

# FY2009 Annual Results Presentation

21 August 2009



**Mr Peter Barry**  
Chief Executive Officer



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# Agenda

- ❖ Performance Summary
- ❖ Portfolio Performance
  - Diversified Asset Portfolio
  - Dampier Bunbury Pipeline
  - Duquesne Light
  - United Energy
  - Multinet
  - WA Gas Networks
- ❖ DUET Performance
- ❖ Highlights and Outlook
- ❖ Questions
- ❖ Appendices

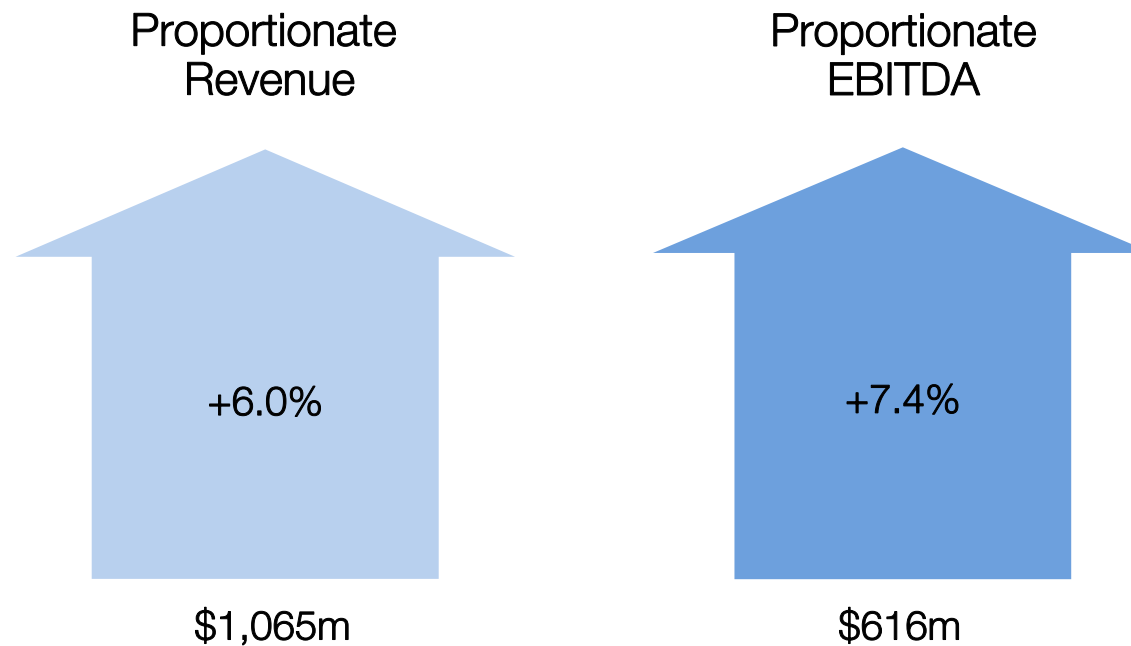
# Performance Summary

## FY2009 Highlights



**FY2009 result driven by solid business performance despite continued difficult economic environment**

- ❖ DUET Parent cash balance of \$383m as at 15 August 2009 (post August distribution), up from \$150m



Note. Above results per DUET's 30 June 2009 Management Information Report (DUET MIR)

# Performance Summary

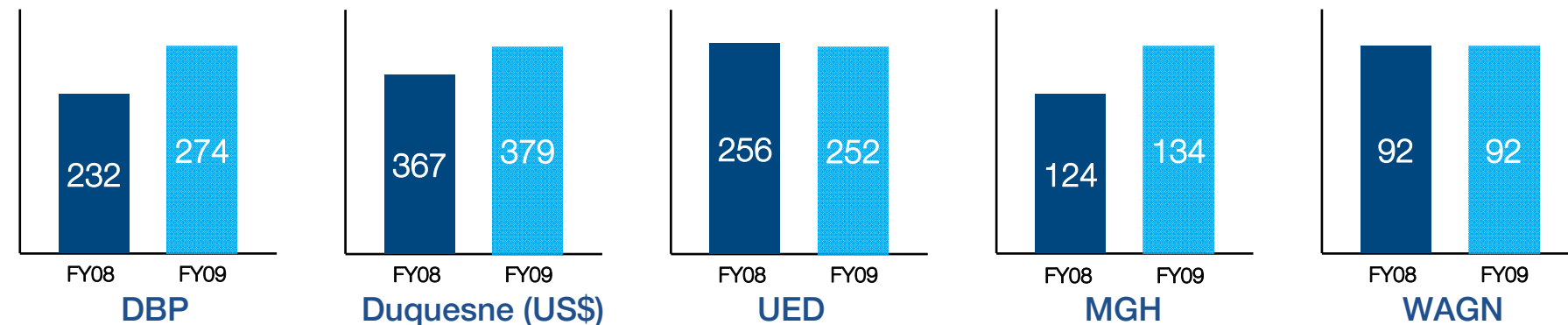
## FY2009 Highlights



### Asset performance met our expectations

- ❖ Portfolio showing strong resilience in current economic environment, transmission and distribution volumes stable

#### EBITDA (A\$m) – 100%



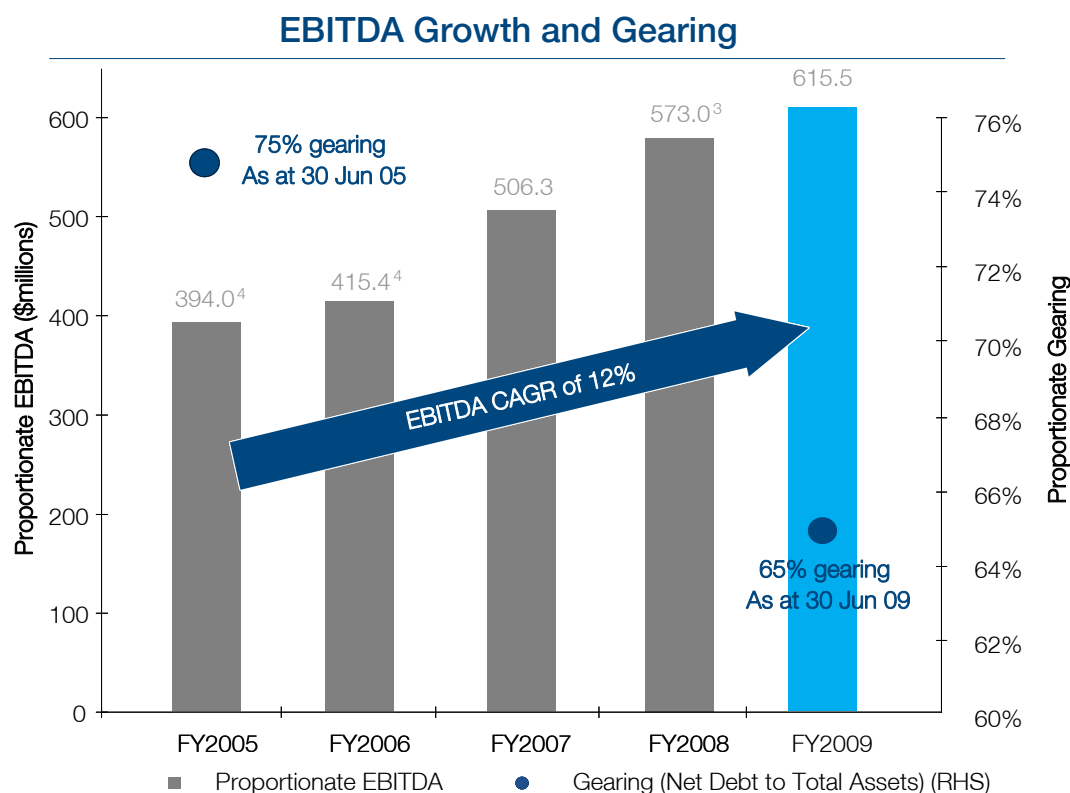
- ❖ DBP – EBITDA up due to completion of Stage 5A expansion
- ❖ Duquesne – EBITDA up due to increased transmission revenue
- ❖ UED – EBITDA down marginally due to lower business customer volumes partially offset by increased residential volumes
- ❖ MGH – EBITDA up driven by a 6% increase in residential volumes
- ❖ WAGN – EBITDA steady despite impact of Varanus Island incident

# Performance Summary

## FY2009 Highlights



- ❖ Proportionate EBITDA growth of ~12% p.a. from FY2005 to FY2009
- ❖ Gearing<sup>1</sup> has decreased from 75% as at 30 June 2005 to 65% as at 30 June 2009
- ❖ FY2010 Distribution guidance<sup>2</sup> of 20cps



1. Gearing defined as proportionate net debt/proportionate total assets, assuming DBP's economic interest held at 60%

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

3. As per DUET MIR, FY2008 Proportionate EBITDA is on a like for like basis with FY2009, FX rates have been assumed to be held constant and ownership levels have also been assumed to be held constant

4. FY2005 and FY2006 proportionate EBITDA assumes the economic ownership of DBP is the same as the level for FY2008, namely 62.9%

