



DUET Group

Management Information Report

For the half year ended
31 December 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 and AMP Bank each provide 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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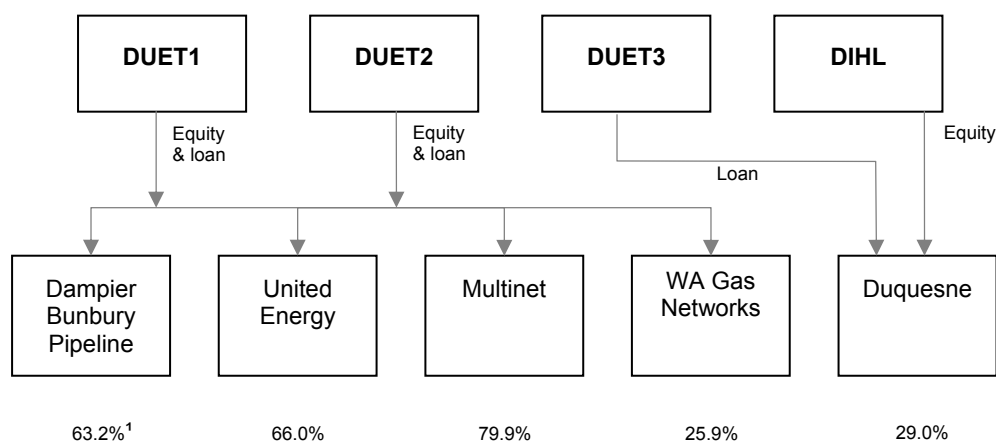
Overview of DUET Group

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 31 December 2008 is illustrated below.



¹ DUET's interest in DBP will reduce over time to 60% as the minority investors pay up their partly-paid equity.

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 ("WAGN" or "WA Gas Networks"), and DQE Holdings LLC ("Duquesne").

Energy Utility Assets

DUET is an investor in energy utility assets. At 31 December 2008, DUET's portfolio of energy utility assets and interests were as follows:

	Dampier Bunbury Pipeline %	United Energy %	Multinet %	WA Gas Networks %	Duquesne %
As at 31 December 2008	63.2	66.0	79.9	25.9	29.0
As at 30 June 2008	64.9	66.0	79.9	25.9	29.0
Change	(1.7)	-	-	-	-

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. As at 31 December 2008, DUET held a 63.2% interest in DBP and 100% of the subordinated debt.

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 and 100% of the subordinated debt.

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 and 100% of the subordinated debt.

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WA Gas Networks

WAGN (formerly Alinta Gas Networks) 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. WAGN's customers represent the majority of Western Australian households and a range of commercial customers – all are supplied gas through its four networks. WAGN'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 WAGN and 100% of the subordinated debt.

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 - as at 31 December 2008

	Dampier Pipeline	Bunbury	United Energy	Multinet	WA Gas Networks	Duquesne
Length of network	1,539 km (mainline) 299km (Laterals) 813km (Looping)		12,671 km	9,586 km	12,310 km	1,026 circuit-km (trans.) 11,716 circuit-km (dist.)
Area of network	n/a		1,450 km ²	1,940 km ²	1,352 km ²	2,070 km ²
Connections	n/a		624,138	657,063	602,821	Approx. 587,000
31 December 2008 load	778 TJ/day		7,896 GWh	58.6 PJ	27.9 PJ	13,897 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, until 1 January 2016 when the tariffs will revert to the regulated tariff for the shippers other than Alcoa.

Report Summary

This Management Information Report ("the Report") contains Proportionate Earnings, Gearing and Unconsolidated Cash Flows for DUET Group for the half year ended 31 December 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 Report.

The purpose of this Report is to provide information supplementary to the Interim Financial Report of DUET Group. This MIR has been prepared on a different basis to the Interim 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 as in the Interim Financial Report. This MIR should be read in conjunction with the Interim Financial Report of DUET, which can be found on the DUET website at www.duet.net.au.

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

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Proportionate Earnings

	Actual Results 6 months to 31 December 2008 \$'000	Pro forma Results 6 months to 31 December 2007 ¹ \$'000	Actual Results 6 months to 31 December 2007 ¹ \$'000
Energy Utility Assets			
Revenue	529,339	505,079	480,421
Operating expenses	(218,997)	(213,340)	(198,630)
Energy utility asset EBITDA	310,342	291,739	281,791
Net cash proceeds on sale of energy utility assets	822		1,199
Maintenance capital expenditure	(46,746)		(44,925)
Net external interest expense	(129,065)		(101,155)
Net tax expense	(15,822)		(11,096)
Proportionate earnings (pre-corporate items)	119,531		125,814
Net interest income	7,539		5,468
Hybrid capital interest expense	(10,090)		(26,031)
Corporate interest expense	(18,235)		-
Corporate expenses	(12,832)		(12,144)
Net tax expense	(1,256)		-
Realised gains on FX hedge contracts	2,950		2,110
Proportionate earnings	87,607		95,217

¹The prior period pro forma and actual results for the 6 months to 31 December 2007 for Duquesne have been restated as detailed on page 7 and 8 of this MIR.

EBITDA commentary

EBITDA of \$310.3 million increased 6.4% over the prior corresponding period's pro forma result of \$291.7 million, whereby:

- Dampier Bunbury Pipeline: proportionate EBITDA increased by 20.1% to \$85.3 million, driven by the full-period contribution of the Stage 5A expansion project delivering gas since March 2008;
- United Energy: proportionate EBITDA of \$82.0 million was in line with the pcp;
- Multinet: proportionate EBITDA of \$58.6 million was 2.1% above the pcp;
- WA Gas Networks: proportionate EBITDA of \$13.3 million was in line with the pcp; and
- Duquesne: proportionate EBITDA of \$71.1 million was 4.6% above the pcp.

Proportionate earnings commentary

Proportionate earnings for the period ended 31 December 2008 decreased by \$7.6 million from the pcp primarily due higher net tax expense and maintenance capital expenditure at Duquesne. Asset company net external interest expense increased over the pcp, however most of the increase was reflected in higher revenues due to the regulated and/or contracted nature. Hybrid interest expense is lower than the prior period following the refinancing of POWERS with a corporate bank debt facility.

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Energy Utility Asset Operating Performance

Actual Results – 6 months to 31 December 2008

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne	Corporate	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Transmission	107,357	-	-	-	19,932	-	127,289
Distribution	-	95,330	73,313	18,042	74,867	-	261,552
Other	496	16,652	3,316	845	119,189	-	140,498
	107,853	111,982	76,629	18,887	213,988	-	529,339
Operating Expenses							
Operations and maintenance	(22,530)	(26,736)	(15,459)	(5,352)	(25,090)	-	(95,167)
Power purchases	-	-	-	-	(105,277)	-	(105,277)
Other expenses	(4)	(3,198)	(2,550)	(257)	(12,544)	-	(18,553)
	(22,534)	(29,934)	(18,009)	(5,609)	(142,911)	-	(218,997)
Proportionate EBITDA	85,319	82,048	58,620	13,278	71,077	-	310,342
<i>EBITDA margin</i>	79.1%	73.3%	76.5%	70.3%	33.2%	-	58.6%
Net cash proceeds on sale of non current assets	40	147	-	-	635	-	822
Maintenance capital expenditure	(3,809)	(19,792)	(2,937)	(1,131)	(19,077)	-	(46,746)
Net interest expense	(44,254)	(28,987)	(27,594)	(4,706)	(23,524)	-	(129,065)
Net tax expense	-	(258)	-	(1,323)	(14,241)	-	(15,822)
Proportionate earnings (pre-corporate items)	37,296	33,158	28,089	6,118	14,870	-	119,531
Interest income	-	-	-	-	-	7,539	7,539
Hybrid capital interest expense	-	-	-	-	-	(10,090)	(10,090)
Corporate interest expense	-	-	-	-	-	(18,235)	(18,235)
Corporate expenses	-	-	-	-	-	(12,832)	(12,832)
Net tax expense	-	-	-	-	-	(1,256)	(1,256)
Realised gains on FX hedge contracts	-	-	-	-	-	2,950	2,950
Proportionate earnings	37,296	33,158	28,089	6,118	14,870	(31,924)	87,607

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Actual Results – 6 months to 31 December 2007

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne ¹	Corporate	Total ¹
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue							
Transmission	84,390	-	-	-	13,083	-	97,473
Distribution	-	94,940	68,461	17,535	69,442	-	250,378
Other	6,132	16,817	6,969	952	101,700	-	132,570
	90,522	111,757	75,430	18,487	184,225	-	480,421
Operating Expenses							
Operations and maintenance	(19,313)	(26,906)	(15,461)	(5,187)	(42,092)	-	(108,959)
Power purchases	-	-	-	-	(77,542)	-	(77,542)
Other expenses	(3,312)	(2,727)	(2,546)	(139)	(3,405)	-	(12,129)
	(22,625)	(29,633)	(18,007)	(5,326)	(123,039)	-	(198,630)
Proportionate EBITDA	67,897	82,124	57,423	13,161	61,186	-	281,791
<i>EBITDA margin</i>	75.0%	73.5%	76.1%	71.2%	33.2%	-	58.7%
Net cash proceeds on sale of non current assets	-	55	9	-	1,135	-	1,199
Maintenance capital expenditure	(4,894)	(15,815)	(12,669)	(832)	(10,715)	-	(44,925)
Net interest expense	(32,238)	(25,787)	(19,423)	(4,259)	(19,448)	-	(101,155)
Net tax expense	(922)	(1,397)	-	(1,467)	(7,310)	-	(11,096)
Proportionate earnings (pre-corporate items)	29,843	39,180	25,340	6,603	24,848	-	125,814
Interest income	-	-	-	-	-	5,468	5,468
Hybrid capital interest expense	-	-	-	-	-	(26,031)	(26,031)
Corporate expenses	-	-	-	-	-	(12,144)	(12,144)
Net tax expense	-	-	-	-	-	-	-
Realised gains on FX hedge contracts	-	-	-	-	-	2,110	2,110
Proportionate earnings	29,843	39,180	25,340	6,603	24,848	(30,597)	95,217

¹Duquesne's actual results for the 6 months to 31 December 2007 have been restated to:

- remove proportionate share of discontinued business EBITDA (SynFuel and Energy Facilities) of \$2.8 million;
- remove proportionate share of mark-to-market gain on revenue hedges of \$7.0 million;
- remove proportionate share of mark-to-market gain on interest rate hedges of \$3.0 million; and
- adjust proportionate share of net tax expense following Duquesne management's finalisation of the tax calculations for the six months to 31 December 2007.

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Pro forma Results – 6 months to 31 December 2007

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne ¹	Total ¹
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
Transmission	88,314	-	-	-	14,534	102,848
Distribution	-	94,940	68,461	17,535	77,151	258,087
Other	6,416	16,817	6,969	952	112,990	144,144
	94,730	111,757	75,430	18,487	204,675	505,079
Operating Expenses						
Operations and maintenance	(20,211)	(26,906)	(15,461)	(5,187)	(46,765)	(114,530)
Power purchases	-	-	-	-	(86,150)	(86,150)
Other expenses	(3,465)	(2,727)	(2,546)	(139)	(3,783)	(12,660)
	(23,676)	(29,633)	(18,007)	(5,326)	(136,698)	(213,340)
Proportionate EBITDA	71,054	82,124	57,423	13,161	67,977	291,739
<i>EBITDA margin</i>	75.0%	73.5%	76.1%	71.2%	33.2%	57.8%

¹Duquesne's pro forma results for the 6 months to 31 December 2007 have been restated to:

- remove proportionate share of discontinued business EBITDA (SynFuel and Energy Facilities) of \$2.8 million; and
- remove proportionate share of mark-to-market gain on revenue hedges of \$7.0 million.

Dampier Bunbury Pipeline

During the 6 month period under review, Dampier Bunbury Pipeline (DBP) transmitted a volume of 134.7 PJ .

The expansion program of the Dampier to Bunbury Natural Gas Pipeline (DBNGP) continued to be a major focus during the year under review and underpinned increases in revenue and earnings. In November the completion of final commissioning of Stage 5A, on time and under budget, was announced. The 112 TJ/day Stage 5B expansion is proceeding with major contracts now awarded and construction works on the pipe-laying on track. Site establishment commence in January 2009.

