

Management Information Report

For the half year ended 31 December 2010



DUET Group Management Information Report

For the half year ended 31 December 2010

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AMPCI Macquarie Infrastructure Management No 1 Limited (ABN 99 108 013 672) (AFSL 269286) ("RE1") as Responsible Entity of Diversified Utility and Energy Trust No 1 (ARSN 109 363 037) ("DUET1") and manager of DUET Investment Holdings Limited (ACN 120 456 573) ("DIHL"), AMPCI Macquarie Infrastructure Management No 2 Limited (ABN 15 108 014 062) (AFSL 269287) ("RE2") as Responsible Entity of Diversified Utility and Energy Trust No 2 (ARSN 109 363 135) ("DUET2") and Diversified Utility and Energy Trust No 3 (ARSN 124 997 986) ("DUET3"). RE1 and RE2 are jointly owned by AMP Capital Holdings Limited ("AMPCH") and Macquarie Group Limited ("Macquarie").

None of the entities noted in this document is an authorised deposit taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited (ABN 46 008 583 542) (MBL) or AMP Bank Limited (ABN 15 081 596 009) (AMP Bank). MBL provides a limited \$2.5 million guarantee to the Australian Securities and Investments Commission in respect of Corporations Act obligations of each of RE1 and RE2 as responsible entities of managed investment schemes. MBL and AMP Bank do not otherwise guarantee or provide assurance in respect of the obligations of RE1 or RE2 or any other entity noted in this document.

Neither RE1, RE2, members of MGL nor members of AMP guarantee the performance of the DUET Group or repayment of capital or income.

This report is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making an investment in DUET, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

RE1 as responsible entity for DUET1 and manager of DIHL, and RE2 as responsible entity of DUET2 and DUET3 are entitled to fees for so acting. RE1, RE2, AMP Limited and Macquarie Group Limited and their related corporations, together with their officers and directors, may hold stapled securities in DUET from time to time.

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Report Summary

This MIR contains Proportionate Earnings, Gearing and Unconsolidated Cash Flows for DUET Group for the half year ended 31 December 2010. It has been prepared using policies adopted by the directors of AMPCI Macquarie Infrastructure Management No.1 ("RE1") and AMPCI Macquarie Infrastructure Management No.2 ("RE2") and DIHL and, unless stated otherwise, these policies have been consistently applied to all periods presented in this MIR.

The purpose of this MIR is to provide information supplementary to the Financial Report of DUET Group. This MIR has been prepared on a different basis to the Financial Report of DUET Group. The information contained within this MIR does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of DUET Group as in the Financial Report. This MIR should be read in conjunction with the Financial Report of DUET Group, which can be found on the DUET website at www.duet.net.au. Further details in relation to the preparation of this MIR are set out below and in the notes.

Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this MIR involves the aggregation of the financial results of DUET's energy utility assets in the relevant proportions that DUET holds beneficial ownership interests. It is calculated as energy utility assets' revenues less the sum of energy utility assets' operating expenses, energy utility assets' maintenance capital expenditure, energy utility assets' net interest expense, energy utility asset net tax expense, corporate net interest expense, hybrid capital interest expense, net tax expense and corporate expenses ("Proportionate Earnings"). The proportionate earnings of the asset companies in this MIR exclude the impact of any changes in the fair value of derivatives.

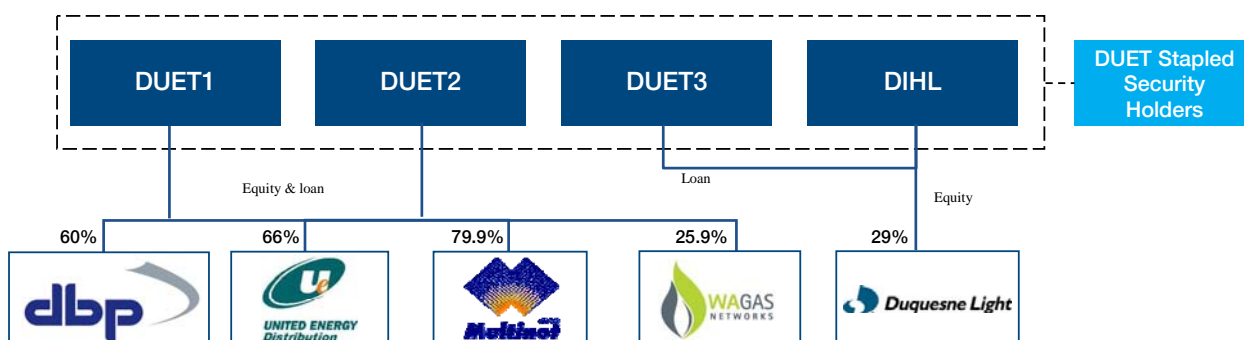
Proportionate Earnings information also includes pro forma Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"). Pro forma EBITDA is derived by restating the prior period results with DUET's energy utility assets' ownership percentages and foreign currency exchange rates from the current period ("Pro forma Results"). Pro forma Results are produced to allow comparisons of the operational performance of energy utility assets between periods, as it removes the impact of changes in ownership interests and foreign currencies.

Overview of DUET Group

Group Structure

DUET Group ("DUET") comprises Diversified Utility and Energy Trust No.1 ("DUET1"), Diversified Utility and Energy Trust No.2 ("DUET2"), Diversified Utility and Energy Trust No.3 ("DUET3"), DUET Investment Holdings Limited ("DIHL") and their subsidiaries.

DUET trades as one security, DUET Group, on the Australian Securities Exchange (ASX code: DUE). A summary of the group structure at 31 December 2010 is illustrated below.



The combined interest of DUET1 and DUET2 in the Dampier Bunbury Natural Gas Pipeline Trust ("DBP" or "Dampier Bunbury Pipeline"), United Energy Distribution Holdings Limited ("United Energy") and Multinet Group Holdings Limited ("Multinet") is treated as a controlling interest for accounting purposes. DUET holds non-controlling interests in WA Network Holdings Pty Limited ("WAGN" or "WA Gas Networks") and DQE Holdings LLC ("Duquesne").

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Energy Utility Assets

DUET is an investor in energy utility assets. At 31 December 2010, DUET's portfolio of energy utility assets and interests were as follows:

	Dampier Bunbury Pipeline %	United Energy %	Multinet %	WA Gas Networks %	Duquesne %
As at 31 December 2010	60.0	66.0	79.9	25.9	29.0
As at 31 December 2009	60.0	66.0	79.9	25.9	29.0
Change	-	-	-	-	-

Dampier Bunbury Pipeline

The Dampier to Bunbury Natural Gas Pipeline ("DBNGP") owned by DBP is the only natural gas pipeline connecting the natural gas reserves of the Carnarvon and Browse basins on Western Australia's North West Shelf with industrial, commercial and residential customers in Perth and the surrounding regions. The DBNGP runs from the Burrup Peninsula, near Dampier, to Bunbury in the south-west of the state. DUET holds a 60.0% interest in DBP and 100% of the subordinated SOLA debt.

DBP transmitted 161.7 PJ of gas in the period (2009: 161.4 PJ).

In April 2010 the Stage 5B expansion project achieved practical completion, increasing pipeline capacity by 112TJ/day. Stage 5B represents the culmination of a three stage expansion programme which has seen \$1.8 billion invested in the DBNGP since DBP assumed ownership in 2004.

United Energy

United Energy's electricity distribution network covers 1,472 square kilometres of south-east Melbourne and the Mornington Peninsula. The distribution network transports electricity from the high voltage transmission network to residential, commercial and industrial electricity users. United Energy's distribution area is largely urban and, although geographically small (about 1% of Victoria's land area), it accounts for around one quarter of Victoria's population. DUET holds a 66% interest in United Energy and 100% of the subordinated SOLA debt.

United Energy distributed 4,110 GWh of electricity in the period (2009: 4,062 GWh).

United Energy continues to progress its smart meter project in Victoria. As at December 2010, approximately 89,000 were installed. This project will replace over 650,000 electricity meters, deploying a new communications network, installing new supporting IT systems and redesigning business processes to accommodate the new meters. Deployment of the new AMI meters is expected to be completed by the end of 2013.

Multinet

Multinet is a Victorian gas distribution company with a network covering 1,940 square kilometres of the eastern and south-eastern suburbs of Melbourne. Multinet has expanded its geographic base through participation in the state government's natural gas extension program. Multinet's distribution network transports gas from the high pressure transmission network to residential, commercial and industrial gas users. DUET holds a 79.9% interest in Multinet and 100% of the subordinated SOLA debt.

Multinet distributed 34.8 PJ of gas in the period (2009: 31.9 PJ).

WA Gas Networks

WAGN (formerly AlintaGas Networks) owns, operates and holds distribution licences for four gas distribution systems in Western Australia. These gas distribution networks supply natural gas to residential, commercial and industrial customers in metropolitan Perth, Geraldton, Bunbury, Busselton and Kalgoorlie-Boulder and liquefied petroleum gas to Albany. WAGN's customers represent the majority of Western Australian households and a range of commercial customers – all are supplied gas through its four networks. WAGN's networks include 12,950 kilometres of pipelines covering an area of approximately 3,800 square kilometres. DUET holds a 25.9% interest in WAGN and 100% of the subordinated debt.

WAGN distributed 15.1 PJ of gas in the period (2009: 15.1 PJ) and made net new connections of approximately 16,900.

Duquesne

Duquesne is an energy utility based in Pennsylvania, USA. It provides essential electricity distribution and transmission services and, as Provider of Last Resort (PoLR), has a statutory obligation to approximately 588,000 customers in a service territory of over 2,116 square kilometres in Pittsburgh and surrounding regions.

On 29 September 2010, DUET announced the sale of its 29.0% stake in Duquesne to the Government of Singapore Investment Corporation Pte Ltd (GIC) for US\$360 million. The sale is subject to the consent of US regulatory bodies. Subject to the remaining regulatory approvals, DUET expects financial close of the sale by the end of FY2011.

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Proportionate Earnings

	Actual Results 6 months to 31 Dec 2010	Pro forma Results 6 months to 31 Dec 2009	Actual Results 6 months to 31 Dec 2009
	\$'000	\$'000	\$'000
Revenue	539,026	501,084	515,964
Operating expenses	(218,505)	(200,834)	(211,042)
Asset EBITDA	320,521	300,250	304,922
Maintenance capital expenditure	(43,786)	(42,926)	(44,161)
Net external interest expense	(148,447)	(128,339)	(129,964)
SOLA interest expense	(14,370)	(16,578)	(16,578)
Net tax expense	(780)	(1,519)	(1,519)
Proportionate Earnings of Assets	113,138	110,888	112,700
Net interest income	5,072	9,186	9,186
SOLA interest income	18,046	17,602	17,602
Corporate interest expense	(18,176)	(16,491)	(16,491)
Corporate expenses	(12,952)	(11,330)	(11,330)
Net tax expense	-	-	-
Realised gains/(losses) on FX hedge contracts	(349)	2,180	2,180
Proportionate Earnings of Group	104,779	112,035	113,847

EBITDA commentary

Proportionate EBITDA of \$320.5 million increased 6.7% on the prior corresponding period's (pcp) pro forma result due to:

- Dampier Bunbury Pipeline: increased by 17.9% to \$105.4 million due to higher revenues following the full period contribution of the Stage 5B expansion;
- United Energy: increased by 5.7% to \$85.6 million due to the ramp up in revenue from the smart meter program;
- Multinet: increased by 3.2% to \$64.2 million due to higher revenues arising from weather driven volume increases;
- WA Gas Networks: decreased by 14.5% to \$12.1 million due to additional costs; and
- Duquesne: increased by 0.8% to \$53.2 million with higher revenues in the period offset by the higher operating costs including capacity fees.

Proportionate Earnings commentary

Proportionate earnings of \$104.8 million decreased 6.4% on pro forma pcp mainly due to higher net external interest expenses (up 15.7% on pro forma pcp) contributed to by the full period expensing of interest charges borne by DBP in respect of the Stage 5B expansion project not yet matched by a full revenue ramp up in the period (impact to DUET: \$6.2 million). Proportionate earnings excludes DUET's 29% share of Duquesne's US\$33.8 million (DUET's share: A\$10.3 million before tax) cash-settled interest rate hedge break costs incurred on the refinancing of part of their 2012 bank debt facility with a US\$450 million bond issuance during the current period.

