

2012 Final Results Presentation

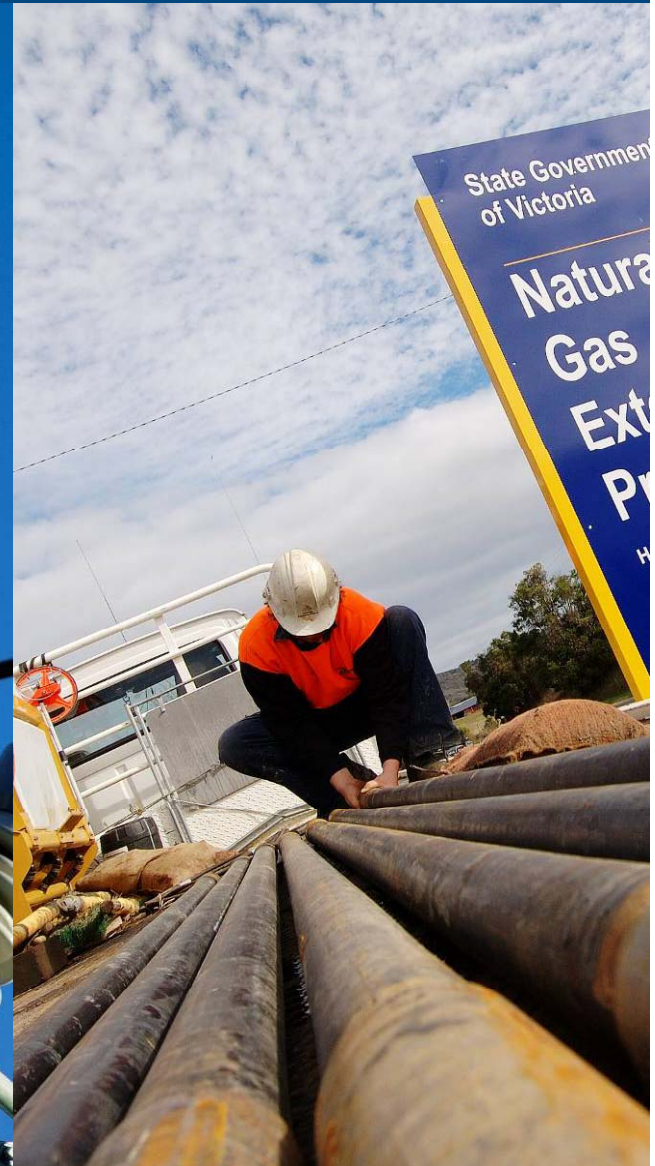
17 August 2012



David Bartholomew
Chief Executive Officer



Jason Conroy
Chief Financial Officer



Disclaimer

AMPCI Macquarie Infrastructure Management No.1 Limited (ABN 99 108 013 672) (RE1) (AFSL 269286) is the responsible entity for Diversified Utility and Energy Trust No.1 (DUET1) (ARSN 109 363 037) (ABN 83 495 791 796) and the manager of DUET Investment Holdings Limited (DIHL) (ABN 22 120 456 573), and AMPCI Macquarie Infrastructure Management No.2 Limited (ABN 15 108 014 062) (RE2) (AFSL 269287) is the responsible entity for Diversified Utility and Energy Trust No.2 (DUET2) (ARSN 109 363 135) (ABN 85 482 841 876) and Diversified Utility and Energy Trust No.3 (DUET3) (ARSN 124 997 986) (ABN 42 998 980 995) (in combination referred to as “DUET” or “the DUET Group”). RE1 and RE2 are joint ventures between AMP Capital Holdings Limited, a wholly owned subsidiary of AMP Limited (AMP), and Macquarie Capital Group Limited, a wholly owned subsidiary of Macquarie Group Limited (MGL).

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This presentation 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.

Information, including forecast financial information, in this presentation should not be considered as a recommendation in relation to holding, purchasing or selling units, securities or other instruments in DUET. Due care and attention has been used in the preparation of forecast information, however, actual results may vary from forecasts and any variation may be materially positive or negative. Forecasts by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET. Past performance is not a reliable indication of future performance.

All numbers are as at **30 June 2012** unless otherwise noted.

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Disclaimer

Reporting Disclosure

This presentation contains Proportionate Earnings, Gearing and Unconsolidated Cash Flows for DUET Group for the year ended 30 June 2012. 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 presentation. Accordingly, DUET notes that customer contributions (net of margin) have been excluded from proportionate earnings in the 12 months to 30 June 2012 and actual results in the prior corresponding period have been restated with this change.

Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this presentation involves the aggregation of the financial results of DUET's energy utilities in the relevant proportions that DUET holds beneficial ownership interests. It is calculated as energy utilities' revenues less the sum of customer contributions (net of margin), operating expenses, maintenance capital expenditure, net external interest expense, net tax expense and corporate net interest expense, net tax expense and operating expenses ("Proportionate Earnings"). Proportionate earnings excludes the impact of any changes in the fair value of derivatives and realised hedge break costs from the early refinancing of external debt.

Proportionate Earnings information also includes 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, period of ownership and foreign currencies.

The purpose of proportionate earnings is therefore to provide a view of DUET's result based on:

- the actual beneficial ownership percentage of its energy utilities' results as opposed to consolidating 100% of those earnings;
- the exclusion of non-cash items that are not reflective of cash outflows in the current reporting period such as the non-cash change in the fair value of derivatives that reflects the movement in the termination value of those instruments during the period.

Parts of this presentation have therefore been prepared on a different basis to the full year Financial Report of DUET Group. Certain information contained within this presentation 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 Full year Financial Report. This presentation should be read in conjunction with the Full year Financial Report of DUET Group, which can be found on the DUET website at www.duet.net.au.

Reconciliation of statutory and proportionate results

A reconciliation of Proportionate Earnings and Unconsolidated Cash Flows as shown in this presentation to the consolidated statutory Income Statement and consolidated statutory Cash Flow Statement is contained in Appendix A of this presentation.

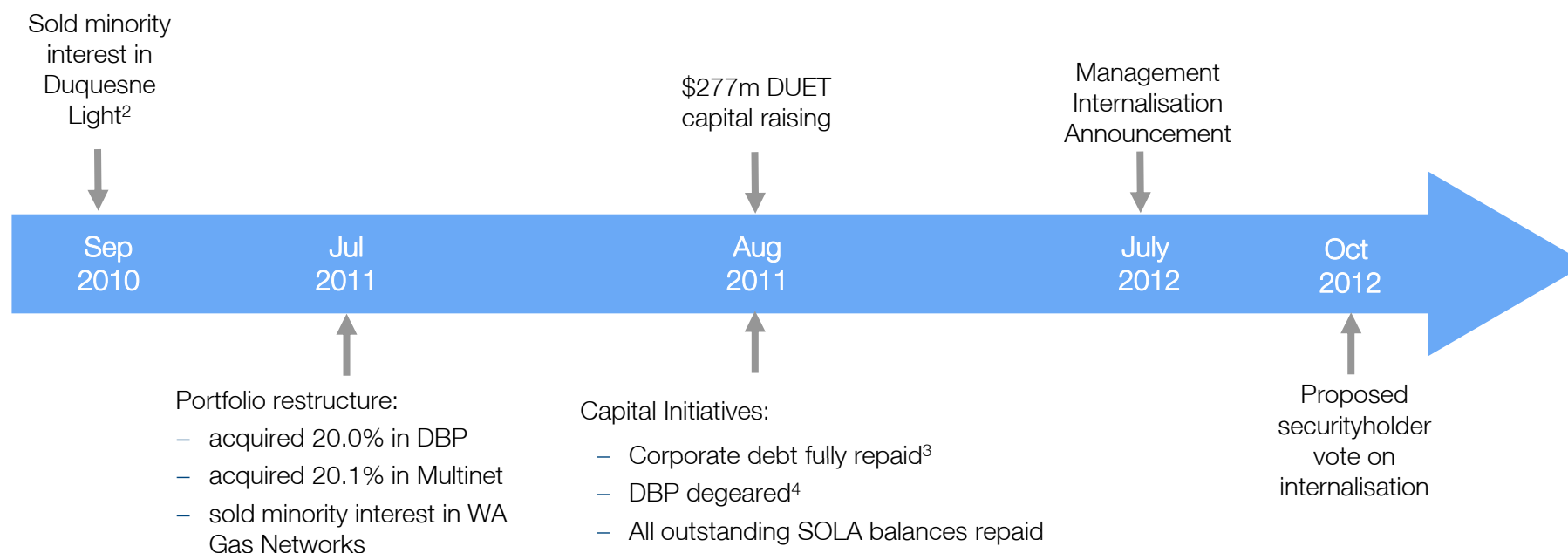
Agenda

DUET's Evolution	5
Financial Performance	9
Capital Management	14
Operational Update	19
Outlook	25
Questions	28
<i>Appendix A – Financial Information</i>	<i>29</i>
<i>Appendix B – About DUET</i>	<i>41</i>
<i>Appendix C – Internalisation Overview</i>	<i>46</i>
<i>Appendix D – Additional information</i>	<i>51</i>

DUET's Evolution

Internalisation is a natural next step for the Group

- Majority¹ positions in 3 Australian regulated utilities
- Simplified, degeared capital structure
- Internalised operations and management focussed on operating performance



¹ In aggregate across the DUET Group.

² Sale was subject to regulatory approval - final settlement occurred in September 2011.

³ DUET's corporate revolver repaid to zero with the proceeds of the capital raising. Duquesne sale proceeds to be applied to repay DUET's \$345m corporate bridge debt facility and issue the Multinet Hybrid Instrument.

⁴ Funded from an investment of \$160m from DUET upfront and \$40m from Alcoa over three years.

