APA Group

more than...

pipelines: redefining our potential

MARCH 2013

APA Group
2013 Half Year Results
Summary

AUSTRALIAN PIPELINE LTD
ACN 091 344 704

AUSTRALIAN PIPELINE TRUST
ARSN 091 678 778

APT INVESTMENT TRUST
ARSN 115 585 441

Dear Securityholders

APA has continued to deliver consistent performance and steady growth. The scale of our business and the diversity and strength of our portfolio provides earning stability and a platform for continued long-term growth.

SOLID FINANCIAL PERFORMANCE

It's been a busy and exciting first half of the year for APA, and I am pleased to report another solid result for the business. With the successful acquisition of Hastings Diversified Utilities Fund (HDF), APA has expanded its unique footprint of energy infrastructure assets, operated and managed by our highly skilled and experienced APA people.

The major achievements in this first half of the 2013 financial year include the deployment of $178 million in growth capital expenditure across our assets and the finalisation of the acquisition of HDF. This last milestone provides the final link in APA's long term strategy of developing an interconnected pipeline network on Australia's east coast. This will enable us to offer our customers greater flexibility and supply options, as well as encouraging greater competition between gas basins.

Result highlights for the six months to 31 December 2012 include a 29 per cent increase in net profit after tax and minorities before significant items of $98 million, with statutory net profit after tax increasing by 221 per cent to $212 million.

As a result of the HDF acquisition, APA's statutory financial results are impacted by a number of significant items which include payment of fees made by HDF, costs in relation to the acquisition of HDF and a gain on APA's previously held interest in HDF. In aggregate, the significant items have a net positive impact to profit of $114 million, but a negative impact to operating cash flow of $69 million. The HDF assets are now managed as part of APA's business, eliminating the payment of sizeable fees to the previous external manager of those assets.

I will therefore focus on the "normalised" results which underline the consistent and stable performance of APA's business, notably:

— an increase of 20 per cent in earnings before interest, tax, depreciation and amortisation (EBITDA) to $324 million, which includes additional earnings from the Roma Brisbane Pipeline expansion and three months contribution from the newly acquired pipeline assets; and

— Operating cash flow excluding the significant one-off fee payments made by HDF of $69 million is up 35 per cent to $213 million.

An interim distribution of 17 cents per security has been declared in line with the previous corresponding period and, as has always been the case, distributions will be comfortably paid out of operating cash flows.

PRUDENT CAPITAL MANAGEMENT

Capital management is always a priority for APA, and during the period we focused on ensuring appropriate funding was available to support the HDF acquisition and associated refinancing as well as APA's ongoing growth requirements.

This included the issue of 183 million new APA securities, with 176 million forming part of the offer consideration for HDF, and the balance issued under the Distribution Reinvestment Plan in September 2012.

APA completed three debt financing programs, issuing $1.8 billion of new senior and subordinated debt. In September we issued $515 million in APA Group Subordinated Notes, our first issue of subordinated notes. Two series of senior guaranteed notes were issued in overseas debt markets on competitive terms – $735 million 10-year notes in October and $536 million 12-year notes in November.

We strengthened our balance sheet, which is reflected in a number of key ratios such as interest cover ratio of 2.41 times, gearing of 64.2 per cent and average maturity of senior debt of 6.5 years.

DELIVERING GROWTH PROJECTS

With increasing demand for gas transportation and storage services, APA continues to pursue attractive opportunities to invest in pipelines and related infrastructure. During the half year our growth capital expenditure of $178 million included pipeline capacity and storage expansion projects in Queensland, New South Wales, Victoria and Western Australia, as well as three months of growth capital expenditure on the South West Queensland Pipeline. The map overleaf highlights the key projects and initiatives undertaken and/or completed in the half year.

FULL YEAR OUTLOOK

In the second half of this financial year we will continue the work of expanding our existing assets, complete the integration of the newly acquired assets and progress the sale of the Moomba Adelaide Pipeline System.

Based on our first half year results, APA expects EBITDA for the full year to fall within the range of $755 million to $770 million. This range includes the significant items reported in the first half year. Total distributions for the full year are expected to be at least equal to the 35 cents paid in the 2012 financial year.

Finally, I'd like to take this opportunity to welcome all new APA Securityholders and I look forward to reporting APA's full year results to you in August.

