



DUET Group

Management Information Report

For the half year ended
31 December 2007

AMPCI Macquarie Infrastructure Management No 1 Limited (ABN 99 108 013 672) ("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) ("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 do not 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. None of AMPCH, Macquarie, RE1, RE2, DIHL or any member of the AMP Group or the Macquarie Group guarantees any particular rate of return on DUET stapled securities or the performance of DUET, nor do they guarantee the repayment of capital from DUET.

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.

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Report Summary

The Report contains Proportionate Earnings, Enterprise Value and Unconsolidated Cash Flows for the period ended 31 December 2007. 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 DUET Investment Holdings Limited (“DIHL”) and, unless stated otherwise, these policies have been consistently applied to all periods presented in this Report.

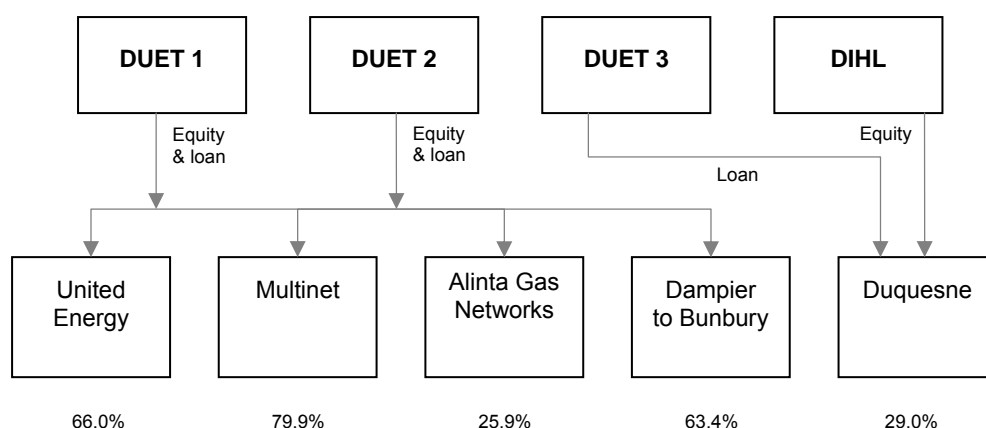
The purpose of this Report is to provide information supplementary to the DUET Group interim financial report. This Report has been prepared on a different basis to the DUET Group interim financial report. The information contained within this Report does not, and cannot be expected to provide as full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

Further details in relation to the preparation of this Report are set out below and in the notes to the Report on pages 11 to 14.

Overview of DUET Group

Structure of Investments

At 31 December 2007, DUET Group 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) and DUET Investment Holdings Limited (DIHL) and their subsidiaries (DUET Group). These four stapled entities trade as one listed security, DUET Group, on the Australian Securities Exchange (ASX Code: DUE). A summary of the group structure as at 31 December 2007 is illustrated below.



DUET Group holds a controlling interest in the Dampier to Bunbury Pipeline (DBP), United Energy Distribution Holdings (UED) and Multinet Group Holdings (MGH). DUET holds non controlling interests in Alinta Gas Networks (AGN) and Duquesne.

DUET Group’s beneficial interest in DBP increases as the asset company requests further investment in the capital expenditure programme. The Consortium members have agreed DUET Group can subscribe for equity ahead of other members to fund the capital expenditure expansion programme. The funding for this equity increase was part of DUET’s June/July 2007 Institutional Placement and Entitlement Offer. DUET Group’s interest in DBP will reduce to 60% as other investors pay up their partly-paid equity.

Duquesne Light Holdings (DLH) and DQE Holdings LLC (DQE) – (Duquesne)

- DUET Group held a 7.7% investment in DLH from 11 August 2006 until 31 May 2007. On 31 May 2007, the 7.7% interest in DLH was transferred into an investment in DQE. Following the acquisition DUET Group holds an overall 29% interest in the Duquesne asset.

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Assets

DUET Group ("DUET Group") is an investor in energy utility assets. At 31 December 2007 DUET Group's portfolio of energy utility assets and interests were as follows:

	United Energy	Multinet	Alinta Gas Networks	Dampier to Bunbury	Duquesne
	%	%	%	%	%
As at 31 December 2007	66.0	79.9	25.9	63.4	29.0
As at 30 June 2007	66.0	79.9	25.9	62.1	29.0
Change	-	-	-	1.3	-

United Energy Distribution

UED'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. UED's distribution area is largely urban and, although geographically small (about 1% of Victoria's land), it serves around one quarter of Victoria's population. DUET holds a 66% interest in United Energy.

Multinet

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

Alinta Gas Networks

AGN owns, operates and holds distribution licences for four gas distribution systems (GDS) in Western Australia. These GDS networks supply natural gas to residential, commercial and industrial customers in metropolitan Perth, Geraldton, Bunbury, Busselton and Kalgoorlie-Boulder and liquefied petroleum gas (LPG) to Albany. DUET holds a 25.9% interest in AGN.

Dampier to Bunbury Pipeline

The Dampier to Bunbury Pipeline 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 pipeline runs from the Burrup Peninsula, near Dampier, to Bunbury in the south-west of the state. At 31 December 2007 DUET Group held a 63.4% interest in DBP.

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 the Pittsburgh and surrounding regions. At 31 December 2007 DUET Group held a 29.0% interest in Duquesne.

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Key asset statistics are set out below;

	United Energy	Multinet	Alinta Gas Networks	Dampier toBunbury	Duquesne
Length of network	12,411 km	9,586 km	12,310 km	1,596 km (mainline) 258 km(Laterals) 940km(Looping)	1,077 circuit-km (trans) 30,127 circuit-km (dist.)
Area of network	1,450 km ²	1,940 km ²	1,352 km ²	n/a	2,072 km ²
Connections	618,214	652,107	585,254	n/a	Approx. 587,000
31 December 2007 load	7,973 GWh	56.9 PJ	31.8 PJ	149PJ	13,714 GWh
Next regulatory reset date	Jan 2011	Jan 2008 (Final determination expected March 2008)	Jan 2010	Jan 2011	No set regulatory period

Proportionate Earnings

	Actual Results 6 months to 31 December 2007	Proforma Results 6 months to 31 December 2006 ⁽¹⁾	Actual Results 6 months to 31 December 2006
	\$'000	\$'000	\$'000
Energy utility assets revenue	519,902	461,804	340,733
Energy utility assets operating expenses	(228,285)	(217,967)	(126,077)
Total energy utility assets EBITDA	291,617	243,837	214,656
Energy utility assets maintenance capital expenditure	(43,726)		(32,209)
Energy utility assets net interest expense	(98,146)		(85,903)
Corporate net interest income /(expense)	5,468		471
Hybrid capital interest expense	(26,031)		(23,521)
Net tax expense	(13,398)		(4,129)
Proportionate earnings (pre-corporate expenses)	115,784		69,365
Corporate expenses	(10,034)		(10,469)
Proportionate earnings	105,750		58,896

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

- For the period to 31 December 2007 DUET Group's total energy utility assets' EBITDA was \$291.6m an increase of 19.6% on the prior corresponding proforma period ("pcp") reflecting an increased contribution across all the assets. In particular, proportionate EBITDA increased at DBP due to expansion of the pipeline and at Duquesne due to increases in underlying earnings.
- Proportionate EBITDA for the half year ended 31 December 2007 increased 35.9% over the pcp actual EBITDA due to impact of the above, together with an increase in beneficial ownership of Duquesne from 7.7% to 29.0%.
- The proportionate earnings reported above exclude the impact of the following:
 - Non-recurring costs including merger and severance costs in the period to 31 December 2006 incurred by Duquesne totalling \$1.1m on a proforma basis (Dec06 actual :\$0.3m).
 - Net earnings by Duquesne from discontinued businesses in the six months to 31 December 2006 totalling \$12.7m on a proforma basis (Dec06 actual:\$2.9m)
 - A \$5.2m proportionate loss (Dec06: proforma \$14.7m loss / actual \$3.4m loss) on the changes in the fair value of derivatives. The majority of this loss relates to mark to market movements on Duquesne's electricity derivative book.
 - One off costs to 31 December 2006 actual result relating to Duquesne's pre-acquisition settlement of tax matters with the Internal Revenue Service totalling \$2.1m.

Proportionate Earnings per Security ("EPS")

	Actual Results 6 months to 31 December 2007	Actual Results 6 months to 31 December 2006
Weighted average DUET Group securities on issue	#m 597,524	488,634
Proportionate (pre-corporate expenses) EPS	19.4	14.2
Proportionate EPS	17.7	12.1

Over the period, DUET Group's weighted average number of securities increased to 597.5m as a result of the securities issued under the Entitlement Offer and Public Offer in June/July 2007 and under the Distribution and Dividend Reinvestment Plan.

As a result of the increase in Proportionate Earnings offset by the additional securities on issue, Proportionate EPS has increased over the pcp by 36.6% to 19.4 cents on a pre-corporate expenses basis. On a post-corporate expenses basis the proportionate EPS has increased by 46.3% to 17.7 cents. The overall increase in proportionate EPS is due to the improved trading performance by the assets and the increase in the beneficial ownership of Duquesne.