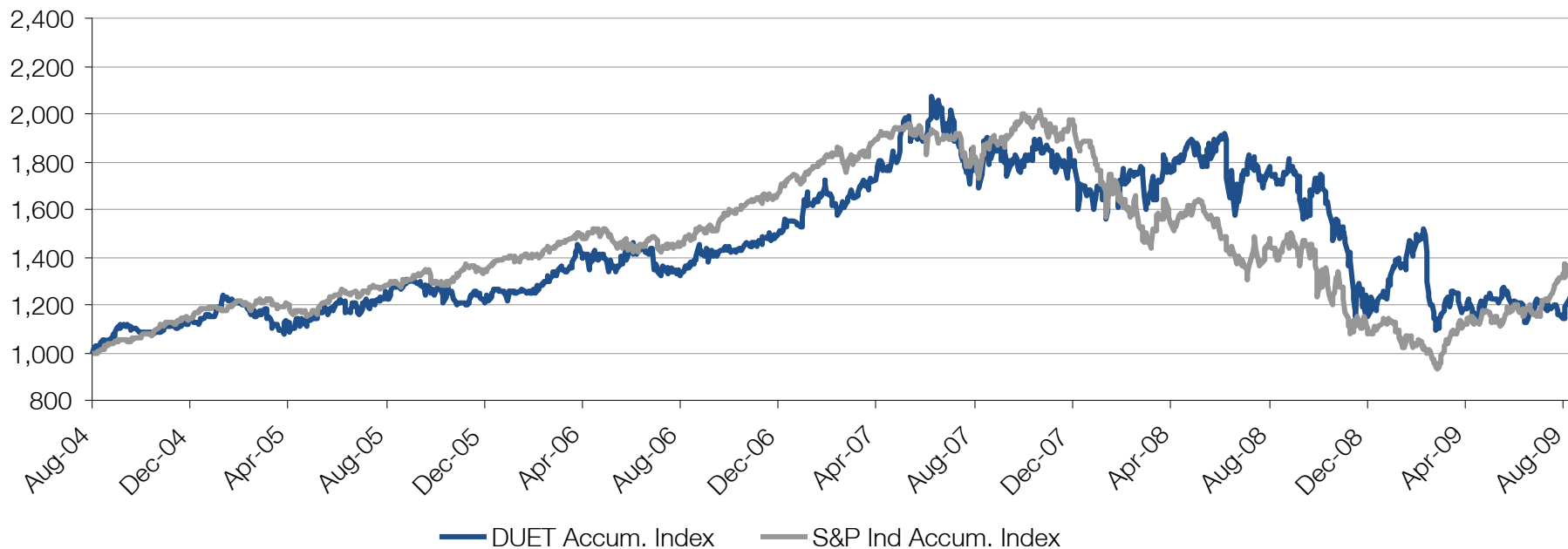
# Performance Summary

## DUET Accumulation Index vs. Benchmark



- ❖ DUET has performed broadly in line with the Benchmark Index<sup>1</sup>, while underperforming since the market rally from mid-March 2009

### DUET Accumulation Index v S&P/ASX200 Industrials Index



<sup>1</sup> Benchmark Index is the S&P/ASX200 All Industrials Accumulation Index graph shown to 13 August 2009

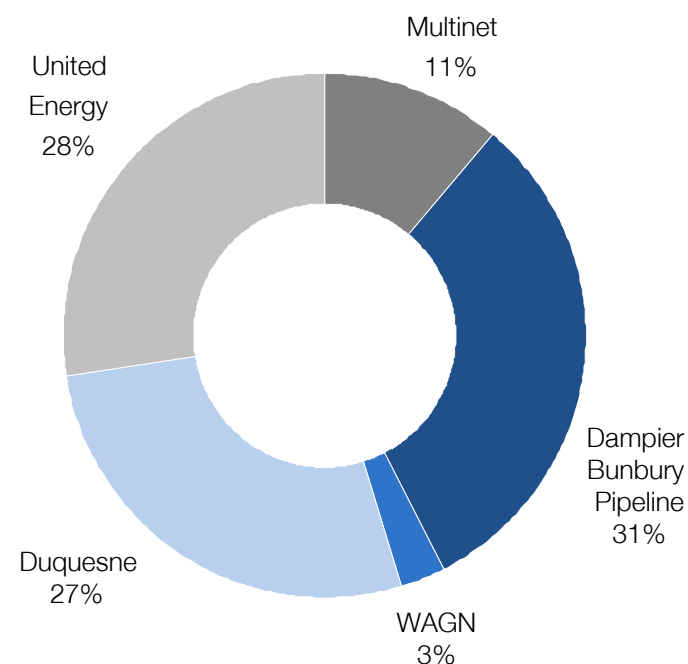
# Performance Summary

## Summary of Key Results



DUET – PROPORTIONATE CONSOLIDATION <sup>1</sup>			
\$million	FY2009	FY2008	% Var
Revenue <sup>2</sup>	1,065	1,004	6
EBITDA <sup>2</sup>	616	573	7
Net Cashflow from Energy Utility Assets	218	181	20
Gearing (Net Debt to Total Assets)	65%	69%	(4)
DUET GROUP			
	FY2009	FY2008	% Var
Revenue <sup>3</sup>	1,012	957	6
Net result after income tax	(50)	75	(167)
Net result after income tax before specific items <sup>4</sup>	126	122	3
Distribution Coverage			
	FY2009	FY2008	% Var
EPS – Weighted average number of securities	28.6¢	33.9¢	(16)
EPS <sup>5</sup> – Adjusted number of securities	26.1¢	33.8¢	(23)
Cash Available for Distributions (excl. performance fee)	163	182	(11)
Cash Available for Distributions per stapled security (excl. performance fee) <sup>6</sup>	22.0¢	30.0¢	(27)
DPS	24.1¢	27.0¢	(6)

**FY2009  
Contribution to DUET Parent  
Revenue by Asset Company\***



\* Excludes SOLA payments received

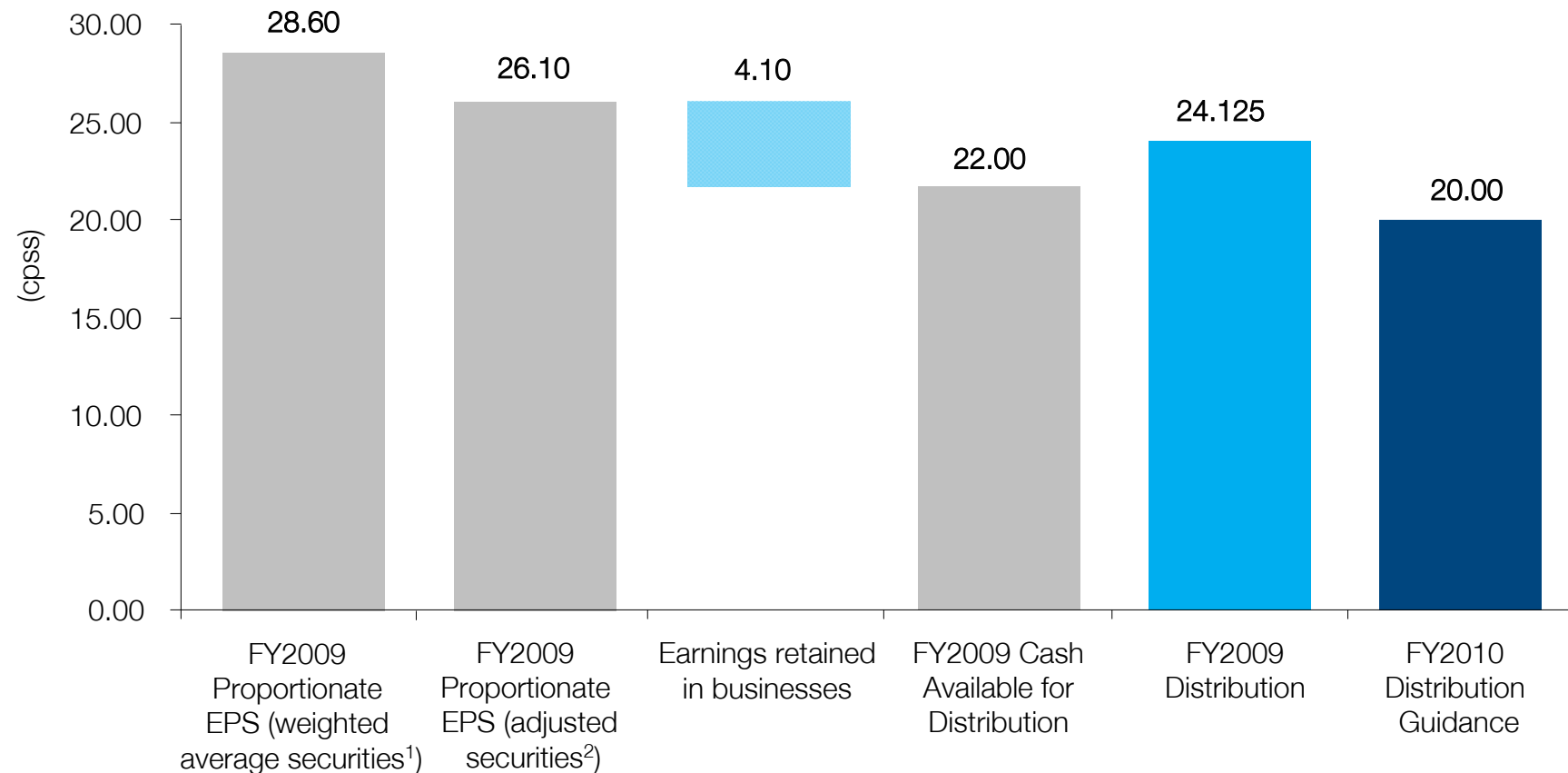
1 As per DUET MIR  
 2 Like-for-like results, adjusting for changes in FX rates and asset company ownership percentages  
 3 Revenue from continuing operations. Excludes net foreign exchange gains of \$31.0m  
 4 Specific items for FY2009 include (net of tax): MTM loss on derivative contracts (\$121.3m) and share of actuarial loss on Duquesne defined benefit pension plans (\$55.2m)  
 5 Adjusted proportionate EPS as per DUET MIR  
 6 Based on adjusted securities on issue as per DUET MIR

# Performance Summary

## FY09 Distribution Coverage



- ❖ DUET covered its FY2009 Distribution by 108% on a proportionate EPS basis
- ❖ Cash earnings retained in businesses to fund growth capex and de-gear

