DUET GROUP
FINANCIAL REPORT FOR YEAR ENDED 30 JUNE 2013

At 30 June 2013 the DUET Group comprised DUET Management Company 1 Limited (ABN 99 108 013 672) (DMC1) (AFSL 269286) in its personal capacity and as a Responsible Entity for Diversified Utility and Energy Trust No.1 (DUET1) (ARSN 109 363 037) (ABN 83 495 791 796), DUET Finance Limited (DFL) (previously DUET Management Company 2 Limited (DMC2)) (ABN 15 108 014 062) (AFSL 269287) in its personal capacity and as Responsible Entity for DUET Finance Trust (DFT) (previously 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) and its controlled entities. In combination DUET1, DFT, DUET3, DMC1, DFL 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.

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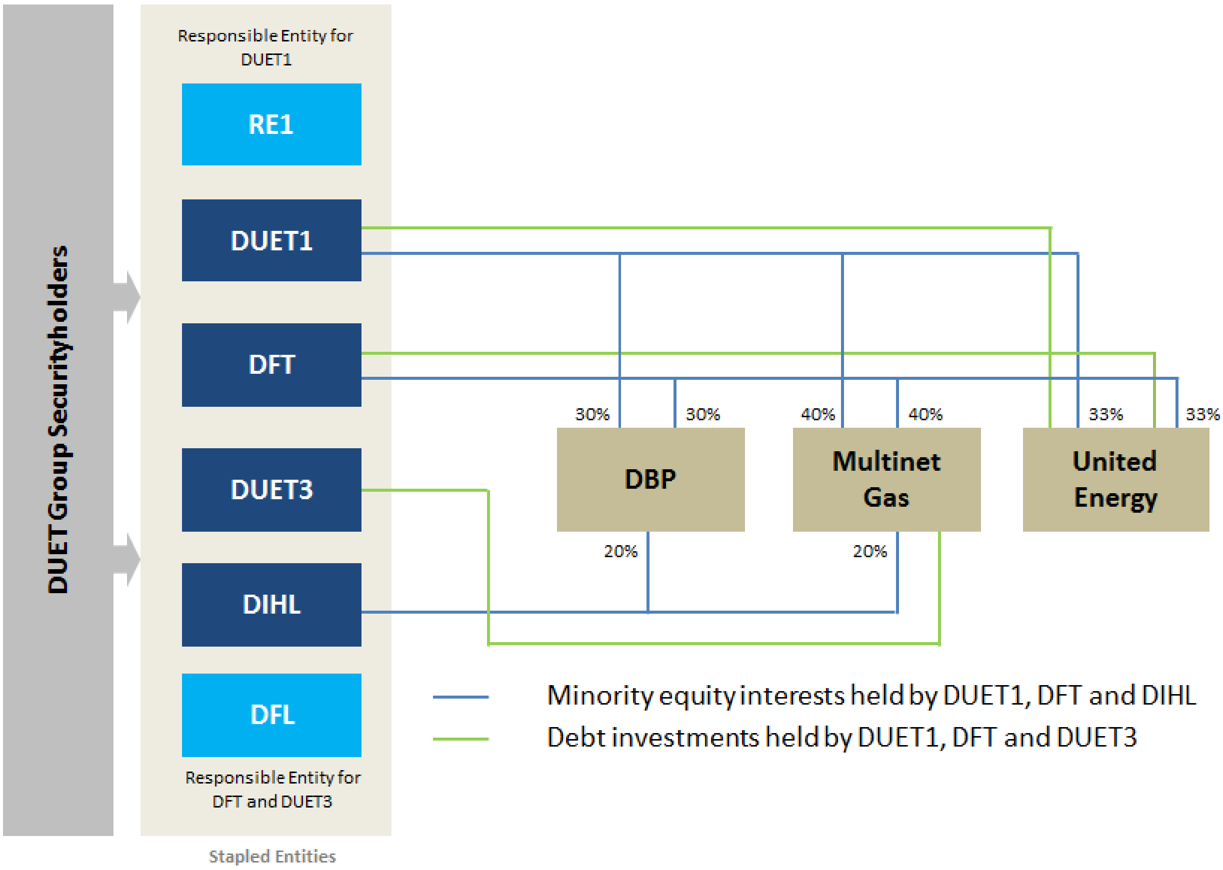
Explanation of the Financial Report

As at 30 June 2013, the DUET Group comprised DUET Management Company 1 Limited (RE1 or DMC1) (previously AMPCI Macquarie Infrastructure Management No.1 Limited) in its personal capacity and as responsible entity of Diversified Utility and Energy Trust No.1 (DUET1), DUET Finance Limited (RE2 or DFL) (previously DUET Management Company 2 Limited (DMC2) and AMPCI Macquarie Infrastructure Management No.2 Limited) in its personal capacity and as responsible entity of DUET Finance Trust (DFT) (previously Diversified Utility and Energy Trust No.2 (DUET2)) and Diversified Utility and Energy Trust No.3 (DUET3) and DUET Investment Holdings Limited (DIHL) and their subsidiaries (together DUET).

A summarised structure of DUET and its investments at 30 June 2013 is illustrated below.



On 1 August 2013, the DUET Group structure simplification was implemented. Refer to 'Significant Changes in State of Affairs" on page 10.

Explanation of the Financial Report

for year ended 30 June 2013

DUET consolidates its interest in United Energy Distribution Holdings Limited and its controlled entities (UEDH or United Energy), Multinet Group Holdings Limited and its controlled entities (MGH or Multinet Gas), the Dampier Bunbury Natural Gas Pipeline Trust and its controlled entities (DBP or Dampier Bunbury Pipeline) and Dampier Bunbury Natural Gas Pipeline Services Co Nominees Pty Limited and its controlled entities (DBP Services Co). Accordingly the results, assets and liabilities of these entities are consolidated into the DUET Group Financial Report.

In accordance with AASB127 *Separate and Consolidated Financial Statements*, DUET1 has been identified as the parent of the consolidated Group consisting of DUET1, DFT, DUET3, DIHL, DMC1, DFL and their subsidiaries.

Financial Statements for DFT, DUET3, DIHL and its subsidiaries, DMC1 and DFL for the year ended 30 June 2013 have also been presented in this report jointly, as permitted by ASIC class order 05/642 and 06/441.

In the Financial Report for DUET Group, the column presented first serves as a summary of the financial performance and financial position of DUET Group as a whole, while the other columns of the Financial Report provide the individual entity Financial Reports of DFT, DUET3, DIHL Group, DMC1 and DFL.

Directors' Report

for year ended 30 June 2013

Directors' Reports – DUET1, DFT, DUET3, DIHL, DMC1 and DFL

DUET Management Company 1 Limited (DMC1 or RE1) acts as responsible entity for Diversified Utility and Energy Trust No.1 (DUET1).

DUET Finance Limited (DFL) (previously DUET Management Company 2 Limited (DMC2 or RE2)) acts as responsible entity for DUET Finance Trust (DFT) (previously Diversified Utility and Energy Trust No.2 (DUET2)) and Diversified Utility and Energy Trust No.3 (DUET3).

The directors of DMC1 submit the following report for DMC1 and DUET1 for the year ended 30 June 2013.

The directors of DFL submit the following report for DFL, DFT and DUET3 for the year ended 30 June 2013.

The directors of DIHL submit the following report for DIHL for the year ended 30 June 2013.

Principal Activities and review of operations

DUET Group owns controlling interests in energy utility assets in Australia with strong competitive positions and predictable cash flows.

The 2013 financial year culminated in completion of the internalisation of DUET's management team and the group structure simplification project which was approved by stapled securityholders in July 2013.

With the completion of these projects together with the de-gearing and portfolio restructure completed in 2011 and 2012, the DUET Group now presents a simpler investment proposition to investors.

Consistent with DUET's focus on delivering stable and predictable returns to its stapled securityholders, DUET's boards have provided 2014 financial year distribution guidance of 17 cents per stapled security.

In terms of the Group's statutory results, EBITDA of $736.3 million was up 4%. After backing out interest income earned in the period, net interest expense was down 6%. The net result after tax was a profit of $19.6 million, down 55%. It is important to note that this result included $111.2 million of one-off costs primarily associated with the internalisation of management successfully completed in December 2012 and our corporate simplification initiative. The net result before significant items, which included those one-off costs, was $81.7 million, up 17% on the prior period.

Directors Names (and period of service)

The following persons held office as directors of DMC1 during the year:

- Douglas Halley (appointed Chairman 4 December 2012)
- The Hon. Michael Lee
- Emma Stein
- John Roberts
- Shemara Wikramanayake (alternate for John Roberts)
- Philip Garling (resigned 4 December 2012)

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Directors Names (and period of service) (continued)

The following persons held office as directors of DFL during the year:

– Douglas Halley	(appointed Chairman 4 December 2012)
– Ron Finlay	
– Eric Goodwin	
– Duncan Sutherland	
– Scott Davies	(appointed 4 December 2012)
– Michael Bessell	(alternate for Scott Davies – appointed 7 December 2012)
– John Roberts	(resigned 4 December 2012)
– Philip Garling	(resigned 4 December 2012)

The following persons held office as directors of DIHL during the year:

– Douglas Halley	(appointed Chairman 4 December 2012)
– Ron Finlay	
– Emma Stein	
– John Roberts	
– Shemara Wikramanayake	(alternate for John Roberts)
– Philip Garling	(resigned 4 December 2012)

Following the DUET Group structure simplification, DUET Company Limited (DUECo) became part of the DUET stapled group. Refer to 'Significant Changes in State of Affairs' on page 10.

From 2 August 2013, the following persons held office as directors of DIHL and DUECo to the date of this report:

– Douglas Halley	(Chairman)
– Ron Finlay	
– Emma Stein	
– Duncan Sutherland	
– Shirley In't Veld	
– John Roberts	
– Shemara Wikramanayake	(alternate for John Roberts)

From 2 August 2013, the following persons held office as directors of DFL to the date of this report:

– Eric Goodwin	(Chairman)
– Ron Finlay	
– Michael Lee	
– Jane Harvey	

Distributions and Dividends

The distribution for the year ended 30 June 2013 was 16.500 cents per stapled security (2012: 16.000 cents per stapled security).

An interim distribution for the year ended 30 June 2013 of 8.250 cents per stapled security was paid on 12 February 2013 (2012: 8.000 cents per stapled security). This consisted of 3.388 cents per unit from DUET1 (2012: 3.881 cents per unit), 3.481 cents per unit from DFT (2012: 4.119 cents per unit) and 1.381 cents per unit from DUET3 (2012: nil cents per unit).

A final distribution of 8.250 cents per stapled security was paid on 13 August 2013 (2012: 8.000 cents per stapled security). This consisted of 3.487 cents per unit from DUET1 (2012: 2.685 cents per unit), 4.176 cents per unit from DFT (2012: 3.812 cents per unit) and 0.587 cents per unit from DUET3 (2012: 1.503 cents per unit).

Directors' Report
for year ended 30 June 2013

Review and Results of Operations

The performances of the DUET Group and entities comprising the group for the year ended 30 June 2013 was as follows:

	DUET Group 1 Jul 12 - 30 Jun 13 $'000	**DFT 1 Jul 12 - 30 Jun 13 $'000**	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**
Revenue and other income	**1,313,386**	**77,416**	**19,852**	**7,320**	**2,852**	**3,611**
Profit/(loss) for the year	**19,593**	**39,708**	**6,658**	**(29,977)**	**510**	**674**
Profit/(loss) attributable to securityholders	**19,593**	**39,708**	**6,658**	**(29,977)**	**510**	**674**
Earnings used in calculation of basic and diluted earnings per stapled security/unit/share(1)	**(10,774)**	**39,708**	**6,658**	**(29,977)**	**510**	**674**
Basic earnings/(loss) per stapled security/unit/share(1)	**(0.94)c**	**3.47c**	**0.58c**	**(2.62)c**	**-**	**-**
Diluted earnings/(loss) per stapled security/unit/share(1)	**(0.94)c**	**3.47c**	**0.58c**	**(2.62)c**	**-**	**-**
Basic loss per stapled security/unit/share based on consolidated profit for the year	**1.71c**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

	DUET Group 1 Jul 11 - 30 Jun 12 $'000	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Revenue and other income	1,222,080	71,401	22,896	633	15,302	20,347
Profit/(loss) for the year	43,997	(8,882)	20,617	(41,618)	(294)	(344)
Profit/(loss) attributable to securityholders	47,549	(8,882)	20,617	(41,618)	(294)	(344)
Earnings used in calculation of basic and diluted earnings per stapled security/unit/share(1)	77,432	(8,882)	20,617	(41,618)	(294)	(344)
Basic earnings per stapled security/unit/share(1)	7.23c	(0.83)c	1.93c	(3.89)c	(0.02)c	(0.02)c
Diluted earnings/(loss) per stapled security/unit/share(1)	7.23c	(0.83)c	1.93c	(3.89)c	(0.02)c	(0.02)c
Basic earnings per stapled security/unit/share based on consolidated profit for the year	4.11c	n/a	n/a	n/a	n/a	n/a

(1) DUET earnings per share include earnings of DUET1 only and has been calculated in accordance with *AASB 133 Earnings per Share*. DUET1 was identified as parent of DUET on transition to AIFRS.

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Review and Results of Operations (continued)

The DUET Group profit for the year to 30 June 2013 of $19.6 million (2012: profit of $44.0 million) includes significant expenses related to the internalisation of DUET management which was approved by securityholders at a general meeting on 23 November 2012, and additional significant items as listed below.

The exclusion of the significant items results in a profit of $81.7 million for the year to 30 June 2013 (2012: profit of $69.6 million).

Significant (losses)/gains	**DUET Group 1 Jul 12 - 30 Jun 13 $'000**	DUET Group 1 Jul 11 - 30 Jun 12 $'000
Expenses relating to internalisation and group structure simplification	**(111,243)**	-
Mark to market on derivatives/unrealised foreign exchange gains/(losses)	**49,104**	(17,640)
Accounting profit on sale of WAGN	**-**	44,424
Accounting profit on sale of Duquesne, excluding transfer of reserves	**-**	2,380
Transfer from reserves on sale of Duquesne	**-**	(38,122)
Performance fee	**-**	(16,636)
Total significant gains/(losses)	**(62,139)**	(25,594)

Dampier Bunbury Pipeline

During the year under review, DBP transmitted 309 PJ (2012: 319 PJ) of gas.

DBP Services Co

DBP Services Co owns two transmission pipelines, a gas plant, a gas reservoir and LPG storage facilities, all located south of Onslow in Western Australia.

United Energy

During the year under review, United Energy distributed 7,961 GWh (2012: 8,135 GWh) of electricity.

Multinet

During the year under review, Multinet distributed 56.4 PJ (2012: 56.1 PJ) of gas.

Key risks and uncertainties

The DUET Group has a structured and proactive approach to understanding and managing risk.

The key focus of the risk management approach is to ensure alignment of strategy, processes, people, technology and knowledge, and evaluate and manage the uncertainties and opportunities faced by the DUET Group.

Set out below are summaries of the key risks of which we are aware which may materially impact the execution and achievement of the business strategies and prospects for the DUET Group in future financial years. These key risks should not be taken to be a complete or exhaustive list of the risks and uncertainties associated with the DUET Group. Many of the risks are outside the control of the Directors. There can be no guarantee that DUET Group will achieve its stated objectives, that it will meet trading performance or financial results guidance that it may provide to the market, or that any forward looking statements contained in this report will be realised or otherwise eventuate.

Key risks and uncertainties (continued)

Workplace Health and Safety Risk

Failure to implement effective workplace health and safety (WHS) and public safety procedures at DUET Group's asset companies give risk to WHS and/or public safety risks which in turn may create reputational or regulatory risk.

DUET Group manages these risks by developing appropriate WHS policies, training and reporting in accordance with the required legislation. Furthermore, the asset companies employ WHS expertise to ensure dedicated resources are available to manage these risks. Senior management and internal audit regularly visit the asset companies to further monitor WHS and public safety initiatives.

Regulatory risk

The DUET Group operates in regulated industries and carries out its business activities under various permits, licences, approvals and authorities from regulatory bodies. Regulatory bodies are responsible for setting tariffs, which directly impact a significant proportion of the DUET Group's revenue and therefore any adverse change to regulatory tariffs would impact the DUET Group's profitability. In addition, if any permits, licences, approvals or authorities are revoked, or if the DUET Group breaches its permitted operating conditions, this would adversely impact the DUET Group's operations and profitability.

DUET Group's operating businesses must satisfy a prudency test for certain expenditure to be recovered through the regulatory revenue mechanism. There is a risk that despite expenditure being incurred by DUET's operating businesses, the recovery of this expenditure is disallowed by the relevant regulatory body.

The regulatory compliance and network performance risks of DUET Group are actively managed drawing on the Group's highly experienced in-house regulatory experts and engineers. Regulatory risk is also mitigated by the use of industry experts when the Group prepares for regulatory price reviews. Other measures employed include the use of KPI monitoring of network performance, equipment condition monitoring and the implementation of annual asset management plans.

Interest rate risk

There is a risk that changes in the DUET Group's credit ratings, prevailing market interest rates and the strength of capital markets will influence the DUET Group's interest costs and its ability to refinance debt respectively.

The DUET Group has a structured and proactive approach to understanding and managing interest rate risk. The Group focuses on maintaining and monitoring base interest rate hedging commitments and diversified funding sources with reputable finance institutions both locally and globally.

Tax

The risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which the DUET Group operates, may impact the tax liabilities of the DUET Group and the assets in which it holds an interest.

DUET Group seeks to manage this risk by monitoring changes in legislation, utilising external tax and legal advisors. The Group also employs a team of highly experienced qualified accounting and tax experts within each asset company which regularly monitors the taxation legislation relevant to the company's operations.

Key risks and uncertainties (continued)

Climate

Changes in weather patterns as a result of climate change could have an adverse effect on the DUET Group's operating businesses increasing both capital and operating costs. Volumes carried on the networks may vary due to weather conditions (as well as due to other factors such as changes in industrial use, seasonality, general economic conditions, use of competing sources of energy).

DUET Group undertakes significant capital expenditure on its assets to minimise the impact of climate-related factors.

General economic conditions

The DUET Group's operating and financial performance is influenced by a variety of general economic and business conditions, including interest rates, exchange rates, commodity prices, ability to access funding, oversupply and demand conditions, government fiscal, monetary and regulatory policies, changes in gross domestic product and economic growth, employment levels and consumer spending, consumer and investment sentiment and property market volatility. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on the DUET Group's operating and financial performance.

To the extent possible, DUET Group manages these risks by incorporating a consideration of general economic conditions into its regulatory submissions and financial plans.

Significant Changes in State of Affairs

Internalisation of Management

On 31 July 2012, DUET announced that it had reached agreement with AMP Capital and Macquarie Capital Group (Macquarie) to internalise the management of DUET (the Internalisation Proposal).

Securityholders voted in favour of the Internalisation Proposal at the securityholder meeting held on 23 November 2012. The internalisation was implemented on 4 December 2012.

The DUET Group's management is now directly employed by DIHL.

As part of the internalisation, the DUET Group acquired the responsible entities, RE1 and RE2 from AMP Capital and Macquarie and stapled to the previous stapled securities to form a six-stapled structure.

Total consideration of $86.0 million (excl. GST) was paid to AMP Capital and Macquarie. Of the total consideration, $82.0 million was applied by AMP Capital and Macquarie to subscribe for 41,578,144 stapled securities in the DUET Group at $1.972 per stapled security. A share sale cash payment of $4.0 million was also paid, being a payment equivalent to the management fee for the period 1 October 2012 to 4 December 2012.

Refer to the DUET Group Notices of Meeting and Explanatory Memorandum dated 10 October 2012 for further information which is available on the DUET Group website.

DUET Group Simplification Proposal

On 31 May 2013, DUET announced the conclusion of the review announced on 31 July 2012 with a proposed simplification of the Group's structure (the Simplification Proposal).

Securityholders voted in favour of the Simplification Proposal at the securityholder meeting held on 18 July 2013. The Simplification Proposal was implemented on 1 August 2013.

The Proposal has reduced the number of stapled entities from six to four and created a corporate arm (DIHL and DUECo) controlling the Group's equity interests in its operating businesses and a funding arm (DFT and DFL) holding intra-group debt investments.

On 1 August 2013, securityholders have exchanged all of their units in DUET3 for additional units in DFT, and all of their units in DUET1 and shares in DMC1 for shares in DUET Company Limited (DUECo). DUECo is an Australian public company which was incorporated on 2 April 2013 and on 1 August 2013, became part of the DUET stapled group.

As part of this transaction, the names of DMC2 and DUET2 were changed to DUET Finance Limited (DFL) and DUET Finance Trust (DFT) respectively.

Refer to the DUET Group Notices of Meeting and Meeting Booklet dated 31 May 2013 for further information which is available on the DUET Group website.

Directors' Report
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Significant Changes in State of Affairs (continued)

Asset acquisition and divestment

On 26 September 2012, DUET Group acquired the remaining 20% minority interest in the issued capital of DBP Services Co, bringing the DUET Group's aggregated ownership in DBP Services Co to 100%. DUET Group then capitalised DBP Services Co with an equity subscription of $1.2 million to fund certain asset purchases and provide working capital.

United Energy issued $65 million Medium Term notes

On 21 August 2012, United Energy announced that it had issued $65 million via its medium term note program with a maturity of April 2017. The amount raised was applied to refinance a portion of a $260 million short term debt facility, drawn to $92 million which matures in April 2014, and for general corporate purposes.

United Energy $400 million Bank Debt Facility

On 11 April 2013, United Energy announced a contract close of a $400 million five-year bank debt facility primarily established to refinance part of their 2014 calendar year term debt maturities.

United Energy $125 million Bank Debt Facility

On 1 May 2013, United Energy announced a financial close of a $125 million five-year bank debt facility with Westpac Banking Corporation which will be applied to refinance part of their 2014 calendar year term debt maturities.

DBP $155 million Bank Debt Facility

On 2 October 2012, DBP reached contract close of a $155 million, seven-year bank debt facility. The amount raised was applied to repay part of DBP's $325 million floating rate notes which were due to mature in April 2013.

DBP $300 million Medium Term notes

On 2 November 2012, DBP priced a $300 million issue of fixed rate seven-year medium term notes. The funds raised were applied to refinance the remaining $170 million of bonds maturing in April 2013 and other higher priced debt facilities.

DBP $170 million Bank Debt Facility

On 17 December 2012, DBP reached contract close of a $170 million, four-year bank debt facility. The amount raised was applied to repay DBP's remaining maturing term debt in 2013 and other debt facilities.

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Significant Changes in State of Affairs (continued)

DUET Group cancelled its $200 million Undrawn Corporate Debt Facility

On 19 December 2012, DUET Group cancelled its undrawn $200 million revolving corporate debt facility due to mature In June 2014.

Multinet Gas appeals AER's Access Arrangements

On 21 May 2013, Multinet Gas lodged an appeal with the Australian Competition Tribunal in relation to the Australian Energy Regulator's (AER) financial decision of Multinet's 2013-2017 Gas Access Arrangement Review. On 1 July 2013, Multinet Gas confirmed that the AER had conceded Multinet's application to appeal the AER's calculation of Multinet's opening regulated asset base (RAB) for the 2013-2017 regulatory period.

Events Occurring After Balance Sheet Date

DUET Group Simplification Proposal

On 31 May 2013, DUET announced the conclusion of the review announced on 31 July 2012 with a proposed simplification of the Group's structure (the Simplification Proposal).

Securityholders voted in favour of the Simplification Proposal at the securityholder meeting held on 18 July 2013. The Simplification Proposal was implemented on 1 August 2013.

The Proposal has reduced the number of stapled entities from six to four and created a corporate arm (DIHL and DUECo) controlling the Group's equity interests in its operating businesses and a funding arm (DFT and DFL) holding intra-group debt investments.

On 1 August 2013, securityholders have exchanged all of their units in DUET3 for additional units in DFT, and all of their units in DUET1 and shares in DMC1 for shares in DUET Company Limited (DUECo). DUECo is an Australian public company which was incorporated on 2 April 2013 and on 1 August 2013, became part of the DUET stapled group.

As part of this transaction, the names of DMC2 and DUET2 were changed to DUET Finance Limited (DFL) and DUET Finance Trust (DFT) respectively.

Refer to the DUET Group Notices of Meeting and Meeting Booklet dated 31 May 2013 for further information which is available on the DUET Group website.

Final distribution paid

A final distribution of 8.250 cents per stapled security was paid by DUET on 13 August 2013 (2012: 8.00 cents). This consists of a distribution of 3.487 cents per unit from DUET1 (2012: 2.685 cents), 4.176 cents per unit from DFT (2012: 3.812 cents) and 0.587 cents per unit from DUET3 (2012: 1.503 cents).

DUET Group securities issued under DRP

Security holders participating in DUET's Distribution and Dividend Reinvestment Plan (DRP) reinvested $40,973,392 of the distribution paid on 13 August 2013 in 19,336,999 DUET Group securities at a price of $2.117722.

Indemnification and Insurance of Officers and Auditors

During the year, DMC1, DFL and DIHL paid a premium to insure their respective officers. As long as these officers act in accordance with the Constitution and the law, they will remain indemnified out of the assets of the DUET1, DFT, DUET3, DMC1, DFL and DIHL against any losses incurred while acting on behalf of the Trusts, DIHL, DMC1, DFL and DUET Group. The auditors of DUET Group are in no way indemnified out of the assets of the Trusts, DIHL, DMC1, DFL or DUET Group. Disclosure of further details is prohibited by a confidentially clause in the policy.

Fees Paid to RE1 and RE2 and their Associates

Fees paid to RE1 and RE2 and their associates out of DUET1, DFT, DUET3, DIHL and DUET Group's property prior to the management internalisation date of 4 December 2012, are disclosed in Note 30 to the Financial Statements.

Interests in DUET Group Securities Issued During the Financial Year

The movement during the year in securities on issue of DUET Group is set out below:

	DUET Group 1 Jul 12 - 30 Jun 13 '000	**DFT 1 Jul 12 - 30 Jun 13 '000**	**DUET3 1 Jul 12 - 30 Jun 13 '000**	**DIHL Group 1 Jul 12 - 30 Jun 13 '000**	**DMC1 1 Jul 12 - 30 Jun 13 '000**	**DFL 1 Jul 12 - 30 Jun 13 '000**
Securities on issue at the beginning of the year	**1,109,831**	**1,109,831**	**1,109,831**	**1,109,831**	**-**	**-**
Securities issued during the year	**59,483**	**59,483**	**59,483**	**59,483**	**1,169,314**	**1,169,314**
Securities on issue at the end of the year	**1,169,314**	**1,169,314**	**1,169,314**	**1,169,314**	**1,169,314**	**1,169,314**

	DUET Group 1 Jul 11 - 30 Jun 12 '000	DFT 1 Jul 11 - 30 Jun 12 '000	DUET3 1 Jul 11 - 30 Jun 12 '000	DIHL Group 1 Jul 11 - 30 Jun 12 '000	DMC1 1 Jul 11 - 30 Jun 12 '000	DFL 1 Jul 11 - 30 Jun 12 '000
Securities on issue at the beginning of the year	909,693	909,693	909,693	909,693	14,465	14,465
Securities issued during the year	200,138	200,138	200,138	200,138	-	-
Securities on issue at the end of the year	1,109,831	1,109,831	1,109,831	1,109,831	14,465	14,465

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Carrying Value of Assets

	DUET Group $'000	DFT $'000	DUET3 $'000	DIHL Group $'000	DMC1 $'000	DFL $'000
Carrying Value of assets at 30 June 13	**8,505,444**	**1,019,135**	**270,542**	**197,036**	**6,129**	**6,122**
Carrying Value of assets at 30 June 12	8,118,659	863,627	285,897	205,693	25,956	29,167

The value of DUET Group, DFT, DUET3, DIHL Group, DMC1 and DFL assets is derived using the basis set out in Note 1 to the Financial Statements.

Directors' Holdings of Stapled Securities

The aggregate number of DUET Group stapled securities held directly, indirectly or beneficially by directors at the date of this Financial Report are:

	DUET Group stapled securities 2013	DUET Group stapled securities 2012
Director		
John Roberts	**5,422,901**	5,422,901
The Hon Michael Lee	**19,178**	17,979
Emma Stein	**50,506**	50,506
Douglas Halley	**134,000**	134,000
Ron Finlay	**20,237**	20,237
Eric Goodwin	**57,607**	54,005
Duncan Sutherland	**150,000**	150,000
Shemara Wikramanayake *	**1,837,864**	1,837,864

* As announced to the ASX on 2 August 2013, the initial Directors' Interest Notice on 25 November 2010 contained an error and should have been recorded as 1,837,864, not 1,842,987.

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for year ended 30 June 2013

Additional Specific Disclosures

Information on Directors at 30 June 2013

Experience and Directorships

Douglas Halley

BCom (UNSW), MBA (UNSW), FAICD

Independent Non-Executive Chairman and Director (DIHL, DMC1 and DFL)

Doug held senior financial and general management positions for over 30 years in Australia, UK and the Netherlands in both banking and commercial sectors. His executive expertise covers general management, treasury, finance, business development, investor relations, restructuring, corporate strategy and large scale acquisitions and divestments.

His executive appointments included Group Treasurer, Philips Electrical Australia; Director, Treasury, Hill Samuel Australia (now Macquarie); Director, Treasury, Rothschild Australia; GM, Finance & Corporate Development, Goodman Fielder Group; Finance Director, John Fairfax Holdings; CFO, IBM Global Services Australia; and CFO then CEO for Asia Pacific, Thomson Corporation (now Thomson Reuters). He has prior listed company board experience with John Fairfax Holdings, Television and Media Services, Corum Group and Mikoh Corporation.

Other current directorships are: chairman, Foyson Resources Limited; director, Print & Digital Publishing Pty Limited ('Time Out' magazine); and chairman, Advisory Board of Australian Enterprise Holdings Pty Limited.

Ron Finlay

LLB (Sydney)

Independent Non-Executive Director (DIHL and DFL)

Ron is a lawyer and chief executive of Finlay Consulting, with over 37 years experience in property, construction development and infrastructure projects, including as project manager or facilitator of major infrastructure projects in Australia and overseas for both public and private sector organisations (such as the Commonwealth Government Solar Flagships Program).

Other current directorships are: Macquarie Generation, NSW's largest generator; Chairman of AquaSure Group, the SPV for the Victorian Desalination Project PPP; independent chairman on a number of government and private sector Project Control Groups and Dispute Resolution Boards for major projects (such as Brisbane's New Parallel Runway Project and the Brisbane Legacy Way Project).

Directors' Report

Duncan Sutherland

BA (Yale), MBA (Wayne State)

Independent Non-Executive Director (DFL)

Duncan has broad experience in the mining, metals and auto industries, where his focus areas included acquisitions and divestment, business analysis and corporate planning. Duncan joined CRA Limited in 1980, and was most recently responsible for acquisitions and divestments and corporate strategy. After CRA merged with RTZ in 1995 to form Rio Tinto, Duncan was appointed managing director, Energy Developments, responsible for business development and the management of acquisitions and divestments in the energy sector.

During his career, Duncan has also worked overseas in the USA, Europe, Brazil and Argentina.

Other current directorships are: director of a Macquarie-owned manager of a number of unlisted managed vehicles and a director of Haileybury College, Melbourne.

Emma Stein

BSc (Hons) Physics (Manch), MBA (Manch)

Independent Non-Executive Director (DMC1 and DFL)

Emma's operational utilities experience includes energy retailing and asset management, international business operations, strategy development and implementation, acquisition integration and divestment.

Before leaving the UK in 2003, Emma was the UK managing director for French utility Gaz de France's energy retailing operations. She was also a non-executive director for Cofathec Heatsave Limited and an executive UK board director for Gaz de France Energy.

Other current directorships are: Clough Limited; Programmed Maintenance Group; Alumina Limited; and Transpacific Industries Limited.

Emma is also a member of University of Western Sydney's Board of Trustees and a NSW Ambassador for the Guides.

Formerly, Emma was a non-executive director of ARC Energy and of Merlin Petroleum Limited (Australian oil and gas exploration and production companies) and Transfield Services Infrastructure Fund.

Michael Lee

BSc (UNSW), BEng (Hons) (UNSW), FIE (Aust)

Independent Non-Executive Director (DMC1)

Michael is an electrical engineer. He served in the Australian Parliament for 17 years, and was Minister for Resources, Tourism, Communications and The Arts in the Keating Government. He is currently president of the NSW Branch of the Australian Labor Party.

Other current directorships are: Sydney Airport; Chairman, Communications Alliance Limited, and Superpartners Limited.
Former roles include chairman of NSW TAFE Commission Board and the Central Coast Campuses Board; a director of Essential Energy (formerly Country Energy); a councillor of the City of Sydney; and a member of the NSW Architects Registration Board.

Directors' Report
for year ended 30 June 2013

Eric Goodwin

BEng (UNSW), MIE (Aust)

Independent Non-Executive Director (DFL)

Eric joined the Lend Lease Group in 1963 as a cadet engineer. During his 43 year career with Lend Lease he held a number of senior executive and subsidiary board positions in their Australian operations. Eric has extensive experience in design, construction and project management, general management and investment and funds management. Eric managed the MLC property portfolio during the 1980s and was the founding fund manager of Australian Prime Property Fund.

Other current directorships are: Macquarie Global Property Fund Advisors; the GPT Group; and Eureka Funds Management Limited. Eric is also the chair of Jarjum College Council.

John Roberts

LLB (Canterbury)

Non-Executive Director (DMC1 and DIHL)

John joined Macquarie in 1991 and is based in Sydney, Australia. He is the AMPCI/Macquarie representative on the DMC1 and DIHL boards.

Until 30 June 2013, John was executive chairman of the Macquarie Funds Group, which has over US$400 billion of capital under management and includes the activity of the Macquarie Infrastructure and Real Assets division (MIRA). John now acts as a consultant to Macquarie and serves on the Boards and/or Investment Committees of a number of MIRA-managed funds to provide oversight and strategic direction to individual fund management executive teams.

Previous roles within Macquarie include Head of Europe; Joint Head of Macquarie Capital Advisors; and Global Head of Macquarie Capital Funds.

Other directorships are: Sydney Airport Holdings Limited, Macquarie Atlas Roads Limited and Chairman of the NYSE listed Macquarie Infrastructure Company.

His former directorships include Macquarie International Infrastructure Fund Limited and Macquarie Infrastructure Company Inc.

Shemara Wikramanayake Alternate to John Roberts

LLB, BCom (UNSW)

Alternate Director to John Roberts

Shemara is an Executive Director of Macquarie and Head of the Macquarie Funds Group, which offers a diverse range of products, including infrastructure and real asset management, securities investment management and fund and equity based structured products.

Before becoming Head of Macquarie Funds Group, Shemara spent 20 years in the Macquarie Capital division. During this period, Shemara held roles as Head of Macquarie Infrastructure and Real Assets, North America; Head of Prudential, Sydney; and established and led the corporate advisory businesses in New Zealand, Hong Kong and Malaysia.

