HSBC Building
Level 19
580 George Street
Sydney NSW 2000
PO Box R41
Royal Exchange NSW 1225

Phone 61 2 9693 0000
Fax 61 2 9693 0093
www.apa.com.au

APA Group

Australian Pipeline Ltd
ACN 091 344 704

Australian Pipeline Trust
ARSN 091 678 778

APT Investment Trust
ARSN 115 585 441

ASX ANNOUNCEMENT 21 August 2013

APA Group (ASX: APA)
(also for release to APT Pipelines Limited (ASX: AQH))

APA GROUP FY13 FINANCIAL RESULT

Solid underlying performance and secure long-term growth platform

RESULT HIGHLIGHTS

Statutory results

- Net profit after tax up 129% to $299 million
- EBITDA up 46% to $769 million
- Operating cash flow up 12% to $374 million
- Operating cash flow per security down 8% to 48.5 cents.

Normalised results[1]

- Net profit after tax up 27% to $179 million
- EBITDA up 25% to $667 million
- Operating cash flow up 29% to $433 million.
- Operating cash flow per security up 7% to 56.0 cents.

Distribution for the full year up 1.4% to 35.5 cents

Australia's largest gas infrastructure business, APA Group (ASX: APA), today announced a 27.4 per cent increase in net profit after tax and minorities before significant items to $179 million for the year ended 30 June 2013.

Statutory net profit after tax, including significant items increased by 129 per cent to $298.8 million. Significant items made a net positive contribution of $120.0 million reflecting primarily a gain on APA's previously held interest in Hastings Diversified Utilities Fund ("HDF") and reversal of some costs booked in relation to the sale of the Allgas business, partly offset by costs relating to the acquisition of HDF and fees charged to HDF by Hastings Funds Management.

Normalised earnings before interest tax, depreciation and amortisation ("EBITDA") increased by 24.6 per cent to $667 million, which includes the nine month's contribution from the HDF assets. The increase also reflects additional earnings from the expansion of the Roma Brisbane Pipeline and increased performance from APA's investments.

Operating cash flow increased by 11.6 per cent to $374.4 million. This included an outflow of $58.3 million in fees paid by HDF prior to the transfer of the responsible entity to APA. Excluding this item,

[1] Normalised results exclude significant items.

normalised operating cash flow increased by 28.9 per cent to $432.6 million, and operating cash flow per security increased by 6.8 per cent to 56.0 cents.

APA Chairman Mr Len Bleasel AM announced that the Board of Directors declared a final distribution of 18.5 cents per security, bringing total distributions for the year to 35.5 cents per security - a 1.4 per cent increase over the prior year. Distributions continue to be funded out of operating cash flow, with this year's total distribution payout amounting to 68.2 per cent of normalised operating cash flow.

Mr Bleasel said the result was in line with expectations and guidance, and demonstrates the stability and enhanced long-term growth platform of APA's portfolio of energy infrastructure assets.

APA Managing Director Mick McCormack said, "This was another busy year and one which delivered pleasing results. We completed expansion projects on a number of our assets and the integration of the HDF pipelines. We also satisfied the competition regulator's requirements through the sale of the Moomba Adelaide Pipeline System ("MAPS") in May this year.

"We are benefiting from our strategic HDF acquisition. The addition of the South West Queensland and Pilbara pipelines to our portfolio has strengthened our business with additional revenue and opportunities.

"APA now has a 7,000 kilometre integrated pipeline grid on the east coast of Australia, providing customers with the flexibility to move gas between over a hundred receipt and delivery points across four states. The flexibility that the grid offers is unprecedented in this country, and positions APA to respond to geographic changes in gas supply and demand."

"Furthermore, our interconnected portfolio, together with our internal capability, enables APA to respond to any shifts in the energy market. There are interesting dynamics in some parts of the gas industry, including the challenge of meeting domestic gas demand through a period of rapid growth in the export-LNG industry."

During the year APA continued work on expansion projects across its portfolio. APA completed expansion projects on the Roma Brisbane Pipeline and Moomba Sydney Pipeline, while the expansion of the Mondarra Gas Storage Facility was commissioned in July 2013. Work progressed on the expansion of the Goldfields Gas Pipeline and the construction of the Diamantina Power Station. In December 2012, APA announced an expansion of the compression capacity at Wallumbilla hub and continued expansion work on the Moomba compression facility.

