

DUET Group

2008 Interim Results

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29 February 2008



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Agenda



- ❖ Performance
- ❖ About DUET
- ❖ Operational Review and Financial Results
- ❖ Financial Statements
- ❖ Outlook

2008 Interim Results Performance

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Performance

Summary – the last 6 months



**FY2008 Interim
Distribution**



**Proportionally
Consolidated
EBITDA**



**Proportionally
Consolidated
EPS**



**DUET Parent
Revenue**



**DUET Group
Net Result
Before Tax**



Strong half year results¹

- ❖ 10.2% increase in distributions for 1H08
- ❖ DUET Proportionally Consolidated EBITDA up 35.8%
- ❖ Proportionally consolidated 6 months EPS up 46.3% to 17.7cpss (pcp 12.1cpss) versus half year distribution of 13.50cpss
- ❖ DUET Parent Revenue up 42.6%
- ❖ DUET Group Net Result Before Tax, before specific items² up 104.1%

¹ DUET's interest in Duquesne Light as at 31 December 2006 was a 7.7% interest in the listed entity (Duquesne Light Holdings Inc.) prior to the DUET-led consortium completing the acquisition on 31 May 2007. The six months to 31 December 2007 include our 29% interest in DQE Holdings, the consortium vehicle established to acquire Duquesne Light.

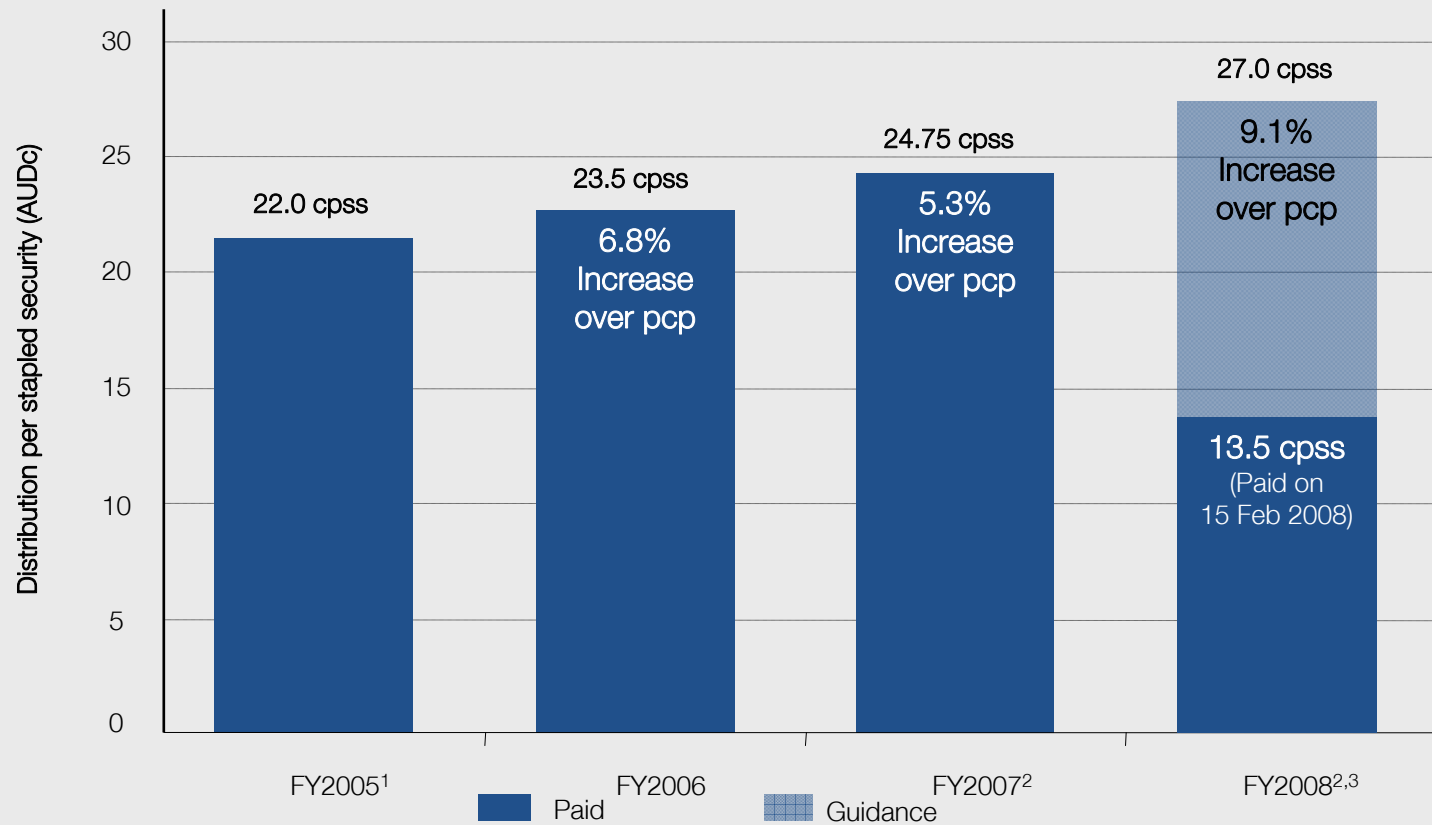
² Specific items include: Fair value gain on fwd contracts +4.5m, Mark to market of FX hedges +0.7m, Fair value loss on fwd contracts (3.0m), FX movement on DUET3 investor loan (7.9m), Other specific expenses of (7.8m)

