

Management Information Report



For the year ended 30 June 2012



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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). 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 account provided 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 and their related corporations 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 of 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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Introduction

This Management Information Report ("MIR") 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 MIR. 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 MIR 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.

MIR Purpose

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

- i. the actual beneficial ownership percentage of its energy utilities' results as opposed to consolidating 100% of those earnings;
- ii. 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.

This MIR has therefore been prepared on a different basis to the full year 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 Full year Financial Report. This MIR 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.

The DUET Group boards have reviewed the MIR and discussed with management the policies and approach undertaken. On that basis, the DUET Group boards have approved the MIR for the year ended 30 June 2012 and endorse its release as a supplement to the full year Financial Report.

Reconciliation of statutory and proportionate results

A reconciliation of Proportionate Earnings and Unconsolidated Cash Flows as presented in this MIR to the consolidated statutory Income Statement and consolidated statutory Cash Flow Statement is provided in Appendix 1 to this MIR.

Further details in relation to the preparation of this MIR are set out below and in the notes.

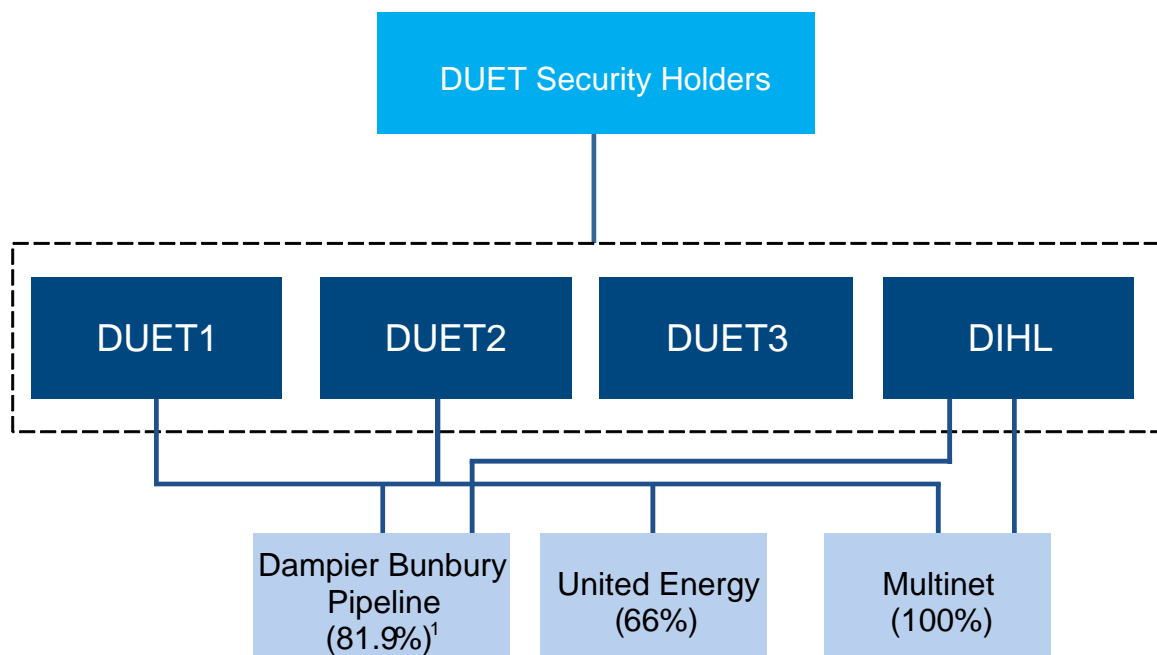
Note that, due to rounding, certain totals presented in this MIR may not be the exact sum of the individual line items they comprise.

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 30 June 2012 is illustrated below.



⁽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

The combined aggregated interest of the stapled entities 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 and consolidated in the DUET Group Full year Financial Report.

DUET held non-controlling interests in WA Network Holdings Pty Limited ("WAGN" or "WA Gas Networks") and DQE Holdings LLC ("Duquesne"). On 29 July 2011, DUET completed the sale of its 25.9% interest in WA Gas Networks. On 13 September 2011, DUET completed the sale of its 29% interest in Duquesne.

Asset Acquisitions and Divestments

On 29 July 2011, DUET completed the following transaction with AET&D/ATCO:

	\$m
Acquired an additional 20.0% interest in DBP	(168.0)
Acquired an additional 20.1% interest in Multinet and sold the 25.9% interest in WAGN	45.5
Sold the subordinated debt due from WAGN	80.0
Net consideration paid by DUET	(\$42.5)

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Entitlement Offer

On 30 August 2011, DUET completed a fully underwritten accelerated non-renounceable pro rata entitlement offer of 1 new stapled security for every 5 existing stapled securities at an offer price of \$1.52 per new security. DUET raised approximately \$277 million, of which \$174 million was raised from the Institutional Entitlement Offer and \$103 million from the Retail Entitlement Offer. The proceeds of the Offer were used to acquire the additional stakes in DBP and Multinet, repay the corporate revolving facility balance and reduce gearing at DBP.

Sale of Duquesne

On 13 September 2011, DUET reached financial close in relation to the sale of its 29.0% stake in Duquesne to the Government of Singapore Investment Corporation Pte Ltd (GIC) for US\$360 million. The hedged net sale proceeds of \$345 million were applied to pay down DUET's corporate bridge facility.

Energy Utilities

At 30 June 2012, DUET's energy utilities and interests were as follows:

Aggregate interests	DBP %	United Energy %	Multinet %	WAGN %	Duquesne %
As at 30 June 2012	81.9 ⁽¹⁾	66.0	100.0	— ⁽²⁾	— ⁽³⁾
As at 30 June 2011	60.0	66.0	79.9	25.9	29.0
Change	21.9	-	20.1	(25.9)	(29.0)

⁽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⁾ On 29 July 2011 the equity ownership was sold.

⁽³⁾ On 13 September 2011 the equity ownership was sold.

DBP

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.

DBP transmitted 319 PJ of gas in the period (2011: 310 PJ).

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.

United Energy distributed 8,135 GWh of electricity in the period (2011: 8,071 GWh).

Multinet

Multinet is a Victorian gas distribution company with a network covering 1,860 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.

Multinet distributed 56.1 PJ of gas in the period (2011: 60.6 PJ).

Unconsolidated Cash Flows

The following sets out the unconsolidated cash flows for the DUET Group. It comprises the aggregation of cash flows into and out of the four stapled securities, DUET1, DUET2, DUET3 and DIHL, and the intermediary subsidiaries they own that hold the investment in the operating companies.

The purpose of this statement is to provide a view of the net cash flows into the DUET Group from which investments and distributions are made.

	12 months to 30 June 2012 \$'000	12 months to 30 June 2011 \$'000	Change %
Cash flows from energy utility assets			
Dampier Bunbury Pipeline	98,060	75,818	29.3
United Energy	50,992	40,021	27.4
Multinet	45,746	23,236	96.9
WA Gas Networks ⁽¹⁾	-	5,432	n/m
Duquesne ⁽²⁾	8,295	29,582	n/m
Cash inflows from energy utility assets	203,093	174,089	14.3%
Cash flows from operating activities			
Other income received ⁽³⁾	3,477	29	n/m
Operating expenses paid (inclusive of GST)	(2,518)	(4,716)	46.6
Responsible entity fees paid (inclusive of GST)	(19,389)	(20,331)	4.6
Cash flows from operating activities	(18,430)	(25,018)	26.3
Net cash inflows from energy utility assets and operations (A)	184,663	149,071	23.9
Cash flows from investing activities			
Acquisitions and Divestments	340,000	-	n/m
Investment in energy utility assets	(217,448)	(315,559)	31.1
Net cash outflows from investing activities	122,552	(315,559)	n/m
Cash flows from financing activities			
Capital raising proceeds (net of transaction costs)	298,581	-	n/m
Net movement in DUET Senior Facility	(414,500)	(170,500)	(143.1)
Borrowing costs paid (B)	(10,185)	(47,448)	78.5
SOLA interest received from energy utility assets (C)	5,771	35,778	(83.9)
SOLA principal repayments from energy utility assets	32,000	259,673	(87.7)
Bank interest income (D)	6,526	8,463	(22.9)
Distributions paid to DUET Group security holders (net of DRP)	(178,293)	(112,223)	58.8
Net cash flows from financing activities	(260,100)	(26,257)	n/m
Net increase/(decrease) in cash assets held	47,115	(192,745)	n/m
Cash assets at the beginning of the year	125,453	317,369	(60.5)
Exchange rate movements	(340)	829	n/m
Cash assets at the end of the year	172,228	125,453	37.3
Cash available for distribution (A+B+C+D)	186,775	145,864	28.0
Weighted average DUET Group securities on issue ('000's)	1,070,532	893,674	19.8
Cash available for distribution per Stapled Security - cents	17.4	16.3	6.7
Full year distribution declared and payable per Stapled Security - cents	16.0	20.0	(25.0)
Full year distribution coverage	109%	82%	n/m

⁽¹⁾ On 29 July 2011 the equity ownership was sold.

⁽²⁾ On 13 September 2011 the equity ownership was sold.

⁽³⁾ Includes an FX gain on the close out of FX contracts used to hedge income from Duquesne.

