the earnings per security from which distribution entitlements are met.

DUET's proportionate EPS of 28.6 cents was 15.6% lower than the pcp mainly due to an 11.6% pcp increase in DUET Group's weighted average number of securities to 673.7 million over the period. Securities issued during the period were as follows:

- 17.0 million securities issued in July 2008 as payment for performance fees
- 6.6 million securities issued in August 2008 under the Distribution & Dividend Reinvestment Plan (DRP)
- 9.9 million securities issued in February 2009 under the DRP
- 204.1 million securities issued under the \$265.4 million Placement and Entitlement Offer completed in May 2009

## DUET Group Management Information Report

For the year ended 30 June 2009

### Gearing

|  | As at<br>30 June 2009<br>\$m | Pro forma as at<br>30 June 2008<br>\$m | As at<br>30 June 2008<br>\$m |
|--|------------------------------|--|------------------------------|
| DUET's share of energy utility assets' net debt      | 3,777.9                      | 3,711.7                                | 3,505.2                      |
| Corporate net debt (includes declared distributions) | 248.7                        | (97.6)                                 | (97.6)                       |
| Hybrid capital                                       | -                            | 536.0                                  | 536.0                        |
| Total net debt                                       | 4,026.6                      | 4,150.1                                | 3,943.6                      |
| DUET's share of total assets                         | 6,186.1                      | 6,043.7                                | 5,989.5                      |
| <b>Gearing (%)</b>                                   | <b>65.1%</b>                 | <b>68.7%</b>                           | <b>65.8%</b>                 |

On 1 September 2008, DUET's hybrid capital instrument, POWERS, was refinanced and redeemed. Funding for the redemption was obtained through a \$585 million corporate bank debt facility.

Pro forma gearing reflects the impact of changes in the beneficial ownership percentage of DBP and the retranslation of Duquesne's US dollar denominated net debt and assets at the exchange rates prevailing at 30 June 2009.

### Proportionate net debt

| As at 30 June 2009                        | Dampier<br>Bunbury<br>Pipeline<br>\$m | United<br>Energy<br>\$m | Multinet<br>\$m | WA Gas<br>Networks<br>\$m | Duquesne<br>\$m | Corporate<br>\$m | Total<br>\$m   |
|---|---------------------------------------|-------------------------|-----------------|---------------------------|-----------------|------------------|----------------|
| Term debt                                 | 714.4                                 | 105.6                   | 125.4           | 147.6                     | 670.4           | 585.0            | 2,348.4        |
| Notes                                     | 720.0                                 | 706.3                   | 443.5           | -                         | -               | -                | 1,869.8        |
| Working capital facilities                | -                                     | -                       | 107.9           | 2.5                       | -               | -                | 110.4          |
| Capital expenditure facilities            | -                                     | 56.1                    | 52.3            | 6.5                       | -               | -                | 114.9          |
| Distribution payable                      | -                                     | -                       | -               | -                         | -               | 84.7             | 84.7           |
| Other                                     | -                                     | 8.6                     | -               | -                         | 39.0            | -                | 47.6           |
| Less: cash                                | (53.0)                                | (17.8)                  | (41.8)          | (2.9)                     | (12.6)          | (421.1)          | (549.2)        |
| <b>DUET share of net debt</b>             | <b>1,381.4</b>                        | <b>858.8</b>            | <b>687.3</b>    | <b>153.7</b>              | <b>696.8</b>    | <b>248.6</b>     | <b>4,026.6</b> |
| <hr/>                                     |                                       |                         |                 |                           |                 |                  |                |
| As at 30 June 2008                        | Dampier<br>Bunbury<br>Pipeline<br>\$m | United<br>Energy<br>\$m | Multinet<br>\$m | WA Gas<br>Networks<br>\$m | Duquesne<br>\$m | Corporate<br>\$m | Total<br>\$m   |
| Term debt                                 | 104.0                                 | 101.6                   | 114.3           | 137.3                     | 558.5           | 536.0            | 1,551.7        |
| Notes                                     | 778.8                                 | 651.6                   | 539.9           | -                         | -               | -                | 1,970.3        |
| Working capital facilities                | -                                     | 16.5                    | -               | 1.3                       | -               | -                | 17.8           |
| Capital expenditure facilities            | 506.0                                 | 30.4                    | 37.1            | 11.5                      | -               | -                | 585.0          |
| Distribution Payable                      | -                                     | -                       | -               | -                         | -               | 82.3             | 82.3           |
| Other                                     | -                                     | -                       | -               | -                         | 37.6            | -                | 37.6           |
| Less: cash                                | (41.7)                                | (20.9)                  | (22.3)          | (2.7)                     | (33.6)          | (179.9)          | (301.1)        |
| <b>DUET share of net debt</b>             | <b>1,347.1</b>                        | <b>779.2</b>            | <b>669.0</b>    | <b>147.4</b>              | <b>562.5</b>    | <b>438.4</b>     | <b>3,943.6</b> |
| <b>Pro forma adjustments</b>              |                                       |                         |                 |                           |                 |                  |                |
| Change in beneficial ownership            | (101.7)                               | -                       | -               | -                         | -               | -                | (101.7)        |
| Change in foreign currency exchange rates | -                                     | 107.6                   | -               | -                         | 200.6           | -                | 308.2          |
| <b>DUET share of pro forma net debt</b>   | <b>1,245.4</b>                        | <b>886.8</b>            | <b>669.0</b>    | <b>147.4</b>              | <b>763.1</b>    | <b>438.4</b>     | <b>4,150.1</b> |

## DUET Group Management Information Report

For the year ended 30 June 2009

### Unconsolidated Cash Flows

|   | 12 months to<br>30 June 2009<br>\$'000 | 12 months to<br>30 June 2008<br>\$'000 |
|---|--|--|
| <b>Cash flows from energy utility assets</b>                      |  |  |
| Dampier Bunbury Pipeline  | 78,892                                 | 67,376                                 |
| United Energy   | 65,434                                 | 85,910                                 |
| Multinet  | 33,015                                 | 27,565                                 |
| WA Gas Networks   | 12,292                                 | 13,133                                 |
| Duquesne  | 46,536                                 | 39,581                                 |
| <b>Cash inflows from energy utility assets</b>                    | <b>236,169</b>                         | <b>233,565</b>                         |
| <b>Cash flows from operating activities</b>                       |  |  |
| Other income received   | 2,813                                  | 2,528                                  |
| Interest received on surplus cash                                 | 12,445                                 | 11,736                                 |
| Operating expenses paid (inclusive of GST)                        | (9,968)                                | (3,797)                                |
| Responsible entity and advisor fees paid                          | (23,262)                               | (62,862)                               |
| <b>Net cash inflows from energy utility assets and operations</b> | <b>218,197</b>                         | <b>181,170</b>                         |
| <b>Cash flows from investing activities</b>                       |  |  |
| Return of capital from Duquesne                                   | -                                      | 4,600                                  |
| Further investment in energy utility assets                       | (49,893)                               | (91,843)                               |
| <b>Net cash outflows from investing activities</b>                | <b>(49,893)</b>                        | <b>(87,243)</b>                        |
| <b>Cash flows from financing activities</b>                       |  |  |
| Proceeds received from issue of stapled securities                | 265,357                                | 93,943                                 |
| Capital raising costs paid  | (10,154)                               | -                                      |
| Borrowing from DUET Senior Facility                               | 585,000                                | -                                      |
| Repayment of POWERS   | (564,220)                              | -                                      |
| DUET senior facility establishment fees                           | (15,916)                               | -                                      |
| Borrowing costs paid  | (52,349)                               | (51,347)                               |
| Distributions paid to DUET Group security holders (net of DRP)    | (135,685)                              | (106,420)                              |
| <b>Net cash flows from financing activities</b>                   | <b>72,033</b>                          | <b>(63,824)</b>                        |
| <b>Net (decrease)/increase in cash assets held</b>                | <b>240,337</b>                         | <b>30,103</b>                          |
| Cash assets at the beginning of the year                          | 179,863                                | 149,760                                |
| Exchange rate movements   | 857                                    | -                                      |
| <b>Cash assets at the end of the year</b>                         | <b>421,057</b>                         | <b>179,863</b>                         |

Net cash flows from energy utility assets and operations increased by \$2.6 million to \$236.2 million.

Cash flows from United Energy were down \$20.5m predominantly due to special distributions received in September 2007 and March 2008 totalling \$16.5 million.

As announced by the DUET Group on 5 July 2008, a performance fee of \$54.2 million (excluding GST) (included in Responsible entity and advisor fees paid) was payable by the DUET to its Responsible Entities and Manager for the six months ended 30 June 2008. The performance fee was reinvested in DUET Group securities by its Responsible Entities and Manager. The GST of \$5.4m was included in responsible entity and advisor fees paid.

As part of DUET Group's 2009 Placement and Entitlement Offer, DUET raised \$255.2 million (net of capital raising costs) from the issue of stapled securities.

# DUET Group Management Information Report

For the year ended 30 June 2009

## Notes

### Summary of Significant Report Policies

The significant policies which have been adopted by the boards of AMPCI Macquarie Infrastructure Management No.1 Limited ("RE1"), AMPCI Macquarie Infrastructure Management No.2 Limited ("RE2") and DIHL and used in the preparation of this Management Information Report ("MIR") are stated to assist in providing a general understanding. Unless stated otherwise, these policies have been consistently applied to all periods presented in this MIR.

Ernst & Young ("EY") were engaged to perform certain procedures for the directors of RE1, RE2 and DIHL in relation to their preparation of the Proportionate Earnings, Gearing and Unconsolidated Cash Flow disclosures in this MIR. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by EY is that of the directors, and these procedures were performed solely to assist the directors of RE1, RE2 and DIHL in evaluating the accuracy of the disclosures.

EY conducted their engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly EY have expressed no assurance over the accuracy of the Proportionate Earnings, Gearing or Unconsolidated Cash Flow disclosures or on any other aspect of this MIR.

### Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this MIR involves the aggregation of the financial results of DUET's energy utility assets in the relevant proportions that DUET holds beneficial ownership interests. It is calculated as energy utility assets' revenues less the sum of energy utility assets' operating expenses, energy utility assets' maintenance capital expenditure, energy utility assets' net interest expense, energy utility asset net tax expense, corporate net interest expense, hybrid capital interest expense, net tax expense and corporate expenses ("Proportionate Earnings"). The proportionate earnings of the asset companies in this MIR exclude the impact of any changes in the fair value of derivatives.

Proportionate Earnings information also includes pro forma Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"). Pro forma EBITDA is derived by restating the prior period results with DUET's energy utility assets' ownership percentages and foreign currency exchange rates from the current period ("Pro forma Results"). Pro forma Results are produced to allow comparisons of the operational performance of energy utility assets between periods, as it removes the impact of changes in ownership interests and foreign currencies.

The principal policies adopted in the preparation of Proportionate Earnings in this MIR include:

#### **Relevant energy utility assets**

DUET's energy utility assets included in Proportionate Earnings are:

- Dampier Bunbury Pipeline;
- United Energy;
- Multinet;
- WA Gas Networks; and
- Duquesne.

Information for each of the assets is sourced from unaudited management accounts prepared under the relevant local generally accepted accounting standards applicable to the energy utility assets and are reconciled to the most recently published financial statements when available. It is DUET policy to restate prior period results to bring them into line should variances arise, with any subsequently produced statutory financial statement result.

#### **Foreign currency exchange**

All Proportionate Earnings information contained in this MIR is disclosed in Australian dollars unless stated otherwise. Foreign currency exchange rates are calculated on an average basis being the 12 months to 30 June (each a "Period"). Where assets have been sold during a Period, the foreign currency exchange rates particular to that asset are calculated on an average basis from the beginning of that Period up to the date of sale. Similarly, where assets have been acquired during a Period, the foreign currency exchange rates particular to that asset are calculated on an average basis from the date of initial acquisition up to the end of the Period.

## DUET Group Management Information Report

For the year ended 30 June 2009

The foreign currency exchange rates, including those pertaining to the prior corresponding period, are set out in the table below:

|                                  | Average<br>AUD/USD | Year end<br>AUD/USD |
|----------------------------------|--------------------|---------------------|
| <b>12 months to 30 June 2009</b> | <b>0.7476</b>      | <b>0.8067</b>       |
| 12 months to 30 June 2008        | 0.8967             | 0.9584              |

### **DUET's beneficial ownership interest**

The beneficial ownership interest of DUET for each of the relevant assets is calculated according to the number of days in the 12 month period to 30 June 2009 during which DUET held a beneficial ownership interest ("Beneficial Ownership Interest"). Where assets have been sold during a Period the Beneficial Ownership Interest is calculated according to the number of days from the beginning of the Period up to the date of sale. Where assets have been acquired during a Period the Beneficial Ownership Interest is calculated according to the number of days from date of initial acquisition to the end of the Period. Where an existing asset ownership percentage has changed during a Period, such as Dampier Bunbury Pipeline, the Beneficial Ownership Interest is calculated according to the number of days from date of change to the end of the Period.

The Beneficial Ownership Interest of DUET in the relevant assets and reflected in the calculation of Proportionate Earnings for the 12 months to 30 June as well as the prior corresponding period is set out below:

|                     | Dampier<br>Bunbury<br>Pipeline <sup>1</sup> | United<br>Energy | Multinet     | WA Gas<br>Networks | Duquesne     |
|---------------------|---|------------------|--------------|--------------------|--------------|
| 30 June 2007        | 62.1  | 66.0             | 79.9         | 25.9               | 29.0         |
| Movement            | (0.4)                                       | -                | -            | -                  | -            |
| 31 December 2007    | 61.7  | 66.0             | 79.9         | 25.9               | 29.0         |
| Movement            | 1.2   | -                | -            | -                  | -            |
| 30 June 2008        | 62.9  | 66.0             | 79.9         | 25.9               | 29.0         |
| Movement            | 1.6   | -                | -            | -                  | -            |
| 31 December 2008    | 64.5  | 66.0             | 79.9         | 25.9               | 29.0         |
| Movement            | (3.0)                                       | -                | -            | -                  | -            |
| <b>30 June 2009</b> | <b>61.5%</b>                                | <b>66.0%</b>     | <b>79.9%</b> | <b>25.9%</b>       | <b>29.0%</b> |

<sup>1</sup> Average Beneficial Ownership Interest percentage for the period.

### **Asset operating revenue**

Revenue is calculated by the aggregation of the product of DUET's beneficial ownership interest and the total revenue of each of the relevant energy utilities. Revenue is recognised under the GAAP applicable to each relevant energy utility. Revenue included within this MIR excludes the impact of any changes in the fair value of derivatives.

### **Operating expenses**

Operating expenses are calculated by the aggregation of the product of DUET's beneficial ownership interest and the total operating expenses incurred by each of the relevant energy utilities. Operating expenses exclude any profit or loss on sale of fixed assets. Operating expenses recognised are reported under the GAAP applicable to each relevant energy utility. Asset operating expenses included within this MIR exclude the impact of any changes in the fair value of derivatives.

### **Maintenance capital expenditure**

The maintenance capital expenditure is sourced directly from capital maintenance expenditure, disclosed in unaudited management accounts.

Asset maintenance capital expenditure is calculated by the aggregation of the product of DUET's beneficial ownership interest and the total maintenance capital expenditure at each of the relevant energy utilities.

## **DUET Group Management Information Report**

For the year ended 30 June 2009

### ***Net external interest expense***

Net external interest expense is the aggregation of the product of DUET's beneficial ownership interest and the total net external interest expense incurred by:

- the energy utility; and
- entities interposed between any of DUET's stapled entities and the energy utility, which have debt that is non-recourse to DUET.

Net external interest expense includes all contractual interest expenses, borrowing expenses and interest revenues payable to, or payable by, third parties. Interest and borrowing expenses, or interest revenues, in respect of shareholder loan or similar agreements are excluded from the definition of net external interest expense. Interest and borrowing costs that are capitalised and/or amortised and any changes in the fair value of financial derivatives are also excluded from the definition of net external interest expense.

### ***SOLA Interest expense***

DUET's Australian assets have subordinated debt which has been wholly provided by DUET under on-lending agreements known as SOLAs (Second On-Lending Agreements). DUET received 100% of the interest income on the SOLA, whilst at the asset level (on a proportionate ownership basis) DUET shares the SOLA interest expense with the other asset owners.

### ***Net tax expense***

Net tax expense is the current tax expense determined with reference to the local GAAP applicable to each relevant energy utility and is made up of the aggregation of the following components:

- the product of DUET's beneficial ownership interest and the net current tax expense of each of the relevant energy utilities, where the operating company does not form part of a consolidated group for tax purposes; and
- the product of DUET's beneficial ownership interest in the ultimate holding company of the asset in a consolidated group for taxation purposes and the net current tax expense of the relevant consolidated group.

## **Corporate Funding Items**

### ***Net interest income/(expense)***

This is the aggregation of net interest income/(expense) incurred by:

- any of DUET's stapled entities; and
- entities interposed between any of DUET's stapled entities and the energy utility operator companies which have debt that is recourse to DUET.

Net interest income/(expense) includes all contractual interest expenses, borrowing expenses and interest revenues payable to, or payable by, third parties except:

- interest and borrowing expenses or interest revenues in respect of shareholder loans or similar agreements, other than SOLA interest income; and
- interest and borrowing costs that are capitalised and/or amortised.

### ***Hybrid capital interest expense***

The hybrid capital interest expense reflects the contractual interest payable on POWERS.

## **Corporate Expenses**

### ***Expenses***

Expenses are the aggregation of:

- all expenses paid by DUET (excluding divestment and acquisition costs and performance fees related to sale of assets), including base fees and performance fees (to the extent that either or both are payable in cash and subsequently not reinvested in DUET Group securities); and
- DUET's share of expenses from entities interposed between any of DUET's stapled entities and the energy utility operator companies not included in the assets' operating expenses.

### ***SOLA interest income***

SOLA interest income represents the SOLA interest paid to DUET by the Australian asset companies. SOLA financing, unlike all other shareholder loans is provided entirely by DUET. Therefore the interest income only attributes to DUET.

## **DUET Group Management Information Report**

For the year ended 30 June 2009

### ***Net tax expense***

Net tax expense is the net current tax expense of any of DUET's stapled entities and entities interposed between any of DUET's stapled entities and the energy utility operator companies.

### ***Realised gains / (losses) on FX hedge contracts***

Realised gains / (losses) on FX hedge contracts reflect the gains or losses on foreign exchange forward contracts entered into by DUET to hedge distributions from its operating assets and include amounts realised after the balance sheet date but which relate to asset operations' distributions of current period earnings.

## **Proportionate earnings per stapled security ("EPS")**

The number of issued securities for the purpose of calculating ("EPS") is calculated by the aggregation of each issue of DUET Group securities weighted by the number of days each security was on issue during the period.

## **Gearing**

### ***DUET's share of energy utility assets' net debt***

This is calculated by the aggregation of:

- DUET's proportionate share of the net external debt at each of the energy utilities; and
- DUET's proportionate share of the net debt held by entities interposed between any of DUET's stapled entities and the energy utility assets that is non-recourse to DUET.

Net debt is calculated at each of the relevant operating energy utilities by subtracting total cash on hand from total debt at the end of the period.

### ***Corporate net debt / (cash)***

This is calculated by the aggregation of all net debt held by DUET's stapled entities and entities interposed between any of DUET's stapled entities and the asset companies subtracting available cash on hand, from total debt at the end of the period.

Available cash is calculated by subtracting from total cash on hand, all distributions declared by DUET Group stapled entities but not paid at the end of the relevant period.

### ***Hybrid Capital (POWERS)***

Hybrid capital is the face value of the instrument that was issued by DUET Group to POWERS Trust. DUET redeemed and cancelled the POWERS units on 1 September 2008 through the proceeds of a corporate debt facility.

### ***DUET's share of total assets***

This is the aggregation of the product of DUET's beneficial ownership interest and the total assets of each of the relevant energy utilities, together with the total assets of the DUET stapled entities and wholly-owned entities. Total assets exclude any inter-entity loans receivable and cash and cash equivalents.

## **Unconsolidated Cash Flows**

Unconsolidated Cash Flows represent the aggregation of the cash flows attributable to DUET. This includes the cash flows of each of DUET's stapled entities and their wholly-owned subsidiaries, excluding entities which have non-recourse debt to DUET as these entities are considered to be part of the energy utility operator company groups.

All information in this MIR relating to Unconsolidated Cash Flows is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions included.

**Appendix 1: DUET Group Detailed Asset Information Pack**

For the Full Year ended 30 June 2009

**APPENDIX 1**

**DUET GROUP**

**DETAILED ASSET INFORMATION PACK**

**For the Full Year ended 30 June 2009**

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

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## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 1. Introduction

This Detailed Asset Information Pack (“DAIP”) sets out financial information for each of DUET’s energy utility assets and reflects earnings attributable to all equity holders of each utility asset, rather than just DUET’s relevant beneficial ownership interest (as presented in the MIR).

