

DUET Management Company 1 Limited

ABN 99 108 013 672
AFS Licence No. 269286

DUET Management Company 2 Limited

ABN 15 108 014 062
AFS Licence No. 269287

DUET Investment Holdings Limited

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6 December 2012

ASX RELEASE

PRESENTATION TO JAPANESE BOND INVESTORS

DUET Group (DUET) notes the attached presentation delivered today to Japanese bond investors.

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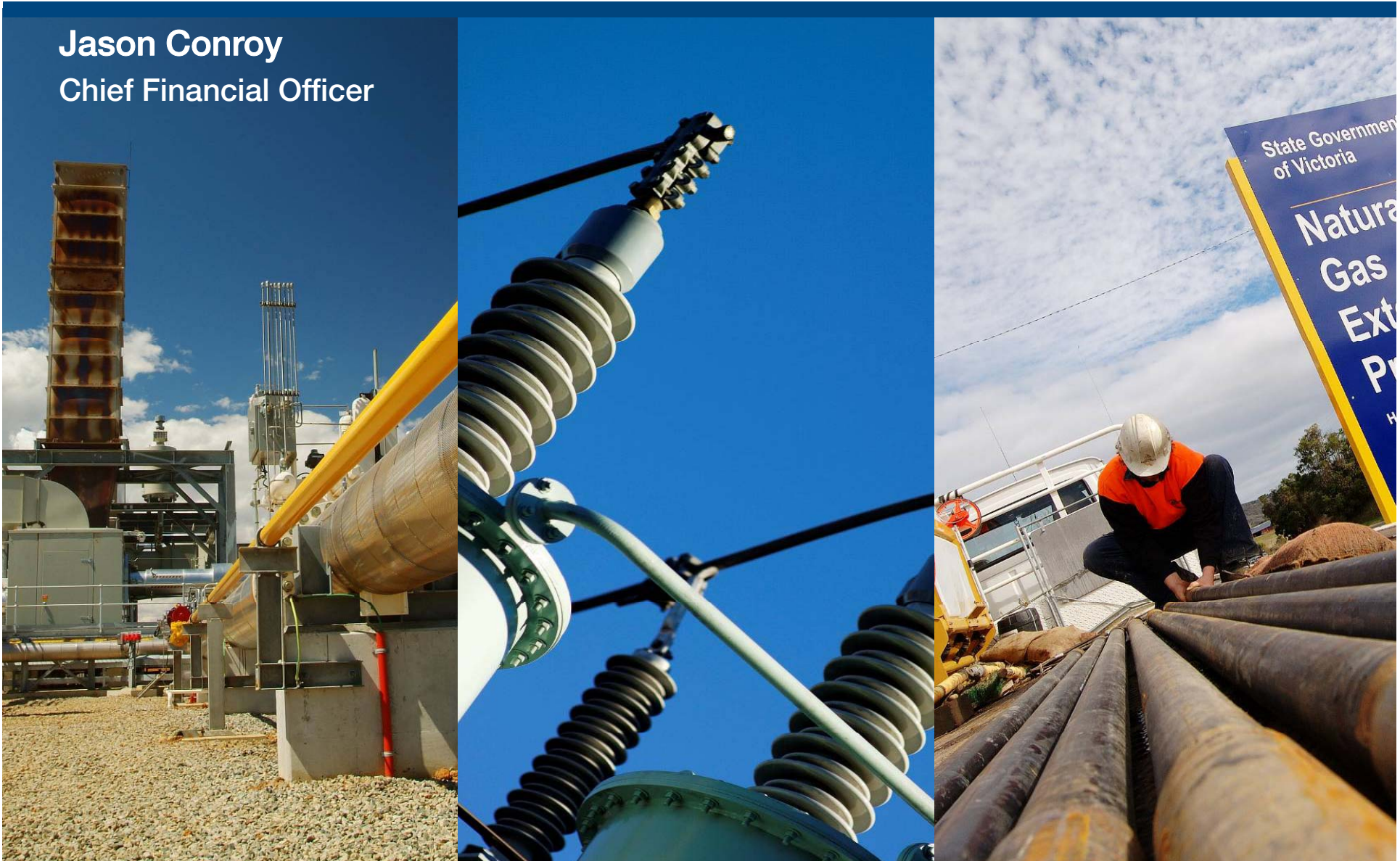
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Presentation to Japanese Bond Investors

6 December 2012



Jason Conroy
Chief Financial Officer



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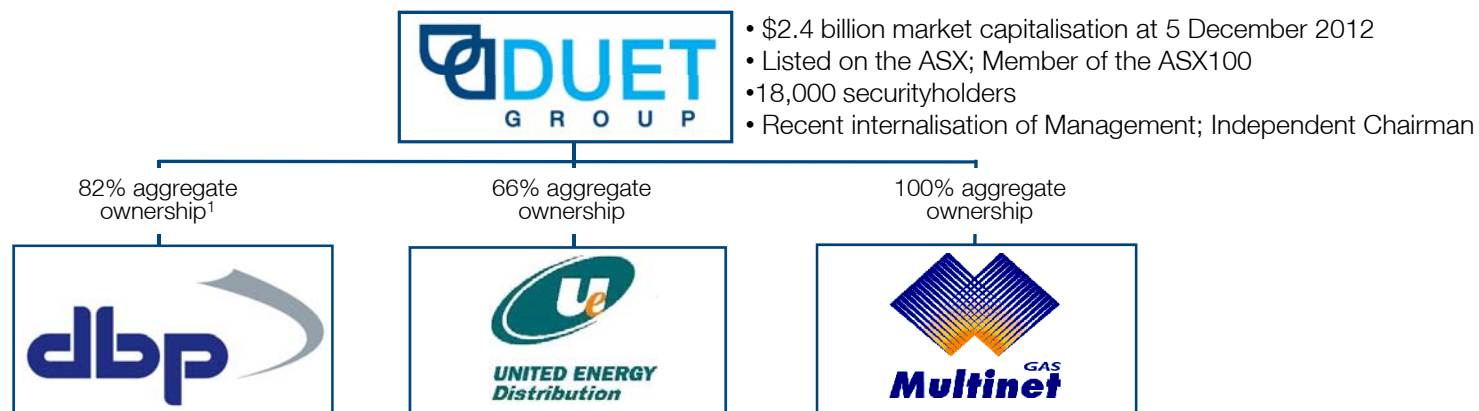
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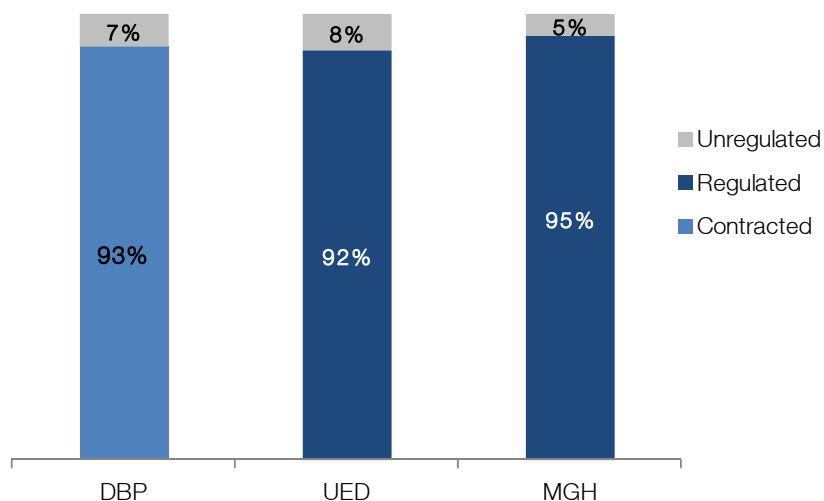
Monetary values are stated in Australian Dollars unless otherwise stated.