DBP has reached final agreement with WestNet Energy for the resumption of asset management functions for the pipeline by DBP. These functions (including pipeline operations, engineering, maintenance and the majority of corporate support functions) were previously carried out by WestNet Energy and WestNet Infrastructure Group under an Operating Services Agreement (OSA).

United Energy

During the 6 month period under review, United Energy distributed 3,997 GWh of electricity. United Energy performed solidly this year as a result of the continued increase in demand for electricity.

United Energy continues to progress the smart meter project in Victoria. This project will involve replacing over 650,000 advanced electricity meters, deploying a new communications network, installing new supporting IT systems and redesigning business processes to accommodate the new meters. Deployment of the new AMI electricity meters is expected to commence in 2009 and to be completed by the end of 2013. United Energy Distribution has finalised funding arrangements for its Advanced Metering Infrastructure Project and is in the process of letting contracts for the works. The total value of the project is \$345.0 million. The project is required under the Victorian Government's AMI policy, which was recently confirmed when the government published an 'Order In Council' which created the legal framework for the roll out of the advanced metering infrastructure, as well as formalising the cost recovery mechanism.

Multinet

Multinet has continued to perform in line with expectations. 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. The decision provides regulatory certainty for Multinet until 2012. This is the last decision to be handed down by the ESC, with subsequent decisions falling under the jurisdiction of the national Australian Energy Regulator (AER). The formation of the AER is expected by industry participants to lead to greater consistency and predictability in future regulatory decisions, replacing a number of state-based regulatory bodies. Multinet has been an active participant in the Victorian State Government's natural gas extension program through two important expansion projects. The Yarra Ranges expansion project is complete and the South Gippsland expansion project is expected to be completed in the 2009 financial year.

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WA Gas Networks

Over the 6 month period WANH experienced revenue and EBITDA growth of approximately 2% and 1% respectively, compared to the prior corresponding period.

Duquesne

Duquesne continues to perform in line with DUET's expectations.

The US Federal Energy Regulatory Commission (FERC) is currently providing attractive incentives for investment in transmission infrastructure through the regulated tariff structure both within Duquesne's distribution and transmission area. Duquesne Light is expected to present important growth opportunities for DUET through the transmission sector of its business. Projects are being developed to increase the capacity and reliability of Duquesne Light's transmission network, and potentially to participate in new interregional transmission development projects.

On 10 December 2008, Duquesne Light Company filed with the FERC a Reliability Pricing Model (RPM) settlement agreement which will require them to remain in PJM for a period of 5 years.

Proportionate Earnings per Stapled Security ("EPS")

	Actual Results 6 months to 31 December 2008	Actual Results 6 months to 31 December 2007
Weighted average DUET Group securities on issue ('000's)	630,806	597,524
Proportionate EPS - cents	13.9	15.9 ¹

¹Restated from 17.7 cents based on the restatement of Duquesne's actual results for the 6 months to 31 December 2007 as detailed on page 7 of this MIR.

DUET's proportionate EPS decreased by 12.6% on the pcp to 13.9 cents. The movement over the pcp is mainly as a result of:

- DUET Group's expanded capital base. Specifically, DUET Group's weighted average number of securities increased by 5.6% pcp to 630.8 million due to securities issued under the Distribution and Dividend Reinvestment Plan on 15 February 2008 and 15 August 2008 and the 30 June 2008 performance fee of \$54.2 million which was reinvested in approximately 17 million DUET Group securities on 8 July 2008; and
- Higher net tax expense and maintenance capital expenditure at Duquesne.

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Gearing

	As at 31 December 2008 \$m	Pro forma 30 June 2008 \$m	As at 30 June 2008 \$m
DUET's share of energy utility assets' net debt	3,876.4	3,778.1	3,505.2
Corporate net debt	466.4	(97.6)	(97.6)
Hybrid capital	-	536.0	536.0
Total net debt	4,342.8	4,216.5	3,943.6
DUET's share of total assets	6,443.8	6,345.5	5,989.5
Gearing (%)	67.4%	66.4%	65.8%

On 1 September 2008, the hybrid capital instrument, POWERS, was refinanced and redeemed. Funding for the redemption was through a \$585 million corporate bank debt facility.

Proportionate net debt

As at 31 December 2008	Dampier Bunbury Pipeline \$m	United Energy \$m	Multinet \$m	WA Gas Networks \$m	Duquesne \$m	Corporate \$m	Total \$m
Term debt	101.3	115.5	98.3	147.6	768.2	585.0	1,815.9
Notes	758.4	759.1	552.9	-	-	-	2,070.4
Working capital facilities	-	-	5.6	0.8	-	-	6.4
Capital expenditure facilities	536.3	46.2	40.3	5.0	-	-	627.8
Other	-	-	-	-	44.4	88.9	133.3
Less: cash	(46.0)	(7.2)	(19.4)	(1.3)	(29.6)	(207.5)	(311.0)
DUET share of net debt	1,350.0	913.6	677.7	152.1	783.0	466.4	4,342.8
<hr/>							
As at 30 June 2008	Dampier Bunbury Pipeline \$m	United Energy \$m	Multinet \$m	WA Gas Networks \$m	Duquesne \$m	Corporate \$m	Total \$m
Term debt	104.0	101.6	114.3	137.3	558.5	536.0	1,551.7
Notes	778.8	651.6	539.9	-	-	-	1,970.3
Working capital facilities	-	16.5	-	1.3	-	-	17.8
Capital expenditure facilities	506.0	30.4	37.1	11.5	-	-	585.0
Other	-	-	-	-	37.6	82.3	119.9
Less: cash	(41.7)	(20.9)	(22.3)	(2.7)	(33.6)	(179.9)	(301.1)
DUET share of net debt	1,347.1	779.2	669.0	147.4	562.5	438.4	3,943.6
Pro forma adjustments							
Change in beneficial ownership	(35.3)	-	-	-	-	-	(35.3)
Change in foreign currency exchange rates	-	107.6	-	-	200.6	-	308.2
DUET share of pro forma net debt	1,311.8	886.8	669.0	147.4	763.1	438.4	4,216.5

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Unconsolidated Cash Flows

	6 months to 31 December 2008 \$'000	6 months to 31 December 2007 \$'000
Cash flows from energy utility assets		
Dampier Bunbury Pipeline	34,799	35,138
United Energy	33,886	44,701
Multinet	27,246	19,985
WA Gas Networks	9,763	8,852
Duquesne	30,225	10,900
Cash inflows from energy utility assets	135,919	119,576
Cash flows from operating activities		
Other income received	2,529	1,515
Interest received on surplus cash	5,574	5,848
Operating expenses paid (inclusive of GST)	(7,878)	(2,232)
Responsible entity and manager fees paid	(5,231)	(53,550)
Net cash inflows from energy utility assets and operations	130,913	71,157
Cash flows from investing activities		
Return of capital from Duquesne	-	4,600
Further investment in energy utility assets	(14,637)	(62,553)
Net cash outflows from investing activities	(14,637)	(57,953)
Cash flows from financing activities		
Proceeds received from issue of stapled securities	-	93,942
Borrowing from DUET Senior Facility	585,000	-
Repayment of POWERS	(564,220)	-
Borrowing costs paid	(45,855)	(25,178)
Distributions paid to DUET Group security holders (net of DRP)	(63,392)	(49,424)
Net cash flows from financing activities	(88,467)	19,340
Net (decrease)/increase in cash assets held	27,809	32,544
Cash assets at the beginning of the half year	179,863	149,760
Cash assets at the end of the half year	207,672	182,304

As announced by the DUET Group on 5 July 2008, a performance fee of \$54.2 million (exclusive GST) for the six months to 30 June 2008 was paid by the DUET to its Responsible Entities and Manager. The performance fee was reinvested in DUET Group securities by its Responsible Entities and Manager.

Net cash flows from energy utility assets and operations increased by \$59.8 million (84%) over the pcp to \$130.9 million, \$40.3 million of which is due to the prior period performance fee that was paid in cash.

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.

Borrowing costs increased primarily as a result of fees and costs of \$15.9 million being incurred as part of the refinancing of POWERS.

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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, net cash proceeds on the sale of energy utility assets, energy utility assets' maintenance capital expenditure, energy utility assets' net interest expense, corporate net interest expense, hybrid capital interest expense, net tax expense, corporate expenses and realised gains on foreign currency hedge contracts ("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

For an asset to qualify as a relevant asset for inclusion in Proportionate Earnings, DUET will generally have management representation on the Boards of the asset company. DUET's energy utility assets included in Proportionate Earnings are:

- Dampier Bunbury Pipeline;
- United Energy;
- Multinet;
- WA Gas Networks; and
- Duquesne.

Information for each of the assets is sourced from unaudited management accounts and unaudited half yearly reporting packs prepared under the relevant local generally accepted accounting standards applicable to the energy utility assets.

Foreign currency exchange

All Proportionate Earnings information contained in this Report is disclosed in Australian dollars unless stated otherwise. Foreign currency exchange rates are calculated on an average daily basis, divided into the 6 months to 31 December (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.

DUET Group Management Information Report

For the Half Year ended 31 December 2008

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

	Average	Period End
	AUD/USD	AUD/USD
6 months to 31 December 2008	0.7807	0.7074
6 months to 31 December 2007	0.8688	0.8766

DUET's beneficial ownership interest

The beneficial ownership interest of DUET for each of the relevant assets is calculated according to the number of days in the 6 month period to 31 December 2008 during which DUET held a beneficial ownership interest ("Beneficial Ownership Interest"). Where assets have been sold during a Period the Beneficial Ownership Interest is calculated according to the number of days from the beginning of the Period up to the date of sale. Where assets have been acquired during a Period the Beneficial Ownership Interest is calculated according to the number of days from date of initial acquisition to the end of the Period.

The Beneficial Ownership Interest of DUET in the relevant assets used in the calculation of Proportionate Earnings for the 6 months to 31 December as well as the prior corresponding period is set out below:

	Dampier Bunbury Pipeline	United Energy	Multinet	WA Gas Networks	Duquesne
30 June 2007	68.1	66.0	79.9	25.9	9.6
Movement	(6.4)	-	-	-	19.4
31 December 2007	61.7	66.0	79.9	25.9	29.0
Movement	1.2	-	-	-	-
30 June 2008	62.9	66.0	79.9	25.9	29.0
Movement	1.6	-	-	-	-
31 December 2008	64.5%	66.0%	79.9%	25.9%	29.0%

Asset operating revenue

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

Maintenance capital expenditure

Maintenance capital expenditure is a reference to the maintenance capital expenditure at each of the relevant assets. The maintenance capital expenditure is sourced directly from capital maintenance expenditure, disclosed in unaudited management accounts.

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.

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 loans 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.

DUET Group Management Information Report

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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 asset 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 to POWERS Trust in order to satisfy its coupon payment to POWERS unit holders and does not include the \$14.5 million redemption premium paid to POWERS security holders on 1 September 2008.

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.

Realised gains / (losses) on FX hedge contracts

Realised gains / (losses) on FX hedge contracts reflect the gains or losses on foreign exchange forward contracts entered into by DUET to hedge distributions from its operating assets and include amounts realised after the balance sheet date but which relate to asset operations' distributions of current period earnings.

DUET Group Management Information Report

For the Half Year ended 31 December 2008

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)

Net debt at the corporate level calculated by the aggregation of all net debt held by DUET’s stapled entities; and all net debt held by 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.

Corporate net debt is calculated by subtracting available cash from the face value of net debt at the corporate level.

Hybrid Capital (POWERS)

Hybrid capital is the face value of the instrument issued by DUET Group to POWERS Trust. DUET redeemed and cancelled the POWERS units on issue on 1 September 2008 through the proceeds of a corporate debt facility.

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 investments in asset companies, 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 Half Year ended 31 December 2008

APPENDIX

DUET GROUP

DETAILED ASSET INFORMATION PACK

For the Half Year ended 31 December 2008

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

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Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 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 interest revenue.	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.
Interest revenue	Included in Revenue.	Included in Net Interest Expense.
Revenue (United Energy)	Includes TUOS revenue.	Excludes TUOS revenue.
Operating expenses (United Energy)	Includes Grid Fees.	Excludes Grid Fees.
Net interest expense	Reports total interest expense.	Reports net 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 Half Year ended 31 December 2008

2. Dampier Bunbury Pipeline

As at 31 December 2008, DUET owned 63.2% of DBP and 100% of the subordinated debt. The prior comparable period ("pcp") for DBP is the most recent period (being the 6 months to 30 June 2008, rather than the 6 months to 31 December 2007) to increase the relevance of the trend analysis in view of the number of expansions undertaken by DBP since acquisition and between periods.

