



ASX ANNOUNCEMENT

24 February 2016

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

INTERIM FINANCIAL REPORTS

The following announcements are attached for release to the market:

- Australian Pipeline Trust Appendix 4D
- Australian Pipeline Trust Interim Financial Report
- APT Investment Trust Interim Financial Report

Nevenka Codevelle
Company Secretary & General Counsel
Australian Pipeline Limited

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About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating around \$19 billion of energy infrastructure 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 a number of energy infrastructure enterprises including SEA Gas Pipeline, Energy Infrastructure Investments, GDI Allgas Gas Networks and Diamantina and Leichhardt Power Stations.

APT Pipelines Limited is a wholly 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

Australian Pipeline Trust

Results For Announcement To The Market For the Half Year Ended 31 December 2015 Appendix 4D

		Percentage Change %	Amount \$'000
Statutory Results			
Revenue including significant items	up	41.7	to 1,049,081
EBITDA including significant items	down	21.4	to 667,567
EBIT including significant items	down	45.2	to 417,086
Profit after tax and non-controlling interests including significant items	down	78.7	to 99,544
Operating cash flow including significant items	up	64.8	to 462,134
Operating cash flow per security including significant items	up	9.6c	to 41.5c
Earnings per security including significant items	down	44.3c	to 8.9c

Normalised Results

Revenue excluding significant items	up	41.7	to 1,049,081
EBITDA excluding significant items	up	65.9	to 667,567
EBIT excluding significant items	up	32.9	to 417,086
Profit after tax and non-controlling interests excluding significant items	down	10.5	to 99,544
Operating cash flow excluding significant items	up	75.6	to 462,134
Operating cash flow per security excluding significant items	up	11.5c	to 41.5c
Earnings per security excluding significant items	down	3.8c	to 8.9c

EBIT = Earnings before interest and tax

EBITDA = EBIT before depreciation and amortisation

Australian Pipeline Trust

Results For Announcement To The Market For the Half Year Ended 31 December 2015 Appendix 4D

Dividends (Distributions)

Distributions paid and proposed in relation to the half year ended 31 December 2015 – Australian Pipeline Trust:	Amount per security	Franked Amount per security
Distributions paid in relation to the half year ended 31 December 2015	-	-
Interim distributions proposed ^a		
- profit distribution	15.12¢	-
- capital distribution	-	-
Total distributions proposed - APT	15.12¢	-
Distributions paid and proposed in relation to the half year ended 31 December 2015 – APT Investment Trust:		
Distributions paid in relation to the half year ended 31 December 2015	-	-
Interim distributions proposed ^a		
- profit distribution	3.88¢	-
- capital distribution	-	-
Total distributions proposed – APTIT	3.88¢	-
Total APA Group distributions in relation to the half year ended 31 December 2015	19.00¢	-

^a The interim distributions have not been recorded in the financial report as required by AASB 137 "Provisions, Contingent Liabilities and Contingent Assets".

Record date for determining entitlements to the unrecognised interim distribution in respect of the year ended 30 June 2016

- interim distribution

31 December 2015

Distribution information is presented on an accounting classification basis. The APA Group Annual Tax Statement and Annual Tax Return Guide (released in September) provide the classification of distribution components for the purposes of preparation of securityholder income tax returns.

Australian Pipeline Trust

Results For Announcement To The Market For the Half Year Ended 31 December 2015 Appendix 4D

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

Refer Directors' Report.

The Directors have proposed an interim distribution of 15.12 cents per unit, unfranked, to be paid on 16 March 2016.

The Directors also note that APT Investment Trust has proposed an interim distribution of 3.88 cents per unit (refer above), also to be paid on 16 March 2016.

Total distribution for the APA Group stapled security for the December 2015 half year is 19.00 cents per stapled security.

Reporting Period

Current Reporting Period: Half year ended 31 December 2015

Previous Corresponding Period: Half year ended 31 December 2014

Distribution Reinvestment Plan

The dividend or distribution plans shown below are in operation.

The Directors have reviewed APA Group's financial position and funding requirements and have decided to retain the suspension of the Distribution Reinvestment Plan, which initially came into effect on 19 June 2013, until further notice.

Details of Businesses Over Which Control Has Been Gained or Lost

Nil

Net Asset Backing

	2016	2015
	\$	\$
Net tangible asset backing per security	-0.52	2.47
Net asset backing per security	3.61	3.80

Australian Pipeline Trust

Results For Announcement To The Market For the Half Year Ended 31 December 2015 Appendix 4D

Compliance Statement

Information on Audit or Review

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

☐

The accounts have been audited.

☒

The accounts have been
subject to review.

☐

The accounts are in the process of
being audited or subject to review.

☐

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.

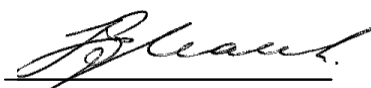
- N/A -

(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 2016

Date

Print name: Leonard Bleasel AM

Australian Pipeline Trust

ARSN 091 678 778

Interim Financial Report

For the half year ended

31 December 2015

DIRECTORS.....	3
PRINCIPAL ACTIVITIES.....	3
STATE OF AFFAIRS.....	3
SUBSEQUENT EVENTS	3
FINANCIAL AND OPERATIONAL REVIEW	4
1. Financial highlights.....	4
2. Business segment performances and operational review	6
2.1 Energy Infrastructure	8
2.2 Asset Management	10
2.3 Energy Investments.....	11
2.4 Corporate Costs.....	11
2.5 Restatement of historical segment EBITDA.....	12
3. Capital and investment expenditure	13
4. Financing Activities	14
4.1 Capital management	14
4.2 Borrowings and finance costs	15
4.3 Credit ratings.....	15
4.4 Income tax.....	16
4.5 Distributions	16
4.6 Guidance for the 2016 financial year	16
5. Regulatory matters	17
AUDITOR'S INDEPENDENCE DECLARATION.....	19
ROUNDING OF AMOUNTS	19

The Directors of Australian Pipeline Limited ("Responsible Entity") submit their interim financial report of Australian Pipeline Trust ("APT") and its controlled entities (together "APA" or "Consolidated Entity") for the half year ended 31 December 2015. 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 the half year period and since the half year end are:

Leonard Bleasel AM	Chairman
Michael McCormack	Chief Executive Officer and Managing Director
Steven Crane	
John Fletcher	
Michael Fraser	Appointed 1 September 2015
Debra (Debbie) Goodin	Appointed 1 September 2015
Russell Higgins AO	
Patricia McKenzie	
Robert Wright	Retired 22 October 2015

The Company Secretary of the Responsible Entity during and since the current period is as follows:

Nevenka Codevelle	Appointed 31 October 2015
Mark Knapman	Retired 30 October 2015

PRINCIPAL ACTIVITIES

The principal activities of APA during the course of the year were the ownership and operation of energy infrastructure assets and businesses, including:

- energy infrastructure, primarily gas transmission businesses located across Australia;
- asset management and operations services for the majority of APA's energy investments and for third parties; and
- energy investments in listed and unlisted entities.

STATE OF AFFAIRS

No significant change in the state of affairs of APA occurred during the half year.

SUBSEQUENT EVENTS

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

FINANCIAL AND OPERATIONAL REVIEW

1. Financial highlights

Profit after tax and non-controlling interests, earnings before interest and tax ("EBIT") and EBIT before depreciation and amortisation ("EBITDA") excluding significant items are financial measures not prescribed by Australian Accounting Standards ("AIFRS") and represent the profit under AIFRS adjusted for specific significant items. The Directors consider these measures to reflect the core earnings of the Consolidated Entity, and these are therefore described in this report as 'normalised' measures.

For the period to 31 December 2015 APA reported EBITDA of \$667.6 million, an increase of 65.9% or \$265.2 million on the previous corresponding period EBITDA of \$402.3 million (excluding significant items of \$447.2 million relating mainly to profit on the sale of APA's shareholding in Australian Gas Networks Limited).

Revenue (excluding pass-through revenue) increased by \$289.8 million to \$812.5 million, an increase of 55.5% on the previous corresponding period (1H FY2015: \$522.7 million).

Increased revenues and EBITDA were primarily attributable to:

- a full 6 months contribution from the Wallumbilla Gladstone Pipeline;
- a full 6 months contribution from the expanded East Coast Grid (South West Queensland Pipeline in particular) compared to the previous corresponding period;
- continued solid contributions from APA's Western Australian assets including Mondarra Gas Storage Facility and Emu Downs Wind Farm;
- commissioning of the Eastern Goldfields Pipeline towards the end of the period; and
- an increase in earnings from both the Asset Management and Energy Investments businesses.

These increases were partially offset by an increase in corporate costs, driven mainly by the North East Gas Interconnect project and APA's bid for the Iona gas storage facility during the period as well as ongoing compliance costs relating to a number of inquiries into the gas market.

Depreciation, amortisation and interest costs each increased significantly year on year, as a result of the acquisition of the Wallumbilla Gladstone Pipeline, adding further significant fixed and intangible assets that are depreciated and amortised for the full six month period and due to the increased amount of debt included in the funding of the acquisition.

Profit after tax and non-controlling interests decreased by 10.5% to \$99.5 million (1H FY2015: \$111.2 million, excluding the aforementioned significant items of \$356.0 million, after tax).

Operating cash flow was \$462.1 million for the period. This was an increase of 75.6% or \$198.9 million over the previous corresponding period (1H FY2015: \$263.2 million), with operating cash flow per security increasing by 38.3%, or 11.5 cents, to 41.5 cents per security (1H FY2015: 30.0 cents per security) on a normalised basis. On a statutory basis, the operating cash flow increased by \$181.7 million or 64.8% from \$280.4 million.

APA's interim distribution of 19.0 cents per security, represents an increase of 8.6%, or 1.5 cents, over the previous corresponding period (FY2015 interim: 17.5 cents). The distribution payout ratio of 45.8% for the current period based on normalised operating cash flow is lower than the 55.6% ratio from the previous corresponding period. APA continues to fully fund its distributions out of operating cash flows whilst also retaining appropriate levels of cash in the business to support ongoing growth.

Australian Pipeline Trust and its Controlled Entities
Directors' Report for the half year ended 31 December 2015

The following table provides a summary of key financial data for the period and includes key reconciling items between statutory profit after tax attributable to APA securityholders and the normalised financial measures.

Half year ended	31 December 2015 (\$000)			31 December 2014 (\$000)			Changes in Statutory accounts		Changes in Normalised accounts	
	Statutory	Significant items	Normalised	Statutory	Significant items ⁽²⁾	Normalised	\$000	%	\$000	%
Total revenue	1,049,081	-	1,049,081	740,101	-	740,101	308,980	41.7%	308,980	41.7%
Pass-through revenue ⁽¹⁾	236,587	-	236,587	217,429	-	217,429	19,158	8.8%	19,158	8.8%
Total revenue excluding pass-through	812,494	-	812,494	522,672	-	522,672	289,822	55.5%	289,822	55.5%
EBITDA	667,567	-	667,567	849,563	447,240	402,323	(181,996)	(21.4%)	265,244	65.9%
Depreciation and amortisation expense	(250,481)	-	(250,481)	(88,477)	-	(88,477)	(162,004)	(183.1%)	(162,004)	(183.1%)
EBIT	417,086	-	417,086	761,086	447,240	313,846	(344,000)	(45.2%)	103,240	32.9%
Finance costs and interest income	(253,307)	-	(253,307)	(151,294)	-	(151,294)	(102,013)	(67.4%)	(102,013)	(67.4%)
Profit before income tax and non-controlling interests	163,779	-	163,779	609,792	447,240	162,552	(446,013)	(73.1%)	1,227	0.8%
Income tax (expense) / benefit	(64,234)	-	(64,234)	(142,530)	(91,222)	(51,308)	78,296	54.9%	(12,926)	(25.2%)
Non-controlling interests	(1)	-	(1)	(1)	-	(1)	-	-	-	-
Profit after income tax and non-controlling interests	99,544	-	99,544	467,261	356,018	111,243	(367,717)	(78.7%)	(11,699)	(10.5%)
Operating cash flow ⁽³⁾	462,134	-	462,134	280,406	17,201	263,205	181,728	64.8%	198,929	75.6%
Operating cash flow per security (cents) ⁽⁴⁾	41.5	-	41.5	31.9	-	30.0	9.6	30.1%	11.5	38.3%
Earnings per security (cents) ⁽⁴⁾	8.9	-	8.9	53.2	-	12.7	(44.3)	(83.3%)	(3.8)	(29.9%)
Distribution per security (cents)	19.0	-	19.0	17.5	-	17.5	1.5	8.6%	1.5	8.6%
Distribution payout ratio ⁽⁵⁾	45.8%	-	45.8%	52.2%	-	55.6%	(6.4%)	(12.3%)	(9.8%)	(17.6%)
Weighted average number of securities (000)	1,114,307	-	1,114,307	878,124	-	878,124	236,183	26.9%	236,183	26.9%

Notes: Numbers in the table may not add up due to rounding.

- (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 Australian Gas Networks Limited ("AGN") and GDI (EII) in respect of, the operation of the AGN and GDI assets respectively.
- (2) Significant items: For the period to 31 December 2014, these relate to net proceeds realised from the sale of APA's investment in AGN as well as successful recovery of fees paid by Hastings Diversified Utilities Fund to Hastings Funds Management Limited.
- (3) Operating cash flow = net cash from operations after interest and tax payments.
- (4) Between 23 December 2014 and 28 January 2015, APA issued a total of 278,556,562 new ordinary securities, resulting in total securities on issue as at 30 June 2015 of 1,114,307,369. The issue was offered at \$6.60 per security, a discount to APA's closing market price of \$7.67 per security on 9 December 2014, the last trading day before the record date of the entitlement offer of 15 December 2014. The weighted average number of securities for the prior period has been adjusted in accordance with the accounting principles of AASB 133: Earnings per Share, for the discounted rights issue.
- (5) Distribution payout ratio = total distribution payments as a percentage of normalised operating cash flow.

