FY2010 Interim Results Presentation

19 February 2010

Mr Peter Barry

Chief Executive Officer

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Agenda

- Performance summary
- Asset performance
  - Dampier Bunbury Pipeline
  - United Energy
  - Duquesne Light
  - Multinet
  - WA Gas Networks
- DUET Parent performance
- Outlook
- Questions
- Appendices

Proportionate earnings

133% interim distribution coverage

Proportionate Performance				
$millions (unless otherwise stated)	H1/2010	H1/2009 Pro-forma [1]	H1/2009 Actual [1]	% Variance
EBITDA				
DBP	89.4	79.3	85.3	13
UED	81.0	82.0	82.0	(1)
DQE	58.2	63.7	71.1	(9)
MGH	62.2	58.6	58.6	6
WAGN	14.1	13.3	13.3	7
EBITDA	304.9	297.0	310.3	3 [2]
Maintenance capex	(44.2)		(45.9)	(4)
Net external interest expense	(130.0)		(129.1)	1
SOLA interest expense	(16.6)		(17.2)	(4)
Net tax expense	(1.5)		(15.8)	(90)
Earnings (pre-corporate items)	112.7		102.3	10
Net interest income	9.2		7.5	22
SOLA interest income	17.6		27.2	(35)
Corporate interest expense (incl. POWERS hybrid)	(16.5)		(28.3)	(42)
Corporate expenses	(11.3)		(12.8)	(12)
Net tax expense	-		(1.2)	Nm
Realised gain/(loss) on FX hedge contracts	2.2		2.9	(24)
Proportionate Earnings	113.8		97.6	17
Proportionate Earnings (cpss)	13.3		15.5	(14)
Distribution Paid (cpss)	10.0		14.125	(29)
Proportionate Earnings coverage of distribution paid (%)	133%		110%	Nm
Gearing (%) [Net Debt/Total Assets] [3]	66.6%	68.4%	67.4%	(2) [2]

1. As per DUET MIR
2. Based on the comparison between actual H12010 and like-for-like (pro-forma) H12009 results
3. As part of DUET Group's de-gearing initiatives, in December 2009 DUET closed out each of its US$300 million cross currency interest rate swap and $310 million Australian interest rate swap prior to their maturity date of 29 August 2011 at a net total cost of $3.5 million. This action principally eliminated DUET's potential future cross-currency interest rate swap principal settlement obligations

Asset EBITDA

Portfolio diversity provided a hedge for the Group's performance

Asset EBITDA (100%)

dbp	United Energy Distribution	Duquesne Light	Multinet Gas	WAGAS Networks
$149m +13% on pcp[1]	$123m -1% on pcp[1]	US$175m -9% on pcp[1]	$78m +6% on pcp[1]	$55m +7% on pcp[1]
❖ Full period contribution of the Stage 5A expansion project ❖ $3.3m increase in opex from one-offs	❖ $2.5m consulting fees booked to opex for regulatory reset submission ❖ Smart meter revenue pick-up expected during CY2010	❖ 3% lower revenue, higher labour-related costs (3% EBITDA impact) and non-cash site restoration actuarial adjustment (3% EBITDA impact)	❖ Increase in average tariff driven by CPI	❖ Continued growth in connections ❖ Increase in average tariff driven by CPI

1 pcp represents pro-forma results for the 6 months to 31 December 2008

Statutory Result

18% increase in Net Result before significant non-cash items

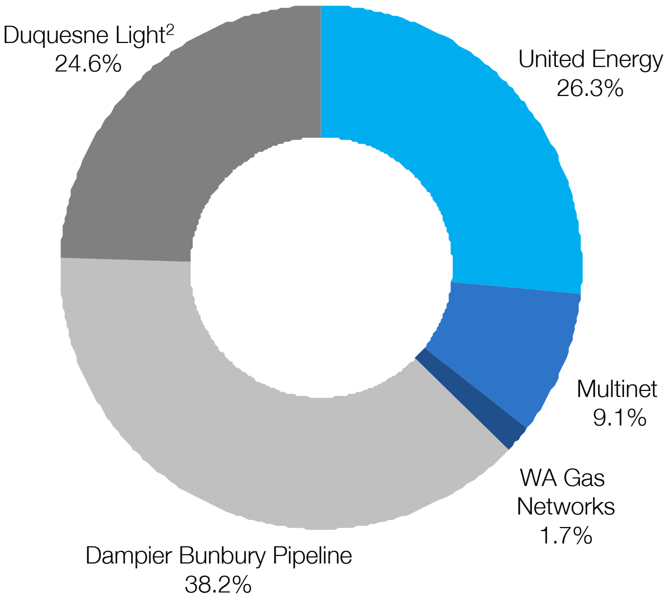
Statutory Net Result			
$millions	H1/2010	H1/2009	% Variance
Operating Revenue	513.8	470.9	9
EBITDA	336.2	306.6	10
Depreciation	(80.9)	(79.2)	2
Amortisation	(5.5)	(5.1)	7
EBIT	249.8	222.3	12
Profit from associates	8.1	(1.1)	Nm
Net interest expense	(179.6)	(151.6)	18
Tax expense	1.2	(2.0)	Nm
Net Result after Tax before significant non-cash items	79.5	67.6	18
Consolidated MTM derivatives profit/(loss)	15.1	(88.7)	
Duquesne Light MTM derivatives profit/(loss)	7.5	(76.3)	
Duquesne amortisation of FV asset on acquisition	(2.3)	-	
Duquesne Light pension deficit	(5.3)	(45.8)	
Net Result after Tax before Non-controlling interests	94.5	(143.2)	
Net Result after Tax attributable to Non-controlling interests	(13.8)	(3.4)	
Net Result after Tax	80.7	(146.6)	

