



DUET

Diversified Utility and Energy Trusts

**2005 Final Results
Presentation**

29 August 2005



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Agenda

- **Result Overview:** *Peter Barry, Chief Executive Officer*
- **Financial Review:** *Nick Langley, Chief Financial Officer*
- **Operational Review:** *Ross Israel, Chief Operating Officer*
- **Outlook:** *Peter Barry, Chief Executive Officer*
- **Questions**
- **Appendices**



Result Overview
Peter Barry, CEO

Objectives for 2005

OBJECTIVE

- ❖ 2005 distributions of 21.7¢
- ❖ Stable distributions
- ❖ Leverage assets & skills to grow

OUTCOME

- ✓ 22.0¢ announced for 2005
- ✓ UED reset impact not material
- ✓ Acquired DBP



What We Are

**Premium quality
gas & electricity
assets....**



UED – 66.0% INTEREST



MULTINET – 79.9% INTEREST

**....diversified by
energy & asset
type and by
geography**



ALINTAGAS NETWORKS – 25.9% INTEREST

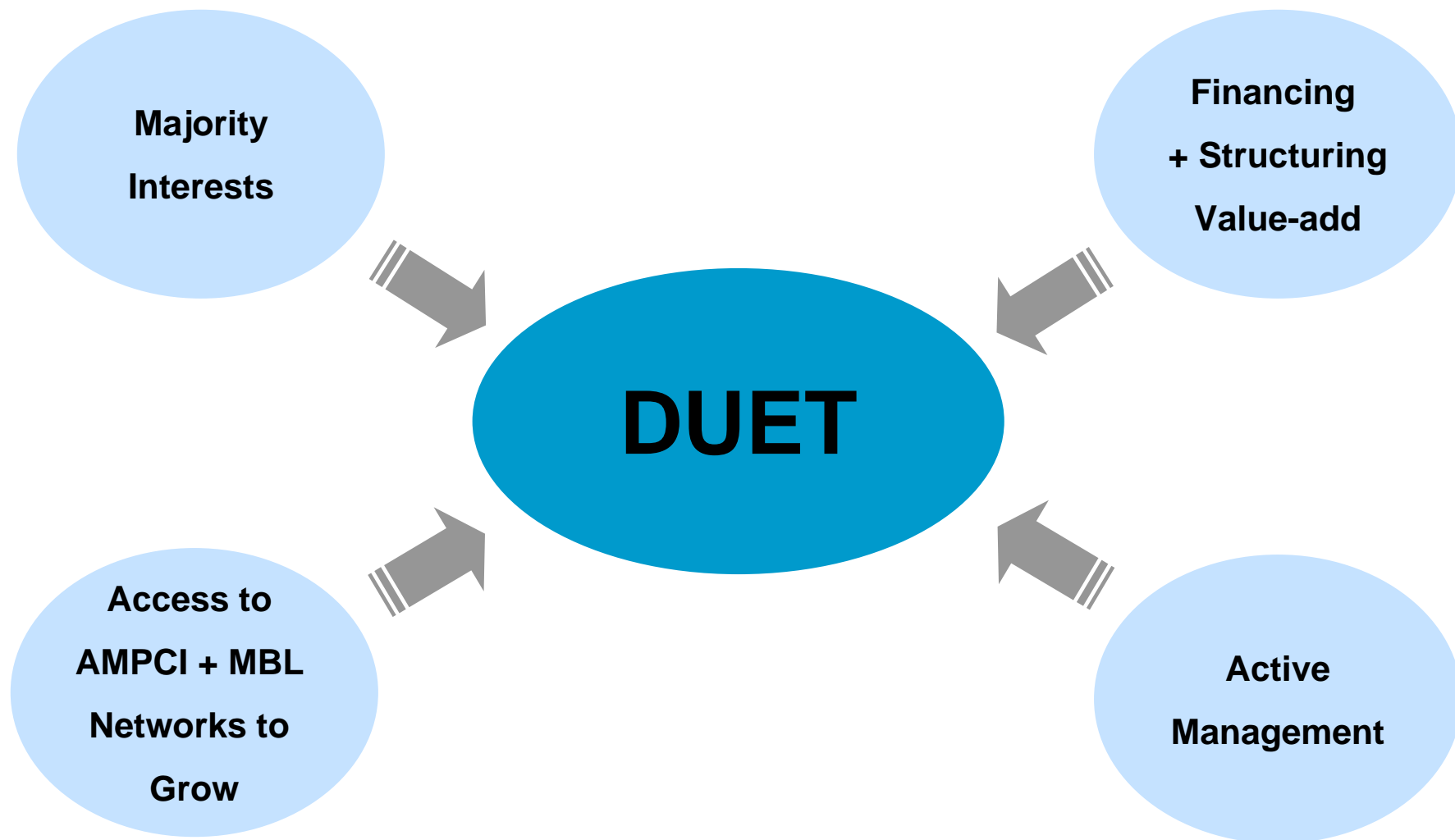


DBNGP – 60.0% INTEREST



DUET's Advantage

AMP capital
INVESTORS

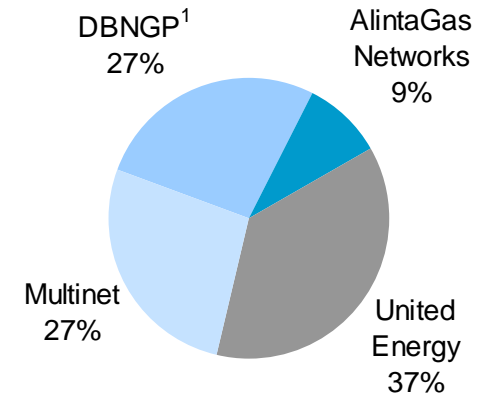


Result Overview

Key Financial Measures

DUET	Nov PDS (adjusted)	FY '05	% Var
\$m			
Group Revenue	758.7	758.1	
Group EBITDA	486.6	494.6	+1.6
Group Net Result	47.7	59.7	+25.2
Group Net Cash Flow	83.2	133.2	+60.1