"The increased scale and diversity of our portfolio following the investments and developments we've completed this year will enhance securityholder returns over the longer term. We see continued opportunity for value-creating investment, given the positive long-term outlook for the industry, coupled with an enviable portfolio of assets," Mr McCormack said.

"The realignment of APAs' organisational structure last year assisted in our being able to deliver on all fronts of the business. We now have an increased ability to deliver on multiple energy infrastructure projects simultaneously, as well as benefitting from more efficient management and operation of our portfolio.

During the year, APA issued $1.8 billion in debt securities and repaid $1.3 billion of HDF debt, and issued 191 million new APA securities.

On 16 July 2013, APA proposed an all-share merger with Envestra Limited ("Envestra"), one of Australia's largest gas distribution businesses. APA, which owns 33.0 per cent of Envestra and is its largest shareholder, manages and operates Envestra's gas distribution networks and pipelines under a long term agreement. On 5 August 2013, Envestra announced that its independent board committee had decided to reject APA's proposal. APA remains open to engagement with Envestra in respect of its proposal.

BUSINESS PERFORMANCE

Energy Infrastructure

APA's Energy Infrastructure segment includes its gas transmission assets and the Emu Downs Wind Farm. Excluding the divested MAPS businesses, this segment contributed $549.9 million EBITDA for the year, a 24.5 per cent increase over the 2012 financial year, mainly due to the nine months' contribution of the HDF assets.

Segment growth was underpinned by a 3.1 per cent increase in EBITDA from historic continuing assets, which reflects contributions from the expanded capacity sold on the Roma Brisbane Pipeline, and a net increase in tariffs and volume increases across most assets. The exceptions were in New South Wales where earnings were temporarily impacted by the expiry of a gas transportation agreement, with this capacity subsequently recontracted in the second half of the year and in Victoria where volume growth was offset by a decrease in the regulatory tariffs under the new access arrangement.

APA's acquisition of HDF and integration of the South West Queensland Pipeline and the Pilbara Pipeline System is already making a significant contribution to the growth and development of the business. The two pipelines contributed $94.6 million to EBITDA for the nine months since consolidation of HDF into the APA Group accounts. The HDF transaction also included the Moomba Adelaide Pipeline which was sold during the year.

With the addition of the South West Queensland Pipeline, APA has a 7,000 km integrated pipeline grid on the east coast of Australia and an ability to transport gas seamlessly from multiple gas production facilities to gas users across four states. In May 2013, APA executed a gas transmission agreement to transport gas across three pipelines, and has since trialled a number of similar trans-pipeline services. In August, APA completed the software interface between the South West Queensland Pipeline and the Roma Brisbane Pipeline, enabling the two pipelines to work as one system and facilitating optimised utilisation.

During the year, APA continued the expansion and development of its infrastructure portfolio across the country.

In September 2012, the Roma Brisbane Pipeline expansion was completed, increasing capacity by 10%. The additional capacity has been substantially contracted under long term transportation agreements.

Following the acquisition of the South West Queensland Pipeline, initial works on the expansion of the Wallumbilla compression facilities commenced and APA continued the Moomba compression expansion project which had commenced during HDF ownership. Both projects, totalling up to $325 million of capital expenditure over the next two years, are underpinned by long term agreements, and are due to provide services by 2015.

In New South Wales, APA completed its five-year capacity expansion program of the Moomba Sydney Pipeline at a total cost of $95 million. In Victoria, APA completed a number of expansion projects approved under the previous access arrangement, including the Euroa compressor and Sunbury lateral expansion.

Work on the expansion of the Goldfields Gas Pipeline continued during the year. The two expansion projects, underpinned by 20-year and 15-year gas transportation agreements with Rio Tinto and the Mount Newman Joint Venture respectively, are expected to be completed by the second and third quarters of the 2014 financial year respectively, and will increase pipeline capacity by 28 per cent.

APA completed the expansion of the Mondarra Gas Storage Facility, increasing storage capacity by five times. Commercial operations commenced on 23 July 2013. The majority of the facility's capacity is contracted for at least 20 years and will contribute approximately $30 million of revenue (increasing as more capacity is sold) for the 2014 financial year. APA continues to actively market storage services for the remaining capacity to other potential users of the facility.