Asset performance

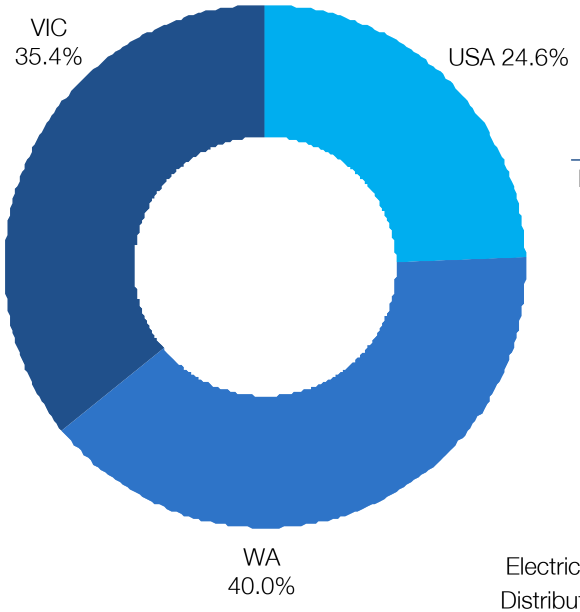
Diversified asset portfolio

Diversification provided by investment, geographic and energy mix

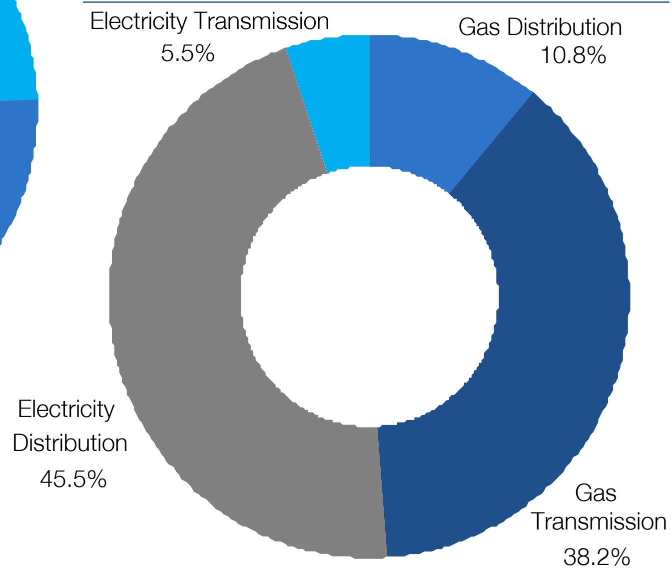
Investment Mix[1]



Geographic Mix[1]



Energy Mix[1]



1 Based on DUET Group's 31 December 2009 MIR carrying values for Investments adjusted for equity commitments

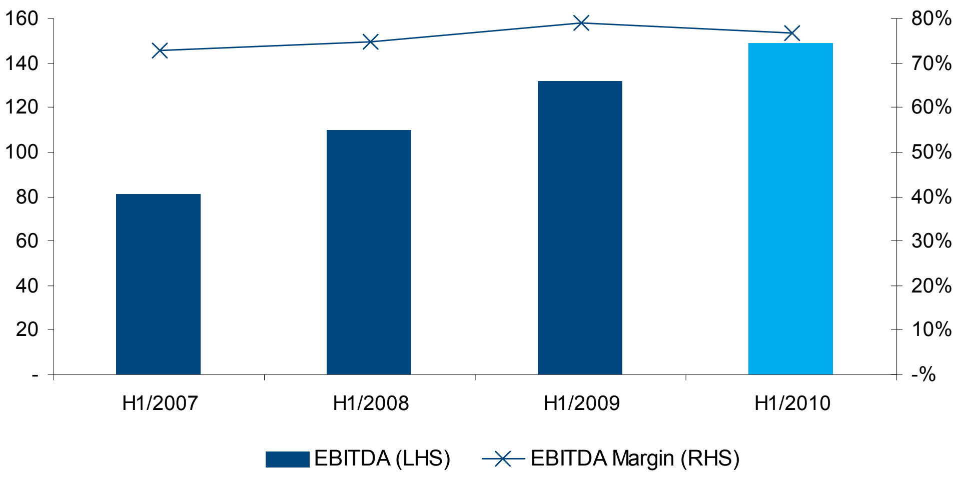
2 DUET's 29% interest in Duquesne Light is held through DQE Holdings LLC. The co-investment arrangements include pre-emption and tag-along and drag-along rights in favour of each other equity owner, including rights which are triggered on a change of control (Including if RE1 or RE2 is removed or replaced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

Dampier Bunbury Pipeline
FY2010 interim results

- Revenue up 16%
- EBITDA up 13%
- EBITDA margin down 2.2%
  - $2.4m increase in easement charges accrued (not paid, in dispute)
  - $0.4m increase in legal costs to be recovered in legal settlement
  - $0.5m receivables write-down
- RAB up 14%
- Stage 5A project fully commissioned in November 2008
- Stage 5B project to expand firm full haul capacity by approx. 14%: to be operationally complete in April 2010