Parent Net Result ¹	79.2	84.9	+7.2
Parent EPSU ^{1,2}	24.0¢	25.4¢	+5.8
Distribution PSU ²	21.7¢	22.0¢	+1.4
Group Gearing ³	74%	68%	

Contribution of DUET Parent revenue by Asset Company



1. Contribution from 28 Oct – 30 June 2005

1. Profit available for distribution, before equity accounted profit and revaluations

2. Distribution/Earnings per stapled unit

3. Net Debt/Total Assets



Result Overview

Operational Highlights

 **AMP capital**
INVESTORS



- ❖ Overall – an active first year as a listed entity
 - DBP acquisition
 - Capex – growth and expansion
 - An unusually high level of regulatory activity
 - Delivering optimal operational outcomes

- ❖ Significant capex initiatives
 - DBP substantial expansion programme commenced
 - UED – EastLink, interval metering
 - Multinet – Project Pipeworks, Yarra Ranges, South Gippsland Towns



Result Overview

Operational Highlights cont'd

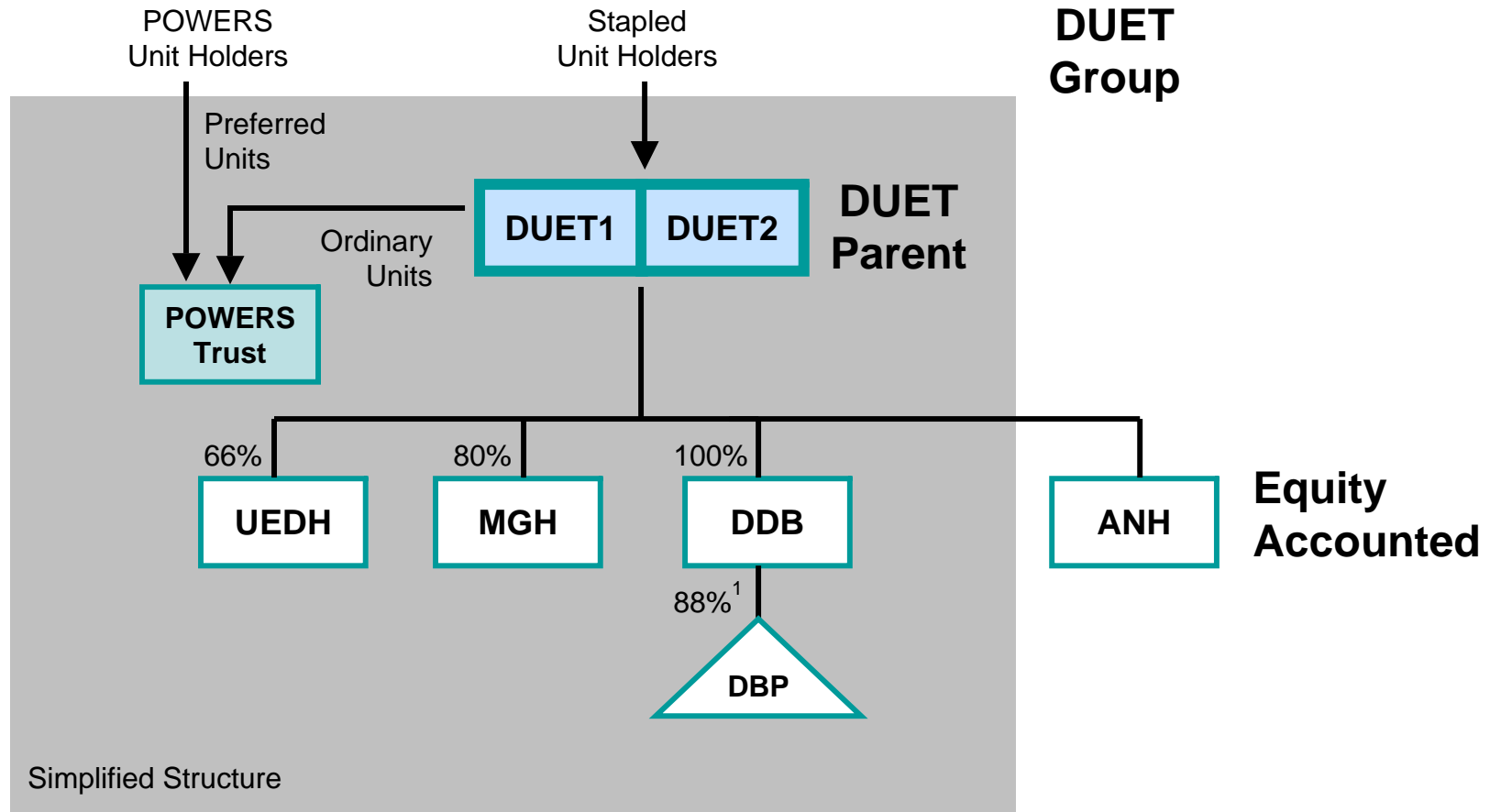
- ❖ A busy regulatory period
 - UED's Electricity Distribution Price Review underway
 - DBP – access arrangements delivered
 - ANH final access agreement delivered
- ❖ Operational reliability
 - Draft decision highlights great operating performances delivered
 - Multinet performance similarly impressive



