

Diversified Utility Energy Trusts (DUET)

2006 Interim Results

6 months to 31 December 2005

21 February 2006

Disclaimer

Investments in Diversified Utility and Energy Trusts (DUET) are not deposits with or other liabilities of AMPCI Macquarie Infrastructure Management No.1 Limited (ABN 99 108 013 672), AMPCI Macquarie Infrastructure Management No.2 Limited (ABN 15 108 014 062), Macquarie Bank Limited (ABN 46 008 583 542), or of any other entity in the Macquarie Bank Group, AMP Limited (ABN 49 079 354 519) or any other entity in the AMP Group and are subject to investment risk, including possible delays in repayment and loss of income and capital invested.

None of Macquarie Bank Limited, AMP Limited, AMPCI Macquarie Infrastructure Management No.1 Limited, AMPCI Macquarie Infrastructure Management No.2 Limited nor any member of the Macquarie Bank Group or the AMP Group guarantees any particular rate of return on DUET stapled units or the performance of DUET, nor do they guarantee the repayment of capital from DUET.

General Securities Warning

This presentation 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.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling units, securities or other instruments in DUET. Due care and attention has been used in the preparation of forecast information, however, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature, are subject to uncertainty and contingencies many of which are outside the control of DUET. Past performance is not a reliable indication of future performance.

Agenda

- ❖ Result Overview
- ❖ Asset operational performances
- ❖ Financial Statements
- ❖ Outlook

What We Have Achieved

❖ Interim results

- ❖ Interim consolidated revenues and EBIT well ahead of last year but comparison complicated by tariff changes

❖ Refinancing

- ❖ Cut interest costs by around \$3m pa through refinancing UED and the DBP bridge facility.

❖ Distribution

- ❖ 2006 full year distribution guidance of 23.5¢ is 6.8% higher than pcp

What We Have Achieved - Continued

❖ DBP expansion

- ❖ Stage 4 is underway – bigger and faster than the acquisition commitment made to the WA Government and the ACCC

- ❖ Stage 5 is being planned

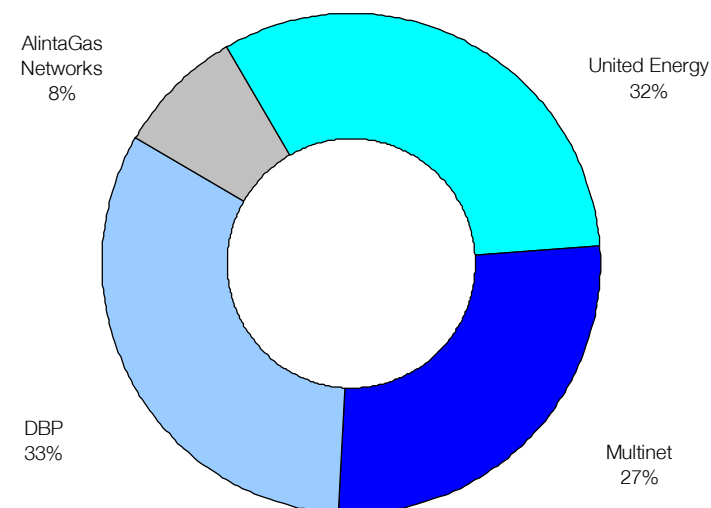
❖ UED reset– outcome

- ❖ Positive shared benefit outcome for UED and its customers

Interim Results

DUET - Group & Parent \$m	H1'05	H1'06	% Var
Group Revenue	345.2	413.8	19.9%
Group EBIT	157.5	197.2	25.2%
Group Net Results ¹	28.9	35.3	22.2%
Group Net Cash Flow	81.9	53.3	-34.9%
Parent Result before Equity A/cs Profit	24.2	38.1	57.7%
Parent Net Result ¹	33.5	64.9	93.7%
Group Gearing % (ND/Adj TA)	71.0	65.8	-7.3%
Annual distribution PSU (¢)	22.0	23.5	6.8%
Parent EPSU (¢) ¹	13.3	15.3	15.3%
Distribution PSU (¢)	13.50	11.75	-13.0%

Contribution to DUET Parent Revenue by Asset Company



1. Excluding finance charges as required by AASB 132

Diversified Utility Energy Trusts (DUET)