Proportionate Earnings per Stapled Security

	Actual Results For the half year end 31 Dec 2010	Pro forma Results For the half year ended 31 Dec 2009	Actual Results For the half year end 31 Dec 2009
Weighted average DUET Group securities on issue ('000's)	883,300	856,210	856,210
Proportionate EPS - cents	11.9	13.1	13.3

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Unconsolidated Cash Flows

	6 months to 31 December 2010 \$'000	6 months to 31 December 2009 \$'000
Cash flows from energy utility assets		
Dampier Bunbury Pipeline ⁽¹⁾	-	30,724
United Energy ⁽²⁾	19,316	24,688
Multinet	11,588	11,588
WA Gas Networks	5,402	5,162
Duquesne	14,558	30,284
Cash inflows from energy utility assets	50,864	102,446
Cash flows from operating activities		
Other income received	239	182
Operating expenses paid (inclusive of GST)	(3,123)	(2,750)
Responsible entity and advisor fees paid (inclusive of GST)	(10,078)	(9,047)
Cash flows from operating activities	(12,962)	(11,615)
Net cash inflows from energy utility assets and operations (A)	37,902	90,831
Cash flows from investing activities		
Further investment in energy utility assets	(64,731)	(154,436)
Net cash outflows from investing activities	(64,731)	(154,436)
Cash flows from financing activities		
Capital raising costs paid	-	(120)
Borrowing from DUET Senior Facility	25,800	-
Repayment of DUET Senior Facility	(71,000)	-
Borrowing costs paid (B)	(18,612)	(21,554)
SOLA interest received from energy utility assets (C)	17,959	17,256
Bank interest income (D)	5,075	11,603
Distributions paid to DUET Group security holders (net of DRP)	(59,626)	(65,300)
Net cash flows from financing activities	(100,404)	(58,115)
Net (decrease)/increase in cash assets held	(127,233)	(121,720)
Cash assets at the beginning of the half year	317,369	421,058
Exchange rate movements	637	(124)
Cash assets at the end of the half year	190,773	299,214
Fund Cash Available for Interim Distribution (A+B+C+D)	42,324	98,136
Weighted average DUET Group securities on issue ('000's)	883,301	856,210
Fund Cash Available for Interim Distribution per Stapled Security - cents	4.8 ^{(1),(2)}	11.5

⁽¹⁾ A \$45.6 million dividend due to DUET from DBP in the 6 months to 31 December 2010 is expected to be declared and paid by DBP to DUET in the second half of FY2011. Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET.

⁽²⁾ Ordinary share distributions were not declared or paid by UED in the current period. Cash was retained in the business to fund growth capital expenditure.

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Energy Utility Asset Operating Performance

Actual results – 6 months to 31 December 2010

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Gas transmission	122,674	-	-	-	-	-	122,674
Electricity transmission	-	-	-	-	14,462	-	14,462
Gas distribution	-	-	80,536	19,049	-	-	99,585
Electricity distribution	-	122,249	-	-	65,219	-	187,468
Other	4,726	-	3,457	927	105,727	-	114,837
	127,400	122,249	83,993	19,976	185,408	-	539,026
Operating expenses							
Operations and maintenance ⁽¹⁾	(21,952)	(35,936)	(18,361)	(6,598)	(25,995)	-	(108,842)
Energy purchases	-	-	-	-	(91,936)	-	(91,936)
Other expenses	-	(697)	(1,455)	(1,290)	(14,285)	-	(17,727)
	(21,952)	(36,633)	(19,816)	(7,888)	(132,216)	-	(218,505)
Proportionate EBITDA	105,448	85,616	64,177	12,088	53,192	-	320,521
<i>EBITDA margin</i>	82.8%	70.0%	76.4%	60.5%	29.0%	-	59.0%
Maintenance capital expenditure	(4,174)	(16,284)	(2,415)	(1,263)	(19,650)	-	(43,786)
Net interest expense	(58,994)	(34,477)	(33,336)	(5,164)	(16,476)	-	(148,447)
SOLA interest expense	(3,326)	(5,539)	(4,712)	(793)	-	-	(14,370)
Net tax expense	-	-	-	(780)	-	-	(780)
Proportionate Earnings of Assets	38,954	29,316	23,714	4,088	17,066	-	113,138
Interest income	-	-	-	-	-	5,072	5,072
SOLA interest income	-	-	-	-	-	18,046	18,046
Corporate interest expense	-	-	-	-	-	(18,176)	(18,176)
Corporate expenses	-	-	-	-	-	(12,952)	(12,952)
Net tax expense	-	-	-	-	-	-	-
Realised gains/(losses) on FX hedge contracts	-	-	-	-	-	(349)	(349)
Proportionate Earnings of Group	38,954	29,316	23,714	4,088	17,066	(8,359)	104,779

⁽¹⁾ Operations and maintenance expenses for WAGN include additional costs incurred as part of the transition to insourcing operations and maintenance expenditure (DUET's share: \$0.6 million) and additional consultancy costs incurred to support the regulatory re-set process (DUET's share \$0.1 million). Operating expenses for Multinet include settlement costs for unaccounted for gas from 2007 to 2009 (DUET's share: \$2.0 million).

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Actual results – 6 months to 31 December 2009

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Gas transmission	111,659	-	-	-	-	-	111,659
Electricity transmission	-	-	-	-	17,937	-	17,937
Gas distribution	-	-	77,445	19,090	-	-	96,535
Electricity distribution	-	95,907	-	-	62,849	-	158,756
Other	4,633	18,200	2,815	946	104,483	-	131,077
	116,292	114,107	80,260	20,036	185,269	-	515,964
Operating expenses							
Operations and maintenance	(26,878)	(27,916)	(16,356)	(5,622)	(32,045)	-	(108,817)
Energy purchases	-	-	-	-	(84,980)	-	(84,980)
Other expenses ⁽¹⁾	-	(5,212)	(1,695)	(271)	(10,067)	-	(17,245)
	(26,878)	(33,128)	(18,051)	(5,893)	(127,092)	-	(211,042)
Proportionate EBITDA	89,414	80,979	62,209	14,143	58,177	-	304,922
<i>EBITDA margin</i>	76.9%	71.0%	77.5%	70.6%	31.4%	-	59.1%
Maintenance capital expenditure	(5,443)	(20,724)	(1,827)	(788)	(15,379)	-	(44,161)
Net interest expense	(46,323)	(30,912)	(27,178)	(4,789)	(20,762)	-	(129,964)
SOLA interest expense	(4,642)	(5,539)	(5,730)	(667)	-	-	(16,578)
Net tax expense	-	-	-	(1,519)	-	-	(1,519)
Proportionate Earnings of Assets	33,006	23,804	27,474	6,380	22,036	-	112,700
Interest income	-	-	-	-	-	9,186	9,186
SOLA interest income	-	-	-	-	-	17,602	17,602
Hybrid capital interest expense	-	-	-	-	-	-	-
Corporate interest expense	-	-	-	-	-	(16,491)	(16,491)
Corporate expenses	-	-	-	-	-	(11,330)	(11,330)
Net tax expense	-	-	-	-	-	-	-
Realised gains/(losses) on FX hedge contracts	-	-	-	-	-	2,180	2,180
Proportionate Earnings of Group	33,006	23,804	27,474	6,380	22,036	1,147	113,847

⁽¹⁾ Other expenses for United Energy include costs of \$2.5 million (DUET's share: \$1.65 million) for consulting costs incurred in respect of its regulatory reset submission.

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Pro forma Results – 6 months to 31 December 2009

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Gas transmission	111,659	-	-	-	-	-	111,659
Electricity transmission	-	-	-	-	16,496	-	16,496
Gas distribution	-	-	77,445	19,090	-	-	96,535
Electricity distribution	-	95,907	-	-	57,802	-	153,709
Other	4,633	18,200	2,815	946	96,091	-	122,685
	116,292	114,107	80,260	20,036	170,389	-	501,084
Operating expenses							
Operations and maintenance	(26,878)	(27,916)	(16,356)	(5,622)	(29,472)	-	(106,244)
Energy purchase	-	-	-	-	(78,154)	-	(78,154)
Other expenses	-	(5,212)	(1,695)	(271)	(9,258)	-	(16,436)
	(26,878)	(33,128)	(18,051)	(5,893)	(116,884)	-	(200,834)
Proportionate EBITDA	89,414	80,979	62,209	14,143	53,505	-	300,250
<i>EBITDA margin</i>	76.9%	71.0%	77.5%	70.6%	31.4%	-	59.9%
Maintenance capital expenditure	(5,443)	(20,724)	(1,827)	(788)	(14,144)	-	(42,926)
Net interest expense	(46,323)	(30,912)	(27,178)	(4,789)	(19,137)	-	(128,339)
SOLA interest expense	(4,642)	(5,539)	(5,730)	(667)	-	-	(16,578)
Net tax expense	-	-	-	(1,519)	-	-	(1,519)
Proportionate Earnings of Assets	33,006	23,804	27,474	6,380	20,224	-	110,888
Interest income	-	-	-	-	-	9,186	9,186
SOLA interest income	-	-	-	-	-	17,602	17,602
Hybrid capital interest expense	-	-	-	-	-	-	-
Corporate interest expense	-	-	-	-	-	(16,491)	(16,491)
Corporate expenses	-	-	-	-	-	(11,330)	(11,330)
Net tax expense	-	-	-	-	-	-	-
Realised gains/(losses) on FX hedge contracts	-	-	-	-	-	2,180	2,180
Proportionate Earnings of Group	33,006	23,804	27,474	6,380	20,224	1,147	112,035

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Key Asset Statistics

Key asset statistics are set out below as at 31 December 2010:

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne
Length of network	1,530 km (mainline) 1,252 km (Looping) 299 km (Laterals)	12,798 km	9,960 km	12,950 km	940 circuit-km (trans.) 11,716 circuit-km (dist.)
Area of network	n/a	1,472 km ²	1,940 km ²	3,818 km ² ⁽³⁾	2,116 km ²
Connections	n/a	634,977	668,373	637,171	Approx. 588,000
31 December 2010 load	805 TJ/day ⁽²⁾	4,110 GWh	34.8 PJ	15.1 PJ	7,306 GWh
Next regulatory reset date	Jan 2011 ⁽¹⁾	Jan 2016	Jan 2013	Jan 2011 ⁽⁴⁾	No set regulatory period ⁽⁵⁾

⁽¹⁾ Represents the date DBP's regulatory tariff (reference tariffs) adjustment was scheduled to be effective. Due to delays in the Economic Regulation Authority's Final Decision for DBP, the Final Decision is expected to be published in the June 2011 quarter. Note that the reference tariffs do not presently apply to the existing gas transportation contracts. On 1 January 2016 the tariffs will revert to the regulated tariff for the shippers other than Alcoa.

⁽²⁾ Average contracted full-haul capacity per day for the month of 31 December 2010.

⁽³⁾ Includes regulated and unregulated networks.

⁽⁴⁾ Represents the date WAGN's regulatory tariff adjustment was originally scheduled to be effective. Due to delays in the Economic Regulation Authority's Final Decision for WAGN, the Final Decision is expected to be published on 28 February 2011.

⁽⁵⁾ Duquesne's annual transmission revenue rate adjustments are effective on each 1 June following an annual formula update. Duquesne's tariff adjustment on distribution revenues is expected to become effective in April 2011.

Gearing

	As at 31 December 2010 \$m	Pro forma as at 31 December 2009 \$m	As at 31 December 2009 \$m
DUET's share of energy utility assets' net external debt	3,841.8	3,732.3	3,799.3
Corporate net debt (includes declared and payable distributions)	437.7	371.7	371.7
Total net debt	4,279.5	4,104.0	4,171.0
DUET's share of total assets	6,317.5	6,103.9	6,264.9
Gearing (%)	67.7%	67.2%	66.6%

Pro forma gearing reflects the retranslation of Duquesne's US dollar denominated net debt and assets. United Energy's and Multinet's US dollar denominated debt is reported in both periods at the hedged exchange rates.