Financial Review

Nick Langley, CFO

Financial Structure



1. Economic interest will reduce to 60% as consortium partners (Alinta, Alcoa) pay up their partly paid units in DBNGP



IFRS and Accounting Policies

Major IFRS Implications (see note 32 of Financial Report)

- ❖ Impact on Statement of Financial Performance first appears next interim result
 - No goodwill amortisation (D&A -\$23.5m), impairment testing
 - Tax impact of balance sheet approach to tax expense (tax +\$5.5m)
- ❖ Impact on Statement of Financial Position
 - Capitalised borrowing costs (assets -\$47.5m) to be offset against borrowings (liabilities -\$47.5m)
 - One-off restatement of business combinations, predominantly recognition of deferred tax liabilities (+\$127.9m) offset by increase in goodwill
 - Financial instruments, reporting from 1 July 2005, expectation that hedges will be effective, however, will follow cash effectiveness rather than accounting effectiveness
- ❖ No impact on cash distributions

Change in Accounting Policies

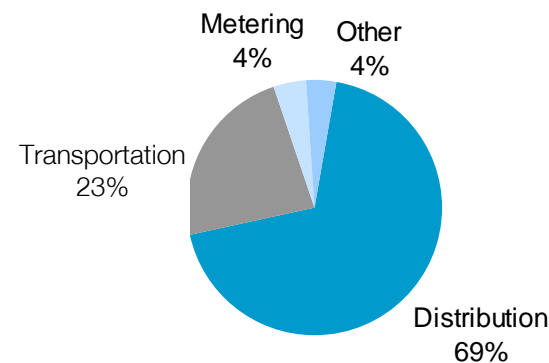
- ❖ Change from recording investments at net market value to recording investments at cost:
 - Means the DUET Parent equity accounts for its associate investments in the underlying assets (UEDH, MGH, DBP)
 - Previously these were revalued each period and the movement taken to the Statement of Financial Performance
 - Previous policy was appropriate when DUET was an unlisted entity but it creates significant confusion in the listed context
 - Will result in a reversal of prior valuation movements



For year ended 30 June 05

	Nov. PDS (adjusted)	FY '05	Variance
\$m			
Total revenue	758.7	758.1	(0.5)
Operating expenses	(272.1)	(263.5)	8.6
EBITDA	486.6	494.6	8.0
Depn & amort	(183.1)	(166.9)	16.2
EBIT	303.5	327.7	24.2
Interest & equity income	14.6	18.1	3.5
Borrowing costs	(258.0)	(255.2)	2.8
Net result before tax	60.0	90.6	30.6
Income tax expense	(9.1)	(19.6)	(10.5)
Outside equity interests	(3.3)	(11.3)	(8.0)
Net result after tax	47.7	59.7	12.0