2006 Interim Results Operational Review

21 February 2006

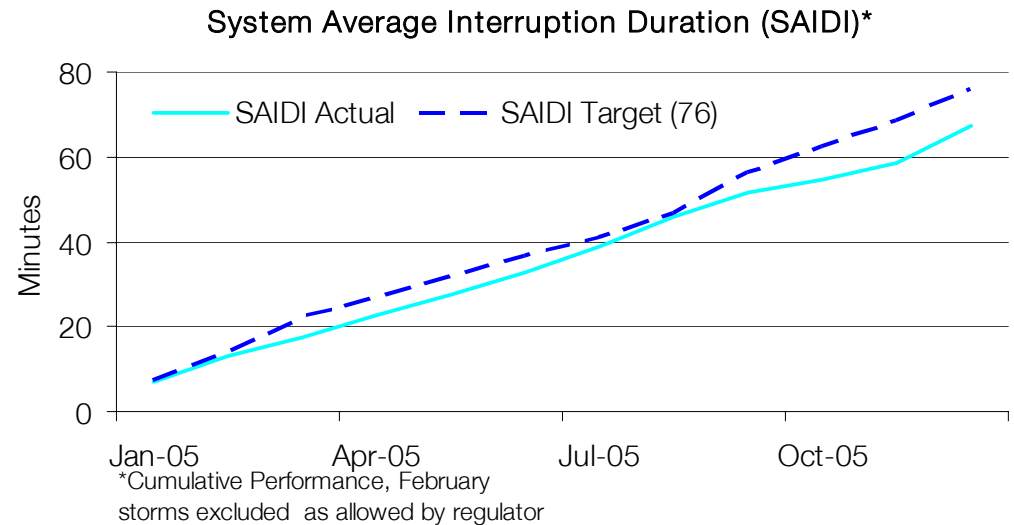


United Energy Distribution



Operating Results – United Energy Distribution

- ❖ System reliability delivering record results and an ongoing benefit for UED’s customers
- ❖ Solid connections growth
- ❖ Energy distributed growth more muted
- ❖ UED successfully refinanced its senior debt during the half



Operational Statistics

– Connections	608,976 +1.0%
– Energy distributed	7,534 GWh +0.3%
– Peak load	1,518 MW

Connections at 31 Dec 2005, 12 month distribution data

UED Regulatory Reset

- ❖ Final Regulatory Decision – 19 October 2005
 - Po 14.7% - X factor 2.5%
- ❖ UED lodged an unsuccessful appeal to the ESC Appeal panel
 - Operating cost allowance
- ❖ No negative impact on DUET's distribution guidance



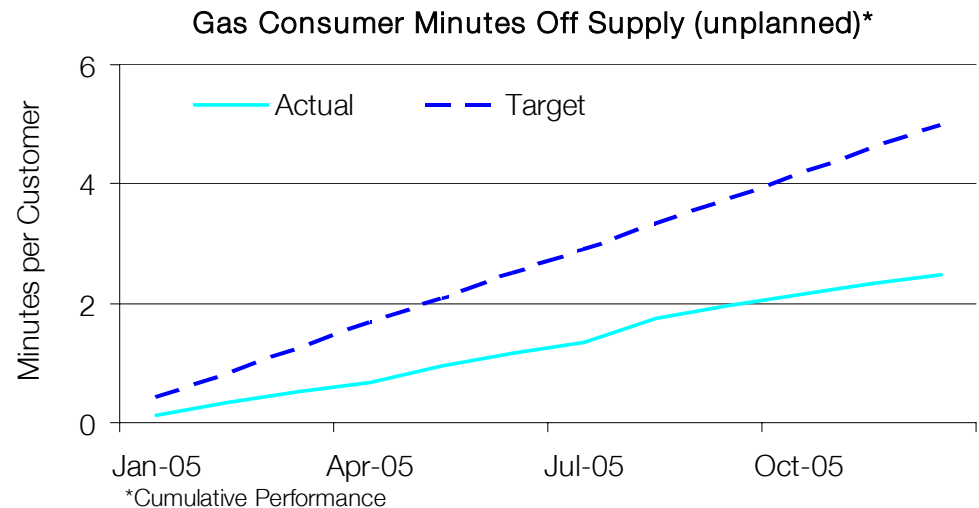


Multinet



Operating Results – Multinet

- ❖ Active tariff (price) mix management has meant a potential \$4m revenue fall due to warmer weather was limited to \$1.6m
- ❖ Other revenues were boosted by EastLink work recoveries
- ❖ Operating Expenses and Depreciation, Amortisation and Abandonments were steady
- ❖ EastLink project 6 months ahead of schedule
- ❖ Pipeworks on track to meet commitment