2.1. Financial Summary

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Transport Income	137	154	290	166
Total Revenue	146	157	304	169
EBITDA	110	122	232	133
EBIT	88	95	183	104
Net Profit After Tax	19	23	42	15
Total Assets	3,284	3,395	3,395	3,392
Net Assets	574	597	597	337
Total Capex (per Cash Flow Statement)	306	135	441	109
RAB ¹	2,613	2,822	2,822	2,961

¹ 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 Half Year ended 31 December 2008

2.2. Income Statement

The current period is the 6 months to 31 December 2008. The pcp for the Income Statement is the 6 months to 30 June 2008.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	146.4	157.3	303.7	168.8
Revenue consists of Transport Revenue and Other Revenue.				
Transport (Transmission) Revenue	145.2	156.2	301.5	167.1
<i>Transport Income</i>	136.8	153.6	290.4	166.4
<i>Chargeable Works & Other Transport Income</i>	8.4	2.7	11.1	0.8
Transport Revenue of \$167.1m increased by \$10.9m pcp driven by the full period contribution of the Stage 5A expansion project delivering gas since March 2008.				
Other Revenue	1.2	1.1	2.3	1.6
<i>Interest Received</i>	1.2	1.1	2.3	1.2
<i>Other Revenue</i>	n/s	n/s	n/s	0.4
Expenses from Ordinary Activities	127.4	134.5	261.9	154.0
Expenses from Ordinary Activities consist of Operating Expenses, D&A and, Borrowing Costs and Income Tax Expense.				
Operating Expenses	35.3	34.6	69.9	34.9
<i>Operating Fees</i>	16.7	17.1	33.8	19.6
<i>Fuel Gas</i>	14.9	8.6	23.5	6.5
<i>Other Operating Expenses</i>	3.7	8.8	12.5	8.8
Operating Expenses of \$34.9m increased \$0.3m pcp. This movement was caused by increases in maintenance costs due to the completion of the Stage 5A expansion project, partially offset by decreases in Fuel Gas costs.				
D&A and Abandonments	21.6	26.5	48.1	29.0
<i>Depreciation</i>	21.4	26.1	47.5	28.8
<i>Amortisation</i>	0.3	0.3	0.6	0.3
<i>Abandonments</i>	(0.1)	0.2	0.1	0.0
D&A and abandonments expense of \$29.0m increased \$2.5m pcp primarily due to additional depreciation charges from the newly commissioned Stage 5A plant.				
Borrowing Costs	63.1	62.9	126.0	81.3
<i>Senior Interest</i>	52.8	56.2	108.9	69.2
<i>SOLA Interest</i>	7.7	8.2	16.0	8.0
<i>Interest Rate Hedge – Fair Value Movements</i>	n/s	(2.1)	(2.1)	1.2
<i>Amortisation & Other Financing Costs</i>	2.5	0.6	3.2	2.9
Borrowing Costs of \$81.3m increased \$18.4 pcp largely through increases in Senior Interest where interest expense on the Stage 5A capex facility is no longer capitalised after commissioning.				
Income Tax Expense	7.4	10.5	17.9	8.7
Income Tax Expense for the current period was \$8.7m.				
Net Profit After Tax	19.0	22.8	41.8	14.8
NPAT of \$14.8m decreased \$8.0m pcp mostly as a result of the Stage 5A related interest costs no longer being capitalised.				

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

2.3. Cash Flow Statement

The current period is the 6 months to 31 December 2008. The pcp for the Cash Flow Statement is the 6 months to 30 June 2008.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	105.4	135.0	240.4	137.7
<i>Cash Receipts</i>	142.1	193.3	338.4	172.6
<i>Cash Payments</i>	(36.7)	(61.3)	(98.0)	(34.9)
<i>Income Tax Payment</i>	0.0	0.0	0.0	0.0
Cash Flows from Operating Activities of \$137.7m increased \$2.7m pcp.				
Cash Flows from Investing Activities	(306.3)	(134.6)	(440.9)	(108.6)
<i>Purchase of PP&E</i>	(306.3)	(134.6)	(440.9)	(108.7)
<i>Proceeds from Sale of Non-Current Assets</i>	0.0	0.0	0.0	0.1
Cash Flows applied to investing activities of \$108.6m were mostly related to the Stage 5B expansion project.				
Cash Flows from Financing Activities	173.3	10.4	183.7	(21.1)
<i>Movement in Borrowings</i>	206.2	89.6	295.8	58.8
<i>Equity Contributions</i>	76.6	29.3	105.9	31.8
<i>Senior Interest</i>	(57.6)	(62.0)	(119.5)	(62.5)
<i>SOLA Interest</i>	(7.6)	(8.0)	(15.7)	(8.4)
<i>Distributions</i>	(44.3)	(38.5)	(82.8)	(40.7)
Debt drawdowns and equity calls continued during the current period to fund the capital expenditure associated with Stage 5B.				
Net Cash Movement	(27.6)	10.8	(16.8)	8.1
Opening Cash	81.0	54.4	81.0	64.3
Effect of Exchange Rate Changes on Cash	1.0	(0.8)	0.2	0.3
Closing Cash	54.4	64.3	64.3	72.7

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

2.4. Balance Sheet

30 June 2008 is the pcp for the Balance Sheet.

	31 Dec 07	30 Jun 08	31 Dec 08
	\$ millions	\$ millions	\$ millions
Current Assets	91.4	96.6	127.1
<i>Cash</i>	54.4	64.3	72.7
<i>Accounts Receivable</i>	13.9	9.0	10.2
<i>Inventories and Other Assets</i>	23.1	23.3	44.2

Current Assets increased \$30.5m pcp. The \$20.9m increase in Inventories and Other Assets was driven by an increase in the MTM value of currency hedging.

Non-Current Assets	3,192.5	3,298.5	3,265.2
<i>Plant, Property and Equipment</i>	2,377.7	2,469.5	2,581.0
<i>Intangibles</i>	699.8	693.6	684.2
<i>Other</i>	115.0	135.4	0.0

Non-Current Assets decreased by \$33.3m pcp. The \$111.5m increase in PP&E was primarily attributable to Stage 5B capex. Other non-current assets have fallen to zero as the MTM value of interest rate hedge instruments has been transferred to Non-Current Liabilities.

Current Liabilities	96.3	77.1	554.1
<i>Payables</i>	76.0	56.7	82.4
<i>Interest Bearing Liabilities</i>	0.0	0.0	450.5
<i>Provisions & Other Liabilities</i>	20.3	20.3	21.2

Current Liabilities of \$554.1m increased \$477.0m pcp. Interest Bearing Liabilities increased to \$450.5m reflecting the Stage 5A Capex Facility which matures in October 2009.

Non-Current Liabilities	2,613.2	2,720.5	2,501.1
<i>Interest Bearing Liabilities</i>	2,018.6	2,116.4	1,734.2
<i>SOLA Debt</i>	150.0	150.0	150.0
<i>Deferred Tax Liabilities</i>	434.4	442.9	328.8
<i>Other Liabilities</i>	10.2	11.2	288.1

Non-Current Liabilities decreased \$219.4m pcp. Interest Bearing Liabilities decreased by \$382.2m reflecting the movement of the \$450.5m Stage 5A Capex Facility to Current Liabilities, and partially offset by debt draw downs to fund the Stage 5B expansion. The increase in Other Liabilities primarily reflects the MTM value of interest rate hedge instruments that have been moved from Non-Current Assets to Non-Current Liabilities.

Net Assets	574.4	597.5	337.0
Equity	574.4	597.5	337.0
<i>Contributed Equity</i>	465.8	456.7	447.8
<i>Reserves</i>	76.7	86.0	(180.4)
<i>Retained Earnings</i>	31.9	54.8	69.6

Equity decreased \$260.5m pcp primarily from a \$266.4m decrease in Reserves from the MTM value of interest rate swaps and currency hedges. Contributed Equity decreased due to returns of capital paid to unitholders over the current period being greater than the equity contributions made.

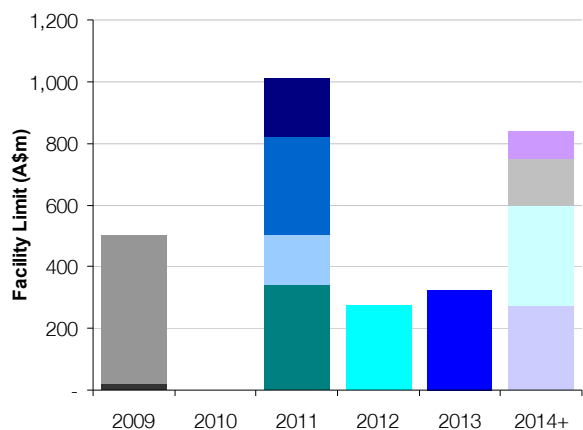
Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

2.5. Treasury Summary

DBP's debt maturity and hedging profiles at 31 December 2008 were as follows:

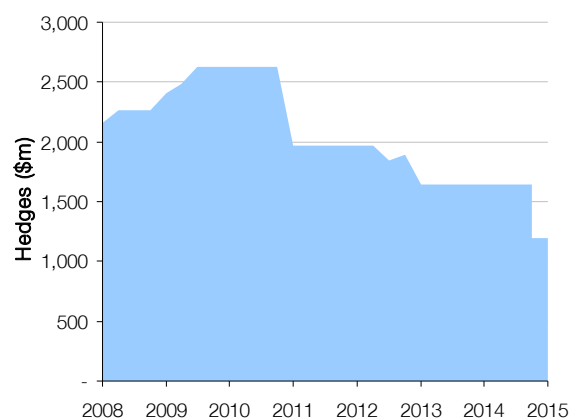
Debt Maturity Profile



Year Ending 31 December

- Working Capital Facility
- Capex Facility (Stage 5A)
- Capex Facility (Stage 5B)
- Capex Facility (Stage 4)
- A\$ Wrapped FRNs - Tranche 1
- A\$ Wrapped FRNs - Tranche 2
- SOLA (subordinated debt)
- Capex Facility (Stage 5A2)
- Syndicated Loan
- A\$ Wrapped FRNs - Tranche 3
- A\$ Wrapped FRNs - Tranche 4
- WA Government Loan

Hedging Profile



Year Ending 31 December

■ Total Hedged Debt (incl SOLA)

As at 31 December 2008, senior debt interest exposure was 91.1% hedged against total senior debt outstanding balance (including short term facilities but excluding the \$88.1m 99-year WA Government loan). At 31 December 2008, subordinated debt (SOLA) interest rate exposure was 100% hedged against total SOLA outstanding. The treasury policy is to hedge a minimum of 90% of senior debt.

As at 31 December 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- (negative outlook)¹
 Moody's: Baa2²

¹ Rating reflects DBNGP Trust. DBNGP Finance Co Pty Ltd was downgraded from BBB (stable outlook) to BBB- (negative outlook) by S&P on 12 February 2009.

² Rating reflects DBNGP Finance Co. Pty Ltd.

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

2.6. Key Operating Statistics

	12 months to		12 months to		12 months to		12 months to	
	30-Jun-06	%	30-Jun-07	%	30-Jun-08	%	31-Dec-08	%
Throughput (TJ)								
Full Haul	206,249	84	217,182	78	225,002	76	229,965	83
Part Haul	26,397	11	24,703	9	33,726	11	24,892	9
Back Haul	13,849	6	35,834	13	36,382	12	23,468	8
Total	246,495	100	277,720	100	295,111	100	278,325	100

	1 month to		1 month to		1 month to		1 month to	
	30-Jun-06	%	30-Jun-07	%	30-Jun-08	%	31-Dec-08	%
Capacity (Average TJ/day)								
Full Haul	592	76	689	77	719	77	779	79
Part Haul	63	8	78	9	89	10	85	9
Back Haul	126	16	129	14	129	14	122	12
Total	780	100	896	100	938	100	986	100

	As at		As at		As at		As at	
	30-Jun-06	%	30-Jun-07	%	30-Jun-08	%	31-Dec-08	%
Line Length (Km)								
Main Line	1,539	83	1,539	75	1,539	58	1,539	58
Loop Line	24	1	217	11	813	31	813	31
Laterals	299	16	299	15	299	11	299	11
Total	1,862	100	2,055	100	2,650	100	2,650	100

Compression	As at		As at		As at		As at	
	30-Jun-06		30-Jun-07		30-Jun-08		31-Dec-08	
Sites	10		10		10		10	
Compressors	18		26		26		26	

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

3. United Energy

As at 31 December 2008, DUET owned 66.0% of United Energy and 100% of the subordinated debt.

