



DUET Group

Management Information Report

For the year ended
30 June 2008

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

None of the entities noted in this document is an authorised deposit taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and their obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 ("MBL") or AMP Bank Limited ABN 15 081 596 009 ("AMP Bank"). MBL provides a limited \$2.5 million guarantee to the Australian Securities and Investments Commission in respect of Corporations Act obligations of each of AMPCI Macquarie Infrastructure Management No. 1 Limited and AMPCI Macquarie Infrastructure management No. 2 Limited as responsible entities of managed investment schemes. MBL and AMP Bank do not otherwise guarantee or provide assurance in respect of the obligations of AMPCI Macquarie Infrastructure Management No. 1 Limited or AMPCI Macquarie Infrastructure Management No. 2 Limited or any other entity noted in this document.

Neither AMPCI Macquarie Infrastructure Management No.1 Limited, AMPCI Macquarie Infrastructure Management No. 2 Limited, members of the Macquarie Capital Group nor members of the AMP Group guarantee the performance of Diversified Utility and Energy Trusts, DUET Investment Holdings Limited 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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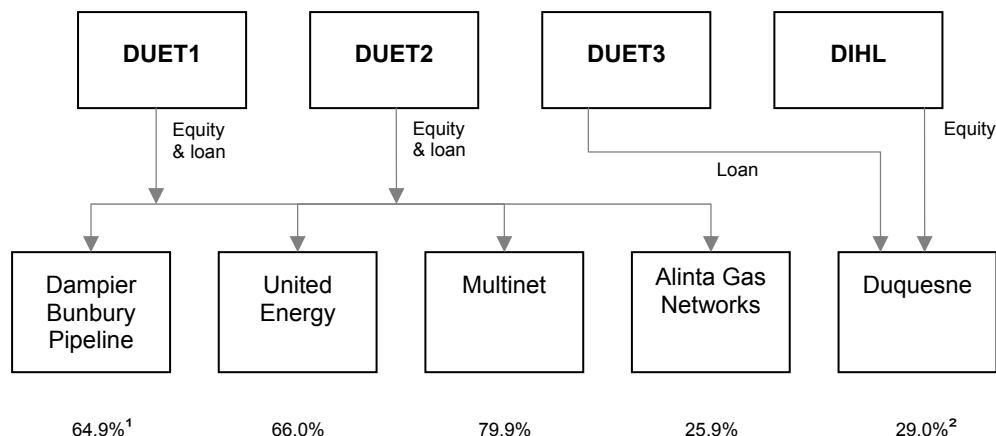
Overview of DUET Group

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 2008 is illustrated below.



DUET holds a controlling interest 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”). DUET holds non-controlling interests in Alinta Network Holdings Pty Limited (“AGN” or “Alinta Gas Networks”) and DQE Holdings LLC (“Duquesne”).

¹DBP’s minority investors have agreed that DUET can subscribe for equity ahead of them to fund DBP’s Stage 5A capital expenditure expansion programme. The funding for this equity investment came from part of DUET’s June 2007 Institutional Placement and Entitlement Offer. DUET’s interest in DBP will reduce to 60% as the minority investors pay up their partly-paid equity.

²On 31 May 2007, DUET increased its interest in Duquesne from 7.7% to 29.0%.

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Energy Utility Assets

DUET is an investor in energy utility assets. At 30 June 2008, DUET's portfolio of energy utility assets and interests were as follows:

	Dampier Bunbury Pipeline %	United Energy %	Multinet %	Alinta Gas Networks %	Duquesne %
As at 30 June 2008	64.9	66.0	79.9	25.9	29.0
As at 30 June 2007	62.1	66.0	79.9	25.9	29.0
Change	2.8	-	-	-	-

Dampier Bunbury Pipeline

The Dampier to Bunbury Natural Gas Pipeline ("DBNGP") owned by DBP is the only natural gas pipeline connecting the natural gas reserves of the Carnarvon and Browse basins on Western Australia's North West Shelf with industrial, commercial and residential customers in Perth and the surrounding regions. The DBNGP runs from the Burrup Peninsula, near Dampier, to Bunbury in the south-west of the state. DUET currently holds a 64.9% interest in DBP.

United Energy

United Energy's electricity distribution network covers 1,450 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), it accounts for around one quarter of Victoria's population. DUET holds a 66% interest in United Energy.

Multinet

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

Alinta Gas Networks

AGN owns, operates and holds distribution licences for four gas distribution systems in Western Australia. These gas distribution networks supply natural gas to residential, commercial and industrial customers in metropolitan Perth, Geraldton, Bunbury, Busselton and Kalgoorlie-Boulder and liquefied petroleum gas to Albany. AGN's customers represent the majority of Western Australian households and a range of commercial customers – all are supplied gas through its four networks. AGN's networks include 12,310 kilometres of underground pipelines covering an area of approximately 1,352 square kilometres. DUET holds a 25.9% interest in AGN.

Duquesne

Duquesne is an energy utility based in Pennsylvania, USA. It provides essential electricity distribution and transmission services to approximately 587,000 customers in a service territory of over 2,072 square kilometers in Pittsburgh and surrounding regions. DUET holds a 29.0% interest in Duquesne.

Key asset statistics are set out below as at 30 June 2008:

	Dampier Bunbury Pipeline	United Energy	Multinet	Alinta Gas Networks	Duquesne
Length of network	1,539 km (mainline) 299km (Laterals) 813km (Looping)	12,405 km	9,586 km	12,310 km	1,077 circuit-km (trans.) 30,127 circuit-km (dist.)
Area of network	n/a	1,450 km ²	1,940 km ²	1,352 km ²	2,072 km ²
Connections	n/a	620,316	654,229	593,771	Approx. 587,000
30 June 2008 load	719 TJ/day (average full haul capacity for June 2008)	7,925 GWh	58.4 PJ	29.6 PJ	14,031 GWh
Next regulatory reset date	Jan 2011 ¹	Jan 2011	Jan 2013	Jan 2010	No set regulatory period

¹ The reference tariffs do not presently apply to the existing gas transportation contracts

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Report Summary

This MIR contains Proportionate Earnings, Gearing and Unconsolidated Cash Flows for DUET Group for the year ended 30 June 2008. It has been prepared using policies adopted by the directors of AMPCI Macquarie Infrastructure Management No.1 ("RE1") and AMPCI Macquarie Infrastructure Management No.2 ("RE2") and DIHL and, unless stated otherwise, these policies have been consistently applied to all periods presented in this MIR.

The purpose of this MIR is to provide information supplementary to the Financial Report of DUET Group. This MIR has been prepared on a different basis to the Financial Report of DUET Group. The information contained within this MIR does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of DUET Group as in the Financial Report. This MIR should be read in conjunction with the Financial Report of DUET Group.

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

Proportionate Earnings

	Actual Results 12 months to 30 June 2008	Pro forma Results 12 months to 30 June 2007 ⁽¹⁾	Actual Results 12 months to 30 June 2007
	\$'000	\$'000	\$'000
Energy Utility Assets			
Revenue	1,028,037	917,784	737,991
Operating Expenses	(448,722)	(411,436)	(290,370)
EBITDA	579,315	506,348	447,621
Maintenance Capital Expenditure	(79,562)		(61,026)
Net External Interest Expense	(221,600)		(196,218)
Net Tax Expense	(9,955)		(551)
Proportionate earnings (pre-corporate funding items & expenses)	268,198		189,826
Corporate Funding Items			
Net Interest Income	11,719		4,821
Hybrid Capital Interest Expense	(54,517)		(48,736)
Proportionate earnings (pre-corporate expenses)	225,400		145,911
Corporate Expenses			
Expenses ⁽²⁾	(22,898)		(66,873)
Net Tax Expense	(552)		(2,518)
Realised gains on FX hedge contracts	6,871		-
Proportionate earnings (post-corporate expenses)	208,821		76,520

⁽¹⁾ The Pro forma EBITDA is derived by restating the prior period results and utilising the energy utility assets' beneficial ownership interest percentages and foreign currency exchange rates from the current period ("Pro forma Results").

⁽²⁾ Included within expenses for the year to 30 June 2007 was a performance fee of \$42.7 million paid in cash. Excluded from expenses for the year to 30 June 2008 was a performance fee of \$54.2 million which the Responsible Entities elected to reinvest in DUET Group securities and not receive in cash.

EBITDA of \$579.3 million increased of 14.4% on the prior corresponding period's pro forma EBITDA driven by continued expansion of the DBNGP and an increase in underlying earnings for Duquesne.

Proportionate earnings (pre-corporate funding items & expenses) exclude the:

- \$47.0 million proportionate gain (June 07: \$0.1 million loss) on the changes in the fair value of derivatives. The majority of this non-cash mark-to-market gain relates to the increase in value of Duquesne's electricity hedge book;
- Net loss by Duquesne from discontinued activities totalling \$8.4 million; and
- One off costs relating to Duquesne's pre-acquisition settlement of tax matters with the Internal Revenue Service totalling \$2.6 million.

Proportionate earnings (pre-corporate expenses) exclude a redemption premium payable to POWERS security holders on 1 September 2008.

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Proportionate Earnings per Stapled Security (“EPS”)

	Actual Results For the year end 30 June 2008	Actual Results For the year end 30 June 2007
Weighted average DUET Group securities on issue ('000's)	603,540	492,401
Proportionate EPS (pre-corporate expenses) – cents	37.3	29.6

DUET's proportionate EPS (pre-corporate expenses) increased by 26.0% pcp to 37.3 cents.

DUET Group's weighted average number of securities increased to 603.5 million as a result of the full year impact of the June 2007 Institutional Placement and Entitlement Offer and due to securities issued under the Distribution and Dividend Reinvestment Plan on 17 August 2007 and 15 February 2008.

