

Australian Pipeline Trust

Results For Announcement To The Market For the Half Year Ended 31 December 2009 Appendix 4D

Statutory Results		Percentage Change %	Amount \$'000
Revenue before significant items	up	1.2	495,947
EBITDA before significant items	up	2.5	244,256
EBIT before significant items	up	4.4	197,438
Operating profit after tax and minorities before significant items	up	28.3	63,588
Earnings per security before significant items (cents per security)	up	21.0	12.6c
Earnings per security (cents per security)	up	233.7	12.6c

EBIT = Earnings before interest and tax

EBITDA = EBIT before depreciation and amortisation

Revenue and Net Profit/(Loss)

		Percentage Change %	Amount \$'000
Underlying Results			
Underlying Revenue from continuing operations	up	6.8	338,372
Underlying EBITDA from continuing operations	up	10.9	246,323
Underlying Operating profit after tax and minorities	up	13.4	64,257
Underlying Operating cash flow	up	29.9	159,539
Underlying Operating cash flow per security	up	22.5	31.6c
Earnings per security before significant items (cents per security)	up	5.2	12.5

The underlying results for APA Group exclude pass-through revenue, one-off significant items and include two adjustments to revenue and earnings arising from their treatment under A-IFRS, as follows:

- Pass-through revenue of \$152.6 million, on which no margin is earned, arises in the NT Gas business and the Asset Management operations on Envestra assets;
- Significant items were nil for the period (2008: loss of \$24.6 million, loss of \$31.6 million after tax);
- Capital distributions received from the Ethane Pipeline Income Fund and Hastings Diversified Utilities Fund are included in the underlying result, ie. the capital components of \$0.7 million of the distributions received have been reclassified to revenue and earnings - (2008: \$7.1 million); and
- Earnings from a number of complementary assets which are treated as finance leases under A-IFRS, ie. finance lease principal repayments of \$1.4 million have been reclassified to revenue - (2008: \$3.6 million).

The Directors are of the view that the underlying results provide a more accurate portrayal of the results of operations of APA Group.

Australian Pipeline Trust

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Dividends (Distributions)

Distributions paid and proposed in relation to the half year ended	Amount per security	Franked Amount per security
31 December 2009:		
Final distribution paid 15 September 2009 in respect of the financial year ended 30 June 2009		
- Profit distribution ^a	4.9¢	-
- Capital distribution	11.1¢	-
Total distributions paid	16.0¢	-
Interim distributions paid in respect of financial year ending 30 June 2010 ^a		
Interim distribution proposed in respect of financial year ending 30 June 2010		
- Profit distribution ^a	9.18¢	-
- Capital distribution	6.57¢	-
Total distributions proposed	15.75¢	-

^a Unfranked

Record date for determining entitlements to the unrecognised interim distribution in respect of the year ending 30 June 2010

- interim distribution

31 December 2009

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Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

Refer Directors' Report.

The Directors have proposed an interim distribution of 10.64 cents per security, which consists of an unfranked income distribution of 5.67 cents and a capital distribution of 4.97 cents, to be paid on 17 March 2010.

The Directors also note that APT Investment Trust has proposed an interim distribution of 5.11 cents per unit, which consists of an unfranked interest income distribution of 3.51 cents and a capital distribution of 1.60 cents, also to be paid on 17 March 2009.

Total distribution for the APA stapled security for the December half year is 15.75 cents per stapled security.

Reporting Period

Current Reporting Period:	Half year ended 31 December 2009
Previous Corresponding Period:	Half year ended 31 December 2008

Distribution Reinvestment Plan

The dividend or distribution plans shown below are in operation.

The distribution reinvestment plan that is in operation is the Australian Pipeline Trust Distribution Reinvestment Plan. The plan became effective on 15 August 2003.

The last date(s) for receipt of election notices for the dividend or distribution plans

31 December 2009

Details of Entities Over Which Control Has Been Gained or Lost

Nil

Net Tangible Assets Per Security

	31 December 2009 \$	30 June 2009 \$
Net tangible assets per security	1.23	1.18

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Compliance Statement

Information on Audit or Review

(a) The Interim half-year report is based on accounts to which one of the following applies.

- | | | | |
|--------------------------|--|-------------------------------------|---|
| <input type="checkbox"/> | The accounts have been audited. | <input checked="" type="checkbox"/> | The accounts have been subject to review. |
| <input type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have not yet been audited or reviewed. |

(b) Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

- N/A -

(c) Description of dispute or qualification if the accounts have been audited or subjected to review.

- N/A -

(d) The entity has a formally constituted audit committee.

Sign here:



Chairman

24 February 2010

Date

Print name: L F Bleasel AM

APA Group



Australian Pipeline Trust
ARSN 091 678 778

Interim Financial Report
For the Half Year ended
31 December 2009

Delivering Australia's Energy

Australian Pipeline Trust and its Controlled Entities
Directors' Report for the half year ended 31 December 2009

The directors of Australian Pipeline Limited ("Responsible Entity") submit their interim financial report of Australian Pipeline Trust ("APT") and its controlled entities (together "Consolidated Entity" or "APA") for the half year ended 31 December 2009 ("current period"). This report refers to the consolidated results of APT and APT Investment Trust ("APTIT").

Directors

The names of the directors of the Responsible Entity during and since the current period are:

Leonard Bleasel AM Chairman
John Fletcher
Russell Higgins AO
Muri Muhammad
Manharlal Ratilal
Robert Wright
Michael McCormack Managing Director

Alternate directors who served during the current period are as follows:

W S Saidi as alternate for Muri Muhammad, retired as of 14 August 2009.
W Z W Ariffin as alternate for Manharlal Ratilal, retired as of 19 August 2009.

Company Secretary

Mark Knapman

Principal activities

The principal activities of the Consolidated Entity during the course of the current period were the ownership and operation of energy infrastructure, including:

- Gas transmission and distribution businesses located across Australia;
- Energy investments, including Envestra Limited ("Envestra"), SEA Gas Pipeline, Ethane Pipeline Income Fund ("EPX") and Energy Infrastructure Investments Pty Limited ("EII"); and
- Asset management and operations services for APA's energy investments and other third parties.

Significant changes in state of affairs

No significant change in the state of affairs of APA occurred during the current period.

Distributions

On 24 February 2010, the directors declared an interim distribution for APA for the current period of 15.75 cents per security ("cps"), an increase of 5.0%, or 0.75 cps on the previous corresponding period ("pcp"). This includes an APT distribution of 10.64 cps comprising a 5.67 cent unfranked income distribution and a 4.97 cent tax deferred capital distribution and an APTIT distribution of 5.11 cps comprising a 3.19 cent unfranked interest income distribution, a 0.32 cent tax deferred income distribution and a 1.60 cent tax deferred capital distribution. The directors have again determined to

Australian Pipeline Trust and its Controlled Entities
Directors' Report for the half year ended 31 December 2009

offer investors the chance to participate in the Distribution Reinvestment Plan ("DRP") in respect of this distribution. The interim distribution is payable on 17 March 2010.

Financial and operational review

The following table provides a summary of key financial data for the year:

Statutory result Half year ended	31 Dec 2009	31 Dec 2008	Changes on pcp	
	\$000	\$000	\$000	%
Total revenue excluding pass-through ⁽¹⁾	343,306	357,017	(13,711)	(3.8)
Total revenue	495,948	490,034	5,914	1.2
EBITDA	244,256	238,186	6,070	2.5
Depreciation and amortisation	(46,818)	(49,068)	2,250	4.6
EBIT	197,438	189,118	8,320	4.4
Net interest expense	(111,055)	(121,906)	10,851	8.9
Pre-tax profit	86,383	67,212	19,171	28.5
Income tax expense	(22,682)	(17,614)	(5,068)	(28.8)
Minorities	(113)	(32)	(81)	(253.1)
Operating profit after tax and minorities, before significant items	63,588	49,565	14,023	28.3
Significant items after income tax	-	(31,599)	(31,599)	(100.0)
Profit after income tax and minorities	63,588	17,966	45,622	253.9
Operating cash flow ⁽²⁾	159,538	122,838	36,700	29.9
Operating cash flow per security (cents)	31.6	25.8	5.8	22.5
Earnings per security (cents)	12.6	11.9	0.7	5.9
Distribution per security (cents)	15.75	15.0	0.75	5.0
Distribution payout ratio ⁽³⁾	50.2%	59.8%	-	-
Weighted average number of securities (000)	504,568	475,788	-	-

(1) Pass-through revenue is revenue on which no margin is earned. Pass-through revenue arises in the NT Gas business and the asset management operations on Envestra assets.

(2) Operating cash flow = net cash from operations after interest and tax payments, adjusted for significant items.

(3) Distribution payout ratio = total distribution payments as a percentage of operating cash flow.

APA Group reported operating profit after tax and minorities (before significant items) of \$63.6 million, an increase of 28% compared with \$49.6 million (before significant items) reported in the pcp. This improved result is despite the sell-down of \$703 million of assets to EII in December 2008 as the pcp includes contributions from these assets.