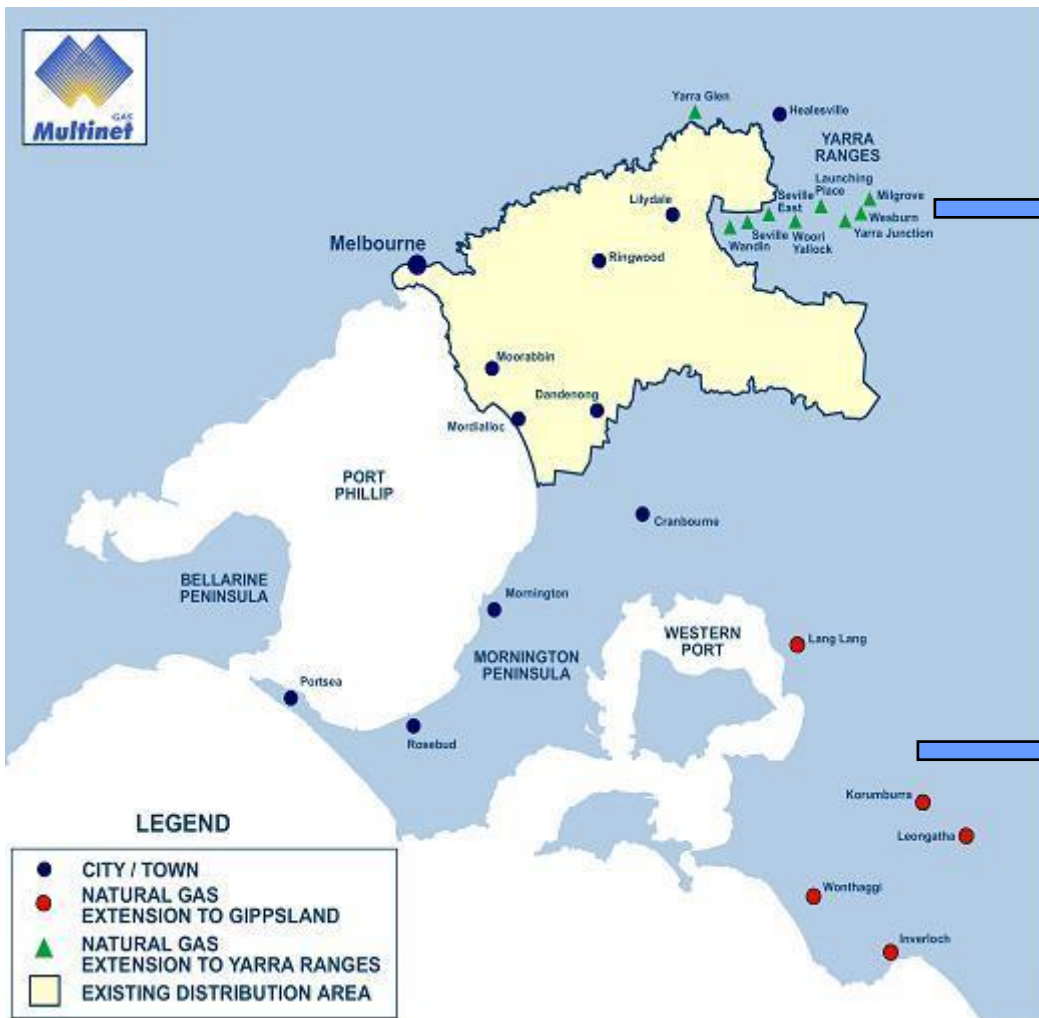


Operational Statistics#

- Connections 640,648
-0.1%
- Energy distributed 56,400 TJ
-6.9%

Connections at 31 Dec 2005, 12 month distribution data

Multinet – Expansion Projects



Yarra Ranges Gas Project

Value : Approx \$25M

Approx number of Dwellings: 6,000

Project Timeline: 2004-2007

Total KM's: 150km's of pipeline

Total Major Towns to be connected: 9

1st Connection: Woori Yallock Hotel on 1st September 2005.