Before joining Macquarie in 1987, Shemara worked as a corporate lawyer at Blake Dawson Waldron in Sydney.

Shemara holds no other listed entity directorships.

Directors' Report
for year ended 30 June 2013

Company Secretary

At 30 June 2013, the Company Secretary of DIHL, DMC1 and DFL was Ms Leanne Pickering. From 1 August 2013, she is the Company Secretary of DUECo, DFL and DIHL. Ms Pickering was appointed Company Secretary in 2006. She has been the legal manager of DUET since 2006 and is a practising solicitor.

Meetings of DIHL, DMC1 and DFL's Directors

The number of meetings each member of the DIHL, DMC1 and DFL board of directors and each member of the audit and risk committee was eligible to attend and actually attended during the year ended 30 June 2013 is summarised as follows:

DIHL

	Meetings of Directors		Meetings of Audit and Risk Committee	
	Meetings attended	Meetings eligible to attend^	Meetings attended	Meetings eligible to attend
Director				
Douglas Halley*^	12	12	3	3
John Roberts	8	9	-	-
Phil Garling	5	5	-	-
Ron Finlay*^	12	12	3	3
Emma Stein*^	10	11	3	3

* Members of the Audit and Risk Committee
^ Includes Board sub-committee and independent board committee meetings where only some directors were required to attend.

DMC1

	Meetings of Directors		Meetings of Audit and Risk Committee	
	Meetings attended	Meetings eligible to attend^	Meetings attended	Meetings eligible to attend
Director				
Douglas Halley*^	12	12	3	3
John Roberts	8	9	-	-
Phil Garling	5	5	-	-
Michael Lee*^	11	11	3	3
Emma Stein*^	10	11	3	3

* Members of the Audit and Risk Committee
^ Includes Board sub-committee and independent board committee meetings where only some directors were required to attend.

DFL

	Meetings of Directors		Meetings of Audit and Risk Committee	
	Meetings attended	Meetings eligible to attend^	Meetings attended	Meetings eligible to attend
Director				
Douglas Halley*^	7	7	2	2
John Roberts	5	5	-	-
Phil Garling	5	5	-	-
Ron Finlay*^	12	12	3	3
Eric Goodwin*^	11	11	3	3
Duncan Sutherland*^	11	11	3	3

* Members of the Audit and Risk Committee
^ Includes Board sub-committee and independent board committee meetings where only some directors were required to attend.

Directors' Report
for year ended 30 June 2013

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited)

1. Remuneration Principles

DUET Group's remuneration philosophy is designed to:

- attract, motivate and retain high performing Executive and board members;
- directly align the interests of Executive employees with those of DUET Group securityholders in such a way that their variable remuneration is linked to both the success and any downturn in the DUET Group's performance; and
- comply with appropriate governance standards and legal requirements.

In summary, DUET Group's Executive remuneration strategy is intended to directly align with securityholders' interests. See section 4 and 6 for further details.

The remuneration policy for non-executive directors (NEDs) is to provide remuneration that is sufficient to attract and retain Directors with the experience, knowledge, skills and judgement to govern DUET Group's operations, funding and employees. See section 5 for further details.

2. Introduction

The directors of the DUET Group present the Remuneration Report for DUET Investment Holdings Limited (DIHL), DUET Management Company 1 Limited (DMC1) and DUET Finance Limited (previously known as DUET Management Company 2 Limited) (DFL).

This Remuneration Report for the year ended 30 June 2013 outlines the remuneration arrangements of DIHL, DMC1 and DFL in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this Report, the term "Executive" includes the Chief Executive Officer (CEO) and Chief Financial Officer (CFO). The DUET Group terminated its external management arrangements with AMP Capital and Macquarie Capital Group on 4 December 2012 and at this time the Executives became directly employed by DIHL. DIHL is the employer entity within the DUET Group and makes staff available to the other entities in the DUET Group under the Resources Agreement. DIHL has undertaken a detailed review of the Group's Executive remuneration policy to ensure consistency with market practice.

As detailed in the directors' report, DUET Group completed its group structure simplification on 1 August 2013. This Remuneration Report is as at 30 June 2013, although any relevant changes arising since the restructure and the date of this Report are mentioned as necessary.

This Remuneration Report details the remuneration arrangements for key management personnel (KMP) who are those persons having authority and responsibility for planning, directing and controlling the major activities of DIHL, DMC1 and DFL. KMPs have been identified as the Executives of DIHL and the Non-Executive Directors (NEDs) of DIHL, DMC1 and DFL. The NEDs of each entity comprising the DUET Group meet the definition of KMP as they have this authority in relation to the activities of these entities.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

Non-Executive Directors during the financial year ended 30 June 2013	
Douglas Halley	Chairman – appointed Chairman 4 December 2012
Ron Finlay	Independent Director
Eric Goodwin	Independent Director
Duncan Sutherland	Independent Director
Michael Lee	Independent Director
Emma Stein	Independent Director
Scott Davies*	Director – appointed 4 December 2012, resigned 30 June 2013
Philip Garling*	Director – resigned 4 December 2012
Michael Bessell*	Alternate director – appointed 7 December 2012, resigned 30 June 2013
John Roberts*	Director – appointed May 2004 and due to retire at the November 2013 AGM and may be invited to seek re-election at the November 2013 AGM in accordance with the December 2012 internalisation arrangements with Macquarie and AMP Capital.
Shemara Wikramanayake	Alternate director- appointed November 2010 and due to retire at the November 2013 AGM

** Prior to 4 December 2012, these directors were appointed by the managers (being AMP Capital and Macquarie Capital Group) and did not receive fees from DUET.*

At the 18 July 2013 Scheme and General Meetings, Shirley In't Veld was appointed as an independent director of DIHL with effect from 2 August 2013 and Jane Harvey was appointed as an independent director of DFL with effect from 2 August 2013.

Executives	
David Bartholomew	Chief Executive Officer
Jason Conroy	Chief Financial Officer

Except as noted, all of the above NEDs and Executives have held their current positions for the whole of the financial year and since the end of the financial year, up to the date of this Report. All remuneration disclosed in Section 6.1 with respect to Executives reflects the period from 4 December 2012 to 30 June 2013 (i.e. for 7 months), being the period of employment by DIHL following internalisation of the previous management arrangements.

Directors' Report
for year ended 30 June 2013

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

3. Nomination and Remuneration Committees

The Nomination and Remuneration Committees were established by the Board of Directors of each entity comprising the DUET Group in accordance with the requirements of ASX Listing Rule 12.8 and for the purpose of (among other things) discharging the responsibilities and making recommendations to the DIHL Board relating to the compensation of DIHL's key management personnel. In so doing, it seeks independent input and advice on market practice, trends and overall remuneration structure.

The members of the Nomination and Remuneration Committees during the financial year were:

DIHL	DMC1	DFL
Emma Stein (chair)	Emma Stein (chair)	Eric Goodwin (chair)
Doug Halley	Doug Halley	Doug Halley
John Roberts	John Roberts	Scott Davies
Ron Finlay	Michael Lee	Ron Finlay
		Duncan Sutherland

Following the DUET Group simplification implemented on 1 August 2013, the members of the Nomination and Remuneration Committees are as follows:

DUECo and DIHL	DFL
Shirley In't Veld (chair Remuneration Committee)	Michael Lee (chair)
Doug Halley	Eric Goodwin
John Roberts	Jane Harvey
Emma Stein (chair Nomination Committee)	

Specifically, the DIHL Board approves the remuneration arrangements of the CEO and CFO and all awards made under the long-term incentive (LTI) plan, following recommendations from the DIHL Remuneration Committee. The DIHL Board also approves, having regard to the recommendations made by the Remuneration Committee, the level of the Group short-term incentives (STIs) and the individual STI awards to the CEO and CFO.

The Remuneration Committees of each of the DUET Group entities also have responsibility for recommending the remuneration of each Company's directors in their role as a director and chairman or member of any committee or subcommittee of the Board, as the case may be.

The Nomination Committees provide advice and recommendations to each Board on the criteria for selection, performance review and nominations for appointment of directors (either between AGMs or to stand for election).

As part of the DUET Group simplification implemented on 1 August 2013, the Nomination and Remuneration Committees have undertaken a detailed review of NED remuneration, skills required and selection processes to ensure consistency with market practice. See section 5 for further details.

Directors' Report
for year ended 30 June 2013

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

The Nomination and Remuneration Committees meet regularly throughout the year. The CEO attends certain Remuneration Committee meetings by invitation, where management input is required. The CEO is not present during any discussions relating to his own remuneration arrangements.

The charters for the Nomination and Remuneration Committees are available on the DUET Group website (www.duet.net.au).

4. Executive Remuneration Arrangements and link to DUET's performance

The link between remuneration arrangements and DUET Group's performance is provided by:

- a material portion of Executive remuneration varying with short term and long term performance;
- applying financial and non-financial measures to assess performance; and
- ensuring that these performance measures focus management on strategic business objectives that are aimed at creating securityholder value over the short and long term.

The DUET Group Executive Remuneration structure includes:

Remuneration component	Vehicle	Purpose	Link to performance
Fixed Remuneration	Comprises base salary, superannuation contributions and other benefits	To provide competitive fixed remuneration set with reference to role, market and experience.	DUET Group and individual performance are considered during remuneration reviews with key performance measures set at the beginning of each financial year.
Short Term Incentive (STI) plan (including retention)	Paid partly in cash on grant and partly retained and vests in cash over three years from the second anniversary of grant	➢ Rewards Executives for their contribution to achievement of Group outcomes, as well as individual key performance measures. ➢ The retained component is aimed at assisting the retention of high performing individuals.	50% based on hurdles for the following financial outcomes for the relevant financial year: ➢ Group Proportionate Earnings Before Interest, Tax, Depreciation, Amortisation and Finance costs (EBITDAF) relative to budget ➢ cash cover of distribution on a cents per stapled security basis relative to budget ➢ actual corporate costs relative to budget 50% based on qualitative measures and individual performance objectives including development of Group strategy and Business Plan, special projects (such as the recent internalisation and group structure simplification), operating company initiatives, stakeholder and investor relations, leadership and people management.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

Remuneration component	Vehicle	Purpose	Link to performance
Long Term Incentive (LTI) plan	Cash based "phantom" security plan	Any LTI grants are at risk and are intended to align Executive reward with longer term securityholder value creation.	100% is subject to vesting based on satisfaction of the following performance measures (each of equal weight) tested against certain hurdles three years from the grant date: ➢ the 3 year average DUET Total Securityholder Return (TSR)* based on the DUET Accumulation Index (DAI) relative to the S&P/ASX200 Industrials Accumulation Index (IAI) (see note 1 below) ➢ the 3 year average DUET TSR based on the DUET Accumulation Index (DAI) relative to the ASX Utilities Accumulation Index (UAI) (see note 1 below); and ➢ cumulative achievement of growth in distributions relative to business plan projections

** TSR represents an investor's return, calculated as the percentage difference between the initial amount invested in stapled securities and the final value of those stapled securities at the end of the relevant period, assuming distributions were reinvested, or such other method of calculation as determined by the Board.*
Note 1: Each hurdle applies to a third of the relevant LTI allocation. 50% of notional securities for that hurdle vest at the 51st percentile, up to 100% at the 75th percentile (pro rata vesting in between)

4.1 Fixed remuneration

The Group aims to reward Executives with a level and mix of remuneration appropriate to their positions, responsibilities and performances within the Group and aligned with market practice.

4.2 Performance Based remuneration

DIHL's performance based remuneration includes the STI plan and LTI plan (as further detailed in sections 4.2.1 and 4.2.2). The key philosophy underlying these plans is to align the interests of Executives with those of DUET Group securityholders in such a way that variable remuneration is directly linked to both the success and any downturn in the DUET Group performance.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

The Remuneration Committee has focussed on ensuring that the performance targets and therefore the quantum of short and long term incentives are demanding of performance that is sufficiently challenging to ensure the Executives continue to strive for outstanding sustainable DUET Group performance. Whilst a material proportion of the Executive's variable remuneration is linked to financial outcomes that in turn relate to securityholder distribution levels and security price performance, DUET Group also rewards (through the Executive's individual non-financial performance measures) management disciplines and projects that improve DUET Group's growth prospects and/or reduce uncertainty.

The arrangements for discretionary STIs and LTIs are also intended to assist in the retention of high performing Executives through to the dates that DIHL determines that a STI or LTI allocation becomes payable.

The Remuneration Committee may recommend, and the DIHL Board may, at its discretion, amend the terms of the STI and/or LTI at any time for future allocations. The DIHL Board intends to consider the appropriate thresholds for the STI and LTI annually to ensure that the Performance Measures remain an appropriately challenging target.

4.2.1 Short Term Incentive (STI) plan

Eligibility

All Executives are eligible to participate in the STI scheme, however, STI allocations are at the discretion of DIHL and while an Executive may receive an STI allocation in one year, they will not necessarily receive an STI allocation in a subsequent year, and there is no guarantee of an STI allocation in any particular year.

Any STI allocation is not earned or vested unless the Executive is employed and not subject to a notice of termination or resignation on the relevant crystallisation or vesting dates, as applicable. Therefore, an Executive has no legal right or entitlement (whether contractual, equitable or otherwise) to any STI payment until the relevant crystallisation or vesting dates, as applicable.

Retention policy

In order to assist in retaining its high performance Executives and to align Executive interests and securityholder interests, DIHL may retain a portion of allocated STI which will vest on each of the second, third and fourth years following the original STI allocation except in the case of termination by DIHL with notice1 where STI retentions will become payable.

Performance Measures

The STI is variable and is typically determined with reference to the annual performance of the DUET Group and each Executive's relative contribution to the business and their performance against a mix of quantitative and qualitative performance objectives and key performance measures which as at the date of this report are as described in the table at the commencement of section 4 (STI Performance Measures).

[1] Termination with notice: employment may be terminated by giving 3 months' notice or payment in lieu of notice (see section 6).

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

The STI Performance Measures are discussed with each Executive and determined by the DIHL Remuneration Committee for each Executive on an annual basis. Assessments of performance will take into account these STI Performance Measures and other factors which may include: risk management; governance and compliance; long-term sustainability; progress against the business plan of key strategic objectives; desire for retention in a particular case; people leadership and adherence to DUET Group's goals, values and policies.

To determine if the quantitative STI Performance Measures are satisfied, the Board has regard to the audited financial statements. The qualitative STI Performance Measures are assessed by the DIHL Remuneration Committee as part of the annual performance review of each Executive.

4.2.2 Long Term Incentive plan

Eligibility

All Executives are eligible to participate in the LTI plan at the invitation of the DIHL Board and Remuneration Committee at its absolute discretion. LTI allocations are at the discretion of DIHL and while an Executive may receive an LTI allocation in one year, they will not necessarily receive an LTI allocation in a subsequent year, and there is no guarantee of an LTI allocation in any particular year.

Allocation and Vesting

The first LTI allocation was made on the date of implementation of the internalisation of management of the DUET Group on 4 December 2012 (the "2012 LTI Allocation"). The first vesting date for the 2012 LTI Allocation will be 1 July 2015 subject to satisfaction of the Performance Measures. It is expected that any future allocations will vest 3 years after the date of grant subject to the satisfaction of the LTI Performance Measures as shown in the table at the commencement of section 4.

Notional securities

Any LTI allocation is paid as "notional securities". That is:

- The cash value of the allocation is converted to a number of notional DUET Group stapled securities based on the 20 day volume weighted average price (VWAP) after the full year financial results. Note that these notional securities are not actual DUET Group securities and do not carry any voting entitlements.
- Any distributions that would have been paid on the allocated number of notional securities will be reinvested at the price of DUET Group securities on the relevant ex-distribution date.
- The vesting amount of the allocation and reinvested distributions will be the value of the notional stapled securities based on the 20 day VWAP prior to but not including the relevant vesting date.

Adjustments will be made to the allocated number of notional securities for corporate actions as applicable in accordance with the Listing Rules.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

The vesting of all LTI allocations is subject to the achievement of the LTI Performance Measures (as determined at the time of allocation). Therefore, an Executive has no legal right or entitlement (whether contractual, equitable or otherwise) to any LTI allocation until the relevant vesting dates.

Performance Measures

As at the date of this report, LTIs comprise three elements (each of equal weight) with hurdles for each as set out in the table at the commencement of section 4.

The LTI Performance Measures were selected by the Board in order to clearly align the Executives' long term remuneration with the interests of securityholders by providing an incentive to achieve first or second quartile TSR performance relative to market (represented by the IAI) and relative to peers (represented by the UAI), and to ensure that the Executives remain accountable to achieve the medium term DUET Group business plan targets for distributions to securityholders.

The LTI Performance Measures may also be tested in circumstances where a third party submits a privatisation proposal that would result in DUET Group securities ceasing to be quoted on the ASX. Any LTI allocations will vest at the date of a DUET Group ASX announcement that such a proposal has become unconditional or an earlier date determined by the Board.

4.3 Summary Executive Remuneration Structure

The Executive remuneration structure applicable per annum from 4 December 2012 to 30 June 2013 is as follows:

KMP	Position	Fixed Remuneration $	STI opportunity (% of Fixed Remuneration)	LTI opportunity (% of Fixed Remuneration)	Total performance based pay (% of Fixed Remuneration)
David Bartholomew	CEO	800,000	66%	75%	141%
Jason Conroy	CFO	600,000	42%	42%	84%

Except for the payment of statutory superannuation entitlements and any termination benefit described in section 7, Executives do not receive any other post-employment benefits.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

5. Non-Executive Directors Remuneration Arrangements

Each of the DUET Group boards seeks to attract and retain a high calibre of directors who are equipped with diverse skills and contributions.

The NED fees have undergone various changes during the last financial year as a consequence of the internalisation of management on 4 December 2012 with further changes occurring on 1 August 2013 as a consequence of the DUET Group structure simplification. In all cases, NED fees are fixed and are not linked to the financial performance of DUET Group in order for NEDs to maintain their independence in line with market practice. The changes to the NED fee structure were considered by each Board and its Remuneration Committee utilising external market data and positioned at the market median of comparable board fees across various ASX peer groups (eg ASX100 and ASX 200 groupings), and taking into account entity size, market capitalisation, number of meetings, board and committee workload and different workloads between board and committee chairs and members.

5.1 NED fees from 1 July 2012 to 3 December 2012

From 1 July 2012 to the date of internalisation, being 4 December 2012, the Independent Directors (as listed in section 2 of this report) were entitled to be paid directors' fees at a rate of $110,000 per annum. However prior to internalisation only the DIHL director fees were borne by DUET Group. No director of DMC1 or DFL was remunerated by DUET Group prior to 4 December 2012. Instead, those director fees were ultimately borne by the previous managers (being AMP Capital and Macquarie Capital Group).

5.2 NED fees from 4 December 2012 to 30 June 2013

NED fees payable (per annum) from 4 December 2012 were paid at the following annual rate on a pro-rata basis:

Role	***Annual fee* $***
Chair	240,000
NEDs**	110,000
Additional Committee Chair Fee	12,000
Committee Member Fees***	10,000

** Fees are inclusive of superannuation.*

*** The two directors appointed by Macquarie Capital Group Limited and AMP Capital Investors Limited (being John Roberts and Scott Davies respectively) shared the fees equally.*

**** The Chairman of the Board did not receive committee member fees.*

Directors' Report
for year ended 30 June 2013

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

In the event that a director was also a director of another DUET Group entity, the director fee is shared equally between the entities.

The DIHL constitution provides that directors are entitled to remuneration in aggregate not exceeding $650,000 per annum. The DMC1 fee cap is $750,000 p.a. and the DFL fee cap is $650,000 p.a. DUET Company Limited (DUECo) being the new entity that formed part of the DUET Group as at 1 August 2013, has a director fee cap of $650,000 p.a. The maximum amount of director fees that DIHL, DFL and DUECo may pay in aggregate is $1,950,000 p.a. None of the NEDs is entitled to DUET Group options or securities, retirement benefits or STI or LTI incentives as part of remuneration packages.

5.3 NED fees from 1 August 2013

As noted in the Meeting Booklet for the DUET Group structure simplification implemented on 1 August 2013, the NED fees payable from 1 August 2013 were amended to include payment for Committee membership and also to distinguish between the business aspects of each board in the DUET Group. The NED fees payable from 1 August 2013 are as follows:

Corporate Arm – DIHL and DUECo[7]

Name	Board Chair or NED	A&RC Chair	A&RC member	N&RC Chair	N&RC member	Total
Doug Halley (Chair)	$230,000				$5,000	$235,000
John Roberts	$110,000				$5,000	$115,000
Emma Stein	$110,000		$7,500	$10,000		$127,500
Duncan Sutherland	$110,000	$15,000				$125,000
Shirley In't Veld	$110,000		$7,500	$10,000		$127,500
Ron Finlay	$80,000		$7,500			$87,500
Grand Total						**$817,500**

7 The abbreviations used in the remuneration tables are: Non-Executive Director (NED), Audit and Risk Committee (A&RC) and Nominations Committee and Remuneration Committee (N&RC).

Given that the DIHL and DUECo boards have the same directors, it is expected that board meetings will be held at the same time and therefore the above costs are the aggregate fees which will be shared equally between DIHL and DUECo.

Funding Arm – DMC2[8]

Name	Board Chair or NED	A&RC Chair	A&RC member	N&RC Chair	N&RC member	Total	Aggregate total for DIHL/DUECo and DMC2
Eric Goodwin (Chair)	$125,000		$7,500		$5,000	$137,500	
Ron Finlay	$60,000		$7,500			$67,500	$155,000
Michael Lee	$85,000		$7,500	$10,000		$102,500	
Jane Harvey	$85,000	$15,000			$5,000	$105,000	
Grand Total						**$412,500**	

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

As the DFL board meets independently of the DIHL and DUECo boards and will have different business to consider regarding the funding aspects of the DUET Group, the total amount of DFL director fees will be borne by DFL. The fee for Mr Ron Finlay differs from that of other non-executive directors as he sits on each of the Boards of DIHL, DUECo and DFL. This is considered appropriate as, although there will be separate meetings of the Boards, there will be some overlap in issues considered by the boards of Directors (such as consolidated financial accounts) and therefore it is appropriate for him to receive a lower fee than other directors who serve on the Boards of fewer Group entities.

In 2012 a separate external Compliance Committee constituted with members who were not DUET Group directors, existed in addition to the Audit and Risk Committee. Fees for the Compliance Committee were $5,000 per external member per annum. On 1 January 2013, the Compliance Committee's roles and responsibilities were assumed by the Audit and Risk Committee. There was no adjustment to committee fees upon this transfer of responsibilities.

Except for the payment of statutory superannuation entitlements, NEDs do not receive any other post-employment benefits.

6. Details of KMP Remuneration for year ended 30 June 2013

6.1 Statutory Remuneration of KMP

Non-executive directors (inclusive of special service fees for the December 2012 internalisation)

FY2013

Name	DMC1		DFL		DIHL		TOTAL
	Director Fees	Superannuation	Director Fees	Superannuation	Director Fees	Superannuation	
	$	$	$	$	$	$	$
Doug Halley (Chair)	114,610	4,874	41,465	4,884	114,610	4,874	285,317
Emma Stein	72,764	5,712			72,764	5,712	156,952
Ron Finlay			87,764	5,712	87,764	5,712	186,952
John Roberts	14,555	1,310			14,555	1,310	31,730
Michael Lee	137,615	12,385					150,000
Eric Goodw in			145,527	11,425			156,952
Duncan Sutherland			136,250	13,750			150,000
Scott Davies			34,804	0			34,804
TOTAL	**363,825**		**481,581**		**307,301**		**1,152,707**

Notes: ** From 1 July 2012 to 3 December 2012 only the DIHL NED fees were borne by DUET Group, the Macquarie and AMP Capital nominee directors (being John Roberts and Phil Garling (who resigned on 4 December 2012) were remunerated by the Macquarie Group and AMP Capital Group respectively and did not receive NED fees from DUET and. the DMC1 and DFL NED fees were ultimately borne by the managers (being AMP Capital and Macquarie Capital Group). However the amounts in the table above include all amounts paid (either by the managers or DUET to the NEDs from 1 July 2012 until 30 June 2013 including the NED special services fees of $330,000 in aggregate paid in December 2012 as part of the internalisation of DUET Group management as disclosed in section 6.1 of the Explanatory Memorandum dated 10 October 2012.*

** From 4 December 2012 to 30 June 2013, John Roberts and Scott Davies became entitled to be paid NED fees from DIHL, DMC1 and DFL respectively as shown in the table above. Scott Davies' director fee was GST inclusive and was paid directly to AMP Capital Investors and therefore no superannuation was paid.*

Directors' Report
for year ended 30 June 2013

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

FY2012

Name	DMC1		DFL		DIHL		TOTAL
	Director Fees	Superannuation	Director Fees	Superannuation	Director Fees	Superannuation	
	$	$	$	$	$	$	$
Doug Halley (Chair)	44,725	4,025			44,725	4,025	97,500
Emma Stein	44,725	4,025			44,725	4,025	97,500
Ron Finlay			44,725	4,025	44,725	4,025	97,500
Michael Lee	89,450	8,050					97,500
Eric Goodwin			89,450	8,050			97,500
Duncan Sutherland			89,450	8,050			97,500
TOTAL	195,000		243,750		146,250		585,000

Notes: ** In FY2012 only the DIHL NED fees were borne by DUET Group. Instead those NED fees for DMC1 and DFL were ultimately borne by the managers (being AMP Capital and Macquarie Capital Group). However the amounts in the table above include all amounts paid (including by the managers) to the NEDs.*

** In FY2012 the AMP Capital and Macquarie Capital Group executives appointed to the board (i.e. Phil Garling and John Roberts) did not receive director fees.*

Executives

FY2013[1]	Salary and fees $	Retention Payment[2] $	STI awarded $	Non-monetary[3] $	Superannuation $	Total $
Executives						
David Bartholomew	454,046	250,000	308,000	4,688	9,544	1,026,278
Jason Conroy	338,148	200,000	147,000	1,511	9,544	696,203

1 All remuneration disclosed with respect to Executives reflects the period from 4 December 2012 to 30 June 2013, being the period of employment by DIHL following internalisation of the previous management arrangements.

2 The retention payments to the Executives were paid in January 2013 and are one off payments which are to be repaid by them if they resign from their employment or are terminated without notice prior to 4 December 2013.

3 Non-monetary benefits include salary continuance insurance and professional membership fees paid by DIHL on behalf of the Executive.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

6.2 Actual Remuneration received by Group Executives – FY2013

Actual remuneration is provided in addition to the statutory reporting of remuneration (refer section 6.1 Statutory Remuneration of KMP) to increase transparency about what the Executive actually received during the financial year. These tables do not include any retained STI or LTI allocations as they are still subject to conditions relating to service and performance (in the case of the LTI).

Received in FY2013[1]	Salary $	Retention Payment[2] $	STI paid $	Non-monetary[3] $	Superannuation $	LTI paid $	Total $
David Bartholomew	454,046	250,000	239,600	4,688	9,544	-	957,878
Jason Conroy	338,148	200,000	126,900	1,511	9,544	-	676,103

1 All remuneration disclosed with respect to Executives reflects the period from 4 December 2012 to 30 June 2013, being the period of employment by DIHL following internalisation of the previous management arrangements.

2 The retention payments to the Executives were paid in January 2013 and are one off payments which are to be repaid by them if they resign from their employment or are terminated without notice prior to 4 December 2013.

3 Non-monetary benefits include salary continuance insurance and professional membership fees paid by DIHL on behalf of the Executive.

6.3 Performance related remuneration of Group Executives

STI

The following table shows the STIs that were earned during the financial year.

Executives	STI awarded in cash ($)	STI paid $	STI retained($)	STI achieved (% of opportunity)*	STI forfeited (% of opportunity)
David Bartholomew	308,000	239,600	68,400	100%	-%
Jason Conroy	147,000	126,900	20,100	100%	-%

All remuneration disclosed with respect to Executives reflects the period from 4 December 2012 to 30 June 2013, being the period of employment by DIHL following internalisation of the previous management arrangements.

** The STI % achieved is 100% of the pro-rata STI opportunity (i.e. 58.3%) for the 7 month period from 4 December 2012 to 30 June 2013.*

Vesting of the retained component of the STIs granted for FY2013 is as follows:

Executives	Award date	STI deferred ($)	Vesting dates*
David Bartholomew	30 June 2013	68,400	Equal proportions 23 August 2015 23 August 2016 23 August 2017
Jason Conroy	30 June 2013	20,100	Equal proportions 23 August 2015 23 August 2016 23 August 2017

** If the employment of the Executive is terminated without notice or the Executive resigns, all unvested STIs will be forfeited. If the employment of the Executive is terminated with notice all unvested STIs will be payable on the date of termination.*

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

LTI

The following table sets out the number of notional securities that have been allocated to Group Executives but have not yet vested or been paid and the years in which they may vest.

Executive	Date of award	Cash amount of Award $	Notional reference securities (No)	Opening VWAP	Vesting date*
David Bartholomew	4 December 2012	343,800	160,763	2.13855	1 July 2015
	1 July 2013	600,000	*(see note 1)*	*(See note 1)*	1 July 2016
Jason Conroy	4 December 2012	144,396	67,521	2.13855	1 July 2015
	1 July 2013	252,000	*(see note 1)*	*(See note 1)*	1 July 2016

Note 1: The VWAP will be determined post the announcement of the FY2013 DUET Group results in accordance with the LTI terms.

** The actual cash amount to be paid on the vesting date may be nil if none of the performance hurdles are met. However, the actual cash amount paid at vesting may be higher or lower than the cash amounts listed above depending on the VWAP at the vesting date, the amount of DUET distributions notionally reinvested over the vesting period and also if the performance measures are only partially met.*

** If the employment of the Executive is terminated without notice or the Executive resigns, all unvested LTIs will be forfeited.*

7. Executive Employment Termination Provisions

Each of the Executives is and has been employed on a permanent basis by DIHL from 4 December 2012. The following termination provisions and benefits apply to each of the Executives.

Termination notice period

DIHL or the Executive must give 3 month's notice of termination. Alternatively, DIHL may make a payment in lieu of notice.

Termination without notice

DIHL may terminate the Executive's employment immediately in certain events including if the Executive engages in any misconduct, dishonesty which may injure the reputation of DUET Group, inappropriate workplace behaviour or for any other reason justifying termination without notice. In the event of termination without notice there is no termination payment payable to the Executive except for their accrued salary, superannuation and statutory entitlements.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

Termination with notice

Where DIHL terminates the Executives employment with notice, the Executive will receive a payment of up to 12 months' salary including any payment in lieu of notice. The Executive will be paid any unvested STI allocations and be entitled to retain any unvested LTI allocations subject to the same performance measures and vesting dates as if the Executive's employment continued.

If the Executive resigns, DIHL must pay any accrued salary, superannuation and statutory entitlements and all unvested STI and LTI allocations will be forfeited.

Non-competition

DIHL may determine that on termination of employment a six month non-compete and non-solicitation period applies in return for a restraint payment to the Executive equivalent to six month's Base Salary (less applicable deductions) paid on the standard monthly pay cycle.

Redundancy

In the event of redundancy, the Executive will also be entitled to a redundancy payment of up to 12 months salary in line with DIHL's redundancy policy.

In addition to the above, where considered appropriate, on termination the Board is also entitled at its absolute discretion subject to the Corporations Act to make further ex-gratia payments to Executives.

8. History of DUET Group performance

The table below summarises DUET Group's key financial performance indicators over the last five financial years.

Performance Measure	FY2009	FY2010	FY2011	FY2012	FY2013
Security Price[1] ($)	1.53	1.60	1.69	1.84	2.01
Market Capitalisation[2] ($m)	1,296.0	1,392.9	1,537.4	2,042.1	2,350.3
Distributions Paid[3] (cpss)	24.125	20.0	20.0	16.0	16.5
EBITDA[4] ($m)	667	734	764	731	800

1. Stapled security price at close of business on 30 June each year.

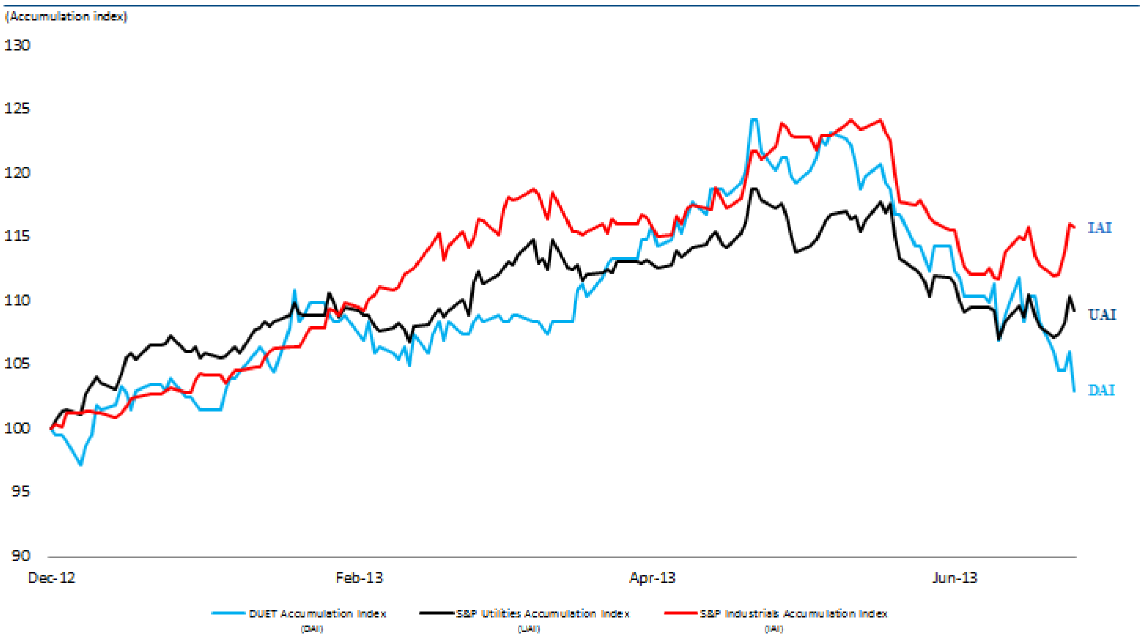
2. Market capitalisation at close of business on 30 June each year.

3. Distribution declared by the Boards in cents per stapled security (cpss) for the financial year.

4. EBITDA as reported in DUET's Management Information Report is before financial instrument adjustments (EBITDAF), the measure for the calculation of Executive STI awards.

DUET Group (DIHL, DMC1 and DFL) Remuneration Report (audited) (continued)

The graph below shows the relative performance of the DUET Accumulation Index (DAI) against the S&P ASX200 Industrials Index (IAI) and the S&P ASX 200 Utilities Index (UAI) (being two of the LTI Performance Measures) for the period 4 December 2012 to 30 June 2013.