The overall cost of the expansion was above initial estimates, reflecting changes in the design of the project to increase capacity and overall reliability, as well increases in labour costs experienced by the industry, largely due to the mining boom, during the peak construction period.

APA continues to apply a prudent approach to growth in this segment with a requirement that capital invested meets hurdle return requirements and that projects are underwritten by long-term contracts with creditworthy counterparties or relevant regulatory approvals.

Asset Management

APA provides asset management and operation services under long-term arrangements to the majority of its energy investments as well as to a number of third parties. EBITDA for the segment increased by 42 per cent to $45.4 million. The increase is due primarily to customer contributions totalling $10 million ($2 million in 2012), a full year contribution of GDI asset management fees and an increase in fees earned from operation of Envestra's assets due to increased revenues in its business.

Energy Investments

APA has equity interests in a number of energy investments across Australia, including Envestra Limited. EBITDA for this segment increased by 23 per cent to $51.2 million largely due to an increase in Envestra's profitability, as well as increases across all of APA's other investments. This increase was partially offset by a reduced contribution from HDF (in the form of distributions) following consolidation of HDF into the APA Group accounts. During the year APA invested $65.5 million in Envestra through participation in its dividend reinvestment plan and its equity placement in April 2013. At 30 June 2013 APA's interest in Envestra was 33.0 per cent.

Project under development – Diamantina and Leichhardt power stations

APA and AGL Energy are jointly developing the Diamantina and Leichhardt power stations at Mount Isa, Queensland. The project is expected to be completed in the first half of calendar year 2014 at a cost of around $570m (before financing costs). The project has limited recourse financing in place with APA to ultimately invest equity of $100 million on completion of construction.

Capital Management

Capital management represented a significant area of focus, particularly due to the refinancing undertaken as part of the HDF acquisition.

During the year, APA issued a total of 191.2 million securities, increasing total securities on issue by 29.7% to 835.8 million securities. Equity of $83 million was raised through the issue of 15.5 million securities under the Distribution Reinvestment Plan ("DRP"). Between 9 October and 24 December 2012, 175.7 million new securities were issued as part of the offer consideration for HDF.

On 19 June 2013, having regard to APA's financial position and funding requirements, the Board suspended the DRP until further notice.

During the year APA completed three major debt financing programs largely to assist in the acquisition of HDF and the repayment of HDF's debt.

In September 2012, APA issued unsecured, subordinated and cumulative notes ("Notes"), raising $515 million. These Notes began trading on ASX under the code "AQHHA" on 19 September.

In October 2012, APA issued US$750 million (A$735 million) of senior guaranteed notes into the United States 144A debt capital market.

In November 2012, APA issued GBP 350 million (A$536 million) of 12-year fixed rate Medium Term Notes under its established European MTN program.

By 24 December 2012, APA had repaid and cancelled all of HDF's debt facilities, totalling $1,325 million and terminated all interest rate swaps associated with those facilities.

APA's gearing[2] of 62.8 per cent at 30 June 2013 was down from 65.0 per cent at 30 June 2012, primarily due to the reduction in net debt following receipt of funds from the sale of the Moomba Adelaide Pipeline System in May 2013. The increase in total borrowings to $4,412 million ($3,224 million at 30 June 2012) is primarily related to the HDF acquisition, including the repayment of HDF's debt facilities, payment of the cash component of the offer, net of cash from the sale of the Moomba Adelaide Pipeline System.

At 30 June 2013, APA had $972 million in cash and committed undrawn facilities available to meet the continued capital growth needs of the business.

As at 30 June 2013, 83.2 per cent of interest obligations on gross borrowings have been hedged or fixed into Australian dollar liabilities for varying periods extending out in excess of 11 years.

APA's interest cover ratio for the year decreased to 2.30 times from 2.48 last year.

APT Pipelines Limited, the borrowing entity of APA, maintained its two investment grade credit ratings assigned by Standard & Poor's (BBB) and Moody's Investors Service (Baa2).

