FY2010 Annual Results Presentation

20 August 2010

DUET GROUP

Mr Peter Barry

Chief Executive Officer

Disclaimer

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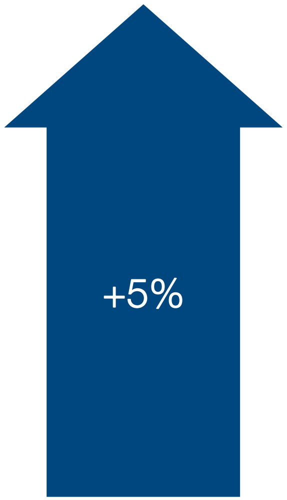
Agenda

- Performance Summary
- Portfolio Performance
  - Dampier Bunbury Pipeline
  - United Energy
  - Multinet
  - WA Gas Networks
  - Duquesne Light
- DUET Performance
- Outlook
- Questions
- Appendices

Performance Summary
Snapshot

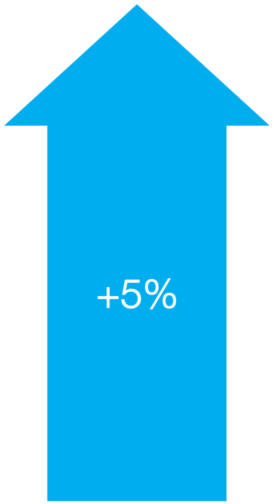
Results driven by solid business performances

Proportionate Revenue



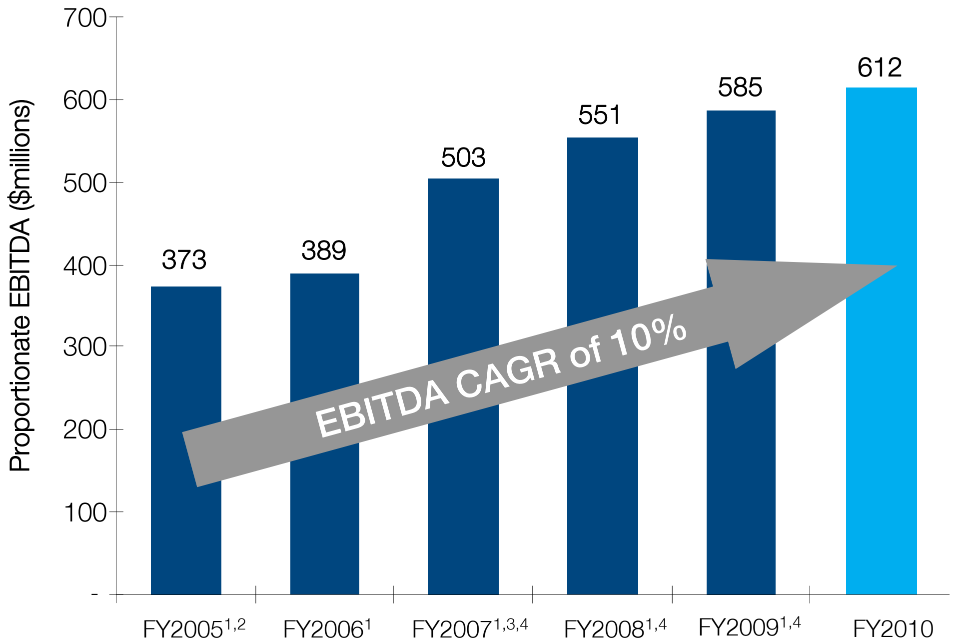
$1,032m

Proportionate EBITDA



$612m

EBITDA Growth
Track record since listing



1 Proportionate EBITDA restated for normalised DBP ownership of 60%
2 Reflects 10 months' contribution by DBP following acquisition on 27 Oct 2004
3 Proportionate EBITDA restated for 12 months' contribution by DQE
4 Proportionate EBITDA restated for normalised AUD/USD FX rate of 0.8824 based on the Average Exchange rate for the 12 months to 30 June 2010

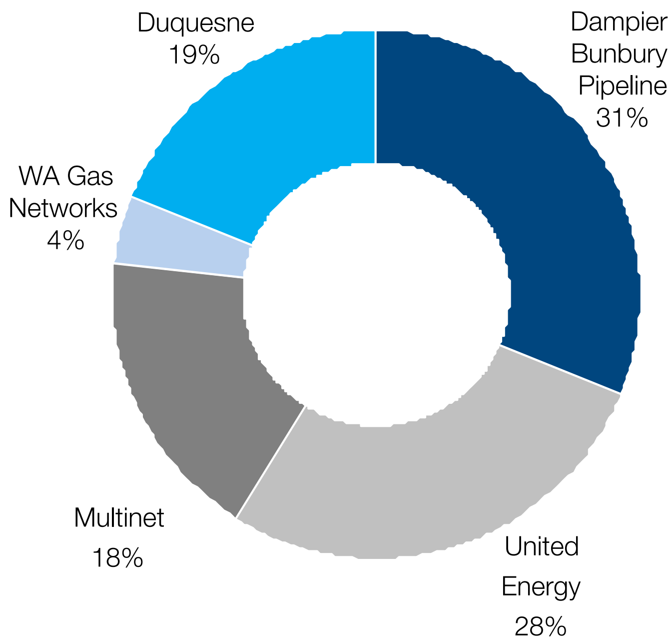
Note. Above results per DUET's 30 June 2010 Management Information Report (DUET MIR)

Performance Summary

Key results

Proportionate Consolidation[1] $millions	FY2010	FY2009	% Variance
Revenue[2]	1,032	987	5
EBITDA[2]	612	585	5
EPS (cpss)	25.2¢	28.6¢	(12)
Gearing (Net Debt to Total Assets)	66%	66%	0
Statutory Consolidation $millions	**FY2010**	**FY2009**	**% Variance**
Net result after income tax	174	(50)	Nm
Net result after income tax before specific items[3]	126	127	(1)

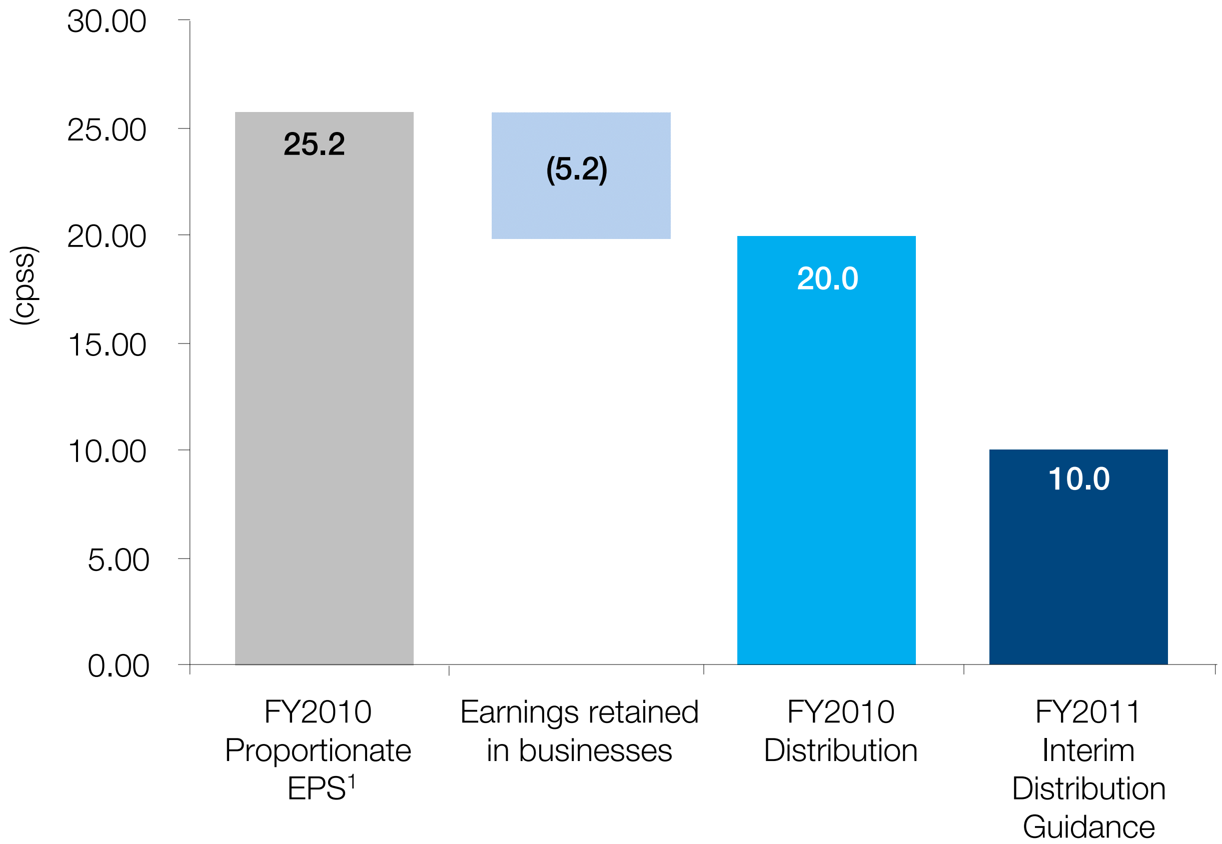
FY2010 Contribution to DUET Proportionate EBITDA



1 As per DUET MIR
2 Like-for-like results, adjusting for changes in FX rates and asset company ownership percentages
3 Specific items for FY2010 include (net of tax): MTM gain on derivative contracts ($62.7m), MTM gain on Duquesne derivative contracts ($7.7m) and share of actuarial loss on Duquesne defined benefit pension plans ($22.5m)