Currently project is 5% ahead of schedule.

South Gippsland Gas Project

Value : Approx \$50M

Approx number of Dwellings: 10,000

Project Timeline: 2005 -2009

Total KM's: 250km's of pipeline

Total Major Towns to be connected: 5

Due to commence construction late 2006



Dampier Bunbury Pipeline



Operating Results – Dampier Bunbury Pipeline

- ❖ Stage 4a in service 3 months ahead of schedule and in time for the summer electricity peak
- ❖ Throughput impacted by operational issues and changing gas quality
- ❖ Earnings were in line with expectations
- ❖ Regulatory reset – DBP continues to appeal





Stage 4 Expansion



Dampier Bunbury Pipeline - Expansion

- ❖ Stage 4 – more than meets the acquisition commitments
- ❖ The largest gas pipeline expansion undertaken in Australia
- ❖ Supports more than \$3b of major project investment in the State's south west.
- ❖ Employing up to 320 people and using 32,000 tonnes (9 container ship loads) of steel
- ❖ Lifts pipeline full haul capacity by more than 20%
- ❖ Construction risks minimised

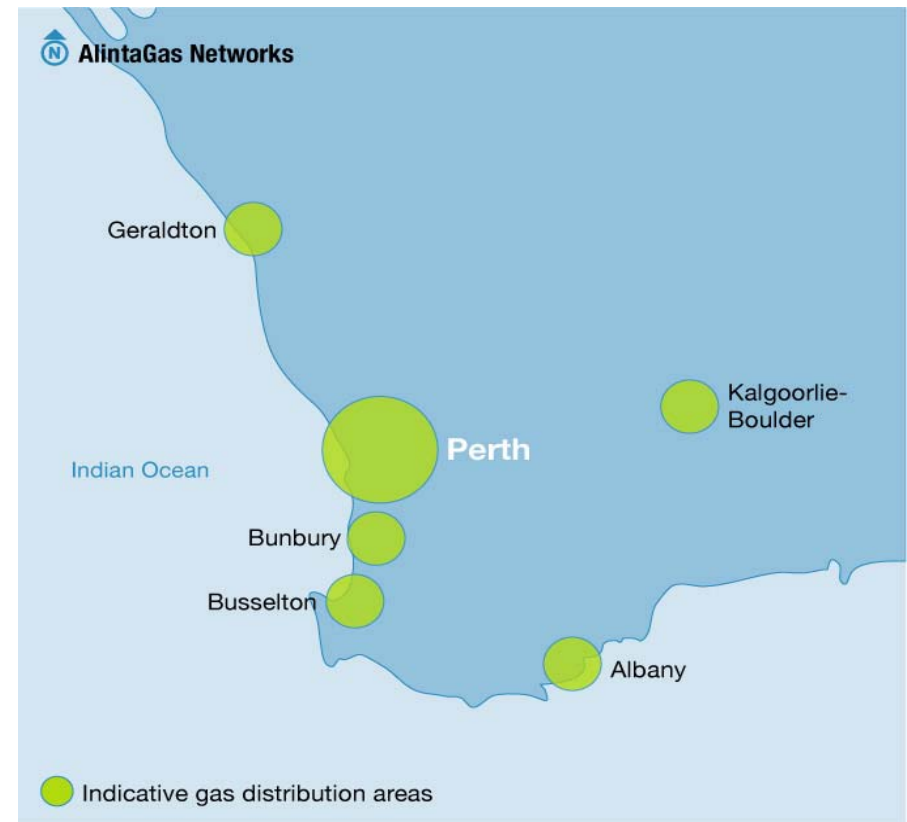


Dampier Bunbury Pipeline – Expansion Stage 5

- ❖ Firm requests for additional capacity total 375TJ/day
- ❖ Another 1150 kilometres of pipeline and a number of new compressors.
- ❖ Would be built over 2 years with completion in 2009, \$1.5b cost
- ❖ Expansion depends on funding being secured on equivalent terms
- ❖ Steps prior to commencement
 - Engineering completed
 - Financial modelling
 - Regulator approval of Capex
 - Secure financing
 - Consortium approval
- ❖ DUET financing of future equity contributions