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Proportionate Net External Debt

As at 31 December 2010	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Capital market instruments	1,065.0	1,070.0	623.0	64.8	343.2		3,166.0
Bank facilities – term debt	541.2	105.6	161.4	86.0	170.4	514.0	1,578.6
Bank facilities – capex	-	164.7	70.7	14.3			249.7
Bank facilities – working cap.	-	6.6	-	0.9	-	25.8	33.3
Preferred Stock	-	-	-	-	30.5	-	30.5
Balance	1,606.2	1,346.9	855.1	166.0	544.1	539.8	5,058.1
Add: DUET distribution payable	-	-	-	-	-	88.7	88.7
Less: cash	(111.4)	(348.1)	(191.1)	(3.9)	(22.0)	(190.8)	(867.3)
DUET share of net external debt	1,494.8	998.8	664.0	162.1	522.1	437.7	4,279.5

As at 31 December 2009	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Capital market instruments	720.0	754.0	439.5	116.6	245.4	-	2,275.5
Bank facilities – term debt	384.0	108.9	197.4	31.1	355.5	585.0	1,661.9
Bank facilities – capex facilities	421.4	114.2	56.3	10.6	-	-	602.5
Bank facilities – working cap. facilities	-	15.2	-	-	-	-	15.2
Distribution payable	-	-	-	-	-	85.9	85.9
Other	-	-	-	-	34.8	-	34.8
Less: cash	(68.9)	(25.1)	(31.3)	(2.7)	(77.6)	(299.2)	(504.8)
DUET share of net external debt	1,456.5	967.2	661.9	155.6	558.1	371.7	4,171.0

DUET Group Management Information Report

For the half year ended 31 December 2010

External Debt Maturities

	100% Facility Limit \$m	100% Drawn Debt Balance \$m	Proportionate Drawn Debt Balance \$m	Maturity Date
Dampier Bunbury Pipeline				
<i>Capital market instruments</i>				
A\$ Wrapped FRNs - Tranche 1	275.0	275.0	165.0	Apr-12
A\$ Wrapped FRNs - Tranche 3	325.0	325.0	195.0	Apr-13
Floating Rate Notes 2015	425.0	425.0	255.0	Sep-15
Fixed Rate Notes 2015	150.0	150.0	90.0	Sep-15
A\$ Wrapped FRNs - Tranche 2	275.0	275.0	165.0	Apr-17
A\$ Wrapped FRNs - Tranche 4	325.0	325.0	195.0	Apr-18
<i>Bank facilities – term debt</i>				
Stage 5A SFA Tranche 1	252.6	252.6	151.5	Jun-12
SFA 2010 Series - 2013	150.0	122.0	73.2	Dec-13
Stage 5A SFA Tranche 2	227.4	227.4	136.5	Jun-14
SFA 2010 Series - 2017	300.0	300.0	180.0	Dec-17
<i>Bank facilities – working cap. facilities</i>				
Working Capital Facility	20.0	-	-	May-11
Total	2,725.0	2,677.0	1,606.2	
United Energy				
<i>Capital market instruments</i>				
US 144A Guaranteed Notes - Tranche A	363.1	363.1	239.7	Apr-11
A\$ Guaranteed FRN (due October 2014)	500.0	500.0	330.0	Oct-14
USPP - due 2014	77.0	77.0	50.8	Dec-14
US 144A Guaranteed Notes - Tranche B	279.3	279.3	184.4	Apr-16
USPP - due 2017	401.7	401.7	265.2	Dec-17
<i>Bank facilities – term debt</i>				
Senior Corporate Facility - SCF Tranche A	250.0	160.0	105.6	Jun-11
<i>Bank facilities – capex facilities</i>				
Capex Facility - SCF Tranche B	200.0	185.5	122.4	Jun-11
Smart Meter Debt Facility	150.0	64.0	42.2	Dec-13
<i>Bank facilities – working cap. facilities</i>				
Working Capital Facility	25.0	10.0	6.6	Dec-11
Total	2,246.1	2,040.6	1,346.9	

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For the half year ended 31 December 2010

	100% Facility Limit \$m	100% Drawn Debt Balance \$m	Proportionate Drawn Debt Balance \$m	Maturity Date
Multinet				
<u>Capital market instruments</u>				
Credit Wrapped MTN	150.0	150.0	119.9	Jul-11
Credit Wrapped FRN	100.0	100.0	79.9	Jul-11
USPP - Aug-2015	61.6	61.6	49.2	Aug-15
USPP - Nov-2015	168.1	168.1	134.3	Nov-15
Credit Wrapped FRN (due July 2017)	300.0	300.0	239.7	Jul-17
<u>Bank facilities – term debt</u>				
A\$100m SFA	100.0	70.0	55.9	Apr-12
Senior Corporate Facility - SCF Tranche A	205.0	132.0	105.5	Jun-12
<u>Bank facilities – capex facilities</u>				
Capex Facility - SCF Tranche B	130.0	88.5	70.7	Jun-12
<u>Bank facilities – working cap. facilities</u>				
Working Capital Facility	20.0	-	-	Apr-11
Total	1,234.7	1,070.2	855.1	
WA Gas Networks				
<u>Capital market instruments</u>				
Credit Wrapped Medium Term Notes (Float.)	250.0	250.0	64.9	Sep-12
<u>Bank facilities – term debt</u>				
Senior - Term Loan	120.0	81.5	21.1	Sep-11
Senior Debt Facility	250.0	250.0	64.8	Oct-11
<u>Bank facilities – capex facilities</u>				
Capex Facility	55.0	55.0	14.3	Sep-11
<u>Bank facilities – working cap. facilities</u>				
Working Capital Facility	20.0	3.5	0.9	Mar-11
Total	695.0	640.0	166.0	

DUET Group Management Information Report

For the half year ended 31 December 2010

	100% Facility Limit \$m	100% Drawn Debt Balance \$m	Proportionate Drawn Debt Balance \$m	Maturity Date
Duquesne				
<i>Capital market instruments</i>				
DLC 4.05% PCRB ACIDA Series 1999 B	46.9	46.9	13.6	Sep-11
DLC 6.70% First Mortgage Bond	195.6	195.6	56.6	Apr-12
DLC 4.35% PCRB ACIDA Series 1999 A	48.9	48.9	14.2	Dec-13
DLC 6.57% First Mortgage Bond	97.8	97.8	28.3	Feb-14
DLH 5.50% Unsecured Note	195.6	195.6	56.6	Aug-15
DLH 6.40% Unsecured Note	440.0	440.0	127.4	Sep-20
DLC 4.50% PCRB BCIDA Series 1999 D	43.3	43.3	12.5	Nov-29
DLH 6.25% Unsecured Note	117.3	117.3	34.0	Aug-35
<i>Bank facilities – term debt</i>				
DLH Term Loan - Tranche A	588.5	588.4	170.4	May-12
<i>Bank facilities – working cap. facilities</i>				
DLC Revolver	73.3	-	-	May-12
DLH Revolver	195.6	-	-	May-12
<i>Preferred Stock</i>				
DLC Preferred Stock	105.5	105.5	30.5	Perpetual
Total	2,148.3	1,879.3	544.1	
DUET Corporate				
<i>Bank facilities – term debt</i>				
Senior Corporate Facility - Tranche A	278.8	278.8	278.8	Aug-11
Senior Corporate Facility - Tranche B	235.2	235.2	235.2	Aug-13
<i>Bank facilities – working cap. facilities</i>				
Senior Corporate Facility - Tranche C	100.0	25.8	25.8	Aug-11
Total	614.0	539.8	539.8	

Credit Ratings

Credit Rating Agency	DUET Corporate	DBP	United Energy	Multinet	WA Gas Networks	Duquesne
S&P	BBB-	BBB-	BBB	BBB-	BBB-	BBB-
	Stable outlook	Stable outlook	Negative outlook	Stable outlook	Negative outlook	Stable outlook
Moody's	n/a	Baa3	Baa2	Baa3	Baa2	Ba1
		Stable outlook	Stable outlook	Stable outlook	Negative outlook	Stable outlook

DUET Group Management Information Report

For the half year ended 31 December 2010

Notes

Summary of Significant Report Policies

The significant policies which have been adopted by the boards of AMPCI Macquarie Infrastructure Management No.1 Limited ("RE1"), AMPCI Macquarie Infrastructure Management No.2 Limited ("RE2") and DIHL and used in the preparation of this Management Information Report ("MIR") are stated to assist in providing a general understanding. Unless stated otherwise, these policies have been consistently applied to all periods presented in this MIR.

Ernst & Young ("EY") were engaged to perform certain procedures for the directors of RE1, RE2 and DIHL in relation to their preparation of the Proportionate Earnings, Gearing and Unconsolidated Cash Flow disclosures in this MIR. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by EY is that of the directors, and these procedures were performed solely to assist the directors of RE1, RE2 and DIHL in evaluating the accuracy of the disclosures.

EY conducted their engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures and engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly EY have expressed no assurance over the accuracy of the Proportionate Earnings, Gearing or Unconsolidated Cash Flow disclosures or on any other aspect of this MIR.

Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this MIR involves the aggregation of the financial results of DUET's energy utility assets in the relevant proportions that DUET holds beneficial ownership interests. It is calculated as energy utility assets' revenues less the sum of energy utility assets' operating expenses, energy utility assets' maintenance capital expenditure, energy utility assets' net interest expense, energy utility asset net tax expense, corporate net interest expense, hybrid capital interest expense, net tax expense and corporate expenses ("Proportionate Earnings"). The proportionate earnings of the asset companies in this MIR exclude the impact of any changes in the fair value of derivatives.

Proportionate Earnings information also includes pro forma Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"). Pro forma EBITDA is derived by restating the prior period results with DUET's energy utility assets' ownership percentages and foreign currency exchange rates from the current period ("Pro forma Results"). Pro forma Results are produced to allow comparisons of the operational performance of energy utility assets between periods, as it removes the impact of changes in ownership interests and foreign currencies.

The principal policies adopted in the preparation of Proportionate Earnings in this MIR include:

Relevant energy utility assets

DUET's energy utility assets included in Proportionate Earnings are:

- Dampier Bunbury Pipeline;
- United Energy;
- Multinet;
- WA Gas Networks; and
- Duquesne.

Information for each of the assets is sourced from unaudited management accounts prepared under the relevant local generally accepted accounting standards applicable to the energy utility assets and are reconciled to the most recently published financial statements when available. It is DUET policy to restate prior period results to bring them into line should variances arise, with any subsequently produced statutory financial statement result.

Foreign currency exchange

All Proportionate Earnings information contained in this MIR is disclosed in Australian dollars unless stated otherwise. Foreign currency exchange rates are calculated on an average basis being the 6 months to 31 December 2010 (each a "Period"). Where assets have been sold during a Period, the foreign currency exchange rates particular to that asset are calculated on an average basis from the beginning of that Period up to the date of sale. Similarly, where assets have been acquired during a Period, the foreign currency exchange rates particular to that asset are calculated on an average basis from the date of initial acquisition up to the end of the Period.

DUET Group Management Information Report

For the half year ended 31 December 2010

The foreign currency exchange rates, including those pertaining to the prior corresponding period, are set out in the table below:

	Average AUD/USD	Half Year end AUD/USD
6 months to 31 Dec 2010	0.9474	1.0226
6 months to 31 Dec 2009	0.8713	0.8992

DUET's beneficial ownership interest

The beneficial ownership interest of DUET for each of the relevant assets is calculated according to the number of days in the 6 month period to 31 December 2010 during which DUET held a beneficial ownership interest ("Beneficial Ownership Interest"). Where assets have been sold during a Period the Beneficial Ownership Interest is calculated according to the number of days from the beginning of the Period up to the date of sale. Where assets have been acquired during a Period the Beneficial Ownership Interest is calculated according to the number of days from date of initial acquisition to the end of the Period. Where an existing asset ownership percentage has changed during a Period, the Beneficial Ownership Interest is calculated according to the number of days from date of change to the end of the Period.