Performance Summary
Distribution coverage

- DUET covered its FY2010 Distribution by 126% on a proportionate EPS basis
- 5.2cpss retained in businesses to fund growth capex and repay borrowings



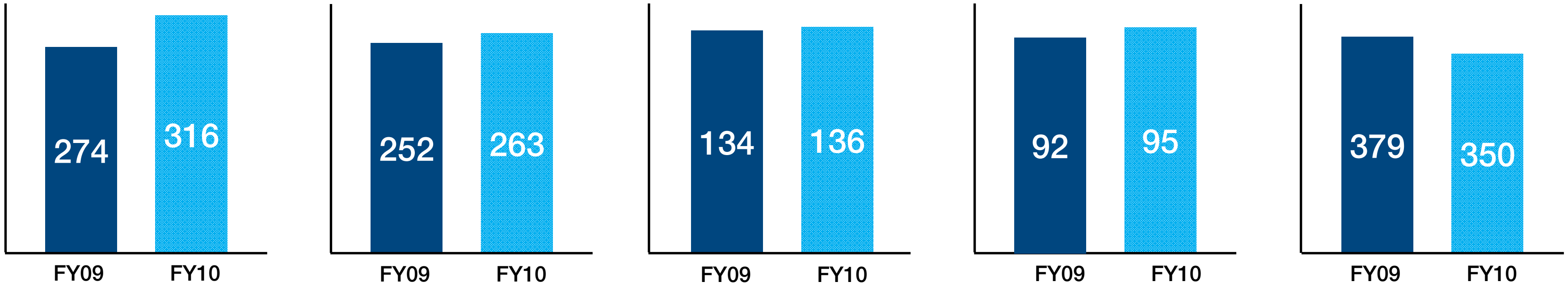
1 As per DUET MIR – uses weighted average number of securities, calculated as the weighted average (by number of days on issue) number of securities on issue during FY2010

Performance Summary
Asset highlights

Solid performances in Australia, industrial recovery underway in Pittsburgh

Asset EBITDA in A$m (100%) — Australia | Pittsburgh, USA

DBP | United Energy Distribution | Multinet Gas | WAGAS Networks | Duquesne Light



DBP
- Full period contribution of the Stage 5A expansion project
- EBITDA margin above 80%

United Energy Distribution
- Smart meter program meeting our expectations

Multinet Gas
- Solid result after warm weather impact in H2/FY10

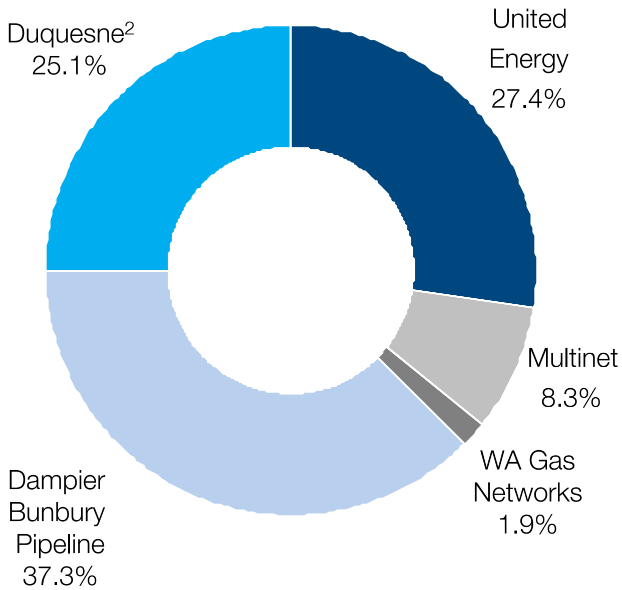
WAGAS Networks
- Continued growth in connections

Duquesne Light
- Revenue in line with pcp
- Recovery in industrial volumes in H2/FY10
- Staff ramp-up and one-off costs

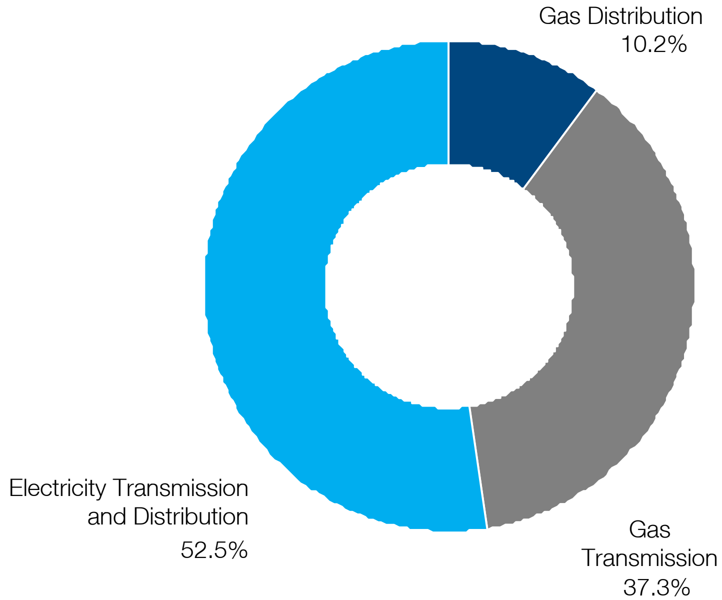
Portfolio Performance

Diversified Asset Portfolio
As at 30 June 2010

Investment Mix[1]



Energy Mix[1]



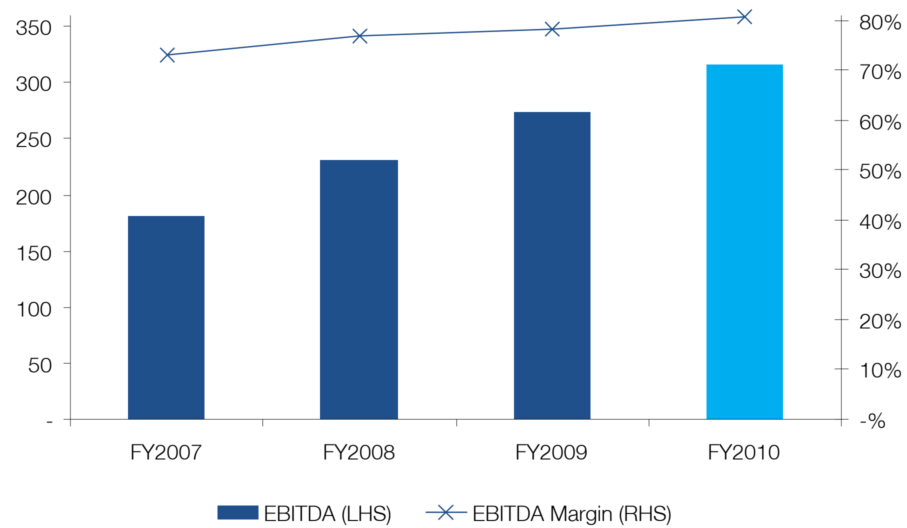
1 Based on the Equity Accounted carry values for Each Asset adjusted for equity commitments
2 DUET's 29% interest in Duquesne Light is held through DQE Holdings LLC. The co-investment arrangements include pre-emption and tag-along and drag-along rights in favour of each other equity owner, including rights which are triggered on a change of control (Including if RE1 or RE2 is removed or replaced as responsible entity of DUET1 and DUET2 respectively).

Dampier Bunbury Pipeline
FY2010 results

- Revenue up 12%
- EBITDA up 15%
- EBITDA margin above 80%
- RAB up 12%
- Full period contribution of the Stage 5A expansion project
- Stage 5B expansion project completed in April 2010
  - Firm full-haul capacity to expand by ~14%

Financial Highlights[1]			
$millions	FY2010	FY2009	% Variance
Revenue	392	351	12
EBITDA	316	274	15
EBITDA Margin	81%	78%	3
RAB[2]	3,516	3,138	12
Throughput (PJ)	318	285	12

EBITDA ($millions) and EBITDA margin (%)