Performance

2008 Distribution Guidance



DUET Distribution Growth



1 Forecast distribution at IPO was 21.7 cps for FY2005

2 Distribution of 13.50 cps for the period ending 31 December 2007 was paid on 15 February 2008

3 Distribution guidance is subject to change from the impact of any material changes in DUET's forecast assumptions



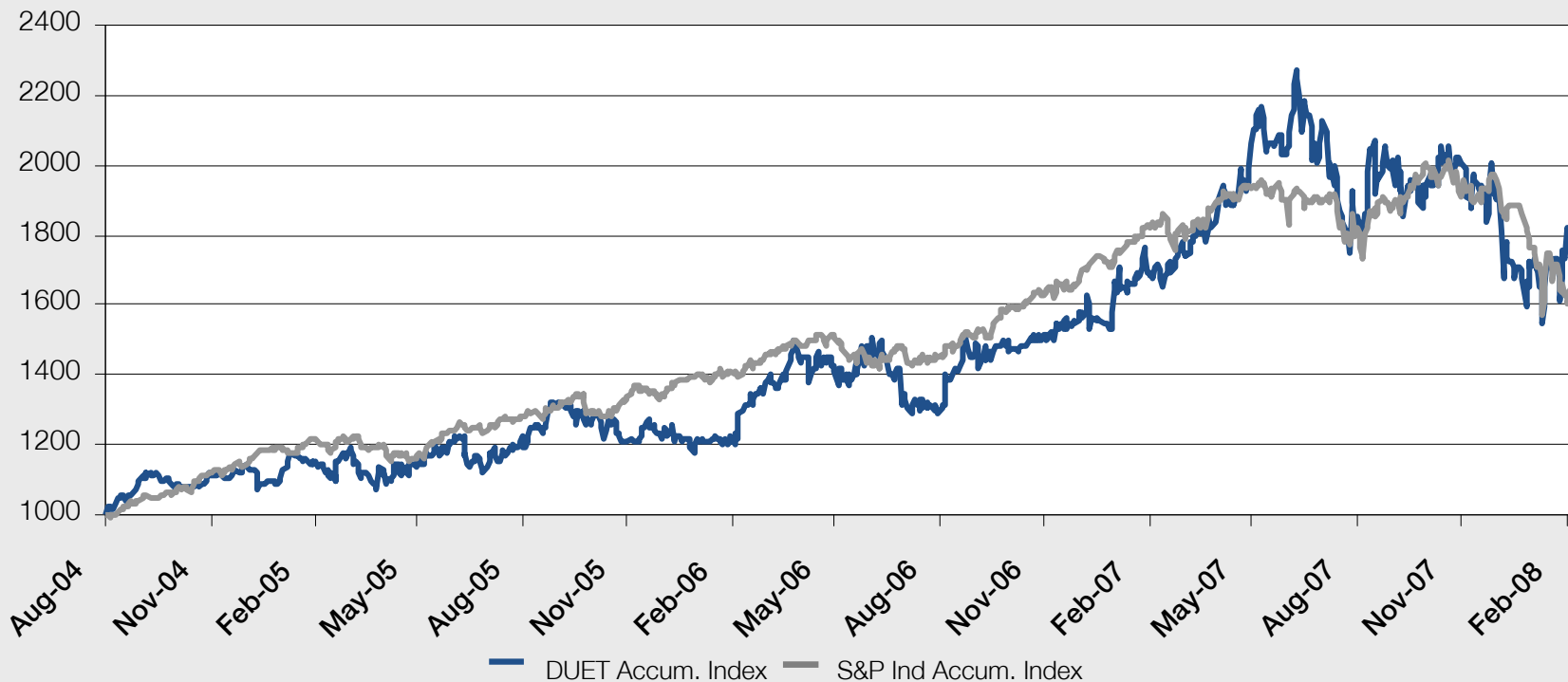
Performance

DUET Total Return Index v S&P/ASX 200 Industrials Accumulation Index



- ❖ Annual return to investors from IPO to 27 Feb 2008 of approximately 20%¹
- ❖ 12 month Total Shareholder Return (TSR) of approx. 9% versus market benchmark TSR of approx. -8%², DUET outperformance of approx. 17%

DUET Total Return Index v S&P/ASX 200 Industrials Accum Index



1 As at 27 Feb 2008. Assumes investor participated in Distribution and Dividend Reinvestment Plan (DRP) – If investor did not participate in DRP, the return would be approximately 17%. Past performance is not a reliable indication of future performance

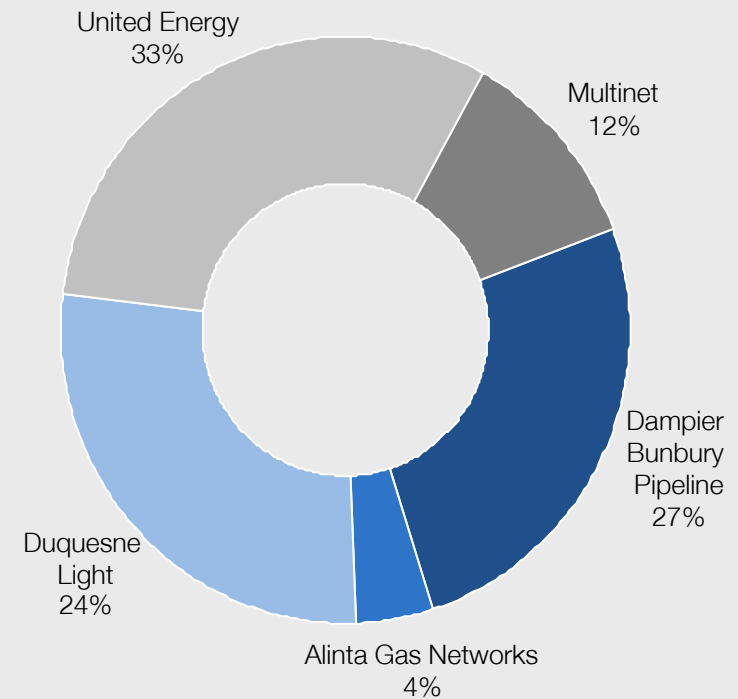
2 From Period 28Feb 2007 to 27Feb 2008

Performance Summary of Key Results



DUET GROUP \$million	6 Mths to 31-Dec-07	6 Mths to 31-Dec-06	% Var
Revenue before specific items [^]	480	418	14.8
EBITDA before specific items	325	276	17.8
Net Results before Income Tax and specific items	100	49	104.1
Net Operating Cash Flow before performance fees	293	248	18.1
DUET – PROPORTIONALLY CONSOLIDATED			
Revenue	520	341	52.5
EBITDA	292	215	35.8
Earnings (after maintenance capex, interest expense, tax expense and corporate expenses)	106	59	79.7
Earnings per stapled security EPSS	17.7¢	12.1¢	46.3
Operating Cashflow before performance fee	114	88	29.5
Total Gearing of Enterprise Value	59.3%	58.3%	n/m
DUET – PARENT			
Earnings Available for Distributions (excluding performance fee)	105	63	66.7
Earnings Available for Distributions per stapled security (excluding performance fee)	17.54¢	12.93¢	35.7
Interim distribution DPSS	13.50¢	12.25¢	10.2

1H2008 Contribution to DUET Parent Revenue by Asset Company*



* Excludes SOLA payments received

[^] Specific items include: Fair value gain on fwd contracts +4.5m, Mark to market of FX hedges +0.7m, Fair value loss on fwd contracts (3.0m), FX movement on DUET3 investor loan (7.9m), Other specific expenses of (7.8m)

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About DUET

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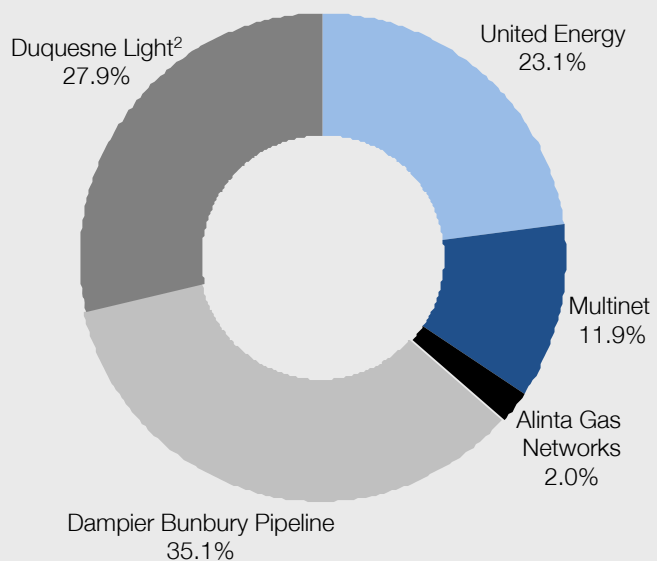