Half Year Financial Highlights[1]			
$millions	H1/2010	H1/2009	% Variance
Revenue	194	167	16
EBITDA	149	132	13
EBITDA Margin	77%	79%	(2)
RAB[2]	3,379	2,961	14
Throughput (PJ)	161	135	20

EBITDA ($millions) and EBITDA margin



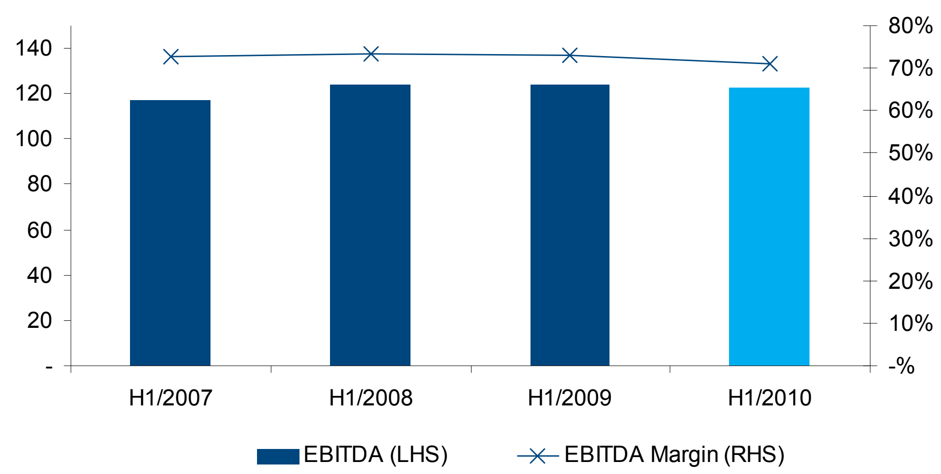
1 100% of Dampier Bunbury Pipeline results per DUET MIR
2 RAB is based on management's calculations

United Energy
FY2010 interim results

- Revenue up 2%
- EBITDA steady
- EBITDA margin down 2.3%
  - $2.5m regulatory reset consulting costs
- RAB up 11%

Half Year Financial Highlights[1]			
$millions	H1/2010	H1/2009	% Variance
Revenue	173	170	2
EBITDA	123	124	(1)
EBITDA Margin	71%	73%	(2)
RAB[2]	1,473	1,321	11
Load (GWh)	4,062	3,997	2

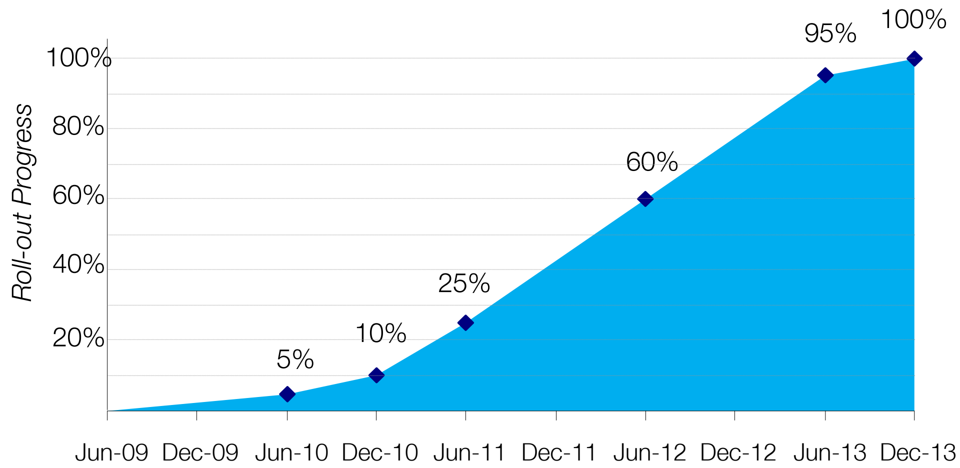
EBITDA ($millions) and EBITDA margin



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

United Energy
Smart Meter project update

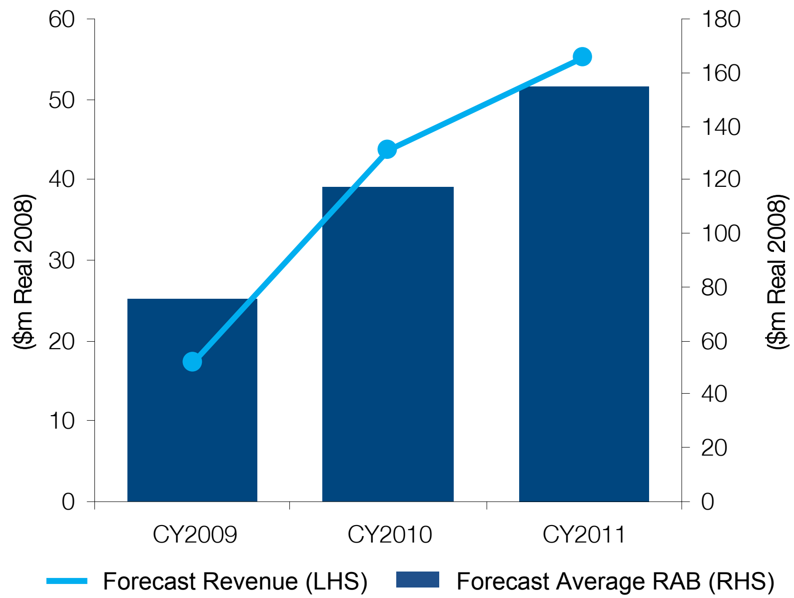
- $345m project to roll out 650,000 meters to Victorian customers
- Approx. 12,600 meters installed as at 31 December 2009
- Regulatory parameters set to January 2014
- Data systems targeted to go 'live' mid-2010