3.1. Financial Summary

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	184	195	379	182
Total Revenue	211	221	432	208
EBITDA	124	132	256	124
EBIT	83	90	173	83
Net Profit After Tax	5	9	14	3
Total Assets	2,193	2,179	2,179	2,250
Net Assets	80	70	70	(43)
Total Capex (per Cash Flow Statement)	58	49	107	76
RAB ¹	1,281	1,293	1,293	1,321

¹ 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 Half Year ended 31 December 2008

3.2. Income Statement

The current period is the 6 months to 31 December 2008. The pcp for the Income Statement is the 6 months to 31 December 2007.

	6 months to 31 Dec 07 \$ millions	6 months to 30 Jun 08 \$ millions	12 months to 30 Jun 08 \$ millions	6 months to 31 Dec 08 \$ millions
Revenue	210.8	220.8	431.6	208.4
Revenue consists of distribution revenue, other operating revenue and other income.				
Distribution Revenue	184.2	195.2	379.4	182.5
Distribution revenue consists of Distribution Use of System ("DUoS") and Transmission Use of System ("TUoS") revenue.				
TUoS Revenue	40.3	42.1	82.5	38.0
TUoS revenue of \$38.0m decreased \$2.3m pcp due to reduced 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	143.8	153.1	297.0	144.5
<i>Residential</i>	66.0	71.7	137.7	70.5
<i>Business</i>	42.8	44.7	87.5	40.0
<i>Industrial</i>	35.1	36.7	71.8	34.0
DUoS revenue of \$144.5m increased \$0.7m pcp. The majority of the increase relates to an increase in residential volumes due to cooler weather in the winter months.				
Other Revenue	26.6	25.6	52.2	25.9
<i>Reserve Capacity Supply</i>	0.3	0.3	0.6	0.3
<i>Scheduled Meter Reading</i>	6.3	6.8	13.3	7.3
<i>New Connections Revenue</i>	1.0	0.9	1.9	1.1
<i>Customer Contributions</i>	5.2	2.9	8.1	3.3
<i>Interest Revenue</i>	1.1	0.9	2.1	0.7
<i>Miscellaneous Revenue</i>	12.7	13.7	26.2	13.1
Other revenue of \$25.9m decreased \$0.7m pcp. Scheduled meter reading increased \$1.0m pcp mainly due to an increase in the price allowance by the ESC. Customer contributions decreased \$1.9m impacted by the timing of construction work.				
Expenses from Ordinary Activities	205.9	212.1	418.0	205.7
Expenses from ordinary activities consist of operating expenses, D&A and abandonments, borrowing costs and income tax expense.				
Operating Expenses	85.2	88.2	173.5	83.4
<i>Grid Fees</i>	40.3	42.1	82.5	38.0
<i>Operating Fees</i>	40.8	40.5	81.3	40.5
<i>Other Operating Expenses</i>	4.1	5.6	9.7	4.8
Operating Expenses of \$83.4m decreased \$1.8m pcp. The primary reason for this was the \$2.3m decrease in Grid Fees charges (see TUoS Revenue above). Other Operating Expenses increased by \$0.7m pcp.				

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

3.2 Income Statement (cont'd)

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
D&A and Abandonments	41.6	41.5	83.1	41.0
<i>Depreciation</i>	34.6	35.3	69.8	36.1
<i>Amortisation</i>	5.8	5.0	10.8	4.2
<i>Abandonments</i>	1.3	1.2	2.5	0.7
D&A and abandonments expense of \$41.0m decreased \$0.6m pcp.				
Total Borrowing Costs	76.9	78.6	155.5	80.2
<i>Senior Interest</i>	42.1	43.9	86.0	45.2
<i>SOLA Interest</i>	9.4	8.7	18.1	8.2
<i>RPS Interest</i>	24.1	23.8	47.9	24.1
<i>Shareholder Loan Interest</i>	1.1	1.2	2.3	1.5
<i>Interest Rate Hedge – Fair Value Movements</i>	(1.0)	(0.6)	(1.5)	(0.2)
<i>Amortisation & Other Financing Costs</i>	1.1	1.6	2.8	1.4
Total borrowing costs of \$80.2m increased \$3.3m pcp. This was mostly attributable to a \$3.1m increase in senior interest expense due to increased borrowings and higher interest rates on unhedged debt. SOLA interest expense decreased by \$1.2m due to lower SOLA rates during the period. Shareholder loan interest increased by \$0.4m due to drawings on the shareholder loan during the current period.				
Income Tax Expense	2.1	3.8	5.9	1.1
Net Profit After Tax	4.9	8.8	13.7	2.7
NPAT of \$2.7m decreased \$2.2m pcp primarily due to higher borrowing costs as described above.				

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

3.3. Cash Flow Statement

The 6 months to 31 December 2007 is the pcp for the Cash Flow Statement.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities				
Net Cash from Operating Activities	81.1	171.8	252.9	119.5
<i>Cash Receipts</i>	170.6	298.6	469.2	199.1
<i>Cash Payments to Suppliers and Employees (including GST)</i>	(89.5)	(125.3)	(214.8)	(79.3)
<i>Income Tax Payment / Refund</i>	0.0	(1.5)	(1.5)	(0.3)

Cash flows from operating activities of \$119.5m increased \$38.4m pcp. This was mostly attributable to an increase in cash receipts of \$28.5m due to timing of receipts from customers and a decrease in cash payments to suppliers of \$10.2m.

Cash Flows from Investing Activities				
Net Cash from Investing Activities	(58.1)	(48.5)	(106.5)	(76.2)
<i>Purchase of PP&E and Intangibles</i>	(58.1)	(48.6)	(106.7)	(76.4)
<i>Proceeds from Sale of PP&E</i>	0.1	0.1	0.2	0.2

Cash flows applied to investing activities of \$76.2m decreased \$18.1m pcp. Payments for PP&E increased \$12.7m pcp and payments for intangibles increased \$5.6m pcp due to capital expenditure and software purchases for the AIMRO project.

Cash Flows from Financing Activities				
Net Cash from Financing Activities	(60.0)	(107.3)	(167.3)	(64.0)
<i>Movement in Borrowings</i>	44.4	(10.0)	34.4	30.0
<i>Interest Paid - Senior</i>	(41.5)	(41.0)	(82.5)	(46.2)
<i>Interest Paid - SOLA</i>	(9.4)	(8.8)	(18.1)	(9.2)
<i>Interest Paid - RPS</i>	(24.1)	(23.8)	(47.9)	(24.0)
<i>Interest Paid - Shareholder Loans</i>	(0.9)	(1.2)	(2.1)	(1.4)
<i>Distributions</i>	(28.5)	(22.5)	(51.0)	(10.0)
<i>AIMRO Debt Facility Cost</i>	0.0	0.0	0.0	(3.2)

Cash flows applied to financing activities of \$64.0m decreased \$4.0m pcp. Movement in borrowings of \$30.0m during the period included drawdowns on the Capital Expenditure Facility and a \$10m drawdown on the Shareholder Loan.

Senior Interest Paid increased \$4.7m pcp. This was primarily due to increased borrowings and higher interest rates on unhedged debt. Shareholder loan interest paid increased by \$0.5m due to drawings on the Shareholder Loan during the period.

During the period \$3.2m of borrowing costs were paid in relation to the AIMRO Debt Facility.

Net Cash Movement	(37.0)	16.1	(20.9)	(20.7)
Opening Cash	52.5	15.5	52.5	31.6
Closing Cash	15.5	31.6	31.6	10.9

Major Capex Projects	58.9	51.0	109.9	84.6
<i>Asset Replacement</i>	16.4	12.3	28.7	20.9
<i>Customer Initiated</i>	16.6	17.5	34.1	22.7
<i>Demand Capital</i>	14.7	7.4	22.1	13.1
<i>Other</i>	11.2	13.8	25.1	27.9

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

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

3.4. Balance Sheet

30 June 2008 is the pcp for the Balance Sheet.

	31 Dec 07	30 Jun 08	31 Dec 08
	\$ millions	\$ millions	\$ millions
Current Assets	103.4	75.3	62.6
Cash	15.5	31.6	10.9
Accounts Receivable	48.2	39.6	48.8
Other Assets (includes Inventory and Tax Assets)	39.7	4.2	2.9

Current Assets of \$62.6m decreased by \$12.7m pcp. Cash on hand decreased by \$20.7m, primarily due to repayments of the working capital facility and higher capital expenditure during the period. Accounts receivable of \$48.8 increased by \$9.2m pcp, primarily due to higher Accrued Revenue in the summer period. For 31 December 2008 Accounts Receivable includes Accrued Revenue (which was shown in Other Assets at 31 December 2007).

Non-Current Assets	2,089.5	2,103.7	2,187.3
Plant, Property & Equipment	1,247.8	1,252.5	1,280.6
Deferred Tax Asset	11.3	11.0	34.4
Intangibles	761.5	766.3	781.7
Other (includes receivables)	68.9	73.9	90.7

Non-Current Assets increased by \$83.6m pcp. PP&E and intangibles increased by \$43.5m pcp, primarily due to AIMRO capital expenditure and information systems. The Deferred Tax Asset of \$34.4m increased \$23.4m, due to the change in valuation of cash flow hedges. Other receivables of \$90.7m increased \$16.8m pcp. The \$90.7m balance mainly represents the current MTM of the cross currency hedges for the US\$ denominated debt (a \$254.7m fair value MTM movement from a non-current liability of \$164.7m pcp). The MTM movement is the result of changes in the AUD/USD exchange rate and forecast interest rates.

Current Liabilities	78.4	94.6	79.4
Payables	64.5	69.0	78.8
Interest Bearing Liabilities	11.0	25.0	0.0
Current Tax Liabilities	0.2	0.0	0.0
Provisions	2.6	0.6	0.6

Current Liabilities of \$79.4m decreased by \$15.2m pcp. Interest Bearing Liabilities decreased by \$25m reflecting no outstanding drawings under the working capital facility at 31 December 2008. Payables increased by \$9.8m due to an increase customer contribution works and the timing of creditor payments.

Non-Current Liabilities	2,034.1	2,014.4	2,213.2
Interest Bearing Liabilities	1,237.9	1,172.0	1,463.5
SOLA Debt	183.7	183.7	183.7
Shareholder Loans	20.0	20.0	30.0
Redeemable Preference Shares	354.1	354.1	354.1
Deferred Taxation Liabilities	117.3	121.8	100.5
Other Liabilities	121.1	162.8	81.3

Non-Current Liabilities increased \$198.8m pcp. Interest Bearing Liabilities increased \$291.5m pcp mainly as a result of the \$254.7m MTM movement in the fair value of US\$ denominated debt. UED also drew down on capex facilities during the period. Deferred Tax Liabilities of \$100.5m decreased \$21.3m, due to the change in valuation of cash flow hedges. Other Liabilities of \$81.3m decreased by \$81.5m pcp. The \$81.3m balance is primarily composed of the fair value MTM of interest rate hedges. The prior balance of \$162.8m was mainly composed of the fair value MTM of the cross currency hedges on the US\$ denominated debt, which moved to an asset position in the current period.

Net Assets	80.4	70.0	(42.7)
Equity	80.4	70.0	(42.7)
Contributed Equity	3.6	3.6	3.6
Reserves	45.0	48.4	(57.0)
Retained Profits / (Loss)	31.8	18.1	10.7

Equity decreased by \$112.7m pcp, primarily due to a \$105.4m decrease in reserves from the fair value MTM valuation on effective hedges.