The main factors driving the increase in operating profit include:

- Increased EBITDA performance from the continuing businesses in the Gas Transmission and Distribution segment, with a particularly strong increase from the NSW assets, somewhat offset by the lower volumes transported through the Victorian Transmission System;
- Increased contracted capacity and storage services on the Moomba Sydney Pipeline flowing from the current expansion program which began in 2008;

Australian Pipeline Trust and its Controlled Entities
Directors' Report for the half year ended 31 December 2009

- Increased contribution from the Energy Investments segment with new contributions from EII and increased contribution from Envestra investment following step up to 31% ownership (December 2008, 17%);
- Reduction in net interest costs due to the decrease in net debt position; and
- Reduction in depreciation costs due to the sale of assets in December 2008 to EII.

APA continues to see the operation of both the DRP and Security Purchase Plan ("SPP") as valid and appropriate tools in providing equity support to its ongoing organic growth projects.

Operating cash flow per security grew by 5.8 cps to 31.6 cps, an increase of 22.5% (pcp: 25.8 cps). Operating cash flow grew strongly by \$36.7 million or 29.9% to \$159.5 million.

APA's interim distribution is 15.75 cps, an increase of 5.0%, or 0.75 cps on pcp. APA retains its target of continued growth of distributions of at least 5% for the 2010 financial year while maintaining a prudent payout ratio. The distribution payout ratio for the current period was 50.2%, further demonstrating APA's ability to fully fund its distributions out of operating cash flows.

In prior reports APA provided underlying results which included adjustments to revenue and earnings arising from their treatment under the Australian equivalent of International Financial Reporting Standards ("A-IFRS").

The table below provides a reconciliation of underlying and reported results for revenue, EBITDA and profit.

Half year ended	31 Dec 2009	31 Dec 2008	Changes on pcp	
	\$000	\$000	\$000	%
Statutory result				
Revenue	495,948	490,034	5,914	1.2
EBITDA	244,256	238,186	6,070	2.5
Profit (after significant items)	63,588	17,966	45,622	253.9
Underlying result				
Revenue	498,014	500,673	(2,659)	(0.5)
EBITDA	246,323	248,825	(2,502)	(1.0)
Profit	64,257	56,653	7,604	13.4
Adjustments to underlying result				
<i>Capital distributions</i> ⁽¹⁾	668	7,089		
<i>Finance leases</i> ⁽²⁾	1,399	3,550		
	2,067	10,639		
Significant items (after tax) ⁽³⁾	-	31,599		

(1) The capital component of the distributions received from EPX and Hastings Diversified Utilities Fund ("HDF"). Prior year included Envestra distributions of \$6.7 million.

(2) Earnings from assets treated as finance leases under A-IFRS, i.e. finance lease principal repayments.

(3) Significant items in the 6 months to 31 December 2008 relate to "one-off" costs associated with the creation of EII, settlement of acquisition related liabilities and a revaluation loss on interest rate hedges which are deemed ineffective, acquired as part of the GasNet acquisition.

Capital management

APA issued one tranche of 10,153,368 securities under its DRP on 15 September 2009, of \$2.87 per security, raising \$29.1 million. Capital raised is being used to fund the continuing growth of the business. As at 31 December 2009, 508,816,964 APA securities were on issue (30 June 2009: 498,663,596).

APA announced an SPP program for this financial year on 15 February 2010.

Key initiatives to strengthen APA's balance sheet during the current period included long term debt raisings and a new forward-start syndicated bank facility to refinance all of APA's debt maturities in calendar year 2010.

- On 1 July 2009, APA issued A\$185 million equivalent of US Private Placement notes with 7-year and 10-year tenures;
- In August 2009 a new \$150 million bilateral debt facility with a term of five years was executed; and
- In September 2009, APA completed the early refinancing of a \$900 million syndicated bank facility which is due to mature in June 2010. Two new equal-sized tranches maturing in July 2011 and July 2013 total \$1.03 billion.

The terms of these new debt facilities are consistent with, and further enable APA to pursue, its stated strategy further of extending the maturity of the debt portfolio to more reflect the long term nature of its asset profile.

APA's debt portfolio has a healthy spread of maturities extending out to 2022, with an average maturity of 5 years. APA was geared at 69.9%¹ at 31 December 2009, down slightly from 70.3% at 30 June 2009.

At 31 December 2009, APA had over \$650 million in cash and committed undrawn facilities available to meet the continued capital growth needs of the business.

APA has a prudent treasury policy which requires conservative levels of hedging of interest rate exposures to minimise the potential impacts from adverse movements in rates. All interest rates and foreign currency exposures on US Private Placement Notes have been hedged. APA also enters into interest rate hedges for a proportion of the interest rate exposure on its other floating rate borrowings. Currently 79.0% of interest obligations are either hedged or at fixed interest rates for varying periods extending out more than 12 years.

A level of interest rate protection is also provided through CPI indexing in revenue contracts and the regulatory revenue setting process operating on a number of APA's assets.

Borrowings and finance costs

As at 31 December 2009, APA had borrowings of \$3,116.8 million, principally from syndicated debt facilities, US Private Placement notes and bilateral debt facilities, compared to \$3,056.7 million as at 30 June 2009. Committed undrawn facilities totalled \$498.0 million.

The increase in borrowings over the previous corresponding period was primarily due to the funding of organic growth capital expenditure projects through the reporting period.

Net underlying finance costs decreased by \$10.8 million, or 8.9% to \$111.1 million (2008: \$121.9 million) over pcp primarily as a result of a significantly lower debt book. The average interest rate (including credit margins) applying to drawn debt was 7.0% for the period.

¹ Gearing ratio determined in accordance with covenants in all debt facilities as Net Debt to Net Debt plus Book Equity

APA's Interest Cover Ratio for the current period increased to 2.16x from 1.88x in the pcp, remaining well in excess of its debt covenant default ratio of 1.1x, and distribution lock up ratio of 1.3x.

Credit rating

On 25 June 2009, Standard & Poor's Rating Services assigned a BBB long-term corporate credit rating (outlook Stable) to APT Pipelines Limited, the borrowing entity of APA. This rating has been maintained through the current period.

Income tax

The effective income tax rate before significant items is 26.3%, consistent with the previous corresponding period of 26.2%.

Capital expenditure

Capital expenditure for the current period totalled \$65.7 million, of which \$54.1 million was in respect of growth projects, primarily being pipeline capacity expansion on the New South Wales and Victorian pipeline systems.

Growth capital expenditure was generally either fully underwritten through long-term gas transportation arrangements or has had regulatory approval through the relevant Access Arrangement.

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Directors' Report for the half year ended 31 December 2009

Business segment performance

APA's operations and financial result in the current period reflects growth of the continuing business, together with continued improvement in business operations and cost containment. The contribution from the divested business in the pcg is reported separately for comparison purposes.

Statutory reported revenue and EBITDA performance of APA's business segments is tabled below. Reconciliation with underlying results is provided on page 3 of this report.

Half year ended	31 Dec 2009	31 Dec 2008	Changes on pcg	
	\$000	\$000	\$000	%
Revenue from continuing business				
Gas Transmission and Distribution				
<i>Queensland</i> ⁽¹⁾	76,790	71,797	4,993	7.0
<i>New South Wales</i>	64,321	54,325	9,996	18.4
<i>Victoria</i>	72,832	75,326	(2,494)	(3.3)
<i>South Australia</i>	997	1,397	(400)	(28.6)
<i>Western Australia</i> ⁽²⁾	72,476	69,149	3,327	4.8
<i>Northern Territory</i>	5,608	5,869	(261)	(4.5)
Gas Transmission and Distribution total	293,024	277,863	15,161	5.5
Asset Management ⁽³⁾	29,130	27,555	1,575	5.7
Energy Investments ⁽⁴⁾	14,152	3,086	11,066	358.6
Total revenue from continuing business	336,306	308,504	27,802	9.0
Total revenue from divested business ⁽⁵⁾	0	34,088	(34,088)	(100.0)
Total revenue	336,306	342,592	(6,286)	(1.8)
Pass-through revenue	152,642	133,017	19,625	14.8
Unallocated revenue	7,000	14,425	(7,425)	(51.5)
Total revenue	495,948	490,034	5,914	1.2
EBITDA from continuing business				
Gas Transmission and Distribution				
<i>Queensland</i> ⁽¹⁾	51,575	50,473	1,102	2.2
<i>New South Wales</i>	53,136	44,031	9,105	20.7
<i>Victoria</i>	56,369	54,511	1,858	3.4
<i>South Australia</i>	831	840	(9)	(1.1)
<i>Western Australia</i> ⁽²⁾	50,989	48,718	2,271	4.7
<i>Northern Territory</i>	1,174	1,371	(197)	(14.4)
Gas Transmission and Distribution total	214,074	199,944	14,130	7.1
Asset Management ⁽³⁾	16,333	10,910	5,423	49.7
Energy Investments ⁽⁴⁾	13,849	3,012	10,837	359.8
Total EBITDA from continuing business	244,256	213,866	30,390	14.2
Total EBITDA from divested business ⁽⁵⁾	0	24,320	(24,320)	(100.0)
Total EBITDA	244,256	238,186	6,070	2.5

(1) Includes APA-owned cogeneration assets (previously included in the complementary assets segment).

