



IN THE PIPELINE

MARCH 2010

APA Group
2010 HALF YEAR
RESULT SUMMARY

TEN YEARS OF CONSISTENT STRONG PERFORMANCE

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

Dear Securityholder

This is our tenth year as a listed entity, and as I look back over those ten years one thing stands out - we have consistently produced solid results each reporting period, as we have again in the first half of the 2010 financial year. For me, this is not surprising, as APA has always had sound business fundamentals, built on a high quality diversified portfolio, skilled and experienced people in the industry operating and managing the business, and a clear strategy, executed with discipline. Consequently APA continues to be well positioned to deliver growth across the business and value to securityholders.

Strong financial performance

APA is a strong cash generating business. Operating cash flow for the first half of 2010 increased by 30 per cent over the previous corresponding period to \$160 million. And more importantly, operating cash flow per security has increased by 23 per cent to 31.6 cents.

Distributions increased by 5 per cent to 15.75 cents per security for the half year, reflecting the guidance given at the 2009 full year results. True to strategy, distributions continued to be well covered by operating cash flow.

Despite the sale of approximately \$700 million of assets to Energy Infrastructure Investments (EII) in December 2008, earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 3 per cent to \$244 million. The resultant interest and depreciation savings from the EII transaction has meant more significant gains in operating profit, which grew 28 per cent to \$64 million.

Comparing the performance of APA's continuing business with the previous corresponding period, EBITDA was 14 per cent ahead, driven primarily by the sale of additional capacity on our pipelines and distribution networks and a program to increase the efficiency of the business.

Strengthened balance sheet

During the first half of the year we continued to effectively manage our balance sheet whilst

continuing to fund organic growth. The sale of assets into EII reduced our debt and debt costs from January 2009, and within the period to December 2009 we have refinanced debt in the toughest credit market in living memory.

Along with the refinancing of \$1 billion of debt maturing in calendar year 2010, we raised a further \$365 million in new facilities. The term of these new debt facilities is consistent with APA's strategy to further extend the maturity of the debt portfolio to better reflect the long-term nature of its asset profile.

APA is well placed to develop and fund the organic growth opportunities unique to its asset portfolio, with \$650 million of cash and undrawn debt facilities, and capital available through the continued operation of the Distribution Reinvestment Plan and the Security Purchase Plan.

Growth in gas transmission and distribution

Our gas transmission and distribution business has again delivered a strong result for the period, with each of the assets showing an improved performance on the previous corresponding period, in particular those assets with recent capacity expansions.

New South Wales' Moomba Sydney Pipeline contributed the greatest increase in earnings. We completed the second year of a five-year expansion program on the pipeline to supply additional contracted transport and storage services. Growth in earnings on the Carpentaria Gas Pipeline and Goldfield Gas Pipeline was mainly due to the new compressors installed on those pipelines, each of which began operation early in the financial year.

A drop in Victorian revenue was predominantly due to the impact of weather, with the state experiencing a warmer than normal winter, reducing base demand for gas. However, EBITDA increased slightly reflecting benefits gained through operating cost improvement.

We currently have \$250 million of committed capacity expansion projects underway or in the planning stages that will underpin growth within APA into the future.

During the period work began on the project to expand gas storage and peak capacity on APA's Victorian and New South Wales pipelines. This has the additional benefit of increasing the capacity for gas flows between the two states. Regulatory and contractual revenue arrangements underpin this project.

The continuing focus on reducing carbon emissions is increasing demand for natural gas, resulting in new opportunities for gas-fired power generation and gas storage. Natural gas will continue to play a crucial role in providing the nations' energy, including as a substitute for other fossil fuels or back-up for renewable energy.

Transforming the business

We have been active in transforming our nation-wide business. We've focused on major initiatives of customer interface, finance systems and operating excellence, enabling us to extract and deliver the benefits of our scale and corporate know-how across APA.