Source: IRESS as at 28 June 2013.
Note: S&P/ASX 200 accumulation index and S&P/ASX 200 Utilities accumulation index rebased to DUET share price as at 4 December 2012.

The vesting of LTI awards is calculated on the 3rd anniversary of their initial award date on the basis detailed in section 4.2.2. The graph above is illustrative only and indicates how the DAI performed against the IAI and UAI benchmarks during the period to 30 June 2013.

Directors' Report
for year ended 30 June 2013

Non-Audit Services

DUET may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company and/or DUET Group are important.

Details of the amounts paid or payable to the auditor (Ernst & Young) for audit and non-audit services provided during the year are set out in Note 4 of the Financial Report.

The board of directors has considered the position and, in accordance with the advice received from the audit and risk committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 4 of the Financial Report, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit and risk committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Professional Statement APES110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Environmental Regulations

DUET Group, DFT, DUET3, DIHL, DMC1 and DFL were not subject to any environmental regulations. The operations of the underlying assets in which the DUET Group, DFT, DUET3, DIHL, DMC1 and DFL invested are subject to environmental regulations particular to the states in which they are located.

Dampier Bunbury Pipeline

Both the DBP Licence and DBP Access Licence place requirements on DBP as operator of the DBNGP. Environmental obligations are identified and managed through DBP's Environmental Management Plan, which sets out procedures for necessary restoration work associated with operations and construction.

Under the National Greenhouse and Energy Reporting (NGER) Act 2007, corporations that meet or exceed thresholds are required to report greenhouse gas emissions and energy usage by 31 October each year. DBP exceeds these thresholds and has lodged its current year's NGER reporting with the Clean Energy Regulator for the period from 1 July 2011 to 30 June 2012.

From 1 July 2012, the carbon pricing mechanism (introduced by the Clean Energy (CE) Act 2011) applies to certain greenhouse gas emissions, with liable entities being required to surrender carbon permits for each tonne of carbon dioxide equivalent emitted for each eligible financial year. This legislation also introduces additional annual reporting and compliance requirements for DBP.

The directors are not aware of any material breaches to the environmental regulations discussed above.

Environmental Regulations (continued)

United Energy

United Energy is subject to significant environmental regulation under the Environmental Protection Act (EPA) 1970 (Vic). United Energy adheres to environmental management principles using compliance with ISO 14001 for proactive planning, sustainable development and self assessment for continuous improvement. United Energy did not receive any notices from the Environmental Protection Agency for violation of the Act during the year.

United Energy exceeds the thresholds under the NGER Act 2007, and has lodged its reporting with the Clean Energy Regulator for the period from 1 July 2011 to 30 June 2012.

The directors are not aware of any material breaches to the environmental regulations discussed above.

Multinet

Multinet is subject to significant environmental regulation under the Environmental Protection Act 1970 (Vic). Multinet adheres to environmental management principles using compliance with ISO 14001 for proactive planning, sustainable development and self assessment for continuous improvement. Multinet did not receive any notices from the Environmental Protection Agency for violation of the Act from 2004 to the date of signing this report.

Multinet exceeds the thresholds under the NGER Act 2007, and has lodged its reporting with the Clean Energy Regulator for the period from 1 July 2011 to 30 June 2012.

The Clean Energy Act 2011 also applies to Multinet.

The directors are not aware of any material breaches to the environmental regulations discussed above.

Directors' Report
for year ended 30 June 2013

Application of Class Order

The Financial Reports for DUET Group, DFT, DUET3, DIHL Group, DMC1 and DFL for the year ended 30 June 2013 are jointly presented in one report, as permitted by ASIC Class Orders 05/642 and 06/441.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 39.

Rounding of Amounts in the Directors' Report and the Financial Report

DUET Group, DFT, DUET3, DIHL Group, DMC1 and DFL are of a kind referred to in Class Order 98/0100, issued by ASIC, relating to the 'rounding off' of amounts in the directors' report and Financial Report. Amounts in the directors' report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Share options for DUET Group

No options over the stapled securities of DUET Group existed at 30 June 2013 (2012: nil).

Directors' Report
for year ended 30 June 2013

Signed in accordance with a resolution of directors of DUET Management Company 1 Limited.

Douglas Halley
Director
DUET Management Company 1 Limited
Sydney
15 August 2013

Emma Stein
Director
DUET Management Company 1 Limited
Sydney
15 August 2013

Signed in accordance with a resolution of directors of DUET Finance Limited.

Eric Goodwin
Director
DUET Finance Limited
Sydney
15 August 2013

Ron Finlay
Director
DUET Finance Limited
Sydney
15 August 2013

Signed in accordance with a resolution of directors of DUET Investment Holdings Limited.

Douglas Halley
Director
DUET Investment Holdings Limited
Sydney
15 August 2013

Emma Stein
Director
DUET Investment Holdings Limited
Sydney
15 August 2013

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of DUET Management Company 1 Limited, DUET Finance Limited and DUET Investment Holdings Limited

In relation to our audit of the financial report of DUET Group, Diversified Utility and Energy Trust No.1, DUET Finance Trust, Diversified Utility and Energy Trust No.3, DUET Investment Holdings Limited, DUET Management Company 1 Limited and DUET Finance Limited for the year ended 30 June 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Kester Brown
Partner

Melbourne
15 August 2013

Income Statements

	Note	**DUET Group 1 Jul 12 - 30 Jun13 $'000**	DUET Group 1 Jul 11 - 30 Jun 12 $'000
Revenue		**1,264,261**	1,220,141
Other Income		**49,125**	1,939
Total Revenue and other income	2	**1,313,386**	1,222,080
Share of net profit/(loss) of associates accounted for using the equity method	2	**-**	6,754
Net gain/(loss) on disposal of associates	2	**-**	8,668
Expenses relating to internalisation and group structure simplification		**(111,243)**	-
Operating expenses		**(439,709)**	(428,251)
Depreciation and amortisation expense	2	**(253,940)**	(233,925)
Finance costs	2	**(439,903)**	(465,909)
Other expenses	2	**(18,737)**	(63,089)
Total expenses	2	**(1,152,289)**	(1,191,174)
Profit before income tax expense		**49,854**	46,328
Income tax benefit/(expense)	3	**(30,261)**	(2,331)
Profit for the year		**19,593**	43,997
(Loss)/profit is attributable to:			
DUET1 unitholders(1)		**(10,774)**	77,432
DFT /DUET3 unitholders and DIHL/DMC1/DFL shareholders as non-controlling interests		**16,590**	(29,883)
Stapled Securityholders		**5,816**	47,549
Other non-controlling interests		**13,777**	(3,552)
Basic earnings/(loss) per stapled security/share/unit(1)	27	**(0.94)**	7.23
Diluted earnings/(loss) per stapled security/share/unit(1)	27	**(0.94)**	7.23

The above Income Statements should be read in conjunction with the accompanying notes.

(1) DUET earnings per share include earnings of DUET1 only and has been calculated in accordance with *AASB 133 Earnings per Share*. DUET1 was identified as parent of DUET on transition to AIFRS.

Income Statements (continued)

	Note	**DFT 1 Jul 12 - 30 Jun 13 $'000**	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Revenue		**77,416**	**19,852**	**7,320**	**2,852**	**3,611**	71,401	22,896	557	15,302	20,347
Other Income		**-**	**-**	**-**	**-**	**-**	-	-	76	-	-
Total Revenue and other income	2	**77,416**	**19,852**	**7,320**	**2,852**	**3,611**	71,401	22,896	633	15,302	20,347
Share of net profit/(loss) of associates accounted for using the equity method	2	**9,673**	**-**	**12,754**	**-**	**-**	(71,467)	-	11,551	-	-
Net gains/(losses) on disposal of associates	2	**-**	**-**	**-**	**-**	**-**	10,807	5,901	(41,649)	-	-
Expenses relating to internalisation and group structure simplification		**(38,331)**	**(11,245)**	**(34,902)**	**-**	**-**	-	-	-	-	-
Operating expenses	2	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Depreciation and amortisation expense	2	**-**	**-**	**(176)**	**(71)**	**(71)**	-	-	-	-	-
Finance costs	2	**(3,623)**	**(91)**	**(6,558)**	**-**	**-**	(2,394)	(2,248)	(6,889)	-	-
Other expenses	2	**(5,427)**	**(1,858)**	**(8,362)**	**(2,022)**	**(2,547)**	(17,229)	(5,531)	(5,264)	(15,648)	(20,764)
Total expenses		**(9,050)**	**(1,949)**	**(15,096)**	**(2,093)**	**(2,618)**	(19,623)	(7,779)	(12,153)	(15,647)	(20,765)
Profit/(loss) before income tax expense		**39,708**	**6,658**	**(29,924)**	**759**	**993**	(8,882)	21,018	(41,618)	(346)	(417)
Income tax benefit/(expense)		**-**	**-**	**(53)**	**(249)**	**(319)**	-	(401)	-	52	73
Profit/(loss) for the year		**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,617	(41,618)	(294)	(344)

Financial Report
as at 30 June 2013

Income Statements (continued)

	Note	DFT 1 Jul 12 - 30 Jun 13 $'000	DUET3 1 Jul 12 - 30 Jun 13 $'000	DIHL Group 1 Jul 12 - 30 Jun13 $'000	DMC1 1 Jul 12 - 30 Jun 13 $'000	DFL 1 Jul 12 - 30 Jun 13 $'000	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Profit/(loss) is attributable to:											
DUET1 unitholders		-	-	-	-	-	-	-	-	-	-
DFT/DUET3 unitholders and DIHL/DMC1/DFL shareholders as non-controlling interests		39,708	6,658	(29,977)	510	674	(8,882)	20,617	(41,618)	(294)	(344)
Stapled Securityholders		39,708	6,658	(29,977)	510	674	(8,882)	20,617	(41,618)	(294)	(344)
Other non-controlling interests											
		-	-	-	-	-	-	-	-	-	-
Basic earnings/(loss) per stapled security/share/unit		3.47	0.58	(2.62)	-	-	(0.83)	1.93	(3.89)	(0.02)	(0.02)
Diluted earnings/(loss) per stapled security/share/unit		3.47	0.58	(2.62)	-	-	(0.83)	1.93	(3.89)	(0.02)	(0.02)

The above Income Statements should be read in conjunction with the accompanying notes.

Financial Report
as at 30 June 2013

Statements of Comprehensive Income

	DUET Group 1 Jul 12 - 30 Jun 13 $'000	DUET Group 1 Jul 11 - 30 Jun 12 $'000
Profit after income tax expense for the year	**19,593**	43,997
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to profit or loss		
Changes in fair value of cashflow hedges, net of tax:		
Gain/(loss) taken to equity	**110,928**	(174,559)
Transferred to Income Statement	**(96,076)**	53,687
Changes in share of associates other reserves, net of tax	**-**	4,793
Reclassification of associate reserves on disposal	**-**	26,818
Reclassification of associates foreign currency translation reserve on disposal (including movement to date of disposal)	**-**	12,567
Movement in defined benefit reserve	**1,120**	(1,319)
Gain/(loss) on dilution of minority interest	**3,459**	(1,250)
Changes in share of associates foreign currency translation reserve	**-**	-
Total other comprehensive income	**19,431**	(79,083)
Total comprehensive income/(expense) for the year	**39,024**	(35,266)
Total comprehensive income/(expense) for the year is attributable to:		
DUET1 unitholders	**6,534**	39,787
DFT /DUET3 unitholders and DIHL, DMC1 and DFL shareholders as non-controlling interests	**21,958**	(38,613)
Stapled Securityholders	**28,492**	1,174
Other non-controlling interests	**10,532**	(36,440)
Total comprehensive income/(expense) for the year	**39,024**	(35,266)

The above Statements of Comprehensive Income should be read in conjunction with the accompanying Notes.

Statements of Comprehensive Income (continued)

	DFT 1 Jul 11 - 30 Jun 12 $'000	**DUET3 1 Jul 11 - 30 Jun 12 $'000**	**DIHL Group 1 Jul 11 - 30 Jun 12 $'000**	**DMC1 1 Jul 11 - 30 Jun 12 $'000**	**DFL 1 Jul 11 - 30 Jun 12 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Profit/(loss) after income tax expense for the year	**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,617	(41,618)	(294)	(344)
Other comprehensive income/(expense)										
Items that may be reclassified subsequently to profit or loss										
Changes in share of associates other reserves, net of tax	**(1,752)**	**-**	**7,115**	**-**	**-**	(11,358)	-	(24,446)	-	-
Reclassification of associate reserves on disposal	**-**	**-**	**-**	**-**	**-**	-	-	25,464	-	-
Reclassification of available for sale financial asset, net of tax on disposal	**-**	**-**	**-**	**-**	**-**	(10,957)	-	-	-	-
Reclassification of associates foreign currency translation reserve on disposal (including movement to date of disposal)	**-**	**-**	**-**	**-**	**-**	-	-	12,567	-	-
Total other comprehensive income/(expense) for the year	**(1,752)**	**-**	**7,115**	**-**	**-**	(22,315)	-	13,585	-	-
Total comprehensive income/(expense) for the year	**37,956**	**6,658**	**(22,862)**	**510**	**674**	(31,197)	20,617	(28,033)	(294)	(344)
Total comprehensive income/(expense) for the year is attributable to:										
DUET1 unitholders	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
DFT/DUET3 unitholders and DIHL, DMC1 and DFL shareholders as non-controlling interests	**37,956**	**6,615**	**(22,862)**	**510**	**674**	(31,197)	20,617	(28,033)	(294)	(344)
Stapled Securityholders	**37,956**	**6,615**	**(22,862)**	**510**	**674**	(31,197)	20,617	(28,033)	(294)	(344)
Other non-controlling interests	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total comprehensive income/(expense) for the year	**37,956**	**6,615**	**(22,862)**	**510**	**674**	(31,197)	20,617	(28,033)	(294)	(344)

The above Statements of Comprehensive Income should be read in conjunction with the accompanying Notes.

Financial Report
as at 30 June 2013

Balance Sheets

	Note	**DUET Group 30 Jun 13 $'000**	DUET Group 30 Jun 12 $'000
Current assets			
Cash and cash equivalents	6	**402,181**	243,595
Receivables	7	**79,652**	67,983
Inventories	8	**22,140**	19,637
Other assets	9	**105,918**	78,648
Derivative financial instruments	10	**2,625**	899
Total current assets		**612,516**	410,762
Non-current assets			
Receivables	7	**21,049**	21,507
Property, plant and equipment	12	**5,613,743**	5,473,171
Deferred tax assets	13	**94,325**	93,552
Intangible assets	14	**2,087,448**	2,094,282
Other assets	9	**29,416**	24,018
Derivative financial instruments	10	**46,947**	1,367
Total non-current assets		**7,892,928**	7,707,897
Total assets		**8,505,444**	8,118,659
Current liabilities			
Distribution payable	15	**96,468**	88,787
Payables	16	**235,409**	285,146
Interest bearing liabilities	17	**62,624**	325,278
Provisions	18	**33,184**	16,793
Derivative financial instruments	10	**108,926**	116,258
Other liabilities	19	**28,809**	37,766
Total current liabilities		**565,420**	870,028
Non-current liabilities			
Interest bearing liabilities	17	**5,609,273**	4,799,841
Deferred tax liabilities	20	**517,546**	480,788
Derivative financial instruments	10	**230,215**	339,863
Provisions	18	**36,220**	32,847
Retirement benefit obligations	21	**2,824**	4,278
Other liabilities	19	**21,897**	22,316
Total non-current liabilities		**6,417,975**	5,679,933
Total liabilities		**6,983,395**	6,549,961
Net assets		**1,522,049**	1,568,698

Balance Sheets (continued)

		DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Equity			
Equity attributable to DUET1 unitholders			
Contributed equity	23	**688,011**	650,331
Reserves	24	**(151,470)**	(173,366)
Retained profits/accumulated (losses)	25	**(300,132)**	(204,763)
Unitholders interest		**236,409**	272,202
Equity attributable to DFT, DUET3, DIHL, DMC1 and DFL Securityholders (as non-controlling interest)			
Contributed equity	23	**1,662,004**	1,580,504
Reserves	24	**(410,305)**	(354,356)
Retained profits/accumulated (losses)	25	**(155,597)**	(121,489)
DFT, DUET3, DIHL, DMC1 and DFL securityholders interest		**1,096,102**	1,104,659
Other non-controlling interest	22	**189,538**	191,837
Total equity		**1,522,049**	1,568,698

The above Balance Sheets should be read in conjunction with the accompanying Notes.

Balance Sheets (continued)

	Note	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current assets											
Cash and cash equivalents	6	**52,476**	**11,989**	**11,984**	**5,521**	**5,511**	61,280	21,662	20,356	3,476	3,617
Receivables	7	**8,518**	**209**	**976**	**277**	**279**	717	3,116	204	10,019	12,983
Other assets	9	**-**	**-**	**633**	**324**	**325**	-	-	106	128	163
Total current assets		**60,994**	**12,198**	**13,593**	**6,122**	**6,115**	61,997	24,778	20,666	13,623	16,763
Non-current assets											
Receivables	7	**811,369**	**258,344**	**-**	**-**	**-**	660,273	261,119	-	-	-
Other financial assets – investments in unlisted securities		**861**	**-**	**-**	**-**	**-**	861	-	-	-	-
Investment in associated entities	11	**145,911**	**-**	**176,501**	**-**	**-**	140,496	-	185,027	-	-
Property, plant and equipment	12	**-**	**-**	**6,744**	**-**	**-**	-	-	-	-	-
Deferred tax assets	13	**-**	**-**	**46**	**7**	**7**	-	-	-	206	278
Intangible assets	14	**-**	**-**	**-**	**-**	**-**	-	-	-	12,126	12,126
Other assets	9	**-**	**-**	**152**	**-**	**-**	-	-	-	-	-
Total non-current assets		**958,141**	**258,344**	**183,443**	**7**	**7**	801,630	261,119	185,027	12,332	12,404
Total assets		**1,019,135**	**270,542**	**197,036**	**6,129**	**6,122**	863,627	285,897	205,693	25,955	29,167
Current liabilities											
Distribution payable	15	**48,837**	**6,858**	**-**	**-**	**-**	42,304	16,687	-	-	-
Payables	16	**5,089**	**1,593**	**14,603**	**470**	**470**	10,749	2,899	3,119	10,454	13,688
Interest bearing liabilities	17	**212,392**	**-**	**108,829**	**-**	**-**	60,364	-	113,147	-	-
Other liabilities	21	**-**	**-**	**154**	**17**	**15**	-	-	-	-	-
Provisions	18	**-**	**-**	**361**	**-**	**-**	-	-	-	-	-
Total current liabilities		**266,318**	**8,451**	**123,947**	**487**	**485**	113,417	19,586	116,266	10,454	13,688

Balance Sheets (continued)

	Note	**DFT 30 Jun 13 $'000**	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Non-current liabilities											
Interest bearing liabilities	17	**-**	**-**	**-**	**-**	**-**	-	1,289	-	-	-
Provisions	18	**-**	**-**	**3,068**	**-**	**-**	-	-	-	-	-
Deferred tax liabilities	20	**-**	**-**	**-**	**50**	**50**	-	-	-	17	17
Total non-current liabilities		**-**	**-**	**3,068**	**50**	**50**	-	1,289	-	17	17
Total liabilities		**266,318**	**8,451**	**127,015**	**537**	**535**	113,417	20,875	116,266	10,471	13,705
Net assets		**752,817**	**262,091**	**70,021**	**5,592**	**5,587**	750,210	265,022	89,427	15,484	15,462
Equity											
Equity attributable to DUET1 unitholders											
Contributed equity	23	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Reserves	24	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Retained profits/accumulated (losses)	25	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Unitholders interest		**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Equity attributable to DFT, DUET3, DIHL, DMC1 and DFL Securityholders (as non-controlling interest)											
Contributed equity	23	**1,051,517**	**351,482**	**248,034**	**5,485**	**5,486**	997,712	338,214	244,578	14,465	14,465
Reserves	24	**(298,700)**	**(89,392)**	**(22,214)**	**-**	**-**	(247,502)	(77,525)	(29,329)	-	-
Retained profits/accumulated (losses)	25	**-**	**-**	**(155,799)**	**107**	**101**	-	4,333	(125,822)	1,019	997
DFT, DUET3, DIHL, DMC1 and DFL securityholders interest		**752,817**	**262,090**	**70,021**	**5,592**	**5,587**	750,210	265,022	89,427	15,484	15,462
Other non-controlling interest	22	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total equity		**752,817**	**262,090**	**70,021**	**5,592**	**5,587**	750,210	265,022	89,427	15,484	15,462

The above Balance Sheets should be read in conjunction with the accompanying Notes.

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Statements of Changes in Equity

DUET Group

	Attributable to DUET1 Unitholders								
	Contributed equity $'000	Hedging reserve $'000	Capital reserve $'000	Other reserve $'000	Retained profits/ (accumulated losses) $'000	Total $'000	DFT, DUET3, DIHL, DMC1 & DFL non-controlling interests $'000	Other non-controlling interest $'000	Total equity $'000
Total equity at 30 June 2011	553,887	(13,032)	(90,324)	6,356	(209,582)	247,305	1,044,660	384,724	1,676,689
Profit for the year	-	-	-	-	77,432	77,432	(29,883)	(3,552)	43,997
Other comprehensive income/(expense) for the year	-	(47,965)	-	10,773	(453)	(37,645)	(8,730)	(32,888)	(79,263)
Total comprehensive income for the year	-	(47,965)	-	10,773	76,979	39,787	(38,613)	(36,440)	(35,266)
Transactions with equity holders in their capacity as equity holders:									
Contributions of equity, net of transaction costs	96,444	-	-	-	-	96,444	202,166	-	298,610
Distribution paid and provided for to DUET equity holders	-	-	-	-	(72,160)	(72,160)	(103,554)	-	(175,714)
Dividends and distributions provided for or paid to non-controlling interests	-	-	-	-	-	-	-	(25,592)	(25,592)
Contributions of equity by non-controlling interests	-	-	-	-	-	-	-	31,945	31,945
Change in equity as a result of acquisition	-	-	-	(39,174)	-	(39,174)	-	(162,800)	(201,974)
Total equity at 30 June 2012	650,331	(60,997)	(90,324)	(22,045)	(204,763)	272,202	1,104,659	191,837	1,568,698
Profit for the year	**-**	**-**	**-**	**-**	**(10,774)**	**(10,774)**	**16,590**	**13,777**	**19,593**
Other comprehensive income/(expense) for the year	**-**	**12,733**	**-**	**9,163**	**(4,586)**	**17,310**	**5,365**	**(3,244)**	**19,431**
Total comprehensive income for the year	**-**	**12,733**	**-**	**9,163**	**(15,360)**	**6,536**	**21,955**	**10,533**	**39,024**
Transactions with equity holders in their capacity as equity holders:									
Contributions of equity, net of transaction costs	**37,680**	**-**	**-**	**-**	**-**	**37,680**	**92,364**	**-**	**130,044**
Return of capital	**-**	**-**	**-**	**-**	**-**	**-**	**(10,864)**	**-**	**(10,864)**
Distribution paid and provided for to DUET equity holders	**-**	**-**	**-**	**-**	**(80,009)**	**(80,009)**	**(112,012)**	**-**	**(192,021)**
Dividends and distributions provided for or paid to non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(23,914)**	**(23,914)**
Contributions of equity by non-controlling interests	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,082**	**11,082**
Total equity at 30 June 2013	**688,011**	**(48,264)**	**(90,324)**	**(12,882)**	**(300,132)**	**236,409**	**1,096,102**	**189,538**	**1,522,049**

Statements of Changes in Equity (continued)

DFT	Contributed equity $'000	Hedging reserve $'000	Capital reserve $'000	Other reserve $'000	Retained profits/ (accumulated losses) $'000	Total $'000
Total equity at 30 June 2011	861,476	(2,513)	(137,478)	10,956	-	732,441
Profit/(loss) for the year	-	-	-	-	(8,882)	(8,882)
Other comprehensive income/(expense) for the year	-	(11,359)	-	(10,956)	-	(22,315)
Total comprehensive income for the year	-	(11,359)	-	(10,956)	(8,882)	(31,197)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	136,236	-	-	-	-	136,236
Distribution paid and provided for to DFT equity holders	-	-	-	-	(87,270)	(87,270)
Transfers from reserves	-	-	(96,152)	-	96,152	-
Total equity at 30 June 2012	997,712	(13,872)	(233,630)	-	-	750,210
Profit/(loss) for the year	**-**	**-**	**-**	**-**	**39,708**	**39,708**
Other comprehensive income/(expense) for the year	**-**	**(1,752)**	**(49,446)**	**-**	**49,446**	**(1,752)**
Total comprehensive income for the year	**-**	**(1,752)**	**(49,446)**	**-**	**89,154**	**37,956**
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	**53,805**	**-**	**-**	**-**	**-**	**53,805**
Distribution paid and provided for to DFT equity holders	**-**	**-**	**-**	**-**	**(89,154)**	**(89,154)**
Transfers from reserves	**-**	**-**	**-**	**-**	**-**	**-**
Total equity at 30 June 2013	**1,051,517**	**(15,624)**	**(283,076)**	**-**	**-**	**752,817**

Statements of Changes in Equity (continued)

DUET3

	Contributed equity $'000	Capital reserve $'000	Retained profits/ (accumulated losses) $'000	Total $'000
Total equity at 30 June 2011	305,544	(77,525)	-	228,019
Profit/(Loss) for the year	-	-	20,617	20,617
Other comprehensive income/(expense) for the year	-	-	-	-
Total comprehensive income for the year	-	-	20,617	20,617
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity, net of transaction costs	32,670	-	-	32,670
Distribution paid and provided for to DUET3 equity holders	-	-	(16,284)	(16,284)
Total equity at 30 June 2012	338,214	(77,525)	4,333	265,022
Profit/(Loss) for the year	**-**	**-**	**6,658**	**6,658**
Other comprehensive income/(expense) for the year	**-**	**(11,867)**	**11,867**	**-**
Total comprehensive income for the year	**-**	**(11,867)**	**18,525**	**6,658**
Transactions with equity holders in their capacity as equity holders:				
Contributions of equity, net of transaction costs	**13,268**	**-**	**-**	**13,268**
Distribution paid and provided for to DUET3 equity holders	**-**	**-**	**(22,858)**	**(22,858)**
Total equity at 30 June 2013	**351,482**	**(89,392)**	**-**	**262,090**

Statements of Changes in Equity (continued)

DIHL Group

	Contributed equity $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained profits/ (accumulated losses) $'000	Total $'000
Total equity at 30 June 2011	211,318	(23,564)	(17,421)	(1,929)	(84,204)	84,200
Profit/(loss) for the year	-	-	-	-	(41,618)	(41,618)
Other comprehensive income/(expense) for the year	-	(5,765)	17,421	1,929	-	13,585
Total comprehensive income/(loss) for the year	-	(5,765)	17,421	1,929	(41,618)	(28,033)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	33,260	-	-	-	-	33,260
Total equity at 30 June 2012	244,578	(29,329)	-	-	(125,822)	89,427
Profit/(loss) for the year	**-**	**-**	**-**	**-**	**(29,977)**	**(29,977)**
Other comprehensive income/(expense) for the year	**-**	**7,115**	**-**	**-**	**-**	**7,115**
Total comprehensive income/(loss) for the year	**-**	**7,115**	**-**	**-**	**(29,977)**	**(22,862)**
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	**3,456**	**-**	**-**	**-**	**-**	**3,456**
Total equity at 30 June 2013	**248,034**	**(22,214)**	**-**	**-**	**(155,799)**	**70,021**

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Statements of Changes in Equity (continued)

DMC1

	Contributed equity $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained profits/ (accumulated losses) $'000	Total $'000
Total equity at 30 June 2011	14,465	-	-	-	1,313	15,778
Profit/(loss) for the year	-	-	-	-	(294)	(294)
Other comprehensive income/(expense) for the year	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	(294)	(294)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Total equity at 30 June 2012	14,465	-	-	-	1,019	15,484
Profit/(loss) for the year	**-**	**-**	**-**	**-**	**510**	**510**
Other comprehensive income/(expense) for the year	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**510**	**510**
Transactions with equity holders in their capacity as equity holders:						
Distribution paid	**-**	**-**	**-**	**-**	**(1,422)**	**(1,422)**
Return of capital	**(14,465)**	**-**	**-**	**-**	**-**	**(14,465)**
Contributions of equity, net of transaction costs	**5,485**	**-**	**-**	**-**	**-**	**5,485**
Total equity at 30 June 2013	**5,485**	**-**	**-**	**-**	**107**	**5,592**

Statements of Changes in Equity (continued)

DFL

	Contributed equity $'000	Hedging reserve $'000	Foreign currency translation reserve $'000	Other reserve $'000	Retained profits/ (accumulated losses) $'000	Total $'000
Total equity at 30 June 2011	14,465	-	-	-	1,341	15,806
Profit/(loss) for the year	-	-	-	-	(344)	(344)
Other comprehensive income/(expense) for the year	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	-	-	(344)	(344)
Transactions with equity holders in their capacity as equity holders:						
Contributions of equity, net of transaction costs	-	-	-	-	-	-
Total equity at 30 June 2012	14,465	-	-	-	997	15,462
Profit/(loss) for the year	**-**	**-**	**-**	**-**	**674**	**674**
Other comprehensive income/(expense) for the year	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income/(loss) for the year	**-**	**-**	**-**	**-**	**674**	**674**
Transactions with equity holders in their capacity as equity holders:						
Distribution paid	**-**	**-**	**-**	**-**	**(1,570)**	**(1,570)**
Return of capital	**(14,465)**	**-**	**-**	**-**	**-**	**(14,465)**
Contributions of equity, net of transaction costs	**5,486**	**-**	**-**	**-**	**-**	**5,486**
Total equity at 30 June 2013	**5,486**	**-**	**-**	**-**	**101**	**5,587**

The above Statements of Changes in Equity should be read in conjunction with the accompanying Notes.

Statements of Cash Flow

	Note	**DUET Group 1 Jul 12 - 30 Jun 13 $'000**	DUET Group 1 Jul 11 - 30 Jun 12 $'000
Cash flows from operating activities			
Receipts from customers (including GST)		**1,316,584**	1,266,902
Payments to suppliers and employees (including GST)		**(535,305)**	(452,627)
Payments relating to internalisation and group simplification project		**(23,394)**	-
Income tax received/(paid)		**(62)**	(401)
Interest received from associates		**-**	6,950
Other interest received		**7,202**	12,609
Management and performance fee paid		**(29,924)**	(20,079)
Indirect tax net (paid) /received		**(38,613)**	(49,906)
Net cash flows from operating activities	28	**696,488**	763,448
Cash flows (used in)/from investing activities			
Payments for purchase of property, plant and equipment		**(339,799)**	(313,077)
Payments for purchase of software		**(52,654)**	(71,560)
Proceeds from sale of investment, net of costs		**1,088**	499,094
Payments for purchase of investments		**-**	(155,500)
Proceeds from sale of non-current assets		**-**	143
Net cash flows (used in)/from investing activities		**(391,365)**	(40,900)
Cash flows from financing activities			
Proceeds from issue of stapled securities, net of transaction costs		**-**	266,362
Proceeds from securities issued to non-controlling interests		**32,570**	32,010
Proceeds from borrowings lent by non-controlling interests		**-**	6,395
Proceeds from borrowing from external parties		**2,241,222**	1,053,423
Repayment of borrowings from external parties		**(1,792,500)**	(1,746,501)
Finance costs paid		**(447,507)**	(463,619)
Dividends paid to non-controlling interest		**(33,040)**	(27,317)
Distributions paid to DUET securityholders		**(147,159)**	(145,675)
Net cash flow from/(used in) financing activities		**(146,414)**	(1,024,922)
Net increase/(decrease) in cash and cash equivalents held		**158,709**	(302,374)
Cash assets at the beginning of the period		**243,595**	543,482
Restricted cash		**(152)**	-
Effects of exchange rate changes on cash and cash equivalents		**29**	2,487
Cash and cash equivalents at the end of the year		**402,181**	243,595

The above Statements of Cash Flows should be read in conjunction with the accompanying Notes.

Statements of Cash Flow (continued)

	Note	DFT 1 Jul 12 - 30 Jun 13 $'000	DUET3 1 Jul 12 - 30 Jun 13 $'000	DIHL Group 1 Jul 12 - 30 Jun 13 $'000	DMC1 1 Jul 12 - 30 Jun 13 $'000	DFL 1 Jul 12 - 30 Jun 13 $'000	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Cash flows from operating activities											
Receipts from customers (including GST)		**55**	**-**	**17**	**13,062**	**16,864**	116	-	75	8,445	12,360
Payments to suppliers and employees (including GST)		**(2,334)**	**(1,044)**	**(3,467)**	**(12,691)**	**(16,532)**	(2,396)	(657)	(4,412)	(8,912)	(12,866)
Payments relating to internalisation and group simplification project		**(7,109)**	**(3,264)**	**(7,744)**	**-**	**-**					
Income tax received/(paid)		**-**	**-**	**-**	**27**	**63**	-	(401)	-	-	-
Interest received from associates		**29,848**	**11,536**	**-**	**-**	**-**	24,224	14,189	-	-	-
Interest received from related parties		**46,257**	**8,073**	**-**	**-**	**-**	47,014	9,919	477	-	-
Dividends received		**17,392**	**-**	**3,766**	**-**	**-**	21,049	-	32,858	-	-
Other interest received		**725**	**277**	**398**	**116**	**120**	1,788	478	274	107	103
Management and performance fee paid		**(13,486)**	**(3,378)**	**(3,664)**	**-**	**-**	(9,299)	(2,619)	(1,996)	-	-
Indirect tax net (paid) /received		**2,744**	**761**	**323**	**(67)**	**(72)**	690	163	101	31	23
Net cash flows from operating activities	28	**74,092**	**12,961**	**(10,371)**	**447**	**443**	83,186	21,072	27,377	(329)	(380)
Cash flows (used in)/from investing activities											
Payments for purchase of property, plant and equipment		**-**	**-**	**(827)**	**-**	**-**	-	-	-	-	-
Payments for purchase of software		**-**	**-**	**(17)**	**-**	**-**	-	-	-	-	-
Proceeds from sale of investment, net of costs		**-**	**-**	**-**	**-**	**-**	77,662	196,640	147,130	-	-
Payments for purchase of investments		**(22,450)**	**-**	**(2,093)**	**-**	**-**	(49,459)	-	(238,000)	-	-
Return of capital from investments		**-**	**-**	**25,565**	**-**	**-**	-	-	-	-	-
Amounts deposited in escrow account for asset acquisition		**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Investment in term deposits		**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Repayment of loans from/(to) related parties		**-**	**-**	**-**	**-**	**-**	72,118	(112,236)	-	-	-
Proceeds from sale of non-current assets		**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Net cash flows (used in)/from investing activities		**(22,450)**	**-**	**22,628**	**-**	**-**	100,321	84,404	(90,870)	-	-

Statements of Cash Flows (continued)

	DFT 1 Jul 12 - 30 Jun 13 $'000	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Cash flows from financing activities										
Proceeds from issue of stapled securities, net of transaction costs	**-**	**-**	**-**	**5,432**	**5,432**	121,380	29,205	30,089	-	-
Proceeds from securities issued to non-controlling interests	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Proceeds from borrowings lent by non-controlling interests	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Proceeds from borrowing from external parties	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Repayment of borrowings from external parties	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Loans to related parties	**(2,348)**	**(1,283)**	**(5,300)**	**-**	**-**	(82,780)	83,975	53,450	-	-
Loans from related parties	**11,329**	**4,919**	**1,654**	**-**	**-**	(115,864)	(204,783)	8,519	-	-
Finance costs paid	**(3,217)**	**(91)**	**(5,967)**	**-**	**-**	(5,089)	(3,406)	(9,133)	-	-
Return of capital	**-**	**-**	**(10,864)**	**(2,411)**	**(2,411)**	-	-	-	-	-
Distributions paid to DUET securityholders	**(66,210)**	**(26,179)**	**-**	**(1,423)**	**(1,570)**	(72,678)	(12,875)	-	-	-
Net cash flow from/(used in) financing activities	**(60,446)**	**(22,634)**	**(20,477)**	**1,598**	**1,451**	(155,031)	(107,884)	82,925	-	-
Net increase/(decrease) in cash and cash equivalents held	**(8,804)**	**(9,673)**	**(8,220)**	**2,045**	**1,894**	28,476	(2,408)	19,432	(329)	(380)
Cash assets at the beginning of the period	**61,280**	**21,662**	**20,356**	**3,476**	**3,617**	32,804	21,641	931	3,805	3,997
Restricted cash	**-**	**-**	**(152)**	**-**	**-**	-	-	-	-	-
Effects of exchange rate changes on cash and cash equivalents	**-**	**-**	**-**	**-**	**-**	-	2,429	(7)	-	-
Cash and cash equivalents at the end of the year	**52,476**	**11,989**	**11,984**	**5,521**	**5,511**	61,280	21,662	20,356	3,476	3,617

The above Statements of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Financial Statements

1 Summary of Significant Accounting Policies

The significant accounting policies which have been adopted in the preparation of the Financial Statements are stated to assist in a general understanding of these general purpose Financial Reports.