Other key differences include:

|                                     | <b>DAIP</b>  | <b>MIR</b>  |
|-------------------------------------|--|---|
| EBITDA                              | Includes changes in fair value arising from non-cash mark-to-market (“MTM”) movements from revenue and cost hedging.<br><br>Excludes interest revenue. | Excludes changes in fair value arising from non-cash MTM movements from revenue and cost hedging.<br><br>Excludes significant one off items such as merger and severance costs.   |
| Depreciation & Amortisation (“D&A”) | Reports D&A.   | Replaces D&A with maintenance capital expenditure.  |
| Interest revenue                    | Included in Revenue.   | Included in Net Interest Expense.   |
| Revenue (United Energy)             | Includes TUOS revenue.   | Excludes TUOS revenue.  |
| Operating expenses (United Energy)  | Includes Grid Fees.  | Excludes Grid Fees.   |
| Net interest expense                | Reports total interest expense.  | Reports net external interest payments together with SOLA interest payments. SOLA is 100% funded by DUET.<br><br>Excludes amortisation of deferred borrowing costs.<br><br>Excludes any impact of MTM movements of derivatives reported by asset companies within interest expense. |
| Asset company debt                  | Reports total debt.  | Reports external debt only.   |

This DAIP is not intended to replace the Financial Report of DUET and provides a summary to assist an assessment of the performance of DUET’s energy utility assets.

Note that, due to rounding, certain totals presented in this DAIP may not be the exact sum of the individual line items they comprise.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2. Dampier Bunbury Pipeline

As at 30 June 2009, DUET owned 60.0% of DBP and 100% of the subordinated debt.

#### 2.1. Financial Summary

|                      | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|----------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|                      | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| Transport Income     | 137                      | 154                      | 290                       | 166                      | 181                      | 347                       |
| Total Revenue        | 146                      | 157                      | 304                       | 169                      | 184                      | 353                       |
| EBITDA               | 110                      | 122                      | 232                       | 133                      | 142                      | 274                       |
| EBIT                 | 88                       | 95                       | 183                       | 104                      | 112                      | 216                       |
| Net Profit After Tax | 19                       | 23                       | 42                        | 15                       | 17                       | 32                        |
| Total Assets         | 3,284                    | 3,395                    | 3,395                     | 3,392                    | 3,541                    | 3,541                     |
| Net Assets           | 574                      | 597                      | 597                       | 337                      | 468                      | 468                       |
| Total Capex          | 247                      | 164                      | 411                       | 147                      | 197                      | 344                       |
| RAB <sup>1</sup>     | 2,613                    | 2,822                    | 2,822                     | 2,961                    | 3,138                    | 3,138                     |

<sup>1</sup> RAB is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2.2. Income Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|  | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|--|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|  | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>Revenue</b>   | <b>146.4</b>             | <b>157.3</b>             | <b>303.7</b>              | <b>168.8</b>             | <b>183.9</b>             | <b>352.6</b>              |
| Revenue consists of Transport Revenue and Other Revenue.   |                          |                          |                           |                          |                          |                           |
| <b>Transport (Transmission) Revenue</b>  | <b>145.2</b>             | <b>156.2</b>             | <b>301.5</b>              | <b>167.1</b>             | <b>183.3</b>             | <b>350.4</b>              |
| <i>Transport Income</i>  | 136.8                    | 153.6                    | 290.4                     | 166.4                    | 180.9                    | 347.2                     |
| <i>Chargeable Works &amp; Other<br/>    Transport Income</i>   | 8.4                      | 2.7                      | 11.1                      | 0.8                      | 2.4                      | 3.2                       |
| Transport Revenue of \$350.4m increased by \$48.9m pcp driven by increased capacity and tariffs from the Stage 5A expansion project.   |                          |                          |                           |                          |                          |                           |
| <b>Other Revenue</b>   | <b>1.2</b>               | <b>1.1</b>               | <b>2.3</b>                | <b>1.6</b>               | <b>0.6</b>               | <b>2.2</b>                |
| <i>Interest Received</i>   | 1.2                      | 1.1                      | 2.3                       | 1.2                      | 0.7                      | 1.9                       |
| <i>Other Revenue</i>   | n/s                      | n/s                      | n/s                       | 0.4                      | (0.1)                    | 0.3                       |
| <b>Expenses from Ordinary Activities</b>   | <b>127.4</b>             | <b>134.5</b>             | <b>261.9</b>              | <b>154.0</b>             | <b>166.5</b>             | <b>320.4</b>              |
| Expenses from Ordinary Activities consist of Operating Expenses, D&A, Borrowing Costs, and Income Tax Expense.   |                          |                          |                           |                          |                          |                           |
| <b>Operating Expenses</b>  | <b>35.3</b>              | <b>34.6</b>              | <b>69.9</b>               | <b>34.9</b>              | <b>41.7</b>              | <b>76.6</b>               |
| <i>Operating Fees</i>  | 16.7                     | 17.1                     | 33.8                      | 19.6                     | 14.1                     | 33.7                      |
| <i>Fuel Gas</i>  | 14.9                     | 8.6                      | 23.5                      | 6.5                      | 9.6                      | 16.1                      |
| <i>Other Operating Expenses</i>  | 3.7                      | 8.8                      | 12.5                      | 8.8                      | 18.1                     | 26.8                      |
| Other Operating Expenses of \$26.8m increased \$14.3m pcp primarily due to the transfer of asset management functions into DBP. Increased licensing costs and one-off transition costs were also incurred during the period. The asset management transfer also caused a reduction in Operating Fees largely offset by an increase in maintenance costs following the completion of the Stage 5A expansion project. Fuel Gas costs of \$16.1m decreased \$7.4m pcp due to increased fuel efficiency from the Stage 5A looping. |                          |                          |                           |                          |                          |                           |
| <b>D&amp;A and Abandonments</b>  | <b>21.6</b>              | <b>26.5</b>              | <b>48.1</b>               | <b>29.0</b>              | <b>29.0</b>              | <b>58.1</b>               |
| <i>Depreciation</i>  | 21.4                     | 26.1                     | 47.5                      | 28.8                     | 28.8                     | 57.6                      |
| <i>Amortisation</i>  | 0.3                      | 0.3                      | 0.6                       | 0.3                      | 0.3                      | 0.5                       |
| <i>Abandonments</i>  | (0.1)                    | 0.2                      | 0.1                       | 0.0                      | (0.1)                    | (0.1)                     |
| D&A and abandonments expense of \$58.1m increased \$10.0m pcp primarily due to additional depreciation charges from the newly commissioned Stage 5A plant.   |                          |                          |                           |                          |                          |                           |
| <b>Borrowing Costs</b>   | <b>63.1</b>              | <b>62.9</b>              | <b>126.0</b>              | <b>81.3</b>              | <b>80.9</b>              | <b>162.2</b>              |
| <i>Senior Interest</i>   | 52.8                     | 56.2                     | 108.9                     | 69.2                     | 71.0                     | 140.2                     |
| <i>SOLA Interest</i>   | 7.7                      | 8.2                      | 16.0                      | 8.0                      | 5.4                      | 13.4                      |
| <i>Interest Rate Hedge – Fair Value<br/>    Movements</i>  | n/s                      | (2.1)                    | (2.1)                     | 1.2                      | 1.6                      | 2.8                       |
| <i>Amortisation &amp; Other Financing<br/>    Costs</i>  | 2.5                      | 0.6                      | 3.2                       | 2.9                      | 2.9                      | 5.8                       |
| Borrowing Costs of \$162.2m increased \$36.2 pcp largely through increases in Senior Interest where interest on the Stage 5A Capex Facility was expensed after commissioning.  |                          |                          |                           |                          |                          |                           |
| <b>Income Tax Expense</b>  | <b>7.4</b>               | <b>10.5</b>              | <b>17.9</b>               | <b>8.7</b>               | <b>14.8</b>              | <b>23.5</b>               |
| Income Tax Expense for the current period was \$23.5m. Income Tax Expense includes the write down of Goodwill, reflecting the utilisation of accumulated tax losses. The write down of Goodwill totalled \$23.3m in FY09 and \$11.9m in FY08.  |                          |                          |                           |                          |                          |                           |
| <b>Net Profit After Tax</b>  | <b>19.0</b>              | <b>22.8</b>              | <b>41.8</b>               | <b>14.8</b>              | <b>17.4</b>              | <b>32.2</b>               |
| NPAT for the current period was \$32.2m.   |                          |                          |                           |                          |                          |                           |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2.3. Cash Flow Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|   | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months<br>to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|------------------------------|--------------------------|--------------------------|---------------------------|
|   | \$ millions              | \$ millions              | \$ millions                  | \$ millions              | \$ millions              | \$ millions               |
| <b>Cash Flows from Operating Activities</b>   | <b>105.4</b>             | <b>135.0</b>             | <b>240.4</b>                 | <b>137.7</b>             | <b>153.8</b>             | <b>291.5</b>              |
| <i>Cash Receipts</i>  | 142.1                    | 193.3                    | 338.4                        | 172.6                    | 220.3                    | 392.9                     |
| <i>Cash Payments</i>  | (36.7)                   | (61.3)                   | (98.0)                       | (34.9)                   | (66.5)                   | (101.3)                   |
| <i>Income Tax Payment</i>   | 0.0                      | 0.0                      | 0.0                          | 0.0                      | 0.0                      | 0.0                       |
| Cash Flows from Operating Activities of \$291.5m increased \$51.1m pcp due to higher Cash Receipts from increased Transport Income.   |                          |                          |                              |                          |                          |                           |
| <b>Cash Flows from Investing Activities</b>   | <b>(306.3)</b>           | <b>(134.6)</b>           | <b>(440.9)</b>               | <b>(108.6)</b>           | <b>(236.1)</b>           | <b>(344.7)</b>            |
| <i>Purchase of PP&amp;E</i>   | (306.3)                  | (134.6)                  | (440.9)                      | (108.7)                  | (236.1)                  | (344.8)                   |
| <i>Proceeds from Sale of Non-Current Assets</i>   | 0.0                      | 0.0                      | 0.0                          | 0.1                      | 0.0                      | 0.1                       |
| Cash Flows applied to investing activities of \$344.7m were mostly related to the Stage 5B expansion project.   |                          |                          |                              |                          |                          |                           |
| <b>Cash Flows from Financing Activities</b>   | <b>173.3</b>             | <b>10.4</b>              | <b>183.7</b>                 | <b>(21.1)</b>            | <b>97.9</b>              | <b>76.8</b>               |
| <i>Movement in Borrowings</i>   | 206.2                    | 89.6                     | 295.8                        | 58.8                     | 182.4                    | 241.1                     |
| <i>Equity Contributions</i>   | 76.6                     | 29.3                     | 105.9                        | 31.8                     | 73.5                     | 105.3                     |
| <i>Senior Borrowing Costs</i>   | (57.6)                   | (62.0)                   | (119.5)                      | (62.5)                   | (90.7)                   | (153.3)                   |
| <i>SOLA Interest</i>  | (7.6)                    | (8.0)                    | (15.7)                       | (8.4)                    | (6.1)                    | (14.6)                    |
| <i>Distributions</i>  | (44.3)                   | (38.5)                   | (82.8)                       | (40.7)                   | (61.1)                   | (101.8)                   |
| Debt drawdowns and equity calls continued during the current period to fund the capital expenditure associated with the Stage 5B expansion project. Payment of Senior Borrowing Costs increased \$33.8m pcp due to Stage 5A Capex Facility refinancing costs and increased borrowings for the Stage 5B expansion project. |                          |                          |                              |                          |                          |                           |
| <b>Net Cash Movement</b>  | <b>(27.6)</b>            | <b>10.8</b>              | <b>(16.8)</b>                | <b>8.1</b>               | <b>15.6</b>              | <b>23.6</b>               |
| Opening Cash  | 81.0                     | 54.4                     | 81.0                         | 64.3                     | 72.7                     | 64.3                      |
| Effect of Exchange Rate Changes on Cash   | 1.0                      | (0.8)                    | 0.2                          | 0.3                      | 0.0                      | 0.3                       |
| Closing Cash  | 54.4                     | 64.3                     | 64.3                         | 72.7                     | 88.3                     | 88.3                      |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2.4. Balance Sheet

31 December 2008 is the pcp.

|                                     | 31 Dec 07   | 30 Jun 08   | 31 Dec 08    | 30 Jun 09    |
|-------------------------------------|-------------|-------------|--------------|--------------|
|                                     | \$ millions | \$ millions | \$ millions  | \$ millions  |
| <b>Current Assets</b>               | <b>91.4</b> | <b>96.6</b> | <b>127.1</b> | <b>125.5</b> |
| <i>Cash</i>                         | 54.4        | 64.3        | 72.7         | 88.3         |
| <i>Accounts Receivable</i>          | 13.9        | 9.0         | 10.2         | 9.0          |
| <i>Inventories and Other Assets</i> | 23.1        | 23.3        | 44.2         | 28.2         |

Current Assets decreased \$1.6m pcp. The \$16.0m decrease in Inventories and Other Assets was mainly due to the close out of foreign currency hedges which had a MTM value of \$20.1m pcp.

|                                      |                |                |                |                |
|--------------------------------------|----------------|----------------|----------------|----------------|
| <b>Non-Current Assets</b>            | <b>3,192.5</b> | <b>3,298.5</b> | <b>3,265.2</b> | <b>3,415.1</b> |
| <i>Plant, Property and Equipment</i> | 2,377.7        | 2,469.5        | 2,581.0        | 2,745.4        |
| <i>Intangibles</i>                   | 699.8          | 693.6          | 684.2          | 669.7          |
| <i>Other</i>                         | 115.0          | 135.4          | 0.0            | 0.0            |

Non-Current Assets increased by \$149.9m pcp mainly due to the \$164.4m increase in PP&E, which was mostly attributable to the Stage 5B expansion project.

|   |             |             |              |             |
|---|-------------|-------------|--------------|-------------|
| <b>Current Liabilities</b>  | <b>96.3</b> | <b>77.1</b> | <b>554.1</b> | <b>77.2</b> |
| <i>Payables</i>   | 76.0        | 56.7        | 82.4         | 43.1        |
| <i>Interest Bearing Liabilities</i>   | 0.0         | 0.0         | 450.5        | 0.0         |
| <i>Provisions &amp; Other Liabilities (includes Derivative Financial Instruments)</i> | 20.3        | 20.3        | 21.2         | 34.1        |

Current Liabilities of \$77.2m decreased \$476.9m pcp. Interest Bearing Liabilities decreased to zero reflecting refinancing of the Stage 5A Capex Facility. Provisions & Other Liabilities include Derivative Financial Instruments of \$0.1m.

|  |                |                |                |                |
|--|----------------|----------------|----------------|----------------|
| <b>Non-Current Liabilities</b>                                       | <b>2,613.2</b> | <b>2,720.5</b> | <b>2,501.1</b> | <b>2,995.7</b> |
| <i>Interest Bearing Liabilities</i>                                  | 2,018.6        | 2,116.4        | 1,734.2        | 2,348.2        |
| <i>SOLA Debt</i>   | 150.0          | 150.0          | 150.0          | 150.0          |
| <i>Deferred Tax Liabilities</i>                                      | 434.4          | 442.9          | 328.8          | 370.8          |
| <i>Other Liabilities (includes Derivative Financial Instruments)</i> | 10.2           | 11.2           | 288.1          | 126.7          |

Non-Current Liabilities increased \$494.6m pcp. Interest Bearing Liabilities increased by \$614.0m reflecting the refinancing of the Stage 5A Capex Facility into a term facility and further debt draw downs to fund the Stage 5B expansion. Other Non-Current Liabilities include Derivative Financial Instruments of \$114.2m. The decrease in Other Non-Current Liabilities primarily reflects the MTM of interest rate derivatives.

|                   |              |              |              |              |
|-------------------|--------------|--------------|--------------|--------------|
| <b>Net Assets</b> | <b>574.4</b> | <b>597.5</b> | <b>337.0</b> | <b>467.7</b> |
|-------------------|--------------|--------------|--------------|--------------|

|                           |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|
| <b>Equity</b>             | <b>574.4</b> | <b>597.5</b> | <b>337.0</b> | <b>467.7</b> |
| <i>Contributed Equity</i> | 465.8        | 456.7        | 447.8        | 460.2        |
| <i>Reserves</i>           | 76.7         | 86.0         | (180.4)      | (79.5)       |
| <i>Retained Earnings</i>  | 31.9         | 54.8         | 69.6         | 87.0         |

Equity increased \$130.7m pcp primarily due to a \$100.9m increase in Reserves arising from the close out of currency hedges, the movement in Deferred Tax Liabilities and the MTM value of interest rate derivatives.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2.5. Capital Expenditure Summary

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|                                 | 6 months to<br>31 Dec 07<br>\$ millions | 6 months to<br>30 Jun 08<br>\$ millions | 12 months to<br>30 Jun 08<br>\$ millions | 6 months to<br>31 Dec 08<br>\$ millions | 6 months to<br>30 Jun 09<br>\$ millions | 12 months to<br>30 Jun 09<br>\$ millions |
|---------------------------------|---|---|--|---|---|--|
| <b>Total Capex</b>              | <b>247.4</b>                            | <b>163.5</b>                            | <b>410.9</b>                             | <b>147.4</b>                            | <b>196.9</b>                            | <b>344.3</b>                             |
| <b>Growth Capex</b>             | <b>236.0</b>                            | <b>147.7</b>                            | <b>383.7</b>                             | <b>140.8</b>                            | <b>181.5</b>                            | <b>322.3</b>                             |
| <i>Stage 4 Expansion</i>        | 2.2                                     | (0.3)                                   | 1.9                                      | 0.0                                     | 0.0                                     | 0.0                                      |
| <i>Stage 5A Expansion</i>       | 233.8                                   | 124.8                                   | 358.6                                    | 20.6                                    | 6.1                                     | 26.7                                     |
| <i>Stage 5B Expansion</i>       | 0.0                                     | 23.2                                    | 23.2                                     | 120.2                                   | 175.4                                   | 295.5                                    |
| <b>Maintenance Capex</b>        | <b>7.9</b>                              | <b>11.3</b>                             | <b>19.3</b>                              | <b>5.9</b>                              | <b>13.6</b>                             | <b>19.5</b>                              |
| <i>Microwave Capex</i>          | 5.1                                     | 2.0                                     | 7.1                                      | 2.5                                     | 3.3                                     | 5.9                                      |
| <i>Stay in Business</i>         | 1.4                                     | 1.3                                     | 2.7                                      | 2.4                                     | 2.4                                     | 4.8                                      |
| <i>Engine Replacement Capex</i> | 1.4                                     | 8.0                                     | 9.4                                      | 1.0                                     | 7.9                                     | 8.9                                      |
| <b>Customer Funded Capex</b>    | <b>3.5</b>                              | <b>4.5</b>                              | <b>7.9</b>                               | <b>0.7</b>                              | <b>1.8</b>                              | <b>2.5</b>                               |

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

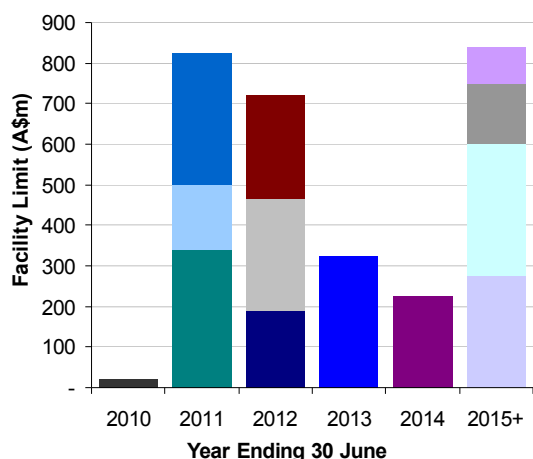
## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2.6. Treasury Summary

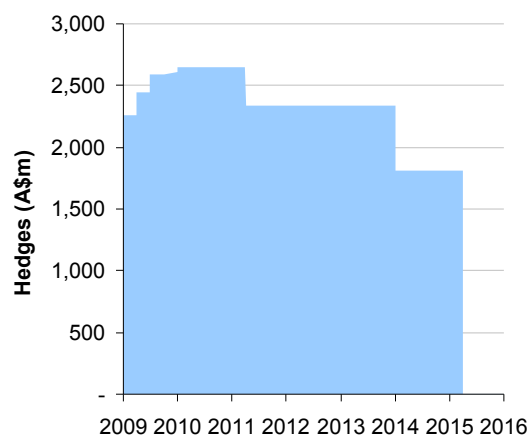
DBP's debt maturity and hedging profiles at 30 June 2009 were as follows:

#### Debt Maturity Profile



- Refi Facility - Capex Facility (Stage 5A) - 3yr
- Refi Facility - Capex Facility (Stage 5A) - 5yr
- WA Government Loan
- SOLA (subordinated debt)
- A\$ Wrapped FRNs - Tranche 4
- A\$ Wrapped FRNs - Tranche 2
- A\$ Wrapped FRNs - Tranche 3
- A\$ Wrapped FRNs - Tranche 1
- Capex Facility (Stage 5A2)
- Capex Facility (Stage 4)
- Syndicated Loan
- Capex Facility (Stage 5B)
- Working Capital Facility

#### Hedging Profile



Year Ending 30 June

■ Total Hedged Debt (incl SOLA)

As at 30 June 2009, senior debt interest exposure was 88.3% hedged against total senior debt outstanding balance (including short term facilities but excluding the \$88.1m 99-year WA Government loan). At 30 June 2009, subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding.

