



**IN THE  
PIPELINE**  
SEPTEMBER 2009

**APA Group**  
2009 FULL YEAR  
RESULT SUMMARY

# SECURITY AND GROWTH

AUSTRALIAN PIPELINE LTD ACN 091 344 704    AUSTRALIAN PIPELINE TRUST ARSN 091 678 778    APT INVESTMENT TRUST ARSN 115 585 441

There are few industries that are resilient in times of economic uncertainty, and at the same time retain significant growth potential – Australia’s natural gas infrastructure industry is one of them.

This bodes well for APA Group as we continue to enhance and grow our extensive gas transportation and storage networks across the country. As Australia’s largest natural gas infrastructure business, our performance this year, and the opportunities ahead, demonstrate the resilience as well as the strength of our business.

## Record financial performance

APA delivered a record underlying financial result for the 12 months to 30 June 2009, representing our ninth successive year of record performance.

We achieved a 7% increase in underlying revenue to \$959 million and a 7% increase in underlying EBITDA to \$459 million, driven by the strong performance of our gas pipelines in New South Wales, Victoria and Western Australia. APA’s underlying operating cash flow increased by 22% to \$234 million, and operating cash flow per security increased by 13% to 48.2 cents per security (cps).

The final distribution of 16.0 cps took the total distribution for the year to 31.0 cps – a 5.1% increase on the previous year, achieving the guidance provided at the interim results. True to strategy, distributions continued to be well covered by operating cash flow.

## Key achievements

In the midst of a period of global uncertainty, we adhered to our strategy of growing the business sustainably and profitably, and strengthening our balance sheet.

We established an unlisted investment vehicle, Energy Infrastructure Investments (EII), in December 2008, selling a number of APA’s annuity-style assets to EII and attracting international industry experts, Marubeni Corporation and Osaka Gas Company, as co-investors. APA continues to benefit from the assets through retention of a 19.9% minority

equity interest in EII, as well as managing EII’s assets under a long term agreement. We received \$647 million in funds from the EII transaction which we used to pay down debt.

In a tight credit market we successfully refinanced the \$1 billion of debt due in the 2010 calendar year, receiving strong support from local and foreign banks, as well as the US private placement market. Standard & Poor’s initial credit rating of BBB assigned to APA in June 2009 was additional confirmation of our investment grade status.

Our market-leading portfolio of gas transmission and distribution assets was further enhanced by expansions and an acquisition during the year. APA completed the Bonaparte Gas Pipeline and Wickham Point Pipeline in the Northern Territory ahead of schedule and on budget, creating Australia’s newest gas pipeline.

Expansion of the Victorian Transmission System continued, with the commissioning of the Brooklyn Lara Pipeline in the south, and commencement of capacity expansion in the north.

We increased the capacity of the Goldfields Gas Pipeline in Western Australia and the Carpentaria Gas Pipeline in Queensland through the addition of three new compressor stations. We also completed the first stage of expansion work on the Moomba Sydney Pipeline, geared towards increasing its capacity for delivering and storing larger volumes of gas. Storage capacity was further enhanced with the acquisition of the small but strategic Central Ranges Pipeline.

We also increased our interest in Envestra during the year from 18.3% to 30.4% mainly through participation in, and partial underwriting of Envestra’s rights issue.

I am especially proud of the fact that the development projects utilised the commercial and operational skills of APA’s people at every stage. And our 1,100 talented and energetic people continue to be involved in managing and operating APA’s assets and investments across the country. APA is a truly independent operating business which has

this year proven to be transparent, low cost and highly competitive.

Safety remains a high priority for APA. We have improved our safety performance during the year, and with particular focus on early recognition and reporting of potential safety risks, we will continue to focus on improving safety across the business.

## Outlook

This year’s performance has highlighted the strength of APA’s business. The regulated and contracted nature of our revenue provides security. Growth opportunities are before us, with both the supply and demand for natural gas increasing. In particular, the general move to cleaner energy alternatives such as natural gas is supported by government policies and the positive choices of businesses and households.

The scale and location of our infrastructure assets means that APA is well positioned for growth. In the coming year, APA will benefit from the expansion activities completed this year. APA will continue to enhance capacity and services on our regulated and contracted assets, supported by a strengthened balance sheet.

Barring unforeseen circumstances, APA directors again affirm their intention to increase distributions in the 2010 financial year by at least 5%, with distributions fully covered by operating cash flow.

I am very proud to lead APA’s 1,100 people, and proud of APA’s achievements this year. We remain focused on delivering our strategy to maximise value for our securityholders. I believe APA is in a strong position to continue delivering security and growth in the coming year.