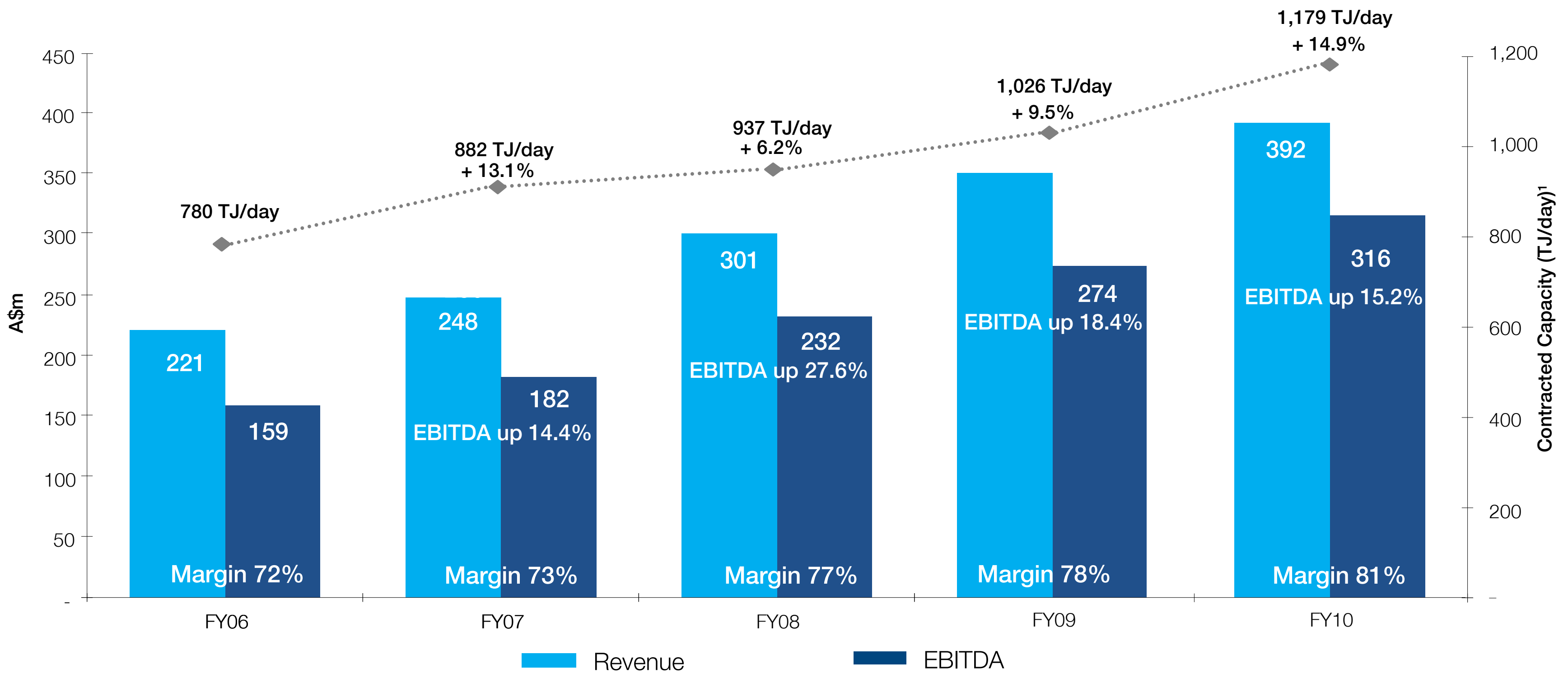


1 100% of Dampier Bunbury Pipeline results per 30 June 2010 DUET Detailed Asset Information Pack (DUET DAIP)
2 RAB is based on management's calculations per DUET DAIP

Dampier Bunbury Pipeline

Capacity expansions and an EBITDA margin now above 80%

- 51% increase in contracted capacity (including part-haul and back-haul), 77% increase in revenue and 99% increase in EBITDA since FY2006
- Continued expansion of the EBITDA margin; now above 80%
- Stage 5B will drive further increases in revenue and EBITDA through to FY2012



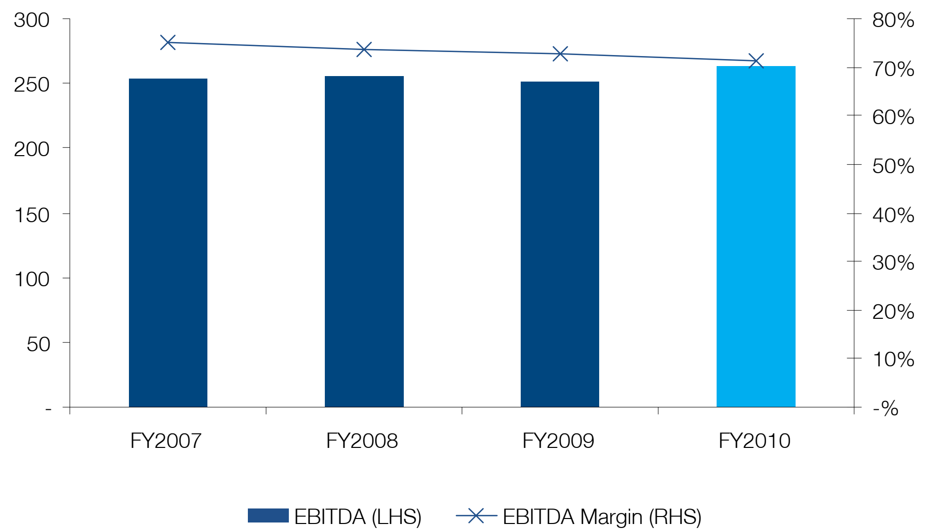
1 Includes full-haul, part-haul and back-haul. The Stage 5B expansion will expand firm full-haul capacity by ~14% to 845 TJ/day.

United Energy
FY2010 results

- Revenue up 7%
  - Higher smart meter revenue contribution
- EBITDA up 5%
- EBITDA margin steady before one-off costs
  - $5.7m of one-off legal and consulting costs incurred for the regulatory submission and OSA re-tendering process
- RAB up 10%
- Revised proposal for 2011-15 regulatory period lodged with the AER in July 2010
  - Final decision expected in late October 2010

Financial Highlights[1]			
$millions	FY2010	FY2009	% Variance
Revenue	370	345	7
EBITDA	263	252	5
EBITDA Margin	71%	73%	(2)
RAB[2]	1,543	1,400	10
Load (GWh)	8,114	7,928	2

EBITDA ($millions) and EBITDA margin (%)

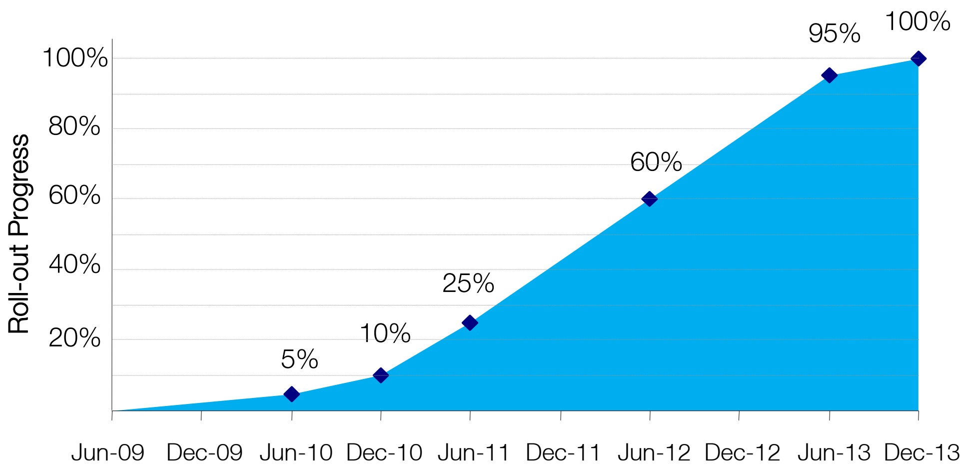


1 100% of UED results per DUET MIR
2 RAB is based on management's calculations per DUET MIR

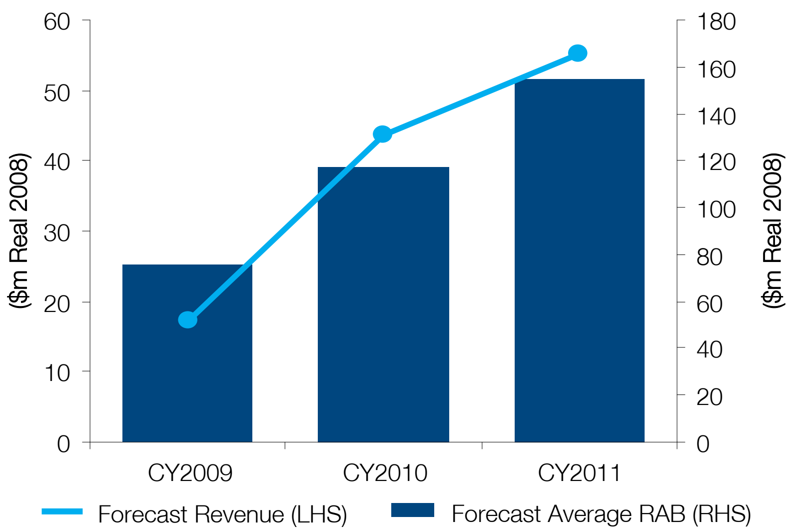
United Energy
Smart meter project meeting our expectations

- $345m project to roll out 650,000 meters to Victorian customers
- Regulatory parameters set to January 2014
- Smart meter roll-out ahead of regulatory requirements
  - ~55,000 smart meters installed as at mid-July 2010
- Revenue of $22.6m received during 6 months to 30 June 2010

Smart Meter Roll-out



Smart Meter Revenue ($millions)[1]