2. Business segment performances and operational review

Statutory reported revenue and EBITDA performance of APA's business segments is set out in the table below.

Half year ended	31 Dec 2015	31 Dec 2014	Changes	
	\$000	\$000	\$000	%
Revenue (continuing businesses)				
Energy Infrastructure				
East Coast Grid: Queensland	448,288	161,383	286,905	177.8%
East Coast Grid: New South Wales	72,884	71,953	931	1.3%
East Coast Grid: Victoria	83,266	93,309	(10,043)	(10.8%)
East Coast Grid: South Australia	1,393	1,351	42	3.1%
Northern Territory	14,458	13,825	633	4.6%
Western Australia	120,611	130,025	(9,414)	(7.2%)
<i>Energy Infrastructure total</i>	740,900	471,846	269,054	57.0%
Asset Management	55,403	38,420	16,983	44.2%
Energy Investments	13,973	7,647	6,326	82.7%
Total segment revenue	810,276	517,913	292,363	56.5%
Pass-through revenue	236,587	217,429	19,158	8.8%
Unallocated revenue (interest income) ⁽¹⁾	2,218	3,767	(1,549)	(41.1%)
Divested business ⁽²⁾	-	992	(992)	(100.0%)
Total revenue	1,049,081	740,101	308,980	41.7%
EBITDA (continuing businesses)				
Energy Infrastructure				
East Coast Grid: Queensland	426,718	146,548	280,170	191.2%
East Coast Grid: New South Wales	63,315	63,677	(362)	(0.6%)
East Coast Grid: Victoria	68,542	75,014	(6,472)	(8.6%)
East Coast Grid: South Australia	1,212	1,143	69	6.0%
Northern Territory	9,882	9,393	489	5.2%
Western Australia	101,456	106,241	(4,785)	(4.5%)
<i>Energy Infrastructure total</i>	671,125	402,016	269,109	66.9%
Asset Management	27,850	24,861	2,989	12.0%
Energy Investments	13,973	7,647	6,326	82.7%
Corporate costs	(45,381)	(33,193)	(12,188)	(36.7%)
Total segment EBITDA	667,567	401,331	266,236	66.3%
Divested business ⁽²⁾	-	992	(992)	(100.0%)
Total EBITDA before significant items	667,567	402,323	265,244	65.9%
Significant items ⁽³⁾	-	447,240	(447,240)	(100.0%)
Total EBITDA	667,567	849,563	(181,996)	(21.4%)

Notes: Numbers in the table may not add up due to rounding.

(1) Interest income is not included in calculation of EBITDA, but nets off against interest expense in calculating net interest cost.

(2) Investment in Australian Gas Networks Limited ("AGN") sold in August 2014.

(3) Significant items: For half year to 31 December 2014, these relate to net proceeds realised from the sale of APA's investment in AGN as well as successful recovery of fees paid by Hastings Diversified Utilities Fund to Hastings Funds Management Limited.

APA's financial performance during the period reflects solid operations and continued investment in our assets.

EBITDA in APA's continuing businesses for the period, increased by \$266.2 million, or 66.3%, to \$667.6 million, over the previous corresponding period (1H FY2015: \$401.3 million).

APA derives its revenue through a mix of regulated revenue, long-term negotiated revenue contracts, asset management fees and investment earnings. Earnings are underpinned by strong cash flows generated from high quality, geographically diversified assets and a portfolio of highly creditworthy customers.

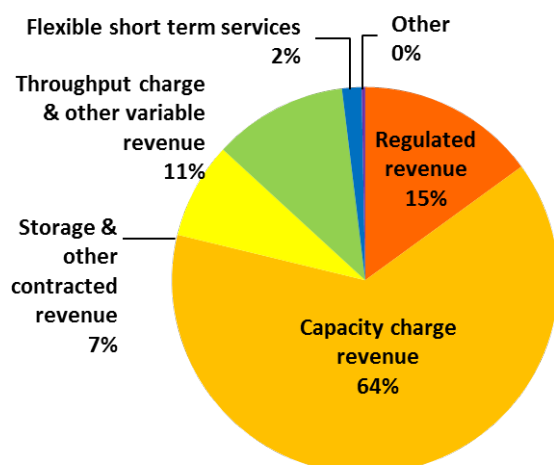
A national regulatory regime provides mechanisms for regulatory pricing amongst other things, and is encapsulated in the National Gas Law and National Gas Rules. The economic regulation aspects of the regime apply to most gas distribution networks and a number of gas transmission pipelines in Australia.

The regime provides for two forms of regulation based on a pipeline's relative market power – full regulation and light regulation. For assets under full regulation, the regulator approves price and other terms of access for standard ("reference") services as part of an access arrangement process, such that the asset owner has a reasonable opportunity to recover at least the efficient costs of owning and operating the asset to provide the reference services. Access arrangement periods usually run for five years. For assets under light regulation, contractual terms (including price) are negotiated between the service provider and customer with recourse to arbitration by the regulator in the absence of agreement.

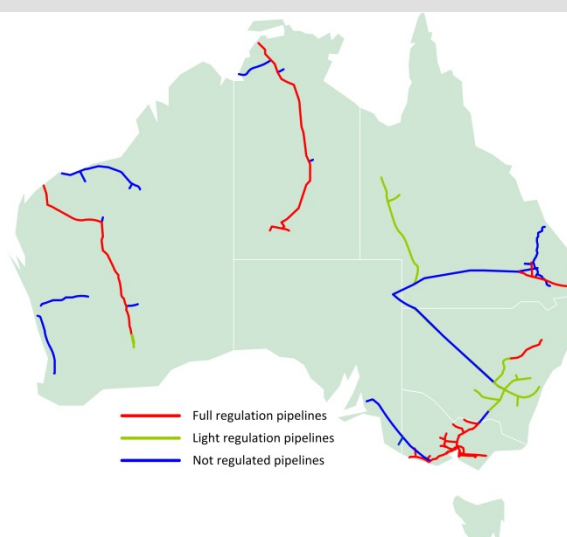
Contracted revenues are sourced from unregulated assets and assets under light regulation as well as assets under full regulation. Contracts generally entitle customers to capacity reservation, with the majority of the revenue fixed over the term of the relevant contract. There is typically a small portion of the contract subject to throughput volume. The split between capacity charge and throughput charge differs between contracts and ranges from 85%/15% to 100%/0%.

During the period, approximately 15% of Energy Infrastructure revenue (excluding pass-through) was subject to prices determined under full regulation, 64% was from capacity reservation charges, 7% from storage and other contracted revenues and 11% from throughput charges. Given the dynamic east coast gas market, there were additional revenues from provision of flexible short term services, accounting for around 2% of 1H FY2016 Energy Infrastructure revenue.

1H FY2016 Revenues by Contract Type



APA* Pipelines by Regulation Type



* Owned and/or operated by APA

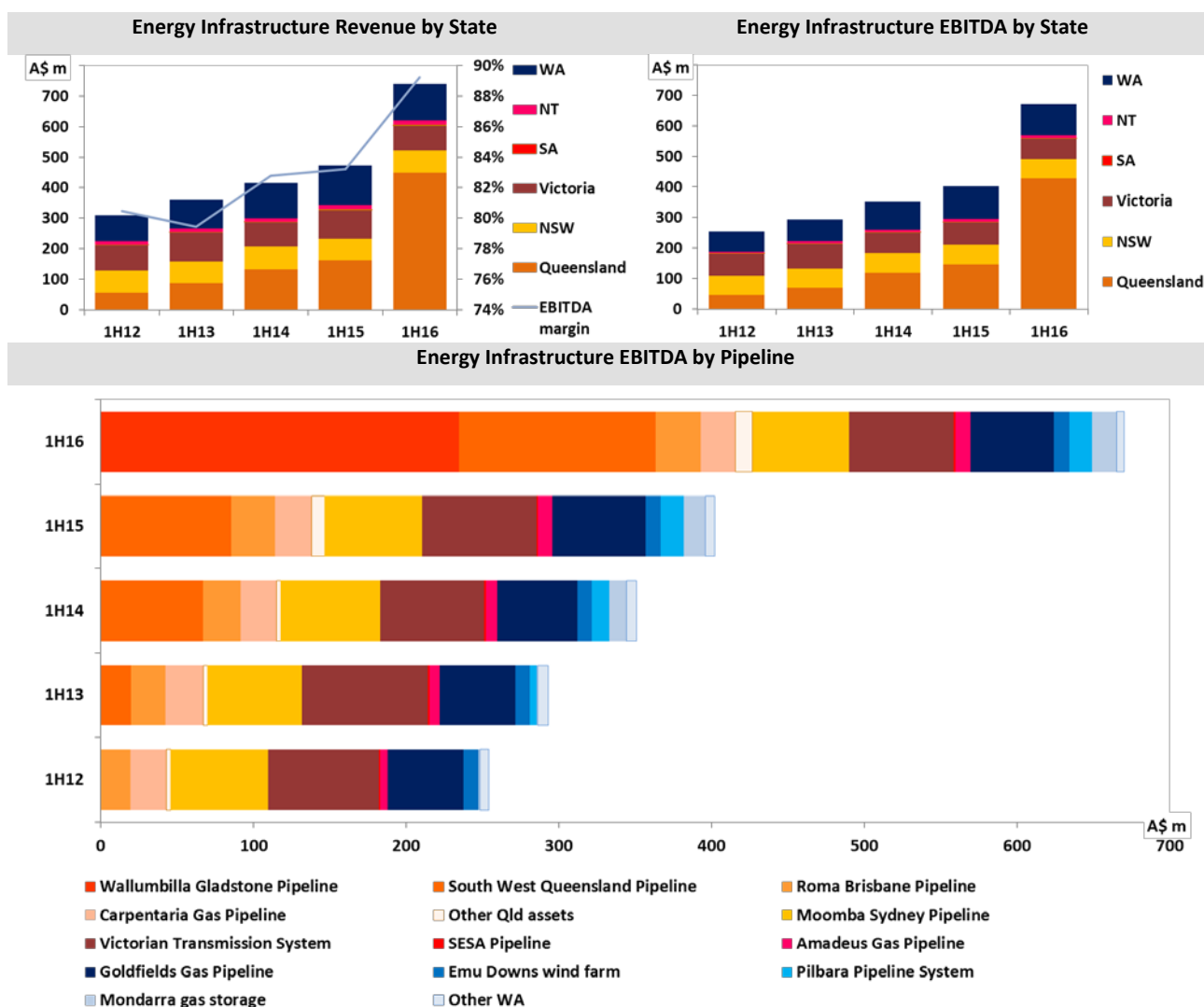
APA continues to focus on the operation, development and enhancement of our gas transmission and distribution assets, and energy investments across mainland Australia.

2.1 Energy Infrastructure

The Energy Infrastructure segment includes gas transmission, gas compression and storage assets and the Emu Downs Wind Farm. Revenue from these assets is derived from either regulatory arrangements or capacity-based contracts. Regulatory arrangements on major assets are reviewed every five years.

The Energy Infrastructure segment contributed 91.4% of revenue (for continuing businesses, excluding pass-through) and 94.1% of EBITDA (for continuing businesses, before corporate costs) during the period. Revenue (excluding pass-through revenue) was \$740.9 million, an increase of 57.0% on the previous corresponding period (1H FY2015: \$471.8 million). EBITDA (for continuing businesses, before corporate costs) increased by 66.9% on the previous corresponding period to \$671.1 million (1H FY2015: \$402.0 million).

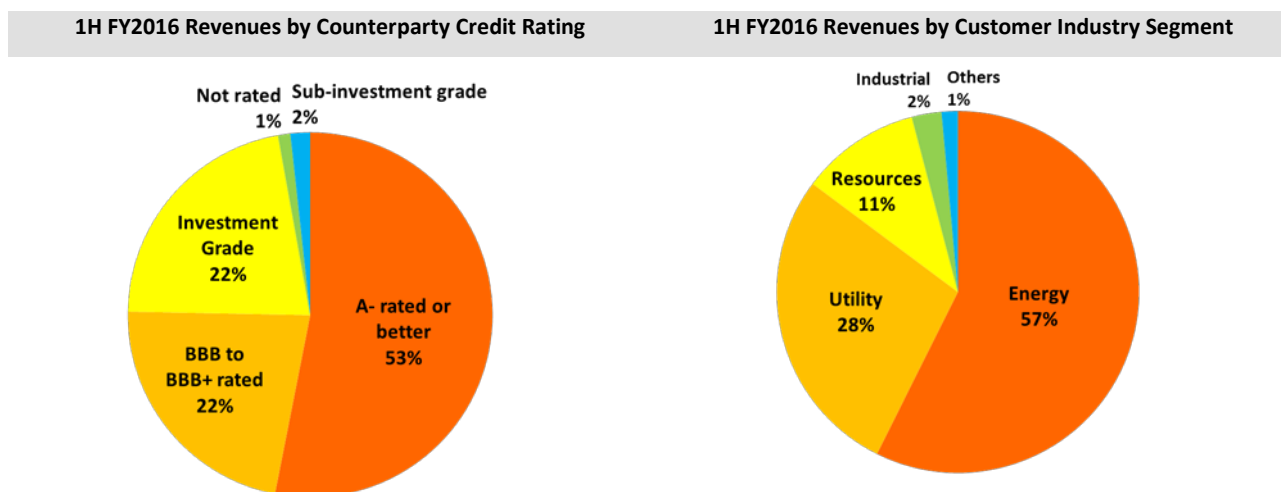
The Wallumbilla Gladstone Pipeline, acquired on 3 June 2015, delivered \$235 million in EBITDA and was the main contributor to the increase in earnings. In addition, APA commissioned the Eastern Goldfields Pipeline towards the end of the period and slightly ahead of plan. The expanded East Coast Grid delivered further organic growth, as did the solid performance from assets such as the Mondarra Gas Storage Facility and the Emu Downs Wind Farm.