Smart Meter Revenue

- Metering revenue is forecast to increase to $44m in CY2010 to allow for recovery of capex spent

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 DUET

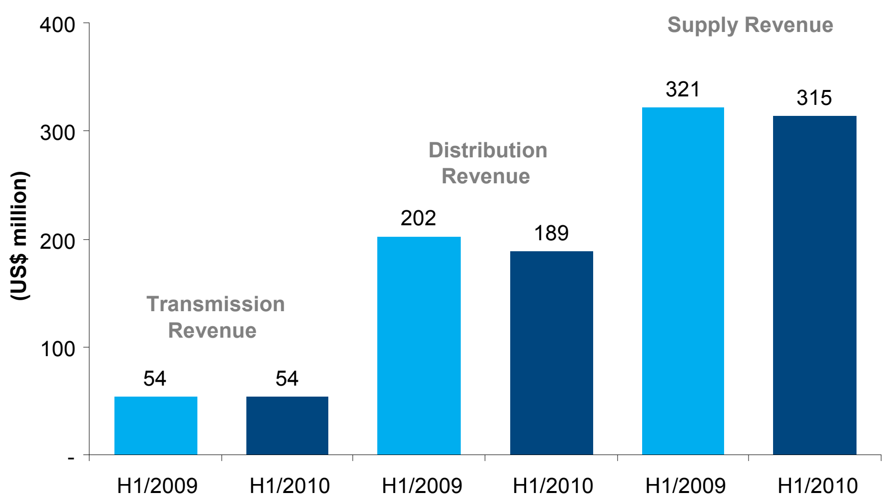
Duquesne Light

FY2010 interim results

- Revenue down 3% due to lower volumes
  - Mild weather
  - Subdued local economy
- EBITDA down 9%
  - 3% impact from higher labour-related costs including filling some positions which had been vacant
  - 3% due to a site restoration actuarial adjustment booked to opex (non-cash)
- EBITDA margin down 1.8% due to higher costs detailed above

Half Year Financial Highlights[1]			
US$millions	H1/2010	H1/2009	% Variance
Revenue	558	577	(3)
EBITDA	175	192	(9)
EBITDA Margin	31%	33%	(2)
Sales ('000 MWh's)			
Residential	2,023	2,109	(4)
Commercial and lighting	3,359	3,417	(2)
Industrial	1,290	1,447	(11)
Total Sales ('000 MWh's)	6,672	6,973	(4)

Duquesne Light Segmental Revenue



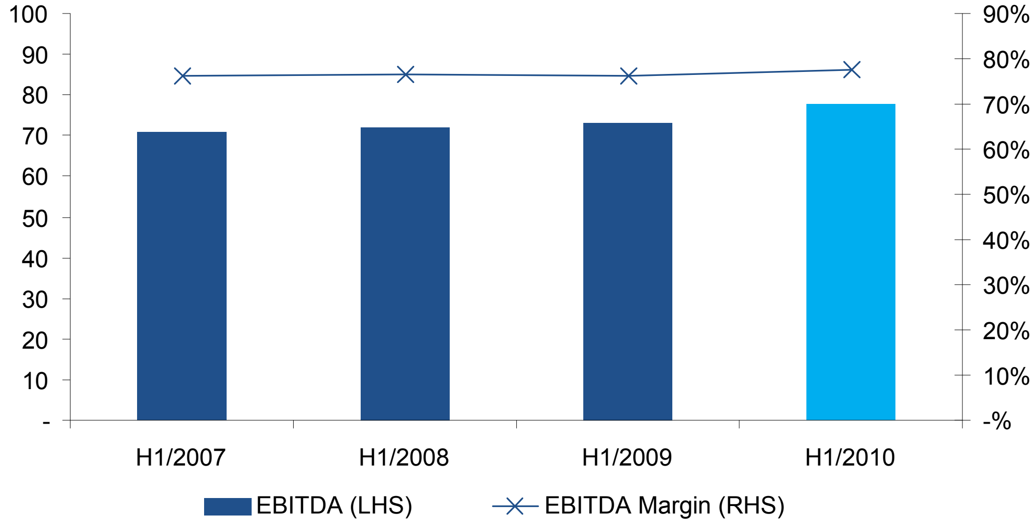
1 100% of Duquesne results as per DUET MIR

Multinet
FY2010 interim results

- Revenue up 5%
  - 5% increase in the average tariff driven by CPI of 5%, X-Factor 0%
- EBITDA up 6%
- EBITDA margin up 1%
- RAB up 3%
- South Gippsland natural gas extension project complete at 31 December 2009

Half Year Financial Highlights[1]			
$millions	H1/2010	H1/2009	% Variance
Revenue	100	96	5
EBITDA	78	73	6
EBITDA Margin	78%	77%	1
RAB[2]	957	932	3
Throughput (TJ)	31,861	32,918	(3)