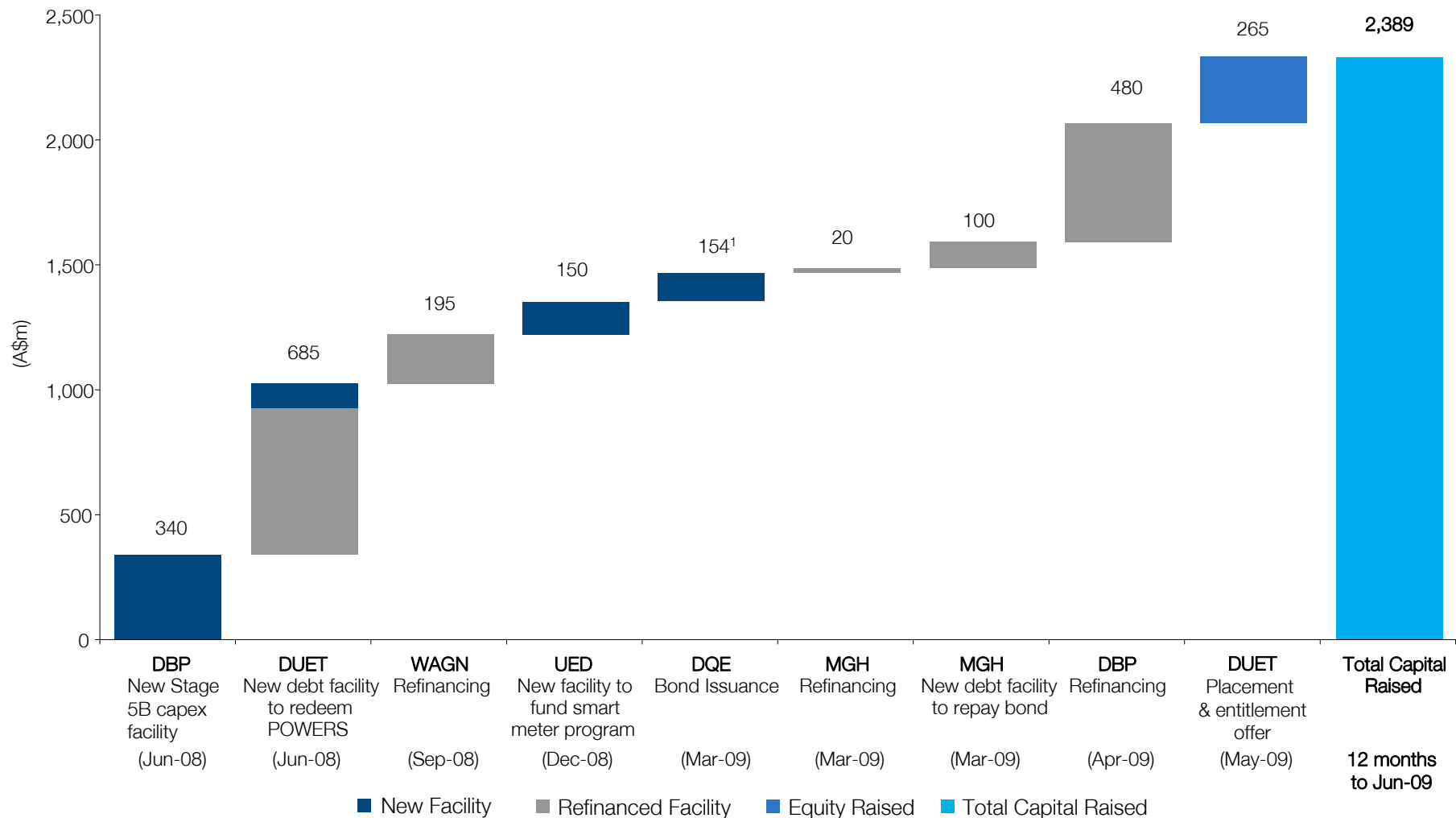


<sup>1</sup> As per DUET MIR – weighted average number of securities is calculated as the weighted average (by number of days on issue) number of securities on issue during FY2009

<sup>2</sup> As per DUET MIR – adjusted number of securities is calculated assuming securities issued during FY2009 are issued on 1 July 2008 (DRP securities and performance fee securities issued in August 2008) and 1 January 2009 (DRP securities issued in February 2009 and placement and rights issue securities issued in April and May 2009)

# Capital Management

Over \$2.3B of capital raised or refinanced over last 12 months



1. Duquesne bond issuance has been converted to A\$ at the 4 March 2009 AUD/USD FX rate of 0.6492

# Performance Summary

## Capital Management

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### Assets well positioned for growth

- ❖ No significant debt maturities in FY2010
  - Next term debt maturity is for WAGN: A\$200m bond maturing in September 2010
  
- ❖ \$265m equity raised to:
  - Increase financial flexibility to fund growth capital expenditure
  - Selectively reduce asset company gearing

# Portfolio Performance

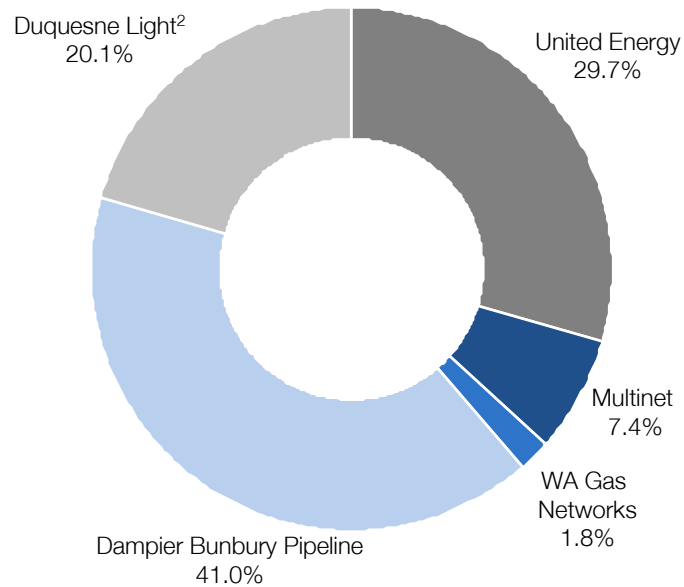


# Diversified Asset Portfolio

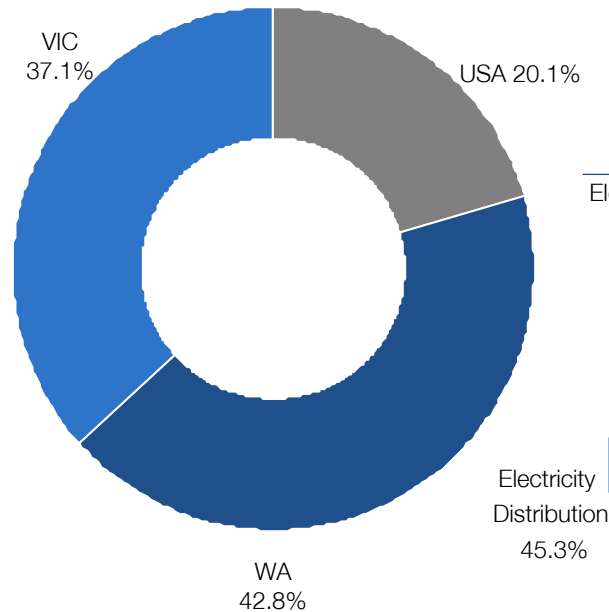
## As at 30 June 2009



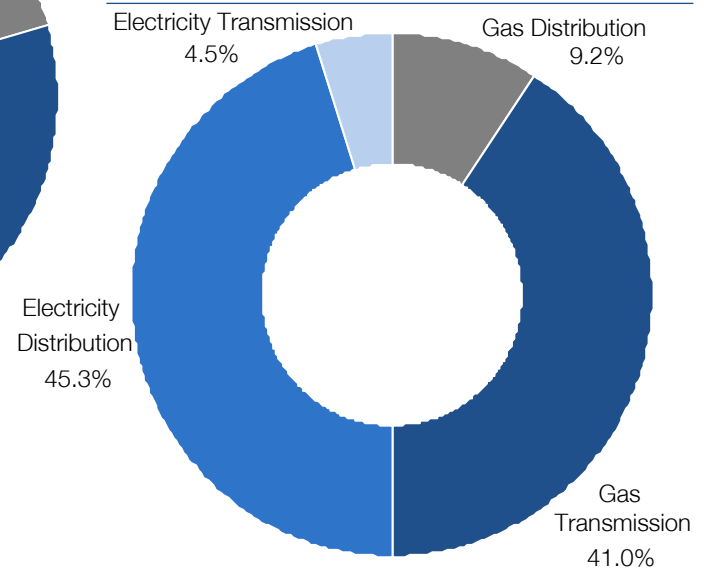
### Investment Mix<sup>1</sup>



### Geographic Mix<sup>1</sup>



### Energy Mix<sup>1</sup>



<sup>1</sup> Based on DUET Group's 30 June 2009 Financial Report: carrying values adjusted for DBP Stage 5B expansion and UED smart meter commitments, excluding SOLA debt.  
<sup>2</sup> 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

## FY2009 Annual Results

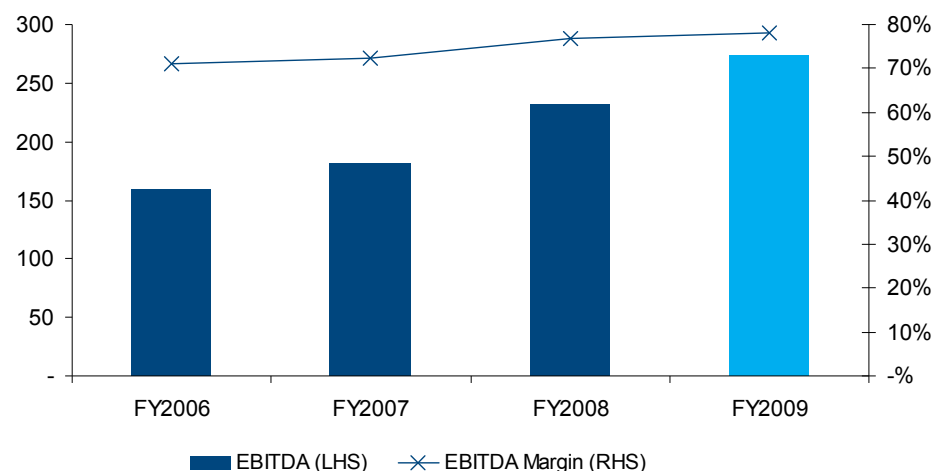


### Organic growth continues

- ❖ Strong performance
  - Revenue up 16%
  - EBITDA up 18%
  - EBITDA Margin up 1%
  - RAB up 11%
- ❖ Stage 5A expansion fully commissioned in November 2008
- ❖ Transfer of operating functions from contractor back to DBP
- ❖ Varanus Island incident
  - Throughput down 2%, however no material impact on financial performance