Note: The charts above exclude discontinued operations previously accounted for within Energy Infrastructure, including earnings from Allgas Networks and Moomba Adelaide Pipeline.

Over 97% of revenue during the period was received from investment grade counterparties. Revenues were received from the following customer categories during the period: 57% from energy sector customers; 28% from customers in the utility sector; 11% from resources sector customers; and 2% from industrial customers.

Revenues by customer industry segment changed from majority Utility customers to Energy customers, given the impact of the long term contract entered into on the Wallumbilla Gladstone Pipeline.



Geographically, Energy Infrastructure assets are managed as the East Coast Grid plus Northern Territory (Queensland, New South Wales, Victoria, South Australia and the Northern Territory) and Western Australia.

East Coast Grid + Northern Territory

APA's 7,500 plus kilometres of integrated pipeline grid on the east coast of Australia has the ability to transport gas seamlessly from multiple gas production facilities to gas users across four states and the ACT, as well as to the export LNG market which has developed out of Gladstone. With the construction of a pipeline connecting the Northern Territory to the East Coast Grid, APA expects that eventually its Northern Territory assets will also form part of an expanded East Coast Grid.

During this period, APA has continued to invest in capacity expansions across its unique grid. In September and October 2015, APA commenced provision of bi-directional services on the Moomba Sydney Pipeline and the Roma Brisbane Pipeline respectively, as a result of installing bi-directional capability on these two pipelines. This completes the major bi-directional pipeline projects connecting the Gippsland, Otway, Cooper and Surat gas basins. The development of the East Coast Grid has been transformational in enabling APA to increase the flexibility of services to our customers. In December 2015, the Moomba Sydney Pipeline physically flowed gas in the northerly direction towards Moomba for the first time. This was a landmark event as the Moomba Sydney Pipeline has flowed in a southerly direction since it was built in 1976. The pipeline is an integral part of APA's East Coast Grid, which is now able to better respond to the dynamic changes in gas supply and demand on the east coast of Australia due to changes in customer demand requirements (impacted by the commissioning of the LNG facilities in Gladstone) and seasonal variation.

The interconnected, bi-directional grid, together with its numerous receipt (~30) and delivery points (~100), provides the hardware for APA's customers to move their gas where and as they need it. APA has also invested in 'software' and systems, which provide the commercial and operational framework to maximise the network for the benefit of our customers. A wide range of services, including multi-asset services, bi-directional services, capacity trading and gas storage and loan facilities, are managed by our APA Grid system. Together with APA's Integrated Operations Centre ("IOC") in Brisbane, which houses commercial, technical and operational resources in the one location managing APA's pipeline infrastructure nationally, APA is able to holistically manage and quickly respond to changes in operational and market conditions. During the period, the control rooms from Melbourne, Young and Perth were all transitioned to the IOC.

During the period, APA saw increased activity on each of the Queensland assets connected to the Wallumbilla hub, especially during the commissioning of a number of LNG trains at Gladstone, where APA's flexible agreements were required to support the gas portfolio management of the LNG proponents. This compared with the previous corresponding period where excess gas was being shipped southward to Victoria and New South Wales markets to support summer loads in those markets.

This increase in demand in Queensland, to which APA was able to respond, given the commissioning of capacity upgrades on its Queensland assets as well as the addition of the Wallumbilla Gladstone Pipeline ("WGP"), saw the East Coast Grid as a whole increase EBITDA by 95.5% over the previous corresponding period. Excluding the contribution from WGP, there was 13.5% organic growth in EBITDA on the East Coast Grid.

For this period, APA's assets in the Northern Territory continue to perform steadily.

Western Australia – West Coast Grid

In Western Australia, APA's assets serve a variety of customers in the resources, industrial and utility sectors, mainly in the Perth, Pilbara and Goldfields regions.

EBITDA from APA's West Coast Grid assets for the period decreased 4.5% compared with the previous corresponding period. This reduction is primarily due to revenue on the Goldfields Gas Pipeline ("GGP") for the current period reflecting tariff reductions proposed in the draft decision by the Economic Regulation Authority ("ERA") on proposed revisions to the access arrangement for the GGP in anticipation of the ERA's final decision becoming operative (expected June 2016). APA has submitted a full response rejecting the ERA's draft decision – refer to section 5. Regulatory Matters. Strong performances from the other assets on the West Coast Grid helped to partly offset the GGP revenue reduction, including Emu Downs Wind Farm, Pilbara Energy Pipeline and the Mondarra Gas Storage Facility, against the backdrop of falling commodity prices.

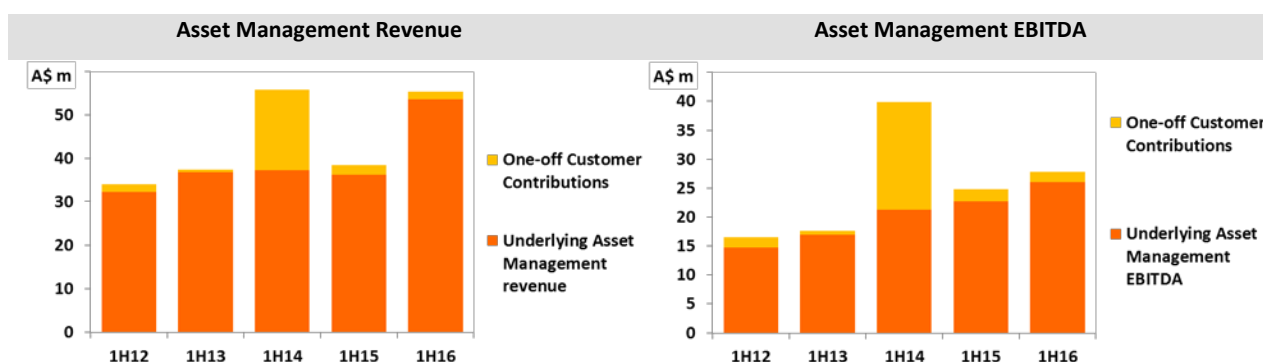
In November 2015, APA commissioned the 293 kilometre Eastern Goldfields Pipeline ("EGP"). The pipeline is underwritten by two gas transportation agreements executed between AngloGold Ashanti ("AngloGold") and APA for the transportation of natural gas to AngloGold's Sunrise Dam Operations, and the Tropicana Operations jointly owned by AngloGold and Independence Group NL, and located in the eastern Goldfields region. The EGP connects APA's existing infrastructure, the Goldfields Gas Pipeline and the Murrin Murrin Lateral, to the respective mine site locations. Under the agreements, APA will transport gas across a total distance of 1,800 kilometres to the mines through APA's three interconnected pipelines.

The completion of the EGP provided APA with the opportunity to secure an agreement for the transportation of natural gas to the Gold Fields Limited owned Granny Smith gold mine. This agreement will commence in February 2016. APA is working to secure other opportunities in the region associated with this new EGP infrastructure.

2.2 Asset Management

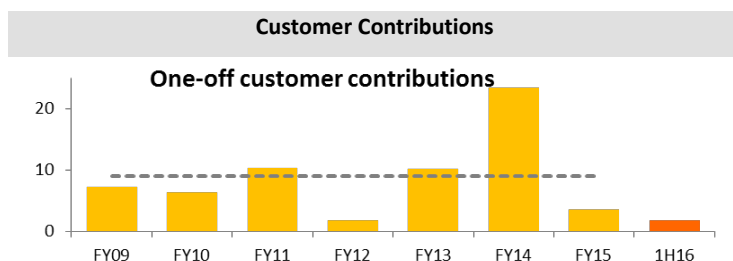
APA provides asset management and operational services to the majority of its energy investments and to a number of third parties. Its main customers are Australian Gas Networks Limited ("AGN"), Ethane Pipeline Income Fund, Energy Infrastructure Investments and GDI (EII). Asset management services are provided to these customers under long term contracts.

Revenue (excluding pass-through revenue) from asset management services increased by \$17.0 million or 44.2% to \$55.4 million (1H FY2015: \$38.4 million) and EBITDA (for continuing businesses, excluding corporate costs) also increased by \$3.0 million or 12.0% to \$27.9 million (1H FY2015: \$24.9 million).



This increase in revenue and EBITDA is due to organic growth, reflecting increases in volume and asset management fees. Over the last few years, the distribution businesses in particular have seen solid connection growth and continued investments in new housing estates and high rise apartment developments particularly in Queensland and Victoria. Natural gas continues to be the fuel of choice for cooking, hot water and heating in many of these market segments. Revenue was also affected by additional one-off works at certain assets, mainly in Queensland.

Customer contributions were in-line with the previous corresponding period. As can be seen in the graph below, there continue to be annual swings in customer contributions, as these are driven by our customers' work programmes and requirements. Over a number of years, the long term annual average revenue received for this work has been approximately \$10 million per annum.

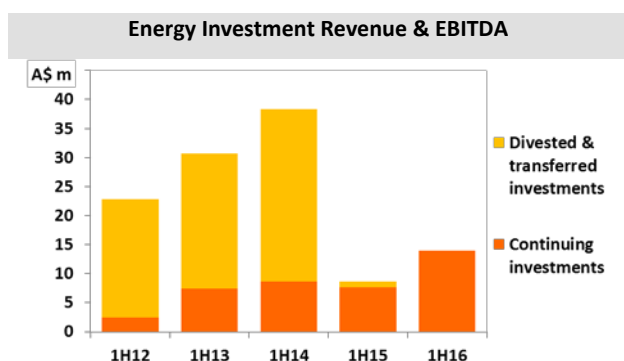


APA sold its 33.05% stake in AGN in August 2014, however, the operating and maintenance agreements remain on foot until maturity in 2027.

2.3 Energy Investments

APA has interests in a number of complementary energy investments across Australia, including SEA Gas Pipeline, Energy Infrastructure Investments ("EII"), Ethane Pipeline Income Fund, EII2, GDI (EII) and Diamantina and Leichhardt Power Stations (collectively "DPS"). APA holds a number of roles in respect of most of these investments, in addition to its ownership interests. All investments are equity accounted, with the exception of APA's 6% interest in Ethane Pipeline Income Fund, which is accounted for as an available-for-sale investment.

EBITDA from continuing investments increased by 82.7% to \$14.0 million (1H 2015: \$7.6 million), driven mainly by the positive contribution from DPS during the period. There were increased contributions across APA's investment portfolio, including from EII, GDI (EII) and SEA Gas Pipeline.

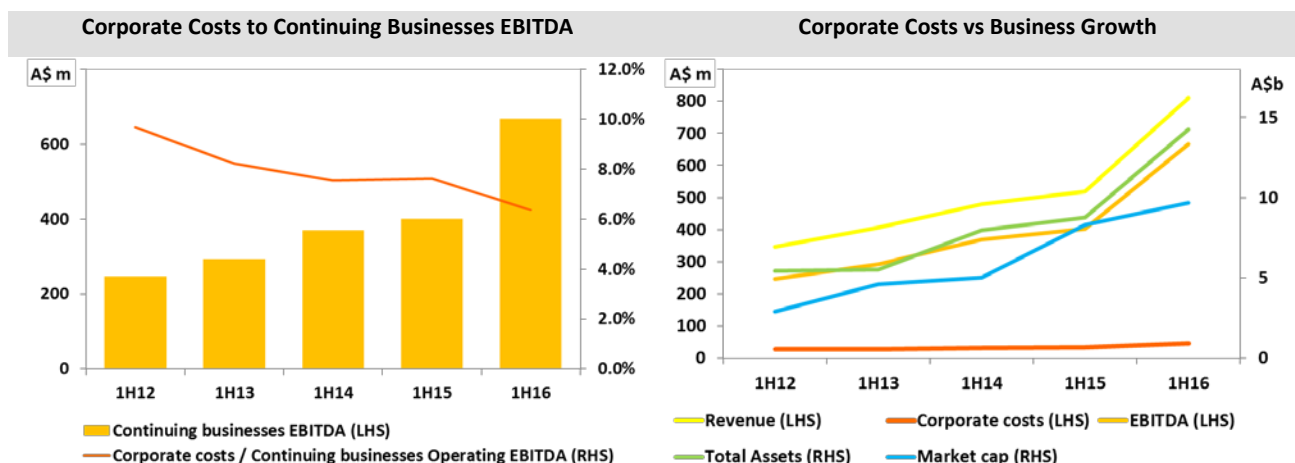


Note: "Divested & transferred investments" relate mainly to AGN sold in FY2014.

2.4 Corporate Costs

Corporate costs for the period increased by \$12.2 million over the previous corresponding period to \$45.4 million (1H FY2015: \$33.2 million). The increase was due to a number of one-off items including costs related to APA's investment in the Northern Territory's NEGI process and APA's unsuccessful bid for the Iona Gas Storage, as well as costs incurred in relation to a number of ongoing governmental enquiries into the gas market (refer below to Section 5. Regulatory matters).

Nonetheless, corporate costs have trended down as a proportion of revenue and total EBITDA over the last few years. Moreover, as can be seen in the graphs below, as the business has grown significantly both in terms of investor returns and balance sheet, APA's corporate costs have remained relatively steady, demonstrating the efficient scalability of APA.



