

No.1 Martin Place
Sydney NSW 2000
GPO Box 4294
Sydney NSW 1164

Telephone (61 2) 8232 3333
Facsimile (61 2) 8232 7780
Telex 122246
Internet <http://www.macquarie.com.au>
DX 10287 SSE
SWIFT MACQUAU2S

Treasury 8232 3600 Facsimile 8232 4227
Foreign Exchange 8232 3666 Facsimile 8232 3019
Metals and Mining 8232 3444 Facsimile 8232 3590
Futures 9231 1028 Telex 72263
Debt Markets 8232 8569 Facsimile 8232 8341
Agricultural Commodities 8232 7672 Facsimile 8232 3633

ASX/Media Release

AMP Capital and MBL to Joint Manage DUET with intent to IPO



18 March 2004 – AMP Capital Investors Limited (AMP Capital), the manager of the Diversified Utilities and Energy Trusts (DUET), today announced a proposed initial public offering of DUET and the establishment of a 50:50 joint venture with Macquarie Bank for the ongoing management of DUET.

DUET is an energy utility fund comprising two stapled wholesale trusts which hold investments in United Energy Distribution (UED), Multinet and Alinta Networks. UED is an electricity distribution business in Victoria, Multinet and Alinta Networks are gas distribution businesses in Victoria and Western Australia. These assets will comprise the seed assets for the proposed listing of DUET (see detail below).

Once listed, DUET will be the first Australian-based energy-utility fund with assets diversified by energy source, geography and regulatory regime. DUET's strategy will remain to invest in energy utility assets with strong competitive positions which offer stable and predictable cashflows. Leveraging its existing assets and the strengths of AMP Capital and Macquarie Bank through the proposed joint venture, DUET intends to build a diverse portfolio of energy utility assets in Australia and New Zealand.

Macquarie Bank has also agreed to acquire \$120 million of units in DUET from AMP Life. This holding is in addition to the \$25 million of units the Bank currently holds following an initial subscription of units on DUET's establishment. The sale of units to Macquarie is expected to be completed in early April 2004 (subject to no material change in DUET's seed assets). If the unit sale proceeds, both parties are confident that certain conditions to the establishment of the joint venture will be satisfied.

Following completion of the unit purchase, Macquarie intends to reduce its stake to approximately \$30 million as a cornerstone holding in conjunction with the proposed IPO of DUET. Following the IPO it is expected DUET will have a market capitalisation (excluding the listed hybrid POWERS) in excess of \$600 million.

AMP Capital Head of Infrastructure, Phil Garling said: "Following the deal, DUET will be a unique diversified energy utility fund listed on the ASX, managed by a joint venture comprising two of the most successful and experienced infrastructure investment managers in Australia.

"There is currently considerable industry rationalisation occurring in the energy utility sector. AMP Capital's and Macquarie's combined sector management experience, commitment to DUET and financial strength should provide DUET with considerable growth opportunities.

"Developing and building the strategic partnership model is a cornerstone of AMP Capital's broader business strategy. We are very enthusiastic about partnering with Macquarie Bank as we look to grow and develop DUET as a significant infrastructure investment vehicle and expand the product offerings of AMP Capital in the infrastructure sector," he said.

Macquarie Bank Executive Director, Nicholas Moore said: "Over the past decade, Macquarie has seen a strong appetite for investment in infrastructure stocks in Australia and overseas. Partnering with AMP Capital on this initiative crystallises Macquarie's infrastructure funds strategy which includes expanding into a diversified energy utility fund.

"The timing of the initiative is ideal as investors continue to look for low risk, attractive yield investments which the regulated energy asset market can provide. Additionally, there is significant activity in the sector which we see underpinning the ability to grow and develop the fund.

"We believe the combined infrastructure expertise and investment management strengths of AMP Capital and Macquarie will create significant benefits for investors," he said.