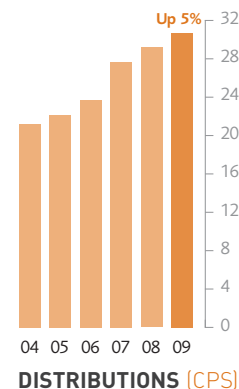
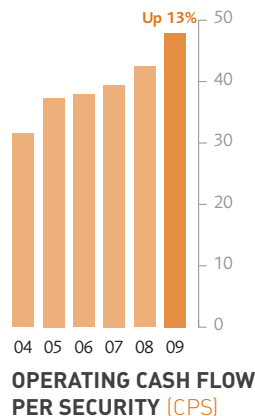
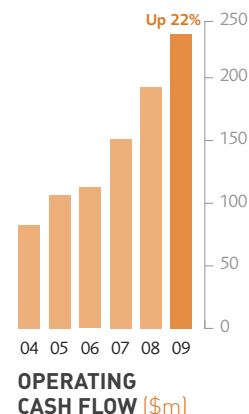
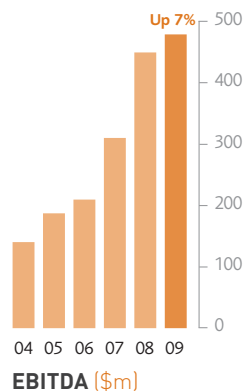
**Mick McCormack**  
Managing Director  
APA Group

# PERFORMANCE HIGHLIGHTS

	2009	2008	Change
Revenue (\$m)	958.8	897.8	6.8%
Revenue excluding pass-through (\$m)	687.4	614.9	11.8%
EBITDA (\$m)	458.7	430.5	6.5%
Operating cash flow (\$m)	233.6	192.1	21.6%
Net profit after tax (\$m)	110.1	82.2	34.0%
Reported NPAT (\$m)	78.8	67.2	17.2%
Operating cash flow per security (cents)	48.2	42.7	12.8%
Distribution per security (cents)	31.0	29.5	5.1%

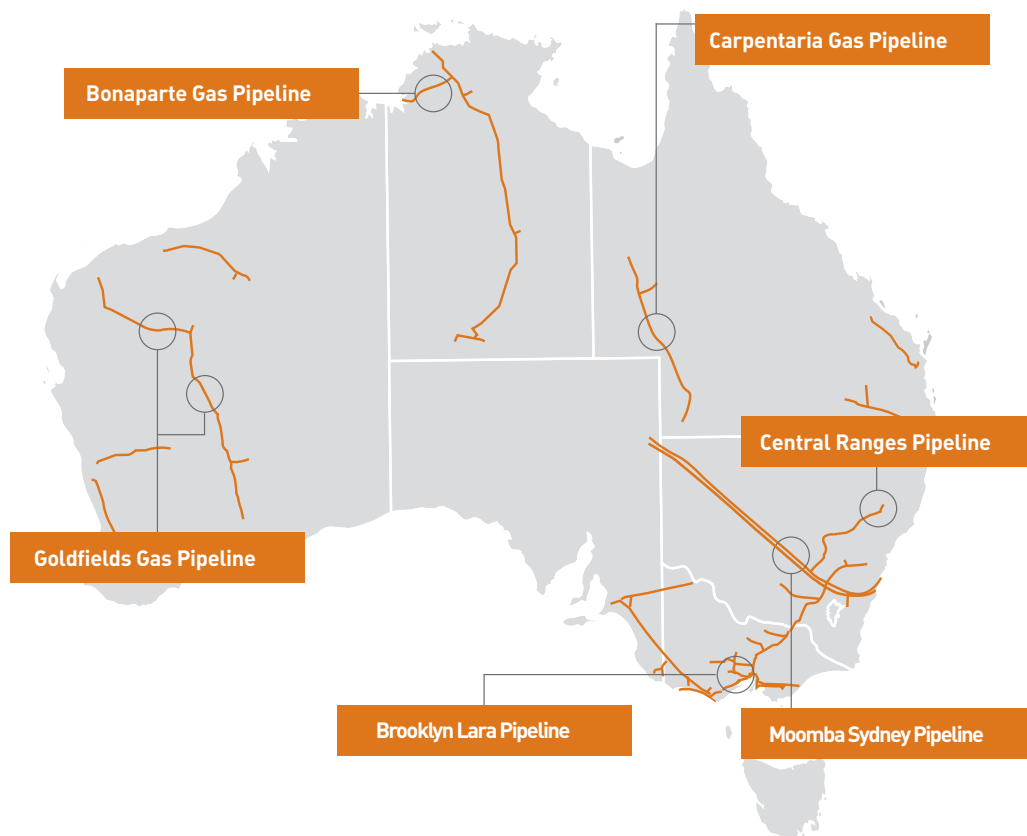
Underlying results before significant items and AIFRS adjustments

- Achieved 9th consecutive year of record underlying financial performance, reporting increases on all key financial measures
- Increased full-year distributions by 5.1%, achieving guidance
- Completed refinance of \$1 billion debt due in 2010
- Affirmed as an investment grade company
  - Standard & Poor's assigned a BBB long term corporate credit rating
- Established Energy Infrastructure Investments
  - APA sold its annuity-style assets, and retained a 19.9% equity interest together with the management and operation of the assets under a long term agreement.



## Increased full-year distributions by 5.1%, achieving guidance

- Constructed two additional compressor stations, Ned's Creek and Wyloo West on the Goldfields Gas Pipeline in Western Australia.
- Constructed an additional compressor station, Davenport Downs on the Carpentaria Gas Pipeline in Queensland
- Continued investment in the Moomba Sydney Pipeline to increase winter capacity
- Constructed the Bonaparte Gas Pipeline and Wickham Point Pipeline in the Northern Territory
- Completed construction of the Brooklyn Lara Pipeline in Victoria
- Acquired the Central Ranges Pipeline and Central Ranges Network in northern New South Wales
- Increased equity interest in Envestra to 30.4%



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