The Beneficial Ownership Interest of DUET in the relevant assets and reflected in the calculation of Proportionate Earnings for the 6 months to 31 December as well as the prior corresponding period is set out below:

	Dampier Bunbury Pipeline ¹	United Energy	Multinet	WA Gas Networks	Duquesne
30 June 2007	62.1	66.0	79.9	25.9	29.0
Movement	(0.4)	-	-	-	-
31 December 2007	61.7	66.0	79.9	25.9	29.0
Movement	1.2	-	-	-	-
30 June 2008	62.9	66.0	79.9	25.9	29.0
Movement	1.6	-	-	-	-
31 December 2008	64.5	66.0	79.9	25.9	29.0
Movement	(3.0)	-	-	-	-
30 June 2009	61.5	66.0	79.9	25.9	29.0
Movement	(1.5)	-	-	-	-
31 December 2009	60.0	66.0	79.9	25.9	29.0
Movement	-	-	-	-	-
30 June 2010	60.0	66.0	79.9	25.9	29.0
Movement	-	-	-	-	-
31 Dec 2010	60.0	66.0	79.9	25.9	29.0

¹ Average Beneficial Ownership Interest percentage for the period.

Asset operating revenue

Revenue is calculated by the aggregation of the product of DUET's beneficial ownership interest and the total revenue of each of the relevant energy utilities. Revenue is recognised under the GAAP applicable to each relevant energy utility. Revenue included within this MIR excludes the impact of any changes in the fair value of derivatives.

Operating expenses

Operating expenses are calculated by the aggregation of the product of DUET's beneficial ownership interest and the total operating expenses incurred by each of the relevant energy utilities. Operating expenses exclude any profit or loss on sale of fixed assets. Operating expenses recognised are reported under the GAAP applicable to each relevant energy utility. Asset operating expenses included within this MIR exclude the impact of any changes in the fair value of derivatives.

Maintenance capital expenditure

The maintenance capital expenditure is sourced directly from capital maintenance expenditure, disclosed in unaudited management accounts.

Asset maintenance capital expenditure is calculated by the aggregation of the product of DUET's beneficial ownership interest and the total maintenance capital expenditure at each of the relevant energy utilities.

DUET Group Management Information Report

For the half year ended 31 December 2010

Net external interest expense

Net external interest expense is the aggregation of the product of DUET's beneficial ownership interest and the total net external interest expense incurred by:

- the energy utility; and
- entities interposed between any of DUET's stapled entities and the energy utility, which have debt that is non-recourse to DUET.

Net external interest expense includes all contractual interest expenses, borrowing expenses and interest revenues payable to, or payable by, third parties. Interest and borrowing expenses, or interest revenues, in respect of shareholder loan or similar agreements are excluded from the definition of net external interest expense. Interest and borrowing costs that are capitalised and/or amortised and any changes in the fair value of financial derivatives are also excluded from the definition of net external interest expense.

SOLA Interest expense

DUET's Australian assets have subordinated debt which has been wholly provided by DUET under on-lending agreements known as SOLAs (Second On-Lending Agreements). DUET received 100% of the interest income on the SOLA, whilst at the asset level (on a proportionate ownership basis) DUET shares the SOLA interest expense with the other asset owners.

Net tax expense

Net tax expense is the current tax expense determined with reference to the local GAAP applicable to each relevant energy utility and is made up of the aggregation of the following components:

- the product of DUET's beneficial ownership interest and the net current tax expense of each of the relevant energy utilities, where the operating company does not form part of a consolidated group for tax purposes; and
- the product of DUET's beneficial ownership interest in the ultimate holding company of the asset in a consolidated group for taxation purposes and the net current tax expense of the relevant consolidated group.

Corporate Funding Items

Net interest income/(expense)

This is the aggregation of net interest income/(expense) incurred by:

- any of DUET's stapled entities; and
- entities interposed between any of DUET's stapled entities and the energy utility operator companies which have debt that is recourse to DUET.

Net interest income/(expense) includes all contractual interest expenses, borrowing expenses and interest revenues payable to, or payable by, third parties except:

- interest and borrowing expenses or interest revenues in respect of shareholder loans or similar agreements, other than SOLA interest income; and
- interest and borrowing costs that are capitalised and/or amortised.

Corporate Expenses

Expenses

Expenses are the aggregation of:

- all expenses paid by DUET (excluding divestment and acquisition costs and performance fees related to sale of assets), including base fees and performance fees (to the extent that either or both are payable in cash and subsequently not reinvested in DUET Group securities); and
- DUET's share of expenses from entities interposed between any of DUET's stapled entities and the energy utility operator companies not included in the assets' operating expenses.

SOLA interest income

SOLA interest income represents the SOLA interest paid to DUET by the Australian asset companies. SOLA financing, unlike all other shareholder loans is provided entirely by DUET. Therefore the interest income only attributes to DUET.

Net tax expense

Net tax expense is the net current tax expense of any of DUET's stapled entities and entities interposed between any of DUET's stapled entities and the energy utility operator companies. This report excludes any US withholding tax deducted

DUET Group Management Information Report

For the half year ended 31 December 2010

from interest receipts from Duquesne as the cost is passed through to security holders that have not completed the relevant US Internal Revenue Service W-8BEN or W-9BEN form.

Realised gains / (losses) on FX hedge contracts

Realised gains / (losses) on FX hedge contracts reflect the gains or losses on foreign exchange forward contracts entered into by DUET to hedge distributions from its operating assets and include amounts realised after the balance sheet date but which relate to asset operations' distributions of current period earnings.

Proportionate earnings per stapled security ("EPS")

The number of issued securities for the purpose of calculating ("EPS") is calculated by the aggregation of each issue of DUET Group securities weighted by the number of days each security was on issue during the period.

Gearing

DUET's share of energy utility assets' net debt

This is calculated by the aggregation of:

- DUET's proportionate share of the net external debt at each of the energy utilities; and
- DUET's proportionate share of the net debt held by entities interposed between any of DUET's stapled entities and the energy utility assets that is non-recourse to DUET.

Net debt is calculated at each of the relevant operating energy utilities by subtracting total cash on hand from total debt at the end of the period.

Corporate net debt / (cash)

This is calculated by the aggregation of all net debt held by DUET's stapled entities and entities interposed between any of DUET's stapled entities and the asset companies subtracting available cash on hand, from total debt at the end of the period.

Available cash is calculated by subtracting from total cash on hand, all distributions declared by DUET Group stapled entities but not paid at the end of the relevant period.

DUET's share of total assets

This is the aggregation of the product of DUET's beneficial ownership interest and the total assets of each of the relevant energy utilities, together with the total assets of the DUET stapled entities and wholly-owned entities. Total assets exclude any inter-entity loans receivable and cash and cash equivalents.

Unconsolidated Cash Flows

Unconsolidated Cash Flows represent the aggregation of the cash flows attributable to DUET. This includes the cash flows of each of DUET's stapled entities and their wholly-owned subsidiaries, excluding entities which have non-recourse debt to DUET as these entities are considered to be part of the energy utility operator company groups.

All information in this MIR relating to Unconsolidated Cash Flows is disclosed in Australian dollars using foreign currency exchange rates applicable to the relevant transactions included.

Appendix 1: DUET Group Detailed Asset Information Pack

For the half year ended 31 December 2010

APPENDIX 1

DUET GROUP

DETAILED ASSET INFORMATION PACK

For the half year ended 31 December 2010

Appendix 1: DUET Group Detailed Asset Information Pack

For the half year ended 31 December 2010

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Appendix 1: DUET Group Detailed Asset Information Pack

For the half year ended 31 December 2010

1. Introduction

This Detailed Asset Information Pack (“DAIP”) sets out financial information for each of DUET’s energy utility assets and reflects earnings attributable to all equity holders of each utility asset, rather than just DUET’s relevant beneficial ownership interest (as presented in the MIR).

The DAIP and MIR include the same EBITDA values, which exclude:

- changes in fair value arising from non-cash MTM movements from revenue and cost hedging;
- non-cash costs for the reduction in goodwill; and
- significant one off items such as merger and severance costs.

The key differences between the DAIP and MIR include:

	DAIP	MIR
Depreciation & Amortisation (“D&A”)	Reports D&A.	Replaces D&A with maintenance capital expenditure.
Revenue (United Energy)	Includes TUOS revenue.	Excludes TUOS revenue.
Operating expenses (United Energy)	Includes Grid Fees.	Excludes Grid Fees.
Interest expense	Reports net interest expense (net Borrowing Costs).	Reports net external interest payments together with SOLA interest payments. SOLA is 100% funded by DUET. Excludes amortisation of deferred borrowing costs. Excludes any impact of MTM movements of derivatives reported by asset companies within interest expense.

This DAIP is not intended to replace the Financial Report of DUET and provides a summary to assist an assessment of the performance of DUET’s energy utility assets. Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current period.

Note that, due to rounding, certain totals presented in this DAIP may not be the exact sum of the individual line items they comprise.

Dampier Bunbury Pipeline

2. Dampier Bunbury Pipeline

As at 31 December 2010, DUET owned 60% of DBP and 100% of the subordinated debt.

2.1. Financial Summary

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Transport Income	186	185	371	204
Total Revenue	194	198	392	212
EBITDA	149	167	316	176
EBIT	117	133	250	138
Net Profit After Tax	23	23	45	34
Total Assets	3,769	3,831	3,831	3,934
Net Assets	532	526	526	596
Total Capex	228	120	347	53
RAB ¹	3,379	3,516	3,516	3,571

¹ RAB is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved. Note that the Economic Regulation Authority of Western Australia (ERA) is currently reviewing the RAB as part of the 2010-2015 Access Arrangement).

Dampier Bunbury Pipeline

2.2. Income Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	193.8	197.9	391.7	212.3
Revenue consists of transport revenue and other revenue.				
Transport (Transmission) Revenue	193.8	197.9	391.7	212.3
<i>Transport Income</i>	186.1	185.3	371.4	204.5
<i>Chargeable Works & Other Transport Income</i>	7.7	12.6	20.3	7.9
Transport Revenue of \$212.3m increased 9.5% pcp driven by increased capacity and tariffs from the Stage 5B expansion project.				
Expenses from Ordinary Activities	171.1	175.3	346.4	178.7
Expenses from Ordinary Activities consist of Operating Expenses, D&A, Borrowing Costs, and Income Tax Expense.				
Operating Expenses	44.8	31.1	75.9	36.6
<i>Operating Services Fees</i>	1.8	(1.7)	0.1	2.4
<i>Salaries, Licences and Fees and other expenses</i>	22.0	13.1	35.1	13.4
<i>Employee Expenses</i>	11.9	13.5	25.4	14.5
<i>Fuel Gas</i>	9.1	6.2	15.3	6.3
<i>Reduction in Goodwill (pre-acquisition tax losses)</i>	0.0	0.0	0.0	0.0
Operating Expenses of \$36.6m decreased 18.3% pcp. The decrease in Salaries, Licences and Fees and other expenses was primarily due to lower consulting and access fees. Fuel gas expense was lower due to efficiency gains from the Stage 5B expansion.				
D&A and Abandonments	31.8	33.9	65.7	38.0
<i>Depreciation</i>	31.0	33.5	64.4	37.6
<i>Amortisation</i>	0.9	0.5	1.4	0.5
<i>Abandonments</i>	(0.1)	(0.0)	(0.1)	0.0
D&A and Abandonments of \$38.0m increased 19.5% pcp primarily due to additional depreciation charges from the newly commissioned Stage 5B plant.				
Net Borrowing Costs	95.1	112.5	207.6	100.2
<i>Interest Income</i>	(1.2)	(1.8)	(3.0)	(2.6)
<i>Senior Interest</i>	77.4	77.0	154.4	99.7
<i>SOLA Interest</i>	7.7	7.0	14.8	5.5
<i>Interest Rate Hedge – Fair Value Movements</i>	5.3	23.4	28.8	(10.3)
<i>Amortisation & Other Financing Costs</i>	5.8	6.9	12.6	7.8
Net Borrowing Costs of \$100.2m increased 5.4% pcp primarily due to higher senior interest costs from the Stage 5B expansion project.				
Income Tax Expense	(0.7)	(2.2)	(2.9)	3.9
Income Tax Expense was due to deferred tax asset balances not being recognised.				
Net Profit After Tax	22.7	22.6	45.3	33.6
NPAT of \$33.6m increased 48.0% pcp primarily due to increased revenues from the Stage 5B expansion project and lower operating expenses relating to lower fuel gas expense (Stage 5B efficiencies) and access fees; partially offset by higher depreciation and interest expense relating to Stage 5B.				