Proportionate Earnings and EPS

	Actual Results For the year end 30 June 2012	Pro forma Results For the year end 30 June 2011	Change
	\$'000	\$'000	%
Revenue	928,798	872,527	6.4
Operating expenses	(290,563)	(239,872)	(21.1)
Proportionate EBITDA of Assets	638,235	632,655	0.9
Customer contributions (net of margin) ⁽¹⁾	(21,339)	(16,629)	(28.3)
Maintenance capital expenditure	(52,372)	(79,280)	33.9
Net external interest expense	(331,091)	(309,817)	(6.9)
SOLA interest expense	(3,160)	(27,980)	88.7
Net tax expense	(322)	(448)	28.0
Proportionate Earnings of Assets ⁽²⁾	229,951	198,501	15.8
Net interest income	7,009	9,395	(25.4)
SOLA interest income	3,227	33,147	(90.3)
Corporate interest expense	(7,384)	(35,046)	78.9
Corporate expenses	(23,444)	(24,315)	3.6
Net tax expense	-	-	n/m
Realised gains/(losses) on FX hedge contracts	7,803	2,255	n/m
Proportionate Earnings (excluding performance fee)	217,162	183,937	18.1
Performance fee (including non-recoverable GST)	(16,636)	-	n/m
Proportionate Earnings	200,526	183,937	9.0
Weighted average DUET Group securities on issue ('000's)	1,070,532	893,674	19.8
Proportionate EPS – cents	18.7	20.6	(9.2)
Full year distribution declared and payable per Stapled Security – cents	16.0	20.0	(25.0)
Full year distribution coverage ⁽³⁾	117%	103%	n/m

⁽¹⁾ Customer contributions (net of margin) have been excluded from proportionate earnings in the 12 months to 30 June 2012 and actual and pro forma results in the prior corresponding period have been restated with this policy change.

⁽²⁾ Proportionate earnings of DUET's energy utility assets are based on 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). 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.

⁽³⁾ By excluding Duquesne and WA Gas Networks, distribution coverage would be:

Proportionate Earnings	200,526	183,937
Less: Proportionate earnings of Duquesne	(14,764)	(6,117)
Less: Proportionate earnings of WAGN	(1,060)	(983)
Less: WAGN SOLA interest income	(125)	(125)
Proportionate Earnings, adjusted	184,577	176,712
Proportionate EPS – cents, adjusted	17.2	19.8
Full year distribution coverage, adjusted	107%	99%

Proportionate Earnings by Entity

Actual results	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Network	Duquesne	Corporate	Total	<i>Change on pro forma pcp</i>
12 months to 30 June 2012	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
Gas transmission	340,322	-	-	-	-	-	340,322	4.8
Electricity transmission	-	-	-	-	6,862	-	6,862	32.4
Customer contributions	18,951	8,163	1,295	-	-	-	28,409	29.9
Gas distribution	-	-	182,619	4,017	-	-	186,636	0.1
Electricity distribution	-	208,931	-	-	26,476	-	235,407	9.6
Metering revenue	-	58,869	4,019	-	-	-	62,888	31.0
Other revenue	6,985	14,737	3,694	85	42,773	-	68,274	(4.6)
Proportionate Revenue	366,258	290,700	191,627	4,102	76,111	-	928,798	6.4
Proportionate Operating Expenses	(73,242)	(108,889)	(60,303)	(1,441)	(46,688)	-	(290,563)	(21.1)
Proportionate EBITDA	293,016	181,811	131,324	2,661	29,423	-	638,235	0.9
<i>EBITDA margin</i>	<i>80.0%</i>	<i>62.5%</i>	<i>68.5%</i>	<i>64.9%</i>	<i>38.7%</i>	<i>n/a</i>	68.7%	
Customer contributions (net of margin)	(11,881)	(8,163)	(1,295)	-	-	-	(21,339)	(28.3)
Maintenance capital expenditure	(16,909)	(18,671)	(7,513)	(176)	(9,103)	-	(52,372)	33.9
Net external interest expense	(171,578)	(73,903)	(79,076)	(978)	(5,556)	-	(331,091)	(6.9)
SOLA interest expense	(567)	-	(2,468)	(125)	-	-	(3,160)	88.7
Net tax expense	-	-	-	(322)	-	-	(322)	28.0
Proportionate Earnings of Assets	92,081	81,074	40,972	1,060	14,764	-	229,951	15.8
Interest income	-	-	-	-	-	7,009	7,009	(25.4)
SOLA interest income	-	-	-	-	-	3,227	3,227	(90.3)
Corporate interest expense	-	-	-	-	-	(7,384)	(7,384)	78.9
Corporate expenses	-	-	-	-	-	(23,444)	(23,444)	3.6
Realised gains on FX hedge contracts	-	-	-	-	-	7,803	7,803	n/m
Proportionate Earnings (excl. Performance Fee)							217,162	18.1
Performance Fee						(16,636)	(16,636)	n/m
Proportionate Earnings	92,081	81,074	40,972	1,060	14,764	(29,425)	200,526	9.0

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Pro forma Results – 12 months to 30 June 2011

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gas transmission	324,747	-	-	-	-	-	324,747
Electricity transmission	-	-	-	-	5,184	-	5,184
Customer contributions	13,025	7,583	1,230	32	-	-	21,870
Gas distribution	-	-	182,688	3,770	-	-	186,458
Electricity distribution	-	191,337	-	-	23,379	-	214,716
Metering revenue	-	44,693	3,296	-	-	-	47,989
Other	7,832	22,003	3,695	133	37,900	-	71,563
Proportionate Revenue	345,604	265,616	190,909	3,935	66,463	-	872,527
Proportionate Operating Expenses	(57,037)	(85,031)	(49,083)	(1,325)	(47,396)	-	(239,872)
Proportionate EBITDA	288,567	180,585	141,826	2,610	19,067	-	632,655
<i>EBITDA margin</i>	83.5%	68.0%	74.3%	66.3%	28.7%	-	72.5%
Customer contributions (net of margin)	(7,784)	(7,583)	(1,230)	(32)	-	-	(16,629)
Maintenance capital expenditure	(15,822)	(46,278)	(9,932)	(204)	(7,044)	-	(79,280)
Net interest expense	(164,014)	(70,350)	(68,729)	(818)	(5,906)	-	(309,817)
SOLA interest expense	(7,106)	(9,261)	(11,488)	(125)	-	-	(27,980)
Net tax expense	-	-	-	(448)	-	-	(448)
Proportionate Earnings of Assets	93,841	47,113	50,447	983	6,117	-	198,501
Interest income	-	-	-	-	-	9,395	9,395
SOLA interest income	-	-	-	-	-	33,147	33,147
Corporate interest expense	-	-	-	-	-	(35,046)	(35,046)
Corporate expenses	-	-	-	-	-	(24,315)	(24,315)
Realised gains on FX hedge contracts	-	-	-	-	-	2,255	2,255
Proportionate Earnings	93,841	47,113	50,447	983	6,117	(14,564)	183,937

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Actual results – 12 months to 30 June 2011

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gas transmission	233,477	-	-	-	-	-	233,477
Electricity transmission	-	-	-	-	30,044	-	30,044
Customer Contribution	9,756	7,583	999	410	-	-	18,748
Gas distribution	-	-	148,330	34,098	-	-	182,428
Electricity distribution	-	191,337	-	-	121,111	-	312,448
Metering revenue	-	44,693	2,676	-	-	-	47,369
Other	15,622	22,003	3,000	1,968	191,944	-	234,537
Proportionate Revenue	258,855	265,616	155,005	36,476	343,099	-	1,059,051
Proportionate Operating Expenses	(42,720)	(85,031)	(39,852)	(15,019)	(234,946)	-	(417,568)
Proportionate EBITDA	216,135	180,585	115,153	21,457	108,153	-	641,483
<i>EBITDA margin</i>	83.5%	68.0%	74.3%	58.8%	31.5%	-	60.6%
Customer contributions (net of margin)	(5,830)	(7,583)	(999)	(410)	-	-	(14,822)
Maintenance capital expenditure	(11,851)	(46,278)	(8,064)	(2,801)	(41,467)	-	(110,461)
Net interest expense	(122,845)	(70,350)	(55,803)	(11,430)	(34,793)	-	(295,221)
SOLA interest expense	(5,322)	(9,261)	(9,328)	(1,610)	-	-	(25,521)
Net tax expense	-	-	-	(272)	-	-	(272)
Proportionate Earnings of Assets	70,287	47,113	40,959	4,934	31,893	-	195,186
Interest income	-	-	-	-	-	9,395	9,395
SOLA interest income	-	-	-	-	-	33,147	33,147
Corporate interest expense	-	-	-	-	-	(35,046)	(35,046)
Corporate expenses	-	-	-	-	-	(24,315)	(24,315)
Realised gains on FX hedge contracts	-	-	-	-	-	2,255	2,255
Proportionate Earnings	70,287	47,113	40,959	4,934	31,893	(14,564)	180,622

Proportionate Gearing

	As at 30 June 2012 \$m	As at 31 December 2011 \$m
DUET's share of energy utility assets' net external debt	4,057.4	4,025.9
Corporate level debt	-	-
Corporate level cash	(172.7)	(181.6)
Declared and payable distributions	88.8	87.3
Total net debt	3,973.5	3,931.7
DUET's share of RAB ⁽¹⁾	5,185.4	5,128.0
Gearing (%)	76.6%	76.7%

⁽¹⁾ Regulated Asset Base (RAB) is based on management's calculations intra-regulatory periods.