DUET's Evolution

Bringing operating control of our businesses in-house

DBP	United Energy	Multinet
<ul style="list-style-type: none"> • All operations brought in-house in 2010 • Now a stand-alone operating utility business with 205 employees • Improved control of operations and costs <ul style="list-style-type: none"> – Reduced fuel/maintenance cost – HR policies mitigating WA salary pressure 	<ul style="list-style-type: none"> • Large scale outsourcing contract with Zinfra ended June 2011 • Corporate and engineering/asset management fully operational • 2 field contractors (Zinfra¹, Tenix) <ul style="list-style-type: none"> – Incentive based contracts – Benchmarking /competitive tendering • Timetable for remaining functions <ul style="list-style-type: none"> – New I.T. contracts June 2013 – Customer management June 2013 – Call Centre January 2014 – Network control room June 2014 	<ul style="list-style-type: none"> • Large scale outsourcing contract with Zinfra to end June 2013 • Corporate functions already brought in-house • 2 field contractors planned <ul style="list-style-type: none"> – Comdain appointed as preferred supplier to southern region

Full operating control and flexibility to manage opex, capex, network performance and customer service

¹ Formerly Jemena

DUET's Evolution

Owner/Operator of Australian energy utilities with strong prospects

Strong Performance

- 17.6% Total Securityholder Return in FY12
- Outperformed benchmark by 13.7%
- Distributions
 - FY12 guidance met
 - 16.5cps FY2013 guidance

Strong Businesses

- Three majority-owned⁽¹⁾ Australian energy utilities
- Regulated and/or highly contracted revenues
- High EBITDA margins
- Control of operations, and cash flows by each business
- Stable investment grade credit ratings

Strong Prospects

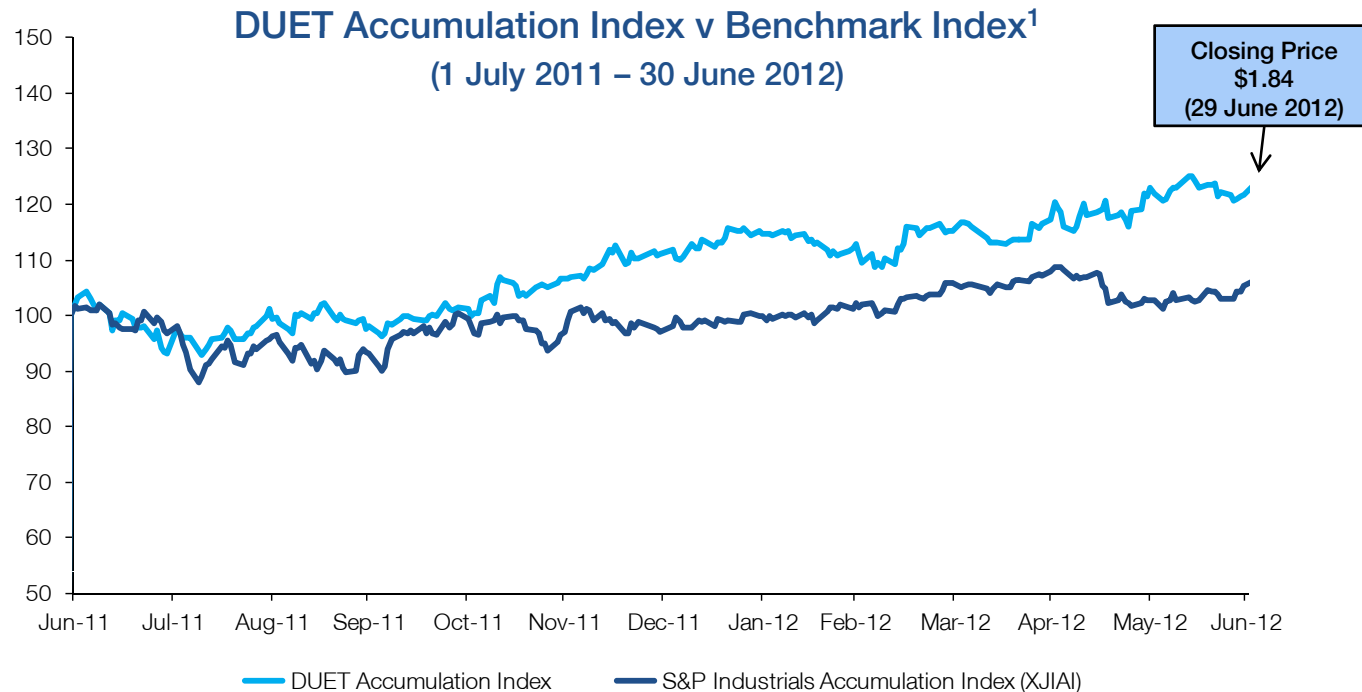
- Resilient revenue base
- Growing Regulated Asset Base
- Potential future expansion of DBP
- Proven access to global capital markets
- Internalisation Proposal to be put to Securityholders in late October 2012

Independent management with approval of the Internalisation Proposal in late October 2012

¹ In aggregate, held across the DUET Group entities

Return to Securityholders

17.6% TSR in FY2012



- DUET outperformed its Benchmark Index¹ by 13.7% in the twelve months to 30 June 2012
- \$16.2 million performance fee for the 6 months to 30 June 2012 paid to the Manager (Macquarie/AMP Capital) in July 2012

¹ DUET's Benchmark Index is the S&P/ASX200 Industrials Accumulation Index

Financial Performance



Statutory Results

Net Result after Tax down on pcg mostly due to the gain on recognising tax losses in FY11



Statutory Net Result			
\$m	FY12	FY11	% Variance
Operating revenue ⁽¹⁾	1,202.7	1,139.5	6
Operating costs ⁽²⁾	(471.9)	(375.8)	(26)
EBITDA	730.8	763.7	(4)
Unrealised fair value hedge and foreign exchange movements	(18.4)	(58.7)	69
Depreciation	(191.0)	(180.3)	(6)
Amortisation	(42.9)	(34.0)	(26)
EBIT	478.5	490.7	(2)
Profit from associates – Duquesne and WA Gas Networks	6.7	20.8	(68)
Gain on disposal of associates – Duquesne and WA Gas Networks	8.7	-	Nm
Net interest expense	(447.6)	(438.1)	(2)
Tax expense	(2.3)	115.0	Nm
Net Result after Tax	44.0	188.4	(77)
Loss/(Profit) attributable to other non-controlling interests	3.5	(63.5)	Nm
Net Result after Tax attributable to stapled security holders	47.5	124.9	(62)

1 Operating revenue is total statutory revenue of \$1.2bn less interest income (included above within Net interest expense) and unrealised fair value hedge and foreign exchange movements.

2 Operating costs includes \$30.8m of transition costs (2011: \$9.9m), \$8.2m accrual for UAFG (2011: \$3.2m), a \$12.9m provision for a Shipper dispute (2011: \$0) and a \$16.6m performance fee (including non-recoverable GST) (2011: \$0).

Proportionate Results

Full earnings and cash coverage of distributions

Proportionate Consolidation ⁽¹⁾ Per DUET MIR	FY12	FY11	% Variance
Revenue (\$m)	928.8	872.5	6
EBITDA (\$m)	638.2	632.7	1
Earnings (\$m) ⁽²⁾	200.5	183.9	9
Earnings pss ⁽²⁾	18.7	20.6	(9)
Cash available for distribution pss	17.4	16.3	7
Distribution declared pss	16.0	20.0	(20)
Cash coverage of Distribution	109%	82%	33

1 Proportionate consolidation involves the aggregation of the financial results of DUET's energy utility assets in the relevant proportions that DUET holds beneficial ownership interests, weighted by days held in the period (DBP 80.1%; UED 66.0%; MGH 98.4%; WAGN 25.9% and DQE 29.0% up until date of sale) . Note that DUET's equity interest and related rights to distributions in DBP is expected to progressively reduce to 80% as the minority shareholder meets future equity calls. The policies adopted in preparing the proportionately consolidated results are contained on page 3 along with a reconciliation to the statutory results which is contained in Appendix A.

2 Proportionate earnings exclude DUET's proportionate interest in the customer contributions revenue (net of the margin earned) from each of its assets. This is a new policy adopted by the DUET Boards in the definition of proportionate earnings set out in DUET's MIR. FY2011 has been restated on this basis for ease of comparison. Proportionate earnings also includes the impact of the \$16.2m performance fee incurred by DUET in the 6 months to 30 June 2012 and paid in July 2012.

Proportionate EBITDA

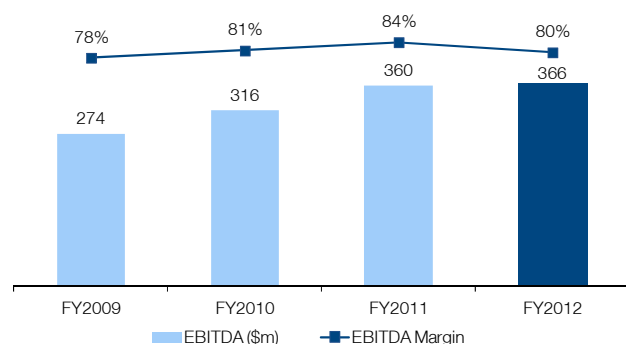
Transition and other costs outside normal operations in core results



Proportionate EBITDA Per DUET MIR, \$m	FY12 Actual	FY12 Normalised	Costs added back to normalise EBITDA
DBP	293.0	294.3	– \$1.3m share of AET&D sale-related costs
United Energy	181.8	200.2	– \$18.4m share of operating model transition costs
Multinet	131.3	139.3	– \$2.9m share of corporate transition costs and \$5.1m share of UAFG costs relating to prior periods
Core Portfolio	606.2	633.8	
Add: WAGN and Duquesne	32.1	32.1	
Total Portfolio	638.2	665.9	