Dampier Bunbury Pipeline

2.3. Cash Flow Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	153.7	160.7	314.4	183.1
<i>Cash Receipts</i>	205.8	228.2	433.9	242.8
<i>Cash Payments</i>	(52.1)	(67.4)	(119.5)	(59.7)
<i>Income Tax Payment</i>	(0.0)	0.0	0.0	0.0
Cash Flows from Operating Activities of \$183.1m increased 19.1% pcp due to higher Transport Income.				
Cash Flows from Investing Activities	(209.8)	(111.9)	(321.7)	(17.0)
<i>Purchase of PP&E</i>	(209.8)	(111.9)	(321.8)	(37.4)
<i>Proceeds from Sale of Non-Current Assets</i>	0.1	0.0	0.1	20.5
Cash Flows from Investing Activities of \$17.0m outflow decreased 91.9% pcp following the practical completion of Stage 5B construction works in April 2010.				
Cash Flows from Financing Activities	82.6	(65.5)	17.1	(62.6)
<i>Movement in Borrowings</i>	146.0	27.0	173.0	52.0
<i>Equity Contributions</i>	69.0	52.5	121.5	5.1
<i>Senior Borrowing Costs</i>	(73.3)	(85.4)	(158.7)	(114.2)
<i>SOLA Interest</i>	(7.9)	(7.5)	(15.4)	(5.5)
<i>Distributions</i>	(51.2)	(52.1)	(103.3)	0.0
Cash Flows from Financing Activities include \$0 of distribution payments to the owners due to a timing difference whereby \$76m related to the current period is expected to be declared and paid by DBP in the 6 months to 30 June 2011.				
Net Cash Movement	26.5	(16.7)	9.8	103.5
<i>Opening Cash</i>	88.3	114.8	88.3	98.2
<i>Closing Cash</i>	114.8	98.2	98.2	201.7

Dampier Bunbury Pipeline

2.4. Balance Sheet

31 December 2009 is the pcp.

	31 Dec 09	30 Jun 10	31 Dec 10
	\$ millions	\$ millions	\$ millions
Current Assets	157.8	135.4	221.3
<i>Cash</i>	114.8	98.2	185.7
<i>Accounts Receivable</i>	7.8	7.6	5.2
<i>Derivative Financial Instruments</i>	0.7	0.1	0.0
<i>Inventories and Other Assets</i>	34.4	29.6	30.4
Current Assets of \$221.3m increased 40.2% pcp primarily due to the timing of distribution payments to the owners.			
Non-Current Assets	3,611.5	3,695.9	3,712.8
<i>Plant, Property and Equipment</i>	2,941.4	3,026.3	3,043.7
<i>Intangibles</i>	670.0	669.6	669.1
<i>Other</i>	0.0	0.0	0.0
Non-Current Assets of \$3,712.8m increased by 2.8% pcp mainly due to further spend on the Stage 5B expansion project.			
Current Liabilities	101.5	831.5	90.7
<i>Payables</i>	74.2	42.9	7.8
<i>Interest Bearing Liabilities</i>	0.0	754.5	0.0
<i>Derivative Financial Instruments</i>	0.0	0.0	7.9
<i>Provisions & Other Liabilities</i>	27.3	34.1	75.0
Interest Bearing Liabilities decreased to \$nil since 30 June 2010 reflecting refinancing of the Stage 5B expansion project capex facilities.			
Non-Current Liabilities	3,136.1	2,473.7	3,247.2
<i>Interest Bearing Liabilities</i>	2,504.3	1,834.6	2,653.6
<i>SOLA Debt</i>	150.0	108.0	108.0
<i>Deferred Tax Liabilities</i>	379.8	365.3	382.7
<i>Derivative Financial Instruments</i>	87.0	150.5	87.4
<i>Other Liabilities</i>	15.0	15.3	15.4
Non-Current Liabilities of \$3,247.2m increased 3.5% pcp. Interest Bearing Liabilities increased \$819m since 30 June 2010 reflecting the refinancing of the Stage 5B expansion project capex facilities into term debt, additional drawdowns on debt facilities and recognition of the Burrup Extension Pipeline lease agreement. SOLA Debt decreased \$42 million due to a repayment made to DUET.			
Net Assets	531.6	526.1	596.2
Equity	531.6	526.1	596.2
<i>Contributed Equity</i>	844.7	897.3	902.4
<i>Reserves</i>	(56.1)	(84.6)	(53.2)
<i>Retained Earnings</i>	(257.0)	(286.5)	(252.9)
Equity of \$596.2m increased 12.2% pcp primarily due to the timing of distribution payments to the owners and higher contributed equity.			

Dampier Bunbury Pipeline

2.5. Capital Expenditure Summary

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09 \$ millions	6 months to 30 Jun 10 \$ millions	12 months to 30 Jun 10 \$ millions	6 months to 31 Dec 10 \$ millions
Total Capex	227.6	119.7	347.3	53.0
Growth Capex	213.0	105.2	318.3	40.5
<i>Stage 5A Expansion</i>	3.4	1.0	4.4	0.8
<i>Stage 5B Expansion</i>	209.6	104.2	313.8	39.8
Maintenance Capex	9.1	7.1	16.2	7.0
<i>Microwave Capex</i>	1.2	0.2	1.4	0.1
<i>Stay in Business</i>	4.7	5.8	10.5	4.6
<i>Engine Replacement Capex</i>	3.2	1.1	4.3	2.3
Customer Funded Capex	5.5	7.4	12.9	5.5

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

Dampier Bunbury Pipeline

2.6. Key Operating Statistics

	12 months to		12 months to		12 months to	
	31 Dec 09	%	30 Jun 10	%	31 Dec 10	%
Throughput (TJ)						
Full Haul	239,264	77	240,353	76	237,686	76
Part Haul	30,092	10	32,969	10	34,940	11
Back Haul	40,418	13	44,586	14	41,966	13
Total	309,774	100	317,908	100	314,592	100

	1 month to		1 month to		1 month to	
	31 Dec 09	%	30 Jun 10	%	31 Dec 10	%
Capacity (Average TJ/day)						
Full Haul	753	76	807	70	805	69
Part Haul	87	9	206	18	214	18
Back Haul	150	15	147	13	150	13
Total	990	100	1,159	100	1,169	100

	As at		As at		As at	
	31 Dec 09	%	30 Jun 10	%	31 Dec 10	%
Line Length (Km)						
Main Line	1,530	53	1,530	50	1,530	50
Loop Line	1,048	36	1,252	41	1,252	41
Laterals	299	10	299	10	299	10
Total	2,877	100	3,081	100	3,081	100

Compression	As at		As at		As at	
	31 Dec 09		30 Jun 10		31 Dec 10	
No. Of Compressors		26		27		27

United Energy

3. United Energy

As at 31 December 2010, DUET owned 66% of United Energy and 100% of the subordinated debt.

3.1. Financial Summary

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue ¹	145	154	300	145
Total Revenue ¹	173	197	370	186
EBITDA	123	141	263	130
EBIT	82	100	183	77
Net Profit After Tax	1	33	34	6
Total Assets	2,315	2,422	2,422	2,939
Net Assets	(16)	19	19	56
Total Capex	130	104	234	107
RAB ²	1,473	1,543	1,543	1,600

¹ Excluding TUoS revenue.

² RAB is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

3.2. Income Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	219.3	244.2	463.6	234.5
Revenue consists of distribution revenue and other revenue.				
Distribution Revenue	191.8	201.6	393.4	193.8
Distribution Revenue consists of Distribution Use of System ("DUoS") and Transmission Use of System ("TUoS") revenue.				
TUoS Revenue	46.5	47.1	93.6	48.6
TUoS Revenue of \$48.6m increased 2.4% pcp due to higher grid fee charges. TUoS Revenue is collected by United Energy and paid to third parties as grid fees.				
DUoS Revenue	145.3	154.5	299.8	145.3
<i>Residential</i>	71.5	73.5	145.0	69.8
<i>Business</i>	38.0	39.2	77.2	37.2
<i>Industrial</i>	35.8	41.9	77.6	38.3
DUoS Revenue of \$145.3m was in line with pcp.				
Other Revenue	27.6	42.6	70.2	40.7
<i>Metering Revenue</i>	12.8	3.0	15.8	2.8
<i>Smart Meter Revenue</i>	0.0	22.6	22.6	23.5
<i>New Connections Revenue</i>	0.8	0.7	1.5	1.1
<i>Customer Contributions</i>	5.6	7.4	12.9	4.1
<i>Other (incl. Miscellaneous Electricity Revenue)</i>	8.4	8.9	17.3	9.2
Other Revenue of \$40.7m increased 47.5% pcp primarily due to a \$23.5m increase in Smart Meter Revenue which was partially offset by a \$10m decrease in traditional Metering Revenue.				
Expenses from Ordinary Activities	218.2	211.4	429.6	228.3
Expenses from Ordinary Activities consist of operating expenses, D&A and abandonments, borrowing costs and income tax expense				
Operating Expenses	96.6	103.9	200.5	106.4
<i>Grid Fees</i>	46.5	47.1	93.6	48.4
<i>Operating Fees</i>	42.5	46.9	89.4	44.8
<i>Other Operating Expenses</i>	7.6	9.6	17.1	11.6
<i>Unrealised Foreign Exchange Losses</i>	0.1	0.2	0.3	1.6
Operating Expenses of \$106.4m increased 10.1% pcp primarily due to smart meter operating costs and higher regulatory, legal and other external consultant costs incurred in relation to the 2011-2015 EDPR regulatory rate case.				

United Energy

3.2 Income Statement (cont'd)

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
D&A and Abandonments	40.6	40.2	80.8	53.1
<i>Depreciation</i>	35.3	35.9	71.3	42.4
<i>Amortisation</i>	3.9	3.9	7.8	9.8
<i>Abandonments</i>	1.3	0.4	1.7	0.9
D&A and Abandonments of \$53.1m increased 30.8% pcp.				
Net Borrowing Costs	82.0	59.5	141.5	69.8
<i>Interest Income</i>	(0.3)	(0.6)	(0.9)	(1.9)
<i>Senior Interest</i>	46.1	44.7	90.8	50.0
<i>SOLA Interest</i>	8.4	8.3	16.7	8.4
<i>RPS Interest</i>	25.0	24.6	49.6	25.0
<i>Shareholder Loan Interest</i>	2.7	3.7	6.4	4.6
<i>Interest Rate Hedge – Fair Value Movements</i>	(2.3)	(23.5)	(25.7)	(22.0)
<i>Amortisation & Other Financing Costs</i>	2.4	2.3	4.7	5.7
Net Borrowing Costs of \$69.8m decreased 14.9% pcp primarily due to the MTM movement of currency hedges and interest rate swaps partially offset by higher interest costs due to increased senior debt drawdowns.				
Income Tax Expense	(1.0)	7.9	6.8	(0.6)
Net Profit After Tax	1.1	32.8	33.9	5.9
NPAT of \$5.9m increased 436% pcp.				

3.3. Cash Flow Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	103.3	135.2	238.5	125.8
<i>Cash Receipts</i>	223.9	276.4	500.3	259.6
<i>Cash Payments to Suppliers and Employees (including GST)</i>	(121.6)	(142.3)	(263.9)	(133.8)
<i>Income Tax (Payment) / Refund</i>	1.1	1.0	2.1	0.0

Cash Flows from Operating Activities of \$125.8m increased 21.8% pcp primarily due to higher interest income and the timing of customer receipts partially offset by higher payments to creditors driven by higher operating expenditure.

Cash Flows from Investing Activities	(127.5)	(94.4)	(221.9)	(97.0)
<i>Purchase of PP&E and Intangibles</i>	(127.8)	(95.1)	(222.9)	(97.1)
<i>Proceeds from Sale of PP&E</i>	0.2	0.7	0.9	0.1

Cash Flows From Investing Activities of \$97.0m outflow decreased 23.9% pcp primarily due to lower capex for the smart meter project (after the initial ramp up in the prior period) in the current period.