(2) Excludes the Telfer/Nifty Gas Pipeline, which was sold to EII in December 2008. Includes APA-owned NGV assets (previously included in the complementary assets segment).

(3) Includes third party NGV assets managed and operated by APA (previously included in the complementary assets segment).

(4) Includes distributions and equity accounted profits of Envestra, SEA Gas, EII and EPX.

(5) Assets sold to EII in December 2008.

Gas Transmission and Distribution

- Underlying revenue from continuing business (excluding pass-through revenue) was \$293.0 million, an increase of 5.5% on the \$277.9 million reported in the pcp. Underlying EBITDA from continuing business of \$214.1 million was 7.1 % higher than the pcp (\$199.9 million).
- New South Wales contributed the greatest increase with the sale of increased capacity for transport and storage services on the Moomba to Sydney pipeline.
- The 3% drop in Victorian revenue was predominantly due to lower volumes of gas being transported through the Victorian Transmission System, with the milder than normal weather contributing to reduced gas use, and only partially offset by increased tariffs. EBITDA increased by 3% reflecting benefits gained through ongoing operating cost improvements.
- The Western Australian assets performed ahead of the pcp by 5% mainly due to additional capacity from two new compressors on the Goldfields Gas Pipeline.

APA continues to focus on the operation and development of its gas transmission and distribution assets across mainland Australia.

Queensland

- Carpentaria Gas Pipeline
Pipeline capacity has increased by 15% in the current period compared with the pcp following the commissioning of the new compressor station at Davenport Downs in June 2009.
- Roma Brisbane Pipeline
Negotiations are continuing with several parties for existing capacity that becomes available in 2012 and 2017, and for additional expansion capacity from 2011.
- APA Gas Network, Queensland
Customer meter connections in the current period increased by 1,558, taking connections to 78,189 at 31 December 2009. Gas volume transported through the network and to large customers was 7.2 PJ, 0.3 PJ or 5% above the pcp of 6.9 PJ.

Expansion of the gas network continued, including reticulation into new housing developments in the Gold Coast area. Gas mains laid for the current period totalled 22 km, reaching over 650 new and existing home sites.

New South Wales

- Moomba Sydney Pipeline
Work continued on increasing the mainline capacity of the Moomba Sydney Pipeline, with additional capacity being made available in winter 2009. The increased capacity of the pipeline is fully contracted. Expansion costs for the current period were \$5.8 million, bringing the total spent thus far to \$42 million.

In addition, work is underway to expand the southern section of the Moomba Sydney Pipeline System to provide additional storage services.

Initial expansion on the southern section of the Moomba Sydney Pipeline system, completed in late 2008, has provided additional storage services for power generation customers. Revenue from the long-term transportation and storage agreements underpinning this expansion contributed to the earnings growth in New South Wales in the current period.

A further project to provide additional storage capacity on the southern lateral commenced in 2009. This additional storage capacity will be achieved by partial looping of the Young to Culcairn pipeline, and is scheduled for completion by the end of Q3 calendar year 2010. Again, contractual revenue arrangements underpin this project.

A reconfiguration of three compressors on the Moomba Sydney Pipeline system is under way. This project will increase the storage capacity and peak delivery of the pipeline to provide services required by shippers with the introduction of the Short Term Trading Market in June 2010.

Victoria and South Australia

- Victorian Transmission System ("VTS")

Total gas volume transported through the VTS was lower in the current period at 124.7 PJ, down 7% on the pcp (residential -3%, industrial and power generation -5%, interstate demand +1%). Peak day of 1,208 TJ was also lower, down 4% on the pcp. The State experienced a milder than normal winter which contributed to the reduced volume of gas used by residential and commercial users, as well as for power generation.

Work commenced to expand the northern zone of the VTS in 2009 with completion scheduled for the Q3 calendar year 2010. This project will improve gas deliverability for customers in this part of the State and into New South Wales. The expansion involves additional compression and other pipeline augmentation.

Western Australia

- Goldfields Gas Pipeline

The two new compressor stations completed in May and August 2009 are providing additional contracted pipeline capacity to a number of mining operations.

Goldfields Gas Transmission, the APA-owned service provider to the Goldfields Gas Pipeline owners, submitted its revised Access Arrangement for the pipeline in March 2009. The tariffs to be established under the Access Arrangement will apply to contracts comprising approximately 40% of APA's revenue from the pipeline. The Economic Regulatory Authority of Western Australia ("ERA") issued its draft decision in October 2009, and subsequently APA responded with a detailed submission in December 2009. Refer to 'Regulatory matters' on page 10 of this report for additional information.

A claim totalling \$2.0 million under the company's business interruption insurance that related to the Apache Energy gas outage at Varanus Island in June 2008 was recovered by the end of 2009, and provided a positive impact on cash flow.

- Parmelia Gas Pipeline and Mondarra Gas Storage facility

APA commenced engineering design work to expand the Mondarra Gas Storage facility. The facility is connected to the Parmelia Gas Pipeline, and connected to the Dampier to Bunbury Natural Gas Pipeline ("DBNGP") for the receipt of gas only. The expansion of the facility will significantly increase the current injection and withdrawal rates, and will include bi-directional connection with the DBNGP. Expressions of interest have been received from customers for the majority of the additional gas storage capacity.

Northern Territory

- Amadeus Gas Pipeline

With the commissioning of the Bonaparte Gas Pipeline in 2009, natural gas from the off-shore Blacktip field is now flowing through the northern section of the Amadeus Gas Pipeline. This gas will progressively flow to the south, replacing gas delivery from the Amadeus Basin gas fields which will diminish over the next few years.

Asset Management

APA provides asset management and operational services to the majority of its energy investments and a number of third parties. Its main customers are Envestra, EPX, SEA Gas Pipeline and EII (since

December 2008). Asset management services are provided to these customers under long term contracts.

Revenue (excluding pass-through revenue) increased by 5.7% to \$29.1 million (pcp: \$27.6 million), and EBITDA increased by 49.7% to \$16.3 million, up from \$10.9 million in the pcp. The modest increase is due to addition of earnings from EII asset management and increase in third party work.

Energy Investments

APA has an interest in a number of energy investments across Australia, including Envestra Limited, SEA Gas Pipeline, EII, EPX, North Brown Hill wind farm and Hastings Diversified Fund ("HDF").

All investments are equity accounted, with the exception of APA's small interests in EPX and HDF.

Update on the segment includes the following:

- **Envestra**
APA participated in Envestra's Distribution Reinvestment Plan under Envestra's October distribution, increasing its interest in Envestra from 30.4% to approximately 31%. The total value of distributions reinvested was \$10.9 million for the current period.
- **SEA Gas Pipeline**
In October 2009, SEA Gas successfully refinanced its \$425 million project finance debt facility, for a term of three years.
- **Energy Infrastructure Investments**
APA established the unlisted vehicle EII in December 2008, retaining a minority equity interest of 19.9% and entering into a contract to provide the management and operation of EII assets under a long-term agreement. In November 2009, investors in EII received their first distributions, which were in line with expectations at the time of establishment of the vehicle, from EII.
- **North Brown Hill wind farm**
In October 2009 APA (20.2%), together with Marubeni Corporation and Osaka Gas, acquired the North Brown Hill Wind Farm from AGL. This project is currently under construction and due to be completed by June 2011. The investment is secured by a long term off-take agreement with AGL Energy, covering both the electricity generated and the Renewable Energy Credits produced from the wind farm. This investment provides APA with the opportunity to strengthen its relationship with AGL Energy, one of its major customers, and to enhance its strong operational knowledge of energy infrastructure assets.

Regulatory matters

Key regulatory matters addressed during the current period included:

Goldfields Gas Pipeline Access Arrangement

A revision of the Access Arrangement for the Goldfields Gas Pipeline is currently being undertaken by the Economic Regulation Authority of Western Australia ("ERA"). APA (88.2% interest), along with its co-owner, disagree with a number of areas in the ERA's draft decision. APA has developed compelling arguments refuting these key aspects of the ERA's draft decision and expects the final regulatory outcome to be a significant improvement over the draft decision.

National Gas Law

The National Gas Law and Rules are now applicable in Western Australia which means all jurisdictions within Australia are now governed by the National Gas Law and Rules which have replaced the previous Gas Pipelines Access Law and Gas Code.

The new regulations are broadly similar to the previous regime but contain some changes, including the introduction of a light regulation option for some pipelines and networks in some circumstances and formalisation of the mechanism for regulatory holidays for new pipelines.