- ❖ AlintaGas Networks impressive growth profile continues
- ❖ Year to 31 December 2005 connections were 4.1% higher
- ❖ Network mains were extended 248km's – a 2.1% increase
- ❖ Strong WA housing and construction industry and colder weather impacted



Diversified Utility Energy Trusts (DUET)

2006 Interim Results Financial Statements

21 February 2006

Interim Results -AIFRS Impacts

- ❖ Major impact due to:
 - Trust duration
 - DUET's distribution of all taxable income

- ❖ Results under AIFRS:
 - Reclassified equity to debt and accounting profit to a finance cost

- ❖ What we are doing to fix the problem:
 - DUET Constitution changes
 - Seeking a binding ATO ruling

- ❖ No impact on distributable cash to DUET stapled unit holders

Financial Results – Financial Performance

- ❖ Strong revenue growth +19.4% – impact of DBP for a full period
- ❖ Similar or higher growth in EBITDA and EBIT
- ❖ Tax expense reflects the movements in the deferred taxation balances in the Statement of Financial Position
- ❖ Net results (before AIFRS impacts) 20% ahead of last year
- ❖ AIFRS reclassification of equity means accounting profit shown as a finance charge
- ❖ Hedge timing mismatch cost \$3m

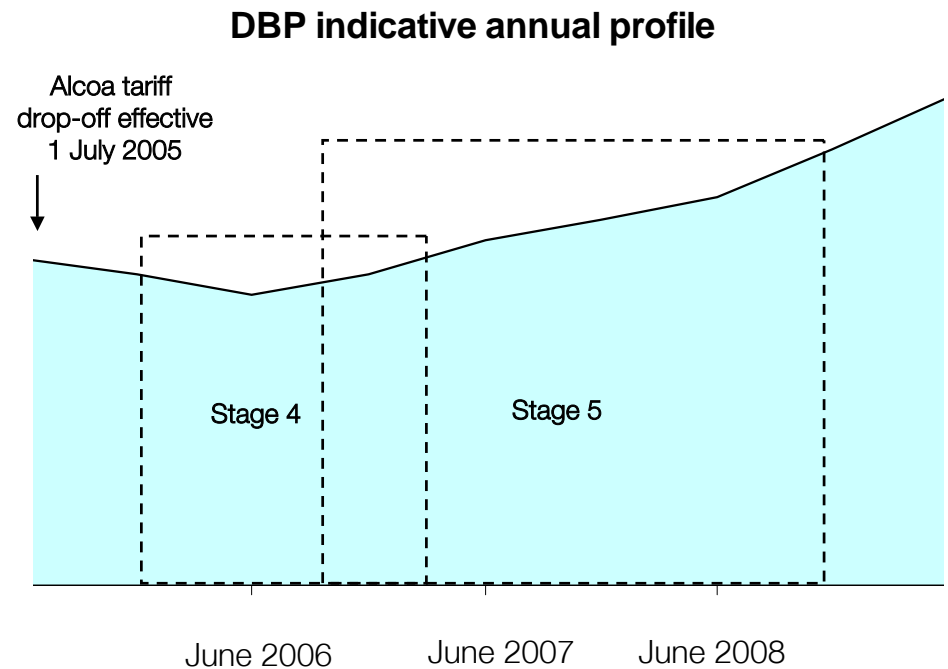
DUET Group Income Statement For the half year ended 31 Dec (\$m)

	H1'05	H1'06	% Var
Total revenue excl interest income	339.8	405.7	19.4%
Operating expenses	114.7	135.2	17.9%
EBITDA	225.1	270.5	20.2%
Depn, amort & abandonments	67.7	73.4	8.4%
EBIT	157.5	197.2	25.2%
Equity accounted income	2.9	3.7	27.1%
Net borrowing costs	115.1	142.3	23.6%
Net result before tax	45.2	58.5	29.5%
Income tax expense	10.6	15.9	49.5%
Minority interests	5.6	7.3	29.7%
Net result after tax	28.9	35.3	22.2%
Finance Cost attrib to unitholders *	0.0	35.3	
Net Profit attrib to unitholders	28.9	0.0	

* Due to the finite life and present entitlement clauses contained within the DUET1 and DUET 2 Trust Constitutions, upon adoption of AASB132 on 1 July 2005, the units in DUET1 and DUET2 were classified as debt for accounting purposes. As a result, the interim distribution declared, as well as the income which accrued to the units in the Trust, have been accounted for as an expense and presented in the income statement for the period as a finance cost to security holders, in accordance with AASB132.