Breakdown of Revenue



DUET Group

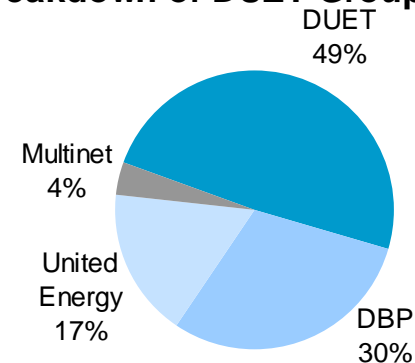
Statement of Financial Position

AMP capital
INVESTORS

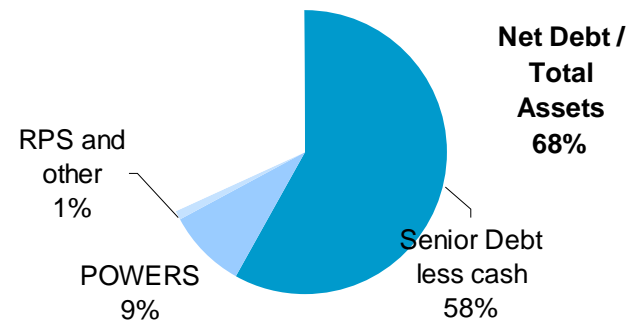


As at 30 June 2005	31/12/04	30/06/05	Variance
\$m			
Cash assets	137.0	188.3	51.3
Other current assets	139.1	151.2	12.1
PP&E	3,137.6	3,376.1	238.5
Intangible assets	2,015.2	1,833.7	(181.5)
Other non current assets	200.3	183.1	(17.2)
Total assets	5,629.2	5,732.4	103.2
Current liabilities	191.3	215.4	(24.1)
Interest bearing liabilities	4,156.6	4,114.2	42.4
Other non current liabilities	333.2	418.3	(85.1)
Total liabilities	4,681.1	4,747.9	(66.8)
Net assets	948.1	984.5	36.4
Contributed equity	885.2	910.8	25.6
Undistributed (deficit)	(35.8)	(37.1)	(1.3)
Outside equity interests	98.7	110.8	12.1
Total equity	948.1	984.5	36.4

Breakdown of DUET Group Cash



Breakdown of Net Debt to Total Assets



DUET Group

Statement of Cash Flows

For year ended 30 June 2005	Nov. PDS	FY '05	Variance
\$m			
Net cash from operating	494.5	555.0	60.5
Acquisition cash flows	(1,920.5)	(1,865.4)	55.1
Payments for PP&E	(189.7)	(166.1)	23.6
Proceeds from sale of assets	-	1.7	1.7
Net cash from investing	(2,110.2)	(2,029.7)	80.5
Acquisition & capital raising cash flows	613.0	611.2	(1.8)
Borrowings (net of repayments)	1,494.8	1,390.8	(104.0)
Borrowing costs paid	(319.6)	(329.1)	(9.5)
Dividends & distributions	(89.3)	(65.0)	24.3
Net cash from financing	1,698.9	1,607.9	(91.0)
Net increase in cash	83.2	133.2	50.0

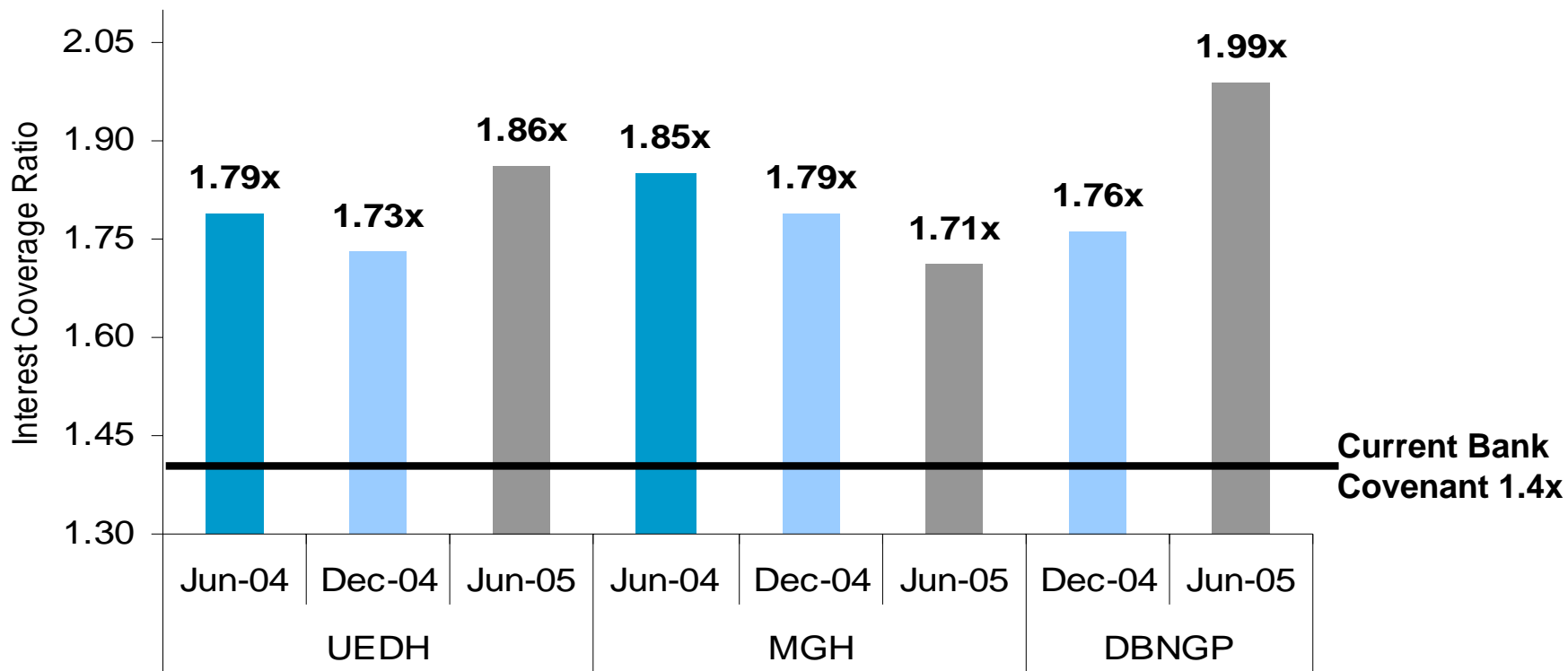
- ❖ Increase in operating cash flows driven from better than expected result and a movement in working capital
- ❖ Variance in acquisition cash flows relates to WA stamp duty and breaking swaps on DBP acquisition
- ❖ Higher borrowing costs due to upfront payment of wrap fees for DBP bond issue and the [timing of payments]
- ❖ Distributions paid is net of \$25m DRP proceeds from March