DUET Group

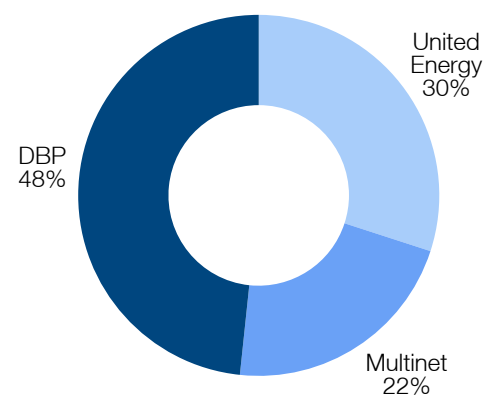
Owner of Australian regulated energy utilities



Revenue Mix
(FY2012, %)



EBITDA Contribution
(FY2012 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.

DUET Group

Strongly supported DRP being applied to fund growth



DRP Participation Rate

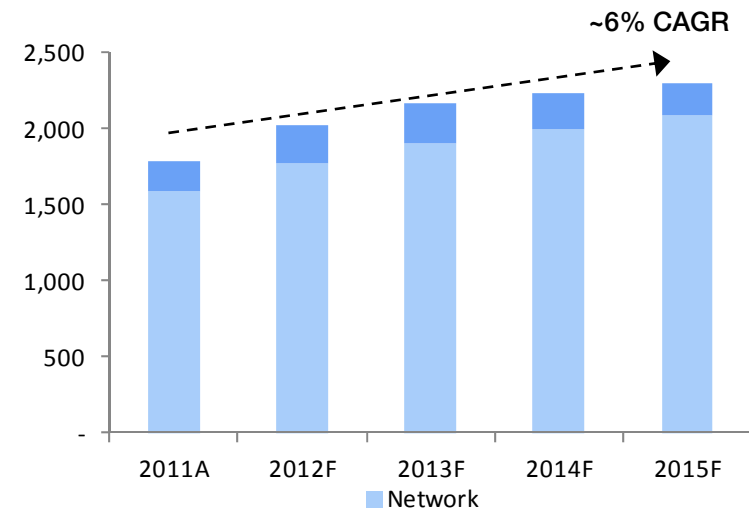


Notes: June 2011 DRP was suspended. June 2012 participation rate was capped at 15%



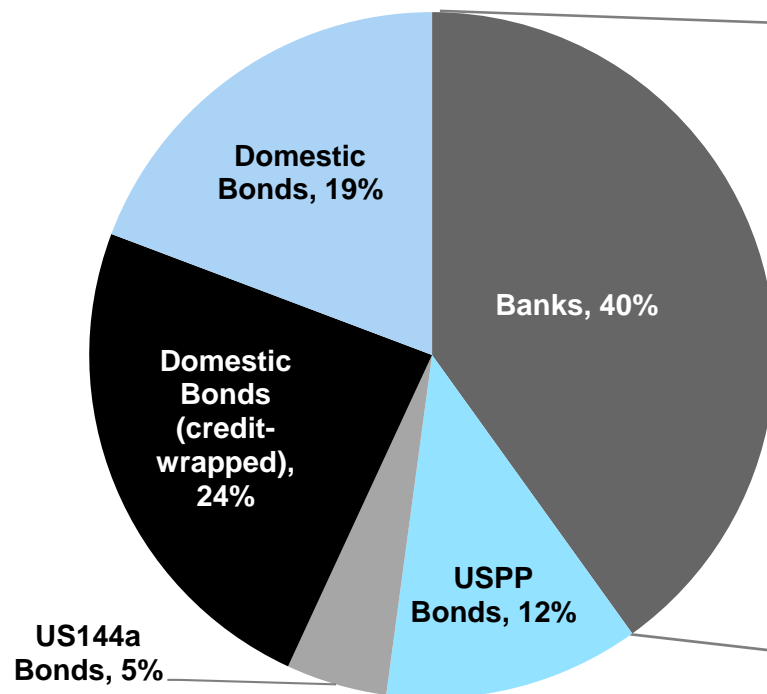
United Energy Total RAB

CY 2011 – 2015, Nominal \$m, net of regulated depreciation

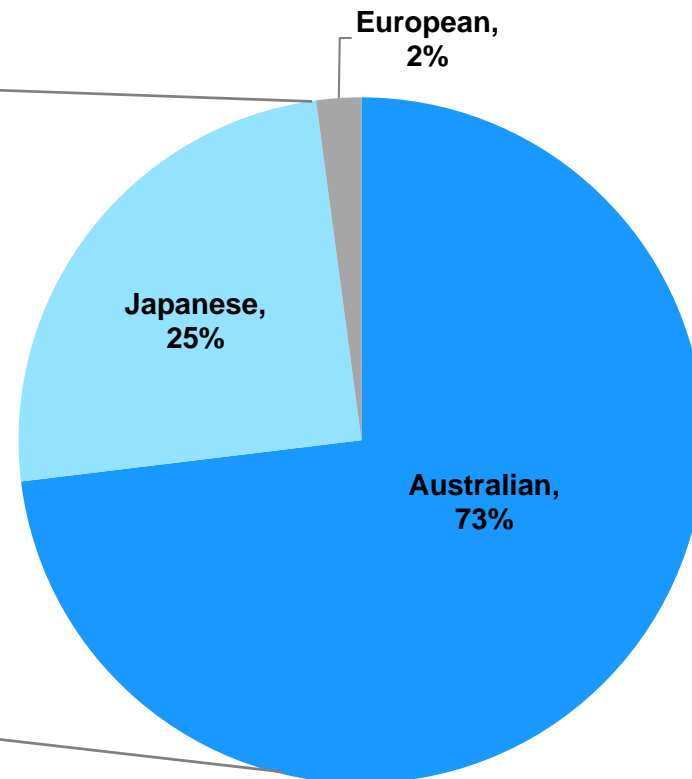


- DRP proceeds are primarily applied to fund equity contributions to United Energy's growth
- DRP supplements DUET's corporate cash working capital
- DUET also has an undrawn \$200 million corporate debt revolver

Group Term Debt Facility Mix
(% by total facility limits, excluding swap lines)



Group Banking Relationships
(% by total facility limits, excluding swap lines)



Regulatory Process

Rules set and interpreted in making decisions that are appealable

Organisation	Role
AEMC: Australian Energy Market Commission	“Rule Maker”
AER: Australian Energy Regulator	“Rule Implementer” National regulator (excluding WA)
ACT: Australian Competition Tribunal	Appeal body
ERA: W.A. Economic Regulatory Authority	WA regulator
SCER: Standing Council on Energy & Resources	Committee of Federal and State Energy Ministers

The AER and ERA set the regulated revenue allowance for DUET's assets every 5 years:

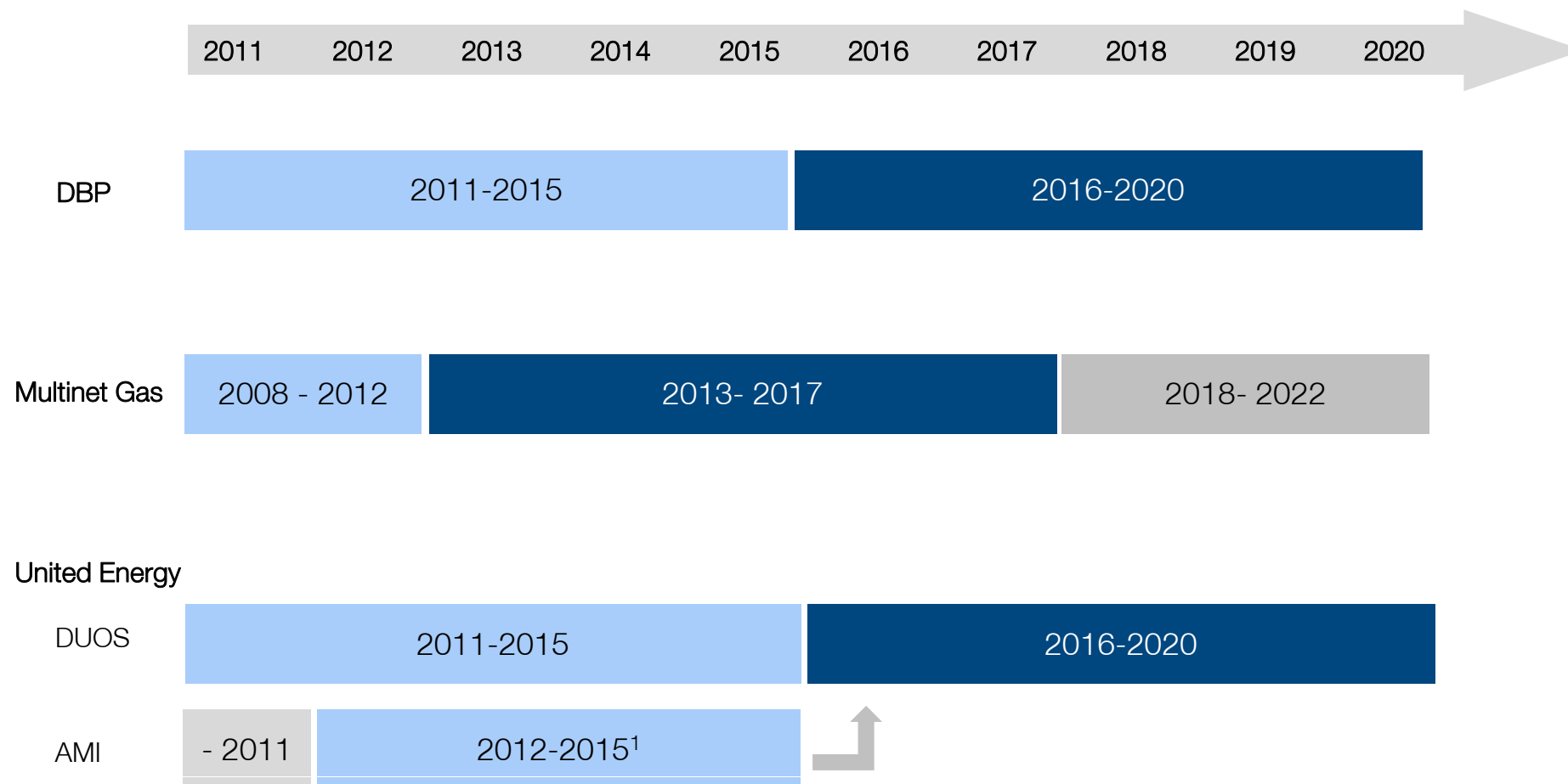
$$\boxed{\text{Regulated Revenue}} = \boxed{\text{Regulated Asset Base (incl. forecast CAPEX)}} \times \boxed{\text{WACC}} + \boxed{\text{Depreciation}} + \boxed{\text{OPEX}}$$

- CPI-linked regulated revenue tariff paths
- Businesses can benefit from efficiency out-performance

A well-established, transparent regulatory process

5-year Regulatory Periods

No revenue resets for United Energy and DBP until 1 January 2016



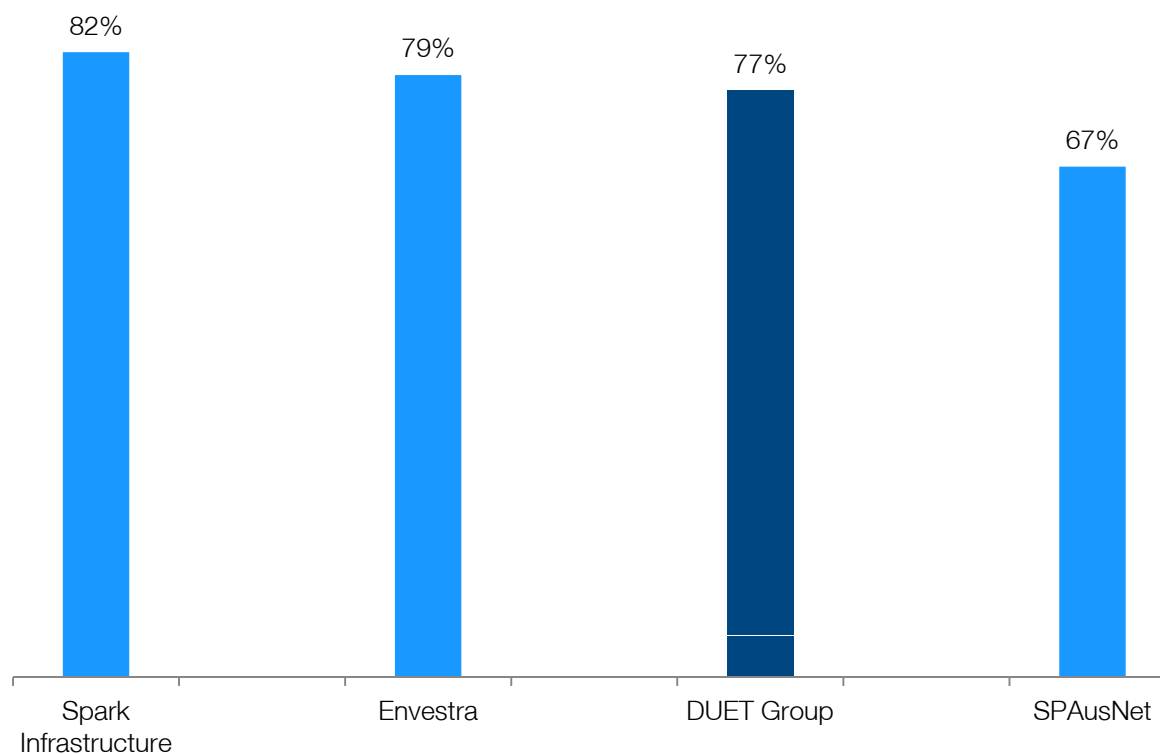
¹ From January 2016 the AMI regulated asset base rolls into United Energy's overall regulated asset base