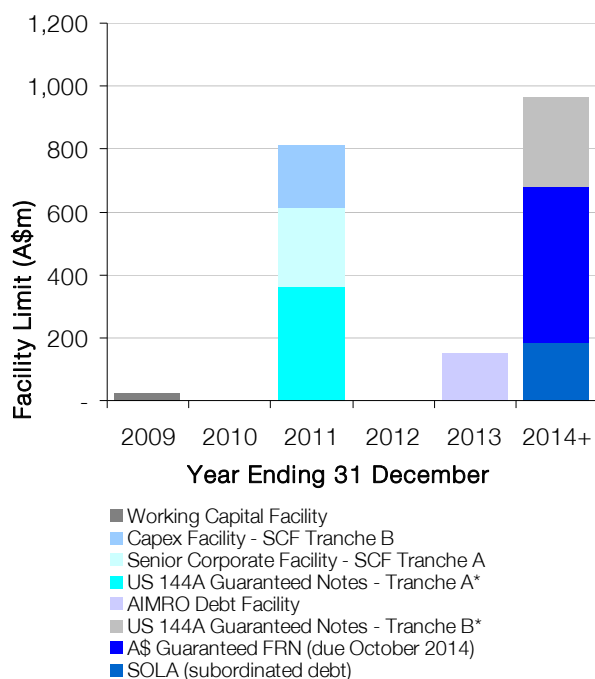
Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

3.5. Treasury Summary

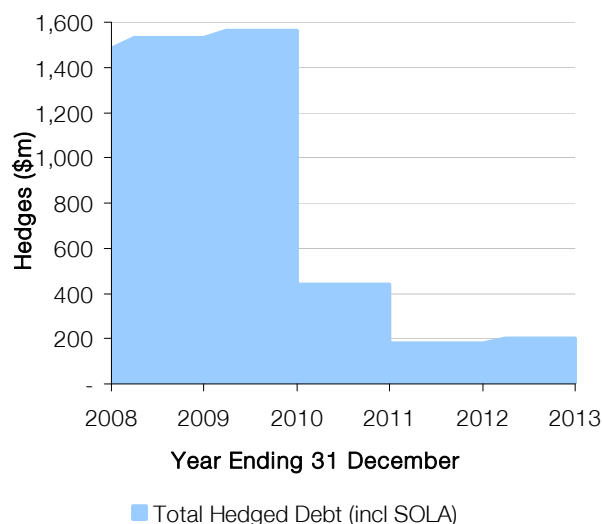
United Energy's debt maturity and hedging profiles at 31 December 2008 were as follows:

Debt Maturity Profile



*The US\$ denominated debt has been shown at the hedged US\$ rate.

Hedging Profile



As at 31 December 2008, the senior debt interest rate exposure was 93.7% 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 regulatory reset is 1 January 2011.

At 31 December 2008, United Energy had \$380 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 (Stable outlook)
Moody's: Baa1

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

3.6. Key Operating Statistics

	As at 31 Dec 07		As at 30 Jun 08		As at 31 Dec 08	
		%		%		%
Connections						
Small (residential and unmetered)	560,919	91	562,374	91	565,787	91
Medium Size Business	54,728	9	55,270	9	55,537	9
Commercial and Industrial	2,567	0	2,672	0	2,814	0
Total	618,214	100	620,316	100	624,138	100

	12 months to 31 Dec 07		12 months to 30 Jun 08		12 months to 31 Dec 08	
		%		%		%
Electricity load (GWh)						
Small Tariff	3,018	38	3,011	38	3,096	39
Medium Tariff	1,575	20	1,590	20	1,575	20
Large Tariff	3,380	42	3,324	42	3,225	41
Total Electricity Load (GWh)	7,973	100	7,925	100	7,896	100

	As at 31 Dec 07	As at 30 Jun 08	As at 31 Dec 08
Distribution Network Statistics			
Overhead (km)	10,077	10,060	10,275
Underground (km)	2,334	2,345	2,396
% Underground	18.8%	18.9%	18.91%

	12 months to 31 Dec 07	12 months to 30 Jun 08	12 months to 31 Dec 08
Distribution Network Statistics			
Maximum Demand (MW)	1,735	1,893	1,893
System average interruption frequency index (SAIFI) ¹	1.0	1.1	1.0
Momentary average interruption frequency index (MAIFI) ²	1.1	1.1	1.2
System average interruption duration index (SAIDI) ³	85	86	83

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 Half Year ended 31 December 2008

4. Multinet

As at 31 December 2008, DUET owned 79.9% of Multinet and 100% of the subordinated debt.

4.1. Financial Summary

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	86	72	158	92
Total Revenue	95	76	171	97
EBITDA	71	51	122	77
EBIT	52	33	85	61
Net Profit After Tax	19	(5)	14	(14)
Total Assets	1,301	1,337	1,337	1,317
Net Assets	193	193	193	91
Total Capex (per Cash Flow Statement)	33	26	59	16
RAB ¹	889	938 ²	938 ²	932

¹ 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.

² The RAB at 30 June 2008 has been restated based on updated management calculations.

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

4.2. Income Statement

The current period is the 6 months to 31 December 2008. The pcp for the Income Statement is the 6 months to 31 December 2007.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	95.0	76.2	171.2	96.7
Revenue consists of distribution revenue and other revenue.				
Distribution Revenue	85.7	72.5	158.2	91.8
<i>Tariff V (Variable)</i>	70.7	57.5	128.2	73.0
<i>Fixed Charges</i>	14.1	14.1	28.3	17.9
<i>Tariff D</i>	0.9	0.8	1.7	0.8
Distribution Revenue of \$91.8m increased \$6.1m pcp. This was primarily due to increased residential consumption due to increased volume from colder weather and new customer growth from the Yarra Valley.				
Other Revenue	9.3	3.7	13.0	5.0
<i>FRC</i>	5.6	0.5	6.0	0.0
<i>Interest Revenue</i>	0.7	0.5	1.1	0.8
<i>Miscellaneous</i>	3.1	2.8	5.9	4.2
Other Revenue of \$5.0m decreased \$4.3m pcp. This was primarily due to a \$5.6m decrease in FRC revenue, which is included within Distribution Revenue from 1 January 2008, following the 2008 Regulatory Reset.				
Expenses from Ordinary Activities	76.0	81.1	157.1	110.7
Expenses from ordinary activities consist of operating expenses, depreciation, amortisation, abandonments, borrowing costs and income tax expense.				
Operating Expenses	23.3	25.2	48.5	18.9
<i>Operating Fees</i>	19.6	19.9	39.5	19.9
<i>Other Operating Expenses</i>	3.6	5.3	8.9	(1.0)
Operating expenses of \$18.9m decreased \$4.4m pcp. Other Operating expenses decreased by \$4.6m largely due to \$4.4m of unrealised MTM gains on revenue (CPI) hedges.				
D&A and Abandonments	19.4	17.2	36.6	16.2
<i>Depreciation</i>	14.2	14.3	28.5	14.5
<i>Amortisation</i>	1.4	1.2	2.7	0.7
<i>Abandonments</i>	3.8	1.7	5.5	1.0
D&A and abandonment expenses of \$16.2m decreased \$3.2m pcp. This decrease primarily related to a \$2.8m decrease in abandonments due to lower retirement of mains and services.				
Total Borrowing Costs	33.3	38.7	72.0	75.6
<i>Senior Interest</i>	25.0	34.9	59.9	35.3
<i>SOLA Interest</i>	7.3	6.3	13.5	7.0
<i>Interest Rate Hedge – Fair Value Movements</i>	0.2	(3.4)	(3.3)	32.3
<i>Amortisation & Other Financing Costs</i>	0.9	0.9	1.8	0.9
Total Borrowing Costs of \$75.6m increased \$42.3m pcp. Senior Interest expense increased \$10.3m due to new interest hedges entered into for the Regulatory period for the five years from 1 January 2008 being higher than hedges for the previous period, which ended 31 December 2007. SOLA interest expense decreased by \$0.3m due to lower SOLA rates during the period. A MTM movement of \$32.3m on ineffective hedges for the period increased \$32.1m from the pcp. This movement was primarily caused by the decrease in the RBA cash rate from December 2007.				
Income Tax Expense	0.0	0.0	0.0	0.0
No income tax expense was incurred in the current period.				
Net Profit After Tax	19.0	(4.9)	14.1	(14.0)
NPAT decreased \$33.0m pcp primarily due to the increase in borrowing costs as described above.				

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

4.3. Cash Flow Statement

The current period is the 6 months to 31 December 2008. The pcp for the Cash Flow Statement is the 6 months to 31 December 2007.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	89.3	43.0	132.4	88.7
<i>Cash Receipts</i>	120.1	69.6	189.7	118.2
<i>Cash Payments</i>	(30.8)	(26.5)	(57.3)	(29.5)

Cash Flows from Operating Activities of \$88.7m decreased \$0.6m pcp.

Cash Flows from Investing Activities	(33.0)	(12.8)	(45.8)	(15.8)
<i>Purchase of PP&E</i>	(33.0)	(26.1)	(59.1)	(15.8)
<i>Proceeds from Sale of PP&E</i>	0.0	(0.0)	0.0	0.0
<i>Proceeds from Government Grant</i>	0.0	13.3	13.3	0.0

Cash Flows applied to investing activities of \$15.8m increased \$17.2m pcp due to a decrease in the Purchase of PP&E. This decrease relates primarily to a decrease in Pipeworks spending of \$10m, a decrease in Yarra Valley spending of \$2m and a decrease in Other Capex of \$5m.

Cash Flows from Financing Activities	(55.0)	(17.8)	(72.8)	(76.5)
<i>Movement in Borrowings</i>	(15.5)	22.0	6.5	(11.0)
<i>Senior Borrowing Costs</i>	(16.3)	(33.7)	(50.0)	(33.7)
<i>SOLA Borrowing Costs</i>	(7.2)	(6.1)	(13.3)	(7.8)
<i>Distributions</i>	(16.0)	0.0	(16.0)	(23.9)

Cash Flows applied to financing activities of \$76.5m decreased \$21.5m pcp. This was primarily due to an increase in Senior Borrowing Costs of \$17.4m. Senior Borrowing Costs increased due to a change in the timing of interest payments from a debt refinancing in June 2007 and higher interest costs on the new interest rate hedges started on 1 January 2008.

Net Cash Movement	1.3	12.4	13.7	(3.6)
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Opening Cash	14.2	15.5	14.2	27.9
Closing Cash	15.5	27.9	27.9	24.3

Major Capex Projects	34.0	32.1	53.9	16.5
<i>Pipeworks Replacement</i>	13.9	3.0	16.9	2.2
<i>Customer Initiated</i>	4.7	5.1	9.8	6.2
<i>Demand Capital</i>	1.4	2.1	3.5	1.8
<i>Yarra Valley</i>	0.1	0.0	0.1	0.0
<i>South Gippsland</i>	12.0	19.9	16.4	4.9
<i>Eastlink</i>	0.2	0.0	0.2	0.0
<i>Other</i>	1.7	2.0	7.0	1.4

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

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

4.4. Balance Sheet

30 June 2008 is the pcp for the Balance Sheet.

	31 Dec 07	30 Jun 08	31 Dec 08
	\$ millions	\$ millions	\$ millions
Current Assets	39.5	67.9	45.1
<i>Cash</i>	15.5	27.9	24.3
<i>Accounts Receivable</i>	23.1	39.5	19.7
<i>Other Assets</i>	0.9	0.5	1.1
Current assets of \$45.1m decreased \$22.8m pcp reflective of seasonality.			
Non-Current Assets	1,261.9	1,268.8	1,271.4
<i>Plant, Property & Equipment</i>	774.5	778.0	778.8
<i>Intangibles</i>	487.3	486.5	486.1
<i>Other</i>	0.0	4.2	6.5
Non-current assets increased \$2.6m pcp mainly due to \$2.3m of unrealised MTM movements of hedges.			
Current Liabilities	39.5	42.9	179.4
<i>Payables</i>	39.5	40.9	37.5
<i>Interest Bearing Liabilities</i>	0.0	2.0	141.9
Current Liabilities increased \$136.5m pcp, reflecting the current maturity of the \$135m medium term note, which matures on 29 July 2009.			
Non-Current liabilities	1,068.5	1,101.0	1,046.1
<i>Interest Bearing Liabilities</i>	834.1	855.7	721.9
<i>SOLA Debt</i>	141.2	141.2	141.2
<i>Deferred Tax Liabilities</i>	83.1	84.9	57.6
<i>Other Liabilities</i>	10.1	19.2	125.4
Non-current liabilities decreased \$54.9m pcp. Interest Bearing liabilities decreased \$133.8m, primarily due to the current liability of the \$135m medium term note, which matures on 29 July 2009. Deferred Tax Liabilities of \$57.6m decreased \$27.3m pcp due to the change in valuation of interest rate hedges. Other liabilities increased by \$106.2m pcp, primarily due to a \$106.3m increase in the unrealised MTM of interest rate hedges.			
Net Assets	193.4	192.7	91.0
Equity	193.4	192.7	91.0
<i>Contributed Equity</i>	225.8	225.8	225.8
<i>Reserves</i>	2.1	6.4	(57.4)
<i>Retained Profits / (Loss)</i>	(34.6)	(39.5)	(77.4)
Equity decreased \$101.7m pcp reflecting the increase in retained losses and hedge reserves. Hedge Reserves decreased \$51m, due to the decrease in the fair value MTM valuation on effective hedges.			