Dampier Bunbury Revenues – the Alcoa impact

- ❖ DBP revenue for 1H'06 incorporates a reduction in the Alcoa reservation tariff
- ❖ Reservation tariffs increase as pipeline capex is expended
- ❖ Stage 4 and potentially Stage 5 will result in a substantial increase in revenue to December 2008



Financial Results – Financial Position

DUET Group Balance Sheet

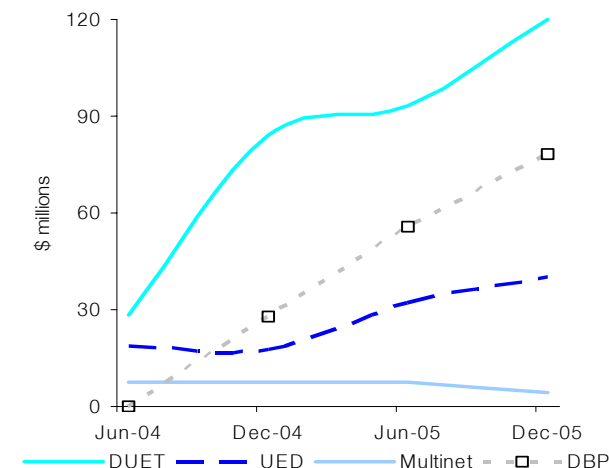
As at

\$m

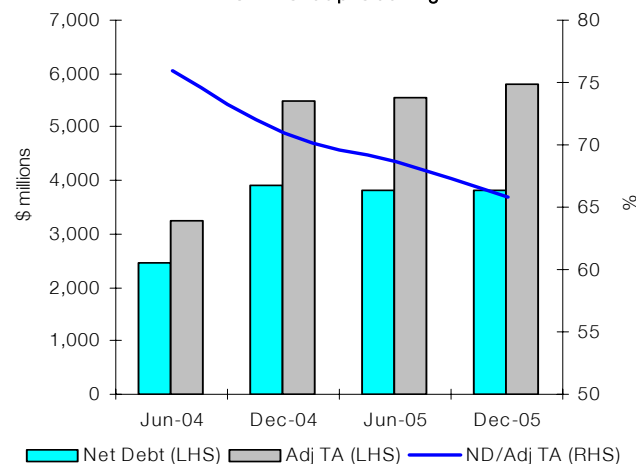
	30/06/05	31/12/05	% Var
Cash Assets	188.3	242.3	29%
Other Current Assets	151.2	130.1	-14%
PP & E	3,336.2	3,516.9	5%
Intangible Assets	2,015.2	2,006.1	0%
Other Non-Current Assets	189.5	157.9	-17%
Total Assets	5,880.4	6,053.3	3%
Interest Bearing Liabilities	4,114.2	4,095.0	0%
Current Liabilities	215.4	328.2	52%
Other Non Current Liabilities	552.9	598.2	8%
Total Liabilities	4,882.5	5,021.4	3%
Net Assets *	997.9	1,032.0	3%
Equity & Retained Earnings	886.5	890.0	0%
Reserves	0.0	(2.8)	0%
Minority Interest	111.4	144.8	30%
Total Equity	997.9	1,032.0	3%

* Excluding security holder and minority units classified as debt in accordance with AASB 3132

Cash balance breakdowns



DUET Group Gearing



Financial Results – Cash Flow

DUET Group Cash Flow Statement For the half year ended 31 December 2005

\$M	H1'05	H1'06	% Var
Net cash flows from operating	244.0	285.7	17%
Acquisition cash flows	(1,845.8)	0.0	-100%
Payments for purchase of PP&E	(72.3)	(158.9)	120%
Proceeds from asset sales	0.8	0.9	7%
Net cash flows from investing	(1,917.3)	(158.0)	-92%
Acquisition & capital raising cash flows	447.7	43.8	-90%
Borrowing (net of repayments)	1,520.4	71.6	-95%
Borrowing costs paid	(185.8)	(150.1)	-19%
Dividends & Distributions paid	(27.0)	(39.7)	47%
Net cash flow from financing	1,755.3	(74.3)	-104%
Net increase in cash	81.9	53.3	-35%

- ❖ The increase in operating cash flows and large variances from prior periods in acquisition and financing cash flows relate to DBP
- ❖ PP&E payments reflect the impact of Stage 4 expansion at DBP.
- ❖ Distributions paid in the last half were the June 2005 distribution of 8.5 cents PSU paid in September.