Full-Year Financial Highlights <sup>1</sup>			
\$millions	FY2009	FY2008	% Variance
Revenue	350	301	16
EBITDA	274	232	18
EBITDA Margin	78%	77%	1
RAB <sup>2</sup>	3,138	2,822	11
Throughput (PJ)	290	295	(2)

EBITDA (\$millions) and EBITDA margin



<sup>1</sup> 100% of Dampier Bunbury Pipeline results per DUET MIR  
<sup>2</sup> RAB is based on management's calculations

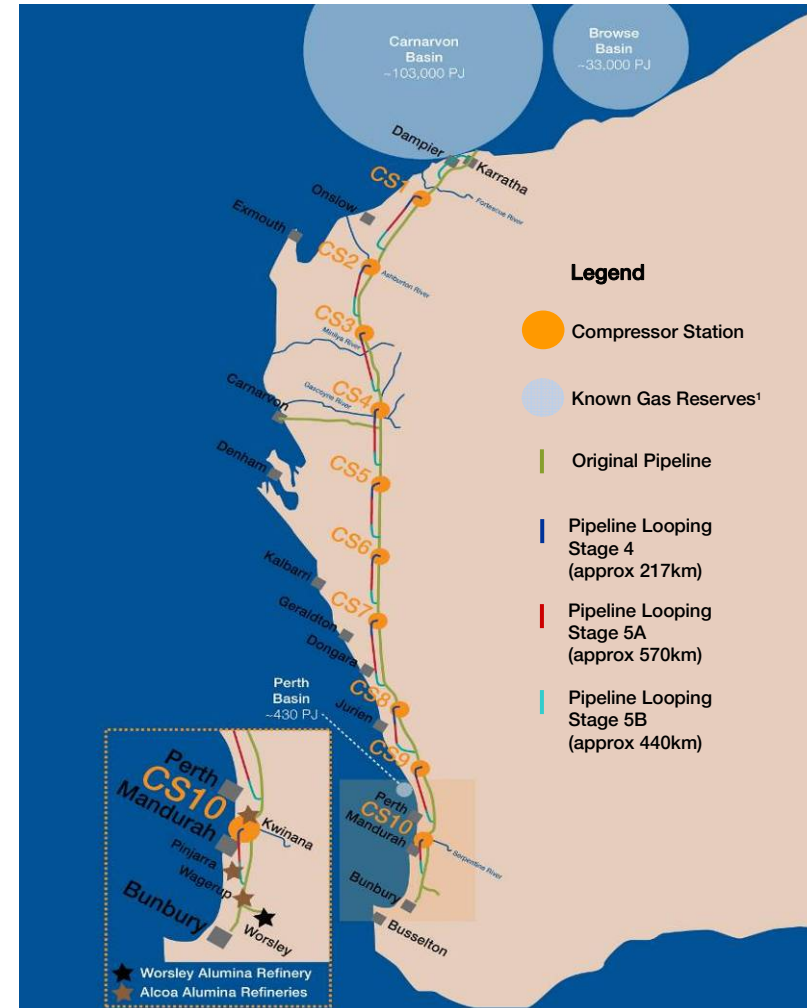
# Dampier Bunbury Pipeline

## Stage 5B Update



### DBP Stage 5B Expansion – Construction Update

- ❖ Stage 5B construction now well progressed
  - Looping 63% complete<sup>1</sup>
  - Compressor station works 51% complete<sup>1</sup>
  - Commissioning scheduled for 1H CY2010 for gas deliveries through FY2010
- ❖ Forecast cost to complete remains within budget
- ❖ Project is expected to deliver earnings growth for DBP through FY2012<sup>2</sup>



1 As at 31 July 2009

2 subject to change from the impact of any material changes to DUET's forecast assumptions

# Duquesne Light

## FY2009 Annual Results

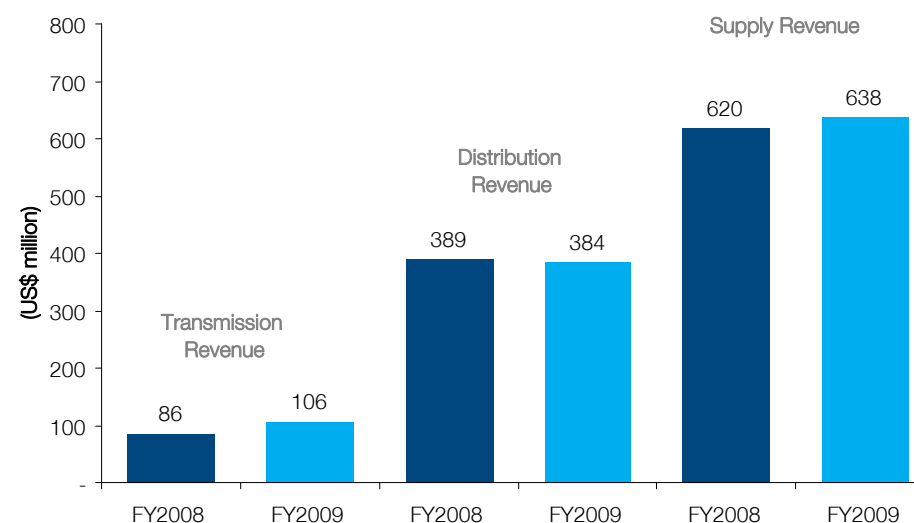


### Solid performance from Duquesne

- ❖ Duquesne Light performed in line with expectations
  - Revenue up 3%
  - EBITDA up 3%
  - EBITDA Margin steady
  - Volumes down 4%
  
- ❖ Transmission investment update
  - US\$200m approved to be spent over 4 years
  - Additional projects in evaluation stage
  
- ❖ Capacity Charges update
  - Legislation passed to allow application for full pass-through from 2011, some 2009 charges waived
  - Settlement with advocates well advanced (small business complete, consumer advocate pending)

Full-Year Financial Highlights <sup>1</sup>			
US\$millions	FY2009	FY2008	% Variance
Revenue	1,128	1,096	3
EBITDA	379	367	3
EBITDA Margin	34%	33%	1
Load (GWh)	13,423	14,031	(4)

### Duquesne Light Segmental Revenue



<sup>1</sup> 100% of Duquesne results as per DUET MIR

### UED delivered a steady result

#### ❖ Stable trading conditions

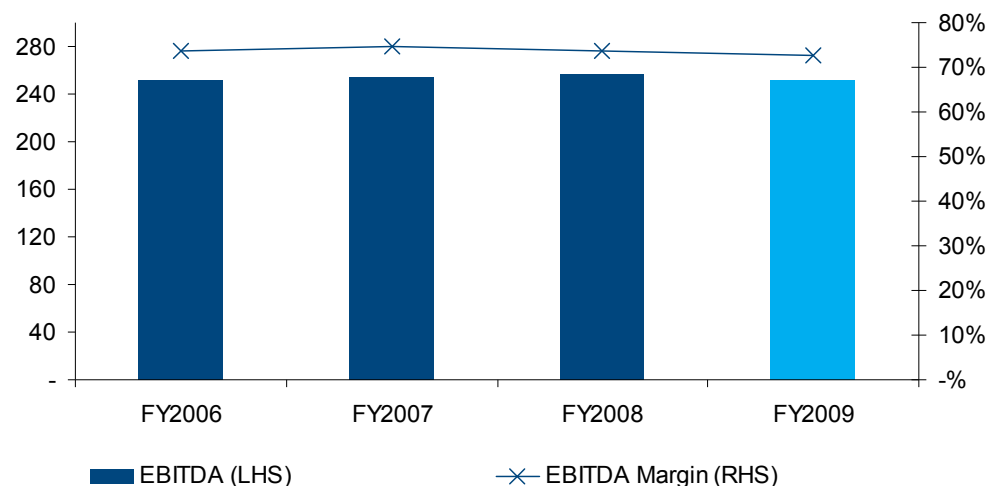
- Revenue stable
- EBITDA down marginally
- RAB up 8%
- Electricity distributed steady

#### ❖ Smart meters

- Project to roll out 650,000 meters to all customers in UED service area
- Roll-out expected to commence in 2009 and completed by end of 2013
- Total Project Value of \$345m

Full-Year Financial Highlights <sup>1</sup>			
\$millions	FY2009	FY2008	% Variance
Revenue	345	347	(1)
EBITDA	252	256	(2)
EBITDA Margin	73%	74%	(1)
RAB <sup>2</sup>	1,400	1,293	8
30 June 2009 load (GWh)	7,928	7,925	0