FUTURE STRATEGY AND OUTLOOK

The integration of the newly acquired pipelines with APA's existing assets has increased the scale and diversity of APA's energy infrastructure portfolio, and increased the range of service options to our

[2] Gearing ratio determined in accordance with covenants in certain senior debt facilities as net debt to net debt plus book equity.

customers. This increased flexibility, together with forecast growth in demand for gas transportation and storage services, positions APA to benefit from its existing portfolio and the opportunities for expansion to satisfy this demand.

APA will continue its current expansion projects and further expand its asset base in-line with customer requirements, develop additional service offerings on its integrated pipeline grid and prudently pursue further acquisitions and investment opportunities. APA is well positioned to assist in the development of new gas sources and supply gas to new markets by incrementally extending its pipeline portfolio.

As in previous years, APA provides guidance in respect of EBITDA, interest cost and distributions.

Based on available information, APA expects EBITDA for the full year to 30 June 2014 to be in a range of $715 million to $730 million, which represents an increase of approximately 11% to 13% over the 2013 financial year EBITDA adjusted to remove the contribution of MAPS during the 2013 financial year.

Net interest cost is expected to be within a range of $330 million to $340 million.

Distributions per security for the full year to 30 June 2014 year are expected to be at least equal to those paid in respect of the 2013 financial year, that is, at least 35.5 cents per security.

For further information please contact:

Investor enquiries:
Chris Kotsaris
Telephone: (02) 9693 0049
Mob: 0402 060 508
Email: chris.kotsaris@apa.com.au

Media enquiries:
David Symons
Telephone: (02) 9212 4666
Mob: 0410 559 184
Email: media@apa.com.au

About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating $12 billion of energy assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in energy infrastructure enterprises including Envestra, SEA Gas Pipeline, Energy Infrastructure Investments and GDI.

APT Pipelines Limited is a fully owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, www.apa.com.au

Disclaimer

Australian Pipeline Limited (ACN 091 344 704) is the responsible entity of the Australian Pipeline Trust (ARSN 091 678 778) and APT Investment Trust (ARSN 115 585 441) (APA Group).

Please note that Australian Pipeline Limited is not licensed to provide financial product advice in relation to securities in the APA Group. This publication does not constitute financial product advice and has been prepared without taking into account your objectives, financial situation or particular needs. Before relying on any statements contained in this publication, you should consider the appropriateness of the information, having regard to your own objectives, financial situation and needs and consult an investment adviser if necessary.

Whilst due care and attention have been used in preparing this publication, certain forward looking statements (including forecasts or projections) are made in this publication which are not based on historical fact and necessarily involve assumptions as to future events and analysis, which may or may not be correct. These forward looking statements should not be relied upon as an indication or guarantee of future performance.

FINANCIALS

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

Year ended 30 June	2013	2012	Changes	
	$000	$000	$000	%
Operating results including significant items				
Total revenue	1,272,267	1,060,661	211,606	20.0
Pass-through revenue[(1)]	352,743	302,633	50,110	16.6
Total revenue excluding pass-through	919,524	758,028	161,496	21.3
EBITDA	768,801	525,825	242,976	46.2
Depreciation and amortisation expense	(130,461)	(110,409)	(20,052)	(18.2)
EBIT	638,340	415,416	222,924	53.7
Net interest expense	(290,916)	(234,326)	(56,590)	(24.2)
Pre-tax profit	347,424	181,090	166,334	91.9
Income tax expense	(51,421)	(50,435)	(986)	(2.0)
Minorities	2,764	(5)	2,769	-
Profit after tax and minorities, including significant items	298,767	130,650	168,117	128.7
Significant items after income tax [(2)]	120,030	(9,663)	129,693	-
Profit after income tax and minorities, excluding significant items	178,737	140,313	38,423	27.4
Operating cash flow [(3)]	374,381	335,569	38,812	11.6
Operating cash flow per security (cents)	48.5	52.5	(4.0)	(7.6)
Normalised operating cash flow[(4)]	432,639	335,569	97,070	28.9
Normalised operating cash flow per security (cents)[(4)]	56.0	52.5	3.5	6.8
Earnings per security – reported (cents)	38.7	20.4	18.3	89.4
Earnings per security – normalised (cents)[(5)]	23.1	21.9	1.2	5.5
Distribution per security (cents)	35.5	35.0	0.5	1.4
Distribution payout ratio [(6)]	68.2%	67.0%		
Net tangible asset per security	1.42	1.58	(0.16)	(10.3)
Weighted average number of securities (000)	772,314	639,743		

(1) Pass-through revenue is revenue on which no margin is earned. Pass-through revenue arises in the asset management operations in respect of costs incurred in, and passed on to Envestra and GDI in respect of, the operation of the Envestra and GDI assets.

