

## CIF Group Assets Under Management

CIF Group						% Δ
\$millions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005	31 Dec 2007 - 30 Jun 2007
Arqiva	285.7	298.0	127.1	127.4	118.9	(4.1%)
North DN	92.4	92.0	96.6	94.4	85.2	0.4%
Wales & West	94.1	91.8	96.4	96.6	87.2	2.5%
Inexus	543.7	545.5	474.0	424.5	355.7	(0.3%)
LBC	363.8	323.7	-	-	-	12.4%
Southern Water	707.4	-	-	-	-	N/A
<b>Total Assets Under Management</b>	<b>2,087.1</b>	<b>1,351.0</b>	<b>794.1</b>	<b>743.0</b>	<b>647.0</b>	<b>54%</b>
Fund level senior debt	(488.9)	(230.0)	-	(284.4)	(301.0)	Large
Redeemable Preference Shares	(222.0)	-	-	-	-	-
Fund level foreign currency distribution hedges	13.8	13.7	(15.5)	(10.2)	4.0	-
Equity Instalment Receivables	-	-	-	419.9	419.9	-
Fund working capital	13.9	(1.7)	160.3	7.1	29.5	Large
<b>NAV</b>	<b>1,403.8</b>	<b>1,133.0</b>	<b>938.9</b>	<b>875.5</b>	<b>799.3</b>	<b>23.9%</b>
Units on Issue	346.8	276.3	240.8	240.8	240.0	25.5%
<b>NAV per unit (\$)</b>	<b>4.05</b>	<b>4.10</b>	<b>3.90</b>	<b>3.64</b>	<b>3.33</b>	<b>(1.3%)</b>
<b>CAGR (%)</b>	<b>10.2%</b>					

CIF Group						% Δ
\$millions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005	31 Dec 2007 - 30 Jun 2007
<b>Arqiva</b>						
Opening Value	298.0	127.1	127.4	118.9	-	
Acquisitions / (Disposals) <sup>1</sup>	-	154.7	-	-	125.5	
Currency revaluation Impacts	(12.3)	(11.4)	(0.3)	7.6	(6.6)	
Asset revaluation	0.0	27.7	-	1.0	-	
Closing value	<b>285.7</b> <sup>4</sup>	<b>298.0</b>	<b>127.1</b>	<b>127.4</b>	<b>118.9</b>	<b>(4.1%)</b>
<b>North DN</b>						
Opening Value	92.0	96.6	94.4	85.2	-	
Acquisitions / (Disposals)	-	-	-	-	86.6	
Currency revaluation Impacts	(3.8)	(4.6)	2.2	5.4	(1.3)	
Asset revaluation	4.2	-	-	3.8	-	
Closing value	<b>92.4</b>	<b>92.0</b>	<b>96.6</b>	<b>94.4</b>	<b>85.2</b>	<b>0.4%</b>
<b>Wales &amp; West</b>						
Opening Value	91.8	96.4	96.6	87.2	-	
Acquisitions / (Disposals)	-	-	-	-	90.9	
Currency revaluation Impacts	(3.8)	(4.6)	(0.2)	5.5	(3.7)	
Asset revaluation	6.1	-	-	3.9	-	
Closing value	<b>94.1</b>	<b>91.8</b>	<b>96.4</b>	<b>96.6</b>	<b>87.2</b>	<b>2.5%</b>
<b>Inexus</b>						
Opening Value	545.5	474.0	424.5	355.7	-	
Acquisitions / (Disposals)	-	-	-	-	363.6	
Currency revaluation Impacts	(22.6)	(22.6)	(1.0)	22.6	(7.9)	
Asset revaluation	20.8	94.0	50.6	46.2	0	
Closing value	<b>543.7</b>	<b>545.5</b>	<b>474.0</b>	<b>424.5</b>	<b>355.7</b>	<b>(0.3%)</b>
<b>LBC</b>						
Opening Value	323.7	-	-	-	-	
Acquisitions / (Disposals) <sup>2</sup>	18.1	335.7	-	-	-	
Currency revaluation Impacts	15.7	(11.9)	-	-	-	
Asset revaluation	6.2	-	-	-	-	
Closing value	<b>363.8</b>	<b>323.7</b>	-	-	-	<b>12.4%</b>
<b>Southern Water</b>						
Opening Value	-	-	-	-	-	
Acquisitions / (Disposals) <sup>3</sup>	702.2	-	-	-	-	
Currency revaluation Impacts	5.2	-	-	-	-	
Asset revaluation	-	-	-	-	-	
Closing value	<b>707.4</b>	-	-	-	-	<b>N/A</b>

### Footnotes

<sup>1</sup> April 2007 acquisition of CIF pro-rata share of Arqiva acquisition of National Grid Wireless (NGW)

<sup>2</sup> August 2007 acquisition of CIF pro-rata share of acquisition of 66% of Eastern Tankstore Shanghai Shipping Ltd (ETSSL)

<sup>3</sup> Southern Water acquisition includes \$27.3m of capitalised transaction costs

<sup>4</sup> Arqiva value is reported net of transaction fees payable in the event of a sale of CIF's equity interest on Arqiva. The accrued fee liability at 31 December 2007 is \$0.5m (June 2007:\$0.6m)

<sup>5</sup> Foreign exchange rates used:

	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
AUD/GBP	2.2671	2.3649	2.4831	2.4895	2.3403
AUD/EUR	1.6651	1.5919	-	-	-

## CIF Fund Distributions

CIF Fund Distributions \$millions	Full Year		
	2008F <sup>2</sup>	2007	2006 <sup>1</sup>
Opening Cash Available for Distribution	6.7	8.8	-
<b>Investment Income</b>			
- Arqiva	23.0	12.4	18.4
- W&W	8.3	7.1	6.9
- NOE	9.2	8.4	5.6
- Inexus	52.9	47.6	9.3
- LBC Terminals	31.6	-	-
- Southern Water	23.2	-	-
Cash Expenses	(1.7)	(1.0)	(0.6)
Realised FX Gains/(Losses)	(1.1)	0.9	1.5
Interest Expense - Redeemable Preference Share	(5.8)	-	-
Net interest - Fund level net senior debt	(25.7)	6.1	1.8
<b>Net Cash available excl Cap Fin &amp; Dist'n</b>	<b>120.6</b>	<b>90.3</b>	<b>42.9</b>
Distribution Paid	(118.2)	(83.6)	(34.1)
<b>Net Cash available excl Cap Fin</b>	<b>2.4</b>	<b>6.7</b>	<b>8.8</b>
<b>Capital Financing</b>			
Opening Balance	6.8	-	-
Capital Raisings	249.7	556.7	401.5
Drawdowns - Redeemable Preference Share	225.0	-	-
Net drawdowns/(Repayments) - Fund level senior debt <sup>4</sup>	249.5	(61.1)	262.1
Net (Acquisitions)/Sales	(731.0)	(488.8)	(663.6)
<b>Closing Capital Financing Cash Balance</b>	<b>0.0</b>	<b>6.8</b>	<b>-</b>
<b>Closing Cash Balance incl Cap Fin</b>	<b>2.4</b>	<b>13.5</b>	<b>8.8</b>
<b>Distribution per unit (DPU)</b>	<b>34.0</b>	<b>32.1</b>	<b>14.2</b>
<b>CAGR (%) <sup>3</sup></b>	<b>9.3%</b>		

### Footnotes

<sup>1</sup> Period from IPO (August 2005) to 30 June 2006. During the period, CIF was partly paid to \$1.75

<sup>2</sup> Current forecast guidance

<sup>3</sup> CAGR calculated to normalise 2006 to a fully paid basis (equivalent to 28.4c)

<sup>4</sup> Includes debt issue costs

# LBC

## Key Financial Metrics

Performance metrics			
Six months ended	31 Dec 2007	30 Jun 2007 <sup>1</sup>	
Revenue (€m)	72.0	11.5	
EBITDA (€m)	27.6	3.7	
EBITDA Margin (%)	38.3%	32.4%	
Utilisation (%)	94.9	95.7	
Capex (€m)	33.1	4.3	
Distributions paid to CIF (€m)	9.8	-	
EUR IRR since acquisition (%) <sup>2</sup>	12.5%		

% Revenue contracted	89.0%
% Revenue non contracted	11.0%

Debt Balance			
	31-Dec-07	30-Jun-07	
Senior debt (€m)	316.7	325.6	
Junior debt (€m)	42.9	40.0	
Other debt (€m)	22.0	12.3	
Total debt (€m)	381.6	377.9	
Net cash & Reserves (€m)	39.6	26.3	
Net debt (€m)	342.0	351.6	