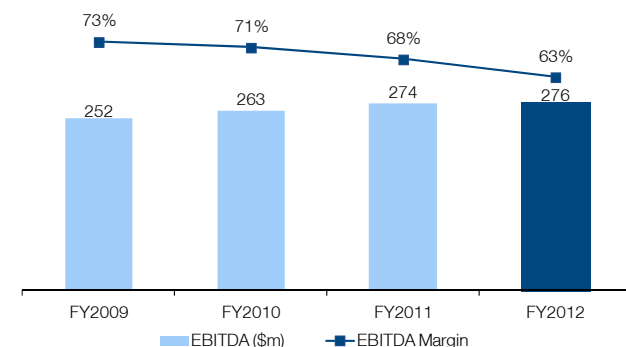
Operating Results

EBITDA margins impacted in FY2012 by a number of factors



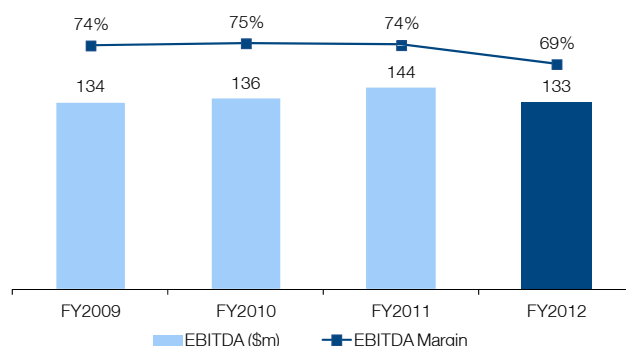
DBP

- \$12.9m provision for doubtful debts booked through opex in 2H12 due to dispute with a Shipper relating to the 18 months to June 2012 which is currently in arbitration (final decision expected in September 2012)
- \$1.6m of AET&D sale-related costs in FY2012



United Energy

- All transition costs (\$27.9m) booked in FY2012
 - Remaining cash payments totalling \$16.6m expected to be made in FY13 and FY14
- Back-ended X factor profile for 2011 – 2015 period



Multinet

- \$2.9m of transition costs as MGH moves to new operating model
- \$8.2m in UAFG costs expensed in FY2012 (relating to CY07 to 1HCY12)

Note: All of the above figures are on a 100% basis

Capital Management



Cash Available for Distribution

109% cash coverage of the distribution

12 months to 30 June 2012 \$m	Dividends	RPS Interest	Hybrid Interest	Note Interest	Total FY12
DBP	98.1	-	-	-	98.1
United Energy	8.3	42.4	-	-	51.0
Multinet	37.1	-	8.6	-	45.7
Duquesne ¹	-	-	-	8.3	8.3
Cash receipts from assets	143.5	42.4	8.6	8.3	203.1
Interest on corporate cash					6.5
SOLA interest income from assets					5.8
Other income received ²					3.5
Total receipts					218.9
Operating expenses and fees paid (incl. GST)					(21.9)
Corporate borrowing costs paid					(10.2)
Cash available for distribution					186.8
Weighted average securities on issue (millions)					1,071
Cash available for distribution (cpss)					17.4
Distribution declared (cpss)					16.0¢
Full year Distribution coverage					109%

1 On 13 September 2011 the sale in DUET's equity ownership of Duquesne reached financial close

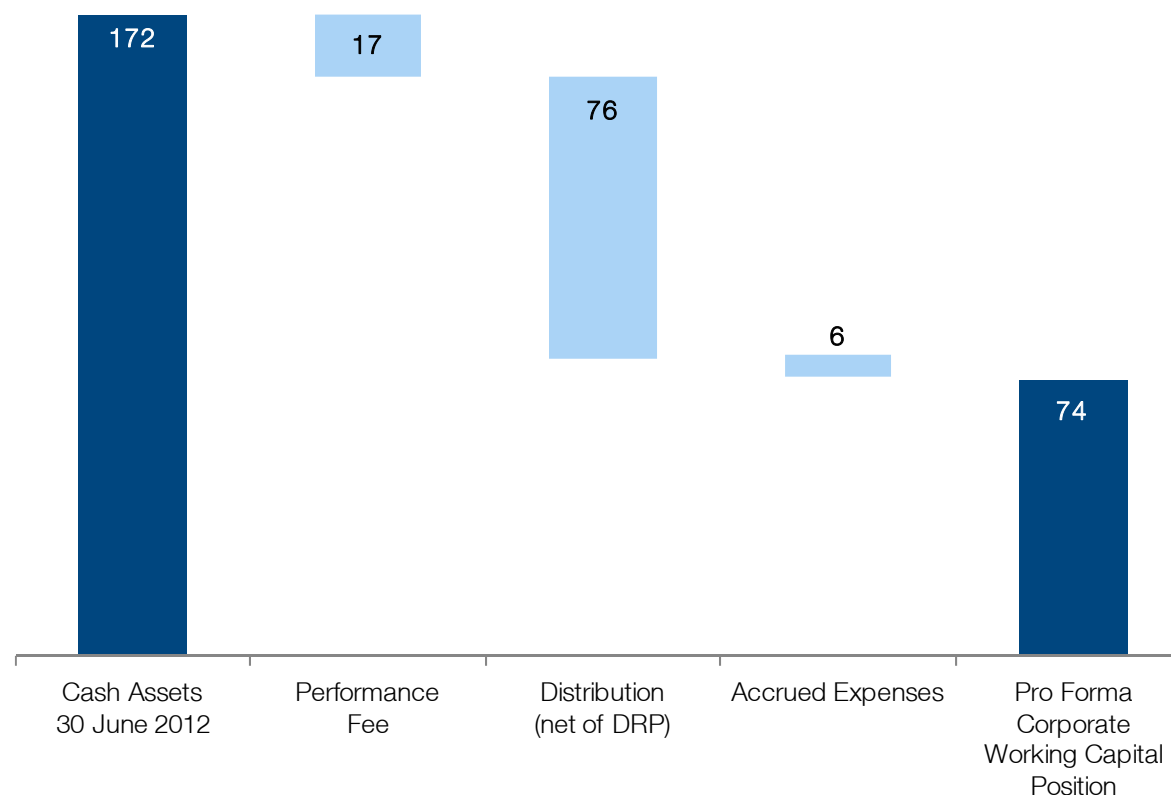
2 Includes an FX gain on the close out of FX contracts used to hedge income from Duquesne

Corporate Working Capital

Significant liquidity available



DUET Pro Forma Corporate Working Capital Position
(\$m)



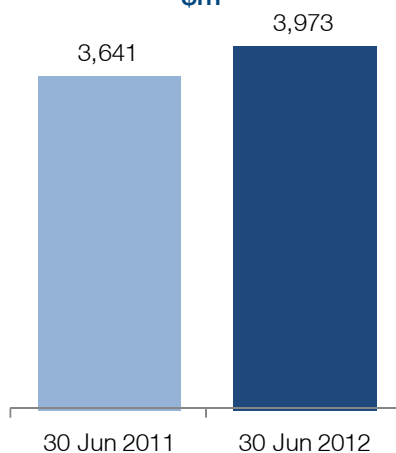
- \$200 million undrawn corporate revolver debt facility also provides additional liquidity
- 15% participation cap for the final FY2012 DRP

Group Gearing

Gearing level supportive of stable investment grade credit ratings

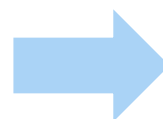
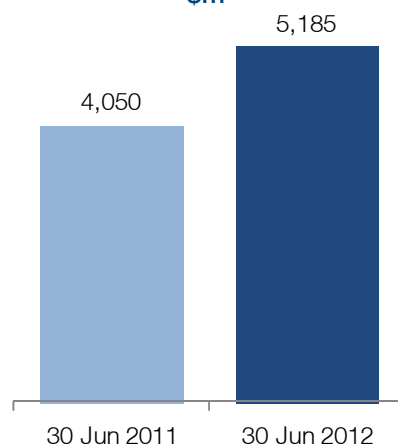
Proportionate Net Debt⁽¹⁾

\$m

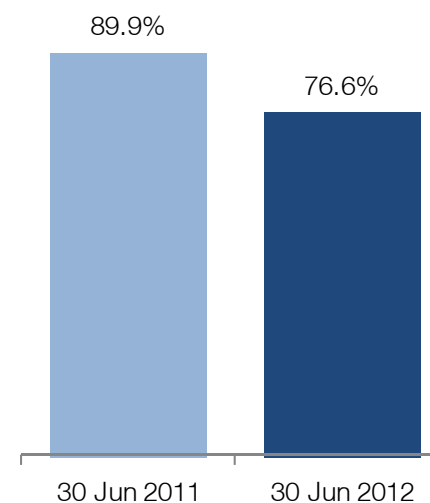


Proportionate RAB⁽¹⁾

\$m



Group Gearing⁽¹⁾
(Proportionate Net Debt/RAB)
%



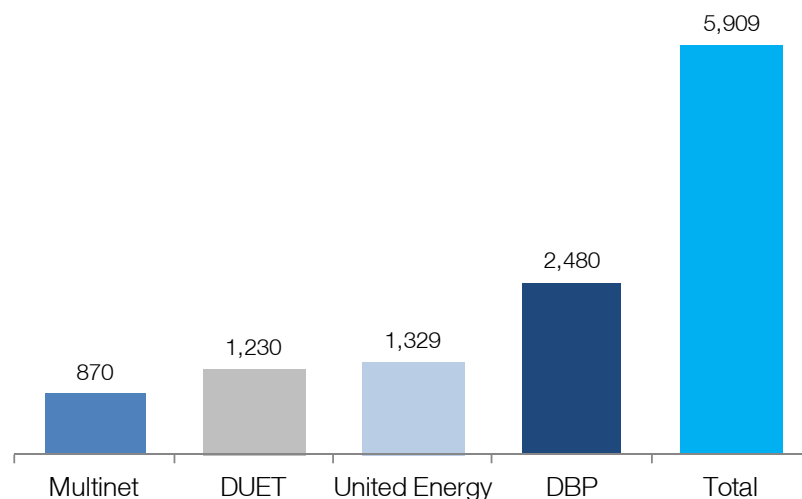
1 Excludes Duquesne and WA Gas Networks at 30 June 2011 and 30 June 2012.

