2013 Results Presentation

16 August 2013

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Chief Executive Officer

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Disclaimer

Important Information

At 30 June 2013, the DUET Group comprised DUET Management Company 1 Limited (ABN 99 108 013 672) (**RE1**) (AFSL 269286) in its personal capacity and as responsible entity for Diversified Utility and Energy Trust No.1 (**DUET1**) (ARSN 109 363 037) (ABN 83 495 791 796), DUET Management Company 2 Limited (ABN 15 108 014 062) (**RE2**) (AFSL 269287) in its personal capacity and as responsible entity for Diversified Utility and Energy Trust No.2 (**DUET2**) (ARSN 109 363 135) (ABN 85 482 841 876) and Diversified Utility and Energy Trust No. 3 (**DUET3**) (ARSN 124 997 986) (ABN 42 998 980 995) and DUET Investment Holdings Limited (**DIHL**) (ABN 22 120 456 573) (in combination DUET1, DUET2, DUET3, RE1, RE2 and DIHL referred to as "DUET" or "DUET Group"). DUET may refer to any entity of the DUET Group or all of them or any combination thereof. On 1 August 2013, DUET implemented a Group structure simplification that saw the Group separated into a corporate arm comprising DUET Company Limited **(DUECo**) (ABN 93 163 100 061) and DIHL and funding arm comprising DUET Finance Limited (**DFL** - previously named RE2) in its personal capacity and as responsible entity of DUET Finance Trust (**DFT** – previously named DUET2). As DUECo is the parent entity of the DUET Group, it and DIHL (as corporate arm) are responsible for all information contained in this presentation. DFL and DFT (as funding arm) are only responsible for the general securityholder information and financial information of DFL and DFT incorporated into the consolidated financial information contained in this presentation.

Not an offer nor investment advice

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Policies

This presentation has been prepared using policies adopted by the directors of RE1, RE2 and DIHL and, unless stated otherwise in the Management Information Report, these policies have been consistently applied to all periods presented in this presentation.

Proportionate Earnings

Current and prior period Proportionate Earnings information contained in this presentation involves the aggregation of the financial results of DUET's energy utilities in the relevant proportions that DUET holds beneficial ownership interests. It is calculated as energy utilities' revenues less the sum of customer contributions (net of margin), operating expenses, maintenance capital expenditure, net external interest expense, net tax expense and corporate net interest expense, net tax expense and operating expenses ("Proportionate Earnings"). Proportionate earnings excludes the impact of any changes in the fair value of derivatives and realised hedge break costs from the early refinancing of external debt. Proportionate Earnings information also includes pro forma results. Pro forma results are produced to allow comparisons of the operational performance of energy utility assets between periods, as it removes the impact of changes in ownership interests, period of ownership and foreign currencies. The purpose of proportionate earnings is therefore to provide a view of DUET's result based on the actual beneficial ownership percentage of its energy utilities' results as opposed to consolidating 100% of those earnings and the exclusion of non-cash items that are not reflective of cash outflows in the current reporting period such as the non-cash change in the fair value of derivatives that reflects the movement in the termination value of those instruments during the period.

Presentation should be read in conjunction with the Financial Report

Parts of this presentation have therefore been prepared on a different basis to the Financial Report of DUET Group. Certain information contained within this presentation does not, and cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of DUET Group as in the Financial Report. This presentation should be read in conjunction with the Financial Report of DUET Group, which can be found on the DUET website at www.duet.net.au.

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Agenda

Achievements

Key initiatives completed and underway

Management internalisation, restructuring and simplification achieved

Strategic

- Management Internalisation
  - Separation on 4 December 2012
- Group Structure Simplification
  - Separation of DUET into corporate and funding arms
  - Overwhelmingly supported by securityholders at July EGM
  - Implemented 1 August 2013

Operational

- Dampier Bunbury Pipeline
  - Active cost management
  - Exploring tariff re-contracting
  - Pursuing value accretive opportunities to deploy capital via DBP Development Group
- United Energy
  - Continued investment in network renewal and upgrade
  - AMI rollout ramp up
- Multinet Gas
  - In-sourcing of operations completed on time and within budget
  - Awaiting revised tariff path from opening RAB appeal win

Capital and Regulation

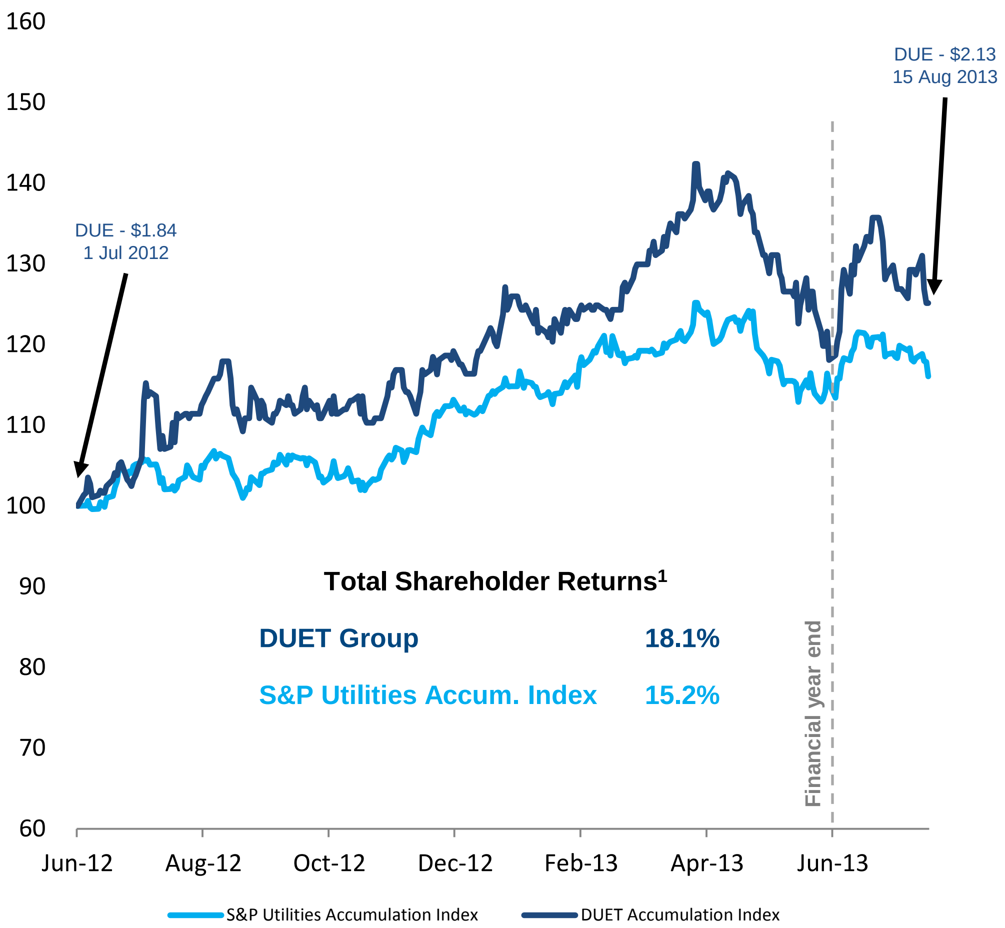
- Debt Capital Management
  - ~$1.2bn raised in FY13
  - No CY13 term debt maturities
- Participation in Regulatory Reviews
  - AER and ERA WACC guidelines
  - Limited Merits Review

