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ASX RELEASE

THE DUET GROUP 2011 AGM – CHAIRMAN'S SPEECH

Good morning ladies and gentlemen, my name is John Roberts and I am the Chairman of the DUET Group and will chair today's proceedings.

On behalf of the Boards and management of DUET, I would like to extend a very warm welcome to you and thank you for your attendance today and your ongoing support of DUET.

As it is now 11am, I declare these meetings of members of the stapled entities DUET1, DUET2, DUET3 and DUET Investment Holdings Limited open and, on advice, declare that the necessary quorum is present for each entity.

Today's presentation is also being teleconferenced and webcast to the wider investment community, so welcome to those listening in.

Before we get started, may I please ask that mobile phones be switched off or set to silent.

I would like to draw your attention to the statements relating to the nature of today's presentation detailed in the disclaimer on page two of our presentation.

Securityholders familiar with DUET will be aware that the Group comprises three Australian Trusts, known as DUET1, DUET 2 and DUET 3 and an Australian limited liability company, DUET Investment Holdings Limited or "D-I-H-L".

These entities are stapled together to form the DUET Group, whose securities trade as a stapled security on the ASX.

Today's meetings are concurrent general meetings for each of these four entities.

The Trustees of the DUET Entities are Responsible Entity One, which I will call RE1 and Responsible Entity Two, which I will call RE2.

Let me start by introducing my fellow directors on the boards of RE1, RE2 and DIHL.

Philip Garling and I are directors of each of RE1, RE2 and DIHL and we are the representatives of AMP Capital and Macquarie Group respectively.

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). AMP Capital Holdings Limited (ABN 69 078 651 966) has arranged for an external bank limited \$2.5 million guarantee which together with an MBL limited \$2.5 million guarantee are provided to the Australian Securities and Investments Commission in respect of Corporations Act obligations of each of AMPCI Macquarie Infrastructure Management No. 1 Limited and AMPCI Macquarie Infrastructure Management No. 2 Limited as responsible entities of managed investment schemes. MBL and AMP Bank and their related corporations do not otherwise guarantee or provide assurance in respect of the obligations of AMPCI Macquarie Infrastructure Management No. 1 Limited or AMPCI Macquarie Infrastructure Management No. 2 Limited or any other entity noted in this document.

I am the Chairman of each of these entities.

Directors seated on the stage in order from your left to right are Philip Garling, Emma Stein, The Honourable Michael Lee and Doug Halley who, together with myself, comprise the board of RE1.

Seated next to Doug are Ron Finlay, Eric Goodwin and Duncan Sutherland, and who, together with myself and Philip Garling, make up the board of RE2.

The Board of DIHL is made up of Emma Stein, Doug Halley, Ron Finlay, Philip Garling and myself.

Seated at the table next to me is David Bartholomew, the Chief Executive Officer of DUET and Jason Conroy, DUET's Chief Financial Officer.

The board and senior management welcome the opportunity to speak with you over refreshments following the conclusion of today's meetings.

In the audience today we also have:

- Daniel Lees of Computershare - the registry for DUET; and
- Kester Brown of Ernst & Young – DUET's auditor and scrutineer for today's voting.

Today I will summarise the key strategic initiatives undertaken by the Group since our last AGM and provide some context for the Boards' decision making during the period.

I will then ask David Bartholomew to talk to you about DUET Group's performance during the year, and that of each of our businesses, DUET's capital management and the outlook for the Group.

Following the presentations we will be happy to answer any general questions you may have.

We will then move on to the formal business to be considered. At that time, discussion and/or questions and a vote will then be taken on the sole resolution for consideration today.

Since our last AGM, DUET has undertaken an important series of strategic initiatives that have transformed its asset portfolio, significantly reduced its gearing, and secured a regulatory mandate for continued investment in its asset base. In addition, our businesses have taken important steps towards achieving direct control of operations.

In September 2010, we announced the sale of our minority interest in Duquesne Light. Following regulatory approval, we completed the sale in September this year, realising \$345 million, which was used to repay DUET corporate level debt and significantly reduced DUET's refinancing obligations.

A further benefit in the current economic climate is that we no longer have a US asset exposure and the associated foreign exchange risk. We have also exited the US in anticipation of a prolonged period of low economic growth, falling energy consumption and pressure on regulated utility tariffs.