These general purpose Financial Reports have been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001 and other authoritative pronouncements of the Australian Accounting Standards Board.

The Financial Reports were authorised for issue by the Directors on 15 August 2013. The Responsible Entities and Directors of DIHL have the power to amend and reissue these Financial Reports.

(a) Basis of preparation of Financial Reports

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Compliance with IFRS

The Financial Reports comply with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical cost convention

These Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities (including derivative instruments) at fair value.

Stapled Security

At 30 June 2013, the units of DUET1, DFT, DUET3 and the ordinary shares in DIHL, DMC1 and DFL were combined and issued as stapled securities in DUET Group. The individual securities could not be traded separately and could only be traded as stapled securities.

This Financial Report consists of the consolidated Financial Statements of DUET1, which comprises DUET1, DFT, DUET3, DIHL, DMC1 and DFL and the entities they control, together acting as DUET.

As permitted by ASIC Class order 06/441, these Financial Reports consist of the consolidated Financial Statements of DUET1 and its controlled entities (collectively referred to as “DUET” or “DUET Group”), and the Financial Statements of DFT, DUET3 and DIHL and its subsidiaries, DMC1 and DFL.

(b) Consolidated accounts

The Group is required to prepare its consolidated Financial Statements in accordance with the revised AASB 127 *Separate and Consolidated Financial Statements*. Under the standard DFT is presented as a non-controlling interest, together with DUET3, DIHL, DMC1 and DFL. This standard requires “non-controlling interests” to be presented in the consolidated Balance Sheet within equity but separately from the equity owners of the parent. In addition, profit or loss and total comprehensive income has been apportioned to reflect the amount attributable to the owners of the parent and to the non-controlling interests.

1 Summary of Significant Accounting Policies (continued)

(c) Principles of consolidation

The consolidated Financial Statements incorporate the assets and liabilities of the entities, which DUET1, DFT, DUET3, DIHL, DMC1 and DFL collectively hold a majority interest in, and control, at 30 June 2013, including those deemed to be controlled by DUET1 by identifying it as the parent of DUET on transition to AIFRS, and the results of those controlled entities for the period then ended. The effects of all transactions between entities in DUET Group are eliminated in full. Non-controlling interests in the results and equity are shown separately in the Income Statement and the Balance Sheet respectively. Non-controlling interests are those interests in partly owned subsidiaries which are not held directly or indirectly by DUET1, DFT, DUET3, DIHL, DMC1 or DFL. Non-controlling interests also represent the interests of DFT, DUET3, DIHL, DMC1 and DFL.

Where control of an entity is obtained during a financial period, its results are included in the Income Statement from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

(d) Segment reporting

Operating segments are reported in a manner that is consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Boards of DMC1, DFL and DIHL.

For the year ended 30 June 2013 the segments are based on the core assets of DUET's investment portfolio being Dampier Bunbury Pipeline, DBP Services Co., United Energy and Multinet Gas.

1 Summary of Significant Accounting Policies (continued)

(e) Revenue recognition

Revenue is recognised for the major business activities as follows:

Electricity distribution revenue

Electricity distribution revenue earned from the use of the distribution network is recognised when electricity and related services are provided. Accrued electricity distribution revenue is determined having regard to the period since a customer's last billing date and the customer's previous consumption patterns. Electricity distribution revenue includes the cost of transmission services charged by the transmission companies, which is passed onto the customers.

Gas distribution revenue

Gas distribution revenue earned from the use of the distribution network is recognised when gas and related services are provided. Accrued gas distribution revenue is determined having regard to the period since a customer's last billing date and the customer's previous consumption patterns.

Gas transportation revenue

Gas transportation revenue is brought to account when gas is transported for a shipper in accordance with the terms and conditions of the haulage contract.

Customer contributions

Non-refundable contributions and in-kind assets received from customers towards the cost of extending or modifying the electricity or gas distribution networks, whether on existing or new assets, are recognised as revenue and an asset respectively once control is gained of the contribution, or asset.

Interest revenue

Interest revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Interest income is brought to account on an accruals basis using the effective interest method.

Dividend and distribution revenue

Dividend and trust distributions from entities that are not associates are recognised as income on the date the right to receive the payment is established.

Metering and other operating revenue

Metering and other operating revenue is recognised as it is earned, when the goods or services are provided, as applicable.

1 Summary of Significant Accounting Policies (continued)

(f) Net current asset deficiency

DUET1, DFT and DIHL Group have net current asset deficiencies of $216.5 million, $205.3 million and $110.4 million respectively.

Notwithstanding these net current asset deficiencies, the Financial Reports have been prepared on a going concern basis as DUET1, DFT and DIHL Group continue to generate positive cash flows and have sufficient appropriate debt and equity capital in place to enable operations to continue as a going concern.

The net current asset deficiencies are primarily due to the classification of intercompany loans payable as current liabilities (as they are repayable on demand) whereas intercompany loans receivable are classified as non-current receivables.

Given the following, and based on current expectations, the Directors consider that DUET1, DFT and DIHL Group will have sufficient cash available to meet their liabilities as they fall due:

- The related party loans are not expected to be called upon in the next twelve months; and
- Any material call for repayment of the related party loans would be met by the funds on-lent to the asset companies or through the realisation of investments.

1 Summary of Significant Accounting Policies (continued)

(g) Income tax

The income tax expense or benefit for the period is the tax payable or receivable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities and associates where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Income tax has not been brought to account in respect of DUET1, DFT, DUET3 and DUET 2008 Funding Sub Trust as, pursuant to the Income Tax Assessment Act, the Trusts are not liable for income tax provided that their taxable income (including any assessable realised capital gains) is fully distributed to their unitholders each year.

Certain DUET3 unitholders did bear US withholding tax on US sourced interest income prior to the disposal of the investment in Duquesne Holdings LLC.

Some subsidiaries of the Group have implemented the tax consolidation legislation. DUET Group is not a tax consolidated Group.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand and in bank accounts, deposits at call with financial institutions and other highly liquid investments with short periods to maturity (less than 90 days) that are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities on the Balance Sheet.

(i) Trade receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Collectability of trade receivables is reviewed on an ongoing basis. A provision for impaired receivables is established when there is objective evidence that the entity will not be able to collect all amounts due to the original terms of the receivables. Financial difficulties of the debtor and default payments are considered objective evidence of impairment. Bad debts are written off when identified.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is measured at average cost.

1 Summary of Significant Accounting Policies (continued)

(k) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds it recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Non-financial assets, other than goodwill that may have suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

(l) Investments

(i) Investments in associates

Investments in associates are accounted for using the equity method. Under the equity method, the entity's share of the post-acquisition profits and losses of associates is recognised in the Income Statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements in retained earnings and reserves are adjusted against the cost of the investment. Dividends receivable from associates reduce the carrying amount of the investment. When the share of losses in an associate equals or exceeds its interest in the associate, further losses are not recognised unless it has incurred obligations or made payments on behalf of an associate.

Associates are those entities over which the entity exercises significant influence, but not control.

(ii) Other financial assets – Investments in unlisted securities

Investments in unlisted securities are classified as available-for-sale and are carried at fair value.

Available-for-sale financial assets, comprising marketable equity securities, are non derivatives that are either designated in this category or not classified in any of the other categories. They are included in non current assets unless management intends to dispose of the investment within 12 months of the reporting date. Available-for-sale values are calculated using a discounted free cash flow methodology.

Gains or losses on available-for-sale investments are recognised as other comprehensive income and accumulated in a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Income Statement.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or Group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss is removed from equity and recognised in the Income Statement. Impairment losses recognised in the Income Statement on equity instruments classified as available for sale are not reversed through the Income Statement.

1 Summary of Significant Accounting Policies (continued)

(m) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment charge. The cost of plant and equipment constructed by DUET Group includes the cost of materials and direct labour and a proportion of fixed and variable overheads.

Depreciation

Depreciation is calculated on a straight line basis to write off the cost of each item of property, plant and equipment (excluding land) over its expected useful life to DUET Group. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

The expected useful lives are as follows:

Category	Useful life
Buildings	6 to 40 years
Plant and equipment	1 to 60 years
Motor vehicles	4 to 10 years
Office equipment	3 to 15 years
Furniture, fixtures and fittings	1 to 12 years

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate.

Assets in the course of construction are not subject to depreciation until they are put into use.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate their carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. (Refer to Note 1(l)).

Asset sales

The net proceeds on disposal of assets are brought to account at the date when control passes to the purchaser, usually when an unconditional contract of sale is signed.

(n) Intangible assets

(i) Goodwill

Goodwill represents the excess of the fair value of the purchase consideration over the fair value of identifiable net assets acquired at the time of acquisition of a business or securities in a controlled entity. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is thereafter carried at cost less accumulated impairment losses.

(ii) Identifiable Intangible Assets

Identifiable intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

1 Summary of Significant Accounting Policies (continued)

(n) Intangible assets (continued)

The useful lives of these intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on assets with finite lives, this expense is taken to the Income Statement through the depreciation and amortisation expense line item. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

No amortisation is provided for distribution licences, since in the opinion of the Directors, the life of the licence is of such duration, and the residual value would be such that the amortisation charge, if any, would not be material.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite lived intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

A summary of the policies applied to the Group's intangible assets is as follows:

	Licences	Software	Development Project Costs	Intellectual Property
Useful lives	Indefinite	Finite	Finite	Finite
Method used	Not depreciated or revalued	3-5 Years Straight line	5 – 7 Years Straight line	20 years Straight line
Acquired	Acquired	Acquired	Internally generated	Acquired
Impairment test/ Recoverable amount Testing	Annually and where an indicator of impairment exists	Amortisation method reviewed at each financial year-end; and Reviewed annually for indicator of impairment.	Amortisation method reviewed at each financial year-end; and Reviewed annually for indicator of impairment.	Amortisation method reviewed at each financial year-end; and Reviewed annually for indicator of impairment.

(o) Loans and receivables

Loans and receivables (current and non current) are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value and subsequently measured at amortised cost, using the effective interest method.

(p) Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured.

1 Summary of Significant Accounting Policies (continued)

(q) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST is not recoverable from the Australian Taxation Office (“ATO”). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as a part of the expenses.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which were recovered from or paid to the ATO are classified as operating cash flows.

(r) Customer deposits

Customer deposits are recognised as current liabilities and represent either refundable payments that are received in advance as finance on capital projects or advances from customers held as security over future electricity and gas usage and deposits.

(s) Employee benefits

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Retirement benefit obligations

DUET Group primarily contributes to superannuation funds in respect of its permanent employees and direct-hired casual employees. DUET Group and any employee contributions are based on various percentages of their gross salaries.

Defined benefit plan

The defined benefit asset or liability comprises the present value of the defined benefit obligation (using a discount rate based on government bonds, as explained in Note 21), less unrecognised past service costs and less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value is based on the market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. Actuarial gains and losses are recognised in full in the period in which they occur in other comprehensive income.

1 Summary of Significant Accounting Policies (continued)

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(u) Interest bearing liabilities

Bank loans, guaranteed notes and redeemable preference shares are recognised at cost, being fair value of the consideration received net of transaction costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount premium on settlement. DUET Group enters into derivatives on interest bearing liabilities. The accounting policies are as described in Note 1(x).

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any new cash assets transferred or liabilities assumed, is recognised in the Income Statement as other income or other expenses.

(v) Borrowing costs

Borrowing costs incurred that are directly attributable to the acquisition, construction or production of any qualifying assets are required to be capitalised. Other borrowing costs are expensed.

(w) Distributions and dividends

A provision is made by DUET1, DFT, DUET3, DIHL Group, DMC1 and DFL for the amount of any distribution payable under the Constitution or declared by the Responsible Entities (RE1 and RE2) or the boards of DIHL, DMC1 and DFL, on or before the end of the financial year but not distributed at reporting date.

(x) Derivative financial instruments

DUET Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. DUET Group does not speculatively trade in derivative financial instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are restated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

1 Summary of Significant Accounting Policies (continued)

(x) Derivative financial instruments (continued)

The fair value of interest rate swaps and cross currency swaps is the estimated amount that DUET Group would receive or pay to terminate the swap at the reporting date, taking into account current interest and foreign exchange rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their quoted market price at the reporting date, being the present value of the quoted forward price.

(i) Fair value hedge

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability or an unrecognised firm commitment (or an identified portion of such assets, liability or firm commitment), any gain or loss on the hedging instrument is recognised in the Income Statement. The hedged item also is restated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the Income Statement. The ineffective portion of the hedge is within other income or other expense. The effective portion is within the same category of the fair value of the hedged item.

(ii) Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement within other income or other expense.

When the forecast transaction subsequently results in the recognition of a non financial asset or non financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss (i.e. when interest income or expense is recognised).

For cash flow hedges, other than those covered above, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged forecast transaction affects profit or loss. The ineffective part of any gain or loss is recognised immediately in the Income Statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship, but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the Income Statement.

1 Summary of Significant Accounting Policies (continued)

(y) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit or loss.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(ii) Group as a lessor

Leases in which the Group retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount.

(z) Foreign currency translation

Functional and presentation currency

The Consolidated Financial Statements are presented in Australian dollars, which is DUET Group's presentation currency. The Financial Statements of the individual entities are also in Australian dollars which is the individual entity's functional and presentation currency.

Transactions

Foreign currency transactions are initially translated into Australian currency at the rate of exchange at the date of the transaction. At reporting date, amounts payable and receivable in foreign currencies are translated to Australian dollars at rates of exchange current at that date. Resulting exchange differences are recognised in determining the profit or loss for the year.

Translation

The results and financial position of DUET Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
- income and expenses for each Income Statement are translated at exchange rates at the dates of transactions or at an average rate as appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

Exchange differences arising from the translation of any net investment in foreign entities are taken to securityholders' equity. When a foreign operation is disposed of, a proportionate share of such exchange differences are recognised in the Income Statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1 Summary of Significant Accounting Policies (continued)

(aa) Earnings per stapled security

(i) Basic earnings per security

Basic earnings per stapled security are determined by dividing the profit attributable to security holders by the weighted average number of ordinary securities on issue during the year.

(ii) Diluted earnings per security

Diluted earnings per stapled security adjusts the figures used in the determination of basic earning per security to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary securities and the weighted average number of securities assumed to have been issued for no consideration in relation to dilutive potential ordinary securities.

(bb) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred to the former owners of the acquiree, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit and loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be a financial asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(cc) Standards and interpretations

(i) Changes in accounting policy and disclosures.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2012:

- AASB 119 Employee Benefits amendments effective 1 January 2013, early adopted by the Group on 1 July 2011; and
- AASB 2011-9 amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income effective 1 July 2012

The early adoption of the amended AASB 119 Employee Benefits did not have a significant impact on the Defined Benefit Plan as this is the first year it has been recognised. Refer to note 21 for further details.

The adoption of these new standards did not have a significant impact on the financial statements or performance of the Group.

1 Summary of Significant Accounting Policies (continued)

(cc) Standards and Interpretation (continued)

(ii) Accounting Standards and Interpretations issued but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 July 2013 or later periods but which have not yet been adopted. The significant ones and an assessment of the impact of these are as follows:

AASB 10 Consolidated Financial Statements

AASB 10 *Consolidated Financial Statements* is applicable to annual reporting periods beginning on or after 1 July 2013. It establishes a new control model that applies to all entities. The new control method broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority rights may gave control. While the Groups do not expect the new standard to affect any of the amounts recognised in the Financial Statements, it is anticipated that the Groups will be required to increase disclosures. The Groups are continuing to finalise their assessment of the impact from this new standard.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 *Disclosure of Interests in Other Entities* is applicable to annual reporting periods beginning on or after 1 July 2013 and includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. While the Groups do not expect the new standard to affect any of the amounts recognised in the Financial Statements, it is anticipated that the Groups will be required to increase disclosures.

AASB 13 Fair Value Measurement

AASB 13 *Fair Value Measurement* is applicable to annual reporting periods beginning on or after 1 July 2013. It establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, it provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

While the Groups do not expect the new standard to affect any of the amounts recognised in the Financial Statements, it is anticipated that the Groups will be required to increase its disclosures of its financial liabilities measured at fair value.

1 Summary of Significant Accounting Policies (continued)

(cc) Standards and Interpretation (continued)

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Liabilities

AASB 2012-2 is applicable to annual reporting periods beginning on or after 1 July 2013. It principally amends *AASB 7 Financial Instruments – Disclosures* to require disclosure of the effect or potential effect of netting arrangements. This includes rights of set-off associated with the entity's recognised financial assets and liabilities on the entity's financial position, when the offsetting criteria of AASB132 are not all met.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Liabilities

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 July 2014. It adds application guidance to *AASB 132 Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The Groups do not intend to adopt the new standard before its operative date

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* is applicable to annual reporting periods beginning on or after 1 July 2015, with early adoption permitted. A related omnibus standard AASB 2009-11: "Amendments to Australian Accounting Standards arising from AASB 9" makes a number of amendments to other accounting standards as a result of AASB 9 and must be adopted at the same time.

AASB 9 introduces new classification and measurement models for financial assets. For financial assets, there are only two models, amortised cost and fair value. To be classified and measured at amortised cost, the asset must satisfy the business model test and have contractual cash flow characteristics. All other instruments are to be classified and measured at fair value.

The accounting for financial liabilities will continue to be performed under AASB 139 until further amendments are made by the International Accounting Standards Board. We are currently assessing the impact of these standards.

Apart from these standards, we have considered other accounting standards that will be applicable in future periods, however they have been considered insignificant to DUET.

(dd) Comparative figures

Where necessary, comparative figures have been adjusted to conform with changes in the presentation in the current period.

(ee) Rounding of amounts

DUET Group, DFT, DUET3, DIHL, DMC1 and DFL are of a kind referred to in Class Order 98/0100, issued by ASIC, relating to the 'rounding off' of amounts in the Directors' report and Financial Report. Amounts in the Directors' report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(ff) Contributed equity

Stapled securities are classified as equity. Incremental costs directly attributable to the issue of new stapled securities are shown in equity as a deduction, net of tax, from the proceeds.

2 Profit for the Year

	DUET Group 1 Jul 12 - 30 Jun 13 $'000	DUET Group 1 Jul 11 - 30 Jun 12 $'000
(i) Revenue		
Sales revenue		
Distribution revenue	**656,518**	611,465
Metering revenue	**93,054**	93,279
Transportation revenue	**418,109**	424,832
New connections revenue	**2,181**	2,579
Other sales revenue	**4,413**	24,819
	1,174,275	1,156,974
Revenue from investments		
Interest revenue	**-**	5,539
	-	5,539
Other revenue		
Interest revenue	**6,343**	12,741
Customer contributions	**45,927**	43,339
Miscellaneous revenue	**37,716**	1,548
	89,986	57,628
Total revenue	**1,264,261**	1,220,141
(ii) Other income		
Net Fair value gain on derivative contracts and loans	**48,091**	-
Net Foreign exchange gains	**1,034**	1,939
Total other income	**49,125**	1,939
Total revenue and other income	**1,313,386**	1,222,080
(iii) Share of net profit/(loss) of associates accounted for using the equity method		
Share of associate income before disposal – DQE	**-**	6,001
Share of associate income before disposal - WAGN	**-**	753
	-	6,754
(iv) Net gains/(losses) on disposal of associates		
Transfer from reserves to income statement on disposal of associates	**-**	(38,122)
Net gain/(loss) on disposal of associate – WAGN, net of transaction costs	**-**	44,416
Net gain/(loss) on disposal of associate – DQE, net of transaction costs before transfer of reserves	**-**	2,374
	-	8,668

2 Profit for the Year (continued)

	DUET Group 1 Jul 12 - 30 Jun 13 $'000	DUET Group 1 Jul 11 - 30 Jun 12 $'000
(v) Expenses		
Operating expenses		
Operating fees	**256,148**	266,592
Other operating expenses	**183,561**	161,659
	439,709	428,251
Depreciation and amortisation expense		
Depreciation of property, plant and equipment	**198,162**	191,042
Amortisation of intangible assets	**55,778**	42,883
	253,940	233,925
Finance costs		
Amortisation of borrowing costs	**15,415**	26,193
Financing costs	**8,172**	11,179
Interest expense		
- Related parties	**-**	-
- Other parties	**416,316**	428,537
	439,903	465,909
Other expenses		
Net loss on write off / abandonment	**5,073**	4,551
Management fees	**5,986**	19,688
Performance fees	**-**	16,636
Net foreign exchange losses	**21**	357
Net fair value loss on derivative contracts	**-**	19,222
Other	**7,657**	2,635
	18,737	63,089
Total expenses	**1,152,289**	1,191,174

2 Profit for the Year (continued)

	DFT 1 Jul 12 - 30 Jun 13 $'000	DUET3 1 Jul 12 - 30 Jun 13 $'000	DIHL Group 1 Jul 12 - 30 Jun 13 $'000	DMC1 1 Jul 12 - 30 Jun 13 $'000	DFL 1 Jul 12 - 30 Jun 13 $'000	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
(i) Revenue										
Sales revenue										
Distribution revenue	-	-	-	-	-	-	-	-	-	
Metering revenue	-	-	-	-	-	-	-	-	-	
Transportation revenue	-	-	520	-	-	-	-	-	-	
New connections revenue	-	-	-	-	-	-	-	-	-	
Other sales revenue	-	-	-	-	-	-	-	-	-	
	-	-	520	-	-	-	-	-	-	
Revenue from investments										
Interest revenue	64,216	11,504	-	-	-	57,634	13,724	-	-	-
Distribution and dividend revenue	-	-	-	-	-	-	-	-	-	-
	64,216	11,504	-	-	-	57,634	13,724	-	-	-
Other revenue										
Interest revenue	13,120	8,348	424	116	120	13,662	9,172	488	107	103
Customer contributions	-	-	-	-	-	-	-	-	-	-
Management fee revenue	-	-	3,691	2,736	3,491	-	-		8,105	11,104
Performance fee revenue	-	-	-	-	-	-	-	-	7,090	9,140
Miscellaneous revenue	80	-	2,685	-	-	105	-	69	-	-
	13,200	8,348	6,800	2,852	3,611	13,767	9,172	557	15,302	20,347
Total revenue	77,416	19,852	7,320	2,852	3,611	71,401	22,896	557	15,302	20,347
(ii) Other income										
Net Fair value gain on derivative contracts and loans	-	-	-	-	-	-	-	-	-	-
Net Foreign exchange gains	-	-	-	-	-	-	-	76	-	-
Total other income	-	-	-	-	-	-	-	76	-	-
Total revenue and other income	77,416	19,852	7,320	2,852	3,611	71,401	22,896	633	-	-

2 Profit for the Year (continued)

	DFT 1 Jul 12 - 30 Jun 13 $'000	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
(iii) Share of net profit/(loss) of associates accounted for using the equity method										
Share of net profit/(loss) of associates	**9,673**	**-**	**12,754**	**-**	**-**	(11,467)	-	5,550	-	-
Share of (losses) of associate previously unrecognised	**-**	**-**	**-**	**-**	**-**	(60,000)	-	-	-	-
Share of associate income before disposal – DQE	**-**	**-**	**-**	**-**	**-**	-	-	6,001	-	-
	9,673	**-**	**12,754**	**-**	**-**	(71,467)	-	11,551	-	-
(iv) Net gains/(losses) on disposal of associates										
Transfer from reserves to income statement on disposal of associates	**-**	**-**	**-**	**-**	**-**	10,961	-	(38,122)	-	-
Net gain/(loss) on disposal of associate – WAGN, net of transaction costs	**-**	**-**	**-**	**-**	**-**	(154)	-	-	-	-
Net gain/(loss) on disposal of associate – DQE, net of transaction costs before transfer of reserves	**-**	**-**	**-**	-	-	-	5,901	(3,527)	-	-
	-	**-**	**-**	-	-	10,807	5,901	(41,649)	-	-
(v) Expenses										
Operating expenses										
Operating fees	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Other operating expenses	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	-	-	-	-	-
Depreciation and amortisation expense										
Depreciation of property, plant and equipment	**-**	**-**	**176**	**-**	**-**	-	-	-	-	-
Amortisation of intangible assets	**-**	**-**	**-**	**71**	**71**	-	-	-	-	-
	-	**-**	**176**	**71**	**71**	-	-	-	-	-
Finance costs										
Financing costs	**1**	**1**	**62**	**-**	**-**	2	2	3	-	-
Interest expense										
- Related parties	**3,622**	**90**	**6,496**	**-**	**-**	2,392	2,246	6,886	-	-
- Other parties	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
	3,623	**91**	**6,558**	**-**	**-**	2,394	2,248	6,889	-	-

2 Profit for the Year (continued)

	DFT 1 Jul 12 - 30 Jun 13 $'000	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Other expenses										
Net loss on write off / abandonment	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Management fees	**921**	**346**	**722**	**-**	**-**	8,944	2,597	2,328	-	
Resources fees	**1,882**	**433**	**-**	**932**	**1,287**	-	-	-	8,986	17,010
Performance fees	**-**	**-**	**-**	**-**	**-**	7,494	1,875	2,045	-	-
Net foreign exchange losses	**-**	**-**	**-**	**-**	**-**	-	274	44	-	-
Net fair value loss on derivative contracts	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Other	**2,624**	**1,079**	**7,640**	**1,090**	**1,260**	791	785	847	6,662	3,754
	5,427	**1,858**	**8,362**	**2,022**	**2,547**	17,229	5,531	5,264	15,648	20,764
Total expenses										
	9,050	**1,949**	**15,096**	**2,093**	**2,618**	19,623	7,779	12,153	15,648	20,764

3 Income Tax

	DUET Group 1 Jul 12 - 30 Jun 13 $'000	DUET Group 1 Jul 11 - 30 Jun 12 $'000
a) Tax reconciliation		
Profit/(loss) before income tax expense	**49,852**	46,328
Tax expense/(benefit) at 30%	**14,956**	13,898
Share of net losses/(profits) of associates	**-**	(2,026)
Unused tax losses and offsets not recognised as DTA	**9,041**	14,337
Foreign withholding tax paid	**-**	401
Under/(over) provision from prior year	**(874)**	(1,414)
Tax effect of operating results of Australian Trusts	**10,248**	(22,754)
Non deductible expenses	**748**	490
Tax losses not previously recognised, recouped during the year	**(3,836)**	(601)
Research and development	**(1)**	-
Sundry items	**(21)**	-
Total income tax (credit)/expense	**30,261**	2,331
b) Income tax (credit)/expense		
Income tax expense comprises:		
- Current tax	**715**	(13,529)
- Deferred tax	**29,525**	12,220
- Under/(over) provision from prior year	**21**	3,640
Total income tax (credit)/expense	**30,261**	2,331
Income tax expenses attributable to:		
- Profit from continuing operations	**30,261**	2,331
Aggregate income tax expense	**30,261**	2,331
Deferred income tax (revenue) expense included in income tax expense comprises:		
- Decrease/(increase) in deferred tax assets	**8,088**	34,380
- Decrease/(increase) in deferred tax liabilities	**21,437**	(22,160)
	29,525	12,220
c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:		
Net deferred tax – (credited)/debited directly to equity on revaluation of cash flow hedges	**(5,909)**	(62,940)
	(5,909)	(62,940)
d) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	**677,439**	689,690
Potential tax benefit @ 30%	**203,232**	206,907

3 Income Tax (continued)

	DFT 1 Jul 12 - 30 Jun 13 $'000	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
a) Tax reconciliation										
Profit/(loss) before income tax expense	**39,708**	**6,658**	**(29,924)**	**759**	**993**	(8,882)	21,018	(41,618)	(346)	(417)
Tax expense/(benefit) at 30%	**11,912**	**1,997**	**(8,977)**	**228**	**298**	(2,665)	6,305	(12,485)	(104)	(125)
Share of net losses/(profits) of associates	**2,902**	**-**	**771**	**-**	**-**	-	-	(1,106)	-	-
Unused tax losses and offsets not recognised as DTA	**-**	**-**	**8,280**	**-**	**-**	-	-	13,591	-	-
Foreign withholding tax paid	**-**	**-**	**-**	**-**	**-**	-	401	-	-	-
Under/(over) provision from prior year	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Tax effect of operating results of Australian Trusts	**(14,814)**	**(1,997)**	**-**	**-**	**-**	2,665	(6,305)	-	-	-
Non deductible expenses	**-**	**-**	**-**	**21**	**21**	-	-	-	52	52
Tax losses not previously recognised, recouped during the year	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Research and development	**-**	**-**	**(21)**	**-**	**-**	-	-	-	-	-
Sundry items	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total income tax (credit)/expense	**-**	**-**	**53**	**249**	**319**	-	401	-	(52)	(73)

3 Income Tax (continued)

	DFT 1 Jul 12 - 30 Jun 13 $'000	DUET3 1 Jul 12 - 30 Jun 13 $'000	DIHL Group 1 Jul 12 - 30 Jun 13 $'000	DMC1 1 Jul 12 - 30 Jun 13 $'000	DFL 1 Jul 12 - 30 Jun 13 $'000	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
b) Income tax (credit)/expense										
Income tax expense comprises:										
- Current tax	-	-	78	249	319	-	401	-	-	-
- Deferred tax	-	-	(46)	-	-	-	-	-	(52)	(73)
- Under/(over) provision from prior year	-	-	21	-	-	-	-	-	-	-
Total income tax (credit)/expense	-	-	53	249	319	-	-	-	(52)	(73)
Income tax expenses attributable to:										
- Profit from continuing operations	-	-	-	249	319	-	-	-	-	-
Aggregate income tax expense	-	-	-	249	319	-	-	-	-	-
Deferred income tax (revenue) expense included in income tax expense comprises:										
- Decrease/(increase) in deferred tax assets	-	-	-	-	-	-	-	-	(52)	(73)
- Decrease/(increase) in deferred tax liabilities	-	-	-	-	-	-	-	-	-	-
						-	-	-	(52)	(73)
c) Amounts recognised directly in equity										
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity:										
Net deferred tax – (credited)/debited directly to equity on revaluation of cash flow hedges	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
d) Tax losses										
Unused tax losses for which no deferred tax asset has been recognised	-	-	23,373	-	-	-	-	19,701	-	-
Potential tax benefit @ 30%	-	-	7,012	-	-	-	-	5,910	-	-

4 Remuneration of Auditors

	DUET Group 1 Jul 12 - 30 Jun 13 $	DUET Group 1 Jul 11 - 30 Jun 12 $
Amounts paid or payable to Ernst & Young for:		
Audit and Review services	**856,850**	823,348
Regulatory Audit services	**388,500**	406,055
Other assurance services*	**578,438**	857,032
Total assurance services	**1,823,788**	2,086,435
Taxation services	**373,101**	107,409
Other project advisory services	**-**	603,500
	2,196,889	2,797,344

* Other assurance services relate to payments to Ernst & Young for regulatory compliance, due diligence and other review services.

	DFT 1 Jul 12 - 30 Jun 13 $	**DUET3 1 Jul 12 - 30 Jun 13 $**	**DIHL Group 1 Jul 12 - 30 Jun 13 $**	**DMC1 1 Jul 12 - 30 Jun 13 $**	**DFL 1 Jul 12 - 30 Jun 13 $**	DFT 1 Jul 11 - 30 Jun 12 $	DUET3 1 Jul 11 - 30 Jun 12 $	DIHL Group 1 Jul 11 - 30 Jun 12 $	DMC1 1 Jul 11 - 30 Jun 12 $	DFL 1 Jul 11 - 30 Jun 12 $
Amounts paid or payable to Ernst & Young for:										
Audit and Review services	**53,125**	**53,125**	**57,125**	**14,750**	**14,750**	74,752	74,752	79,152	14,500	14,500
Other assurance services*	**116,150**	**116,150**	**116,150**	**4,000**	**4,000**	1,651	1,651	1,651	4,000	4,000
Total assurance services	**169,275**	**169,275**	**173,275**	**18,750**	**18,750**	76,403	76,403	80,808	19,500	19,500
Taxation services	**31,429**	**46,143**	**25,500**	**4,000**	**4,000**	-	-	-	-	-
Other project advisory services	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
	200,704	**215,418**	**198,775**	**22,750**	**22,750**	76,403	76,403	80,808	19,500	19,500

* Other assurance services relate to payments to Ernst & Young for regulatory compliance, due diligence and other review services.