Energy Utility Asset Operating Performance

Proportionate EBITDA: actual results – 12 months to 30 June 2008

2008	Dampier Bunbury Pipeline \$000's	United Energy \$000's	Multinet \$000's	Alinta Gas Networks \$000's	Duquesne \$000's	Total \$000's
Revenue	189,729	283,522	135,879	34,274	384,633	1,028,037
Operating expenses	(43,963)	(114,353)	(36,611)	(10,527)	(243,268)	(448,722)
EBITDA	145,766	169,169	99,268	23,747	141,365	579,315
EBITDA % change from pcp	25.8%	-1%	1.4%	7.9%	41.1%	14.4%
<i>EBITDA margin</i>	76.8%	59.7%	73.1%	69.3%	36.8%	56.4%

Proportionate EBITDA: pro forma results – 12 months to 30 June 2007

2007 (pcp)	Dampier Bunbury Pipeline \$000's	United Energy \$000's	Multinet \$000's	Alinta Gas Networks \$000's	Duquesne \$000's	Total \$000's
Revenue	156,297	275,749	132,704	32,551	320,483	917,784
Operating expenses	(40,385)	(105,431)	(34,794)	(10,540)	(220,286)	(411,436)
EBITDA	115,912	170,318	97,910	22,011	100,197	506,348
<i>EBITDA margin</i>	74.2%	61.8%	73.8%	67.6%	31.3%	55.2%

Dampier Bunbury Pipeline

Proportionate EBITDA increased by 25.8% pcp. This was driven by the 21.4% pcp increase in proportionate revenue due to the full year contribution of the Stage 4 expansion project.

Expansion of the DBNGP

Prior to completion of the Stage 4 expansion project, DBP announced that it would proceed with the Stage 5A expansion project in response to continued demand for gas transportation. The \$660 million Stage 5A project was substantially completed in April 2008, effectively duplicating 50% of the DBNGP mainline. New firm capacity requests led to the announcement of a further expansion project, Stage 5B, during the six months to 30 June 2008. Stage 5B is expected to cost approximately \$700 million and will involve a further 440km of pipeline looping which, when completed, will deliver further capacity requirements of 113TJ/day of firm full-haul capacity and 140TJ/day of part-haul capacity. The Stage 5B project will increase the additional capital invested in expanding the DBNGP by the owners to approximately \$1.8 billion. As with previous expansions, the project is forecast to generate equity returns and cash yields that will be accretive to DUET's overall financial performance and to security holder distributions.

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United Energy

Proportionate EBITDA was in line with pcp. Revenue increases as a result of cooler weather were offset by increases in costs due to storm damage to the network in April 2008.

United Energy distributed 7,925 GWh (2007: 7,881 GWh) of electricity.

United Energy continues planning for the smart meter project in Victoria. This project involves replacing over 700,000 meters, deploying a new communications network, installing new supporting IT systems and redesigning business processes to accommodate the new meters. The project would complete installation of these meters over the next three to four years. A final investment decision for this project is yet to be made by United Energy.

Multinet

Proportionate EBITDA increased 1.4% over the pcp.

Multinet distributed 58.4 PJ (2007: 57.3 PJ) of gas.

During March 2008, Victoria's Essential Services Commission (ESC) delivered its final regulatory determination for Multinet for the period 1 July 2008 to 31 December 2012. Multinet is appealing certain aspects of the final decision.

Alinta Gas Networks

Growth in AGN's connections of 3.3% pcp drove proportionate EBITDA growth of 7.9% pcp.

Duquesne

Since acquisition in 2007, Duquesne has resolved three important regulatory approvals, the most recent being the settlement of its transmission rate case which DUET Group announced on 7 November 2007. The transmission rate case settlement delivers an increase in transmission revenue of approximately US\$25 million per annum. Additionally, on 1 December 2006, Duquesne announced the settlement of its distribution rate case, which delivered a revenue increase of approximately US\$117 million per annum. These decisions provide significant regulatory certainty for Duquesne.

Duquesne recently announced that it had sought and received approval from the Federal Energy Regulatory Commission to exit its current Regional Transmission Organisation, the PJM Interconnection, to join the neighbouring Midwest Independent Transmission System Organisation. Duquesne announced in August 2007 that it was seeking to exit PJM to escape future participation in PJM's capacity market, which has recently seen material increases in the price for reservation of future capacity. Duquesne is in discussions with PJM regarding the terms of exit.

For the period up to 31 May 2007, Duquesne was a US listed entity in which DUET Group held a 7.7% interest. Prior period results and balances used in this MIR have been sourced where required from externally available information, including 10-K and 10-Q filings by Duquesne Light Holdings Inc with the United States Securities and Exchange Commission.

Gearing

	As at 30 June 2008 \$m	As at 30 June 2007 \$m
DUET's share of energy utility assets' net debt	3,505.2	3,317.8
Corporate net debt / (cash)	(97.6)	(87.6)
Hybrid capital*	536.0	536.0
Total net debt	3,943.6	3,766.2
DUET's share of total assets	5,989.5	5,808.8
Gearing (%)	65.8%	64.8%

*On 10 June 2008, DUET announced its intention to issue instructions to POWERS Trust to redeem and cancel the POWERS units on issue on 1 September 2008. DUET announced it would fund the redemption through its corporate debt facility. As a result, hybrid capital has been classified as debt for gearing purposes.

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Unconsolidated Cash Flows

	12 months to 30 June 2008 \$'000	12 months to 30 June 2007 \$'000
Cash flows from energy utility assets		
Dampier Bunbury Pipeline	67,376	56,509
United Energy	85,910	66,676
Multinet	27,565	30,602
Alinta Gas Networks	13,133	11,641
Duquesne	39,581	6,402
Cash inflows from energy utility assets	233,565	171,830
Cash flows from operating activities		
Other income received	2,528	1,709
Interest received on surplus cash	11,736	6,236
Operating expenses paid (inclusive of GST) ⁽¹⁾	(46,496)	(11,561)
Responsible entity and advisor fees paid	(20,163)	(16,277)
Net cash inflows from energy utility assets and operations⁽²⁾	181,170	151,937
Cash flows from investing activities		
Payment for purchase of Duquesne	-	(383,589)
Return of capital from Duquesne	4,600	240,997
Loans to energy utility assets	(91,843)	(249,342)
Net cash outflows from investing activities	(87,243)	(391,934)
Cash flows from financing activities		
Proceeds received from issue of stapled securities ⁽³⁾	93,943	407,053
Borrowing from bridge finance	-	200,363
Repayment of bridge finance facility	-	(200,363)
Borrowing costs paid	(51,347)	(47,269)
Distributions paid to DUET Group security holders (net of DRP)	(106,420)	(92,136)
Net cash flows from financing activities	(63,824)	267,648
Net (decrease)/increase in cash assets held	30,103	27,651
Cash assets at the beginning of the period	149,760	122,109
Cash assets at the end of the period	179,863	149,760

⁽¹⁾ As announced by the DUET Group on 5 July 2007, a performance fee of \$42.7 million (excluding GST) was payable by the DUET to its Responsible Entities and Manager for the six months ended 30 June 2007 (pcp:\$8.8 million). In the period 1 January 2007 to 30 June 2007, the DUET accumulation index increased by 36.5% while the Benchmark increased by 13.3%. DUET's outperformance of the Benchmark resulted in payment of the performance fee included in operating expenses paid for the year ended 30 June 2008.

⁽²⁾ Net cash flows from energy utility assets and operations increased by \$29.2 million (19.2% increase pcp) to \$181.2 million. This growth is mainly due to:

- an increase in distributions from DBP arising from higher underlying EBITDA;
- an increase in distributions from United Energy following improved earnings and a true-up in distributions following greater certainty gained around tariff rate outcomes; and
- higher EBITDA from Duquesne and DUET's higher ownership interest for the full year.

⁽³⁾ As part of DUET Group's June 2007 Institutional Placement and Entitlement Offer, DUET raised \$93.9 million (net of fees) from the issue of stapled securities to fund its share of DBP's Stage 5A expansion project capital expenditure.

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Notes

Summary of Significant Report Policies

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

Ernst & Young ("EY") were engaged to perform certain procedures for the directors of RE1, RE2 and DIHL in relation to their preparation of the Proportionate Earnings, Gearing and Unconsolidated Cash Flow disclosures in this MIR. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by EY is that of the directors, and these procedures were performed solely to assist the directors of RE1, RE2 and DIHL in evaluating the accuracy of the disclosures. EY conducted their engagement in accordance with Australian Auditing Standards applicable to agreed upon procedures engagements. The procedures do not constitute either an audit or review in accordance with Australian Auditing Standards and accordingly EY have expressed no assurance over the accuracy of the Proportionate Earnings, Gearing or Unconsolidated Cash Flow disclosures or on any other aspect of this MIR.

Proportionate Earnings

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

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

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

Relevant energy utility assets

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

- Dampier Bunbury Pipeline;
- United Energy;
- Multinet;
- Alinta 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 periodically reconciled to their most recently published financial statements.

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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, divided into the 6 months to 31 December and the 6 months to 30 June (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 Australian dollar value of net debt and total assets as set out in the Gearing section are calculated at the year end spot rates. 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
6 months to 30 June 2008	0.8967	0.9582
6 months to 31 December 2007	0.8688	0.8766
6 months to 30 June 2007	0.7864	0.8479
6 months to 31 December 2006	0.7740	0.7888

DUET's beneficial ownership interest

Beneficial ownership interest represents DUET's economic interest in each of its energy utility assets. Where the beneficial ownership interest changed during the period, the new beneficial ownership percentage is applied to the earnings from the date of change. The weighted average beneficial ownership interests for the year ended 30 June 2008 and 30 June 2007 are set out below:

	Dampier Bunbury Pipeline	United Energy	Multinet	Alinta Gas Networks	Duquesne
30 June 2008 (%)	62.9	66.0	79.9	25.9	29.0
30 June 2007 (%)	68.1	66.0	79.9	25.9	9.6
Change (%)	(5.2)	-	-	-	19.4

Energy Utility Assets

Revenue

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

Operating expenses

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

Maintenance capital expenditure

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

The maintenance capital expenditure charges are set out below:

	Dampier Bunbury Pipeline \$000	United Energy \$000	Multinet \$000	Alinta Gas Networks \$000	Duquesne \$000
Year ended 30 June 2008	12,136	26,591	19,146	571	21,118
Year ended 30 June 2007	5,192	33,790	15,953	471	5,620 ⁽¹⁾

⁽¹⁾ Maintenance capital expenditure for Duquesne was unavailable for the year ended 30 June 2007. For the purpose of this analysis, the expenditure is based on an estimate made in conjunction with management.

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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.

Net tax expense

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

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

Corporate Funding Items

Net interest income/(expense)

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

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

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

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

Hybrid capital interest expense

The hybrid capital interest expense reflects the contractual interest payable on POWERS.

Corporate Expenses

Expenses

Expenses are the aggregation of:

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

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.