Completed initiatives aimed at enhancing DUET's control of assets and cash flows

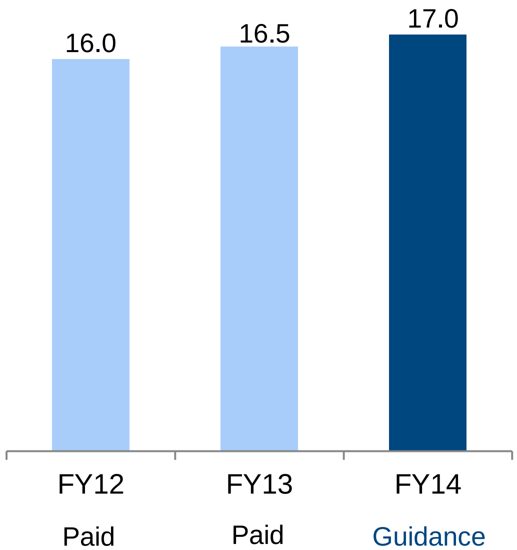
Return to Securityholders

Solid performance over the past 12 months

DUET Accumulation Index v S&P Utilities Accumulation Index



Distribution Outlook
(cents per stapled security)



- FY14 guidance[2] provided of 17.0 cpss
- Represents current trading yield of 8.0%[3]

Note: Past performance is not a reliable indication of future performance

1. DUET Group and S&P Utilities Accumulation Index total shareholder returns calculated over 1 July 2012 – 30 June 2013 period.
2. Distribution guidance is subject to DUET's forecast assumptions being met.
3. Based on FY2014 distribution guidance of 17.0 cpss and closing stapled security price of $2.13 on 15 August 2013.

Financial Performance

Statistory Results

Net profit of $81.7m excluding significant items, up 17%

Statutory Results ($m) Per Appendix 4E	**FY13**	**FY12**	***Variance %***
Statutory EBITDA (excluding FX and interest income)	**736.3**	**710.9**	***4***
FX gains/(losses) impacting EBITDA	1.0	1.5	
Depreciation	(198.1)	(191.0)	
Amortisation	(55.8)	(42.9)	
Statutory EBIT	**483.4**	**478.5**	***1***
Profit from associates – Duquesne & WAGN	-	6.7	
Gain on disposal of associates – Duquesne & WAGN	-	8.7	
Net interest expense (1)	(433.5)	(447.6)	
Tax (expense)/benefit	(30.3)	(2.3)	
Net profit after income tax	**19.6**	**44.0**	***(55)***
Add back: significant items			
Consolidated MTM derivatives and fx loss/(profit)	(49.1)	17.6	
Expenses relating to internalisation and group structure simplification	111.2	-	
Accounting profit on sale of WAGN	-	(44.4)	
Accounting profit on sale of Duquesne, excluding transfer of reserves	-	(2.3)	
Transfer from reserves on sale of Duquesne	-	38.1	
Performance fee	-	16.6	
Net profit excluding significant items	**81.7**	**69.6**	***17***

(1) Includes interest income of $6.3 million (2012: $18.3 million)

Proportionate Results

Revenue up 2%, Opex down 2% and EBITDA up 4%

Proportionate Results Per Management Information Report (MIR)	FY13	FY12	*Variance %*
Revenue ($m)	879.5	858.2	*2*
Opex ($m)	239.4	244.7	*2*
EBITDA ($m)	640.1	613.5	*4*
Proportionate Earnings ($m)	209.7	187.7	*12*

Cash Available for Distribution

105% cash coverage of distributions

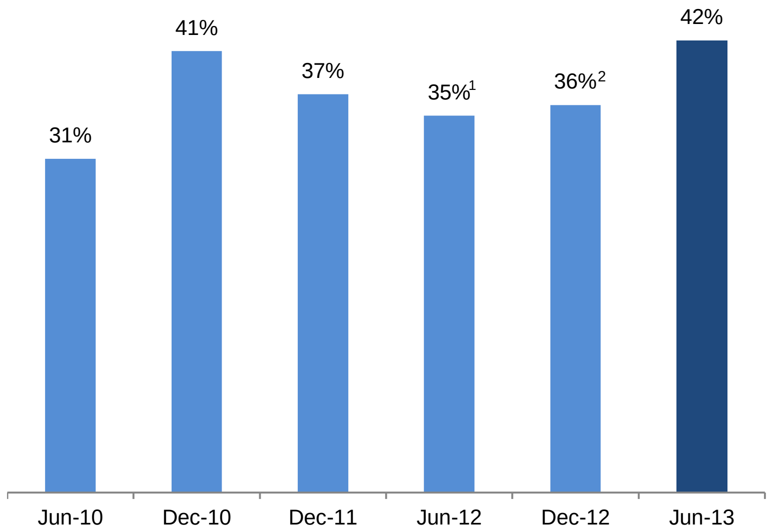
$m	FY13
DBP	102.3
United Energy	63.8
Multinet Gas[1]	49.0
Cash receipts from assets (pro forma)	**215.1**
Interest on corporate cash	3.1
Other income received	0.1
Total receipts (pro forma)	**218.3**
Operating expenses and fees paid (incl. GST)	(19.4)
Corporate borrowing costs paid	(0.9)
Cash available for distribution	**198.0**
Weighted average stapled securities on issue (millions)	1,144
Cash available for distribution (pss)	17.3¢
Distribution declared (pss)	16.5¢
Distribution coverage (pro forma)	**105%**

[1] Includes $18.75 million ordinary dividend received from Multinet Gas in early August 2013.

Corporate Capital Position

Strongly supported DRP providing capital to fund growth

DRP Participation Application Rate

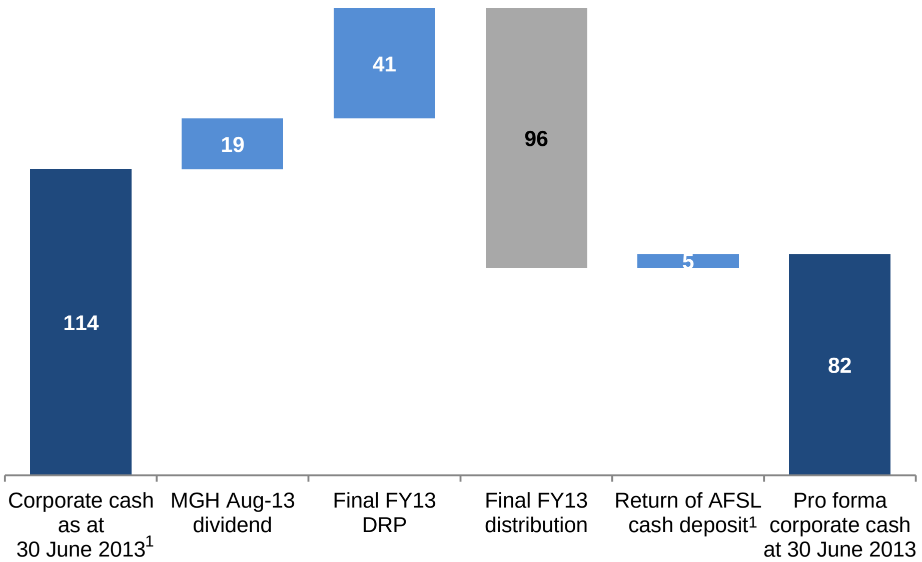


Note June 2011 DRP was suspended

1. *June 2012 DRP participation rate was capped at 15%*
2. *December 2012 DRP participation rate was capped at 25%*

