



11 October 2007

Dear Securityholder,

## **Tax Information Relating to your APA Group Stapled Security**

On 4 January 2007, new units in APT Investment Trust (APTIT) were issued to unitholders of Australian Pipeline Trust (APT). These new units were stapled to the existing APT units to form the stapled group – APA Group - which is listed on the Australian Stock Exchange under the ticker “APA”.

An APA Group stapled security comprises a unit in APT and a unit in APTIT. These units must be traded as one APA Group stapled security on the Australian Stock Exchange. However APT units and APTIT units each comprise separate assets for Australian capital gains tax purposes.

Your cost base for an APA Group stapled security will be equal to what you paid for it together with any incidental costs of acquisition or disposal such as brokerage fees and stamp duty. You will need to calculate separate cost bases for your APT units and your APTIT units having regard to what you paid for your APA Group stapled security. To do this you will need to apportion your cost base for an APA Group stapled security across the units held in APT and APTIT. This apportionment must be done on a reasonable basis. The information provided below is designed to assist you in that task.

### **Cost Base of Units Owned at the Time of Stapling on 4 January 2007**

Information on the apportionment of your cost base for units held at the time of stapling was previously provided in the letter to security holders dated 20 July 2007, a copy of which is attached below. [ASX - Letter to Securityholders](#)

### **Cost Base of Units Acquired Subsequent to Initial Stapling**

A reasonable method of apportionment of cost base for acquisitions of APA Group stapled securities subsequent to the initial stapling is to split your APA Group stapled security cost base on the basis of an estimate of the relative net assets of APT and APTIT at the time you acquired your units. In order to assist you with this process, the net assets split for APT and APTIT at 30 June 2007 is shown below.



## Net Assets of APA Group

Date	Net Assets Weighting APT	Net Assets Weighting APTIT	Information Source
30 June 2007	74.3%	25.7%	2007 Financial Report

This information will be updated twice a year shortly after announcement of the APA Group Annual and Half Year Financial Results and will be placed on the APA Group website ([www.pipelinetrust.com.au](http://www.pipelinetrust.com.au))

### Further Information

Further information on the tax treatment of stapled securities can be found on the Australian Taxation Office website. [Australian Tax Office Website - stapled securities](#)

You should not rely on this information as taxation or financial advice as it may not be relevant to your particular circumstances. You should seek independent advice from a qualified person to determine the taxation consequences applicable to your circumstances.

Yours faithfully

**A J James**  
Company Secretary



20 July 2007

Dear Securityholder,

## **Establishment of APT Investment Trust (APTIT) Unit Stapling**

### **Confirmation of Taxation Implications**

On 4 January 2007, new units in APT Investment Trust (APTIT) were issued to APT securityholders. These units were stapled to existing APT units to form stapled securities in accordance with the Renounceable Rights Issue Product Disclosure Statement. In order to appropriately capitalise APTIT, on 4 January 2007:

- APT returned capital of approximately \$302 million to APT securityholders;
- APT securityholders directed payment of that amount to capitalise APTIT; and
- APTIT units were then issued to APT securityholders.

The taxation implications for securityholders of the stapling process were disclosed in Section 10.11 of the Renounceable Rights Issue Product Disclosure Statement.

On 27 June 2007 the Australian Taxation Office issued Class Ruling **CR 2007/60** which confirmed the relevant taxation implications for securityholders as follows:

### **Capital Distribution and Cost Base of APA Units**

The return of capital to securityholders is not a dividend and is not assessable income of securityholders.

The capital gains tax cost base and reduced cost base (which is relevant in calculating the amount of any capital loss) of each APT unit will be reduced by the amount of the capital return. The amount of the reduction in cost base is \$0.704761 per unit.

### **Acquisition and Cost Base of APTIT Units**

An APT securityholder will be taken to have acquired the APTIT units on the day of the return of capital, being 4 January 2007.

The cost base or reduced cost base of each APTIT unit as at 4 January 2007 was \$0.704761, being the amount paid by APT on behalf of APT securityholders by way of subscription for each APTIT unit.



The information provided in this letter is not taxation advice. You should seek independent financial and taxation advice from your financial or other professional advisers, particularly if you are considering selling your holding.

Details of distributions, including return of capital are available from the APA Group Registry on 02 8280 7132 or on the APA Group website – [www.pipelinetrust.com.au](http://www.pipelinetrust.com.au)

Yours faithfully

**M J McCormack**  
**Managing Director**

*Attachment*