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Energy Utility Operational performance by asset is as follows;

Proportionate earnings: actual results – 6 months to 31 December 2007

	Dampier Bunbury Pipeline \$000's	United Energy Distribution \$000's	Multinet \$000's	Alinta Gas Networks \$000's	Duquesne \$000's	Total \$000's
Energy utility asset revenue	90,522	138,382	75,430	18,487	197,081	519,902
Energy Utility asset operating expenses	(22,625)	(56,258)	(18,007)	(5,326)	(126,069)	(228,285)
Energy utility asset EBITDA	67,897	82,124	57,423	13,161	71,012	291,617
EBITDA margin	75.0%	59.3%	76.1%	71.2%	36.0%	56.1%

Proportionate Earnings: proforma results – 6 months to 31 December 2006

	Dampier Bunbury Pipeline \$000's	United Energy Distribution \$000's	Multinet \$000's	Alinta Gas Networks \$000's	Duquesne \$000's	Total \$000's
Energy utility asset revenue	68,307	132,021	74,305	17,132	170,039	461,804
Energy Utility asset operating expenses	(18,143)	(54,506)	(17,271)	(5,309)	(122,738)	(217,967)
Energy utility asset EBITDA	50,164	77,515	57,034	11,823	47,301	243,837
EBITDA margin	73.4%	58.7%	76.8%	69.0%	27.8%	52.8%

Dampier to Bunbury Natural Gas Pipeline

During the period, the Dampier to Bunbury pipeline's proportionate EBITDA increased by 35.4% to \$67.9m, due to the 32.5% increase in proportionate revenue to \$90.5m. Pipeline revenue increased due to additional transportation revenue from the Stage 4 expansion project. Proportionate operating expenses increased \$4.5m due to higher fuel gas requirement arising from the higher gas flows.

During the six months to 31 December 2007, DBP announced the Stage 5A(2) expansion of the pipeline. The project is expected to deliver additional firm full haul capacity of around 40 TJ per day, increasing the total full haul capacity of the pipeline to about 825TJ per day. The Stage 4, Stage 5A and Stage 5A(2) expansions represent a combined investment of approximately \$1.3 billion in the pipeline and, once complete, DBP will have increased the pipeline's firm full haul capacity by over 40% since DUET's acquisition in 2004.

United Energy

United Energy proportionate EBITDA increased 6.0% to \$82.1m due primarily to a 4.8% increase in asset revenue.

Factors contributing to this increase include;

- higher volumes due to warmer weather
- CPI tariff price increases
- Special meter reads

During the period, UED distributed 4,006 GWh (2006: 3,914 GWh) of electricity. The Advanced Interval Meter Roll-Out program (AIMRO) / "Smart Meters" is progressing, with completion of the procurement and detailed design phase of the project due in late 2008. Technology trials are continuing and the roll out of meters are expected to commence in 2009. UED has made its initial submission to the Essential Services Commission regarding the increases in electricity tariffs required as a result of the project. The total capital cost of the AIMRO program for UED is expected to be approximately \$400 million over 5 years.

Multinet

Multinet proportionate EBITDA increased slightly over the pcp. Revenue growth due to higher tariff rates, were partially offset by lower volumes as a result of warmer weather.

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During the period, Multinet distributed 32.7 PJ (2006: 33.1 PJ) of gas. The ESC released its draft determination for gas distributors in Victoria, for the regulatory period commencing 1 January 2008. Multinet submitted its response to the draft determination and Multinet is currently awaiting the final regulatory decision to be handed down by Victoria's Essential Services Commission (ESC), expected to be in early March 2008.

Alinta Gas Networks

Growth in the underlying network has generated higher proportionate earnings for the period to 31 December 2007.

DUET's 25.9% stake in AlintaGas Networks provides an interest in one of Australia's fastest growing residential environments with average connection growth of 3% to 4% in recent years. In the 2007 calendar year connections grew by 3.5% to over 585,254 customers and the mains network expanded by 2.0% to just over 12,300 kilometres. Colder weather than usual aided demand for gas during the period and the Western Australian housing and construction industry activity has continued its strong growth, driving up demand.

Duquesne

Since acquisition the company has resolved three important regulatory approvals, the most recent being the settlement of its transmission rate case which we announced on the 7th November 2007. The transmission rate case settlement delivers increases in transmission revenue of approximately \$25m p.a., which represents a 42% increase over the previous calendar year. These regulatory decisions provide significant certainty for Duquesne Light and for distributions to equity owners.

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

Enterprise Value

	As at 31 December 2007 \$m	As at 31 December 2006 \$m
Energy utility assets net debt	3,481.3	2,812.2
Corporate net (cash)	(101.1)	(47.5)
Hybrid capital	542.7	544.0
Market Capitalisation to DUET Group security holders	1,773.0	1,436.3
Enterprise Value	5,695.9	4,745.0
Total gearing of Enterprise Value (%)	59.3%	58.3%

The \$950.9m increase in Enterprise Value from 31 December 2006 to 31 December 2007 primarily reflects the growth in DUET Group's asset base following the capital raising and the subsequent acquisition of Duquesne.

Gearing reported above is calculated excluding hybrid capital from total net debt.

Unconsolidated Cash Flows

	6 months to 31 December 2007 \$'000	6 months to 31 December 2006 \$'000
Cash flows from energy utility assets and operations		
Dampier Bunbury Pipeline	35,138	28,075
Untied Energy Distribution	44,701	31,248
Multinet	19,985	23,786
Alinta Gas Networks	8,852	7,402
Duquesne	10,900	1,936
Cash flows from energy utility assets	119,576	92,447
Other income received	1,515	1,459
Interest received on surplus cash	5,848	2,760
Management fees paid	(10,851)	(7,031)
Operating expenses paid	(2,232)	(1,239)
Net cash flows from energy utility assets and operations before performance fees	113,856	88,396
Performance fees paid	(42,699)	(9,667)
Net cash flows from energy utility assets and operations after performance fees	71,157	78,729
Cash flows from investing activities		
Return of capital / Payment for purchase of Duquesne	4,600	(182,801)
Further investment in energy utility assets	(62,553)	(6,600)
Net cash flows from investing activities	(57,953)	(189,401)
Cash flows from financing activities		
Proceeds received from issue of stapled securities	93,942	162,054
Hybrid costs paid	(25,178)	(22,957)
Distributions paid to DUET Group security holders (net of DRP)	(49,424)	(42,541)
Net cash flows from financing activities	19,340	96,556
Net (decrease)/increase in cash assets held	32,544	(14,116)
Cash assets at the beginning of the period	149,760	122,113
Cash assets at the end of the period	182,304	107,997
Net cash flows from energy utility assets and operations before performance fees per weighted average DUET Group security	19.05c	18.09c

Cash flows from energy utility assets before performance fees increased \$25.5m (28.8%) to \$113.9m. The growth in cash over the pcp is due to;

- a \$7.1m (25.2%) increase in distributions from DBP arising from increases in underlying EBITDA and operating cash flows.
- an increase in distributions from UED during the period following improved earning and a catch-up in distributions following the certainty surrounding tariff rate outcomes.
- an increased dividend contribution from Duquesne, reflecting the increased beneficial ownership interest in the energy utility asset.

As announced on 5 July 2007, for the six month period to 30 June 2007, a performance fee was payable by DUET Group to its responsible entities and manager. In the period 1 January 2007 to 30 June 2007, the DUET accumulation index increased by 36.5% while the Benchmark increased by 13.3%. DUET Group's outperformance of the Benchmark resulted in a performance fee payable of \$42.7m (excl. GST).

During the period DUET Group received a \$4.6m return of capital on its equity holding in Duquesne.

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Further investment in energy utility assets, comprises financing provided by DUET Group in return for equity to fund the DBP Stage 5A expansion and financing to UEDH for the preliminary stages of the Advanced Interval Meter Rollout (AIMRO).

During the current period DUET Group as part of the \$350m Entitlement and Public Offer raised \$93.9m (including fees) from the issue of stapled securities. This relates to the \$93.3m capital raised to fund the DBP Stage 5A expansion. The majority of the capital raising took place in the period to 30 June 2007.

Notes to DUET Group Management Information Report

Basis of Preparation

The purpose of this Report is to provide information supplementary to the DUET Group Interim Financial Report. This Report has been prepared on a different basis to the DUET Group Interim Financial Report. The significant policies which have been adopted by the directors of RE1, RE2 and DIHL and used in the preparation of this Report, are stated to assist in a general understanding of this Report.

Ernst & Young have been engaged to perform certain procedures for the directors of RE1, RE2 and DIHL in relation to their preparation of the Proportionate Earnings, Enterprise Value and Unconsolidated Cash Flow disclosures in this Report on the basis set out above. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed by Ernst & Young 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.

Ernst & Young 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 Ernst & Young express no assurance over the accuracy of the Proportionate Earnings, Enterprise Value and Unconsolidated Cash Flow disclosures or on any other aspect of the Report.

Summary of Significant Report Policies

Proportionate Earnings

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

Proportionate Earnings information is also disclosed down to Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA") under a proforma approach. The Proforma EBITDA is derived by restating the prior period results with the energy utility assets' ownership percentages and foreign currency exchange rates from the current period ("Proforma Results"). Proforma 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.

All Proportionate Earnings information contained in this Report are disclosed in Australian dollars unless stated otherwise. Foreign currency exchange rates are calculated on an average basis during the period, as set out in the below table, for the 6 months to 31 December 2007 and the prior corresponding period:

	AUD/USD
6 months to 31 December 2007	0.8688
6 months to 31 December 2006	0.7740

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

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Summary of Significant Report Policies (cont'd)

Proportionate Earnings (cont'd)

DUET Group's beneficial ownership interest

Beneficial ownership interest is DUET Group's economic interest in each asset. Where the beneficial ownership interest changed during the period, the new beneficial ownership percentage is applied to the earnings from the date of change. The average beneficial ownerships for the half years to 31 December 2006 and 31 December 2007 are set out below as a guide:

	Dampier Bunbury Pipeline	United Energy Distribution	Multinet	Alinta Gas Networks	Duquesne Light Holdings
31 December 2007 (%)	61.7	66.0	79.9	25.9	29.0
31 December 2006 (%)	70.6	66.0	79.9	25.9	7.7*
Change	(8.9)	-	-	-	21.3

* For the period 11 August 2006 to 31 December 2006.

Energy utility asset revenue

Assets revenue is calculated by the aggregation of the product of the Beneficial Ownership Interest and the total revenue of each of the relevant energy utilities. Revenue is recognised under the GAAP applicable to each relevant energy utility.