DUET Parent Entity Performance

For year ended 30 June 2005	Dividends	RPS/Loan Interest	SOLA Interest	FY05 Performance	Nov PDS
\$m					
UEDH	3.3	31.6	16.8	51.7	
MGH	24.8		12.8	37.6	
DBP and DDB		29.0	9.0	38.0	
ANH	4.7		7.2	11.9	
Total revenue from AssetCos	32.8	60.6	45.8	139.2	134.0
Other revenue				5.9	4.4
Total revenue	32.8	60.6	45.8	145.1	138.1
Operating expenses				(12.3)	(12.3)
Borrowing costs				(47.9)	(46.6)
Net result (before revaluation)				84.9	79.2
Revaluations (reversal of FY04)				(81.2)	
Equity accounted profit				4.8	
Net result (after revaluation)				8.5	79.2
Earnings PSU				2.5	24.0
Distribution PSU				22.0	21.7



DUET Group Financing



❖ 95% senior debt hedged

❖ US\$200m 144A notes to be refinanced by Nov 05

❖ Hedging for current reset

❖ 96% senior debt hedged

❖ 95% senior debt hedged

❖ A\$500m bridge facility refinanced

A glowing blue lightbulb is the central focus, with its filament clearly visible. The lightbulb is set against a dark background with a fan-like structure on the left side, also glowing in shades of blue. The overall aesthetic is high-tech and futuristic.

Operational Overview

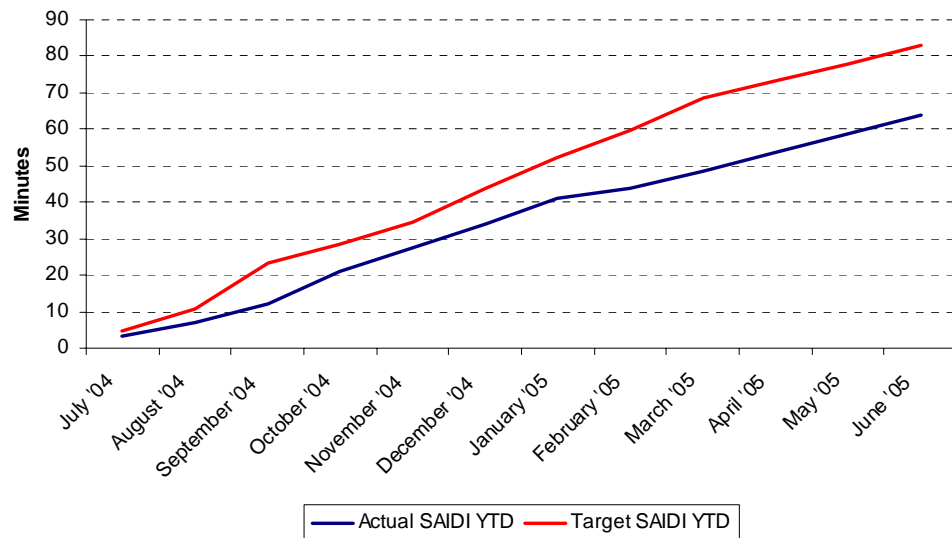
Ross Israel, COO



UED Network Performance

- ❖ Network connections and energy distributed continue to grow
- ❖ Above average weather positively impacted peak load
- ❖ Excellent reliability continues – February storms excluded

System Average Interruption Duration (SAIDI)*



Operational Statistics#

– Connections	605,277 +1.1%
– Energy distributed	7,566 GWh +1.4%
– Peak load	1,572 MW

* Cumulative performance over year ended 30 June

For year ended 30 June 2005



UED

Price Reset 2006-2010

- ❖ Key areas of focus
 - Volume growth
 - Capital expenditure
 - S factor
 - Operating expenditure

- ❖ UED may appeal ESC final decision

- ❖ Progress of Price Resets for UED:

	2001-2005	2006-2010
UED Submission	0.0%	9.5%
Draft Decision	16.0%	22.7%
Final Decision	12.9%	
Post Appeal	9.2%	