#### Net Debt and Undrawn Capacity

| A\$ millions                   | Drawn balance  | Undrawn balance | Drawn balance  |
|--------------------------------|----------------|-----------------|----------------|
|                                | at 30 Jun 09   | at 30 Jun 09    | at 31 Dec 2008 |
| Term debt                      | 1,840.0        | 0.0             | 1,360.0        |
| Capital market instruments     | 1,200.0        | 0.0             | 1,200.0        |
| Bank facilities                | 640.0          | 0.0             | 160.0          |
| Capital expenditure facilities | 550.7          | 301.4           | 848.6          |
| Working capital facilities     | 0.0            | 20.0            | 0.0            |
| WA Government Loan             | 88.1           | 0.0             | 88.1           |
| SOLA (subordinated debt)       | 150.0          | 0.0             | 150.0          |
| Less: Cash                     | (88.3)         | 0.0             | (72.7)         |
|                                | <b>2,540.4</b> | <b>321.4</b>    | <b>2,374.0</b> |

DBP maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB- (stable outlook)<sup>1</sup>  
 Moody's: Baa2 (negative outlook)<sup>2</sup>

<sup>1</sup> Rating reflects DBNGP Trust and DBNGP Finance Co Pty Ltd.

<sup>2</sup> Rating reflects DBNGP Finance Co. Pty Ltd.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 2.7. Key Operating Statistics

|                        | 12 months to   |            | 12 months to   |            | 12 months to   |            | 12 months to   |            | 12 months to   |            |
|------------------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
|                        | 30 Jun 06      | %          | 30 Jun 07      | %          | 30 Jun 08      | %          | 31 Dec 08      | %          | 30 Jun 09      | %          |
| <b>Throughput (TJ)</b> |                |            |                |            |                |            |                |            |                |            |
| Full Haul              | 206,249        | 84         | 217,182        | 78         | 225,002        | 76         | 229,965        | 83         | 242,941        | 79         |
| Part Haul              | 26,397         | 11         | 24,703         | 9          | 33,726         | 11         | 24,892         | 9          | 23,635         | 13         |
| Back Haul              | 13,849         | 6          | 35,834         | 13         | 36,382         | 12         | 23,468         | 8          | 23,251         | 8          |
| <b>Total</b>           | <b>246,495</b> | <b>100</b> | <b>277,720</b> | <b>100</b> | <b>295,111</b> | <b>100</b> | <b>278,325</b> | <b>100</b> | <b>289,827</b> | <b>100</b> |

|                                  | 1 month to |            | 1 month to |            | 1 month to |            | 1 month to |            | 1 month to   |            |
|----------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|--------------|------------|
|                                  | 30 Jun 06  | %          | 30 Jun 07  | %          | 30 Jun 08  | %          | 31 Dec 08  | %          | 30 Jun 09    | %          |
| <b>Capacity (Average TJ/day)</b> |            |            |            |            |            |            |            |            |              |            |
| Full Haul                        | 592        | 76         | 689        | 77         | 719        | 77         | 779        | 79         | 810          | 79         |
| Part Haul                        | 63         | 8          | 78         | 9          | 89         | 10         | 85         | 9          | 96           | 9          |
| Back Haul                        | 126        | 16         | 129        | 14         | 129        | 14         | 122        | 12         | 120          | 12         |
| <b>Total</b>                     | <b>780</b> | <b>100</b> | <b>896</b> | <b>100</b> | <b>938</b> | <b>100</b> | <b>986</b> | <b>100</b> | <b>1,026</b> | <b>100</b> |

|                         | As at        |            | As at        |            | As at        |            | As at        |            | As at        |            |
|-------------------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|--------------|------------|
|                         | 30 Jun 06    | %          | 30 Jun 07    | %          | 30 Jun 08    | %          | 31 Dec 08    | %          | 30 Jun 09    | %          |
| <b>Line Length (Km)</b> |              |            |              |            |              |            |              |            |              |            |
| Main Line               | 1,539        | 83         | 1,539        | 75         | 1,539        | 58         | 1,539        | 58         | 1,539        | 58         |
| Loop Line               | 24           | 1          | 217          | 11         | 813          | 31         | 813          | 31         | 813          | 31         |
| Laterals                | 299          | 16         | 299          | 15         | 299          | 11         | 299          | 11         | 299          | 11         |
| <b>Total</b>            | <b>1,862</b> | <b>100</b> | <b>2,055</b> | <b>100</b> | <b>2,650</b> | <b>100</b> | <b>2,650</b> | <b>100</b> | <b>2,650</b> | <b>100</b> |

| <b>Compression</b> | As at     |    | As at     |    | As at     |    | As at     |    | As at     |    |
|--------------------|-----------|----|-----------|----|-----------|----|-----------|----|-----------|----|
|                    | 30 Jun 06 |    | 30 Jun 07 |    | 30 Jun 08 |    | 31 Dec 08 |    | 30 Jun 09 |    |
| Sites              |           | 10 |           | 10 |           | 10 |           | 10 |           | 10 |
| Compressors        |           | 18 |           | 26 |           | 26 |           | 26 |           | 26 |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3. United Energy

As at 30 June 2009, DUET owned 66.0% of United Energy and 100% of the subordinated debt.

#### 3.1. Financial Summary

|                      | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|----------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|                      | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| Distribution Revenue | 184                      | 195                      | 379                       | 182                      | 188                      | 371                       |
| Total Revenue        | 211                      | 221                      | 432                       | 208                      | 214                      | 423                       |
| EBITDA               | 124                      | 132                      | 256                       | 124                      | 127                      | 252                       |
| EBIT                 | 83                       | 90                       | 173                       | 83                       | 86                       | 169                       |
| Net Profit After Tax | 5                        | 9                        | 14                        | 3                        | (1)                      | 2                         |
| Total Assets         | 2,193                    | 2,179                    | 2,179                     | 2,250                    | 2,200                    | 2,200                     |
| Net Assets           | 80                       | 70                       | 70                        | (43)                     | (24)                     | (24)                      |
| Total Capex          | 59                       | 51                       | 110                       | 85                       | 80                       | 165                       |
| RAB <sup>1</sup>     | 1,281                    | 1,293                    | 1,293                     | 1,321                    | 1,400                    | 1,400                     |

<sup>1</sup> RAB is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.2. Income Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|   | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|   | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>Revenue</b>  | <b>210.8</b>             | <b>220.8</b>             | <b>431.6</b>              | <b>208.4</b>             | <b>214.4</b>             | <b>422.8</b>              |
| Revenue consists of distribution revenue, other operating revenue and other income.   |                          |                          |                           |                          |                          |                           |
| <b>Distribution Revenue</b>   | <b>184.2</b>             | <b>195.2</b>             | <b>379.4</b>              | <b>182.5</b>             | <b>188.1</b>             | <b>370.6</b>              |
| Distribution revenue consists of Distribution Use of System ("DUoS") and Transmission Use of System ("TUoS") revenue.   |                          |                          |                           |                          |                          |                           |
| <b>TUoS Revenue</b>   | <b>40.3</b>              | <b>42.1</b>              | <b>82.5</b>               | <b>38.0</b>              | <b>38.4</b>              | <b>76.4</b>               |
| TUoS revenue of \$76.4m decreased \$6.1m pcp due to reduced grid fee charges from VenCorp and SP AusNet. TUoS Revenue is collected by United Energy and paid to third parties as grid fees. |                          |                          |                           |                          |                          |                           |
| <b>DUoS Revenue</b>   | <b>143.8</b>             | <b>153.1</b>             | <b>297.0</b>              | <b>144.5</b>             | <b>149.7</b>             | <b>294.2</b>              |
| <i>Residential</i>  | 66.0                     | 71.7                     | 137.7                     | 70.5                     | 72.6                     | 143.1                     |
| <i>Business</i>   | 42.8                     | 44.7                     | 87.5                      | 40.0                     | 39.8                     | 79.8                      |
| <i>Industrial</i>   | 35.1                     | 36.7                     | 71.8                      | 34.0                     | 37.3                     | 71.3                      |
| DUoS revenue of \$294.2m decreased \$2.8m pcp.  |                          |                          |                           |                          |                          |                           |
| <b>Other Revenue</b>  | <b>26.6</b>              | <b>25.6</b>              | <b>52.2</b>               | <b>25.9</b>              | <b>26.3</b>              | <b>52.2</b>               |
| <i>Reserve Capacity Supply</i>  | 0.3                      | 0.3                      | 0.6                       | 0.3                      | 0.3                      | 0.6                       |
| <i>Scheduled Meter Reading</i>  | 6.3                      | 6.8                      | 13.3                      | 7.3                      | 9.1                      | 16.4                      |
| <i>New Connections Revenue</i>  | 1.0                      | 0.9                      | 1.9                       | 1.1                      | 0.7                      | 1.8                       |
| <i>Customer Contributions</i>   | 5.2                      | 2.9                      | 8.1                       | 3.3                      | 2.7                      | 6.0                       |
| <i>Interest Revenue</i>   | 1.1                      | 0.9                      | 2.1                       | 0.7                      | 0.3                      | 1.0                       |
| <i>Miscellaneous Revenue</i>  | 12.7                     | 13.7                     | 26.2                      | 13.1                     | 13.2                     | 26.4                      |
| Other revenue of \$52.2m was in line with pcp.  |                          |                          |                           |                          |                          |                           |
| <b>Expenses from Ordinary Activities</b>  | <b>205.9</b>             | <b>212.1</b>             | <b>418.0</b>              | <b>205.7</b>             | <b>215.5</b>             | <b>421.2</b>              |
| Expenses from ordinary activities consist of operating expenses, D&A and abandonments, borrowing costs and income tax expense.  |                          |                          |                           |                          |                          |                           |
| <b>Operating Expenses</b>   | <b>85.2</b>              | <b>88.2</b>              | <b>173.5</b>              | <b>83.4</b>              | <b>86.8</b>              | <b>170.2</b>              |
| <i>Grid Fees</i>  | 40.3                     | 42.1                     | 82.5                      | 38.0                     | 38.4                     | 76.4                      |
| <i>Operating Fees</i>   | 40.8                     | 40.5                     | 81.3                      | 40.5                     | 41.5                     | 82.0                      |
| <i>Other Operating Expenses</i>   | 4.1                      | 5.6                      | 9.7                       | 4.8                      | 7.0                      | 11.8                      |
| Operating Expenses of \$170.2m decreased \$3.3m pcp.  |                          |                          |                           |                          |                          |                           |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.2 Income Statement (cont'd)

|  | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|--|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|  | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>D&amp;A and Abandonments</b>  | <b>41.6</b>              | <b>41.5</b>              | <b>83.1</b>               | <b>41.0</b>              | <b>41.2</b>              | <b>82.2</b>               |
| <i>Depreciation</i>  | 34.6                     | 35.3                     | 69.8                      | 36.1                     | 36.1                     | 72.2                      |
| <i>Amortisation</i>  | 5.8                      | 5.0                      | 10.8                      | 4.2                      | 3.9                      | 8.1                       |
| <i>Abandonments</i>  | 1.3                      | 1.2                      | 2.5                       | 0.7                      | 1.2                      | 1.9                       |
| D&A and abandonments expense of \$82.2m decreased \$0.9m pcp.  |                          |                          |                           |                          |                          |                           |
| <b>Total Borrowing Costs</b>   | <b>76.9</b>              | <b>78.6</b>              | <b>155.5</b>              | <b>80.2</b>              | <b>89.4</b>              | <b>169.6</b>              |
| <i>Senior Interest</i>   | 42.1                     | 43.9                     | 86.0                      | 45.2                     | 42.4                     | 87.6                      |
| <i>SOLA Interest</i>   | 9.4                      | 8.7                      | 18.1                      | 8.2                      | 9.0                      | 17.2                      |
| <i>RPS Interest</i>  | 24.1                     | 23.8                     | 47.9                      | 24.1                     | 24.5                     | 48.6                      |
| <i>Shareholder Loan Interest</i>   | 1.1                      | 1.2                      | 2.3                       | 1.5                      | 1.9                      | 3.4                       |
| <i>Interest Rate Hedge – Fair Value Movements</i>  | (1.0)                    | (0.6)                    | (1.5)                     | (0.2)                    | 9.2                      | 9.0                       |
| <i>Amortisation &amp; Other Financing Costs</i>  | 1.1                      | 1.6                      | 2.8                       | 1.4                      | 2.4                      | 3.8                       |
| Total borrowing costs of \$169.6m increased \$14.1m pcp mainly due to a \$10.5m MTM movement of interest rate derivatives. |                          |                          |                           |                          |                          |                           |
| <b>Income Tax Expense</b>  | <b>2.1</b>               | <b>3.8</b>               | <b>5.9</b>                | <b>1.1</b>               | <b>(2.0)</b>             | <b>(0.8)</b>              |
| <b>Net Profit After Tax</b>  | <b>4.9</b>               | <b>8.8</b>               | <b>13.7</b>               | <b>2.7</b>               | <b>(1.1)</b>             | <b>1.6</b>                |
| NPAT of \$1.6m decreased \$12.1m pcp primarily due to higher borrowing costs as described above.                           |                          |                          |                           |                          |                          |                           |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.3. Cash Flow Statement

The current period is the 12 months to 30 June 2009. The 12 months to 30 June 2008 is the pcp.

|   | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|   | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>Cash Flows from Operating Activities</b>                         |                          |                          |                           |                          |                          |                           |
| <b>Net Cash from Operating Activities</b>                           | <b>81.1</b>              | <b>171.8</b>             | <b>252.9</b>              | <b>119.5</b>             | <b>141.6</b>             | <b>261.1</b>              |
| <i>Cash Receipts</i>  | 170.6                    | 298.6                    | 469.2                     | 199.1                    | 259.4                    | 458.5                     |
| <i>Cash Payments to Suppliers and Employees<br/>(including GST)</i> | (89.5)                   | (125.3)                  | (214.8)                   | (79.3)                   | (118.0)                  | (197.2)                   |
| <i>Income Tax (Payment) / Refund</i>                                | 0.0                      | (1.5)                    | (1.5)                     | (0.3)                    | 0.1                      | (0.2)                     |

Cash flows from operating activities of \$261.1m increased \$8.2m pcp.

#### Cash Flows from Investing Activities

|   |               |               |                |               |               |                |
|---|---------------|---------------|----------------|---------------|---------------|----------------|
| <b>Net Cash from Investing Activities</b>   | <b>(58.1)</b> | <b>(48.5)</b> | <b>(106.5)</b> | <b>(76.2)</b> | <b>(71.5)</b> | <b>(147.7)</b> |
| <i>Purchase of PP&amp;E and Intangibles</i> | (58.1)        | (48.6)        | (106.7)        | (76.4)        | (71.6)        | (148.1)        |
| <i>Proceeds from Sale of PP&amp;E</i>       | 0.1           | 0.1           | 0.2            | 0.2           | 0.1           | 0.4            |

Cash flows applied to investing activities of \$147.7m increased \$41.2m pcp. Payments for PP&E increased \$41.4m pcp, primarily due to capital expenditure and software purchases for the smart meter project.

#### Cash Flows from Financing Activities

|   |               |                |                |               |               |                |
|---|---------------|----------------|----------------|---------------|---------------|----------------|
| <b>Net Cash from Financing Activities</b> | <b>(60.0)</b> | <b>(107.3)</b> | <b>(167.3)</b> | <b>(64.0)</b> | <b>(54.0)</b> | <b>(118.0)</b> |
| <i>Movement in Equity (incl. RPS)</i>     | 0.0           | 0.0            | 0.0            | 0.0           | 15.5          | 15.5           |
| <i>Movement in Borrowings</i>             | 44.4          | (10.0)         | 34.4           | 30.0          | 19.0          | 49.0           |
| <i>Interest Paid - Senior</i>             | (41.5)        | (41.0)         | (82.5)         | (46.2)        | (43.2)        | (89.4)         |
| <i>Interest Paid - SOLA</i>               | (9.4)         | (8.8)          | (18.1)         | (9.2)         | (8.8)         | (18.1)         |
| <i>Interest Paid - RPS</i>                | (24.1)        | (23.8)         | (47.9)         | (24.0)        | (24.6)        | (48.6)         |
| <i>Interest Paid - Shareholder Loans</i>  | (0.9)         | (1.2)          | (2.1)          | (1.4)         | (1.8)         | (3.2)          |
| <i>Distributions</i>                      | (28.5)        | (22.5)         | (51.0)         | (10.0)        | (10.0)        | (20.0)         |
| <i>Smart Meter Debt Facility Cost</i>     | 0.0           | 0.0            | 0.0            | (3.2)         | (0.0)         | (3.2)          |

Cash flows applied to financing activities of \$118.0m decreased \$49.3m pcp. Movement in borrowings of \$49.0m during the period included drawdowns on the Capital Expenditure Facility and a \$16m drawdown on the Shareholder Loan.

Senior Interest Paid increased \$6.9m pcp, primarily due to increased borrowings.

During the period, \$3.2m of borrowing costs were paid in relation to the smart meter debt facility.

|                          |               |             |               |               |             |              |
|--------------------------|---------------|-------------|---------------|---------------|-------------|--------------|
| <b>Net Cash Movement</b> | <b>(37.0)</b> | <b>16.1</b> | <b>(20.9)</b> | <b>(20.7)</b> | <b>16.1</b> | <b>(4.6)</b> |
| Opening Cash             | 52.5          | 15.5        | 52.5          | 31.6          | 10.9        | 31.6         |
| Closing Cash             | 15.5          | 31.6        | 31.6          | 10.9          | 27.0        | 27.0         |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.4. Balance Sheet

31 December 2008 is the pcp.

|   | 31 Dec 07    | 30 Jun 08   | 31 Dec 08   | 30 Jun 09   |
|---|--------------|-------------|-------------|-------------|
|   | \$ millions  | \$ millions | \$ millions | \$ millions |
| <b>Current Assets</b>                             | <b>103.4</b> | <b>75.3</b> | <b>62.6</b> | <b>69.5</b> |
| Cash  | 15.5         | 31.6        | 10.9        | 27.0        |
| Accounts Receivable                               | 48.2         | 39.6        | 48.8        | 38.2        |
| Other Assets (includes Inventory and Tax Assets)  | 39.7         | 4.2         | 2.9         | 4.3         |
| Current Assets of \$69.5m increased by \$6.9 pcp. |              |             |             |             |

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <b>Non-Current Assets</b>                         | <b>2,089.5</b> | <b>2,103.7</b> | <b>2,187.3</b> | <b>2,130.1</b> |
| Plant, Property & Equipment                       | 1,247.8        | 1,252.5        | 1,280.6        | 1,308.7        |
| Deferred Tax Asset                                | 11.3           | 11.0           | 34.4           | 24.7           |
| Intangibles                                       | 761.5          | 766.3          | 781.7          | 792.3          |
| Other (includes Derivative Financial Instruments) | 68.9           | 73.9           | 90.7           | 4.4            |

Non-Current Assets of \$2,130.1m decreased by \$57.2m pcp. PP&E and Intangibles increased by \$38.7m pcp, primarily due to smart meter capital expenditure. The Deferred Tax Asset of \$24.7m decreased \$9.7m, due to the change in valuation of cash flow hedges. Other Non-Current Assets include Derivative Financial Instruments of \$4.4m. Other Non-Current Assets decreased \$86.3m pcp primarily as a result of the MTM of cross currency hedges for the US\$ denominated debt, which moved from an asset to a payable position.

|                                  |             |             |             |              |
|----------------------------------|-------------|-------------|-------------|--------------|
| <b>Current Liabilities</b>       | <b>78.4</b> | <b>94.6</b> | <b>79.4</b> | <b>108.1</b> |
| Payables (incl Deferred Revenue) | 64.5        | 69.0        | 78.8        | 90.6         |
| Derivative Financial Instruments | 0.0         | 0.0         | 0.0         | 4.0          |
| Interest Bearing Liabilities     | 11.0        | 25.0        | 0.0         | 13.0         |
| Current Tax Liabilities          | 0.2         | 0.0         | 0.0         | 0.0          |
| Provisions                       | 2.6         | 0.6         | 0.6         | 0.5          |