Where a pipeline is subject to light regulation, the pipeline owner does not have to submit a full access arrangement for regulatory approval, meaning that the Regulator has no role in determining tariffs for the pipeline other than in the event of an access dispute with a user. APA has been successful in its application for light regulation of the Central West Pipeline. This is the third APA pipeline, along with the Carpentaria Gas Pipeline and the regulated section of the Moomba Sydney Pipeline, that is now subject to light regulation.

The short-term trading market in gas

A short-term trading market ("STTM") in natural gas is being introduced by the Australian Energy Market Operator into New South Wales and South Australia as of June 2010, and will operate alongside Victoria's established Wholesale Gas market. The STTM will facilitate the trading of natural gas at defined hubs and will have an impact on pipelines, such as the Moomba Sydney Pipeline, which deliver gas to markets where the STTM will operate. APA has implemented a program to ensure that systems and procedures are compliant with STTM requirements and interface seamlessly with STTM from its commencement.

Existing pipeline transportation contracts are preserved from the operation of the STTM, and the STTM will not directly affect the opportunity to negotiate long-term contracts to support the development or expansion of pipelines. APA has developed new services arising from the opportunity provided by the STTM.

Subsequent events

Except as disclosed elsewhere in this report, the directors are unaware of any matter or circumstance that has occurred since the current period end that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future years.

Responsible Entity's holdings of securities

No securities in Australian Pipeline Trust are held by the Responsible Entity.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporation Act 2001 is included on page 32.

Rounding of amounts

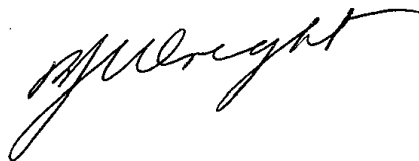
APA is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors



L F Bleasel AM
Chairman



R J Wright
Director

SYDNEY, 24 February 2010

Australian Pipeline Trust
Condensed Consolidated Income Statement
For the half year ended 31 December 2009

	Note	31 Dec 2009 \$000	31 Dec 2008 \$000
Continuing operations			
Revenue	3	482,909	479,934
Share of net profits of associates and jointly controlled entities accounted for using the equity method	3	13,039	10,100
		495,948	490,034
Asset operation and management expenses		(37,431)	(65,997)
Depreciation and amortisation expense	4	(46,818)	(49,068)
Other operating costs - pass-through	4	(152,642)	(133,017)
Finance costs	4	(118,055)	(145,668)
Employee benefit expense		(47,781)	(38,437)
Loss on sale of business		-	(14,427)
Other expenses		(6,838)	(844)
Profit before tax		86,383	42,576
Income tax expense		(22,682)	(24,578)
Profit for the year		63,701	17,998
Attributable to:			
Equityholders of the parent		45,741	3,478
Minority interest - APT Investment Trust equityholders		17,847	14,488
APA stapled securityholders		63,588	17,966
Minority interest - other		113	32
		63,701	17,998
Earnings per security			
Basic and diluted (cents per security)	10	12.6	3.8

Diluted earnings per security is exactly the same as basic earnings per security.

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

Australian Pipeline Trust
Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2009

Note	31 Dec 2009 \$000	31 Dec 2008 \$000
Profit for the period	63,701	17,998
Other comprehensive income		
Gain/(loss) on available-for-sale investments taken to equity	3,380	(41,547)
Transfer of gain/(loss) on cash flow hedges to profit or loss	93,349	(266,960)
Gain/(loss) on cash flow hedges taken to equity	(72,773)	176,074
Gain/(loss) on associate hedges taken to equity	7,539	(16,142)
Actuarial gain/(loss) on defined benefit plan	2,532	(18,028)
Income tax relating to components of other comprehensive income	(10,330)	37,326
Other comprehensive income for the period (net of tax)	23,697	(129,277)
Total comprehensive income for the period	87,398	(111,279)
Total comprehensive income attributable to:		
Equityholders of the parent	67,586	(125,081)
Minority interest - APT Investment Trust equityholders	19,699	13,770
APA stapled securityholders	87,285	(111,311)
Minority interest - other	113	32
	87,398	(111,279)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Australian Pipeline Trust
Condensed Consolidated Statement of Financial Position
As at 31 December 2009

Note	31 Dec 2009 \$000	30 Jun 2009 \$000
<u>Current assets</u>		
Cash and cash equivalents	157,105	108,815
Trade and other receivables	106,669	142,498
Inventories	14,076	14,156
Other	2,233	4,182
	280,083	269,651
Total current assets	280,083	269,651
<u>Non-current assets</u>		
Receivables	22,940	21,168
Other financial assets	39,811	14,259
Investments accounted for using the equity method	400,219	388,416
Property, plant and equipment	3,359,178	3,362,445
Goodwill	520,779	520,779
Other intangible assets	165,989	168,521
Other	2,587	2,088
Total non-current assets	4,511,503	4,477,676
Total assets	4,791,586	4,747,327
<u>Current liabilities</u>		
Trade and other payables	82,149	109,882
Borrowings	532,197	900,219
Other financial liabilities	12,908	7,648
Provisions	36,356	39,434
Other	5,641	13,042
	669,251	1,070,225
Total current liabilities	669,251	1,070,225
<u>Non-current liabilities</u>		
Borrowings	2,369,651	2,057,875
Other financial liabilities	141,195	71,628
Deferred tax liabilities	275,747	242,485
Provisions	19,651	23,457
Other	986	3,202
Total non-current liabilities	2,807,230	2,398,647
Total liabilities	3,476,481	3,468,872
Net assets	1,315,105	1,278,455

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Australian Pipeline Trust
Condensed Consolidated Statement of Financial Position
As at 31 December 2009

	Note	31 Dec 2009 \$000	30 Jun 2009 \$000
Equity			
Australian Pipeline Trust equity:			
Issued capital	8	925,030	894,435
Reserves	9	41,194	21,123
Retained earnings		28,831	(4,998)
Equity attributable to securityholders of the parent		995,055	910,560
Minority interests:			
APT Investment Trust:			
Issued capital	8	301,673	358,450
Reserves	9	406	(1,446)
Retained earnings		17,847	10,810
Equity attributable to securityholders of APT Investment Trust		319,926	367,814
Other minority interest		124	81
Total minority interests		320,050	367,895
Total equity		1,315,105	1,278,455

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

Australian Pipeline Trust
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2009

	Issued capital	Asset revaluation reserve	Available-for-sale investment revaluation reserve	Hedging reserve	Retained earnings	Attributable to owner of the parent	APT Investment Trust	Other minority interest	TOTAL
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2008	844,150	8,669	(75,435)	64,821	43,375	885,580	364,539	89	1,250,208
Profit for the period	-	-	-	-	3,478	3,478	14,488	32	17,998
Gain/(loss) recognised:									
Interest rate swaps/cash flow hedges	-	-	-	176,074	-	176,074	-	-	176,074
Loss on available for sale investment	-	-	(40,829)	-	-	(40,829)	(718)	-	(41,547)
Transferred to profit or loss:									
Interest rate swaps/cash flow hedges	-	-	-	(266,960)	-	(266,960)	-	-	(266,960)
Share of hedge reserve of associate	-	-	-	(16,142)	-	(16,142)	-	-	(16,142)
Actuarial loss on defined benefit plan recognised directly to retained earnings	-	-	-	-	(18,028)	(18,028)	-	-	(18,028)
Income tax relating to components of other comprehensive income	-	-	-	31,859	5,467	37,326	-	-	37,326
Total comprehensive income for the period	-	-	(40,829)	(75,169)	(9,083)	(125,081)	13,770	32	(111,279)
Payment of distributions	-	-	-	-	(42,142)	(42,142)	(14,984)	(44)	(57,170)
Issued under distribution reinvestment plan	15,892	-	-	-	-	15,892	10,595	-	26,487
Security purchase plan	21,492	-	-	-	-	21,492	8,864	-	30,356
Issue cost of securities	(55)	-	-	-	-	(55)	(30)	-	(85)
Capital return to shareholders	-	-	-	-	-	-	(13,111)	-	(13,111)
Balance at 31 December 2008	881,479	8,669	(116,264)	(10,348)	(7,850)	755,686	369,643	77	1,125,406
Balance at 1 July 2009	894,435	8,669	(1,236)	13,688	(4,998)	910,558	367,816	81	1,278,455
Profit for the period	-	-	-	-	45,741	45,741	17,847	113	63,701
Gain/(loss) recognised:									
Interest rate swaps/cash flow hedges	-	-	-	(72,773)	-	(72,773)	-	-	(72,773)
Gain on available for sale investment	-	-	1,528	-	-	1,528	1,852	-	3,380
Transferred to profit or loss:									
Interest rate swaps/cash flow hedges	-	-	-	93,349	-	93,349	-	-	93,349
Share of hedge reserve of associate	-	-	-	7,539	-	7,539	-	-	7,539
Actuarial gain on defined benefit plan recognised directly to retained earnings	-	-	-	-	2,532	2,532	-	-	2,532
Income tax relating to components of other comprehensive income	-	-	-	(9,570)	(760)	(10,330)	-	-	(10,330)
Total comprehensive income for the period	-	-	1,528	18,545	47,513	67,586	19,699	113	87,398
Payment of distributions	-	-	-	-	(13,684)	(13,684)	(10,809)	(70)	(24,563)
Issued under Distribution Reinvestment plan	20,747	-	-	-	-	20,747	8,392	-	29,139
Adjustment of equity values between stapled entities	9,868	-	-	-	-	9,868	(9,868)	-	-
Security purchase plan	-	-	-	-	-	-	-	-	-
Issue cost of securities	(20)	-	-	-	-	(20)	(11)	-	(31)
Capital return to shareholders	-	-	-	-	-	-	(55,293)	-	(55,293)
Balance at 31 December 2009	925,030	8,669	292	32,233	28,831	995,055	319,926	124	1,315,105