Regulated Energy Utility Capital Structures

Low operating risk profiles support leverage levels in the sector



Net Debt/Regulated Asset Base

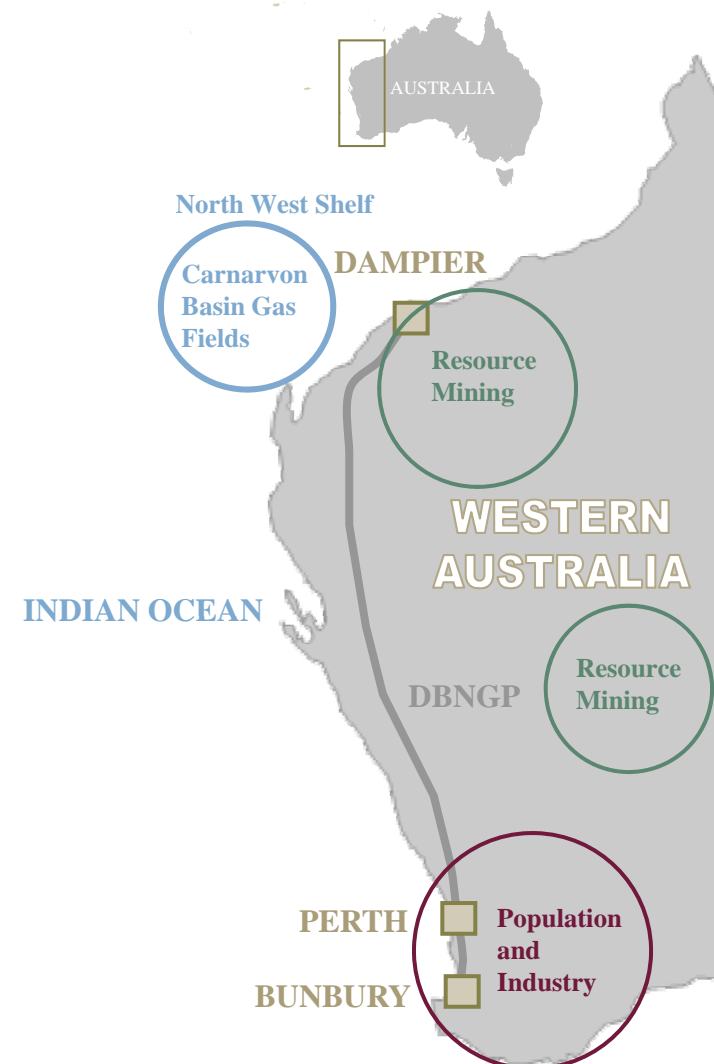


Source: DUET; latest company reports

DBP

Business description

- The Dampier to Bunbury Natural Gas Pipeline (“DBNGP”) is Western Australia’s (“WA”) principal gas transmission pipeline
- Only pipeline connecting significant gas resources in Carnarvon Basin (part of the North West Shelf) with customers in Perth and surrounding regions
 - Gas reserves off the coast of North West Western Australia are estimated to be over 140,000 PJ, including proven and probably gas reserves of 67,000 PJ¹
 - This is approximately 64%¹ of Australia’s known gas reserves
- Regulated asset base (RAB) of ~A\$3.58bn
- Current firm full-haul capacity >97.5% contracted until at least 2019 with 80% of Standard Shipper Contracts on a take or pay basis
- 60% increase in contracted volumes since 2004
- Gas accounts for more than 55% of the primary energy consumed in WA
 - Natural gas consumption in WA has increased by 4% per annum over the past 10 years
- Long term remaining asset life (at least 50 years)
 - Recently fully inspected, remains in sound condition



¹ - WA economics and industry standing committee – inquiry into domestic gas prices (2011)

DBP

Asset configuration

- The DBNGP consists of:
 - ~1,489 km of 26" mainline pipe
 - ~1,252 km of 26" looping pipe
 - ~339 km of lateral pipe
 - 10 compressor stations
 - 27 compressor units
 - 157 main line valves
 - 57 delivery meter stations
- Except at compressor stations and outlet stations, all pipe is buried, which protects it from damage
- Over \$1.7bn invested in expansions since DBP acquired the DBNGP
 - Stage 5B expansion project completed in April 2010, resulting in ~83% of the pipe being duplicated or 'looped', effectively creating 2 parallel pipelines
 - Expansions only undertaken when 100% of the firm full haul capacity of the expansion was contracted
- Current firm full-haul capacity of ~850 TJ/day (post 5B expansion) – almost fully contracted until at least 2019
- Record system throughput in January 2012