Current Liabilities of \$108.1m increased \$28.7m pcp. Payables increased by \$11.8m due to increased capital expenditure and the timing of creditor payments. Derivative Financial Instruments increased by \$4.0m due to the MTM of currency hedges for the smart meter project. Interest Bearing Liabilities increased by \$13.0m reflecting drawings under the working capital facility at 30 June 2009.

|   |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
| <b>Non-Current Liabilities</b>                                | <b>2,034.1</b> | <b>2,014.4</b> | <b>2,213.2</b> | <b>2,115.8</b> |
| Interest Bearing Liabilities                                  | 1,237.9        | 1,172.0        | 1,463.5        | 1,334.8        |
| SOLA Debt   | 183.7          | 183.7          | 183.7          | 183.7          |
| Shareholder Loans   | 20.0           | 20.0           | 30.0           | 36.0           |
| Redeemable Preference Shares                                  | 354.1          | 354.1          | 354.1          | 369.5          |
| Deferred Tax Liabilities                                      | 117.3          | 121.8          | 100.5          | 103.4          |
| Other Liabilities (includes Derivative Financial Instruments) | 121.1          | 162.8          | 81.3           | 88.5           |

Non-Current Liabilities decreased \$97.4m pcp. Interest Bearing Liabilities decreased \$128.7m pcp mainly as a result of the \$129.4m MTM decrease in the US\$ denominated debt. UED also drew down on capex facilities during the period. Other Non-Current Liabilities include Derivative Financial Instruments of \$83.6m.

|                           |             |             |               |               |
|---------------------------|-------------|-------------|---------------|---------------|
| <b>Net Assets</b>         | <b>80.4</b> | <b>70.0</b> | <b>(42.7)</b> | <b>(24.3)</b> |
| <b>Equity</b>             | <b>80.4</b> | <b>70.0</b> | <b>(42.7)</b> | <b>(24.3)</b> |
| Contributed Equity        | 3.6         | 3.6         | 3.6           | 3.7           |
| Reserves                  | 45.0        | 48.4        | (57.0)        | (27.7)        |
| Retained Profits / (Loss) | 31.8        | 18.1        | 10.7          | (0.3)         |

Equity increased by \$18.4m pcp, primarily due to a \$29.3m increase in reserves from the MTM of effective hedges.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.5. Capital Expenditure Summary

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|                                   | 6 months to<br>31 Dec 07<br>\$ millions | 6 months to<br>30 Jun 08<br>\$ millions | 12 months to<br>30 Jun 08<br>\$ millions | 6 months to<br>31 Dec 08<br>\$ millions | 6 months to<br>30 Jun 09<br>\$ millions | 12 months to<br>30 Jun 09<br>\$ millions |
|-----------------------------------|---|---|--|---|---|--|
| <b>Total Capex</b>                | <b>58.9</b>                             | <b>51.0</b>                             | <b>109.9</b>                             | <b>84.6</b>                             | <b>80.2</b>                             | <b>164.8</b>                             |
| <b>Growth Capex</b>               | <b>36.0</b>                             | <b>35.1</b>                             | <b>71.1</b>                              | <b>54.7</b>                             | <b>56.4</b>                             | <b>111.1</b>                             |
| <i>Customer Initiated Capital</i> | 16.6                                    | 17.5                                    | 34.1                                     | 22.7                                    | 16.8                                    | 39.6                                     |
| <i>Demand Capital</i>             | 14.7                                    | 7.4                                     | 22.1                                     | 13.1                                    | 19.8                                    | 32.9                                     |
| <i>Smart Meter</i>                | 3.5                                     | 9.7                                     | 13.2                                     | 17.9                                    | 19.9                                    | 37.7                                     |
| <i>Other Growth Capex</i>         | 1.2                                     | 0.5                                     | 1.7                                      | 1.0                                     | (0.0)                                   | 0.9                                      |
| <b>Maintenance Capex</b>          | <b>22.9</b>                             | <b>15.9</b>                             | <b>38.8</b>                              | <b>30.0</b>                             | <b>23.7</b>                             | <b>53.7</b>                              |
| <i>Asset Replacement</i>          | 16.4                                    | 12.3                                    | 28.7                                     | 20.9                                    | 17.7                                    | 38.6                                     |
| <i>Performance Capital</i>        | 2.7                                     | 1.5                                     | 4.2                                      | 4.9                                     | 4.4                                     | 9.3                                      |
| <i>Metering</i>                   | 1.8                                     | 1.8                                     | 3.6                                      | 2.2                                     | 0.7                                     | 2.9                                      |
| <i>Information Systems</i>        | 2.0                                     | 0.3                                     | 2.3                                      | 2.0                                     | 0.8                                     | 2.9                                      |

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

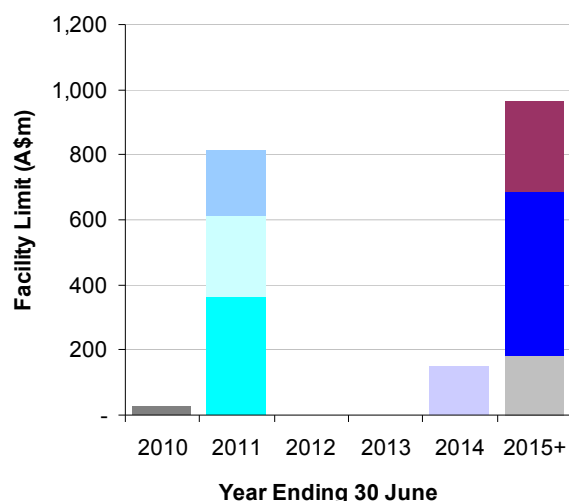
## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.6. Treasury Summary

United Energy's debt maturity and hedging profiles at 30 June 2009 were as follows:

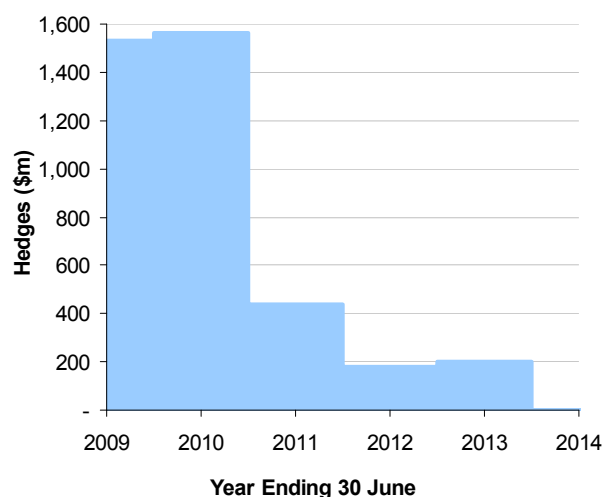
#### Debt Maturity Profile



- Working Capital Facility
- Capex Facility - SCF Tranche B
- Senior Corporate Facility - SCF Tranche A
- US 144A Guaranteed Notes - Tranche A\*
- Smart Meter Debt Facility
- US 144A Guaranteed Notes - Tranche B\*
- A\$ Guaranteed FRN (due October 2014)
- SOLA (subordinated debt)

\*The US\$ denominated debt has been shown at the hedged US\$ rate.

#### Hedging Profile



- Total Hedged Debt (incl SOLA)

As at 30 June 2009, the senior debt interest rate exposure was 96.4% hedged against total senior debt outstanding (including short term facilities). Subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding. The treasury policy is to hedge a minimum of 80% to a maximum of 100% of all floating rate senior debt. Hedging is allocated between the DUoS regulatory period and the metering regulatory periods based on respective RABs. The next regulatory reset for DUoS is 1 January 2011.

#### Net Debt and Undrawn Capacity

| A\$ millions                   | Drawn balance  | Undrawn balance | Drawn balance  |
|--------------------------------|----------------|-----------------|----------------|
|                                | at 30 Jun 09   | at 30 Jun 09    | at 31 Dec 2008 |
| Term debt                      | 1,302.5        | 90.0            | 1,317.5        |
| Capital market instruments     | 1,142.5        | 0.0             | 1,142.5        |
| Bank facilities                | 160.0          | 90.0            | 175.0          |
| Capital expenditure facilities | 85.0           | 265.0           | 70.0           |
| Working capital facilities     | 13.0           | 12.0            | 0.0            |
| SOLA (subordinated debt)       | 183.7          | 0.0             | 183.7          |
| Less: Cash                     | (27.0)         | 0.0             | (10.9)         |
|                                | <b>1,557.1</b> | <b>367.0</b>    | <b>1,560.2</b> |

United Energy maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB (stable outlook)  
Moody's: Baa1 (negative outlook)

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 3.7. Key Operating Statistics

|                                   | As at<br>31 Dec 07 |            | As at<br>30 Jun 08 |            | As at<br>31 Dec 08 |            | As at<br>30 Jun 09 |            |
|-----------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|
|                                   |                    | %          |                    | %          |                    | %          |                    | %          |
| <b>Connections</b>                |                    |            |                    |            |                    |            |                    |            |
| Small (residential and unmetered) | 560,919            | 91         | 562,374            | 91         | 565,787            | 91         | 567,055            | 91         |
| Medium Size Business              | 54,728             | 9          | 55,270             | 9          | 55,537             | 9          | 55,185             | 9          |
| Commercial and Industrial         | 2,567              | 0          | 2,672              | 0          | 2,814              | 0          | 2,922              | 0          |
| <b>Total</b>                      | <b>618,214</b>     | <b>100</b> | <b>620,316</b>     | <b>100</b> | <b>624,138</b>     | <b>100</b> | <b>625,162</b>     | <b>100</b> |

|                                     | 12 months to<br>31 Dec 07 |            | 12 months to<br>30 Jun 08 |            | 12 months to<br>31 Dec 08 |            | 12 months to<br>30 Jun 09 |            |
|-------------------------------------|---------------------------|------------|---------------------------|------------|---------------------------|------------|---------------------------|------------|
|                                     |                           | %          |                           | %          |                           | %          |                           | %          |
| <b>Electricity load (GWh)</b>       |                           |            |                           |            |                           |            |                           |            |
| Small Tariff                        | 3,018                     | 38         | 3,011                     | 38         | 3,096                     | 39         | 3,094                     | 39         |
| Medium Tariff                       | 1,575                     | 20         | 1,590                     | 20         | 1,575                     | 20         | 1,526                     | 19         |
| Large Tariff                        | 3,380                     | 42         | 3,324                     | 42         | 3,225                     | 41         | 3,308                     | 42         |
| <b>Total Electricity Load (GWh)</b> | <b>7,973</b>              | <b>100</b> | <b>7,925</b>              | <b>100</b> | <b>7,896</b>              | <b>100</b> | <b>7,928</b>              | <b>100</b> |

|  | As at<br>31 Dec 07 |            | As at<br>30 Jun 08 |            | As at<br>31 Dec 08 |            | As at<br>30 Jun 09 |            |
|--|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|
|  |                    | %          |                    | %          |                    | %          |                    | %          |
| <b>Distribution Network Statistics</b> |                    |            |                    |            |                    |            |                    |            |
| Overhead (km)                          | 10,077             | 81         | 10,060             | 81         | 10,275             | 81         | 10,277             | 81         |
| Underground (km)                       | 2,334              | 19         | 2,345              | 19         | 2,396              | 19         | 2,419              | 19         |
| <b>Total Length (km)</b>               | <b>12,411</b>      | <b>100</b> | <b>12,405</b>      | <b>100</b> | <b>12,671</b>      | <b>100</b> | <b>12,696</b>      | <b>100</b> |

|   | 12 months to<br>31 Dec 07 | 12 months to<br>30 Jun 08 | 12 months to<br>31 Dec 08 | 12 months to<br>30 Jun 09 |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Distribution Network Statistics</b>                              |                           |                           |                           |                           |
| Maximum Demand (MW)   | 1,735                     | 1,893                     | 1,893                     | 2,068                     |
| System average interruption frequency index (SAIFI) <sup>1</sup>    | 1.0                       | 1.1                       | 1.0                       | 1.2                       |
| Momentary average interruption frequency index (MAIFI) <sup>2</sup> | 1.1                       | 1.1                       | 1.2                       | 1.1                       |
| System average interruption duration index (SAIDI) <sup>3</sup>     | 85                        | 86                        | 83                        | 102                       |

<sup>1</sup> Measures how often customers lost supply for a sustained period of greater than one minute.

<sup>2</sup> Measures how often customers lost supply for a momentary period of less than one minute.

<sup>3</sup> Measures the average number of minutes of lost service per customer per year.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4. Multinet

As at 30 June 2009, DUET owned 79.9% of Multinet and 100% of the subordinated debt.

#### 4.1. Financial Summary

|                      | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|----------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|                      | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| Distribution Revenue | 86                       | 72                       | 158                       | 92                       | 81                       | 173                       |
| Total Revenue        | 95                       | 76                       | 171                       | 97                       | 84                       | 181                       |
| EBITDA               | 71                       | 51                       | 122                       | 77                       | 60                       | 137                       |
| EBIT                 | 52                       | 33                       | 85                        | 61                       | 43                       | 104                       |
| Net Profit After Tax | 19                       | (5)                      | 14                        | (14)                     | 13                       | (1)                       |
| Total Assets         | 1,301                    | 1,337                    | 1,337                     | 1,317                    | 1,365                    | 1,365                     |
| Net Assets           | 193                      | 193                      | 193                       | 91                       | 125                      | 125                       |
| Total Capex          | 34                       | 20                       | 54                        | 17                       | 21                       | 38                        |
| RAB <sup>1</sup>     | 889                      | 938                      | 938                       | 932                      | 973                      | 973                       |

<sup>1</sup> The RAB stated is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4.2. Income Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|   | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|   | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>Revenue</b>  | <b>95.0</b>              | <b>76.2</b>              | <b>171.2</b>              | <b>96.7</b>              | <b>84.5</b>              | <b>181.2</b>              |
| Revenue consists of distribution revenue and other revenue.   |                          |                          |                           |                          |                          |                           |
| <b>Distribution Revenue</b>   | <b>85.7</b>              | <b>72.5</b>              | <b>158.2</b>              | <b>91.8</b>              | <b>81.2</b>              | <b>172.9</b>              |
| <i>Tariff V (Variable)</i>  | 70.7                     | 57.5                     | 128.2                     | 73.0                     | 61.2                     | 134.2                     |
| <i>Fixed Charges</i>  | 14.1                     | 14.1                     | 28.3                      | 17.9                     | 19.2                     | 37.2                      |
| <i>Tariff D</i>   | 0.9                      | 0.8                      | 1.7                       | 0.8                      | 0.8                      | 1.6                       |
| Distribution Revenue of \$172.9m increased \$14.7m pcp primarily due to increased residential consumption from colder weather and higher average tariffs.   |                          |                          |                           |                          |                          |                           |
| <b>Other Revenue</b>  | <b>9.3</b>               | <b>3.7</b>               | <b>13.0</b>               | <b>5.0</b>               | <b>3.3</b>               | <b>8.2</b>                |
| <i>FRC</i>  | 5.6                      | 0.5                      | 6.0                       | 0.0                      | 0.0                      | 0.0                       |
| <i>Interest Revenue</i>   | 0.7                      | 0.5                      | 1.1                       | 0.8                      | 0.3                      | 1.1                       |
| <i>Miscellaneous</i>  | 3.1                      | 2.8                      | 5.9                       | 4.2                      | 3.0                      | 7.1                       |
| Other Revenue of \$8.2m decreased \$4.8m pcp primarily due to a \$6.0m decrease in FRC revenue, which is included within Distribution Revenue from 1 January 2008, following the 2008 Regulatory Reset.   |                          |                          |                           |                          |                          |                           |
| <b>Expenses from Ordinary Activities</b>  | <b>76.0</b>              | <b>81.1</b>              | <b>157.1</b>              | <b>110.7</b>             | <b>71.9</b>              | <b>182.6</b>              |
| Expenses from ordinary activities consist of operating expenses, depreciation, amortisation, abandonments, borrowing costs and income tax expense.  |                          |                          |                           |                          |                          |                           |
| <b>Operating Expenses</b>   | <b>23.3</b>              | <b>25.2</b>              | <b>48.5</b>               | <b>18.9</b>              | <b>24.2</b>              | <b>43.1</b>               |
| <i>Operating Fees</i>   | 19.6                     | 19.9                     | 39.5                      | 19.9                     | 20.0                     | 39.9                      |
| <i>Other Operating Expenses</i>   | 3.6                      | 5.3                      | 8.9                       | (1.0)                    | 4.2                      | 3.2                       |
| Operating expenses of \$43.1m decreased \$5.4m pcp. Other Operating expenses decreased by \$5.7m largely due to \$3.4m MTM gains on revenue (CPI) hedges.   |                          |                          |                           |                          |                          |                           |
| <b>D&amp;A and Abandonments</b>   | <b>19.4</b>              | <b>17.2</b>              | <b>36.6</b>               | <b>16.2</b>              | <b>16.7</b>              | <b>32.9</b>               |
| <i>Depreciation</i>   | 14.2                     | 14.3                     | 28.5                      | 14.5                     | 14.6                     | 29.1                      |
| <i>Amortisation</i>   | 1.4                      | 1.2                      | 2.7                       | 0.7                      | 0.7                      | 1.4                       |
| <i>Abandonments</i>   | 3.8                      | 1.7                      | 5.5                       | 1.0                      | 1.4                      | 2.4                       |
| D&A and abandonment expenses of \$32.9m decreased \$3.7m pcp. This decrease primarily related to a \$3.1m decrease in abandonments due to lower retirement of mains and services.   |                          |                          |                           |                          |                          |                           |
| <b>Total Borrowing Costs</b>  | <b>33.3</b>              | <b>38.7</b>              | <b>72.0</b>               | <b>75.6</b>              | <b>31.0</b>              | <b>106.6</b>              |
| <i>Senior Interest</i>  | 25.0                     | 34.9                     | 59.9                      | 35.3                     | 32.7                     | 68.0                      |
| <i>SOLA Interest</i>  | 7.3                      | 6.3                      | 13.5                      | 7.0                      | 6.4                      | 13.4                      |
| <i>Interest Rate Hedge – Fair Value Movements</i>   | 0.2                      | (3.4)                    | (3.3)                     | 32.3                     | (9.0)                    | 23.4                      |
| <i>Amortisation &amp; Other Financing Costs</i>   | 0.9                      | 0.9                      | 1.8                       | 0.9                      | 0.9                      | 1.8                       |
| Total Borrowing Costs of \$106.6m increased \$34.6m pcp. Senior Interest expense increased \$8.1m due to new interest rate hedges entered into for the Regulatory period for the five years from 1 January 2008 being higher than hedges for the previous regulatory period, which ended 31 December 2007. A MTM movement of \$23.4m on ineffective hedges for the period increased \$26.7m from the pcp. This movement was primarily caused by the decrease in the RBA cash rate from June 2008. |                          |                          |                           |                          |                          |                           |
| <b>Income Tax Expense</b>   | <b>0.0</b>               | <b>0.0</b>               | <b>0.0</b>                | <b>0.0</b>               | <b>0.0</b>               | <b>0.0</b>                |
| No income tax expense was incurred in the current period.   |                          |                          |                           |                          |                          |                           |
| <b>Net Profit After Tax</b>   | <b>19.0</b>              | <b>(4.9)</b>             | <b>14.1</b>               | <b>(14.0)</b>            | <b>12.6</b>              | <b>(1.4)</b>              |
| NPAT decreased \$15.5m pcp primarily due to the increase in borrowing costs as described above.   |                          |                          |                           |                          |                          |                           |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4.3. Cash Flow Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|   | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|   | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>Cash Flows from Operating Activities</b> | <b>89.3</b>              | <b>43.0</b>              | <b>132.4</b>              | <b>88.7</b>              | <b>45.0</b>              | <b>133.6</b>              |
| <i>Cash Receipts</i>                        | 120.1                    | 69.6                     | 189.7                     | 118.2                    | 86.5                     | 204.7                     |
| <i>Cash Payments</i>                        | (30.8)                   | (26.5)                   | (57.3)                    | (29.5)                   | (41.5)                   | (71.0)                    |

Cash Flows from Operating Activities of \$133.6m increased \$1.2m pcp.

|   |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Cash Flows from Investing Activities</b> | <b>(33.0)</b> | <b>(12.8)</b> | <b>(45.8)</b> | <b>(15.8)</b> | <b>(10.6)</b> | <b>(26.4)</b> |
| <i>Purchase of PP&amp;E</i>                 | (33.0)        | (26.1)        | (59.1)        | (15.8)        | (15.7)        | (31.6)        |
| <i>Proceeds from Sale of PP&amp;E</i>       | 0.0           | (0.0)         | 0.0           | 0.0           | 0.0           | 0.0           |
| <i>Proceeds from Government Grant</i>       | 0.0           | 13.3          | 13.3          | 0.0           | 5.2           | 5.2           |

Cash Flows from Investing Activities of \$26.4m decreased \$19.4m pcp primarily due to a decrease in the Purchase of PP&E due to a decrease in Pipeworks spending and South Gippsland project spending.