LBC Segment Profit & Loss		Six months ended 31 Dec 2007				
€ millions	France	Europe (excl France)	USA	Asia	TOTAL	
Revenue	23.1	24.5	23.1	1.3	72.0	
EBITDA	7.1	7.1	12.5	0.8	27.6	
EBITDA Margin (%)	30.9%	29.1%	54.3%	59.7%	38.3%	
Capex	1.9	16.5	14.7	-	33.1	
Utilisation (%)	91.4	94.5	98.0	N/A	94.9	

CIF investment valuation			
€ millions	31 Dec 2007	30 Jun 2007	
<b>Entire Business</b>			
Equity value	330.0	309.0	
Net Debt	342.0	351.6	
Enterprise Value (EV)	672.0	660.6	
Debt to EV (%)	50.9%	53.2%	
CIF Ownership Interest (%)	66.2%	66.0%	
<b>CIF Share</b>			
Opening Value	203.9	-	
Acquisitions / (Disposals) <sup>3</sup>	10.8	203.9	
Asset revaluation	3.8	-	
Closing equity value	218.5	203.9	
Net Debt	226.4	232.1	
Enterprise Value (EV)	444.8	436.0	
Debt to EV (%)	50.9%	53.2%	

### Footnotes

<sup>1</sup> Performance for the one month from acquisition to 30 June 2007

<sup>2</sup> IRR for the period from CIF acquisition date to 31 December 2007 excluding AUD/EUR foreign currency impacts

<sup>3</sup> August 2007 acquisition of CIF pro-rata share of acquisition of 66% of Eastern Tankstore Shanghai Shipping Ltd (ETSSL)

# Inexus

## Key Financial Metrics

Performance metrics					
Six months ended	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
Revenue (£m)	19.9	16.7	15.4	14.4	9.0
EBITDA (£m)	11.1	9.4	9.5	7.7	4.1
EBITDA Margin (%)	55.9%	56.5%	61.9%	53.7%	45.0%
Distributions paid to CIF (£m)	11.0	5.6	13.7	-	3.8
GBP IRR since acquisition (%) <sup>1</sup>	27.8%				
% Revenue regulated	86.8%				
% Revenue unregulated	13.2%				

Debt Balance					
	31-Dec-07	30-Jun-07	31-Dec-06	30-Jun-06	31-Dec-05
Senior debt (£m)	331.8	301.8	277.8	272.8	268.8
Junior debt (£m)	35.0	35.0	35.0	35.0	35.0
Other debt (£m)	0.0	0.0	0.0	0.0	0.0
Total debt (£m)	366.8	336.8	312.8	307.8	303.8
Net cash & Reserves (£m)	5.3	2.3	3.4	4.1	8.0
Net debt (£m)	361.4	334.5	309.3	303.7	295.8

Distribution waterfall	
£millions	FY 30 June 07
Revenue	32.0
EBITDA	18.9
Net interest and fees	(11.2)
Capital expenditure	(20.3)
Acquisitions	-
Other <sup>2</sup>	0.6
Drawdowns/(repayments) of debt	36.0
Equity distribution <sup>3</sup>	24.1
Additional debt drawdown over capex	15.7
% Dividend debt funded (over capex requirements)	65.3%
% Dividend funded from free cash flow	34.7%
CIF Ownership %	80.4%
CIF Distribution Proportion	19.3

CIF investment valuation					
£millions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
<b>Entire Business</b>					
Equity value	298.4	287.0	237.6	212.2	189.1
Net Debt	361.4	334.5	309.3	303.7	295.8
Enterprise Value (EV)	659.8	621.5	546.9	515.9	484.9
Debt to EV (%)	54.8%	53.8%	56.6%	58.9%	61.0%
CIF Ownership Interest (%)	80.4%	80.4%	80.4%	80.4%	80.4%
<b>CIF Share</b>					
Opening Value	230.7	190.9	170.5	152.0	-
Acquisitions / (Disposals)	-	-	-	-	152.0
Asset revaluation	9.2	39.8	20.4	18.6	-
Closing equity value	239.8	230.7	190.9	170.5	152.0
Net Debt	290.5	268.8	248.6	244.1	237.7
Enterprise Value (EV)	530.3	499.5	439.5	414.6	389.7
Debt to EV (%)	54.8%	53.8%	56.6%	58.9%	61.0%

### Footnotes

<sup>1</sup> IRR for the period from CIF acquisition date to 31 December 2007 excluding AUD/GBP foreign currency impacts

<sup>2</sup> Includes working capital and tax paid

<sup>3</sup> Includes \$7m drawdown made in August 2007 in respect of the period ending 30 June 2007

## Inexus - Connections

Inexus	Half Year					CAGR %
	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005	
<b>Sales</b>						
Gas	33,813	35,682	41,596	34,854	32,181	
Electricity	12,132	11,563	17,078	10,537	4,828	
Water	970	-	-	-	-	
Fibre	970	-	-	-	-	
<b>Total</b>	<b>47,885</b>	<b>47,245</b>	<b>58,674</b>	<b>45,391</b>	<b>37,009</b>	<b>6.7%</b>
<b>Gas Connections</b>						
Opening gas connections	415,878	390,889	364,535	339,567	314,006	
Additions	8,071 <sup>1</sup>	-	-	-	-	
New gas connections	32,882	24,989	26,354	24,968	25,561	
Closing gas connections	<b>456,831</b>	<b>415,878</b>	<b>390,889</b>	<b>364,535</b>	<b>339,567</b>	<b>7.7%</b>
<b>Electricity Connections</b>						
Opening gas connections	3,572	1,723	983	331	55	
New electricity connections	3,988	1,849	740	652	276	
Closing electricity connections	<b>7,560</b>	<b>3,572</b>	<b>1,723</b>	<b>983</b>	<b>331</b>	<b>118.6%</b>
<b>Total Connections</b>	464,391	419,450	392,612	365,518	339,898	
<b>Total Order Book</b>	228,952	218,461	199,419	168,553	152,200	
<b>Total Connections &amp; Order Book</b>	<b>693,343</b>	<b>637,911</b>	<b>592,031</b>	<b>534,071</b>	<b>492,098</b>	<b>8.9%</b>

### Footnotes

<sup>1</sup> Acquired EGS connections balance of 8,071

## Arqiva Key Financial Metrics

Performance metrics <sup>1</sup>					
Six months ended	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
Revenue (£m)	223.3	198.8	164.0	184.6	138.8
EBITDA (£m)	63.4	66.5	60.8	69.2	52.9
EBITDA Margin (%)	28.4%	33.5%	37.0%	37.5%	38.1%
Distributions paid to CIF (£m)	2.7	3.8	1.3	2.9	4.7
GBP IRR since acquisition (%) <sup>2</sup>	14.7%				
% Revenue contracted	79.5%				
% Revenue non contracted	20.5%				

Debt Balance					
	31 Dec 2007 <sup>3</sup>	30 Jun 2007 <sup>4</sup>	31 Dec 2006	30 Jun 2006	31 Dec 2005
Senior debt (£m)	2,150.0	2,150.0	575.0	575.0	575.0
Junior debt (£m)	475.0	475.0	150.0	150.0	150.0
Other debt (£m)	18.0	18.0	35.0	0.0	0.0
Total debt (£m)	2,643.0	2,643.0	760.0	725.0	725.0
Net cash & Reserves (£m)	106.0	238.5	43.5	42.2	39.2
Net debt (£m)	2,537.0	2,404.5	716.5	682.8	685.8

Distribution waterfall	
£millions	FY 30 June 07 <sup>5</sup>
Revenue	362.8
EBITDA	127.3
Net interest and fees	(59.4)
Capital expenditure	(63.0)
Other <sup>6</sup>	9.7
Excess cash and reserve accounts	16.1
Drawdowns/(repayments) of net deb <sup>6</sup>	50.8
Equity distribution	81.5
Additional debt drawdown over capex	0
% Dividend debt funded (over capex requirements)	-
% Dividend funded from free cash flow	100.0%
CIF Ownership %	6.3%
CIF Distribution Proportion	5.1

Investment valuation					
£millions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
<b>Entire Business</b>					
Equity value	1,994.1	1,994.0	810.0	810.0	803.7
Net Debt	2,537.0	2,404.5	716.5	682.8	685.8
Enterprise Value (EV)	4,531.1	4,398.5	1,526.5	1,492.8	1,489.5
Debt to EV	56.0%	54.7%	46.9%	45.7%	46.0%
CIF Ownership Interest (%)	6.3%	6.3%	6.3%	6.3%	6.3%
<b>CIF Share</b>					
Opening Value	126.0	51.2	51.2	50.8	-
Acquisitions / (Disposals)	-	63.1	-	-	50.8
Asset revaluation	-	11.7	-	0.4	-
Closing equity value	126.0	126.0	51.2	51.2	50.8
Net Debt	160.3	152.0	45.3	43.2	43.3
Enterprise Value (EV)	286.4	278.0	96.5	94.3	94.1
Debt to EV	56.0%	54.7%	46.9%	45.7%	46.0%