Term Debt Maturities

Proven refinancing track record; diversified funding sources

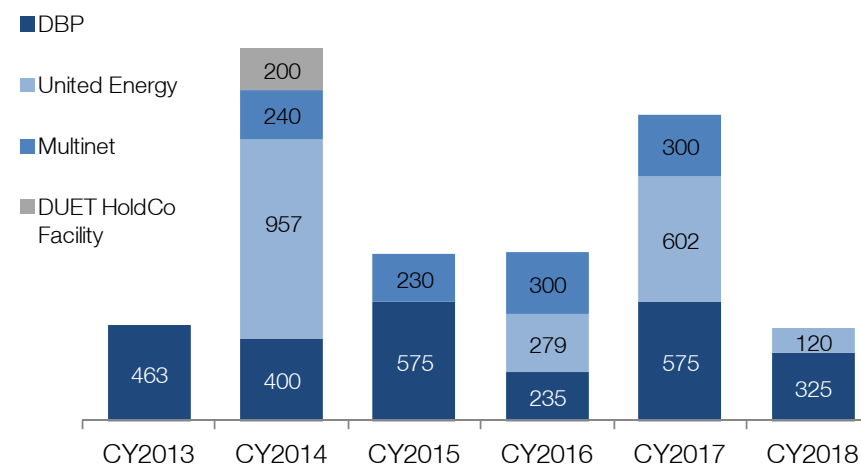
Debt Raised and/or Refinanced

Since June 2008, excluding divested assets and working capital facilities
(\$m)



Term Debt Maturities

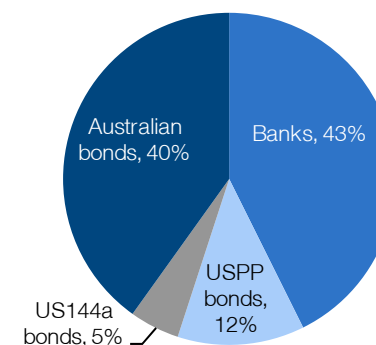
Total Facility Limits, excluding working capital facilities
(\$m)



Credit Ratings

Credit Ratings	S&P	Moody's
DUET Group	BBB-	n/a
DBP	BBB-	Baa3
United Energy	BBB	Baa2
Multinet	BBB-	Baa3

Current Term Debt Portfolio Split



Operational Update



DBP

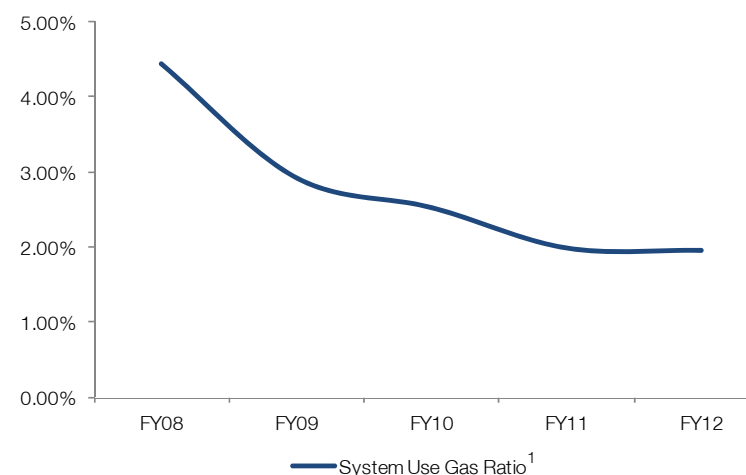
FY2012 Performance



- Revenue up 6%
 - Full uplift from Stage 5B captured in FY2012
- EBITDA up 2%
- EBITDA margin of 80%
 - Wage inflation remains high in WA
 - Reduced fuel gas despite increase in throughput
- \$12.9m provision for doubtful debts in FY12
- Regulatory appeal outcome
 - No commercial impact

Full Year Financial Highlights			
\$m, 100% per MIR	FY12	FY11	% Variance
Revenue	457	431	6
EBITDA	366	360	2
EBITDA Margin	80%	84%	(3)
Throughput (PJ)	319	310	3
Growth Capex	54	65	(17)
RAB	3,579	3,643	(2)

Improving Fuel Gas Efficiency



¹ System Use Gas (SUG) ratio represents the amount of fuel gas used in compressor stations to ship gas through the pipeline as a proportion of the total amount of gas shipped through the pipeline.

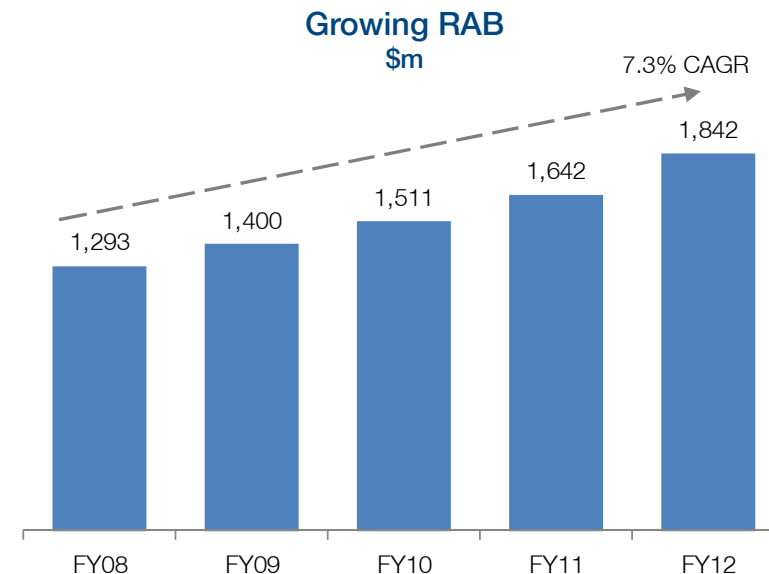
United Energy

FY2012 Performance



- Revenue up 9%
- EBITDA up 1%
 - All transition costs booked in FY12
 - Approved tariff path uplift backended across 2011- 2015 regulatory period
 - Further appeal revenue to be allocated across 2013- 2015 period
- 40% of smart meter program installed
- New operating model already delivering benefits
 - Competitive pricing for large capex projects
 - Opex benchmarking allows for reallocation of scope between services providers

Full Year Financial Highlights			
\$m, 100% per MIR	FY12	FY11	% Variance
Revenue	441	405	9
EBITDA	276	274	1
EBITDA Margin	63%	68%	(5)
Load (GWh)	8,135	8,071	1
Growth Capex	234	156	50
RAB	1,842	1,642	12



Multinet

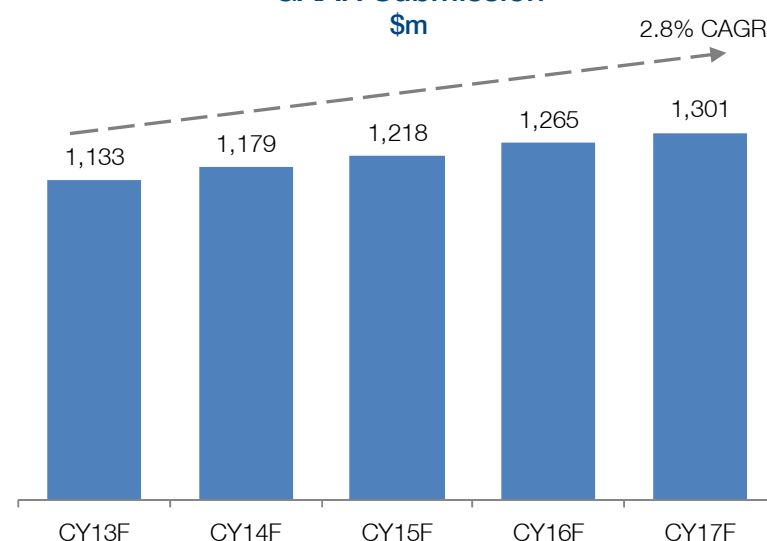
FY2012 Performance



- Revenue flat despite volumes down 7%
 - Tariff banding provides offset
- EBITDA down 7%
 - \$2.9m of early transition costs as MGH moves to new operating model
 - UAFG cost accrual of \$8.2m (CY07 to 1HCY12) booked in FY12
 - MGH seeking increased UAFG regulatory allowance in 2013-17 GAAR submission
- 2013 – 2017 GAAR submission
 - Draft decision Q3 2012, final decision Q1 2013
 - No effect on overall return from delayed decision
- New network operating model
 - Comdain already appointed preferred service provider in southern region

Full Year Financial Highlights			
\$m, 100% per MIR	FY12	FY11	% Variance
Revenue	195	194	0
EBITDA	133	144	(7)
EBITDA Margin	69%	74%	(6)
Throughput (PJ)	56	61	(7)
Growth Capex	74	32	131
RAB	1,038	978	6

Forecast RAB Growth under
GAAR Submission

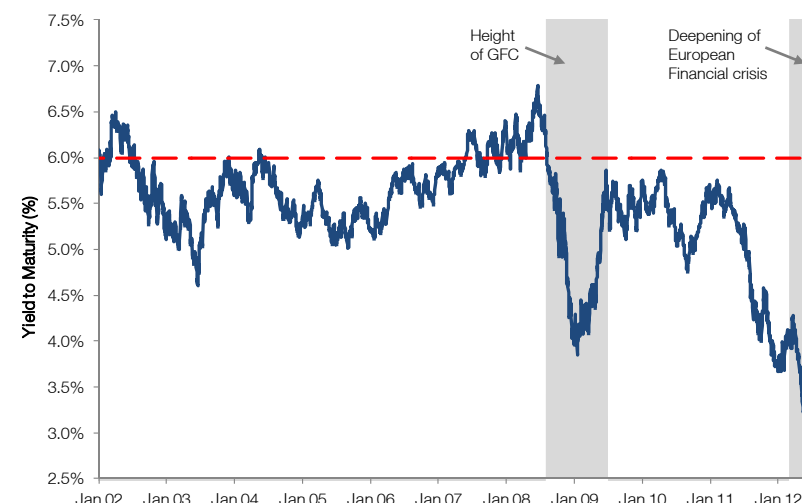


Multinet's GAAR Submission (2013-17)