2.5 Restatement of historical segment EBITDA

From the FY2015 reporting period, APA commenced reporting its segment EBITDA exclusive of corporate costs to provide a clearer picture of the performance of the underlying assets within the business. As this is the first half year reporting in this format, the following table restates segment EBITDA for the last 5 years for prior year comparison purposes.

Half year ended	31 Dec 2015	31 Dec 2014	31 Dec 2013	31 Dec 2012 ⁽¹⁾	31 Dec 2011
	\$000	\$000	\$000	\$000	\$000
EBITDA (continuing businesses)					
Energy Infrastructure					
Queensland	426,718	146,548	117,850	69,793	45,679
New South Wales	63,315	63,677	65,131	61,773	63,601
Victoria	68,542	75,014	68,042	82,653	72,634
South Australia	1,212	1,143	1,201	1,164	953
Northern Territory	9,882	9,393	7,375	6,464	5,003
Western Australia	101,456	106,241	91,177	71,209	66,336
Energy Infrastructure total	671,125	402,016	350,774	293,056	254,206
Asset Management	27,850	24,861	39,901	17,603	16,541
Energy Investments	13,973	7,647	8,690	7,472	2,424
Corporate costs	(45,381)	(33,193)	(30,152)	(26,154)	(26,448)
Total segment EBITDA	667,567	401,331	369,215	291,977	246,723
Divested business ⁽²⁾	-	992	29,679	29,922	42,604
Total EBITDA before significant items	667,567	402,323	398,894	321,899	289,327
Significant items ⁽³⁾	-	447,240	-	99,191	(10,435)
Total EBITDA	667,567	849,563	398,894	421,090	278,892

Notes: Numbers in the table may not add up due to rounding.

(1) APA adopted revised AASB 119 during FY2014. As the revised standard must be applied retrospectively, comparative numbers have been restated.

(2) Australian Gas Networks Limited sold in FY2015, Moomba Adelaide Pipeline System sold in FY2013, APA Gas Network Queensland (Allgas) sold into GDI (EII) Pty Ltd in FY2012.

(3) Significant items: For the period to 31 Dec 2014, these relate to net proceeds realised from the sale of APA's investment in Australian Gas Networks Limited as well as the successful recovery of fees paid by Hastings Diversified Utilities Fund to Hastings Funds Management Limited. Dec 2012 relates primarily to one-off items associated with the HDF acquisition. Dec 2011 relates to the profit less transaction costs on the sale of Allgas.

3. Capital and investment expenditure

Capital expenditure (including stay-in-business capital expenditure) for the period totalled \$173.5 million compared with \$191.7 million in the previous corresponding period.

Growth project expenditure of \$147.2 million (1H FY2015: \$162.0 million) was mainly in respect of the construction of the Eastern Goldfields Pipeline in Western Australia, which was completed during the period ahead of schedule. During the period, bi-directional projects on Moomba Sydney Pipeline and Roma Brisbane Pipeline were also completed. Additional expansion works are also being conducted at the Mondarra Gas Storage Facility, on the back of an extension and additional contract with an existing customer.

APA's growth capital expenditure continues to generally be either fully underwritten through long-term contractual arrangements or have regulatory approval through a relevant access arrangement.

Capital and investment expenditure for the period is detailed in the table below.

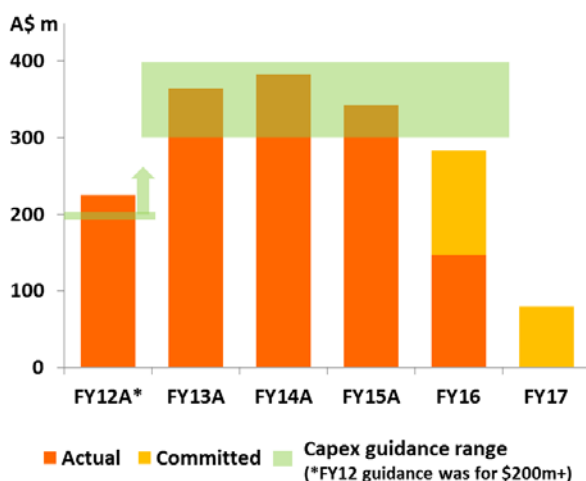
Capital and investment expenditure ⁽¹⁾	Description of major projects	31 Dec 2015	31 Dec 2014
		\$ million	\$ million
Growth expenditure			
Regulated	VNIE looping and compression; various upgrades	36.0	55.5
Major projects			
Queensland	RBP Reverse flow, SWQP expansion	12.6	78.5
New South Wales	Culcairn Compressor and MSP Reverse Flow	7.1	0.6
Western Australia	Eastern Gas Pipeline and Mondarra expansion	79.1	14.1
Other	VIC LNG & Metering, NT Pipelines, Asset Management Systems	12.5	13.3
		111.3	106.5
Total growth capex		147.2	162.0
Stay-in-business capex		24.7	28.1
Customer contributions	Mainly pipe relocations for councils	1.5	1.6
Total capital expenditure		173.5	191.7
Acquisitions	WGP final acquisition adjustments around working capital and contract intangibles, stamp duty, etc.	122.2	-
Energy Investments		-	20.9
Total investment expenditure		122.2	20.9
Total capital and investment expenditure		295.7	212.6

Notes: Numbers in the table may not add up due to rounding.

(1) The capital expenditure shown in this table represents actual cash payments as disclosed in the cash flow statement, and excludes accruals brought forward from the prior period and carried forward to next period.

Based on projects that are currently under construction or under discussion, APA continues to expect that FY2016 growth capital expenditure will fall within the guidance range of \$300 million to \$400 million.

Actual and Committed Growth Capital Expenditure



4. Financing Activities

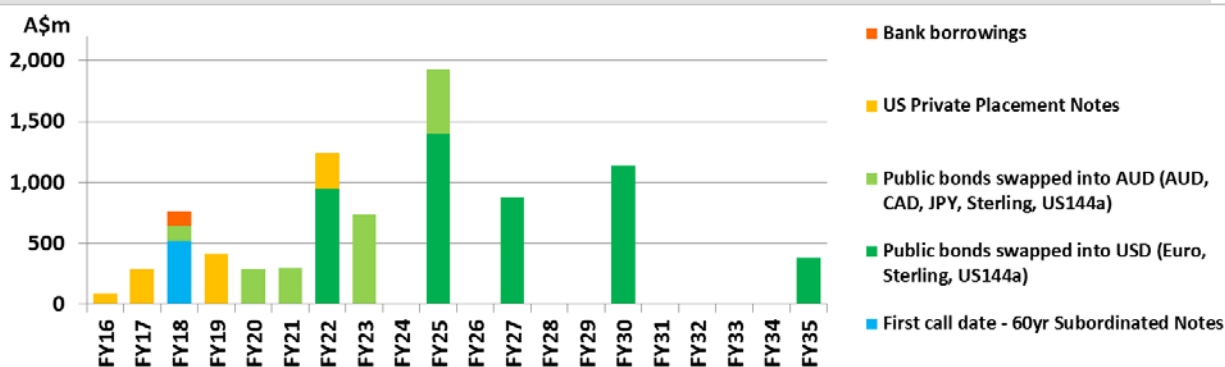
4.1 Capital management

As at 31 December 2015, APA had 1,114,307,369 securities on issue, which was unchanged from 30 June 2015.

During the period, APA extended the term to maturity on its syndicated and bilateral bank facilities by between 12 and 24 months and repaid the \$185.6 million (US\$122.0 million) of US Private Placement Notes that matured in September 2015.

APA's debt portfolio has a broad spread of maturities extending out to FY2035, with an average maturity of drawn debt of 8.2 years¹ at 31 December 2015. APA's gearing^{1,2} of 63.7% at 31 December 2015 was slightly higher than the 63.4% at 30 June 2015. APA remains well positioned, at this level, to fund its planned organic growth activities from available cash and committed resources.

APA debt maturity profile and diversity of funding sources



¹ For the purpose of the calculation, drawn debt that has been kept in USD (rather than AUD) has been nominally exchanged at AUD/USD exchange rates of 0.7772 for Euro and GBP MTN issuances and 0.7879 for US144A notes at respective inception dates.

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

As at 31 December 2015, APA had around \$1,058.5 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 interest rates. Other than noted below, all interest rate and foreign currency exposures on debt raised in foreign currencies have been hedged.

The majority of the revenues to be received over the next 20 years from the foundation contracts on the Wallumbilla Gladstone Pipeline will be received in USD. The US\$3.7 billion of debt raised in March 2015 is considered to be a "designated hedge" for these revenues and therefore has been kept in USD. Net USD cashflow after servicing the USD interest costs that is not part of that "designated relationship" will continue to be hedged on a rolling basis for an appropriate period of time, in line with APA's treasury policy. To date, the following hedging has been undertaken:

Period	Average forward USD/AUD exchange rate
FY2016	0.7577
FY2017	0.7381
FY2018	0.7282
1H FY2019 (to Dec 2018)	0.6716

APA also enters into interest rate hedges for a proportion of the interest rate exposure on its floating rate borrowings. As at 31 December 2015, 93.9% (30 June 2015: 94.0%) of interest obligations on gross borrowings was either hedged into or issued at fixed interest rates for varying periods extending out in excess of 19 years.

4.2 Borrowings and finance costs

As at 31 December 2015, APA had borrowings of \$8,454.4 million³ (\$8,642.8 million at 30 June 2015) from a mix of syndicated bank debt facilities, US Private Placement notes, Medium Term Notes in several currencies, Australian Medium Term Notes, United States 144A Notes and APA Group Subordinated Notes.

Net finance costs increased by \$102.0 million, or 67.4%, to \$253.3 million (1H FY2015: \$151.3 million). The increase is primarily due to the additional US\$3.7 billion of debt issued in March 2015 for the acquisition of the Wallumbilla Gladstone Pipeline. The average interest rate (including credit margins)³ applying to drawn debt was 5.69% for the current period (1H FY2015: 7.19%).

APA's interest cover ratio for the current period was 2.52 times (Dec 2014: 2.48 times⁴). This remains well in excess of its debt covenant default ratio of 1.1 times and distribution lock up ratio of 1.3 times.

4.3 Credit ratings

APT Pipelines Limited, the borrowing entity of APA, maintained the following two investment grade credit ratings during the period:

- BBB long-term corporate credit rating (outlook Stable) assigned by Standard & Poor's (S&P) in June 2009, and last confirmed on 20 December 2015; and
- Baa2 long-term corporate credit rating (outlook Stable) assigned by Moody's Investors Service (Moody's) in April 2010, and last confirmed on 5 November 2015.

³ For the purpose of the calculation, drawn debt that has been kept in USD (rather than AUD) has been nominally exchanged at AUD/USD exchange rates of 0.7772 for Euro and GBP MTN issuances and 0.7879 for US144A notes at respective inception dates.

⁴ For the calculation of interest cover, significant items are excluded from the EBITDA used.

4.4 Income tax

Income tax expense for the current period of \$64.2 million results in an effective income tax rate of 39.2%, compared to 23.4% for the previous corresponding period (statutory basis) and 31.6% for the previous corresponding period on a normalised basis. The increase is due to the significant increase in amortisation charges relating to contract intangibles acquired with the Wallumbilla to Gladstone pipeline which are not deductible for tax purposes.

Following completion of the FY2015 group tax return, it is expected that cash tax will now only be payable in respect of FY2016 profits in the second half of FY2017.

4.5 Distributions

On 24 February 2016, the Directors declared an interim distribution for APA for the current period of 19.0 cents per security. This includes an APT distribution of 15.1 cents per security comprised of an unfranked profit distribution, and an APTIT distribution of 3.9 cents per security comprised of an unfranked profit distribution. The interim distribution is payable on 16 March 2016. The Distribution Reinvestment Plan remains suspended.

4.6 Guidance for the 2016 financial year

Based on current operating plans and available information, APA expects EBITDA for the full year to 30 June 2016 to be in a range of \$1,275 million to \$1,310 million. This represents an increase by approximately 55% to 60% on the 2015 financial year, on a normalised, continuing businesses basis. This includes a contribution of around A\$470 million from the Wallumbilla Gladstone Pipeline plus growth across the remainder of the APA portfolio of between 3% and 7%.

APA has entered into forward exchange contracts for FY2016, for the net USD cashflow from the gas transportation agreements for the Wallumbilla Gladstone Pipeline ("WGP"), after servicing USD denominated debt. In forecasting the AUD equivalent EBITDA contribution from WGP, we have used the forward exchange rates for these hedged revenues. Any differences in the hedged rate and the actual rate will be accounted for in the hedge reserve account within the equity portion of APA's balance sheet.

Net interest cost is expected to be in a range of \$500 million to \$510 million.

Growth capital expenditure is expected to be in the range of \$300 million to \$400 million for FY2016.

Distributions per security for the 2016 financial year are expected to be in the order of 41.5 cents per security, being a 9.2% increase on the previous year, based on increased cash flows arising from APA's investment in the Wallumbilla Gladstone Pipeline and the commissioning of a number of expansions over the past 12 months. As per current APA distribution policies, all distributions will be fully covered by operating cash flows.