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Proportionate earnings per stapled security (“EPS”)

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

Gearing

DUET’s share of energy utility assets’ net debt

This is calculated by the aggregation of:

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

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

Corporate net debt / (cash)

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

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

Hybrid Capital (POWERS)

Hybrid capital is the face value of the instrument issued by DUET Group to POWERS Trust. On 10 June 2008, DUET announced its intention to issue instructions to POWERS Trust to redeem and cancel the POWERS units on issue on 1 September 2008. DUET announced it would fund the redemption through its new corporate debt facility. As a result, hybrid capital has been classified as debt.

DUET’s share of total assets

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

Unconsolidated Cash Flows

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

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

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

APPENDIX

**DUET GROUP
DETAILED ASSET INFORMATION PACK**

For the year ended 30 June 2008

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

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Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

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).

Other key differences include:

	DAIP	MIR
EBITDA	Includes changes in fair value arising from non-cash mark-to-market (“MTM”) movements from revenue and cost hedging.	Excludes changes in fair value arising from non-cash mark MTM movements from revenue and cost hedging. Excludes significant one off items such as merger and severance costs.
Depreciation & Amortisation (“D&A”)	Reports D&A.	Replaces D&A with maintenance capital expenditure.
Net interest expense	Reports total interest expense.	Reports external interest payments only. Excludes amortisation of deferred borrowing costs. Excludes any impact of MTM movements of derivatives reported by asset companies within interest expense.
Asset company debt	Reports total debt.	Reports external debt only.

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.

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

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

2. Dampier Bunbury Pipeline

As at 30 June 2008, DUET owned 64.9% of DBP and 100% of the subordinated debt.

2.1 Financial Summary

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Transport Income	105	133	238	137	154	290
Total Revenue ¹	112	139	250	146	157	304
EBITDA ²	81	100	182	110	122	232
EBIT	62	80	142	88	95	183
Net Profit After Tax	5	(14)	(9)	19	23	42
Total Assets	2,814	2,986	2,986	3,284	3,395	3,395
Net Assets	459	493	493	574	597	597
Total Capex (per Cash Flow Statement)	117	217	335	306	135	441
RAB ³	2,226	2,428	2,428	2,613	2,822	2,822

¹ Includes interest revenue.

² Excludes interest revenue.

³ RAB is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

2.2 Income Statement

The current period is the 12 months to 30 June 2008. The prior comparable period ("pcp") for the Income Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	111.6	138.7	250.3	146.4	157.3	303.7
Revenue consists of Transport Revenue and Other Revenue.						
Transport (transmission) Revenue	110.6	137.8	248.4	145.2	156.2	301.5
<i>Transport Income</i>	104.7	133.0	237.8	136.8	153.6	290.4
<i>Chargeable Works & Other Income</i>	5.8	4.8	10.6	8.4	2.7	11.1
Transport Revenue of \$301.5 m increased by \$53.1m pcp largely driven by increases in capacity and increases in the Tariff Adjustment Factor, due to the completion of the Stage 4 expansion project in December 2006 and the substantial completion of the Stage 5A expansion project earlier this year.						
Other Revenue	1.1	0.9	2.0	1.2	1.1	2.3
<i>Interest Received</i>	1.1	0.9	2.0	1.2	1.1	2.3
Expenses from Ordinary Activities	106.5	153.1	259.6	127.4	134.5	261.9
Expenses from Ordinary Activities consist of Operating Expenses, D&A and Abandonments, Borrowing Costs and Income Tax Expense.						
Operating Expenses	29.2	37.6	66.8	35.3	34.6	69.9
<i>Operating Fees</i>	14.6	15.7	30.2	16.7	17.1	33.8
<i>Fuel Gas</i>	9.5	15.7	25.2	14.9	8.6	23.5
<i>Other Operating Expenses</i>	5.2	6.2	11.4	3.7	8.8	12.5
Operating Expenses of \$69.9m increased \$3.1m pcp. This increase was largely caused by increases in maintenance costs due to the completion of the Stage 4 expansion project. These increases were partially offset by decreases in Fuel Gas costs as a result of the looping added by Stage 5A expansion project.						
D&A and Abandonments	19.5	20.3	39.8	21.6	26.5	48.1
<i>Depreciation</i>	19.4	20.1	39.5	21.4	26.1	47.5
<i>Amortisation</i>	0.3	0.3	0.7	0.3	0.3	0.6
<i>Abandonments</i>	(0.2)	(0.1)	(0.3)	(0.1)	0.2	0.1
D&A and Abandonments increased \$8.3m pcp primarily due to additional depreciation charges relating to the newly commissioned Stage 4 and 5A plant.						
Borrowing Costs	56.1	61.5	117.6	63.1	62.9	126.0
<i>Senior Interest</i>	47.0	51.8	98.8	52.8	56.2	108.9
<i>SOLA Interest</i>	7.0	7.2	14.2	7.7	8.2	16.0
<i>Interest Rate Hedge – Fair Value Movements</i>	n/s	n/s	n/s	n/s	(2.1)	(2.1)
<i>Amortisation & Other Financing Costs</i>	2.1	2.6	4.7	2.5	0.6	3.2
Borrowing Costs increased \$8.4m pcp largely through increases in interest expenses resulting from the Stage 4 project.						
Income Tax Expense	1.6	33.7	35.3	7.4	10.5	17.9
Income Tax Expense for the current period was \$17.9m. The movement from the pcp reflects the reduction in tax losses in the prior year, resulting from an assessment of ownership tests at the unitholder level.						
Net Profit After Tax	5.2	(14.4)	(9.2)	19.0	22.8	41.8
NPAT of \$41.8m increased \$51m pcp.						

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

2.3 Cash Flow Statement

The current period is the 12 months to 30 June 2008. The pcp for the Cash Flow Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	76.9	103.0	179.8	105.4	135.0	240.4
<i>Cash Receipts</i>	115.0	163.1	278.1	142.1	196.3	338.4
<i>Cash Payments</i>	(38.2)	(60.1)	(98.3)	(36.7)	(61.3)	(98.0)
<i>Income Tax Payment</i>	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flows from Operating Activities were \$240.4m. The increase of \$60.6m pcp was primarily driven by increases in receipts from customers due to increases in capacity and increases in the Tariff Adjustment Factor caused by the completion of the Stage 4 expansion project in December 2006 and the substantial completion of the Stage 5A expansion project earlier this year.

Cash Flows from Investing Activities	(116.0)	(215.9)	(331.8)	(306.3)	(134.6)	(440.9)
<i>Purchase of PP&E</i>	(117.4)	(217.1)	(334.5)	(306.3)	(134.6)	(440.9)
<i>Proceeds from Sale of PP&E</i>	1.5	1.2	2.7	0.0	0.0	0.0

Cash Flows applied to investing activities were \$440.9m mostly related to the Stage 5A expansion project.

Cash Flows from Financing Activities	25.5	74.8	100.3	173.3	10.4	183.7
<i>Movement in Borrowings</i>	80.0	114.7	194.7	206.2	89.6	295.8
<i>Movement in Equity</i>	23.5	55.3	78.8	76.6	29.3	105.9
<i>Other Interest & Borrowing Costs</i>	(41.9)	(57.2)	(99.1)	(57.6)	(62.0)	(119.5)
<i>Interest Paid - SOLA</i>	(7.0)	(6.9)	(13.9)	(7.6)	(8.0)	(15.7)
<i>Distributions</i>	(29.1)	(31.1)	(60.2)	(44.3)	(38.5)	(82.8)

Both debt drawdowns and equity calls continued during the current period to fund the capital expenditure associated with Stage 5A.

Net Cash Movement	(13.6)	(38.1)	(51.7)	(27.6)	10.8	(16.8)
Opening Cash	132.4	118.4	132.4	81.0	54.4	81.0
Effect of Exchange Rate Changes on Cash	(0.4)	0.7	0.3	1.0	(0.8)	0.2
Closing Cash	118.4	81.0	81.0	54.4	64.3	64.3

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

2.4 Balance Sheet

31 December 2007 is the pcp for the Balance Sheet.

	31 Dec 06	30 Jun 07	31 Dec 07	30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions
Current Assets	148.5	111.9	91.4	96.6
<i>Cash</i>	118.4	81.0	54.4	64.3
<i>Accounts Receivable</i>	13.1	12.5	13.9	9.0
<i>Inventories and Other Assets</i>	17.0	18.4	23.1	23.3

Current Assets increased \$5.2m pcp. A \$9.9m increase in Cash was partly offset by a reduction in Accounts Receivable of \$4.9m.

Non-Current Assets	2,665.5	2,874.4	3,192.5	3,298.5
<i>Plant, Property and Equipment</i>	1,921.9	2,097.1	2,377.7	2,469.5
<i>Intangibles</i>	706.4	706.0	699.8	693.6
<i>Deferred Tax Asset</i>	0.0	0.0	0.0	0.0
<i>Other</i>	37.2	71.3	115.0	135.4

Non-Current Assets increased \$106.0m pcp. The \$91.8m increase in PP&E was attributable to Stage 5A capex. Other non-current assets increased by \$20.4m from an increase in the MTM value of hedge instruments.

Current Liabilities	150.1	108.3	96.3	77.1
<i>Payables</i>	112.7	86.5	76.0	56.7
<i>Interest Bearing Liabilities</i>	17.5	0.0	0.0	0.0
<i>Provisions & Other Liabilities</i>	19.9	21.8	20.3	20.3

Current Liabilities of \$77.1m decreased \$19.2m pcp.

Non-Current Liabilities	2,204.5	2,385.2	2,613.2	2,720.5
<i>Interest Bearing Liabilities</i>	1,668.8	1,805.4	2,018.6	2,116.4
<i>SOLA Debt</i>	150.0	150.0	150.0	150.0
<i>Deferred Tax Liabilities</i>	376.1	419.9	434.4	442.9
<i>Other Liabilities</i>	9.6	9.9	10.2	11.2

Non-Current Liabilities increased \$107.3m pcp. Interest Bearing Liabilities increased by \$97.8m from debt draw downs to fund expansions and are shown net of deferred borrowing costs.

Net Assets	459.3	492.8	574.4	597.5
Equity	459.3	492.8	574.4	597.5
<i>Contributed Equity</i>	409.3	433.5	465.8	456.7
<i>Reserves</i>	22.6	46.3	76.7	86.0
<i>Retained Earnings</i>	27.4	12.9	31.9	54.8

Equity increased \$23.1m pcp. The \$9.3m increase in Reserves reflected an increase in the MTM value of interest rate swaps and currency hedges.