Final decision expected in March 2013

- Risk free rate (Rf) trading at historical lows
- Impact on Multinet's distributions of lower Rf
 - May reduce headline Cost of Equity (Ke)
 - But lower Cost of Debt (Kd)
- Multinet's GAAR submission
 - Ke: Long term Rf matched with long term MRP
 - Kd: Spot Rf matched with spot DRP

10 Yr Commonwealth Government Security (Rf)



--- Rf for Multinet 2013 – 2017 GAAR submission

Multinet GAAR WACC	2008-2012 Actual	2013 -2017 Submitted
Nominal Risk Free Rate - equity	6.05%	5.99%
Nominal Risk Free Rate - debt	6.05%	3.99%
Market Risk Premium	6.0%	6.0%
Debt Risk Premium	2.15%	3.92%
Real post tax Vanilla WACC	6.3%	6.4%
Post tax Nominal ROE	10.3%	10.8%

Regulatory Review Consultation

DUET is actively involved in the public consultation process

- DUET is playing an active role in the regulatory debate
 - AER Rule Change Proposal
 - SCER Merits Review Enquiry
 - Productivity Commission
- DUET Group involvement
 - Financial Investor Group (FIG)
 - Australian Pipeline Industry Association (APIA)
 - Electricity Networks Association (ENA)
- Objectives
 - A stable incentive-based regulatory framework
 - A rate of return that encourages ongoing investment
 - A merits review process that ensures the regulator is accountable for all decisions

Outlook



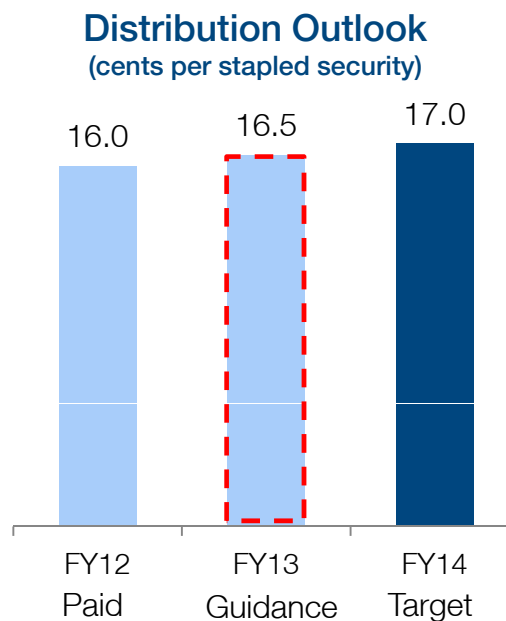
Focus on Delivering Strategic Initiatives

- Execute on United Energy's extensive growth capex program
- Multinet's 2013-2017 regulatory reset
- Bringing in-house operations at Multinet
- Prepare businesses for 2013 and 2014 refinancings
- Internalisation planning and execution of transition to independence

Distribution Guidance

16.5 cents per stapled security in FY2013

- Guidance of 16.5 cpss for FY13
 - 3% growth on the FY12 distribution of 16.0 cpss
 - Provides a yield of 8.0% based on DUET's closing stapled security price on 16 August 2012

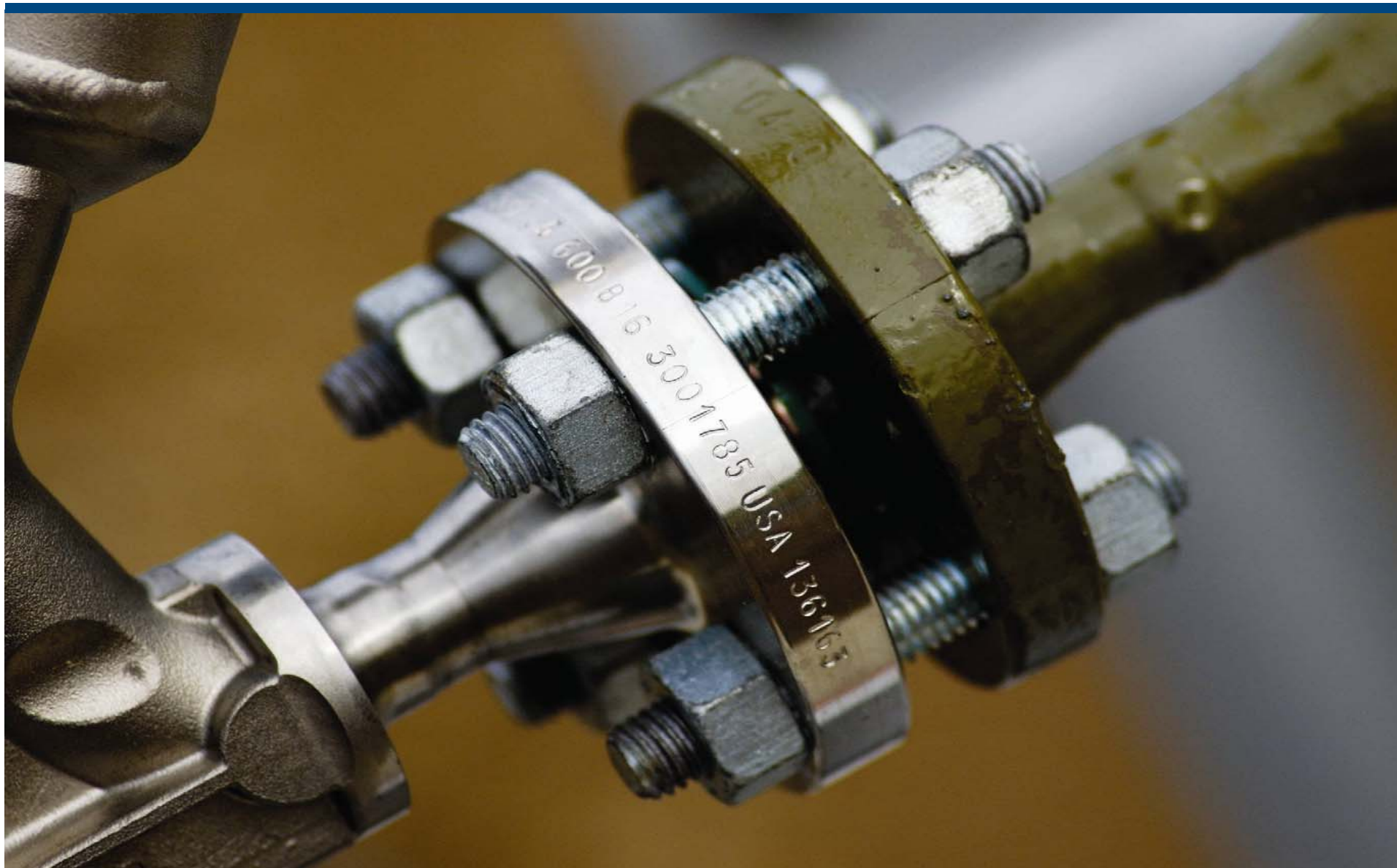


Important Note: Forward-looking statements by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET.

Questions



Appendix A – Financial Information



Statutory net result

Statutory Net Result			
\$m	FY12	FY11	% Variance
Operating revenue ⁽¹⁾	1,202.7	1,139.5	6
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EBITDA	730.8	763.7	(4)
Unrealised fair value hedge and foreign exchange movements	(18.4)	(58.7)	69
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2 Operating costs includes \$30.8m of transition costs (2011: \$9.9m), \$8.2m accrual for UAFG (2011: \$3.2m), a \$12.9m provision for a Shipper dispute (2011: \$0) and a \$16.6m performance fee (including non-recoverable GST) (2011: \$0).

Statutory balance sheet

DUET Group Balance Sheet \$m	As at 30 Jun 12	As at 30 Jun 11	% Variance
Cash Assets	244	543	(55)
Other Current Assets	167	446	(63)
PP & E	5,473	5,320	3
Intangible Assets	2,094	2,060	2
Other Non-Current Assets	141	272	(48)
Total Assets	8,119	8,641	(6)
Interest Bearing Liabilities	5,125	5,746	(11)
Current Liabilities	545	369	48
Other Non-Current Liabilities	880	849	4
Total Liabilities	6,550	6,964	(6)
Net Assets	1,569	1,677	(6)
Total Equity	1,569	1,677	(6)

Statutory cash flow statement

DUET Group Cash Flow Statement \$m	FY2012	FY2011	% Variance
Net cash flows from operations	763	830	(8)
Acquisition cash flows	(155)	(70)	(121)
Payments for purchase of PP&E	(313)	(265)	(18)
Payments for purchase of software	(72)	(53)	(36)
Proceeds from asset sales	499	-	Nm
Net cash flows from investing	(41)	(388)	89
Cash flows from capital raising	298	118	152
Borrowing (net of repayments)	(686)	183	(475)
Borrowing costs paid	(463)	(501)	8
Dividends & distributions paid	(173)	(167)	(4)
Net cash flow from financing	(1,024)	(367)	(179)
Net increase / (decrease) in cash	(302)	75	(502)