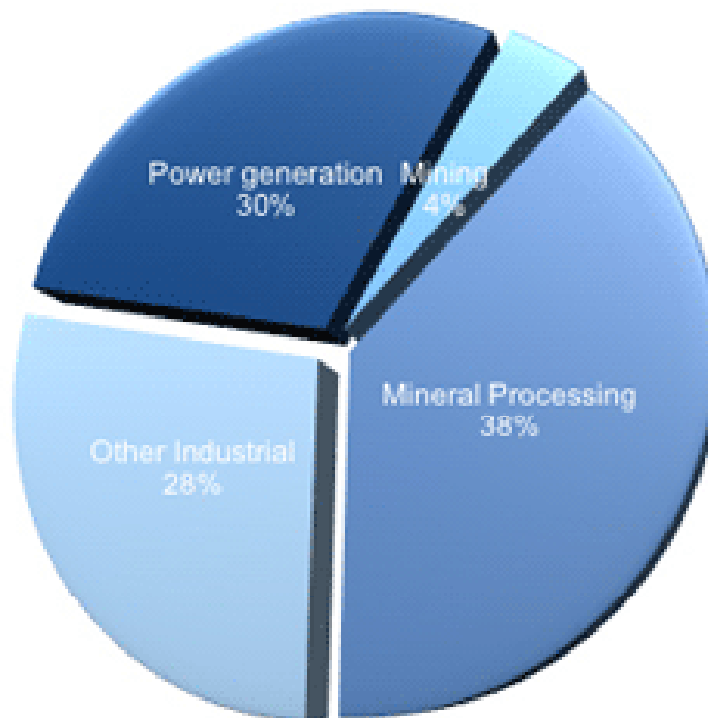


DBP

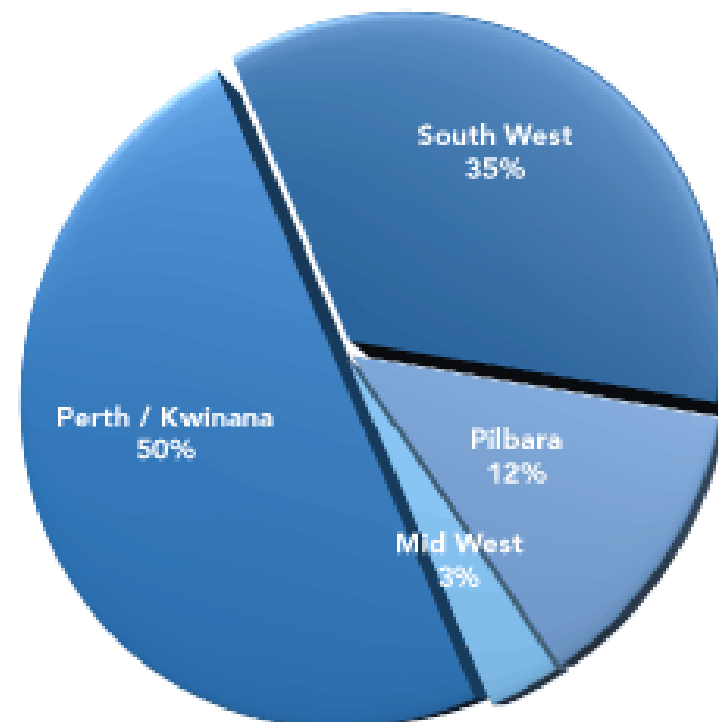
Customer base

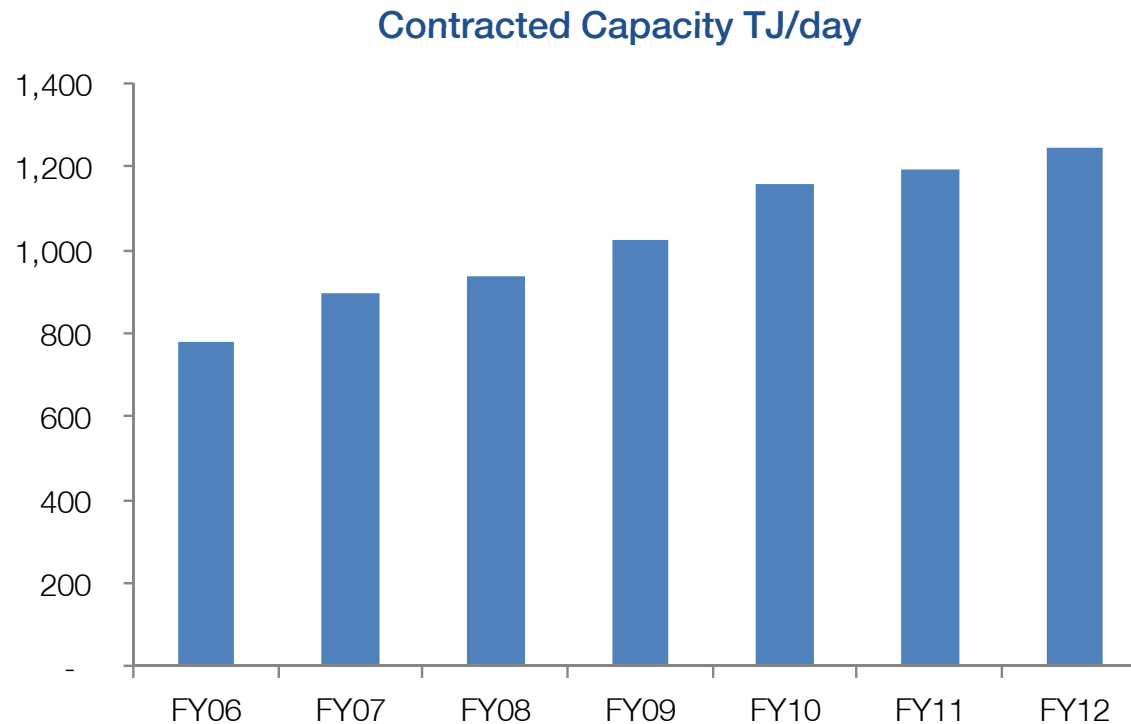
- The majority of the natural gas transported by the DBNGP is consumed by industry
- However, the pipeline's critical role in WA's energy security extends to the services provided to electricity generators and gas retailers

Major end uses from the DBNGP



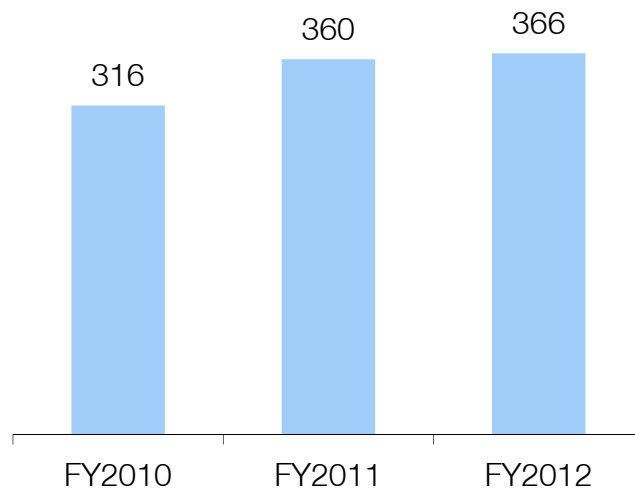
Geographical Distribution



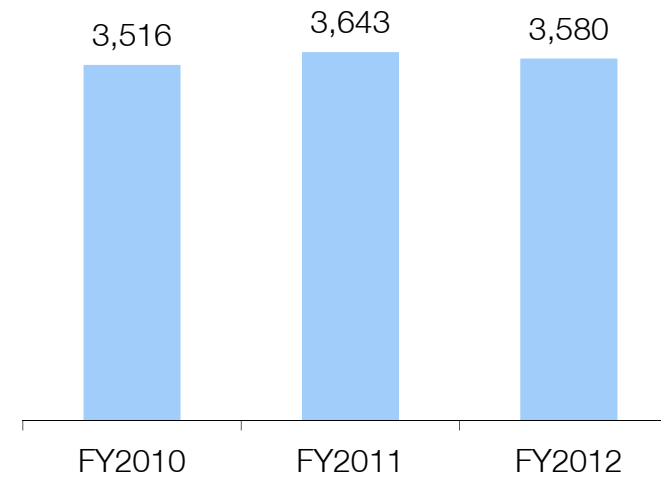


- Further expansions of the pipeline will be considered as economic growth in the south-west of the state drives demand for gas-fired electricity generators and industrial customers
- DBP will only invest in expansion projects on the basis of firm, long-term contractual commitments by shippers

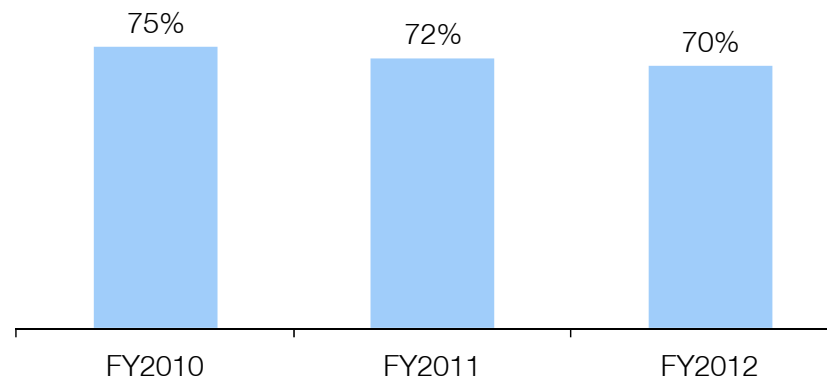
EBITDA
(\$m, 100% basis)



Regulated Asset Base (RAB)
(\$m, 100% basis)