Proportionate Net External Debt

As at 30 June 2012	Dampier Bunbury Pipeline	United Energy	Multinet	Corporate	Total
	\$m	\$m	\$m	\$m	\$m
Capital market instruments	1,228.5	962.3	529.7	-	2,720.6
Bank facilities – term debt	819.8	108.9	347.4	-	1,276.1
Bank facilities – capex	-	44.2	54.5	-	98.7
Bank facilities – working cap.	12.3	-	-	-	12.3
Balance	2,060.6	1,115.5	931.6	-	4,107.7
Add: DUET distribution payable	-	-	-	88.8	88.8
Less: cash	(12.1)	(30.1)	(8.1)	(172.7)	(223.0)
DUET share of net external debt	2,048.5	1,085.4	923.5	(83.9)	3,973.5

As at 31 December 2011	Dampier Bunbury Pipeline	United Energy	Multinet	Corporate	Total
	\$m	\$m	\$m	\$m	\$m
Capital market instruments	1,462.6	830.4	529.7	-	2,822.6
Bank facilities – term debt	655.0	158.4	347.4	-	1,160.9
Bank facilities – capex	-	120.1	16.0	-	136.1
Bank facilities – working cap.	-	19.8	0.0	-	19.8
Balance	2,117.7	1,128.7	893.1	0.0	4,139.4
Add: DUET distribution payable	-	-	-	87.3	87.3
Less: cash	(58.1)	(36.8)	(18.7)	(181.6)	(295.1)
DUET share of net external debt	2,059.6	1,091.9	874.4	(94.3)	3,931.7

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External Debt Maturities

	100% Facility Limit	100% Drawn Debt Balance	Proportionate Drawn Debt Balance	Maturity Date
	\$m	\$m	\$m	
Dampier Bunbury Pipeline				
<u>Capital market instruments</u>				
A\$ Wrapped FRNs - Tranche 3	325.0	325.0	266.2	Apr-13
Floating Rate Notes 2015	425.0	425.0	348.1	Sep-15
Fixed Rate Notes 2015	150.0	150.0	122.9	Sep-15
A\$ Wrapped FRNs - Tranche 2	275.0	275.0	225.2	Apr-17
A\$ Wrapped FRNs - Tranche 4	325.0	325.0	266.2	Apr-18
<u>Bank facilities – term debt</u>				
SFA 2011 Series - 2013	138.0	70.0	57.3	Dec-13
SFA 2011 Series - 2014	400.0	396.0	324.3	Oct-14
SFA 2011 Series - 2016	235.0	235.0	192.5	Dec-16
SFA 2011 Series - 2017	300.0	300.0	245.7	Dec-17
<u>Bank facilities – working cap. facilities</u>				
Working Capital Facility	20.0	15.0	12.3	May-13
Total	2,593.0	2,516.0	2,060.6	

United Energy

<u>Capital market instruments</u> ⁽¹⁾				
A\$ Guaranteed FRN	500.0	500.0	330.0	Oct-14
USPP - due 2014	77.0	77.0	50.8	Dec-14
US 144A Guaranteed Notes	279.3	279.3	184.4	Apr-16
A\$ Medium Term Notes	200.0	200.0	132.0	Apr-17
USPP - due 2017	401.7	401.7	265.2	Dec-17
<u>Bank facilities – term debt</u>				
Senior Corporate Facility - Tranche B	120.0	45.0	29.7	Apr-14
Senior Corporate Facility - Tranche A	120.0	120.0	79.2	Apr-18
<u>Bank facilities – capex facilities</u>				
Smart Meter Debt Facility ⁽²⁾	50.0	-	-	Dec-13
Capex Facility - SCF Tranche C	260.0	67.0	44.2	Apr-14
<u>Bank facilities – working cap. facilities</u>				
Working Capital Facility	30.0	-	-	Dec-13
Total	2,038.1	1,690.1	1,115.5	

⁽¹⁾ US dollar denominated debt is reported in both periods at the hedged exchange rates.

⁽²⁾ In July 2012 United Energy cancelled \$50m of the undrawn Smart Meter Debt Facility.

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For the year ended 30 June 2012

	100% Facility Limit	100% Drawn Debt Balance	Proportionate Drawn Debt Balance	Maturity Date
	\$m	\$m	\$m	
Multinet				
<u>Capital market instruments</u> ⁽¹⁾				
USPP - Aug-2015	61.6	61.6	61.6	Aug-15
USPP - Nov-2015	168.1	168.1	168.1	Nov-15
Credit Wrapped FRN	300.0	300.0	300.0	Jul-17
<u>Bank facilities – term debt</u>				
A\$70m SFA	70.0	70.0	70.0	Jul-14
Senior Corporate Facility - SCF Tranche A	300.0	277.4	277.4	Nov-16
<u>Bank facilities – capex facilities</u>				
IT Capex Facility – A\$50m SCF	50.0	-	-	Jul-14
Capex Facility - SCF Tranche B	120.0	54.5	54.5	Nov-14
<u>Bank facilities – working cap. facilities</u>				
Working Capital Facility	20.0	-	-	Apr-14
Total	1089.7	931.6	931.6	

⁽¹⁾ US dollar denominated debt is reported in both periods at the hedged exchange rates.

DUET Group

Bank facilities – term debt

General purpose corporate revolver	200.0	-	-	Jun-14
Total	200.0	-	-	

Credit Ratings

Credit Rating Agency	DUET Group	Dampier Bunbury Pipeline	United Energy	Multinet
S&P	BBB- Stable outlook	BBB- Stable outlook	BBB Stable outlook	BBB- Stable outlook
Moody's	n/a	Baa3 Stable outlook	Baa2 Stable outlook	Baa3 Stable outlook

Notes

Summary of Significant MIR 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. 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.

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.

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.

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 external interest expense, energy utility asset net tax expense, corporate net 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 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 principal policies adopted in the preparation of Proportionate Earnings in this MIR include:

Energy Utilities

DUET's energy utilities 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.

DUET Group Management Information Report

For the year ended 30 June 2012

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 12 months to 30 June 2012 (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.

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

	Average AUD/USD	Year end AUD/USD
Period to 13 September 2011⁽¹⁾	1.0629	n/a
12 months to 30 June 2011	0.9906	1.0732

⁽¹⁾ Date of DUET's sale of Duquesne.

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 12 month period to 30 June 2012 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 12 months to 30 June 2012 as well as prior corresponding period is set out below:

Average Beneficial Ownership Interest percentages	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne
12 months ended 30 June 2011	60.0	66.0	79.9	25.9	29.0
Movement	20.1	-	18.5	(25.9)	(29.0)
12 months ended 30 June 2012	80.1	66.0	98.4	-	-

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.

Customer contributions

Non-refundable contributions and in-kind assets received from customers towards the cost of extending or modifying the electricity or gas distribution networks, whether on existing or new assets, are recognised as revenue and an asset respectively once control is gained of the contribution, or asset.

Customer contributions (net of margin) are excluded from the calculation of proportionate earnings below the proportionate EBITDA line.

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

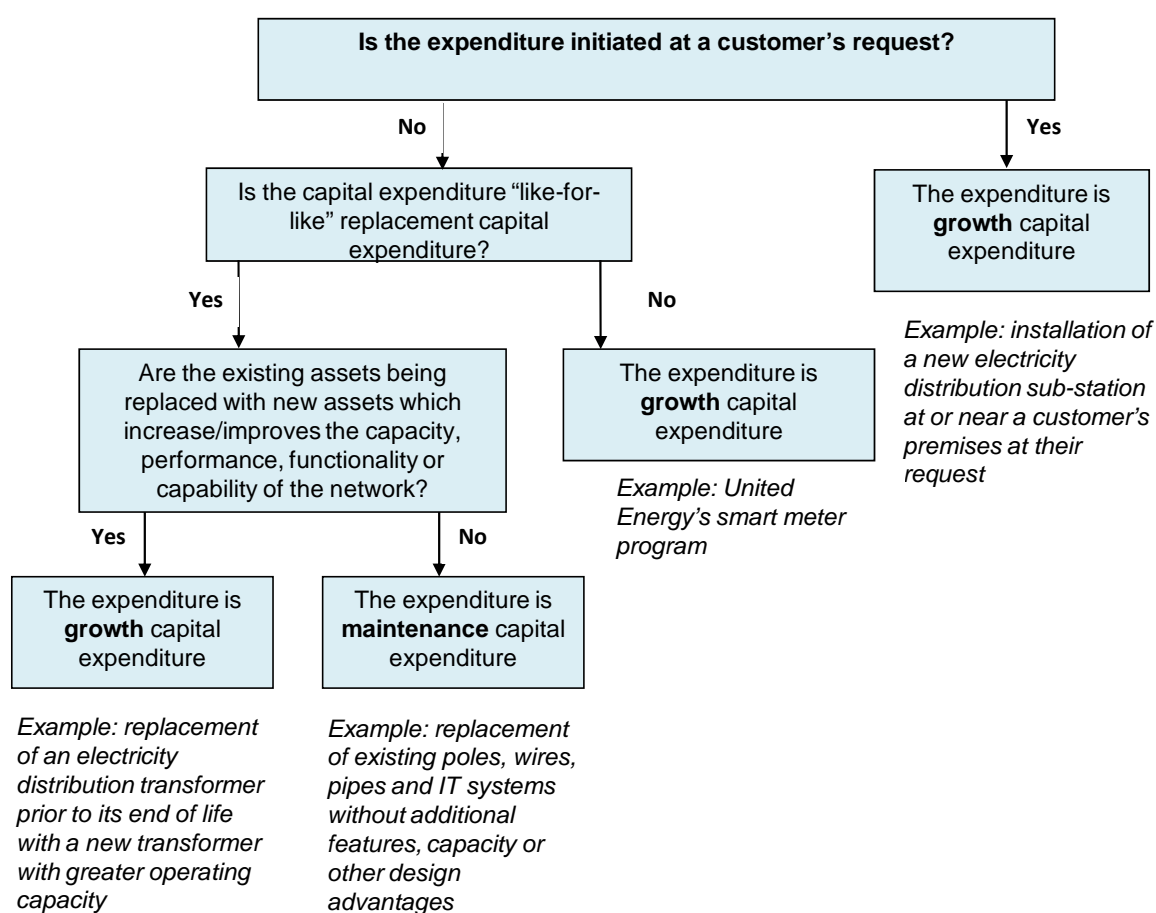
The maintenance capital expenditure is sourced directly from capital maintenance expenditure, disclosed in unaudited management accounts.