Diversified Asset Portfolio

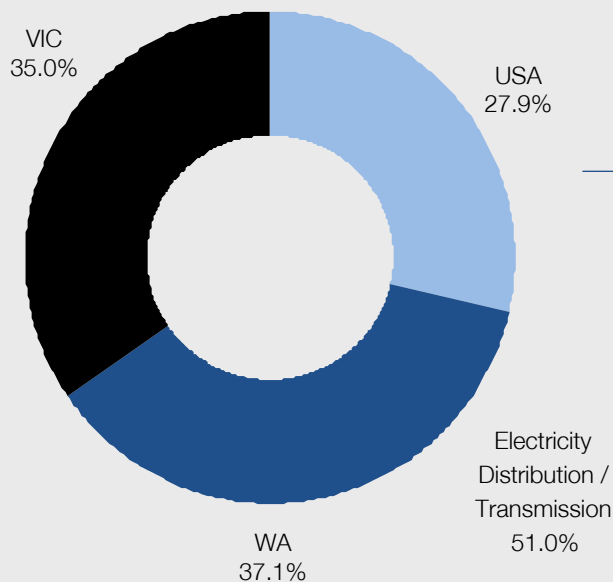
As at 31 December 2007



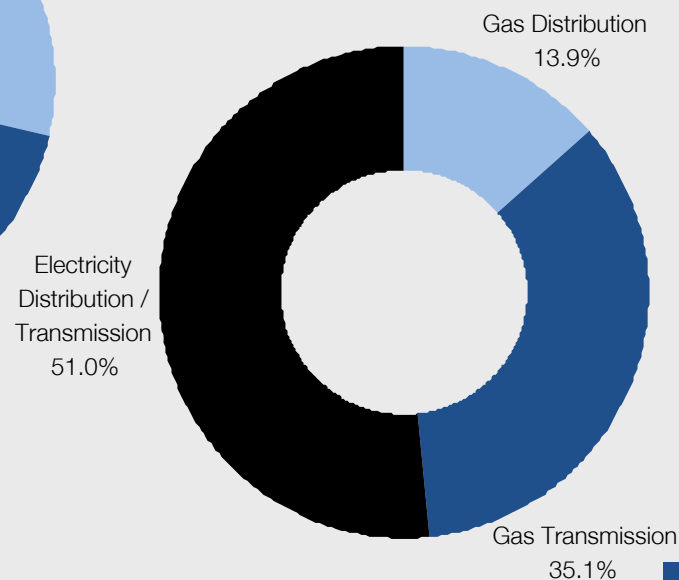
Investment Mix¹



Geographic Mix¹



Energy Mix¹



1. Based on the 31 December 2007 financial statements carrying value for DUET investments adjusted for the Stage 5A expansion excluding SOLA debt.
 2. Investments held via DUET's 29% interest in DQE Holdings

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Operational Review

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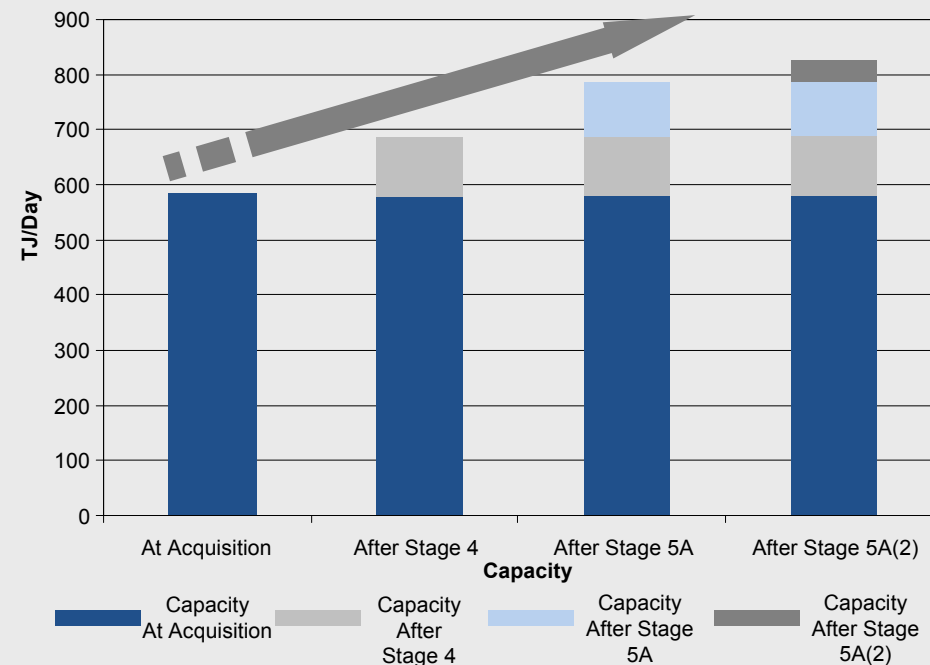
Dampier Bunbury Pipeline Results



- ❖ Results of organic growth realised
 - Revenue increased by 32%
 - EBITDA increased by 36%, EBITDA Margin up 3%
 - RAB increased by 17%
- ❖ Stage 5A expansion on schedule
- ❖ Stage 5A (2) expansion received final approval
- ❖ DBP is currently evaluating additional capacity requests

Half-year Financial Highlights ¹			
\$millions	31-Dec-07	31-Dec-06	Variance %
Revenue	147	111	32.4%
EBITDA	110	81	35.8%
EBITDA Margin	74.8%	73.0%	2.5%
RAB	2,613	2,226	17.4%

Daily Capacity after announced expansions



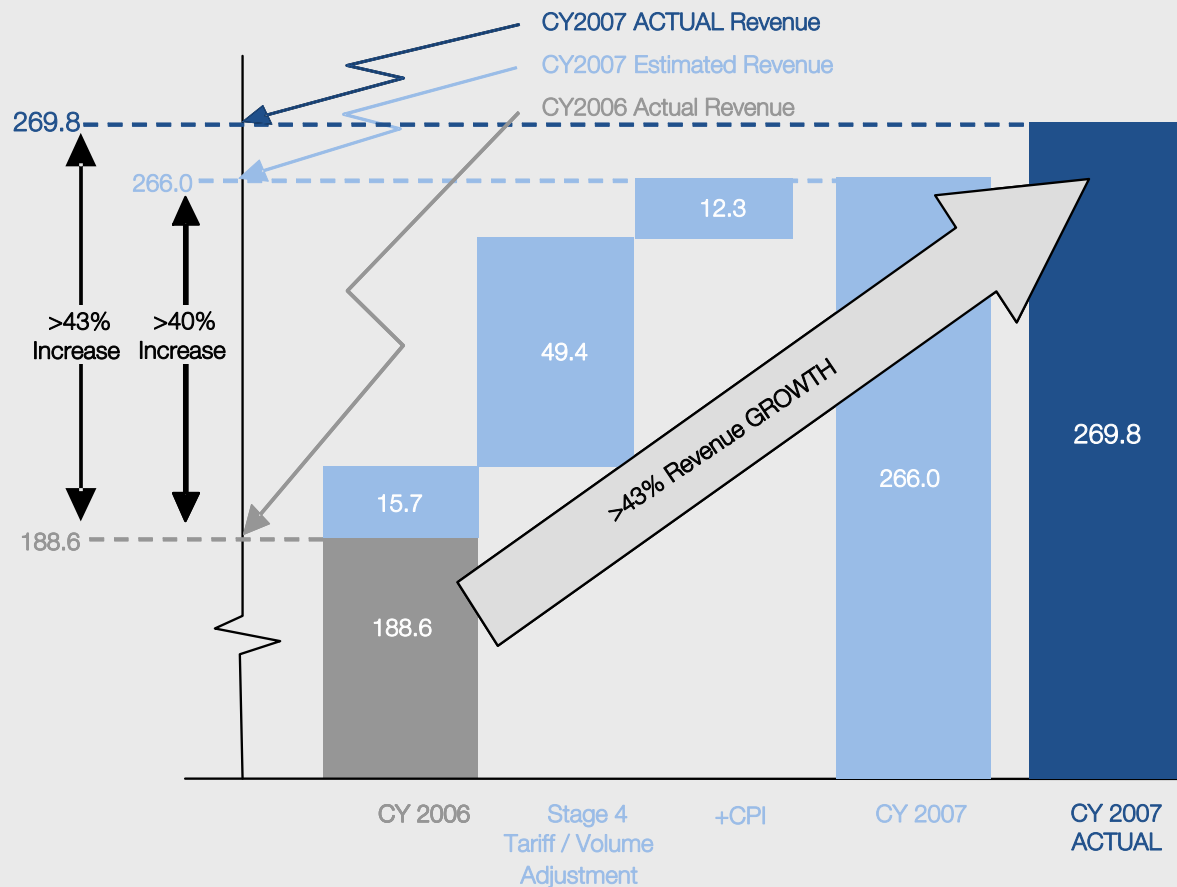
¹ Normalised earnings as per Management Information Report