Energy utility assets operating expenses

Assets operating expenses are calculated by the aggregation of the product of the Beneficial Ownership Interest and the total operating expenses incurred by each of the relevant energy utilities. Operating expenses exclude any profit or loss on sale of fixed assets. Operating expenses recognised are reported under the GAAP applicable to each relevant energy utility.

Energy utility maintenance capital expenditure

Asset 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.

Assets' maintenance capital expenditure is calculated by the aggregation of the product of the Beneficial Ownership Interest and the total maintenance capital expenditure at each of the relevant energy utilities.

The maintenance capital expenditure charges that have been set for the 6 months ended 31 December 2007 and the pcp are set out below:

	Dampier Bunbury Pipeline \$000	United Energy Distribution \$000	Multinet \$000	Alinta Gas Networks \$000	Duquesne Light Holdings \$000
6 months to 31 December 2007	4,894	15,760	12,660	832	9,580
6 months to 31 December 2006	2,384	17,706	9,876	39	2,204 ⁽¹⁾

⁽¹⁾ Maintenance capital expenditure for Duquesne is unavailable for the six month period to 31 December 2006. For the purpose of this analysis the expenditure for the current period has been used as the comparative (reflecting prior period beneficial ownership percentage (from 11 August 2006) and USD/AUD exchange rates).

Energy utility assets net interest

Energy utility assets' net interest is the aggregation of the product of the Beneficial Ownership interest and the total net external interest expense incurred by:

- the energy utility operator company of the relevant energy utility; and
- entities interposed between any of the DUET Group stapled entities and the energy utility operator companies, which have debt that is non-recourse to DUET Group.

The definition of net interest expense includes all contractual interest expenses, borrowing expenses and interest revenues payable to, or payable by, third parties. Interest and borrowing expenses, or interest revenues, in respect of shareholder loan or similar agreements are excluded from the definition of net interest expense. Interest and borrowing costs that are capitalised and/or amortised are also excluded from the definition of net interest expense.

Summary of Significant Report Policies (cont'd)

Proportionate Earnings (cont'd)

Corporate net interest

Corporate net interest expense is the aggregation of net interest expense and net interest income incurred by:

- any of the DUET Group stapled entities; and
- entities interposed between any of the DUET Group stapled entities and the energy utility operator companies.

The definition of net interest expense includes all contractual interest expense s, borrowing expenses and interest revenues payable, to or payable by, third parties. Interest and borrowing costs that are capitalised and/or amortised are excluded from the definition of net interest expense. Hybrid capital interest expense is shown separately as noted below.

Hybrid capital interest expense

The hybrid capital interest expense reflects the contractual interest payable on POWERS. The funding for this interest is derived from the asset companies.

Net tax expense

Net tax expense is made up of the aggregation of the product of the Beneficial Ownership Interest and the current net tax expense of each of the relevant energy utility companies.

Corporate expenses

Corporate expenses reflect the aggregation of all expenses paid by DUET Group (excluding divestment and acquisition costs), 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

Proportionate Earnings per Security

The number of issued securities for the purpose of calculating Proportionate Earnings per Security ("Proportionate 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.

Enterprise Value

Enterprise Value is calculated by aggregating:

- DUET Group's share of its energy utility assets' net external debt, based on DUET Group's proportionate beneficial interest;
- net debt outstanding at the corporate level;
- hybrid capital; and
- market capitalisation of DUET Group

Energy utility assets' net debt

The net debt of the energy utility assets is calculated by the aggregation of:

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

Energy utility assets net debt includes all debt that is non-recourse to DUET Group.

Corporate net debt

Net debt at the corporate level is calculated by the aggregation of all net debt held by DUET Group stapled entities.

Corporate debt held is calculated by 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.

Summary of Significant Report Policies (cont'd)

Enterprise Value (cont'd)

Hybrid Capital

Hybrid capital is the face value of the instrument issued by DUET Group to POWERS Trust. On exchange RE1, RE2 and DIHL may elect to redeem POWERS and reinvest into DUET Group stapled securities, as opposed to settling in cash, and as a result, this hybrid capital has not been classified as debt.

Market capitalisation of DUET Group

The market capitalisation of DUET Group is calculated by applying the closing market price of DUET securities to the total securities in issue at the period end date.

Source of information for Duquesne's prior period results and balances

For the six months to 31 December 2006 Duquesne was a US listed entity in which DUET Group held a 7.7% interest. Prior period results and balances used in this report have been sourced from externally available information, the 31 December 2006 10-K and the 30 June 2006 10-Q reports as lodged by Duquesne with the United States Securities and Exchange Commission.

Unconsolidated Cash Flows

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

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

APPENDIX 1

DUET GROUP

DETAILED ASSET INFORMATION PACK

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Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

1. Introduction

The Detailed Asset Information Pack (DAIP) sets out the financial information by asset. The information by asset, as with the MIR is as reported by the entity. As set out in the MIR Summary of Significant Accounting Policies, earnings set out in that report reflects DUET Group's beneficial ownership interest. The DAIP, report reflects earnings attributable to all equity holders. Other key policy differences include:

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

This is not intended to replace the financial statements of DUET, rather it is to provide a simplified summary to help aid analysts assess the performance of the DUET related assets.

Due to rounding in the report, certain totals may not be the exact sum of the individual line items they comprise.

2. United Energy Distribution Holdings (“UEDH”)

As at 31 December 2007, DUET owned 66.0% of UEDH and 100% of the subordinated debt.

2.1 Financial Summary

The current period is the 6 months to 31 December 2007. The prior comparable period (“pcp”) for the Income Statement is the 6 months to 31 December 2006.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	179	192	370	184
Total Revenue ¹	201	219	420	211
EBITDA ²	117	136	253	124
EBIT	84	100	184	83
Net Profit After Tax	7	19	26	5
Total Assets	2,112	2,152	2,152	2,193
Net Assets	74	91	91	80
Total Capex (Cash)	63	57	120	58
Performance Indicators				
Gearing (per bank documents)	69.7%	69.7%	69.7%	71.1%
RAB ³	1,236	1,285	1,285	1,281

Notes:

- 1: Includes Interest Revenue
- 2: Excludes Interest Revenue
- 3: The RAB stated is based on management’s calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that the RAB is approved.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

2.2 Income Statement

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Income Statement is the 6 months to 31 December 2006.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Net Profit After Tax	7.4	18.9	26.3	4.9
The Net Profit After Tax for the six months to 31 December 2007 was \$4.9m, a decrease of \$2.5m relative to the pcp. Further analysis of the movements in Revenues and Expenses are detailed in the sections below:				
Revenue	201.1	219.1	420.2	210.8
Revenue consists of Distribution Revenue, Other Operating Revenue and Other Income (see discussion below).				
Distribution Revenue	178.9	191.5	370.4	184.2
Distribution Revenue for the current period was \$184.2m. This increased by \$5.3m relative to the pcp.				
TUoS Revenue	40.2	40.4	80.7	40.3
TUoS (Transmission Use of System) Revenue for the current period was \$40.3m. This is an increase of \$0.1m relative to the pcp. TUoS Revenue is collected by UED and paid to third parties in the form of Grid Fees.				
DUoS Revenue	138.7	151.1	289.8	143.8
<i>Residential</i>	62.1	69.6	131.7	66.0
<i>Business</i>	43.8	44.5	88.4	42.8
<i>Industrial</i>	32.7	37.1	69.8	35.1
DUoS Revenue for the current period was \$143.8m. This is a \$5.1m increase relative to the pcp. The increase is attributable to 2.4% growth in Residential, Business and Industrial customer volumes relative to the pcp.				
Other Revenue	22.2	27.5	49.8	26.6
<i>Reserve Capacity Supply</i>	0.2	0.2	0.5	0.3
<i>Scheduled Meter Reading</i>	5.0	5.8	10.8	6.3
<i>Technical Services Revenue</i>	0.0	0.0	0.0	0.0
<i>New Connections Revenue</i>	1.0	0.9	1.9	1.0
<i>Customer Contributions</i>	4.2	4.3	8.5	5.2
<i>Interest Revenue</i>	1.1	1.3	2.4	1.1
<i>Miscellaneous Revenue</i>	10.6	15.1	25.7	12.7
Other Revenue for the current period is \$26.6m. This is an increase of \$4.4m relative to the pcp.				
Expenses from Ordinary Activities	193.7	200.2	393.9	205.9
Expenses from Ordinary Activities consist of Operating Expenses, Depreciation, Amortisation, Abandonments, Financing Costs and Income Tax Expense				
Operating Expenses	82.6	82.0	164.5	85.2
<i>Grid Fees</i>	40.2	40.4	80.7	40.3
<i>Operating Fees</i>	39.6	36.8	76.4	40.8
<i>Insurance</i>	1.4	1.2	2.6	1.2
<i>FSA</i>	0.1	0.1	0.3	0.2
<i>Licences</i>	0.3	0.3	0.6	0.3
<i>Other Operating Expenses</i>	0.9	3.1	4.0	2.5
Operating Expenses for the current period are \$85.2m. This is an increase of \$2.6m relative to the pcp.				

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

2.2 Income Statements (cont'd)

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Depreciation, Amortisation & Abandonments	33.7	36.1	69.7	41.6
<i>Depreciation</i>	27.7	28.1	55.8	34.6
<i>Amortisation</i>	8.7	6.1	14.8	5.8
<i>Abandonments</i>	-2.7	1.8	-0.9	1.3

Depreciation, Amortisation and Abandonments expense for the current period were \$41.6m. This is an increase of \$7.9m relative to the pcp, resulting from a \$6.7m increase in depreciation rates used for existing meters in preparation for the Advanced Interval Meter Roll-Out ("AIMRO") program

Total Borrowing Costs	73.5	75.6	149.2	76.9
<i>Senior Interest</i>	40.5	40.6	81.1	42.1
<i>SOLA Interest</i>	8.8	9.0	17.8	9.4
<i>RPS Interest</i>	24.1	23.7	47.8	24.1
<i>Shareholder Loan Interest</i>	0.2	0.6	0.8	1.1
<i>Interest Rate Hedge</i>	-1.4	0.7	-0.7	-1.0
<i>Amortisation of Borrowing Costs</i>	1.3	1.1	2.4	1.1

Total Borrowing Costs for the current period are \$76.9m. This is a \$3.4m increase on the pcp.