|   |               |               |               |               |              |               |
|---|---------------|---------------|---------------|---------------|--------------|---------------|
| <b>Cash Flows from Financing Activities</b> | <b>(55.0)</b> | <b>(17.8)</b> | <b>(72.8)</b> | <b>(76.5)</b> | <b>(6.4)</b> | <b>(82.8)</b> |
| <i>Movement in Borrowings</i>               | (15.5)        | 22.0          | 6.5           | (11.0)        | 42.0         | 31.0          |
| <i>Senior Borrowing Costs</i>               | (16.3)        | (33.7)        | (50.0)        | (33.7)        | (41.4)       | (75.1)        |
| <i>SOLA Borrowing Costs</i>                 | (7.2)         | (6.1)         | (13.3)        | (7.8)         | (6.9)        | (14.8)        |
| <i>Distributions</i>                        | (16.0)        | 0.0           | (16.0)        | (23.9)        | 0.0          | (23.9)        |

Cash Flows applied to financing activities of \$82.8m increased \$10.0m pcp primarily due to an increase in Senior Borrowing Costs of \$25.1m from new interest rate hedges started on 1 January 2008 and higher Distributions of \$7.6m. The increase in borrowing costs and distributions was partially offset by increased borrowings of \$24.5m.

|                          |            |             |             |              |             |             |
|--------------------------|------------|-------------|-------------|--------------|-------------|-------------|
| <b>Net Cash Movement</b> | <b>1.3</b> | <b>12.4</b> | <b>13.7</b> | <b>(3.6)</b> | <b>28.0</b> | <b>24.4</b> |
| Opening Cash             | 14.2       | 15.5        | 14.2        | 27.9         | 24.3        | 27.9        |
| Closing Cash             | 15.5       | 27.9        | 27.9        | 24.3         | 52.3        | 52.3        |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4.4. Balance Sheet

31 December 2008 is the pcip.

|  | 31 Dec 07      | 30 Jun 08      | 31 Dec 08      | 30 Jun 09      |
|--|----------------|----------------|----------------|----------------|
|  | \$ millions    | \$ millions    | \$ millions    | \$ millions    |
| <b>Current Assets</b>  | <b>39.5</b>    | <b>67.9</b>    | <b>45.1</b>    | <b>89.7</b>    |
| <i>Cash</i>  | 15.5           | 27.9           | 24.3           | 52.3           |
| <i>Accounts Receivable</i>   | 23.1           | 39.5           | 19.7           | 36.7           |
| <i>Other Assets (includes Derivative Financial Instruments)</i>  | 0.9            | 0.5            | 1.1            | 0.7            |
| Current Assets of \$89.7m increased \$44.6m pcip. Cash of \$52.3m increased \$28.0m pcip, primarily resulting from a \$10m drawdown on debt facilities in June 2009, the \$5.2m Government grant received in relation to the South Gippsland Project and timing of customer receipts. Other Current Assets include Derivative Financial Instruments of \$0.3m. |                |                |                |                |
| <b>Non-Current Assets</b>  | <b>1,261.9</b> | <b>1,268.8</b> | <b>1,271.4</b> | <b>1,274.8</b> |
| <i>Plant, Property &amp; Equipment</i>   | 774.5          | 778.0          | 778.8          | 783.1          |
| <i>Intangibles</i>   | 487.3          | 486.5          | 486.1          | 486.1          |
| <i>Other Assets (includes Derivative Financial Instruments)</i>  | 0.0            | 4.2            | 6.5            | 5.6            |
| Non-Current Assets increased \$3.4m pcip mainly due to a \$4.3m increase in PP&E. Other Non-Current Assets include Derivative Financial Instruments of \$5.6m.   |                |                |                |                |
| <b>Current Liabilities</b>   | <b>39.5</b>    | <b>42.9</b>    | <b>179.4</b>   | <b>184.1</b>   |
| <i>Payables</i>  | 39.5           | 40.9           | 37.5           | 39.5           |
| <i>Derivative Financial Instruments</i>  | 0.0            | 0.0            | 0.0            | 9.6            |
| <i>Interest Bearing Liabilities</i>  | 0.0            | 2.0            | 141.9          | 135.0          |
| Current Liabilities of \$184.1m increased \$4.7m pcip.   |                |                |                |                |
| <b>Non-Current Liabilities</b>   | <b>1,068.5</b> | <b>1,101.0</b> | <b>1,046.1</b> | <b>1,055.2</b> |
| <i>Interest Bearing Liabilities</i>  | 834.1          | 855.7          | 721.9          | 767.0          |
| <i>SOLA Debt</i>   | 141.2          | 141.2          | 141.2          | 141.2          |
| <i>Deferred Tax Liabilities</i>  | 83.1           | 84.9           | 57.6           | 66.8           |
| <i>Other Liabilities (includes Derivative Financial Instruments)</i>   | 10.1           | 19.2           | 125.4          | 80.1           |
| Non-Current Liabilities of \$1,055.2m increased by \$9.1m pcip. Other Non-Current Liabilities include Derivative Financial Instruments of \$58.7m.   |                |                |                |                |
| <b>Net Assets</b>  | <b>193.4</b>   | <b>192.7</b>   | <b>91.0</b>    | <b>125.2</b>   |
| <b>Equity</b>  | <b>193.4</b>   | <b>192.7</b>   | <b>91.0</b>    | <b>125.2</b>   |
| <i>Contributed Equity</i>  | 225.8          | 225.8          | 225.8          | 225.8          |
| <i>Reserves</i>  | 2.1            | 6.4            | (57.4)         | (64.8)         |
| <i>Retained Profits / (Loss)</i>   | (34.6)         | (39.5)         | (77.4)         | (35.8)         |
| Equity increased \$34.2m pcip reflecting the Net Profit After Tax for the 6 months to June 2009 at \$12.6m, and a decrease in the MTM liability of interest rate hedges.   |                |                |                |                |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4.5. Capital Expenditure Summary

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|                                   | 6 months to<br>31 Dec 07<br>\$ millions | 6 months to<br>30 Jun 08<br>\$ millions | 12 months to<br>30 Jun 08<br>\$ millions | 6 months to<br>31 Dec 08<br>\$ millions | 6 months to<br>30 Jun 09<br>\$ millions | 12 months to<br>30 Jun 09<br>\$ millions |
|-----------------------------------|---|---|--|---|---|--|
| <b>Total Capex</b>                | <b>34.0</b>                             | <b>19.9</b>                             | <b>53.9</b>                              | <b>16.6</b>                             | <b>21.0</b>                             | <b>37.5</b>                              |
| <b>Growth Capex</b>               | <b>18.2</b>                             | <b>11.8</b>                             | <b>29.9</b>                              | <b>12.9</b>                             | <b>14.8</b>                             | <b>27.7</b>                              |
| <i>Customer Initiated Capital</i> | 4.7                                     | 5.1                                     | 9.8                                      | 6.2                                     | 7.2                                     | 13.4                                     |
| <i>South Gippsland</i>            | 12.0                                    | 4.3                                     | 16.4                                     | 4.9                                     | 3.1                                     | 8.0                                      |
| <i>Demand Capital</i>             | 1.2                                     | 2.3                                     | 3.5                                      | 1.8                                     | 3.2                                     | 5.1                                      |
| <i>Other Growth Capex</i>         | 0.3                                     | 0.0                                     | 0.3                                      | 0.0                                     | 1.3                                     | 1.3                                      |
| <b>Maintenance Capex</b>          | <b>15.8</b>                             | <b>8.1</b>                              | <b>24.0</b>                              | <b>3.7</b>                              | <b>6.2</b>                              | <b>9.8</b>                               |
| <i>Replacement Capex</i>          | 13.9                                    | 6.1                                     | 20.0                                     | 3.0                                     | 4.1                                     | 7.1                                      |
| <i>Metering</i>                   | 1.4                                     | 1.6                                     | 3.0                                      | 0.2                                     | 1.3                                     | 1.5                                      |
| <i>Other Maintenance Capex</i>    | 0.5                                     | 0.5                                     | 1.0                                      | 0.5                                     | 0.8                                     | 1.3                                      |

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

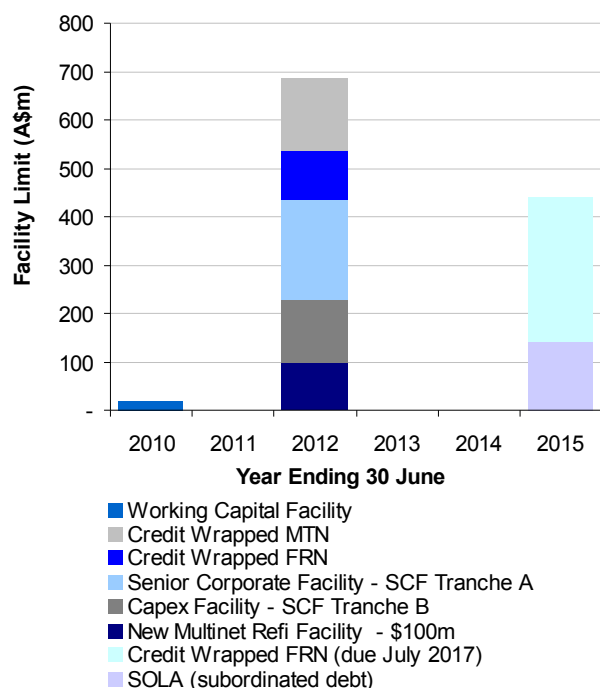
## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4.6. Treasury Summary

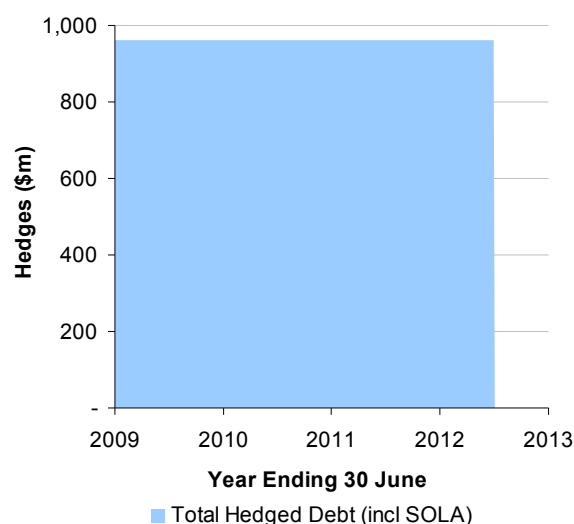
Multinet's debt maturity and hedging profiles at 30 June 2009 were as follows:

#### Debt Maturity Profile



\* This was drawn down on 29 July 2009 to refinance Multinet's \$135m MTN.

#### Hedging Profile



As at 30 June 2009, senior debt interest exposure was 94.0% hedged against total senior debt outstanding (including short term facilities). Subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding. The treasury policy is to hedge a minimum of 80% of senior debt and hedge 100% of subordinated debt, matched to the timing of the relevant regulatory reset. The next regulatory reset is 1 January 2013.

#### Net Debt and Undrawn Capacity

| A\$ millions                   | Drawn balance | Undrawn balance | Drawn balance  |
|--------------------------------|---------------|-----------------|----------------|
|                                | at 30 Jun 09  | at 30 Jun 09    | at 31 Dec 2008 |
| Term debt                      | 807.0         | 48.0            | 808.0          |
| Capital market instruments     | 550.0         | 0.0             | 685.0          |
| Bank facilities                | 257.0         | 48.0            | 123.0          |
| Capital expenditure facilities | 65.0          | 65.0            | 50.5           |
| Working capital facilities     | 0.0           | 20.0            | 7.0            |
| SOLA (subordinated debt)       | 141.2         | 0.0             | 141.2          |
| Less: cash                     | (52.3)        | 0.0             | (24.3)         |
|                                | <b>960.9</b>  | <b>133.0</b>    | <b>982.5</b>   |

Multinet maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB- (stable outlook)  
Moody's: Baa2 (negative outlook)

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 4.7. Key Operating Statistics

|  | As at          |            | As at          |            | As at          |            | As at          |            |
|--|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
|  | 31 Dec 07      | %          | 30 Jun 08      | %          | 31 Dec 08      | %          | 30 Jun 09      | %          |
| <b>Distribution Network Profile – User Connections</b> |                |            |                |            |                |            |                |            |
| Tariff V Residential                                   | 635,148        | 97         | 637,314        | 97         | 640,187        | 97         | 643,344        | 97         |
| Tariff V Business                                      | 16,693         | 3          | 16,651         | 3          | 16,614         | 3          | 16,583         | 3          |
| Tariff D   | 266            | 0          | 264            | 0          | 262            | 0          | 264            | 0          |
| <b>Total</b>   | <b>652,107</b> | <b>100</b> | <b>654,229</b> | <b>100</b> | <b>657,063</b> | <b>100</b> | <b>660,191</b> | <b>100</b> |

|                                 | 12 months to  |            | 12 months to  |            | 12 months to  |            | 12 months to  |            |
|---------------------------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|
|                                 | 31 Dec 07     | %          | 30 Jun 08     | %          | 31 Dec 08     | %          | 30 Jun 09     | %          |
| <b>Usage – Gas Volumes (TJ)</b> |               |            |               |            |               |            |               |            |
| Tariff V                        | 41,928        | 74         | 44,137        | 76         | 46,019        | 79         | 46,693        | 80         |
| Tariff D                        | 14,950        | 26         | 14,242        | 24         | 12,576        | 21         | 11,812        | 20         |
| <b>Total</b>                    | <b>56,878</b> | <b>100</b> | <b>58,379</b> | <b>100</b> | <b>58,595</b> | <b>100</b> | <b>58,505</b> | <b>100</b> |

|   | 12 months to | 12 months to | 12 months to | 12 months to |
|---|--------------|--------------|--------------|--------------|
|   | 31 Dec 07    | 30 Jun 08    | 31 Dec 08    | 30 Jun 09    |
| <b>Distribution Network Statistics</b>            |              |              |              |              |
| Priority Emergency Response                       |              | 97.5%        | 97.0%        | 97.2%        |
| Number of Unplanned Outages (> 5 consumers)       |              | 21           | 11           | 16           |
| Publicly Reported Gas Leaks (per 1,000 consumers) |              | 17           | 18           | 18           |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5. WA Gas Networks

As at 30 June 2009, DUET owned 25.9% of WA Gas Networks and 100% of the subordinated debt.

#### 5.1. Financial Summary

|                      | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|----------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|                      | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| Distribution Revenue | 68                       | 58                       | 126                       | 70                       | 61                       | 130                       |
| Total Revenue        | 72                       | 61                       | 133                       | 73                       | 64                       | 137                       |
| EBITDA               | 51                       | 41                       | 92                        | 51                       | 40                       | 92                        |
| EBIT                 | 39                       | 29                       | 69                        | 39                       | 28                       | 67                        |
| Net Profit After Tax | 13                       | 5                        | 18                        | 12                       | 6                        | 18                        |
| Total Assets         | 892                      | 902                      | 902                       | 894                      | 905                      | 905                       |
| Net Assets           | 100                      | 105                      | 105                       | 82                       | 92                       | 92                        |
| Total Capex          | 18                       | 18                       | 36                        | 19                       | 21                       | 40                        |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5.2. Income Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|   | 6 months to<br>31 Dec 07<br>\$ millions | 6 months to<br>30 June 08<br>\$ millions | 12 months to<br>30 June 08<br>\$ millions | 6 months to<br>31 Dec 08<br>\$ millions | 6 months to<br>30 June 09<br>\$ millions | 12 months to<br>30 June 09<br>\$ millions |
|---|---|--|---|---|--|---|
| <b>Revenue</b>  | <b>71.8</b>                             | <b>61.2</b>                              | <b>133.0</b>                              | <b>73.1</b>                             | <b>63.7</b>                              | <b>136.8</b>                              |
| <i>Distribution Revenue</i>   | 67.7                                    | 58.2                                     | 125.9                                     | 69.6                                    | 60.6                                     | 130.2                                     |
| <i>Interest Revenue</i>   | 0.4                                     | 0.2                                      | 0.7                                       | 0.3                                     | 0.1                                      | 0.4                                       |
| <i>Other Revenue</i>  | 3.7                                     | 2.7                                      | 6.4                                       | 3.3                                     | 3.0                                      | 6.2                                       |
| Revenue of \$136.8m increased \$3.8m pcp.   |   |  |   |   |  |   |
| <b>Expenses from Ordinary Activities</b>  | <b>58.6</b>                             | <b>56.3</b>                              | <b>114.9</b>                              | <b>61.2</b>                             | <b>57.5</b>                              | <b>118.7</b>                              |
| Expenses from Ordinary Activities consist of Operating Expenses, D&A, Borrowing Costs and Income Tax Expense. |   |  |   |   |  |   |
| <b>Operating Expenses</b>   | <b>20.6</b>                             | <b>20.1</b>                              | <b>40.6</b>                               | <b>21.6</b>                             | <b>23.3</b>                              | <b>44.9</b>                               |
| <i>Cost of Goods Sold</i>   | 2.7                                     | 1.8                                      | 4.5                                       | 2.5                                     | 4.7                                      | 7.2                                       |
| <i>Other Operating Expenses</i>   | 17.9                                    | 18.2                                     | 36.1                                      | 19.1                                    | 18.6                                     | 37.7                                      |
| Operating Expenses of \$44.9m increased \$4.3m pcp.   |   |  |   |   |  |   |
| <b>D&amp;A</b>  | <b>11.4</b>                             | <b>11.6</b>                              | <b>23.0</b>                               | <b>12.0</b>                             | <b>12.4</b>                              | <b>24.4</b>                               |
| <i>Depreciation</i>   | 11.0                                    | 11.2                                     | 22.2                                      | 11.5                                    | 11.7                                     | 23.2                                      |
| <i>Amortisation</i>   | 0.4                                     | 0.4                                      | 0.9                                       | 0.6                                     | 0.6                                      | 1.2                                       |
| Depreciation and Amortisation of \$24.4m increased \$1.4m pcp.  |   |  |   |   |  |   |
| <b>Borrowing Costs</b>  | <b>21.0</b>                             | <b>22.4</b>                              | <b>43.4</b>                               | <b>22.5</b>                             | <b>20.7</b>                              | <b>43.2</b>                               |
| <i>Senior Interest</i>  | 16.9                                    | 18.0                                     | 34.9                                      | 18.5                                    | 18.3                                     | 36.7                                      |
| <i>SOLA Interest</i>  | 4.1                                     | 4.5                                      | 8.6                                       | 4.0                                     | 2.4                                      | 6.4                                       |
| Borrowing Costs of \$43.2m decreased \$0.2m pcp.  |   |  |   |   |  |   |
| <b>Income Tax Expense</b>   | <b>5.7</b>                              | <b>2.1</b>                               | <b>7.8</b>                                | <b>5.1</b>                              | <b>1.1</b>                               | <b>6.2</b>                                |
| Income Tax Expense of \$6.2m decreased \$1.6m pcp.  |   |  |   |   |  |   |
| <b>Net Profit After Tax</b>   | <b>13.2</b>                             | <b>4.9</b>                               | <b>18.1</b>                               | <b>11.9</b>                             | <b>6.2</b>                               | <b>18.1</b>                               |
| Net Profit After Tax of \$18.1m was in line with pcp.   |   |  |   |   |  |   |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5.3. Cash Flow Statement