### Footnotes

<sup>1</sup> Results relate to the Arqiva stand alone business

<sup>2</sup> IRR for the period from CIF acquisition date to 31 December 2007 excluding AUD/GBP foreign currency impact

<sup>3</sup> Relates to combined Arqiva/NGW business

<sup>4</sup> Results are pre purchase of NGW

<sup>5</sup> Includes working capital and tax paid

<sup>6</sup> Net of cash and reserve accounts

## North DN Key Financial Metrics

Performance metrics					
Six months ended	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
Revenue (£m)	145.4	144.1	116.8	156.5	137.7
EBITDA (£m)	58.6	48.1	31.9	57.2	39.0
EBITDA Margin (%)	40.3%	33.4%	27.3%	36.5%	28.3%
Distributions paid to CIF (£m)	2.9	0.9	2.6	0.9	1.5
Nominal RAV (£m)	1,446.4	1,395.5	1,347.1	1,265.3	1,260.6
GBP IRR since acquisition (%) <sup>2</sup>	14.9%				
% Revenue regulated	97.0%				
% Revenue unregulated	3.0%				

Debt Balance					
	31-Dec-07	30-Jun-07	31-Dec-06	30-Jun-06	31-Dec-05
Senior debt (£m)	953.6	929.8	910.8	872.3	873.1
Junior debt (£m)	25.0	25.0	25.0	8.0	25.0
Other debt (£m)	0.0	0.0	0.0	0.0	0.0
Total debt (£m)	978.6	954.8	935.8	880.3	898.1
Net cash & Reserves (£m)	1.2	5.7	4.6	9.7	0.9
Net debt (£m)	977.4	949.1	931.2	870.6	897.2

Distribution waterfall	
Emillions	FY 31 Dec 07
Revenue	289.5
EBITDA	106.7
Net interest and fees	(48.6)
Capital expenditure	(28.4)
Other <sup>3</sup>	(11.1)
Excess cash and reserve accounts	3.6
Drawdowns/(repayments) of debt	42.8
Equity distribution	<b>65.0</b>
Additional debt drawdown over capex	14.4
% Dividend debt funded (over capex requirements)	22.2%
% Dividend funded from free cash flow	77.8%
CIF Ownership %	5.8%
CIF Distribution Proportion	<b>3.8</b>

Investment valuation					
Emillions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
<b>Entire Business</b>					
Equity value	702.5	670.7	670.7	654.1	627.8
Net Debt	977.4	949.1	931.2	870.6	897.2
Enterprise Value (EV)	1,679.9	1,619.8	1,601.9	1,524.7	1,525.0
Debt to EV	58.2%	58.6%	58.1%	57.1%	58.8%
CIF Ownership Interest (%)	5.8%	5.8%	5.8%	5.8%	5.8%
<b>CIF Share</b>					
Opening Value	38.9	38.9	37.9	36.4	-
Acquisitions / (Disposals)	-	-	-	-	36.4
Asset revaluation	1.8	-	1.0	1.5	-
Closing equity value	<b>40.7</b>	<b>38.9</b>	<b>38.9</b>	<b>37.9</b>	<b>36.4</b>
Net Debt	56.7	55.0	54.0	50.5	52.0
Enterprise Value (EV)	97.4	93.9	92.9	88.4	88.5
Debt to EV	58.2%	58.6%	58.1%	57.1%	58.8%

### Footnotes

<sup>1</sup> The period ended 31 Dec 2005 indicates a 7 month period from 1 June 2005 to 31 December 2005

<sup>2</sup> IRR for the period from CIF acquisition date to 31 December 2007 excluding AUD/GBP foreign currency impacts

<sup>3</sup> Includes working capital and tax paid

## Wales & West Key Financial Metrics

Performance metrics				
Six months ended	30 Sept 07	31 March 07	30 Sept 06	30 Mar 06
Revenue (£m)	106.9	147.0	86.8	157.3
EBITDA (£m)	19.3	53.8	(1.5)	64.7
EBITDA Margin (%)	18.1%	36.6%	-1.8%	41.1%
Distributions paid to CIF (£m)	2.6	0.3	2.0	0.9
Nominal RAV (£m)	1,297.2	1,255.0	1,221.2	1,178.2
GBP IRR since acquisition (%) <sup>1</sup>	12.3%			
% Revenue regulated	94.3%			
% Revenue unregulated	5.7%			

Debt Balance				
	30 Sept 07	31 March 07	30 Sept 06	30 Mar 06
Senior debt (£m)	982.0	918.0	920.0	879.0
Junior debt (£m)	65.0	65.0	65.0	65.0
Other debt (£m)	-	-	-	-
Total debt (£m)	1,047.0	983.0	985.0	944.0
Net cash & Reserves (£m)	24.6	26.9	6.1	32.7
Net debt (£m)	1,022.4	956.1	978.9	911.3

Distribution waterfall	
£millions	FY 31 March 07
Revenue	233.8
EBITDA	52.3
Net interest and fees	(42.9)
Capital expenditure	(33.9)
Other <sup>2</sup>	6.8
Excess cash and reserve accounts	5.8
Drawdowns/(repayments) of debt	39.0
Equity distribution	27.0
Additional debt drawdown over capex	5.0
% Dividend debt funded (over capex requirements)	18.6%
% Dividend funded from free cash flow	81.4%
CIF Ownership %	8.6%
CIF Distribution Proportion	2.3

CIF investment valuation					
£millions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
<b>Entire Business</b>					
Equity value	481.0	449.8	449.8	449.8	431.8
Net Debt	1,012.9	1,012.6	979.2	955.4	939.7
Enterprise Value (EV)	1,493.9	1,462.4	1,429.0	1,405.2	1,371.5
Debt to EV (%)	67.8%	69.2%	68.5%	68.0%	68.5%
CIF Ownership Interest (%)	8.6%	8.6%	8.6%	8.6%	8.6%
<b>CIF Share</b>					
Opening Value	38.8	38.8	38.8	37.3	-
Acquisitions / (Disposals)	-	-	-	-	37.3
Asset revaluation	2.7	-	-	1.6	-
Closing equity value	41.5	38.8	38.8	38.8	37.3
Net Debt	87.4	87.4	84.5	82.5	81.1
Enterprise Value (EV)	128.9	126.2	123.3	121.3	118.4
Debt to EV (%)	67.8%	69.2%	68.5%	68.0%	68.5%

### Footnotes

<sup>1</sup> IRR for the period from CIF acquisition date to 31 December 2007 excluding AUD/GBP foreign currency impacts

<sup>2</sup> Includes working capital and tax paid

## CIF Capital Management

Debt							
31 December 2007	Ownership (%)	Gross Debt	Cash	Net Debt <sup>1</sup>	Proportional Gross Debt	Proportional Net Debt	
\$A millions							
Arqiva	6.3%	5,991.9	(240.3)	5,751.6	378.7	363.5	
North DN	5.8%	2,219.0	(2.7)	2,216.3	128.7	128.5	
Wales & West	8.6%	2,373.6	(77.3)	2,296.3	204.8	198.2	
Inexus	80.4%	831.4	(12.0)	819.4	668.2	658.6	
LBC	66.2%	635.4	(66.0)	569.4	420.6	376.9	
Southern Water	23.4%	7,392.9	(786.9)	6,606.0	1,729.9	1,545.8	
Fund level senior debt <sup>2</sup>	100.0%	488.9	-	488.9	488.9	488.9	
<b>Total</b>		<b>19,933.2</b>	<b>(1,185.3)</b>	<b>18,747.9</b>	<b>4,019.9</b>	<b>3,760.4</b>	

Gearing ratio				Proportional % Gross	Proportional % Net
Assets Under Management (\$Am)				2,087.1	2,087.1
Debt to Enterprise Value <sup>3</sup> (%)				65.8%	64.3%

Debt							
30 June 2007	Ownership (%)	Gross Debt	Cash	Net Debt	Proportional Debt	Proportional Debt	
\$A millions							
Arqiva	6.3%	6,250.3	(563.8)	5,686.5	395.0	359.4	
North DN	5.8%	2,258.0	(61.2)	2,196.7	131.0	127.4	
Wales & West	8.6%	2,519.8	(53.0)	2,466.8	217.5	212.9	
Inexus	80.4%	796.5	(5.4)	791.0	640.1	635.8	
LBC	66.0%	601.6	(78.3)	523.3	397.0	345.4	
Southern Water							
Fund level senior debt	100.0%	218.0	-	218.0	218.0	218.0	
<b>Total</b>		<b>12,644.1</b>	<b>(761.7)</b>	<b>11,882.4</b>	<b>1,998.6</b>	<b>1,898.8</b>	