Key Dates

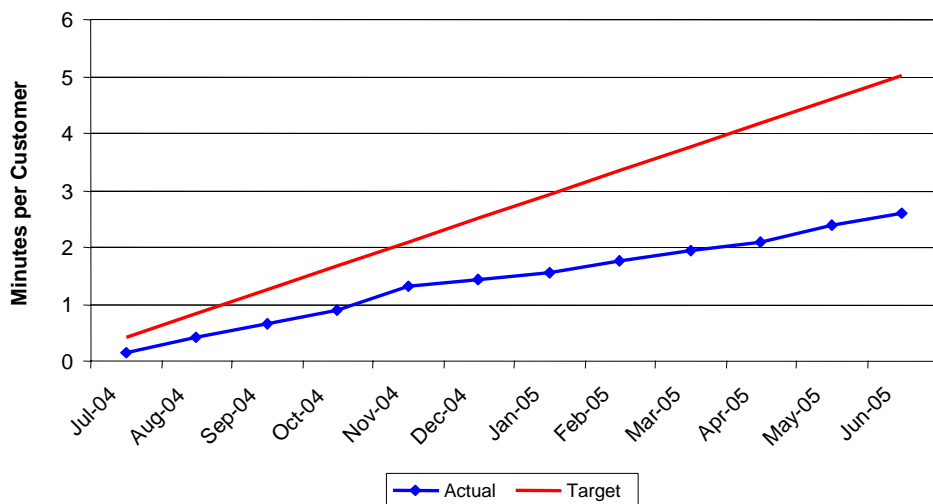
UED price service proposal to ESC	21 Oct 2004
Draft decision	22 Jun 2005
UED response	19 Aug 2005
Final decision expected	Sep 2005
Commencement of new price controls	1 Jan 2006



Multinet Network Performance

- ❖ Network connections consistent with historical growth
- ❖ Mild weather has impacted energy distributed
- ❖ Continuing strong reliability

Gas Consumer Minutes Off Supply (unplanned)



Operational Statistics#

- Connections 637,701
+0.8%
- Energy distributed 58,636 TJ
-6.0%

For year ended 30 June 2005



Multinet Capital Expenditure

Natural Gas Extension Projects:

- ❖ Yarra Ranges
 - Project completion June 2008
 - Progress: Yarra Glen and Warburton city gates commissioned; first connections made August 2005
- ❖ South Gippsland
 - Project construction to commence 2007 with completion late 2009

	Yarra Ranges	South Gippsland
Total Budget	\$24m	\$50m
Towns	9	5
City Gates	2	3
Transmission Pipeline	0	20km
Supply Mains	30km	60km
Distribution Mains	120km	185km
Properties Passed	6,000	11,300
Customer Connections	3,519	4,574

Project 'Pipeworks':

- ❖ Replacement of +500km by 2008 of predominantly cast iron & steel pipe with polyethylene pipe
- ❖ Since 2003, 213 kms of pipe have been replaced



DBP Operations Review

- ❖ Successful establishment of new management
- ❖ Strong operational performance#
 - Throughput (full haul) 592 TJ/day
 - Asset utilisation 88.8%
- ❖ Announced Stage 4 expansion of the pipeline
 - \$433m delivering additional >100TJ by mid 2007
 - New firm capacity is fully contracted
 - Honours acquisition commitment to customers, State Government, ACCC
- ❖ Access arrangement lodged with ERA, final decision no earlier than mid September 2005
 - 95% of current pipeline capacity contracted until 2016 outside regulatory framework

Average for period 27 October 2004 to 30 June 2005





DBP Stage 4 Expansion

CS3 Site Concrete Works



CS3 Compressor/Turbine Base and Pedestals



Large Bore Spool for CS9



Compressor Station No 2



The image features a glowing blue lightbulb on the right side, with its filament and base clearly visible. On the left side, there is a blurred, glowing blue fan blade. The entire scene is set against a solid black background, creating a high-contrast, futuristic aesthetic.

Outlook

Peter Barry, CEO



DUET Outlook

- ❖ We are optimistic regarding our growth outlook
- ❖ We project a **minimum FY06 distribution of 22.5¢** per stapled unit
- ❖ This means an **increase of at least 2.3%** in DPSU for FY06