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Australian Pipeline Trust
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2009

Note	31 Dec 2009 \$000	31 Dec 2008 \$000
<u>Cash flows from operating activities</u>		
Receipts from customers	548,758	537,790
Payments to suppliers and employees	(316,657)	(312,365)
Dividends received	21,537	13,074
Proceeds from repayment of finance leases	1,366	2,613
Interest received	3,669	14,692
Interest and other costs of finance paid	(99,135)	(141,525)
Income tax	-	(192)
Net cash provided by operating activities	159,538	114,087
<u>Cash flows from investing activities</u>		
Payments for property, plant and equipment	(66,235)	(194,287)
Proceeds from sale of property, plant and equipment	-	11
Payments for available-for-sale investments	(21,950)	(7,326)
Payments for equity accounted investments	(10,917)	(22,304)
Payments for intangible assets	-	(2,000)
Payments for financial assets	-	(10,591)
Payment for business acquired (net of cash acquired)	-	(23,442)
Settlement of acquisition related liabilities	-	856
Proceeds from sale of businesses	8,133	534,592
Net cash (used in)/provided by investing activities	(90,969)	275,509
<u>Cash flows from financing activities</u>		
Proceeds from borrowings	735,108	380,000
Repayments of borrowings	(675,000)	(443,681)
Proceeds from issue of securities	29,140	56,844
Payment of debt issue costs	(29,644)	-
Payments of security issue costs	(20)	(83)
Distributions paid to:		
Securityholders of APT	(13,684)	(42,142)
Securityholders of minority interests - APTIT	(10,809)	(14,984)
Capital return to securityholders of APTIT	(55,293)	(13,111)
Other minority interest	(77)	(42)
Net cash used in financing activities	(20,279)	(77,199)
Net increase in cash and cash equivalents	48,290	312,397
Cash and cash equivalents at beginning of financial year	108,815	105,455
Cash and cash equivalents at end of financial year	157,105	417,852

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Australian Pipeline Trust

Notes to the condensed consolidated financial statements

For the half year ended 31 December 2009

1. Significant accounting policies

Reporting Entities

In accordance with Interpretation 1002 "Post-Date-of-Transaction Stapling Arrangements", APT and APTIT are required to identify one of them as the acquirer and the parent under the stapling arrangements. APT is the acquirer and the parent. Accordingly for accounting purposes the interests of APTIT securityholders are treated as minority interests in APA.

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The consolidated entity is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998 and in accordance with that Class Order amounts in the Directors' report and the half year financial report are rounded to the nearest thousand dollars (\$000) unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the entity's 2009 annual financial report for the financial year ended 30 June 2009.

Adoption of new and revised Accounting Standards

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting periods.

The consolidated entity has adopted AASB 8 Operating Segments and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 July 2009. There is no significant change to the reportable segments following the adoption of AASB 8 as the consolidated entity previously reported in this manner.

As a consequence of the adoption of AASB 101 'Presentation of Financial Statements (2007)' and its associated amending standards, the consolidated entity has presented a statement of financial position (formerly termed the 'balance sheet') and the statement of recognised income and expenses has been replaced with a statement of comprehensive income and a statement of changes in equity.

Critical accounting judgements and key sources of estimation uncertainty

The following are the critical judgements that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Accounting for acquisitions

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition. Cost is allocated to individual identifiable assets and liabilities. Management makes a number of judgements in allocating cost, particularly in relation to the valuation of identifiable intangible assets such as contractual arrangements, including assumptions relating to potential contract renewals and associated useful life.

Australian Pipeline Trust
Notes to the condensed consolidated financial statements
For the half year ended 31 December 2009

1. Significant accounting policies

Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of assets

Determining whether property, plant and equipment, identifiable intangible assets, equity accounted investments and goodwill is impaired requires an estimation of the value-in-use of the cash-generating units. The value-in-use calculation requires the Consolidated Entity to estimate the future cash flows expected to arise from cash-generating units and suitable discount rates in order to calculate the present value of cash-generating units.

Estimates and assumptions used are reviewed on an ongoing basis.

Determining whether available-for-sale investments are impaired requires an assessment as to whether declines in value are significant or prolonged. Management has taken into account a number of qualitative and quantitative factors in making this assessment. An assessment that the decline in value represented an impairment would result in the transfer of the decrement from reserves to the income statement.

Useful lives of non-current assets

The Consolidated Entity reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Any reassessment of useful lives in a particular year will affect the depreciation or amortisation expense.

Comparative figures

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

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

2. Segment information

The consolidated entity has adopted AASB 8 Operating Segments and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. In contrast, the predecessor Standard (AASB 114 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. There is no significant change to the reportable segments following the adoption of AASB 8 as the consolidated entity previously reported in this manner.

The 2008 comparatives have been adjusted for all equity accounted investments which have been reclassified from Gas transmission & distribution to Energy investments. This new segment includes APA's investments which were previously in the Gas transmission & distribution segment, namely Envestra, SEAGas Pipeline and the Ethane Pipeline Income Fund. EII is also included in this segment from 12 December 2008. In October 2009 APA, together with Marubeni Corporation and Osaka Gas, acquired the North Brown Hill Wind farm. This acquisition is collectively known as Energy Infrastructure Investments 2 (EII2).

Information regarding these segments is included below. The following is an analysis of the Group's revenues by reportable operating segment for periods under review:

Australian Pipeline Trust
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2009

2. Segment information

Half year ended 31 December 2009 ^(a)	Gas transmission & distribution \$000	Asset management \$000	Energy investments \$000	Electricity transmission \$000	Complementary assets \$000	Consolidated \$000
Segment revenue ^(d)						
External sales revenue	291,835	29,130	260	-	-	321,225
Equity accounted net profits	-	-	13,039	-	-	13,039
Pass-through revenue	68,814	83,828	-	-	-	152,642
Finance lease and investment interest income	1,188	-	639	-	-	1,827
Distributions - other entities	-	-	215	-	-	215
Total segment revenue	361,837	112,958	14,153	-	-	488,948
Significant items						-
Other interest income						7,000
Consolidated revenue						495,948

Segment result

Earnings before interest, tax, depreciation and amortisation ("EBITDA")	212,886	16,333	171	-	-	229,390
Share of net profits of associates and jointly controlled entities accounted for using the equity method	-	-	13,039	-	-	13,039
Finance lease and investment interest income	1,188	-	639	-	-	1,827
Total EBITDA (excluding significant items)	214,074	16,333	13,849	-	-	244,256
Depreciation and amortisation	(42,945)	(3,816)	(57)	-	-	(46,818)
Earnings before interest and tax ("EBIT") (excluding significant items)	171,129	12,517	13,792	-	-	197,438
Net finance costs ^(b)						(111,055)
Profit before tax (excluding significant items)						86,383
Income tax expense						(22,682)
Profit for the year (excluding significant items)						63,701
Significant items after tax						-
Profit for the year						63,701

The following is an analysis of the Group's assets by reportable operating segment

Segment assets as at 31 December 2009

Segment assets	3,932,704	240,761	60,797	-	-	4,234,262
Carrying value of investments accounted for using the equity method	-	-	400,219	-	-	400,219
Unallocated assets ^(c)						157,105
Total assets as 31 December 2009						4,791,586

(a) All equity accounted investments have been reclassified from Gas transmission & distribution to Energy investments.

(b) Excluding finance lease income and any gains or losses on revaluation of derivatives which have been included as part of EBIT for segment reporting purposes.

(c) Unallocated assets consist of cash and cash equivalents, current tax assets and fair value of interest rate swaps.

(d) The revenue reported above represents revenue generated from external customers, any intersegment sales were immaterial.