Corporate Working Capital Position

At 30 June 2013, pro forma ($m)



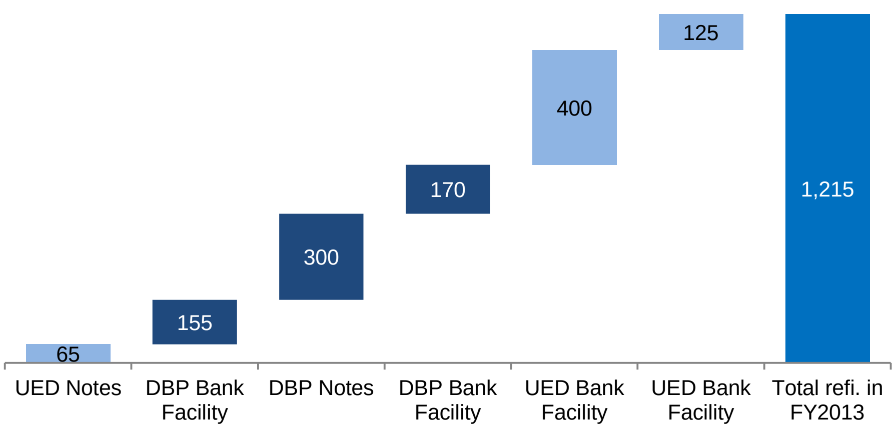
1. *Note that corporate cash at 30 June 2013 excludes approximately $10.2m of restricted cash. $5m of that restricted cash is expected to become available to the DUET Group by 31 December 2013 through the return of cash supporting an AFSL as part of implementation of the Group simplification.*

Debt Capital Management

Strong track record

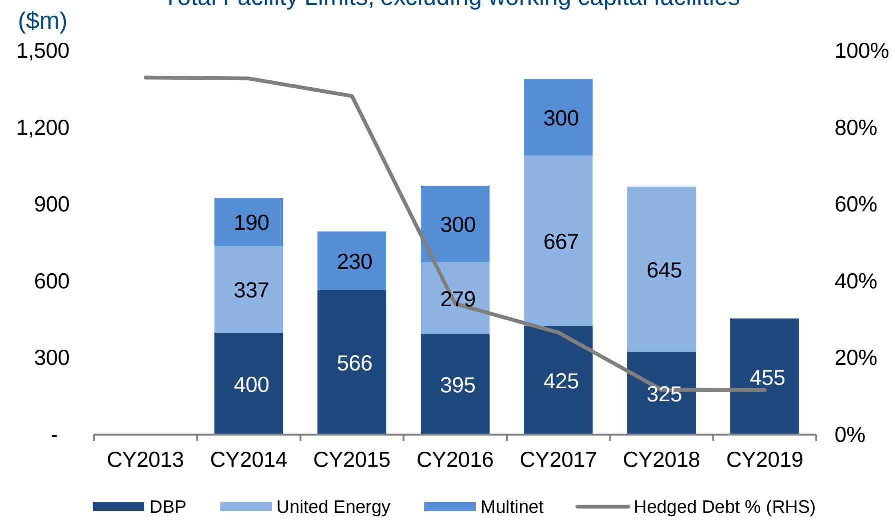
~$1.2bn of Term Debt Raised and/or Refinanced in FY2013

($m)



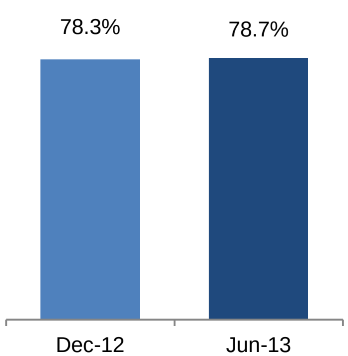
Pro forma Term Debt Maturities[1]

Total Facility Limits, excluding working capital facilities



Gearing Target Range of 75-80%

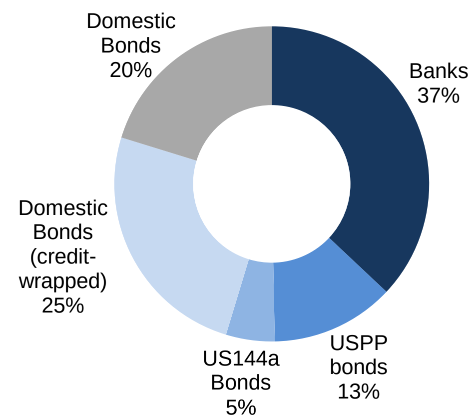
Proportionate Gearing per MIR



Investment Grade Credit Ratings

Credit Ratings	S&P	Moody's
DUET Group	BBB-	n/a
DBP	BBB-	Baa3
United Energy	BBB	Baa2
Multinet Gas	BBB-	Baa3

Diversified Term Debt Sources



[1] UED CY14 debt maturities are $695m less $233m cash on deposit less $125m undrawn forward-starting facility.

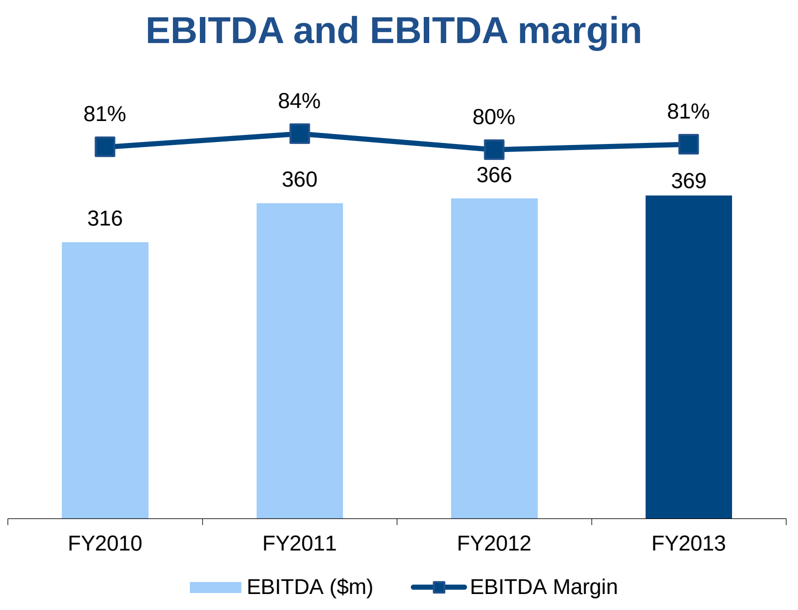
Operational Performance

Dampier Bunbury Pipeline

FY13 performance

- Revenue down 1%
- EBITDA up 1%
- EBITDA margin up 1%
- Throughput down 3%
  - Increased dispatch of renewable generation
  - Mitigated by 80% SSC take-or-pay tariff structure
- No change in RAB
- Full recovery of carbon tax expected from July 2014