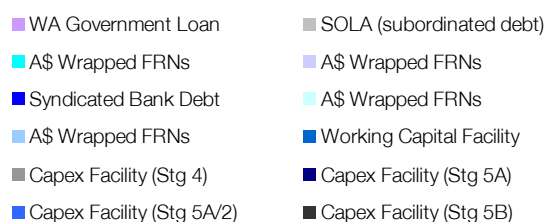
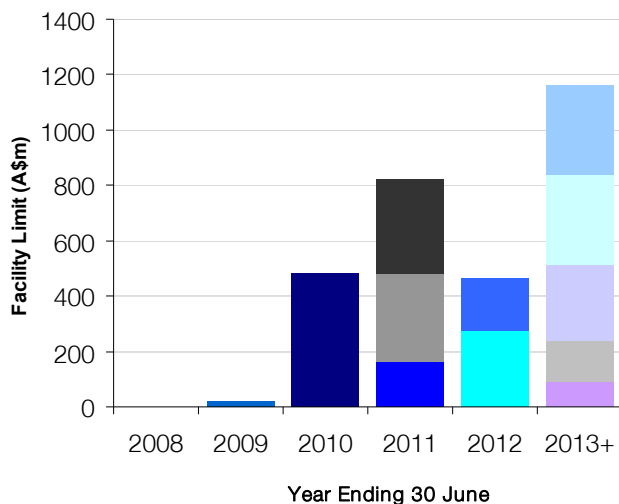
Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

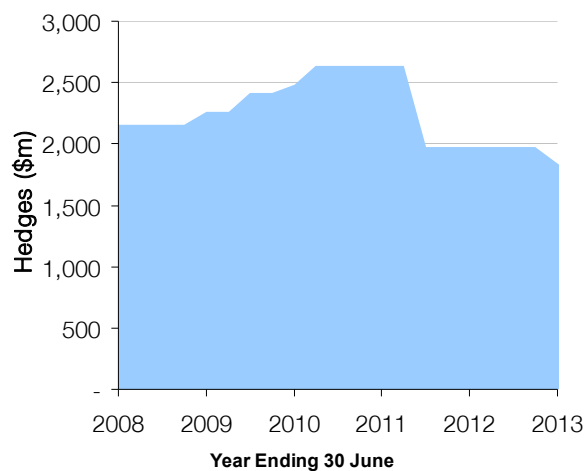
2.5 Treasury Summary

DBP's maturity profile and hedging profile at 30 June 2008 were as follows:

Debt Maturity Profile



Hedging Profile



■ Total Hedged Debt (incl SOLA)

As at 30 June 2008, senior debt interest exposure was 94.0% hedged against total senior debt outstanding balance (including short term facilities but excluding the government loan). At 30 June 2008, subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding. The treasury policy is to hedge a minimum of 80% of senior debt.

As at 30 June 2008, DBP had \$20 million of un-drawn facilities excluding the Stage 5A, Stage 5A(2) and Stage 5B capital expenditure facilities.

DBP maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB (stable outlook)¹
 Moody's: Baa2²

¹ Rating reflects DBNGP Finance Co. Pty Ltd. DBNGP Trust is rated BBB- (negative outlook) by S&P.

² Rating reflects DBNGP Finance Co. Pty Ltd.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

2.6 Key Operating Statistics

	12 months to 30 Jun 06	%	12 months to 30 Jun 07	%	12 months to 30 Jun 08	%
Throughput (TJ)						
Full Haul	206,249	84%	217,182	78%	225,002	76%
Part Haul	26,397	11%	24,703	9%	33,726	11%
Back Haul	13,849	6%	35,834	13%	36,382	12%
Total	246,495	100%	277,720	100%	295,111	100%

	1 month to 30 Jun 06	%	1 month to 30 Jun 07	%	1 month to 30 Jun 08	%
Capacity (Average TJ/day)						
Full Haul	592	76%	689	77%	719	77%
Part Haul	63	8%	78	9%	89	10%
Back Haul	126	16%	129	14%	129	14%
Total	780	100%	896	100%	938	100%

	As at 30 Jun 06	%	As at 30 Jun 07	%	As at 30 Jun 08	%
Line Length (Km)						
Main Line	1,539	83%	1,539	74%	1,539	58%
Loop Line	24	1%	241	12%	813	31%
Laterals	299	16%	299	14%	299	11%
Total	1,862	100%	2,079	100%	2,650	100%

	As at 30 Jun 06	As at 30 Jun 07	As at 30 Jun 08
Compression			
Sites	10	10	10
Compressors	18	26	26

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3. United Energy

As at 30 June 2008, DUET owned 66.0% of United Energy and 100% of the subordinated debt.

3.1 Financial Summary

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	179	192	370	184	195	379
Total Revenue ¹	201	219	420	211	221	432
EBITDA ²	117	136	253	124	132	256
EBIT	84	100	184	83	90	173
Net Profit After Tax	7	19	26	5	9	14
Total Assets	2,112	2,152	2,152	2,193	2,179	2,179
Net Assets	74	91	91	80	70	70
Total Capex (per Cash Flow Statement)	63	57	120	58	49	107
RAB ³	1,236	1,285	1,285	1,281	1,293	1,293

¹ Includes interest revenue.

² Excludes interest revenue.

³ RAB is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3.2 Income Statement

The current period is the 12 months to 30 June 2008. The pcp for the Income Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	201.1	219.1	420.2	210.8	220.8	431.6
Revenue consists of distribution revenue, other operating revenue and other income.						
Distribution Revenue	178.9	191.5	370.4	184.2	195.2	379.4
Distribution revenue consists of Distribution Use of System ("DUoS") and Transmission Use of System ("TUoS") revenue.						
TUoS Revenue	40.2	40.4	80.7	40.3	42.1	82.5
TUoS revenue of \$82.5m increased \$1.8m pcp due to increased grid fee charges from VenCorp and SP AusNet. TUoS Revenue is collected by United Energy and paid to third parties as grid fees.						
DUoS Revenue	138.7	151.1	289.8	143.8	153.1	297.0
<i>Residential</i>	62.1	69.6	131.7	66.0	71.7	137.7
<i>Business</i>	43.8	44.5	88.4	42.8	44.7	87.5
<i>Industrial</i>	32.7	37.1	69.8	35.1	36.7	71.8
DUoS revenue of \$297.0m increased \$7.2m pcp. The majority of the increase relates to a 4.5% pcp increase in the average residential tariff.						
Other Revenue	22.2	27.5	49.8	26.6	25.6	52.2
<i>Reserve Capacity Supply</i>	0.2	0.2	0.5	0.3	0.3	0.6
<i>Scheduled Meter Reading</i>	5.0	5.8	10.8	6.3	6.8	13.3
<i>New Connections Revenue</i>	1.0	0.9	1.9	1.0	0.9	1.9
<i>Customer Contributions</i>	4.2	4.3	8.5	5.2	2.9	8.1
<i>Interest Revenue</i>	1.1	1.3	2.4	1.1	0.9	2.1
<i>Miscellaneous Revenue</i>	10.6	15.1	25.7	12.7	13.7	26.2
Other revenue of \$52.2m increased \$2.4m pcp. Scheduled meter reading increased \$2.5m pcp mainly due to an increase in the price allowance by the ESC.						
Expenses from Ordinary Activities	193.7	200.2	393.9	205.9	212.1	418.0
Expenses from ordinary activities consist of operating expenses, D&A and abandonments, borrowing costs and income tax expense. These expenses increased 6.1% pcp largely due to higher depreciation expenses.						
Operating Expenses	82.6	82.0	164.5	85.2	88.2	173.5
<i>Grid Fees</i>	40.2	40.4	80.7	40.3	42.1	82.5
<i>Operating Fees</i>	39.6	36.8	76.4	40.8	40.5	81.3
<i>Other Operating Expenses</i>	2.8	4.8	7.4	4.1	5.6	9.7
Operating Expenses of \$173.5m increased \$9.0m pcp. The primary reason for this of the increase was a \$4.9m increase in Operating Fees. Operating Fees reflect payments to Jemena Asset Management ("JAM" – recently renamed from Alinta Asset Management or AAM) under the Operating Services Agreement ("OSA"). United Energy receives S-factor revenue relating to network efficiency two years in arrears. For 30 June 2007, the operating fees included a \$3.5m S-factor accrual reversal, which reversed previous accruals for expenses payable to JAM under the OSA. Accordingly, the operating fees for the pcp were \$79.9m excluding this reversal.						
Grid Fees were higher due to increased charges from VenCorp and SP AusNet (see TUoS Revenue above).						
Other Operating Expenses increased by \$2.3m pcp. The main reason for this was a \$2m expense for storm damage (relating to the April 2008 storms) and a \$0.6m increase in the operating expenses for the Advanced Interval Metering Roll-Out ("AIMRO") project.						

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3.2 Income Statement (cont'd)

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
D&A and Abandonments	33.7	36.1	69.7	41.6	41.5	83.1
<i>Depreciation</i>	27.7	28.1	55.8	34.6	35.3	69.8
<i>Amortisation</i>	8.7	6.1	14.8	5.8	5.0	10.8
<i>Abandonments</i>	(2.7)	1.8	(0.9)	1.3	1.2	2.5

D&A and abandonments expense of \$83.1m increased \$13.4m pcp. This increase was mostly attributable to a \$14.0m increase in depreciation from an increase in depreciation rates used for existing meters, in preparation for the AIMRO program. Amortisation expense decreased by \$4.0m due to assets finishing their amortisation period. Assets finishing amortisation included Full Retail Contestability assets.

Total Borrowing Costs	73.5	75.6	149.2	76.9	78.6	155.5
<i>Senior Interest</i>	40.5	40.6	81.1	42.1	43.9	86.0
<i>SOLA Interest</i>	8.8	9.0	17.8	9.4	8.7	18.1
<i>RPS Interest</i>	24.1	23.7	47.8	24.1	23.8	47.9
<i>Shareholder Loan Interest</i>	0.2	0.6	0.8	1.1	1.2	2.3
<i>Interest Rate Hedge – Fair Value Movements</i>	(1.4)	0.7	(0.7)	(1.0)	(0.6)	(1.5)
<i>Amortisation of Borrowing Costs</i>	1.3	1.1	2.4	1.1	1.6	2.8

Total borrowing costs of \$155.5m increased \$6.3m pcp. This was mostly attributable to a \$4.9m increase in senior interest expense due to higher interest rates on unhedged debt. Shareholder loan interest increased by \$1.5m due to drawings on the shareholder loan during the current period.