Gearing ratio				Proportional % Gross	Proportional % Net
Assets Under Management (\$Am)				1,351.0	1,351.0
Debt to Enterprise Value <sup>3</sup> (%)				59.7%	58.4%

### Footnotes

<sup>1</sup> Net debt is converted to AUD from GBP at 0.441098 and EUR at 0.600561 as at 31 December 2007

<sup>2</sup> Excludes \$222.3m redeemable preference shares

<sup>3</sup> Enterprise Value (EV) is calculated as CIF equity value (based on directors valuations at 31 December 2007) plus proportional net debt

## CIF Capital Management (Continued)

Maturity profile - gross debt (local currency)									
31 December 2007 millions	FY 2008 <sup>1</sup>	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 and beyond	Total
Arqiva (£m)	-	-	-	-	-	-	-	2,643.0	2,643.0
North DN (£m)	-	-	473.8	-	-	-	-	505.0	978.8
Wales & West (£m)	-	-	-	-	-	-	-	1,047.0	1,047.0
Inexus (£m)	-	-	-	366.8	-	-	-	-	366.8
LBC (€m)	-	-	4.9	1.6	-	-	375.1	-	381.6
Southern Water (£m)	-	134.0	-	-	-	216.0	-	2,911.0	3,261.0
Fund level (\$Am)	-	-	488.9	-	-	-	-	-	488.9

Maturity profile - gross debt (AUD)									
31 December 2007 \$A millions	FY 2008 <sup>1</sup>	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 and beyond	Total
Arqiva	-	-	-	-	-	-	-	5,991.9	5,991.9
North DN	-	-	1,074.1	-	-	-	-	1,144.9	2,219.0
Wales & West	-	-	-	-	-	-	-	2,373.6	2,373.6
Inexus	-	-	-	831.4	-	-	-	-	831.4
LBC	-	-	8.2	2.7	-	-	624.6	-	635.4
Southern Water	-	303.8	-	-	-	489.7	-	6,599.4	7,392.9
Fund level	-	-	488.9	-	-	-	-	-	488.9
<b>Total</b>	-	<b>303.8</b>	<b>1,571.2</b>	<b>834.1</b>	-	<b>489.7</b>	<b>624.6</b>	<b>16,109.8</b>	<b>19,933.2</b>

<b>Percentage of total proportional debt</b>	-	<b>1.5%</b>	<b>7.9%</b>	<b>4.2%</b>	-	<b>0.0</b>	<b>3.1%</b>	<b>80.8%</b>	<b>100.0%</b>
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Maturity profile - proportional debt									
31 December 2007 \$A millions	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 and beyond	Total
Arqiva	-	-	-	-	-	-	-	378.7	378.7
North DN	-	-	62.3	-	-	-	-	66.4	128.7
Wales & West	-	-	-	-	-	-	-	204.8	204.8
Inexus	-	-	-	668.2	-	-	-	-	668.2
LBC	-	-	5.4	1.8	-	-	413.5	-	420.6
Southern Water	-	71.1	-	-	-	114.6	-	1,544.3	1,729.9
Fund level	-	-	488.9	-	-	-	-	-	488.9
<b>Total</b>	-	<b>71.1</b>	<b>556.6</b>	<b>670.0</b>	-	<b>114.6</b>	<b>413.5</b>	<b>2,194.2</b>	<b>4,019.9</b>

<b>Percentage of total proportional debt</b>	-	<b>1.8%</b>	<b>13.8%</b>	<b>16.7%</b>	-	<b>0.0</b>	<b>10.3%</b>	<b>54.6%</b>	<b>100.0%</b>
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### Footnotes

<sup>1</sup> FY 2008 refers to June 2008

<sup>2</sup> Foreign exchange rates used:

	31 Dec 2007
GBP/AUD	0.441098
EUR/AUD	0.600561

# Consolidated Profit & Loss <sup>1</sup>

## Statutory - Management Presentation

CIF Group	Half Year				
	1H 08	2H 07	1H 07	2H 06	1H 06 <sup>2</sup>
<b>\$millions</b>					
<b>Income</b>					
Investment income <sup>3</sup>	23.9	11.7	15.9	10.2	14.6
Transportation revenue	46.2	40.5	38.1	34.7	21.1
Tank storage revenue	126.2	18.4	-	-	-
<b>Total revenue</b>	<b>196.4</b>	<b>70.6</b>	<b>54.0</b>	<b>44.9</b>	<b>35.7</b>
<b>Expenses</b>					
Cost of sales	(41.1)	(10.4)	(3.6)	(3.5)	(2.3)
Employee expenses	(43.4)	(14.7)	(7.5)	(6.8)	(3.2)
Management fees	(6.6)	(5.7)	(3.9)	(1.2)	(1.2)
Other operating expenses	(17.0)	(5.7)	(3.7)	(6.0)	(3.3)
<b>Total operating expenses</b>	<b>(108.0)</b>	<b>(36.5)</b>	<b>(18.8)</b>	<b>(17.5)</b>	<b>(10.0)</b>
Realised gains/(losses) on derivative contracts	8.2	(6.7)	7.1	1.6	-
<b>EBITDA before specific items</b>	<b>96.5</b>	<b>27.4</b>	<b>42.3</b>	<b>29.0</b>	<b>25.7</b>
Depreciation	(28.3)	(11.3)	(6.3)	(5.9)	(3.4)
<b>EBIT before specific items</b>	<b>68.2</b>	<b>16.1</b>	<b>36.0</b>	<b>23.1</b>	<b>22.3</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	3.9	5.2	4.2	0.8	1.2
Interest expense	(56.6)	(27.4)	(24.2)	(29.3)	(20.2)
Amortisation of loan issue costs	(10.8)	(1.2)	(1.2)	(1.4)	(2.0)
	<b>(63.5)</b>	<b>(23.5)</b>	<b>(21.1)</b>	<b>(29.9)</b>	<b>(21.1)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>4.7</b>	<b>(7.4)</b>	<b>14.9</b>	<b>(6.7)</b>	<b>1.3</b>
<b>Specific items</b>					
Unrealised items <sup>4</sup>	(85.4)	66.2	(31.6)	0.2	(15.1)
Interest on minority investor shareholder loans <sup>5</sup>	(4.2)	(3.3)	(3.7)	(3.3)	(2.2)
Transaction fees <sup>6</sup>	(16.3)	-	-	-	-
	<b>(105.8)</b>	<b>62.9</b>	<b>(35.3)</b>	<b>(3.1)</b>	<b>(17.3)</b>
<b>Net profit/(loss) before tax</b>	<b>(101.1)</b>	<b>55.5</b>	<b>(20.4)</b>	<b>(9.9)</b>	<b>(16.1)</b>
<b>Tax</b>	<b>(5.9)</b>	<b>3.5</b>	<b>1.9</b>	<b>4.5</b>	<b>0.7</b>
<b>Net profit/(loss) after tax</b>	<b>(106.9)</b>	<b>59.0</b>	<b>(18.5)</b>	<b>(5.3)</b>	<b>(15.3)</b>
<b>Performance</b>					
EBITDA margin (%)	49.1%	38.7%	78.4%	64.6%	72.0%
Distributions Paid (\$M)	50.3	48.9	34.7	19.6	14.5
Distributions per security (cents)	14.5	17.7	14.4	8.2	6.1
Assets Under Management (\$M)	2,087	1,351	794	743	647
NAV (\$ per unit)	4.05	4.10	3.90	3.64	3.33

### Footnotes

<sup>1</sup> CIF consolidated profit & loss reports the consolidated results of Inexus and LBC. Investments in Arqiva, Northern Gas, Wales & West and Southern Water are not consolidated. Income from these investments is reported in investment income

<sup>2</sup> Performance for the period from IPO (19 August 2005) to 31 December 2005

<sup>3</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West, Northern Gas and Southern Water

<sup>4</sup> Unrealised items comprise:

- Inflation hedge revaluations - Inexus	(80.5)	46.0	(19.0)	15.1	(18.8)
- Distribution Fx hedge revaluations - CIF fund	(8.2)	29.2	(5.1)	(14.2)	4.1
- Distribution Fx hedge revaluations - LBC	5.1	(0.3)	-	-	-
- RPS Contract revaluations	0.8	-	-	-	-
- Fx revaluations on investments and debt fair valued through P&L	4.7	-	-	-	-
- Employee share scheme - Inexus	(7.3)	(8.7)	(7.5)	(0.7)	(0.4)
<b>Total unrealised items</b>	<b>(85.4)</b>	<b>66.2</b>	<b>(31.6)</b>	<b>0.2</b>	<b>(15.1)</b>