Reconciliation of statutory accounts

Reconciliation of DUET EBITDA to profit before income tax expense

Reconciliation of Earnings \$m	DBP	United Energy	Multinet	WAGN	Duquesne	Corporate	Total
Proportionate EBITDA	293.0	181.8	131.3	2.7	29.4	-	638.2
Additional EBITDA from controlled assets ¹	72.8	93.6	2.1	-	-	-	168.5
Exclude non-controlled assets ²	-	-	-	(2.7)	(29.4)	-	(32.1)
Corporate expenses (excludes FX)	-	-	-	-	-	(38.8)	(38.8)
EBITDA (excl. equity accounted profits)	365.8	275.4	133.4	-	-	(38.8)	735.8
Gain on disposal of associates	-	-	-	44.4	2.4	-	46.8
Transfer from reserves to income statement on disposal of associate	-	-	-	-	(38.1)	-	(38.1)
Equity accounted profits ²	-	-	-	0.8	6.0	-	6.8
Consolidated EBITDA	365.8	275.4	133.4	45.2	(29.7)	(38.8)	751.3
Controlled Assets							
Interest income	2.4	1.3	2.0	-	-	-	5.7
Depreciation and amortisation	(80.9)	(118.8)	(34.2)	-	-	-	(233.9)
Finance costs	(230.5)	(138.7)	(87.6)	-	-	-	(456.8)
Net fx gains	-	1.8	-	-	-	-	1.8
Changes in fair value of derivatives	1.1	(21.8)	1.5	-	-	-	(19.2)
Corporate							
Interest income (bank and associates)	-	-	-	-	-	12.5	12.5
Finance costs ³	-	-	-	-	-	(9.0)	(9.0)
Net foreign exchange gains/(losses)	-	-	-	-	-	(0.3)	(0.3)
Other eliminations	-	-	-	-	-	(5.8)	(5.8)
Profit before income tax expense							46.3

¹ To consolidate 100% of controlled asset EBITDA

² Excludes proportionate EBITDA of associates and includes the equity accounted result

³ Includes amortisation of borrowing costs

Reconciliation of statutory accounts

Statutory Net Debt to Proportionate Net Debt

Reconciliation of Net Debt \$m	DBP	United Energy	Multinet	Corporate	DUET Group
Interest bearing liabilities	2,510.6	1,729.4 ¹	881.9	-	5,121.0
Add: Intercompany capitalised borrowing costs eliminated on consolidation	-	-	-	3.3	3.3
DUET Group - Statutory Debt	2,510.6	1,729.4	881.9	3.3	5,125.1
Add / (Less):					
US\$ Debt / Fair Value Adjustments ²	-	117.7	41.6	-	159.3
Capitalised Borrowing Costs	27.1	13.8	8.2	(3.3)	45.8
Distribution Payable	-	-	-	88.8	88.8
Cash on Hand	(14.8)	(45.6)	(8.1)	(172.7)	(241.1)
Minority share of debt not eliminated on consolidation	-	(170.8)	-	-	(170.8)
Finance Lease Liability	(21.6)	-	-	-	(21.6)
DUET Group - Net debt	2,501.3	1,644.5	923.5	(83.9)	4,985.5
DUET Proportionate Net Debt³	2,048.5	1,085.4	923.5	(83.9)	3,973.5

1 Includes \$170.8m of Redeemable Preference Shares owned by SPIAA, which are not eliminated on consolidation

2 This adjustment eliminates the fair value mark-to-market on the US\$ denominated debt in United Energy and Multinet

3 Per the MIR

Asset EBITDA and net external interest expense

Reconciliation from MIR to income statement (per DAIP)



Reconciliation of Net Interest Expense \$m	DBP	United Energy	Multinet	WAGN ¹	Duquesne ¹	Total
Net Borrowing Costs per DAIP	227.7	201.9	95.0	-	-	
Add/(Less): SOLA Interest	(0.6)	-	(2.8)	-	-	
Add/(Less): Interest Rate Hedge on SOLA	(0.1)	-	(0.3)	-	-	
Add/(Less): RPS Interest	-	(64.7)	-	-	-	
Add/(Less): Hybrid Debt	-	-	(8.7)	-	-	
Add/(Less): Interest Rate Hedge – Fair Value Movement	1.1	(21.8)	1.5	-	-	
Add/(Less): Amortisation of Capitalised Borrowing Costs	(13.9)	(3.4)	(4.9)	-	-	
100% Net External Interest Expense	214.2	112.0	80.4	3.8	19.3	
Proportionate Net External Interest Expense per MIR	171.6	73.9	79.1	1.0	5.6	331.1

¹ Asset company financials have not been reported in the DAIP due to the timing of the completion of the WAGN sale on 29 July 2011 and the completion of the Duquesne sale on 13 September 2011

Unconsolidated cash flows

MIR to DAIP reconciliation

Reconciliation of Cash Flows from Energy Utility Assets \$m	DBP	United Energy	Multinet	WAGN ¹	Duquesne ¹	Unconsolidated Total
Distributions paid	121.0	12.5	37.0	-	-	
RPS Interest paid	-	64.6	8.7	-	-	
Hybrid Interest Paid	-	-	-	-	-	
Total distributions paid per DAIP (100%)	121.0	77.1	45.7	-	-	
DUET proportionate distributions received per DAIP	98.1	50.9	45.7	-	-	
Add: Director Fees	-	0.1	0.1	-	-	
Add: Duquesne ¹	-	-	-	-	8.3	
Cash flows from energy utility assets per MIR	98.1	51.0	45.7	-	8.3	203.1

1 Asset company financials have not been reported in the DAIP due to the timing of the WAGN sale on 29 July 2011 and the Duquesne sale on 13 September 2011

SOLA interest receipts

MIR to DAIP reconciliation



Reconciliation of SOLA Interest Paid \$m	DBP	United Energy	Multinet	WAGN ¹	Unconsolidated Total
SOLA interest paid by AssetCos per DAIP	1.2	-	8.1	-	
Less: hedged component paid to swap providers	(0.2)	-	(0.8)	-	
Less: fees on close out of SOLA hedge	-	-	(3.9)	-	
SOLA interest income received by DUET per MIR	1.0	-	3.4	1.4	5.8

1 Asset company financials have not been reported in the DAIP due to the timing of the WAGN sale on 29 July 2011

Customer contributions

Removed from the calculation of proportionate earnings

- Customer contributions made to our assets to fund various capex projects are classified as ‘revenue’ in the statutory consolidated income statement
 - Customers contribute cash for projects and our assets then spend that cash on capex
 - DUET’s assets do, however, earn a margin on these projects
- Proportionate earnings is intended to reflect the underlying free cash generated by the Group that is available for distribution to DUET’s stapled security holders
 - Removal of customer contributions revenue (net of margin) from the calculation of proportionate earnings will better reflect this intention
 - CC revenue (net of margin) has been removed below the proportionate EBITDA line in DUET’s MIR
- FY2012 proportionate earnings can be compared to FY2011 as follows:

Proportionate Consolidation ¹	FY12	FY11	% <i>Variance</i>
Proportionate Earnings including CC revenue (net of margin) (\$m)	222	201	10.4
Proportionate Earnings excluding CC revenue (net of margin) (\$m)	201	184	9.2
<i>Variance (\$m)</i>	<i>21</i>	<i>17</i>	

¹ Proportionate consolidation involves the aggregation of the financial results of DUET’s energy utility assets in the relevant proportions that DUET holds beneficial ownership interests, weighted by days held in the period (DBP 80.1%; UED 66.0%; MGH 98.4%; WAGN 25.9%; and DQE 29.0%) . DUET’s equity interest and related rights to distributions in DBP is expected to progressively reduce to 80% as the minority shareholder meets future equity calls.

Multinet's unaccounted-for-gas

\$8.2m of estimated UAFG charges for 2007 to 2012 booked in FY12

- Unaccounted for gas has a number of causes and drivers, including:
 - leakage of gas: contributes 40-60% of UAFG; extended dry weather period from 2007 to 2010 resulted in dry soil conditions which caused subsoil movement, causing increased pipe and joint cracking
 - billing and metering accuracy: contributes 20-30% of UAFG
 - variations in gas heating quality
 - changes in the gas price

- Calculation issues with gas retailers have taken 5 years to settle

- Multinet's 2013-17 GAAR submission will seek a UAFG regulatory benchmark of 4.1%

Multinet's estimated performance against the regulatory benchmark 2007-2012						
Calendar Year	2007	2008	2009	2010	2011	2012F
Actual % of total volume	3.8%	3.7%	3.8%	4.1%	4.1%	4.2%
Regulatory Benchmark	3.2%	3.2%	2.9%	2.9%	2.8%	2.8%

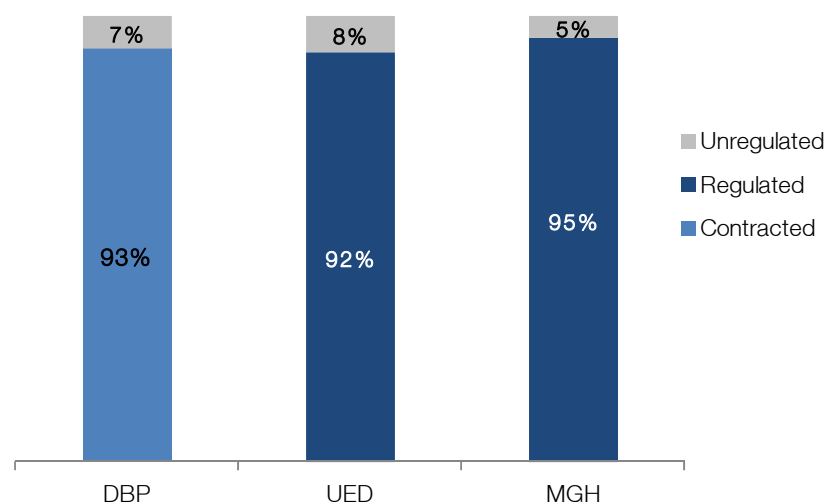
Appendix B – About DUET



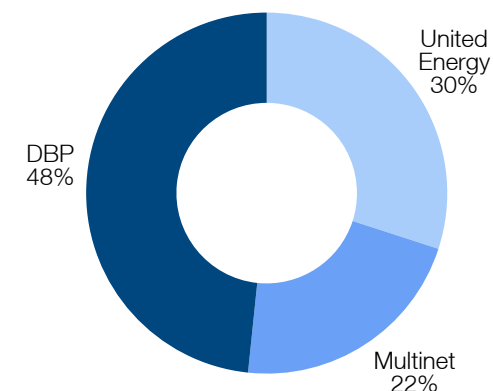
Three Australian Energy Utilities



Revenue
(FY12, %)