Income Tax Expense	3.9	6.6	10.5	2.1
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Income Tax Expense for the current period is \$2.1m, decreasing by \$1.8m compared to the pcp.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

2.3 Balance Sheet

The prior comparable period ("pcp") used for the UEDH Balance Sheet is the period ending 30 June 2007.

	31 Dec 2006	30 Jun 2007	31 Dec 2007
	\$ millions	\$ millions	\$ millions
Current Assets	98.8	101.6	103.4
<i>Cash</i>	29.8	52.5	15.5
<i>Accounts Receivable</i>	40.7	21.2	48.2
<i>Other Assets (Includes Inventory and Tax Assets)</i>	28.4	27.9	39.7

Current Assets for the current period are \$103.4m which is comparable to the pcp. The June 2007 Accounts Receivable balance increased as a result of the timing associated with processing accounts receivable at year end. Other Assets have increased as a result of higher Accrued Revenue in the summer period.

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

Non-Current Assets for the current period were \$2,089.5m. This is an increase of \$38.8m relative to the pcp, primarily due to increased Mark to Market value of the hedge instruments included in the Other Non-Current Assets and the increase in the value of Plant and Property over the last 6 months.

Current Liabilities	87.1	71.3	78.4
<i>Payables</i>	63.6	66.1	64.5
<i>Interest Bearing Liabilities</i>	20.0	3.6	11.0
<i>Current Tax Liabilities</i>	0.8	-1.1	0.2
<i>Provisions</i>	2.7	2.6	2.6

Current Liabilities for the current period are \$78.4m, an increase of \$7.1m relative to the pcp. This is largely due to an increase in Current Interest Bearing Liabilities of \$7.4m reflecting drawings made under the working capital facility.

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

Non-Current Liabilities for the current period are \$2,034.1m, an increase of \$44.2m from the pcp. Interest Bearing Liabilities increased \$42.9m from the pcp as a result of senior debt drawings and movements in the fair value of US\$ denominated debt. This is partially offset by a \$14.8m decrease in derivative liabilities (to a total of \$114.9m) associated with hedging the US\$ loans, these are included in Other Liabilities. The Interest Bearing Liabilities are shown net of Deferred Borrowing Costs.

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

Equity for the current period is \$80.4m. This is a \$10.7m decrease relative to the pcp, attributable to a decrease in retained profits of \$23.6m and offset by a \$12.8m increase in reserves from the pcp due to an increase in the Mark to Market value of hedge instruments.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

2.4 Cash Flow Statement

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Cash Flow Statement is the 6 months to 31 December 2006.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities				
Net Cash from Operating Activities	95.5	163.6	259.1	81.1
<i>Cash Receipts</i>	205.0	273.5	478.5	170.6
<i>Cash Payments to Suppliers and Employees (including GST)</i>	-106.6	-108.0	-214.6	-89.5
<i>Income Tax Payment / Refund</i>	-2.9	-2.0	-4.8	0.0

Cash Flows from Operations for the current period were \$81.1m. This is an decrease of \$14.4m relative to the pcp. The decrease in Cash Receipts reflects the increase in the debtors balance in the current period. The decrease in Cash Receipts is partly offset by the decrease in Cash Payments in the current period

Cash Flows from Investing Activities

Net Cash from Investing Activities	-57.1	-58.2	-115.3	-58.1
<i>Purchase of Property, Plant, Equipment and Intangibles</i>	-63.0	-57.1	-120.1	-58.1
<i>Proceeds from Sale of Property, Plant and Equipment</i>	5.9	-1.1	4.8	0.1

Cash Flows applied to Investing Activities for the current period were \$58.1m. This is comparable to the pcp.

Cash Flows from Financing Activities

Net Cash from Financing Activities	-33.8	-82.7	-116.5	-60.0
<i>Movement in Borrowings</i>	53.0	7.6	60.6	44.4
<i>Movement in Equity</i>	0.0	0.0	0.0	0.0
<i>Interest Paid - Senior</i>	-43.7	-41.0	-84.7	-41.5
<i>Interest Paid - SOLA</i>	-8.7	-9.2	-17.9	-9.4
<i>Interest Paid - RPS</i>	-24.1	-23.7	-47.8	-24.1
<i>Interest Paid - Shareholder Loans</i>	-0.2	-0.4	-0.7	-0.9
<i>Distributions</i>	-10.0	-16.0	-26.0	-28.5

Cash Flows applied to Financing Activities for the current period were \$60.0m. This is an increase of \$26.2m relative to the pcp. Movement in Borrowings decreased by \$8.6m compared to the pcp. Distributions also increased by \$18.5m relative to the pcp.

Net Cash Movement	4.6	22.7	27.3	-37.0
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Opening Cash	25.2	29.8	25.2	52.5
Closing Cash	29.8	52.5	52.5	15.5

The capital expenditure allocated to the main programmes for UEDH are summarised below. Note that this relates to capital expenditure incurred rather than the cash expense noted in the Cash Flow Statement above.

Major Capex Projects:	67.3	56.4	123.7	58.9
<i>Asset Replacement</i>	15.3	15.7	31.0	16.4
<i>Customer Initiated</i>	27.5	19.0	46.5	16.6
<i>Demand Capital</i>	11.1	9.7	20.8	14.7
<i>Other</i>	13.4	11.9	25.3	11.2

Appendix 1: Detailed Asset Information Pack
For the half year ended 31 December 2007

2.5 Key Operational Statistics

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

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

	As at 31 Dec 06	As at 30 Jun 07	As at 31 Dec 07
Distribution Network Statistics			
Overhead (km)	10,105	10,112	10,077
Underground (km)	2,261	2,289	2,334
% Underground	18.28%	18.46%	18.80%

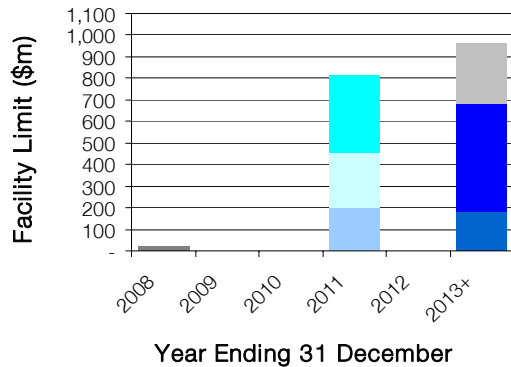
	12 months to 31 Dec 06	12 months to 30 Jun 07	12 months to 31 Dec 07
Distribution Network Statistics			
Maximum Demand (MW)	1,649	1,735	1,735
SAIFI	1.0	1.0	1.0
MAIFI	1.2	1.0	1.1
SAIDI	76	74	85
CAIDI	61	62	61

2.6 Treasury Summary

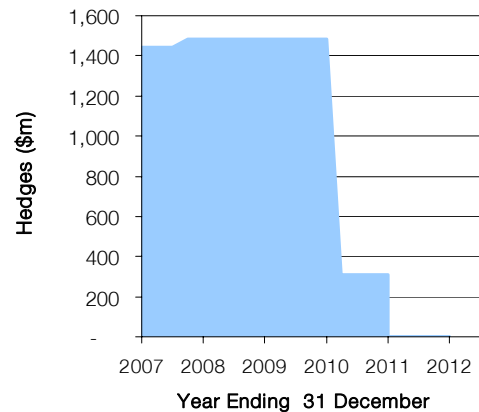
The Debt Advisory group within AMP Capital Investors Limited (“AMP Capital”) manages cash flow and interest rate exposures on behalf of UEDH. AMP Capital operates within the framework of the Financial Services Agreement (“FSA”) and a Treasury Policy (“the Policy”).

UEDH’s maturity profile and gearing at 31 December 2007 were as follows:

Debt Maturity Profile	Hedging Profile
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- US 144A Guaranteed Notes - Tranche A
- SCF - Tranche A
- US 144A Guaranteed Notes - Tranche B
- AS\$ Guaranteed Floating Rate Notes Oct '14
- Working Capital Facility - CBA
- SCF - Tranche B
- SOLA



■ Total Hedged Debt (incl SOLA)

As at 31 December 2007, UEDH’s senior debt interest rate exposure was 91.1% hedged against total senior debt outstanding (including short term facilities). At 31 December 2007, UEDH’s subordinated debt interest rate exposure was 100% hedged against total subordinated debt outstanding (the SOLA facility). The treasury policy is to hedge a minimum of 80% of senior debt and fully hedge subordinated debt, matched to the timing of the relevant regulatory reset. The next reset for UEDH is 1 January 2011. UEDH’s hedging profile is shown above.

As at 31 December 2007, UEDH had \$240.0m of un-drawn funding capacity.

The Company 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: BBB¹
 Moody’s: Baa1

¹ BBB with a negative outlook

3. Multinet Group Holdings (“MGH”)

As at 31 December 2007, DUET owned 79.9% of MGH and 100% of the subordinated debt.

3.1 Financial Summary

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Distribution Revenue	82	66	148	86
Total Revenue ¹	93	73	167	95
EBITDA ²	71	51	123	71
EBIT	47	34	81	52
Net Profit After Tax	14	-1	13	19
Total Assets	1,262	1,302	1,302	1,301
Net Assets	194	190	190	193
Net Capex (Cash)	27	32	59	33
Performance Indicators				
Gearing (per banking documents)	67.4%	68.1%	68.1%	68.3%
RAB ³	870	891	891	889

Notes:

- 1: Includes Interest Revenue
- 2: Excludes Interest Revenue
- 3: The RAB stated is based on management’s calculations. However, it is not until the relevant regulatory authority has reviewed the RAB, at the next regulatory period, that the RAB is approved.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

3.2 Income Statement

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Income Statement is the 6 months to 31 December 2006.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Net Profit After Tax	14.3	-1.1	13.2	19.0

The Net Profit After Tax of \$19.0m for the current period is an increase of \$4.7m relative to the pcp. Further analysis of the movements in Revenues and Expenses are detailed in the sections below.