Cash Flows from Financing Activities	35.2	(49.0)	(13.8)	(11.8)
<i>Equity Contributions (incl. RPS)</i>	0.0	0.0	0.0	25.0
<i>Movement in Borrowings</i>	125.5	33.5	159.0	48.3
<i>Interest Paid - Senior</i>	(44.4)	(46.2)	(90.5)	(47.5)
<i>Interest Paid - SOLA</i>	(8.5)	(8.3)	(16.7)	(8.3)
<i>Interest Paid - RPS</i>	(25.0)	(24.6)	(49.6)	(25.0)
<i>Interest Paid - Shareholder Loans</i>	(2.4)	(3.5)	(5.9)	(4.3)
<i>Distributions</i>	(10.0)	0.0	(10.0)	0.0
<i>Smart Meter Debt Facility Cost</i>	0.0	0.0	0.0	0.0

Movement in Borrowings of \$48.3m in the current period is shown net of the A\$479m US private placement bond issuance and temporary investment in a term deposit. Equity contributions increased \$25m due to capital contributions by the owners.

Net Cash Movement	11.0	(8.2)	2.8	17.0
<i>Opening Cash</i>	27.0	38.0	27.0	32.5
<i>Effect of Exchange Rate Changes on Cash</i>	0.0	2.7	2.7	0.0
<i>Closing Cash</i>	38.0	32.5	32.5	49.5

United Energy

3.4. Balance Sheet

31 December 2009 is the pcp.

	31 Dec 09	30 Jun 10	31 Dec 10
	\$ millions	\$ millions	\$ millions
Current Assets	100.6	86.4	591.6
<i>Cash</i>	38.0	32.5	49.4
<i>Accounts Receivable</i>	57.4	52.3	55.1
<i>Other Assets (incl. Inventory and Tax Assets)</i>	5.2	1.6	487.0

Other Assets of \$487m increased on pcp primarily due to a temporary investment in a term deposit following the A\$479m US private placement bond issuance.

Non-Current Assets	2,214.4	2,335.8	2,347.9
<i>Plant, Property & Equipment</i>	1,364.9	1,399.6	1,453.7
<i>Deferred Tax Asset</i>	19.5	18.4	13.0
<i>Intangibles</i>	826.0	853.5	853.1
<i>Derivative Financial Instruments</i>	4.0	64.3	28.2
<i>Other Assets</i>	0.0	0.0	0.0

PP&E of \$1,453.7m increased by 6.5% pcp primarily due to smart meter capital expenditure.

Current Liabilities	129.6	836.9	849.0
<i>Payables (incl. Deferred Revenue)</i>	100.2	90.5	113.1
<i>Derivative Financial Instruments</i>	5.9	100.7	122.8
<i>Interest Bearing Liabilities</i>	23.0	645.1	612.4
<i>Current Tax Liabilities</i>	0.0	0.0	0.0
<i>Provisions</i>	0.6	0.6	0.6

Interest Bearing Liabilities of \$612.4m increased by 2,563% reflecting reclassification of debt expiring within 12 months.

Non-Current Liabilities	2,201.4	1,566.4	2,034.7
<i>Interest Bearing Liabilities</i>	1,364.4	807.8	1,200.9
<i>SOLA Debt</i>	183.7	183.7	183.7
<i>Shareholder Loans</i>	58.5	68.5	85.0
<i>Redeemable Preference Shares</i>	369.5	369.5	369.5
<i>Deferred Tax Liabilities</i>	104.3	111.9	108.4
<i>Derivative Financial Instruments</i>	116.1	14.7	85.3
<i>Other Liabilities</i>	4.9	10.4	1.9

Interest Bearing Liabilities of \$1,200.9m decreased 12.0% pcp mainly as a result of reclassification of debt partially offset by the A\$479m US private placement bond issuance and additional capex facility drawdowns. Shareholder loans of \$85.0m increased 45.3% pcp primarily due to additional drawdowns.

Net Assets	(16.0)	18.9	55.8
Equity	(16.0)	18.9	55.8
<i>Contributed Equity</i>	3.7	3.7	28.7
<i>Reserves</i>	(10.5)	(8.5)	(2.4)
<i>Retained Profits / (Loss)</i>	(9.2)	23.6	29.5

Equity of \$55.8m increased by \$71.8m pcp primarily due to a higher operating cash balance and favourable MTM movement of hedges.

3.5. Capital Expenditure Summary

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09 \$ millions	6 months to 30 Jun 10 \$ millions	12 months to 30 Jun 10 \$ millions	6 months to 31 Dec 10 \$ millions
Total Capex	130.2	103.6	233.7	106.8
Growth Capex	98.8	78.3	177.1	82.2
<i>Customer Initiated Capital</i>	16.8	14.8	31.6	20.9
<i>Demand Capital</i>	33.8	16.5	50.3	25.3
<i>Smart Meter</i>	50.2	41.7	91.9	20.5
<i>Other Growth Capex</i>	(2.0)	5.3	3.3	15.5
Maintenance Capex	31.4	25.3	56.7	24.7
<i>Asset Replacement</i>	24.3	18.7	42.9	22.6
<i>Performance Capital</i>	5.7	2.4	8.0	0.0
<i>Metering</i>	0.0	0.0	0.0	0.0
<i>Information Systems</i>	1.5	4.3	5.7	2.1

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

3.6. Key Operating Statistics

	As at 31 Dec 09		As at 30 Jun 10		As at 31 Dec 10	
		%		%		%
Connections						
Small (residential and unmetered)	569,607	91	572,658	91	576,057	91
Medium Size Business	55,037	9	55,342	9	55,642	9
Commercial and Industrial	3,102	0	3,206	1	3,278	1
Total	627,746	100	631,206	100	634,977	100

	12 months to 31 Dec 09		12 months to 30 Jun 10		12 months to 31 Dec 10	
		%		%		%
Electricity load (GWh)						
Small Tariff	3,085	38	3,098	38	3,059	37
Medium Tariff	1,517	19	1,518	19	1,519	19
Large Tariff	3,411	43	3,498	43	3,585	44
Total Electricity Load (GWh)	8,013	100	8,114	100	8,163	100

	As at 31 Dec 09		As at 30 Jun 10		As at 31 Dec 10	
		%		%		%
Distribution Network Statistics						
Overhead (km)	10,282	81	10,282	81	10,282	80
Underground (km)	2,447	19	2,485	19	2,516	20
Total Length (km)	12,729	100	12,767	100	12,798	100

	12 months to 31 Dec 09	12 months to 30 Jun 10	12 months to 31 Dec 10
Distribution Network Statistics			
Maximum Demand (MW)	2,070	2,016	2,016
System average interruption frequency index (SAIFI) ¹	1.4	1.2	1.0
Momentary average interruption frequency index (MAIFI) ²	1.3	1.1	1.0
System average interruption duration index (SAIDI) ³	107	71	130

¹ Measures how often customers lost supply for a sustained period of greater than one minute.

² Measures how often customers lost supply for a momentary period of less than one minute.

³ Measures the average number of minutes of lost service per customer per year.

Multinet

4. Multinet

As at 31 December 2010, DUET owned 79.9% of Multinet and 100% of the subordinated debt.

4.1. Financial Summary

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	97	77	174	101
Total Revenue	100	81	182	105
EBITDA	78	58	136	80
EBIT	62	41	103	64
Net Profit After Tax	21	(1)	20	27
Total Assets	1,335	1,333	1,333	1,537
Net Assets	156	154	154	189
Total Capex	15	19	34	19
RAB ¹	957	962	962	955

¹ The RAB stated is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

4.2. Income Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	100.5	81.2	181.7	105.1
Revenue consists of distribution revenue and other revenue.				
Distribution Revenue	96.9	76.9	173.9	100.8
<i>Tariff V (Variable)</i>	76.5	56.7	133.2	80.1
<i>Fixed Charges</i>	19.6	19.4	39.1	19.8
<i>Other Distribution Revenue (Tariff D and Tariff L)</i>	0.8	0.9	1.6	0.9
Distribution Revenue of \$100.8m increased 4.0% pcp primarily due to higher throughput.				
Other Revenue	3.5	4.3	7.8	4.3
<i>CPI Revenue Hedge</i>	(0.8)	(0.0)	(0.8)	(0.0)
<i>Miscellaneous</i>	4.3	4.3	8.6	4.3
Other Revenue of \$4.3m increased 22.9% pcp.				
Expenses from Ordinary Activities	79.3	82.2	161.5	78.3
Expenses from Ordinary Activities consist of operating expenses, depreciation, amortisation, abandonments, borrowing costs and income tax expense.				
Operating Expenses	25.1	21.0	46.1	24.9
<i>Operating Fees</i>	20.5	20.5	41.0	20.5
<i>Unrealised CPI Revenue Hedge Expense</i>	2.6	(2.1)	0.4	(0.1)
<i>Other Operating Expenses</i>	2.1	2.6	4.7	4.5
Operating Expenses of \$24.9m were in-line with pcp.				
D&A and Abandonments	16.2	17.1	33.3	16.4
<i>Depreciation</i>	14.6	14.7	29.3	14.8
<i>Amortisation</i>	0.7	0.7	1.4	0.6
<i>Abandonments</i>	0.9	1.7	2.6	1.0
D&A and Abandonments of \$16.4m were in-line with pcp.				
Net Borrowing Costs	37.9	44.2	82.1	37.0
<i>Interest Income</i>	(0.3)	(0.3)	(0.7)	(2.6)
<i>Senior Interest</i>	34.4	34.2	68.6	37.6
<i>SOLA Interest</i>	7.2	7.7	14.9	5.9
<i>Interest Rate Hedge – Fair Value Movements</i>	(4.6)	1.2	(3.4)	(7.2)
<i>Amortisation & Other Financing Costs</i>	1.3	1.4	2.8	3.4
Net Borrowing Costs of \$37.0m decreased 2.4% pcp.				
Income Tax Expense	0.0	0.0	0.0	0.0
No income tax expense in the current period.				
Net Profit After Tax	21.2	(1.0)	20.2	26.8
NPAT of \$26.8m increased 26.4% pcp primarily due to higher revenue.				

4.3. Cash Flow Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	92.5	44.4	136.9	101.1
<i>Cash Receipts</i>	129.0	71.7	200.7	135.6
<i>Cash Payments</i>	(36.6)	(27.3)	(63.8)	(34.6)
Cash Flows from Operating Activities of \$101.1m increased 9.3% pcp primarily due to higher distribution revenues and timing of creditor payments and customer receipts.				
Cash Flows from Investing Activities	(22.4)	(13.8)	(36.2)	(19.5)
<i>Purchase of PP&E</i>	(22.4)	(17.3)	(39.7)	(19.5)
<i>Proceeds from Sale of PP&E</i>	0.0	0.0	0.0	0.0
<i>Proceeds from Government Grant</i>	0.0	3.4	3.4	0.0
Cash Flows from Investing Activities of \$19.5m outflow decreased 12.9% pcp primarily due to the timing of capex payments.				
Cash Flows from Financing Activities	(83.2)	(53.1)	(136.3)	(59.1)
<i>Movement in Borrowings</i>	(40.0)	(11.0)	(51.0)	(15.3)
<i>Equity Contributions</i>	14.5	14.5	29.0	14.5
<i>Senior Borrowing Costs</i>	(35.2)	(34.2)	(69.4)	(37.8)
<i>SOLA Borrowing Costs</i>	(7.2)	(7.9)	(15.2)	(6.0)
<i>Distributions</i>	(14.5)	(14.5)	(29.0)	(14.5)
<i>CPI Revenue Hedge Paid</i>	(0.8)	(0.0)	(0.8)	(0.0)
Movement in Borrowings of \$15.3m is shown net of the A\$168m US private placement bond issuance and temporary investment in a term deposit.				
Net Cash Movement	(13.1)	(22.5)	(35.6)	22.4
<i>Opening Cash</i>	52.3	39.2	52.3	16.7
<i>Closing Cash</i>	39.2	16.7	16.7	39.1