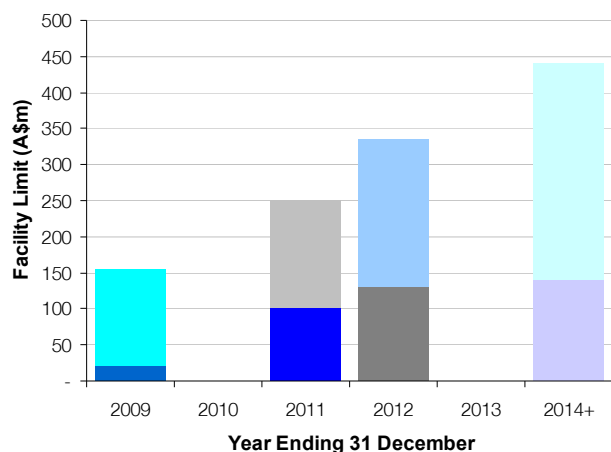
Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

4.5. Treasury Summary

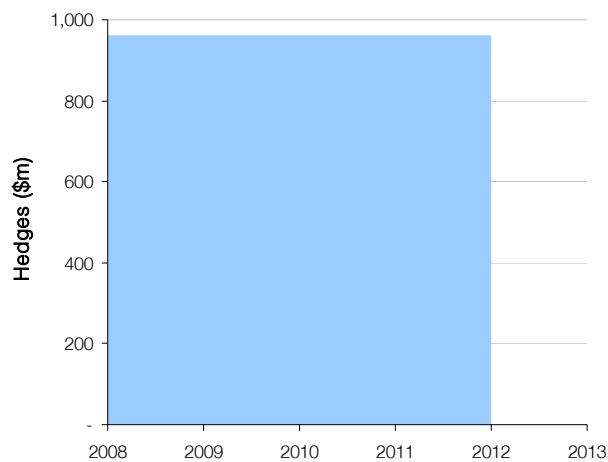
Multinet's debt maturity and hedging profiles at 31 December 2008 were as follows:

Debt Maturity Profile



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

Hedging Profile



Year Ending 31 December

■ Total Hedged Debt (incl SOLA)

As at 31 December 2008, senior debt interest exposure was 94.7% 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 regulatory reset is 1 January 2013.

At 31 December 2008, Multinet had \$174.5 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- (Stable outlook)
Moody's: Baa2

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

4.6. Key Operating Statistics

	As at 31 Dec 07		As at 30 Jun 08		As at 31 Dec 08	
		%		%		%
Distribution Network Profile – User Connections						
Tariff V Residential	635,148	97	637,314	97	640,187	97
Tariff V Business	16,693	3	16,651	3	16,614	3
Tariff D	266	0	264	0	262	0
Total	652,107	100	654,229	100	657,063	100

	12 months to 31 Dec 07		12 months to 30 Jun 08		12 months to 31 Dec 08	
		%		%		%
Usage - Gas Volumes – (TJ)						
Tariff V	41,928	74	44,137	76	46,019	79
Tariff D	14,950	26	14,242	24	12,576	21
Total	56,878	100	58,379	100	58,595	100

	12 months to 31 Dec 07	12 months to 30 Jun 08	12 months to 31 Dec 08
Distribution Network Statistics			
Priority Emergency Response	97.5%	97.0%	97.2%
Number of Unplanned Outages (> 5 consumers)	21	11	16
Publicly Reported Gas Leaks (per 1,000 consumers)	17	18	18

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

5. WA Gas Networks

As at 31 December 2008, DUET owned 25.9% of WA Gas Networks and 100% of the subordinated debt.

5.1. Financial Summary

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	68	58	126	70
Total Revenue	72	61	133	73
EBITDA	51	41	92	52
EBIT	40	29	69	39
Net Profit After Tax	13	5	18	12
Total Assets	892	902	902	894
Net Assets	100	105	105	82
Total Capex (per Cash Flow Statement)	25	13	39	23

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

5.2. Income Statement

The current period is the 6 months to 31 December 2008. The pcp for the Income Statement is the 6 months to 31 December 2007.

	6 months to 31 Dec 07 \$ millions	6 months to 30 June 08 \$ millions	12 months to 30 June 08 \$ millions	6 months to 31 Dec 08 \$ millions
Revenue	71.8	61.2	133.0	73.1
<i>Distribution Revenue</i>	68.1	58.2	126.3	69.6
<i>Other Revenue</i>	3.7	3.0	6.7	3.6
Distribution Revenue of \$69.6m increased \$1.5m pcp.				
Expenses from Ordinary Activities	58.6	56.3	114.9	61.2
Expenses from Ordinary Activities consist of Operating Expenses, D&A, Borrowing Costs and Income Tax Expense.				
Operating Expenses	20.6	20.1	40.6	21.6
<i>Cost of Goods Sold</i>	2.7	1.8	4.5	2.5
<i>Other Operating Expenses</i>	17.9	18.2	36.1	19.1
Operating Expenses of \$21.6m increased \$1.0m pcp.				
D&A	11.4	11.6	23.0	12.0
<i>Depreciation</i>	11.0	11.2	22.2	11.5
<i>Amortisation</i>	0.4	0.4	0.9	0.6
Depreciation and Amortisation of \$12.0m increased \$0.6m pcp.				
Borrowing Costs	21.0	22.4	43.4	22.5
<i>Senior Interest</i>	16.9	18.0	34.9	18.5
<i>SOLA Interest</i>	4.1	4.5	8.6	4.0
Borrowing Costs of \$22.5m increased \$1.5m pcp.				
Income Tax Expense	5.7	2.1	7.8	5.1
Income Tax Expense of \$5.1m decreased \$0.6m pcp.				
Net Profit After Tax	13.2	4.9	18.1	11.9
Net Profit After Tax of \$11.9m decreased \$1.3m pcp.				

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

5.3. Cash Flow Statement

The current period is the 6 months to 31 December 2008. The pcp for the Cash Flow Statement is the 6 months to 31 December 2007.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	37.2	35.9	73.1	49.8
<i>Cash Receipts and Payments</i>	42.8	39.6	82.4	55.0
<i>Interest Received</i>	0.8	-	0.8	-
<i>Tax Paid</i>	(6.4)	(3.7)	(10.2)	(5.2)
Cash Flows from Operating Activities of \$49.8m increased \$12.6m pcp. This is offset by a corresponding decrease in Receivables and increase in Payables.				
Cash Flows from Investing Activities	(25.3)	(13.5)	(38.8)	(22.8)
<i>Purchase of PP&E</i>	(25.3)	(13.5)	(38.8)	(22.8)
Cash Flows from Investing Activities of \$22.8m reflects ongoing growth capex.				
Cash Flows from Financing Activities	(12.1)	(19.9)	(32.1)	(32.4)
<i>Movement in Borrowings</i>	22.5	2.3	24.8	13.0
<i>Dividends Paid</i>	(18.4)	-	(18.4)	(19.9)
<i>Interest Received</i>	-	0.2	0.2	0.3
<i>Interest Paid</i>	(16.2)	(22.5)	(38.7)	(25.7)
<i>Other</i>	(0.0)	0.1	-	-
Cash Flows from Financing Activities of \$32.4m decreased \$20.3m pcp. This movement reflects the repayment and redraw of facilities resulting from the refinancing of loans during the period. Interest Paid includes SOLA interest.				
Net Cash Movement	(0.3)	2.6	2.4	(5.4)
Opening Cash	8.2	7.9	8.2	10.6
Closing Cash	7.9	10.6	10.6	5.2
Major Capex Projects	20.3	17.7	38.0	19.1
<i>Asset Replacement</i>	3.0	1.9	4.9	4.3
<i>Customer Initiated</i>	11.0	14.1	25.1	12.4
<i>Demand Capital</i>	5.8	1.6	7.4	2.2
<i>Other</i>	0.6	0.1	0.7	0.2
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 Half Year ended 31 December 2008

5.4. Balance Sheet

31 December 2007 is the pcp for the Balance Sheet.

	31-Dec-07	30-Jun-08	31-Dec-08
	\$ millions	\$ millions	\$ millions
Current Assets	41.7	47.8	30.8
<i>Cash</i>	7.9	10.6	5.2
<i>Accounts Receivable</i>	34.1	37.5	23.3
<i>Other Current Assets (including Inventories and Tax Assets)</i>	(0.3)	(0.3)	2.4
Current Assets of \$30.9m decreased by \$10.9m pcp. This is largely due to a fall in Receivables and is offset by Cash Receipts and Payments.			
Non-Current Assets	850.7	854.6	862.7
<i>Plant, Property and Equipment</i>	608.1	614.0	623.4
<i>Deferred Tax Asset</i>	24.2	22.6	20.6
<i>Intangibles</i>	213.6	213.6	213.6
<i>Other</i>	4.8	4.3	5.1
Non-Current Assets of \$862.7m increased by \$12.0m pcp, driven by continued growth capex.			
Current Liabilities	26.7	151.8	34.7
<i>Payables</i>	13.5	13.1	22.8
<i>Interest Bearing Liabilities</i>	9.0	129.3	3.0
<i>Current Tax Liabilities</i>	1.7	0.5	0.5
<i>Provisions and Other Liabilities</i>	2.5	8.9	8.4
Current Liabilities of \$34.7 increased \$8.0m pcp, driven largely by an increase in Payables in the current period.			
Non-Current Liabilities	765.6	645.6	776.5
<i>Interest Bearing Liabilities</i>	568.0	450.0	589.3
<i>SOLA Debt</i>	79.8	79.8	79.8
<i>Deferred Tax Liabilities</i>	117.8	115.8	107.4
Non-Current Liabilities increased by \$10.9m pcp, reflecting an increase in Interest Bearing Liabilities, partially offset by a decrease in the Deferred Tax Liabilities.			
Net Assets	100.1	105.0	82.3
Equity	100.1	105.0	82.3
<i>Contributed Equity</i>	169.6	169.6	169.6
<i>Reserves</i>	8.8	8.7	(5.9)
<i>Retained Earnings</i>	(78.3)	(73.4)	(81.4)
Equity was \$82.3m at the end of the period.			

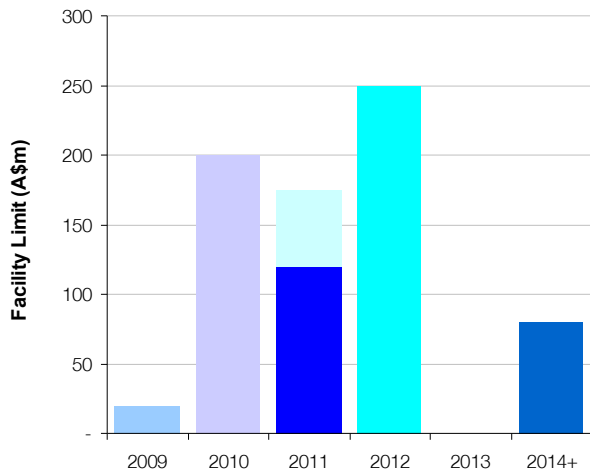
Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

5.5. Treasury Summary

WA Gas Networks' debt maturity and hedging profiles at 31 December 2008 were as follows:

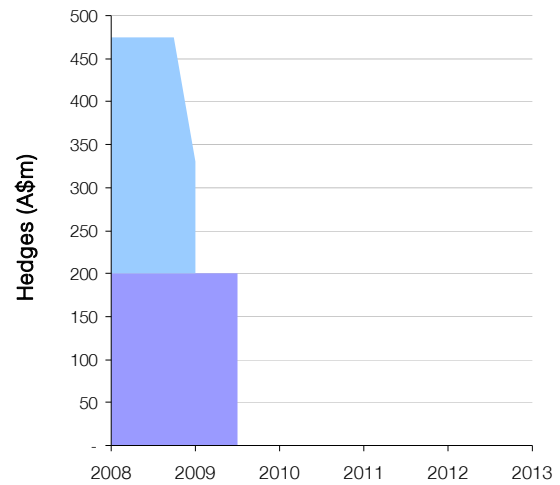
Debt Maturity Profile



Year Ending 31 December

- Senior - Working Capital
- Credit Wrapped Medium Term Notes (Fixed)
- Senior - Capex Facility
- Senior - Term Loan
- Credit Wrapped Medium Term Notes (Floating)
- SOLA (subordinated debt)

Hedging Profile



Year Ending 31 December

- Interest Rate Hedges
- Fixed Rate Debt

As at 31 December 2008, senior debt interest exposure was 80.6% hedged against total senior debt outstanding balance (excluding short term facilities).