Maintenance capital expenditure is expenditure on an asset that is necessary to maintain the asset's current operating ability.

Any expenditure that improves the asset's capacity, function or performance and potential to grow future revenues is categorised as growth capital expenditure.

DUET's businesses currently apply the following decision tree in determining maintenance capital expenditure:

Decision Tree



DUET Group Management Information Report

For the year ended 30 June 2012

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 had subordinated debt which was 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 shared the SOLA interest expense with the other asset owners.

All SOLA had been repaid to DUET by 30 June 2012.

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 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.

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.

DUET Group Management Information Report

For the year ended 30 June 2012

SOLA interest income

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

All SOLA had been repaid to DUET by 30 June 2012.

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 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.

Proportionate 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 RAB

This is the aggregation of the product of DUET's beneficial ownership interest and the Regulated Asset Base (RAB) of each of the relevant energy utilities. The RAB is based on management's calculations intra-regulatory period.

DUET Group Management Information Report

For the year ended 30 June 2012

Appendix 1: Reconciliation of Proportionate and Statutory Results

A reconciliation of Proportionate EBITDA per the MIR to profit before income tax expense per the DUET Group Full year Financial Report is provided as follows:

	DBP \$'000	UEDH \$'000	MGH \$'000	WAGN \$'000	DQE \$'000	Corporate \$'000	Total \$'000
DUET Group for the 12 months to 30 June 2012							
Proportionate EBITDA	293,016	181,811	131,324	2,661	29,423	-	638,235
Additional EBITDA from controlled assets ⁽¹⁾	72,762	93,660	2,125	-	-	-	168,547
Exclude non-controlled assets ⁽²⁾	-	-	-	(2,661)	(29,423)	-	(32,084)
Corporate expenses	-	-	-	-	-	(38,828)	(38,828)
Gains/(losses) on disposal of associates, net of transaction costs	-	-	-	-	-	8,668	8,668
Equity accounted profits ⁽²⁾	-	-	-	753	6,001	-	6,754
Consolidated EBITDA							751,292
Controlled Assets							
Interest income	2,385	1,368	1,976	-	-	-	5,729
Depreciation and amortisation	(80,925)	(118,794)	(34,206)	-	-	-	(233,925)
Finance costs	(230,478)	(138,749)	(87,641)	-	-	-	(456,868)
Net fx gains(losses)	64	1780	-	-	-	-	1,844
Changes in fair value of derivatives	1,116	(21,794)	1,456	-	-	-	(19,222)
Non-controlled Assets							
Change in fair value of derivatives	-	-	-	-	-	-	-
Change in defined benefit pension plan	-	-	-	-	-	-	-
Corporate							
Interest income	-	-	-	-	-	12,551	12,551
Depreciation & amortisation	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	(9,041)	(9,041)
Net foreign exchange gains/(losses)	-	-	-	-	-	(262)	(262)
Changes in fair value of derivatives	-	-	-	-	-	-	-
Other Eliminations	-	-	-	-	-	-	(5,770)
Profit before income tax expense							46,328

⁽¹⁾ To consolidate 100% of controlled asset EBITDA.

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

DUET Group Management Information Report

For the year ended 30 June 2012

A reconciliation of the Statement of Cash Flows per the DUET Group Full year Financial Report to Unconsolidated Cash Flows per the MIR is provided as follows:

	DUET Group 1 Jul 11 - 30 Jun 12 \$'000	DUET Group 1 Jul 10 - 30 Jun 11 \$'000
Net cash flows from operating activities per DUET Group Full year Financial Report	763,448	830,549
<i>Less:</i>		
United Energy – statutory cash flows from operating activities	(276,283)	(281,772)
Multinet – statutory cash flows from operating activities	(142,710)	(152,625)
DBP – statutory cash flows from operating activities	(356,638)	(371,387)
DBP Service co– statutory cash flows from operating activities	(435)	-
UEM – statutory cash flows from operating activities	(1,981)	-
Corporate level – other interest and director fees received	(7,306)	(9,696)
Duquesne Promissory note – interest received	(5,553)	(29,521)
WAGN – SOLA interest received	(1,397)	(6,160)
WAGN – dividend received	-	(5,402)
Others	9	(1)
	(28,846)	(26,015)
<i>Add:</i>		
Transaction costs relating to the sale of WAGN and the acquisition of DBP and Multinet	6,538	-
Gain on close out of FX hedge contracts	3,477	-
Income tax paid	401	997
Net cash flows from operating activities per MIR	(18,430)	(25,018)
Net cash flows from investing activities per DUET Group Full year Financial Report	(40,900)	(388,035)
<i>Add:</i>		
United Energy – statutory cash flows from investing activities	242,119	185,688
Multinet – statutory cash flows from investing activities	78,302	38,742
DBP – statutory cash flows from investing activities	64,073	85,701
	343,594	(77,904)
<i>Less:</i>		
Investment in asset companies by DUET (inter-company elimination)	(210,918)	(237,655)
DUET3 FX hedge closure	(3,477)	-
Transaction costs relating to the sale of WAGN and the acquisition of DBP and Multinet	(6,538)	-
Others	(109)	-
Net cash flows from investing activities per MIR	122,552	(315,559)
Net cash flows from financing activities per DUET Group Full year Financial Report	(1,024,922)	(367,278)
<i>Add:</i>		
United Energy – statutory cash flows from financing activities	49,671	70,224
Multinet – statutory cash flows from financing activities	318,871	(131,996)
DBP – statutory cash flows from financing activities	372,240	289,444
Bank interest	6,526	9,395
SOLA interest received from asset companies	5,771	35,778
Related party transactions (inter-company elimination)	12,037	69,173
Other	107	-
	(259,699)	(25,260)
<i>Less:</i>		
Income tax paid	(401)	(997)
Net cash flows from financing activities per MIR	(260,100)	(26,257)

DUET Group Management Information Report

For the year ended 30 June 2012

A reconciliation of the Interest Bearing Liabilities per the DUET Group Full year Financial Report to the Proportionate Net External Debt per the MIR is provided as follows:

	DUET Group 30 Jun 12	DUET Group 31 Dec 11
	\$'000	\$'000
Interest Bearing Liabilities per DUET Group Full year Financial Report	5,125,128	5,134,898
<i>Add:</i>		
United Energy – US\$ Debt / Fair Value Adjustment	117,680	121,456
Multinet – US\$ Debt / Fair Value Adjustment	41,582	43,299
DBP – capitalised borrowing costs	27,112	26,714
United Energy – capitalised borrowing costs	13,839	11,978
Multinet – capitalised borrowing costs	8,179	8,998
Corporate level – distribution declared and payable	88,787	87,330
<i>Less:</i>		
Cash on hand per DUET Group Full year Financial Report	(241,181)	(326,964)
DBP – finance lease liability	(21,627)	-
United Energy – minority share of RPS not eliminated on consolidation	(170,794)	(170,794)
Corporate level - capitalised borrowing costs and other	(3,300)	(2,788)
DUET Group Net External Debt	4,985,405	4,934,128
<i>Less:</i>		
DBP – minority share of Net External Debt	(452,732)	(439,932)
United Energy – minority share of Net External Debt	(559,136)	(562,480)
Proportionate Net External Debt per MIR	3,973,501	3,931,716

DUET Group Management Information Report

For the year ended 30 June 2012

Appendix 2: Consolidated Statutory Income Statement

This consolidated statutory income statement has been extracted from the DUET Group Full year Financial Report. A copy of the full report is available on the DUET website at www.duet.net.au.

	DUET Group 1 Jul 11 - 30 June 12	DUET Group 1 Jul 10 - 30 June 11
	\$'000	\$'000
Revenue	1,220,141	1,189,059
Other Income	1,939	23,202
Total Revenue and other income	1,222,080	1,212,261
Share of net profit/(loss) of associates accounted for using the equity method	6,754	20,789
Net gains/(losses) on disposal of associates	8,668	-
Operating expenses	(428,251)	(320,464)
Other expenses	(63,089)	(119,959)
Depreciation and amortisation expense	(233,925)	(214,264)
Finance costs	(465,909)	(505,003)
Total expenses	(1,191,174)	(1,159,690)
Profit/(loss) before income tax expense	46,328	73,360
Income tax benefit/(expense)	(2,331)	115,040
Profit/(loss) for the year	43,997	188,400
Profit/(loss) is attributable to:		
DUET1 unitholders	77,432	68,784
DUET2/DUET3 unitholders and DIHL shareholders as non-controlling interests	(29,883)	56,133
Stapled Securityholders	47,549	124,917
Other non-controlling interests	(3,552)	63,483
Profit/(loss) for the year	43,997	188,400
Basic earnings/(loss) per stapled security/share/unit ⁽¹⁾	7.23c	7.70c
Diluted earnings/(loss) per stapled security/share/unit ⁽¹⁾	7.23c	7.70c

⁽¹⁾ The DUET Group calculation of earnings per share only include the earnings of the DUET Group parent entity, DUET1 in accordance with AASB 133 *Earnings per Share*.