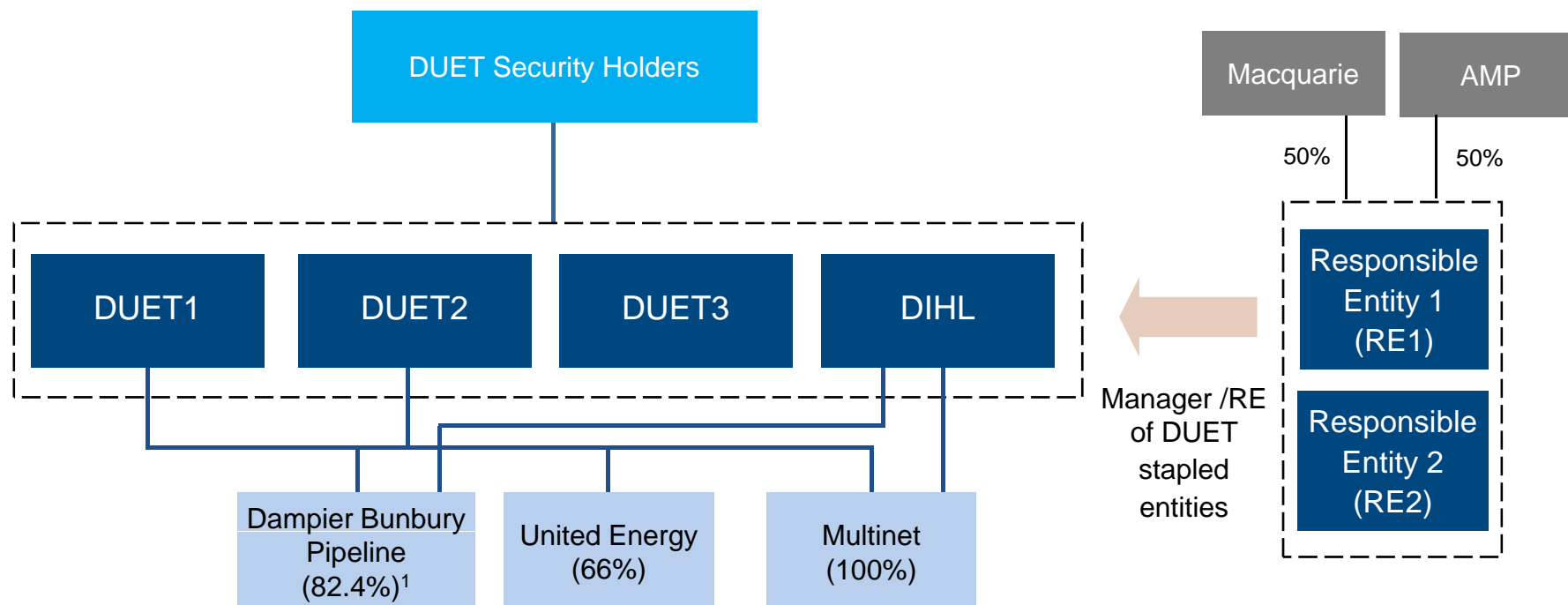
Portfolio Contribution
(FY12 Proportionate EBITDA²)



¹ DUET's equity interest and related rights to distributions in DBP is expected to progressively reduce to 80% as the minority shareholder meets future equity calls.

² % Proportionate EBITDA – 12 months to 30 June 2012, excluding divested interests in WA Gas Networks and Duquesne Light.

Ownership and Management Structure



- DUET is managed jointly by Macquarie and AMP Capital Investors
- Each Stapled Security comprises 1 unit in each of DUET1, DUET2 and DUET3, and 1 share in DIHL

¹ Multinet is owned 38.95% by each of DUET1 and DUET2 and 20.1% by DIHL

² DBP is indirectly owned 30% by each of DUET1 and DUET2 and 20% by DIHL

³ DUET's equity interest and related rights to distributions in DBP is expected to progressively reduce to 80% as the minority shareholder meets future equity calls

⁴ DUET3 holds a hybrid instrument in Multinet

DUET Boards and Management

Independent Directors (RE1)



E. Stein¹

M. Lee

D. Halley¹

Common Directors



P. Garling

J. Roberts

Independent Directors (RE2)



R. Finlay¹

E. Goodwin

D. Sutherland



Jason Conroy
Chief Financial Officer



David Bartholomew
Chief Executive Officer



Nick Kuys
Asset Management and IR

1. Independent Directors of DIHL

Management and Performance Fees

Base Fee¹

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

Performance Fee¹

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

Base and performance fees will be eliminated if the internalisation proposal is approved

¹ Refer to DUET website at www.duet.net.au and 2011 Annual Report (remuneration report) for further explanation of fees

Appendix C - Internalisation Proposal Overview



Proposal Outline

Management internalised; Continuity of Board and Management

Management of DUET to be internalised through orderly transition

- \$82 million paid to AMP Capital and Macquarie
 - Payment consideration used to acquire new DUET stapled securities via a placement
 - Issue price of \$1.9715 for new stapled securities based on 20 day VWAP average 17 July 2012 to 13 August 2012 (inclusive)
- \$11 million (estimated) for support and transition services to 30 June 2013

Board Arrangements

- Doug Halley nominated Independent Chairman-elect
- All other independent directors to retain their positions
- AMP Capital and Macquarie are entitled to jointly nominate one director to the Board of each DUET Group company (two individuals in total).
 - One of those directors will retire on 30 June 2013, while the other may retire at the DUET 2013 AGM

Management Arrangements

- Current CEO and CFO to remain with DUET; Majority of DUET team to be retained

Structure Review

- AMP Capital and Macquarie engaged to undertake a review of DUET's corporate structure

Proposal Benefits to DUET

Opex halved; Performance fees removed; Governance enhanced

Accretive to DUET's investors

- Internalised opex around half of the FY2013 pre-internalisation annual budget of ~\$26 million

Elimination of future base management and performance fees

- Reduces overall opex level and improves stability and predictability of DUET's cash flows and distributions

Enhanced governance

- Independent Chairman
- Management employed and incentivised directly by DUET

Orderly transition to independence

- DUET to be supported by AMP Capital/Macquarie through to 30 June 2013
- Retirement of AMP Capital/Macquarie representatives from the DUET boards in a progressive manner

Potential to expand DUET's investor base

- Some investors (particularly foreign) unable to invest in externally managed vehicles

FY13 Distribution Guidance of 16.5 cents per stapled security reaffirmed

Transaction Multiples

Attractive multiples negotiated by DUET's Independent Directors

		Internalisation Consideration \$m	Approx Total Payments from Approval through to 30 June 2013 \$m
	Payment to AMP Capital and Macquarie	82.0	82.0
	Payment for support and transition services	-	11.0
A	Total amount	82.0	93.0
B	Anticipated annual operating cost savings	13.4	13.4
C	Historical annual average performance fee*	13.5	13.5
	Implied Multiples:		
	Annual opex savings (A/B)	6.1x	6.9x
	Annual opex savings and performance fee (A/(B+C))	3.0x	3.4x

*Since listing in 2004, calculated by dividing the total of all performance fees paid by the number of years since listing

**All amounts exclude GST and non-recoverable GST

Securityholder Register

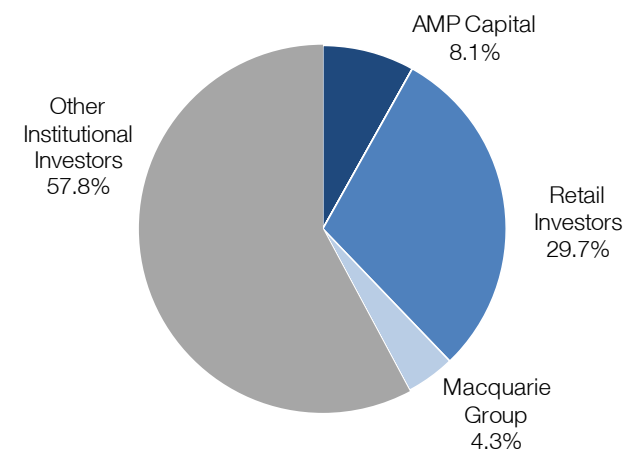
Pro forma analysis pre and post internalisation

Key highlights

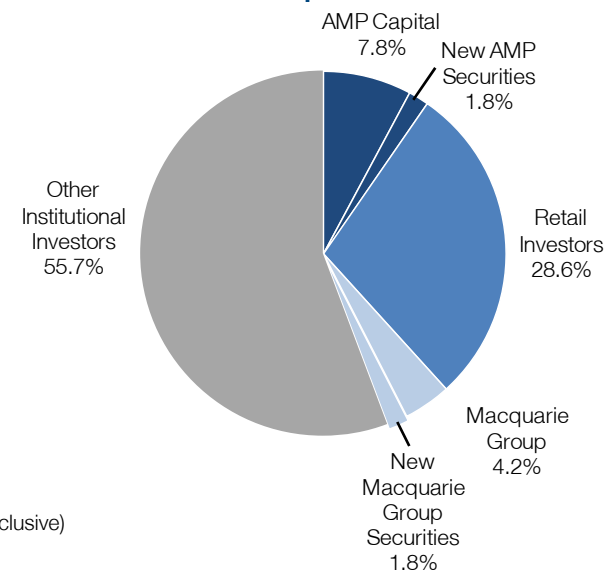
- Internalisation consideration of \$82m settled via the placement of securities to AMP Capital and Macquarie
- AMP Capital and Macquarie to each receive approximately 20.8m new DUET securities, equivalent to 1.8% of the expanded DUET register¹
- AMP Capital and Macquarie will be required to retain the securities issued until termination of the support services arrangements at the latest

Register Impact²

Current



Proposed



1. Issue price of \$1.9715 for new stapled securities based on 20 day VWAP average 17 July 2012 to 13 August 2012 (inclusive)