DUET Parent Entity Performance

For the half year ended 31 December 2005	RPS /			1H 06	1H 05
	Dividends	Loan Interest	SOLA	Performance	Performance
United Energy	3.3	15.9	8.5	27.7	27.6
Multinet	16.8	-	6.6	23.4	23.2
DBP	-	21.5	6.6	28.1	10.3
AlintaGas Networks	3.4	-	3.7	7.1	7.8
Total Revenue from AssetCos	23.5	37.4	25.4	86.3	68.9
Other revenue				2.1	3.9
Total Revenue	23.5	37.4	25.4	88.4	72.8
AIFRS Adjustments				(0.5)	
Operating Expenses				(6.3)	(3.5)
Borrowing Costs				(23.4)	(25.0)
Dividends Equity Accounted				(20.1)	(20.1)
Net Result (before equity accounted profits)				38.1	24.2
Equity Accounted Profit				26.8	9.4
Net Result				64.9	33.5
Earnings PSU				15.34	13.30
Distribution PSU				11.75	13.50

- ❖ This part of the presentation outlines the impact interest rates could have on DUET and its portfolio of Energy assets.

- ❖ The following key points are addressed:
 - DUET's interest rate hedging policy
 - Impact on DUET distributions of an interest rate increase
 - Impact on energy asset valuations of an interest rate increase
 - Recent movements in interest rates for DUET's portfolio
 - DUET's portfolio current gearing level

- ❖ Substantial hedging policies exist at all of DUET's utilities

	Hedging Policy	Current Approximate Hedging of Senior Debt	Current Net Debt
United Energy Distribution (UED)	Minimum of 80% of senior debt	94% ¹	A\$1,457.3m
Multinet (MGH)	Minimum of 80% of senior debt	95% ²	A\$954.4m
Dampier Bunbury Pipeline (DBP)	Minimum of 80% of senior debt	94% ²	A\$1,465.1m ³
AlintaGas Networks (ANH)	Minimum of 80% of senior debt	88% ²	A\$600.9m

- ❖ The weighted average hedging period of DUET's investments is 4 years
- ❖ DUET's assets have regulatory resets that provides a natural hedge to interest rate movements, in conjunction with these interest rate hedges:
 - Increasing interest rate environment results in higher return on RAB next reset period;
 - Regulated Revenue charges are linked to both a real return of CPI;
 - Interest hedging periods match the Regulated Period with the exception of DBP where a longer period adopted

Note 1 :December 2006 adopted as some recent hedges do not come into affect until January 2006, after balance date.

Note 2: At 30 December 2005.

Note 3: Excludes Western Australian Government long term Loan.

Impact of Interest Rate Increase

- ❖ Impact of a 1% increase (100bps) in real interest rates, holding all other assumptions constant

	UED	MGH	DBP	ANH	Total
	A\$	A\$	A\$	A\$	
Current Net debt	1,457.3m	954.4m	1,465.1m	600.9m	
Current unhedged exposure	197.3m	194.4m	154.1m	135.9m	
Increase in Interest Expense	1.97m	1.94m	1.54m	1.36m	
DUET's share of Increased Expense	1.30m	1.55m	1.25m ¹	0.35m	
Impact on Distribution per stapled security					1.05 cents

- ❖ A 1% increase (100bps) leads to a decrease of approximately 1.05 cents in cash available for DUET distributions, or 4.47% of the 2006 distribution guidance. (Note this is offset by increased interest rates on DUET cash balances of \$120m as at 31 Dec 2005)
- ❖ Asset hedging ensures minimum exposure to DUET from increases in interest rates
- ❖ Analysis assumes no other changes in operations or further resets

Note 1 : This assumes the 81% interest held in DBP as at 31 Dec 05 – however this interest will decrease over time to 60% as the calls upon the partly paid securities occur. Accordingly this is considered a conservative method of calculation the impact to DUET securities distributions