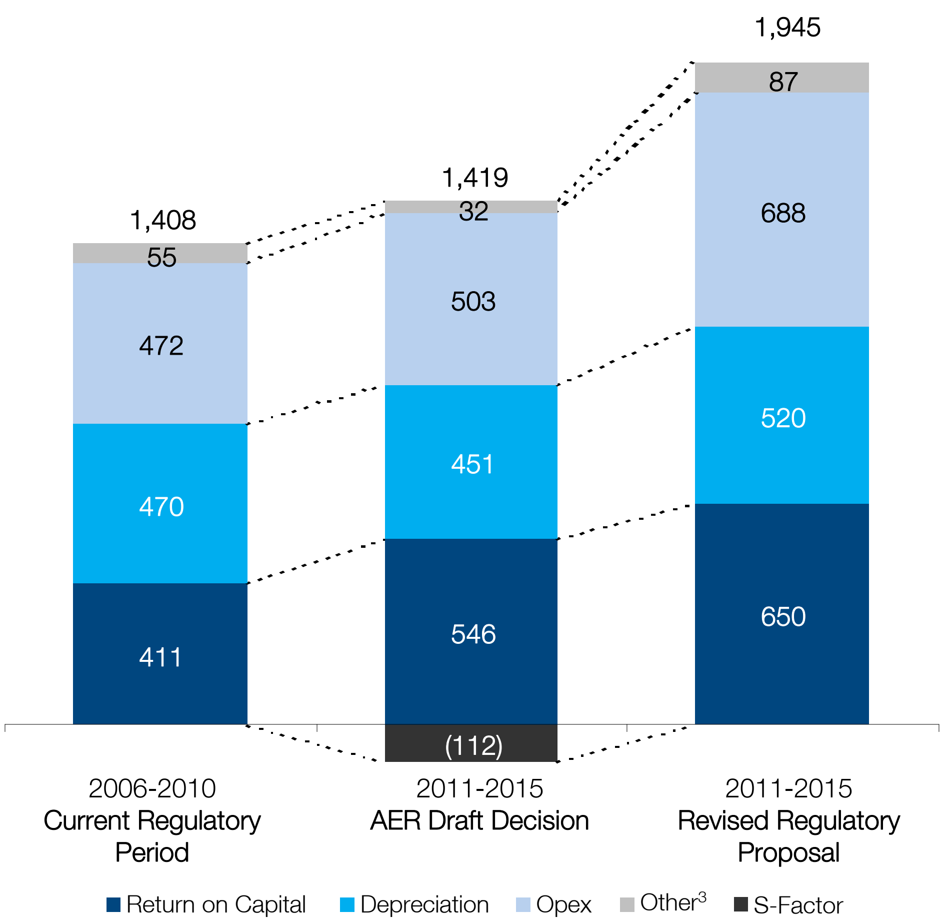


1 Refer to the approved 2009–11 budgets and charges for UED in the AMI Amended Final Determination. Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET

United Energy

2011-2015 revised regulatory proposal lodged in July 2010

Total Regulatory Period Revenue (Nominal[1] A$m)



Revised regulatory proposal[2]

- Key points:
  - **Regulatory WACC:** 10.29%
    - ROE (post-tax): 10.85%
    - Debt margin: 4.28%
    - Equity premium: 6.50%
  - **Distribution revenue:** \$1.9bn[1] for the regulatory period → ~38% increase on current period allowance
  - **P_0 initial tariff increase:** CPI + 16.8%
  - **Subsequent tariff increases:** CPI + 4.0% p.a.
- Final decision due by 31 October 2010

1. Allowed revenue per the total building blocks revenue requirement for DUoS. 2006 figures converted from real to nominal based on annual September CPIs to September 2009. Forecast revenues are based on CPI of 2.57% per the Revised UED Regulatory Proposal and the AER Draft Decision
2. Source: United Energy Revised regulatory proposal (July 2010); United Energy EDPR 2006-2010 Final Decision; AER Draft Decision (June 2010); and DUET calculations
3. Other Building Block includes efficiency carry-over and tax wedge

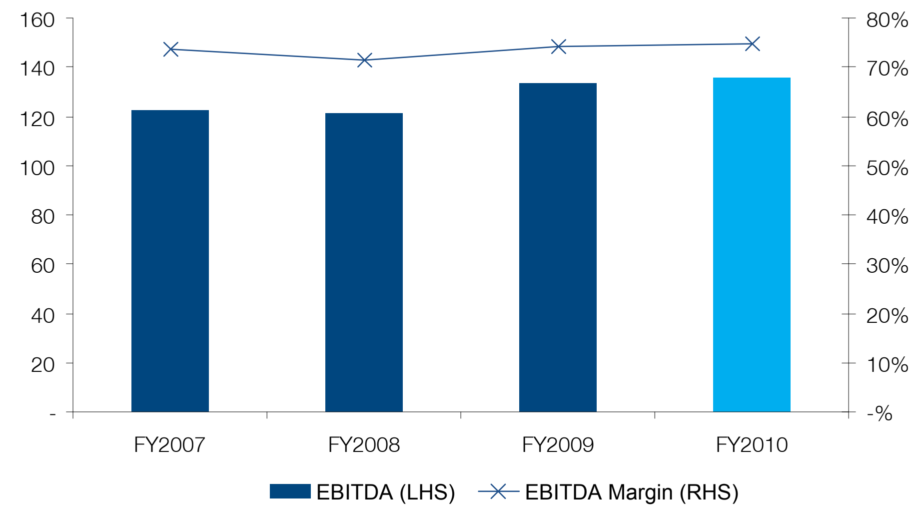
Multinet

FY2010 results

- Revenue up 1%
  - Warmer weather in H2/FY10 impacted volumes, offset by CPI adjustments
- EBITDA up 2%
- EBITDA margin up 1%
- RAB down 1%
  - Reflects timing of pipeworks and other capex programs (e.g. IT)
- South Gippsland natural gas extension project complete at 31 December 2009

Financial Highlights[1]			
$millions	FY2010	FY2009	% Variance
Revenue	182	180	1
EBITDA	136	134	2
EBITDA Margin	75%	74%	1
RAB[2]	962	973	(1)
Throughput (TJ)	55,122	58,505	(6)

EBITDA ($millions) and EBITDA margin (%)



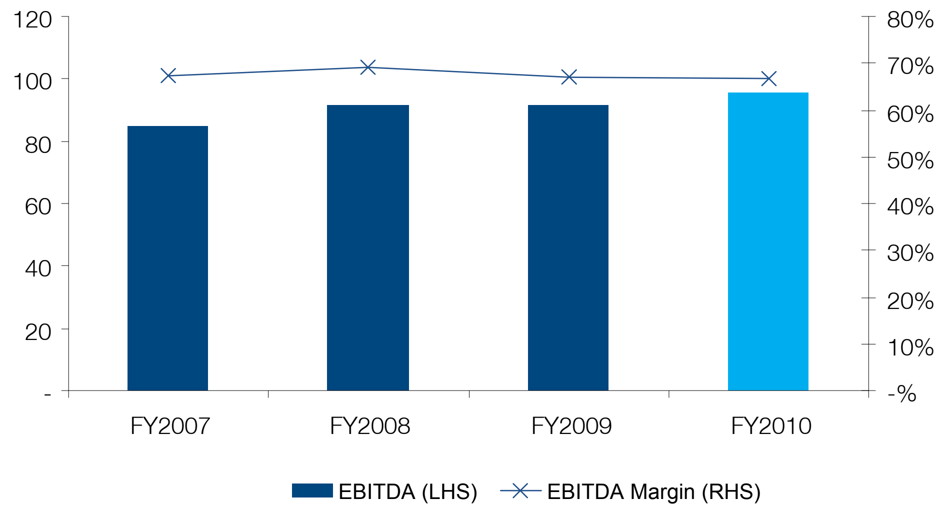
1 100% of Multinet results per DUET MIR
2 RAB is based on management's calculations per DUET MIR

WA Gas Networks
FY2010 results

- Revenue up 5%
- EBITDA up 4%
- Connections up 3%
- Draft Decision released on 17 August
  - Allows real increase in revenue of ~$5m p.a. from 1 January 2011
  - WAGN to submit response in early October with Final Decision in December
- Mandurah lateral expansion ($15.5m project) is well underway

Financial Highlights[1]			
$millions	FY2010	FY2009	% Variance
Revenue	143	136	5
EBITDA	95	92	4
EBITDA Margin	67%	67%	0
Connections	627,205	610,294	3
Throughput (TJ)	27,880	27,977	0

EBITDA ($millions) and EBITDA margin (%)



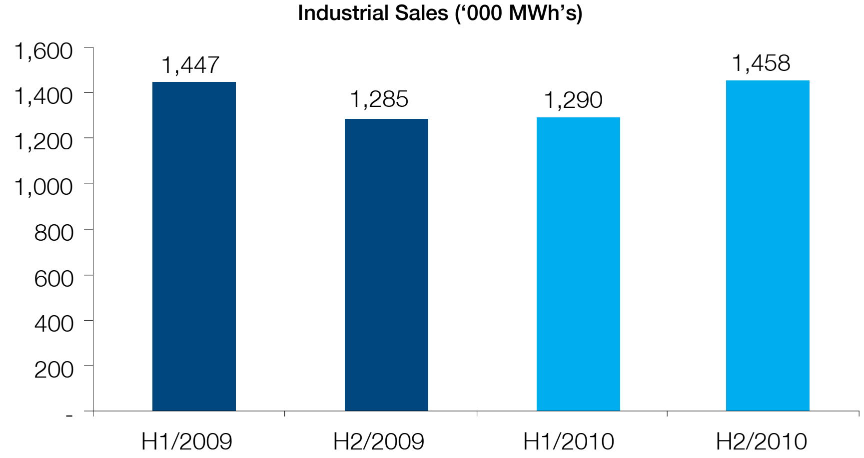
1 100% of WAGN results per DUET MIR

Duquesne Light
FY2010 results

- Revenue and volumes in line with pcp
  - Recovery in industrial volumes in H2/FY10
- EBITDA down 7.5%
  - Higher labour-related costs (general wage rise and filling vacant positions) mostly related to a ramp up in T&D capex projects, plus other one-off costs
- EBITDA margin down 3% from higher costs
- PoLR V plan approved in May 2010
- New CEO appointed in July 2010
- Distribution rate case lodged: US$87.3m p.a. revenue increase requested from April 2011 – subject to PaPUC approval

Financial Highlights[1]			
US$millions	FY2010	FY2009	% Variance
Revenue	1,130	1,128	0
EBITDA	350	379	(8)
EBITDA Margin	31%	34%	(3)
Sales ('000 MWh's)			
Residential	4,031	4,031	0
Commercial and lighting	6,645	6,660	(0)
Industrial	2,748	2,732	1
Total Sales ('000 MWh's)	13,424	13,423	0