DUET Objectives

AMP capital
INVESTORS



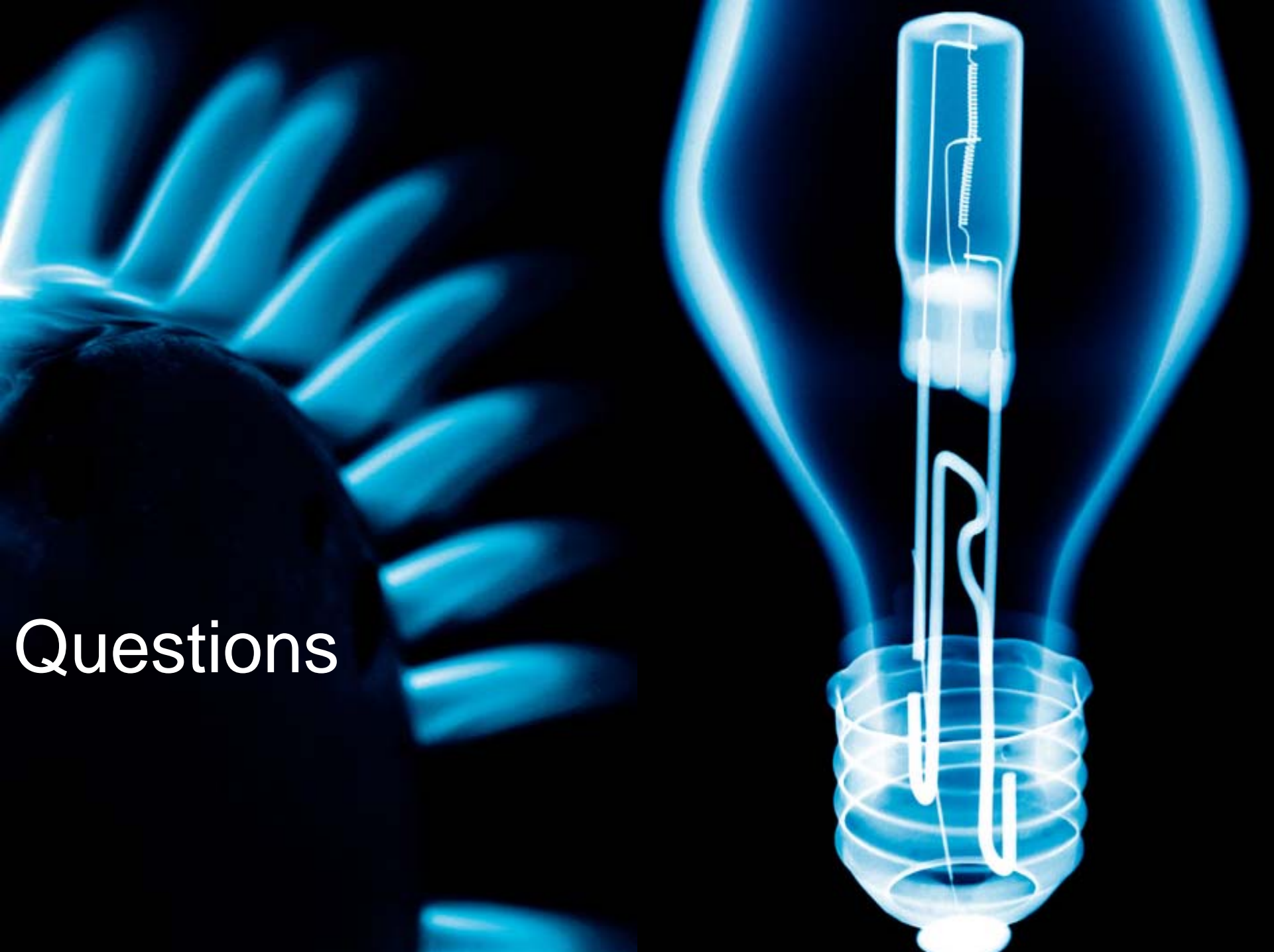
Target energy utility assets

Leveraging AMP Capital and Macquarie networks

Continuing to actively manage asset portfolio

Well positioned to grow our asset base and distribution profile

Questions



Appendices



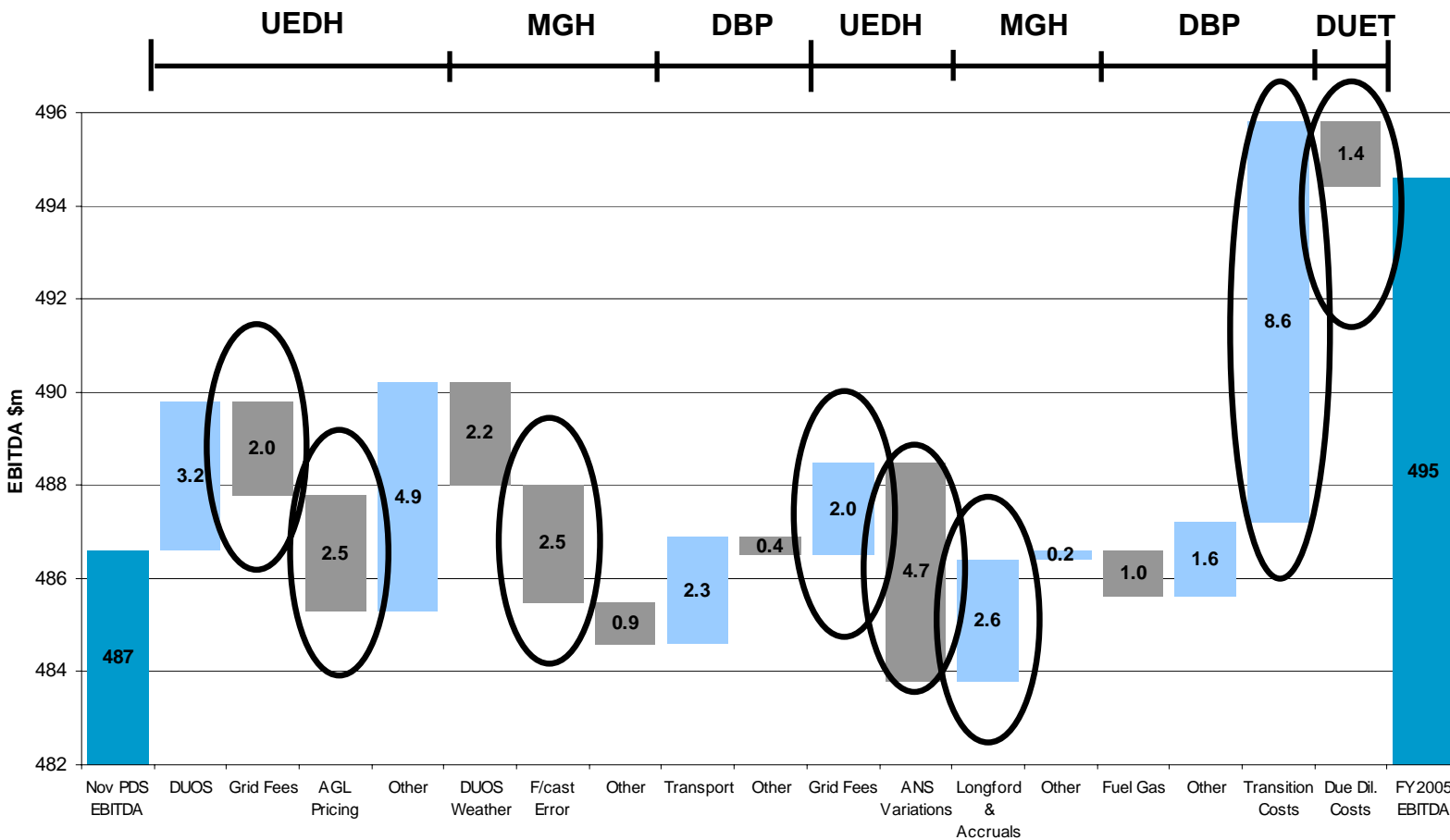


Nov 2004 PDS

Reconciliation of EBITDA to Actual

Revenue Movements

Opex Movements



○ one off items

Nov 2004 PDS

Adjustments to Forecast

DUET GROUP	Nov. PDS	Upfront Costs Expensed	Borrowing Costs Amortised	Borrowing Cost Error	Adjusted Nov PDS
\$m					
Total revenue	758.7				758.7
Operating expenses	(272.1)				(272.1)
EBITDA	486.6				486.6
Depn & amort	(175.5)		(7.6)		(183.1)
EBIT	311.1				303.5
Interest & equity Income	14.6				14.6
Borrowing costs	(283.1)	13.0	7.6	6.0	258.0
Net result before tax	42.5				60.0
Income tax expense	(9.1)				(9.1)
Outside equity interests	(3.3)				(3.3)
Net result after tax	30.2				47.7

Detailed Statement of Financial Performance

	DUET \$m	POWERS \$m	DBP \$m	MGH \$m	UEDH \$m	Eliminations \$m	TOTAL \$m
Distribution Revenue	-	-	-	144	381	-	525
Transmission Revenue	-	-	177	-	-	-	177
Dividends, Interest, Other Revenue*	114	44	1	(0)	2	(147)	14
Revaluations	(81)	-	-	-	-	81	0
Other Revenue	3	0	0	15	40	(3)	56
Total Revenue	36	44	179	159	423	(69)	772
Associate Income*	33	-	-	-	-	(28)	4
Cost of Goods Sold	0	-	16	0	75	0	92
Other Expenses	12	-	23	39	87	0	161
EBITDA	57	44	140	121	260	(97)	524
