Alinta Infrastructure Holdings
Alinta Infrastructure Limited (ACN 108 311 100)
and
Alinta Funds Management Limited
(ACN 115 403 757) (AFSL 291 749)
as responsible entity of Alinta Infrastructure Trust
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15 August 2006

To: Company Announcements Office
ASX

By: Electronic Lodgement

CEO on First Half Results

Attached is an Open Briefing dated 15 August 2006 on the above matter.

Rebecca O'Brien
Company Secretary

Attention ASX Company Announcements Platform
Lodgement of Open Briefing®

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Date of lodgement: 15-Aug-2006

Title: Open Briefing®. Alinta Infrastructure Hldgs. CEO on First Half Results

Record of interview:

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Alinta Infrastructure Holdings (AIH) has announced a net profit after tax of $0.9 million for the six months to 30 June 2006. Were any significant items included in that result? How did the operating result compare with the Prospectus forecasts?

CEO John Cahill
We are very pleased with the operating results for the six months to 30 June. AIH's net profit was achieved on total revenue of $125.5 million and EBITDA of $80.2 million, which includes $15 million in interest revenue. The Gas Transmission business was ahead of underlying Prospectus forecasts with Power Generation performing in line at the EBITDA level as expected.

Interest income includes a $9.2 million non-cash item relating to the unpaid second instalment, which was not included in our PDS forecasts. This is an outworking of AIFRS reporting requirements but does not impact the net profit result as it is directly offset by a corresponding non-cash interest expense on the promissory note to Alinta which will be repaid from the second instalment proceeds at the end of December 2006.

I think it's important to note that AIH generates strong revenue, EBITDA and operating cash flows which are the main value drivers for the business. The triple stapled security structure is not intended to generate strong net profits after tax. The structure was established to facilitate the payment of tax deferred distributions and to allow flexibility in the future distribution profile, both of which are not dependent on after tax profits.

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What do you expect to be the major influences on second half profit? Do you expect seasonality to be a factor between the half years?

CEO John Cahill
The highly contracted nature of our operations is an attractive aspect of the business, with recent contract renewals on the Queensland Gas Pipeline (QGP), particularly the QAL contract, which commenced on 1 July, being important milestones in firming up AIH's forecast second half revenues. We do not expect seasonality to have any real impact on revenues and net cash flow between the first and second half of the year.

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The Directors declared an interim 100% tax deferred distribution of 7.75 cents per security for the Period and reaffirmed a forecast 100% tax deferred distribution of 15.75 cents per security for the year to 31 December 2006. What are the positive or negative risks to achieving the full year distribution and to what extent are forecast distributions met from operating cash flow?

CEO John Cahill
Business is progressing well with the underlying performance of the assets on track to meet our Prospectus forecasts for 2006. As I just mentioned, the highly contracted nature of our revenue streams, for both Gas Transmission and Power Generation, together with the contract renewals on the QGP and the new winter contracts on the Eastern Gas Pipeline (EGP) are important elements in achieving our forecasts. AIH has experienced some additional corporate and administrative costs in the first half which have tempered the gains achieved on the pipelines. A number of these costs are one-off in nature and have arisen as part of the bedding down process for AIH since listing. Subject to unforeseen circumstances, we have reaffirmed guidance and fully expect to meet the 15.75 cents distribution for 2006.

With respect to the funding of future distributions, they will be met from both operating cash flow and existing cash reserves, with no draw down on debt facilities anticipated. Underlying operating cash flow is expected to cover the 2006 distributions, with existing cash reserves contributing in part to distributions in the near term thereafter. AIH ensured that enough cash was retained within the business as part of the IPO process to meet distributions in the early years with AIH's robust and growing operating cash flow to cover distributions in the longer term.

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With official interest rates having just been increased, what strategies have you in place to manage your borrowing costs? What is total current debt and what debt level would AIH be comfortable with?

CEO John Cahill
AIH actively manages interest rate risk through its hedge transactions. The face value of interest bearing debt is $1.18 billion, reduced to a $1.14 billion book value at 30 June after allowing for deferred borrowing costs and hedge adjustments. Approximately 84% of that debt is hedged for an average 5 year term, therefore the impact of interest rate volatility is relatively insignificant.

AIH's gearing at 30 June was approximately 68% on a market capitalisation basis. This will reduce substantially following payment of the second instalment by securityholders on 29 December 2006 and should remain well within our objective of maintaining a BBB credit rating.

On the topic of rising interest rates, we successfully renegotiated our senior syndicated debt facility in May, resulting in reduced interest margins and extended maturity terms. This will generate cash flow savings of approximately $2 million per annum going forward.