EBITDA ($millions) and EBITDA margin

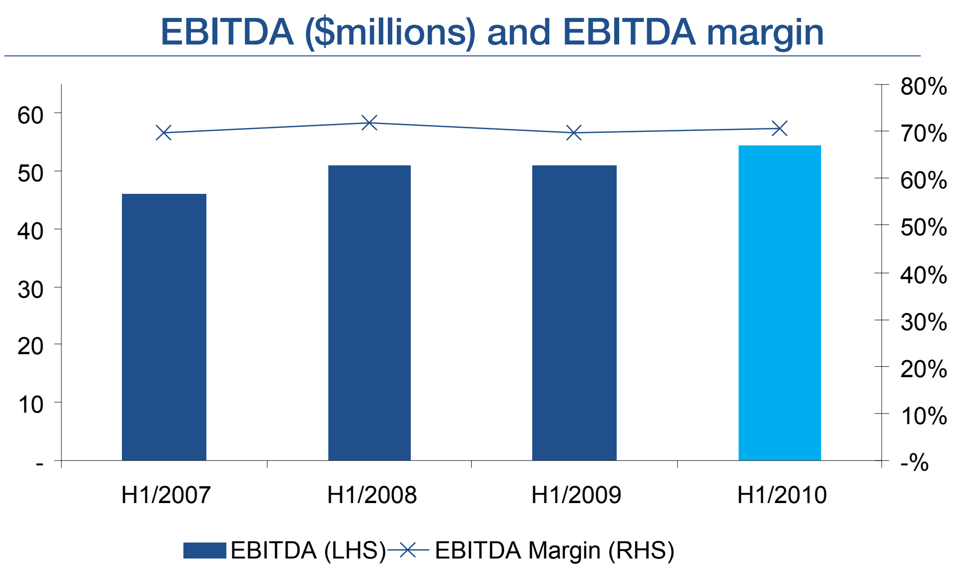


1 100% of Multinet results as per DUET MIR
2 RAB is based on management's calculations

WA Gas Networks
FY2010 interim results

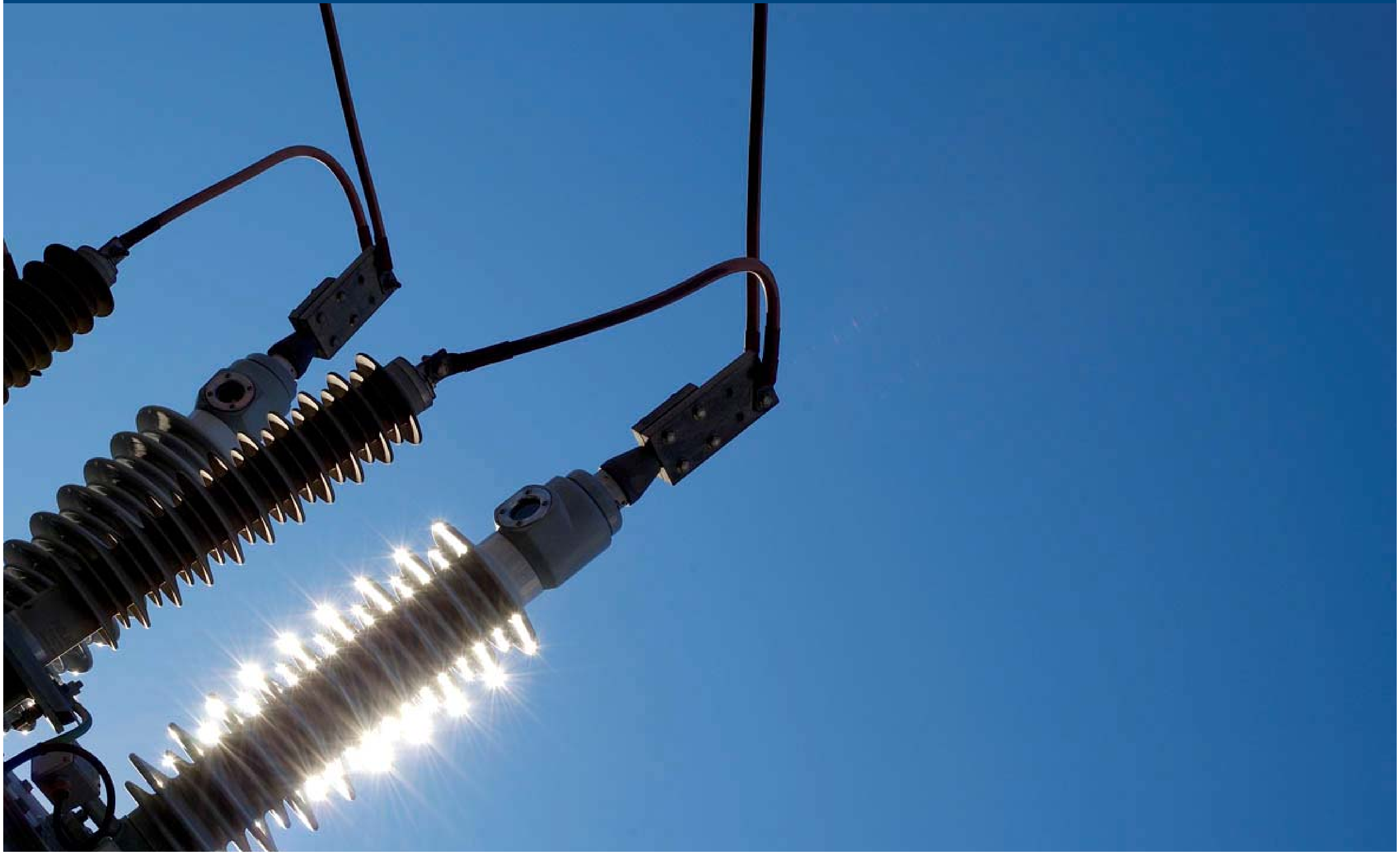
- Revenue up 6%
- EBITDA up 7%
- Connections up 3%