<sup>5</sup> Interest on minority investor shareholder loans

- Inexus loan notes issued to minority shareholders	(0.5)	(0.9)	(0.2)	(0.5)	(0.3)
- Inexus preference shares issued to minority shareholders	(2.7)	(2.3)	(3.5)	(2.8)	(1.8)
- LBC minorities	(0.9)	(0.1)	-	-	-
<b>Total interest on minority investor shareholder loans</b>	<b>(4.2)</b>	<b>(3.3)</b>	<b>(3.7)</b>	<b>(3.3)</b>	<b>(2.2)</b>

<sup>6</sup> Relates to transaction fees paid in respect of acquisition of Southern Water required to be expensed under AIFRS

## Statutory Consolidated Profit & Loss - 1H08 Segmented

1H08	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	4.8	19.1	23.9
Transportation revenue	46.2	-	-	-	46.2
Tank storage revenue	-	126.2	-	-	126.2
<b>Total revenue</b>	<b>46.2</b>	<b>126.2</b>	<b>4.8</b>	<b>19.1</b>	<b>196.4</b>
<b>Expenses</b>					
Cost of sales	(7.2)	(33.9)	-	-	(41.1)
Employee expenses	(9.4)	(33.9)	-	-	(43.4)
Management fees	-	(1.3)	-	(5.3)	(6.6)
Other operating expenses	(3.9)	(12.1)	-	(1.0)	(17.0)
<b>Total operating expenses</b>	<b>(20.5)</b>	<b>(81.3)</b>	<b>-</b>	<b>(6.2)</b>	<b>(108.0)</b>
Realised gains on derivative contracts	-	-	-	8.2	8.2
<b>EBITDA before specific items</b>	<b>25.7</b>	<b>44.9</b>	<b>4.8</b>	<b>21.0</b>	<b>96.5</b>
Depreciation	(6.9)	(21.4)	-	-	(28.3)
<b>EBIT before specific items</b>	<b>18.8</b>	<b>23.5</b>	<b>4.8</b>	<b>21.0</b>	<b>68.2</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.2	1.6	-	2.1	3.9
Interest expense	(25.2)	(17.1)	-	(14.3)	(56.6)
Amortisation of loan issue costs	(0.7)	-	-	(10.1)	(10.8)
	<b>(25.7)</b>	<b>(15.5)</b>	<b>-</b>	<b>(22.3)</b>	<b>(63.5)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>(6.9)</b>	<b>8.0</b>	<b>4.8</b>	<b>(1.3)</b>	<b>4.7</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	(87.8)	5.1	4.7	(7.4)	(85.4)
Interest on minority investor shareholder loans <sup>3</sup>	(3.2)	(0.9)	-	-	(4.2)
Transaction fees <sup>4</sup>	-	-	(16.3)	-	(16.3)
	<b>(91.0)</b>	<b>4.2</b>	<b>(11.6)</b>	<b>(7.4)</b>	<b>(105.8)</b>
<b>Net profit/(loss) before tax</b>	<b>(97.9)</b>	<b>12.3</b>	<b>(6.8)</b>	<b>(8.6)</b>	<b>(101.1)</b>
<b>Tax</b>	<b>3.6</b>	<b>(9.3)</b>	<b>-</b>	<b>(0.2)</b>	<b>(5.9)</b>
<b>Net profit/(loss) after tax</b>	<b>(94.3)</b>	<b>3.0</b>	<b>(6.8)</b>	<b>(8.9)</b>	<b>(107.0)</b>

### Footnotes

<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West, Northern Gas and Southern Water

<sup>2</sup> Unrealised items

- Inflation hedge revaluations	(80.5)	-	-	-	(80.5)
- Distribution Fx hedge revaluations - CIF fund	-	-	-	(8.2)	(8.2)
- Distribution Fx hedge revaluations - LBC	-	5.1	-	-	5.1
- RPS Contract revaluations	-	-	-	0.8	0.8
- Fx revaluations on investments and debt fair valued through P&L	-	-	4.7	-	4.7
- Employee share scheme - Inexus	(7.3)	-	-	-	(7.3)
<b>Total unrealised items</b>	<b>(87.8)</b>	<b>5.1</b>	<b>4.7</b>	<b>(7.4)</b>	<b>(85.4)</b>

<sup>3</sup> Interest on minority shareholder loans

- Inexus loan notes issued to minorities	(0.5)	-	-	-	(0.5)
- Inexus preference shares	(2.7)	-	-	-	(2.7)
- LBC minorities	-	(0.9)	-	-	(0.9)
<b>Total interest on minority shareholder loans</b>	<b>(3.2)</b>	<b>(0.9)</b>	<b>-</b>	<b>-</b>	<b>(4.2)</b>

<sup>4</sup> Relates to transaction fees paid in respect of acquisition of Southern Water required to be expensed under AIFRS

## Statutory Consolidated Profit & Loss - 2H07 Segmented

2H07	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	-	11.7	11.7
Transportation revenue	40.5	-	-	-	40.5
Tank storage revenue	-	18.4	-	-	18.4
<b>Total revenue</b>	<b>40.5</b>	<b>18.4</b>	<b>-</b>	<b>11.7</b>	<b>70.6</b>
<b>Expenses</b>					
Cost of sales	(4.6)	(5.8)	-	-	(10.4)
Employee expenses	(9.2)	(5.5)	-	-	(14.7)
Management fees	-	-	-	(5.7)	(5.7)
Other operating expenses	(3.9)	(1.1)	-	(0.7)	(5.7)
<b>Total operating expenses</b>	<b>(17.7)</b>	<b>(12.4)</b>	<b>-</b>	<b>(6.4)</b>	<b>(36.5)</b>
Realised gains on derivative contracts	-	-	-	(6.7)	(6.7)
<b>EBITDA before specific items</b>	<b>22.9</b>	<b>6.0</b>	<b>-</b>	<b>(1.5)</b>	<b>27.4</b>
Depreciation	(6.6)	(4.7)	-	-	(11.3)
<b>EBIT before specific items</b>	<b>16.3</b>	<b>1.3</b>	<b>-</b>	<b>(1.5)</b>	<b>16.1</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.1	0.7	-	4.3	5.2
Interest expense	(22.1)	(3.2)	-	(2.2)	(27.4)
Amortisation of loan issue costs	(0.6)	-	-	(0.5)	(1.2)
	<b>(22.7)</b>	<b>(2.4)</b>	<b>-</b>	<b>1.6</b>	<b>(23.5)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>(6.4)</b>	<b>(1.1)</b>	<b>-</b>	<b>0.2</b>	<b>(7.4)</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	37.3	(0.3)	-	29.2	66.2
Interest on minority investor shareholder loans <sup>3</sup>	(3.2)	(0.1)	-	-	(3.3)
Transaction fees	-	-	-	-	-
	<b>34.1</b>	<b>(0.4)</b>	<b>-</b>	<b>29.2</b>	<b>62.9</b>
<b>Net profit/(loss) before tax</b>	<b>27.6</b>	<b>(1.5)</b>	<b>-</b>	<b>29.4</b>	<b>55.5</b>
<b>Tax</b>	<b>3.6</b>	<b>1.5</b>	<b>-</b>	<b>(1.6)</b>	<b>3.5</b>
<b>Net profit/(loss) after tax</b>	<b>31.2</b>	<b>(0.1)</b>	<b>-</b>	<b>27.8</b>	<b>59.0</b>

### Footnotes

<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West, Northern Gas and Southern Water

<sup>2</sup> Unrealised items

- Inflation hedge revaluations	46.0	-	-	-	46.0
- Distribution Fx hedge revaluations - CIF fund	-	-	-	29.2	29.2
- Distribution Fx hedge revaluations - LBC	-	(0.3)	-	-	(0.3)
- Employee share scheme - Inexus	(8.7)	-	-	-	(8.7)
Total unrealised items	<b>37.3</b>	<b>(0.3)</b>	<b>-</b>	<b>29.2</b>	<b>66.2</b>

<sup>3</sup> Interest on minority shareholder loans

- Inexus loan notes issued to minorities	(0.9)	-	-	-	(0.9)
- Inexus preference shares	(2.3)	-	-	-	(2.3)
- LBC minorities	-	(0.1)	-	-	(0.1)
Total interest on minority shareholder loans	<b>(3.2)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>(3.3)</b>