Basis of preparation

The consolidated statutory income statement has been prepared in accordance with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("the Standards").

As required by the Standards, this consolidated statutory income statement includes:

- I. The consolidation of 100% of the statutory result of DBP, United Energy and Multinet (actual aggregated ownership percentage at 30 June 2012: DBP 81.9% economic interest⁽²⁾, United Energy 66.0% Multinet 100.0%); and
- II. The change in the fair value (mark-to-market) of derivatives that reflects the movement in the termination value of those instruments during the period.

⁽²⁾ 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.

DUET Group Management Information Report

For the year ended 30 June 2012

Appendix 3: Consolidated Statutory Cash Flow Statement

This consolidated statutory cash flow statement has been extracted from the DUET Group Full year Financial Report. A copy of the full report is available on the DUET website at www.duet.net.au.

	DUET Group 1 Jul 11 - 30 Jun 12	DUET Group 1 Jul 10 - 30 Jun 11
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (including GST)	1,266,902	1,247,813
Payments to suppliers and employees (including GST)	(452,627)	(418,380)
Income tax (paid)/received	(401)	(968)
Interest received from associates	6,950	35,681
Interest received from related parties	-	-
Dividends received	-	5,402
Other interest received	12,609	31,924
Management fee paid	(20,079)	(20,331)
Indirect tax net (paid) /received	(49,906)	(50,592)
Net cash flows from operating activities	763,448	830,549
Cash flows (used in)/from investing activities		
Payments for purchase of property, plant and equipment	(313,077)	(265,434)
Investment in term deposits	-	7,462
Payments for purchase of software	(71,560)	(52,438)
Payments for purchase of investments	(155,500)	(35,404)
Amounts deposited in escrow account for asset acquisition	-	(42,500)
Proceeds from the sale of investment, net of costs	499,094	-
Proceeds from sale of non-current assets	143	279
Net cash flows (used in)/from investing activities	(40,900)	(388,035)
Cash flows from financing activities		
Proceeds from issue of stapled securities, net of costs	266,362	-
Proceeds from securities issued to non-controlling interests	32,010	118,267
Proceeds from borrowings lent by non-controlling interests	6,395	5,610
Proceeds from borrowings from external parties	1,053,423	3,057,579
Repayment of borrowings from external parties	(1,746,501)	(2,879,697)
Loans to related parties	-	-
Finance costs paid	(463,619)	(501,502)
Dividends paid to non-controlling interest	(27,317)	(56,309)
Distributions paid to DUET securityholders, net of DRP	(145,675)	(111,226)
Net cash flow from/(used in) financing activities	(1,024,922)	(367,278)
Net increase/(decrease) in cash and cash equivalents held	(302,374)	75,236
Cash and cash equivalents at the beginning of the year	543,482	464,682
Effects of exchange rate changes on cash and cash equivalents	2,487	3,564
Cash and cash equivalents at the end of the year	243,595	543,482

Basis of preparation

As required by the Standards, this consolidated statutory cash flow statement includes the consolidated cash flows not only of the DUET Group corporate level but also 100% of the cash flows of its, in aggregate, majority controlled asset companies, DBP, United Energy and Multinet.

Appendix 4: Detailed Asset Information Pack

**DUET GROUP
DETAILED ASSET INFORMATION PACK**

For the year ended 30 June 2012

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Appendix 4: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2012

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:

- interest income;
- unrealised FX gains or losses; and
- changes in fair value arising from non-cash MTM movements from revenue and expense hedging.

The key differences between the DAIP and MIR include:

	DAIP	MIR
Revenue	Includes pass-through revenue ⁽¹⁾	Excludes pass-through revenue ⁽¹⁾
Costs	Includes pass-through costs ⁽¹⁾	Excludes pass-through costs ⁽¹⁾ , but includes any cost recovery timing differences
Depreciation & Amortisation ("D&A")	Reports D&A	Replaces D&A with maintenance capital expenditure
Interest expense	Separately reports external interest payments and SOLA interest payments under the Net Borrowing Costs category. Includes amortisation of deferred borrowing costs Includes any impact of MTM movements of derivatives reported by asset companies within interest expense.	Reports net external interest payments together with SOLA interest payments. SOLA was 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.

⁽¹⁾ Transmission Use of System (TUOS), Premium Feed-In Tariffs (PFIT) and Transition Feed-In Tariffs (TFIT).

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 to changes in the presentation of figures 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.

2. Dampier Bunbury Pipeline

2.1. Financial Summary

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Transportation Revenue	405.4	214.4	210.4	424.8	4.8
Total Revenue ⁽¹⁾	431.4	227.8	229.4	457.2	6.0
EBITDA ⁽¹⁾	360.2	188.1	177.7	365.8	1.5
EBIT ⁽¹⁾	281.4	147.7	137.2	284.9	1.2
NPAT	145.0	14.9	24.4	39.3	(72.9)
Capex	84.7	35.2	39.8	75.0	(11.5)

	12 months to 30 Jun 11 \$m	6 months to 31 Dec 11 (pcp) \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
RAB ⁽²⁾	3,643.4	3,557.2	3,579.5	3,579.5	0.6

⁽¹⁾ Total Revenue, EBITDA and EBIT exclude interest income and unrealised foreign exchange gains and losses.

⁽²⁾ RAB is based on management's calculations intra-regulatory period. DBP's RAB at 31 December 2011 is based on the ERA's final regulatory decision for the period 2011-2015 handed down on 31 October 2011.

2.2. Income Statement

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Total Revenue ⁽¹⁾	431.4	227.8	229.4	457.2	6.0
Transportation Revenue	405.4	214.4	210.4	424.8	4.8
Other Revenue	26.0	13.4	19.0	32.4	24.7
Customer Contributions	16.3	8.1	15.6	23.7	45.5
Other Income	9.8	5.3	3.4	8.7	(10.8)
Unrealised FX Gains	(0.0)	0.1	0.0	0.1	n/m
Operating Expenses	(71.2)	(39.7)	(51.7)	(91.4)	(28.5)
External Operating Fees ⁽²⁾	(4.9)	(4.1)	(1.6)	(5.7)	(17.6)
Employee Expenses	(23.5)	(14.0)	(12.3)	(26.3)	(12.1)
Other Operating Expenses ⁽³⁾	(29.6)	(16.1)	(33.1)	(49.2)	(66.4)
Fuel Gas	(13.2)	(5.4)	(4.8)	(10.2)	23.2
D&A and Abandonments	(78.9)	(40.4)	(40.5)	(80.9)	(2.6)
Depreciation	(74.8)	(39.1)	(39.4)	(78.4)	(4.8)
Amortisation	(3.3)	(1.3)	(1.2)	(2.5)	25.2
Abandonments	(0.7)	0.0	0.0	0.0	n/m
Net Borrowing Costs	(242.4)	(126.3)	(101.3)	(227.7)	6.1
Interest Income	5.4	1.5	0.8	2.4	55.7
Senior Interest	(207.0)	(107.5)	(103.2)	(210.8)	(1.8)
SOLA Interest	(8.9)	(0.6)	(0.1)	(0.7)	92.0
Interest Rate Hedge – Fair Value Movements	(10.0)	(5.8)	6.9	1.1	n/m
Amortisation and Other Financing Costs	(21.8)	(13.9)	(5.8)	(19.7)	9.9
Income Tax (Expense) / Benefit	106.0	(6.5)	(11.4)	(17.9)	n/m
Net Profit / (Loss) After Tax ⁽⁴⁾	145.0	14.9	24.4	39.3	(72.9)

⁽¹⁾ Excludes interest income which has been reclassified under the "Net Borrowing Cost" category for the purposes of this report.

⁽²⁾ Relates to outsourced IT and head-office building services provided to DBP.

⁽³⁾ FY2012 includes a \$12.9m doubtful debt provision relating to a Shipper dispute which is in arbitration, \$0.4m in legal costs related to that arbitration and \$1.6m in costs incurred in relation to the AET&D sale process.

⁽⁴⁾ FY2012 NPAT is down on pcp mostly due to the recognition of \$106m of tax losses in FY2011.