### EBITDA (\$millions) and EBITDA margin

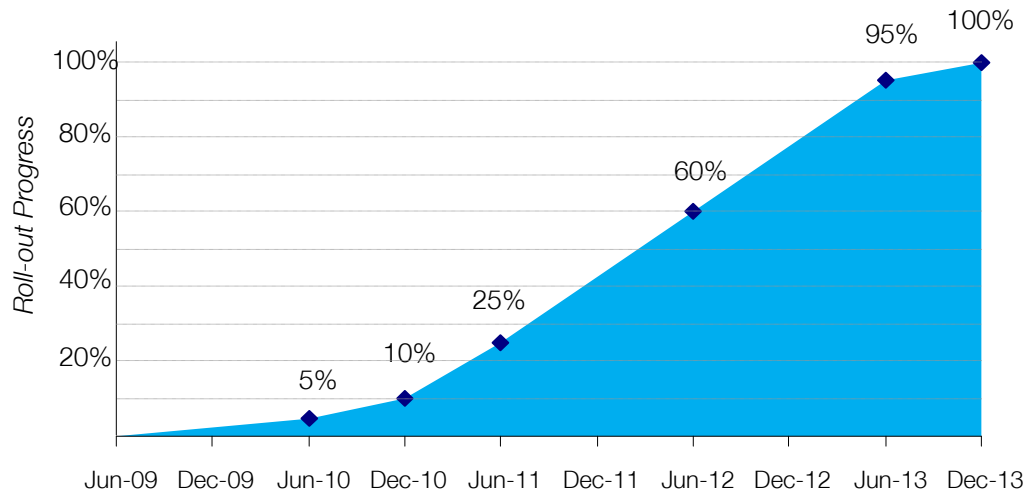


<sup>1</sup> 100% of United Energy results per DUET MIR

<sup>2</sup> RAB is based on management's calculations

### UED Smart Meter Roll-out – Project Update

- ❖ \$345m project to roll out 650,000 meters to Victorian customers
- ❖ Regulatory parameters set to January 2014
- ❖ First meters planned to be installed by October 2009
- ❖ Data systems targeted to go ‘live’ by May 2010



# Multinet

## FY2009 Annual Results

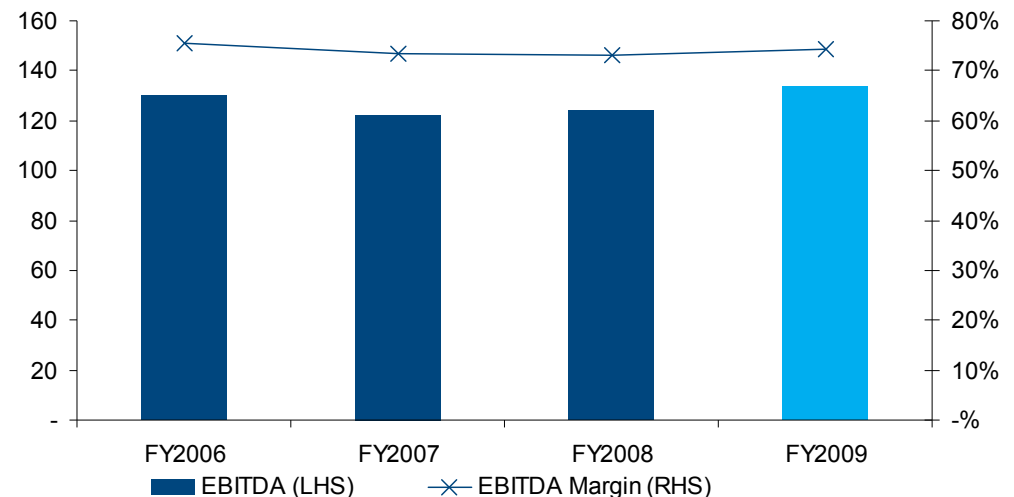


### Multinet delivered a strong result

- ❖ Strong operational performance driven by Victorian winter
  - Revenue up 6% driven by 6% increase in residential volumes
  - EBITDA up 8%
  - RAB up 4% due to completion of Yarra ranges project and roll-in of South Gippsland capex
  
- ❖ South Gippsland Natural gas extension project
  - Red Energy announced as the natural gas retailer
  - Construction 87% complete<sup>3</sup>

Full-Year Financial Highlights <sup>1</sup>			
\$millions	FY2009	FY2008	% Variance
Revenue	180	170	6
EBITDA	134	124	8
EBITDA Margin	74%	73%	1
RAB <sup>2</sup>	973	938	4
Throughput (TJ)	58,505	58,379	0

EBITDA (\$millions) and EBITDA margin



1 100% of Multinet results as per DUET MIR  
 2 RAB is based on management's calculations  
 3 As at 31 July 2009

# WA Gas Networks

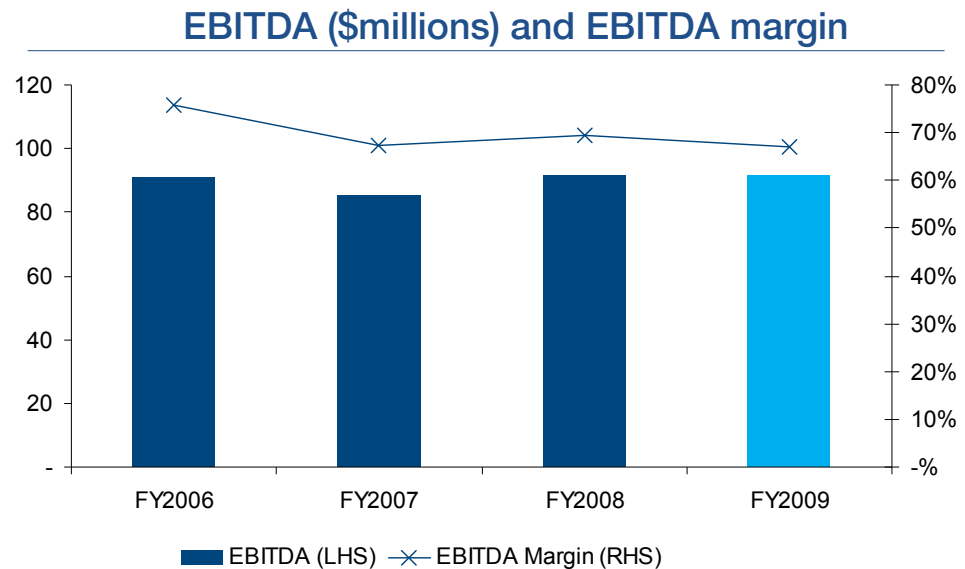
## FY2009 Annual Results



### Connection growth continues

- ❖ Continued strong performance, driven by growth in connections
  - Revenue up 3%
  - EBITDA steady
  - Throughput down 5% due to impact of Varanus Island incident
  
- ❖ Connections up 3% despite slowdown in WA economy

Full-Year Financial Highlights <sup>1</sup>			
\$millions	FY2009	FY2008	% Variance
Revenue	136	132	3
EBITDA	92	92	-
EBITDA Margin	68%	70%	(2)
Connections	610,294	593,771	3
Throughput (TJ)	27,977	29,580	(5)



<sup>1</sup> 100% of WA Gas Networks results per DUET MIR

# DUET Performance



# Proportionate Earnings

## 108% coverage of full-year distribution



Proportionate Earnings	Actual Results FY2009 <sup>1</sup> \$'000	Pro-forma Results FY2008 <sup>1</sup> \$'000	Actual Results FY2008 <sup>1</sup> \$'000	% Variance
Energy utility assets revenue	1,064,503	1,004,479	942,766	6 <sup>2</sup>
Energy utility assets operating expenses	(448,989)	(431,468)	(386,568)	4 <sup>2</sup>
<b>Energy utility asset EBITDA</b>	<b>615,514</b>	<b>573,011</b>	<b>556,198</b>	<b>7<sup>2</sup></b>
Maintenance capital expenditure	(94,164)		(79,562)	18
Net external interest expense	(255,655)		(214,487)	19
SOLA interest expense	(34,951)		(33,817)	3
Net tax expense	(24,415)		(20,852)	17
<b>Proportionate earnings (pre-corporate expenses)</b>	<b>206,329</b>		<b>207,480</b>	<b>(1)</b>
Net interest income	9,104		11,719	(22)
SOLA interest income	51,921		56,198	(8)
Hybrid capital interest expense	(10,090)		(54,517)	(81)
Corporate interest expense	(37,691)		-	Nm
Corporate expenses	(23,748)		(22,898)	4
Net tax expense	(438)		(552)	(21)
Realised gains / (losses) on FX hedge contracts	(2,715)		6,871	(140)
<b>Proportionate earnings</b>	<b>192,672</b>		<b>204,301</b>	<b>(6)</b>
Weighted average DUET Group securities on issue ('000's)	673,660		603,540	12
Proportionate EPS – cents	28.6c		33.9c	(16)
Adjusted DUET Group securities on issue ('000's) <sup>3</sup>	739,195		605,225	22
Proportionate EPS - cents	26.1c		33.8c	(23)
DUET Distribution (30 June 2009)	24.125c		27.000c	(11)

1 As per DUET MIR

2 Based on the comparison between actual FY2009 results and like-for-like (Pro-forma) FY2008 results.

3 DUET Issued 204m securities in May and assuming these securities were issued as at 1 January 2009, the adjusted average number of securities on issue during the period would have been 739.2m

# Cash Flows

## Cash assets at period end up 134% due to capital management



Unconsolidated Cash Flows	FY2009 \$'000	FY2008 \$'000	% Variance
Cash flows from assets	236,169	233,565	1
Other income & Interest received on surplus cash	15,258	14,264	7
Operating expenses paid (inclusive of GST)	(33,230)	(23,960)	39
Performance fees paid	-	(42,699)	Nm
<b>Net cash flows from assets and operations (post performance fees paid)</b>	<b>218,197</b>	<b>181,170</b>	<b>20</b>
Return of capital / (payment for purchase of Duquesne)	-	4,600	Nm
Further investment in energy utility assets	(49,893)	(91,843)	(46)
<b>Net cash flows from investing activities</b>	<b>(49,893)</b>	<b>(87,243)</b>	<b>(43)</b>
Proceeds received from issue of stapled securities	265,357	93,943	182
Capital raising costs paid	(10,154)	-	Nm
Borrowing from DUET Senior Facility	585,000	-	Nm
Repayment of POWERS	(564,220)	-	Nm
DUET senior facility establishment fees	(15,916)	-	Nm
Borrowing costs paid	(52,349)	(51,347)	2
Distributions paid to DUET Group security holders (net of DRP)	(135,685)	(106,420)	27
<b>Net cash flows from financing activities</b>	<b>72,033</b>	<b>(63,824)</b>	<b>Nm</b>
<b>Net (decrease) / increase in cash assets held</b>	<b>240,337</b>	<b>30,103</b>	<b>698</b>
Cash assets at the beginning of the period	179,863	149,760	20
Exchange rate movements	857	-	Nm
<b>Cash assets at the end of the period</b>	<b>421,057</b>	<b>179,863</b>	<b>134</b>

<sup>1</sup> A performance fee of \$54.2 million (excluding GST) for the six months to 30 June 2008 was paid by DUET to its Responsible Entities and Manager. The performance fee was reinvested in DUET Group securities by its Responsible Entities and Manager. A performance fee of \$42.7m (excluding GST) for the 6 months ended 30 June 2007 was paid in FY2008.