Revenue	93.3	73.4	166.7	95.0
Revenue consists of Distribution Revenue and Other Revenue, which are discussed below.				
Distribution Revenue	82.3	65.7	148.0	85.7
<i>Tariff V</i>	67.1	50.9	118.0	70.7
<i>Fixed Charges</i>	14.3	14.0	28.3	14.1
<i>Tariff D</i>	0.9	0.7	1.6	0.9

Distribution Revenue for the current period was \$85.7m. This is an increase of \$3.4m relative to the pcp, due to an increase in tariffs over the period.

Other Revenue	11.0	7.7	18.8	9.3
<i>FRC</i>	5.4	4.3	9.7	5.6
<i>Recoverable Works (Eastlink) Revenue</i>	0.4	-0.2	0.2	-0.2
<i>Interest Revenue</i>	0.3	0.3	0.6	0.7
<i>Miscellaneous</i>	4.9	3.3	8.2	3.3

Other Revenue for the current period was \$9.3m, a decrease of \$1.7m relative to the pcp.

Expenses from Ordinary Activities	79.1	74.5	153.6	76.0
Expenses from Ordinary Activities consist of Operating Expenses, Depreciation, Amortisation, Abandonments, Financing Costs and Income Tax Expense.				
Operating Expenses	21.6	21.9	43.5	23.3
<i>Operating Fees</i>	18.8	19.6	38.4	19.6
<i>Insurance</i>	0.8	0.6	1.4	0.6
<i>FSA</i>	0.1	0.1	0.3	0.2
<i>License Costs</i>	0.3	0.5	0.8	0.6
<i>Hedge Expenses</i>	0.0	0.0	0.0	0.8
<i>Other Operating Expenses</i>	1.6	1.1	2.7	1.4

Operating Expenses for the current period were \$23.3m, an increase of \$1.7m relative to the pcp.

Abandonments, Amortisation & Depreciation	24.7	17.2	41.9	19.4
<i>Depreciation</i>	12.6	12.6	25.2	14.2
<i>Amortisation</i>	6.9	1.5	8.3	1.4
<i>Abandonments</i>	5.3	3.1	8.4	3.8

Abandonments, Amortisation and Depreciation Expenses for the current period were \$19.4m, decreased by \$5.3m relative to the pcp. This is predominantly attributable to the decrease in Amortisation Expense of \$5.5m, however the current level of Amortisation is comparable with the previous amount in the June period.

Total Borrowing Costs	32.7	35.4	68.1	33.3
<i>Senior Interest</i>	25.3	25.0	50.2	25.0
<i>SOLA Interest</i>	6.8	6.9	13.7	7.3
<i>Interest Rate Hedge</i>	-0.2	1.7	1.6	0.2
<i>Amortisation & Other Financing Costs</i>	0.8	1.8	2.7	0.9

Total Borrowing Costs for the current period were \$33.3m, an increase of \$0.6m relative to the pcp.

Income Tax Expense	0.0	0.0	0.0	0.0
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MGH has not incurred Income Tax Expenses for this period.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

3.3 Balance Sheet

The prior comparable period ("pcp") used for analysis of the MGH Balance Sheet is 30 June 2007.

	31 Dec 2006	30 Jun 2007	31 Dec 2007
	\$ millions	\$ millions	\$ millions
Current Assets	31.3	55.0	39.5
<i>Cash</i>	4.6	14.2	15.5
<i>Accounts Receivable</i>	25.2	40.2	23.1
<i>Other Assets</i>	1.5	0.7	0.9

The Current Assets for the current period are \$39.5m, a decrease of \$15.5m from the pcp. The largest movement was the \$17.1m decrease in Accounts Receivable, with the \$23.1m balance being comparable to the 31 December 2006 balance. This is reflective of the seasonal nature of the MGH business.

Non-Current Assets	1,230.2	1,247.3	1,261.9
<i>Receivables</i>	3.4	0.0	0.0
<i>Plant and Property</i>	737.1	758.8	774.5
<i>Intangibles</i>	489.7	488.5	487.3
<i>Other</i>	0.0	0.0	0.0

Non-Current Assets for the current period are \$1,261.9m, an increased of \$14.6m relative to the pcp. A \$15.7m increase in Plant and Property has been partially offset by the \$1.2m decrease in Intangibles.

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

Current Liabilities for the period are \$39.5m, an increase of \$8.0m relative to the pcp. Payables increased as a result of Accrued Expenses and Interest Payable increasing in the current period.

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

Non-Current Liabilities for the current period are \$1,068.5m, a decrease of \$12.7m relative to the pcp. The movement is primarily attributable to the \$17.7m decrease in Interest Bearing Liabilities. The Interest Bearing Liabilities are shown net of Deferred Borrowing Costs.

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

Equity for the current period is \$193.4m. This is a \$3.8m increase relative to the pcp, predominantly attributable to the increase in Retained Profits of \$3.0m.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

3.4 Cash Flow Statement

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Cash Flow Statement is the 6 months to 31 December 2006.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	72.0	41.3	113.3	89.3
<i>Cash Receipts</i>	112.2	55.1	167.2	120.1
<i>Cash Payments</i>	-40.2	-13.8	-53.9	-30.8

Cash Flows from Operating Activities for the current period were \$89.3m, an increase of \$17.3m from the pcp. The increase in Operating Cash Flows for the current period is reflective of timing variances for items in the Balance Sheet (i.e. the increase in Payables)

Cash Flows from Investing Activities	-26.9	-31.6	-58.5	-33.0
<i>Purchase of Property, Plant and Equipment</i>	-26.9	-31.6	-58.5	-33.0
<i>Proceeds from Sale of Property, Plant and Equipment</i>	0.0	0.0	0.0	0.0

Cash Flows applied to Investing Activities for the current period were \$33.0m which is comparable to prior periods.

Cash Flows from Financing Activities	-56.0	-0.1	-56.1	-55.0
<i>Movement in Borrowings</i>	-3.4	43.0	39.6	-15.5
<i>Movement in Equity</i>	0.0	0.0	0.0	0.0
<i>Senior Borrowing Costs</i>	-24.4	-36.4	-60.8	-16.3
<i>SOLA Borrowing Costs</i>	-6.8	-6.7	-13.5	-7.2
<i>Distributions</i>	-21.4	0.0	-21.4	-16.0

Cash Flows Applied to Financing Activities for the current period were \$55.0m, a decrease of \$1.0m compared to the pcp. The \$8.1m reduction in the Senior Borrowing Costs attributable to the increase in the Interest Payable on the Balance Sheet and the larger than usual interest payment in the pcp.

Net Cash Movement	-10.9	9.6	-1.3	1.3
Opening Cash	15.5	4.6	15.5	14.2
Closing Cash	4.6	14.2	14.2	15.5

The capital expenditure allocated to the main programmes for MGH are summarised below. Note that this relates to capital expenditure incurred rather than the cash expense noted in the Cash Flow Statement above.

Major Capex Projects:	27.9	36.1	62.0	34.0
<i>Pipeworks Replacement</i>	11.2	4.2	15.4	13.9
<i>Customer Initiated</i>	5.2	5.0	10.2	4.7
<i>Demand Capital</i>	0.6	3.1	3.7	1.4
<i>Yarra Valley</i>	2.7	2.2	4.9	0.1
<i>South Gippsland</i>	3.5	19.9	23.4	12.0
<i>Eastlink</i>	0.1	-0.3	-0.3	0.2
<i>Other</i>	4.6	2.0	4.7	1.7

Appendix 1: Detailed Asset Information Pack
 For the half year ended 31 December 2007

3.5 Key Operational Statistics

	As at 31 Dec 06		As at 30 Jun 06		As at 31 Dec 07	
		%		%		%
Distribution Network Profile – User Connections						
Tariff V Residential	629,538	98	632,261	97	635,148	97
Tariff V Business	16,784	3	16,714	3	16,693	3
Tariff D	275	0	272	0	266	0
Total	646,597	100	649,247	100	652,107	100

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

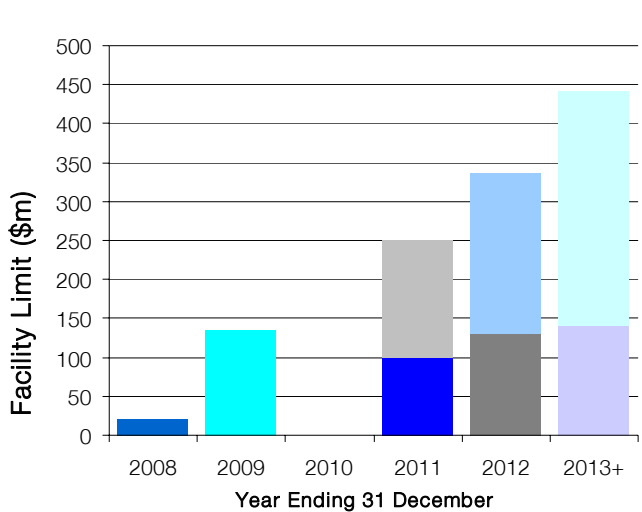
	12 months to 31 Dec 06		12 months to 30 Jun 06		12 months to 31 Dec 07	
Distribution Network Statistics						
Priority Emergency Response	98.0%		98.0%		97.5%	
Number of Unplanned Outages (> 5 consumers)	33		22		21	
Publicly Reported Gas Leaks (per 1000 consumers)	18		18		17	

3.6 Treasury Summary

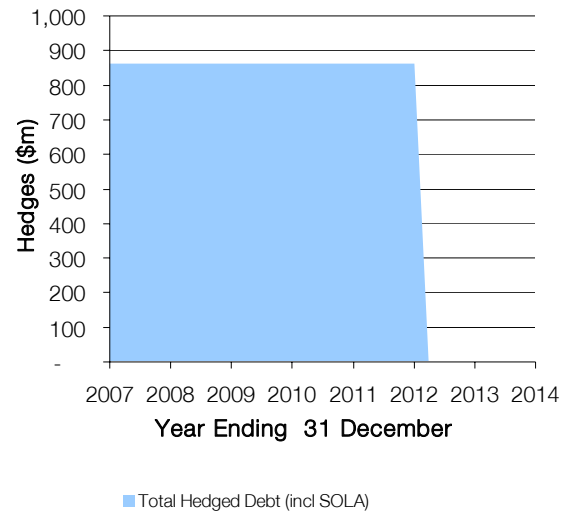
The Debt Advisory group within AMP Capital Investors Limited (“AMP Capital”) manages cash flow and interest rate exposures on behalf of MGH. AMP Capital operates within the framework of the Financial Services Agreement (“FSA”) and a Treasury Policy (“the Policy”).