Half Year Financial Highlights[1]			
$millions	H1/2010	H1/2009	% Variance
Revenue	77	73	6
EBITDA	55	51	7
EBITDA Margin	71%	70%	1
Connections	618,834	602,821	3
Throughput (TJ)	15,084	15,176	(1)



1 100% of WA Gas Networks results per DUET MIR

DUET Parent performance



Parent unconsolidated cash flows

$299m of cash assets at 31 December 2009

Unconsolidated Cash Flows	H1/2010 $'000	H1/2009 $'000	% Variance
Cash flows from assets (excluding SOLA) [1]	102,446	104,179	(2)
SOLA interest income	17,256	31,740	(46)
Total cash flows from assets	119,702	135,919	(12)
Other income & Interest received on surplus cash	11,785	8,103	45
Operating expenses paid (inclusive of GST)	(11,325)	(13,109)	(14)
Tax paid	(472)	-	Nm
Net cash flows from assets and operations	119,690	130,913	(9)
Further investment in energy utility assets	(154,436)	(14,637)	Nm
Net cash flows from investing activities	(154,436)	(14,637)	Nm
Borrowing from DUET Senior Facility	-	585,000	Nm
Repayment of POWERS	-	(564,220)	Nm
Borrowing costs paid [2]	(21,554)	(45,855)	(53)
Distributions paid to DUET Group security holders (net of DRP)	(65,300)	(63,392)	3
Other financing costs	(120)	-	Nm
Net cash flows from financing activities	(86,974)	(88,467)	(2)
Net (decrease) / increase in cash assets held	(121,720)	27,809	Nm
Cash assets at the beginning of the half year	421,058	179,863	Nm
Exchange rate movements	(124)	-	Nm
Cash assets at the end of the half year	299,214	207,672	44

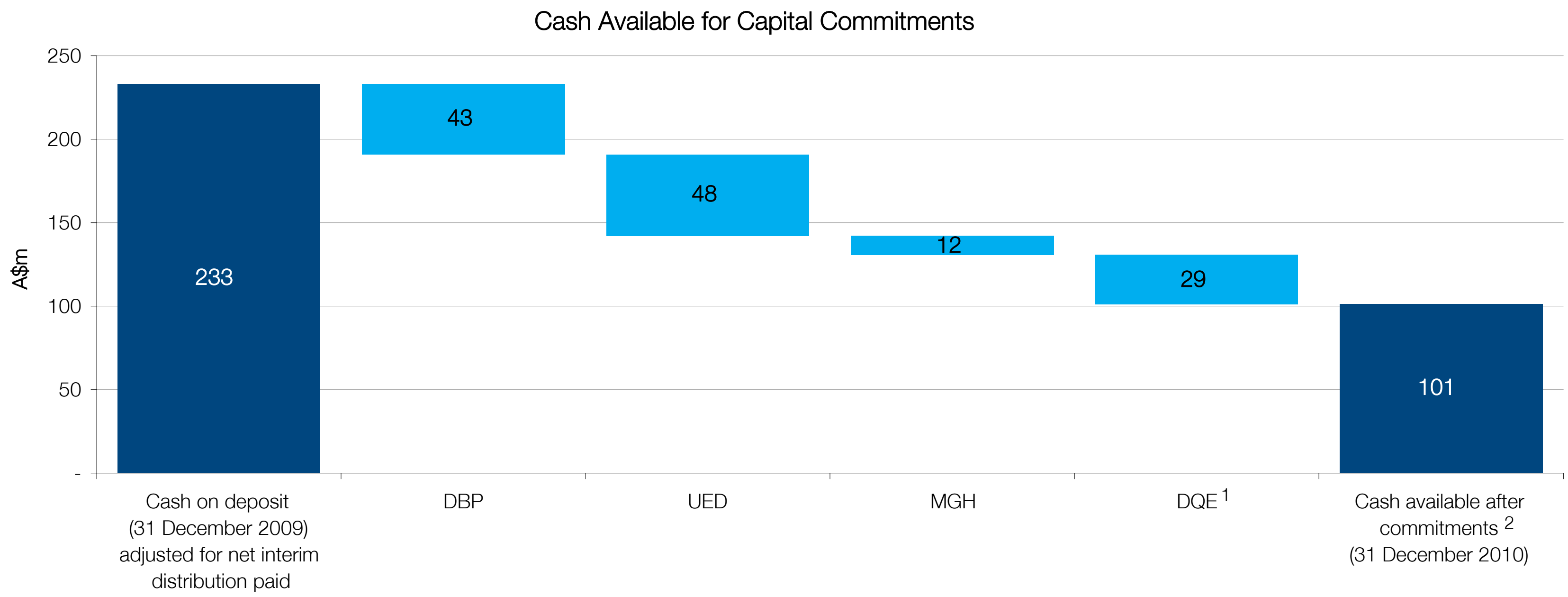
1 Distributions from Multinet were $11.26 million lower due to a change in timing of distributions (half yearly distributions for the current period compared to a single full year dividend received in December 2008 for the pcp).