Year ended 30 June	2016 guidance	2015 actual	Changes	
	\$000	\$000	\$000	%
EBITDA from continuing businesses	1,275 to 1,310	821.3 (normalised)	454 to 489	55% to 60%
Net interest cost	500 to 510	324.2	176 to 186	54% to 57%
Growth capital expenditure	300 to 400	343.1	-	-
Distribution per security	In the order of 41.5 cents	38.0 cents	3.5 cents	9%

5. Regulatory matters

Key regulatory matters addressed during the period included:

Goldfields Gas Pipeline access arrangement

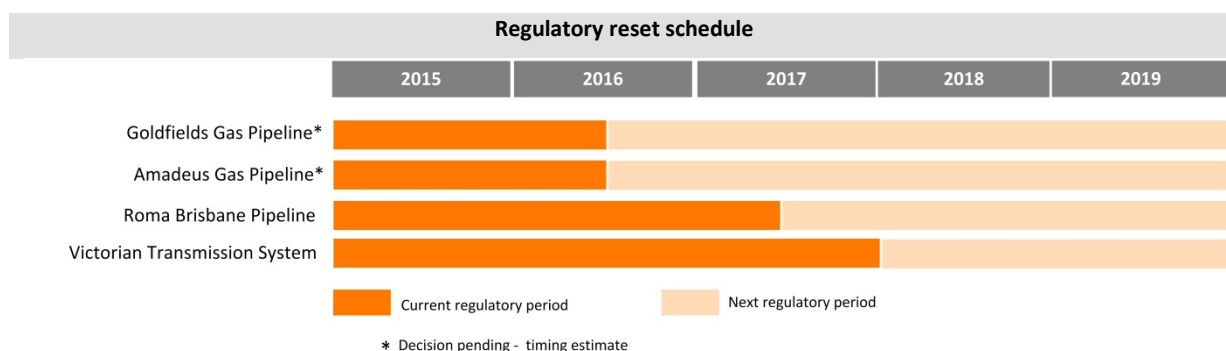
In December 2015, the Western Australian Economic Regulation Authority ("ERA") issued a draft decision on proposed revisions to the access arrangement for the Goldfields Gas Pipeline ("GGP"), which APA had submitted for approval in August 2014. In its draft decision, the ERA proposed a reduction in the reference tariff and amendments to the access terms and conditions. The ERA proposed reduction in tariff stems mainly from a change in methodology to calculate depreciation; a change in the methodology to allocate costs between regulated and unregulated services; a reduction in the rate of return; and a clawback of revenues arising from higher tariffs prevailing due to the ERA's delay in reaching a decision. APA has submitted a full response rejecting the ERA's position on each of these aspects.

The draft decision is currently open for public submissions, with a final decision expected in June 2016. The current tariffs are applicable until the regulator's final decision becomes operative.

Amadeus Gas Pipeline access arrangement

A response to the draft decision by the AER for the Amadeus Gas Access Arrangement was submitted on 6 January 2016. The regulator is expected to make a final decision in April 2016 with application from 1 July 2016. The final decision will have minimal impact on APA's revenue as the vast majority of service is provided at rates determined under contract with the main shipper, Power and Water Corporation.

The diagram below outlines the scheduled regulatory reset dates for pipelines owned and operated by APA. As mentioned previously, during the period approximately 15% of APA's revenues were subject to regulatory resets.



Gas Policy developments

The Eastern Australian gas market has been subject to ongoing unprecedented change with the recontracting of expiring long term gas supply agreements and the commencement of production at the three LNG facilities at Gladstone. Numerous governmental reviews and inquiries have considered appropriate policy settings. APA has been an active participant in these reviews, highlighting the significant contribution that our portfolio of pipeline assets coupled with our responsive customer services has made to the development of the gas market.

In December 2015, the Australian Energy Market Commission ("AEMC") issued its draft reports from its East Coast Wholesale Gas Market and Pipeline Frameworks Review (the "Frameworks Review Report") and the Review of the Victorian Declared Wholesale Gas Market (the "DWGM Review Report").

To further the development of liquid gas trading markets, the Frameworks Review Report proposed three principal changes to gas pipeline transportation arrangements:

- the introduction on fully contracted pipelines of a day ahead auction of un-nominated capacity;
- the mandatory creation of capacity trading platforms, to lower the transaction costs and to provide greater information regarding all trades would be published; and
- publication of actual prices and the terms and conditions of all primary capacity sales.

The AEMC is expected to finalise the Frameworks Review Report in May 2016, to allow consideration of the findings from the Australian Competition and Consumer Commission's East Coast Gas Inquiry (which is expected in April 2016). The ACCC's East Coast Gas Inquiry is considering the competitiveness of the wholesale gas prices and the structure of the upstream processing, transportation, storage and marketing segments of the gas industry.

In the DWGM Review Report, the AEMC recommends transitioning from the current Declared Wholesale Gas Market (where gas trading occurs on a mandatory, operator-led basis and there is an implicit allocation of transportation capacity) to a new model in which gas supply and transport are traded separately.

The AEMC recommends that access to transportation capacity in Victoria be provided through an Entry-Exit system under which shippers book firm transportation capacity rights for each entry and exit point they wish to utilise. The AEMC is expected to finalise the DWGM Review Report in mid-2016.

APA continues to engage with the relevant regulatory and policy agencies and other stakeholders on these enquiries. APA's position is that industry-led solutions are best able to achieve the objectives of policymakers whilst encouraging market based solutions, that enhance investment, innovation and efficiency.

Environmental reporting

In October 2015, APA complied with Australia's National Greenhouse and Energy Reporting ("NGER") obligations for FY2015. Energy reporting for FY2016 will be submitted in October 2016.

APA's main sources of emissions are from the combustion of natural gas in compressor stations and from fugitive emissions associated with natural gas pipelines. NGER compliance reporting applied to assets under APA's operational control, which include the Roma Brisbane Pipeline, the Moomba Sydney Pipeline, the South West Queensland Pipeline, the Northern Territory Natural Gas Distribution Network, the Goldfields Gas Pipeline (88.2% ownership), the Diamantina Power Station (50% equity ownership) and the GDI (EII) gas distribution network (20% equity ownership).

APA's summary of Scope 1 emissions and energy consumption for the 2015 financial year are set out in the following table:

Financial year	2015	2014	Change	
Scope 1 CO ₂ emissions (tonnes)	350,991	311,421	39,571	12.7%
Energy consumption (GJ)	4,633,613	4,078,182	555,431	13.6%

The variation is largely related to an increase in compressor use which resulted in increased gas consumption.

A 2-year Environmental Strategy and Improvement Plan was endorsed by the APA Board in April 2015. The strategy is focused on the delivery of 12 initiatives to provide a corporate governance framework for environmental management across all business areas. The strategy is progressing according to project schedules.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the independence declaration of the auditor, Deloitte Touche Tohmatsu ("Auditor") as required under section 307C of the Corporations Act 2001 is included at page 39.

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.

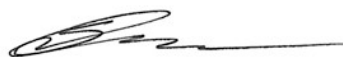
Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors



Leonard Bleasel AM

Chairman



Steven Crane

Director

SYDNEY, 24 February 2016

Australian Pipeline Trust and its Controlled Entities
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2015

		31 Dec 2015 \$000	31 Dec 2014 \$000
	Note		
Continuing operations			
Revenue	5	1,041,853	733,818
Share of net profits of associates and joint ventures using the equity method	5	7,228	6,283
		1,049,081	740,101
Net profit on sale of equity accounted investment	3	-	430,039
Asset operation and management expenses		(41,820)	(11,192)
Depreciation and amortisation expense	6	(250,481)	(88,477)
Other operating costs - pass-through	6	(236,587)	(217,429)
Finance costs	6	(255,525)	(155,061)
Employee benefit expense		(95,380)	(85,488)
Other expenses		(5,509)	(2,701)
Profit before tax		163,779	609,792
Income tax expense	7	(64,234)	(142,530)
Profit for the period		99,545	467,262
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial loss on defined benefit plan		(4,870)	(11,834)
Income tax relating to items that will not be reclassified subsequently		1,461	3,550
		(3,409)	(8,284)
Items that may be reclassified subsequently to profit or loss:			
(Loss)/gain on available-for-sale investments taken to equity		(675)	2,802
Transfer of gain on cash flow hedges to profit or loss		277,381	25,029
Loss on cash flow hedges taken to equity		(607,710)	(20,188)
Loss on associate hedges taken to equity		(543)	(34,030)
Income tax relating to items that may be reclassified subsequently		99,421	8,117
		(232,126)	(18,270)
Other comprehensive income for the period (net of tax)		(235,535)	(26,554)
Total comprehensive income for the period		(135,990)	440,708
Profit attributable to:			
Unitholders of the parent		56,254	447,402
Non-controlling interest - APT Investment Trust unitholders		43,290	19,859
APA stapled securityholders		99,544	467,261
Non-controlling interest - other		1	1
		99,545	467,262
Total comprehensive income attributable to:			
Unitholders of the parent		(179,138)	419,849
Non-controlling interest - APT Investment Trust unitholders		43,147	20,858
APA stapled securityholders		(135,991)	440,707
Non-controlling interest - other		1	1
		(135,990)	440,708
Earnings per security			
Basic and diluted (cents per security)	8	8.9	53.2

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Australian Pipeline Trust and its Controlled Entities
Condensed Consolidated Statement of Financial Position
As at 31 December 2015

	31 Dec 2015 \$000	30 Jun 2015 \$000
<u>Current assets</u>		
Cash and cash equivalents	153,539	411,921
Trade and other receivables	215,194	254,940
Other financial assets	41,826	24,789
Inventories	21,616	21,290
Other	5,795	8,314
Total current assets	437,970	721,254
<u>Non-current assets</u>		
Trade and other receivables	91,842	92,470
Other financial assets	496,446	496,537
Investments accounted for using the equity method	254,436	257,425
Property, plant and equipment	8,329,741	8,355,193
Goodwill	1,140,500	1,140,500
Other intangible assets	3,458,394	3,556,246
Other	31,143	33,261
Total non-current assets	13,802,502	13,931,632
Total assets	14,240,472	14,652,886
<u>Current liabilities</u>		
Trade and other payables	245,555	405,685
Borrowings	95,821	164,353
Other financial liabilities	150,761	145,815
Provisions	75,654	85,452
Unearned revenue	10,086	7,477
Total current liabilities	577,877	808,782
<u>Non-current liabilities</u>		
Trade and other payables	3,139	3,261
Borrowings	9,301,712	9,141,497
Other financial liabilities	95,661	44,793
Deferred tax liabilities	146,442	194,692
Provisions	58,210	60,410
Unearned revenue	39,220	16,801
Total non-current liabilities	9,644,384	9,461,454
Total liabilities	10,222,261	10,270,236
Net assets	4,018,211	4,382,650

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

Australian Pipeline Trust and its Controlled Entities
Condensed Consolidated Statement of Financial Position (continued)

As at 31 December 2015

		31 Dec 2015 \$000	30 Jun 2015 \$000
	Note		
Equity			
Australian Pipeline Trust equity:			
Issued capital	11	3,195,445	3,195,449
Reserves		(540,775)	(308,792)
Retained earnings		314,672	463,772
Equity attributable to unitholders of the parent		2,969,342	3,350,429
Non-controlling interests:			
APT Investment Trust:			
Issued capital	11	1,005,074	1,005,086
Reserves		452	595
Retained earnings		43,290	26,488
Equity attributable to unitholders of APT Investment Trust		1,048,816	1,032,169
Other non-controlling interest		53	52
Total non-controlling interests		1,048,869	1,032,221
Total equity		4,018,211	4,382,650

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

Australian Pipeline Trust and its Controlled Entities
Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2015

	Australian Pipeline Trust						APT Investment Trust				Other non-controlling interest				
	Issued Capital	Asset Revaluation Reserve	Available-for-sale Investment Revaluation Reserve	Hedging Reserve	Retained earnings	Attributable to owner of the parent	Issued Capital	Revaluation Reserve	Retained earnings	Investment Trust	Issued Capital	Other	Retained earnings	Other non-controlling Interest	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Balance at 1 July 2014	1,816,460	8,669	363	(125,275)	200,978	1,901,195	576,172	(394)	19,465	595,243	4	1	46	51	2,496,489
Profit for the period	-	-	-	-	447,402	447,402	-	-	19,859	19,859	-	-	1	1	467,262
Other comprehensive income	-	-	1,803	(29,189)	(11,834)	(39,220)	-	999	-	999	-	-	-	-	(38,221)
Income tax relating to components of other comprehensive income	-	-	(541)	8,658	3,550	11,667	-	-	-	-	-	-	-	-	11,667
Total comprehensive income for the period	-	-	1,262	(20,531)	439,118	419,849	-	999	19,859	20,858	-	-	1	1	440,708
Payment of distributions	-	-	-	-	(137,239)	(137,239)	-	-	(19,465)	(19,465)	-	-	-	-	(156,704)
Issued under entitlement offer	729,646	-	-	-	-	729,646	228,438	-	-	228,438	-	-	-	-	958,084
Issue cost of securities	(14,044)	-	-	-	-	(14,044)	(4,395)	-	-	(4,395)	-	-	-	-	(18,439)
Tax relating to security issue costs	4,213	-	-	-	-	4,213	-	-	-	-	-	-	-	-	4,213
Balance at 31 December 2014	2,536,275	8,669	1,625	(145,806)	502,857	2,903,620	800,215	605	19,859	820,679	4	1	47	52	3,724,351
Balance at 1 July 2015	3,195,449	8,669	1,484	(318,945)	463,772	3,350,429	1,005,086	595	26,488	1,032,169	4	1	47	52	4,382,650
Profit for the period	-	-	-	-	56,254	56,254	-	-	43,290	43,290	-	-	1	1	99,545
Other comprehensive income	-	-	(532)	(330,872)	(4,870)	(336,274)	-	(143)	-	(143)	-	-	-	-	(336,417)
Income tax relating to components of other comprehensive income	-	-	160	99,261	1,461	100,882	-	-	-	-	-	-	-	-	100,882
Total comprehensive income for the period	-	-	(372)	(231,611)	52,845	(179,138)	-	(143)	43,290	43,147	-	-	1	1	(135,990)
Payment of distributions	-	-	-	-	(201,945)	(201,945)	-	-	(26,488)	(26,488)	-	-	-	-	(228,433)
Issue cost of securities	(6)	-	-	-	-	(6)	(12)	-	-	(12)	-	-	-	-	(18)
Tax relating to security issue costs	2	-	-	-	-	2	-	-	-	-	-	-	-	-	2
Balance at 31 December 2015	3,195,445	8,669	1,112	(550,556)	314,672	2,969,342	1,005,074	452	43,290	1,048,816	4	1	48	53	4,018,211