The terms of the joint venture provide for the appointments of:

- Macquarie as lead arranger and manager for the proposed IPO
- AMP Capital as preferred financial adviser for all debt and debt advisory work on assets in DUET
- Macquarie as preferred financial adviser for acquisitions and divestitures and additional capital raisings
- AMP Capital and Macquarie jointly, as financial adviser for debt advisory work relating to acquisitions and divestitures and additional capital raisings
- the proposed new joint venture responsible entities of DUET, which will be owned 50:50.

DUET holds a 66% shareholding in United Energy Distribution (electricity distribution business in Victoria); a 75% shareholding in Multinet (gas distribution in Victoria) and a 26% shareholding in Alinta Networks (gas distribution in Western Australia), together with 100% of the subordinated debt in each of those businesses. DUET has a sub-trust which issued \$415 million of the listed hybrid POWERS in August 2003. In accordance with the terms of the POWERS issue, POWERS holders have certain exchange rights in DUET, as detailed in the announcement to the ASX by AMP Capital, as responsible entity of the POWERS trust.

The timing of the IPO is yet to be determined and it may not proceed. Before it can go ahead, the DUET trusts need to be registered as managed investment schemes and a product disclosure statement prepared for issue in relation to DUET.

The product disclosure statement, which will be made available by the issuers (expected to be the proposed new joint venture responsible entities AMP Capital Licence Co No 1 Limited and AMP Capital Licence Co No 2 Limited), may be obtained from the lead manager's office. When units in DUET become available for issue the product disclosure statement will need to be considered by any persons deciding whether to acquire units in DUET. The timing of this document, which will be made available to potential investors in Australia, is not known at present.

For more information

AMP Capital:

Justin Kirkwood

Head of Corporate Affairs, Asia Pacific

Ph: +61 2 9257 1112

Mob: 0411 251 324

MBL:

Jane Rotsey

Associate Director Public Affairs

Ph: +61 2 8232 5026

Mob: 0401 997 160

Erica Sibree

Head of Investor Relations

Ph: +61 2 8232 5008

Mob: 0413 026 309

Background

AMP Capital

AMP Capital is one of the Asia Pacific's leading specialist investment managers. AMP Capital manages over A\$66 billion for investors in Australia, New Zealand and Japan and offers a select range of investment. AMP Capital invests in shares, bonds, property, infrastructure and private equity, and also works in partnership with other leading investment specialists in order to enhance and broaden the investment opportunities for its clients.

Macquarie Bank

The Infrastructure and Specialised Funds (ISF) division of Macquarie Bank is one of the largest dedicated infrastructure fund management teams in the world, with more than 100 professionals globally managing equity interests of approximately \$12.6bn in 61 assets in 14 countries - Australia, the UK, the US, Canada, Spain, Portugal, Germany, South Africa, Korea, Italy, Sweden, Chile, Japan and Tanzania. Infrastructure assets managed include toll roads, airports, telecommunications, water, rail, power and regulated assets.

DUET

United Energy Distribution

UED is a Victorian electricity distribution company whose network serves connections in Melbourne's south east and the Mornington Peninsula.

Length of Network	12,000km
Area of Network	1,450km ²
Connections	580,000
2002 Load	7,108 GWh
Next Regulatory Reset Date	1 January 2006



UED Electricity Distribution Territory

Multinet

Multinet is the largest distributor of natural gas in Victoria.

Length of Network	9,250km
Area of Network	1,603km ²
Connections	625,000
2002 Load	57 PJ
Next Regulatory Reset Date	1 January 2008



Multinet Gas Distribution Territory

Alinta Networks

Alinta Networks is the largest distributor of natural gas in Western Australia and delivers

natural gas to 58% of Western Australian households.

Length of Network	11,000km
Connections	467,000
2002 Load	29 PJ
Next Regulatory Reset Date	1 January 2005



Alinta Distribution Lateral
 CMS Parmelia Gas Pipeline
 Epic Energy DBNG Pipeline
 Goldfields Gas Transmission Pipeline
 Alinta Natural Gas Distribution Territory
 Alinta LPG Distribution Territory