Net Debt/RAB

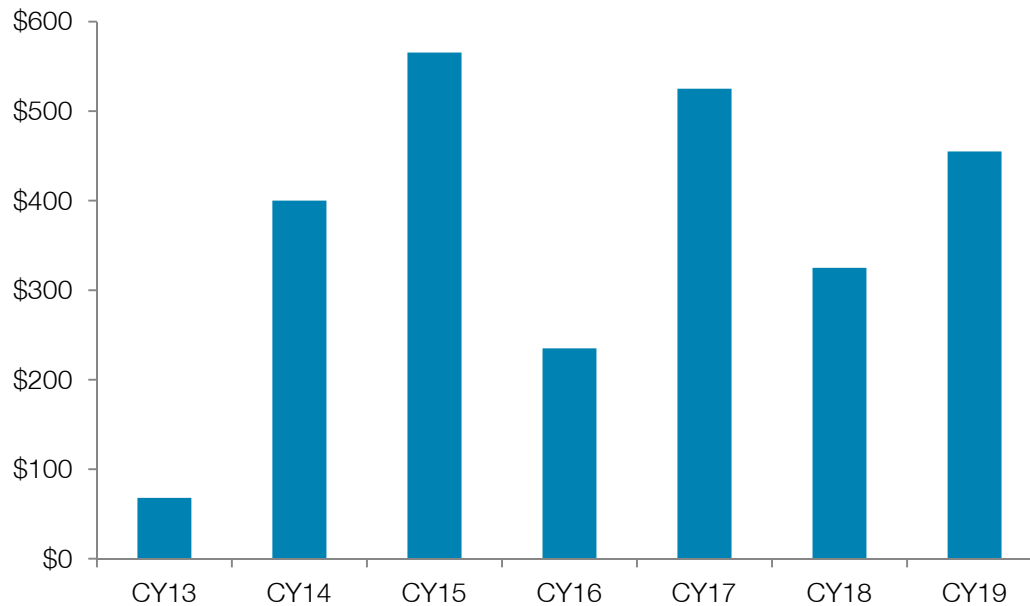


DBP

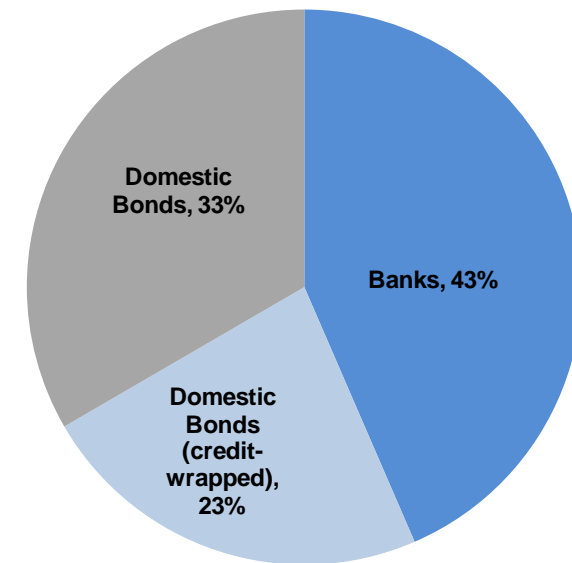
Debt portfolio and credit ratings



Term Debt Maturities
(Total Facility Limits, \$m)



Debt Portfolio Mix



DBP	S&P	Moody's
Credit Rating	BBB-	Baa3
Outlook	Stable	Stable

United Energy

Business description



- Victorian electricity distributor covering 1,472km² 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
- Distribution area is largely urban and, although geographically small (about 1% of Victoria's land), serves around one quarter of Victoria's population
- Customer base exhibits no significant customer class that could be unduly influenced by variations in economic activity
- Consumption is relatively evenly distributed across residential, commercial and industrial users
- ~92% of total revenue is regulated and includes network tariffs charged for the use of the distribution network and metering revenue
- Tariffs are levied on electricity retailers who pass these costs on to their customers
- Growth in network tariff revenue is driven by volume growth and regulated network tariff charges
- Other revenue comes from services that provided to customers, including relocating assets at their request



United Energy	
Victorian electricity distribution company	
Area of network	1,472 sq km
FY12 Load	8,135 GWh
Connections	640,000 approx

United Energy

Operating and risk management features



Operations

- Strategy and planning personnel have been returned in-house

Security of supply

- A maximum of 6,000 customers are linked to any given “feeder” line system. Auto reclosers and local fuse systems limit outages further
- Control room in Mt Waverly has dual supply plus an uninterruptable power supply unit and an offsite Disaster Recovery Site
- In recent years, UED has upgraded perimeter fencing at approximately 90% of its zone substations to high security designs

Smart meters

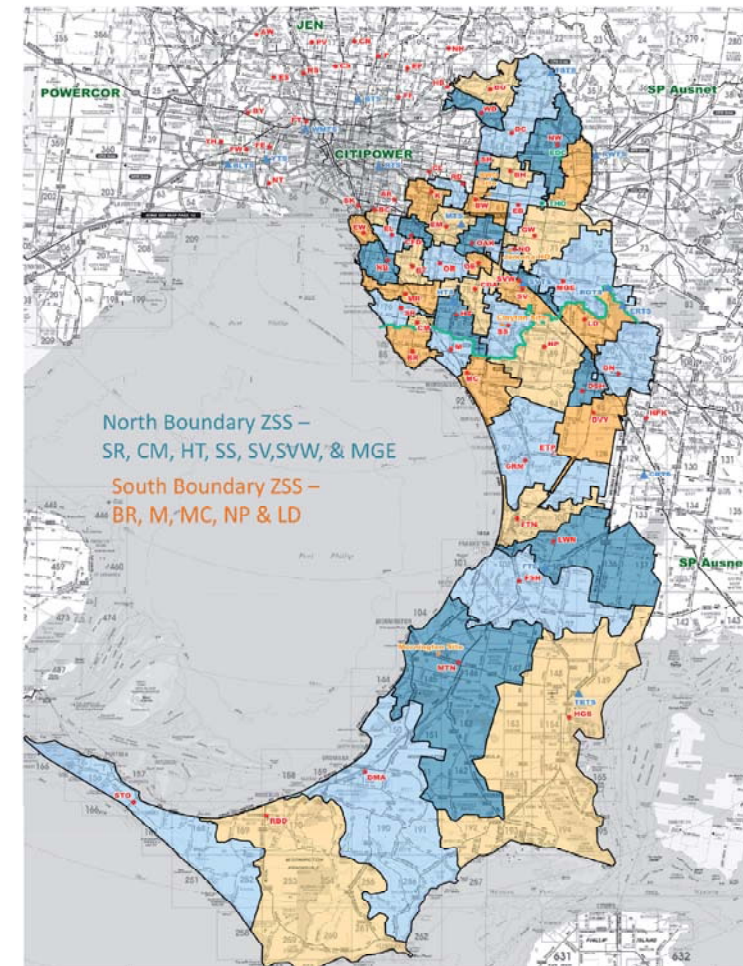
- Potential for improved tracking of nest outages and sole premises outages
- Better management of peak load through price signalling

Bushfire profile

- Approximately 220,000 poles/spans, of which approximately 20,000 (less than 10%) are in “bushfire” areas
- Of 10,000 km of lines (approx 10% in bushfire areas), in excess of 400km is Aerial bundled cable (ABC) which is lower risk
- 46 zone substations, only a few of which supply bushfire areas and 22% of customers (not all are permanently residing in these “holiday” areas)

Bushfire management

- Around half of faults causing fires, emanate from conductors being grounded. To combat this, UED has Australia’s only “Ground Fault Neutraliser”
- All of UED’s network can be controlled remotely (i.e. locking-off auto reclose on total fire ban days)
- Bushfire mitigation plan in place including vegetation management plans