# Parent Cash for Distribution



Full-Year to 30 June 2009 \$million	Dividends	RPS/Loan Interest	SOLA	FY2009	FY2008
United Energy	13.2	34.3	16.5	64.1	70.0
Multinet	19.1	-	12.7	31.8	27.9
DBP	-	54.0	13.4	67.4	64.0
WA Gas Networks	5.2	-	6.4	11.6	13.4
Duquesne	10.7	36.2	-	46.9	50.9
<b>Total Revenue from AssetCos (excluding special dividends)</b>	<b>48.2</b>	<b>124.6</b>	<b>49.0</b>	<b>221.8</b>	<b>226.2</b>
Special Dividends from United Energy and DBP <sup>1</sup>	-	-	-	-	22.5
<b>Total Revenue from AssetCos (including special dividends)</b>	<b>48.2</b>	<b>124.6</b>	<b>49.0</b>	<b>221.8</b>	<b>248.7</b>
Other Revenue				8.6	11.1
<b>Total Revenue</b>				<b>230.4</b>	<b>259.8</b>
Operating Expenses				(23.6)	(23.6)
Corporate Borrowing Costs				(44.2)	(54.5)
<b>Cash Available for Distributions</b>				<b>162.6</b>	<b>181.7</b>
Weighted Average Securities on Issue				673.7	603.5
Cash Available for Distributions (cpss)				24.14	30.11
Adjusted DUET Securities on Issue <sup>2</sup>				739.2	605.2
Cash Available for Distributions (cpss) <sup>2</sup>				22.00	30.02
Distributions (cpss)				24.125	27.00

1 Special Distribution to DUET from United Energy of \$16.5m and from DBP of \$6m paid in FY2008

2 DUET Issued 204m securities in May and assuming these securities were issued as at 1 January 2009, the adjusted average number of securities on issue during the period would have been 739.2m

# Highlights and Outlook



# Outlook

## Growth projects + financial discipline

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- ❖ Actively manage DUET's capital position
  - Selectively deploy capital to fund growth and support our assets
- ❖ Continue track record of completing debt refinancings well ahead of maturity
- ❖ Invest in organic growth opportunities available to our assets
  - Dampier Bunbury Pipeline – Stage 5B expansion and potential further expansions
  - Duquesne Light – Significant transmission opportunities
  - United Energy – Smart Meter roll-out
  - Multinet – Complete South Gippsland project
  - WAGN – Connection growth and network expansion driving increased investment

# QUESTIONS



# APPENDIX



# Capital Management

## No Significant Debt Maturities until FY2011



FY	Asset	Debt Maturity Date	Debt Type	DUET Proportionate Share	
				Committed Facilities (A\$m) <sup>(1)</sup>	Drawn Balance (A\$m) <sup>(1)</sup>
	WAGN	17-Sep-09	Working Capital Facility	5	2
	UED	10-Dec-09	Working Capital Facility	17	9
	MGH	16-Apr-10	Working Capital Facility	16	-
	DBP	16-May-10	Working Capital Facility	12	-
<b>FY10 Total</b>				<b>50</b>	<b>11</b>
	WAGN	22-Sep-10	Notes	52	52
	UED	15-Apr-11	Notes	240	240
	DBP	11-May-11	Bank Debt	96	96
	DBP	11-May-11	Capex Facility (Stage 4)	193	193
	UED	16-Jun-11	Bank Debt	297	155
	DBP	30-Jun-11	Capex Facility (Stage 5B)	204	29
<b>FY11 Total</b>				<b>1,082</b>	<b>765</b>
	MGH	29-Jul-11	Notes	200	200
	DBP	17-Aug-11	Capex Facility (Stage 5A2)	114	108
	DUET	29-Aug-11	Bank Debt	417	317
	DQE	01-Sep-11	Notes	17	17
	DQE	01-Sep-11	Bank Debt	34	34
	WAGN	17-Sep-11	Bank Debt	45	38
	DQE	15-Apr-12	Notes	72	72
	MGH	16-Apr-12	Bank Debt	80	80
	DBP	25-Apr-12	Notes	165	165
	DQE	31-May-12	Bank Debt	461	371
	DBP	03-Jun-12	Bank Debt	152	152
	MGH	22-Jun-12	Bank Debt	268	177
<b>FY12 Total</b>				<b>2,025</b>	<b>1,731</b>

1. Duquesne debt facilities have been converted to A\$ at the 30 June 2009 AUD/USD FX rate of 0.8068

# DUET Group Financial Results

## Income Statement



DUET Group Income Statement (\$million)	FY2009	FY2008	% Variance
Total revenue <sup>1</sup>	1,012	957	6
Operating Expenses excluding specific items	(345)	(405)	(15)
<b>EBITDA before specific items</b>	<b>667</b>	<b>552</b>	<b>21</b>
Depreciation, Amortisation and Abandonments	(169)	(168)	1
<b>EBIT before specific items</b>	<b>498</b>	<b>384</b>	<b>30</b>
Equity accounted income <sup>2</sup>	2	15	(87)
Net Interest Expense	(373)	(265)	41
<b>Net result before tax before specific items</b>	<b>127</b>	<b>134</b>	<b>(5)</b>
Income tax expense	(1)	(12)	(92)
<b>Net result after tax before specific items</b>	<b>126</b>	<b>122</b>	<b>3</b>
Specific items <sup>3</sup>	(176)	(47)	274
<b>Profit for the year</b>	<b>(50)</b>	<b>75</b>	<b>(167)</b>
Minority interests	(12)	(23)	(48)
<b>Net result after tax attributable to security holders</b>	<b>(62)</b>	<b>52</b>	<b>(219)</b>

1 Revenue from continuing operations. Excludes net foreign exchange gains of \$31.0m

2 Includes Duquesne and WA Gas Networks

3 Specific items for FY2009 include (net of tax): MTM loss on derivative contracts (\$121.3m) and DUET's share of actuarial loss on Duquesne defined benefit pension plans (\$55.2m)

# DUET Group Financial Results

## Balance Sheet



DUET Group Balance Sheet (\$million)	As at 30-Jun-09	As at 30-Jun-08	% Variance
Cash Assets	589	305	93
Other Current Assets	135	145	(7)
PP & E	4,836	4,499	7
Intangible Assets	1,972	1,971	0
Other Non-Current Assets	418	689	(39)
<b>Total Assets</b>	<b>7,951</b>	<b>7,609</b>	<b>4</b>
Interest Bearing Liabilities	5,309	4,870	9
Current Liabilities	318	350	(9)
Other Non-Current Liabilities	883	843	5
<b>Total Liabilities</b>	<b>6,510</b>	<b>6,062</b>	<b>7</b>
<b>Net Assets</b>	<b>1,440</b>	<b>1,547</b>	<b>(7)</b>
<b>Total Equity</b>	<b>1,440</b>	<b>1,547</b>	<b>(7)</b>

# DUET Group Financial Results

## Cash Flow Statement



DUET Group Cash Flow Statement (\$million)	FY2009	FY2008	% Variance
<b>Net cash flows from operations</b>	725	590	23
Acquisition cash flows	-	-	-
Payments for purchase of PP&E	(519)	(572)	(9)
Proceeds from asset sales	-	-	-
<b>Net cash flows from investing</b>	<b>(519)</b>	<b>(572)</b>	<b>(9)</b>
Cash flows from capital raising	331	118	181
Borrowing (net of repayments)	337	309	9
Borrowing costs paid	(412)	(276)	49
Dividends & Distributions paid	(180)	(163)	10
<b>Net cash flow from financing</b>	<b>76</b>	<b>(12)</b>	<b>Nm</b>
<b>Net increase in cash</b>	<b>282</b>	<b>6</b>	<b>Nm</b>

Nm – Not Meaningful

# DUET Proportionate Gearing



Proportionate Net Debt and Total Assets (\$million)		As at 30-Jun-09	Proforma As at 30-Jun-08	As at 30-Jun-08
<b>DUET's Ownership Interest</b>	Dampier Bunbury Pipeline	60.0%	60.0%	64.9%
	United Energy	66.0%	66.0%	66.0%
	Multinet Gas	79.9%	79.9%	79.9%
	WA Gas Networks	25.9%	25.9%	25.9%
	Duquesne <sup>1</sup>	29.0%	29.0%	29.0%
<b>Senior Debt<sup>2</sup></b>	Dampier Bunbury Pipeline	(2,391)	(2,140)	(2,140)
	United Energy	(1,328)	(1,375)	(1,212)
	Multinet Gas	(913)	(865)	(865)
	WA Gas Networks	(605)	(579)	(579)
	Duquesne <sup>1</sup>	(2,446)	(2,789)	(2,059)
<b>Proportionate Senior Debt</b>		<b>(3,906)</b>	<b>(3,842)</b>	<b>(3,626)</b>
<b>Cash</b>	Dampier Bunbury Pipeline	88	64	64
	United Energy	27	32	32
	Multinet Gas	52	28	28
	WA Gas Networks	11	11	11
	Duquesne <sup>1</sup>	44	157	116
<b>Proportionate Cash</b>		<b>128</b>	<b>130</b>	<b>121</b>
<b>Corporate Net Cash (Cash less distribution payable)</b>		<b>336</b>	<b>98</b>	<b>98</b>
<b>Hybrid Capital / Corporate Debt</b>		<b>(585)</b>	<b>(536)</b>	<b>(536)</b>
<b>Total Net Debt</b>		<b>(4,027)</b>	<b>(4,151)</b>	<b>(3,944)</b>
<b>Total Assets</b>	Dampier Bunbury Pipeline	3,541	3,395	3,395
	United Energy	2,200	2,179	2,179
	Multinet Gas	1,365	1,337	1,337
	WA Gas Networks	905	902	902
	Duquesne <sup>1</sup>	4,851	4,930	4,151
<b>Proportionate Total Assets<sup>3</sup></b>		<b>6,178</b>	<b>6,082</b>	<b>6,024</b>
<b>Corporate Total Assets (less Corporate Net Cash and Performance Fees)</b>		<b>8</b>	<b>(38)</b>	<b>21</b>
<b>Proportionate Total Assets (incl. Corp. Total Assets)</b>		<b>6,186</b>	<b>6,044</b>	<b>5,990</b>
<b>Proportionate Gearing<sup>4</sup></b>		<b>65.1%</b>	<b>68.7%</b>	<b>65.8%</b>