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

Australian Pipeline Trust and its Controlled Entities
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2015

		31 Dec 2015 \$000	31 Dec 2014 \$000
	Notes		
<u>Cash flows from operating activities</u>			
Receipts from customers		1,189,361	796,084
Payments to suppliers and employees		(510,007)	(434,506)
Receipts of Hastings Funds Management fees	3	-	17,201
Dividends received		11,106	34,989
Proceeds from repayment of finance leases		1,801	2,325
Interest received		6,613	5,150
Interest and other costs of finance paid		(236,740)	(140,837)
Net cash provided by operating activities		462,134	280,406
<u>Cash flows from investing activities</u>			
Payments for property, plant and equipment		(295,527)	(191,673)
Proceeds from sale of property, plant and equipment		167	657
Payments for equity accounted investments		-	(17,383)
Payments for intangible assets		(143)	(226)
Loans advanced to related parties		-	(3,490)
Proceeds from sale of equity accounted investment		-	783,758
Net cash (used in)/provided by investing activities		(295,503)	571,643
<u>Cash flows from financing activities</u>			
Proceeds from borrowings		290,001	540,000
Repayments of borrowings		(478,727)	(1,269,500)
Proceeds from issue of securities		-	958,084
Payment of debt issue costs		(8,183)	(942)
Payments of security issue costs		(77)	(16,244)
Distributions paid to:			
Unitholders of APT	9	(201,945)	(137,239)
Unitholders of non-controlling interests - APTIT	9	(26,488)	(19,465)
Net cash (used in)/provided by financing activities		(425,419)	54,694
Net (decrease)/increase in cash and cash equivalents		(258,788)	906,743
Cash and cash equivalents at beginning of the period		411,921	7,009
Unrealised foreign exchange gains on cash held		406	-
Cash and cash equivalents at end of the period		153,539	913,752

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

Australian Pipeline Trust and its Controlled Entities
Notes to the condensed consolidated financial statements
For the half year ended 31 December 2015

Basis of Preparation

1. About this report

The content and format of the half year financial statements has been streamlined to present the financial information in a more meaningful manner to securityholders. Note disclosures have been grouped into four sections being Basis of Preparation, Financial Performance, Capital Management and Other.

Basis of Preparation

1. About this report
2. General information
3. Significant items and events

Financial Performance

4. Segment information
5. Revenue
6. Expenses
7. Income Tax
8. Earnings per security
9. Distributions

Capital Management

10. Financial risk management
11. Issued capital

Other

12. Contingencies
13. Adoption of new and revised Accounting Standards
14. Events occurring after reporting date

2. General information

The condensed consolidated general purpose financial statements for the half year ended 31 December 2015 have been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) in accordance with ASIC Class Order 98/0100 unless otherwise stated.

The half year financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly this report should be read in conjunction with the most recent annual financial report and any public announcements made by APA Group during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies are consistent with those adopted and disclosed in the annual report for the financial year ended 30 June 2015.

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Basis of Preparation

2. General information (continued)

Working capital position

The working capital position as at 31 December 2015 for APA Group is that current liabilities exceed current assets by \$139.9 million (\$87.5 million for 30 June 2015) primarily as a result of \$150.8 million (AUD equivalent) of cash flow hedge liabilities and current borrowings of \$95.8 million.

APA Group has access to sufficient available committed, un-drawn bank facilities of \$905.0 million as at 31 December 2015 (\$1,175.0 million for 30 June 2015).

The Directors continually monitor APA Group's working capital position, including forecast working capital requirements and have ensured that there are appropriate refinancing strategies and adequate committed funding facilities in place to accommodate debt repayments as and when they fall due.

Financial Performance

3. Significant items and events

Individually significant items included in profit after income tax expense are as follows:

	31 Dec 2015 \$000	31 Dec 2014 \$000
Significant items impacting EBITDA		
Net profit on sale of equity accounted investment ^(a)	-	430,039
Recovery of fees paid to HDF by Hastings Funds Management Limited ^(b)	-	17,201
Total significant items impacting EBITDA	-	447,240
Income tax related to significant items above	-	(91,222)
Profit from significant items after income tax	-	356,018

(a) During August 2014, APA Group sold its investment in Envestra Limited to Cheung Kong Group consortium for \$1.32 per share amounting to \$783.8 million in gross proceeds which realised a net pre-tax profit of \$430.0 million.

(b) In November 2014, APA Group successfully appealed the NSW Supreme Court decision in a matter regarding performance fees previously paid by Hastings Diversified Utility Fund (HDF) to Hastings Funds Management Limited (HFML).

4. Segment information

APA Group operates in one geographical segment, being Australia and the revenue from major products and services is shown by the reportable segments.

APA Group comprises the following reportable segments:

- **Energy Infrastructure**, which includes all wholly or majority owned pipelines, gas storage assets and the Emu Downs Wind Farm;
- **Asset Management**, which provides commercial, operating services and/or asset maintenance services to APA Group's energy investments and Australian Gas Networks Limited (formerly Envestra Limited) for appropriate fees; and
- **Energy Investments**, which includes APA Group's strategic stakes in a number of investment entities that house energy infrastructure assets, generally characterised by long term secure cashflows, with low capital expenditure requirements.

APA Group has reported the segment earnings before interest, tax, depreciation and amortisation ("EBITDA") exclusive of corporate costs for the half year ended 31 December 2015. The reporting provides a clearer picture of the performance of the underlying assets within the business. The comparative half year has been restated to this effect.

Information about major customers

Included in revenues arising from energy infrastructure of \$739.9 million (half year ended 31 December 2014: \$470.2 million) are revenues of approximately \$339.4 million (half year ended 31 December 2014: \$214.3 million) which arose from sales to APA Group's top three customers.

The half year ended 31 December 2015 includes six months of revenue of \$236.0 million attributed to the Wallumbilla Gladstone Pipeline (WGP) compared to \$nil for the half year ended 31 December 2014.

Australian Pipeline Trust and its Controlled Entities
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2015

Financial Performance

4. Segment information (continued)

Reportable segments

	Energy Infrastructure	Asset Management	Energy Investments	Unallocated	Consolidated
Half year ended 31 December 2015	\$000	\$000	\$000	\$000	\$000
Segment revenue ^(a)					
External sales revenue	739,908	55,403	-	-	795,311
Equity accounted net profits	-	-	7,228	-	7,228
Pass-through revenue	11,359	225,228	-	-	236,587
Finance lease and investment interest income	992	-	6,471	-	7,463
Distributions - other entities	-	-	274	-	274
Total segment revenue	752,259	280,631	13,973	-	1,046,863
Other interest income				2,218	2,218
Consolidated revenue					1,049,081
Segment result					
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	670,133	27,850	274	-	698,257
Share of net profits of joint ventures and associates using the equity method	-	-	7,228	-	7,228
Finance lease and investment interest income	992	-	6,471	-	7,463
Corporate costs	-	-	-	(45,381)	(45,381)
Total EBITDA	671,125	27,850	13,973	(45,381)	667,567
Depreciation and amortisation	(244,260)	(6,221)	-	-	(250,481)
Earnings before interest and tax ("EBIT")	426,865	21,629	13,973	(45,381)	417,086
Net finance costs ^(b)				(253,307)	(253,307)
Profit before tax					163,779
Income tax expense					(64,234)
Profit for the period					99,545
Segment assets and liabilities as at 31 December 2015					
Segment assets	12,998,118	217,917	112,705	-	13,328,740
Carrying value of investments using the equity method	-	-	254,436	-	254,436
Unallocated assets ^(c)				657,298	657,298
Total assets					14,240,474
Segment liabilities	366,972	64,893	-	-	431,865
Unallocated liabilities ^(d)				9,790,396	9,790,396
Total liabilities					10,222,261

(a) The revenue reported above represents revenue generated from external customers. Any intersegment sales were immaterial.

(b) Excluding finance lease and investment interest income, and any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes, but including other interest income.

(c) Unallocated assets consist of cash and cash equivalents, fair value of interest rate swaps, foreign exchange contracts and equity forwards.

(d) Unallocated liabilities consist of current and non-current borrowings, deferred tax liabilities, fair value of interest rate swaps and foreign exchange contracts.

Australian Pipeline Trust and its Controlled Entities
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2015

Financial Performance

4. Segment information (continued)

Reportable segments (continued)

	Energy Infrastructure \$000 (Restated)	Asset Management ^(a) \$000 (Restated)	Energy Investments ^(a) \$000 (Restated)	Unallocated \$000 (Restated)	Consolidated \$000 (Restated)
Half year ended 31 December 2014					
Segment revenue^(b)					
External sales revenue	470,242	38,420	-	-	508,662
Equity accounted net profits	-	-	6,283	-	6,283
Pass-through revenue	4,686	212,743	-	-	217,429
Finance lease and investment interest income	1,604	-	2,084	-	3,688
Distribution - other entities	-	-	272	-	272
Total segment revenue	476,532	251,163	8,639	-	736,334
Other interest income				3,767	3,767
Consolidated revenue					740,101
Segment result					
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	417,614	14,861	440,310	-	872,785
Share of net profits of joint ventures and associates using the equity method	-	-	6,283	-	6,283
Finance lease and investment interest income	1,604	-	2,084	-	3,688
Corporate costs	-	-	-	(33,193)	(33,193)
Total EBITDA	419,218	14,861	448,677	(33,193)	849,563
Depreciation and amortisation	(82,060)	(6,417)	-	-	(88,477)
Earnings before interest and tax ("EBIT")	337,158	8,444	448,677	(33,193)	761,086
Net finance costs ^(c)				(151,294)	(151,294)
Profit before tax					609,792
Income tax benefit					(142,530)
Profit for the period					467,262
Segment assets and liabilities as at 30 June 2015					
Segment assets	13,146,538	239,798	110,874	-	13,497,210
Carrying value of investments using the equity method	-	-	257,425	-	257,425
Unallocated assets ^(d)				898,251	898,251
Total assets					14,652,886
Segment liabilities	507,565	71,521	-	-	579,086
Unallocated liabilities ^(e)				9,691,150	9,691,150
Total liabilities					10,270,236

(a) During August 2014, APA Group sold its investment in Envestra Limited to Cheung Kong Group consortium for \$1.32 per share. This resulted in a \$440.0 million gain in Energy Investments being the gross proceeds less the carrying value of the equity accounted investment affected by a reassessment of the carrying value of the asset management business to reflect future growth opportunities, resulting in a reduction of goodwill (\$10.0 million).

(b) The revenue reported above represents revenue generated from external customers. Any intersegment sales were immaterial.

(c) Excluding finance lease and investment interest income, and any gains or losses on revaluation of derivatives included as part of EBIT for segment reporting purposes, but including other interest income.

(d) Unallocated assets consist of cash and cash equivalents, fair value of interest rate swaps, foreign exchange contracts and equity forwards.

(e) Unallocated liabilities consist of current and non-current borrowings, deferred tax liabilities, fair value of interest rate swaps and foreign exchange contracts.

Australian Pipeline Trust and its Controlled Entities
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2015

Financial Performance

5. Revenue

An analysis of APA Group's revenue for the period is as follows:

Continuing operations

	31 Dec 2015 \$000	31 Dec 2014 \$000
Energy infrastructure revenue	739,608	469,970
Pass-through revenue	11,359	4,686
Energy infrastructure revenue	750,967	474,656
Asset management revenue	55,403	38,420
Pass-through revenue	225,228	212,743
Asset management revenue	280,631	251,163
Operating revenue	1,031,598	725,819
Interest	2,218	3,767
Interest income on redeemable ordinary shares (EII), redeemable preference shares (GDI) and loans to related parties (DPS)	6,471	2,084
Finance lease income	992	1,604
Finance income	9,681	7,455
Dividends	274	272
Rental income	300	272
Total revenue	1,041,853	733,818
Share of net profits of joint ventures and associates using the equity method	7,228	6,283
	1,049,081	740,101

6. Expenses

Depreciation of non-current assets	158,637	82,060
Amortisation of non-current assets	91,844	6,417
Depreciation and amortisation expense	250,481	88,477
Gas pipeline costs	11,359	4,686
Management, operating and maintenance costs	225,228	212,743
Other operating costs - pass-through	236,587	217,429
Interest on borrowings	249,942	155,660
Amortisation of deferred borrowing costs	4,666	4,489
Other finance costs	3,017	4,729
	257,625	164,878
Less: amounts included in the cost of qualifying assets	(3,770)	(10,953)
	253,855	153,925
Loss on derivatives	73	577
Unwinding of discount on non-current liabilities	1,597	559
Finance costs	255,525	155,061

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Financial Performance

7. Income tax

The major components of tax expense are:

	31 Dec 2015	31 Dec 2014
	\$000	\$000

Tax reconciliation

Profit before tax	163,779	609,792
Income tax expense calculated at 30%	(49,134)	(182,938)
Non-assessable trust distribution	12,987	5,958
Non deductible expenses	(29,350)	(5,678)
Non assessable income	350	4,041
Excess of equity accounted book value over tax base of Envestra shares	-	12,149
Unfranked dividends from associates	-	(6,234)
Franked dividends from associates	729	86
	(64,418)	(172,616)
Previously unbooked losses now recognised	184	30,057
Adjustment recognised in the current year in relation to the current tax of prior years	-	29
	(64,234)	(142,530)

8. Earnings per security

	31 Dec 2015	31 Dec 2014
Basic and diluted earnings per security (cents)	8.9	53.2

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

	\$000	\$000
Net profit attributable to securityholders for calculating basic and diluted earnings per security	99,544	467,261
	No. of securities	No. of securities
	000	000
Adjusted weighted average number of ordinary securities used in the calculation of basic and diluted earnings per security	1,114,307	878,124

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Financial Performance

9. Distributions

	31 Dec 2015 cents per security	31 Dec 2015 Total \$000	31 Dec 2014 cents per security	31 Dec 2014 Total \$000
Recognised amounts				
Final distribution paid on 16 September 2015				
(2015: 10 September 2014)				
Profit distribution - APT ^(a)	18.12	201,945	16.42	137,239
Profit distribution - APTIT ^(a)	2.38	26,488	2.33	19,465
	20.50	228,433	18.75	156,704
Unrecognised amounts				
Interim distribution payable on 16 March 2016^(b)				
(2015: 18 March 2015) ^(c)				
Profit distribution - APT ^(a)	15.12	168,428	15.12	126,397
Profit distribution - APTIT ^(a)	3.88	43,290	2.38	19,859
	19.00	211,718	17.50	146,256

(a) Profit distributions were unfranked (2015: unfranked).