5 Distributions Paid and Proposed

	DUET Group 1 Jul 12 - 30 Jun 13 $'000	DUET Group 1 Jul 11 - 30 Jun 12 $'000
Interim distribution paid for the year ended 30 June	**95,553**	87,331
Final distribution proposed and subsequently paid for the year ended 30 June	**96,468**	88,787
	192,021	176,118

	Cents per stapled security	Cents per stapled security
Interim distribution paid for the year ended 30 June	**8.250**	8.000
Final distribution proposed and subsequently paid for the year ended 30 June	**8.250**	8.000

	DFT 1 Jul 12 - 30 Jun 13 $'000	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Interim distribution paid for the year ended 30 June	**40,317**	**16,000**	**-**	**-**	**-**	44,966	-	-	-	
Distribution paid during the period not provided for at 30 June	**-**	**-**	**-**	**1,423**	**1,570**	-	-	-	-	-
Final distribution proposed and subsequently paid for the year ended 30 June	**48,837**	**6,858**	**-**	**-**	**-**	42,304	16,687	-	-	-
	89,154	**22,858**	**-**	**1,423**	**1,570**	87,270	16,687	-	-	-
	Cents per unit	**Cents per unit**	**Cents per share**	**Cents per share**	**Cents per share**	Cents per unit	Cents per unit	Cents per share	Cents per share	Cents per share
Interim distribution paid for the year ended 30 June	**3.481**	**1.381**	**-**	**-**	**-**	4.119	-	-	-	-
Final distribution proposed and subsequently paid for the year ended 30 June	**4.176**	**0.587**	**-**	**-**	**-**	3.812	1.503	-	0.098	0.109

6 Cash and Cash Equivalents

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Cash at bank	**107,517**	205,054
Short term deposits *	**294,664**	38,541
	402,181	243,595

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Cash at bank	**8,362**	**11,989**	**11,984**	**5,521**	**5,511**	41,028	21,662	20,356	3,476	3,617
Short term deposits *	**44,114**	**-**	**-**	**-**	**-**	20,252	-	-	-	-
	52,476	**11,989**	**11,984**	**5,521**	**5,511**	61,280	21,662	20,356	3,476	3,617

* Deposit terms are less than 90 days

7 Receivables

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current		
Trade receivables	**69,641**	79,647
Provision for impairment of receivables	**(2,154)**	(15,006)
GST receivable	**797**	1,758
Interest receivable		
- Associated entity	**-**	-
- Other parties	**7,160**	1,584
Distributions receivable	**-**	-
Other debtors	**4,208**	-
	79,652	67,983
Non-current		
Redeemable preference shares – associated entity	**-**	-
Subordinated loans – associated entity	**-**	-
Shareholder loans – associated entities	**-**	-
Other receivables	**21,049**	21,507
Other receivables related parties	**-**	-
	21,049	21,507

Impairment Analysis

Trade Receivables

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Not yet due	**67,487**	64,641
Past due but not impaired	**-**	-
Provision for impairment loss(1)	**2,154**	15,006
	69,641	79,647

(1) At 30 June 12, provision for impairment loss includes $12.9 million due to a dispute between DBP and a Shipper.

Other balances within receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due. DUET1, DFT, DUET3, DIHL, DMC1 and DFL do not hold any trade receivables at 30 June 2013 and 30 June 2012.

Provision for impairment of receivables

Movements in the provision of impairment of receivables are as follows:

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Opening balance at 1 July	**15,006**	2,227
Additions to provision during the year	**4,224**	12,854
Receivables written off during the year	**(17,076)**	(75)
	2,154	15,006

7 Receivables (continued)

Redeemable Preference Shares

The redeemable preference shares issued by United Energy are deferred cumulative preference shares that are redeemable on the date 20 years from the dates of issue, being 23 July 2003 and 20 January 2009. Interest is receivable semi-annually in arrears. If there are insufficient funds for the coupons to be paid, the deferred dividends will accumulate and compound at the coupon rates of 13.5% and 11.75% per annum.

Credit Risk

There is no concentration of credit risk with respect to current and non current receivables as the Group has a number of customers throughout Australia who in turn have a large number of retail customers. Refer to note 32 for more information on the risk management policy of the Group Receivables.

7 Receivables (continued)

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current										
Trade receivables	-	-	404	-	-	-	-	-	-	-
Provision for impairment of receivables	-	-	-	-	-	-	-	-	-	-
GST receivable	178	74	362	23	25	717	212	187	-	-
Management and performance fees	-	-	-	-	-	-	-	-	10,019	12,983
Interest receivable										
- Associated entity	-	-	-	-	-	-	32	-	-	-
- Other parties	-	-	-	-	-	-	-	-	-	-
Distributions receivable	-	-	-	-	-	-	-	-	-	-
Other receivables related parties	8,340	135	-	254	254	-	2,872	17	-	-
Other debtors	-	-	210	-	-	-	-	-	-	-
	8,518	209	976	277	279	717	3,116	204	10,019	12,983
Non-current										
Redeemable preference shares – associated entity*	327,363	-	-	-	-	165,771	-	-	-	-
Shareholder loans – associated entities	291,666	-	-	-	-	293,665	-	-	-	-
Other receivables related parties	192,340	258,344	-	-	-	200,837	261,119	-	-	-
	811,369	258,344	-	-	-	660,273	261,119	-	-	-

* On 19 June 2013, DFT acquired DUET1's share of the Tranche A redeemable preference shares in UED. In consideration, DFT issued a promissory note to DUET1 in the amount of $154,028,000. Refer to note 17.

8 Inventories

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Inventories	**24,832**	22,329
Less: Provision for obsolescence	**(2,692)**	(2,692)
	22,140	19,637

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Inventories	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Less: Provision for obsolescence	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	-	-	-	-	-

9 Other Assets

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current		
Accrued revenue	**83,949**	57,520
Prepaid expenses	**18,504**	14,802
Security deposit	**-**	5,865
Other assets	**3,465**	461
	105,918	78,648
Non current		
Accrued revenue	**29,264**	24,018
Security deposit	**152**	-
	29,416	24,018

9 Other Assets (continued)

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current										
Accrued revenue	**-**	**-**	**289**	**-**	**-**	-	-	-	-	-
Prepaid expenses	**-**	**-**	**344**	**324**	**325**	-	-	106	128	163
	-	**-**	**633**	**324**	**325**	-	-	106	128	163
Non current										
Security deposit	**-**	**-**	**152**	**-**	**-**	-	-	-	-	-
	-	**-**	**152**	**-**	**-**	-	-	-	-	-

10 Derivative Financial Instruments

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current assets		
Interest rate swap contracts	-	783
Cross currency swaps	1,461	-
Forward exchange contracts	1,164	116
Total current derivative financial instrument assets	2,625	899
Non current assets		
Interest rate swap contracts	15,494	1,021
Cross currency swaps	31,453	346
Total non current derivative financial instrument assets	46,947	1,367
Current liabilities		
Interest rate swap contracts	86,071	91,638
CPI index hedge contracts	21,975	15,904
Cross currency swaps	880	8,644
Forward exchange contracts	-	15
Revenue swaps	-	57
Total current derivative financial instrument liabilities	108,926	116,258
Non current liabilities		
Interest rate swap contracts	131,761	192,252
Forward exchange contracts	-	77
CPI index hedge contracts	42,725	52,040
Cross currency swaps	55,729	95,494
Total non current derivative financial instrument liabilities	230,215	339,863

10 Derivative Financial Instruments (continued)

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current assets										
Interest rate swap contracts	-	-	-	-	-	-	-	-	-	-
CPI index hedge contracts	-	-	-	-	-	-	-	-	-	-
Cross currency swaps	-	-	-	-	-	-	-	-	-	-
Revenue swaps	-	-	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-
Total current derivative financial instrument assets	-	-	-	-	-	-	-	-	-	-
Non current assets										
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-
Revenue swaps	-	-	-	-	-	-	-	-	-	-
CPI index hedge contracts	-	-	-	-	-	-	-	-	-	-
Interest rate swap contracts	-	-	-	-	-	-	-	-	-	-
Cross currency swaps	-	-	-	-	-	-	-	-	-	-
Total non current derivative financial instrument assets	-	-	-	-	-	-	-	-	-	-
Current liabilities										
Interest rate swap contracts	-	-	-	-	-	-	-	-	-	-
CPI index hedge contracts	-	-	-	-	-	-	-	-	-	-
Cross currency swaps	-	-	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-
Revenue swaps	-	-	-	-	-	-	-	-	-	-
Total current derivative financial instrument liabilities	-	-	-	-	-	-	-	-	-	-
Non current liabilities										
Interest rate swap contracts	-	-	-	-	-	-	-	-	-	-
Forward exchange contracts	-	-	-	-	-	-	-	-	-	-
CPI index hedge contracts	-	-	-	-	-	-	-	-	-	-
Cross currency swaps	-	-	-	-	-	-	-	-	-	-
Total non current derivative financial instrument liabilities	-	-	-	-	-	-	-	-	-	-

10 Derivative Financial Instruments (continued)

Instruments used by the Group

DUET Group is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates in accordance with the Group's financial risk management policies (refer to Note 32).

(i) Interest rate swap contracts - cash flow hedges

Bank loans and guarantee notes of the Group currently bear an average variable interest rate of 3.05% (2012: 4.11%). Accordingly, the Group has entered into interest rate swap contracts under which it has the right to receive interest at variable rates and is obliged to pay interest at fixed rates.

Swaps in place cover approximately 100% (2012: 100%) of the loan principal outstanding and are timed to expire as the loan repayments are due or to coincide with the next prevailing regulatory reset.

The recognised fair value of interest rate swaps on the Balance Sheet as a net liability at 30 June 2013 was $202.3 million (2012: net liability of $281.0 million was recognised), of which $37.9 million (2012: $101.2 million) was the before tax amount recognised in the hedging reserve.

The notional principal amounts and period of expiry of the interest rate swap contracts are as follows:

	30 Jun 13 $'000	**Weighted average fixed interest rates 2013**	30 Jun 12 $'000	Weighted average fixed interest rates 2012
Less than 1 year	**725,000**	**6.45%**	1,095,000	7.01%
1 – 2 years	**526,000**	**6.99%**	1,150,000	5.84%
2 – 3 years	**4,249,000**	**6.17%**	725,000	6.93%
3 – 4 years	**820,000**	**5.57%**	3,645,000	6.68%
4 – 5 years	**1,360,000**	**3.30%**	820,000	5.57%
Over 5 years	**480,000**	**3.86%**	-	-
	8,160,000	**5.39%**	7,435,000	6.50%

The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit or loss when the hedge interest expense is recognised. The ineffective portion is recognised in the Income Statement immediately. In the year ended 30 June 2013 a debit of $11.4 million (2012: a debit of $1.7 million) was transferred to the profit or loss.

(ii) Interest rate swap contracts – fair value hedges

Bank loans and guarantee notes of the Group currently bear an average variable interest rate of 3.01% (2012: not applicable).

The recognised fair value of interest rate swaps on the Balance Sheet at 30 June 2013 was $14.0 (2012: $nil. was recognised).

10 Derivative Financial Instruments (continued)

(ii) Interest rate swap contracts – fair value hedges (continued)

The notional principal amounts and period of expiry of the interest rate swap contracts are as follows:

	30 Jun 13 $'000	Weighted average fixed interest rates 2013	30 Jun 12 $'000	Weighted average fixed interest rates 2012
Less than 1 year	**50,000**	**7.17%**	-	-
1 – 2 years	**-**	**-**	-	-
2 – 3 years	**695,000**	**5.08%**	-	-
3 – 4 years	**-**	**-**	-	-
4 – 5 years	**-**	**-**	-	-
Over 5 years	**-**	**-**	-	-
	745,000	**6.12%**	-	-

(iii) Interest rate swap contracts – held for trading

The below interest rate swaps are undesignated in hedge relationships and are therefore classified as held for trading. The aim is that the swaps will be designated into hedging relationships when the debt is drawn down.

The recognised fair value of interest rate swaps on the Balance Sheet as a net liability at 30 June 2013 was $nil (2012: $1.1 million), of which a loss of $nil (2012: loss of $8.3 million) was recognised in the Income Statement.

The notional principal amounts and period of expiry of the interest rate swap contracts are as follows:

	30 Jun 13 $'000	Weighted average fixed interest rates 2013	30 Jun 12 $'000	Weighted average fixed interest rates 2012
Less than 1 year	**-**	**-**	44,500	7.38%
1 – 2 years	**-**	**-**	-	-
2 – 3 years	**-**	**-**	-	-
3 – 4 years	**-**	**-**	-	-
4 – 5 years	**-**	**-**	-	-
Over 5 years	**-**	**-**	-	-
	-	**-**	44,500	7.38%

(iv) Cross currency and interest rate swap contracts - cash flow and fair value hedges

A portion of the guaranteed notes of the Group are denominated in US dollars (USD) and currently bear interest at an average fixed rate of 4.55% (2012: 4.72%). It is Group policy to protect the loans from exposure to increasing interest rates and fluctuating foreign exchange rates.

Cross Currency Swaps and interest rate swaps have been designated in hedge relationships to manage the Group's exposure to these risks. The cross currency swaps in place cover approximately 100% of the loan principal outstanding and are timed to expire as the loan repayments are due.

The recognised fair value of cross currency and interest rate swaps designated in cash flow hedges under this hedging relationship on the Balance Sheet at 30 June 2013 as a net liability was $23.7 million (2012: $103.8 million) of which $66.5 million (2012: $16.2 million) was the before tax amount recognised in the hedge reserve.

10 Derivative Financial Instruments (continued)

The notional principal amounts and periods of expiry of the cross currency swap contracts are as follows:

	30 Jun 13 $'000	Weighted average fixed interest rates 2013	30 Jun 12 $'000	Weighted average fixed interest rates 2012
Less than 1 year	-	-	-	-
1 – 2 years	154,083	3.91%	-	-
2 – 3 years	1,018,097	5.00%	154,083	3.91%
3 – 4 years	-	-	1,018,097	5.00%
4 – 5 years	803,434	5.01%	-	-
Over 5 years	-	-	803,434	5.01%
	1,975,614	4.64%	1,975,614	4.92%

The settlement dates coincide with the dates on which interest is payable on the underlying debt. The cross currency contracts are settled on a gross basis while the CPI indexed interest rate swaps are settled on a net basis.

The fair value gain or loss from remeasuring hedging instruments designated in cash flow hedge relationships is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit or loss when the hedge interest expense is recognised. The ineffective portion is recognised in the Income Statement immediately. In the year ended 30 June 2013 a loss of $20.4 million (2012: loss of $13.9 million) was transferred to the profit or loss.

Fair value Hedges

As part of the joint hedge relationships a portion of the cross currency swaps have been designated into fair value hedge relationships to protect fair value movements in the USD denominated fixed rate loans.

During the period a gain of $3.2 million (2012: gain of $26.2 million) was recorded in the income statement on the hedging instruments designated in a fair value relationship. A corresponding loss of $3.3 million (2012: loss of $25.9 million) was recorded in the income statement on the fair adjustment of the USD denominated interest bearing liabilities.

(v) CPI Index hedge contracts – cash flow hedges

United Energy has entered into indexed CPI (Consumer Price Index) swaps together with cross currency interest swaps that effectively hedge interest rate and CPI risk.

The recognised fair value of CPI hedge contracts on the Balance Sheet at 30 June 2013 as a net liability was $64.7 million (2012: a net liability of $67.9 million was recognised), which $2.8 million (2012: $13.9 million) was the after tax amount recognised in the hedge reserve.

10 Derivative Financial Instruments (continued)

At 30 June 2012 and 2011, the notional principal amounts and periods of expiry of the CPI hedge contracts are as follows:

	30 Jun 13 $'000	**Weighted average fixed interest rates 2013[(1)]**	30 Jun 12 $'000	Weighted average fixed interest rates 2012[(1)]
Less than 1 year	**-**		-	-
1 – 2 years	**-**		-	-
2 – 3 years	**2,200,000**	**5.15%**	-	-
3 – 4 years	**-**	**-**	2,200,000	5.15%
4 – 5 years	**-**	**-**	-	-
Over 5 years	**-**	**-**	-	-
	2,200,000	**5.15%**	2,200,000	5.15%

(1) Fixed interest rate is escalated each year due to CPI.

The settlement dates coincide with the dates on which interest is payable on the underlying debt. The contracts are settled on a net basis.

The gain or loss from remeasuring the hedging instruments at fair value is deferred in equity in the hedging reserve, to the extent that the hedge is effective, and reclassified into profit or loss when the hedge interest expense is recognised. The ineffective portion is recognised in the Income Statement immediately. In the year ended 30 June 2013 a gain of $6.6 million (2012: a gain of $nil million) was transferred to the Income Statement.

(vi) Revenue CPI swap contracts – cash flow hedge

The recognised fair value of the revenue swap on the Balance Sheet at 30 June 2013 as a net liability was $nil (2012: a liability of $0.1 million), of which $nil (2012: a loss of $0.3 million) has been recognised in profit or loss.

The notional principal amounts and period of expiry of the revenue swap contract is as follows:

	30 Jun 13 $'000	**Weighted average fixed interest rates 2013**	30 Jun 12 $'000	Weighted average fixed interest rates 2012
Less than 1 year	**-**	**-**	20,000	4.43%
1 – 2 years	**-**	**-**	-	-
2 – 3 years	**-**	**-**	-	-
3 – 4 years	**-**	**-**	-	-
4 – 5 years	**-**	**-**	-	-
Over 5 years	**-**	**-**	-	-
	-	**-**	20,000	4.43%

10 Derivative Financial Instruments (continued)

(vii) Foreign exchange forward contracts

UEDH purchases interval meters as part of its smart meter rollout program. The purchases are in USD. The foreign exchange risk arising from the purchases is hedged using foreign exchange contracts. The recognised fair value of forward foreign exchange contracts on the Balance Sheet at 30 June 2013 as a net asset was $1.2 million (2012: an asset of $nil million was recognised), of which $0.5 million (2012: $nil million) was recognised in profit or loss and $0.7 million (2012: $nil million) was recognised in the hedging reserve.

DUET Group has entered into forward foreign exchange contracts at balance date. Details of outstanding amounts are:

	Buy USD		Average Exchange Rate	
Maturity	**30 Jun 13 US$'000**	30 Jun 12 US$'000	**30 Jun 12 USD**	30 Jun 12 USD
Less than 1 year	**14,862**	45,966		1.0097
1 – 2 years	**-**	14,683		0.9811
2 – 3 years	**-**	-		-
3 – 4 years	**-**	-		-
4 – 5 years	**-**	-		-
Over 5 years	**-**	-		-

	Sell USD		Average Exchange Rate	
Maturity	**30 Jun 13 US$'000**	30 Jun 13 US$'000	**30 Jun 12 USD**	30 Jun 12 USD
Less than 1 year	**-**	-	**-**	-
1 – 2 years	**-**	-	**-**	-
2 – 3 years	**-**	-	**-**	-
3 – 4 years	**-**	-	**-**	-
4 – 5 years	**-**	-	**-**	-
Over 5 years	**-**	-	**-**	-

11 Investments in Associates

Investment in associates is accounted for using the equity method in the DUET Group consolidated Financial Statements, DFT and DIHL Group Financial Statements. Information relating to associates is set out below:

Name of Entity	Year end	Ownership interest %	**DUET Group 30 Jun 13 $'000**	**DFT 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	DUET Group 30 Jun 12 $'000	DFT 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000
Multinet Group Holdings Pty Ltd	30 Jun	100.0% [1]	**-**	**71,366**	**20,870**	-	68,333	19,340
United Energy Distribution Holdings Pty Ltd	30 Jun	66.0% [2]	**-**	**74,545**	**-**	-	69,462	-
DUET Dampier Bunbury Pty Ltd	30 Jun	100.0% [3]	**-**	**-**	**-**	-	-	-
DBNGP Trust	30 Jun	20.3%[4]	**-**	**-**	**155,631**	-	-	165,687
DUET 2008 Funding Sub Trust	30 Jun	100.0% [5]	**-**	**-**	**-**	-	2,701	-
			-	**145,911**	**176,501**	-	140,496	185,027

(1) DUET1 holds 39.95%.DFT holds 39.95%. DIHL holds 20.10%.

(2) DUET1 holds 31.57%. DFT holds 34.43%.

(3) DUET1 holds 50.0%. DFT holds 50.0%.

(4) DUET1 and DFT indirectly holds 30.4% each in DBNGP Trust through their investment in DUET Dampier Bunbury Pty Ltd.

(5) At 30 June 2012 DUET1 & DFT held 50.0% each. On 24 April 2013, DUET1 acquired DFT's 50% interest in DUET 2008 Funding Sub Trust. At 30 June 2013, DUET 1 holds 100%.

Interests in MGH and DBP are held jointly by DUET1, DFT and DIHL Group.

Interests in UED are held jointly by DUET1 and DFT.

11 Investments in Associates (continued)

Investments accounted for using the equity method

	DUET Group 30 Jun 13 $'000	**DFT 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	DUET Group 30 Jun 12 $'000	DFT 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000
Movements in carrying amounts						
Carrying amount at the beginning of the year	**-**	**140,496**	**185,027**	166,129	162,509	140,029
Share of associates' net profits/(losses)	**-**	**9,673**	**12,754**	6,754	(11,467)	11,551
Dividends received from associates	**-**	**(17,392)**	**(29,331)**	-	(18,438)	(32,858)
Acquisition	**-**	**17,985**	**300**	-	19,251	241,664
Disposal	**-**	**(3,099)**	**(351)**	(177,676)	-	(150,823)
Reserve movements	**-**	**(1,752)**	**8,102**	4,793	(11,359)	(24,536)
Carrying amount of investment in associates at the end of the year	**-**	**145,911**	**176,501**	-	140,496	185,027
Results attributable to associates						
Profits/(losses) before income tax	**-**	**30,827**	**93,342**	-	(47,898)	59,267
Income tax expense	**-**	**(5,412)**	**(24,991)**	-	14,740	(17,939)
Profits/(losses) after income tax	**-**	**25,415**	**68,351**	-	(33,158)	41,328
Summary of performance and financial positions of associates						
The aggregate profits, assets and liabilities of associates are:						
- Revenues	**-**	**796,068**	**667,749**	-	756,630	656,298
Profits/(losses) from ordinary activities after income tax expense	**-**	**25,415**	**68,351**	-	(33,158)	41,328
- Assets as at 30 June	**-**	**4,599,968**	**5,161,230**	-	4,236,067	5,181,733
- Liabilities as at 30 June	**-**	**(4,210,939)**	**(4,356,050)**	-	(3,850,413)	(4,347,646)

11 Investments in Associates (continued)

Shares of associates' contingencies

As at 30 June 2013, DFT, and DIHL Group associates have no material contingent liabilities other than as outlined in Note 35.

Investments in associates - equity method discontinued*

	DUET Group 30 Jun 13 $'000	**DFT 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	DUET Group 30 Jun 12 $'000	DFT 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000
Movements in carrying amounts						
Carrying amount at the beginning of the year	**-**	**(92,805)**	**-**	-	(89,056)	-
Share of associates' net loss	**-**	**(16,392)**	**-**	-	(21,513)	-
Reserve increments	**-**	**10,975**	**-**	-	(42,236)	-
Share of associates' net losses brought into account	**-**	**-**	**-**	-	60,000	-
Carrying amount of investment in associates at the end of the year	**-**	**(98,222)**	**-**	-	(92,805)	
Results attributable to associates						
(Loss) before income tax	**-**	**(3,897)**	**-**	-	(12,544)	-
Income tax expense	**-**	**(12,495)**	**-**	-	(8,970)	-
Profit/(loss) after income tax	**-**	**(16,392)**	**-**	-	(21,514)	-
Summary of performance and financial positions of associates						
The aggregate profits, assets and liabilities of associates are:						
- Revenues	**-**	**417,588**	**-**	-	424,832	-
Profit/(loss) from ordinary activities after income tax expense	**-**	**(32,785)**	**-**	-	(43,027)	-
- Assets as at 30 June	**-**	**3,775,940**	**-**	-	3,836,968	-
- Liabilities as at 30 June	**-**	**(3,682,477)**	**-**	-	(3,717,917)	-

* The equity method of accounting for the investments in DUET Dampier Bunbury Company Pty Limited (DDBCo), 61.4% owner of DBNGP Trust ceased when the carrying amount of the investment reached zero.

12 Property, Plant and Equipment

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Freehold Land – at cost	**5,834**	5,595
Land & Buildings – at cost	**35,071**	35,322
Less: Accumulated depreciation	**(6,348)**	(5,772)
	28,723	29,550
Plant and equipment – at cost	**7,011,315**	6,682,653
Less: Accumulated depreciation	**(1,711,248)**	(1,536,031)
	5,300,067	5,146,622
Motor vehicles – at cost	**31,086**	28,377
Less: Accumulated depreciation	**(13,360)**	(12,017)
	17,726	16,360
Office equipment and software – at cost	**50,885**	50,314
Less: Accumulated depreciation	**(27,005)**	(25,159)
	23,880	25,155
Fixtures and fittings – at cost	**10,116**	7,718
Less: Accumulated depreciation	**(8,515)**	(2,905)
	1,601	4,813
Plant and equipment in the course of construction – at cost	**235,912**	245,076
Total property, plant & equipment – at cost	**7,380,219**	7,055,055
Less: Total accumulated depreciation	**(1,766,476)**	(1,581,884)
	5,613,743	5,473,171

12 Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the year are set out below:

Year ended 30 June 2013

	Land and buildings $'000	Freehold Land $'000	Plant and equipment $'000	Motor vehicles $'000	Office equipment and software $'000	Fixtures and fittings $'000	In the course of construction $'000	Total $'000
Consolidated								
Carrying amount at 1 July 2012	**29,550**	**5,595**	**5,146,622**	**16,360**	**25,155**	**4,813**	**245,076**	**5,473,171**
Additions	**30**	**239**	**159,599**	**2,879**	**823**	**3,350**	**178,055**	**344,975**
Disposals	**-**	**-**	**(6,144)**	**(61)**	**(27)**	**-**	**-**	**(6,232)**
Transfers	**276**	**-**	**184,021**	**1,891**	**135**	**887**	**(187,219)**	**(9)**
Depreciation expense (Note 2)	**(1,133)**	**-**	**(184,031)**	**(3,343)**	**(2,206)**	**(7,449)**	**-**	**(198,162)**
Carrying amount at 30 June 2013	**28,723**	**5,834**	**5,300,067**	**17,726**	**23,880**	**1,601**	**235,912**	**5,613,743**

Year ended 30 June 2012

	Land and buildings $'000	Freehold Land $'000	Plant and equipment $'000	Motor vehicles $'000	Office equipment and software $'000	Fixtures and fittings $'000	In the course of construction $'000	Total $'000
Consolidated								
Carrying amount at 1 July 2011	24,960	5,595	5,043,142	10,406	18,862	1,280	215,623	5,319,868
Additions	146	-	92,239	6,730	8,579	4,289	238,845	350,828
Disposals	-	-	(4,692)	(5)	(24)	(14)	-	(4,735)
Transfers	5,564	-	193,287	2,673	6,120	-	(209,392)	(1,748)
Depreciation expense (Note 2)	(1,120)	-	(177,354)	(3,444)	(8,382)	(742)	-	(191,042)
Carrying amount at 30 June 2012	29,550	5,595	5,146,622	16,360	25,155	4,813	245,076	5,473,171

Borrowing costs capitalised to property, plant and equipment

During the year ended 30 June 2013 interest of $nil (2012 $nil) was capitalised to assets in the course of construction.

12 Property, Plant and Equipment (continued)

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Land – at cost	-	-	239	-	-	-	-	-	-	-
Buildings – at cost	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Plant and equipment – at cost	-	-	4,291	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	(159)	-	-	-	-	-	-	-
	-	-	4,132	-	-	-	-	-	-	-
Motor vehicles – at cost	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Office equipment and software – at cost	-	-	-	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Fixtures and fittings – at cost	-	-	767	-	-	-	-	-	-	-
Less: Accumulated depreciation	-	-	(17)	-	-	-	-	-	-	-
	-	-	750	-	-	-	-	-	-	-
Plant and equipment in the course of construction – at cost	-	-	1,623	-	-	-	-	-	-	-
Total property, plant & equipment – at cost	-	-	6,920	-	-	-	-	-	-	-
Less: Total accumulated depreciation	-	-	(176)	-	-	-	-	-	-	-
	-	-	6,744	-	-	-	-	-	-	-

13 Deferred Tax Assets

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
The balance comprises temporary difference attributable to:		
Amounts recognised in profit or loss		
Doubtful debts	**497**	4,349
Meter replacement	**2,309**	3,773
Accident compensation	**35**	35
Other employee entitlements	**5,229**	4,613
Property, plant & equipment	**330**	4,628
Intangibles	**3,436**	2,955
Accrued revenue	**1,564**	2,312
Environmental provision	**980**	680
Other provisions	**2,137**	1,737
Decommissioning Provision	**9,429**	6,125
Audit fees	**103**	116
Other	**7,103**	5,784
Equity raising costs	**201**	156
Cash flow hedges and hedged interest bearing liabilities	**91,262**	73,657
Tax losses *	**130,172**	125,426
	254,787	236,346
Cash flow hedges recognised directly in equity	**38,446**	77,471
Defined benefit reserve recognised directly in equity	**1,097**	1,278
	39,543	315,095
Set – off deferred tax liabilities pursuant to set off provisions (Note 20)	**(200,005)**	(221,543)
Net deferred tax assets	**94,325**	93,552

* In addition to the above losses recorded as a deferred tax asset, the Group has unbooked losses as set out in Note 3.

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Movements:		
Opening balance at 1 July	**93,552**	70,820
Credited/(charged) to the Income Statement	**(8,089)**	(34,380)
Acquisition of subsidiaries	**14**	-
Credited/(charged) to equity	**8,848**	57,112
Closing balance 30 June	**94,325**	93,552
Deferred tax assets to be recovered after more than 12 months	**94,325**	93,552
Deferred tax assets to be recovered within 12 months	**-**	-
	94,325	93,552

13 Deferred Tax Assets (continued)

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
The balance comprises temporary difference attributable to:										
Amounts recognised in profit or loss										
Doubtful debts	-	-	-	-	-	-	-	-	-	-
Meter replacement	-	-	-	-	-	-	-	-	-	-
Accident compensation	-	-	-	-	-	-	-	-	-	-
Other employee entitlements	-	-	-	-	-	-	-	-	-	-
Property, plant & equipment	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-
Accrued revenue	-	-	-	-	-	-	-	-	-	-
Environmental provision	-	-	-	-	-	-	-	-	-	-
Other provisions	-	-		7	7	-	-	-	-	-
Decommissioning Provision	-	-	920	-	-	-	-	-	-	-
Audit fees	-	-	-	-	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-	-	-	7	7
Equity raising costs	-	-	-	-	-	-	-	-	-	-
Cash flow hedges and hedged interest bearing liabilities	-	-	-	-	-	-	-	-	-	-
Tax losses *	-	-	-	-	-	-	-	-	199	271
	-	-	920	7	7	-	-	-	206	278
Cash flow hedges recognised directly in equity	-	-	-	-	-	-	-	-	-	-
Defined benefit reserve recognised directly in equity	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Set – off deferred tax liabilities pursuant to set off provisions (Note 20)	-	-	(874)	-	-	-	-	-	-	-
Net deferred tax assets	-	-	46	7	7	-	-	-	206	278

* In addition to the above losses recorded as a deferred tax asset, the Group has unbooked losses as set out in Note 3.

13 Deferred Tax Assets (continued)

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Movements:										
Opening balance at 1 July	**-**	**-**	**-**	**-**	**-**	-	-	-	154	351
Credited/(charged) to the Income Statement	**-**	**-**	**46**	**-**	**-**	-	-	-	52	73
Acquisition of subsidiaries	**-**	**-**	**-**	**7**	**7**	-	-	-	-	-
Credited/(charged) to equity	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Closing balance 30 June	**-**	**-**	**46**	**7**	**7**	-	-	-	206	278
Deferred tax assets to be recovered after more than 12 months	**-**	**-**	**46**	**7**	**7**	-	-	-	-	-
Deferred tax assets to be recovered within 12 months	**-**	**-**	**-**	**-**	**-**	-	-	-	206	278
	-	**-**	**46**	**7**	**7**	-	-	-	206	278

14 Intangible Assets

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Intellectual property at cost	**127,340**	127,340
Less: accumulated amortisation	**(64,117)**	(57,670)
	63,223	69,670
Software	**324,098**	313,521
Less: accumulated amortisation	**(172,518)**	(168,554)
	151,580	144,967
Distribution Licences	**1,035,377**	1,035,377
Employee contract asset (note 21)	**2,376**	2,376
Less: accumulated amortisation	**(832)**	(356)
	1,544	2,020
Development Project Costs	**80,164**	74,313
Less: accumulated amortisation	**(34,220)**	(21,845)
	45,944	52,468
Goodwill	**789,780**	789,780
Total	**2,087,448**	2,094,282

14 Intangible Assets (continued)

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Intellectual property at cost	-	-	-	-	-	-	-	-	-	-
Less: accumulated amortisation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Software	-	-	-	-	-	-	-	-	-	-
Less: accumulated amortisation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Distribution Licences	-	-	-	-	-	-	-	-	-	-
Employee contract asset (note 21)	-	-	-	-	-	-	-	-	-	-
Less: accumulated amortisation	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Management rights	-	-	-	-	-	-	-	-	13,500	13,500
Less: accumulated amortisation	-	-	-	-	-	-	-	-	(1,374)	(1,374)
	-	-	-	-	-	-	-	-	12,126	12,126
Goodwill	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	12,126	12,126

14 Intangible Assets (continued)

Year ended 30 June 2013

DUET Group	Intellectual Property $'000	Software $'000	Distribution licences $'000	Employee Contract Asset $'000	Development Project Costs $'000	Goodwill $'000	Total $'000
Carrying amount at 1 July 2012	**69,670**	**144,967**	**1,035,377**	**2,020**	**52,468**	**789,780**	**2,094,282**
Additions	**-**	**43,560**	**-**	**-**	**5,375**	**-**	**48,935**
Transfers	**-**	**9**	**-**	**-**	**-**	**-**	**9**
Amortisation charge (Note 2)	**(6,447)**	**(36,956)**	**-**	**(476)**	**(11,899)**	**-**	**(55,778)**
Carrying amount at 30 June 2013	**63,223**	**151,580**	**1,035,377**	**1,544**	**45,944**	**789,780**	**2,087,448**

Year ended 30 June 2012

DUET Group	Intellectual Property $'000	Software $'000	Distribution licences $'000	Employee Contract Asset $'000	Development Project Costs $'000	Goodwill $'000	Total $'000
Carrying amount at 1 July 2011	76,138	105,234	1,035,377	-	53,286	789,780	2,059,815
Additions	-	71,598	-	2,376	1,628	-	75,602
Transfers	-	(7,645)	-	-	9,393	-	1,748
Amortisation charge (Note 2)	(6,468)	(24,220)	-	(356)	(11,839)	-	(42,883)
Carrying amount at 30 June 2012	69,670	144,967	1,035,377	2,020	52,468	789,780	2,094,282

14 Intangible Assets (continued)

Impairment for goodwill and distribution licences

Goodwill and distribution licences are allocated to the Group's cash-generating units (CGUs) which are identified according to the relevant operating segment.