MGH’s maturity profile and gearing at 31 December 2007 were as follows:

Debt Maturity Profile	Hedging Profile
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- Unwrapped MTN (Coupon 6.50%)
- Credit Wrapped MTN (Coupon 6.375%)
- Credit Wrapped FRN
- Credit Wrapped FRN (July 2017)
- SCF (Tranche A) June 2012 - Citibank
- SCF (Tranche B (Capex)) - Citibank
- Working Capital Facility - TD
- SOLA



As at 31 December 2007, MGH’s senior debt interest exposure was 90.1% hedged against total senior debt outstanding (including short term facilities). The treasury policy is to hedge a minimum of 80% of senior debt and fully hedge subordinated debt, matched to the timing of the relevant regulatory reset. At 31 December 2007, MGH’s subordinated debt interest rate exposure was 100% hedged against total subordinated debt outstanding (the SOLA facility). Hedging for the 2008-2012 period was executed at the end of 2007. MGH’s hedging profile is shown above.

At 31 December 2007, MGH had \$185.5m in un-drawn funding capacity.

The Company maintains credit ratings with internationally recognised rating agencies, Standard & Poor’s (S&P) and Moody’s. Rating levels as at 31 December 2007 were:

S&P: BBB²
 Moody’s: Baa2

² BBB with a negative outlook

4. Dampier Bunbury Pipeline (“DBP”)

As at 31 December 2007, DUET owned 63.4% of DBP and 100% of the subordinated debt.

4.1 Financial Summary

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Transport Income	105	133	238	137
Total Revenue ¹	112	139	250	146
EBITDA ²	81	100	182	110
EBIT	62	80	142	88
Net Result After Tax ³	5	-14	-9	19
Total Assets	2,814	2,986	2,986	3,284
Net Assets ⁴	459	493	493	574
Net Capex	117	217	335	306
Performance Indicators				
RAB ⁵	2,226	2,428	2,428	2,613

Notes:

- 1: Includes Interest Revenue
- 2: Excludes Interest Revenue
- 3: Net result after tax is shown before finance charges attributable to unitholders
- 4: Excluding security holder interests classified as debt
- 5: 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 the RAB is approved.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

4.2 Income Statement

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Income Statement is the 6 months to 30 June 2007.

	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Net Result After Tax¹	5.2	-14.4	-9.2	19.0

The Net Result After Tax for the six months to 31 December 2007 was a profit of \$19.0m, relative to the pcp loss of \$14.4m. Further analysis of the movements in Revenues and Expenses are detailed below.

Revenue	111.6	138.7	250.3	146.4
Group Revenue consists of Transport Revenue and Other Revenue.				
Transport (transmission) Revenue	110.6	137.8	248.4	145.2
<i>Transport Income</i>	<i>104.7</i>	<i>133.0</i>	<i>237.8</i>	<i>136.8</i>
<i>Chargeable Works & Other Income</i>	<i>5.8</i>	<i>4.8</i>	<i>10.6</i>	<i>8.4</i>

Transport Revenue for the current period was \$145.2 m. This is a \$7.4m increase on the pcp. Transport Income increased by \$3.8m from the pcp due to a 2% increase in Throughput. Chargeable works increased \$4.6m from the pcp as a result of capital works performed on behalf of certain pipeline customers.

Other Revenue	1.1	0.9	2.0	1.2
<i>Interest Received</i>	<i>1.1</i>	<i>0.9</i>	<i>2.0</i>	<i>1.2</i>

Other Revenue for the current period was \$1.2m. This is comparable to the pcp.

Expenses from Ordinary Activities	106.5	153.1	259.6	127.5
Expenses from Ordinary Activities consist of Operating Expenses, Depreciation, Amortisation, Abandonments, Financing Costs and Income Tax Expense.				
Operating Expenses	29.2	37.6	66.8	35.3
<i>Management Fees</i>	<i>14.6</i>	<i>15.7</i>	<i>30.2</i>	<i>16.7</i>
<i>Insurance</i>	<i>1.5</i>	<i>3.2</i>	<i>4.7</i>	<i>1.4</i>
<i>Fuel Gas</i>	<i>9.5</i>	<i>15.7</i>	<i>25.2</i>	<i>14.9</i>
<i>Other Operating Expenses</i>	<i>3.7</i>	<i>3.0</i>	<i>6.7</i>	<i>2.3</i>

Operating Expenses were \$35.3m for the current period, a decrease of \$2.3m from the pcp. The decrease was largely driven by Foreign Exchange gains derived for the current period, together with lower Fuel Gas and Insurance Costs over the pcp.

Depreciation, Amortisation & Abandonments	19.5	20.3	39.8	21.6
<i>Depreciation</i>	<i>19.4</i>	<i>20.1</i>	<i>39.5</i>	<i>21.4</i>
<i>Amortisation</i>	<i>0.3</i>	<i>0.3</i>	<i>0.7</i>	<i>0.3</i>
<i>Abandonments</i>	<i>-0.2</i>	<i>-0.1</i>	<i>-0.3</i>	<i>-0.1</i>

Depreciation, Amortisation and Abandonments expenses for the current period were \$21.6m. This is a comparable result to the pcp.

Borrowing Costs	56.1	61.5	117.6	63.1
<i>Senior Interest</i>	<i>47.0</i>	<i>51.8</i>	<i>98.8</i>	<i>52.8</i>
<i>SOLA Interest</i>	<i>7.0</i>	<i>7.2</i>	<i>14.2</i>	<i>7.7</i>
<i>Amortisation & Other Financing Costs</i>	<i>2.1</i>	<i>2.6</i>	<i>4.7</i>	<i>2.5</i>

Borrowing Costs for the current period were \$63.1m. This is an increase of \$1.6m relative to the pcp.

Income Tax Expense	1.6	33.7	35.3	7.4
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Income Tax Expense for the current period was \$7.4m. This result has been affected by the reclassification of certain tax losses. The recognition resulted from an assessment of ownership tests at the unitholder level.

¹ Net result after tax is shown before finance charges attributable to unitholders.

Appendix 1: Detailed Asset Information Pack
For the half year ended 31 December 2007

4.3 Balance Sheet

The prior comparable period ("pcp") used for analysis of the DBP Balance Sheet is 30 June 2007.

	31 Dec 2006	30 Jun 2007	31 Dec 2007
	\$ millions	\$ millions	\$ millions
Current Assets	148.5	111.9	91.4
<i>Cash</i>	118.4	81.0	54.4
<i>Accounts Receivable</i>	13.1	12.5	13.9
<i>Inventories and Other Assets</i>	17.0	18.4	23.1
Current Assets for the current period are \$91.4m. A reduction of \$20.5m from the pcp. There was a \$26.6m reduction in Cash in the current period, partly offset by the increase in Inventories and Other Assets of \$4.7m in the current period (resulting mainly from movements in Accrued Revenue).			
Non-Current Assets	2,665.5	2,874.4	3,192.5
<i>Plant, Property and Equipment</i>	1,921.9	2,097.1	2,377.7
<i>Intangibles</i>	706.4	706.0	699.8
<i>Deferred Tax Asset</i>	0.0	0.0	0.0
<i>Other</i>	37.2	71.3	115.0
Non-Current Assets for the current period were \$3,192.5m, an increase of \$318.1m compared to the pcp. The \$280.6m increase in Plant, Property and Equipment is attributable to the Stage 5A capital expenditure program, which occurred over the current period. Other Non-Current Assets have increased by \$43.7m from pcp due to the increase in the Mark to Market value of hedge instruments.			
Current Liabilities	150.1	108.3	96.3
<i>Payables</i>	112.7	86.5	76.0
<i>Interest Bearing Liabilities</i>	17.5	0.0	0.0
<i>Provisions & Other Liabilities</i>	19.9	21.8	20.3
Current Liabilities for the current period are \$96.3m. This is a \$12.0m decrease relative to the pcp. The \$10.5m decrease in Payables from the pcp is primarily attributable to a reduction in capital expenditure related items included in the Payables balance.			
Non-Current Liabilities	2,204.5	2,385.2	2,613.2
<i>Interest Bearing Liabilities</i>	1,668.8	1,805.4	2,018.6
<i>Deferred Tax Liabilities</i>	376.1	419.9	434.4
<i>Other Liabilities</i>	9.6	9.9	10.2
<i>SOLA Debt</i>	150.0	150.0	150.0
Non-Current Liabilities for the current period are \$2,613.2m, an increase of \$228.0m from the pcp figures. The increase in Interest Bearing Liabilities is attributable to debt draw downs used to fund expansions. The Interest Bearing Liabilities are shown net of Deferred Borrowing Costs.			
Net Assets	459.3	492.8	574.4
Equity	459.3	492.8	574.4
<i>Contributed Equity & Retained Earnings</i>	436.7	446.5	497.8
<i>Reserves</i>	22.6	46.3	76.7
Equity for the current period is \$574.4m. This is an increase of \$81.6m relative to the pcp. The \$30.4m increase in Reserves reflecting the increases in the Mark to Market value of interest rate swaps and currency hedges held by DBP.			