Income Tax Expense	3.9	6.6	10.5	2.1	3.8	5.9
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Net Profit After Tax	7.4	18.9	26.3	4.9	8.8	13.7
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NPAT of \$13.7m decreased \$12.6m pcp primarily due to increased depreciation as described above.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3.3 Cash Flow Statement

The 12 months to 30 June 2007 is the pcp for the Cash Flow Statement. The pcp for the Cash Flow Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities						
Net Cash from Operating Activities	95.5	163.6	259.1	81.1	171.8	252.9
<i>Cash Receipts</i>	205.0	273.5	478.5	170.6	298.6	469.2
<i>Cash Payments to Suppliers and Employees (including GST)</i>	(106.6)	(108.0)	(214.6)	(89.5)	(125.3)	(214.8)
<i>Income Tax Payment / Refund</i>	(2.9)	(2.0)	(4.8)	0.0	(1.5)	(1.5)
Cash flows from operating activities of \$252.9m decreased \$6.2m pcp. A decrease in cash receipts of \$9.3m due to timing of receipts from customers was partially offset by a \$3.3m reduction in income tax payments.						
Cash Flows from Investing Activities						
Net Cash from Investing Activities	(57.1)	(58.2)	(115.3)	(58.1)	(48.5)	(106.5)
<i>Purchase of PP&E and Intangibles</i>	(63.0)	(57.1)	(120.1)	(58.1)	(48.6)	(106.7)
<i>Proceeds from Sale of PP&E</i>	5.9	(1.1)	4.8	0.1	0.1	0.2
Cash flows applied to investing activities of \$106.5m decreased \$8.8m pcp. Payments for PP&E decreased \$20.8m pcp due to a reduction in new capital expenditure projects. Payments for intangibles increased \$7.4m pcp due to the purchase of software for the AIMRO project.						
Cash Flows from Financing Activities						
Net Cash from Financing Activities	(33.8)	(82.7)	(116.5)	(60.0)	(107.3)	(167.3)
<i>Movement in Borrowings</i>	53.0	7.6	60.6	44.4	(10.0)	34.4
<i>Movement in Equity</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Interest Paid - Senior</i>	(43.7)	(41.0)	(84.7)	(41.5)	(41.0)	(82.5)
<i>Interest Paid - SOLA</i>	(8.7)	(9.2)	(17.9)	(9.4)	(8.8)	(18.1)
<i>Interest Paid - RPS</i>	(24.1)	(23.7)	(47.8)	(24.1)	(23.8)	(47.9)
<i>Interest Paid - Shareholder Loans</i>	(0.2)	(0.4)	(0.7)	(0.9)	(1.2)	(2.1)
<i>Distributions</i>	(10.0)	(16.0)	(26.0)	(28.5)	(22.5)	(51.0)
Cash flows applied to financing activities of \$167.3m increased \$50.8m pcp. Movement in borrowings fell by \$26.2m mainly due to lower capital expenditures in the period. Distributions increased by \$25m pcp due to the payment of special distributions to the owners of United Energy.						
Net Cash Movement	4.6	22.7	27.3	(37.0)	16.1	(20.9)
Opening Cash	25.2	29.8	25.2	52.5	15.5	52.5
Closing Cash	29.8	52.5	52.5	15.5	31.6	31.6
Major Capex Projects						
<i>Asset Replacement</i>	15.3	15.7	31.0	16.4	12.3	28.7
<i>Customer Initiated</i>	27.5	19.0	46.5	16.6	17.5	34.1
<i>Demand Capital</i>	11.1	9.7	20.8	14.7	7.4	22.1
<i>Other</i>	13.4	11.9	25.3	11.2	13.8	25.1
The capital expenditure allocated to the main programmes are summarised above. Note that this relates to capital expenditure incurred rather than the cash expenses paid as presented in the Cash Flow Statement.						

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3.4 Balance Sheet

31 December 2007 is the pcp for the Balance Sheet.

	31 Dec 06	30 Jun 07	31 Dec 07	30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions
Current Assets	98.8	101.6	103.4	75.3
<i>Cash</i>	29.8	52.5	15.5	31.6
<i>Accounts Receivable</i>	40.7	21.2	48.2	15.6
<i>Other Assets (includes Inventory and Tax Assets)</i>	28.4	27.9	39.7	28.2

Current Assets of \$75.3m decreased by \$28.1m pcp. The primary reason for the decrease was the reduction in accounts receivable of \$32.6m pcp. The December 2007 accounts receivable balance increased as a result of the timing associated with processing accounts receivable at period end. Other assets decreased as a result of lower accrued revenue in the winter period.

Non-Current Assets	2,013.6	2,050.7	2,089.5	2,103.7
<i>Plant, Property & Equipment</i>	1,205.0	1,229.8	1,247.8	1,252.5
<i>Deferred Tax Asset</i>	12.0	11.5	11.3	11.0
<i>Intangibles</i>	765.3	762.4	761.5	766.3
<i>Other (includes receivables)</i>	31.3	47.0	68.9	73.9

Non-Current Assets increased by \$14.2m pcp.

Current Liabilities	87.1	71.3	78.4	94.6
<i>Payables</i>	63.6	66.1	64.5	69.0
<i>Interest Bearing Liabilities</i>	20.0	3.6	11.0	25.0
<i>Current Tax Liabilities</i>	0.8	(1.1)	0.2	0.0
<i>Provisions</i>	2.7	2.6	2.6	0.6

Current Liabilities of \$94.6m increased by \$16.2m pcp largely due to an increase in interest bearing liabilities of \$14.0m, reflecting drawings made under the working capital facility.

Non-Current Liabilities	1,951.6	1,989.9	2,034.1	2,014.4
<i>Interest Bearing Liabilities</i>	1,217.4	1,195.0	1,237.9	1,172.0
<i>SOLA Debt</i>	183.7	183.7	183.7	183.7
<i>Shareholder Loans</i>	10.0	10.0	20.0	20.0
<i>Redeemable Preference Shares</i>	354.1	354.1	354.1	354.1
<i>Deferred Taxation Liabilities</i>	98.9	111.2	117.3	121.8
<i>Other Liabilities</i>	87.5	135.9	121.1	162.8

Non-Current Liabilities decreased \$19.7m pcp. Interest Bearing Liabilities decreased \$65.9m pcp mainly as a result of MTM movements in the fair value of US\$ denominated debt. This movement was partially offset in Other Liabilities by a \$43.0m increase in MTM derivative liabilities (to a total of \$157.9m) associated with hedging the US\$ loans.

Net Assets	73.7	91.1	80.4	70.0
Equity	73.7	91.1	80.4	70.0
<i>Contributed Equity</i>	3.6	3.6	3.6	3.6
<i>Reserves</i>	17.5	32.2	45.0	48.4
<i>Retained Profits / (Loss)</i>	52.5	55.4	31.8	18.1

Equity decreased by \$10.4m pcp.

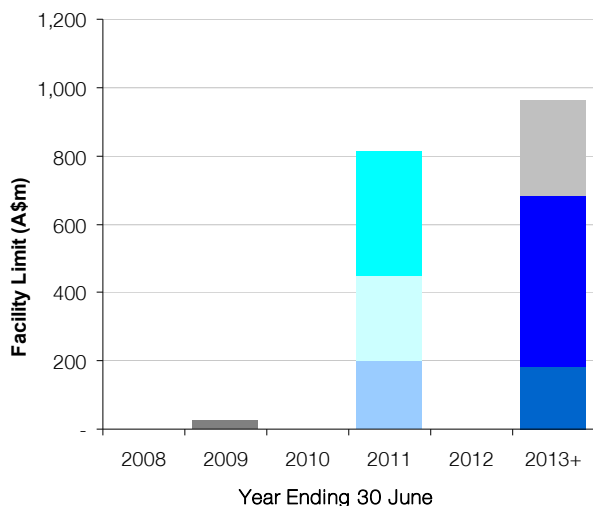
Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3.5 Treasury Summary

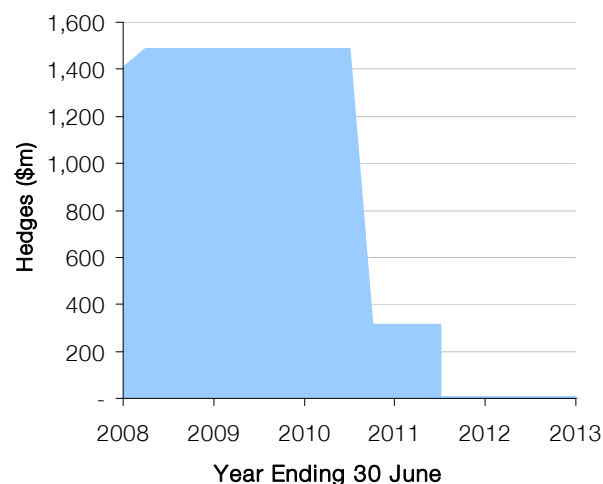
United Energy's debt maturity profile and hedging profile at 30 June 2008 were as follows:

Debt Maturity Profile



- US 144A Guaranteed Notes - Tranche A
- Senior Corporate Facility - SCF Tranche A
- US 144A Guaranteed Notes - Tranche B
- A\$ Guaranteed FRN (due October 2014)
- Working Capital Facility
- Capex Facility - SCF Tranche B
- SOLA (subordinated debt)

Hedging Profile



- Total Hedged Debt (incl SOLA)

As at 30 June 2008, the senior debt interest rate exposure was 89.2% hedged against total senior debt outstanding (including short term facilities). Subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding. The treasury policy is to hedge a minimum of 80% of senior debt and hedge 100% of subordinated debt, matched to the timing of the relevant regulatory reset. The next reset for is 1 January 2011.

At 30 June 2008, United Energy had \$250 million of un-drawn funding capacity.