At 31 December 2008, WA Gas Networks had \$52.7 million in un-drawn funding capacity.

WA Gas Networks 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)
 Moody's: Baa2

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

5.6. Key Operating Statistics

	12 months to 31 Dec 07		12 months to 30 Jun 08		12 months to 31 Dec 08	
		%		%		%
Usage (TJ)						
Tariff A	17,714	57	16,116	52	14,346	51
Tariff B	13,000	42	13,156	42	13,449	48
Kalgoorlie	163	1	175	1	180	1
Albany	130	0	133	0	135	0
Total Distribution Volumes	31,007	100	29,580	95	28,109	100

	As at 31 Dec 07	As at 30 Jun 08	As at 31 Dec 08
Number of Connections	585,254	593,771	602,821

	As at 31 Dec 07	As at 30 Jun 08	As at 31 Dec 08
Performance Indicators			
SAIFI (Per 1000)	4.67	3.34	1.84
Priority Emergency Response	100%	100%	100%

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

6. Duquesne

As at 31 December 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 and accordingly are not AIFRS compliant. Duquesne's financial year end is 31 December.

6.1. Financial Summary

	6 months to 30 Jun 08	6 months to 31 Dec 08	12 months to 31 Dec 08
	\$US millions	\$US millions	\$US millions
Total Revenue ¹	600.8	575.1	1,175.9
EBITDA	347.0	(63.5)	283.5
EBIT	299.9	(108.6)	191.3
Net Profit After Tax	87.8	(211.6)	(123.8)
Total Assets	3,979.3	3,958.2	3,958.2
Net Assets	389.4	148.7	148.7

¹ Before limited partners' interest and discontinued operations.

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

6.2. Income Statement

The current period presented for Duquesne is the 6 months to 31 December 2008. The pcp for the Income Statement is the 6 months to 30 June 2008.

	6 months to 30 Jun 08	6 months to 31 Dec 08	12 months to 31 Dec 08
	\$US millions	\$US millions	\$US millions
Revenue	600.8	575.1	1,175.9
<i>Retail Sales of Electricity</i>	519.0	527.2	1,046.2
<i>Other</i>	53.2	49.8	103.0
<i>Investment and Other Income / (Loss)</i>	28.6	(1.9)	26.7
Revenues from Retail Sales of Electricity are from electricity distribution, transmission and supply. Other Revenue is associated with non-regulated activities including the generation, communications and energy facility businesses. Included in Investment and Other Income / (Loss) for the current period is the loss attributable to Duquesne's affordable housing investments, whereas the pcp contained a one off gain from the unwinding of some structured lease investments.			
Expenses	253.8	638.6	892.4
<i>Fuel and Purchased Power</i>	245.5	286.8	532.3
<i>Mark-to-Market Value of Derivative Energy Contracts</i>	(125.4)	247.8	122.4
<i>Other Operating and Maintenance</i>	98.0	70.1	168.1
<i>Taxes other than Income Taxes</i>	35.7	33.8	69.5
Expenses of \$638.6m increased \$384.8m pcp. The movement was predominantly caused by a \$373.2m MTM movement of derivative energy contracts as a result of declining energy prices, and a \$41.3m increase in the Fuel and Purchased Power expenses as a result of higher sales volume. The increase is partially offset by decreases in Other Operating and Maintenance Expenses due to a reclassification of customer assistance program write-offs as a direct reduction to Retail Sales of Electricity Revenue for the current period and actuarially determined adjustments in the current period relating to environmental and health care legacy liabilities and other post retirement benefits.			
EBITDA	347.0	(63.5)	283.5
Depreciation and Amortisation	47.1	45.2	92.3
Borrowing Costs	107.6	218.5	326.1
<i>Senior Interest</i>	57.6	61.6	119.2
<i>Shareholder Loan Interest</i>	45.7	46.2	91.9
<i>Amortisation of Capitalised Borrowing Costs</i>	5.4	3.2	8.6
<i>Mark-to-Market Value of Interest Rate Hedges</i>	(1.2)	107.6	106.4
Borrowing Costs of \$218.5m increased \$110.9m pcp. This movement was predominantly caused by decreases in the MTM of interest rate hedges as a result of declines in US interest rates.			
Income Tax Expense	108.3	(111.3)	(3.0)
The income tax credit of \$111.3m is due to the pre-tax net loss of \$327.1m for the current period.			
Other	3.8	4.2	8.0
<i>Benefit from Limited Partners' Interest</i>	4.1	4.1	8.2
<i>Profit / (Loss) from Discontinued Operations – Net</i>	(0.3)	0.1	(0.2)
Net Profit After Tax	87.8	(211.6)	(123.8)

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

6.3. Cash Flow Statement

The current period presented for Duquesne is the 6 months to 31 December 2008. The pcp for the Cash Flow Statement is the 6 months to 30 June 2008.

	6 months to 30 Jun 08	6 months to 31 Dec 08	12 months to 31 Dec 08
	\$US millions	\$US millions	\$US millions
Cash Flows from Operating Activities	154.0	189.2	343.2
<i>Cash Receipts</i>	594.4	636.5	1,231.0
<i>Cash Payments to Suppliers</i>	(424.1)	(407.3)	(831.4)
<i>Income Tax Payment / Refund</i>	(16.3)	(40.0)	(56.3)
Cash Flows from Operating Activities were \$189.2m.			
Cash Flows from Investing Activities	11.0	(90.2)	(79.2)
<i>Purchase of PP&E</i>	(61.8)	(86.1)	(148.0)
<i>Proceeds from Sale of Investments</i>	71.4	-	71.4
<i>Other</i>	1.4	(4.0)	(2.6)
Purchase of PP&E increased \$24.3m pcp due to an increase in maintenance and growth transmission expenditures.			
Cash Flows from Financing Activities	(92.7)	(137.7)	(230.4)
<i>Movement in Borrowings</i>	50.9	7.8	58.7
<i>Senior Borrowing Costs</i>	(59.1)	(67.3)	(126.4)
<i>Shareholder Loan Interest</i>	(45.7)	(47.0)	(92.7)
<i>Consortium Dividends</i>	(35.7)	(28.2)	(63.8)
<i>Preferred Stock Dividends</i>	(3.1)	(3.1)	(6.2)
Cash Flows from Financing Activities decreased \$45.0m pcp due to a reduction in Movement in Borrowings and an increase in senior borrowing costs.			
Net Cash Movement	72.3	(38.7)	33.6
<i>Opening Cash</i>	38.6	110.9	38.6
<i>Closing Cash</i>	110.9	72.3	72.3
Capital Expenditure	61.1	97.0	158.1
<i>Growth Capex</i>	19.4	37.5	56.9
<i>Maintenance Capex</i>	36.7	52.0	88.7
<i>Other Capex</i>	5.0	7.5	12.5
Capital expenditure increased \$35.9m pcp due to the timing of capital projects.			

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

6.4. Balance Sheet

The current period presented for Duquesne is as at 31 December 2008. The pcp for the Balance Sheet is the 6 months to 30 June 2008.

	30 Jun 08	31 Dec 08
	\$US millions	\$US millions
Current Assets	450.8	302.0
<i>Cash and Cash Equivalents</i>	110.9	72.3
<i>Receivables</i>	151.4	144.8
<i>Deferred Tax Assets</i>	-	47.7
<i>Derivative Financial Instruments</i>	137.5	8.6
<i>Other</i>	51.0	28.6
Current Assets decreased \$148.8m pcp as a result of decreases in Derivative Financial Instruments, Cash and Cash Equivalents, Receivables and Other, partially offset by an increase in Deferred Tax Assets as a result of decline in the MTM of derivative energy contracts and interest rate swaps. Derivative Financial Instruments decreased \$128.9m as a result of a decline on the MTM of derivative energy contracts.		
Non-Current Assets	3,528.5	3,656.2
<i>Long-Term Investments</i>	20.0	17.1
<i>Net Property, Plant and Equipment</i>	1,982.9	2,038.0
<i>Regulatory Assets</i>	309.1	508.1
<i>Goodwill</i>	1,018.9	1,017.8
<i>Derivative Financial Instruments</i>	58.3	5.4
<i>Pension Assets</i>	60.9	-
<i>Other</i>	78.5	69.9
Non-Current Assets increased \$127.7m pcp mainly due to an increase in Regulatory Assets, which was up \$199.0m due to an actuarial loss on Duquesne's defined benefit pension plan which is included in the regulatory asset balance. This is partially offset by a decrease in Pension Assets and Derivative Financial Instruments as a result of a decline in the MTM of derivative energy contracts.		
Current Liabilities	414.2	286.8
<i>Short Term Debt and Current Maturities</i>	127.2	0.2
<i>Accounts Payable</i>	104.9	92.3
<i>Deferred Income Tax-Net</i>	66.7	-
<i>Derivative Instruments</i>	17.0	82.4
<i>Other Current Liabilities</i>	98.5	111.9
Current Liabilities decreased \$127.4m pcp predominantly due to a decrease in Short Term Debt and Current Maturities, which fell \$127.0m due to the repayment of \$66.0m of long term debt and the reclassification of revolver borrowings to Long Term Debt in the current period. This is partially offset by an increase in Derivative Instruments as a result of a decline in the MTM of derivative energy contracts and interest rate swaps.		
Non-Current Liabilities	3,175.7	3,522.7
<i>Deferred Income Taxes - Net</i>	362.2	327.0
<i>Derivative Instruments</i>	18.8	124.8
<i>Pension Liability</i>	39.0	218.0
<i>Federal Income Tax Reserve</i>	37.1	42.0
<i>Other Post Retirement Benefits</i>	58.1	51.0
<i>Other Non-Current Liabilities</i>	103.5	69.6
<i>Long-Term Debt</i>	1,737.3	1,874.0
<i>Limited Partners Interest</i>	16.6	13.0
<i>Investor Debt</i>	695.0	695.0
<i>Preferred and Preference Stock</i>	108.1	108.1
Non-Current Liabilities increased \$347.0m pcp. Pension Liability increased \$179.0m pcp due to an actuarial decline in Duquesne's defined benefit pension plan. Derivative Instruments increased \$106.0m pcp as a result of decreases in the MTM of derivative energy contracts and interest rate swaps.		
Equity	389.4	148.7
<i>Common Equity</i>	389.4	148.7
Common Equity decreased \$240.7m pcp primarily due to decreases in the MTM of derivative instruments.		