Depreciation / Amortisation / Abandonments	-	-	45	43	75	0	164
EBIT	57	44	94	78	185	(98)	360
Senior Debt	-	-	61	50	86	0	198
SOLA POWERS	40	39	9	13	17	(78)	39
Other	9	0	8	0	48	(32)	32
Total Borrowing Costs	48	39	79	63	151	(111)	269
Tax	-	-	12	0	11	(3)	20
Minority	-	-	-	-	-	-	11
Net Result	8	5	4	15	23	16	60

* Note that these items are shown below EBIT in the financial report

Detailed Statement of Financial Position

	DUET	POWERS	DBP	MGH	UEDH	Eliminations	TOTAL
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Cash	93	0	56	8	32	0	188
Other Current Assets	8	0	40	33	77	(7)	151
PP & E	0	0	1,498	729	1,151	(2)	3,376
Intangibles	0	0	684	414	712	24	1,834
Other Non Current Assets	1,768	565	35	8	17	(2,210)	183
Total Assets	1,870	565	2,313	1,191	1,989	(2,196)	5,732
Payables	57	20	48	31	68	(27)	197
Other Current Liabilities	(0)	0	11	15	16	0	41
Interest Bearing Liabilities	912	546	1,498	936	1,820	(1,621)	4,091
Other Non Current Liabilities	0	0	377	1	39	0	418
Total Liabilities	970	565	1,934	983	1,943	(1,648)	4,748
Equity	922	(0)	395	226	4	(635)	911
Surplus / Deficit	(22)	(0)	(16)	(18)	42	(23)	(37)
Outside Equity Interests						111	111
Total Equity / Net Assets	900	(0)	378	208	46	(548)	985



Further Information / Contacts

 **capital**
INVESTORS



For further information on DUET, including copies of the DUET financial report for the year ended 30 June 2005 and accompanying DUET analyst reporting pack, visit the DUET website at: www.duet.net.au

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