Financial Highlights			
$m, 100% per MIR	**FY13**	**FY12**	***Variance %***
Revenue	455	457	*(1)*
EBITDA	369	366	*1*
EBITDA margin	81%	80%	*1*
Throughput (PJ)	309	319	*(3)*
RAB	3,581	3,580	*0*

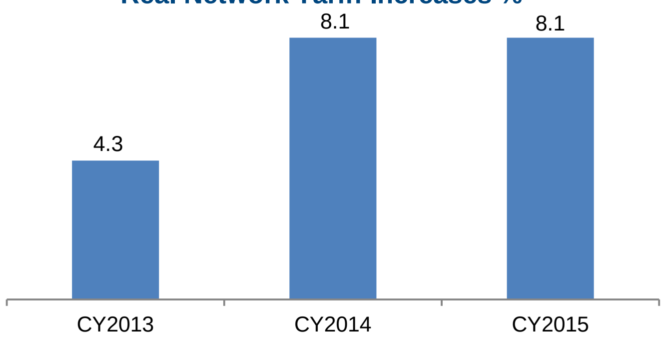


United Energy
FY13 performance

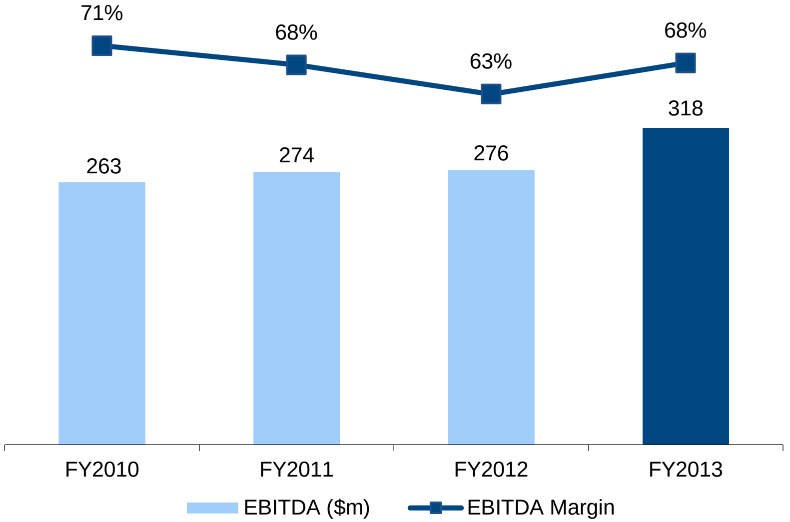
- Revenue up 6%
- EBITDA up 15%
- EBITDA margin up 5%
- Load down 2%
- RAB up 9%
- 69% of smart meters installed at 31 July 2013
- Approved network tariff path to Dec-15

Financial Highlights			
$m, 100% per MIR	**FY13**	**FY12**	***Variance %***
Revenue	467	441	*6*
EBITDA	318	276	*15*
EBITDA margin	68%	63%	*5*
Load (GWh)	7,961	8,135	*(2)*
RAB	1,999	1,842	*9*

Real Network Tariff Increases %



EBITDA and EBITDA margin

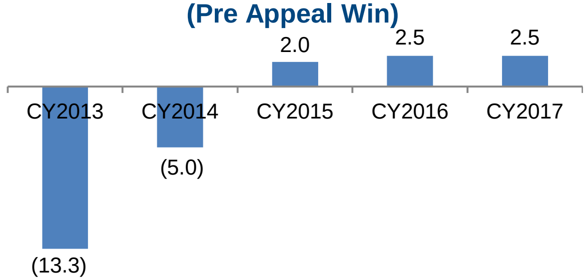


Multinet Gas
FY13 performance

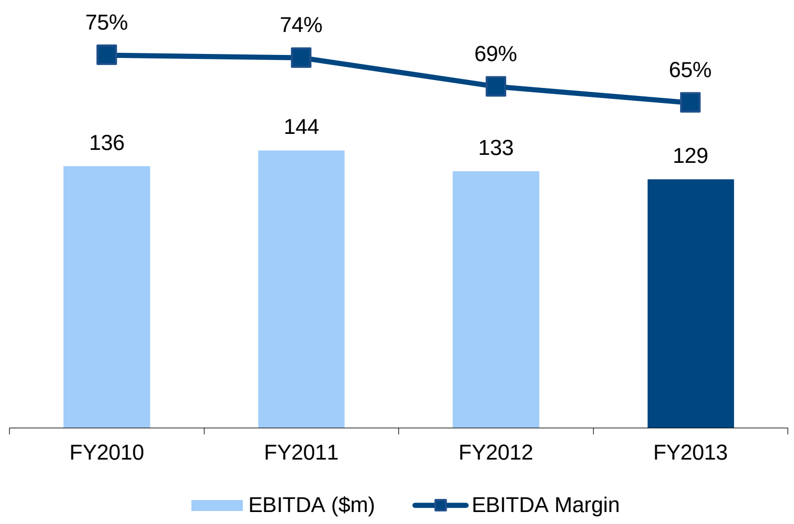
- Revenue up 2%
- EBITDA down 3%
  - All remaining transition costs booked ($8.1m impact)
- EBITDA margin down 4%
- Throughput in line
- RAB up 6%
- Final UAFG allowance (4.1%) in line with current actual UAFG performance
- 2013–17 GAAR appeal win:
  - $45m of additional revenue over 2014 - 2017
  - Revised tariff path to be determined by AER by Q4 2013

Financial Highlights			
$m, 100% per MIR	**FY13**	**FY12**	***Variance %***
Revenue	198	195	*2*
EBITDA	129	133	*(3)*
EBITDA margin	65%	69%	*(4)*
Throughput (PJ)	56	56	*-*
RAB	1,095	1,038	*6*