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|   | 6 months to<br>31 Dec 07<br>\$ millions | 6 months to<br>30 Jun 08<br>\$ millions | 12 months to<br>30 Jun 08<br>\$ millions | 6 months to<br>31 Dec 08<br>\$ millions | 6 months to<br>30 Jun 09<br>\$ millions | 12 months to<br>30 Jun 09<br>\$ millions |
|---|---|---|--|---|---|--|
| <b>Cash Flows from Operating Activities</b>   | <b>36.4</b>                             | <b>35.9</b>                             | <b>72.3</b>                              | <b>49.8</b>                             | <b>38.1</b>                             | <b>87.9</b>                              |
| <i>Cash Receipts and Payments</i>   | 42.8                                    | 39.6                                    | 82.4                                     | 55.0                                    | 39.8                                    | 94.8                                     |
| <i>Tax Paid</i>   | (6.4)                                   | (3.7)                                   | (10.2)                                   | (5.2)                                   | (1.7)                                   | (6.9)                                    |
| Cash Flows from Operating Activities of \$87.9m increased \$15.6m pcp.  |   |   |  |   |   |  |
| <b>Cash Flows from Investing Activities</b>   | <b>(25.3)</b>                           | <b>(13.5)</b>                           | <b>(38.8)</b>                            | <b>(22.8)</b>                           | <b>(25.7)</b>                           | <b>(48.5)</b>                            |
| <i>Purchase of PP&amp;E</i>   | (25.3)                                  | (13.5)                                  | (38.8)                                   | (22.8)                                  | (25.7)                                  | (48.5)                                   |
| Cash Flows from Investing Activities of \$48.5m reflected ongoing capex.  |   |   |  |   |   |  |
| <b>Cash Flows from Financing Activities</b>   | <b>(11.3)</b>                           | <b>(19.9)</b>                           | <b>(31.2)</b>                            | <b>(32.4)</b>                           | <b>(6.3)</b>                            | <b>(38.7)</b>                            |
| <i>Movement in Borrowings</i>   | 22.5                                    | 2.3                                     | 24.8                                     | 13.0                                    | 12.2                                    | 25.2                                     |
| <i>Dividends Paid</i>   | (18.4)                                  | 0.0                                     | (18.4)                                   | (19.9)                                  | 0.0                                     | (19.9)                                   |
| <i>Interest Received</i>  | 0.8                                     | 0.2                                     | 1.1                                      | 0.3                                     | 0.1                                     | 0.4                                      |
| <i>Senior Interest and Borrowing Costs Paid</i>   | (12.1)                                  | (18.2)                                  | (30.3)                                   | (21.2)                                  | (16.1)                                  | (37.2)                                   |
| <i>SOLA Interest Paid</i>   | (4.1)                                   | (4.3)                                   | (8.4)                                    | (4.6)                                   | (2.5)                                   | (7.1)                                    |
| <i>Other</i>  | (0.0)                                   | 0.1                                     | 0.0                                      | 0.0                                     | 0.0                                     | 0.0                                      |
| Cash Flows from Financing Activities of \$38.7m decreased \$7.5m pcp reflecting the increased Interest Paid due to continued debt drawdowns and increased borrowing costs from refinancing. |   |   |  |   |   |  |
| <b>Net Cash Movement</b>  | <b>(0.3)</b>                            | <b>2.6</b>                              | <b>2.4</b>                               | <b>(5.4)</b>                            | <b>6.0</b>                              | <b>0.7</b>                               |
| Opening Cash  | 8.2                                     | 7.9                                     | 8.2                                      | 10.6                                    | 5.2                                     | 10.6                                     |
| Closing Cash  | 7.9                                     | 10.6                                    | 10.6                                     | 5.2                                     | 11.2                                    | 11.2                                     |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5.4. Balance Sheet

31 December 2008 is the pcp.

|  | 31 Dec 07    | 30 Jun 08    | 31 Dec 08    | 30 Jun 09    |
|--|--------------|--------------|--------------|--------------|
|  | \$ millions  | \$ millions  | \$ millions  | \$ millions  |
| <b>Current Assets</b>  | <b>41.7</b>  | <b>47.8</b>  | <b>30.8</b>  | <b>37.7</b>  |
| <i>Cash</i>  | 7.9          | 10.6         | 5.2          | 11.2         |
| <i>Accounts Receivable</i>   | 34.1         | 37.5         | 23.3         | 26.4         |
| <i>Other Current Assets (including Inventories and Tax Assets)</i> | (0.3)        | (0.3)        | 2.4          | 0.1          |
| Current Assets of \$37.7m increased by \$6.9m pcp.                 |              |              |              |              |
| <b>Non-Current Assets</b>  | <b>850.7</b> | <b>854.6</b> | <b>862.7</b> | <b>867.4</b> |
| <i>Plant, Property and Equipment</i>                               | 608.1        | 614.0        | 623.4        | 630.4        |
| <i>Deferred Tax Asset</i>  | 24.2         | 22.6         | 20.6         | 19.0         |
| <i>Intangibles</i>   | 213.6        | 213.6        | 213.6        | 213.6        |
| <i>Other</i>   | 4.8          | 4.3          | 5.1          | 4.4          |
| Non-Current Assets of \$867.4m increased by \$4.7m pcp.            |              |              |              |              |
| <b>Current Liabilities</b>   | <b>26.7</b>  | <b>151.8</b> | <b>34.7</b>  | <b>32.1</b>  |
| <i>Payables</i>  | 16.0         | 21.2         | 30.4         | 20.4         |
| <i>Interest Bearing Liabilities</i>                                | 9.0          | 129.3        | 3.0          | 9.5          |
| <i>Current Tax Liabilities</i>                                     | 1.7          | 0.5          | 0.5          | 0.4          |
| <i>Provisions and Other Liabilities</i>                            | 0.0          | 0.8          | 0.8          | 1.8          |
| Current Liabilities of \$32.1m decreased \$2.6m pcp.               |              |              |              |              |
| <b>Non-Current Liabilities</b>                                     | <b>765.6</b> | <b>645.6</b> | <b>776.5</b> | <b>781.4</b> |
| <i>Interest Bearing Liabilities</i>                                | 568.0        | 450.0        | 589.3        | 595.0        |
| <i>SOLA Debt</i>   | 79.8         | 79.8         | 79.8         | 79.8         |
| <i>Deferred Tax Liabilities</i>                                    | 117.8        | 115.8        | 107.4        | 106.6        |
| Non-Current Liabilities of \$781.4m increased by \$4.9m pcp.       |              |              |              |              |
| <b>Net Assets</b>  | <b>100.1</b> | <b>105.0</b> | <b>82.3</b>  | <b>91.6</b>  |
| <b>Equity</b>  | <b>100.1</b> | <b>105.0</b> | <b>82.3</b>  | <b>91.6</b>  |
| <i>Contributed Equity</i>  | 169.6        | 169.6        | 169.6        | 169.6        |
| <i>Reserves</i>  | 8.8          | 8.7          | (5.9)        | (2.8)        |
| <i>Retained Earnings</i>   | (78.3)       | (73.4)       | (81.4)       | (75.2)       |
| Equity was \$91.6m at the end of the period.                       |              |              |              |              |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5.5. Capital Expenditure Summary

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|                                   | 6 months to<br>31 Dec 07<br>\$ millions | 6 months to<br>30 Jun 08<br>\$ millions | 12 months to<br>30 Jun 08<br>\$ millions | 6 months to<br>31 Dec 08<br>\$ millions | 6 months to<br>30 Jun 09<br>\$ millions | 12 months to<br>30 Jun 09<br>\$ millions |
|-----------------------------------|---|---|--|---|---|--|
| <b>Total Capex</b>                | <b>18.1</b>                             | <b>17.7</b>                             | <b>35.9</b>                              | <b>19.1</b>                             | <b>20.9</b>                             | <b>39.9</b>                              |
| <b>Growth Capex</b>               | <b>17.8</b>                             | <b>15.8</b>                             | <b>33.7</b>                              | <b>14.7</b>                             | <b>18.0</b>                             | <b>32.7</b>                              |
| <i>Customer Initiated Capital</i> | 14.6                                    | 14.1                                    | 28.8                                     | 12.4                                    | 11.4                                    | 23.7                                     |
| <i>Demand Capital</i>             | 0.3                                     | 0.1                                     | 0.4                                      | 0.1                                     | 0.0                                     | 0.2                                      |
| <i>Other Growth Capex</i>         | 2.9                                     | 1.6                                     | 4.5                                      | 2.2                                     | 6.7                                     | 8.9                                      |
| <b>Maintenance Capex</b>          | <b>0.3</b>                              | <b>1.9</b>                              | <b>2.2</b>                               | <b>4.4</b>                              | <b>2.8</b>                              | <b>7.2</b>                               |
| <i>Asset replacement</i>          | 0.2                                     | 1.9                                     | 2.0                                      | 4.3                                     | 2.6                                     | 6.9                                      |
| <i>Other Maintenance Capex</i>    | 0.1                                     | 0.0                                     | 0.2                                      | 0.0                                     | 0.3                                     | 0.3                                      |

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

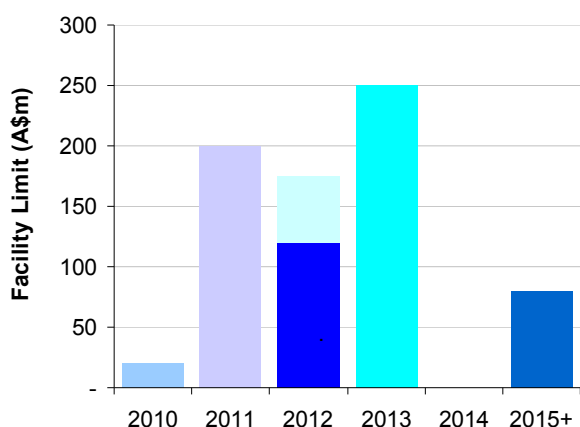
## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5.6. Treasury Summary

WA Gas Networks' debt maturity and hedging profiles at 30 June 2009 were as follows:

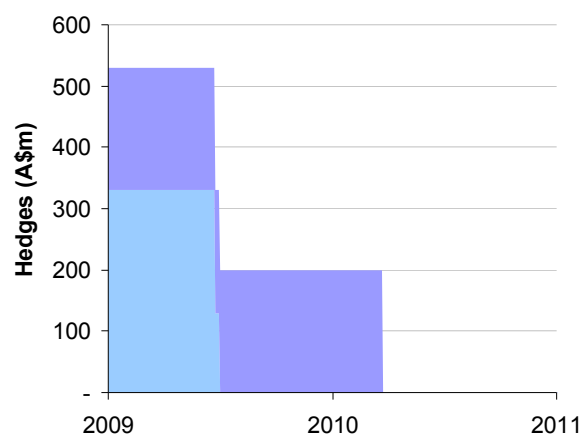
#### Debt Maturity Profile



Year Ending 30 June

- Credit Wrapped Medium Term Notes (Fixed)
- Credit Wrapped Medium Term Notes (Floating)
- Working Capital Facility
- Capex Facility
- Senior - Term Loan
- SOLA (subordinated debt)

#### Hedging Profile



Year Ending 30 June

- Fixed Rate Debt
- Interest Rate Hedges

As at 30 June 2009, senior debt interest exposure was 87.7% hedged against total senior debt outstanding balance (excluding short term facilities).

#### Net Debt and Undrawn Capacity

| A\$ millions                   | Drawn balance | Undrawn balance | Drawn balance  |
|--------------------------------|---------------|-----------------|----------------|
|                                | at 30 Jun 09  | at 30 Jun 09    | at 31 Dec 2008 |
| Term debt                      | 570.0         | 0.0             | 570.0          |
| Capital market instruments     | 450.0         | 0.0             | 450.0          |
| Bank facilities                | 120.0         | 0.0             | 120.0          |
| Capital expenditure facilities | 25.0          | 30.0            | 19.3           |
| Working capital facilities     | 9.5           | 10.5            | 3.0            |
| SOLA (subordinated debt)       | 79.8          | 0.0             | 79.8           |
| Less: cash                     | (11.2)        | 0.0             | (5.2)          |
|                                | <b>673.1</b>  | <b>40.5</b>     | <b>666.9</b>   |

WA Gas Networks maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB- (stable outlook)  
 Moody's: Baa2 (stable outlook)

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 5.7. Key Operating Statistics

|                                   | 12 months to<br>31 Dec 07 |            | 12 months to<br>30 Jun 08 |           | 12 months to<br>31 Dec 08 |            | 12 months to<br>30 Jun 09 |            |
|-----------------------------------|---------------------------|------------|---------------------------|-----------|---------------------------|------------|---------------------------|------------|
|                                   |                           | %          |                           | %         |                           | %          |                           | %          |
| <b>Usage (TJ)</b>                 |                           |            |                           |           |                           |            |                           |            |
| Tariff A                          | 17,714                    | 57         | 16,116                    | 52        | 14,346                    | 51         | 14,470                    | 52         |
| Tariff B                          | 13,000                    | 42         | 13,156                    | 42        | 13,449                    | 48         | 13,186                    | 47         |
| Kalgoorlie                        | 163                       | 1          | 175                       | 1         | 180                       | 1          | 185                       | 1          |
| Albany                            | 130                       | 0          | 133                       | 0         | 135                       | 0          | 136                       | 0          |
| <b>Total Distribution Volumes</b> | <b>31,007</b>             | <b>100</b> | <b>29,580</b>             | <b>95</b> | <b>28,109</b>             | <b>100</b> | <b>27,977</b>             | <b>100</b> |

|                              | As at<br>31 Dec 07 | As at<br>30 Jun 08 | As at<br>31 Dec 08 | As at<br>30 Jun 09 |
|------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Number of Connections</b> | 585,254            | 593,771            | 602,821            | 610,294            |

|                               | As at<br>31 Dec 07 | As at<br>30 Jun 08 | As at<br>31 Dec 08 | As at<br>30 Jun 09 |
|-------------------------------|--------------------|--------------------|--------------------|--------------------|
| <b>Performance Indicators</b> |                    |                    |                    |                    |
| SAIFI (Per 1000)              | 4.67               | 3.34               | 1.84               | 0.35               |
| Priority Emergency Response   | 100%               | 100%               | 100%               | 99.94%             |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 6. Duquesne

As at 30 June 2009, DUET owned 29.0% of Duquesne.

All balances reported are stated in US Dollars. Both the Income Statement and Balance Sheet are presented in US GAAP and accordingly are not AIFRS compliant. Duquesne's financial year end is 31 December.

#### 6.1. Financial Summary

|                            | 6 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 12 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|----------------------------|--------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|                            | \$US millions            | \$US millions            | \$US millions             | \$ millions              | \$ millions               |
| Total Revenue <sup>1</sup> | 601                      | 575                      | 1,176                     | 550                      | 1,125                     |
| EBITDA                     | 347                      | (63)                     | 284                       | 148                      | 84                        |
| EBIT                       | 300                      | (109)                    | 191                       | 103                      | (6)                       |
| Net Profit After Tax       | 88                       | (212)                    | (124)                     | 18                       | (194)                     |
| Total Assets               | 3,979                    | 3,958                    | 3,958                     | 3,914                    | 3,914                     |
| Net Assets                 | 389                      | 149                      | 149                       | 167                      | 167                       |
| Total Capex                | 61                       | 97                       | 158                       | 95                       | 192                       |

<sup>1</sup> Before limited partners' interest and discontinued operations.

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 6.2. Income Statement

The current period presented for Duquesne is the 6 months to 30 June 2009. The pcp is the 6 months to 30 June 2008.

|   | 6 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 12 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|   | \$US millions            | \$US millions            | \$US millions             | \$US millions            | \$US millions             |
| <b>Revenue</b>  | <b>600.8</b>             | <b>575.1</b>             | <b>1,175.9</b>            | <b>549.6</b>             | <b>1,124.6</b>            |
| <i>Retail Sales of Electricity</i>  | 519.0                    | 527.2                    | 1,046.2                   | 511.6                    | 1,038.8                   |
| <i>Other</i>  | 53.2                     | 49.8                     | 103.0                     | 38.9                     | 88.7                      |
| <i>Investment and Other Income / (Loss)</i>   | 28.6                     | (1.9)                    | 26.7                      | (1.0)                    | (2.9)                     |
| Revenues from Retail Sales of Electricity are from electricity distribution, transmission and supply. Other Revenue is associated with non-regulated activities including the generation, communications and energy facility businesses. Included in Investment and Other Income / (Loss) for the current period is the pcp contained loss attributable to Duquesne's affordable housing investments. |                          |                          |                           |                          |                           |
| <b>Expenses</b>   | <b>253.8</b>             | <b>638.6</b>             | <b>892.4</b>              | <b>401.7</b>             | <b>1,040.3</b>            |
| <i>Fuel and Purchased Power</i>   | 245.5                    | 286.8                    | 532.3                     | 242.9                    | 529.7                     |
| <i>Mark-to-Market Value of Derivative Energy Contracts</i>  | (125.4)                  | 247.8                    | 122.4                     | 43.5                     | 291.4                     |
| <i>Other Operating and Maintenance</i>  | 98.0                     | 70.1                     | 168.1                     | 82.1                     | 152.2                     |
| <i>Taxes other than Income Taxes</i>  | 35.7                     | 33.8                     | 69.5                      | 33.2                     | 67.0                      |
| Expenses of \$401.7m increased \$147.9m pcp predominantly from a \$168.9m MTM movement of derivative energy contracts arising from higher energy prices.  |                          |                          |                           |                          |                           |
| <b>Depreciation and Amortisation</b>  | <b>47.1</b>              | <b>45.2</b>              | <b>92.3</b>               | <b>45.1</b>              | <b>90.2</b>               |
| <b>Borrowing Costs</b>  | <b>107.6</b>             | <b>218.5</b>             | <b>326.1</b>              | <b>62.2</b>              | <b>280.7</b>              |
| <i>Senior Interest</i>  | 57.6                     | 61.6                     | 119.2                     | 57.2                     | 118.7                     |
| <i>Shareholder Loan Interest</i>  | 45.7                     | 46.2                     | 91.9                      | 45.4                     | 91.6                      |
| <i>Amortisation of Capitalised Borrowing Costs</i>  | 5.4                      | 3.2                      | 8.6                       | 4.1                      | 7.3                       |
| <i>Mark-to-Market Value of Interest Rate Hedges</i>   | (1.2)                    | 107.6                    | 106.4                     | (45.8)                   | 61.7                      |
| <i>Movement on Regulatory Asset</i>   | 0.0                      | 0.0                      | 0.0                       | 1.4                      | 1.4                       |
| Borrowing Costs of \$62.2m decreased \$45.4m pcp predominantly from an increase in the MTM of interest rate hedges arising from an increase in US interest rates.   |                          |                          |                           |                          |                           |
| <b>Income Tax Expense</b>   | <b>108.3</b>             | <b>(111.3)</b>           | <b>(3.0)</b>              | <b>26.1</b>              | <b>(85.1)</b>             |
| The income tax expense of \$26.1m decreased \$82.2m pcp predominantly from higher expenses as a result of the MTM of derivative energy contracts as described above.  |                          |                          |                           |                          |                           |
| <b>Other</b>  | <b>3.8</b>               | <b>4.2</b>               | <b>8.0</b>                | <b>3.5</b>               | <b>7.7</b>                |
| <i>Benefit from Limited Partners' Interest</i>  | 4.1                      | 4.1                      | 8.2                       | 3.5                      | 7.6                       |
| <i>Profit / (Loss) from Discontinued Operations – Net</i>   | (0.3)                    | 0.1                      | (0.2)                     | (0.0)                    | 0.0                       |
| <b>Net Profit After Tax</b>   | <b>87.8</b>              | <b>(211.7)</b>           | <b>(123.8)</b>            | <b>17.9</b>              | <b>(193.8)</b>            |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 6.3. Cash Flow Statement

The current period presented for Duquesne is the 6 months to 30 June 2009. The pcp is the 6 months to 31 December 2008.

|   | 6 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 12 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|---|--------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|   | \$US millions            | \$US millions            | \$US millions             | \$US millions            | \$US millions             |
| <b>Cash Flows from Operating Activities</b>   | <b>154.0</b>             | <b>189.2</b>             | <b>343.2</b>              | <b>128.6</b>             | <b>317.8</b>              |
| <i>Cash Receipts</i>  | 594.4                    | 636.5                    | 1,231.0                   | 609.0                    | 1,245.6                   |
| <i>Cash Payments to Suppliers</i>   | (424.1)                  | (407.3)                  | (831.4)                   | (462.8)                  | (870.1)                   |
| <i>Income Tax (Payment) / Refund</i>  | (16.3)                   | (40.0)                   | (56.3)                    | (17.6)                   | (57.6)                    |
| Cash Flows from Operating Activities were \$128.6m.   |                          |                          |                           |                          |                           |
| <b>Cash Flows from Investing Activities</b>   | <b>11.0</b>              | <b>(90.2)</b>            | <b>(79.2)</b>             | <b>(93.9)</b>            | <b>(184.0)</b>            |
| <i>Purchase of PP&amp;E</i>   | (61.8)                   | (86.1)                   | (148.0)                   | (92.3)                   | (178.4)                   |
| <i>Proceeds from Sale of Investments</i>  | 71.4                     | 0.0                      | 71.4                      | 0.0                      | 0.0                       |
| <i>Other</i>  | 1.4                      | (4.0)                    | (2.6)                     | (1.5)                    | (5.6)                     |
| Purchase of PP&E of \$92.3m increased \$30.5m pcp due to an increase in maintenance and growth transmission expenditures. |                          |                          |                           |                          |                           |
| <b>Cash Flows from Financing Activities</b>   | <b>(92.7)</b>            | <b>(137.7)</b>           | <b>(230.4)</b>            | <b>(71.9)</b>            | <b>(209.6)</b>            |
| <i>Movement in Borrowings</i>   | 50.9                     | 7.8                      | 58.7                      | (10.8)                   | (2.9)                     |
| <i>Senior Borrowing Costs</i>   | (59.1)                   | (67.3)                   | (126.4)                   | (52.0)                   | (119.3)                   |
| <i>Shareholder Loan Interest</i>  | (45.7)                   | (47.0)                   | (92.7)                    | (28.9)                   | (75.9)                    |
| <i>Consortium Dividends</i>   | (35.7)                   | (28.2)                   | (63.8)                    | 0.0                      | (28.2)                    |
| <i>Preferred Stock Dividends</i>  | (3.1)                    | (3.1)                    | (6.2)                     | (3.1)                    | (6.2)                     |
| <i>Deferral of Member Debt Interest Payments</i>  | 0.0                      | 0.0                      | 0.0                       | 22.8                     | 22.8                      |
| Cash Flows from Financing Activities were \$71.9m.  |                          |                          |                           |                          |                           |
| <b>Net Cash Movement</b>  | <b>72.3</b>              | <b>(38.7)</b>            | <b>33.6</b>               | <b>(37.1)</b>            | <b>(75.8)</b>             |
| <i>Opening Cash</i>   | 38.6                     | 110.9                    | 38.6                      | 72.3                     | 110.9                     |
| <i>Closing Cash</i>   | 110.9                    | 72.3                     | 72.3                      | 35.1                     | 35.1                      |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 6.4. Balance Sheet