A segment-level summary of the goodwill and distribution licences is presented below.

2013	Multinet $'000	Dampier Bunbury Pipeline $'000	United Energy $'000	Total $'000
Goodwill	**72,806**	**670,832**	**46,142**	**789,780**
Distribution licences	**407,963**	**-**	**627,414**	**1,035,377**
	480,769	**670,832**	**673,556**	**1,825,157**

2012	Multinet $'000	Dampier Bunbury Pipeline $'000	United Energy $'000	Total $'000
Goodwill	72,806	670,832	46,142	789,780
Distribution licences	407,963	-	627,414	1,035,377
	480,769	670,832	673,556	1,825,157

The recoverable amounts of the Group's CGUs are determined as the higher of fair value less costs to sell and value-in-use calculations.

The value-in-use calculations use cash flow projections based on financial budgets approved by the boards cover a 15 year period. A terminal value based on the regulated asset base was used to value each CGU at the end of the 15 year period. The growth rate does not exceed the long term average growth rate for the business in which the CGU operates.

Key assumptions used for value-in-use calculations

A key assumption used in the value-in-use calculations is that the asset companies will generate the cash flows set out in the business models for the applicable CGU. These business models include expected revenues based on regulatory determinations (for UEDH and MGH) and agreed shipper contracts (for DBP) over a period of 15 years and costs determined through a detailed bottom-up planning process. Another key assumption is that the discount rate using to discount the forecast cash flows and expected terminal values of each CGU is appropriate. This discount rates used are calculated using a weighted average cost of capital methodology using market-based inputs.

Impact of possible changes in key assumptions

Management does not consider that any reasonably possible change in the assumptions will result in the carrying value to exceed the recoverable amount.

Amortisation period

The remaining amortisation period for intellectual property is 9 to 54 years, and software 1 to 5 years.

15 Distribution Payable

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Carrying amount at beginning of year	**88,787**	90,969
Provided for during the year	**192,021**	176,117
Paid during the year	**(184,340)**	(178,299)
Balance at 30 June	**96,468**	88,787

There are no franking credits as DUET1, DUET2 and DUET3 are flow through trusts. DIHL, DMC1 and DFL have no franking credits.

	DFT 1 Jul 12 - 30 Jun 13 $'000	**DUET3 1 Jul 12 - 30 Jun 13 $'000**	**DIHL Group 1 Jul 12 - 30 Jun 13 $'000**	**DMC1 1 Jul 12 - 30 Jun 13 $'000**	**DFL 1 Jul 12 - 30 Jun 13 $'000**	DFT 1 Jul 11 - 30 Jun 12 $'000	DUET3 1 Jul 11 - 30 Jun 12 $'000	DIHL Group 1 Jul 11 - 30 Jun 12 $'000	DMC1 1 Jul 11 - 30 Jun 12 $'000	DFL 1 Jul 11 - 30 Jun 12 $'000
Carrying amount at beginning of year	**42,304**	**16,687**	**-**	**-**	**-**	44,303	13,262	-	-	-
Provided for during the year	**89,154**	**22,858**	**-**	**1,423**	**1,570**	87,270	16,687	-	-	-
Paid during the year	**(82,621)**	**(32,687)**	**-**	**(1,423)**	**(1,570)**	(89,269)	(13,262)	-	-	-
Balance at 30 June	**48,837**	**6,858**	**-**	**-**	**-**	42,304	16,687	-	-	-

There are no franking credits as DUET1, DUET2 and DUET3 are flow through trusts. DIHL has no franking credits.

16 Payables

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Trade creditors	**45,068**	93,162
Interest payable – associated entities	**-**	-
Interest payable – other parties	**79,978**	70,588
Goods received	**9,808**	34,171
GST payable	**4,419**	6,459
RE management base fee payable	**-**	5,276
RE performance fee payable	**-**	17,853
Security deposit payable	**-**	5,865
Operating and maintenance agreement costs	**21,241**	21,194
Capital accruals	**-**	11,454
Other payables	**74,895**	19,124
Balance at 30 June	**235,409**	285,146

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Trade creditors	**-**	**-**	**1,452**	**-**	**-**	-	-	-	10,008	13,091
Interest payable – associated entities	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Interest payable – other parties	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Goods received	**-**	**-**	**-**	**-**	**-**	-	-	-	363	498
GST payable	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
RE management base fee payable	**-**	**-**	**-**	**-**	**-**	2,377	595	648	-	-
RE performance fee payable	**-**	**-**	**-**	**-**	**-**	8,048	2,027	2,180	-	-
Security deposit payable	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Other payables	**5,089**	**1,593**	**13,151**	**470**	**470**	324	277	291	83	99
Balance at 30 June	**5,089**	**1,593**	**14,603**	**470**	**470**	10,749	2,899	3,119	10,454	13,688

The carrying amount of payables reflect fair value.

17 Interest Bearing Liabilities

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current		
Bank Loan	**20,000**	325,000
	20,000	325,000
Unsecured		
Bank Loans	**42,000**	-
	42,000	-
Finance lease liabilities	**844**	811
Capitalised borrowing transaction costs	**(220)**	(533)
Total current interest bearing liabilities	**62,624**	325,278
Non-current		
Secured		
Bank loans	**1,040,000**	1,016,068
Guaranteed notes	**1,465,500**	1,175,000
	2,505,500	2,191,068
Unsecured		
Bank loans	**964,923**	633,923
Guaranteed notes	**1,985,032**	1,826,585
Redeemable preference shares	**178,587**	170,794
	3,128,542	2,631,302
Finance lease liability	**19,953**	20,816
Capitalised borrowing transaction costs	**(44,722)**	(43,345)
Total non current interest bearing liabilities	**5,609,273**	4,799,841
Total interest bearing liabilities	**5,671,897**	5,125,119

17 Interest Bearing Liabilities (continued)

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current										
Bank Loan	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
						-	-	-	-	-
Unsecured										
Bank Loans	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Borrowings from related parties	**212,392**	**-**	**108,829**	**-**	**-**	60,364	-	113,147	-	-
	212,392	**-**	**108,829**	**-**	**-**	60,364	-	113,147	-	-
Finance lease liabilities	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Capitalised borrowing transaction costs	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total current interest bearing liabilities	**-**	**-**	**-**	**-**	**-**	60,364	-	113,147	-	-
Non-current										
Secured										
Bank loans	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	-	-	-	-	-
Unsecured										
Bank loans	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Redeemable preference shares	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Borrowings from related party	**-**	**-**	**-**	**-**	**-**	-	1,289	-	-	-
	-	**-**	**-**	**-**	**-**	-	1,289	-	-	-
Finance lease liability	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Capitalised borrowing transaction costs	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Total non current interest bearing liabilities	**-**	**-**	**-**	**-**	**-**	-	1,289	-	-	-
Total interest bearing liabilities	**212,392**	**-**	**108,829**	**-**	**-**	60,364	1,289	113,147	-	-

17 Interest Bearing Liabilities (continued)

Financing Arrangements

At balance date the Group had access to the following undrawn lines of credit:

	Undrawn balance 30 Jun 13 '000	Undrawn balance 30 Jun 12 '000
DUET 1		
Related party loan - DFT	**37,147**	37,147
DFT		
Related party loan	**-**	-
DUET 3		
Related party loan – DUET1	**20,000**	18,711
DIHL		
Related party loan – DUET1	**200,000**	200,000
DUET 2008 Funding Sub Trust		
Revolving facility	**n/a**	200,000
	n/a	200,000
DMC1		
Related party loans	**-**	-
DFL		
Related party loans	**-**	-
Dampier Bunbury Pipeline		
Term loan	**60,000**	72,000
Working capital facility	**-**	5,000
	60,000	77,000
United Energy		
Senior Corporate Facility – Tranche B Capex facility	**30,000**	75,000
Senior Corporate Facility – Tranche C	**58,000**	193,000
Bank loans - working capital facility and AIMRO Capex	**18,000**	80,000
Westpac facility*	**125,000**	-
	231,000	348,000
Multinet		
Senior Corporate Facility	**32,577**	22,577
Capital expenditure facility	**12,500**	115,500
Bank loans - working capital facility	**20,000**	20,000
	65,077	158,077
Total	**613,224**	1,038,935

* facility commences on 16 April 2014

17 Interest Bearing Liabilities (continued)

Bank Loans

DUET Group

DUET Group $200.0 million syndicated corporate senior debt facility was cancelled on 19 December 2012.

Dampier Bunbury Pipeline

On 2 October 2012, DBP reached contract close of a $155.0 million, seven year bank facility to repay part of $325 million floating rates notes maturing in April 2013.

On 17 December 2012, DBP entered into a $170 million, four year bank debt facility. The amount raised was applied to repay DBP's remaining maturing term debt in 2013 and other bank debt facilities.

A working capital facility is in place with a $20 million limit maturing in May 2014.

United Energy

Tranche A of the $120.0 million term bank loan under the senior corporate facilities, matures in June 2018. The facility limit of Tranche B has been reduced to $30 million after the outstanding balance was paid in full. This facility has a maturity date of June 2014. A working capital facility with a limit of $30.0 million matures in December 2013.

Tranche C of the senior corporate facilities, which is a capex facility, matures in June 2014. The facility limit has been reduced to $88 million from $260 million. The smart meter debt facility which was a $50 million capex facility maturing in December 2013 for the purpose of funding the roll-out of Advanced Metering Infrastructure was cancelled in July 2012.

On 11 April 2013, United Energy raised a $400 million five year Asian syndicated bank loan facility, maturing in April 2018.

On 1 May 2013, United Energy raised a $125 million bank debt facility with Westpac Banking Corporation, maturing in May 2018.

Multinet

Tranche A of the senior corporate facilities with a facility limit of $300 million matures in November 2016. A working capital facility with a facility limit of $20.0 million matures in April 2014.

Tranche B of the senior corporate facilities is a capex facility with a facility limit of $120 million, maturing in November 2014.

A $70 million term bank loan which was refinanced on 12 July 2011, matures in July 2014.

The $50 million IT growth capex bank debt facility which was raised in July 2011, was fully cancelled on 17 June 2013.

17 Interest Bearing Liabilities (continued)

Guaranteed notes

Dampier Bunbury Pipeline

There are two tranches of floating rate note facilities outstanding with credit support provided by Ambac Assurance. There is one tranche of $275.0 million, which matures in April 2017 and one further tranche of $325.0 million, which matures in April 2018.

The third tranche of $325.0 million was settled in full during the year by using proceeds of a $155.0 million bank debt facility raised in October 2012 and $300.0 million fixed rate notes issued in November 2012.

A $415.5 million floating rate note matures in September 2015.

A $150.0 million fixed rate note with a coupon of 8.25% matures in September 2015.

A $300.0 million fixed medium term note with a coupon of 6.0% was raised on 2 November 2012 and matures in October 2019.

United Energy

US$200.0 million (A$263 million) 5.45% fixed rate guaranteed notes maturing in April 2016, were issued on 19 November 2003.

United Energy drew down on funds raised through a US Private Placement in December 2010. The notes are fixed rate for four years (US$70 million at an interest rate of 3.91%) and seven years (US$365 million at an interest rate of 5.01%).

A$500 million floating rate guaranteed notes maturing in October 2014, were issued on 31 October 2005.

A$200 million fixed rate notes maturing in April 2017, were issued in April 2012.

A$65 million fixed rates notes maturing in April 2017, were issued in August 2012.

Scheduled payment of principal and interest on the notes is guaranteed by a related entity within the UEDH Group.

Long term currency swaps have been entered into to convert the USD exposure on the guaranteed notes into an Australian dollar exposure. The swaps entitle the Group to receive an agreed amount of USD and oblige it to pay an agreed amount of Australian dollars at the date of maturity of the guaranteed notes. The value of the guaranteed notes presented above is after the impact of the amount payable under the currency swap agreement.

Multinet Gas

A$300 million floating rate guaranteed notes were issued on 15 June 2007, matured in July 2011 and were refinanced. The refinanced notes mature on 10 July 2017.

US$135.0 million 4.2% fixed rate US Private Placement loan notes maturing on 8 November 2015, were issued on 8 November 2010.

US$50.0 million 4% fixed rate US Private Placement loan note maturing on 10 August 2015, were issued on 9 August 2010.

Scheduled payment of principal and interest on the notes is guaranteed by a related entity within the MGH Group.

17 Interest Bearing Liabilities (continued)

Redeemable preference shares

The redeemable preference shares issued by United Energy are deferred cumulative preference shares that are redeemable on the date 20 years from the dates of issue, being 23 July 2003, 21 January 2009, 29 January 2009 and 11 March 2011. Dividends are paid semi-annually or at any time a declaration is made by the board of Directors of United Energy. The annual dividend rate on the shares is 13.5% and 11.75% per annum.

Borrowings from related parties

Loan agreements between DUET parent entities are included in borrowings from associates. These loans have a maturity of 9 years and pay interest at 8% per annum. At 30 June 2013, the amounts payable to associated entities by DFT is $212.4 million (2012: $60.4 million), by DUET 3 is $Nil (2012: $1.3 million), and by DIHL $108.8 million (2012: $113.1 million).

Fair values

The fair values and carrying values of borrowings of DUET Group, DFT, DUET3 and DIHL are as follows (based on cash flows discounted using current lending rates for liabilities with similar risk profiles):

DUET Group	2013		2012	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Non traded financial liabilities				
Bank loans	**2,087,720**	**2,107,423**	1,671,618	1,650,334
Guaranteed Notes	**3,450,532**	**3,582,015**	3,326,585	3,481,115
Redeemable preference shares	**178,587**	**321,253**	170,794	313,080
	5,716,839	**6,010,691**	5,168,997	5,444,529

DFT	2013		2012	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Non traded financial liabilities				
Borrowings from associated entities*	**212,392**	**212,392**	60,364	60,364
	212,392	**212,392**	60,364	60,364

* On 19 June 2013, DFT acquired DUET1's share of the Tranche A redeemable preference shares in UED. In consideration, DFT issued a promissory note to DUET1 in the amount of $154,028,000. Refer to note 7.

DUET3	2013		2012	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Non traded financial liabilities				
Borrowings from associated entities	**-**	**-**	1,289	1,289
	-	**-**	1,289	1,289

DIHL Group	2013		2012	
	Carrying amount $'000	**Fair value $'000**	Carrying amount $'000	Fair value $'000
Non traded financial liabilities				
Borrowings from associated entities	**108,829**	**108,829**	113,147	113,147
	108,829	**108,829**	113,147	113,147

17 Interest Bearing Liabilities (continued)

Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current		
Cash and cash equivalents	**16,703**	179,082
Receivables	**3,900**	24,971
Inventories	**16,974**	15,520
Other	**17,851**	19,024
Total current assets pledged as security	**55,428**	238,597
Non-current		
Property, plant and equipment	**2,993,223**	3,027,877
Intangible asset	**672,619**	674,198
Investment in associates	**-**	1,445,471
Loans to associated entities	**-**	112,236
Redeemable Preference Shares	**-**	331,542
Other	**21,507**	21,507
Total non current assets pledged as security	**3,687,349**	5,612,831
Total assets pledged as security	**3,742,777**	5,851,428

All of DBP's debt is senior secured, ranks pari-passu, and is guaranteed by DBNGP Holdings and its subsidiaries. The security is via fixed and floating charges over the DBNGP assets.

17 Interest Bearing Liabilities (continued)

Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT(i) 30 Jun 12 $'000	DUET3 (i) 30 Jun 12 $'000	DIHL(i) 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current										
Cash and cash equivalents	-	-	-	-	-	61,280	21,662	20,356	-	-
Receivables	-	-	-	-	-	-	32	-	-	-
Inventories	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total current assets pledged as security	-	-	-	-	-	61,280	21,694	20,356	-	-
Non-current										
Property, plant and equipment	-	-	-	-	-	-	-	-	-	-
Intangible asset	-	-	-	-	-	-	-	-	-	-
Investment in associates	-	-	-	-	-	137,795	-	185,027	-	-
Loans to associated entities	-	-	-	-	-	-	112,236	-	-	-
Redeemable Preference Shares	-	-	-	-	-	165,771	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total non current assets pledged as security	-	-	-	-	-	303,566	112,236	185,027	-	-
Total assets pledged as security	-	-	-	-	-	364,846	133,930	205,383	-	-

(i) Assets of DUET1, DFT, DUET3 and DIHL Group were pledged as security for the $200 million bank debt facility.

18 Provisions

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current		
Annual leave	**5,674**	4,834
Long service leave	**4,343**	3,091
Environment provision	**399**	399
Transition & separation services provision	**8,300**	8,300
Unaccounted for gas	**10,725**	-
Other employee benefits	**3,743**	169
	33,184	16,793
Non-current		
Environmental provision	**4,130**	3,129
Decommissioning provision	**31,431**	20,417
Long service leave	**659**	1,001
Transition services provision	**-**	8,300
	36,220	32,847

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current										
Other	**-**	**-**	**361**	**-**	**-**	-	-	-	-	-
	-	**-**	**361**	**-**	**-**	-	-	-	-	-
Non-current										
Decommissioning provision	**-**	**-**	**3,068**	**-**	**-**	-	-	-	-	-
	-	**-**	**3,068**	**-**	**-**	-	-	-	-	-

18 Provisions (continued)

Decommissioning provision

DBP has a legislative obligation to purge and seal the pipeline on retirement of the asset, together with the abandonment of associated above ground facilities. The cost of carrying out this restoration work (based on satisfying the minimum obligation) has been estimated at $77.3 million. This estimate has been discounted back at the risk free rate to provide a best estimate of the provision in the Balance Sheet. Property, plant and equipment is grossed up by this amount and depreciated over the remaining life of the asset, while the provision is escalated to unwind the discount over the remaining life of the asset.

Environmental provision

United Energy and Multinet provide for environmental management costs to ensure compliance with environmental management principles using ISO 14001 and The Environmental Protection Act 1970 of Victoria.

Transition services provision

United Energy has previously entered into contracts associated with the transition of service providers. A remaining payment of $8.3 million is expected to be made in September 2013.

Unaccounted for gas

Multinet Gas has made a provision for the estimated unaccounted for gas liability to 30 June 2013, over and above that which is expected to be recovered in its regulatory-approved tariffs, which represents the cost of gas leakage from the distribution network.

18 Provisions (continued)

Movements in provisions

Movements in each class of provision during the year are set out below:

Year ended 30 June 2013

	Decommissioning Provision $'000	Environmental provision $'000	Other Employee Benefits $'000	Transition services Provision $'000	Unaccounted for gas Provision $'000	Total $'000
Current consolidated						
Carrying amount at 1 July 2012	**-**	**399**	**8,094**	**8,300**	**-**	**16,793**
Additional provisions recognised	**-**	**-**	**8,465**	**8,300**	**10,725**	**27,490**
Transfer of provision	**-**	**-**	**-**	**-**	**-**	**-**
Payments/other sacrifices of economic benefits	**-**	**-**	**(2,799)**	**(8,300)**	**-**	**(11,099)**
Carrying amount at 30 June 2013	**-**	**399**	**13,760**	**8,300**	**10,725**	**33,184**
Non-current consolidated						
Carrying at 1 July 2012	**20,417**	**3,129**	**1,001**	**8,300**	**-**	**32,847**
Additional provisions recognised	**11,014**	**1,001**	**-**	**-**	**-**	**12,015**
Payments/other sacrifices of economic benefits	**-**	**-**	**(342)**	**(8,300)**	**-**	**(8,642)**
Carrying amount at 30 June 2013	**31,431**	**4,130**	**659**	**-**	**-**	**36,220**

Year ended 30 June 2012

	Decommissioning Provision $'000	Environmental provision $'000	Other Employee Benefits $'000	Transition services Provision $'000	Total $'000
Current consolidated					
Carrying amount at 1 July 2011	-	399	9,369	-	9,768
Additional provisions recognised	-	-	3,998	8,300	12,298
Transfer of provision	-	-	(585)	-	(585)
Payments/other sacrifices of economic benefits	-	-	(4,688)	-	(4,688)
Carrying amount at 30 June 2012	-	399	8,094	8,300	16,793
		-			
Non-current consolidated					
Carrying at 1 July 2011	15,161	3,129	203	8,470	26,963
Additional provisions recognised	5,256	-	798	-	6,054
Payments/other sacrifices of economic benefits	-	-	-	(170)	(170)
Carrying amount at 30 June 2012	20,417	3,129	1,001	8,300	32,847

19 Other Liabilities

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Current		
Unearned revenue	28,780	37,485
Current tax liabilities	29	281
Total current	28,809	37,766
Non-Current		
Unearned revenue	21,897	22,316
Total non current	21,897	22,316

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL Group 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Current										
Unearned revenue	-	-	105	-	-	-	-	-	-	-
Current tax liabilities	-	-	49	17	15	-	-	-	-	-
Total current	-	-	154	17	15	-	-	-	-	-
Non-Current										
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total non current	-	-	-	-	-	-	-	-	-	-

20 Deferred Tax Liabilities

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
The balance comprises temporary difference attributable to:		
Amounts recognised in profit or loss		
Borrowing costs	**440**	425
Property, Plant and equipment	**625,544**	606,665
Intellectual property	**5,133**	5,236
Intangibles	**4,755**	1,947
Licence	**51,457**	51,457
Cash flow hedges and hedged interest bearing liabilities	**23,135**	37,139
Other	**565**	8
	711,029	702,877
Retirement benefits reserve recognised directly in equity	**712**	712
Cash flow hedges recognised directly in equity	**5,810**	(1,258)
	717,551	702,331
Set - off deferred tax liabilities pursuant to set off provisions (Note 13)	**(200,005)**	(221,543)
Net deferred tax liabilities	**517,546**	480,788
Movements:		
Opening Balance at 1 July	**480,788**	508,777
Charged /(credited) to the Income Statement (Note 3)	**21,437**	(22,160)
Acquisition of subsidiaries	**101**	-
Charged /(credited) to equity	**15,220**	(5,829)
Closing balance 30 June	**517,546**	480,788
Deferred tax liabilities to be recovered after more than 12 months	**517,546**	480,788
	517,546	480,788

20 Deferred Tax Liabilities (continued)

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
The balance comprises temporary difference attributable to:										
Amounts recognised in profit or loss										
Property, Plant and equipment	-	-	862	-	-	-	-	-	-	-
Intellectual property	-	-	-	-	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-	-	-	-	-
Cash flow hedges and hedged interest bearing liabilities	-	-	-	-	-	-	-	-	-	-
Other	-	-	12	**50**	**50**	-	-	-	17	17
	-	-	874	**50**	**50**	-	-	-	17	17
Retirement benefits reserve recognised directly in equity	-	-	-	**-**	**-**	-	-	-	-	-
Cash flow hedges recognised directly in equity	-	-	-	**-**	**-**	-	-	-	-	-
	-	-	-	**-**	**-**	-	-	-	-	-
Set - off deferred tax liabilities pursuant to set off provisions (Note 14)	-	-	(874)	**-**	**-**	-	-	-	-	-
Net deferred tax liabilities	-	-	-	**50**	**50**	-	-	-	17	17
Movements:										
Opening Balance at 1 July	-	-	-	**-**	**-**	-	-	-	18	18
Charged /(credited) to the Income Statement (Note 3)	-	-	-	**-**	**-**	-	-	-	(1)	(1)
Acquisition of subsidiaries				**50**	**50**	-	-	-	-	-
Charged /(credited) to equity	-	-	-	**-**	**-**	-	-	-	-	-
Closing balance 30 June	-	-	-	**50**	**50**	-	-	-	17	17
Deferred tax liabilities to be recovered after more than 12 months	-	-	-	**50**	**50**	-	-	-	-	-
	-	-	-	**50**	**50**	-	-	-	17	17

21 Retirement Benefit Obligations

During the 30 June 2012 financial year UE & Multinet Pty Ltd ("UEM") (formerly Energy Retail Holdings Pty Ltd) was established to act as the employment vehicle for all United Energy and Multinet Gas employees. UEM commenced trading on 1 October 2011. As part of the commencement of its operations UEM took on responsibility for a defined benefit plan for certain employees that transitioned to UEM from Jemena.

The following sets out details in respect of the defined benefit plan only.

(a) Defined Benefit Employee Superannuation Plan

The Retirement Benefits Fund (RBF) is a defined benefit fund which pays lump sum and pension benefits to members upon retirement (most of which are calculated as a multiple of the member's final average salary). The RBF has Contributory members, Compulsory Preserved members and pensioners.

This actuarial assessment has been provided by Mercer in a report dated 24 June 2013.

Actuarial Assumptions

	30 June 13	30 June 12
Discount rate	3.4% pa	3.1% pa
Salary increase rate	4.0% pa	5.0% pa
Contributions tax rate	15.0%	15.0%

(b) Balance sheet amounts

The amounts recognised in the Balance Sheet are determined as follows:

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000	DUET Group 30 Jun 11 $'000	DUET Group 30 Jun 10 $'000	DUET Group 30 Jun 09 $'000	DUET Group 30 Jun 08 $'000
Defined Benefit Obligation	**17,455**	13,359	-	-	-	-
Fair value of defined benefit plan assets	**14,631**	9,081	-	-	-	-
Net liability in the Balance Sheet	**2,824**	4,278	-	-	-	-
Adjustment for asset ceiling	**-**	-	-	-	-	-
Net liability/(asset)	**2,824**	4,278	-	-	-	-

(c) Profit and Loss impact

Financial Period ending	**30 June 13 $'000**	30 June 12 $'000
Current Service cost	**462**	288
Net Interest	**108**	60
Defined Benefit Cost	**570**	348

21 Retirement Benefit Obligations (continued)

(d) Fair value of plan assets

Asset category As at 30 June 2013	Total $'000	Quoted prices in active markets $'000	No Quoted prices in active markets $'000
Investment Funds	**14,631**	**-**	**14,631**
Total	**14,631**	**-**	**14,631**
As at 30 June 2012			
Investment Funds	9,081	-	9,081
Total	9,081	-	9,081

The percentage invested in each asset class at the reporting date is:

As at	**30 June 13**	30 June 12
Australian Equity	**30%**	35%
International Equity	**29%**	27%
Fixed Income	**10%**	11%
Property	**9%**	10%
Growth Alternatives	**8%**	8%
Defensive Alternatives	**7%**	2%
Cash	**7%**	7%

(e) Reconciliation of the fair value of plan assets

Financial Period ending	**30 June 13 $'000**	30 June 12 $'000
Fair value of plan assets at beginning of the year	**9,081**	8,383
(+) Interest income	**274**	266
(+) Actual return on plan assets less interest income	**1,442**	75
(+) Company contributions	**483**	330
(+) Contributions by plan participants	**151**	106
(-) Taxes, premiums & expenses paid	**(152)**	(79)
(+) Transfers in	**3,352**	-
Fair value of plan assets at end of the year	**14,631**	9,081

(f) Reconciliation of the defined benefit obligation

Financial Period ending	**30 June 13 $'000**	30 June 12 $'000
Present value of defined benefit obligations at beginning of the year	**13,359**	10,759
(+) Current service cost	**462**	288
(+) Interest expense	**382**	326
(+) Contributions by plan participants	**151**	106
(+) Actuarial (gains)/losses arising from changes in financial assumptions	**(2,269)**	1,800
(+) Actuarial (gains)/losses arising from experience	**2,170**	159
(-) Taxes, premiums & expenses paid	**(152)**	(79)
(+) Transfers in	**3,352**	-
Present value of defined benefit obligations at end of the year	**17,455**	13,359

(g) Other comprehensive income

Financial Period ending	**30 June 13 $'000**	30 June 12 $'000
Actuarial (gains)/losses	**(99)**	1,959
(Excess)/shortfall return on plan assets	**(1,442)**	(75)
Defined benefit cost recognised in other comprehensive income	**(1,541)**	1,884

22 Other Non-Controlling Interest

Non-Controlling Interest Classified as Equity

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Interest in:		
Share Capital	**327,334**	302,558
Retained losses	**(97,123)**	(74,400)
Reserves	**(40,673)**	(36,321)
Total	**189,538**	191,837

23 Contributed Equity

(a) Ordinary Equity

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
On issue at the beginning of the year	**2,230,835**	1,932,225
Capital raised from entitlement offer	**-**	276,542
Less transaction costs	**-**	(10,150)
DRP on 14 February 2012	**-**	32,218
DRP on 14 August 2012	**13,310**	-
DRP on 12 February 2013	**23,870**	-
Return of capital	**(10,864)**	-
Equity issued	**92,864**	-
On issue at the end of the year	**2,350,015**	2,230,835

	DFT 30 Jun 13 $'000	DUET3 30 Jun 13 $'000	DIHL 30 Jun 13 $'000	DMC1 30 Jun 13 $'000	DFL 30 Jun 13 $'000	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
On issue at the beginning of the year	**997,712**	**338,214**	**244,578**	**14,465**	**14,465**	861,476	305,544	211,318	14,465	14,465
Equity issued	**37,058**	**9,306**	**9,837**	**5,432**	**5,432**	-	-	-	-	-
DRP on 14 August 2012	**5,995**	**1,499**	**1,637**	**-**	**-**	-	-	-	-	-
DRP on 12 February 2013	**10,752**	**2,463**	**2,846**	**53**	**54**	-	-	-	-	-
Return of capital	**-**	**-**	**(10,864)**	**(14,465)**	**(14,465)**	-	-	-	-	-
Capital raised from entitlement offer	**-**	**-**	**-**	**-**	**-**	126,037	30,357	31,200	-	-
Less transaction costs	**-**	**-**	**-**	**-**	**-**	(4,643)	(1,141)	(1,109)	-	-
DRP on 14 February 2012	**-**	**-**	**-**	**-**	**-**	14,842	3,454	3,169	-	-
On issue at the end of the year	**1,051,517**	**351,482**	**248,034**	**5,485**	**5,486**	997,712	338,214	244,578	14,465	14,465

23 Contributed Equity (continued)

(a) Ordinary Equity

	DUET Group 1 Jul 12 - 30 Jun 13 Number of stapled securities ’000	DUET Group 1 Jul 11 - 30 Jun 12 Number of stapled securities ’000
On issue at the beginning of the year	**1,109,831**	909,693
Institutional component of entitlement offer – 23 August 2011	**-**	116,306
Retail component of entitlement offer – 1 September 2011	**-**	65,629
DRP on 14 February 2012	**-**	18,203
DRP on 14 August 2012	**6,807**	-
Shares issued – 4 December 2012	**41,578**	-
DRP on 12 February 2013	**11,098**	-
On issue at the end of the year	**1,169,314**	1,109,831

	DFT 1 Jul 12 - 30 Jun 13 Number of stapled securities ’000	**DUET2 1 Jul 12 -30 Jun 13 Number of stapled securities ’000**	**DUET3 1 Jul 12 -30 Jun 13 Number of stapled securities ’000**	**DIHL 1 Jul 12 -30 Jun 13 Number of stapled securities ’000**	**DMC1 1 Jul 12 -30 Jun 13 Number of stapled securities ’000**	**DFL 1 Jul 12 -30 Jun 13 Number of stapled securities ’000**	DUET1 1 Jul 11 -30 Jun 12 Number of stapled securities ’000	DFT 1 Jul 11 -30 Jun 12 Number of stapled securities ’000	DUET3 1 Jul 11 -30 Jun 12 Number of stapled securities ’000	DIHL 1 Jul 11 -30 Jun 12 Number of stapled securities ’000	DMC1 1 Jul 12 -30 Jun 13 Number of shares ’000	DFL 1 Jul 12 -30 Jun 13 Number of shares ’000
On issue at the beginning of the year	**1,109,831**	**1,109,831**	**1,109,831**	**1,109,831**	**-**	**-**	909,693	909,693	909,693	909,693	14,465	14,165
Institutional component of entitlement offer – 23 August 2011	**-**	**-**	**-**	**-**	**-**	**-**	116,306	116,306	116,306	116,306	-	-
Retail component of entitlement offer – 1 September 2011	**-**	**-**	**-**	**-**	**-**	**-**	65,629	65,629	65,629	65,629	-	-
DRP on 14 February 2012	**-**	**-**	**-**	**-**	**-**	**-**	18,203	18,203	18,203	18,203	-	-
DRP on 14 August 2012	**6,807**	**6,807**	**6,807**	**6,807**	**-**	**-**	-	-	-	-	-	-
Shares issued – 4 December 2012	**41,578**	**41,578**	**41,578**	**41,578**	**1,158,216**	**1,158,216**	-	-	-	-	-	-
DRP on 12 February 2013	**11,098**	**11,098**	**11,098**	**11,098**	**11,098**	**11,098**	-	-	-	-	-	-
On issue at the end of the year	**1,169,314**	**1,169,314**	**1,169,314**	**1,169,314**	**1,169,314**	**1,169,314**	1,109,831	1,109,831	1,109,831	1,109,831	-	-

23 Contributed Equity (continued)

(b) Ordinary units in DUET1, DFT, DUET3 and ordinary shares in DIHL

Each fully paid stapled security confers the right to vote at meetings of security holders, subject to any voting restrictions imposed on a security holder under the Corporations Act 2001 and the Listing Rules. On a show of hands, every security holder present in person or by proxy has one vote. On a poll, every security holder who is present in person or by proxy has one vote for each dollar of the value of the total interest they have in DUET1, DFT, DUET3, and one vote for each share in respect of DIHL, DMC1 and DFL.

24 Reserves

Nature and purpose of Reserves

(i) Hedging Reserve

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in Note 1(z). Amounts are recognised in the profit or loss when the associated hedged transaction affects the profit or loss.

(ii) Foreign Currency Translation Reserve

The Foreign Currency Translation Reserve is used to record exchange differences arising on translation of a foreign associate investment. The reserve is recognised in the profit and loss when the associate is disposed of.

(iii) Capital Reserve

The Capital Reserve is used to hold the accumulated loss of the trusts within DUET Group.

(iv) Other Reserve

The Other Reserve is used to record transactions between equity holders, share of associates’ other reserve and available for sale reserve.