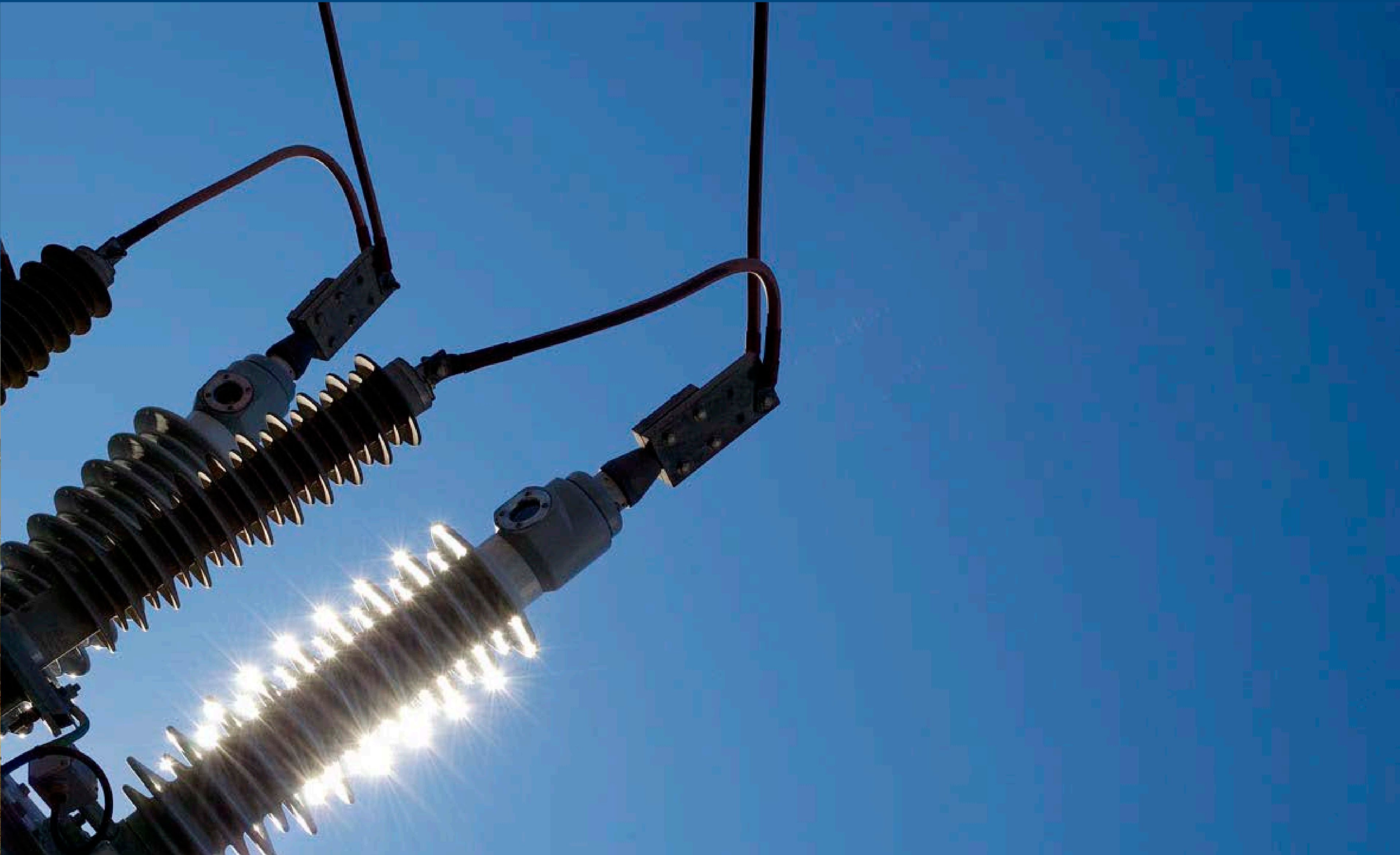
Real Network Tariff Changes % (Pre Appeal Win)



EBITDA and EBITDA margin

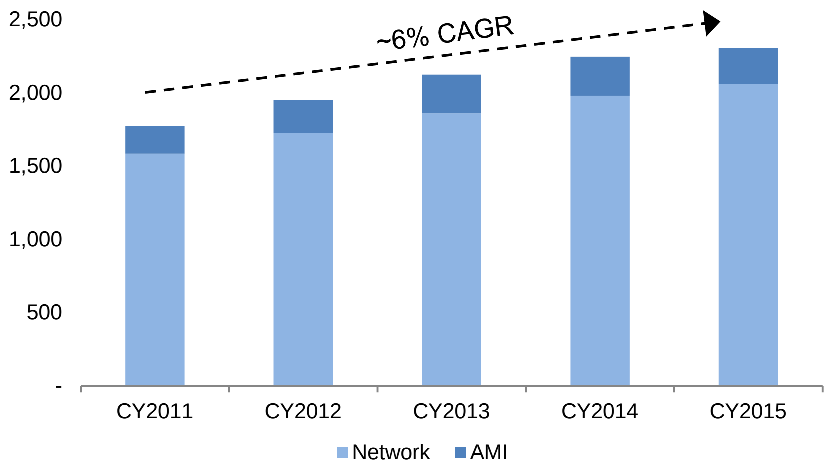


Outlook

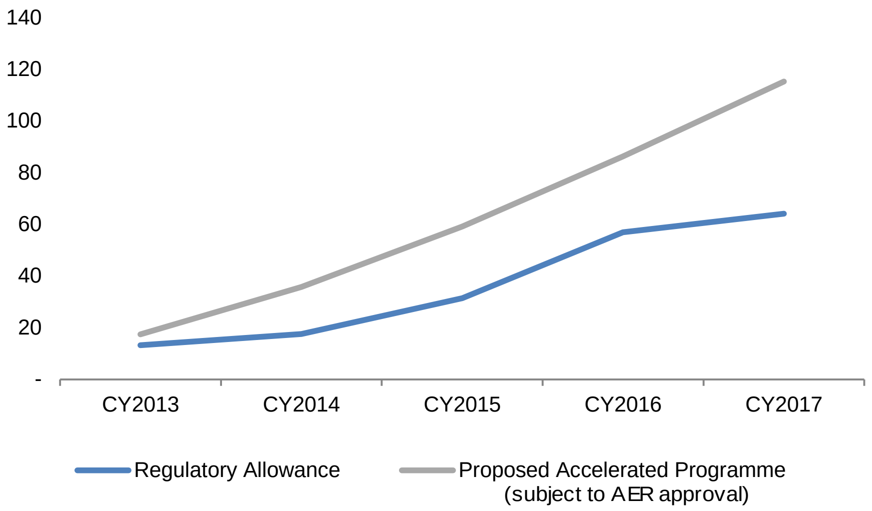


Victorian Asset Growth
Investing to grow regulated asset base

United Energy Total RAB
CY 2011 – 2015, Nominal $m



Multinet Cumulative Pipeworks Replacement Capex
CY 2013 – 2017, Nominal $m

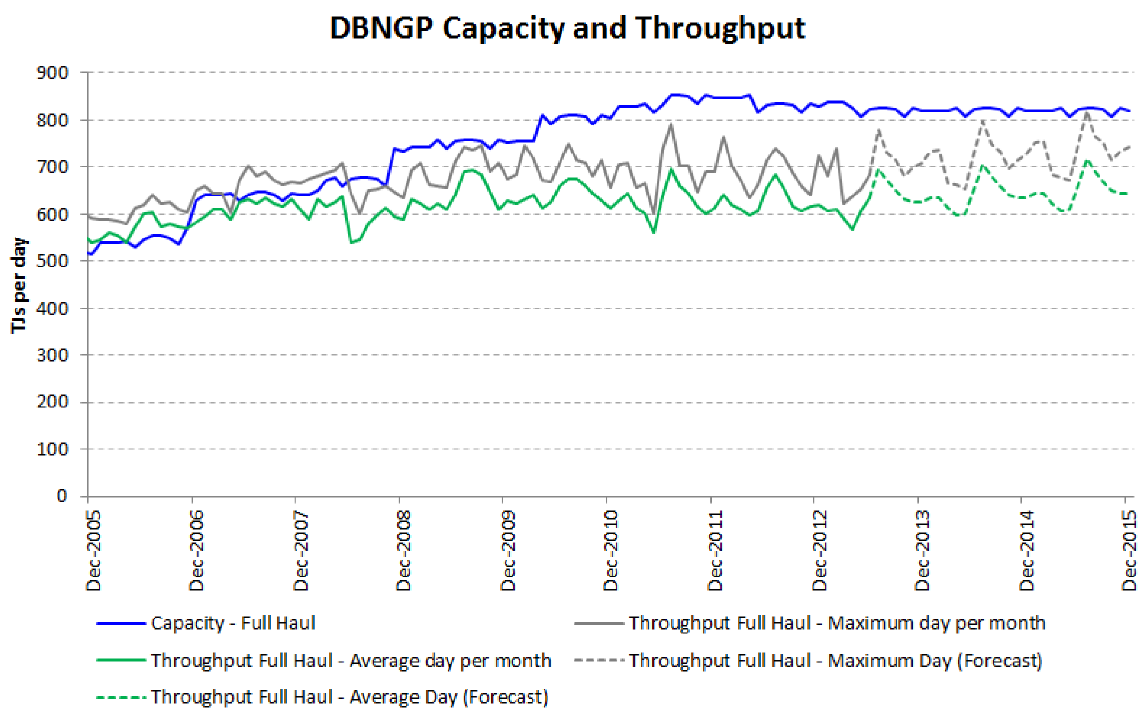


Important Note: Forward-looking statements by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET.