Industrial recovery underway in Pittsburgh



1 100% of Duquesne results per DUET MIR

DUET Performance

Proportionate earnings
EBITDA growth from all of our Australian assets

Proportionate Performance $millions (unless otherwise stated)	FY2010	FY2009 Pro-forma[1]	FY2009 Actual[1]	% Variance
EBITDA				
Dampier Bunbury Pipeline	189.5	164.3	172.4	15
United Energy	173.8	166.0	166.0	5
Multinet	108.6	106.7	106.7	2
WA Gas Networks	24.8	23.7	23.7	5
Duquesne	114.9	124.2	146.6	(8)
EBITDA	611.6	585.0	615.5	5[2]
Maintenance capex	(96.0)		(94.2)	2
Net external interest expense	(257.7)		(255.7)	1
Proportionate SOLA interest expense[3]	(33.1)		(35.0)	(5)
Net tax expense	(1.6)		(24.4)	Nm
Proportionate Earnings (pre-corporate items)	223.1		206.3	8
Net interest income	14.9		9.1	64
DUET SOLA interest income[3]	36.2		51.9	(30)
Corporate interest expense (incl. POWERS hybrid)	(35.2)		(47.8)	(26)
Corporate expenses	(22.6)		(23.7)	(5)
Net tax expense	-		(0.4)	Nm
Realised gain/(loss) on FX hedge contracts	0.4		(2.7)	Nm
Proportionate Earnings	216.8		192.7	13
Proportionate Earnings (cpss)	25.2		28.6	(12)
Distribution Paid (cpss)	20.0		24.125	(17)
Proportionate Earnings coverage of distribution paid (%)	126%		118%	Nm

1. As per DUET MIR
2. Based on the comparison between actual FY2010 and like-for-like (pro-forma) FY2009 results
3. Proportionate SOLA interest expense represents DUET's share of the hedged proportionate SOLA interest expense. DUET SOLA interest income represents DUET's unhedged interest income from it's 100% ownership of the SOLA facilities.

Fund cash flows

$187 million of adjusted cash available at 30 June 2010

DUET Fund Unconsolidated Cash Flows ($millions)	FY2010	FY2009	% Variance
Dampier Bunbury Pipeline	62.0	64.3	(4)
United Energy	43.2	47.4	(9)
Multinet	23.2	19.1	21
WA Gas Networks	5.2	5.2	-
Duquesne	47.0	46.5	1
Cash flows from assets	180.6	182.5	(1)
Other income	0.3	2.8	(89)
Operating expenses and fees paid (inclusive of GST)	(22.2)	(33.2)	(33)
Tax paid	-	-	-
Net cash flows from assets and operations	158.7	152.1	4
Investment in energy utility assets	(215.5)	(49.9)	332
Net cash flows from investing activities	(215.5)	(49.9)	332
Proceeds received from issue of stapled securities (net of fees)	-	265.3	Nm
Capital raising costs paid	2.9	(10.2)	Nm
Borrowing from DUET Corporate Debt Facility	-	585.0	Nm
Repayment of POWERS	-	(564.2)	Nm
DUET senior facility establishment costs	-	(15.9)	Nm
Repayment of SOLA debt from assets	71.0	-	Nm
Corporate borrowing costs paid	(33.3)	(52.3)	(36)
SOLA interest income from assets	35.9	53.7	(33)
Interest received on corporate cash at bank	10.7	12.4	(14)
Distributions paid to DUET security holders (net of DRP)	(130.8)	(135.7)	(4)
Net cash flows from financing activities	(43.6)	138.1	(132)
Net (decrease) / increase in cash assets held	(100.4)	240.3	(142)
Cash assets at the beginning of the year	421.1	179.9	134
Exchange rate movements	(3.2)	0.9	Nm
Cash assets at the end of the year	317.4	421.1	(25)
Distribution paid to DUET security holders on 13-Aug-10 (net of DRP)	(59.6)		
DUET corporate debt facility repayment (to be made on 1-Sep-10)	(71.0)		
Adjusted Cash assets at the end of the year	186.8		

Statutory net result

In line with prior year before significant non-cash items

Statutory Net Result $millions	FY2010	FY2009	% Variance
Revenue[1]	1,154	1,043	11
EBITDA	734	667	10
Depreciation & Amortisation	(176)	(169)	4
EBIT	559	499	12
Profit from associates[2]	10	2	Nm
Net interest expense	(438)	(373)	17
Tax expense	(5)	(1)	Nm
Net Result after Tax before significant non-cash items	126	127	(1)
Consolidated MTM derivatives profit/(loss)	63	(50)	
Duquesne MTM derivatives profit/(loss)	8	(71)	
Duquesne pension deficit	(22)	(55)	
Net Result after Tax before Non-controlling interests	174	(50)	
Net Result after Tax attributable to Non-controlling interests	(34)	(12)	
Net Result after Tax attributable to members	140	(62)	

1 Includes net foreign exchange gains of $62.6m for FY2010 ($31.0m for FY2009)
2 Includes Duquesne and WA Gas Networks

Outlook

Outlook

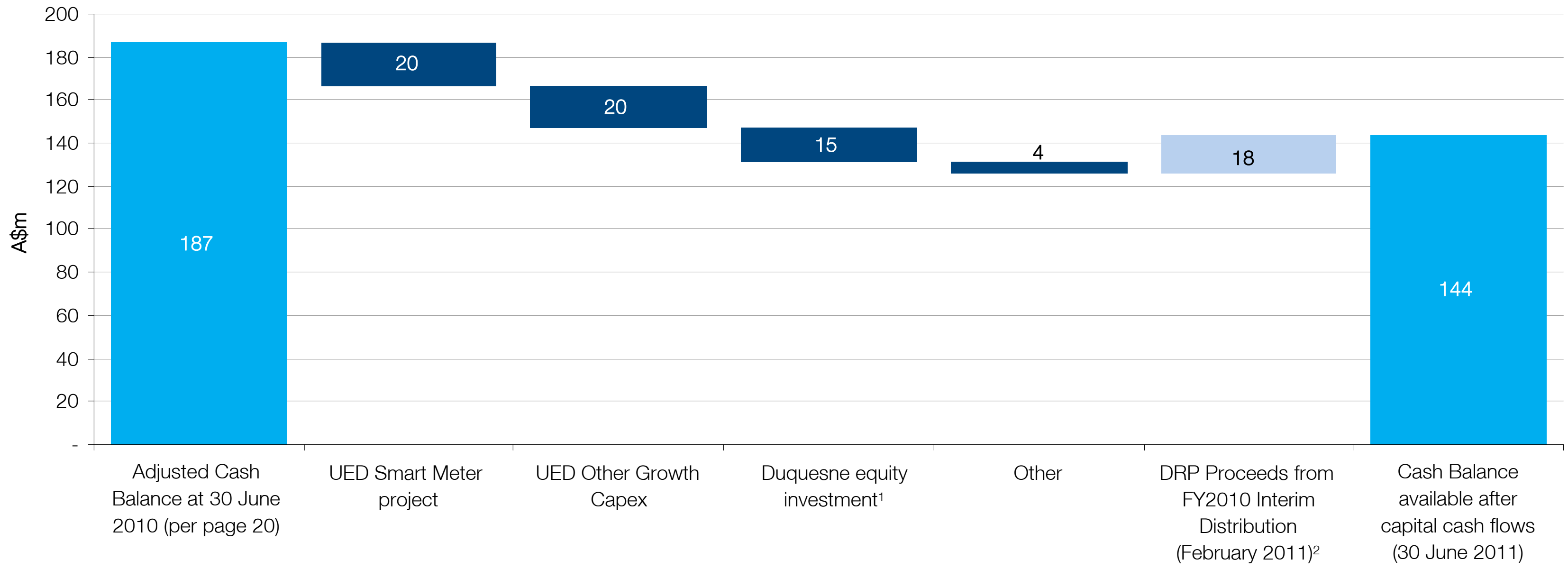
Duquesne sale process: final offers due in September

- Sale process announced by DUET on 7 June 2010
- Subsequent events at Duquesne
  - Appointment of a new CEO
  - Lodgement of a distribution rate case
  - Continued recovery in industrial volumes
- Confidential due diligence being conducted by a number of external bidders
- Final offers due in September 2010
- Aiming to complete the sale by the end of CY2010 subject to receiving an acceptable offer and regulatory and DUET bank approvals
  - Sale proceeds to be applied to repay DUET's $514m corporate debt facility
  - New corporate debt facility to be negotiated prior to financial close of the sale

Outlook

Solid corporate liquidity position

DUET Capital Cash Flows to 30 June 2011*



- DUET's adjusted cash on deposit will fund organic growth and de-gearing opportunities
- $100m revolving standby debt facility is available to DUET to fund capital commitments and is undrawn