25 Retained Profits / (Accumulated Losses)

	DUET Group 1 Jul 12 -30 Jun 13 $'000	DUET Group 1 Jul 11 -30 Jun 12 $'000
Balance at 1 July	**(204,763)**	(209,585)
Profit/(Loss) attributable to security holders	**(10,774)**	77,432
Distribution provided for or paid	**(80,009)**	(72,160)
Transfer from reserves	**(4,586)**	(450)
Transfer from Capital Reserve	**-**	-
Balance at the end of the year	**(300,132)**	(204,763)

	DFT 1 Jul 12 -30 Jun 13 $'000	**DUET3 1 Jul 12 -30 Jun 13 $'000**	**DIHL 1 Jul 12 -30 Jun 13 $'000**	**DMC1 1 Jul 12 -30 Jun 13 $'000**	**DFL 1 Jul 12 -30 Jun 13 $'000**	DFT 1 Jul 11 -30 Jun 12 $'000	DUET3 1 Jul 11 -30 Jun 12 $'000	DIHL 1 Jul 11 -30 Jun 12 $'000	DMC1 1 Jul 11 -30 Jun 12 $'000	DFL 1 Jul 11 -30 Jun 12 $'000
Balance at 1 July	**-**	**4,333**	**(125,822)**	**1,019**	**997**	-	-	(84,204)	1,313	1,341
Profit/(Loss) attributable to security holders	**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,617	(41,618)	(294)	(344)
Distribution provided for or paid	**(89,154)**	**(22,858)**	**-**	**(1,422)**	**(1,570)**	(87,270)	(16,284)	-	-	-
Transfer from Capital Reserve	**49,446**	**11,867**	**-**	**-**	**-**	96,152	-	-	-	-
Balance at the end of the year	**-**	**-**	**(155,799)**	**107**	**101**	-	4,333	(125,822)	1,019	997

26 Investments in Controlled Entities

DUET Group	Year end	Country of incorporation	Class of shares / units	Equity holding 30 June 2013 %*	Equity holding 30 June 2012 %*
Name of entity					
Amistel Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Australia Energy Finance Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Australian Energy Fund No.2	30 June	Australia	Ordinary	100.0	100.0
Energy Partnership (Gas) Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Energy Partnership (Holdings) Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Energy Partnership Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Multinet Gas (DB No1) Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Multinet Gas (DB No2) Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Multinet Gas Distribution Partnership	30 June	Australia	Ordinary	100.0	100.0
Multinet Gas (IE) Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Multinet Group Holdings Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Power Partnership Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
UEIP Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
United Energy Distribution Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
United Energy Distribution Holdings Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
United Energy Finance Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
United Energy Finance Trust	30 June	Australia	Ordinary	66.0	66.0
United Nominee Assets Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
Utilicorp Australia (Gas) Finance Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Utilicorp Australia (Gas) Holdings Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Utilicorp Southern Cross Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
Utilities Consulting Service Pty Ltd	30 June	Australia	Ordinary	66.0	66.0
UE & Multinet Pty Ltd (formerly Energy Retail Holdings Pty Ltd)	30 June	Australia	Ordinary	83.0	83.0
Dampier Bunbury Investment Company Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
DUET Dampier Bunbury Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
DBNGP Trust	30 June	Australia	Ordinary	81.1	81.9
DBNGP Holdings Pty Ltd	30 June	Australia	Ordinary	81.1	81.9
DBNGP Finance Company Pty Ltd	30 June	Australia	Ordinary	81.1	81.9
DBNGP WA Pipeline Trust	30 June	Australia	Ordinary	81.1	81.9
DBNGP (WA) Nominees Pty Ltd	30 June	Australia	Ordinary	81.1	81.9
DBNGP (WA) Transmission Pty Ltd	30 June	Australia	Ordinary	81.1	81.9
DBNGP Compressor Co. Pty Ltd	30 June	Australia	Ordinary	81.1	81.9
DBNGP (WA) Finance Pty Ltd	30 June	Australia	Ordinary	81.1	81.9
DBP Services Co Pty Ltd	30 June	Australia	Ordinary	100.0	80.0
DBP Services Trust	30 June	Australia	Ordinary	100.0	80.0
DBP Services Co Nominees Pty Ltd	30 June	Australia	Ordinary	100.0	80.0
DUET 2008 Debt Funding Trust	30 June	Australia	Ordinary	100.0	100.0
AEF2 Management Company Pty Limited	30 June	Australia	Ordinary	100.0	-
DIHL 2 Limited	30 June	Australia	Ordinary	100.0	-

* The equity holding is the equity holding of DUET Group. DUET1, as the deemed parent of the Group, is the deemed parent of these entities.

26 Investments in Controlled Entities (continued)

DIHL Group	Year end	Country of incorporation	Class of shares / units	Equity holding 30 June 2013 %*	Equity holding 30 June 2012 %*
Name of entity					
Dampier Bunbury Investment Company Pty Ltd	30 June	Australia	Ordinary	100.0	100.0
DBP Services Co Pty Ltd	30 June	Australia	Ordinary	100.0	20.0
DBP Services Trust	30 June	Australia	Ordinary	100.0	20.0
DBP Services Co Nominees Pty Ltd	30 June	Australia	Ordinary	100.0	20.0
AEF2 Management Company Pty Limited	30 June	Australia	Ordinary	100.0	-
DIHL 2 Limited	30 June	Australia	Ordinary	100.0	-

DFT, DUET3, DMC1 and DFL have no subsidiaries.

27 Earnings per Security

(a) Basic earnings per stapled security

	DUET Group As at 30 Jun 13 '000	DUET Group As at 30 Jun 12 '000
Basic earnings per stapled security[(1)]	**(0.94)c**	7.23c
Earnings used in calculation of basic earnings per stapled security[(1)]	**(10,774)**	77,432
Weighted average number of stapled securities used in calculating basic earnings per stapled security	**1,143,852**	1,070,532

[(1)] DUET earnings per share include earnings of DUET1 only and has been calculated in accordance with *AASB 133 Earnings per Share*. DUET1 was identified as parent of DUET on transition to AIFRS.

	DFT 1 Jul 12 -30 Jun 13 $'000	**DUET3 1 Jul 12 -30 Jun 13 $'000**	**DIHL 1 Jul 12 -30 Jun 13 $'000**	**DMC1 1 Jul 12 -30 Jun 13 $'000**	**DFL 1 Jul 12 -30 Jun 13 $'000**	DFT 1 Jul 11 -30 Jun 12 $'000	DUET3 1 Jul 11 -30 Jun 12 $'000	DIHL 1 Jul 11 -30 Jun 12 $'000	DMC1 1 Jul 11 -30 Jun 12 $'000	DFL 1 Jul 11 -30 Jun 12 $'000
Basic earnings per stapled security	**3.47**	**0.58**	**(2.62)**	**-**	**-**	(0.83)c	1.93c	(3.89)c	(0.02)	(0.02)
Earnings used in calculation of basic earnings per stapled security	**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,618	(41,618)	(294)	(344)
Weighted average number of stapled securities used in calculating basic earnings per stapled security	**1,143,852**	**1,143,852**	**1,143,852**	**1,143,852**	**1,143,852**	1,070,532	1,070,532	1,070,532	14,465	14,465

No diluted impact in 30 June 2013 or 30 June 2012.

27 Earnings per Security (continued)

(b) Reconciliation of earnings used in calculating basic earnings per stapled security

	DUET Group As at 30 Jun 13 $'000	DUET Group As at 30 Jun 12 $'000
Basic earnings per stapled security		
Profit/(Loss) for the year	**19,593**	43,997
(Profit)/Loss for the year attributable to non-controlling interests	**(30,367)**	33,435
Profit/(loss) attributable to the ordinary securityholders of the company used in calculating basic earnings per stapled security[1]	**(10,774)**	77,432

[1] DUET earnings per share include earnings of DUET1 only and has been calculated in accordance with *AASB 133 Earnings per Share*. DUET1 was identified as parent of DUET on transition to AIFRS.

	DFT 1 Jul 12 -30 Jun 13 $'000	**DUET3 1 Jul 12 -30 Jun 13 $'000**	**DIHL 1 Jul 12 -30 Jun 13 $'000**	**DMC1 1 Jul 12 -30 Jun 13 $'000**	**DFL 1 Jul 12 -30 Jun 13 $'000**	DFT 1 Jul 11 -30 Jun 12 $'000	DUET3 1 Jul 11 -30 Jun 12 $'000	DIHL 1 Jul 11 -30 Jun 12 $'000	DMC1 1 Jul 11 -30 Jun 12 $'000	DFL 1 Jul 11 -30 Jun 12 $'000
Basic earnings per stapled security										
Profit/(Loss) for the year	**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,618	(41,618)	(294)	(344)
(Profit)/Loss for the year attributable to non-controlling interests	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Profit/(loss) attributable to the ordinary securityholders of the company used in calculating basic earnings per stapled security	**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,618	(41,618)	(294)	(344)

No diluted impact in 30 June 2013 or 30 June 2012.

27 Earnings per Security (continued)

(c) Weighted average number of shares used as the denominator

	DUET Group As at 30 Jun 13 ‘000	DUET Group As at 30 Jun 12 ‘000
Weighted average number of stapled securities used as the denominator in calculating basic earnings per stapled security	**1,143,852**	1,070,532

	DFT 1 Jul 12 -30 Jun 13 $’000	**DUET3 1 Jul 12 -30 Jun 13 $’000**	**DIHL 1 Jul 12 -30 Jun 13 $’000**	**DMC1 1 Jul 12 -30 Jun 13 $’000**	**DFL 1 Jul 12 -30 Jun 13 $’000**	DFT 1 Jul 11 -30 Jun 12 $’000	DUET3 1 Jul 11 -30 Jun 12 $’000	DIHL 1 Jul 11 -30 Jun 12 $’000	DMC1 1 Jul 11 -30 Jun 12 $’000	DFL 1 Jul 11 -30 Jun 12 $’000
Weighted average number of stapled securities used as the denominator in calculating basic earnings per stapled security	**1,143,852**	**1,143,852**	**1,143,852**	**1,143,852**	**1,143,852**	1,070,532	1,070,532	1,070,532	14,465	14,465

28 Cash Flow information

(i) Reconciliation of Net Result from Ordinary Activities after Income Tax to Net Cash Flows from Operating Activities

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Net result from ordinary activities after income tax	**19,593**	43,997
Depreciation and amortisation	**253,940**	233,943
Net loss/(profit) on sale of non-current assets	**5,073**	4,551
Net loss/(profit) on sale of associates	**-**	(8,682)
Internalisation costs settled by issue of stapled securities	**81,414**	-
Customer contributions – in kind	**(4,952)**	(623)
Borrowing costs paid	**439,813**	469,535
Foreign exchange	**(12)**	198
Other	**(2)**	(7,637)
Doubtful debts	**4,224**	12,833
Share of associates losses/(profits) not received as dividends	**-**	(6,754)
Change in assets and liabilities		
Decrease/(increase) in receivable	**(50,032)**	(56,964)
(Increase)/decrease in deferred tax asset	**(11,233)**	(22,167)
Decrease/(increase) in other operating assets	**(2,503)**	(5,208)
Increase/(decrease) in payables and accrual	**(29,642)**	49,286
(Decrease)/Increase in deferred tax liability	**36,391**	8,323
Increase/(Decrease) in other provisions	**4,399**	14,070
(Decrease)/increase in derivative financial instruments	**(49,983)**	34,747
Net cash inflow from operating activities	**696,488**	763,448

28 Cash Flow information (continued)

(i) Reconciliation of Net Result from Ordinary Activities after Income Tax to Net Cash Flows from Operating Activities

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Net result from ordinary activities after income tax	**39,708**	**6,658**	**(29,977)**	**510**	**674**	(8,882)	20,617	(41,618)	(294)	(344)
Depreciation and amortisation	**-**	**-**	**176**	**71**	**71**	-	-	-	171	171
Net loss/(profit) on sale of non-current assets	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Internalisation costs settled by issue of stapled securities	**28,242**	**7,090**	**27,000**	**-**	**-**					
Net loss/(profit) on sale of associates	**-**	**-**	**-**	**-**	**-**	(10,811)	(5,905)	41,646	-	-
Customer contributions – in kind	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Borrowing costs paid	**3,622**	**90**	**6,496**	**-**	**-**	2,392	2,246	6,886	-	-
Foreign exchange	**-**	**3**	**3**	**-**	**-**	-	276	(12)	-	-
Other	**-**	**-**	**-**	**-**	**-**	(1,433)	-	(3,654)	-	-
Doubtful debts	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Share of associates losses/(profits) not received as dividends	**7,719**	**-**	**(9,968)**	**-**	**-**	89,906	-	21,307	-	-
Change in assets and liabilities										
Decrease/(increase) in receivable	**1,453**	**564**	**(3,061)**	**10,470**	**13,518**	2,916	1,690	269	(8,198)	(9,951)
(Increase)/decrease in deferred tax asset	**-**	**-**	**-**	**(7)**	**-**	-	-	-	(51)	(73)
Decrease/(increase) in other operating assets	**-**	**-**	**-**	**-**	**-**	-	-	-	(4)	(4)
Increase/(decrease) in payables and accrual	**(6,652)**	**(1,444)**	**(1,040)**	**(10,647)**	**(13,853)**	9,098	2,148	2,553	8,055	9,836
(Decrease)/Increase in deferred tax liability	**-**	**-**	**-**	**50**	**33**	-	-	-	-	-
Increase/(Decrease) in other provisions	**-**	**-**	**-**	**-**	**-**	-	-	-	(8)	(15)
(Decrease)/increase in derivative financial instruments	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
Net cash inflow from operating activities	**74,092**	**12,961**	**(10,371)**	**447**	**443**	83,186	21,072	27,377	(329)	(380)

28 Cash Flow information (continued)

(ii) Reconciliation of Cash Assets

Cash assets at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Cash at bank	**107,517**	205,054
Cash on deposit	**294,664**	38,541
Cash assets	**402,181**	243,595

	DFT 30 Jun 13 $'000	**DUET3 30 Jun 13 $'000**	**DIHL Group 30 Jun 13 $'000**	**DMC1 30 Jun 13 $'000**	**DFL 30 Jun 13 $'000**	DFT 30 Jun 12 $'000	DUET3 30 Jun 12 $'000	DIHL Group 30 Jun 12 $'000	DMC1 30 Jun 12 $'000	DFL 30 Jun 12 $'000
Cash at bank	**8,362**	**11,989**	**11,984**	**5,521**	**5,511**	41,028	21,662	20,356	3,476	3,617
Cash on deposit	**44,114**	**-**	**-**	**-**	**-**	20,252	-	-	-	-
Cash assets	**52,476**	**11,989**	**11,984**	**5,521**	**5,511**	61,280	21,662	20,356	3,476	3,617

(iii) Non-cash investing and financing activities

During the period, stapled securityholders participated in DUET's Distribution and Dividend Reinvestment Plan (DRP). A total of 17,905,312 (2012:18,203,045) new securities were issued under the DRP. The proceeds raised from the issue of these securities was $37,198,648 (2012: $32,218,618) and this amount is not reflected in the Cash Flow Statement on the basis that it has been reinvested in DUET Group securities.

29 Parent Entity Information

(a) DUET1

	DUET1 30 Jun 13 $'000	DUET1 30 Jun 12 $'000
Current assets	**27,629**	40,900
Total assets	**820,215**	792,174
Current liabilities	**244,127**	238,711
Total liabilities	**244,127**	238,711
Net assets	**576,088**	553,463
Contributed equity	**688,010**	650,331
Retained earnings	**(21,598)**	(6,544)
Capital reserve	**(90,324)**	(90,324)
Other reserves	**-**	-
Total equity	**576,088**	553,463
Profit of DUET1	**64,951**	63,196
Total comprehensive income of DUET1	**64,951**	52,239

DUET1 has no guarantees in relation to the debts of any of its subsidiaries.

DUET1 has no contingent liabilities as at 30 June 2013.

(b) DIHL (as parent of DIHL Group)

	DIHL 30 Jun 13 $'000	DIHL 30 Jun 12 $'000
Current assets	**4,482**	4,989
Total assets	**230,364**	226,437
Current liabilities	**3,045**	3,116
Total liabilities	**154,684**	116,262
Net assets	**75,680**	110,175
Contributed equity	**248,034**	244,578
Retained earnings	**(173,550)**	(132,874)
Capital reserve	**-**	-
Other reserves	**1,196**	(1,529)
Total equity	**75,680**	110,175
Profit/(loss) of DIHL	**(40,676)**	(48,671)
Total comprehensive income of DIHL	**(37,951)**	41,386

DIHL has no guarantees in relation to the debts of any of its subsidiaries.

DIHL has no contingent liabilities as at 30 June 2013.

30 Related Party Disclosures

Prior to 4 December 2012, RE1 and RE2 were 50/50 joint ventures between AMP Capital Holdings (AMPCH) and Macquarie Group Limited (MGL). RE1 is the Manager and Responsible Entity of DUET1 and DIHL and RE2 is the Manager and Responsible Entity of DFT and DUET3 respectively.

(a) Key Management Personnel (KMP)

The KMP, at the date of this reports, are as follows:

Non-Executive Directors during the financial year ended 30 June 2013	
Douglas Halley	Chairman – appointed Chairman 4 December 2012
Ron Finlay	Independent Director
Eric Goodwin	Independent Director
Duncan Sutherland	Independent Director
Michael Lee	Independent Director
Emma Stein	Independent Director
Scott Davies	Director – appointed 4 December 2012, resigned 30 June 2013
Philip Garling	Director – resigned 4 December 2012
Michael Bessell	Alternate director – appointed 7 December 2012, resigned 30 June 2013
John Roberts	Director – appointed May 2004 and due to retire at the November 2013 AGM and may be invited to seek re-election at the November 2013 AGM in accordance with the December 2012 internalisation arrangements with Macquarie and AMP Capital.
Shemara Wikramanayake	Alternate director- appointed November 2010 and due to retire at the November 2013 AGM
Executives	
David Bartholomew	Chief Executive Officer
Jason Conroy	Chief Financial Officer

Except as noted, the named persons held their current positions for the whole of the financial year and since the end of the financial year.

The aggregate remuneration paid to KMP is set out below:

	Year ended 30 June 2013 $	Year ended 30 June 2012 $
Short term employment benefits	**2,683,741**	594,852
Post employment benefits	**96,748**	53,300
Total	**2,780,489**	648,152

30 Related Party Disclosures (continued)

(b) Responsible Entities

The base management fees and performance fees, excluding GST, that were paid or payable to the Responsible Entities as compensation are:

	DUET Group $'000	DFT $'000	DUET3 $'000	DIHL $'000
Base management fees				
1 July 2012 – 30 September 2012	**5,826**	**2,630**	**660**	**704**
1 July 2011 – 30 June 2012	19,208	8,742	2,362	2,180
Performance fees				
1 July 2012 –4 December 2012	**-**	**-**	**-**	**-**
1 July 2011 – 30 June 2012	16,231	7,311	1,830	1,995

Base management fees are calculated as 1% per annum of the net investment value on the last day of each quarter. For the year ended 30 June 2013, DMC1 received $2,535,575 (2012: $8,104,559) and DFL received $3,290,389 (2012:$11,103,700).

Following internalisation of management, no performance fees have been incurred in the year ending 30 June 2013 (2012:$16,230,685).

(c) Custodians

Under the terms of the custody agreements with Trust Company Ltd & Perpetual Trustee Co Ltd, fees paid or payable to the custodian by the Group were $197,406 (2012: $204,843).

(d) Other Related Party Transactions

As at 4 December 2012, Macquarie Group and AMP Group ceased to be related parties of the DUET Group as a consequence of the internalisation of DUET's management. However, the related party transactions set out below reflect the entire period to 30 June 2013.

DUET reimbursed MGL $714,812 (2012: $273,731) representing out of pocket expenses incurred by the Responsible Entity/Manager in the performance of its duties. DUET1's share was $205,582 (2012: $50,958), DFT's share was $141,821 (2012: $50,958), DUET3's share was $106,976 (2012: $17,470) and DIHL's share was $260,433 (2012:$154,345).

During the year, DUET has issued 20,789,072 (2012: Nil) stapled securities each to Macquarie Group and AMP Group at price of $1.972 per stapled security aggregating to $82million (2012:$nil) as consideration for internalisation of management.

Also, DUET has paid $1,990,060 (2012:$nil) each to Macquarie Group and AMP Group as a share sale cash payment, being a payment equivalent to the management fee for the period 1 October 2012 to 4 December 2012.

During the year, DUET has paid $3,226,494 (2012:$nil) to Macquarie Group for availability fees and transitional services as approved under internalisation of management.

30 Related Party Disclosures (continued)

(d) Other Related Party Transactions (continued)

During the year, DUET Group paid AMPCI for debt arranging services $1,320,212 (2012:$2,064,004) and transaction advisory fees of $ 2,200,000 (2012:$nil).

During the year, DUET paid to MGL underwriting fees of $Nil (2012:$ 4,400,373), debt arranging services $Nil (2012:$715,391) and transaction advisory fees of $2,200,000 (2012:$ 9,704,739).

DUET hold funds on deposit with Macquarie Bank Limited (MBL) and earns interest on deposits at commercial rates. Interest income from deposits with MBL is included in the determination of net profit from continuing activities for the year.

	DUET Group $'000	DUET2 $'000	DUET3 $'000	DIHL $'000
Interest earned on deposits				
1 July 2012 - 4 December 2012	**579**	**85**	**109**	**243**
1 July 2011 - 30 June 2012	2,255	275	325	274

31 Segment Information

The Directors of the Responsible Entities (DMC1 and DFL) of DUET1, DFT, DUET3 and the Directors of DIHL have determined the operating segments based on the reports reviewed by the chief operating decision maker, being the Boards of DMC1, DFL and DIHL.

The Boards consider the business from the aspect of each of the core portfolio assets and have identified four operating segments during the year. The segments are the investments in Dampier Bunbury Pipeline (DBP), United Energy (UEDH), Multinet Gas (MGH), and DBP Services Co.

The operating segments note discloses performance by individual core–portfolio asset in Australian dollars. The information is presented as DUET's proportionate share of the earnings before interest, tax, depreciation and amortisation ("EBITDA"), EBITDA is a non-IFRS measure. There is no inter-segment revenue.

	DBP $'000	UEDH $'000	MGH $'000	DBP Services Co '000	WAGN [2] $'000	DQE [3] $'000	Total $'000
DUET Group for the 12 months to 30 June 2013							
Total segment revenues	**370,628**	**307,951**	**197,820**	**3,052**	**-**	**-**	**879,451**
Total segment expenses	**(69,782)**	**(98,236)**	**(68,736)**	**(2,631)**	**-**	**-**	**(239,385)**
Proportionate EBITDA [1]	**300,846**	**209,715**	**129,084**	**421**	**-**	**-**	**640,066**
DUET Group for the 12 months to 30 June 2012							
Total segment revenues	366,258	290,700	191,627	-	4,102	76,111	928,798
Total segment expenses	(73,242)	(108,889)	(60,303)	-	(1,441)	(46,688)	(290,563)
Proportionate EBITDA [1]	293,016	181,811	131,324	-	2,661	29,423	638,235
Total proportionate segment assets							
30 June 2013	**3,036,591**	**2,098,281**	**1,420,755**	**6,864**	**-**	**-**	**6,562,491**
30 June 2012	3,111,861	1,803,366	1,382,105	-	-	-	6,297,332
Maintenance capital expenditure							
30 June 2013	**20,030**	**42,247**	**8,191**	**-**	**-**	**-**	**70,468**
30 June 2012	16,909	18,671	7,513	-	176	9,103	52,372
Total proportionate segment liabilities							
30 June 2013	**(2,527,328)**	**(1,958,661)**	**(1,243,271)**	**(5,347)**	**-**	**-**	**(5,734,607)**
30 June 2012	(2,567,888)	(1,664,526)	(1,212,217)	-	-	-	(5,444,631)

(1) Excludes changes in the fair value of derivatives, net foreign exchange gains/losses and actuarial losses on the Duquesne defined benefit pension plan.

(2) Includes share of WAGN EBITDA up until the date of sale on 29 July 2011.

(3) Includes share of Duquesne EBITDA up until the date of sale on 13 September 2011.

31 Segment Information (continued)

	DBP $'000	UEDH $'000	MGH $'000	DBP Services $'000	WAGN $'000	DQE $'000	Corporate $'000	Total $'000
DUET Group for the 12 months to 30 June 2013								
Proportionate EBITDA	**300,846**	**209,715**	**129,084**	**421**	**-**	**-**	**-**	**640,066**
Additional EBITDA from controlled assets [1]	**68,256**	**107,521**	**-**	**21**	**-**	**-**	**-**	**175,798**
Exclude non-controlled assets [2]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Corporate income	**-**	**-**	**-**	**-**	**-**	**-**	**325**	**325**
Corporate expenses	**-**	**-**	**-**	**-**	**-**	**-**	**(16,696)**	**(16,696)**
Equity accounted profits [2]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Gains/(losses) on disposal of associates, net of transaction costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Internalisation related expenses	**-**	**-**	**-**	**-**	**-**	**-**	**(111,243)**	**(111,243)**
Consolidated EBITDA								**688,250**
Controlled Assets								
Interest income	**537**	**2,352**	**272**	**26**	**-**	**-**	**-**	**3,187**
Depreciation and amortisation	**(79,630)**	**(133,827)**	**(40,330)**	**(162)**	**-**	**-**	**-**	**(253,949)**
Finance costs	**(223,773)**	**(147,153)**	**(67,960)**	**(57)**	**-**	**-**	**-**	**(438,943)**
Net fx gains(losses)	**18**	**994**	**-**	**-**	**-**	**-**	**-**	**1,012**
Changes in fair value of derivatives	**16,399**	**25,589**	**6,104**	**-**	**-**	**-**	**-**	**48,092**
Corporate								
Interest income	**-**	**-**	**-**	**-**	**-**	**-**	**3,156**	**3,156**
Depreciation & amortisation	**-**	**-**	**-**	**-**	**-**	**-**	**(13)**	**(13)**
Finance costs	**-**	**-**	**-**	**-**	**-**	**-**	**(938)**	**(938)**
Net foreign exchange gains/(losses)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Eliminations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit before income tax expense								**49,854**

[1] To consolidate 100% of controlled asset EBITDA.
[2] Excludes proportionate EBITDA of associates and includes the equity accounted result.

31 Segment Information (continued)

	DBP $'000	UEDH $'000	MGH $'000	WAGN $'000	DQE $'000	Corporate $'000	Total $'000
DUET Group for the 12 months to 30 June 2012							
Proportionate EBITDA	293,016	181,811	131,324	2,661	29,423	-	638,235
Additional EBITDA from controlled assets (1)	72,762	93,660	2,125	-	-	-	168,547
Exclude non-controlled assets (2)	-	-	-	(2,661)	(29,423)	-	(32,084)
Corporate expenses	-	-	-	-	-	(38,828)	(38,828)
Equity accounted profits (2)	-	-	-	753	6,001	-	6,754
Gains/(losses) on disposal of associates, net of transaction costs	-	-	-	-	-	8,668	8,668
Consolidated EBITDA							751,292
Controlled Assets							
Interest income	2,385	1,368	1,976	-	-	-	5,729
Depreciation and amortisation	(80,925)	(118,794)	(34,206)	-	-	-	(233,925)
Finance costs	(230,478)	(138,749)	(87,641)	-	-	-	(456,868)
Net fx gains(losses)	64	1,780	-	-	-	-	1,844
Changes in fair value of derivatives	1,116	(21,794)	1,456	-	-	-	(19,222)
Non-controlled Assets							
Change in fair value of derivatives	-	-	-	-	-	-	-
Change in defined benefit pension plan	-	-	-	-	-	-	-
Corporate							
Interest income	-	-	-	-	-	12,551	12,551
Depreciation & amortisation	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	(9,041)	(9,041)
Net foreign exchange gains/(losses)	-	-	-	-	-	(262)	(262)
Changes in fair value of derivatives	-	-	-	-	-	-	-
Other Eliminations	-	-	-	-	-	-	(5,770)
Profit before income tax expense							46,328

(1) To consolidate 100% of controlled asset EBITDA.
(2) Excludes proportionate EBITDA of associates and includes the equity accounted result.

31 Segment Information (continued)

A reconciliation of DUET total proportionate segment revenues to total consolidated revenues is provided as follows:

	30 Jun 13 $'000	30 Jun 12 $'000
Segment Revenue	879,451	928,798
Other Revenue	5,763	17,450
Revenue attributable to investments accounted for under the equity method	-	(80,214)
Inter-segment revenue adjustment	(3,992)	-
Carbon Tax adjustment	7,078	-
TUOS adjustment	87,478	72,156
Revenue attributable to non-controlling interest	288,483	281,949
Total revenue from continuing operations	1,264,261	1,220,141

A reconciliation of DUET total proportionate segment assets to total consolidated assets is provided as follows:

	30 Jun 13 $'000	30 Jun 12 $'000
Total proportionate segment assets	6,562,491	6,297,332
Balance of controlled entity assets	1,809,906	1,639,624
Exclude non-controlled assets	-	-
Cash and cash equivalents	125,025	175,150
Derivatives	-	-
Other assets	1,279	107
Receivables	1,223	827
Equity accounted investments	-	-
Intangible assets	1,561	2,020
Deferred tax assets	3,225	2,836
Property, plant and equipment	736	763
Total assets	8,505,446	8,118,659

A reconciliation of DUET total proportionate segment liabilities to total consolidated liabilities is provided as follows:

	30 Jun 13 $'000	30 Jun 12 $'000
Total proportionate segment liabilities	(5,734,607)	(5,444,631)
Balance of controlled entity liabilities	(1,137,854)	(981,215)
Exclude non-controlled liabilities	-	-
Distribution payable	(96,468)	(88,787)
Deferred tax liability	(827)	(721)
Payables	(14,051)	(34,607)
Interest bearing liabilities	405	-
Total liabilities	(6,983,402)	(6,549,961)

31 Segment Information (continued)

DFT

DFT co-owns investments in UEDH, MGH and DBP with DUET1. The Boards consider the business for these three segments on a combined proportionate EBITDA basis. Proportionate earnings for DBP, UEDH and MGH are set out on page 144.

A reconciliation of DFT's proportionate EBITDA to profit before income tax expense is provided as follows:

	DBP $'000	UEDH $'000	MGH $'000	DUET2 $'000	Total $'000
DFT for the 12 months to 30 June 2013					
Proportionate EBITDA	**300,846**	**209,715**	**129,084**	**-**	**639,645**
Exclude non-controlled assets [1]	**(300,846)**	**(209,715)**	**(129,084)**	**-**	**(639,645)**
Corporate income	**-**	**-**	**-**	**79**	**79**
Corporate expenses	**-**	**-**	**-**	**(5,426)**	**(5,426)**
Equity accounted profits [1]	**-**	**4,168**	**5,108**	**-**	**9,276**
Equity accounted profits- Other investments	**-**	**-**	**-**	**398**	**398**
Internalisation related expenses	**-**	**-**	**-**	**(38,331)**	**(38,331)**
Consolidated EBITDA					**(34,004)**
Interest income					**77,335**
Finance costs					**(3,623)**
Changes in fair value of derivatives					**-**
Profit before income tax expense					**39,708**

(1) Excludes proportionate EBITDA of associates and includes the equity accounted share of profits/(losses).

	DBP $'000	UEDH $'000	MGH $'000	WAGN [2] $'000	DUET2 $'000	Total $'000
DFT for the 12 months to 30 June 2012						
Proportionate EBITDA	293,016	181,811	131,324	2,661	-	608,812
Exclude non-controlled assets [1]	(293,016)	(181,811)	(131,324)	(2,661)	-	(608,812)
Corporate income	-	-	-	-	105	105
Corporate expenses	-	-	-	-	(17,229)	(17,229)
Equity accounted profits [1]	-	(10,333)	800	-	(60,000)	(69,533)
Equity accounted profits- Other investments	-	-	-	-	(1,934)	(1,934)
Gain on disposal of WAGN, net of transaction costs	-	-	-	-	10,807	10,807
Consolidated EBITDA						(77,784)
Interest income	-	-	-	-	71,296	71,296
Finance costs	-	-	-	-	(2,394)	(2,394)
Changes in fair value of derivatives	-	-	-	-	-	-
Profit before income tax expense						(8,882)

(1) Excludes proportionate EBITDA of associates and includes the equity accounted share of profits/(losses).

(2) Includes share of WAGN EBITDA up until the date of sale on 29 July 2011.

31 Segment Information (continued)

DUET3

DUET3 holds a hybrid instrument with MGH. Proportionate earnings for MGH are set out on page 144.

A reconciliation of DUET3's proportionate EBITDA to profit before income tax expense is provided as follows:

	MGH $'000	**DUET3 $'000**	**Total $'000**
DUET3 for the 12 months to 30 June 2013			
Proportionate EBITDA	**129,084**	**-**	**129,084**
Exclude non-controlled assets [1]	**(129,084)**	**-**	**(129,084)**
Corporate expenses	**-**	**(1,858)**	**(1,858)**
Internalisation related expenses	**-**	**(11,245)**	**(11,245)**
Net gain on disposal of Promissory Note	**-**	**-**	**-**
Consolidated EBITDA			**(13,103)**
DQE Promissory note interest			
Interest income	**-**	**19,852**	**19,852**
Finance costs	**-**	**(91)**	**(91)**
Foreign exchange gains	**-**	**-**	**-**
Changes in fair value of derivatives	**-**	**-**	**-**
Profit before income tax expense			**6,658**

(1) Excludes proportionate EBITDA of non-controlled assets.

	MGH $'000	DQE [2] $'000	DUET3 $'000	Total $'000
DUET3 for the 12 months to 30 June 2012				
Proportionate EBITDA	131,324	29,423	-	160,747
Exclude non-controlled assets [1]	(131,324)	(29,423)	-	(160,747)
Corporate expenses	-	-	(5,531)	(5,531)
Net gain on disposal of Promissory Note	-	-	5,901	5,901
Consolidated EBITDA				370
DQE Promissory note interest	-	-	-	-
Interest income	-	-	22,896	22,896
Finance costs	-	-	(2,248)	(2,248)
Foreign exchange gains	-	-	-	-
Changes in fair value of derivatives	-	-	-	-
Profit before income tax expense				21,018

(1) Excludes proportionate EBITDA of non-controlled assets.
(2) Includes share of Duquesne EBITDA up until the date of sale on 13 September 2011.

31 Segment Information (continued)

DIHL Group

Proportionate earnings for MGH, DBP and DBP Services Co are set out on page 144.

A reconciliation of DIHL Group's proportionate EBITDA to profit before income tax expense is provided as follows:

	MGH $'000	**DBP $'000**	**DBP Services $'000**	**DIHL Group $'000**	**Total $'000**
DIHL for the 12 months to 30 June 2013					
Proportionate EBITDA	**129,084**	**300,846**	**-**	**-**	**429,930**
Exclude non-controlled assets [(1)]	**(129,084)**	**(300,846)**	**-**	**-**	**(429,930)**
Corporate income	**-**	**-**	**-**	**6,896**	**6,896**
Corporate expenses	**-**	**-**	**-**	**(8,362)**	**(8,362)**
Equity accounted profits [(1)]	**2,570**	**11,113**	**(929)**	**-**	**12,754**
Internalisation related expenses	**-**	**-**	**-**	**(34,902)**	**(34,902)**
Loss on disposal of DQE, net of reserves & transaction costs	**-**	**-**	**-**	**-**	**-**
Consolidated EBITDA					**(23,614)**
Interest income	**-**	**-**	**-**	**424**	**424**
Finance costs	**-**	**-**	**-**	**(6,558)**	**(6,558)**
Depreciation & amortisation	**-**	**-**	**-**	**(176)**	**(176)**
Foreign exchange gains	**-**	**-**	**-**	**-**	**-**
Changes in fair value of derivatives – DQE	**-**	**-**	**-**	**-**	**-**
Changes in defined benefit pension plan – DQE	**-**	**-**	**-**	**-**	**-**
Loss before income tax expense					**(29,924)**

(1) Excludes proportionate EBITDA of associates and includes the equity accounted share of profits/(losses).