WA Asset Growth: DBP

Volatility of demand is likely to influence future capacity expansions

- WA gas market usage is changing but generators still expected to require additional capacity:
  - Increased dispatch of renewable generation (gas-fired generation required as back up)
  - Increased volatility ('peakiness') in throughput in terms of the frequency and amplitude of high demand
  - Shippers are using existing capacity to cater for regular high volume events



Source: Market data & DBP company analysis

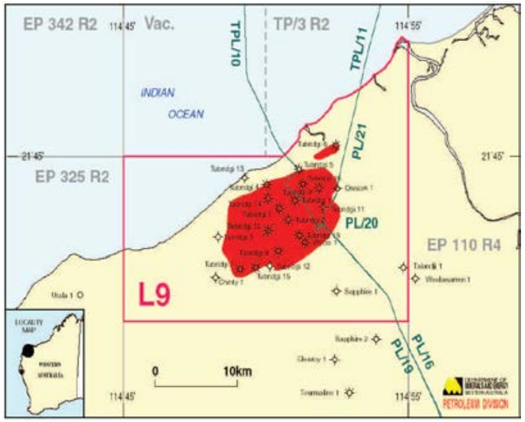
Important Note: Forward-looking statements by their very nature are subject to uncertainty and contingencies, many of which are outside the control of DUET.

WA Asset Growth: DBP Development Group

Aiming to leverage DBP's expertise and strategically-located assets

Tubridgi Pipeline

Tubridgi Onshore Storage Opportunity



- DBP Services Co to be renamed "DBP Development Group"
- $0.4m proportionate EBITDA contribution in FY13
- Strategically-located assets

Gas Transmission Pipeline System

- 87km 6" and 10" gas transmission pipelines
- Current 120TJ/day capacity; circa 65-yr useful life
- Strategic 20m-wide easement close to Ashburton North

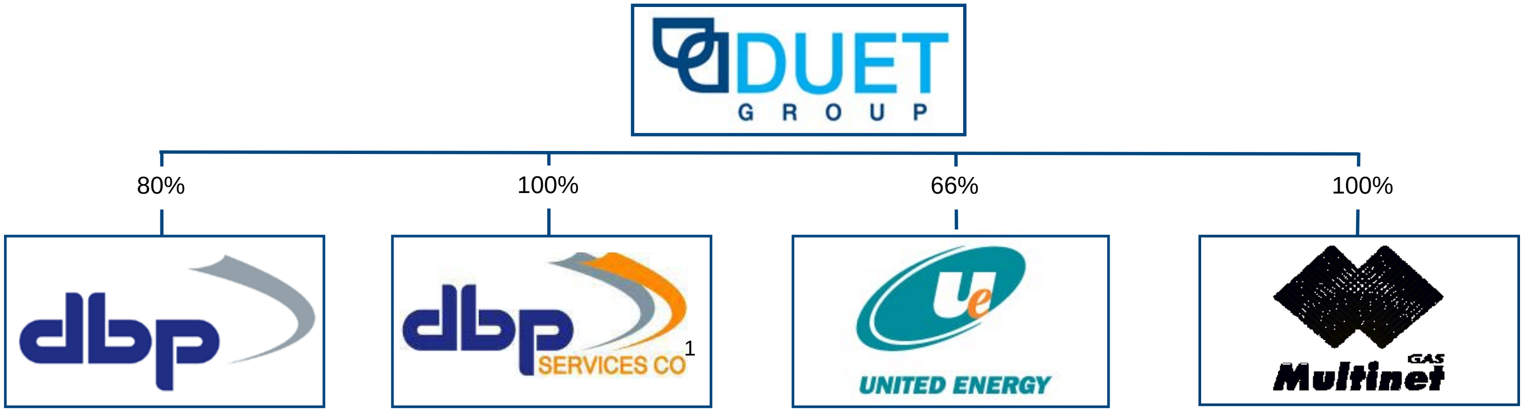
Potential Gas Storage Reservoir

- Depleted gas field, favourable reservoir characteristics
- Possible potential to store and retrieve gas

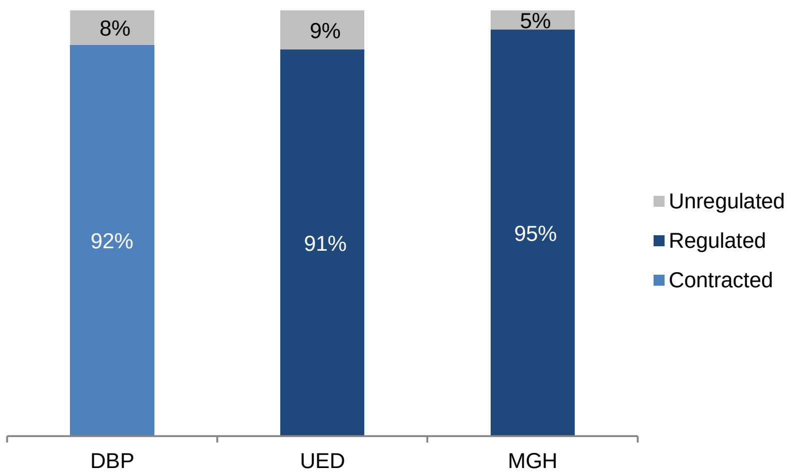
Questions

Appendix 1
About DUET

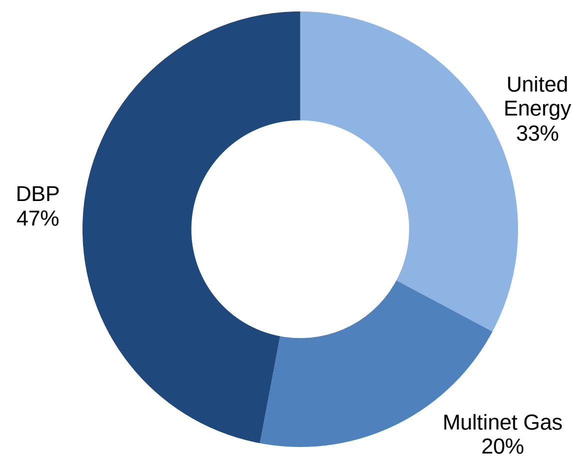
DUET Group
Snapshot



Revenue Mix
(FY2013,%)