2. Indicative securityholdings as at 31 July 2012.

Appendix D – Additional Information



Medium Term Growth

United Energy to drive earnings growth; DBP expansion potential

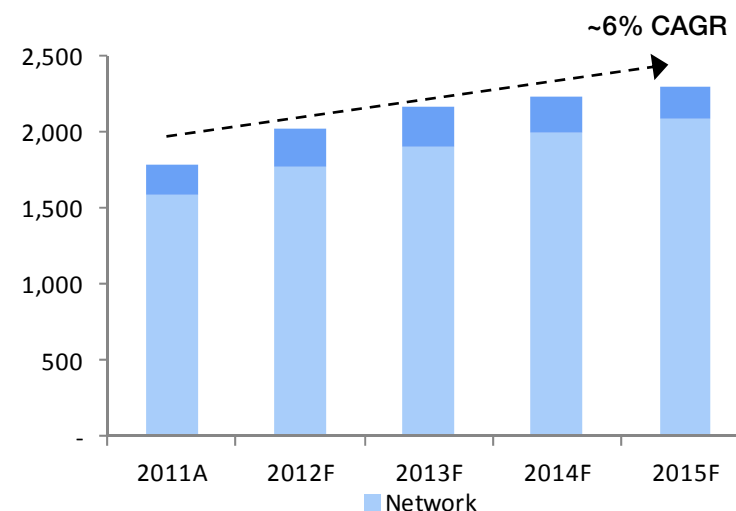
■ UED growth to CY2015

- Smart meter roll out
- Significant network renewal and peak capacity expansion
- Recent appeal outcome: [\$80] million in additional revenue over CY2013 to CY2015

■ DBP Stage 6 expansion

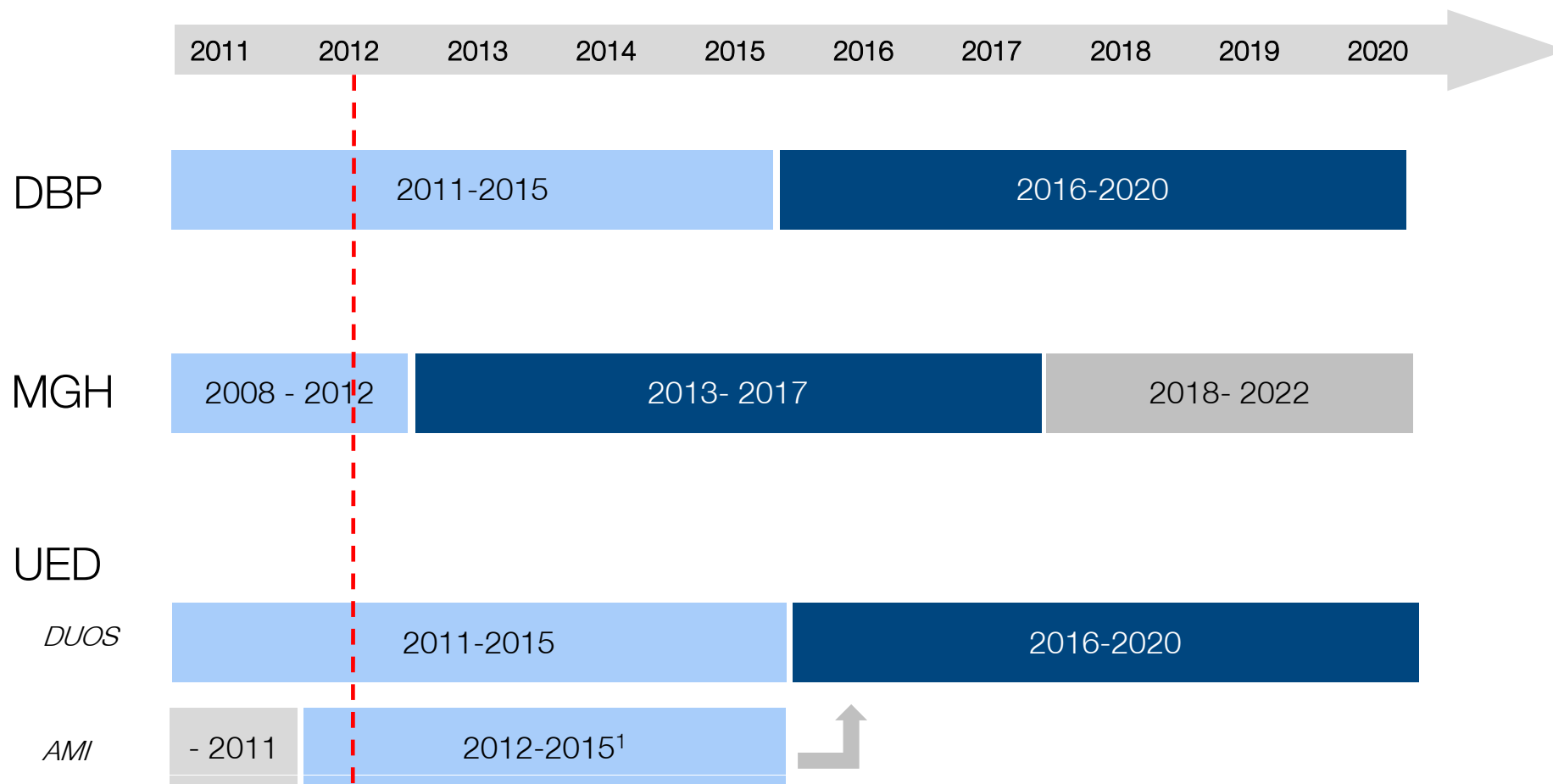
- Growth in medium term domestic gas demand expected
 - New gas-fired base-load electricity capacity in 2017-2019
 - Alumina expansion possible from 2014
 - Other resource projects
- 15% domestic gas reservation policy

United Energy Total RAB
CY 2011 – 2015, Nominal \$m, net of regulated depreciation



Regulatory Periods

Next resets not due for UED and DBP until 2016

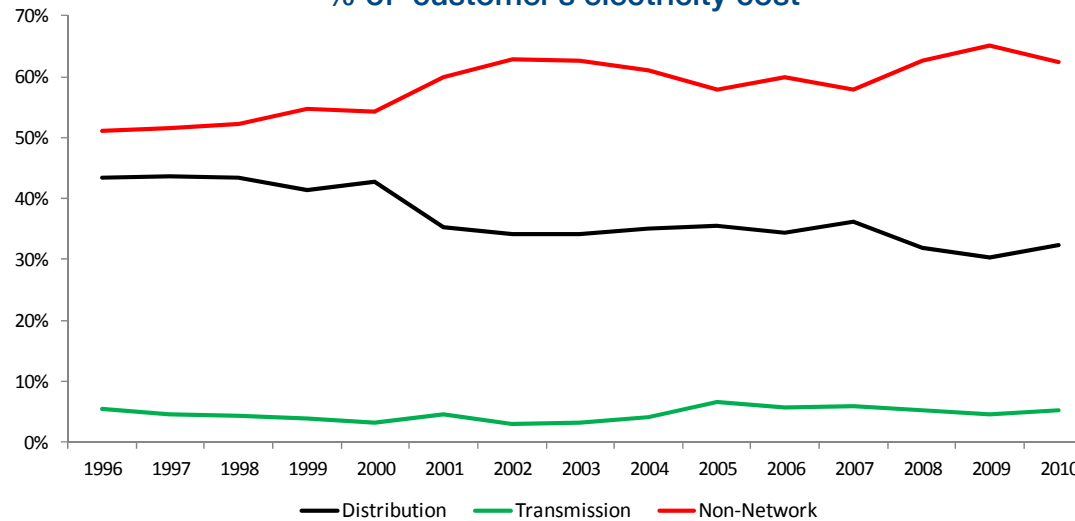


¹ From January 2016 the AMI regulated asset base rolls into United Energy's overall regulated asset base

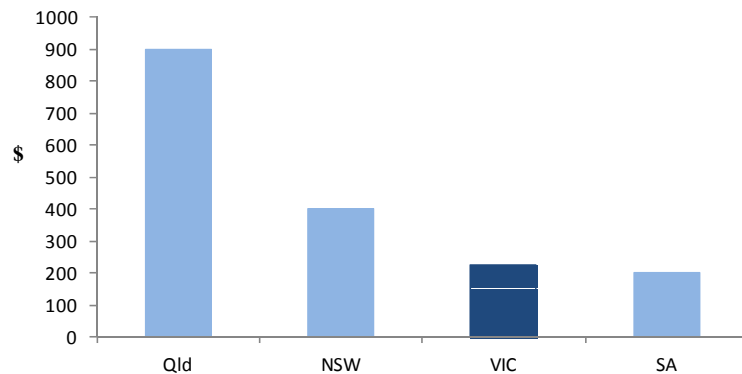
Regulatory Outcomes

Privately owned Victorian electricity distributors have responded positively to incentive-based regulation

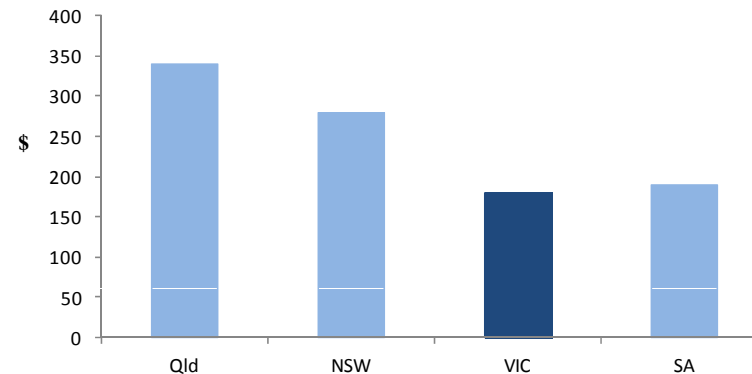
Victorian electricity costs by component
% of customer's electricity cost¹



Capex/Customer Number²



Opex/Customer Number²



¹ \$ per customer, real 2010 – Ernst &Young analysis for Financial Investor Group submission to Review of Limited Merits Review Regime

² UED EDPR submission - 2010