Outlook

APA's business has performed strongly in the first half of the year and is delivering growth opportunities in a market trending towards greater use of natural gas. APA's strengthened balance sheet and unique internal operating model will enable the company to continue to benefit from these growth opportunities.

Barring unforeseen circumstances, APA expects full year 2010 EBITDA to be within the range of \$445 million to \$460 million. APA reaffirms previous guidance for distributions of at least a 5 per cent increase for the 2010 financial year. These distributions will be again fully covered by operating cash flow.

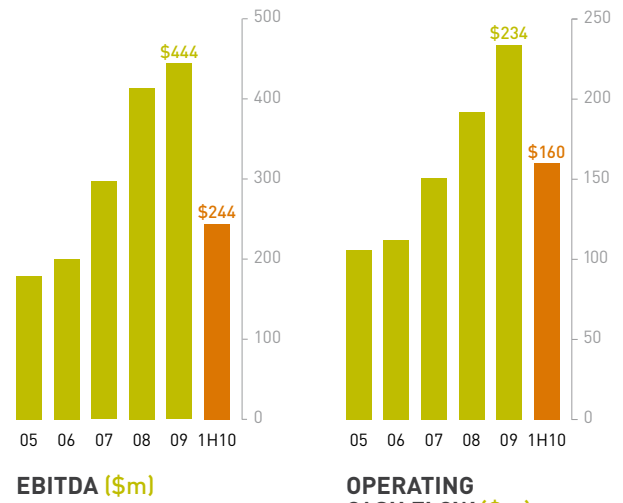
I look forward to reporting to you APA's continued strong performance for the full year.

Mick McCormack

Managing Director
APA Group

PERFORMANCE HIGHLIGHTS

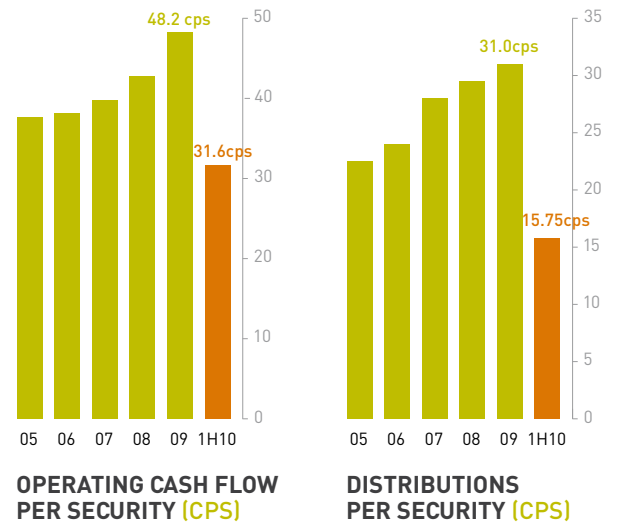
Six months to	31 Dec 2009 \$ million	31 Dec 2008 \$ million	Change
Operating cash flow	159.5	122.8	30.0%
Operating cash flow per security (cents)	31.6	25.8	23.0%
Interim distribution	15.75	15.0	5.0%
Distribution payout ratio	50.2%	59.8%	
Revenue excluding pass-through	343.3	357.0	(4.0)%
EBITDA	244.3	238.2	3.0%
Profit	63.6	49.6	28.0%