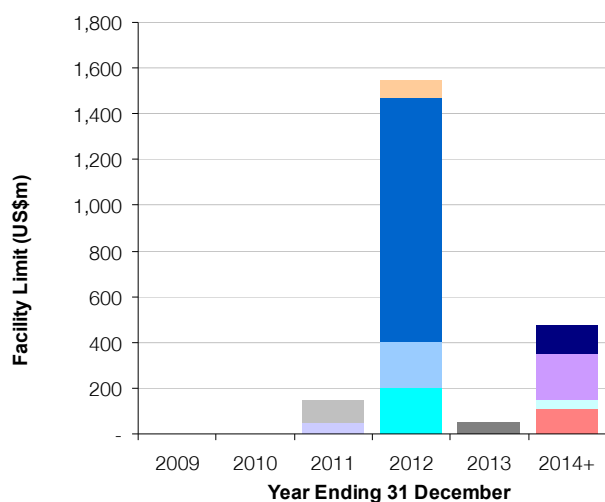
Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

6.5. Treasury Summary

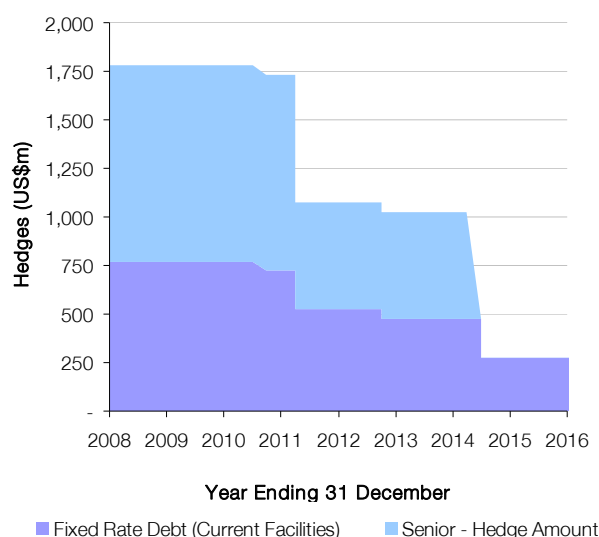
The debt maturity and hedging profiles summary for the consolidated DLH Group at 31 December 2008 were as follows:

Debt Maturity Profile



- DLH Term Loan - Tranche B
- DLC 4.05% PCRB ACIDA Series 1999 B
- DLC Revolver
- DLH Term Loan - Tranche A
- DLH Revolver
- DLC 6.70% First Mortgage Bond
- DLC 4.35% PCRB ACIDA Series 1999 A
- DLH 6.25% Unsecured Note
- DLH 5.50% Unsecured Note
- DLC 4.50% PCRB BCIDA Series 1999 D
- Energy Services Capital Lease
- Total Preferred Stock

Hedging Profile



The chart shows DLH's interest rate hedge profile until 2013, treating fixed debt as 100% hedged. Some fixed rate facilities have a maturity date past June 2013. As at 31 December 2008, DLH's total debt interest rate exposure was 91.1% hedged against total debt drawn (including short term facilities).

As at 31 December 2008, there was US\$110.0 million in un-drawn funding capacity at the DLH level and US\$30 million at the DLC level. This does not include unissued Pollution Control Bonds and DLC's ability to issue First Mortgage Bonds.

Duquesne maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Senior unsecured ratings 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 Half Year ended 31 December 2008

6.6. Key Operating Statistics

	12 months to 31 Dec 07	%	12 months to 30 Jun 08	%	12 months to 30 Dec 08	%
Electricity Delivered – (GWh)						
Residential	4,211	30	4,167	30	4,060	29
Commercial & Lighting	6,783	48	6,776	48	6,698	49
Industrial	3,084	22	3,088	22	3,009	22
Total	14,077	100	14,031	100	13,767	100

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

7. DUET Parent Entity

7.1. Income Statement

The current period is the 6 months to 31 December 2008 and pcp for the Income Statement is the 6 months to 31 December 2007. The result below comprises the results of DUET 1, DUET 2, DUET 3, DIHL, DUET Funding Trust and DDB Co.

	6 months to 31 Dec 07	6 months to 30 Jun 08	12 months to 30 Jun 08	6 months to 31 Dec 08
	\$ millions	\$ millions	\$ millions	\$ millions
Revenue	104.5	106.6	211.0	142.4
<i>Interest Income</i>	94.3	96.8	191.2	97.1
<i>Dividends</i>	4.8	0.0	4.8	5.2
<i>Fair Value Increments</i>	5.2	9.5	14.7	39.9
<i>Other</i>	0.2	0.2	0.3	0.2

Interest Income consists of: a) SOLA interest income being the back to back on advance of the Senior Corporate Facility 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 and f) interest income on external cash balances. Interest Income in pcp included interest received of \$5.6m on intra-group loan balances, this has been excluded in the current period to avoid double counting. Excluding interest on intra-group loan balances, Interest Income increased \$8.4m pcp primarily due to two factors:

- (1) an increase in interest income from the Duquesne Investor Debt as a result of the US dollar appreciation against the Australian dollar;
- (2) an increase in the interest earned on the DDB Co Loan reflecting DUET's continuing investment in the Stage 5A expansion.

Dividend income in the current period represents the dividends from WAGN.

Fair Value Increments increased \$30.4m pcp due to gains from the MTM of interest rate swaps and foreign exchange gains relating to the revaluation of the DUET 3 Investor Loan which is denominated in \$US.

Share of Net Profit/ Loss from Associates Equity Accounted	31.7	19.0	50.7	(131.9)
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DUET Parent equity accounts for its investments in UED, MGH, WAGN, DQE and POWERS. Share of Net Profit / Loss from Associates is the corresponding share of the net profit of the underlying equity accounted investments. The \$131.9m loss in the current period includes DUET's equity accounted share of MTM at Duquesne of \$76.3m, actuarial loss on Duquesne's defined benefit pension plan of \$45.8m, and \$11.2m net loss (after tax) from MGH.

Management Fee	10.2	9.0	19.2	10.3
Performance Fee	0.0	55.5	55.5	0.0

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 no performance fee payable for the six months to 31 December 2008.

Fund and Other Expenses	12.9	17.5	30.4	155.7
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These expenses relate to movements in the MTM of derivative contracts, general administration costs of the fund and other miscellaneous costs. In the current period, the total of \$155.7m includes a MTM loss on the US\$300m cross-currency interest rate swap (used to hedge DUET's investment in Duquesne) of \$117.8m, and the loss on foreign exchange contracts held to hedge forecast Duquesne returns to DUET.

Interest and Borrowing Costs	32.0	34.9	66.9	23.2
POWERS Redemption Premium	0.0	14.5	14.5	0.0

Interest and Borrowing Costs relate to the interest expenses payable to POWERS and the Senior Corporate Facility. The \$8.8m decrease from pcp is due to the exclusion of interest expense on intra-DUET group loan balances in the current period.

Income Tax Expense	0.3	0.3	0.6	1.3
Net Profit After Tax	80.8	(6.1)	74.7	(179.9)

DUET Distribution	81.1	82.3	163.4	89.4
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Distributions made by the DUET Parent increased to \$89.4m from \$81.1m pcp. The increase in distributions declared comprised two factors:

- 1) growth in distributions per stapled security, with the 14.125cpss declared for the current period being a 4.6% increase over the pcp; and
- 2) additional securities were issued to the Responsible Entities for the performance fee as the Responsible Entities elected to reinvest the proceeds in DUET securities for the 6 months to 30 June 2008, and securities issued to investors who participated in the two dividend reinvestment plans during the 12 months to 31 December 2008.

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

7.2. Balance Sheet

30 June 2008 is the pcp for the Balance Sheet.

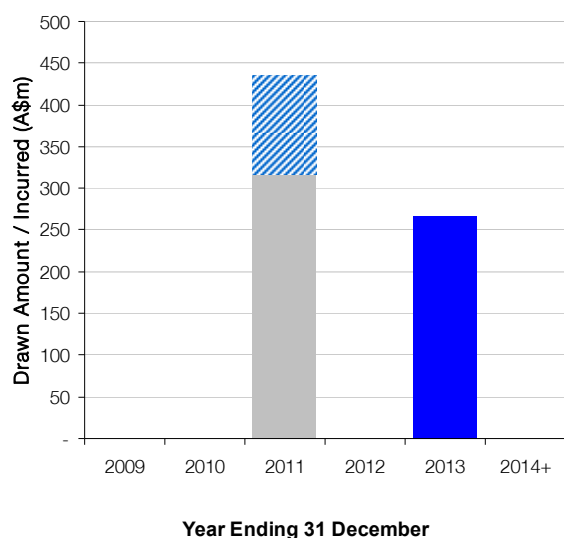
	31 Dec 07	30 Jun 08	31 Dec 08
	\$ millions	\$ millions	\$ millions
Current Assets	207.9	214.3	235.8
<i>Cash</i>	177.0	175.1	207.7
<i>Accounts Receivable</i>	25.4	29.8	25.4
<i>Other</i>	5.5	9.5	2.6
Non-Current Assets	1,850.0	1,853.3	1,680.8
Investments			
<i>United Energy - Ordinary Shares</i>	53.2	46.3	0.0
<i>United Energy - Redeemable Preference Shares</i>	233.7	233.7	205.6
<i>United Energy Shareholder Loans</i>	13.2	13.2	19.8
<i>Multinet</i>	154.5	154.0	72.7
<i>Alinta Gas Networks</i>	44.7	44.7	44.7
<i>DUET Investment Holdings Limited (DIHL)</i>	133.0	135.1	27.8
<i>POWERS Trust</i>	8.2	0.0	0.7
<i>Australian Energy Fund No. 2</i>	1.7	1.7	1.7
Loans			
<i>SOLA</i>	554.7	554.7	554.7
<i>DDB Co Loan</i>	418.7	448.0	456.0
<i>DQE Promissory Note</i>	229.6	210.0	284.5
<i>Other</i>	4.8	11.9	12.4
<p>Non-Current Assets of \$1,680.8m decreased by \$172.5m pcp primarily due to the following factors:</p> <p>1) investment in UED's Ordinary Shares decreased \$46.3m pcp and investment in UED's Redeemable Preference Shares decreased \$28.1m pcp due to the equity accounted value decreasing resulting from the negative movement in UED's hedge reserve;</p> <p>2) investment in MGH decreased \$81.3m pcp due to movement in MGH's hedge reserve and net loss in the current period;</p> <p>3) investment in DIHL decreased \$107.3m pcp primarily due to movement in the MTM of derivative contracts and share of the actuarial loss on Duquesne's defined benefit pension plan.</p> <p>This is partially offset by an increase in the value of the DQE Promissory Note due to appreciation of the US dollar against the Australian dollar.</p>			
Current Liabilities	105.6	729.2	122.5
<i>Payables</i>	105.6	170.5	122.5
<i>POWERS</i>	0.0	544.2	0.0
<i>POWERS Redemption Premium Payable</i>	0.0	14.5	0.0
<p>On 10 June 2008, DUET announced its intention to redeem and cancel POWERS on 1 September 2008. Accordingly, POWERS was classified as a current liability in pcp. On 1 September 2008, DUET redeemed and cancelled POWERS with the proceeds of a \$585m syndicated debt facility. The \$48.0m decrease in Payables primarily reflects the \$55.5m performance fee payable for the 6 months to June 2008 (net of non-recoverable GST). Current Liabilities in the pcp included a one-off \$14.5m accrual payable on the redemption of POWERS on 1 September 2008.</p>			
Non-Current Liabilities	544.7	0.0	696.3
<i>POWERS</i>	544.7	0.0	0.0
<i>Senior Corporate Facility</i>	0.0	0.0	585.0
<i>Other Non-Current Liabilities</i>	0.0	0.0	111.3
<p>Other Non-Current Liabilities include losses on the MTM of the US\$300m cross-currency interest rate swap (used to hedge DUET's investment in Duquesne) and foreign exchange hedges.</p>			
Net Assets	1,407.6	1338.4	1,097.7
Equity	1,407.6	1,338.4	1,097.7
<i>Contributed Equity</i>	1,454.0	1,478.1	1,551.1
<i>Reserves</i>	(65.2)	(178.2)	(322.1)
<i>Retained Earnings</i>	18.9	38.5	(131.3)

Appendix: DUET Group Detailed Asset Information Pack

For the Half Year ended 31 December 2008

7.3. Treasury Summary

The debt maturity profile for the DUET Parent Entity at 31 December 2008 was as follows:



- ▨ Unrealised MTM of US\$300m Swap¹
- Senior Corporate Facility - Tranche A
- Senior Corporate Facility - Tranche B
- Senior Corporate Facility - Tranche C (Undrawn at 31 Dec 08)

1. Includes the net settlement MTM value of the US\$300m cross-currency interest rate swap (used to hedge DUET's investment in Duquesne) in Australian dollars at 31 December 2008. Upon maturity of the swap on 29 August 2011, DUET will receive A\$343m and pay US\$300m. The interest rates on the swap until maturity are:

- Payable: fixed 5.45% on US\$300m; and
- Receivable: floating BBSY plus 170bps p.a. on A\$343m, updated every 6 months.