The current period presented for Duquesne is as at 30 June 2009. The pcp is 31 December 2008.

|  | 30 Jun 08<br>\$US millions | 31 Dec 08<br>\$US millions | 30 Jun 09<br>\$US millions |
|--|----------------------------|----------------------------|----------------------------|
| <b>Current Assets</b>  | <b>450.8</b>               | <b>302.0</b>               | <b>225.1</b>               |
| <i>Cash and Cash Equivalents</i>   | 110.9                      | 72.3                       | 35.1                       |
| <i>Receivables</i>   | 151.4                      | 144.8                      | 135.7                      |
| <i>Deferred Tax Assets</i>   | 0.0                        | 47.7                       | 5.8                        |
| <i>Derivative Financial Instruments</i>  | 137.5                      | 8.6                        | 1.1                        |
| <i>Other</i>   | 51.0                       | 28.6                       | 47.4                       |
| Current Assets were \$225.1m, down \$76.9m pcp mostly due to lower Deferred Tax Assets.  |                            |                            |                            |
| <b>Non-Current Assets</b>  | <b>3,528.5</b>             | <b>3,656.2</b>             | <b>3,688.7</b>             |
| <i>Long-Term Investments</i>   | 20.0                       | 17.1                       | 16.0                       |
| <i>Net Property, Plant and Equipment</i>   | 1,982.9                    | 2,038.0                    | 2,088.8                    |
| <i>Regulatory Assets</i>   | 309.1                      | 508.1                      | 501.9                      |
| <i>Goodwill</i>  | 1,018.9                    | 1,017.8                    | 1,017.8                    |
| <i>Derivative Financial Instruments</i>  | 58.3                       | 5.4                        | 0.0                        |
| <i>Pension Assets</i>  | 60.9                       | 0.0                        | 0.0                        |
| <i>Other</i>   | 78.5                       | 69.9                       | 64.1                       |
| Non-Current Assets were \$3,688.7m, up \$32.5m pcp.  |                            |                            |                            |
| <b>Current Liabilities</b>   | <b>414.2</b>               | <b>286.8</b>               | <b>295.5</b>               |
| <i>Short Term Debt and Current Maturities</i>  | 127.2                      | 0.2                        | 0.3                        |
| <i>Accounts Payable</i>  | 104.9                      | 92.3                       | 87.6                       |
| <i>Deferred Income Tax-Net</i>   | 66.7                       | -                          | 0.0                        |
| <i>Derivative Instruments</i>  | 17.0                       | 82.4                       | 106.5                      |
| <i>Other Current Liabilities</i>   | 98.5                       | 111.9                      | 101.2                      |
| Current Liabilities of \$295.5m increased \$8.7m pcp due to a \$24.1m increase in Derivative Instruments partially offset by a decrease in Accounts Payable and Other Current Liabilities. |                            |                            |                            |
| <b>Non-Current Liabilities</b>   | <b>3,175.7</b>             | <b>3,522.7</b>             | <b>3,451.7</b>             |
| <i>Deferred Income Taxes - Net</i>   | 362.2                      | 327.0                      | 290.8                      |
| <i>Derivative Instruments</i>  | 18.8                       | 124.8                      | 82.8                       |
| <i>Pension Liability</i>   | 39.0                       | 218.0                      | 217.5                      |
| <i>Federal Income Tax Reserve</i>  | 37.1                       | 42.0                       | 42.5                       |
| <i>Other Post Retirement Benefits</i>  | 58.1                       | 51.0                       | 51.5                       |
| <i>Other Non-Current Liabilities</i>   | 103.5                      | 69.6                       | 64.8                       |
| <i>Long-Term Debt</i>  | 1,737.3                    | 1,874.0                    | 1,865.1                    |
| <i>Limited Partners Interest</i>   | 16.6                       | 13.0                       | 10.7                       |
| <i>Investor Debt</i>   | 695.0                      | 695.0                      | 717.8                      |
| <i>Preferred and Preference Stock</i>  | 108.1                      | 108.1                      | 108.1                      |
| Non-Current Liabilities of \$3,451.7m decreased \$71.0m pcp.   |                            |                            |                            |
| <b>Equity</b>  | <b>389.4</b>               | <b>148.7</b>               | <b>166.6</b>               |
| <i>Common Equity</i>   | 389.4                      | 148.7                      | 166.6                      |
| Common Equity of \$166.6m increased \$17.9m pcp.   |                            |                            |                            |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 6.5. Capital Expenditure Summary

The current period is the 12 months to 30 June 2009. The pcp is the 12 months to 30 June 2008.

|  | 6 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 12 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|--|--------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|  | \$US millions            | \$US millions            | \$US millions             | \$US millions            | \$US millions             |
| <b>Total Capex</b>                                 | <b>61.1</b>              | <b>97.1</b>              | <b>158.2</b>              | <b>94.8</b>              | <b>191.8</b>              |
| <b>Growth Capex</b>                                | <b>19.4</b>              | <b>37.6</b>              | <b>57.0</b>               | <b>45.6</b>              | <b>83.2</b>               |
| <i>Growth Transmission</i>                         | 11.8                     | 29.4                     | 41.2                      | 35.8                     | 65.2                      |
| <i>Associated Distribution</i>                     | 7.6                      | 8.2                      | 15.7                      | 9.8                      | 18.0                      |
| <b>Maintenance Capex</b>                           | <b>37.3</b>              | <b>51.4</b>              | <b>88.7</b>               | <b>43.6</b>              | <b>95.0</b>               |
| <i>Transmission &amp; Distribution Maintenance</i> | 32.5                     | 36.4                     | 68.9                      | 35.9                     | 72.3                      |
| <i>Utility Support</i>                             | 4.8                      | 15.1                     | 19.9                      | 7.7                      | 22.7                      |
| <b>Other Capex</b>                                 | <b>4.4</b>               | <b>8.1</b>               | <b>12.5</b>               | <b>5.5</b>               | <b>13.6</b>               |
| <i>Keystone &amp; Conemaugh</i>                    | 3.5                      | 7.2                      | 10.7                      | 3.7                      | 10.9                      |
| <i>Communications</i>                              | 0.9                      | 0.9                      | 1.8                       | 1.8                      | 2.6                       |

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

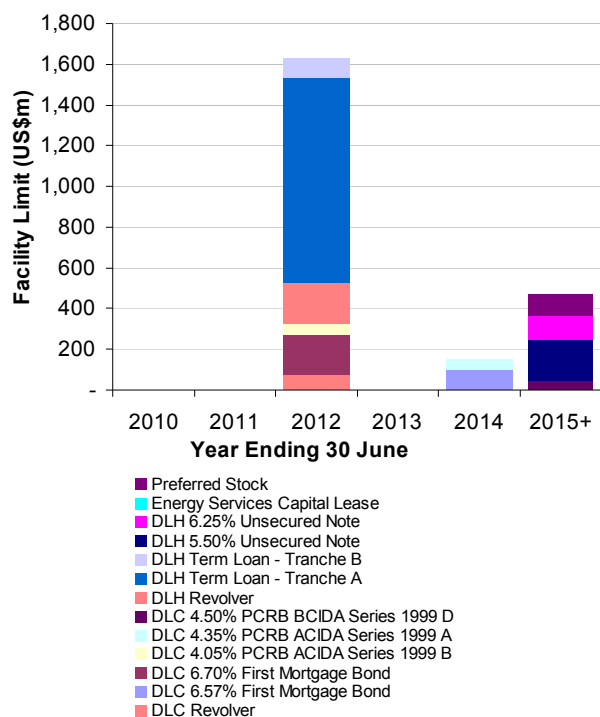
## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

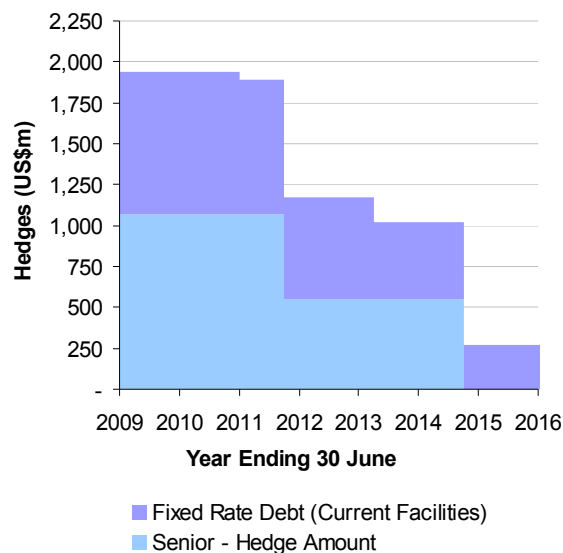
### 6.6. Treasury Summary

The debt maturity and hedging profiles summary for the consolidated DLH Group at 30 June 2009 were as follows:

#### Debt Maturity Profile



#### Hedging Profile



The chart shows DLH's interest rate hedge profile until 2013, treating fixed debt as 100% hedged. Some fixed rate facilities have a maturity date past June 2016. As at 30 June 2009, DLH's total debt interest rate exposure was 105.4% hedged against total debt drawn (including short term facilities).

#### Net Debt and Undrawn Capacity

| A\$ millions                    | Drawn balance  | Undrawn balance | Drawn balance  |
|---------------------------------|----------------|-----------------|----------------|
|                                 | at 30 Jun 09   | at 30 Jun 09    | at 31 Dec 2008 |
| Term debt                       | 1,866.2        | 0.0             | 1,766.2        |
| First mortgage bonds            | 300.0          | 0.0             | 200.0          |
| Pollution control revenue bonds | 142.2          | 0.0             | 142.2          |
| Unsecured notes                 | 320.0          | 0.0             | 320.0          |
| Bank facilities                 | 1,104.0        | 0.0             | 1,104.0        |
| Revolving credit facilities     | 25.0           | 250.0           | 135.0          |
| Preferred Stock                 | 107.9          | 0.0             | 107.9          |
| Less: cash                      | (35.1)         | 0.0             | (72.3)         |
|                                 | <b>1,964.0</b> | <b>250.0</b>    | <b>1,936.8</b> |

Duquesne maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Senior unsecured ratings at period end were:

#### Duquesne Light Holdings (DLH)

S&P: BBB- (negative outlook)  
Moody's: Ba1 (stable outlook)

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 6.7. Key Operating Statistics

|                                    | 12 months to<br>31 Dec 07 |            | 12 months to<br>30 Jun 08 |            | 12 months to<br>30 Dec 08 |            | 12 months to<br>30 Jun 09 |            |
|------------------------------------|---------------------------|------------|---------------------------|------------|---------------------------|------------|---------------------------|------------|
|                                    |                           | %          |                           | %          |                           | %          |                           | %          |
| <b>Electricity Delivered (GWh)</b> |                           |            |                           |            |                           |            |                           |            |
| Residential                        | 4,211                     | 30         | 4,167                     | 30         | 4,060                     | 29         | 4,031                     | 30         |
| Commercial & Lighting              | 6,783                     | 48         | 6,776                     | 48         | 6,698                     | 49         | 6,660                     | 50         |
| Industrial                         | 3,084                     | 22         | 3,088                     | 22         | 3,009                     | 22         | 2,732                     | 20         |
| <b>Total</b>                       | <b>14,077</b>             | <b>100</b> | <b>14,031</b>             | <b>100</b> | <b>13,767</b>             | <b>100</b> | <b>13,423</b>             | <b>100</b> |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 7. DUET Parent Entity

#### 7.1. Parent Earnings Summary

The current period is the 12 months to 30 June 2009 and pcp is the 12 months to 30 June 2008. The result below comprises the results of DUET 1, DUET 2, DUET 3, DIHL, DUET Funding Trust and DDB Co.

|  | 6 months to<br>31 Dec 07 | 6 months to<br>30 Jun 08 | 12 months to<br>30 Jun 08 | 6 months to<br>31 Dec 08 | 6 months to<br>30 Jun 09 | 12 months to<br>30 Jun 09 |
|--|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|---------------------------|
|  | \$ millions              | \$ millions              | \$ millions               | \$ millions              | \$ millions              | \$ millions               |
| <b>Dampier Bunbury Pipeline</b>  | <b>36.3</b>              | <b>33.7</b>              | <b>70.0</b>               | <b>34.9</b>              | <b>32.4</b>              | <b>67.4</b>               |
| <i>Distributions</i>   | 6.0                      | 0.0                      | 6.0                       | 0.0                      | 0.0                      | 0.0                       |
| <i>Loan Interest</i>   | 22.6                     | 25.4                     | 48.0                      | 26.9                     | 27.1                     | 54.0                      |
| <i>SOLA</i>  | 7.7                      | 8.3                      | 16.0                      | 8.0                      | 5.4                      | 13.4                      |
| The \$6.0m distribution in the pcp was a special distribution. Loan interest increased by \$6.0m pcp due to further drawdowns on the DDB Co loan. SOLA income of \$13.4m decreased \$2.6m due to lower interest rates and lower margins on SOLA debt offset by a decrease in the Corporate Borrowing Costs (as shown below).   |                          |                          |                           |                          |                          |                           |
| <b>United Energy</b>   | <b>44.1</b>              | <b>42.4</b>              | <b>86.5</b>               | <b>32.7</b>              | <b>31.3</b>              | <b>64.1</b>               |
| <i>Distributions</i>   | 18.8                     | 14.9                     | 33.7                      | 6.6                      | 6.6                      | 13.2                      |
| <i>RPS / Shareholder Loan Interest</i>   | 15.9                     | 17.2                     | 33.1                      | 16.9                     | 17.4                     | 34.3                      |
| <i>SOLA</i>  | 9.4                      | 10.3                     | 19.7                      | 9.2                      | 7.3                      | 16.5                      |
| Distributions of \$13.2m decreased \$20.5m pcp primarily due to the \$16.5m special dividend received in the pcp. SOLA income of \$16.5m decreased \$3.2m due to lower interest rates and lower margins on SOLA debt offset by a decrease in the Corporate Borrowing Costs (as shown below).   |                          |                          |                           |                          |                          |                           |
| <b>Multinet</b>  | <b>20.0</b>              | <b>7.9</b>               | <b>27.9</b>               | <b>26.2</b>              | <b>5.6</b>               | <b>31.8</b>               |
| <i>Distributions</i>   | 12.8                     | 0.0                      | 12.8                      | 19.1                     | 0.0                      | 19.1                      |
| <i>SOLA</i>  | 7.2                      | 7.9                      | 15.1                      | 7.1                      | 5.6                      | 12.7                      |
| Distributions of \$19.1m increased \$6.3m pcp. SOLA income of \$12.7m decreased \$2.4m due to lower interest rates and lower margins on SOLA debt offset by a decrease in the Corporate Borrowing Costs (as shown below).  |                          |                          |                           |                          |                          |                           |
| <b>WA Gas Networks</b>   | <b>8.8</b>               | <b>4.6</b>               | <b>13.4</b>               | <b>9.2</b>               | <b>2.4</b>               | <b>11.6</b>               |
| <i>Distributions</i>   | 4.8                      | 0.0                      | 4.8                       | 5.2                      | 0.0                      | 5.2                       |
| <i>SOLA</i>  | 4.0                      | 4.6                      | 8.6                       | 4.0                      | 2.4                      | 6.4                       |
| Distributions of \$5.2m increased \$0.4m pcp. SOLA income of \$6.4m decreased \$2.2m due to lower interest rates and lower margins on SOLA debt offset by a decrease in the Corporate Borrowing Costs (as shown below).  |                          |                          |                           |                          |                          |                           |
| <b>Duquesne</b>  | <b>25.9</b>              | <b>25.0</b>              | <b>50.9</b>               | <b>28.5</b>              | <b>18.4</b>              | <b>46.9</b>               |
| <i>Distributions</i>   | 10.4                     | 10.8                     | 21.2                      | 10.8                     | 0.0                      | 10.7                      |
| <i>Loan Interest</i>   | 15.5                     | 14.2                     | 29.7                      | 17.8                     | 18.4                     | 36.2                      |
| Distributions of \$10.7m decreased \$10.5m pcp partly offset by an increase in loan interest due to exchange rate movements.   |                          |                          |                           |                          |                          |                           |
| <b>Total Revenue from Asset Companies</b>  | <b>135.1</b>             | <b>113.6</b>             | <b>248.7</b>              | <b>131.6</b>             | <b>90.2</b>              | <b>221.8</b>              |
| Other Revenue  | 7.8                      | 3.3                      | 11.1                      | 7.4                      | 1.2                      | 8.6                       |
| <b>Total Revenue</b>   | <b>142.9</b>             | <b>116.9</b>             | <b>259.8</b>              | <b>139.0</b>             | <b>91.4</b>              | <b>230.4</b>              |
| Operating Costs  | 12.1                     | 11.5                     | 23.6                      | 14.0                     | 9.7                      | 23.6                      |
| These expenses primarily relate to management fees payable to the Responsible Entities and tax payments.   |                          |                          |                           |                          |                          |                           |
| Corporate Borrowing Costs  | 26.0                     | 28.5                     | 54.5                      | 28.3                     | 15.8                     | 44.2                      |
| Corporate Borrowing Costs include the interest payable on the DUET syndicated debt facility, USD swap interest and SOLA swap interest. For pcp, Corporate Borrowing Costs include POWERS interest expense. Corporate Borrowing Costs of \$44.2m decreased \$10.3m during the period due to lower interest expense on the syndicated debt facility compared to POWERS interest expense. |                          |                          |                           |                          |                          |                           |
| <b>Earnings Available for Distributions</b>  | <b>104.8</b>             | <b>76.9</b>              | <b>181.7</b>              | <b>96.7</b>              | <b>65.9</b>              | <b>162.6</b>              |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 7.2. Balance Sheet

31 December 2008 is the pcp for the Balance Sheet.

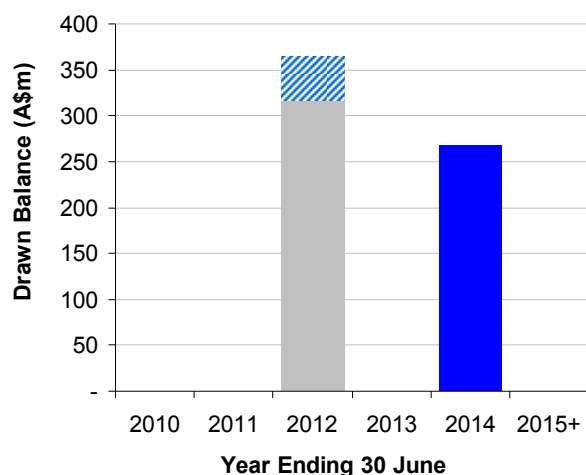
|  | 31 Dec 07      | 30 Jun 08      | 31 Dec 08      | 30 Jun 09      |
|--|----------------|----------------|----------------|----------------|
|  | \$ millions    | \$ millions    | \$ millions    | \$ millions    |
| <b>Current Assets</b>  | <b>207.9</b>   | <b>214.3</b>   | <b>235.8</b>   | <b>446.2</b>   |
| <i>Cash</i>  | 177.0          | 175.1          | 207.7          | 421.1          |
| <i>Accounts Receivable</i>   | 25.4           | 29.8           | 25.4           | 23.8           |
| <i>Other</i>   | 5.5            | 9.5            | 2.6            | 1.4            |
| <b>Non-Current Assets</b>  | <b>1,831.9</b> | <b>1,836.5</b> | <b>1,658.1</b> | <b>1,689.0</b> |
| <b>Investments</b>   |                |                |                |                |
| <i>United Energy - Ordinary Shares</i>   | 53.2           | 46.3           | 0.0            | 0.0            |
| <i>United Energy - Redeemable Preference Shares</i>  | 233.7          | 233.7          | 205.6          | 227.9          |
| <i>United Energy Shareholder Loans</i>   | 13.2           | 13.2           | 19.8           | 23.8           |
| <i>Multinet</i>  | 154.5          | 154.0          | 72.7           | 100.0          |
| <i>WA Gas Networks</i>   | 26.6           | 27.9           | 22.0           | 24.4           |
| <i>Duquesne</i>  | 133.0          | 135.1          | 27.8           | 22.5           |
| <i>POWERS Trust</i>  | 8.2            | 0.0            | 0.7            | 0.0            |
| <i>Australian Energy Fund No. 2</i>  | 1.7            | 1.7            | 1.7            | 1.7            |
| <b>Loans</b>   |                |                |                |                |
| <i>SOLA</i>  | 554.7          | 554.7          | 554.7          | 554.7          |
| <i>DDB Co Loan</i>   | 418.7          | 448.0          | 456.0          | 477.1          |
| <i>DQE Promissory Note</i>   | 229.6          | 210.0          | 284.5          | 249.4          |
| <i>Other</i>   | 4.9            | 11.9           | 12.4           | 7.5            |
| The values of DUET's investments are stated at DUET Group's equity accounted values, except for Australian Energy Fund No. 2 which is stated at historic cost. For WA Gas Networks, the prior periods' values have been restated to equity accounted value from historic cost. Non-Current Assets of \$1,698.9m increased by \$40.8 pcp. |                |                |                |                |
| <b>Current Liabilities</b>   | <b>105.6</b>   | <b>729.2</b>   | <b>122.5</b>   | <b>119.1</b>   |
| <i>Payables</i>  | 105.6          | 170.5          | 122.5          | 119.1          |
| <i>POWERS</i>  | 0.0            | 544.2          | 0.0            | 0.0            |
| <i>POWERS Redemption Premium Payable</i>   | 0.0            | 14.5           | 0.0            | 0.0            |
| On 1 September 2008, DUET redeemed and cancelled POWERS with the proceeds of a \$585m syndicated debt facility.  |                |                |                |                |
| <b>Non-Current Liabilities</b>   | <b>544.7</b>   | <b>0.0</b>     | <b>696.3</b>   | <b>617.4</b>   |
| <i>POWERS</i>  | 544.7          | 0.0            | 0.0            | 0.0            |
| <i>Senior Corporate Facility</i>   | 0.0            | 0.0            | 585.0          | 585.0          |
| <i>Other Non-Current Liabilities</i>   | 0.0            | 0.0            | 111.3          | 32.4           |
| Other Non-Current Liabilities of \$32.4m include the unrealised MTM position of DUET's US\$300m cross-currency interest rate swap (used to hedge DUET's investment in Duquesne) and other foreign exchange hedges.   |                |                |                |                |
| <b>Net Assets</b>  | <b>1,389.5</b> | <b>1,321.5</b> | <b>1,075.1</b> | <b>1,398.6</b> |
| <b>Equity</b>  | <b>1,389.5</b> | <b>1,321.5</b> | <b>1,075.1</b> | <b>1,398.6</b> |