Australian Pipeline Trust
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2009

2. Segment information

Half year ended 31 December 2008 (restated) ^(a)	Gas transmission & distribution \$000	Asset management \$000	Energy investments \$000	Electricity transmission ^(d) \$000	Complementary assets \$000	Consolidated \$000
Segment revenue						
External sales revenue	284,969	27,555	-	11,383	2,938	326,845
Equity accounted net profits	-	-	10,100	-	-	10,100
Pass-through revenue	42,898	90,119	-	-	-	133,017
Finance lease and investment interest income	1,525	-	-	-	4,048	5,573
Distribution - other entities	-	-	74	-	-	74
Total segment revenue	329,392	117,674	10,174	11,383	6,986	475,609
Other interest income						14,425
Consolidated revenue						490,034

Segment result

Earnings before interest, tax, depreciation and amortisation ("EBITDA")	200,161	10,910	-	8,508	2,935	222,514
Share of net profits of associates and jointly controlled entities accounted for using the equity method	-	-	10,100	-	-	10,100
Finance lease and investment interest income	1,524	-	-	-	4,048	5,572
Total EBITDA (excluding significant items)	201,685	10,910	10,100	8,508	6,983	238,186
Depreciation and amortisation	(40,931)	(3,860)	-	(4,230)	(47)	(49,068)
Earnings before interest and tax ("EBIT") (excluding significant items)	160,754	7,050	10,100	4,278	6,936	189,118
Net finance costs ^(b)						(121,907)
Profit before tax (excluding significant items)						67,211
Income tax expense						(17,614)
Profit for the year (excluding significant items)						49,597
Significant items after tax						(31,599)
Profit for the year						17,998

The following is an analysis of the Group's assets by reportable operating segment

Segment assets as at 30 June 2009

Segment assets	3,945,592	268,324	36,178	-	-	4,250,094
Carrying value of investments accounted for using the equity method	-	-	388,416	-	-	388,416
Unallocated assets ^(c)						108,817
Total assets as at 30 June 2009						4,747,327

(a) All equity accounted investments have been reclassified from Gas transmission & distribution to Energy investments. This new segment includes APA's investments which were previously in the Gas transmission & distribution segment, namely Envestra, SEAGas Pipeline and the Ethane Pipeline Income Fund. EII is also included in this segment from 12 December 2008.

(b) Excluding finance lease income and any gains or losses on revaluation of derivatives which have been included as part of EBIT for segment reporting purposes.

(c) Unallocated assets consist of cash and cash equivalents, current tax assets and fair value of interest rate swaps.

(d) Electricity transmission includes income and expenses up to the 12 December 2008, when the assets were sold to EII.

(e) The revenue reported above represents revenue generated from external customers, any intersegment sales were immaterial.

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

3. Revenue

An analysis of the Consolidated Entity's revenue for the year is as follows:

Continuing operations

	31 Dec 2009 \$000	31 Dec 2008 \$000
Operating revenue		
Gas transmission and distribution revenue:		
• gas transmission and distribution revenue	291,671	282,659
• pass-through revenue	68,814	42,898
	360,485	325,557
Asset management revenue:		
• asset management revenue	28,797	27,555
• pass-through revenue	83,828	90,119
	112,625	117,674
Energy investments	260	-
Electricity transmission revenue	-	11,383
Complementary assets revenue	-	2,938
	473,370	457,552
Share of net profits of associates and jointly controlled entities accounted for using the equity method	13,039	10,100
Finance income		
Interest	7,000	14,425
Redeemable ordinary shares (EII) interest income	639	-
Finance lease income	1,188	5,573
	8,827	19,998
Dividends		
Other entities	215	74
	215	74
Other income		
Rental income	497	425
Other revenue	-	1,885
	497	2,310
	495,948	490,034

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

4. Expenses

Profit before tax includes the following expenses:

	31 Dec 2009 \$000	31 Dec 2008 \$000
Depreciation and amortisation expense		
Depreciation of non-current assets	44,286	46,732
Amortisation of non-current assets	2,532	2,336
	46,818	49,068
Other operating costs - pass-through		
Operating lease rental expenses	8,181	9,818
Gas pipeline costs	60,633	33,081
	68,814	42,899
Management, operating and maintenance costs	83,828	90,119
	152,642	133,018
Finance costs		
Interest on bank overdrafts and borrowings	109,663	134,875
Amortisation of deferred borrowing costs	4,431	1,367
Finance lease charges	27	23
Other finance costs	4,439	584
	118,560	136,849
Less: amounts included in the cost of qualifying assets	(590)	-
	117,970	136,849
Loss/(gain) on fair value of other derivatives	-	8,733
Unwinding of discount on non-current provisions	85	85
	118,055	145,667

5. Significant items

Individually significant revenue/(expenses) included in profit after related income tax expense are as follows:

	31 Dec 2009 \$000	31 Dec 2008 \$000
Significant (expense)/income items		
Revaluation of interest rates swaps - deemed ineffective under AASB 139 'Financial Instruments: Recognition and Measurement'	-	(8,733)
Loss on sale of business	-	(14,427)
Telfer litigation	-	(1,475)
Loss from significant items before related income tax	-	(24,635)
Income tax related to significant items above	-	(6,964)
Loss from significant items after related income tax	-	(31,599)

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

6. Distributions

Recognised amounts	31 Dec 09		31 Dec 08	
	2009 cents per security	2009 Total \$000	2008 cents per security	2008 Total \$000
Final distribution paid on 15 September 2009				
(2008: 10 September 2008) ^(a)				
Profit distribution - APT ^(b)	2.7	13,684	9.0	42,142
Profit distribution - APTIT ^(b)	2.2	10,809	3.2	14,984
Capital distribution - APTIT	11.1	55,293	2.8	13,111
	16.0	79,786	15.0	70,237
Unrecognised amounts				
Interim distribution payable on 17 March 2010				
(2008: 27 March 2009)				
Profit distribution - APT ^(b)	5.67	28,830	9.0	44,095
Profit distribution - APTIT ^(b)	3.51	17,847	2.8	13,767
Capital distribution - APT	4.97	25,320	0.0	-
Capital distribution - APTIT	1.60	8,141	3.2	15,629
	15.75	80,138	15.0	73,491

(a) As previously advised, APA Group changed the frequency of distributions from quarterly to semi-annually, commencing December 2007.

(b) Profit distributions were unfranked (2008: unfranked).

The interim distribution in respect of the financial year ending 30 June 2010 has not been recognised in the half year as the distribution was not declared, determined or publicly recommended prior to 31 December 2009.

7. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	31 Dec 2009 \$000	31 Dec 2008 \$000
Cash at bank and on hand ^(a)	154,846	90,741
Short-term deposits	2,259	327,112
	157,105	417,853
Restricted cash		

(a) As at 31 December 2009, Australian Pipeline Limited held \$5.0 million (2008: \$5.0 million) on deposit to meet its financial requirements as the holder of an Australian Financial Services Licence.

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

8. Issued capital

	31 Dec 2009 \$000	30 Jun 2009 \$000
APT Securities, fully paid ^(a)	925,030	894,435
	2009 No. of securities 000	2009 \$000
Movements		
Balance at 1 July 2009	498,664	894,435
Issue of securities under Distribution Reinvestment Plan	10,153	20,747
Adjustment of equity values between stapled entities	-	9,868
Issue cost of securities	-	(20)
Balance at 31 December 2009	508,817	925,030

(a) Fully paid securities carry one vote per security and carry the right to distributions.

	31 Dec 2009 \$000	30 Jun 2009 \$000
APT Investment Trust Securities, fully paid ^(a)	301,673	358,450
	2009 No. of securities 000	2009 \$000
Movements		
Balance at 1 July 2009	498,664	358,450
Issue of securities under Distribution Reinvestment Plan	10,153	8,392
Adjustment of equity values between stapled entities	-	(9,868)
Issue cost of securities	-	(8)
Capital return to shareholders	-	(55,293)
Balance at 31 December 2009	508,817	301,673

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

8. Issued capital

	31 Dec 2008 \$000	30 Jun 2008 \$000
APT Securities, fully paid ^(a)	881,479	844,150
	2008 No. of securities 000	2008 \$000
Movements		
Balance at 1 July 2008	468,241	844,150
Issue of securities under Distribution Reinvestment Plan	9,995	15,892
Issue of securities under Security Purchase Plan	11,705	21,492
Issue cost of securities	-	(55)
Balance at 31 December 2008	489,941	881,479

(a) Fully paid securities carry one vote per security and carry the right to distributions.

	31 Dec 2008 \$000	30 Jun 2008 \$000
APT Investment Trust Securities, fully paid ^(a)	363,877	357,559
	2008 No. of securities 000	2008 \$000
Movements		
Balance at 1 July 2008	468,241	357,559
Issue of securities under Distribution Reinvestment Plan	9,995	10,595
Issue of securities under Security Purchase Plan	11,705	8,864
Issue cost of securities	-	(30)
Capital return to securityholders	-	(13,111)
Balance at 31 December 2008	489,941	363,877

(a) Fully paid securities carry one vote per security and carry the right to distributions.