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

4.4 Cash Flow Statement

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Cash Flow Statement is the 6 months to 30 June 2007.

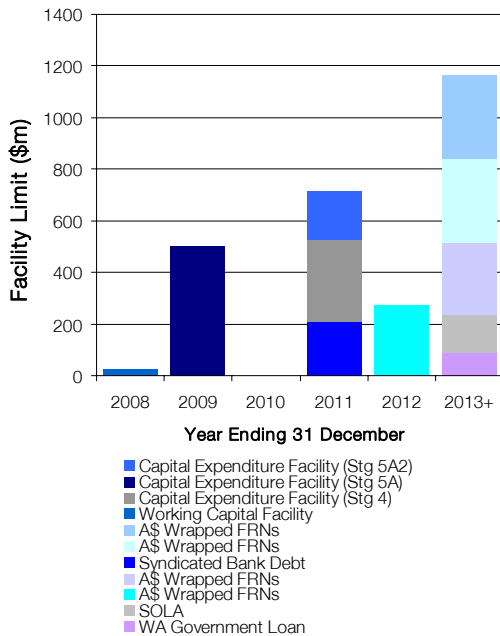
	6 months to 31 Dec 06	6 months to 30 Jun 07	12 months to 30 Jun 07	6 months to 31 Dec 07
	\$ millions	\$ millions	\$ millions	\$ millions
Cash Flows from Operating Activities	76.9	103.0	179.8	105.4
<i>Cash Receipts</i>	115.0	163.1	278.1	142.1
<i>Cash Payments</i>	-38.2	-60.1	-98.3	-36.7
<i>Income Tax Payment / Refund</i>	0.0	0.0	0.0	0.0
Cash Flows from Operating Activities were \$105.4m in the current period. This is an increase of \$2.4m relative to the pcp.				
Cash Flows from Investing Activities	-116.0	-215.9	-331.8	-306.3
<i>Purchase of Property, Plant and Equipment</i>	-117.4	-217.1	-334.5	-306.3
<i>Proceeds from Sale of Property, Plant and Equipment</i>	1.5	1.2	2.7	0.0
<i>Purchase of Controlled Entity</i>	0.0	0.0	0.0	0.0
Cash Flows from Investing Activities were \$306.3m for the current period. The majority of the cash flows applied to Property, Plant and Equipment were incurred on the Stage 5A expansion that DBP is undertaking.				
Cash Flows from Financing Activities	25.5	74.8	100.3	173.3
<i>Movement in Borrowings</i>	80.0	114.7	194.7	206.2
<i>Movement in Equity</i>	23.5	55.3	78.8	76.6
<i>Other Interest & Borrowing Costs</i>	-41.9	-57.2	-99.1	-57.6
<i>Interest Paid - SOLA</i>	-7.0	-6.9	-13.9	-7.6
<i>Distributions</i>	-29.1	-31.1	-60.2	-44.3
Cash Flows from Financing Activities were \$173.3m for the current period. Both debt drawdowns and equity calls have continued during the period to fund the Stage 5A expenditure being incurred.				
Net Cash Movement	-13.6	-38.1	-51.7	-27.6
Opening Cash	132.4	118.4	132.4	81.0
Effect of Exchange Rate Changes on Cash	-0.4	0.7	0.3	1.0
Closing Cash	118.4	81.0	81.0	54.4

4.5 Treasury Summary

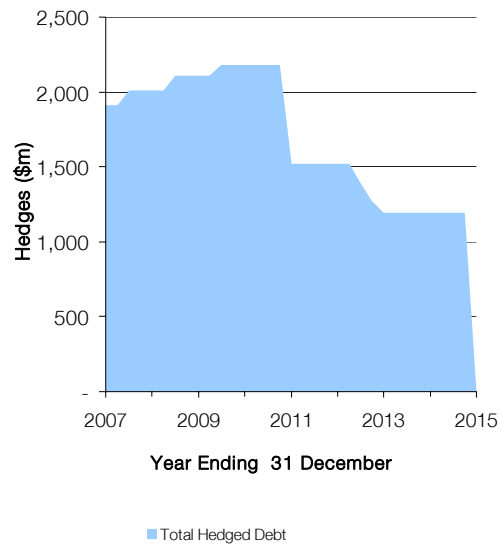
DUET seconds a CFO into the DBP management team. His responsibilities include managing treasury exposures with the assistance of WestNet Treasury.

DBP’s maturity profile and gearing at 31 December 2007 were as follows:

Debt Maturity Profile



Hedging Profile



As at 31 December 2007, DBP was 93.7% hedged against senior debt interest based on the outstanding balance (including short term facilities but excluding the government loan). The treasury policy is to hedge a minimum of 80% of senior debt. The hedging profile of DBP for the next 8 years is included in the chart above.

As at 31 December 2007, DBP had \$70.0m in un-drawn facilities excluding the Stage 5A and 5A(2) Capital Expenditure Facilities.

The Company 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
 Moody’s: Baa2

5. Alinta Network Holdings Pty Ltd (“ANH”)

As at 31 December 2007, DUET owned 25.9% of ANH and 100% of the subordinated debt.

5.1 Financial Summary

The current period is the 6 months to 31 December 2007. The prior comparable period (“pcp”) for the Financial Summary is the 6 months to 31 December 2006.

Key Financial Items

	6 months to 31 Dec 06 \$ millions	6 months to 30 Jun 07 \$ millions	12 months to 30 Jun 07 \$ millions	6 months to 31 Dec 07 \$ millions
Net Profit After Tax	9.7	6.0	15.7	13.2
Net Profit After Tax for the current period was \$13.2m. This is an increase of \$3.5m relative to the pcp				
Dividend Distribution	14.0	1.5	15.5	18.4
Subordinated Debt Interest	3.8	3.9	7.7	4.1

6. Duquesne Light (“DL”)

On 31 May 2007, DUET, as part of a Macquarie-led consortium reached financial close on the acquisition of Duquesne Light Holdings (DLH). DUET has an equity interest of 29% in DQE Holdings, the parent entity for DLH. All balances reported are stated in \$US Dollars, the reporting currency of DLH.

Both the Income statement and Balance Sheet have been presented in US GAAP on the basis that Duquesne is still in the process of computing the purchase price allocation adjustments required.

6.1 Financial Summary

	6 months to 31 Dec 07 \$US millions
Total Revenue ¹	587.2
EBITDA	266.8
EBIT	197.6
Net Profit After Tax	13.1
Total Assets	3,813.8
Net Assets	337.2

Notes:

1: Income before limited partners interest and discontinued operations

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

6.2 Income Statement

The current period is the 6 months to 31 December 2007. No comparable period information is available for the current periods results. The Income Statement is presented in \$US Dollars and in US GAAP.

	6 months to 31 Dec 07
	\$US millions
Net Result After Tax	13.1
Net Profit was \$13.1m in the current period. Further analysis is provided in the summary below:	
Revenue	587.2
<i>Retail Sales of Electricity</i>	509.7
<i>Other</i>	63.0
<i>Investment and Other Income</i>	14.5
Revenues for the 6 Months are from the various operations of Duquesne being; electricity distribution, transmission and supply, generation, communications and synthetic fuel operations.	
Included in Other income is income associated with the non-regulated activities of Duquesne including the communications and synfuel businesses.	
Expenses	320.4
<i>Fuel and Purchased Power</i>	167.3
<i>Other Operating and Maintenance</i>	119.4
<i>Taxes other than Income Taxes</i>	33.7
The current period's Expenses for the 6 months totalled \$320.4m. Included in the current period's Fuel and Purchased Power Expense is a \$65.0m credit related to the mark to market value of the energy commodity contracts.	
EBITDA	266.8
Depreciation and Amortisation	69.2
<i>Depreciation and Amortization</i>	69.2
Depreciation and Amortization for the current period was \$69.2m.	
Borrowing Costs	159.4
<i>Total Borrowing Costs</i>	159.4
The current year Total Borrowing Costs are \$159.4m. Included in this total is \$46.4m of Investor Loan Interest earned by Consortium members over the 6 month period, and a charge of \$61.3m associated with the Mark to Market of interest rate hedges held by Duquesne offset by a credit of reclassified swaption costs of \$14.9m. Debt issuance cost amortisation of \$4.2m is also included.	
Income Tax Expense	29.8
<i>Income Tax</i>	29.8
Income Tax was \$29.8m in the current period	
Other	4.7
<i>Benefit from Limited Partners' Interest</i>	4.0
<i>Loss from Discontinued Operations – Net</i>	0.7
Other Income items were \$4.7m in the current period	

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

6.3 Balance Sheet

The current period is the 6 months to 31 December 2007. No comparable period information is available for reporting. The Balance Sheet is presented in \$US and in US GAAP.