## Statutory Consolidated Profit & Loss - 1H07 Segmented

1H07					
\$Amillions	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	-	15.9	15.9
Transportation revenue	38.1	-	-	-	38.1
Tank storage revenue	-	-	-	-	-
<b>Total revenue</b>	<b>38.1</b>	<b>-</b>	<b>-</b>	<b>15.9</b>	<b>54.0</b>
<b>Expenses</b>					
Cost of sales	(3.6)	-	-	-	(3.6)
Employee expenses	(7.5)	-	-	-	(7.5)
Management fees	-	-	-	(3.9)	(3.9)
Other operating expenses	(3.3)	-	-	(0.4)	(3.7)
<b>Total operating expenses</b>	<b>(14.4)</b>	<b>-</b>	<b>-</b>	<b>(4.3)</b>	<b>(18.8)</b>
Realised gains on derivative contracts	-	-	-	7.1	7.1
<b>EBITDA before specific items</b>	<b>23.7</b>	<b>-</b>	<b>-</b>	<b>18.6</b>	<b>42.3</b>
Depreciation	(6.3)	-	-	-	(6.3)
<b>EBIT before specific items</b>	<b>17.4</b>	<b>-</b>	<b>-</b>	<b>18.6</b>	<b>36.0</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.3	-	-	3.9	4.2
Interest expense	(21.4)	-	-	(2.8)	(24.2)
Amortisation of loan issue costs	(0.8)	-	-	(0.4)	(1.2)
	<b>(21.8)</b>	<b>-</b>	<b>-</b>	<b>0.7</b>	<b>(21.1)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>(4.5)</b>	<b>-</b>	<b>-</b>	<b>19.3</b>	<b>14.9</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	(26.4)	-	-	(5.1)	(31.6)
Interest on minority investor shareholder loans <sup>3</sup>	(3.7)	-	-	-	(3.7)
Transaction fees	-	-	-	-	-
	<b>(30.1)</b>	<b>-</b>	<b>-</b>	<b>(5.1)</b>	<b>(35.3)</b>
<b>Net profit/(loss) before tax</b>	<b>(34.6)</b>	<b>-</b>	<b>-</b>	<b>14.2</b>	<b>(20.4)</b>
<b>Tax</b>	<b>2.3</b>	<b>-</b>	<b>-</b>	<b>(0.5)</b>	<b>1.9</b>
<b>Net profit/(loss) after tax</b>	<b>(32.3)</b>	<b>-</b>	<b>-</b>	<b>13.7</b>	<b>(18.5)</b>
<b>Footnotes</b>					
<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West and Northern Gas					
<sup>2</sup> Unrealised items					
- Inflation hedge revaluations	(19.0)	-	-	-	(19.0)
- Distribution Fx hedge revaluations - CIF fund	-	-	-	(5.1)	(5.1)
- Employee share scheme - Inexus	(7.5)	-	-	-	(7.5)
<b>Total unrealised items</b>	<b>(26.4)</b>	<b>-</b>	<b>-</b>	<b>(5.1)</b>	<b>(31.6)</b>
<sup>3</sup> Interest on minority shareholder loans					
- Inexus loan notes issued to minorities	(0.2)	-	-	-	(0.2)
- Inexus preference shares	(3.5)	-	-	-	(3.5)
<b>Total interest on minority shareholder loans</b>	<b>(3.7)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.7)</b>

## Statutory Consolidated Profit & Loss - 2H06 Segmented

2H06					
\$millions	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	-	10.2	10.2
Transportation revenue	34.7	-	-	-	34.7
Tank storage revenue	-	-	-	-	-
<b>Total revenue</b>	<b>34.7</b>	<b>-</b>	<b>-</b>	<b>10.2</b>	<b>44.9</b>
<b>Expenses</b>					
Cost of sales	(3.5)	-	-	-	(3.5)
Employee expenses	(6.8)	-	-	-	(6.8)
Management fees	-	-	-	(1.2)	(1.2)
Other operating expenses	(5.8)	-	-	(0.2)	(6.0)
<b>Total operating expenses</b>	<b>(16.1)</b>	<b>-</b>	<b>-</b>	<b>(1.4)</b>	<b>(17.5)</b>
Realised gains on derivative contracts	-	-	-	1.6	1.6
<b>EBITDA before specific items</b>	<b>18.6</b>	<b>-</b>	<b>-</b>	<b>10.4</b>	<b>29.0</b>
Depreciation	(5.9)	-	-	-	(5.9)
<b>EBIT before specific items</b>	<b>12.7</b>	<b>-</b>	<b>-</b>	<b>10.4</b>	<b>23.1</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.3	-	-	0.5	0.8
Interest expense	(20.0)	-	-	(9.3)	(29.3)
Amortisation of loan issue costs	(0.8)	-	-	(0.6)	(1.4)
	<b>(20.5)</b>	<b>-</b>	<b>-</b>	<b>(9.4)</b>	<b>(29.9)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>(7.8)</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>(6.7)</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	14.4	-	-	(14.2)	0.2
Interest on minority investor shareholder loans <sup>3</sup>	(3.3)	-	-	-	(3.3)
Transaction fees	-	-	-	-	-
	<b>11.1</b>	<b>-</b>	<b>-</b>	<b>(14.2)</b>	<b>(3.1)</b>
<b>Net profit/(loss) before tax</b>	<b>3.3</b>	<b>-</b>	<b>-</b>	<b>(13.2)</b>	<b>(9.9)</b>
<b>Tax</b>	<b>3.4</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>4.5</b>
<b>Net profit/(loss) after tax</b>	<b>6.7</b>	<b>-</b>	<b>-</b>	<b>(12.0)</b>	<b>(5.3)</b>
<b>Footnotes</b>					
<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West and Northern Gas					
<sup>2</sup> Unrealised items					
- Inflation hedge revaluations	15.1	-	-	-	15.1
- Distribution Fx hedge revaluations - CIF fund	-	-	-	(14.2)	(14.2)
- Employee share scheme - Inexus	(0.7)	-	-	-	(0.7)
Total unrealised items	<b>14.4</b>	<b>-</b>	<b>-</b>	<b>(14.2)</b>	<b>0.2</b>
<sup>3</sup> Interest on minority shareholder loans					
- Inexus loan notes issued to minorities	(0.5)	-	-	-	(0.5)
- Inexus preference shares	(2.8)	-	-	-	(2.8)
Total interest on minority shareholder loans	<b>(3.3)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3.3)</b>

## Statutory Consolidated Profit & Loss - 1H06 Segmented

1H06					
\$Amillions	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	-	14.6	14.6
Transportation revenue	21.1	-	-	-	21.1
Tank storage revenue	-	-	-	-	-
<b>Total revenue</b>	<b>21.1</b>	<b>-</b>	<b>-</b>	<b>14.6</b>	<b>35.7</b>
<b>Expenses</b>					
Cost of sales	(2.3)	-	-	-	(2.3)
Employee expenses	(3.2)	-	-	-	(3.2)
Management fees	-	-	-	(1.2)	(1.2)
Other operating expenses	(3.0)	-	-	(0.3)	(3.3)
<b>Total operating expenses</b>	<b>(8.4)</b>	<b>-</b>	<b>-</b>	<b>(1.6)</b>	<b>(10.0)</b>
Realised gains on derivative contracts	-	-	-	-	-
<b>EBITDA before specific items</b>	<b>12.7</b>	<b>-</b>	<b>-</b>	<b>13.0</b>	<b>25.7</b>
Depreciation	(3.4)	-	-	-	(3.4)
<b>EBIT before specific items</b>	<b>9.3</b>	<b>-</b>	<b>-</b>	<b>13.0</b>	<b>22.3</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.3	-	-	0.9	1.2
Interest expense	(12.6)	-	-	(7.7)	(20.2)
Amortisation of loan issue costs	(0.5)	-	-	(1.5)	(2.0)
	<b>(12.8)</b>	<b>-</b>	<b>-</b>	<b>(8.3)</b>	<b>(21.1)</b>
<b>NPBT before specific items</b>	<b>(3.5)</b>	<b>-</b>	<b>-</b>	<b>4.7</b>	<b>1.3</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	(19.2)	-	-	4.1	(15.1)
Interest on minority investor shareholder loans <sup>3</sup>	(2.2)	-	-	-	(2.2)
Transaction fees	-	-	-	-	-
	<b>(21.4)</b>	<b>-</b>	<b>-</b>	<b>4.1</b>	<b>(17.3)</b>
<b>Net profit/(loss) before tax</b>	<b>(24.9)</b>	<b>-</b>	<b>-</b>	<b>8.8</b>	<b>(16.1)</b>
<b>Tax</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.7</b>
<b>Net profit/(loss) after tax</b>	<b>(24.1)</b>	<b>-</b>	<b>-</b>	<b>8.8</b>	<b>(15.3)</b>
<b>Footnotes</b>					
<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West and Northern Gas					
<sup>2</sup> Unrealised items					
- Inflation hedge revaluations	(18.8)	-	-	-	(18.8)
- Distribution Fx hedge revaluations - CIF fund	-	-	-	4.1	4.1
- Employee share scheme - Inexus	(0.4)	-	-	-	(0.4)
Total unrealised items	<b>(19.2)</b>	<b>-</b>	<b>-</b>	<b>4.1</b>	<b>(15.1)</b>
<sup>3</sup> Interest on minority shareholder loans					
- Inexus loan notes issued to minorities	(0.3)	-	-	-	(0.3)
- Inexus preference shares	(1.8)	-	-	-	(1.8)
Total interest on minority shareholder loans	<b>(2.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2.2)</b>