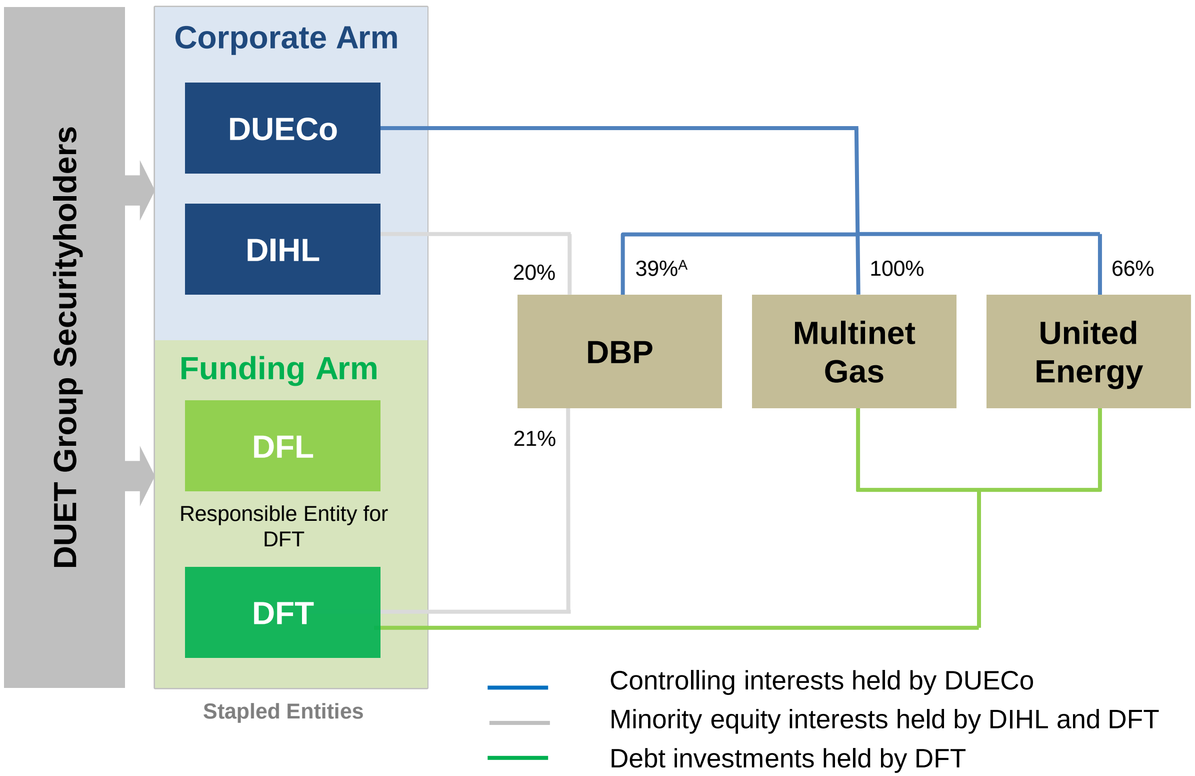
EBITDA Contribution
(FY2013 Proportionate EBITDA)



1. To be renamed DBP Development Group

DUET Structure

Post structure simplification



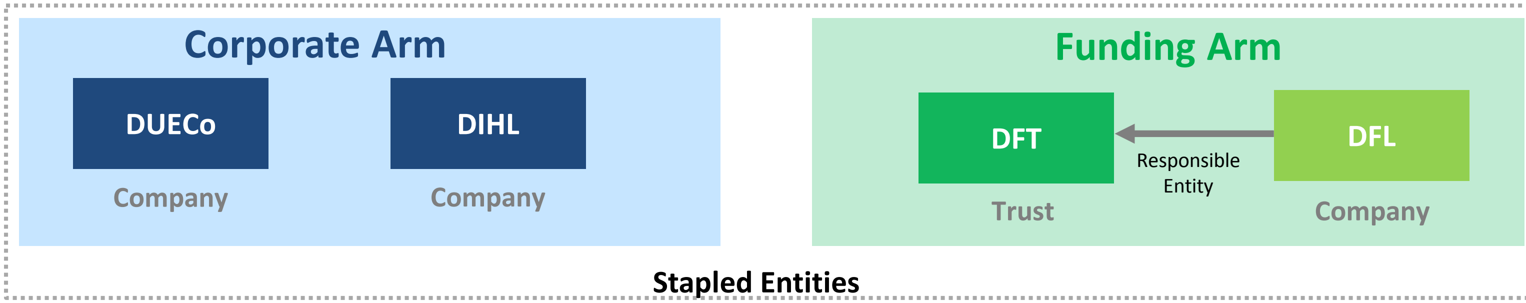
Note: Structure is in summary form with interposed entities not shown

A. DUECo holds through DUET1 a 65% controlling interest in DUET Dampier Bunbury Company Pty Ltd, which owns a 60% controlling interest in DBP.

Key Attributes of Structure Change

Separation of operating and funding activities

Group Entities



Key Activities

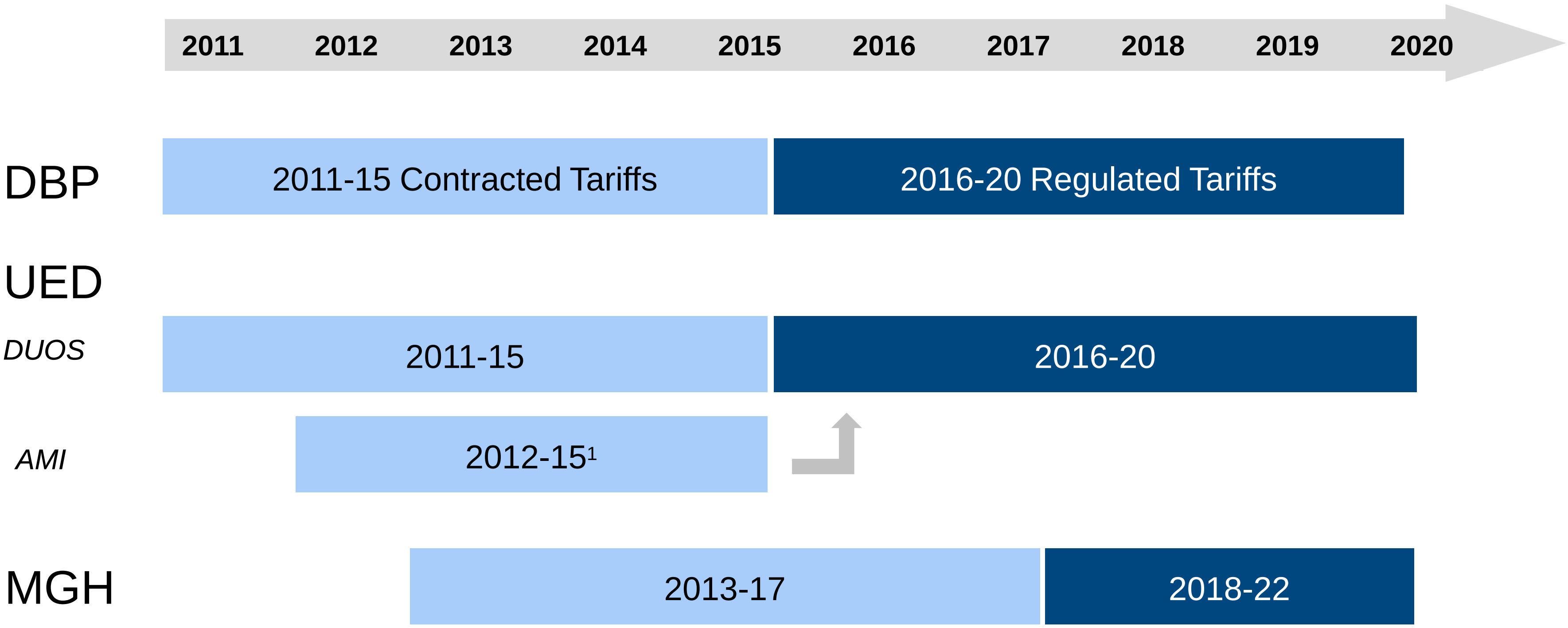
Corporate Arm	Funding Arm
Owner and operator of energy utilities	Provides corporate treasury services
Makes all strategic operational decisions	Lends to Corporate Arm entities
DIHL employs DUET Group staff	Holds debt investments in the Corporate Arm's asset companies
Borrows from Funding Arm	Able to obtain finance for growth opportunities