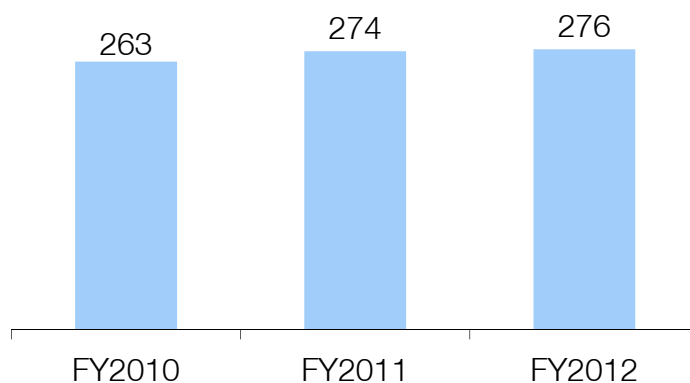


United Energy

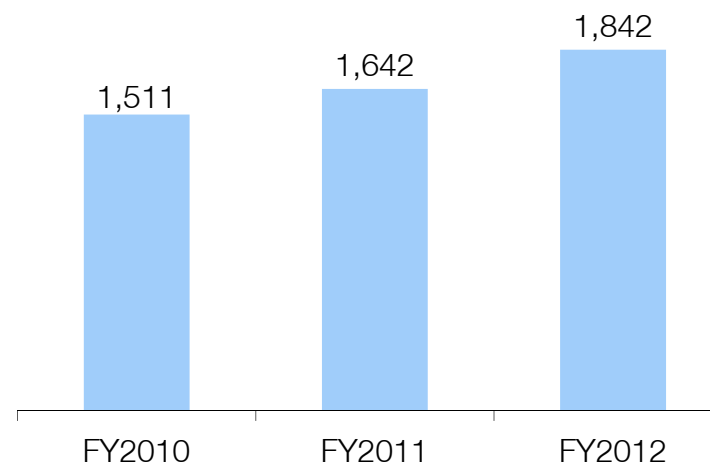
Financial performance



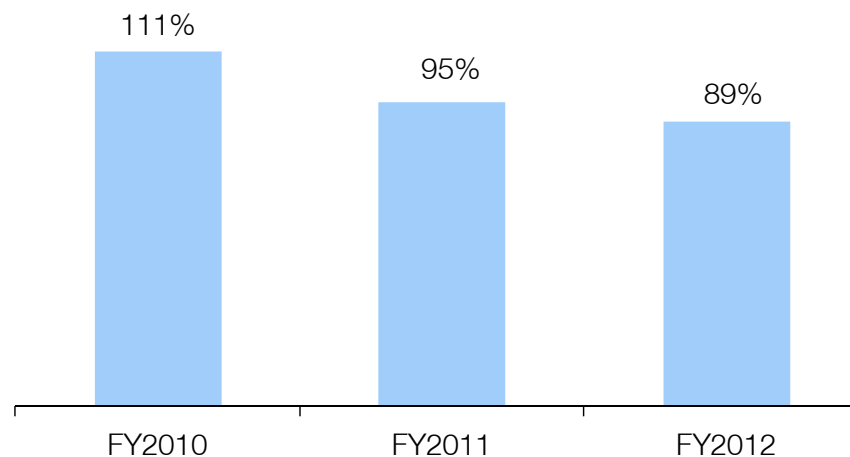
EBITDA
(\$m, 100% basis)



Regulated Asset Base (RAB)
(\$m, 100% basis)



Net Debt/RAB

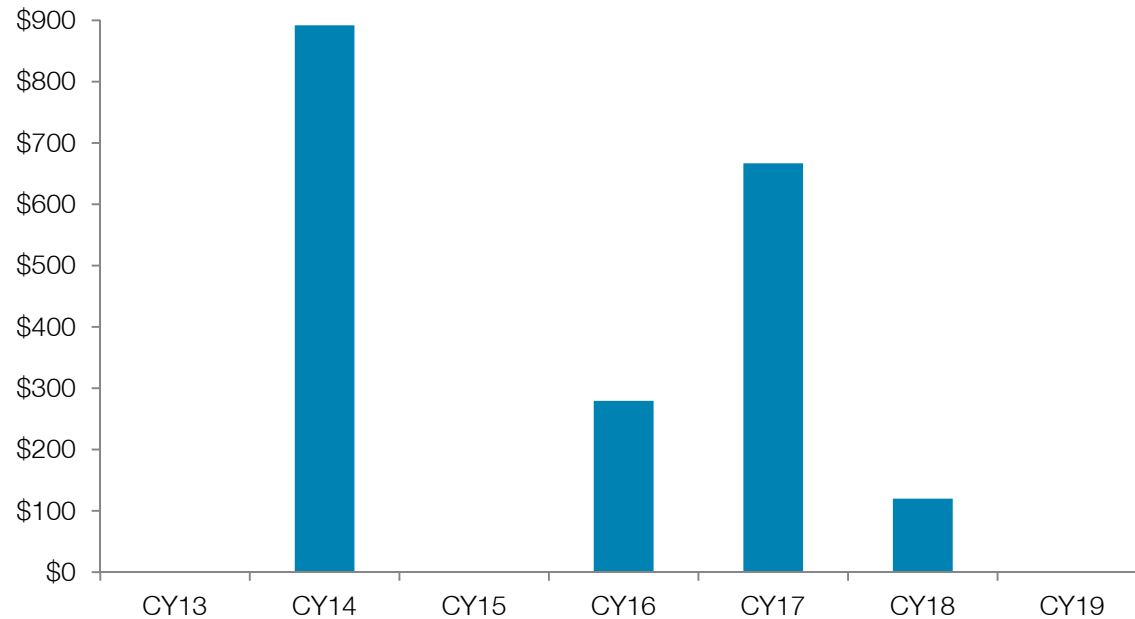


United Energy

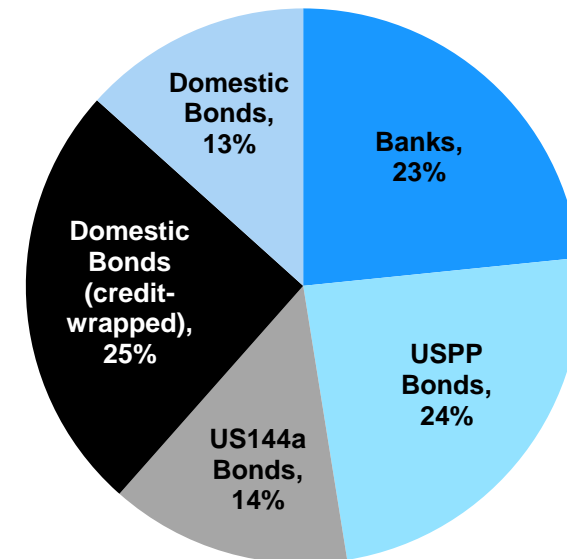
Debt portfolio and credit ratings



Term Debt Maturities
(Total Facility Limits, \$m)



Debt Portfolio Mix

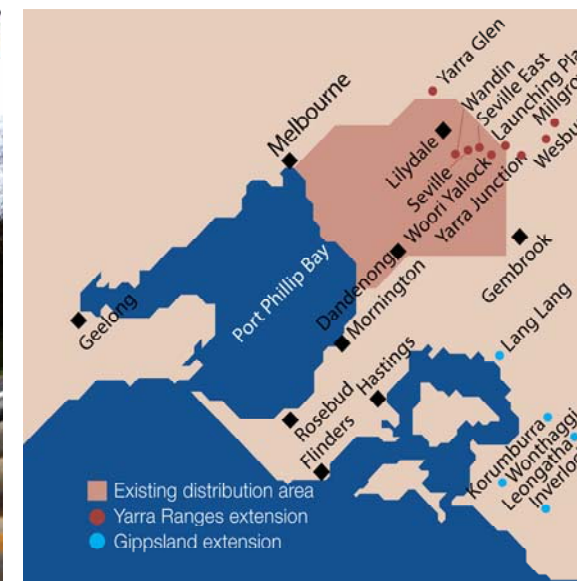


United Energy	S&P	Moody's
Credit Rating	BBB	Baa2
Outlook	Stable	Stable

Multinet Gas

Business description

- Victorian gas distribution company with a network covering 1,860km² of the eastern and south-eastern suburbs of Melbourne
- Distribution network transports gas from the high pressure transmission network to residential, commercial and industrial gas users
- Receives revenues for each energy consumer connected to its distribution network, irrespective of which retailer sells the gas to that customer
- ~95% of total revenue is regulated
- Growth in distribution revenue is driven by regulated tariff charges and volume growth
- The top 250 gas users collectively account for only around 1% of total distribution revenue
- Other revenue comes from services such as meter reading, mains and services provision, and meter data management