The Natural Interest Hedge

- ❖ Return on Assets determined by reference to prevailing risk-free rate at determination at the time of each regulatory determination
- ❖ Return on Assets fixed for 5 year period
- ❖ Interest on debt is then hedged over the 5 year period
 - Fixed income = Fixed Debt Costs
 - Longer term rates increase is offset by income increase
- ❖ Income increases by CPI-x during regulatory period
 - Causing income to increase proportionally faster than associated cost base (I.e. higher inflation = higher revenues)

- ❖ Infrastructure assets can typically accommodate higher levels of debt than businesses in highly competitive environments
 - Infrastructure assets have underlying cash flows that are sustainable, predictable and generally increasing
- ❖ All DUET's long term debt is raised at the asset investment level with the exception of POWERS as noted below
 - Non-recourse debt (lenders have security over assets they lend to – non-recourse to DUET and DUET shareholders)
- ❖ DUET has debt commitments to the POWERS Trust
 - DUET's debt obligation is passed directly 'back-to-back' with the SOLA obligations owing from DUET's portfolio of assets
 - No hedging required or taken at the DUET Trust level for POWERS
 - The POWERS debt of \$555m is the major unhedged exposure of DUET
- ❖ DUET is able to facilitate asset level debt at competitive rates and terms given its access to international expertise in the area, increasing returns to investments

The weighted average gearing of DUET's underlying assets is c. 66.99%⁽¹⁾

Diversified Utility Energy Trusts (DUET)

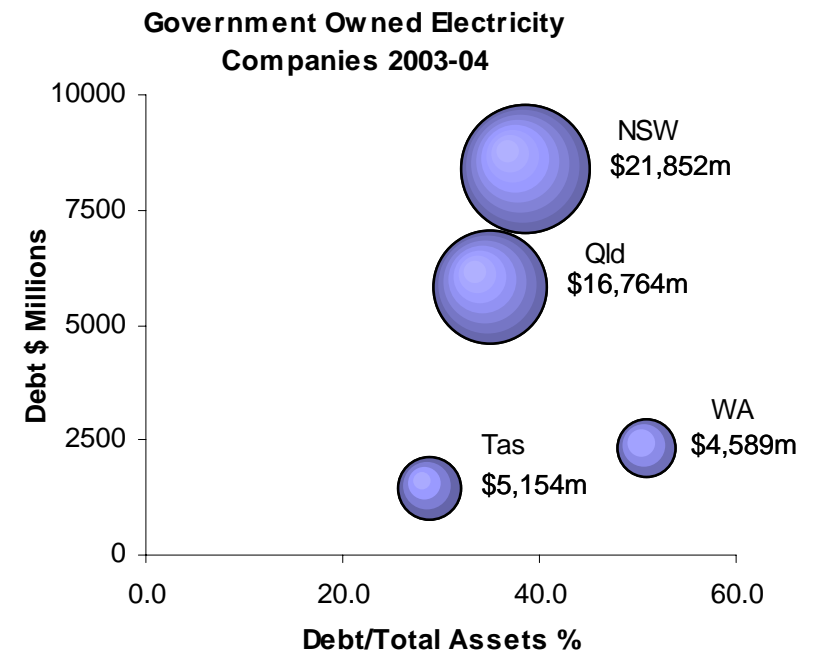
2006 Interim Results Summary and Outlook

21 February 2006

Summary – The Last 6 Months

- ❖ Solid interim results
- ❖ Significant financing initiatives and outcomes
- ❖ Regulatory resets and issues negotiated
- ❖ Announced increased distribution guidance of 23.5¢ PSU
- ❖ Good progress on major projects
- ❖ DBP an even stronger organic growth opportunity

- ❖ Regulatory issues winding down
- ❖ Growth – DBP is an outstanding organic growth story and a major point of differentiation for DUET.
- ❖ Growth in UED and Multinet
- ❖ Our marketplace is dynamic and the pace of change looks like remaining robust
- ❖ We continue to be well placed to take advantage of opportunities that emerge



Source: ESAA - Electricity Gas Australia 2005, DUET February 2006

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

Diversified Utility Energy Trusts (DUET)

2006 Interim Results Questions

21 February 2006