Tax & Accounting

Corporate Arm	Funding Arm
Company entities taxed at corporate tax rate	DFT maintains status as a flow through trust
Franking credits distributed to securityholders	DFL taxed as a company
Consolidated into group accounts	Consolidated into group accounts

Regulatory Resets

The 2016 regulatory resets will influence longer term growth



[1] From January 2016 the AMI regulated asset base rolls into United Energy's overall RAB and is regulated under Chapter 6 of the National Rules rather than the state based order in council.

Appendix 2

Balance Sheet and Cash Flow Statement

Statutory balance sheet

DUET Group Balance Sheet $m	As at 30 Jun 13	As at 30 Jun 12	% Variance
Cash Assets	402	244	*65*
Other Current Assets	211	167	*26*
PP & E	5,614	5,473	*3*
Intangible Assets	2,087	2,094	*n/m*
Other Non-Current Assets	191	141	*35*
Total Assets	**8,505**	**8,119**	***5***
Interest Bearing Liabilities	5,672	5,125	*11*
Other Current Liabilities	502	545	*(8)*
Other Non-Current Liabilities	809	880	*(8)*
Total Liabilities	**6,983**	**6,550**	***7***
Net Assets	**1,522**	**1,569**	***(3)***
Total Equity	**1,522**	**1,569**	***(3)***

Statutory cash flow statement

DUET Group Cash Flow Statement $m	FY2013	FY2012	% Variance
Net cash flows from operations	**696**	**763**	***(9)***
Acquisition cash flows	-	(155)	*n/m*
Payments for purchase of PP&E	(340)	(313)	*9*
Payments for purchase of software	(52)	(72)	*26*
Proceeds from asset sales	1	499	*n/m*
Net cash flows from investing	**(391)**	**(41)**	***n/m***
Cash flows from capital raising	33	298	*(89)*
Borrowing (net of repayments)	449	(686)	*n/m*
Borrowing costs paid	(448)	(463)	*3*
Dividends & distributions paid	(180)	(173)	*4*
Net cash flow from financing	**(146)**	**(1,024)**	***n/m***
Net increase / (decrease) in cash	**159**	**(302)**	***n/m***

Appendix 3

Financial Reconciliations

Proportionate EBITDA to Statutory Pre-Tax Result

Reconciliation of Earnings $m	DBP	United Energy[1]	Multinet	DBP Services Co.	Corporate	Total
Proportionate EBITDA	**300.8**	**209.7**	**129.1**	**0.4**	**-**	**640.0**
Additional EBITDA from controlled assets [2]	68.3	107.5	-	-	-	175.8
Corporate expenses (excludes FX)	-	-	-	-	(16.4)	(16.4)
Consolidated EBITDA [3]	**369.1**	**317.2**	**129.1**	**0.4**	**(16.4)**	**799.4**
Controlled Assets						
Interest income	0.5	2.4	0.3	-	-	3.2
Depreciation and amortisation	(79.6)	(133.8)	(40.3)	(0.2)	-	(253.9)
Finance costs	(223.8)	(147.2)	(67.9)	(0.1)	-	(439.0)
Changes in fair value of derivatives	16.4	25.6	6.1	-	-	48.1
Foreign Exchange gains	-	1.0	-	-	-	1.0
Corporate						
Expenses relating to internalisation and group simplification project	-	-	-	-	(111.2)	(111.2)
Interest income (bank and associates) [4]	-	-	-	-	3.2	3.2
Finance costs [5]	-	-	-	-	(0.9)	(0.9)
Profit before income tax expense	**-**	**-**	**-**	**-**	**-**	**49.9**

1 Includes UE & Multinet Pty Limited earnings
2 To consolidate 100% of controlled asset EBITDA
3 Does not include expenses relating to internalisation and group simplification project of $111.2 million or changes in fair value of derivatives of $48.1 million
4 Includes interest on cash
5 Includes amortisation of borrowing costs

Net Debt

Reconciliation of Net Debt $m	DBP	United Energy[1]	Multinet	DBP Services Co	Corporate	DUET Group
Interest bearing liabilities	2,518.7	2,204.5[2]	948.6	-	-	5,671.9
Add:						
US$ Debt / Fair Value Adjustments[3]	-	47.5	20.3	-	-	67.8
Capitalised Borrowing Costs	27.6	11.7	5.7	-	-	44.9
Distribution Payable	-	-	-	-	96.5	96.5
(Less):						
Cash on Hand	(16.7)	(257.6)	(3.6)	(0.1)	(124.3)	(402.2)
Finance Lease Liability	(20.8)	-	-	-	-	(20.8)
Minority share of RPS not eliminated on consolidation	-	(178.6)	-		-	(178.6)
DUET Group - Net debt	**2,508.8**	**1,827.5**	**971.1**	**(0.1)**	**(27.8)**	**5,279.5**
Less minority net debt	(473.3)	(621.4)	-	-	-	(1,094.7)
DUET Proportionate Net Debt[4]	**2,035.4**	**1,206.1**	**971.1**	**(0.1)**	**(27.8)**	**4,184.8**

1 Includes UE & Multinet Pty Limited cash
2 Includes $178.6m of Redeemable Preference Shares owned by SPIAA, which are not eliminated on consolidation
3 This adjustment eliminates the fair value mark-to-market on the US$ denominated debt in United Energy and Multinet
4 Per the MIR

Net External Interest Expense

Reconciliation of Net Interest Expense $m	DBP	United Energy	Multinet	DBP Services Co	Total
Net Borrowing Costs per DAIP	**209.0**	**164.6**	**72.9**	**0.0**	**446.5**
Add/(Less): RPS Interest / Hybrid Debt	-	(66.7)	(11.5)	-	(78.2)
Add/(Less): Interest Rate Hedge – Fair Value Movement	16.4	25.6	6.1	-	48.1
Add/(Less): Amortisation of Capitalised Borrowing Costs	(10.7)	(5.6)	(2.5)	-	(18.7)
Add/(Less): Interest on decommissioning charge	(1.1)	-	-	(0.1)	**(1.1)**
100% Net External Interest Expense	**213.6**	**117.9**	**65.0**	**(0.0)**	**396.5**
Proportionate Net External Interest Expense per MIR	**174.2**	**77.8**	**65.0**	**(0.0)**	**317.0**