Earlier this year Prime Infrastructure's subsidiary AET&D conducted a sale process for its Australian assets, including stakes in DBP, Multinet Gas and WA Gas Networks.

DUET's pre-emptive rights over those stakes put it in a position to negotiate an asset swap on favourable terms. In July we announced the completion of the asset swap in which we sold our minority position in WA Gas Networks and acquired the remaining interest in Multinet Gas and a further stake in DBP.

We acquired 20% of the highly regarded DBP at a discount to regulated asset base, and acquired the remaining interest in Multinet Gas and sold our minority interest in WA Gas Networks at attractive buy and sell transaction multiples, requiring net funding of only \$42.5 million.

This transaction simplifies the DUET Group which enables a more transparent sum of the parts valuation.

This transaction captured significant value for DUET securityholders.

In August, DUET successfully completed a fully underwritten \$277 million entitlement offer. This capital raising was priced at a tight discount to our trading price and was strongly supported by both institutional and retail securityholders.

For every five existing stapled securities a securityholder owned, they were able to buy a new stapled security at \$1.52, which closed yesterday at \$1.74.

This initiative has significantly improved the capital structure of the Group. The proceeds of the raising were used to eliminate corporate level debt and repay the subordinated debt held by DUET in its asset companies. The raising also provided capital to further degear DBP and meet the net funding requirement of the asset swap transaction I mentioned earlier.

These initiatives will reduce overall Group gearing to around 75%, as measured by proportionate net debt to regulated asset base.

The year has seen DUET continue to invest to grow its regulated asset base.

DBP has now completed the \$700 million stage 5B expansion project adding 15% to pipeline capacity.

During the year, the regulator endorsed a major capital expenditure program at UED that will see a total of almost \$1 billion deployed to renew the network and to expand peak capacity.

UED has also continued the roll out of smart meters during the year and will continue to invest in that project through to its planned completion in financial year 2014.

DUET's proportionate share of the regulated asset base of DBP, UED and Multinet on a pro forma basis was around \$5 billion as at June this year, having increased by more than 4% during the 2011 financial year.

These regulated utility investments are expected to generate double digit returns to securityholders.

Over the past few years DUET has been focusing on bringing operational control in-house at each of the utilities.

Our objective has been to ensure that each of our businesses is in a position to exercise full control, and be completely accountable, for its operations, and optimise operating and capital expenditure to improve efficiency and network performance, while enhancing customer service.

This move to an in-house operating model has substantially lifted the capability of the Group and more clearly identified responsibility for performance.

One of DUET's key objectives has always been to cover its distributions to securityholders with net operating cash flows. This objective continues to guide the Boards' decision making.

UED's final regulatory decision in 2010 provided for an increase of around 70% in the level of capital expenditure compared with the last regulatory period. This represents an attractive opportunity for DUET to grow UED's regulated asset base.

Funding this investment, which maintains and grows DUET's proportionate regulatory asset base, requires UED to retain a portion of its earnings, reducing the net cash distributed to DUET. DUET will also contribute additional equity to UED, sourced from DUET's cash reserves and our dividend reinvestment plan, which will be re-activated in financial year 2012.

This, with the decision to deleverage DUET, was an important factor in the Boards' decision to reset the distribution for financial year 2012.

Today, we reaffirm our distribution guidance for financial year 2012 of 16 cents per stapled security.

The Boards have also announced a medium term target for growth in distributions of 3% per annum.

In addition to the transactions and capital initiatives undertaken during the year, there have also been changes to DUET's leadership.

At our last AGM, we announced that the former CEO of DUET, Peter Barry, intended to retire after seven years leading the fund.

We were fortunate to have a strong successor in David Bartholomew, who had been DUET's Chief Operating Officer since 2006.

David is supported by a stable and experienced senior management team, which provided a seamless transition in DUET's leadership.

In addition to the management changes, there have also been changes to the Boards.

At the time of David's appointment, I took over as Chairman from Philip Garling, with Philip remaining a valuable member of the DUET boards.

I would now like to introduce David Bartholomew, who will update you on the performance of the fund and our asset companies and provide an overview of the capital initiatives undertaken across the Group since our last AGM.

For further information, please contact:

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