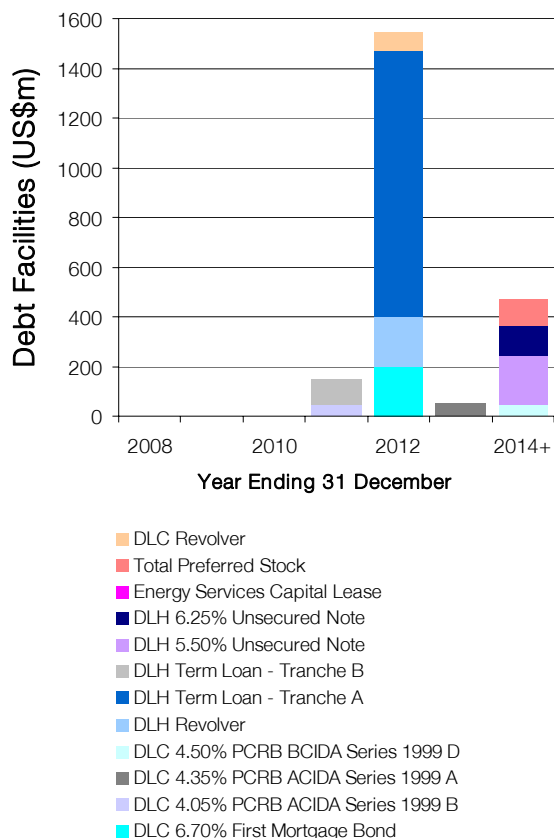
There is no commentary provided on the Duquesne Balance Sheet for the current period due to the lack of comparable information to support the analysis.

	31 Dec 07 \$US millions
Current Assets	251.9
<i>Cash and Cash Equivalents</i>	38.6
<i>Receivables:</i>	146.7
<i>Other</i>	66.6
Non-Current Assets	3,561.9
<i>Long-Term Investments</i>	66.9
<i>Net Property, Plant and Equipment</i>	1,967.7
<i>Regulatory Assets</i>	311.8
<i>Goodwill</i>	1,018.9
<i>Other</i>	196.6
Current Liabilities	227.1
<i>Short Term Debt and Current Maturities</i>	10.3
<i>Accounts Payable</i>	105.2
<i>Other Current Liabilities</i>	111.6
Non-Current Liabilities	3,249.5
<i>Deferred Income Taxes - Net</i>	349.0
<i>Other Non-Current Liabilities</i>	274.4
<i>Long-Term Debt</i>	1,802.2
<i>Limited Partners' Interest</i>	20.8
<i>Investor Debt</i>	695.0
<i>Preferred and Preference Stock</i>	108.1
Equity	337.2
<i>Common Equity</i>	337.2

6.4 Treasury Summary

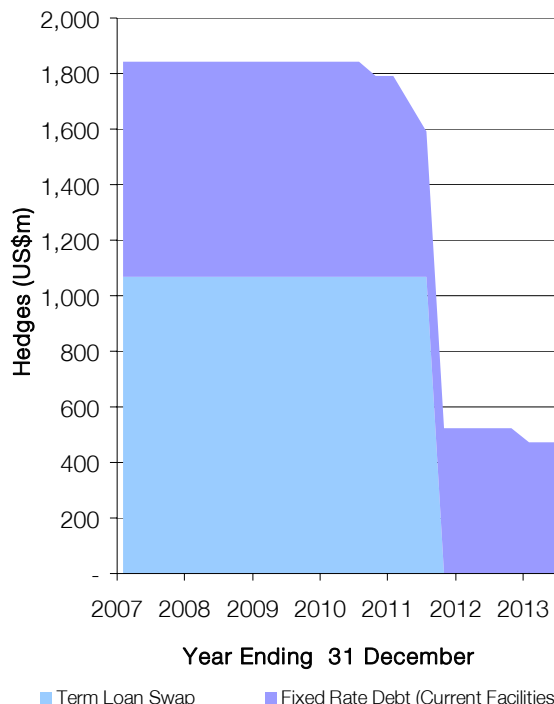
The maturity profile and interest rate hedging summary for the consolidated DLH Group at 31 December 2007 were as follows:

Debt Maturity Profile



Interest Rate Hedging Summary

The chart below shows DLH's interest rate hedge profile until 2013, treating fixed debt as 100% hedged. Some fixed rate facilities have a maturity date past December 2013.



As at 31 December 2007, DLH's senior debt interest rate exposure was 94.4% hedged against total senior debt drawn (including short term facilities).

As at 31 December 2007, there was US\$190.0m in un-drawn funding capacity at the DLH level and US\$75.0m at the DLC level.

The Company maintains credit ratings with internationally recognised rating agencies, Standard & Poor's (S&P) and Moody's. Rating levels as at Period End were:

Duquesne Light Holdings

S&P: BBB-
 Moody's: Ba1

7. Duet Parent Entity

7.1 Financial Summary

The current period is the 6 months to 31 December 2007. The prior comparable period ("pcp") for the Financial Summary for the DUET Parent is the 6 months to 31 December 2006.

Key financial Items

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

Interest Income consists of: a) SOLA interest income being the back to back on advance of the POWERS loan b) the Redeemable Preference Share dividends from UEDH c) the interest income earned on the UEDH Shareholder Loan and the interest income on the loan advanced to DDB Co.

Interest income increased by \$27.8m over the the pcp, primarily due to three factors:

- (1) interest income of \$15.5m from the Duquesne Investor Loan earned by DUET 3 in the current period, ;
- (2) an increase in the interest in the DDB Co Loan reflecting DUET's continuing investment in the Stage 5A expansion; and
- (3) interest received of \$5.6m on intra-DUET group loan balances in the current period. This interest is eliminated upon consolidation.

Dividend Income in the current period represents the dividends from ANH, whereas during June this also included dividends on DUET's 7.7% interest in Duquesne.

Fair Value Increments recorded as Revenue in the current period reflect the gain on Foreign Exchange contracts held to providing hedging of forecast Duquesne returns.

Share of Net Profit from Associates Equity Accounted	17.5	6.6	24.1	31.7
DUET Parent equity accounts for its investments in UED, MGH, DBP and POWERS. DUET has also equity accounted for Duquesne since the transaction closed on 31 May 2007. Share of Net Profit from Associates is the corresponding share of the net profit of the underlying equity accounted investments.				
Management Fee	8.7	9.6	18.3	10.2
Performance Fee	0.0	43.6	43.6	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 in the six months to December 2007.

Fund Expenses	2.0	21.1	23.0	12.9
Fund Expenses relate to general administration costs of the fund and other miscellaneous costs. In the current period the \$12.9m includes \$11m of Foreign Exchange losses, most of which relate to the revaluation of the DUET 3 Investor Loan which is denominated in \$US, and some Foreign Exchange losses associated with intra-DUET Group Foreign Exchange hedging transfers between DIHL and DUET 3.				
Interest and Borrowing Costs	26.3	26.6	52.9	32.0

Borrowing Costs of \$32.0m in the current period are comparable with the pcp. Primarily, this expense is the interest payable to POWERS of \$26.0m and the intra-DUET group interest charges of \$5.6m

Income Tax Expense	0.7	1.9	2.5	0.3
Income Tax Expense for the six months to 31 December 2007 was \$0.3m. This is the Withholding Tax incurred by DIHL on dividends received from Duquesne.				

Net Result	56.4	17.2	73.6	80.8
DUET Distribution	60.5	62.1	122.6	81.1

Distributions made by the DUET Parent increased to \$81.1m in the six months to 31 December 2007, compared to \$60.5m in the six months ending 31 December 2006. In the current period, a Distribution of 13.5 cents per stapled security was declared.

Appendix 1: Detailed Asset Information Pack

For the half year ended 31 December 2007

7.2 Balance Sheet

The prior comparable period ("pcp") used for analysis of the DUET Parent Balance Sheet is 30 June 2007.

	31 Dec 2006	30 Jun 2007	31 Dec 2007
	\$ millions	\$ millions	\$ millions
Current Assets	119.0	161.9	207.9
Cash	104.4	149.6	177.0
Accounts Receivable	13.9	9.6	25.4
Other	0.7	2.6	5.5

Accounts Receivable and Accounts Payable have been restated to exclude Intra-Duet Group interest receivable balances in the current period. Accounts Receivable of \$25.4m in the current period has increased by \$15.8m relative to the pcp. This is primarily attributed to the accrual of \$16.2m of interest relating to the Duquesne investor loan for which payment was received in February 2008.

Non-Current Assets	1,613.4	1,807.5	1,850.0
Investments			
United Energy - Ordinary Shares	48.7	60.2	53.2
United Energy - Redeemable Preference Shares	233.7	233.7	233.7
UED Shareholder Loans	6.6	6.6	13.2
Multinet	154.8	151.5	154.5
Alinta Networks	44.7	44.7	44.7
DUET Investment Holdings Limited	197.2	139.9	133.0
POWERS Trust	7.0	8.2	8.2
Australian Energy Fund No. 2	1.7	1.7	1.7
Loans			
SOLA	554.7	554.7	554.7
DDB Loan	362.7	362.7	418.7
DQE Promissory Note	0.0	237.3	229.6
Other	1.5	6.1	4.8

The Non-Current Assets of \$1,850.0m in the current period has increased by \$42.5m relative to the pcp. This was primarily due to DUET's investment in the DBP Stage 5A expansion and an increase in Shareholder Loans to UED. Non-Current Assets and Non-Current Liabilities have been restated to exclude Intra-DUET Entities loan balances of \$114.1m.

Current Liabilities	82.0	129.0	105.6
Payables	82.0	129.0	105.6
Non-Current Liabilities	548.9	544.3	544.7
POWERS	544.0	544.3	544.7
Deferred Tax Liability	5.0	0.0	0.0

Payables in the current period of \$105.6m have decreased by \$23.4m relative to the pcp, which is attributed to the prior periods Performance Fees being included in the Payables balance in the pcp. The POWERS balance relates to the loan balance owing to the POWERS Trust under the FOLA agreement. The POWERS Trust has an associated liability to the POWERS security holders.

Net Assets	1,101.4	1,296.0	1,407.6
Equity	1,101.4	1,296.0	1,407.6
Contributed Equity & Retained Profits / (Loss)	1,076.2	1,356.7	1,472.8
Reserves	25.1	-60.7	-65.2

Equity of \$1,407.6m was recognised for the current period, representing an increase of \$111.6m relative to the pcp. The majority of this increase relates to the final allotment of new stapled securities from DUET's June equity raising that was used to finance its acquisition of the balance of DUET's 29% interest in Duquesne Light Holdings and its equity commitment to the DBP Stage 5A expansion.