## Statutory Consolidated Profit & Loss - FY June 07 Segmented

FY07	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	-	27.6	27.6
Transportation revenue	78.7	-	-	-	78.7
Tank storage revenue	-	18.4	-	-	18.4
<b>Total revenue</b>	<b>78.7</b>	<b>18.4</b>	<b>-</b>	<b>27.6</b>	<b>124.6</b>
<b>Expenses</b>					
Cost of sales	(8.2)	(5.8)	-	-	(14.0)
Employee expenses	(16.7)	(5.5)	-	-	(22.2)
Management fees	-	-	-	(9.7)	(9.7)
Other operating expenses	(7.2)	(1.1)	-	(1.1)	(9.4)
<b>Total operating expenses</b>	<b>(32.1)</b>	<b>(12.4)</b>	<b>-</b>	<b>(10.7)</b>	<b>(55.3)</b>
Realised gains on derivative contracts	-	-	-	0.3	0.3
<b>EBITDA before specific items</b>	<b>46.6</b>	<b>6.0</b>	<b>-</b>	<b>17.2</b>	<b>69.7</b>
Depreciation	(12.9)	(4.7)	-	-	(17.6)
<b>EBIT before specific items</b>	<b>33.6</b>	<b>1.3</b>	<b>-</b>	<b>17.2</b>	<b>52.1</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.5	0.7	-	8.2	9.4
Interest expense	(43.4)	(3.2)	-	(5.0)	(51.6)
Amortisation of loan issue costs	(1.6)	-	-	(0.9)	(2.4)
	<b>(44.6)</b>	<b>(2.4)</b>	<b>-</b>	<b>2.4</b>	<b>(44.6)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>(10.9)</b>	<b>(1.1)</b>	<b>-</b>	<b>19.5</b>	<b>7.5</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	10.8	(0.3)	-	24.1	34.6
Interest on minority investor shareholder loans <sup>3</sup>	(6.9)	(0.1)	-	-	(7.0)
Transaction fees	-	-	-	-	-
	<b>3.9</b>	<b>(0.4)</b>	<b>-</b>	<b>24.1</b>	<b>27.6</b>
<b>Net profit/(loss) before tax</b>	<b>(7.0)</b>	<b>(1.5)</b>	<b>-</b>	<b>43.6</b>	<b>35.1</b>
<b>Tax</b>	<b>5.9</b>	<b>1.5</b>	<b>-</b>	<b>(2.0)</b>	<b>5.4</b>
<b>Net profit/(loss) after tax</b>	<b>(1.0)</b>	<b>(0.1)</b>	<b>-</b>	<b>41.5</b>	<b>40.4</b>

### Footnotes

<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West, Northern Gas and Southern Water

<sup>2</sup> Unrealised items

- Inflation hedge revaluations	27.0	-	-	-	27.0
- Distribution Fx hedge revaluations - CIF fund	-	-	-	24.1	24.1
- Distribution Fx hedge revaluations - LBC	-	(0.3)	-	-	(0.3)
- Employee share scheme - Inexus	(16.1)	-	-	-	(16.1)
<b>Total unrealised items</b>	<b>10.8</b>	<b>(0.3)</b>	<b>-</b>	<b>24.1</b>	<b>34.6</b>

<sup>3</sup> Interest on minority shareholder loans

- Inexus loan notes issued to minorities	(1.1)	-	-	-	(1.1)
- Inexus preference shares	(5.8)	-	-	-	(5.8)
- LBC minorities	-	(0.1)	-	-	(0.1)
<b>Total interest on minority shareholder loans</b>	<b>(6.9)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>(7.0)</b>

## Statutory Consolidated Profit & Loss - FY June 06 Segmented

FY06					
\$Amillions	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Income</b>					
Investment income <sup>1</sup>	-	-	-	24.7	24.7
Transportation revenue	55.8	-	-	-	55.8
Tank storage revenue	-	-	-	-	-
<b>Total revenue</b>	<b>55.8</b>	<b>-</b>	<b>-</b>	<b>24.7</b>	<b>80.6</b>
<b>Expenses</b>					
Cost of sales	(5.8)	-	-	-	(5.8)
Employee expenses	(10.0)	-	-	-	(10.0)
Management fees	-	-	-	(2.5)	(2.5)
Other operating expenses	(8.8)	-	-	(0.5)	(9.3)
<b>Total operating expenses</b>	<b>(24.5)</b>	<b>-</b>	<b>-</b>	<b>(3.0)</b>	<b>(27.5)</b>
Realised gains on derivative contracts	-	-	-	1.6	1.6
<b>EBITDA before specific items</b>	<b>31.3</b>	<b>-</b>	<b>-</b>	<b>23.4</b>	<b>54.7</b>
Depreciation	(9.2)	-	-	-	(9.2)
<b>EBIT before specific items</b>	<b>22.1</b>	<b>-</b>	<b>-</b>	<b>23.4</b>	<b>45.5</b>
<b>Interest &amp; borrowing costs</b>					
Interest Income	0.6	-	-	1.5	2.0
Interest expense	(32.5)	-	-	(16.9)	(49.5)
Amortisation of loan issue costs	(1.3)	-	-	(2.1)	(3.5)
	<b>(33.3)</b>	<b>-</b>	<b>-</b>	<b>(17.6)</b>	<b>(50.9)</b>
<b>Net profit/(loss) before tax and specific items</b>	<b>(11.3)</b>	<b>-</b>	<b>-</b>	<b>5.8</b>	<b>(5.5)</b>
<b>Specific items</b>					
Unrealised items <sup>2</sup>	(4.8)	-	-	(10.2)	(15.0)
Interest on minority investor shareholder loans <sup>3</sup>	(5.5)	-	-	-	(5.5)
Transaction fees	-	-	-	-	-
	<b>(10.3)</b>	<b>-</b>	<b>-</b>	<b>(10.2)</b>	<b>(20.4)</b>
<b>Net profit/(loss) before tax</b>	<b>(21.5)</b>	<b>-</b>	<b>-</b>	<b>(4.4)</b>	<b>(25.9)</b>
<b>Tax</b>	<b>4.1</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>5.2</b>
<b>Net profit/(loss) after tax</b>	<b>(17.4)</b>	<b>-</b>	<b>-</b>	<b>(3.2)</b>	<b>(20.7)</b>
<b>Footnotes</b>					
<sup>1</sup> Investment income from non-controlled investments include CIF's investments in Arqiva, Wales & West and Northern Gas					
<sup>2</sup> Unrealised items					
- Inflation hedge revaluations	(3.6)	0.0	0.0	0.0	(3.6)
- Distribution Fx hedge revaluations - CIF fund	0.0	0.0	0.0	(10.2)	(10.2)
- Employee share scheme - Inexus	(1.1)	0.0	0.0	0.0	(1.1)
Total unrealised items	<b>(4.8)</b>	<b>-</b>	<b>-</b>	<b>(10.2)</b>	<b>(15.0)</b>
<sup>3</sup> Interest on minority shareholder loans					
- Inexus loan notes issued to minorities	(0.9)	-	-	-	(0.9)
- Inexus preference shares	(4.6)	-	-	-	(4.6)
Total interest on minority shareholder loans	<b>(5.5)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5.5)</b>

## CIF Group Statutory Consolidated Balance Sheet <sup>1</sup>

CIF Group					
\$millions	31 Dec 2007	30 Jun 2007	31 Dec 2006	30 Jun 2006	31 Dec 2005
<b>Assets</b>					
Cash & cash equivalents	91.5	127.4	171.5	36.6	66.8
Trade & other receivables	112.2	65.1	21.6	438.1	440.5
Investments	1,151.8	481.2	320.1	318.5	291.3
Property Plant & Equipment	1,190.7	1,075.1	285.9	273.0	242.6
Intangibles	1,477.3	1,432.1	1,027.7	1,030.4	968.5
Deferred tax assets	2.9	6.5	4.2	7.0	-
Derivatives at fair value	-	20.1	-	-	-
Other assets	2.6	1.9	1.0	0.8	5.9
<b>Total assets</b>	<b>4,029.1</b>	<b>3,209.4</b>	<b>1,832.1</b>	<b>2,104.5</b>	<b>2,015.7</b>
<b>Liabilities</b>					
Trade & other payables	232.7	179.0	93.2	76.5	69.7
Distributions payable	50.3	48.9	34.7	19.6	14.5
Provisions	54.3	40.3	0.1	0.4	0.3
Deferred Tax Liabilities	161.5	161.3	5.5	10.5	-
Derivatives at fair value	98.2	-	85.3	59.5	70.6
Interest Bearing Liabilities - External	1,932.1	1,606.6	770.7	1,043.3	1,003.7
Redeemable Preference Shares	222.6	-	-	-	-
Minority investor shareholder loans <sup>2</sup>	122.9	111.4	91.4	91.7	86.2
<b>Total liabilities</b>	<b>2,874.6</b>	<b>2,147.6</b>	<b>1,080.8</b>	<b>1,301.6</b>	<b>1,245.0</b>
<b>Net assets per consolidated balance sheet</b>	<b>1,154.5</b>	<b>1,061.9</b>	<b>751.3</b>	<b>802.9</b>	<b>770.6</b>