1. AUD/USD FX rates have been used: 0.8068 as at 30 June 2009, 0.95817 as at 30 June 2008

2. Senior debt includes capitalised borrowing costs and excludes shareholder debt

3. Proportionate total assets exclude cash

4. Gearing is total net debt divided by proportionate total assets

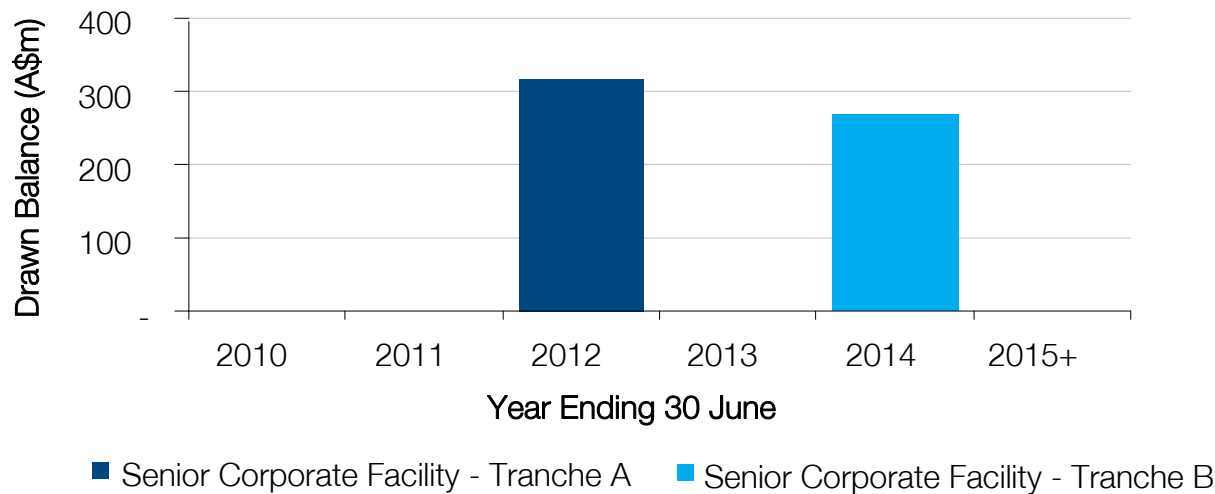
# DUET Parent Debt

## Well Positioned for Future



- ❖ DUET has a A\$685m senior debt facility which was established to redeem POWERS in September 2008 including a \$100m working capital facility (currently undrawn)
- ❖ This \$585m senior debt has been on-lent to DUET's assets as Subordinated Debt (known as SOLA)
- ❖ As at 30 June 2009, ICR of 6.59x (vs. covenant of <2.25x), Gearing of 11.74x (vs. covenant of <2.00x)

**DUET Senior Debt Maturity Profile<sup>1</sup>**



<sup>1</sup> Excludes the MTM value of DUET's US\$300m cross currency FX Swap to hedge our investment in Duquesne

# Reconciliation of Statutory Accounts

## Proportionate Net Debt to Statutory Net Debt



Reconciliation of Net Debt (\$million)	DBP	DQE	UED	MGH	WAGN	Corporate	Total
Interest Bearing Liabilities	2,348.2	-	1,485.6	902.0	-	573.6	5,309.4
Add: Capitalised borrowing costs	42.5	-	2.4	1.7	-	7.7	54.3
Statutory Cash on Hand	(88.3)	-	(27.0)	(52.3)	-	(421.1)	(588.7)
<b>DUET Group - Statutory Net Debt</b>	<b>2,302.4</b>	<b>-</b>	<b>1,461.0</b>	<b>851.4</b>	<b>-</b>	<b>160.2</b>	<b>4,775.0</b>
Less:							
Associate's shareholder loans	-	(861.5) <sup>2</sup>	-	-	(79.8)	-	(941.3)
Associate's cash on hand	-	(43.6) <sup>2</sup>	-	-	(11.2)	-	(54.8)
United Energy US\$ Bonds adjustment	-	-	(32.9) <sup>1</sup>	-	-	-	(32.9)
Minority interest's share of debt not eliminated on consolidation	-	-	(127.0)	-	-	-	(127.0)
Add:							
Associate's debt	-	3,307.6 <sup>2</sup>	-	-	684.3	-	3,991.9
Distribution payable	-	-	-	-	-	84.7	84.7
Effective interest rate calculation on statutory debt	-	-	-	8.9	-	3.7	12.6
<b>DUET Group - Net debt</b>	<b>2,302.4</b>	<b>2,402.6</b>	<b>1,301.2</b>	<b>860.3</b>	<b>593.3</b>	<b>248.6</b>	<b>7,708.3</b>
<b>DUET Proportionate Net Debt</b>	<b>1,381.4</b>	<b>696.8</b>	<b>858.8</b>	<b>687.4</b>	<b>153.7</b>	<b>248.6</b>	<b>4,026.6</b>

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: 0.8068 as at 30 June 2009, 0.9582 as at 30 June 2008

# Reconciliation of Statutory Accounts

## Proportionate Earnings to Income Statement



Reconciliation of Earnings (\$million)	DBP	DQE	UED	MGH	WAGN	Corporate	Total
Net result attributable to stapled security holders per Financial Statements	32.2	(86.2)	1.6	(1.4)	4.7	(13.2)	(62.3)
Add / (Less):							
WANH (associate) SOLA interest in Corporate result	-	-	-	-	-	(6.5)	(6.5)
DQE (associate) P-Note interest in Corporate result	-	-	-	-	-	(36.2)	(36.2)
Depreciation and amortisation	58.1	35.0	80.3	30.5	6.3	-	210.2
Fair value revaluation movements	2.8	136.8	9.0	21.5	-	4.7	174.7
Goodwill adjustment	23.3	-	-	-	-	-	23.3
FX Gains	-	-	-	-	-	(24.5)	(24.5)
RPS/shareholder loan adjustment	-	35.5	52.0	-	-	(52.0)	35.5
SOLA interest adjustment	-	-	-	-	1.7	51.9	53.6
Other	3.6	0.4	4.2	0.9	(1.7)	10.1	17.4
Income tax expense / (benefit)	0.2	-	(0.5)	-	-	-	(0.3)
<b>Adjusted net result</b>	<b>120.3</b>	<b>79.0</b>	<b>146.6</b>	<b>51.4</b>	<b>11.0</b>	<b>(11.0)</b>	<b>397.1</b>
<b>DUET's share</b>	<b>75.8</b>	<b>79.0</b>	<b>96.7</b>	<b>41.1</b>	<b>11.0</b>	<b>(11.0)</b>	<b>292.5</b>
Asset maintenance capital expenditure	(12.2)	(36.8)	(35.4)	(7.9)	(1.9)	-	(94.2)
Benefit from limited partners interest	-	(3.0)	-	-	-	-	(3.0)
Realised gains / (losses) on FX hedge	-	-	-	-	-	(2.7)	(2.7)
<b>Proportionate earnings per MIR</b>	<b>63.6</b>	<b>39.2</b>	<b>61.3</b>	<b>33.2</b>	<b>9.1</b>	<b>(13.7)</b>	<b>192.7</b>

# Asset EBITDA and Net Interest Expense

## Reconciliation from MIR to Income Statement (per DAIP)



Reconciliation of EBITDA and Net Interest Expense (\$million)	DBP (A\$)	DQE (US\$)	UED (A\$)	MGH (A\$)	WAGN (A\$)	Total (A\$)
<b>EBITDA per DAIP</b>	<b>274.1</b>	<b>84.3</b>	<b>251.6</b>	<b>137.0</b>	<b>91.5</b>	
Add/(Less): Unrealised FX Gains/Losses	(0.3)	-	-	-	-	
Add/(Less): Unrealised Revenue Hedge MTM	-	-	-	(3.4)	-	
Add/(Less): Unrealised Power Hedged MTM	-	291.4	-	-	-	
Add/(Less): Investment & Other Income	-	2.9	-	-	-	
<b>EBITDAF per MIR</b>	<b>273.8</b>	<b>378.6</b>	<b>251.6</b>	<b>133.6</b>	<b>91.5</b>	
<b>Proportionate EBITDAF per MIR (A\$)</b>	<b>172.4</b>	<b>146.6<sup>1</sup></b>	<b>166.0</b>	<b>106.7</b>	<b>23.7</b>	<b>615.5</b>
<b>Total Borrowing Costs per DAIP</b>	<b>162.2</b>	<b>280.7</b>	<b>169.6</b>	<b>106.6</b>	<b>43.2</b>	
Less: SOLA Interest	(13.4)	-	(16.5)	(12.7)	(6.4)	
Less: Interest Rate Hedge on SOLA	(2.3)	-	(0.6)	(1.9)	-	
Less: RPS Interest	-	-	(48.6)	-	-	
Less: Shareholder Loan Interest	-	(91.6)	(3.4)	-	-	
Less: Interest Rate Hedge – Fair Value Movement	(2.8)	(61.7)	(9.0)	(21.5)	-	
Less: Amortisation of Capitalised Borrowing Costs	(4.1)	(7.3)	(2.7)	(1.8)	-	
Add/(Less): Interest Income and Other	(1.9)	2.9	(1.0)	(1.1)	(0.4)	
Less: Unrealised FX Losses	-	-	(0.3)	-	-	
<b>Net Interest Expense per MIR</b>	<b>137.7</b>	<b>123.0</b>	<b>87.5</b>	<b>67.6</b>	<b>36.4</b>	
<b>Proportionate Net Interest Expense per MIR (A\$)</b>	<b>86.7</b>	<b>47.6<sup>1</sup></b>	<b>57.7</b>	<b>54.0</b>	<b>9.5</b>	<b>255.7</b>

1. Duquesne EBITDAF and Net Interest Expense have been converted to A\$ at the average FY2009 AUD/USD FX rate of 0.7476

# Reconciliation of Maintenance Capex

## Maintenance Capex to Regulatory Depreciation



Maintenance capex is the capital expenditure required to maintain the current condition of an asset. For calculating proportionate earnings, DUET uses maintenance capex to reflect the charge against the cashflows of a business to reflect the ongoing costs 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

\$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)

1: 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 YE 30 September.