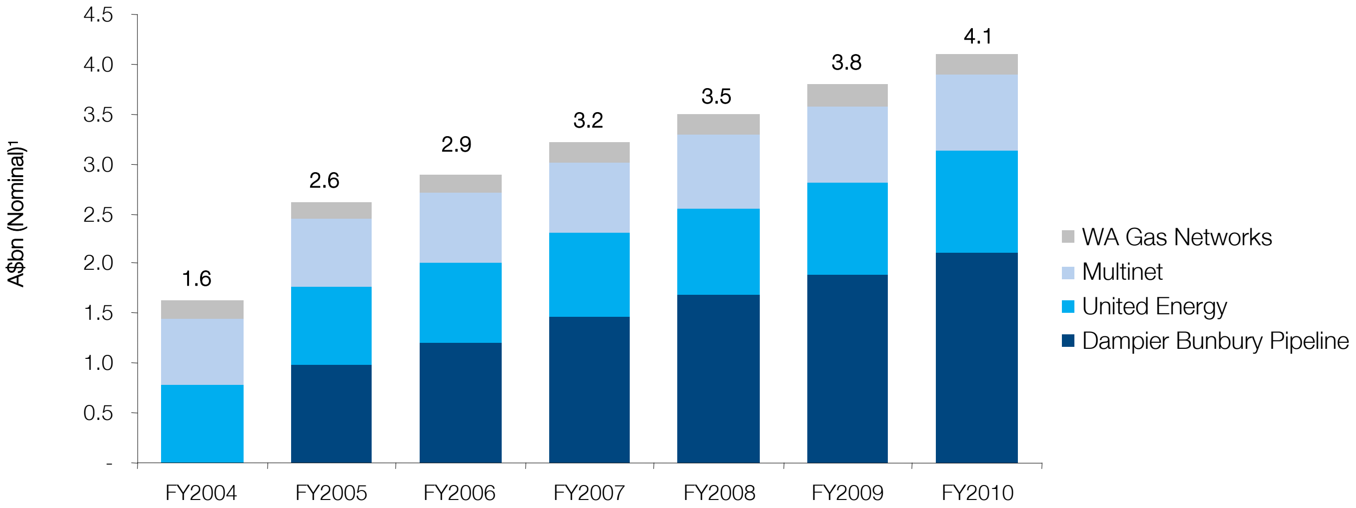
1 AUD/USD FX rate of 0.8654 applied
2 Assumes DRP take-up rate of 20% based on 887,304,690 stapled securities on issue as at 20 August 2010. Forecast assumes 10 cpss interim FY2010 distribution paid in February 2011

* Important Note: Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET

Outlook

Growth opportunities balanced with financial discipline

- Capitalise on the organic growth opportunities available to our assets
  - Dampier Bunbury Pipeline – contribution of Stage 5B expansion
  - United Energy – Smart Meter roll-out and completion of the 2011 Regulatory Reset
  - Multinet – Gas marketing to South Gippsland residents
  - WA Gas Networks – Connection growth and network expansion
- Continue the growth of our Australian regulated asset bases



- Complete the Duquesne sale process
- Actively manage our capital and complete debt refinancings well ahead of maturity dates

1 DUET's proportionate share of Regulated Asset Base (RAB). DBP, UED and MGH RAB reported in DUET's DAIP. WAGN's RAB is based on the approved Access Arrangement, with real values converted to nominal using actual CPI for YE 30 September and has been assumed to be constant from December 2009 to June 2010

Questions

Appendix 1: Additional Information

Statutory Balance Sheet

DUET Group Balance Sheet ($million)	As at 30-Jun-10	As at 30-Jun-09	% Variance
Cash Assets	465	589	(21)
Other Current Assets	141	135	4
PP & E	5,209	4,836	8
Intangible Assets	2,033	1,972	3
Other Non-Current Assets	547	418	31
Total Assets	8,395	7,950	6
Interest Bearing Liabilities	5,652	5,309	6
Other Current Liabilities	412	318	30
Other Non-Current Liabilities	815	883	(8)
Total Liabilities	6,879	6,510	6
Net Assets	1,515	1,440	5
Total Equity	1,515	1,440	5

Statutory Cash Flow Statement

DUET Group Cash Flow Statement ($million)	FY2010	FY2009	% Variance
Net cash flows from operations	742	725	2
Investment / Acquisition cash flows	(98)	-	Nm
Payments for purchase of PP&E	(581)	(519)	12
Proceeds from asset sales	1	-	Nm
Net cash flows from investing	(678)	(519)	31
Cash flows from capital raising	53	331	(84)
Borrowing (net of repayments)	331	337	(2)
Borrowing costs paid	(391)	(412)	(5)
Dividends & Distributions paid	(181)	(180)	1
Net cash flow from financing	(188)	76	(347)
Net increase in cash	(123)	282	(144)

Proportionate gearing

Proportionate Net Debt and Total Assets ($million)		As at 30-Jun-10	Pro-forma As at 30-Jun-09	As at 30-Jun-09
DUET's Ownership Interest	Dampier Bunbury Pipeline	60.0%	60.0%	60.0%
	United Energy	66.0%	66.0%	66.0%
	Multinet	79.9%	79.9%	79.9%
	WA Gas Networks	25.9%	25.9%	25.9%
	Duquesne[1]	29.0%	29.0%	29.0%
Senior Debt[2]	Dampier Bunbury Pipeline	1,574	1,434	1,434
	United Energy[3]	1,008	924	924
	Multinet	708	725	725
	WA Gas Networks	165	157	157
	Duquesne[1]	649	688	718
Proportionate Senior Debt		4,102	3,928	3,958
Cash	Dampier Bunbury Pipeline	(59)	(53)	(53)
	United Energy	(21)	(18)	(18)
	Multinet	(13)	(42)	(42)
	WA Gas Networks	(3)	(3)	(3)
	Duquesne[1]	(32)	(12)	(13)
Proportionate Cash		(128)	(128)	(128)
Corporate Net Cash (Cash less distribution payable)		(230)	(336)	(336)
Hybrid Capital / Corporate Debt		585	585	585
Total Net Debt		4,329	4,049	4,078
Total Assets (less Cash)	Dampier Bunbury Pipeline	2,240	2,071	2,071
	United Energy	1,577	1,434	1,434
	Multinet	1,052	1,048	1,048
	WA Gas Networks	234	226	226
	Duquesne[1]	1,416	1,335	1,392
Proportionate Total Assets[4]		6,520	6,115	6,172
Corporate Total Assets (less Corporate Net Cash and Performance Fees)		3	8	8
Proportionate Total Assets (incl. Corp. Total Assets)		6,523	6,123	6,180
Proportionate Gearing[5]		66.4%	66.1%	66.0%

1. AUD/USD FX rates have been used: 0.841139 as at 30 June 2010, 0.8067 as at 30 June 2009
2. Senior debt includes capitalised borrowing costs and excludes shareholder debt
3. United Energy US$ Denominated Debt has been shown at the hedged AUD/USD exchange rate for the current period. The 30-Jun-09 and Pro-forma 30-Jun-09 Debt has been restated to the hedged exchange rate.
4. Proportionate total assets excludes cash
5. Gearing is total net debt divided by proportionate total assets

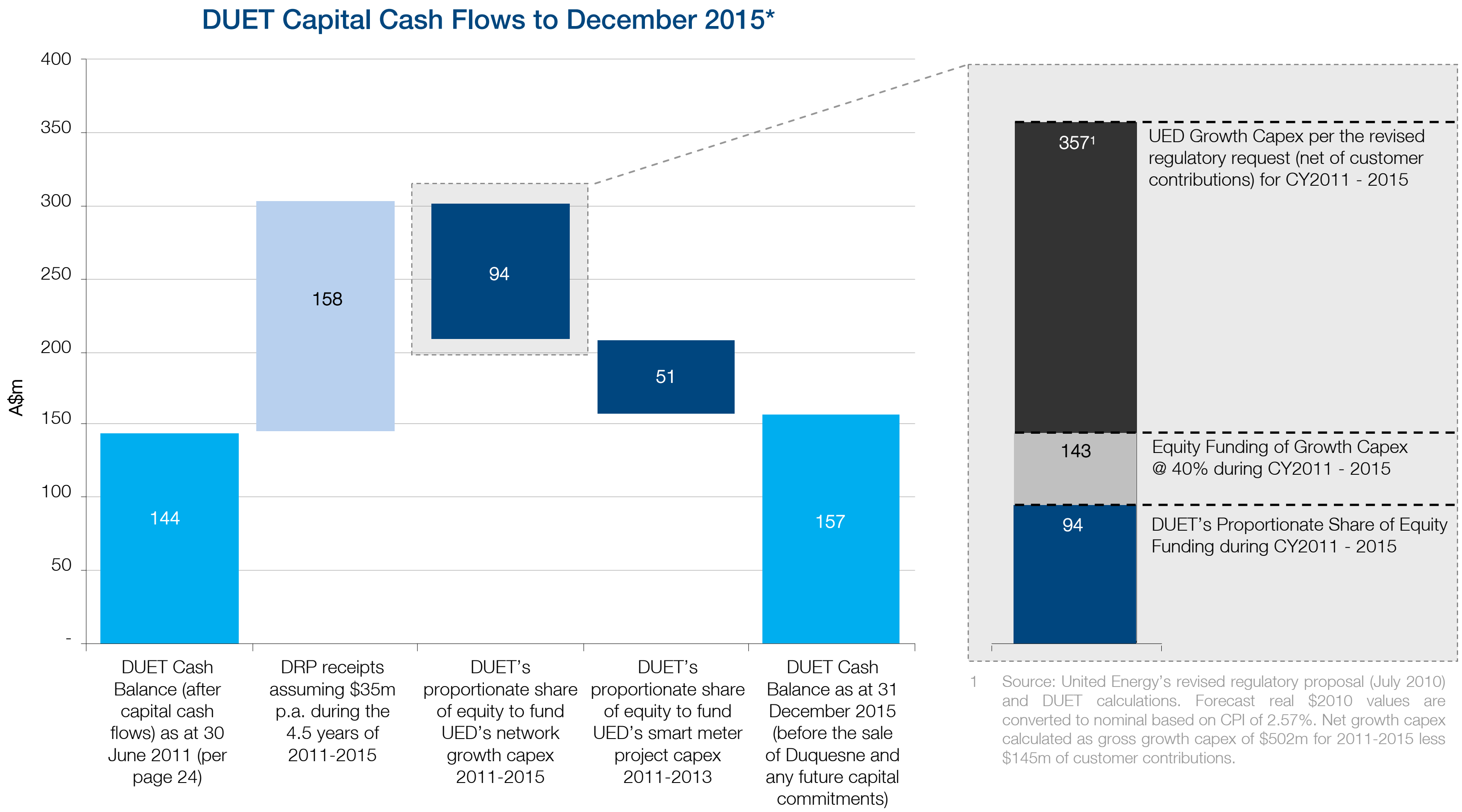
FY2011 Group term debt facility maturities