United Energy maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB (negative outlook)
 Moody's: Baa1

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

3.6 Key Operating Statistics

	As at 31 Dec 06		As at 30 Jun 07		As at 31 Dec 07		As at 30 Jun 08	
		%		%		%		%
Connections								
Small (residential and unmetered)	556,134	91	557,724	91	560,919	91	562,374	91
Medium Size Business	53,907	9	54,261	9	54,728	9	55,270	9
Commercial and Industrial	2,309	0	2,397	0	2,567	0	2,672	0
Total	612,350	100%	614,382	100	618,214	100	620,316	100

	12 months to 31 Dec 06		12 months to 30 Jun 07		12 months to 31 Dec 07		12 months to 30 Jun 08	
		%		%		%		%
Electricity load (GWh)								
Small Tariff	3,040	38	3,008	38	3,018	38	3,011	38
Medium Tariff	1,539	19	1,542	20	1,575	20	1,590	20
Large Tariff	3,337	42	3,330	42	3,380	42	3,324	42
Total Electricity Load (GWh)	7,915	100	7,881	100	7,973	100	7,925	100

	As at 31 Dec 06	As at 30 Jun 07	As at 31 Dec 07	As at 30 Jun 08
Distribution Network Statistics				
Overhead (km)	10,105	10,112	10,077	10,060
Underground (km)	2,261	2,289	2,334	2,345
% Underground	18.3%	18.5%	18.8%	18.9%

	12 months to 31 Dec 06	12 months to 30 Jun 07	12 months to 31 Dec 07	12 months to 30 Jun 08
Distribution Network Statistics				
Maximum Demand (MW)	1,649	1,735	1,735	1,893
System average interruption frequency index (SAIFI) ¹	1.0	1.0	1.0	1.1
Momentary average interruption frequency index (MAIFI) ²	1.2	1.0	1.1	1.1
System average interruption duration index (SAIDI) ³	76	74	85	86

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

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

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

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

4. Multinet

As at 30 June 2008, DUET owned 79.9% of Multinet and 100% of the subordinated debt.

4.1 Financial Summary

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	82	66	148	86	72	158
Total Revenue ¹	93	73	167	95	76	171
EBITDA ²	71	51	123	71	51	122
EBIT	47	34	81	52	33	85
Net Profit After Tax	14	(1)	13	19	(5)	14
Total Assets	1,262	1,302	1,302	1,301	1,337	1,337
Net Assets	194	190	190	193	193	193
Total Capex (per Cash Flow Statement)	27	32	59	33	26	59
RAB ³	870	891	891	889	969	969

¹ Includes interest revenue.

² Excludes interest revenue.

³ The RAB stated is based on management's calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that it is approved.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

4.2 Income Statement

The current period is the 12 months to 30 June 2008. The pcp for the Income Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 June 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	93.3	73.4	166.7	95.0	76.2	171.2
Revenue of \$171.2m increased \$4.5m pcp. Revenue consists of distribution revenue and other revenue.						
Distribution Revenue	82.3	65.7	148.0	85.7	72.5	158.2
<i>Tariff V (Variable)</i>	67.1	50.9	118.0	70.7	57.5	128.2
<i>Fixed Charges</i>	14.3	14.0	28.3	14.1	14.1	28.3
<i>Tariff D</i>	0.9	0.8	1.7	0.9	0.8	1.7
Distribution Revenue of \$158.2m increased \$10.2m pcp. This increase was from a \$10.2m increase in Tariff V (Variable) revenue, of which \$4.6m was due to increased volume from colder weather and new customer growth from the Yarra Valley with the balance of \$5.6m due to a 5% increase in the average tariff price.						
Other Revenue	11.0	7.7	18.8	9.3	3.7	13.0
<i>FRC</i>	5.4	4.3	9.7	5.6	0.5	6.0
<i>Interest Revenue</i>	0.3	0.3	0.6	0.7	0.5	1.1
<i>Miscellaneous</i>	5.3	3.1	8.4	3.1	2.8	5.9
Other Revenue of \$13.0m decreased \$5.8m pcp. FRC revenue was \$3.7m lower due to the termination of this revenue from 31 December 2007. Miscellaneous revenue decreased by \$2.5m largely due to a decrease in marketing incentive payments from the Victorian Government and a decrease in unregulated revenue.						
Expenses from Ordinary Activities	79.1	74.5	153.6	76.0	81.1	157.1
Expenses from ordinary activities consist of operating expenses, depreciation, amortisation, abandonments, borrowing costs and income tax expense.						
Operating Expenses	21.6	21.9	43.5	23.3	25.2	48.5
<i>Operating Fees</i>	18.8	19.6	38.4	19.6	19.9	39.5
<i>Other Operating Expenses</i>	2.8	2.3	5.2	3.6	5.3	8.9
Operating expenses of \$48.5m increased \$5.0m pcp. Operating fees paid to JAM for provision of operating services under the OSA increased by \$1.1m due to a CPI increase on the base fee. Other operating expenses increased by \$3.7m largely due to a \$0.7m increase in licence fees and \$2.7m of unrealised MTM losses on revenue hedges.						
D&A and Abandonments	24.7	17.2	41.9	19.4	17.2	36.6
<i>Depreciation</i>	12.6	12.6	25.2	14.2	14.3	28.5
<i>Amortisation</i>	6.9	1.5	8.3	1.4	1.2	2.7
<i>Abandonments</i>	5.3	3.1	8.4	3.8	1.7	5.5
D&A and abandonment expenses of \$36.6m decreased \$5.3m pcp. Depreciation increased by \$3.3m due to changes in the useful life of mains and services. Amortisation decreased by \$5.6m due to a large information systems server being retired in 2007. Abandonments decreased by \$2.9m due to lower retirement of mains and services.						
Total Borrowing Costs	32.7	35.4	68.1	33.3	38.7	72.0
<i>Senior Interest</i>	25.3	25.0	50.2	25.0	34.9	59.9
<i>SOLA Interest</i>	6.8	6.9	13.7	7.3	6.3	13.5
<i>Interest Rate Hedge – Fair Value Movements</i>	(0.2)	1.7	1.6	0.2	(3.4)	(3.3)
<i>Amortisation & Other Financing Costs</i>	0.8	1.8	2.7	0.9	0.9	1.8
Total Borrowing Costs of \$72.0m increased \$3.9m pcp.						
Income Tax Expense	0.0	0.0	0.0	0.0	0.0	0.0
No income tax expense was incurred in the current period.						
Net Profit After Tax	14.3	(1.1)	13.2	19.0	(4.9)	14.1
NPAT increased \$0.9m pcp.						

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

4.3 Cash Flow Statement

The current period is the 12 months to 30 June 2008. The pcp for the Cash Flow Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	72.0	41.3	113.3	89.3	43.0	132.4
<i>Cash Receipts</i>	112.2	55.1	167.2	120.1	69.6	189.7
<i>Cash Payments</i>	(40.2)	(13.8)	(53.9)	(30.8)	(26.5)	(57.3)

Cash Flows from Operating Activities of \$132.4m increased \$19.1m pcp. Cash receipts were higher due to the timing of receipts from customers and an increase in revenue. The increase in cash payments reflected the timing of payments to suppliers.

Cash Flows from Investing Activities	(26.9)	(31.6)	(58.5)	(33.0)	(12.8)	(45.8)
<i>Purchase of PP&E</i>	(26.9)	(31.6)	(58.5)	(33.0)	(26.1)	(59.1)
<i>Proceeds from Sale of PP&E</i>	0.0	0.0	0.0	0.0	(0.0)	0.0
<i>Proceeds from Government Grant</i>	0.0	0.0	0.0	0.0	13.3	13.3

Cash Flows applied to investing activities of \$45.8m decreased \$12.7m pcp. The purchase of PP&E was comparable with pcp. Multinet received a \$13.3m government grant for the South Gippsland project. The receipt of this grant was subject to achieving certain milestones and was paid to Multinet on 30 June 2008.

Cash Flows from Financing Activities	(56.0)	(0.1)	(56.1)	(55.0)	(17.8)	(72.8)
<i>Movement in Borrowings</i>	(3.4)	43.0	39.6	(15.5)	22.0	6.5
<i>Movement in Equity</i>	0.0	0.0	0.0	0.0	0.0	0.0
<i>Senior Borrowing Costs</i>	(24.4)	(36.4)	(60.8)	(16.3)	(33.7)	(50.0)
<i>SOLA Borrowing Costs</i>	(6.8)	(6.7)	(13.5)	(7.2)	(6.1)	(13.3)
<i>Distributions</i>	(21.4)	0.0	(21.4)	(16.0)	0.0	(16.0)

Cash Flows applied to financing activities of \$72.8m increased \$16.7m pcp. The increase was primarily attributable to a \$33.1m reduction in debt drawings. Senior borrowing costs were \$10.8m lower primarily due to a change in the timing of interest payments from a debt refinancing in June 2007. Distributions were \$5.4m lower than pcp and have been retained until the outcome of the GAAR Appeal.

Net Cash Movement	(10.9)	9.6	(1.3)	1.3	12.4	13.7
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Opening Cash	15.5	4.6	15.5	14.2	15.5	14.2
Closing Cash	4.6	14.2	14.2	15.5	27.9	27.9

Major Capex Projects	27.9	36.1	62.0	34.0	32.1	53.9
<i>Pipeworks Replacement</i>	11.2	4.2	15.4	13.9	3.0	16.9
<i>Customer Initiated</i>	5.2	5.0	10.2	4.7	5.1	9.8
<i>Demand Capital</i>	0.6	3.1	3.7	1.4	2.1	3.5
<i>Yarra Valley</i>	2.7	2.2	4.9	0.1	0.0	0.1
<i>South Gippsland</i>	3.5	19.9	23.4	12.0	19.9	16.4
<i>Eastlink</i>	0.1	(0.3)	(0.3)	0.2	0.0	0.2
<i>Other</i>	4.6	2.0	4.7	1.7	2.0	7.0

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

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

4.4 Balance Sheet

31 December 2007 is the pcp for the Balance Sheet.

	31 Dec 06	30 Jun 07	31 Dec 07	30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions
Current Assets	31.3	55.0	39.5	67.9
<i>Cash</i>	4.6	14.2	15.5	27.9
<i>Accounts Receivable</i>	25.2	40.2	23.1	39.5
<i>Other Assets</i>	1.5	0.7	0.9	0.5

Current assets of \$67.9m increased \$28.4m pcp. The cash balance increased \$12.4m pcp mainly due to receipt of subsidies from the Victorian Government of \$13.3m on 30 June 2008. The movement in accounts receivable reflected the increase in revenue during the winter period.

Non-Current Assets	1,230.2	1,247.3	1,261.9	1,268.8
<i>Receivables</i>	3.4	0.0	0.0	0.0
<i>Plant, Property & Equipment</i>	737.1	758.8	774.5	778.0
<i>Intangibles</i>	489.7	488.5	487.3	486.5
<i>Other</i>	0.0	0.0	0.0	4.2

Non-current assets increased \$6.9m pcp mainly due to \$4.2m of unrealised MTM movements of hedges.