2.3. Cash Flow Statement

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Cash Flows from Operating Activities	373.2	177.4	179.4	356.8	(4.4)
<i>Cash Receipts (including GST)</i>	488.6	241.9	231.9	473.8	(3.0)
<i>Cash Payments (including GST and indirect taxes)</i>	(115.4)	(64.5)	(52.5)	(117.0)	(1.4)
<i>Income Tax Payment</i>	-	-	-	-	n/m
Cash Flows from Investing Activities	(65.2)	(34.0)	(30.1)	(64.1)	(1.8)
<i>Purchase of PP&E</i>	(63.2)	(34.0)	(30.1)	(64.1)	1.4
<i>Proceeds from Sale of Non-Current Assets</i>	-	0.0	0.0	0.0	n/m
<i>Payments for Short Term Investments</i>	(4.5)	-	-	-	n/m
<i>Proceeds from Short Term Investments</i>	25.0	-	-	-	n/m
<i>Payment for Other Financial Assets</i>	(22.5)	-	-	-	n/m
Cash Flows from Financing Activities	(291.3)	(167.5)	(205.0)	(372.4)	(27.9)
<i>Movement in Borrowings ⁽¹⁾</i>	(16.8)	(144.0)	(54.0)	(198.0)	n/m
<i>Equity Contributions</i>	83.2	165.6	6.5	172.2	107.0
<i>Senior Borrowing Costs</i>	(222.6)	(115.7)	(108.7)	(224.4)	(0.8)
<i>SOLA Interest</i>	(8.9)	(1.0)	(0.2)	(1.2)	86.7
<i>Distributions</i>	(126.2)	(72.4)	(48.6)	(121.0)	(4.1)
Net Cash Movement	16.7	(24.0)	(55.7)	(79.7)	n/m
<i>Opening Cash</i>	77.7	94.4	70.5	94.4	21.5
<i>Effect of FX Changes on Cash</i>	(0.0)	0.1	0.0	0.1	n/m
<i>Closing Cash</i>	94.4	70.5	14.8	14.8	(84.3)

⁽¹⁾ FY2012 borrowings were reduced mostly due to the \$200m equity recapitalisation completed by DUET and Alcoa during the year (note that only \$172.2m of this was contributed during FY 2012, with Alcoa progressively contributing its share of new equity through to 2014).

2.4. Balance Sheet

	30 Jun 11	31 Dec 11 (pcp)	30 Jun 12	Change on pcp
	\$m	\$m	\$m	%
Current Assets	130.8	124.9	76.0	(39.1)
Cash	94.4	70.5	14.8	(79.0)
Accounts Receivable	10.3	14.6	24.9	71.1
Derivative Financial Instruments	-	-	-	n/m
Inventories and Other Assets	26.1	39.9	36.3	(8.9)
Non-Current Assets	3,725.7	3,720.2	3,723.6	0.1
Plant, Property and Equipment	3,029.1	3,023.9	3,027.9	0.1
Intangibles	674.6	674.5	674.2	(0.0)
Other	22.0	21.7	21.5	(1.1)
Current Liabilities	647.0	372.2	505.5	(35.8)
Payables & Other Liabilities	81.0	88.5	106.6	(20.5)
External Debt ⁽¹⁾	523.8	275.0	324.5	(18.0)
Finance Lease Liability	0.8	0.8	0.8	(2.3)
Derivative Financial Instruments	32.7	-	66.9	n/m
Provisions	8.8	8.0	6.7	15.6
Non-Current Liabilities	2,551.2	2,766.5	2,629.9	4.9
External Debt	2,158.3	2,295.1	2,191.6	4.5
Capitalised Borrowing Costs	(33.0)	(26.7)	(27.1)	1.5
Finance Lease Liability	21.6	21.2	20.8	1.9
SOLA Debt	32.0	-	-	n/m
Deferred Tax Liabilities	272.2	253.3	253.9	(0.3)
Derivative Financial Instruments	84.7	207.9	170.1	18.2
Provisions	15.3	15.8	20.6	(30.7)
Net Assets	658.2	706.3	664.2	(6.0)
Equity	658.2	706.3	664.2	(6.0)
Contributed Equity	980.4	1,146.1	1,152.6	0.6
Reserves	(54.5)	(113.8)	(139.0)	(22.1)
Retained Earnings	(267.7)	(326.0)	(349.4)	(7.2)

⁽¹⁾ Balance at 30 June 2012 reflects medium term notes maturing in April 2013.

2.5. Capital Expenditure Summary

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Total Capex	84.7	35.2	39.8	75.0	(11.5)
Growth Capex	64.9	28.4	25.4	53.9	(17.0)
<i>Pipeline Expansion</i>	55.7	23.3	11.7	34.9	(37.3)
<i>Shipper Funded Capex</i>	9.2	5.1	13.8	18.9	106.4
Maintenance Capex	19.8	6.7	14.4	21.1	6.9

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.

2.6. Key Operating Statistics

	12 months to 30 Jun 11 (pcp)		6 months to 31 Dec 11		6 months to 30 Jun 12		12 months to 30 Jun 12		Change on pcp %
Throughput (TJ)		%		%		%		%	
Full Haul	233,472	75	118,871	75	119,664	74	238,535	75	2.2
Part Haul	37,463	12	19,848	13	21,114	13	40,962	13	9.3
Back Haul	38,764	13	19,226	12	20,433	13	39,659	12	2.3
Total	309,699	100	157,945	100	161,211	100	319,156	100	3.1

	1 month to 30 Jun 11 (pcp)		1 month to 31 Dec 11		1 month to 30 Jun 12		Change on pcp %
Contracted Capacity (Avg TJ/day)		%		%		%	
Full Haul	835	70	848	70	850	68	1.7
Part Haul	214	18	214	18	278	22	29.9
Back Haul	147	12	151	12	121	10	(18.0)
Total	1,196	100	1,213	100	1,248	100	4.3

	As at 30 Jun 11 (pcp)		As at 31 Dec 11		As at 30 Jun 12		Change on pcp %
Line Length (km)		%		%		%	
Mainline	1,530	50	1,530	50	1,530	50	-
Looping	1,252	41	1,252	41	1,252	41	-
Laterals	299	10	299	10	299	10	-
Total	3,081	100	3,081	100	3,081	100	-

	As at 30 Jun 11 (pcp)	As at 31 Dec 11	As at 30 Jun 12	Change on pcp %
Compression				
No. Of Compressors	27	27	27	-

3. United Energy

3.1. Financial Summary

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Distribution Revenue ⁽¹⁾	302.8	149.7	166.9	316.6	4.6
Total Revenue ⁽²⁾	405.2	207.2	233.3	440.5	8.7
EBITDA ⁽³⁾	273.7	124.9	150.5	275.5	0.7
EBIT ⁽³⁾	166.5	70.1	84.6	154.7	(7.1)
NPAT	(2.4)	(16.4)	(14.9)	(31.3)	n/m
Total Capex	225.7	138.4	124.1	262.4	16.3

	12 months to 30 Jun 11 \$m	6 months to 31 Dec 11 (pcp) \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
RAB ⁽⁴⁾	1,641.5	1,777.3	1,841.9	1,841.9	3.5

⁽¹⁾ Distribution Revenue excludes TUoS, TFIT and PFIT Pass-through Revenue.

⁽²⁾ Total Revenue excludes TUoS, TFIT and PFIT Pass-through Revenue, interest income and unrealised foreign exchange gains and losses.

⁽³⁾ EBITDA and EBIT exclude interest income and unrealised foreign exchange gains and losses.

⁽⁴⁾ RAB is based on management's calculations intra-regulatory period.

3.2. Income Statement

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Gross Total Revenue ⁽¹⁾⁽²⁾	496.5	255.1	294.6	549.8	10.7
Gross Distribution Revenue ⁽²⁾	394.0	197.6	228.3	425.9	8.1
DUOS Revenue	302.8	149.7	166.9	316.6	4.6
<i>Residential</i>	145.5	72.1	78.8	150.9	3.7
<i>Business</i>	76.8	37.6	41.6	79.2	3.0
<i>Industrial</i>	80.5	40.0	46.6	86.5	7.5
TUOS, TFIT and PFIT Pass-through Revenue	91.3	48.0	61.4	109.3	19.8
Other Revenue	102.4	57.5	66.4	123.9	21.0
<i>Metering revenue</i>	67.7	42.0	47.2	89.2	31.7
<i>Customer Contributions</i>	11.5	4.4	8.0	12.4	7.7
<i>Other Income</i>	23.2	11.2	11.1	22.3	(3.9)
Operating Expenses	(223.3)	(128.6)	(144.6)	(273.2)	(22.3)
<i>TUOS, TFIT and PFIT Pass-through Costs</i>	(92.6)	(51.1)	(58.3)	(109.4)	(18.1)
<i>External Operating Fees (incl. Smart Meter)</i>	(97.4)	(47.2)	(57.2)	(99.8)	(2.5)
<i>Employee Expenses ⁽³⁾</i>	(4.4)	(7.9)	(7.9)	(15.8)	n/m
<i>Other operating expenses ⁽⁴⁾</i>	(28.3)	(24.1)	(25.2)	(49.3)	(73.9)
<i>Unrealised Foreign Exchange Loss</i>	(0.6)	1.6	(0.5)	1.1	n/m
Depreciation, Amortisation & Abandonments	(107.2)	(54.8)	(66.0)	(120.8)	(12.7)
<i>Depreciation</i>	(75.9)	(38.8)	(42.0)	(80.8)	(6.4)
<i>Amortisation</i>	(29.4)	(15.4)	(22.2)	(37.6)	(28.0)
<i>Abandonments</i>	(1.9)	(0.6)	(1.8)	(2.3)	(25.3)
Net Borrowing Costs	(178.3)	(96.4)	(105.4)	(201.9)	(13.2)
<i>Interest Income</i>	10.3	0.5	0.9	1.4	(86.7)
<i>Senior interest</i>	(107.9)	(53.4)	(56.0)	(109.3)	(1.4)
<i>SOLA interest</i>	(14.0)	-	(0.0)	(0.0)	100.0
<i>RPS Interest</i>	(53.0)	(32.1)	(32.5)	(64.7)	(22.1)
<i>Capex Shareholder Loan interest</i>	(6.5)	-	-	-	100.0
<i>Interest Rate Hedge - Fair Value Movements</i>	6.9	(8.2)	(13.6)	(21.8)	n/m
<i>Amortisation & Other Financing Costs</i>	(14.1)	(3.2)	(4.2)	(7.4)	47.3
Income Tax (Expense) / Benefit	10.0	8.3	6.4	14.7	47.4
Net Profit / (Loss) After Tax	(2.4)	(16.4)	(14.9)	(31.3)	n/m

⁽¹⁾ Gross Total Revenue excludes interest income which has been reclassified under the "Net Borrowing Cost" category for the purposes of this report, and unrealised FX gains.