Asset	Maturity Date	Term Debt Type	100% Facility Limit $m	100% Drawn Debt Balance $m	Proportionate Drawn Debt Balance $m
DBP	11-May-11	Bank Debt incl. Capex Facility	482	482	289
UED	16-Jun-11	Bank Debt incl. Capex Facility[1]	450	203	134
DBP	30-Jun-11	Capex Facility (Stage 5B)	340	272	164
Total			1,272	1,073	587

1. Table assumes that the proceeds of UED's recent $479m USPP bond offering are applied to repay $363m of notes maturing in April 2011, with the balance of $116m partially repaying bank facilities of $450m maturing in June 2011.

Corporate Liquidity

Funding United Energy's revised 2011-2015 regulatory growth capex



1 Source: United Energy's revised regulatory proposal (July 2010) and DUET calculations. Forecast real $2010 values are converted to nominal based on CPI of 2.57%. Net growth capex calculated as gross growth capex of $502m for 2011-2015 less $145m of customer contributions.

* Important Note: Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET

Appendix 2: Reconciliations

Debt

Proportionate Net Debt to Statutory Net Debt

Reconciliation of Net Debt (A$millions)	DBP	UED	MGH	WAGN	DQE	Corporate	Total
Interest Bearing Liabilities	2,589.1	1,601.8	878.5	-	-	582.6	5,652.0
Add: Capitalised borrowing costs	34.0	13.5	8.6	-	-	3.0	59.1
Statutory Cash on Hand	(98.2)	(32.5)	(16.7)	-	-	(317.4)	(464.7)
DUET Group - Statutory Net Debt	2,524.9	1,582.9	870.4	-	-	268.2	5,246.4
Less:							
Associate's cash on hand	-	-	-	(12.0)	(109.1)[2]	-	(121.1)
Minority interest's share of debt not eliminated on consolidation	-	(148.9)	-	-	-	-	(148.9)
Amortised cost adjustment	(0.3)	-	(1.6)	-	-	(0.6)	(2.4)
Add:							
United Energy US$ Bonds adjustment	-	60.5[1]	-	-	-	-	60.5
Associate's debt	-	-	-	636.0	2,240.0[2]	-	2,876.0
Distribution payable	-	-	-	-	-	87.1	87.1
DUET Group - Net debt	2,524.7	1,494.5	868.8	624.0	2,130.9	354.7	7,997.5
DUET Proportionate Net Debt	1,514.8	986.4	694.2	161.9	617.0	354.7	4,328.8

1. This adjustment eliminates the fair value mark-to-market on the United Energy US$ Denominated Debt.
2. AUD/USD FX rates have been used: 0.841139 as at 30 June 2010

Earnings

Proportionate EBITDA to profit before income tax expense

Reconciliation of Earnings (A$millions)	DBP	UED	MGH	WAGN	DQE	Corporate	Total
Proportionate EBITDA	189.5	173.8	108.6	24.8	114.9	-	611.6
Additional EBITDA from controlled assets [1]	126.4	87.9	24.7	-	-	-	239.0
Exclude non-controlled assets [2]	-	-	-	(24.8)	(114.9)	-	(139.7)
Corporate income	-	-	-	-	-	0.3	0.3
Corporate expenses	-	-	-	-	-	(22.9)	(22.9)
EBITDA (excl. equity accounted profits)							688.3
Equity accounted profits [2]	-	-	-	5.7	4.4	-	10.1
Consolidated EBITDA							698.4
Controlled Assets							
Interest income	3.0	0.9	0.7	-	-	-	4.6
Depreciation and amortisation	(65.8)	(79.1)	(30.7)	-	-	-	(175.6)
Finance costs	(201.1)	(119.1)	(73.6)	-	-	-	(393.8)
Changes in fair value of derivatives	-	25.4	(0.4)	-	-	-	25.0
Non-controlled Assets							
Change in fair value of derivatives	-	-	-	-	7.7	-	7.7
Change in defined benefit pension plan	-	-	-	-	(22.5)	-	(22.5)
Corporate							
Interest income	-	-	-	-	-	50.0	50.0
Finance costs	-	-	-	-	-	(44.1)	(44.1)
Changes in fair value of derivatives	-	-	-	-	-	(5.2)	(5.2)
Net foreign exchange gains/(losses)	-	-	-	-	-	34.2	34.2
Profit before income tax expense							178.6

1. To consolidate 100% of controlled asset EBITDA
2. Excludes proportionate EBITDA of associates and includes the equity accounted result

Net Interest Expense
MIR to DAIP

Reconciliation of Net Interest Expense ($millions)	DBP (A$)	UED (A$)	MGH (A$)	WAGN (A$)	DQE (US$)	Total (A$)
Net Borrowing Costs per DAIP	207.6	141.5	82.1	41.1	242.3	
Less: SOLA Interest	(9.5)	(12.1)	(9.2)	(5.4)	-	
Less: Interest Rate Hedge on SOLA	(5.2)	(4.5)	(4.9)	-	-	
Less: SOLA Hedge Break Costs	-	-	(0.9)	-	-	
Less: RPS Interest	-	(49.6)	-	-	-	
Less: Shareholder Loan Interest	-	(6.4)	-	-	(93.7)	
Add / (Less) : Interest Rate Hedge – Fair Value Movement	(28.8)	25.7	3.4	-	(18.2)	
Less: Amortisation of Capitalised Borrowing Costs	(10.0)	(2.9)	(2.8)	-	(4.6)	
Net Interest Expense per MIR	154.0	91.7	67.9	35.7	125.8	
Proportionate Net Interest Expense per MIR (A$)	92.4	60.5	54.2	9.2	41.3[1]	257.7

1. Duquesne Net Interest Expense converted to A$ at the average FY2010 AUD/USD FX rate of 0.8824

SOLA interest

MIR to DAIP

Reconciliation of SOLA Interest Paid ($millions)	DBP (A$)	UED (A$)	MGH (A$)	WAGN (A$)	DQE (US$)	Total (A$)
SOLA Interest Paid by Assets per DAIP	15.4	16.7	15.2	5.2	-	
Less: Hedged component paid to swap providers	(5.7)	(4.9)	(6.1)	(0.0)	-	
SOLA Interest Income Received by DUET per MIR	9.7	11.8	9.1	5.2	-	35.9

Unconsolidated Cash Flows

MIR to DAIP

Reconciliation of Cash Flows from Utility Assets ($millions)	DBP (A$)	UED (A$)	MGH (A$)	WAGN (A$)	DQE (US$)	Total (A$)
Distributions paid	103.3	10.0	29.0	19.9	-	
RPS Interest paid	-	49.6	-	-	-	
Shareholder Loan Interest paid	-	5.9	-	-	29.9	
Total Distributions paid per DAIP (100%)	103.3	65.5	29.0	19.9	29.9	
Less: Shareholder Loan Interest Paid 100% to DUET	-	-	-	-	(7.1)[1]	
Adjusted Distributions paid per DAIP (100%)	103.3	65.5	29.0	19.9	22.8	
DUET Proportionate Distributions Received	62.0	43.2	23.2	5.2	6.6	
Add: Shareholder Loan Interest Paid 100% to DUET	-	-	-	-	7.1[1]	
Add: DUET Shareholder Loan Interest for FY2010	-	-	-	-	26.5[2]	
Cash Flows from Utility Assets before withholding taxes (local currency)	62.0	43.2	23.2	5.2	40.2	
Cash Flows from Utility Assets before withholding taxes (A$)	62.0	43.2	23.2	5.2	47.6[3]	181.1
Less: Withholding tax and other	-	-	-	-	(0.5)	(0.5)
Cash Flows from Utility Assets per MIR	62.0	43.2	23.2	5.2	47.0	180.6

1. Deduct amount of Shareholder Loan Interest paid only to DUET for March quarter 2009 and not paid to other shareholders, then add back to reflect DUET's receipt of this interest
2. Duquesne shows no net interest paid as gross interest is netted off against Shareholder Loan interest reinvestments. $26.5m is calculated as the annual interest on DUET's Shareholder Loan with principal of US$201.2m and coupon of 13%, calculated on the US calendar year
3. DUET Shareholder Loan Interest is converted to A$ at the weighted average AUD/USD rate of 0.8450