	MGH $'000	DBP $'000	DQE $'000	DIHL Group $'000	Total $'000
DIHL for the 12 months to 30 June 2012					
Proportionate EBITDA	131,324	293,016	29,423	-	453,763
Exclude non-controlled assets [(1)]	(131,324)	(293,016)	(29,423)	-	(453,763)
Corporate income	-	-	-	69	69
Corporate expenses	-	-	-	(5,220)	(5,220)
Equity accounted profits [(1)]	(1,314)	7,864	6,001	-	11,551
Loss on disposal of DQE, net of reserves & transaction costs	-	-	-	(41,649)	(41,649)
Consolidated EBITDA					(35,249)
Interest income	-	-	-	488	488
Finance costs	-	-	-	(6,889)	(6,889)
Foreign exchange gains	-	-	-	32	32
Changes in fair value of derivatives – DQE	-	-	-	-	-
Changes in defined benefit pension plan – DQE	-	-	-	-	-
Loss before income tax expense					(41,618)

(1) Excludes proportionate EBITDA of associates and includes the equity accounted share of profits/(losses).
((2) Includes share of Duquesne EBITDA up until the date of sale on 13 September 2011.

DMC1 and DFL

The chief operating decision maker of DMC1 and DFL reviews AIFRS financial information as presented in this report.

32 Financial Risk Management

DUET Group's activities expose it to a variety of financial risks; market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts, consumer price index swaps and interest rate swaps to hedge certain risk exposures.

Risk management is carried out by the subsidiaries under policies approved by their respective Board of Directors. The subsidiaries' treasury activities are undertaken by service providers but management of each subsidiary must approve all transactions. AMPCI, the front office service provider to the Group, arranges all transactions in line with the board established policy and the back and middle office service provider to the Group ensures compliance with the approved polices. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risk, use of derivative financial instruments and investing excess liquidity.

The Group manages its capital to ensure that entities in the Group are adequately supported in growth initiatives while maximising the return to security holders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged from 2012.

The capital structure of the Group consists of net debt (interest bearing liabilities as detailed in Note 17 offset by cash and cash equivalents) and equity of the Group (comprising contributed equity, reserves, retained profits/(accumulated losses) and other non-controlling interest as detailed in Notes 22 to 25). The Group is subject to bank covenants related to interest and gearing coverage ratios.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised monetary assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group operates predominantly within Australia and is exposed to foreign exchange risk arising from currency exposures to the USD on borrowings. Cross currency swaps are used to manage the foreign exchange risk and the Group's policy is to hedge 100% of this risk for the life of the transaction.

DBP enters into procurement contracts with international counterparties and is exposed to foreign exchange risk arising from currency exposures predominantly in USD. Forward contracts are used to manage this risk. DBP's policy is to consider a hedging strategy for all foreign exchange transactions above AUD$500,000 equivalent.

United Energy and Multinet are exposed to foreign exchange risk arising from currency exposures to the USD on borrowings. Cross currency swaps are used to manage the foreign exchange risk.

(ii) Price risk

The Group is exposed to revenue price risk through United Energy and Multinet and DBP from 2016. The nature of their business environments means that an Independent Regulator sets tariff prices. The tariff price path includes annual revenue growth that is derived from annual CPI. Management of each business assess this risk on an ongoing basis. Multinet has fully hedged their price risk by entering into CPI revenue swaps.

The Group is exposed to commodity price risk through DBP. The exposure is indirect and arises from the impact of commodity prices on the Western Australian economy. The exposure is assessed by DBP's management on an ongoing basis, with any initiatives (to the extent that they exist) put to DBP's Board of Directors as appropriate. Commodity price risk is not included in the sensitivity analysis.

32 Financial Risk Management (continued)

(iii) Fair value interest rate risk

Refer to Note 32(d).

(b) Credit risk

Potential areas of credit risk consist of cash and cash equivalents, accounts receivable, derivative financial instruments and credit exposures to committed transactions. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history or sufficient credit support. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution.

Sound credit risk management involves prudently managing the risk and reward relationship and controlling and minimising credit risks across a variety of dimensions, such as quality, concentration, maturity and security. Management determines concentration of risk from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions.

Governments

The credit risk to governments relates to receivables that are due from the Australian Government which is an institution with a strong credit rating.

Financial Institutions

The credit risk to financial institutions relates to cash held by, receivables due from and negotiable certificates of deposit and commercial paper that has been purchased from Australian and OECD banks. In line with the credit risk policies of the Group, these counterparties must meet a minimum investment grade credit rating.

Corporates

The credit risk to corporates includes shareholder funding of the associated entities and services provided to users of the gas and electricity networks of MGH and UEDH and the DBNGP. These counterparties have their own credit ratings which form part of the overall credit risk assessment made by each business.

DUET Group's exposure to credit risk at the reporting date is as follows:

DUET Group	Governments $'000		Financial institutions $'000		Corporates $'000		Total $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Cash and cash equivalents	**-**	-	**402,333**	243,595	**-**	-	**402,333**	243,595
Receivables	**797**	1,663	**22,781**	21,507	**68,422**	64,742	**92,000**	87,912
Other (Financial Derivatives)	**-**	-	**49,572**	2,266	**-**	-	**49,572**	2,266
Total	**797**	1,663	**474,686**	267,368	**68,422**	64,742	**543,905**	333,773

	Governments $'000		Financial institutions $'000		Corporates $'000		Total $'000	
DFT	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12
Cash and cash equivalents	**-**	-	**52,476**	61,280	**-**	-	**52,476**	61,280
Receivables	**178**	717	**-**	-	**819,709**	660,273	**819,887**	660,990
Total	**178**	717	**52,476**	61,280	**819,709**	660,273	**872,363**	722,270

32 Financial Risk Management (continued)

(b) Credit risk (continued)

	Governments $'000		Financial institutions $'000		Corporates $'000		Total $'000	
DUET 3	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12
Cash and cash equivalents	**-**	-	**11,989**	21,662	**-**	-	**11,989**	21,662
Receivables	**74**	212	**-**	-	**258,479**	264,023	**258,553**	264,235
Total	**74**	212	**11,989**	21,662	**258,479**	264,023	**270,542**	285,897

	Governments $'000		Financial institutions $'000		Corporates $'000		Total $'000	
DIHL Group	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12
Cash and cash equivalents	**-**	-	**12,136**	20,356	**-**	-	**12,136**	20,356
Receivables	**362**	187	**-**	-	**614**	17	**976**	204
Total	**362**	187	**12,136**	20,356	**614**	17	**13,112**	20,560

	Governments $'000		Financial institutions $'000		Corporates $'000		Total $'000	
DMC1	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12
Cash and cash equivalents	**-**	-	**5,521**	3,476	**-**	-	**5,521**	3,476
Receivables	**23**	27	**-**	-	**254**	10,019	**277**	10,047
Total	**23**	23	**5,521**	3,476	**254**	10,019	**5,798**	13,523

	Governments $'000		Financial institutions $'000		Corporates $'000		Total $'000	
DFL	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12	**30-Jun-13**	30-Jun-12
Cash and cash equivalents	**-**	-	**5,511**	3,617	**-**	-	**5,511**	3,617
Receivables	**25**	62	**-**	-	**254**	12,983	**279**	13,045
Total	**25**	62	**5,511**	3,617	**254**	12,983	**5,790**	16,662

(c) Liquidity risk

DUET Group maintains sufficient cash and marketable securities, an adequate amount of committed credit facilities and the ability to close-out market positions.

32 Financial Risk Management (continued)

Undiscounted Future Cash Flows

The Group and parent entities have a liquidity management policy which manages liquidity risk by monitoring the stability of funding, surplus cash or near cash assets, anticipated cash inflow and outflows and exposure to connected parties. The tables below set out the contractual maturity of undiscounted future cash flows of the DUET Group and stapled entities liabilities:

DUET Group	Less than 1 year $'000		1-2 years $'000		2-3 years $'000		3-5 years $'000		Greater than 5 years $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Term Notes – fixed rate	**99,950**	434,624	**177,865**	98,025	**922,817**	167,027	**1,346,621**	1,418,928	**-**	705,093
Term Notes – variable rate	**75,292**	29,804	**523,235**	26,680	**18,241**	520,999	**452,253**	25,873	**-**	303,308
Senior Bank Debt	**217,121**	92,170	**571,225**	247,712	**246,733**	575,039	**1,294,523**	857,292	**497,658**	316,077
UEDH -RPS	**23,091**	22,175	**23,091**	22,175	**23,142**	22,175	**46,194**	44,411	**342,452**	337,848
Derivative financial instruments	**133,514**	142,822	**123,062**	131,181	**167,878**	115,590	**580**	205,289	**(14,937)**	48,441
Finance Lease	**1,995**	1,809	**1,878**	1,843	**3,791**	1,878	**3,862**	3,862	**32,031**	30,083
Payables	**332,798**	366,935	**958**	-	**-**	-	**-**	-	**-**	-
	883,761	1,090,339	**1,421,314**	527,616	**1,382,602**	1,402,708	**3,144,033**	2,555,655	**857,204**	1,740,850

DFT	Less than 1 year $'000		1-2 years $'000		2-3 years $'000		3-5 years $'000		Greater than 5 years $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Inter-company loan	**170,577**	80,822	**3,207**	-	**3,216**	-	**6,415**	-	**58,891**	-
Payables	**52,907**	53,055	**-**	-	**-**	-	**-**	-	**-**	-
	223,484	133,877	**3,207**	-	**3,216**	-	**6,415**	-	**58,891**	-

DUET 3	Less than 1 year $'000		1-2 years $'000		2-3 years $'000		3-5 years $'000		Greater than 5 years $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Inter-company loan	**100**	1,700	**-**	-	**-**	-	**-**	-	**-**	-
Payables	**8,351**	19,577	**-**	-	**-**	-	**-**	-	**-**	-
	8,451	21,277	**-**	-	**-**	-	**-**	-	**-**	-

DIHL Group	Less than 1 year $'000		1-2 years $'000		2-3 years $'000		3-5 years $'000		Greater than 5 years $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Inter-company loan	**5,625**	153,920	**5,625**	-	**5,640**	-	**11,250**	-	**110,667**	-
Payables	**14,760**	3,120	**-**	-	**-**	-	**-**	-	**-**	-
	20,385	157,040	**5,625**	-	**5,640**	-	**11,250**	-	**110,667**	-

32 Financial Risk Management (continued)

(c) Liquidity risk (continued)

Undiscounted Future Cash Flows (continued)

DMC1	Less than 1 year $'000		1-2 years $'000		2-3 years $'000		3-5 years $'000		Greater than 5 years $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Payables	**23**	10,454	**-**	-	**-**	-	**-**	-	**-**	-
	23	10,454	**-**	-	**-**	-	**-**	-	**-**	-

DFL	Less than 1 year $'000		1-2 years $'000		2-3 years $'000		3-5 years $'000		Greater than 5 years $'000	
	30 Jun 13	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12	**30 Jun 13**	30 Jun 12
Payables	**23**	13,688	**-**	-	**-**	-	**-**	-	**-**	-
	23	13,688	**-**	-	**-**	-	**-**	-	**-**	-

(d) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is to fix the rates for at least 80% of its borrowings, in line with its facility agreements and/or regulatory periods. This policy has been complied with during the financial year.

The Group manages its cash flow interest rate risk by primarily using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed them at fixed rates directly. Under the interest-rate swaps, the Group agrees with other parties to exchange, at specified intervals to align with the underlying debt reset dates, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principle amounts.

For details of interest rate exposures refer to Note 17 and for details of the Group's interest rate swaps refer to Note 10.

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial liabilities held by the Group is the median ask price. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the Balance Sheet date.

Disclosure which requires disclosure of fair value measurements by level of the following fair value measurements hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (Level 3).

32 Financial Risk Management (continued)

(e) Fair value estimation (continued)

DUET Group	Level 1 30 June 13 $'000	Level 2 30 June 13 $'000	Level 3 30 June 13 $'000	Total 30 June 13 $'000
Financial asset				
Derivatives for hedging	-	49,572	-	49,572
	-	49,572	-	49,572
Financial liability				
Derivatives for hedging	-	(339,141)	-	(339,141)
	-	(339,141)	-	(339,141)

DFT	Level 1 30 June 13 $'000	Level 2 30 June 13 $'000	Level 3 30 June 13 $'000	Total 30 June 13 $'000
Financial asset	-	-	-	-
Financial liability	-	-	-	-
	-	-	-	-

DUET3	Level 1 30 June 13 $'000	Level 2 30 June 13 $'000	Level 3 30 June 13 $'000	Total 30 June 13 $'000
Financial asset	-	-	-	-
Financial liability	-	-	-	-
	-	-	-	-

DIHL Group	Level 1 30 June 13 $'000	Level 2 30 June 13 $'000	Level 3 30 June 13 $'000	Total 30 June 13 $'000
Financial asset	-	-	-	-
Financial liability	-	-	-	-
	-	-	-	-

DMC1	Level 1 30 June 13 $'000	Level 2 30 June 13 $'000	Level 3 30 June 13 $'000	Total 30 June 13 $'000
Financial asset	-	-	-	-
Financial liability	-	-	-	-
	-	-	-	-

DFL	Level 1 30 June 13 $'000	Level 2 30 June 13 $'000	Level 3 30 June 13 $'000	Total 30 June 13 $'000
Financial asset	-	-	-	-
Financial liability	-	-	-	-
	-	-	-	-

32 Financial Risk Management (continued)

(f) Market risk sensitivities

In assessing the sensitivity of foreign exchange risk, management has utilised a +/- 15% (2012: 19%) movement in the Australian dollar. The tables below display the balances for financial instruments that would be recognised in the Income Statement or directly in equity for movement of +/- 15% (2012: 19%) in the Australian dollar. DUET management has determined a +/- 15% (2012: 19%) movement in the Australian dollar to be an appropriate sensitivity following analysis of foreign exchange volatility for relevant currencies. The analysis used the average of three standard deviations from the mean, for each of the last five years to 30 June 2013.

The table below demonstrates the impact of a 15% (2012: 19%) movement of foreign exchange rates against the Australian dollar with all other variables held constant, on profit after tax (due to changes in fair value of currency sensitive monetary assets and liabilities) and equity. It is assumed that the relevant change occurs as at the reporting date. As at 30 June 2013 and 2012 DFT,DUET3,DIHL Group, DMC1 and DFL did not have a significant exposure to foreign exchange risk. The carrying value of financial assets and financial liabilities per the tables below represent the net carrying value of the asset or liability exposed to this specific risk.

		Foreign Exchange Risk			
	Carrying value	15% appreciation of Australian dollar		15% depreciation of Australian dollar	
DUET Group As at 30 June 2013	$'000	P&L $'000	Other Comprehensive Income $'000	P&L $'000	Other Comprehensive Income $'000
Financial Assets					
Cash and cash equivalents	**-**	**-**	**-**	**-**	**-**
Derivative	**1,164**	**-**	**(2,267)**	**-**	**3,178**
Receivables	**-**	**-**	**-**	**-**	**-**
	1,164	**-**	**(2,267)**	**-**	**3,178**
Financial Liabilities					
Loan	**(920,598)**	**76,814**	**-**	**(76,814)**	**-**
Derivatives	**(23,695)**	**(77,028)**	**(218,035)**	**77,114**	**274,629**
	(944,293)	**(214)**	**(218,035)**	**300**	**274,629**

		Foreign Exchange Risk			
	Carrying value	19% appreciation of Australian dollar		19% depreciation of Australian dollar	
DUET Group As at 30 June 2012	$'000	P&L $'000	Other Comprehensiv e Income $'000	P&L $'000	Other Comprehensive Income $'000
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Derivative	-	-	-	-	-
Receivables	-	-	-	-	-
	-	-	-	-	-
Financial Liabilities					
Loan	(828,545)	137,742	-	(137,742)	-
Derivatives	(103,767)	(140,071)	(13,359)	141,113	80,925
	(932,312)	(2,329)	(13,359)	3,371	80,925

32 Financial Risk Management (continued)

(f) Market risk sensitivities

The following table demonstrates the impact of a weighted average 188 basis point (2012: 173 basis point) change in Australian interest rates, with all other variables held constant, on profit after tax and equity. It is assumed that all underlying exposures and related hedges are included in the sensitivity analysis, that the weighted average 188 basis point change occurs as at the reporting date (30 June 2012: 173 basis point) and there are concurrent movements in interest rates and parallel shifts in the yield curves. The impact on equity includes the effective portion of the changes in the fair value of derivatives that are designated to qualify as cash flow hedges. DUET management has determined that a +/- 188 basis point (2012: 173 basis point) movement to be the appropriate sensitivity at 30 June 2013 following analysis of the interest spreads of comparable debt instruments. The analysis used the average of the three standard deviations from the mean, for each of the last five years to 30 June 2012. The carrying value of financial assets and financial liabilities per the tables below represent the net carrying value of the asset or liability exposed to this specific risk.

In assessing interest rate risk, management has assumed the following movements in interest rates:

Interest Rate	Basis Point Movement
AUD BBSW (1 month)	183 basis point
AUD BBSY (3 months)	191 basis point
AUD BBSW (6 months)	192 basis point
USD 10 year government bond	101 basis point
Weighted Average	**188 basis point**

		Interest Rate Risk			
	Carrying value	188 basis point increase in interest rate		188 basis point decrease in interest rate	
DUET Group As at 30 June 2013	$'000	P&L $'000	Equity $'000	P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	**402,181**	**3,637**	**-**	**(3,637)**	**-**
Derivatives	**9,489**	**4,299**	**72,599**	**(4,828)**	**(82,328)**
Receivables	**-**	**-**	**-**	**-**	**-**
	411,670	**7,936**	**72,599**	**(8,465)**	**(82,328)**
Financial Liabilities					
Interest bearing liabilities	**(644,079)**	**(2,614)**	**-**	**1,836**	**-**
Derivatives	**(235,167)**	**23,185**	**150,977**	**(18,469)**	**(164,912)**
	(879,246)	**20,571**	**150,977**	**(16,633)**	**(164,912)**

32 Financial Risk Management (continued)

(f) Market risk sensitivities (continued)

DUET Group As at 30 June 2012	Carrying value $'000	Interest Rate Risk: 173 basis point increase in interest rate P&L $'000	Equity $'000	173 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	243,595	3,981	-	(3,981)	-
Derivatives	-	-	-	-	-
Receivables	19,024	223	-	(223)	-
	262,619	4,204	-	(4,204)	-
Financial Liabilities					
Interest bearing liabilities	(100,598)	(665)	-	665	-
Derivatives	(405,347)	31,549	78,372	(24,908)	(83,918)
	(505,945)	30,884	78,372	(24,243)	(83,918)

DFT As at 30 June 2013	Carrying value $'000	Interest Rate Risk: 188 basis point increase in interest rate P&L $'000	Equity $'000	188 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	**52,476**	**961**	**-**	**(961)**	**-**
Intercompany Loans	**79,488**	**1,524**	**-**	**(1,524)**	**-**
	131,964	**2,485**	**-**	**(2,485)**	**-**
Financial Liabilities					
Inter-company loans	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**

DFT As at 30 June 2012	Carrying value $'000	Interest Rate Risk: 173 basis point increase in interest rate P&L $'000	Equity $'000	173 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	61,280	1,024	-	(1,024)	-
Intercompany Loans	87,983	1,567	-	(1,567)	-
	149,263	2,591	-	(2,591)	-
Financial Liabilities					
Inter-company loans	-	-	-	-	-
	-	-	-	-	-

32 Financial Risk Management (continued)

(f) Market risk sensitivities (continued)

		Interest Rate Risk			
	Carrying value	188 basis point increase in interest rate		188 basis point decrease in interest rate	
DUET 3 As at 30 June 2013	$'000	P&L $'000	Equity $'000	P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	**11,989**	**220**	**-**	**(220)**	**-**
	11,989	**220**	**-**	**(220)**	**-**
Financial Liabilities					
Inter-company loans	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**

		Interest Rate Risk			
	Carrying value	173 basis point increase in interest rate		173 basis point decrease in interest rate	
DUET 3 As at 30 June 2012	$'000	P&L $'000	Equity $'000	P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	21,662	362	-	(362)	-
	21,662	362	-	(362)	-
Financial Liabilities					
Inter-company loans	-	-	-	-	-
	-	-	-	-	-

32 Financial Risk Management (continued)

(f) Market risk sensitivities (continued)

DIHL Group As at 30 June 2013	Carrying value $'000	Interest Rate Risk 188 basis point increase in interest rate P&L $'000	Equity $'000	188 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	**11,984**	**219**	**-**	**(219)**	**-**
	11,984	**219**	**-**	**(219)**	**-**
Financial Liabilities					
Inter-company loans	**(108,672)**	**(2,083)**	**-**	**2,083**	**-**
	(108,672)	**(2,083)**	**-**	**2,083**	**-**

DIHL Group As at 30 June 2012	Carrying value $'000	Interest Rate Risk 173 basis point increase in interest rate P&L $'000	Equity $'000	173 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	20,356	340	-	(340)	-
	20,356	340	-	(340)	-
Financial Liabilities					
Inter-company loans	(113,142)	(2,015)	-	2,015	-
	(113,142)	(2,015)	-	2,015	-

DMC1 As at 30 June 2013	Carrying value $'000	Interest Rate Risk 188 basis point increase in interest rate P&L $'000	Equity $'000	188 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	**5,521**	**101**	**-**	**(101)**	**-**
	5,521	**101**	**-**	**(101)**	**-**
Financial Liabilities					
Inter-company loans	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**

DMC1 As at 30 June 2012	Carrying value $'000	Interest Rate Risk 173 basis point increase in interest rate P&L $'000	Equity $'000	173 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	3,476	58	-	(58)	-
	3,476	58	-	(58)	-
Financial Liabilities					
Inter-company loans	-	-	-	-	-
	-	-	-	-	-

32 Financial Risk Management (continued)

(f) Market risk sensitivities (continued)

DFL As at 30 June 2013	Carrying value $'000	Interest Rate Risk 188 basis point increase in interest rate P&L $'000	Equity $'000	188 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	**5,511**	**101**	**-**	**(101)**	**-**
	5,511	**101**	**-**	**(101)**	**-**
Financial Liabilities					
Inter-company loans	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**

DFL As at 30 June 2012	Carrying value $'000	Interest Rate Risk 173 basis point increase in interest rate P&L $'000	Equity $'000	173 basis point decrease in interest rate P&L $'000	Equity $'000
Financial Assets					
Cash and cash equivalents	3,617	60	-	(60)	-
	3,617	60	-	(60)	-
Financial Liabilities					
Inter-company loans	-	-	-	-	-
	-	-	-	-	-

In assessing price risk, management has assumed a +/- 2.51% (2012: 2.94%) movement in CPI. The below tables display the balances for financial instruments that would be recognised in the Income Statement or directly in equity for a movement of +/- 2.51% (2012: 2.94%). DUET management has determined a +/- 2.51% (2012: 2.94%) movement in prices to be an appropriate sensitivity, based upon the average of the three standard deviations from the mean for CPI for each of the last five year to 30 June 2013.

As at 30 June 2013 and 30 June 2012 DFT, DUET3,DIHL Group, DMC1 and DFL did not have a significant exposure to other price risk.

The carrying value of financial assets and financial liabilities per the tables below represent the net carrying value of the asset or liability exposed to this specific risk.

32 Financial Risk Management (continued)

(f) Market risk sensitivities (continued)

		Other price risk			
	Carrying value	2.51% adverse movements		2.51% positive movements	
DUET Group		P&L	Equity	P&L	Equity
As at 30 June 2013	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Derivatives	**-**	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**	**-**
Financial Liabilities					
Derivatives	**(64,700)**	**(6,673)**	**(66,562)**	**910**	**66,506**
	(64,700)	**(6,673)**	**(66,562)**	**910**	**66,506**

		Other price risk			
	Carrying value	2.94% adverse movements		2.94% positive movements	
DUET Group		P&L	Equity	P&L	Equity
As at 30 June 2012	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Derivatives	-	-	-	-	-
	-	-	-	-	-
Financial Liabilities					
Derivatives	(71,288)	(8,273)	(177,232)	1,535	33,330
	(71,288)	(8,273)	(177,232)	1,535	33,330

33 Critical Accounting Estimates and Judgements

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Estimated impairment of goodwill and indefinite life intangibles

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 1(l). The recoverable amounts of cash generating units have been determined based on value-in-use and fair value less costs to sell calculations. These calculations require the use of assumptions. Refer Note 14 for details of these assumptions and the potential impact of changes to these assumptions.

(b) Derivative financial instruments

The fair values of over-the-counter derivatives are determined using valuations techniques adopted by the Directors with assumptions that are based on market conditions existing at each reporting date.

(c) Income taxes

The Group is subject to income taxes in Australia. Currently the Group has some tax losses available for use that have not been brought to account as deferred tax assets. This is based on an assumption that the use of these losses in the foreseeable future is not probable. If this assumption was to change, the corresponding tax assets may be recognised in the Groups' Balance Sheet. Refer Note 3 for level of current tax losses not recognised.

(d) Significance of inputs in fair value hierarchy

An unobservable valuation input is considered significant if stressing the unobservable input to the valuation model would result in a greater than 10% change in the overall fair value of the instrument.

34 Internalisation of Management

On 31 July 2012, DUET announced that it had reached agreement with AMP Capital and Macquarie Capital Group (Macquarie) to internalise the management of DUET (the Internalisation Proposal).

Securityholders voted in favour of the Internalisation Proposal at the securityholder meeting held on 23 November 2012. The internalisation was implemented on 4 December 2012.

The DUET Group's management is now directly employed by DIHL.

As part of the internalisation, the DUET Group acquired the responsible entities, RE1 and RE2 from AMP Capital and Macquarie and stapled to the previous stapled securities to form a six-stapled structure.

Total consideration of $86.0 million (excl. GST) was paid to AMP Capital and Macquarie. Of the total consideration, $82.0 million was applied by AMP Capital and Macquarie to subscribe for 41,578,144 stapled securities in the DUET Group at $1.972 per stapled security. A share sale cash payment of $4.0 million was also paid, being a payment equivalent to the management fee for the period 1 October 2012 to 4 December 2012.

Refer to the DUET Group Notices of Meeting and Explanatory Memorandum for further information which is available on the DUET Group website.

35 Acquisitions and Disposals

Acquisition of DMC1 and DFL

Upon implementation of the internalisation of management, the DUET Group acquired 100% of the responsible entities, DMC1 and DFL from AMP Capital Holdings Limited and Macquarie Group Limited.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

	DMC1 $'000	DMC2 $'000	TOTAL $'000
Assets			
Cash and cash equivalents	**38**	**44**	**82**
GST receivable	**374**	**472**	**846**
Prepayments	**33**	**33**	**66**
Deferred tax assets	**199**	**271**	**470**
	644	**820**	**1,464**
Liabilities			
Distribution payable	**(100)**	**(137)**	**(237)**
GST payable	**(293)**	**(353)**	**(646)**
	(393)	**(490)**	**(883)**
Total identifiable net assets at fair value	**251**	**330**	**581**

The total internalisation payments paid to Macquarie and AMP Capital included consideration for the fair value of the identifiable asset and liabilities of DMC1 and DFL on the date of acquisition. No goodwill arose on the acquisition of these entities.

Acquisition of additional interest in DBP Services Co

On 26 September 2012, DUET Group acquired the remaining 20% minority interest in the issued capital of DBP Services Co, bringing the DUET Group's aggregated ownership in DBP Services Co to 100%. DUET Group then capitalised DBP Services Co with an equity subscription of $1.2 million to fund certain asset purchases and provide working capital.

36 Commitments for Expenditure

	DUET Group 30 Jun 13 $'000	DUET Group 30 Jun 12 $'000
Capital commitments		
Commitments for the acquisition of major capital assets not shown as a liability		
Within one year	25,494	416,477
Later than one year but not later than five years	-	-
	25,494	416,477
Lease commitments		
Commitments in relation to non-cancellable operating leases are payable as follows:		
Within one year	3,173	-
Later than one year but not later than 5 years	5,865	-
Later than 5 years	5,324	-
	14,362	-
Commitments in relation to finance leases are payable as follows:		
Within one year	1,843	1,809
Later than one year but not later than 5 years	7,725	7,583
Less future finance charges	(16,849)	(17,847)
Later than 5 years	28,097	30,083
	20,816	21,628

37 Contingent Liabilities

The Group had no contingent liabilities at 30 June 2013.

38 Events Occurring After Balance Sheet Date

DUET Group Simplification Proposal

On 31 May 2013, DUET announced the conclusion of the review announced on 31 July 2012 with a proposed simplification of the Group's structure (the Simplification Proposal).

Securityholders voted in favour of the Simplification Proposal at the securityholder meeting held on 18 July 2013. The Simplification Proposal was implemented on 1 August 2013.

The Proposal has reduced the number of stapled entities from six to four and created a corporate arm (DIHL and DUECo) controlling the Group's equity interests in its operating businesses and a funding arm (DFT and DFL) holding intra-group debt investments.

On 1 August 2013, securityholders have exchanged all of their units in DUET3 for additional units in DFT, and all of their units in DUET1 and shares in DMC1 for shares in DUET Company Limited (DUECo). DUECo is an Australian public company which was incorporated on 2 April 2013 and on 1 August 2013, became part of the DUET stapled group.

As part of this transaction, the names of DMC2 and DUET2 were changed to DUET Finance Limited (DFL) and DUET Finance Trust (DFT) respectively.

Refer to the DUET Group Notices of Meeting and Meeting Booklet dated 31 May 2013 for further information which is available on the DUET Group website.

Final distribution paid

A final distribution of 8.25 cents per stapled security was paid by DUET on 12 August 2013 (2012: 8.00 cents). This consists of a distribution of 3.487 cents per unit from DUET1 (2012: 2.685 cents), 4.176 cents per unit from DFT (2012: 3.812 cents) and 0.587 cents per unit from DUET3 (2012: 1.503 cents).

DUET Group securities issued under DRP

Security holders participating in DUET's Distribution and Dividend Reinvestment Plan (DRP) reinvested $40,973,392 of the distribution paid on 13 August 2013 in 19,336,999 DUET Group securities at a price of $2.117722.

Financial Report
for year ended 30 June 2013

Statement by the Directors of the Responsible Entity of DUET1

In the opinion of the Directors of DUET Management Company 1 Limited (DMC1) as the Responsible Entity for Diversified Utility and Energy Trust No.1 (DUET1), the consolidated Financial Statements for DUET1 and it's controlled entities (DUET Group) set out on pages 40 to 167 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- giving a true and fair view of the DUET Group's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

There are reasonable grounds to believe that DUET Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors of DUET Management Company 1 Limited (as Responsible Entity of DUET1).

Douglas Halley
Director
Sydney
15 August 2013

Emma Stein
Director
Sydney
15 August 2013

Statement by the Directors of the Responsible Entity of DFT

In the opinion of the Directors of DUET Finance Limited as the Responsible Entity for DUET Finance Trust (DFT), the Financial Statements set out on pages 40 to 167 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- giving a true and fair view of the Trust's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors of DUET Finance Limited (as Responsible Entity of DFT).

R. A. Finlay

Ron Finlay
Director
Sydney
15 August 2013

E Goodwin

Eric Goodwin
Director
Sydney
15 August 2013

Financial Report
for year ended 30 June 2013

Statement by the Directors of the Responsible Entity of DUET3

In the opinion of the Directors of DUET Finance Limited (DFT) as the Responsible Entity for Diversified Utility and Energy Trust No.3 (DUET3), the Financial Statements set out on pages 40 to 167 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- giving a true and fair view of the Trust's financial position as at 30 June 2013 and of its performance, for the year ended on that date; and

There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors of DUET Finance Limited (as Responsible Entity of DUET3).

Ron Finlay

Director

Sydney

15 August 2013

Eric Goodwin

Director

Sydney

15 August 2013

Financial Report
for year ended 30 June 2013

Statement by the Directors of DIHL

In the opinion of the Directors of DUET Investment Holdings Limited (DIHL), the Financial Statements for DIHL and its controlled entities (DIHL Group) set out on pages 40 to 167 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- giving a true and fair view of DIHL Group's financial position as at 30 June 2013 and of its performance, for the year ended on that date; and

There are reasonable grounds to believe that DIHL Group will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors of DUET Investment Holdings Limited.

Douglas Halley	Emma Stein
Director	Director
Sydney	Sydney
15 August 2013	15 August 2013

Statement by the Directors of DMC1

In the opinion of the Directors of DUET Management Company 1 Limited (DMC1), the Financial Statements set out on pages 40 to 167 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- giving a true and fair view of DMC1's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

There are reasonable grounds to believe that DMC1 will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors of DUET Management Company 1 Limited.

Douglas Halley	Emma Stein
Director	Director
Sydney	Sydney
15 August 2013	15 August 2013

Financial Report
for year ended 30 June 2013

Statement by the Directors of DFL

In the opinion of the Directors of DUET Finance Limited (DFL), the Financial Statements set out on pages 40 to 167 are in accordance with the Corporations Act 2001, including:

- complying with Australian Accounting Standards and the Corporations Regulations 2001;
- are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board;
- giving a true and fair view of DFL's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

There are reasonable grounds to believe that DFL will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2013.

This declaration is made in accordance with a resolution of the Directors of DUET Finance Limited.

Ron Finlay
Director
Sydney
15 August 2013

Eric Goodwin
Director
Sydney
15 August 2013

Ernst & Young
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Independent auditor's report to the unitholders of Diversified Utility and Energy Trust No.1, DUET Finance Trust, Diversified Utility and Energy Trust No.3, and the shareholders of DUET Investment Holdings Limited, DUET Management Company 1 Limited and DUET Finance Limited

Report on the financial report

We have audited the accompanying financial report of the stapled entity DUET Group comprising Diversified Utility and Energy Trust No.1, DUET Finance Trust, Diversified Utility and Energy Trust No.3 (together "the trusts"), DUET Investment Holdings Limited, DUET Management Company 1 Limited and DUET Finance Limited ("the companies") and the entities they controlled during the year ("DUET Group"), which comprises the balance sheets as at 30 June 2013, and the income statements, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the trusts, the company and the entities they controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the responsible entities of the trusts, and the directors of the companies, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Trust Deeds and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the responsible entities and the companies a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Diversified Utility and Energy Trust No.1, DUET Finance Trust, Diversified Utility and Energy Trust No.3, DUET Investment Holdings Limited, DUET Management Company 1 Limited, DUET Finance Limited and DUET Group is in accordance with the *Corporations Act 2001*, including:

    i giving a true and fair view of the trusts, the companies and consolidated entity's financial positions as at 30 June 2013 and of their performance for the year ended on that date; and

    ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 19 to 34 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of DUET Investment Holdings Limited, DUET Management Company 1 Limited and DUET Finance Limited for the year ended 30 June 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Kester C Brown
Partner

Melbourne
15 August 2013