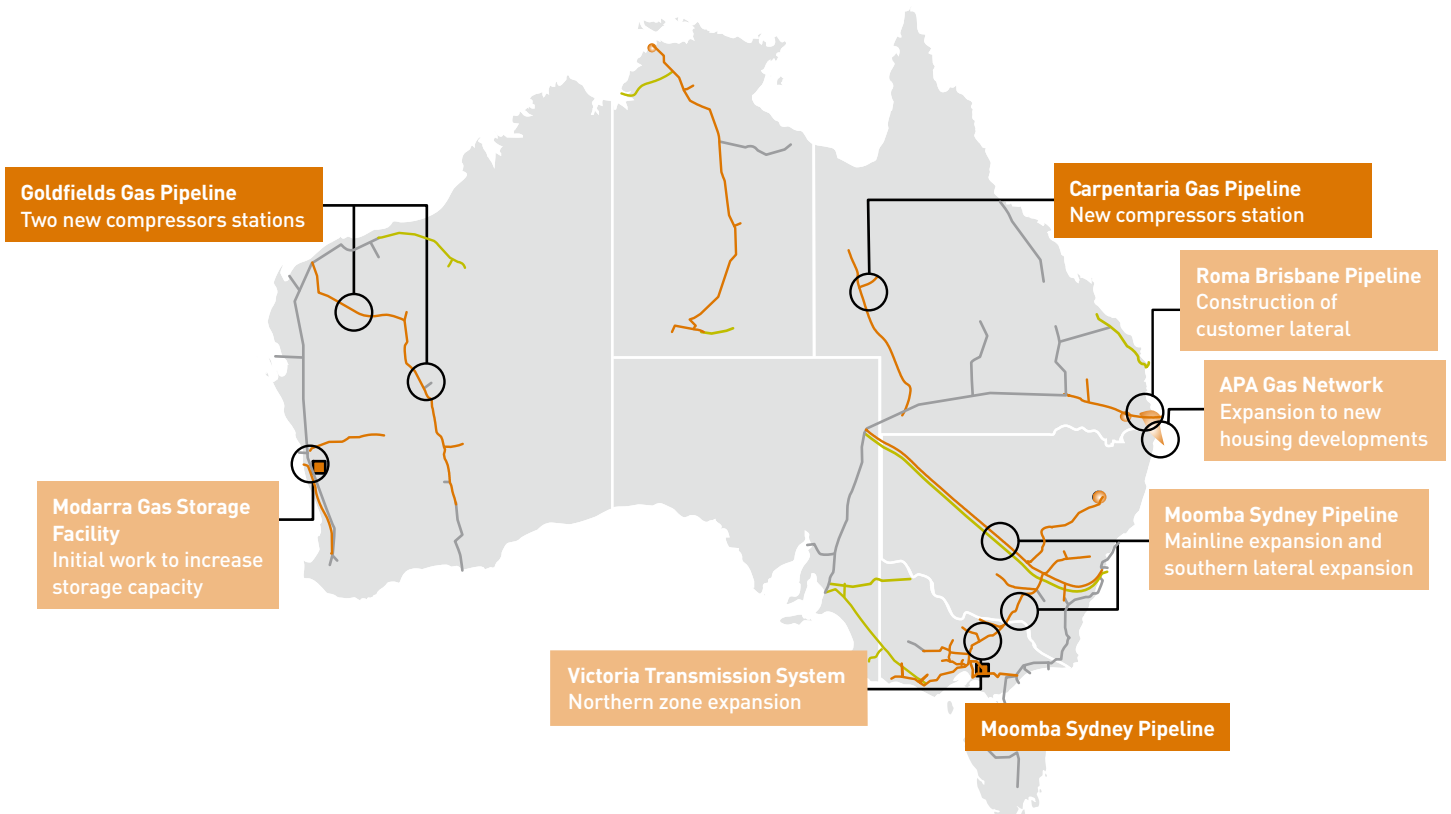
INCREASED INTERIM DISTRIBUTION BY 5 PER CENT

Key achievement

- Capturing and developing the growth opportunities on APA's asset portfolio available from the growing demand for gas.
- Transforming the business through company-wide initiatives to extract and benefit from APA's scale and corporate know-how.
- Strengthening the balance sheet, refinancing all debt maturing in 2010.



APA's development and growth opportunities



This publication has been prepared by Australian Pipeline Limited, as responsible entity of Australian Pipeline Trust and APT Investment Trust, that together comprise APA Group. It has been prepared for general information purposes only, without taking into account any potential investors' objectives, financial situation or needs. Before investing in securities in APA Group, you should consider your own objectives, financial situation and needs, and obtain financial, legal and taxation advice. Australian Pipeline Limited is not licensed to provide financial product advice in relation to APA Group securities.