Duquesne Light EBITDA
FY2010 versus FY2009

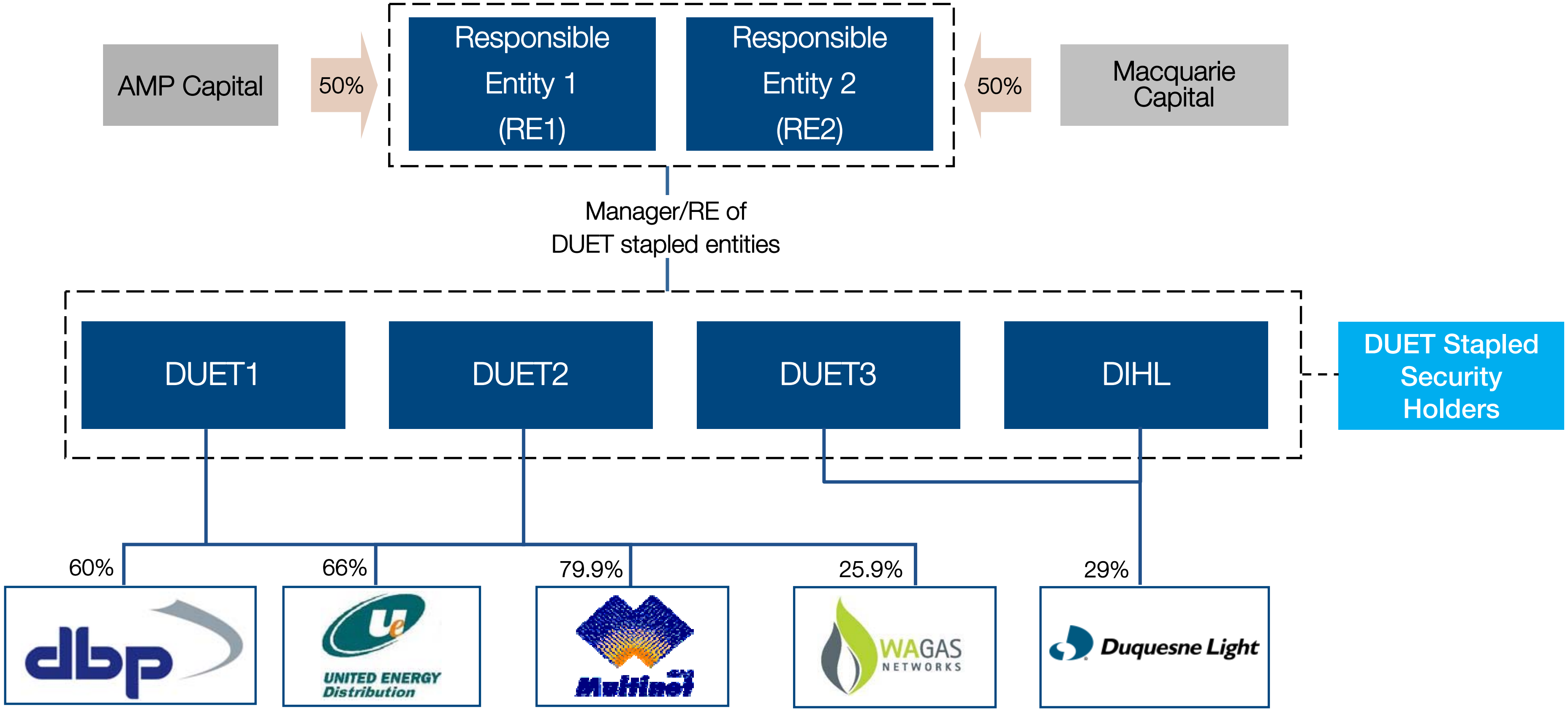
US$millions	FY2010	FY2009	% Variance	Variance commentary
Revenues				
Retail Sales of Electricity Revenue	1,055.9	1,039.3	1.6	❖ Revenues from new Act 129 surcharge in FY2010
Other Revenue	74.2	88.2	(15.9)	❖ Lower DQE Generation revenues due to lower power prices in FY2010
Total Revenues	1,130.1	1,127.6	0.2	
Expenses				
Fuel and purchased power	519.0	529.7	(2.0)	❖ Lower power costs for PoLR and Duquesne Light Energy businesses in FY2010
Other operating and maintenance	169.9	149.4	13.7	Higher costs in FY2010: ❖ $6.2m due to higher labour-related costs mostly relating to the ramp up in T&D capex projects ❖ $5.1m due to accounting reclassification of Customer Assistance Program costs in pcp ❖ $4.5m impact from non-cash actuarial adjustment (due to movement in the discount rate) relating to a site restoration liability ❖ $2.4m impact from timing of contractor expenditures
Movement in Regulatory Assets and Liabilities	22.4	2.8	697.4	❖ $13.0m relating to Act 129 revenues collected in advance of actual expenditures in FY2010 ❖ $5.5m relating to pension and post-retirement accounting movements in FY2010
Taxes other than income taxes	68.6	67.0	2.4	
Total Expenses	779.9	748.9	4.1	
EBITDA (before derivative movements)	350.2	378.6	(7.5)	

Appendix 3: About DUET

Ownership and management structure

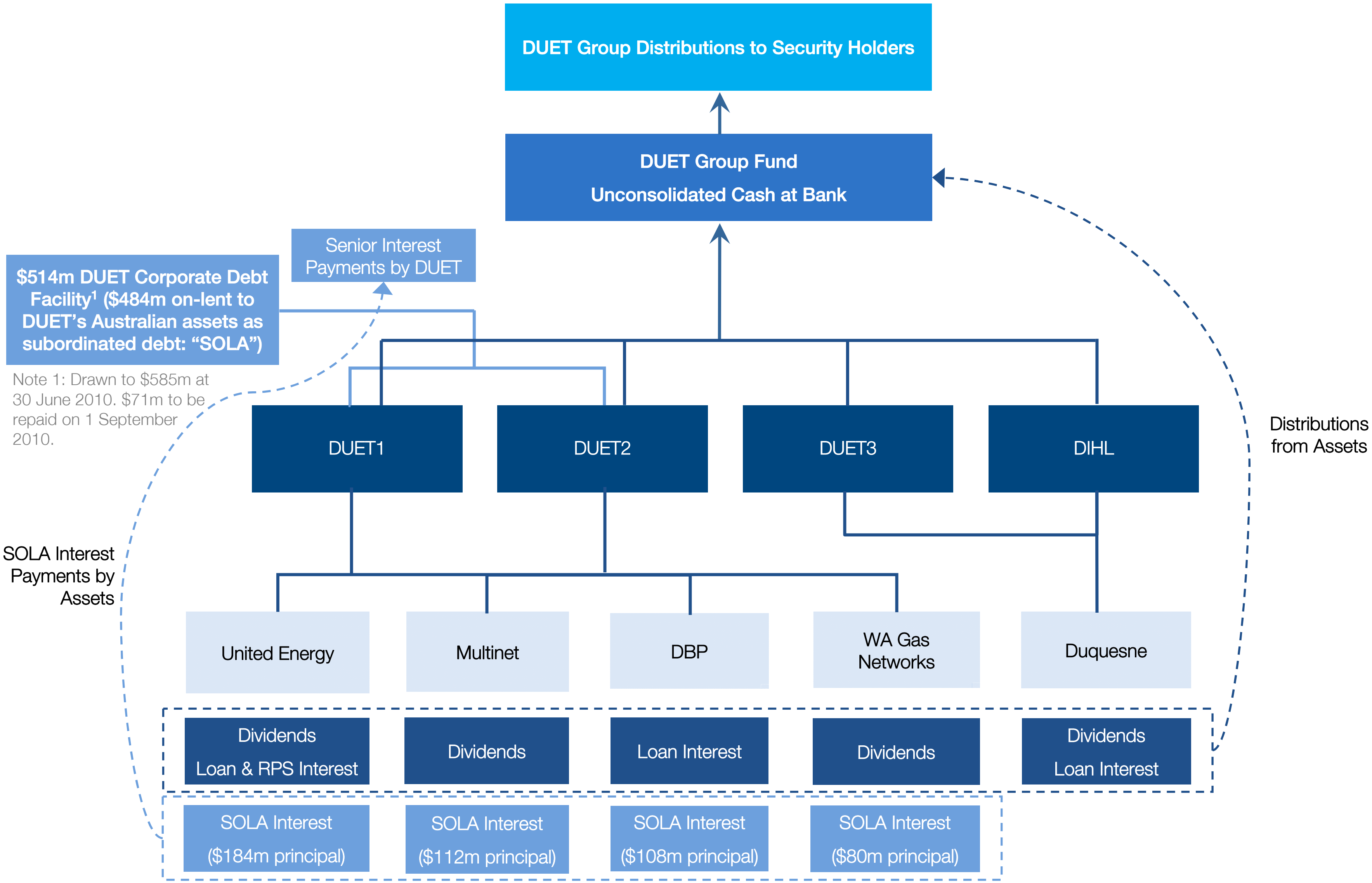
Four entities stapled together as one listed security (ASX: DUE)

- ASX-listed owner of energy utility assets, managed jointly by Macquarie Capital and AMP Capital Investors
- Stapled security comprises 1 unit in each of DUET1, DUET2 and DUET3, and 1 share in DIHL



Investment structure (at 30 June 2010)

DUET's investments: SOLA, ordinary equity, RPS and shareholder loans



Management fees

Base Fee[1]

- 1% pa of market capitalisation adjusted for commitments, borrowings and cash, paid quarterly in arrears

Performance Fee[1]

- 20% of return above benchmark in each half financial year, paid in arrears, deficits carried forward.
- DUET accumulation index vs. S&P 200 Industrial Accumulation Index (XJIAI.ASX)

1 Refer to DUET Website www.duet.net.au and 2009 Annual Report (remuneration report) for further explanation of fees
2 Benchmarked against external market fees