Dampier Bunbury Pipeline

Revenue Impact of Stage 4 Expansion Actual vs. Forecast



DBP Transport Revenue (\$m)
Stage 4 Impact and CPI Adjustment



Impact of Stage 4 Expansion

- ❖ Increase in full-haul capacity of 100TJ/day (or approx. 17%)
- ❖ Actual Revenue increase of approx. 43% versus forecast revenue increase of 40%

Duquesne Light

Operational & Financial Highlights



❖ Duquesne Light integration continues¹

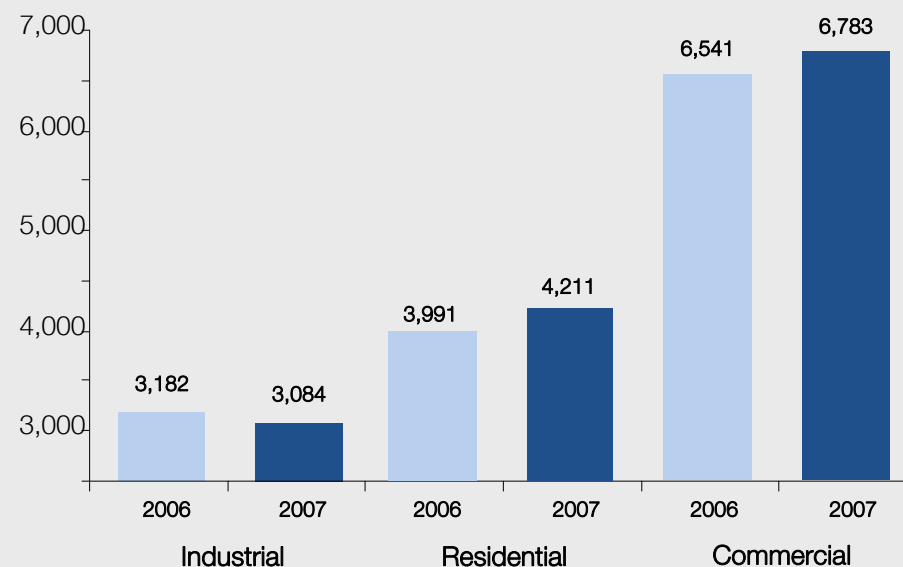
- Revenue up 16%
- EBITDA up 50%
- EBITDA Margin up 29%
- Weighted-average hedge rate of 0.78 US\$/A\$

❖ Strong operational performance underpinning financial results

Network Asset Statistics	
Length of Network	31-Dec-07
Transmission Lines	1,077 km
Distribution lines & cable	30,127 km
Area of network	2,072 km ²

Half-year Financial Highlights ²			
US\$millions	31-Dec-07	31-Dec-06 ³	Variance %
Revenue	590	509	15.9%
EBITDA	213	142	50.0%
EBITDA Margin	36.1%	27.9%	29.4%

GWh Delivered by Customer Type (12 mths)



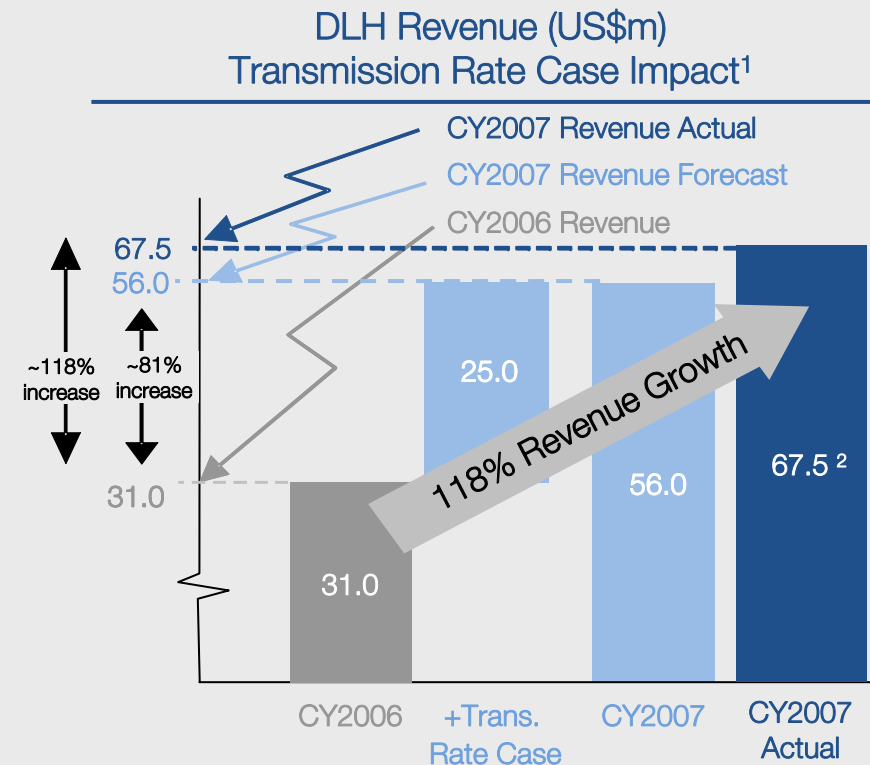
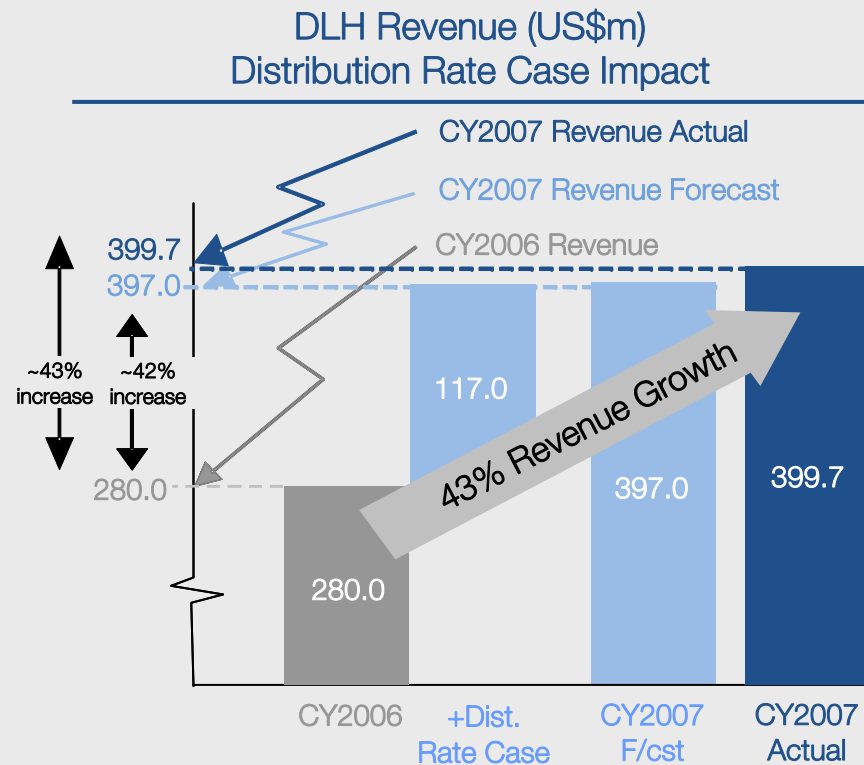
¹ DUET's interest in Duquesne Light as at 31 December 2006 was a 7.7% interest in the listed entity (Duquesne Light Holdings Inc.) prior to the DUET-led consortium completed the acquisition on 31 May 2007. The six months to 31 December 2007 include our 29% interest in DQE Holdings, the consortium vehicle established to acquire Duquesne Light.
² Normalised earnings as per Management Information report
³ The 31 December 2006 financials have been adjusted to exclude associated revenues and expenses from the operations that were discontinued in the period.