2 The pcp included the payment of $16 million in POWERS refinancing fees.

Outlook

Focus on managing our capital to support growth

- Invest in organic growth opportunities
  - Dampier Bunbury Pipeline – Stage 5B expansion
  - United Energy – Smart Meter roll-out and other network growth
  - Duquesne Light – Distribution and transmission network growth
  - Multinet – Pipeworks programme
  - WA Gas Networks – Connection growth and network expansion



1 AUD/USD FX rate of 0.8992 applied
2 $100m revolving standby debt facility is available to DUET and was undrawn as at 31 December 2009.

Questions

Appendices

Statutory Balance Sheet

DUET Group Balance Sheet ($million)	As at 31-Dec-09	As at 30-Jun-09	% Variance
Cash Assets	491	589	(17)
Other Current Assets	136	135	1
PP & E	5,087	4,836	5
Intangible Assets	2,006	1,972	2
Other Non-Current Assets	469	418	12
Total Assets	8,189	7,950	3
Interest Bearing Liabilities	5,481	5,309	3
Current Liabilities	339	318	7
Other Non-Current Liabilities	848	883	(4)
Total Liabilities	6,668	6,510	2
Net Assets	1,521	1,440	6
Total Equity	1,521	1,440	6

Statutory Cash Flow Statement

DUET Group Cash Flow Statement ($million)	H1/2010	H1/2009	% Variance
Net cash flows from operations	387	383	1
Acquisition cash flows	(87)	-	Nm
Payments for purchase of PP&E	(360)	(200)	80
Proceeds from asset sales	1	1	-
Net cash flows from investing	(446)	(199)	124
Cash flows from capital raising	30	24	27
Borrowing (net of repayments)	217	98	120
Borrowing costs paid	(193)	(209)	(8)
Dividends & Distributions paid	(92)	(86)	7
Net cash flow from financing	(38)	(173)	(78)
Net increase in cash	(97)	11	Nm

Proportionate gearing

Proportionate Net Debt and Total Assets ($million)		As at 31-Dec-09	Pro-forma As at 31-Dec-08	As at 31-Dec-08
DUET's Ownership Interest	Dampier Bunbury Pipeline	60.0%	60.0%	63.2%
	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[1]	29.0%	29.0%	29.0%
Senior Debt[2]	Dampier Bunbury Pipeline	(1,525)	(1,325)	(1,396)
	United Energy[3]	(992)	(916)	(916)
	Multinet Gas	(693)	(692)	(692)
	WA Gas Networks	(158)	(154)	(154)
	Duquesne[1]	(636)	(647)	(822)
Proportionate Senior Debt		(4,005)	(3,732)	(3,979)
Cash	Dampier Bunbury Pipeline	69	44	46
	United Energy	25	7	7
	Multinet Gas	31	19	19
	WA Gas Networks	3	1	1
	Duquesne[1]	78	23	30
Proportionate Cash		206	94	103
Corporate Net Cash (Cash less distribution payable)		213	119	119
Hybrid Capital / Corporate Debt		(585)	(585)	(585)
Total Net Debt		(4,171)	(4,104)	(4,342)
Total Assets	Dampier Bunbury Pipeline	2,192	1,992	2,098
	United Energy	1,503	1,478	1,478
	Multinet Gas	1,035	1,033	1,033
	WA Gas Networks	233	230	230
	Duquesne[1]	1,296	1,251	1,590
Proportionate Total Assets[4]		6,259	5,983	6,429
Corporate Total Assets (less Corporate Net Cash and Performance Fees)		6	15	15
Proportionate Total Assets (incl. Corp. Total Assets)		6,265	5,998	6,444
Proportionate Gearing[5]		66.6%	68.4%	67.4%

1. AUD/USD FX rates have been used: 0.8992 as at 31 December 2009, 0.7074 as at 31 December 2008
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 31-Dec-08 and Pro-forma 31-Dec-08 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

Group debt facility maturities

FY	Asset	Maturity Date	Debt Type	Facility Limits (A$m)[1]
	MGH	16-Apr-10	Working Capital Facility	20
	DBP	16-May-10	Working Capital Facility	20
FY10 Total				40
	WAGN	16-Sep-10	Working Capital Facility	20
	WAGN	22-Sep-10	Notes	200
	UED	16-Dec-10	Working Capital Facility	25
	UED	15-Apr-11	Notes[2]	363
	DBP	11-May-11	Bank Debt incl. Capex Facility	482
	UED	16-Jun-11	Bank Debt incl. Capex Facility	450
	DBP	30-Jun-11	Capex Facility (Stage 5B)	340
FY11 Total				1,880
	MGH	29-Jul-11	Notes	250
	DBP	17-Aug-11	Capex Facility (Stage 5A2)	190
	DUET	29-Aug-11	Bank Debt	417
	DQE	01-Sep-11	Notes	53
	DQE	01-Sep-11	Bank Debt	105
	WAGN	17-Sep-11	Bank Debt incl. Capex Facility	175
	DQE	15-Apr-12	Notes	222
	MGH	16-Apr-12	Bank Debt	100
	DBP	25-Apr-12	Notes	275
	DQE	31-May-12	Bank Debt	1,429
	DBP	03-Jun-12	Bank Debt	253
	MGH	22-Jun-12	Bank Debt incl. Capex Facility	335
FY12 Total				3,805

1. Duquesne debt facility limits have been converted to A$ at the 31 December 2009 AUD/USD FX rate of 0.8992
2. United Energy US$ Denominated Debt has been shown at the hedged AUD/USD exchange rate