Len Bleasel AM, APA Group Chairman

Performance highlights

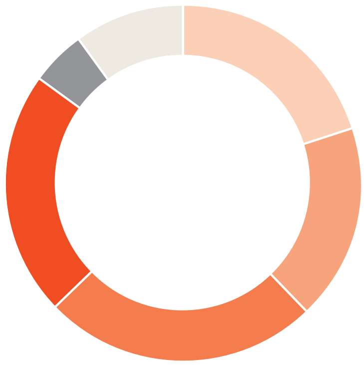
$ million	1H13	1H12	Change
NORMALISED RESULTS[1]			
EBITDA	**324**	270	20%
Profit	**98**	76	29%
Operating cash flow	**213**	157	35%
Operating cash flow per security (cents)	**29.8**	24.7	21%
STATUTORY RESULTS			
EBITDA	**424**	279	52%
Profit	**212**	66	221%
Operating cash flow	**144**	157	9%
Operating cash flow per security (cents)	**20.2**	24.7	18%
DISTRIBUTIONS			
Distribution per security (cents)	**17.0**	17.0	
Distribution payout ratio[2]	**66.2%**	69.2%	

1 Normalised results exclude significant items. Significant items include payment of fees made by HDF, costs in relation to the acquisition of HDF, gain on APA's previously held interest in HDF and reversal of some costs booked in relation to the sale of the Allgas business in 2011. In aggregate, the significant items have a net positive impact to profit of $114 million, but a negative impact to operating cash flow of $69 million.

2 Based on normalised operating cash flow.

Portfolio diversity

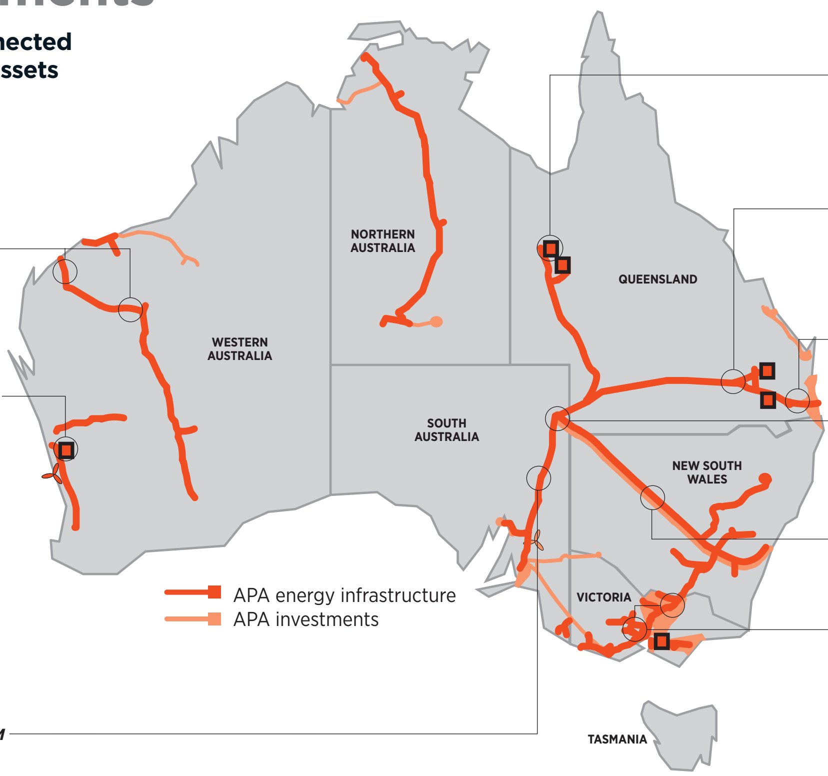
Total EBITDA by business segment



	Energy Infrastructure	**85%**
	QLD	20%
	NSW	18%
	VIC & SA	25%
	WA & NT	22%
	Asset Management	**5%**
	Energy Investments	**10%**

Expanding our assets and investments

a portfolio of interconnected energy infrastructure assets



GOLDFIELDS GAS PIPELINE
2 x capacity expansion – compressor stations and compressor upgrades
20 year and 15 year contracts

MONDARRA GAS STORAGE FACILITY
Capacity expansion
20 year contract

MOOMBA ADELAIDE PIPELINE SYSTEM
Sale process has commenced

DIAMANTINA POWER STATION
Joint development (APA/AGL)
242 MW gas-fired generation plus 60 MW back-up generation
17 year contract

WALLUMBILLA COMPRESSION
Expanded compression capacity and associated services
15 year contract with a further 5 to 10 year option

ROMA BRISBANE PIPELINE
Capacity expansion completed
2 contracts up to 15 years

SOUTH WEST QUEENSLAND PIPELINE MOOMBA COMPRESSOR STATION
Capacity expansion
15 year contract

MOOMBA SYDNEY PIPELINE
Final year of 5 year capacity expansion program

VICTORIAN TRANSMISSION SYSTEM
Eurora compressor station and Sunbury looping completed
Regulated revenue

Complete Interim Financial Reports Information including webcast of the Interim Results presentation is available under 'Investor Relations' on our website www.apa.com.au

APA Group