(b) Record date 31 December 2015.

(c) New securities issued under the entitlement offer were not eligible for the FY2015 interim distribution.

The interim distribution in respect of the financial year has not been recognised in this half year financial report because the distribution was not declared, determined or publicly confirmed prior to 31 December 2015.

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

10. Financial risk management

Fair value of financial instruments

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the levels during the half year to 31 December 2015 (year ended 30 June 2015: none). Transfers between levels of the fair value hierarchy occur at the end of the reporting period. Transfers between level 1 and level 2 are triggered when there are quoted prices available in active markets. Transfers into level 3 are triggered when the observable inputs become no longer observable, or vice versa for transfer out of level 3.

Fair value of the Group's financial assets and liabilities that are measured at fair value on a recurring basis

The fair values of financial assets and financial liabilities are measured at the end of each reporting period and determined as follows:

- the fair values of available-for-sale financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices, these instruments are classified in the fair value hierarchy at level 1;
- the fair values of forward foreign exchange contracts included in hedging assets and liabilities are calculated using discounted cash flow analysis based on observable forward exchange rates at the end of the reporting period and contract forward rates discounted at a rate that reflects the credit risk of the various counterparties. The instruments are classified in the fair value hierarchy at level 2;
- the fair values of interest rate swaps, cross currency swaps, equity forwards and other derivative instruments included in hedging assets and liabilities are calculated using discounted cash flow analysis using observable yield curves at the end of the reporting period and contract rates discounted at a rate that reflects the credit risk of the various counterparties. The instruments are classified in the fair value hierarchy at level 2;
- the fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current markets discounted at a rate that reflects the credit risk of the various counterparties. The instruments are classified in the fair value hierarchy at level 2;
- the fair value of financial guarantee contracts is determined based upon the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default. The instruments are classified in the fair value hierarchy at level 2; and
- the carrying value of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair value having regard to the specific terms of the agreements underlying those assets and liabilities.

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

10. Financial risk management (continued)

Fair value of financial instruments (continued)

Fair value hierarchy

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
As at 31 December 2015				
Financial assets measured at fair value				
Available-for-sale listed equity securities				
Ethane Pipeline Income Fund	6,488	-	-	6,488
Equity forwards designated as fair value through profit or loss	-	2,141	-	2,141
Cross currency interest rate swaps used for hedging	-	461,255	-	461,255
Forward foreign exchange contracts used for hedging	-	16,416	-	16,416
	6,488	479,812	-	486,300
Financial liabilities measured at fair value				
Interest rate swaps used for hedging	-	12,313	-	12,313
Cross currency interest rate swaps used for hedging	-	186,746	-	186,746
Forward foreign exchange contracts used for hedging	-	36,803	-	36,803
	-	235,862	-	235,862
As at 30 June 2015				
Financial assets measured at fair value				
Available-for-sale listed equity securities				
Ethane Pipeline Income Fund	7,162	-	-	7,162
Equity forwards designated as fair value through profit or loss	-	5,199	-	5,199
Cross currency interest rate swaps used for hedging	-	461,484	-	461,484
Forward foreign exchange contracts used for hedging	-	4,016	-	4,016
	7,162	470,699	-	477,861
Financial liabilities measured at fair value				
Interest rate swaps used for hedging	-	17,885	-	17,885
Cross currency interest rate swaps used for hedging	-	147,537	-	147,537
Forward foreign exchange contracts used for hedging	-	1,800	-	1,800
	-	167,222	-	167,222

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

10. Financial risk management (continued)

Fair value of financial instruments (continued)

Fair value measurements of financial instruments measured at amortised cost

The financial liabilities included in the following table are fixed rate borrowings. Other debts held by APA Group are floating rate borrowings, the amortised cost as recorded in the financial statements approximate their fair values.

	Carrying amount		Fair value (level 2) ^(a)	
	31 Dec	30 Jun	31 Dec	30 Jun
	2015	2015	2015	2015
	\$000	\$000	\$000	\$000
Financial liabilities				
Unsecured long term private placement notes	1,142,197	1,254,594	1,200,705	1,388,789
Unsecured Australian Dollar medium term notes	300,000	300,000	317,128	351,024
Unsecured Japanese Yen medium term notes	114,136	106,005	116,461	108,594
Unsecured Canadian Dollar medium term notes	297,512	311,394	299,047	323,954
Unsecured Australian Dollar subordinated notes	515,000	515,000	519,949	646,661
Unsecured US Dollar 144a medium term notes	2,949,853	2,786,779	2,423,610	3,000,016
Unsecured British Pound medium term notes	1,919,877	1,937,372	1,483,382	1,864,624
Unsecured Euro medium term notes	2,011,525	1,950,107	1,648,925	1,872,050
	9,250,100	9,161,251	8,009,207	9,555,712

(a) The fair values have been determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current markets, discounted at a rate that reflects the credit risk of the various counterparties. The instruments are classified in the fair value hierarchy at level 2.

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

11. Issued capital

	31 Dec 2015 \$000	30 Jun 2015 \$000
APT securities		
1,114,307,369 securities, fully paid (2015: 1,114,307,369 securities, fully paid) ^(a)	3,195,445	3,195,449
	No. of securities 000	\$000
Movements		
Balance at 1 July 2015	1,114,307	3,195,449
Less transaction costs relating to the issue of securities	-	(6)
Deferred tax on the transaction costs relating to the issue of securities	-	2
Balance at 31 December 2015	1,114,307	3,195,445
	31 Dec 2015 \$000	30 Jun 2015 \$000
APTIT securities		
1,114,307,369 securities, fully paid (2015: 1,114,307,369 securities, fully paid) ^(a)	1,005,074	1,005,086
	No. of securities 000	\$000
Movements		
Balance at 1 July 2015	1,114,307	1,005,086
Less transaction costs relating to the issue of securities	-	(12)
Balance at 31 December 2015	1,114,307	1,005,074

(a) Fully paid securities carry one vote per security and carry the right to distributions. New securities issued under the December 2014 entitlement offer were not eligible for the FY2015 interim distribution, but otherwise rank equally with existing securities from allotment.

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

11. Issued capital (continued)

	31 Dec 2014 \$000	30 Jun 2014 \$000
APT securities		
980,915,109 securities, fully paid (2013: 835,750,807 securities, fully paid) ^(a)	2,536,275	1,816,460
	No. of securities 000	\$000
Movements		
Balance at 1 July 2014	835,751	1,816,460
Issue of securities under entitlement offer	145,164	729,646
Less transaction costs relating to the issue of securities	-	(14,044)
Deferred tax on the transaction costs relating to the issue of securities	-	4,213
Balance at 31 Decemehr 2014	980,915	2,536,275
	31 Dec 2014 \$000	30 Jun 2014 \$000
APTIT securities		
980,915,109 securities, fully paid (2013: 835,750,807 securities, fully paid) ^(a)	800,215	576,172
	No. of securities 000	\$000
Movements		
Balance at 1 July 2014	835,751	576,172
Issue of securities under entitlement offer	145,164	228,438
Less transaction costs relating to the issue of securities	-	(4,395)
Balance at 31 December 2014	980,915	800,215

(a) Fully paid securities carry one vote per security and carry the right to distributions. New securities issued under the December 2014 entitlement offer were not eligible for the FY2015 interim distribution, but otherwise rank equally with existing securities from allotment.

Australian Pipeline Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Other items

12. Contingencies

	31 Dec 2015 \$000	30 Jun 2015 \$000
Contingent liabilities		
Bank guarantees	42,825	49,049

13. Adoption of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

There have not been any new or revised Standards and Interpretations issued by the AASB that are relevant to APA Group's operations that would be effective for the current reporting period.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were on issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
• AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB15'	1 January 2018	30 June 2019

The potential impact of the initial application of the Standards above has yet to be determined.

14. Events occurring after reporting date

On 24 February 2016, the Directors declared an interim distribution of 19.0 cents per security (\$211.7 million) for APA Group (comprising a distribution of 15.1 cents per security from APT and a distribution of 3.9 cents per security from APTIT). The distribution represents a 19.0 cents per security unfranked profit distribution and nil cents per security capital distribution. The distribution will be paid on 16 March 2016.

Other than the events disclosed above, there have not been any events or transactions that have occurred subsequent to the period end that would require adjustment to or disclosure in the accounts.

Australian Pipeline Trust and its Controlled Entities
Declaration by the Directors of Australian Pipeline Limited
For the half year ended 31 December 2015

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 give a true and fair view of the financial position and performance of APA Group.

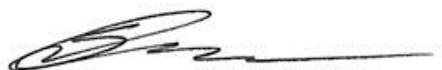
Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Leonard Bleasel AM

Chairman



Steven Crane

Director

SYDNEY, 24 February 2016

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

24 February 2016

Dear Directors

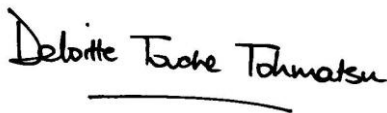
**Auditors Independence Declaration to Australian Pipeline Limited as responsible entity
for Australian Pipeline Trust**

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.

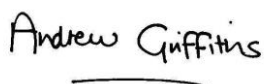
As lead audit partner for the review of the financial statements of Australian Pipeline Trust for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



A V Griffiths
Partner
Chartered Accountants

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 2015, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 20 to 38.

Directors' Responsibility for the Half-Year Financial Report

The directors of Australian Pipeline Limited as responsible entity for Australian Pipeline Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 a 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 2015 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Pipeline Limited as responsible entity for Australian Pipeline Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

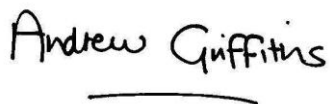
Conclusion

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 2015 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



A V Griffiths
Partner
Chartered Accountants
Sydney, 24 February 2016



APT Investment Trust

ARSN 115 585 441

Interim Financial Report

For the half year ended

31 December 2015

The Directors of Australian Pipeline Limited ("Responsible Entity") submit their interim financial report in respect of APT Investment Trust ("APTIT") and its controlled entities (together "Consolidated Entity") for the half year ended 31 December 2015 ("current period"). This report and the financial statements attached refer 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 the financial year and since the financial year end are:

Leonard Bleasel AM	Chairman
Michael McCormack	Chief Executive Officer and Managing Director
Steven Crane	
John Fletcher	
Michael Fraser	Appointed 1 September 2015
Debra (Debbie) Goodin	Appointed 1 September 2015
Russell Higgins AO	
Patricia McKenzie	
Robert Wright	Retired 22 October 2015

The Company Secretary of the Responsible Entity during and since the current period is as follows:

Nevenka Codevelle	Appointed 31 October 2015
Mark Knapman	Retired 30 October 2015

PRINCIPAL ACTIVITIES

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

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 period.

SUBSEQUENT EVENTS

Except as disclosed elsewhere in this report, the Directors are unaware of any matter or circumstance that has occurred since the end of the year 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.

REVIEW AND RESULTS OF OPERATIONS

APTIT reported net profit after tax of \$43.3 million (Dec 2014: \$19.9 million) for the half year ended 31 December 2015 on total revenue of \$43.3 million (Dec 2013: \$19.9 million).

DISTRIBUTIONS

On 24 February 2016, the directors declared an interim distribution of 3.9 cents per security (\$43.3 million), comprising a 3.9 cents unfranked profit distribution. The distribution is payable on 16 March 2016.

AUDITOR

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included on page 16.

ROUNDING OF AMOUNTS

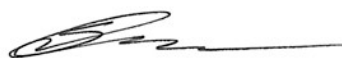
APA is an entity of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial report are rounded to the nearest thousand dollars, unless otherwise indicated.