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

9. Reserves

	31 Dec 2009 \$000	30 Jun 2009 \$000
Hedging	32,233	13,688
Asset revaluation	8,669	8,669
Available-for-sale investment revaluation	698	(2,682)
	41,600	19,675
Hedging reserve		
Balance at beginning of financial year	13,688	64,821
Gain/(loss) recognised:		
Interest rate swaps/currency swaps	(72,773)	48,526
Transferred to profit or loss:		
Interest rate swaps/currency swaps	93,349	(115,599)
Share of hedge reserve of associate	7,539	(6,409)
Deferred tax arising on hedges	(9,570)	23,180
Other	-	(831)
Balance at end of financial year	32,233	13,688

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts profit or loss, or is included as a basis adjustment to the non-financial hedge item, consistent with the applicable accounting policy.

Asset revaluation reserve

Balance at beginning of financial year	8,669	8,669
Balance at end of financial year	8,669	8,669

The asset revaluation reserve arose on the revaluation of the existing interest in a pipeline as a result of a business combination. Where revalued pipelines are sold, that portion of the asset revaluation reserve which relates to that asset and is effectively realised, is transferred directly to retained earnings. The reserve can be used to pay distributions only in limited circumstances.

Available-for-sale investment revaluation reserve

Balance at beginning of financial year	(2,682)	(75,435)
Reversed on acquisition of significant interest	-	75,250
Revaluation gain/(loss) recognised	3,380	(2,497)
Balance at end of financial year	698	(2,682)

The available-for-sale investment revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset and is effectively realised, is recognised in profit or loss. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in profit or loss.

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

10. Earnings per security

	31 Dec 2009	31 Dec 2008
Basic and diluted earnings per security (cents)	12.6	3.8

The earnings and weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security are as follows:

Net profit attributable to securityholders for calculating basic and diluted earnings per security (\$000)	63,588	17,966
	No. of securities	
Adjusted weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security (000)	504,568	475,788

11. Contingencies

	31 Dec 2009 \$000	30 Jun 2009 \$000
Contingent liabilities		
Bank guarantees	25,957	6,259
	25,957	6,259
Contingent assets	-	-

APA has issued a letter of credit to the financiers of EII2 Pty Limited in respect of the \$19.7 million equity contribution to be made by APA to EII2 Pty Limited. The letter of credit has been included in contingent liabilities.

Australian Pipeline Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

12. Events occurring after reporting date

On 24 February 2010, the Directors declared an interim distribution of 15.75 cents per security (\$80.138 million) for the APA Group (comprising a distribution of 10.64 cents per security from APT and a distribution of 5.11 cents per security from APTIT), made up of 9.18 cents per security income distribution (unfranked) and 6.57 cents per security tax deferred distribution. The distribution will be paid on 17 March 2010.

On 16 February 2010, APA Group announced a Security Purchase Plan (SPP), open to all APA securityholders who have a registered address in Australia or New Zealand as at 5pm on 15 February 2010. Under the SPP, eligible securityholders will be able to acquire new APA securities up to a value of \$15,000 free from brokerage and other transaction costs. The SPP offer opens on 18 February 2010 and closes on 10 March 2010, with securities being allotted on 18 March 2010.

Australian Pipeline Trust
Declaration by the Directors of Australian Pipeline Limited
For the half year ended 31 December 2009

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that Australian Pipeline Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of Australian Pipeline Trust and its controlled entities.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



L F Bleasel AM
Chairman



R J Wright
Director

SYDNEY, 24 February 2010

The Directors
Australian Pipeline Limited as responsible entity for
Australian Pipeline Trust
HSBC Building
Level 19, 580 George Street
Sydney NSW 2000

24 February 2010

Dear Directors

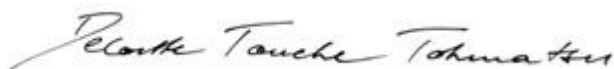
**Auditors Independence Declaration to Australian Pipeline Limited as responsible entity for
Australian Pipeline Trust**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Australian Pipeline Limited as responsible entity for Australian Pipeline Trust.

As lead audit partner for the review of the financial statements of Australian Pipeline Trust for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



G Couttas
Partner

Independent Auditor's Review Report to the Unitholders of Australian Pipeline Trust

We have reviewed the accompanying half-year financial report of Australian Pipeline Trust, which comprises the condensed consolidated statement of financial position as at 31 December 2009, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows, selected explanatory notes and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 12 to 31.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Trust are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australian Pipeline Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

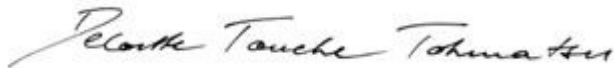
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian Pipeline Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



G Couttas
Partner
Chartered Accountants
Sydney, 24 February 2010

APA Group



APT Investment Trust
ARSN 115 585 441

Interim Financial Report
For the Half Year ended
31 December 2009

Delivering Australia's Energy

APT Investment Trust and its Controlled Entities
Directors' Report for the half year ended 31 December 2009

The directors of Australian Pipeline Limited ("Responsible Entity") submit their interim financial report for APT Investment Trust ("APTIT" or "Trust") and its controlled entities (together "Consolidated Entity") for the half year ended 31 December 2009 ("current period"). This report and the financial statements attached refers to the consolidated results of APTIT, one of the two stapled entities of APA Group, with the other stapled entity being Australian Pipeline Trust (together "APA").

Directors

The names of the directors of the Responsible Entity during and since the current period are:

Leonard Bleasel AM Chairman

John Fletcher

Russell Higgins AO

Muri Muhammad

Manharlal Ratilal

Robert Wright

Michael McCormack Managing Director

Alternate directors who served during the current period are as follows:

W S Saidi as alternate for Muri Muhammad, retired as of 14 August 2009.

W Z W Ariffin as alternate for Manharlal Ratilal, retired as of 19 August 2009.

Company Secretary

Mark Knapman

Principal activities

APTIT operates as an investment and financing entity within the Australian Pipeline Trust stapled group.

Significant changes in state of affairs

In the opinion of the Directors of the Responsible Entity, no significant changes in the state of affairs of APTIT occurred during the year.

Distributions

The Directors have declared an interim distribution of 5.1 cents per security (\$25.988 million). The distribution comprises a 3.5 cent interest income distribution and a 1.6 cent capital distribution. The distribution will be paid on 17 March 2010.

Financial and operational review

APTIT reported net profit after tax of \$17.8 million (2008: \$14.5 million) for the half year ended 31 December 2009 on total revenue of \$17.8 million (2008: \$14.5 million).

Subsequent events

Except as disclosed elsewhere in this report, the directors are unaware of any matter or circumstance that has occurred since the current period end that has significantly affected or may significantly affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in future years.

Responsible Entity's holdings of securities

No securities in Australian Pipeline Trust are held by the Responsible Entity.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporation Act 2001 is included on page 15.

Rounding of amounts

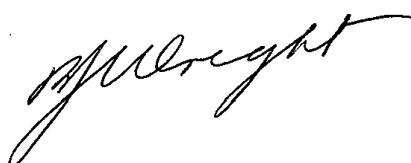
APTIT is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half year financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to section 306(3) of the Corporations Act 2001.

On behalf of the directors



L F Bleasel AM
Chairman



R J Wright
Director

SYDNEY, 24 February 2010

APT Investment Trust
Condensed Consolidated Income Statement
For the half year ended 31 December 2009

	Note	31 Dec 2009 \$000	31 Dec 2008 \$000
<u>Continuing operations</u>			
Revenue	2	17,847	14,495
Expenses	2	-	(7)
Profit before tax		17,847	14,488
Income tax expense		-	-
Profit for the period		17,847	14,488
Attributable to:			
Equity holders of the parent		17,847	14,488
		17,847	14,488
<u>Earnings per security</u>			
Basic and diluted earnings per security (cents)	6	3.5	3.0

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

APT Investment Trust
Condensed Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2009

	Note	31 Dec 2009 \$000	31 Dec 2008 \$000
Profit for the period		17,847	14,488
Other comprehensive income			
Gain/(loss) on available-for-sale investments taken to equity		1,852	(718)
Other comprehensive income for the period (net of tax)		1,852	(718)
Total comprehensive income for the period		19,699	13,770

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

APT Investment Trust
Condensed Consolidated Statement of Financial Position
As at 31 December 2009

	Note	31 Dec 2009 \$000	30 Jun 2009 \$000
<u>Current assets</u>			
Receivables		656	633
<u>Non-current assets</u>			
Receivables		13,269	13,528
Other financial assets		306,001	353,664
Total non-current assets		319,270	367,192
Total assets		319,926	367,825
<u>Current liabilities</u>			
Trade and other payables		-	11
Total liabilities		-	11
Net assets		319,926	367,814
<u>Equity</u>			
Issued capital	4	301,673	358,450
Reserves	5	406	(1,446)
Retained earnings		17,847	10,810
Total equity		319,926	367,814