Current Liabilities	25.3	31.5	39.5	42.9
<i>Payables</i>	25.3	31.5	39.5	40.9
<i>Interest Bearing Liabilities</i>	0.0	0.0	0.0	2.0
<i>Provisions</i>	0.0	0.0	0.0	0.0

Non-Current liabilities	1,042.6	1,081.2	1,068.5	1,101.0
<i>Interest Bearing Liabilities</i>	814.9	851.8	834.1	855.7
<i>SOLA Debt</i>	141.2	141.2	141.2	141.2
<i>Deferred Tax Liabilities</i>	84.0	82.8	83.1	84.9
<i>Other Liabilities</i>	2.4	5.4	10.1	19.2

Non-current liabilities increased \$32.5m pcp. The increase in other liabilities related mainly to a \$13.3m increase in deferred revenue due to the government grant for South Gippsland Project.

Net Assets	193.7	189.6	193.4	192.7
Equity	193.7	189.6	193.4	192.7
<i>Contributed Equity</i>	225.8	225.8	225.8	225.8
<i>Reserves</i>	4.3	1.4	2.1	6.4
<i>Retained Profits / (Loss)</i>	(36.5)	(37.6)	(34.6)	(39.5)

Increases in hedge reserves largely offset the increase in retained losses.

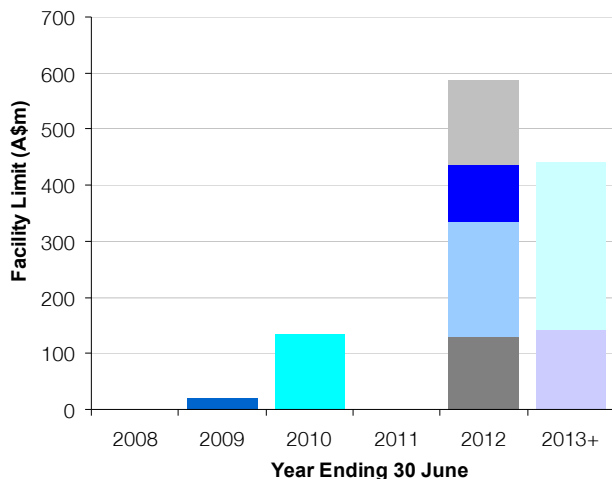
Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

4.5 Treasury Summary

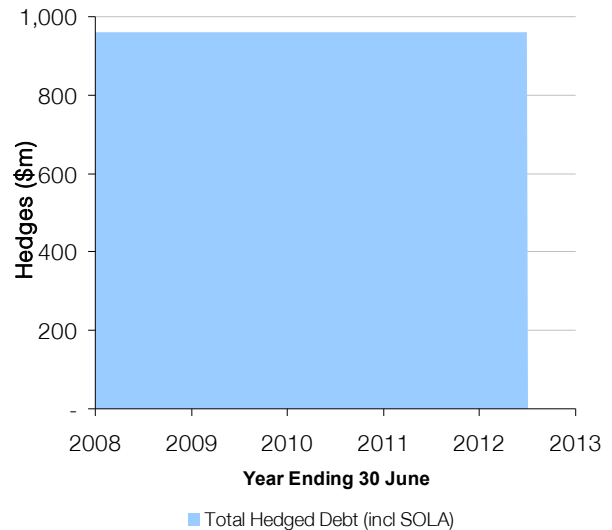
Multinet's maturity profile and hedging profile at 30 June 2008 were as follows:

Debt Maturity Profile



- Unwrapped MTN
- Credit Wrapped MTN
- Credit Wrapped FRN
- Credit Wrapped FRN (due July 2017)
- Senior Corporate Facility - SCF Tranche A
- Capex Facility - SCF Tranche B
- Working Capital Facility
- SOLA (subordinated debt)

Hedging Profile



As at 30 June 2008, senior debt interest exposure was 93.6% hedged against total senior debt outstanding (including short term facilities). Subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding. The treasury policy is to hedge a minimum of 80% of senior debt and hedge 100% of subordinated debt, matched to the timing of the relevant regulatory reset. The next reset is 1 January 2013.

At 30 June 2008, Multinet had \$163.5 million in un-drawn funding capacity.

Multinet maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

S&P: BBB (negative outlook)
 Moody's: Baa2

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

4.6 Key Operating Statistics

	As at 31 Dec 06		As at 30 Jun 07		As at 31 Dec 07		As at 30 Jun 08	
		%		%		%		%
Distribution Network Profile – User Connections								
Tariff V Residential	629,538	97	632,261	97	635,148	97	637,314	97
Tariff V Business	16,784	3	16,714	3	16,693	3	16,651	3
Tariff D	275	0	272	0	266	0	264	0
Total	646,597	100	649,247	100	652,107	100	654,229	100

	12 months to 31 Dec 06		12 months to 30 Jun 07		12 months to 31 Dec 07		12 months to 30 Jun 08	
		%		%		%		%
Usage - Gas Volumes – (TJ)								
Tariff V	47,318	77	42,627	74	41,928	74	44,137	76
Tariff D	14,242	23	14,685	26	14,950	26	14,242	24
Total	61,560	100	57,312	100	56,878	100	58,379	100

	12 months to 31 Dec 06		12 months to 30 Jun 06		12 months to 31 Dec 07		12 months to 30 Jun 08	
Distribution Network Statistics								
Priority Emergency Response	98.0%		98.0%		97.5%		97.0%	
Number of Unplanned Outages (> 5 consumers)	33		22		21		11	
Publicly Reported Gas Leaks (per 1,000 consumers)	18		18		17		18	

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

5. Alinta Gas Networks

As at 30 June 2008, DUET owned 25.9% of Alinta Gas Networks and 100% of the subordinated debt.

Key Financial Items

	6 months to 31 Dec 06 \$ millions	6 months to 30 Jun 07 \$ millions	12 months to 30 Jun 07 \$ millions	6 months to 31 Dec 07 \$ millions	6 months to 30 Jun 08 \$ millions	12 months to 30 Jun 08 \$ millions
Net Profit After Tax	9.7	6.0	15.7	13.2	4.9	18.1
Dividend Distribution	14.0	1.5	15.5	18.4	0.0	18.4
Subordinated Debt Interest	3.8	3.9	7.7	4.1	4.4	8.6

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

6. Duquesne

As at 30 June 2008, DUET owned 29.0% of Duquesne.

All balances reported are stated in US Dollars. Both the Income Statement and Balance Sheet are presented in US GAAP. Duquesne's financial year end is 31 December.

6.1 Financial Summary

	6 months to 30 Jun 08
	\$US millions
Total Revenue ¹	601
EBITDA	347
EBIT	300
Net Profit After Tax	88
Total Assets	3,979
Net Assets	389

¹ Before limited partners' interest and discontinued operations.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

6.2 Income Statement

The current period presented for Duquesne is the 6 months to 30 June 2008. No prior comparable period information is available. The Income Statement is presented in US Dollars and in US GAAP.

	6 months to 30 Jun 08 \$US millions
Revenue	600.8
<i>Retail Sales of Electricity</i>	519.0
<i>Other</i>	53.2
<i>Investment and Other Income</i>	28.6
<p>Revenues are from electricity distribution, transmission and supply, generation, communications and energy facility operations. Other income is associated with the non-regulated activities including the communications and energy facility businesses. Included in Investment and Other Income is income associated with gains from the sale of structured lease investments and interest earned on cash balances.</p>	
Expenses	253.8
<i>Fuel and Purchased Power</i>	120.1
<i>Other Operating and Maintenance</i>	98.0
<i>Taxes other than Income Taxes</i>	35.7
<p>Included in Fuel and Purchased Power Expense is a \$125.4m credit related to the MTM value of energy commodity contracts.</p>	
EBITDA	347.0
Depreciation and Amortisation	47.1
Borrowing Costs	107.6
<p>Included in this total are \$45.7m of investor debt interest and a gain of \$1.2m associated with the MTM of interest rate hedges. Debt issuance cost amortisation of \$5.5m is also included.</p>	
Income Tax Expense	108.3
<p>\$74.2m of the total is attributable to deferred income taxes.</p>	
Other	3.8
<i>Benefit from Limited Partners' Interest</i>	4.1
<i>Loss from Discontinued Operations – Net</i>	(0.3)
Net Profit After Tax	87.8

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

6.3 Balance Sheet

The current period presented for Duquesne is as at 30 June 2008. No comparable period information is available. The Balance Sheet is presented in US Dollars and in US GAAP.

There is no commentary provided on the Balance Sheet for the current period due to the lack of comparable information to support the analysis.