Duquesne Light

Impact of Rate Case Determinations



- Actual revenue vs. Forecast revenue (after transmission and distribution rate cases)



- DLH have reached a settlement with Pennsylvania Public Utility Commission, Pennsylvania Office of Consumer Advocate and FERC staff and council which provides for a base ROE of 10.9%.
- The Transmission revenue has been adjusted to reflect the impact of the rate case for the period

United Energy Distribution Results

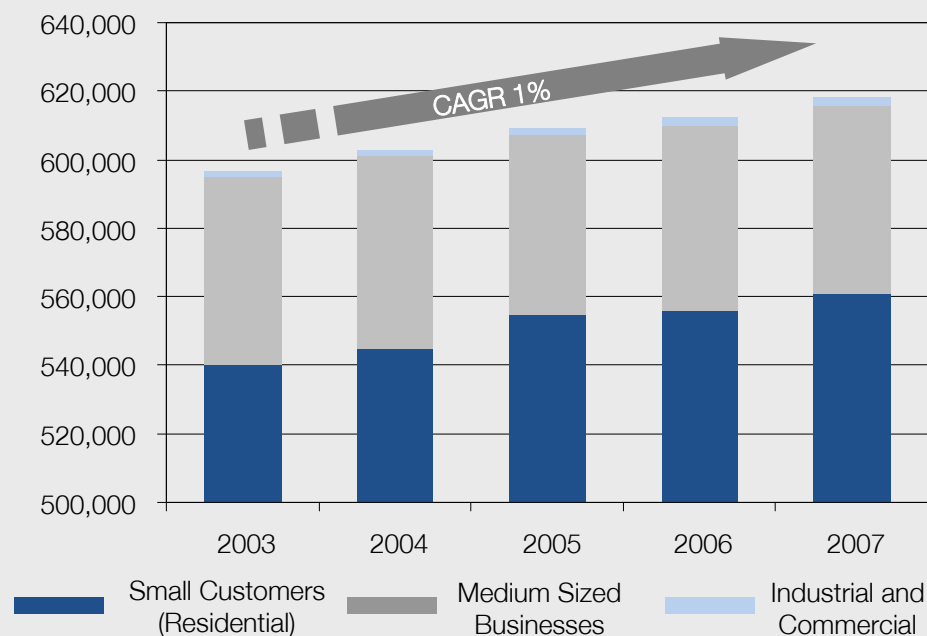


- ❖ Robust trading conditions continued over the last 6 months
 - Revenue up 5.0%
 - EBITDA up 6.0%
 - RAB increased by 3.6%
 - Connection growth of 1%

Half-year Financial Highlights ¹			
\$millions	31-Dec-07	31-Dec-06	Variance %
Revenue	210	200	5.0%
EBITDA	124	117	6.0%
EBITDA Margin	59.0%	58.5%	0.9%
RAB	1,281	1,236	3.6%

- ❖ Interval Meter Roll-out
 - Design, procurement and testing underway

Connections as at 31 December



1 Normalised earnings as per Management Information Report

Multinet Group Holdings

Results

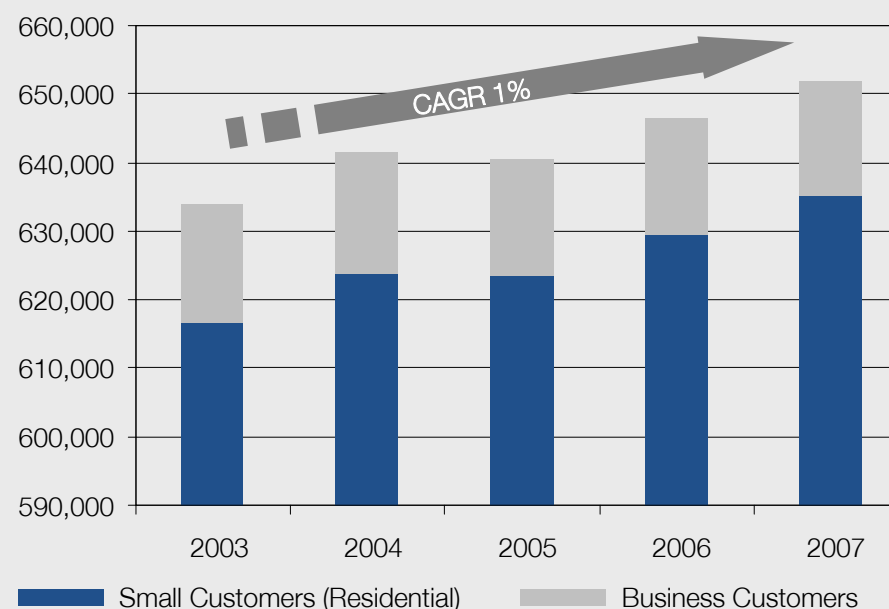


- ❖ Solid performance over the 6 months to 31 December 2007
 - revenue increased 1.1% despite reduction in effective heating degree days
 - EBITDA increased by 1.4%
 - RAB increased 2.2%
 - Connections continue to grow, increasing by approximately 1%

- ❖ Pipeworks replacement programme ongoing
- ❖ Yarra Ranges natural gas extension project progressing to schedule
- ❖ South Gippsland natural gas extension project expected to meet completion targets

Half-year Financial Highlights ¹			
\$millions	31-Dec-07	31-Dec-06	Variance %
Revenue	94	93	1.1%
EBITDA	72	71	1.4%
EBITDA Margin	76.6%	76.3%	0.4%
RAB	889	870	2.2%

Connections as at 31 December



¹ Normalised earnings as per Management Information Report

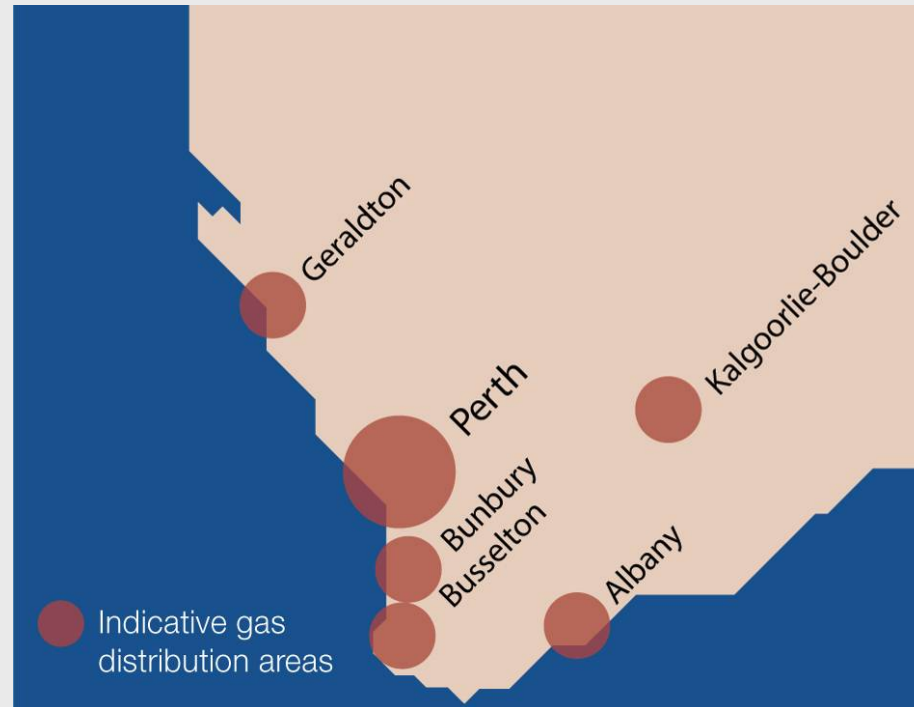
AlintaGas Networks Results



- ❖ Strong 6 months performance
 - Revenue increased approx. 8%
 - EBITDA increased approx. 11%
 - EBITDA margin increased approx. 3%