## Appendix 1: DUET Group Detailed Asset Information Pack

For the Full Year ended 30 June 2009

### 7.3. Treasury Summary

The debt maturity profile for the DUET Parent Entity at 30 June 2009 was as follows:



- ▨ Unrealised MTM of US\$300m Swap (used to hedge DUET's investment in Duquesne)<sup>1</sup>
- Senior Corporate Facility - Tranche A
- Senior Corporate Facility - Tranche B

<sup>1</sup> Includes the net settlement MTM value of the US\$300m cross-currency interest rate swap (used to hedge DUET's investment in Duquesne) in Australian dollars at 30 June 2009. Upon maturity of the swap on 29 August 2011, DUET will receive A\$343m and pay US\$300m. The interest rates on the swap until maturity are:

- Payable: fixed 5.45% on US\$300m; and
- Receivable: floating BBSY plus 170bps p.a. on A\$343m, updated every 6 months.

#### Net Debt and Undrawn Capacity

| A\$ millions                          | Drawn balance | Undrawn balance | Drawn balance  |
|---------------------------------------|---------------|-----------------|----------------|
|                                       | at 30 Jun 09  | at 30 Jun 09    | at 31 Dec 2008 |
| Senior Corporate Facility - Tranche A | 317.3         | 0.0             | 317.3          |
| Senior Corporate Facility - Tranche B | 267.7         | 0.0             | 267.7          |
| Senior Corporate Facility - Tranche C | 0.0           | 100.0           | 0.0            |
| Less: Cash                            | (421.1)       | 0.0             | (207.7)        |
|                                       | <b>163.9</b>  | <b>100.0</b>    | <b>377.3</b>   |

DUET Group maintains a credit rating with an internationally recognised rating agency, Standard & Poor's, which at period end was:

S&P: BBB- (stable outlook)

## **Appendix 2: DUET Group FY2009 Supplemental Analysis and Commentary**

For the Full Year ended 30 June 2009

# **DUET Group Supplemental Analysis and Commentary For the Full Year ended 30 June 2009**

## **1. Regulatory Considerations**

### **The Regulatory Framework**

The Australian Energy Regulator (AER) is the economic regulator for the National Electricity Market (NEM). The NEM consists of the wholesale electricity market, electricity transmission and distribution networks, and gas transmission and distribution networks in all jurisdictions except Western Australia.

Western Australia is not connected to the national electricity market primarily because of its geographic distance from the national market. The Economic Regulation Authority (ERA) is the regulator for Western Australia who is the equivalent authority of the AER.

The National Electricity Rules (NER) govern the operation of the NEM and grants certain statutory power to the AER. The AER has powers to review the weighted average cost of capital (WACC) parameters to be adopted in reset determinations for electricity transmission and distribution network service providers (TNSPs and DNSPs). The AER also regulate retail markets in the NEM.

The National Gas Rules (NGR) govern access to natural gas pipeline services and the broader natural gas markets. The AER is the economic regulator for covered natural gas transmission and distribution pipelines in all states and territories, except those in Western Australia. The ERA performs this role in Western Australia.

The AER and ERA are responsible for conducting reviews every five years for transmission services and at least every five years for distribution services.

### **The Regulatory Process**

The regulatory process utilises the 'building blocks' approach to determine price controls:

- The regulator first determines the service outcomes distributors are required to deliver over the next regulatory period.
- TNSPs and DNSPs are then required to submit forecasts for capital expenditure and operating expenditure requirements that are necessary to meet these service outcomes.
- The regulator then determines the return on capital (WACC) that TNSPs and DNSPs are allowed to earn on their investments.
- A five year revenue requirement is then determined which is calculated as the WACC applied to the Regulated Asset Base (RAB) plus operational expenditure, regulatory depreciation and theoretical corporate tax paid.
- The regulatory tariff is then calculated by dividing the revenue requirement by the forecast volume over the 5 year regulatory period (the actual revenue is then the tariff multiplied by actual volume).
- The RAB is determined with reference to historical capital expenditure, depreciation and projected capital expenditure.

### **The Regulatory Review**

The TNSPs and DNSPs must submit proposals at every reset for the regulator to approve. These proposals include:

- The WACC parameters;
- Revenues determined from the implied WACC;
- Expenses;
- Capital Expenditure; and
- Regulated Asset Base.

### **The WACC**

The WACC is the weighted average cost of capital from debt and equity. The regulator can only review the individual WACC parameters and cannot review the overarching framework in which the WACC is applied.

## **Appendix 2: DUET Group FY2009 Supplemental Analysis and Commentary**

For the Full Year ended 30 June 2009

The regulator reviews the individual parameters in the WACC formulas and adjusts the inputs according to the latest market data. The inputs are:

- Risk-free rate – the rate of return an investor receives from holding an asset with guaranteed payments and no risk of default.
- Equity beta – a measure of the sensitivity of returns from an asset to the return on the market portfolio. A beta of less than one indicates the asset has low systematic risk relative to the market (the market portfolio beta being equal to one). Conversely, a beta of more than one indicates the asset has a higher systematic risk relative to the market.
- Market risk premium – the premium investors require for investing in a well diversified portfolio of assets, as compared with investing in a risk free asset.
- Credit rating – an input into deriving the debt risk premium (DRP).
- Debt risk premium – the difference between the Australian benchmark corporate bond rate and the risk-free rate. The DRP is designed to compensate a regulated firm for the benchmark cost of debt capital.
- Gamma – imputation credits attached to dividends have a value to investors resulting in a personal tax liability saving. This tax saving amount is quantified by the gamma value.

### **Expenses**

The regulator relies on actual costs incurred in the previous review period as the basis for operating expenditure going forward. The test is for operating expenditure to be consistent with a prudent distributor acting efficiently. The regulator takes into account:

- Historical spend;
- Benchmarks; and
- Support for projected expenses.

### **Capex and RAB**

Capital expenditure is not intended to be recovered at the time that the expense is made, but rather over the economic life of the relevant asset. For example, under a straight line depreciation approach, the costs of an asset with an economic life of 40 years would be recovered in equal portions over the next 40 year period. This is known as a 'return of capital'.

To compensate for the delay between expense incurred and recovery, and the risks in providing regulated services, a 'return on capital' building block allowance is provided in the tariff charges. This building block is determined as the unrecovered portion of the RAB multiplied by the WACC. Accordingly, only a part of the regulated revenue in a particular regulatory period relates to the forecast capex over that period, with most of the recovery of an asset occurring in subsequent periods.

At the end of the regulatory period, an asset's actual capex rather than forecast capex is 'rolled' into the RAB. This actual capex then generates a 'return of capital' and 'return on capital' in subsequent regulatory periods for the remainder of the economic life of the asset.

### **Nominal vs. Real**

The regulators must operate under a nominal post-tax framework when reviewing the WACC parameters, and must therefore consider the inflation rate to be used when forecasting tariffs. Historical and forecast Consumer Price Index (CPI) from the Reserve Bank of Australia is used to determine the appropriate rate.

### **Efficiency Carryover**

The 'building blocks' approach incorporates an efficiency carryover amount into the revenue requirement that allows distributors to carry over benefits of any efficiency gains achieved against the expenditure forecasts in the prior regulatory period into the next regulatory period

### **P<sub>0</sub> and 'X-factor'**

P<sub>0</sub> is the price adjustment in the first year following the regulatory reset. The X-factor has previously been calculated as the efficiencies gained over time by the transmission and distribution owners. It was deducted from CPI to bring down the overall revenue increase. However, the X-factor can now be used as a tariff smoothing device to minimise the impact of P<sub>0</sub> on tariff charges.

### **Difference between US and Australian Markets**

The Federal Energy Regulatory Commission (FERC) is the regulator for the Duquesne business in the US. The FERC, like the ERA and AER, also uses the 'building blocks' approach for its regulatory decisions.

However, the tariff charges are calculated by fixing the 'test year' operating expenditures, and revenue is therefore not based on forecasts. Regulatory resets are determined at the distributors' discretion with the intention that the assets will keep the efficiencies gained over time.

## Appendix 2: DUET Group FY2009 Supplemental Analysis and Commentary

For the Full Year ended 30 June 2009

### 2. Maintaining and Growing Our Regulated Asset Bases

Maintenance capex is the capital expenditure required to maintain the current condition of an asset. In calculating proportionate earnings, maintenance capex reflects the actual charge against the cash flows required to sustain the business in its current condition.

Under the regulated model, regulatory depreciation represents the annual amount of capital returned to investors. Regulatory depreciation represents the annual reduction in the RAB and can be seen as the annual amount of spending required to maintain the RAB.

The table below compares the maintenance capex figures for each of DUET's businesses with the net regulatory depreciation (depreciation less the inflation uplift on the RAB) provided for in their allowed revenue:

#### Maintenance Capex vs. Regulatory Depreciation – 12 months to 30 June 2009

| A\$ million (nominal)    | Maintenance Capex | Regulatory Depreciation <sup>(1),(2)</sup> | Less: Inflation Uplift on RAB <sup>(1),(2)</sup> | Net Regulatory Depreciation | Maintenance Capex less Net Regulatory Depreciation |
|--------------------------|-------------------|--|--|-----------------------------|--|
| Dampier Bunbury Pipeline | 19.5              | 65.6                                       | 81.4   | (15.8)                      | 35.3   |
| United Energy            | 53.7              | 97.9                                       | 46.7   | 51.2                        | 2.5  |
| Multinet                 | 9.8               | 45.8                                       | 32.6   | 13.2                        | (3.4)  |
| WA Gas Networks          | 7.2               | 34.0                                       | 25.3   | 8.7                         | (1.5)  |

<sup>(1)</sup> Calculated based on the amounts per the approved Access Arrangements for each business. The real values have been converted to nominal using actual CPI for the year ended 30 September.

<sup>(2)</sup> Regulatory depreciation is a component of the annual revenue requirement under the building 'block approach'. In calculating regulatory depreciation for the building block allowance the calculation includes the straight-line depreciation of the RAB less an inflation adjustment on the opening RAB.

As shown in the table above, maintenance capex exceeds or equals Net Regulatory Depreciation for each of our assets with the exception of Dampier Bunbury Pipeline (DBP).

DBP is covered by a regulatory framework administered by the ERA in Western Australia. While DBP is covered by the access regime governed by the ERA, DBP has established contracts with all of its shippers (except Alcoa who have an evergreen contract) called the Standard Shipper Contract<sup>1</sup>, which takes DBP outside the regulatory framework for the duration of the contracts.

Under the Standard Shipper Contract, DBP's revenues are earned with respect to tariffs that are independent of the regulatory framework until 2016. Accordingly, the measure of Regulatory Depreciation is not directly applicable until that time.

### 3. Western Australian Economic Environment

Western Australia boasts an open, dynamic economy built on strong international investment. The State's economic growth (Gross State Product) has averaged 5.2% during the past 10 years, outperforming Australia's growth of 4.3% (Gross Domestic Product) and OECD countries' growth of 2.8% for the same period.

The medium to long term outlook for Western Australia's economy remains strong, despite the current global economic downturn. The rate at which economic conditions are deteriorating around the world has eased, while forward looking indicators in Western Australia's trading partners, United States, Japan and China, have started to improve, providing an early indication that the recession may be starting to subside.

The Chamber of Commerce and Industry of Western Australia predicts the WA economy will grow by 4.5% in 2010-11 and by 5.5% in 2011-12, bolstered by stronger conditions overseas and renewed demand for WA exports.

#### A Mineral and Petroleum Rich State

Minerals and petroleum are dominant industries in Western Australia and strong growth is forecast for these sectors in the medium to long term. Western Australia is one of the most productive and diversified mineral and petroleum regions in the world, with more than 50 mineral and petroleum products being produced in commercial quantities.

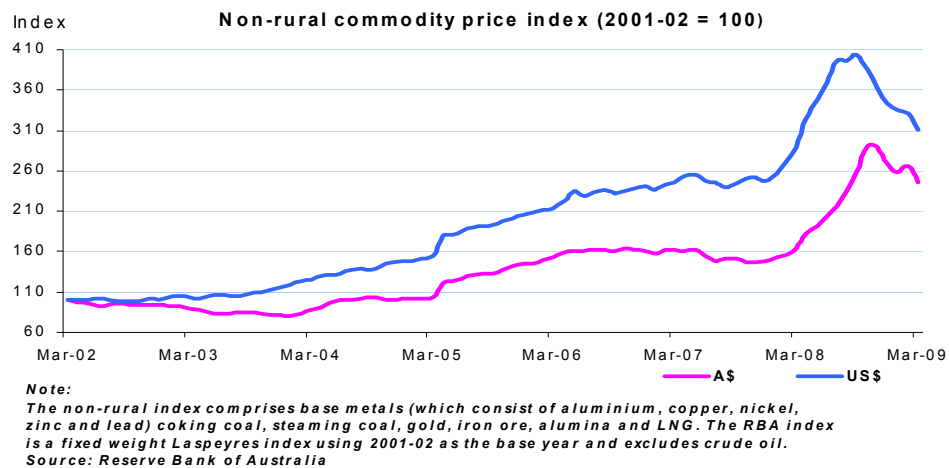
<sup>1</sup> DBP has a 'Standard Shipper Contract' which covers all of its shippers with the exception of Alcoa who have an evergreen contract. The Standard Shipper Contract signed with shippers extends to at least 2019.

## Appendix 2: DUET Group FY2009 Supplemental Analysis and Commentary

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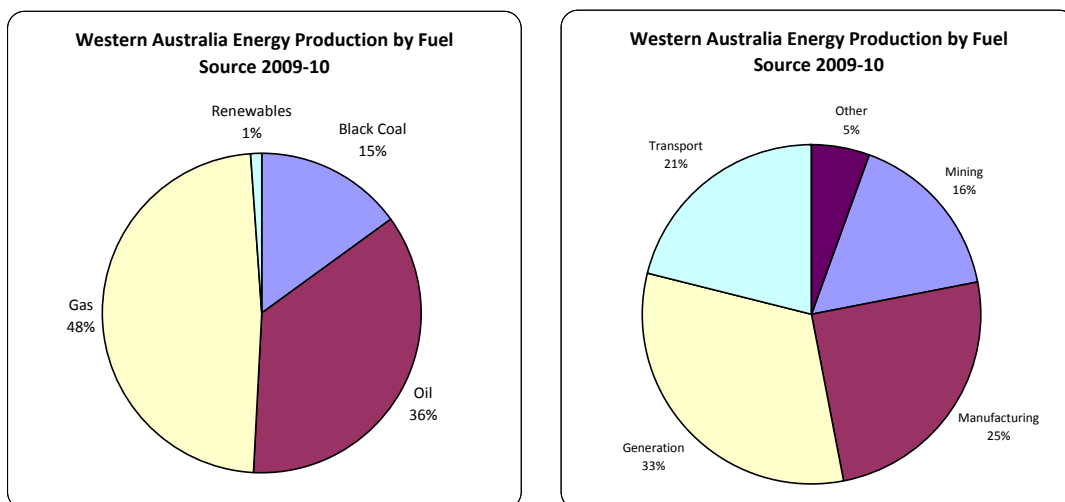
Despite the global economic downturn, the Western Australian resources sector increased sales by 35% in CY2008 to A\$71.8 billion. The A\$18.5 billion increase was due to rising output and strong international demand and commodity prices throughout 2008.

Although commodity prices have trended below their peaks during the middle of 2008, prices still remain attractive to industry development over the medium term as shown in the graph below.



### Reliance on Gas

Western Australia's primary source of energy is gas, depicted in the graphs below, which is forecast to make up 48% of consumption in 2009-10. Of all energy produced, the majority is used in the generation, transport, mining and manufacturing sectors, which are the top contributors to Western Australia's Gross State Product.



Source: ABARE, Energy in Australia 2009

With 71% of Australia's gas production located in Western Australia, increasing world demand for commodities, and a need to focus on cleaner fuels, natural gas will continue to play a major part in Western Australia's economic growth into the future.

### Recent Gas Development Projects

Western Australia continues to lead the way as Australia's premier resources investment destination. There is currently more than A\$72 billion worth of resource projects either committed or under consideration for the State during the next few years. Some recent gas development projects are outlined below.

#### Browse Gas Project – A\$10 billion

Woodside and its joint venture partners, Chevron, Royal Dutch Shell, BP and BHP Billiton, are proposing a \$10 billion Browse Gas Project. The project includes the Brecknock and Tarosa fields, and is estimated to contain reserves of over 14 trillion cubic feet (Tcf) of gas. The fields are located approximately 400 kilometres northwest of Broome and Woodside

## **Appendix 2: DUET Group FY2009 Supplemental Analysis and Commentary**

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Petroleum has said that it will require a 450 km pipeline to link the gas fields to an onshore processing plant. The joint venture partners are set to select a location for an LNG plant in the second half of 2009.

### **Ichthys LNG Project**

Inpex's Ichthys Gas Field Development is expected to produce more than 8 MMt per annum of LNG and 1.6 MMt per annum of LPG. The field is located in the Browse Basin and Inpex has chosen to connect the field via an 850 km pipeline to a proposed onshore processing plant at Darwin.

### **ConocoPhillips and Karoon Gas Drilling program**

ConocoPhillips and Karoon Gas have planned a multi-well drilling program for the Browse Basin with a possible sanctioning of an LNG project. The project would include the construction of a 1,000 km natural gas pipeline running through the Timor Sea to an onshore LNG plant.

### **Crux Gas Condensate Field**

The Crux Field is located approximately 600 km north of Broome. The field was discovered in 2001 is being jointly developed by Nexus Energy and Shell Developments. The fields are estimated to contain 1.3 Tcf of contingent gas reserves.

### **Prelude Gas Field**

Shell is commencing development of the Prelude Gas Field using floating LNG (FLNG) technology. FLNG has the potential to provide a lower cost development for small gas accumulations located far from the shore and reduces a project's environmental footprint. In addition, an FLNG facility is seen as more economical since it can be towed to a new site once field production begins to decline. The field is expected to contain between 2 and 3 Tcf of gas.

### **Onshore options for Browse processing**

The Derby to Dampier Pipeline concept has been proposed as a cost effective option for the delivery of large volumes of Browse Basin gas to be established at industrial sites in the Pilbara for processing LNG. Industrial sites at Port Headland, Boodarrie, Burrup and Maitland in the Pilbara have existing approvals as well as substantial social and industrial infrastructure. The concept also provides a means of delivering Browse domestic gas reservation commitments and Canning Basin gas into the Western Australian domestic market by way of a connection to the Dampier to Bunbury Natural Gas Pipeline.