⁽²⁾ Gross Total Revenue and Gross Distribution Revenue include TUOS, TFIT and PFIT Pass-through Revenue.

⁽³⁾ UED is internalising its operations and as a result Employee Expenses increased \$11.4m due to a ramp up in headcount.

⁽⁴⁾ Other operating expenses increased on pcp due to one-off transition costs of \$27.9m booked in FY2012

Cash Flow Statement

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Cash Flows from Operating Activities	281.8	109.9	166.3	276.3	(1.9)
<i>Cash Receipts (including GST) ⁽¹⁾</i>	562.6	258.3	333.6	591.9	5.2
<i>Cash Payments (including GST and indirect taxes)</i>	(280.8)	(148.4)	(167.3)	(315.7)	(12.4)
<i>Income Tax (Payment) / Refund</i>	0.0	-	-	-	n/m
Cash Flows from Investing Activities	(215.6)	(133.5)	(108.6)	(242.1)	12.3
<i>Purchase of PP&E and Intangibles</i>	(215.9)	(133.6)	(108.7)	(242.2)	12.2
<i>Proceeds from Sale of PP&E</i>	0.3	0.1	0.0	0.1	(60.2)
Cash Flows from Financing Activities	(40.3)	18.2	(67.9)	(49.7)	(23.2)
<i>Equity Contributions</i>	250.2	19.0	58.1	77.1	(69.2)
<i>Movement in Borrowings</i>	(89.1)	85.0	(20.0)	65.0	n/m
<i>Interest Paid – Senior</i>	(124.4)	(53.7)	(61.0)	(114.7)	7.8
<i>Interest Paid – SOLA</i>	(16.4)	-	-	-	100.0
<i>Interest Paid – RPS</i>	(52.9)	(32.1)	(32.5)	(64.6)	(22.1)
<i>Interest Paid – Capex Shareholder Loans</i>	(7.6)	-	-	-	100.0
<i>Distributions</i>	-	-	(12.5)	(12.5)	n/m
Net Cash Movement	25.9	(5.3)	(10.2)	(15.5)	n/m
<i>Opening Cash</i>	32.5	61.1	55.7	61.1	88.0
<i>Effect of FX Changes on Cash</i>	2.7	-	-	-	(100.0)
<i>Closing Cash</i>	61.1	55.7	45.6	45.6	(25.4)

⁽¹⁾ Cash receipts were impacted by a \$24m Metering revenue accrual in FY2012.

3.3. Balance Sheet

	30 Jun 11	31 Dec 11 (pcp)	30 Jun 12	Change on pcp
	\$m	\$m	\$m	%
Current Assets	114.4	140.9	101.4	(28.1)
Cash	61.1	55.7	45.6	(18.2)
Accounts Receivable	29.1	25.4	20.8	(18.1)
Derivative Financial Instruments	1.1	-	0.9	n/m
Other Assets (incl. Inventory and Tax Assets) ⁽¹⁾	23.2	59.8	34.1	(43.0)
Non-Current Assets	2,455.8	2,535.1	2,631.0	3.8
Plant, Property & Equipment	1,504.7	1,567.9	1,637.4	4.4
Deferred Tax Asset	70.8	78.3	90.7	15.8
Intangibles	868.6	888.9	877.5	(1.3)
Derivative Financial Instruments	11.6	-	1.4	n/m
Other Assets ⁽¹⁾	-	-	24.0	n/m
Current Liabilities	135.3	170.4	169.4	0.6
Payables (incl. Unearned Revenue)	92.9	115.3	129.7	(12.5)
Derivative Financial Instruments	21.4	24.6	27.8	(13.1)
External Debt	20.0	30.0	-	100.0
Current Tax Liabilities	-	0.0	-	100.0
Provisions	1.0	0.5	11.9	n/m
Non-Current Liabilities	2,193.3	2,316.6	2,352.6	(1.6)
External Debt	1,605.1	1,680.1	1,690.1	(0.6)
Capitalised Borrowing Costs	(13.7)	(12.0)	(13.8)	(15.5)
US\$ Debt / Fair Value Adjustment	(163.9)	(121.5)	(117.7)	3.1
Redeemable Preference Shares	483.5	502.3	502.3	-
Deferred Tax Liabilities	163.5	147.1	149.1	(1.3)
Derivative Financial Instruments	108.3	110.1	132.5	(20.3)
Other Liabilities	10.4	10.4	10.2	1.9
Net Assets	241.6	189.1	210.4	11.3
Equity	241.6	189.1	210.4	11.3
Contributed Equity	207.5	207.7	265.8	28.0
Reserves	13.0	(23.4)	(32.8)	n/m
Retained Profits / (Loss)	21.2	4.8	(22.6)	n/m

⁽¹⁾ Non-Current Other Assets of \$24m in FY2012 is in respect of a Metering revenue accrual (previously classified in Current Other Assets of \$16m at 31 December 2011 and \$nil at 30 June 2011).

3.4. Capital Expenditure Summary

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Total Capex	225.7	138.4	124.1	262.4	16.3
Growth Capex	155.6	126.8	107.3	234.1	50.5
Network and IT	56.2	71.0	58.4	129.5	130.4
Smart Meter	58.0	31.0	24.2	55.2	(4.9)
Customer Initiated Capital	41.4	24.8	24.7	49.5	19.5
Maintenance Capex ⁽¹⁾	70.1	11.6	16.7	28.3	(59.7)

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.

⁽¹⁾ Maintenance capex decreased mostly as a result of a ramp-up in the renewal and expansion of UED's network and IT systems to enhance network performance and accommodate increases in peak demand.

3.5. Key Operating Statistics

Electricity load (GWh)	12 months to 30 Jun 11 (pcp)	%	6 months to 31 Dec 11	%	6 months to 30 Jun 12	%	12 months to 30 Jun 12	%	Change on pcp %
Small Tariff	3,037	38	1,515	37	1,439	35	2,954	36	(2.7)
Medium Tariff	1,497	19	748	18	737	18	1,485	18	(0.8)
Large Tariff	3,537	44	1,799	44	1,896	47	3,695	45	4.5
Total Electricity Load	8,071	100	4,062	100	4,073	100	8,135	100	0.8

Connections	As at 30 Jun 11 (pcp)	%	As at 31 Dec 11	%	As at 30 Jun 12	%	Change on pcp %
Small (residential and unmetered)	579,136	91	582,217	91	586,404	91	1.3
Medium Size Business	55,503	9	55,525	9	54,600	8	(1.6)
Commercial and Industrial	3,352	1	3,387	1	3,427	1	2.2
Total	637,991	100	641,130	100	644,431	100	1.0

Distribution Network Statistics (km)	As at 30 Jun 11 (pcp)	%	As at 31 Dec 11	%	As at 30 Jun 12	%	Change on pcp %
Overhead	10,276	80	10,277	80	10,276	80	-
Underground	2,556	20	2,574	20	2,616	20	2.3
Total Length	12,832	100	12,851	100	12,892	100	0.5

Distribution Network Statistics ⁽¹⁾	12 months to 30 Jun 11	12 months to 31 Dec 11	12 months to 30 Jun 12
Maximum Demand (MW)	1,962	1,962	1,700
System average interruption frequency index (SAIFI) ⁽²⁾	1.0	1.0	1.2
Momentary average interruption frequency index (MAIFI) ⁽³⁾	1.1	1.1	1.2
System average interruption duration index (SAIDI) ⁽⁴⁾	117	90	84

⁽¹⁾ Does not include Excluded Events, as defined by the Australian Energy Regulator.

⁽²⁾ Measures how often customers lost supply for a sustained period of greater than one minute.

⁽³⁾ Measures how often customers lost supply for a momentary period of less than one minute.

⁽⁴⁾ Measures the average number of minutes of lost service per customer per year.

4. Multinet

4.1. Financial Summary

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Distribution Revenue	185.6	98.6	87.0	185.6	(0.0)
Total Revenue ⁽¹⁾	194.0	103.3	91.4	194.7	0.4
EBITDA ⁽¹⁾	144.1	76.7	56.8	133.4	(7.4)
EBIT ⁽¹⁾	111.5	60.2	36.8	97.0	(13.0)
NPAT	31.3	8.9	(6.9)	2.0	(93.6)
Total Capex	42.0	39.5	42.1	81.5	94.0

	12 months to 30 Jun 11 \$m	6 months to 31 Dec 11 (pcp) \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
RAB ⁽²⁾	977.6	1,024.4	1,038.1	1,038.1	1.3

⁽¹⁾ Total Revenue, EBITDA and EBIT exclude interest income and unrealised foreign exchange gains and losses.