4.4. Balance Sheet

31 December 2009 is the pcp.

	31 Dec 09	30 Jun 10	31 Dec 10
	\$ millions	\$ millions	\$ millions
Current Assets	64.9	61.2	263.5
<i>Cash</i>	39.2	16.7	39.1
<i>Accounts Receivable</i>	24.5	37.4	22.6
<i>Derivative Financial Instruments</i>	0.0	4.3	0.6
<i>Other Assets</i>	1.2	2.9	201.2
Other Assets of \$201.2m increased on pcp primarily due to investment in a temporary term deposit following the A\$168m US private placement bond issuance.			
Non-Current Assets	1,269.8	1,272.2	1,273.5
<i>Plant, Property & Equipment</i>	782.4	784.6	786.7
<i>Intangibles</i>	486.0	485.8	486.5
<i>Derivative Financial Instruments</i>	1.4	1.9	0.4
<i>Other Assets</i>	0.0	0.0	0.0
Non-Current Assets of \$1,273.5m increased 0.3% pcp.			
Current Liabilities	36.8	56.3	292.9
<i>Payables</i>	31.0	37.0	40.2
<i>Derivative Financial Instruments</i>	5.8	4.4	2.1
<i>Interest Bearing Liabilities</i>	0.0	14.9	250.6
Interest Bearing Liabilities increased \$250.6m pcp due to the reclassification of debt maturing in 2011 as current.			
Non-Current Liabilities	1,141.8	1,123.0	1,055.0
<i>Interest Bearing Liabilities</i>	859.2	863.6	761.5
<i>SOLA Debt</i>	141.2	112.2	112.2
<i>Deferred Tax Liabilities</i>	71.0	70.6	74.1
<i>Derivative Financial Instruments</i>	45.7	52.1	82.9
<i>Other Liabilities</i>	24.6	24.4	24.2
Interest Bearing Liabilities of \$761.5m decreased 11.4% pcp due primarily to the reclassification of debt maturing in 2011 partially offset by the A\$168m US private placement bond issuance. SOLA Debt decreased \$29m pcp due to a repayment to DUET.			
Net Assets	156.1	154.2	189.2
Equity	156.1	154.2	189.2
<i>Contributed Equity</i>	240.3	254.8	269.3
<i>Reserves</i>	(26.1)	(27.0)	(18.8)
<i>Retained Profits / (Loss)</i>	(58.2)	(73.7)	(61.4)
Equity of \$189.2m increased 21.2% pcp reflecting the higher cash balance.			

4.5. Capital Expenditure Summary

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09 \$ millions	6 months to 30 Jun 10 \$ millions	12 months to 30 Jun 10 \$ millions	6 months to 31 Dec 10 \$ millions
Total Capex	15.4	19.1	34.5	19.1
Growth Capex	13.1	12.7	25.8	16.1
<i>Customer Initiated Capital</i>	7.2	5.7	12.8	7.4
<i>South Gippsland</i>	2.6	1.0	3.6	0.8
<i>Demand Capital</i>	1.0	2.3	3.3	0.9
<i>Other Growth Capex</i>	2.4	3.8	6.1	7.0
Maintenance Capex	2.3	6.3	8.6	3.0
<i>Replacement Capex</i>	0.9	4.6	5.5	1.5
<i>Metering</i>	0.8	1.2	2.0	1.4
<i>Other Maintenance Capex</i>	0.6	0.5	1.2	0.2

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

4.6. Key Operating Statistics

	As at 31 Dec 09		As at 30 Jun 10		As at 31 Dec 10	
		%		%		%
Distribution Network Profile – User Connections						
Tariff V Residential	646,520	97	648,648	97	651,551	97
Tariff V Business	16,545	3	16,537	2	16,552	2
Tariff D	265	0	266	0	270	0
Total	663,330	100	665,451	100	668,373	100

	12 months to 31 Dec 09		12 months to 30 Jun 10		12 months to 31 Dec 10	
		%		%		%
Usage – Gas Volumes (TJ)						
Tariff V	45,501	79	43,479	79	46,382	80
Tariff D	11,945	21	11,643	21	11,685	20
Total	57,446	100	55,122	100	58,067	100

	12 months to 31 Dec 09	12 months to 30 Jun 10	12 months to 31 Dec 10
Distribution Network Statistics			
Priority Emergency Response	97.8%	96.9%	96.5%
Number of Unplanned Outages (> 5 consumers)	13	11	18
Publicly Reported Gas Leaks (per 1,000 consumers)	18	16	17

WA Gas Networks

5. WA Gas Networks

As at 31 December 2010, DUET owned 25.9% of WA Gas Networks and 100% of the subordinated debt.

5.1. Financial Summary

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	74	63	137	73
Total Revenue	77	66	143	77
EBITDA	55	41	95	47
EBIT	42	28	70	33
Net Profit After Tax	15	7	22	7
Total Assets	889	915	915	929
Net Assets	93	101	101	107
Total Capex	23	29	52	22
RAB ²	790	790	790	790

² RAB is based on the approved Access Arrangement, with real values converted to nominal using actual CPI for year ending 30 September and has been assumed to be constant from December 2009 to December 2010.

WA Gas Networks

5.2. Income Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	77.3	65.8	143.0	77.0
<i>Distribution Revenue</i>	73.6	63.1	136.7	73.4
<i>Other Revenue</i>	3.7	2.6	6.3	3.6
Revenue of \$77.0m was in-line with pcp.				
Expenses from Ordinary Activities	62.2	58.8	121.1	69.8
Expenses from Ordinary Activities consist of Operating Expenses, D&A, Borrowing Costs and Income Tax Expense.				
Operating Expenses	22.7	24.8	47.6	30.4
<i>Cost of Goods Sold</i>	3.7	5.3	8.9	6.1
<i>Other Operating Expenses</i>	19.0	19.6	38.6	24.3
Operating Expenses of \$30.4m increased 33.9% pcp primarily due to the internalisation of operating functions and associated transaction costs and unaccounted for gas (UAFG) charges.				
D&A and Abandonments	12.6	13.0	25.6	13.4
<i>Depreciation</i>	11.9	12.3	24.3	9.9
<i>Amortisation</i>	0.7	0.7	1.4	3.5
D&A and Abandonments of \$13.4m increased 6.3% pcp.				
Net Borrowing Costs	21.0	20.0	41.1	23.0
<i>Interest Income</i>	(0.2)	(0.3)	(0.5)	(0.3)
<i>Senior Interest</i>	18.7	17.4	36.2	20.2
<i>SOLA Interest</i>	2.6	2.8	5.4	3.1
Net Borrowing Costs of \$23.0m increased 9.5% pcp.				
Income Tax Expense	5.9	0.9	6.8	3.0
Income Tax Expense of \$3.0m decreased 49.1% pcp.				
Net Profit After Tax	15.0	6.9	22.0	7.2
Net Profit After Tax of \$7.2m decreased 52.0% pcp mostly due to higher operating expenses.				

WA Gas Networks

5.3. Cash Flow Statement

The current period is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09 \$ millions	6 months to 30 Jun 10 \$ millions	12 months to 30 Jun 10 \$ millions	6 months to 31 Dec 10 \$ millions
Cash Flows from Operating Activities	54.7	26.9	81.6	49.0
<i>Cash Receipts and Payments</i>	58.3	32.8	91.0	51.7
<i>Tax Paid</i>	(3.6)	(5.8)	(9.4)	(2.7)
Cash Flows from Operating Activities of \$49.0m decreased 10.4% pcp.				
Cash Flows from Investing Activities	(25.3)	(28.6)	(53.9)	(28.2)
<i>Purchase of PP&E</i>	(25.3)	(28.6)	(53.9)	(28.2)
Cash Flows from Investing Activities of \$28.2m outflow increased 11.5% pcp.				
Cash Flows from Financing Activities	(30.1)	3.1	(27.0)	(17.7)
<i>Movement in Borrowings</i>	6.5	25.0	31.5	4.0
<i>Equity Contributions</i>	3.6	0.0	3.6	20.8
<i>Dividends Paid</i>	(19.9)	0.0	(19.9)	(20.8)
<i>Interest Received</i>	0.3	0.3	0.6	0.5
<i>Senior Interest and Borrowing Costs Paid</i>	(18.1)	(19.4)	(37.5)	(19.2)
<i>SOLA Interest Paid</i>	(2.5)	(2.8)	(5.2)	(3.1)
<i>Other</i>	0.0	0.0	0.0	0.0
Cash Flows from Financing Activities of \$17.7m outflow decreased 41.2% pcp primarily due to a \$17.2m increase in equity contributions from the owners to fund growth capital expenditure.				
Net Cash Movement	(0.7)	1.4	0.7	3.0
<i>Opening Cash</i>	11.2	10.5	11.2	12.0
<i>Closing Cash</i>	10.5	12.0	12.0	15.0

WA Gas Networks

5.4. Balance Sheet

31 December 2009 is the pcp.

	31 Dec 09	30 Jun 10	31 Dec 10
	\$ millions	\$ millions	\$ millions
Current Assets	34.6	44.0	41.8
<i>Cash</i>	10.5	12.0	15.0
<i>Accounts Receivable</i>	24.0	29.3	24.8
<i>Other Current Assets (including Inventories and Tax Assets)</i>	0.1	2.7	2.0
Current Assets of \$41.8m increased 20.8% pcp.			
Non-Current Assets	854.9	871.7	887.3
<i>Plant, Property and Equipment</i>	641.3	658.1	673.7
<i>Intangibles</i>	213.6	213.6	213.6
Non-Current Assets of \$887.3m increased 3.8% pcp.			
Current Liabilities	220.4	277.7	406.2
<i>Payables</i>	15.3	15.3	11.1
<i>Interest Bearing Liabilities</i>	200.0	261.0	390.0
<i>Current Tax Liabilities</i>	2.8	0.0	0.0
<i>Provisions and Other Liabilities</i>	2.4	1.4	5.1
Current Liabilities of \$406.2m increased 84% pcp primarily due to the reclassification of \$190m bank debt maturing in 2011 as current.			
Non-Current Liabilities	575.9	537.6	416.1
<i>Interest Bearing Liabilities</i>	407.4	368.3	245.6
<i>SOLA Debt</i>	79.8	79.8	79.8
<i>Deferred Tax Liabilities</i>	88.7	89.4	88.2
<i>Provisions</i>	0.0	0.0	2.6
Non-Current Liabilities of \$416.1m decreased 27.7% pcp primarily due to the reclassification of \$190m bank debt maturing in 2011 as current.			
Net Assets	93.2	100.5	106.8
Equity	93.2	100.5	106.8
<i>Contributed Equity</i>	173.2	173.2	194.1
<i>Reserves</i>	0.0	0.4	(0.6)
<i>Retained Earnings</i>	(80.1)	(73.1)	(86.7)
Equity of \$106.8m increased 14.6% pcp primarily due to higher contributed equity in the current period.			

WA Gas Networks

5.5. Capital Expenditure Summary

The current period is the 6 months to 31 December 2010. The pcip is the 6 months to 31 December 2009.

	6 months to 31 Dec 09 \$ millions	6 months to 30 Jun 10 \$ millions	12 months to 30 Jun 10 \$ millions	6 months to 31 Dec 10 \$ millions
Total Capex	22.7	29.2	51.9	21.8
Growth Capex	17.9	23.6	41.5	16.9
<i>Customer Initiated Capital</i>	12.3	12.1	24.4	13.4
<i>Demand Capital</i>	5.6	11.5	17.1	3.4
<i>Other Growth Capex (incl. Recoverable)</i>	0.0	0.0	0.0	0.1
Maintenance Capex	4.8	5.5	10.3	4.9
<i>Asset replacement</i>	2.9	3.8	6.7	2.9
<i>Other Maintenance Capex</i>	0.1	0.2	0.3	0.0
<i>Information Systems</i>	1.7	1.6	3.3	2.0

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

WA Gas Networks

5.6. Key Operating Statistics

	12 months to		12 months to		12 months to	
	31 Dec 09	%	30 Jun 10	%	31 Dec 10	%
Usage (TJ)						
Tariff A	14,362	51	14,210	51	14,487	52
Tariff B	13,346	48	13,345	48	13,157	47
Kalgoorlie	191	1	190	1	191	1
Albany	139	0	135	0	126	0
Total Distribution Volumes	28,038	100	27,880	100	27,961	100

	As at	As at	As at
	31 Dec 09	30 Jun 10	31 Dec 10
Number of Connections	618,834	627,205	637,171

	As at	As at	As at
	31 Dec 09	30 Jun 10	31 Dec 10
Performance Indicators			
SAIFI (Per 1000)	0.42	0.31	0.20
Priority Emergency Response	100%	100%	99.72%

Duquesne

6. Duquesne

As at 31 December 2010, DUET owned 29.0% of Duquesne. On 29 September 2010, DUET executed an agreement to sell its 29% ownership interest in DQE Holdings LLC to the Government of Singapore Investment Corporation Pte Ltd (GIC) for US\$360 million. The sale to GIC remains subject to receipt of regulatory approvals. Financial close of the sale is expected to be achieved by the end of FY2011.