2: 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 Economic Regulatory Authority (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, 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 Tariff's that are independent of the regulatory framework until 2016. Accordingly, the measure of Regulatory Depreciation is not directly applicable until that time.

# APPENDIX – About DUET



# About DUET Assets



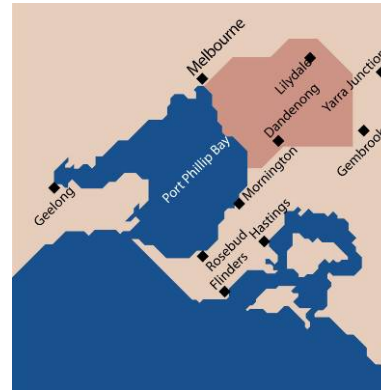
Dampier Bunbury Pipeline (60.0%)



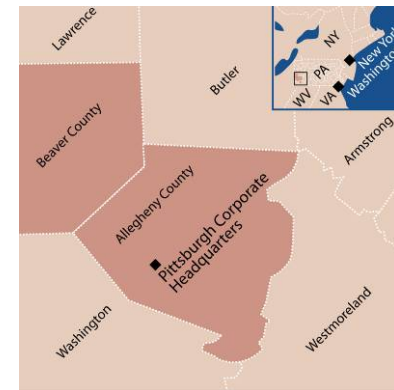
United Energy (66.0%)



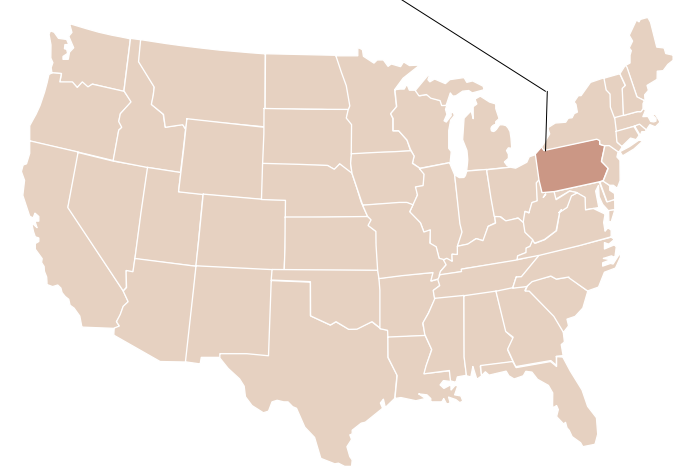
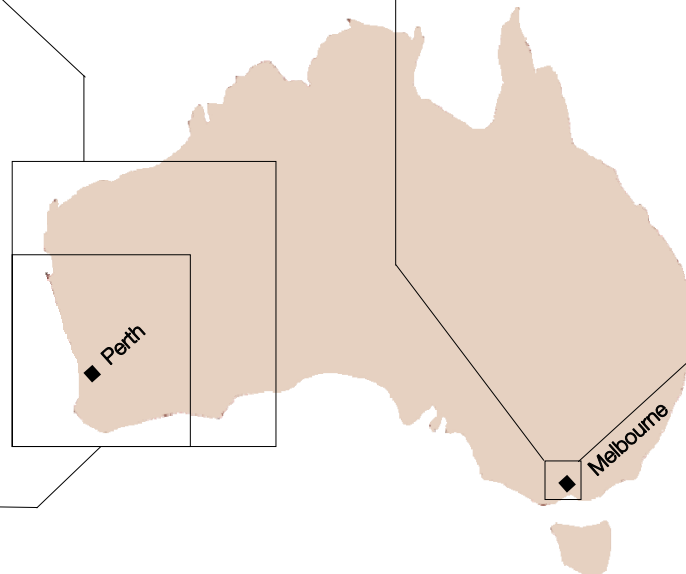
Multinet (79.9%)



Duquesne (29.0%)<sup>1</sup>



WA Gas Networks (25.9%)



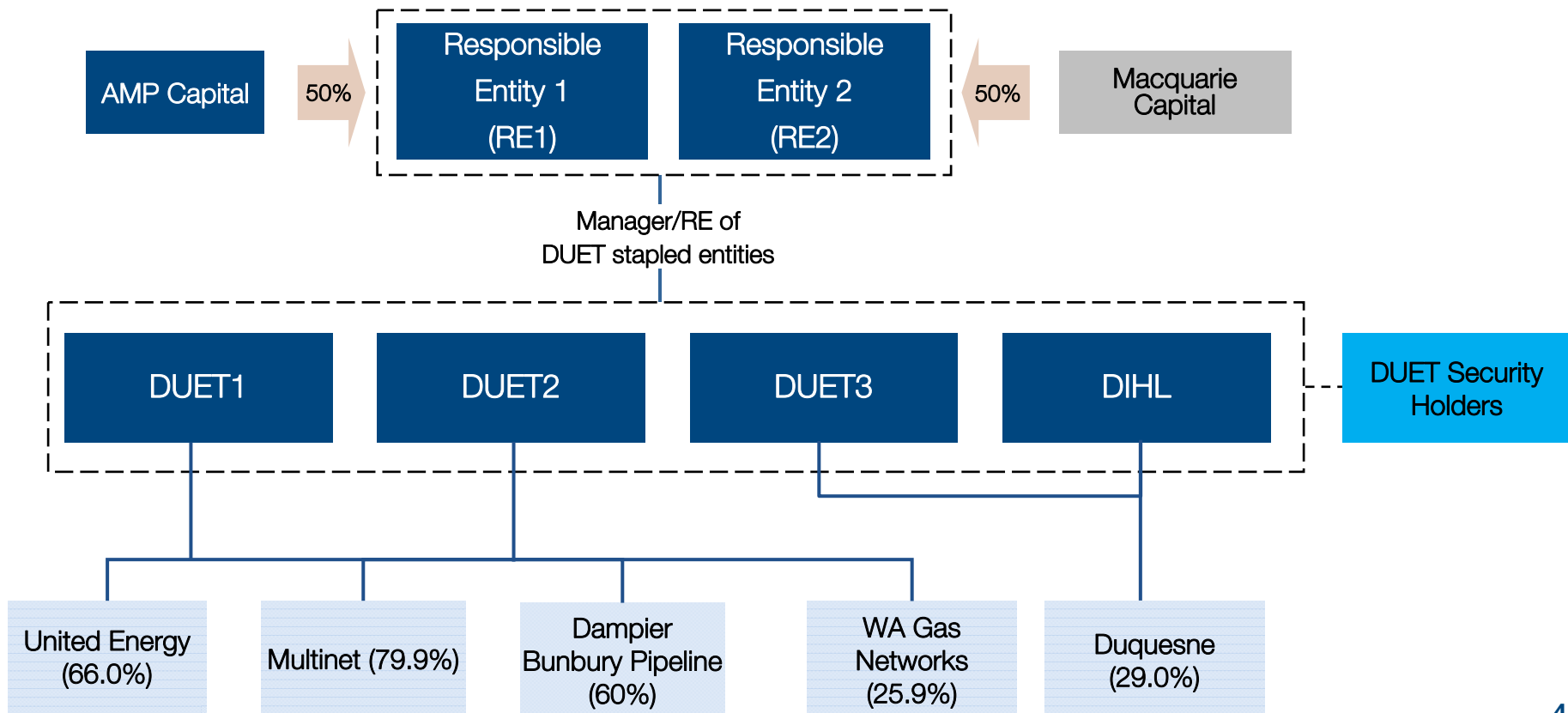
1. DUET's 29% interest in Duquesne Light is held through DQE Holdings LLC. The co-investment arrangements include pre-emption and tag-along and drag-along rights in favour of each other equity owner, including rights which are triggered on a change of control (including if RE1 or RE2 is removed or replaced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

# About DUET

## Simplified Structure



- ❖ DUET is an ASX-listed owner of energy utility assets, managed jointly by Macquarie Group and AMP Capital Investors
- ❖ Diversified across energy source and geographic region
- ❖ Stapled security comprises 1 unit in each of DUET1, DUET2 and DUET3, and 1 share in DIHL



# About DUET

## Management Fees<sup>1</sup>

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### Base Fee<sup>1</sup>

- ❖ 1% pa of market capitalisation adjusted for commitments, borrowings and cash, paid quarterly in arrears
- ❖ Comparable to or towards the low end of the range of equivalent investment funds

### Performance Fee<sup>1</sup>

- ❖ 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)

<sup>1</sup> Refer to DUET Website [www.duet.net.au](http://www.duet.net.au) and 2008 Annual Report (remuneration report) for further explanation of fees

<sup>2</sup> Benchmarked against external market fees