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



Leonard Bleasel AM
Chairman



Steven Crane
Director

SYDNEY, 24 February 2016

APT Investment Trust and its Controlled Entities

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2015

	Note	31 Dec 2015 \$000	31 Dec 2014 \$000
Continuing operations			
Revenue	3	43,290	19,859
Profit before tax		43,290	19,859
Income tax expense		-	-
Profit for the period		43,290	19,859
Other comprehensive income			
Items that may be reclassified to profit or loss:			
(Loss)/gain on available-for-sale investments taken to equity		(143)	999
Other comprehensive income for the period (net of tax)		(143)	999
Total comprehensive income for the period		43,147	20,858
Profit Attributable to:			
Unitholders of the parent		43,290	19,859
		43,290	19,859
Total comprehensive income attributable to:			
Unitholders of the parent		43,147	20,858
Earnings per unit			
Basic and diluted (cents per unit)	4	3.9	2.3

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

APT Investment Trust and its Controlled Entities
Condensed Consolidated Statement of Financial Position
For the half year ended 31 December 2015

	Note	31 Dec 2015 \$000	30 Jun 2015 \$000
Current assets			
Receivables		717	701
Non-current assets			
Receivables		9,604	9,951
Other financial assets		1,038,507	1,021,566
Total non-current assets		1,048,111	1,031,517
Total assets		1,048,828	1,032,218
Current liabilities			
Trade and other payables		12	49
Total liabilities		12	49
Net assets		1,048,816	1,032,169
Equity			
Issued capital	7	1,005,074	1,005,086
Reserves		452	595
Retained earnings		43,290	26,488
Total equity		1,048,816	1,032,169

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

APT Investment Trust and its Controlled Entities
Condensed Consolidated Statement of Changes in Equity
For the half year ended 31 December 2015

	Note	Issued capital \$000	Reserves \$000	Retained earnings \$000	Total \$000
Balance at 1 July 2014		576,172	(394)	19,465	595,243
Profit for the period		-	-	19,859	19,859
Other comprehensive income for the period (net of tax)		-	999	-	999
Total comprehensive income for the period		-	999	19,859	20,858
Distributions to unitholders	5	-	-	(19,465)	(19,465)
Issued under entitlement offer		228,438	-	-	228,438
Issue costs of securities		(4,395)	-	-	(4,395)
Balance at 31 December 2014		800,215	605	19,859	820,679
Balance at 1 July 2015		1,005,086	595	26,488	1,032,169
Profit for the period		-	-	43,290	43,290
Other comprehensive income for the period (net of tax)		-	(143)	-	(143)
Total comprehensive income for the period		-	(143)	43,290	43,147
Issue of capital (net of issue costs)	7	(12)	-	-	(12)
Distributions to unitholders	5	-	-	(26,488)	(26,488)
Balance at 31 December 2015		1,005,074	452	43,290	1,048,816

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

APT Investment Trust and its Controlled Entities
Condensed Consolidated Statement of Cash Flows
For the half year ended 31 December 2015

	31 Dec 2015 \$000	31 Dec 2014 \$000
<u>Cash flows from operating activities</u>		
Trust distribution - related party	16,147	11,584
Dividends received	63	63
Interest received - related parties	27,020	7,242
Proceeds from repayment of finance leases	584	584
Receipts from customers	58	66
Net cash provided by operating activities	43,872	19,539
<u>Cash flows from investing activities</u>		
Advances to related parties	(17,358)	(224,497)
Net cash used in investing activities	(17,358)	(224,497)
<u>Cash flows from financing activities</u>		
Proceeds from issue of units	-	228,438
Payment of unit issue costs	(26)	(4,015)
Distributions to unitholders	(26,488)	(19,465)
Net cash (used in)/provided by financing activities	(26,514)	204,958
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	-	-
Cash and cash equivalents at end of the period	-	-

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

APT Investment Trust and its Controlled Entities
Notes to the condensed consolidated financial statements
For the half year ended 31 December 2015

Basis of Preparation

1. About this report

The content and format of the half year financial statements has been streamlined to present the financial information in a more meaningful manner to unitholders. Note disclosures have been grouped into four sections being Basis of Preparation, Financial Performance, Capital Management and Other.

Basis of Preparation

1. About this report
2. General information

Financial Performance

3. Profit from operations
4. Earnings per unit
5. Distributions

Capital Management

6. Financial risk management
7. Issued capital

Other

8. Contingencies
9. Adoption of new and revised Accounting Standards
- 10 Events occurring after reporting date

2. General information

The condensed consolidated general purpose financial statements for the half year ended 31 December 2015 have been prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting". The half year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) in accordance with ASIC Class Order 98/0100 unless otherwise stated.

The half year financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly this report should be read in conjunction with the most recent annual financial report and any public announcements made by APA Group during the half year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies are consistent with those adopted and disclosed in the annual report for the financial year ended 30 June 2015.

Segment information

The Consolidated Entity has one reportable segment being energy infrastructure investment and operation.

The Consolidated Entity is an investing entity within the Australian Pipeline Trust stapled group. As the Trust only operates in one segment, it has not disclosed segment information separately.

APT Investment Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Financial Performance

3. Profit from operations

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

	31 Dec 2015 \$000	31 Dec 2014 \$000
Revenue		
Distributions		
Trust distribution - related party	16,147	11,584
Other entities	63	63
	16,210	11,647
Finance income		
Interest - related parties	26,758	7,282
(Loss)/gain on financial asset held at fair value through profit or loss	(11)	542
Finance lease income - related party	253	268
	27,000	8,092
Other revenue		
Other	80	120
Total revenue	43,290	19,859

APT Investment Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Financial Performance

4. Earnings per unit

	31 Dec 2015	31 Dec 2014
Basic and diluted (cents per unit)	3.9	2.3

The earnings and weighted average number of units used in the calculation of basic and diluted earnings per unit are as follows:

	\$000	\$000
Net profit attributable to unitholders for calculating basic and diluted earnings per unit	43,290	19,859
	No. of units	No. of units
	000	000
Adjusted weighted average number of ordinary units used in the calculation of basic and diluted earnings per unit	1,114,307	878,124

5. Distributions

	31 Dec 2015 cents per unit	31 Dec 2015 Total \$000	31 Dec 2014 cents per unit	31 Dec 2014 Total \$000
Recognised amounts				
Final distribution paid on 16 September 2015				
(2015: 10 September 2014)				
Profit distribution ^(a)	2.38	26,488	2.33	19,465
Unrecognised amounts				
Interim distribution payable on 16 March 2016 ^(b)				
(2015: 18 March 2015) ^(c)				
Profit distribution ^(a)	3.88	43,290	2.38	19,859

(a) Profit distributions unfranked (2015: unfranked).

(b) Record date 31 December 2015.

(c) New units issued under the entitlement offer were not eligible for the FY2015 interim distribution.

The interim distribution in respect of the financial year has not been recognised in this half year financial report because the distribution was not declared, determined or publicly confirmed prior to 31 December 2015.

APT Investment Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

6. Financial risk management

Fair value of financial instruments

Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between the levels during the half year ended 31 December 2015 (year ended 30 June 2015: none). Transfers between levels of the fair value hierarchy occur at the end of the reporting period. Transfers between level 1 and level 2 are triggered when there are quoted prices available in active markets. Transfers into level 3 are triggered when the observable inputs become no longer observable, or vice versa for transfer out of level 3.

Fair value of the Consolidated Entity's financial assets and liabilities that are measured at fair value on a recurring basis

The fair values of financial assets and financial liabilities are measured at the end of each reporting period and determined as follows:

Available-for-sale listed equity securities

- the fair values of available-for-sale financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- these instruments are classified in the fair value hierarchy at level 1.

Unlisted redeemable ordinary shares

The financial statements include redeemable ordinary shares ("ROS") held in an unlisted entity which are measured at fair value. The fair market value of the ROS is derived from a binomial tree model, which includes some assumptions that are not able to be supported by observable market prices or rates. The model maps different possible valuation paths of three distinct components:

- value of the debt component;
- value of the ROS discretionary dividends; and
- value of the option to convert to ordinary shares.

In determining the fair value, the following assumptions were used:

- the risk adjusted rate for the ROS is estimated as the required rate of return based on projected cash flows to equity at issuance assuming the ROS price at issuance (\$0.99) and the ordinary price at issuance (\$0.01) are at their fair value;
- the risk free rate of return is 2.04% (30 June 2015: 2.13%) per annum and is based upon an interpolation of the three and five year Government bond rates at the valuation date;
- the ROS discretionary dividends are estimated based on an internal forecasted cash flow model;
- the value of the option to convert is deemed to be zero (30 June 2015: zero). For conversion to occur, a number of conditions must be met. At the reporting date, it was deemed highly unlikely these conditions would occur based on an internal forecasting model; and
- these instruments are classified in the fair value hierarchy at level 3.

The fair value is impacted by the following unobservable inputs:

- an increase in the discount rate will result in a decrease in the fair value;
- an increase in discretionary dividends will result in an increase in the fair value; and
- meeting conditions to trigger the conversion of the option would result in an increase in the fair value.

APT Investment Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Capital Management

6. Financial risk management (continued)

Fair value of financial instruments (continued)

Fair value hierarchy

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
As at 31 December 2015				
Financial assets measured at fair value				
Available-for-sale listed equity securities				
Ethane Pipeline Income Fund	2,368	-	-	2,368
Unlisted redeemable ordinary shares				
Energy Infrastructure Investments	-	-	34,492	34,492
	2,368	-	34,492	36,860

As at 30 June 2015

Financial assets measured at fair value

Available-for-sale listed equity securities				
Ethane Pipeline Income Fund	2,511	-	-	2,511
Unlisted redeemable ordinary shares				
Energy Infrastructure Investments	-	-	34,765	34,765
	2,511	-	34,765	37,276

Reconciliation of Level 3 fair value measurements of financial assets

Fair value through Profit or Loss

	31 Dec 2015 \$000	30 Jun 2015 \$000
Opening balance	34,765	34,427
Total gains or losses:		
- in profit or loss: Interest - related parties	1,443	3,522
- in profit or loss: (Loss)/gain on financial asset held at fair value through profit or loss	(11)	70
Distributions	(1,705)	(3,254)
Closing balance	34,492	34,765

APT Investment Trust and its Controlled Entities
Notes to the condensed consolidated financial statements (continued)
For the half year ended 31 December 2015

Capital Management

7. Issued capital

	31 Dec 2015 \$000	30 Jun 2015 \$000
1,114,307,369 units, fully paid (2015: 1,114,307,369 units, fully paid) ^(a)	1,005,074	1,005,086

	No. of units 000	\$000
Movements		
Balance at 1 July 2015	1,114,307	1,005,086
Less transaction costs relating to the issue of units	-	(12)
Balance at 31 December 2015	1,114,307	1,005,074

(a) Fully paid units carry one vote per unit and carry the right to distributions. New units issued under the December 2014 entitlement offer were not eligible for the FY2015 interim distribution, but otherwise rank equally with existing units from allotment.

	31 Dec 2014 \$000	30 Jun 2014 \$000
980,915,109 units, fully paid (2013: 835,750,807 units, fully paid) ^(a)	800,215	576,172

	No. of units 000	\$000
Movements		
Balance at 1 July 2014	835,751	576,172
Issue of units under entitlement offer	145,164	228,438
Less transaction costs relating to the issue of units	-	(4,395)
Balance at 31 December 2014	980,915	800,215

APT Investment Trust and its Controlled Entities

Notes to the condensed consolidated financial statements (continued)

For the half year ended 31 December 2015

Other items

8. Contingencies

The Consolidated Entity had no material contingent assets, liabilities and commitments as at 31 December 2015 (2014: \$nil).

9. Adoption of new and revised Accounting Standards

Standards and Interpretations affecting amounts reported in the current period (and/or prior periods)

There have not been any new or revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity's operations that would be effective for the current reporting period.

Standards and Interpretations issued not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were on issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
• AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
• AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2018	30 June 2019

The potential impact of the initial application of the Standards above has yet to be determined.

10. Events occurring after reporting date

On 24 February 2016, the Directors declared an interim distribution for the 2016 financial year of 3.9 cents per unit (\$43.3 million). The distribution represents a 3.9 cents per unit unfranked profit distribution and nil cents per unit capital distribution. The distribution will be paid on 16 March 2016.

Other than the events disclosed above, there have not been any events or transactions that have occurred subsequent to the period end that would require adjustment to or disclosure in the accounts.

APT Investment Trust and its Controlled Entities
Declaration by the Directors of Australian Pipeline Limited
For the half year ended 31 December 2015

The Directors declare that:

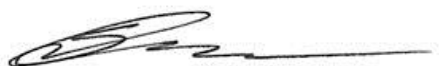
- (a) in the Directors' opinion, there are reasonable grounds to believe that APT Investment Trust will be able to pay its debts as and when they become due and payable; and
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act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

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors



Leonard Bleasel AM
Chairman



Steven Crane
Director

SYDNEY, 24 February 2016

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

24 February 2016

Dear Directors

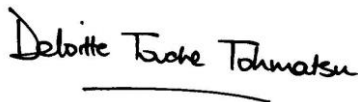
**Auditors Independence Declaration to Australian Pipeline Limited as responsible entity
for APT Investment Trust**

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.

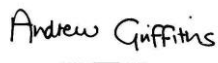
As lead audit partner for the review of the financial statements of APT Investment Trust for the half year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



A V Griffiths
Partner
Chartered Accountants

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 condensed consolidated statement of financial position as at 31 December 2015, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 4 to 15.

Directors' Responsibility for the Half-Year Financial Report

The directors of Australian Pipeline Limited as responsible entity for APT Investment Trust are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 a 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 2015 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.

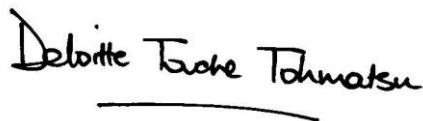
Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Pipeline Limited as responsible entity for APT Investment Trust, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

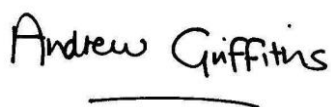
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of APT Investment Trust is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 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

DELOITTE TOUCHE TOHMATSU



Andrew Griffiths

A V Griffiths
Partner
Chartered Accountants
Sydney, 24 February 2016