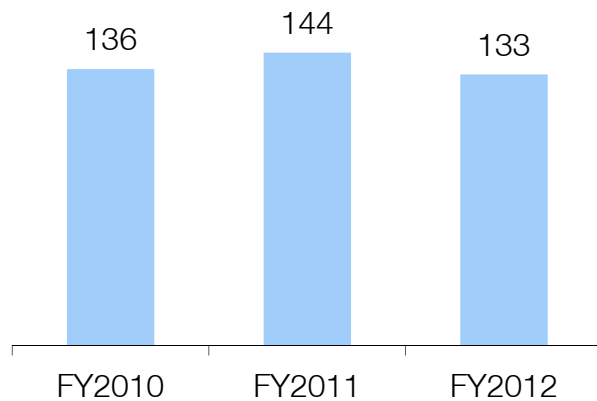
Multinet Gas	
Victoria's largest gas distributor (by number of customers)	
Area of network	1,860 sq km
30 Jun-12 Load	56.1 PJ
Connections	670,000 approx

Multinet Gas

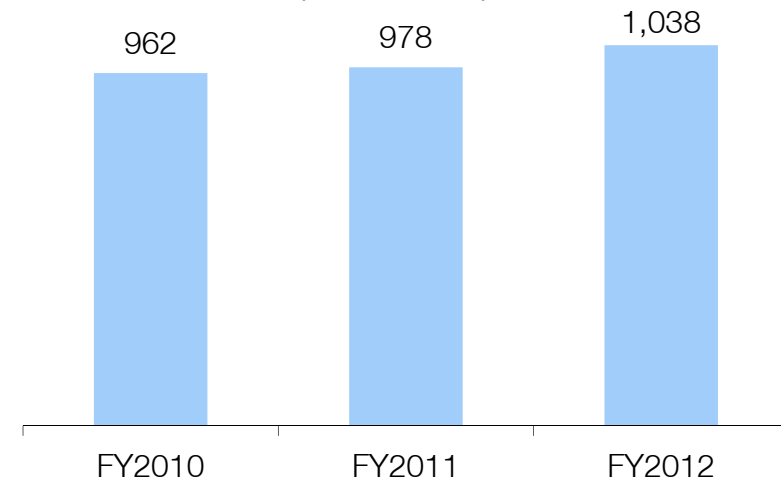
Financial performance



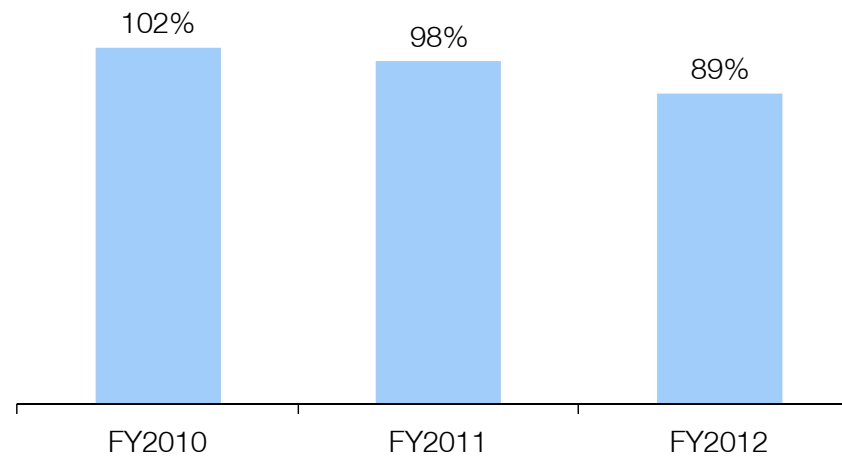
EBITDA
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Regulated Asset Base (RAB)
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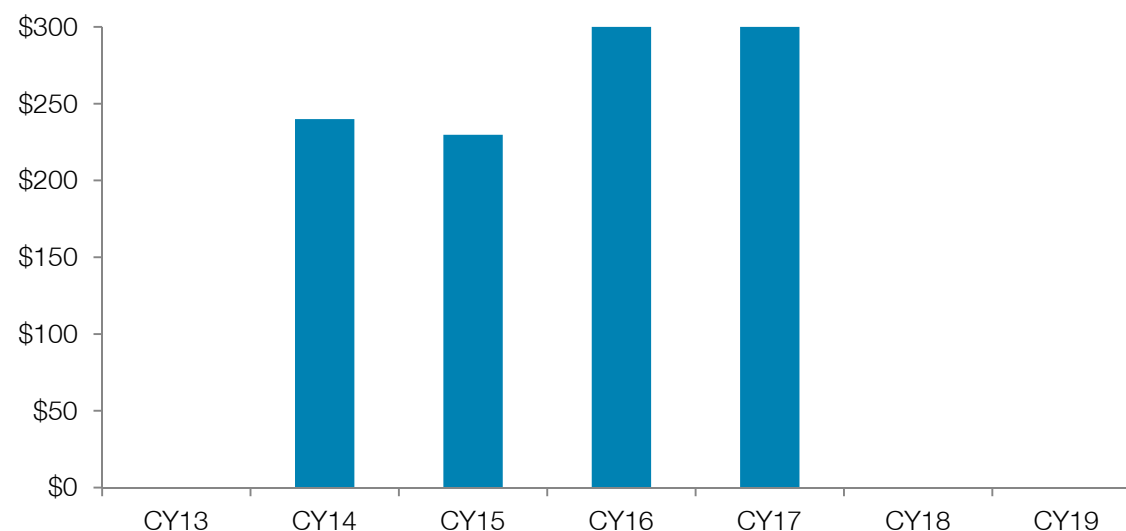
Net Debt/RAB



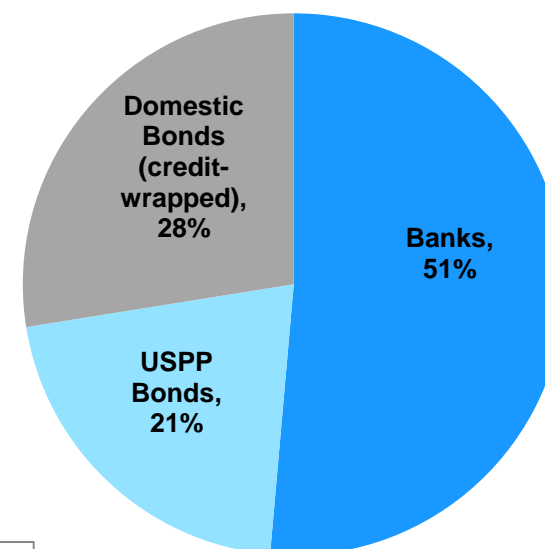
Multinet Gas

Debt portfolio and credit ratings

Term Debt Maturities
(Total Facility Limits, \$m)



Debt Portfolio Mix



Multinet Gas	S&P	Moody's
Credit Rating	BBB-	Baa3
Outlook	Stable	Stable

Questions