(2) Significant items for 2013 relate to APA's acquisition of HDF, fees paid by HDF to Hastings Funds Management and the reversal of costs booked against the sale of the Allgas gas distribution network (December 2011). Significant items for 2012 relate to the sale of the Allgas gas distribution network.

(3) Operating cash flow = net cash from operations after interest and tax payments.

(4) Normalised operating cash flow excludes significant items.

(5) Normalised earnings per security excludes significant items.

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

APA SIGNIFICANT ITEMS

Significant items	2013	2012
	$000	$000
Significant items impacting EBITDA		
Write back of transaction costs in respect of Allgas sale [1]	18,588	(9,663)
Gain on APA's previously held interest in HDF	142,333	
Transaction costs on acquisition of HDF	(12,404)	
Integration costs on acquisition of HDF	(4,481)	
Significant items incurred by APA Group	**144,036**	**(9,633)**
Management and Performance Fees charged to HDF by Hastings Funds Management	(35,438)	
Takeover response costs incurred by HDF	(6,913)	
Significant items incurred and paid by HDF	**(42,351)**	**0**
Total significant items impacting EBITDA	**101,685**	**(9,633)**
Significant items impacting Finance Costs		
Gain on settlement of HDF interest rate swaps	8,713	
Total significant items before tax	**110,398**	**(9,633)**
Income tax related to significant items	9,632	
Total significant items after tax	**120,030**	**(9,633)**

(1) Prior year significant item reflects profit on Allgas sale less transaction costs.

APA BUSINESS SEGMENT EBITDA

Year ended 30 June	2013	2012	Changes	
	$000	$000	$000	%
Energy Infrastructure				
Queensland [1]	**163,748**	79,566	84,182	105.8
New South Wales	**112,659**	113,098	(439)	(0.4)
Victoria and South Australia	**125,746**	123,070	2,676	2.2
Western Australia[2] and Northern Territory	**147,728**	125,938	21,790	17.3
Energy Infrastructure total	**549,881**	441,672	108,209	24.5
Asset Management	**45,447**	31,910	13,537	42.4
Energy Investments	**51,177**	41,751	9,426	22.6
Total segment EBITDA	**646,505**	**515,333**	**131,172**	**25.5**
Divested business [3]	**20,611**	20,155		
Total EBITDA before significant items	**667,116**	**535,488**	**131,628**	**24.6**
Significant items [4]	**101,685**	(9,663)		
Total EBITDA	**768,801**	**525,825**	**242,976**	**46.2**
APA and HDF contributions to EBITDA				
APA historic continuing business	551,943	515,333	36,610	7.1
HDF retained business	94,562	-	94,562	NM
Continuing business EBITDA	**646,505**	**515,333**	**131,172**	**25.5**
Divested business	20,611	20,155	456	NM
Significant items	101,685	(9,633)	109,626	NM
Total EBITDA	**768,801**	**525,825**	**242,976**	**46.2**

(1) Includes the South West Queensland Pipeline revenue and EBITDA contributions from 9 October 2012 and excludes the Allgas business contribution in 2012.

(2) Includes the Pilbara Pipeline System revenue and EBITDA contributions from 9 October 2012

(3) 2013: The Moomba Adelaide Pipeline System revenue and EBITDA contributions from consolidation on 9 October 2012 to sale of the business on 1 May 2013. 2012: APA Gas Network Queensland (Allgas) was sold into GDI (EII) Pty Ltd in December 2011, with APA retaining a 20% interest in GDI (EII) and operates the assets under a long term asset management agreement.

(4) Significant items for 2013 relate to APA's acquisition of HDF, fees paid by HDF to Hastings Funds Management and the reversal of costs booked against the sale of the Allgas gas distribution network (December 2011). Significant items for 2012 relate to the sale of the Allgas gas distribution network.