Half-year Financial Highlights ¹			
\$millions	31-Dec-07	31-Dec-06	Variance %
Revenue	71	66	7.6%
EBITDA	51	46	10.9%
EBITDA Margin	71.8%	69.7%	3.0%
Connections	585,254	550,000	6.4%

- ❖ 6 months to 31 December 2007 connections were 6.4% higher than the prior corresponding period
- ❖ WA housing, construction industry and resources activity continues strongly



¹ Normalised earnings as per Management Information Report

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Financial Performance

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DUET Proportional Earnings

Distribution Coverage



- ❖ Over 131% coverage of distributions from Operating earnings after maintenance capital expenditure, borrowing costs, tax expenses and corporate expenses
- ❖ Second half coverage of distributions expected to be slightly lower due to seasonality

Proportionate Earnings	Actual Results 6 months to 31-Dec-07 \$'000	Proforma Results 6 months to 31-Dec-06 \$'000	Actual Results 6 months to 31-Dec-06 \$'000
Energy utility assets revenue	519,902	461,804	340,733
Energy utility assets operating expenses	(228,285)	(217,967)	(126,077)
Total energy utility assets EBITDA	291,617	243,837	214,656
Energy utility assets maintenance capital expenditure	(43,726)		(32,209)
Energy utility assets net interest expense	(98,146)		(85,903)
Corporate net interest income /(expense)	5,468		471
Hybrid capital interest expense	(26,031)		(23,521)
Net tax expense	(13,398)		(4,129)
Proportionate earnings (pre-corporate expenses)	115,784		69,365
Corporate expenses	(10,034)		(10,469)
Proportionate earnings	105,750		58,896
Weighted average DUET Group securities on issue	597,524		488,634
Proportionate (pre-corporate expenses) EPSS	19.4		14.2
Proportionate EPSS	17.7		12.1
DUET Interim Distribution (31 December 2007) DPSS	13.50¢		12.25¢

DUET Unconsolidated Cash Flows

Net cash flows



❖ Cash Flow from Operations before performance fees up 29%

Unconsolidated Cash Flows	Actual Results 6 months to 31-Dec-07 \$'000	Actual Results 6 months to 31-Dec-06 \$'000	% Var
Cash flows from assets	119,576	92,447	29.3
Other income & Interest received on surplus cash	7,363	4,219	74.5
Management fees & Operating Expenses paid	(13,083)	(8,270)	58.2
Net cash flows from assets and operations before performance fees	113,856	88,396	28.8
Performance fees paid	(42,699)	(9,667)	Nm
Net cash flows from assets and operations after performance fees	71,157	78,729	(9.6)
Return of capital / Payment for purchase of Duquesne	4,600	(182,801)	Nm
Further investment in assets	(62,553)	(6,600)	Nm
Net cash flows from investing activities	(57,953)	(189,401)	Nm
Proceeds received from issue of stapled securities	93,942	162,054	(42.0)
Borrowing costs paid	(25,178)	(22,957)	9.7
Distributions paid to DUET Group security holders (net of DRP)	(49,424)	(42,541)	16.2
Net cash flows from financing activities	19,340	96,556	(80.0)
Net (decrease) / increase in cash assets held	32,544	(14,116)	Nm
Cash assets at the beginning of the period	149,760	122,113	22.6
Cash assets at the end of the period	182,304	107,997	68.8
Net cash flows from assets and operations before performance fees per weighted average DUET Group Security	19.05¢	18.09¢	5.3

DUET Parent Revenue Distribution Coverage

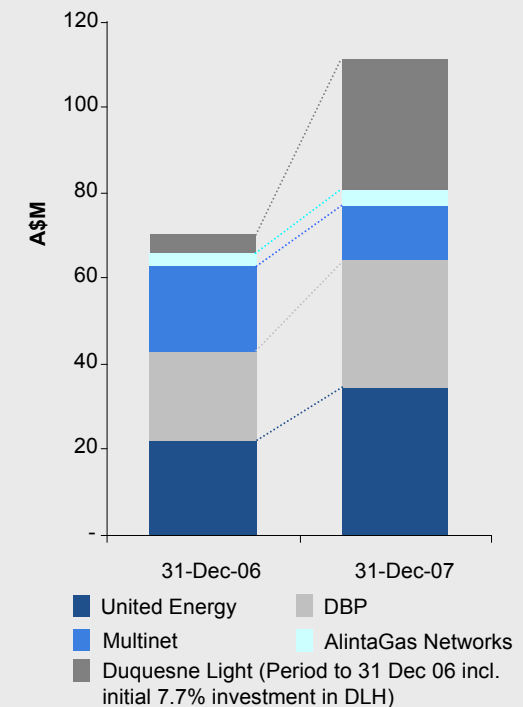


- ❖ 6 months to 31 December 2007 revenues approximately 130% coverage of distributions
- ❖ Special Distribution to DUET from United Energy of approximately \$8m and from DBP of \$6m

For the half year ended 31 Dec 2007 \$millions	Dividends	RPS/Loan Interest	SOLA	2007	2006
United Energy	18.8	15.9	9.4	44.1	31.5
Multinet	12.8	0.0	7.2	20.0	23.9
DBP	6.0	22.6	7.7	36.3	28.5
AlintaGas Networks	4.8	0.0	4.0	8.8	7.5
DQE ¹	10.4	15.5	0.0	25.9	3.9
Total Revenue from AssetCos	52.8	54.0	28.3	135.1	95.1
Other Revenue				7.8	5.0
Total Revenue	52.8	54.0	28.3	142.9	100.2
Operating Expenses				(12.1)	(10.7)
Borrowing Costs - FOLA				(26.0)	(24.1)
DUET - DQE Acquisition Borrowing Costs				-	(2.2)
Earnings Available for Distributions				104.8	63.2
Earnings Available for Distributions (PSS)				17.54	12.93
Distributions (PSS)				13.50	12.25
Weighted Average Shares on Issue				597.5	488.6

Note: 1 Excludes return of capital of 4.6m relating to repayment of budgeted Duquesne Light acquisition expenses