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

APT Investment Trust
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2009

	Note	Issued capital \$000	Available for sale Reserves \$000	Retained earnings \$000	Total \$000
2009					
Balance at 1 July 2009		358,450	(1,446)	10,810	367,814
Profit for the year		-	-	17,847	17,847
Gain on available for sale investment		-	1,852	-	1,852
Total comprehensive income for the period		-	1,852	17,847	19,699
Distributions		(55,293)	-	(10,810)	(66,103)
Issue of capital (net of issue costs)		8,384	-	-	8,384
Adjustment of equity values between stapled entities		(9,868)	-	-	(9,868)
Balance at 31 December 2009		301,673	406	17,847	319,926
2008					
Balance at 1 July 2008		357,556	(50)	6,980	364,486
Profit for the year		-	-	14,488	14,488
Loss on available for sale investment		-	(718)	-	(718)
Total comprehensive income for the period		-	(718)	14,488	13,770
Distributions		(13,110)	-	(14,984)	(28,094)
Issue of capital (net of issue costs)		19,431	-	-	19,431
Balance at 31 December 2008		363,877	(768)	6,484	369,593

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

APT Investment Trust
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2009

	31 Dec 2009 \$000	31 Dec 2008 \$000
<u>Cash flows from operating activities</u>		
Trust distribution	12,783	9,034
Capital distribution received - related party	-	14,122
Capital distribution received - external	140	341
Dividends received	1,019	-
Interest received - related parties	4,677	5,015
Finance lease receivable repayments	584	608
Receipts from customers	33	-
Payments to suppliers	(10)	(17)
Net cash provided by operating activities	19,226	29,103
<u>Cash flows from investing activities</u>		
Payment for financial asset	-	(32,566)
Repayment received from related parties	38,493	12,125
Net cash provided by/(used in) investing activities	38,493	(20,441)
<u>Cash flows from financing activities</u>		
Proceeds from issue of securities	8,384	19,432
Distributions to securityholders	(66,103)	(28,094)
Net cash (used in)/provided by financing activities	(57,719)	(8,662)
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of financial period	-	-
Cash and cash equivalents at end of financial period	-	-

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

APT Investment Trust
Notes to the condensed consolidated financial statements
For the half year ended 31 December 2009

1. Significant accounting policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

APTIT is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998 and in accordance with that Class Order amounts in the Directors' report and the half year financial report are rounded to the nearest thousand dollars (\$000) unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the entity's 2009 annual financial report for the financial year ended 30 June 2009.

Adoption of new and revised Accounting Standards

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current reporting periods.

The consolidated entity has adopted AASB 8 Operating Segments and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 July 2009. There is no impact on the financial statements.

As a consequence of the adoption of AASB 101 'Presentation of Financial Statements (2007)' and its associated amending standards, APTIT has presented a statement of financial position (formerly termed the 'balance sheet') and the statement of recognised income and expenses has been replaced with a statement of comprehensive income and a statement of changes in equity.

APT Investment Trust
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2009

2. Profit from operations

Profit before income tax includes the following items of income and expense:

	31 Dec 2009 \$000	31 Dec 2008 \$000
Revenue		
Distributions		
Trust distribution	12,783	9,034
Other entities	18	74
	12,801	9,108
Finance income		
Interest - related parties	4,396	5,014
Gain on financial asset held at fair value through profit and loss	281	-
Finance lease income - related party	369	373
	5,046	5,387
Other revenue		
Other	-	-
Total revenue	17,847	14,495
Expenses		
Finance costs	-	7
Total expenses	-	7

APT Investment Trust
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2009

3. Distributions

	31 Dec 2009 \$000	31 Dec 2008 \$000
Recognised amounts:		
Final distribution paid on 15 September 2009 (2008: 10 September 2008)		
Profit distribution ^(a)	10,810	14,984
Capital distribution	55,293	13,110
	66,103	28,094
Unrecognised amounts:		
Interim distribution payable on 17 March 2010 (2008: 27 March 2009)		
Profit distribution ^(a)	17,847	13,767
Capital distribution	8,141	15,629
	25,988	29,396

(a) Profit distributions unfranked (2008: unfranked).

The interim distribution in respect of the financial year ending 30 June 2010 has not been recognised in the half year as the distribution was not declared or determined prior to 31 December 2009.

APT Investment Trust
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2009

4. Issued capital

	31 Dec 2009 \$000	30 Jun 2009 \$000
Securities, fully paid	301,673	358,450
	2009 No. of units 000	2009 \$000
Movements		
Balance at beginning of financial year	498,664	358,450
Issue of securities under Distribution Reinvestment Plan	10,153	8,392
Adjustment of equity values between stapled entities	-	(9,868)
Issue cost of securities	-	(8)
Capital distributions paid	-	(55,293)
Balance at end of financial period	508,817	301,673

(a) Fully paid securities carry one vote per security and carry the right to distributions.

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to issued capital from 1 July 1998. Therefore, the Trust does not have a limited amount of authorised capital and issued securities do not have a par value.

	31 Dec 2008 \$000	30 Jun 2008 \$000
Securities, fully paid	363,877	357,556
	2008 No. of units 000	2008 \$000
Movements		
Balance at beginning of financial year	468,241	357,556
Issue of securities under Distribution Reinvestment Plan	11,705	8,864
Issue of securities under Security Purchase Plan	9,995	10,595
Issue cost of securities	-	(28)
Capital distributions paid	-	(13,110)
Balance at end of financial period	489,941	363,877

APT Investment Trust
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2009

5. Reserves

	31 Dec 2009 \$000	30 Jun 2009 \$000
<hr/>		
Available-for-sale investment revaluation reserve		
Balance at beginning of financial year	(1,446)	(50)
Valuation gain/(loss) recognised	1,852	(1,396)
Balance at end of financial period	406	(1,446)

The available-for-sale investment revaluation reserve arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, that portion of the reserve which relates to that financial asset is effectively realised and is recognised in profit or loss. Where a revalued financial asset is impaired, that portion of the reserve which relates to that financial asset is recognised in profit or loss.

6. Earnings per security

	31 Dec 2009	31 Dec 2008
<hr/>		
Basic and diluted earnings per security (cents)	3.5	3.0

The earnings and weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security are as follows:

Net profit attributable to securityholders for calculating basic and diluted earnings per security (\$000)	17,847	14,488
<hr/>		
	No. of securities	
Weighted average number of ordinary securities on issue used in the calculation (000)	504,568	475,788

APT Investment Trust

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2009

7. Contingent liabilities and contingent assets

At 31 December 2009, there are no material contingent liabilities or contingent assets (2008: \$nil).

8. Subsequent events

On 24 February 2010, the Directors declared an interim distribution for the 2010 financial year, of 5.11 cents per security (\$25.988 million). The distribution represents a 3.51 cents per security unfranked income distribution and 1.60 cents per security capital distribution. The distribution will be paid on 17 March 2010.

APT Investment Trust
Declaration by the Directors of Australian Pipeline Limited
For the half year ended 31 December 2009

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that APT Investment Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Accounting Standards and giving a true and fair view of the financial position and performance of APT Investment Trust and its controlled entities.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors



L F Bleasel AM
Chairman



R J Wright
Director

SYDNEY, 24 February 2010

The Directors
Australian Pipeline Limited as responsible entity for
APT Investment Trust
HSBC Building
Level 19, 580 George Street
Sydney NSW 2000

24 February 2010

Dear Directors

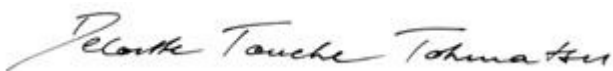
**Auditors Independence Declaration to Australian Pipeline Limited as responsible entity for
APT Investment Trust**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Australian Pipeline Limited as responsible entity for APT Investment Trust.

As lead audit partner for the review of the financial statements of APT Investment Trust for the half year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



G Coultas
Partner

Independent Auditor's Review Report to the Unitholders of APT Investment Trust

We have reviewed the accompanying half-year financial report of APT Investment Trust, which comprises the consolidated condensed statement of financial position as at 31 December 2009, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows, selected explanatory notes and the directors' declaration of the consolidated entity comprising the Trust and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 3 to 14.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Trust are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of APT Investment Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

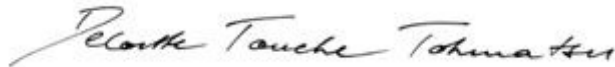
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of APT Investment Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



G Couttas
Partner
Chartered Accountants
Sydney, 24 February 2010

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ASX RELEASE

24 February 2010

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About APA Group (APA)

APA Group (ASX: APA) is Australia's largest natural gas infrastructure business, owning and/or operating more than \$8 billion of gas transmission and distribution assets. Its pipelines span every state and territory in mainland Australia, delivering more than 50% of the nation's gas usage. Unique among its peers, APA has direct management and operational control over its assets and investments. APA also holds minority interests in energy infrastructure enterprises including Envestra, SEA Gas Pipeline and Energy Infrastructure Investments (EII). For more information visit APA's website www.apa.com.au.