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The Gas Transmission division reported EBITDA of $46.2 million on revenue of $60.7 million and the Power Generation division reported EBITDA of $24.0 million on revenue of $49.9 million. Can you recap the performance of both the divisions relative to Prospectus forecasts?

CEO John Cahill
The Gas Transmission business continues to be a strong performer and benefited from the colder start to winter and new short term winter contracts. Whilst delays in the commissioning of the stand-by generators at the Bell Bay power station (owned by Hydro Tasmania) resulted in lower than expected uncontracted "as available" gas throughput on the Tasmanian Gas Pipeline (TGP), this was largely offset by a one-off capital expenditure recovery from that power station for providing connection services to those generators. Overall, we are pleased to report that the operating result of the Gas Transmission business for the first half is ahead of underlying Prospectus forecasts.

Power Generation reported EBITDA in line with underlying Prospectus forecasts with the power stations generating stable net cash flows under take or pay contracts. One point of note is that revenue was below Prospectus forecasts with respect to WA Power, however this was directly offset by reduced variable costs and as such did not impact at the EBITDA or net cash flow level.

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What are the major profit drivers for your divisions or the assets within them and what are the growth opportunities?

CEO John Cahill
We have reiterated to the market a number of times that increasing gas throughput on the pipelines is a strategic focus for AIH and represents the major revenue driver and growth opportunity for the Gas Transmission business. The agreement reached with TRUenergy during the first half in relation to the Tallawarra power station, as well as TRUenergy's option for its retail gas business, are excellent

examples of delivering against our growth objectives and will be a significant driver of increasing cash flow and distributions in the future. We are confident that further growth opportunities will be driven by the increasing demand for natural gas on the Eastern seaboard.

The Power Generation business also presents a positive growth outlook. The WA Power assets, which comprise approximately two thirds of the Power Generation business for the first half of 2006, offer the principal growth opportunity. In this regard, whilst the Port Hedland and Newman power stations are under long term take or pay contracts, we have commenced discussions with BHP Billiton regarding potential future arrangements for those power stations. Importantly, from an AIH perspective, we will only proceed with an outcome that generates additional value to securityholders compared to the current commercial arrangements.

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What is the quality of AIH's existing asset base and do you envisage any major capital expenditure if you are to meet your current contracts and commitments?

CEO John Cahill
Given that the gas pipelines and power stations are modern assets of high quality we do not expect annual maintenance expenditure to be significant, other than when periodic major overhauls are undertaken on the power stations. On the pipeline assets, the TRUenergy agreements will utilise a substantial portion of the existing capacity on the EGP and expansion may be required to meet transport volumes from 2009, subject to the quantities TRUenergy exercises under its retail option, and other gas transport contracts entered into by AIH in the meantime. Additional expansion capex would also be implemented on the QGP in the event any new contracts relating to that pipe require an increase to its current capacity of 32 petajoules. Future growth capex is incorporated in our forecasts and will be funded via an existing $135 million capital expenditure facility which remains fully available.

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Is AIH seriously considering acquisition opportunities?

CEO John Cahill
Under the Alliance Agreement, Alinta is our primary source of acquisition opportunities. Our investment mandate is relatively broad and covers a range of infrastructure assets which may be located in both Australia and developed countries internationally. Therefore the scope for potential opportunities is far reaching with Alinta continuing to look at opportunities in both Australia and abroad. On the local front, the Alinta/AGL transaction currently offers AIH an exciting opportunity to potentially be the long term owner of a number of the AGL infrastructure assets.

There is no doubt that AIH intends to grow and that acquisitions are an important part of the growth strategy. We have been in discussions with Alinta in that regard and will continue to do so, with a view to adding assets to the portfolio in the future.

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What are AIH's broader corporate objectives such as growth in earnings or distributions?

CEO John Cahill
A fundamental element of our growth strategy is to consistently deliver growth in distributions. We expect distributions to increase from 15.75 cents in 2006 to 28.5 cents in 2007 and to be 100% tax deferred.

We have a stable revenue stream, strong organic growth potential in our asset base and will continue to pursue acquisition opportunities, including the AGL Infrastructure assets. All in all we believe we are in an exciting position to take the business forward.

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Thank you John.

For further information on Alinta Infrastructure Holdings please visit www.aih.net.au or call James Tranter (Investor enquiries) on (08) 9486 3164 or Tony Robertson (Media enquiries) on (08) 9486 3014.

To read other Open Briefings, or to receive future Open Briefings by email, please visit www.corporatefile.com.au