Asset Company Distributions*



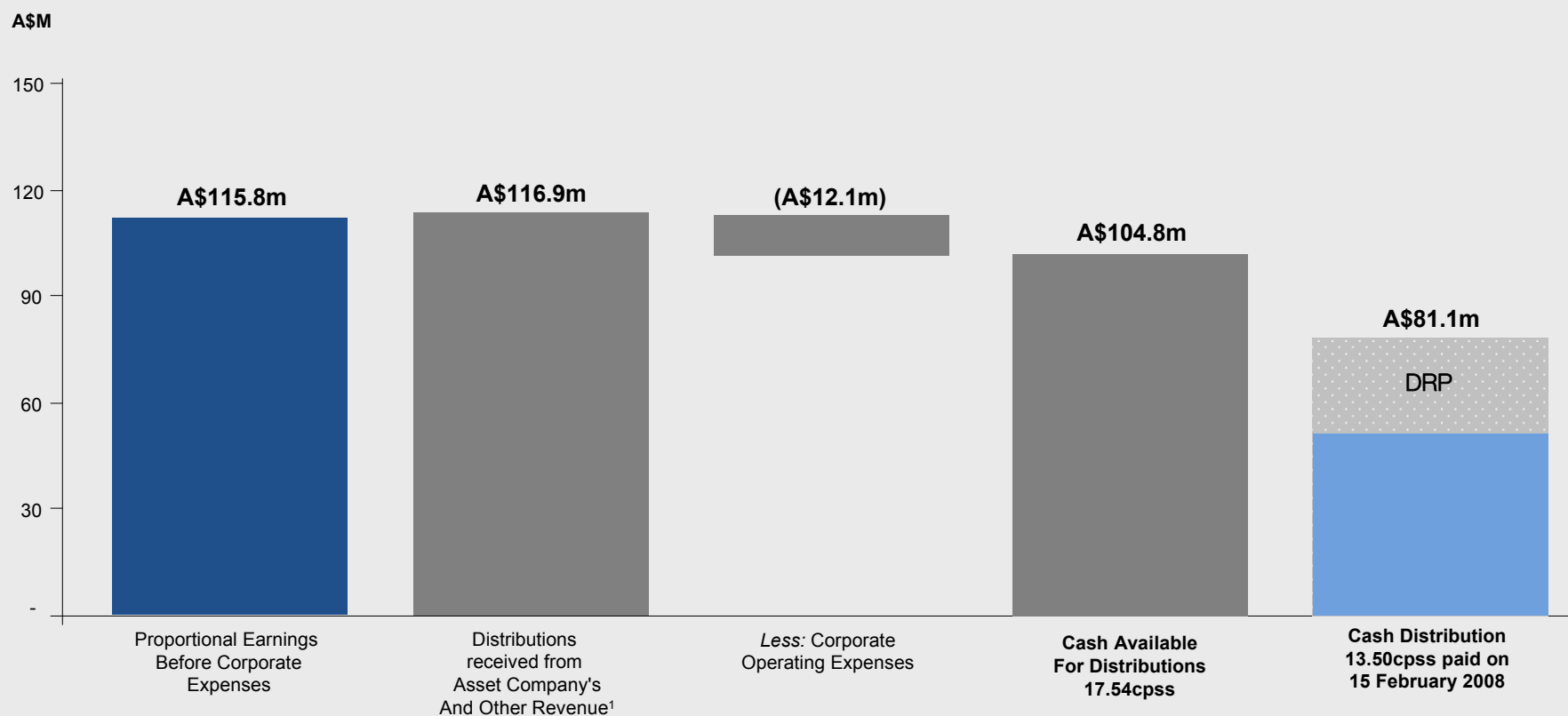
* Excludes SOLA payments received

DUET Parent Cash Flows

Distribution Coverage



Operating Cashflow covers 1H08 Distribution of 13.50cpss

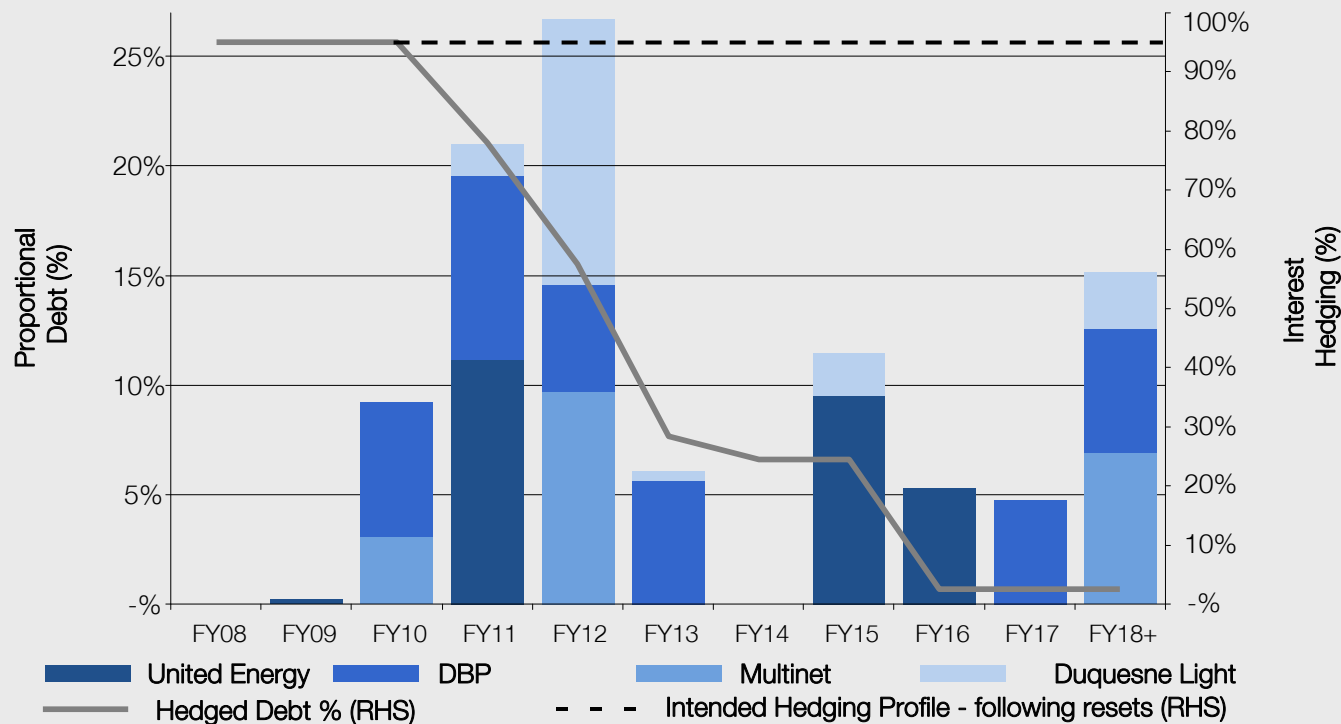


Note: 1 Including SOLA Margin of A\$2.3m and Interest Revenue of A\$7.8m

Senior Debt Maturity and Interest Hedging Profile

- ❖ Hedging profile matches regulatory resets
- ❖ Prevailing debt costs reflected in regulatory tariffs

Senior Debt Maturity and Interest Hedging Profile - Proportional consolidation



1. The graph shows DUET's proportionate share of the assets senior debt based on DUET's equity ownership of each asset, excluding AlintaGas Networks, for the period ending 30 June for each year
2. Does not include sub-debt of approximately A\$550million
3. Assumes that senior debt outstanding is constant over period of graph
4. US\$ Denominated debt for Duquesne Light has been converted at FX Rate of 0.88 US\$/A\$

2008 Interim Results Outlook

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Outlook – what's ahead in 2008



- ❖ Actively manage our portfolio of assets to ensure operational performance
- ❖ Focus on prudently managing financial and operational risks
- ❖ Continue to invest in organic growth in each of our assets