⁽²⁾ The RAB stated is based on management's calculations intra-regulatory period.

4.2. Income Statement

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Total Revenue ⁽¹⁾	194.0	103.3	91.4	194.7	0.4
Distribution Revenue	185.6	98.6	87.0	185.6	(0.0)
<i>Tariff V (Variable)</i>	144.0	77.3	65.1	142.4	(1.2)
<i>Fixed charges</i>	39.9	20.5	21.0	41.5	4.1
<i>Other Distribution Revenue (Tariff D and Tariff L)</i>	1.7	0.8	0.8	1.7	(2.2)
Other Revenue	8.4	4.7	4.5	9.2	9.6
<i>CPI Revenue Swap</i>	0.1	0.2	(0.1)	0.1	9.4
<i>Customer Contributions</i>	1.3	0.7	0.6	1.3	5.3
<i>Other Income</i>	7.0	3.8	3.9	7.7	10.3
Operating Expenses	(49.9)	(26.6)	(34.6)	(61.3)	(22.8)
<i>External Operating Fees</i>	(41.4)	(18.6)	(20.7)	(39.3)	5.0
<i>Employee Expenses</i>	(0.2)	(1.7)	(2.1)	(3.8)	n/m
<i>Other Operating Expenses ⁽²⁾</i>	(8.3)	(6.3)	(11.9)	(18.1)	(118.4)
<i>Unrealised revenue hedge</i>	(0.0)	-	-	-	100.0
<i>Unrealised Foreign Exchange Losses</i>	-	-	(0.0)	(0.0)	n/m
Depreciation, Amortisation & Abandonments	(32.6)	(16.5)	(20.0)	(36.5)	(11.9)
<i>Depreciation</i>	(29.6)	(14.9)	(16.9)	(31.8)	(7.5)
<i>Amortisation</i>	(1.2)	(0.6)	(1.9)	(2.4)	(95.4)
<i>Abandonments</i>	(1.8)	(1.0)	(1.2)	(2.2)	(26.8)
Net Borrowing Costs	(80.2)	(51.3)	(43.7)	(95.0)	(18.4)
<i>Interest Income</i>	9.0	1.7	0.3	2.0	(77.9)
<i>Senior interest</i>	(78.8)	(41.6)	(39.3)	(81.0)	(2.7)
<i>SOLA interest</i>	(11.7)	(2.8)	0.3	(2.5)	78.5
<i>Hybrid interest</i>	-	(2.9)	(5.7)	(8.7)	n/m
<i>Interest Rate Hedge - Fair Value Movements</i>	7.4	(1.4)	2.8	1.5	(80.3)
<i>Amortisation & Other Financing Costs</i>	(6.1)	(4.3)	(1.9)	(6.3)	(2.8)
Income Tax (Expense) / Benefit	(0.0)	-	(0.0)	(0.0)	97.3
Net Profit / (Loss) After Tax	31.3	8.9	(6.9)	2.0	(93.6)

⁽¹⁾ Revenue excludes interest income which has been reclassified under the "Net Borrowing Costs" category for this report, and unrealised FX gains.

⁽²⁾ Other Operating Expenses increased primarily due to an accrual in FY2012 of \$8.2m for potential UAFG settlement costs as additional provisioning for 2007-2012 period, taking the total accrual in Multinet's accounts for UAFG to \$11.4m. This accrual relates to charges incurred over the 2007 to 2012 calendar years, all of which are yet to be settled with the respective retailers. In addition, \$2.9m of one-off transition costs were brought to account in FY2012.

4.3. Cash Flow Statement

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Cash Flows from Operating Activities	152.6	91.0	51.7	142.7	(6.5)
<i>Cash Receipts (including GST)</i>	220.9	126.6	80.2	206.9	(6.3)
<i>Cash Payments (including GST and indirect taxes)</i>	(68.2)	(35.6)	(28.6)	(64.2)	6.0
Cash Flows from Investing Activities	161.3	(39.8)	(38.5)	(78.3)	n/m
<i>Purchase of PP&E</i>	(38.7)	(39.8)	(38.5)	(78.3)	102.1
<i>Proceeds from Redemption of Investments</i>	200.0	-	-	-	n/m
Cash Flows from Financing Activities	(68.0)	(295.1)	(23.8)	(318.9)	n/m
<i>Movement in Borrowings</i>	23.7	(216.1)	38.5	(177.6)	n/m
<i>Equity Contributions</i>	29.0	-	-	-	100.0
<i>Interest Paid - Senior</i>	(80.0)	(49.7)	(37.9)	(87.5)	(9.4)
<i>Interest Paid - SOLA</i>	(11.8)	(8.1)	-	(8.1)	31.3
<i>Interest Paid - Hybrid</i>	-	(2.9)	(5.8)	(8.7)	n/m
<i>Distributions</i>	(29.0)	(18.5)	(18.5)	(37.0)	27.6
<i>CPI Revenue Hedge Paid</i>	0.1	0.1	(0.1)	-	100.0
Net Cash Movement	245.9	(243.9)	(10.6)	(254.5)	n/m
<i>Opening Cash</i>	16.7	262.5	18.7	262.5	n/m
<i>Closing Cash</i>	262.5	18.7	8.1	8.1	(96.9)

4.4. Balance Sheet

	30 Jun 11	31 Dec 11 (pcp)	30 Jun 12	Change on pcp
	\$m	\$m	\$m	%
Current Assets	302.5	49.3	57.2	16.2
Cash	262.5	18.7	8.1	(56.7)
Accounts Receivable	39.1	29.1	47.9	64.5
Derivative Financial Instruments	0.4	0.2	-	(100.0)
Other Assets	0.4	1.3	1.2	(4.4)
Non-Current Assets	1,279.9	1,302.8	1,324.9	1.7
Plant, Property & Equipment	787.4	796.4	808.5	1.5
Intangibles	492.4	506.3	516.3	2.0
Derivative Financial Instruments	0.1	-	-	n/m
Current Liabilities	642.6	67.6	80.1	(18.6)
Payables (incl. Deferred Revenue)	41.3	39.7	57.8	(45.6)
Derivative Financial Instruments	21.6	27.9	21.5	22.7
External Debt	579.5	-	-	n/m
US\$ Debt / Fair Value Adjustment	0.1	-	-	n/m
Provisions	0.0	0.0	0.8	n/m
Non-Current Liabilities	744.3	1,095.7	1,132.1	(3.3)
External Debt	529.7	893.1	931.6	(4.3)
Capitalised Borrowing Costs	(5.6)	(9.0)	(8.2)	9.1
US\$ Debt / Fair Value Adjustment	(58.1)	(43.3)	(41.6)	4.0
SOLA Debt	112.2	-	-	n/m
Hybrid Instrument	-	112.2	112.2	-
Deferred Tax Liabilities	73.0	74.3	77.1	(3.7)
Derivative Financial Instruments	69.0	45.0	37.3	17.1
Other Liabilities	24.0	23.4	23.6	(0.9)
Net Assets	195.5	188.7	169.9	(10.0)
Equity	195.5	188.7	169.9	(10.0)
Contributed Equity	283.8	283.8	283.8	0.0
Reserves	(17.0)	(14.1)	(7.6)	46.0
Retained Profits / (Loss)	(71.3)	(81.0)	(106.3)	(31.3)

4.5. Capital Expenditure Summary

	12 months to 30 Jun 11 (pcp) \$m	6 months to 31 Dec 11 \$m	6 months to 30 Jun 12 \$m	12 months to 30 Jun 12 \$m	Change on pcp %
Total Capex	42.0	39.5	42.1	81.5	94.0
Growth Capex ⁽¹⁾	31.9	35.0	38.9	73.9	131.4
Network and IT	18.0	25.9	30.4	56.4	212.3
Customer Initiated Capital	13.9	9.1	8.5	17.5	26.3
Maintenance Capex	10.1	4.5	3.2	7.6	(24.4)

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.

⁽¹⁾ Growth Capex increased on pcp due to the transition to a new IT data centre, a ramp up in the pipeworks replacement program and the commencement of the Lilydale Pipeline project.

4.6. Key Operating Statistics

Usage – Gas Volumes (TJ)	12 months to 30 Jun 11 (pcp)	%	6 months to 31 Dec 11	%	6 months to 30 Jun 12	%	12 months to 30 Jun 12	%	Change on pcp %
Tariff V	48,733	80	24,802	81	20,041	79	44,843	80	(8.0)
Tariff D	11,897	20	5,938	19	5,341	21	11,279	20	(5.2)
Total	60,630	100	30,741	100	25,382	100	56,122	100	(7.4)

Distribution Network Profile – User Connections	As at 30 Jun 11 (pcp)	%	As at 31 Dec 11	%	As at 30 Jun 12	%	Change on pcp %
Tariff V Residential	653,774	97	657,005	98	659,896	98	0.9
Tariff V Business	16,533	2	16,526	2	16,512	2	(0.1)
Tariff D	267	0	264	0	265	0	(0.7)
Total	670,574	100	673,795	100	676,673	100	0.9

Distribution Network Statistics	12 months to 30 Jun 11	12 months to 31 Dec 11	12 months to 30 Jun 12
Priority Emergency Response	96.9%	97.1%	97.7%
Number of Unplanned Outages (> 5 consumers)	22	12	6
Publicly Reported Gas Leaks (per 1,000 consumers)	17	16	15