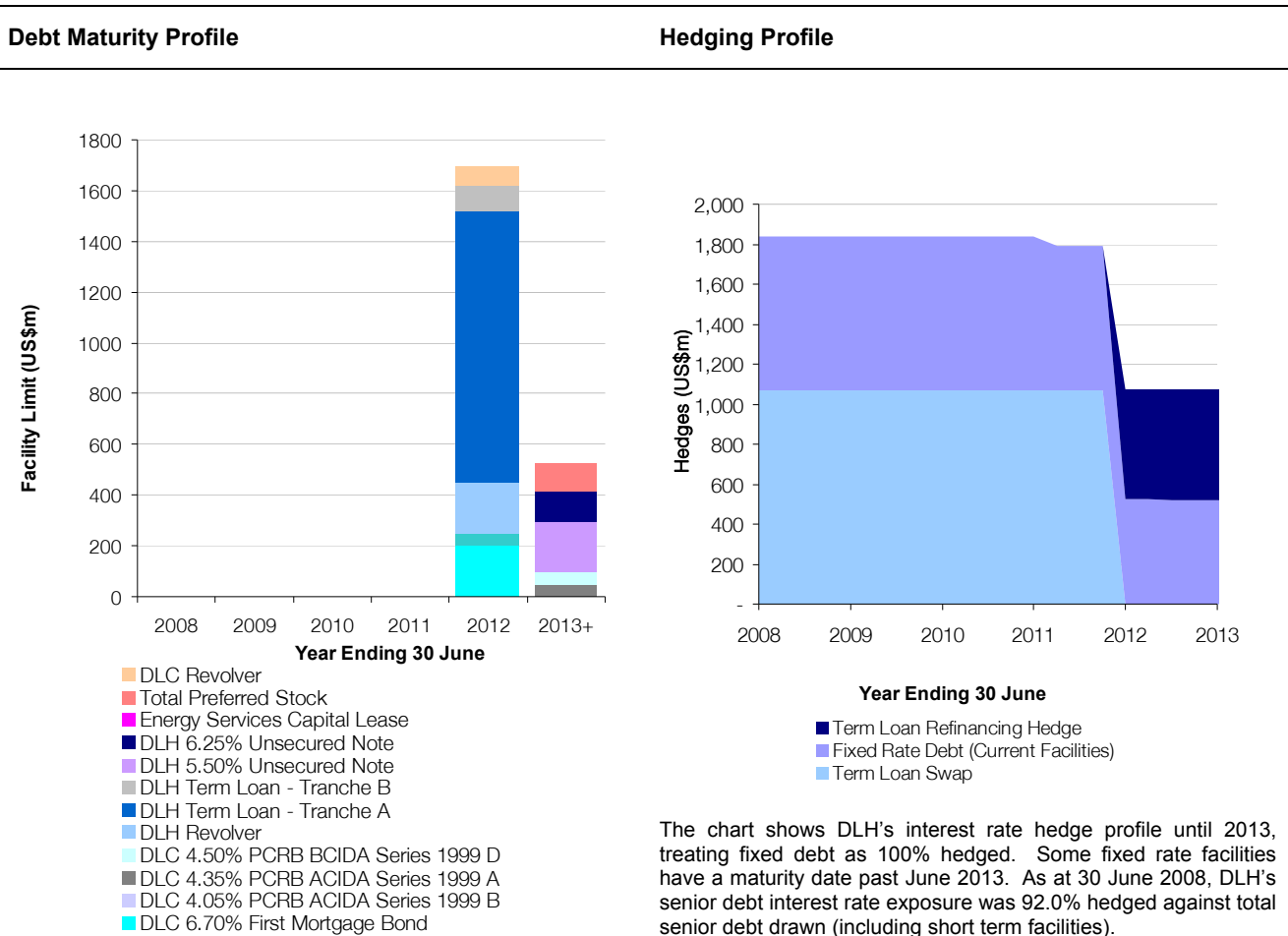
	30 Jun 08
	\$US millions
Current Assets	450.8
<i>Cash and Cash Equivalents</i>	110.9
<i>Receivables</i>	151.4
<i>Other</i>	188.5
Non-Current Assets	3,528.5
<i>Long-Term Investments</i>	20.0
<i>Property, Plant and Equipment</i>	1,982.9
<i>Regulatory Assets</i>	309.1
<i>Goodwill</i>	1,018.9
<i>Other</i>	197.6
Current Liabilities	414.2
<i>Short Term Debt and Current Maturities</i>	127.2
<i>Accounts Payable</i>	104.9
<i>Other Current Liabilities</i>	182.1
Non-Current Liabilities	3,175.7
<i>Deferred Income Taxes - Net</i>	362.2
<i>Other Non-Current Liabilities</i>	256.5
<i>Long-Term Debt</i>	1,737.3
<i>Limited Partners' Interest</i>	16.6
<i>Investor Debt</i>	695.0
<i>Preferred and Preference Stock</i>	108.1
Equity	389.4
<i>Common Equity</i>	389.4

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

6.4 Treasury Summary

The maturity profile and interest rate hedging summary for the consolidated DLH Group at 30 June 2008 were as follows:



As at 30 June 2008, there was US\$170 million in un-drawn funding capacity at the DLH level and US\$44 million at the DLC level.

Duquesne maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at period end were:

Duquesne Light Holdings (DLH)

S&P: BBB- (negative outlook)
 Moody's: Ba1

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

6.5 Key Operating Statistics

	12 months to 31 Dec 06		12 months to 30 Jun 07		12 months to 31 Dec 07		12 months to 30 Jun 08	
		%		%		%		%
Electricity Delivered – (GWh)								
Residential	3,991	29	4,150	30	4,211	30	4,167	30
Commercial & Lighting	6,541	48	6,673	48	6,783	48	6,776	48
Industrial	3,182	23	3,130	22	3,084	22	3,088	22
Total	13,714	100	13,953	100	14,077	100	14,031	100

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

7. DUET Parent Entity

7.1 Income Statement

The current period is the 12 months to 30 June 2008. pcp for the Income Statement is the 12 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	76.5	113.4	189.8	104.5	106.6	211.0
<i>Interest Income</i>	66.5	68.3	134.9	94.3	96.8	191.2
<i>Dividends</i>	7.5	5.4	12.9	4.8	0.0	4.8
<i>Fair Value Increments</i>	2.2	39.5	41.7	5.2	9.5	14.7
<i>Other</i>	0.2	0.1	0.3	0.2	0.2	0.3

Interest Income consists of: a) SOLA interest income being the back to back on advance of the POWERS loan; b) Redeemable Preference Share dividends from United Energy; c) interest income earned on the United Energy Shareholder Loan; d) interest income on the loan advanced to DDB Co; e) interest income earned on the Duquesne Investor Debt; f) interest income on external cash balances and g) interest income on intra-group loan balances. Interest income increased \$56.3m pcp, primarily due to four factors:

- (1) interest income of \$29.8m reflecting a full 12 months interest from the Duquesne Investor Debt in the current period;
- (2) an increase in the interest earned on the DDB Co Loan reflecting DUET's continuing investment in the Stage 5A expansion;
- (3) an increase in the interest earned on the SOLA due to an increase in floating interest rates; and
- (4) the inclusion of \$9.8m interest earned on intra-DUET group loan balances in the current period. This interest is eliminated upon consolidation.

Dividend income in the current period represents the dividends from AGN, whereas the pcp also reported dividends on DUET's 7.7% interest in Duquesne. Fair Value Increments recorded as Revenue in the current period reflect the gain on foreign exchange contracts held to hedge forecast Duquesne returns to DUET.

Share of Net Profit from Associates Equity Accounted	17.5	6.6	24.1	31.7	19.0	50.7
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DUET Parent equity accounts for its investments in UED, MGH, DLH and POWERS. Share of Net Profit from Associates is the corresponding share of the net profit of the underlying equity accounted investments.

Management Fee	8.7	9.6	18.3	10.2	9.0	19.2
Performance Fee	0.0	43.6	43.6	0.0	55.5	55.5

The Responsible Entities are entitled to a Management Fee of 1% of the Net Investment Value of DUET. In addition, if the performance of DUET exceeds the S&P 200 Industrials Accumulation Index, the Responsible Entities are entitled to a performance fee as defined in the DUET Constitution. There was a \$55.5m performance fee payable for the six months to June 2008 (net of non-recoverable GST), which was subsequently reinvested in DUET Group securities in July.

Fund and Other Expenses	2.0	21.1	23.0	12.9	17.5	30.4
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These expenses relate to general administration costs of the fund and other miscellaneous costs. In the current period the total of \$30.4m includes \$26.4m of unrealised foreign exchange losses relating to the revaluation of the DUET 3 Investor Loan which is denominated in \$US, and \$4.0m of miscellaneous expenses.

Interest and Borrowing Costs	26.3	26.6	52.9	32.0	34.9	66.9
POWERS Redemption Premium	0.0	0.0	0.0	0.0	14.5	14.5

Interest and Borrowing Costs relate to the interest expense payable to POWERS and intra-group interest expense. A \$14.5m premium is payable on the redemption of POWERS on 1 September 2008.

Income Tax Expense	0.7	1.9	2.5	0.3	0.3	0.6
Net Profit After Tax	56.4	17.2	73.6	80.8	8.4	74.7

DUET Distribution	60.5	62.1	122.6	81.1	82.3	163.4
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Distributions made by the DUET Parent increased to \$163.4m from \$122.6m pcp. The increase in distributions declared comprised two factors:

- 1) growth in distributions per stapled security, with the 27.0cpss declared for the current period being a 9.1% increase over the pcp; and
- 2) additional securities issued in June and July 2007 to fund the acquisition of Duquesne and DBP Stage 5(A) expansion capex commitments.

Appendix: DUET Group Detailed Asset Information Pack

For the year ended 30 June 2008

7.2 Balance Sheet

31 December 2007 is the pcg for the Balance Sheet.

	31 Dec 06	30 Jun 07	31 Dec 07	30 Jun 08
	\$ millions	\$ millions	\$ millions	\$ millions
Current Assets	119.0	161.9	207.9	214.3
Cash	104.4	149.6	177.0	175.1
Accounts Receivable	13.9	9.6	25.4	29.8
Other	0.7	2.6	5.5	9.5
Non-Current Assets	1,613.4	1,807.5	1,850.0	1,853.3
Investments				
United Energy - Ordinary Shares	48.7	60.2	53.2	46.3
United Energy - Redeemable Preference Shares	233.7	233.7	233.7	233.7
United Energy Shareholder Loans	6.6	6.6	13.2	13.2
Multinet	154.8	151.5	154.5	154.0
Alinta Gas Networks	44.7	44.7	44.7	44.7
DUET Investment Holdings Limited (DIHL)	197.2	139.9	133.0	135.1
POWERS Trust	7.0	8.2	8.2	0.0
Australian Energy Fund No. 2	1.7	1.7	1.7	1.7
Loans				
SOLA	554.7	554.7	554.7	554.7
DDB Co Loan	362.7	362.7	418.7	448.0
DQE Promissory Note	0.0	237.3	229.6	210.0
Other	1.5	6.1	4.8	11.9
Current Liabilities	82.0	129.0	105.6	729.2
Payables	82.0	129.0	105.6	170.5
POWERS	0.0	0.0	0.0	544.2
POWERS Redemption Premium Payable	0.0	0.0	0.0	14.5
On 10 June 2008, DUET announced its intention to redeem and cancel POWERS on 1 September 2008. Accordingly, POWERS has been classified as a current liability. DUET will redeem and cancel POWERS on 1 September 2008 with the proceeds of a \$585m syndicated debt facility. The \$64.9m increase in Payables primarily reflects the \$55.5m performance fee payable for the 6 months to June 2008 (net of non-recoverable GST). Current liabilities also include a one-off \$14.5m accrual payable on the redemption of POWERS on 1 September 2008.				
Non-Current Liabilities	548.9	544.3	544.7	0.0
POWERS	544.0	544.3	544.7	0.0
Deferred Tax Liability	5.0	0.0	0.0	0.0
As the POWERS liability has been reclassified as a current liability, there were no Non-Current liabilities as at 30 June 2008.				
Net Assets	1,101.4	1,296.0	1,407.6	1338.4
Equity	1,101.4	1,296.0	1,407.6	1,338.4
Contributed Equity	1,093.2	1,347.3	1,454.0	1,478.1
Reserves	25.1	(60.7)	(65.2)	(178.2)
Retained Earnings	(17.0)	9.4	18.9	38.5