### Footnotes

<sup>1</sup> Statutory consolidated balance sheet consolidates the Inexus and LBC assets. Investments in Arqiva, Northern Gas, Wales & West and Southern Water are reported as an investment and as such are not consolidated

<sup>2</sup> Minority investor shareholder loans are required under AIFRS to be classified as liabilities

These loans comprise:

- Loan notes - Inexus	26.2	13.9	14.6	14.7	13.8
- Loan notes - LBC	26.7	24.4	-	-	-
- Preference shares - Inexus	70.1	73.1	76.8	77.0	72.4
<b>Total minority investor shareholder loans</b>	<b>122.9</b>	<b>111.4</b>	<b>91.4</b>	<b>91.7</b>	<b>86.2</b>

# CIF Group Statutory Consolidated Balance Sheet <sup>1</sup>

## Segmented

CIF Group						
As at 31 December 2007 (\$A millions)	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation	
<b>Assets</b>						
Cash & cash equivalents	12.1	66.0	-	13.5	91.5	
Trade & other receivables	25.8	62.7	-	23.8	112.2	
Investments	-	-	680.1	471.7	1,151.8	
Property Plant & Equipment	325.3	865.4	-	-	1,190.7	
Intangibles	960.0	517.3	-	-	1,477.3	
Deferred tax assets	2.9	-	-	(0.0)	2.9	
Derivatives at fair value	-	-	-	-	-	
Other assets	2.0	0.6	-	-	2.6	
<b>Total assets</b>	<b>1,328.0</b>	<b>1,512.0</b>	<b>680.1</b>	<b>508.9</b>	<b>4,029.1</b>	
<b>Liabilities</b>						
Trade & other payables	123.2	98.8	-	10.7	232.7	
Distributions payable	-	-	-	50.3	50.3	
Provisions	-	54.3	-	-	54.3	
Deferred tax liabilities	(1.5)	161.4	-	1.6	161.5	
Derivatives at fair value	92.7	9.5	-	(4.0)	98.2	
Interest Bearing Liabilities - External <sup>2</sup>	827.5	623.8	-	480.8	1,932.1	
Redeemable Preference Shares	-	-	-	222.6	222.6	
Minority investor shareholder loans <sup>3</sup>	96.3	26.7	-	-	122.9	
<b>Total liabilities</b>	<b>1,138.2</b>	<b>974.5</b>	<b>-</b>	<b>761.9</b>	<b>2,874.6</b>	
<b>Net assets per consolidated balance sheet</b>	<b>189.9</b>	<b>537.5</b>	<b>680.1</b>	<b>(253.0)</b>	<b>1,154.5</b>	

### Footnotes

<sup>1</sup> Statutory consolidated balance sheet consolidates the Inexus and LBC assets. Investments in Arqiva, Northern Gas, Wales & West and Southern Water are reported as an investment and as such are not consolidated

<sup>2</sup> Interest Bearing Liabilities comprise of loans and capitalised line fees. The split of these is as follows:

- Loans	831.4	635.4	-	488.9	1,955.8	
- Capitalised line fees	(3.9)	(11.6)	-	(8.1)	(23.6)	
<b>Total interest bearing liabilities</b>	<b>827.5</b>	<b>623.8</b>	<b>-</b>	<b>480.8</b>	<b>1,932.1</b>	

<sup>3</sup> Minority investor shareholder loans are required under AIFRS to be classified as liabilities

These Loans comprise:

- Loan notes	26.2	26.7	-	-	52.8	
- Preference shares	70.1	-	-	-	70.1	
<b>Total minority investor shareholder loans</b>	<b>96.3</b>	<b>26.7</b>	<b>-</b>	<b>-</b>	<b>122.9</b>	

## CIF Group Statutory Consolidated Balance Sheet <sup>1</sup> Segmented

CIF Group					
As at 30 June 2007 (\$A millions)	Inexus	LBC	Southern Water	Fund & Minorities	Consolidation
<b>Assets</b>					
Cash & cash equivalents	5.4	76.0	-	45.9	127.4
Trade & other receivables	20.7	43.4	-	1.0	65.1
Investments	-	-	-	481.2	481.2
Property Plant & Equipment	292.6	782.5	-	-	1,075.1
Intangibles	978.8	453.3	-	-	1,432.1
Deferred tax assets	6.3	-	-	0.2	6.5
Derivatives at fair value	(2.8)	9.2	-	13.7	20.1
Other assets	1.5	0.4	-	-	1.9
<b>Total assets</b>	<b>1,302.5</b>	<b>1364.9</b>	<b>-</b>	<b>542.1</b>	<b>3209.4</b>
<b>Liabilities</b>					
Trade & other payables	98.0	67.5	-	13.5	179.0
Distributions payable	-	-	-	48.9	48.9
Provisions	-	40.3	-	-	40.3
Deferred tax liabilities	5.0	155.5	-	0.9	161.3
Derivatives at fair value	-	-	-	-	-
Interest Bearing Liabilities - External	791.5	589.6	-	225.5	1,606.6
Minority investor shareholder loans <sup>2</sup>	87.0	24.4	-	-	111.4
<b>Total liabilities</b>	<b>981.5</b>	<b>877.3</b>	<b>-</b>	<b>288.8</b>	<b>2,147.6</b>
<b>Net assets per consolidated balance sheet</b>	<b>320.9</b>	<b>487.6</b>	<b>-</b>	<b>253.3</b>	<b>1,061.9</b>

### Footnotes

<sup>1</sup> Statutory consolidated balance sheet consolidates the Inexus and LBC assets. Investments in Arqiva, Northern Gas, Wales & West and Southern Water are reported as an investment and as such are not consolidated

<sup>2</sup> Minority investor shareholder loans are required under AIFRS to be classified as liabilities

These Loans comprise:

- Loan notes	13.9	24.4	-	-	38.3
- Preference shares	73.1	-	-	-	73.1
<b>Total minority investor shareholder loans</b>	<b>87.0</b>	<b>24.4</b>	<b>-</b>	<b>-</b>	<b>111.4</b>

## Securities on Issue

<b>CIF Group</b>					
<b>Number of securities (millions)</b>	<b>31 Dec 2007</b>	<b>30 Jun 2007</b>	<b>31 Dec 2006</b>	<b>30 Jun 2006</b>	<b>31 Dec 2005</b>
<b>Total Ordinary Securities: Quoted (CIF)</b>					
Opening	276.3	240.8	240.0	240.0	-
Additions (+)					
i) Initial Public Offering	-	-	-	-	180.0
ii) Entitlement Offers	69.1	-	-	-	60.0
iii) Equity Placements	-	34.4	-	-	-
iv) Management Fees	1.4	1.1	0.9	-	-
Closing	<b>346.8</b>	<b>276.3</b>	<b>240.8</b>	<b>240.0</b>	<b>240.0</b>
<b>Weighted average number of Securities</b>	<b>343.6</b>	<b>254.2</b>	<b>240.4</b>	<b>240.0</b>	<b>116.5</b>
<b>Class A Securities</b>					
Opening	231.3	150.8	150.0	150.0	-
Additions (+)					
i) Initial Public Offering	-	-	-	-	90.0
ii) Entitlement Offers	69.1	-	-	-	60.0
iii) Equity Placements	-	34.4	-	-	-
iv) Management Fees	1.4	1.1	0.9	-	-
Conversion of Class B to Class A	-	45.0	-	-	-
Closing	<b>301.8</b>	<b>231.3</b>	<b>150.8</b>	<b>150.0</b>	<b>150.0</b>
<b>Class B Securities</b>					
Opening	45.0	90.0	90.0	90.0	-
Additions (+)					
i) Initial Public Offering	-	-	-	-	90.0
ii) Entitlement Offers	-	-	-	-	-
iii) Equity Placements	-	-	-	-	-
iv) Management Fees	-	-	-	-	-
Conversion of Class B to Class A	-	(45.0)	-	-	-
Closing	<b>45.0</b>	<b>45.0</b>	<b>90.0</b>	<b>90.0</b>	<b>90.0</b>