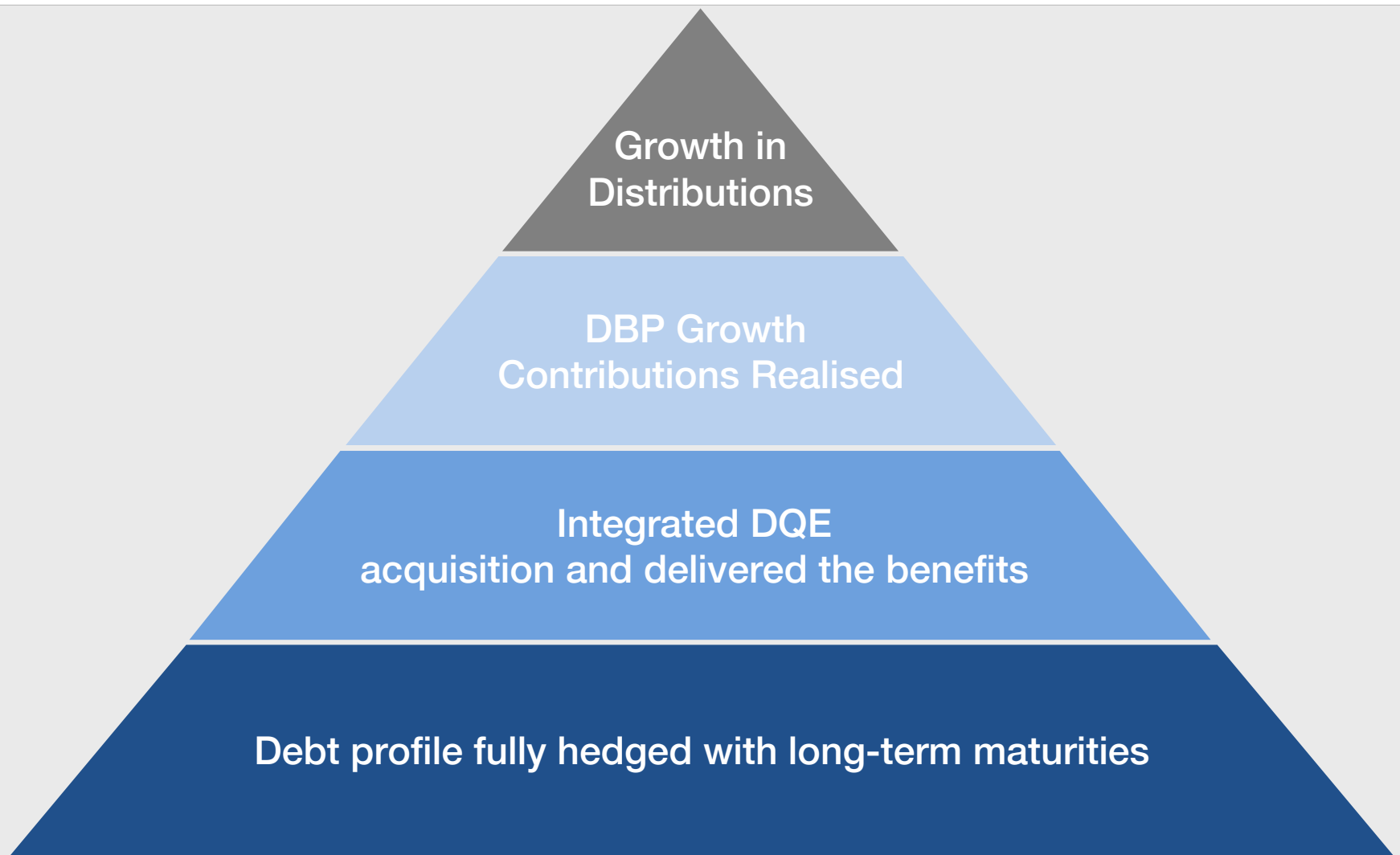
DBP	Continuation of Stage 5A Expansion Planning the commencement of the Stage 5A(2) Expansion Demand for further expansion
UED	Finalise design, procurement and equipment trials for interval meter roll-out
Multinet	Conclude Yarra Ranges Expansion Continue South Gippsland Expansion Regulatory Reset
AlintaGas Networks	Capitalise on strong market growth
Duquesne Light	Firm-up transmission investment opportunities
Distributions	FY2008 27¢ guidance ¹

1: Distribution guidance is subject to change from the impact of any material changes in DUET's forecast assumptions



Key Highlights

Achievements for the half year



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Questions

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APPENDIX

DUET Group Summary Financial Statements

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21 November 2007

DUET Group Financial Results

Financial Performance



- ❖ Revenue growth of 15%
- ❖ EBITDA before non-operating items increased 22%
- ❖ Net result before tax, before non-operating items up 104%
- ❖ Net result after tax, before non-operating items up 123%
- ❖ Net result after tax up 84%

DUET Group Income Statement For the 6 months ended 31 December (\$million)	2007	2006	% Var
Total revenue before specific items	480	418	14.8
Operating Expenses excluding specific items	155	142	9.2
EBITDA before specific items	325	276	17.8
Depn, amort & abandonments	83	78	6.4
EBIT before specific items	242	198	22.2
Equity accounted income ¹	15	2	Nm
Interest Expense	157	151	4.0
Net result before tax before specific items	100	49	104.1
Income tax expense	4	6	(33.3)
Net Result after Tax, before specific items	96	43	123.3
Specific items ²	14	-	Nm
Minority interests	12	5	140.0
Net result after tax	70	38	84.2

Note:

1 Includes Duquesne Light and Alinta Gas Networks

2 Specific items include: Fair value gain on fwd contracts +4.5m, Mark to market of FX hedges +0.7m, Fair value loss on fwd contracts (3.0m), FX movement on Duquesne Light loan (7.9m), Other specific expenses of (7.8m)

DUET Group Financial Results

Financial Position



- ❖ PP&E increased 8% primarily due to Stage 5A expansion of DBP
- ❖ Value of non-current assets were impacted by FX movements
- ❖ Current liabilities decreased by 8%
- ❖ Total equity increased primarily as a result of capital raising

DUET Group Balance Sheet (\$million)	As at 31-Dec-07	As at 30-Jun-07	% Var
Cash Assets	268	299	(10.4)
Other Current Assets	173	127	36.2
PP & E	4,398	4,084	7.7
Intangible Assets	1,973	1,981	(0.4)
Other Non-Current Assets	670	621	7.9
Total Assets	7,482	7,112	5.2
Interest Bearing Liabilities	4,776	4,527	5.5
Current Liabilities	304	330	(7.9)
Other Non-Current Liabilities	774	766	1.0
Total Liabilities	5,854	5,623	4.1
Net Assets	1,628	1,489	9.3
Total Equity	1,628	1,489	9.3

DUET Group Financial Results

Cash Flow



- ❖ Acquisition and financing cash flows reflect the DBP expansion programme
- ❖ PP&E payments show the impact of Stage 4 and Stage 5A expansion at DBP
- ❖ Paid the DUET June 2007 distribution of 12.50cpss

DUET Group Cash Flow For the 6 months ended 31 December (\$million)	2007	2006	% Var
Net cash flows from operating¹	293	248	18.1
Performance Fees 2007	(43)	(9)	Nm
Acquisition cash flows	-	(183)	Nm
Payments for purchase of PP&E	(397)	(207)	91.8
Proceeds from asset sales	0	7	(100.0)
Net cash flows from investing	(397)	(383)	3.7
Acq'n & capital raising cash flows	115	187	(38.5)
Borrowing (net of repayments)	228	123	85.4
Borrowing costs paid	(148)	(143)	3.5
Dividends & Distributions paid	(79)	(58)	36.2
Net cash flow from financing	116	109	6.4
Net increase in cash	(31)	(34)	(8.8)

Note:

1. Excludes performance fee of \$42.6m paid in August 2007 and \$8.8m paid in August 2006