Reconciliation of Statutory Accounts
Proportionate Net Debt to Statutory Net Debt

Reconciliation of Net Debt (A$million)	DBP	UED	MGH	WAGN	DQE	Corporate	Total
Interest Bearing Liabilities	2,504.3	1,532.9	859.2	-	-	584.4	5,480.8
Add: Capitalised borrowing costs	38.3	15.0	9.9	-	-	2.3	65.5
Statutory Cash on Hand	(114.8)	(38.0)	(39.1)	-	-	(299.2)	(491.1)
DUET Group - Statutory Net Debt	2,427.8	1,509.9	830.0	-	-	287.5	5,055.2
Less:							
Associate's shareholder loans	-	-	-	(79.8)	(772.9)[2]	-	(852.7)
Associate's cash on hand	-	-	-	(10.5)	(267.9)[2]	-	(278.4)
Minority interest's share of debt not eliminated on consolidation	-	(145.5)	-	-	-	-	(145.5)
Amortised cost adjustment	(0.3)	-	(1.6)	-	-	(1.7)	(3.6)
Add:							
United Energy US$ Bonds adjustment	-	101.0[1]	-	-	-	-	101.0
Associate's debt	-	-	-	690.9	2,968.6[2]	-	3,659.5
Distribution payable	-	-	-	-	-	85.9	85.9
DUET Group - Net debt	2,427.5	1,465.4	828.4	600.6	1,927.8	371.7	7,621.4
DUET Proportionate Net Debt	1,456.5	967.2	661.9	155.6	558.1	371.7	4,171.0

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: 0.8992 as at 31 December 2009

Reconciliation of Statutory Accounts

Reconciliation of DUET EBITDA to profit before income tax expense

Reconciliation of Earnings (A$million)	DBP	UED	MGH	WAGN	DQE	Corporate	Total
Proportionate EBITDA	89.4	81.0	62.2	14.1	58.2	-	304.9
Additional EBITDA from controlled assets [1]	59.7	40.5	14.7	-	-	-	114.9
Exclude non-controlled assets [2]	-	-	-	(14.1)	(58.2)	-	(72.3)
Corporate income	-	-	-	-	-	0.2	0.2
Corporate expenses	-	-	-	-	-	(11.5)	(11.5)
EBITDA (excl. equity accounted profits)							336.2
Equity accounted profits [2]	-	-	-	3.9	4.3	-	8.2
Consolidated EBITDA							344.4
Controlled Assets							
Interest income	1.2	0.3	0.3	-	-	-	1.8
Depreciation and amortisation	(31.9)	(39.3)	(15.3)	-	-	-	(86.4)
Finance costs	(86.2)	(60.5)	(38.4)	-	-	-	(185.1)
Changes in fair value of derivatives	(5.3)	2.1	2.0	-	-	-	(1.2)
Non-controlled Assets							
Change in fair value of derivatives	-	-	-	-	7.5	-	7.5
Change in defined benefit pension plan	-	-	-	-	(5.3)	-	(5.3)
Amortisation of FV asset on acquisition	-	-	-	-	(2.4)	-	(2.4)
Corporate							
Interest income	-	-	-	-	-	26.8	26.8
Finance costs	-	-	-	-	-	(23.2)	(23.2)
Changes in fair value of derivatives	-	-	-	-	-	(23.4)	(23.4)
Net foreign exchange gains/(losses)	-	-	-	-	-	39.7	39.7
Profit before income tax expense							93.3

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

Asset EBITDA and Net Interest Expense

Reconciliation from MIR to Income Statement (per DAIP)

Reconciliation of EBITDA and Net Interest Expense ($million)	DBP (A$)	UED (A$)	MGH (A$)	WAGN (A$)	DQE (US$)	Total (A$)
EBITDA per DAIP	149.0	122.7	75.3	54.5	211.0	
Add/(Less): Unrealised Revenue Hedge MTM	-	-	2.6	-	-	
Add/(Less): Unrealised Power Hedged MTM	-	-	-	-	(35.7)	
Add/(Less): Investment & Other Income	-	-	-	-	(0.2)	
EBITDAF per MIR	149.0	122.7	77.9	54.5	175.1	
Proportionate EBITDAF per MIR (A$)	89.4	81.0	62.2	14.1	58.2[1]	304.9
Total Borrowing Costs per DAIP	96.3	82.3	38.3	21.3	110.7	
Less: SOLA Interest	(4.8)	(5.8)	(4.5)	(2.6)	-	
Less: Interest Rate Hedge on SOLA	(3.0)	(2.6)	(2.7)	-	-	
Less: RPS Interest	-	(25.0)	-	-	-	
Less: Shareholder Loan Interest	-	(2.7)	-	-	(48.3)	
Add/(Less): Interest Rate Hedge – Fair Value Movement	(5.3)	2.3	4.6	-	1.9	
Less: Amortisation of Capitalised Borrowing Costs	(4.8)	(1.3)	(1.3)	-	(1.6)	
Add/(Less): Interest Income and Other	(1.2)	(0.3)	(0.3)	(0.2)	(0.2)	
Net Interest Expense per MIR	77.2	46.8	34.0	18.5	62.4	
Proportionate Net Interest Expense per MIR (A$)	46.3	30.9	27.2	4.8	20.8[1]	130.0

1. Duquesne EBITDAF and Net Interest Expense have been converted to A$ at the average H1/2010 AUD/USD FX rate of 0.8713