All balances reported are stated in US Dollars. Both the Income Statement and Balance Sheet are presented in US GAAP and accordingly are not AIFRS compliant. Duquesne's financial year end is 31 December.

6.1. Financial Summary

	6 months to 31 Dec 09 \$US millions	6 months to 30 Jun 10 US\$ millions	12 months to 30 Jun 10 US\$ millions	6 months to 31 Dec 10 \$US millions
Total Revenue ¹	558	573	1,130	607
EBITDA	175	175	350	175
EBIT	119	125	244	125
Net Profit After Tax	25	3	28	15
Total Assets	4,265	4,205	4,205	4,290
Net Assets	455	503	503	552
Total Capex	117	113	230	150

¹ Before limited partners' interest and discontinued operations.

Duquesne

6.2. Income Statement

The current period presented for Duquesne is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09	6 months to 30 Jun 10	12 months to 30 Jun 10	6 months to 31 Dec 10
	\$US millions	US\$ millions	US\$ millions	\$US millions
Total Revenue	557.5	572.6	1,130.1	606.7
Total Revenue Includes Retail Sales of Electricity and Other Revenues				
Retail Sales of Electricity Revenue	522.5	533.3	1,055.9	565.9
<i>Transmission</i>	54.0	50.8	104.8	47.3
<i>Distribution</i>	189.1	198.2	387.3	213.4
<i>Supply</i>	279.4	284.3	563.7	305.2
Retail Sales of Electricity Revenue of \$565.9m increased 8.3% pcp predominantly due to a \$50.1m increase in Distribution and Supply revenues. This was driven by higher distribution volumes and POLR sales as a result of the economic recovery in Pittsburgh.				
Other Revenue	35.0	39.2	74.2	40.8
<i>Other</i>	35.0	39.2	74.2	40.8
Other Revenue is associated with non-regulated activities including the generation, communications and energy facility businesses.				
Expenses	346.8	396.5	743.2	407.7
<i>Fuel and Purchased Power</i>	255.7	263.3	519.0	300.8
<i>Mark-to-Market Value of Derivative Energy Contracts</i>	(35.7)	(1.0)	(36.7)	(23.7)
<i>Other Operating and Maintenance</i>	87.0	82.9	169.9	83.9
<i>Movement in Regulatory Assets and Liabilities</i>	7.1	15.3	22.4	10.2
<i>Taxes other than Income Taxes</i>	32.7	35.9	68.6	36.5
Expenses of \$417.3m increased 20.3% pcp predominantly from an increase in fuel and purchased power costs driven by higher POLR sales and higher capacity charges.				
Depreciation and Amortisation	55.9	50.2	106.1	50.5
Depreciation and Amortisation of \$50.5m decreased by 9.7% pcp.				
Net Borrowing Costs	110.4	131.9	242.3	105.3
<i>Investment and Other Income / (Loss)</i>	(0.2)	(2.1)	(2.3)	(2.5)
<i>Senior Interest</i>	61.1	63.8	124.9	90.2
<i>Shareholder Loan Interest</i>	48.3	45.4	93.7	46.2
<i>Amortisation of Capitalised Borrowing Costs</i>	1.6	3.1	4.6	5.7
<i>Mark-to-Market Value of Interest Rate Hedges</i>	(1.9)	20.1	18.2	(35.5)
<i>Movement on Regulatory Asset</i>	1.6	1.6	3.2	1.2
Borrowing Costs of \$105.3m decreased 4.6% pcp predominantly from MTM movements in interest rate hedges partially offset by a one-off increase in Senior Interest reflecting a one-off \$33.8m interest rate hedge break cost.				
Income Tax Expense	21.9	(8.8)	13.1	29.9
The income tax expense of \$29.9m increased 37% pcp.				
Other	2.6	(0.1)	2.5	1.4
<i>Benefit from Limited Partners' Interest</i>	2.3	(0.0)	2.2	1.4
<i>Profit / (Loss) from Discontinued Operations – Net</i>	0.3	(0.1)	0.3	(0.0)
Net Profit After Tax	25.1	2.8	27.9	14.7

Duquesne

6.3. Cash Flow Statement

The current period presented for Duquesne is the 6 months to 31 December 2010. The pcp is the 6 months to 31 December 2009.

	6 months to 31 Dec 09 \$US millions	6 months to 30 Jun 10 US\$ millions	12 months to 30 Jun 10 US\$ millions	6 months to 31 Dec 10 \$US millions
Cash Flows from Operating Activities	223.6	142.2	365.8	178.1
<i>Cash Receipts</i>	594.2	603.3	1,197.4	642.8
<i>Cash Payments to Suppliers</i>	(370.7)	(466.6)	(837.3)	(467.6)
<i>Income Tax (Payment) / Refund</i>	0.1	5.5	5.6	2.9
Cash Flows from Operating Activities of \$178.1m decreased 20.3% pcp predominantly due to higher fuel and purchased power costs partially offset by higher revenues.				
Cash Flows from Investing Activities	(100.4)	(137.1)	(237.5)	(129.1)
<i>Purchase of PP&E</i>	(98.3)	(136.9)	(235.2)	(129.3)
<i>Proceeds from Sale of Investments</i>	0.0	0.0	0.0	0.0
<i>Other</i>	(2.1)	(0.1)	(2.3)	0.1
Cash Flows from Investing Activities of \$129.1m outflow increased 28.6% pcp due to capital expenditure for the distribution rate case and additional transmission growth capital expenditure.				
Cash Flows from Financing Activities	82.5	(154.2)	(71.7)	(63.0)
<i>Movement in Borrowings</i>	(24.2)	(90.0)	(114.2)	34.4
<i>Equity Contributions</i>	200.0	0.0	200.0	0.0
<i>Senior Borrowing Costs</i>	(55.1)	(59.6)	(114.7)	(92.9)
<i>Shareholder Loan Interest</i>	(7.1)	0.0	(7.1)	0.0
<i>Consortium Dividends</i>	0.0	0.0	0.0	0.0
<i>Preferred Stock Dividends</i>	(3.1)	(3.1)	(6.2)	(3.1)
<i>Deferral of Member Debt Interest Payments</i>	(22.8)	0.0	(22.8)	0.0
<i>Other</i>	(5.2)	(1.5)	(6.7)	(1.4)
Cash Flows from Financing Activities of \$63.0m decreased by \$145.5m pcp primarily due to lower equity contributions and higher senior borrowing costs in the current period due to a one-off \$33.8m interest rate hedge break cost.				
Net Cash Movement	205.7	(149.1)	56.6	(14.1)
<i>Opening Cash</i>	35.1	240.9	35.1	91.8
<i>Closing Cash</i>	240.9	91.8	91.8	77.7

Duquesne

6.4. Balance Sheet

The pcp is 31 December 2009.

	31 Dec 09 \$US millions	30 Jun 10 US\$ millions	31 Dec 10 \$US millions
Current Assets	460.6	343.3	311.3
<i>Cash and Cash Equivalents</i>	240.9	91.8	77.7
<i>Receivables</i>	138.0	149.0	153.3
<i>Deferred Tax Assets</i>	51.0	52.0	27.3
<i>Derivative Financial Instruments</i>	0.3	1.2	2.2
<i>Other</i>	30.5	49.3	50.9
Current Assets of \$311.3m decreased 32.4% pcp primarily due to a decrease in cash and cash equivalents due to debt repayments.			
Non-Current Assets	3,803.9	3,862.0	3,978.7
<i>Long-Term Investments</i>	15.3	14.8	11.4
<i>Net Property, Plant and Equipment</i>	2,163.1	2,223.5	2,322.4
<i>Regulatory Assets</i>	562.4	558.4	591.3
<i>Goodwill</i>	1,017.8	1,017.8	1,017.8
<i>Derivative Financial Instruments</i>	0.0	1.3	0.1
<i>Pension Assets</i>	0.0	0.0	0.0
<i>Other</i>	45.2	46.2	35.6
Non-Current Assets of \$3,978.7m increased 4.6% pcp primarily due to a \$159.3m increase in PP&E and a \$28.9m increase in Regulatory Assets.			
Current Liabilities	296.5	257.0	295.7
<i>Short Term Debt and Current Maturities</i>	0.3	0.0	47.9
<i>Accounts Payable</i>	108.7	78.2	102.6
<i>Deferred Income Tax-Net</i>	0.0	0.0	0.0
<i>Derivative Financial Instruments</i>	96.0	79.0	39.9
<i>Other Current Liabilities</i>	91.6	99.9	105.2
Current Liabilities of \$295.7m was in line with pcp.			
Non-Current Liabilities	3,513.4	3,445.7	3,442.6
<i>Deferred Income Taxes - Net</i>	370.7	378.2	431.2
<i>Derivative Financial Instruments</i>	59.1	94.8	71.1
<i>Pension Liability</i>	266.0	267.4	260.6
<i>Federal Income Tax Reserve</i>	44.0	13.4	13.8
<i>Other Post Retirement Benefits</i>	55.1	55.4	50.5
<i>Other Non-Current Liabilities</i>	66.8	75.3	67.1
<i>Long-Term Debt</i>	1,841.4	1,751.9	1,739.8
<i>Limited Partners Interest</i>	7.3	6.2	5.4
<i>Investor Debt</i>	695.0	695.0	695.0
<i>Preferred and Preference Stock</i>	108.1	108.1	108.1
Non-Current Liabilities of \$3,442.6m decreased 2.0% pcp due to a \$101.6m decrease in long-term debt partially offset by an increase in net Deferred Income Taxes of \$60.4m.			
Net Assets	454.5	502.6	551.7
Equity	454.5	502.6	551.7
<i>Common Equity</i>	454.5	502.6	551.7
Equity of \$551.7m increased 21.4% pcp primarily due to an increase in PP&E and a decrease in long-term debt.			

6.5. Capital Expenditure Summary

The current period is the 12 months to 31 December 2010. The pcp is the 12 months to 31 December 2009.

	6 months to 31 Dec 09 \$US millions	6 months to 30 Jun 10 US\$ millions	12 months to 30 Jun 10 US\$ millions	6 months to 31 Dec 10 \$US millions
Total Capex	116.6	113.2	229.8	149.7
Growth Capex	63.1	34.7	97.9	77.2
<i>Growth Transmission</i>	51.7	25.9	77.6	64.8
<i>Associated Distribution</i>	11.5	8.8	20.3	12.4
Maintenance Capex	46.3	73.5	119.8	68.7
<i>Transmission & Distribution Maintenance</i>	36.6	65.4	102.0	57.6
<i>Utility Support</i>	9.6	8.1	17.7	11.0
Other Capex	7.2	5.0	12.2	3.8
<i>Keystone & Conemaugh</i>	4.8	2.1	6.9	1.3
<i>Communications</i>	2.4	2.8	5.2	2.5

The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.

Duquesne

6.6. Key Operating Statistics

	12 months to		12 months to		12 months to	
	31 Dec 09	%	30 Jun 10	%	31 Dec 10	%
Electricity Delivered (GWh)						
Residential	3,945	30	4,031	30	4,326	31
Commercial & Lighting	6,602	50	6,645	49	6,776	48
Industrial	2,575	20	2,748	20	2,956	21
Total	13,123	100	13,424	100	14,058	100