Alinta
Alinta Limited
ABN 11 119 985 590

Alinta Plaza
12 - 14 The Esplanade
Perth WA 6000

GPO Box W2030
Perth WA 6846

Telephone +61 8 6213 7000
Facsimile +61 8 6213 7001

www.alinta.net.au

10 August 2007

To: Company Announcements Office
ASX

By: Electronic Lodgement

Announcement of Half-Year Results

Attached are:

(a) a News Release dated 10 August 2007;
(b) Appendix 4D; and
(c) Half-Year Financial Report for the half year ended 30 June 2007.

Patrick McCole
Company Secretary

Enclosures

News Release

10 August 2007

ALINTA HALF YEAR PROFIT

Alinta today announced a profit attributable to members of $96.5 million for the six months ended 30 June 2007. The result represents a 20% increase over the reported profit for the corresponding prior period and a 15% increase in the result from underlying operations.

Alinta Acting CEO, Mr Peter Magarry said, "Alinta has maintained excellent operating performance throughout the last six months, despite the heightened corporate activity around the company sale process.

"Our EBITDA, which is the best proxy for operating performance, has shown a 165% increase over 2006, largely due to the successful AGL transaction completed in late 2006 and the reacquisition of Alinta Infrastructure Holdings (AIH).

"We have had a transitional financing structure in place, with AIH fully debt funded for the entire six months. Prior to the announcement of the potential MBO in January we had flagged to the market that our capital structure was under review. That process has however been superseded by the company sale process and ultimately the recommended bid from Babcock & Brown and Singapore Power."

Comparison of 2007 Result to 2006

	2007 $m	2006 $m
Result from underlying operations	80.0	69.3
One-off tax credit	17.9	-
Profit on disposal of Wattle Point assets	9.1	-
Hedge redesignation on acquisition of AIH	9.0	
Non recurring project, legal and regulatory expenses	(19.6)	-
Other significant items	-	11.0
Profit for the period attributable to members	**96.5**	**80.3**

The following individual items should be noted:

- The result from underlying operations includes the assets acquired from AGL infrastructure and Alinta Infrastructure Holdings subsequent to the end of the prior period. The underlying result is substantially in line with expectations.
- The one-off tax credit principally arises from the finalisation of tax treatments from the AGL infrastructure assets acquisition.
- The interest rate and foreign currency hedging portfolio of AIH has been marked to market in accordance with AIFRS accounting standards since its reacquisition. The favourable movements have resulted in a non cash $9.0 million profit reported in the current half.

- The non recurring project, legal and regulatory expenses primarily relate to the costs incurred in relation to the company sale process. All costs associated with this process have been expensed as incurred.
- Other significant items in the prior period primarily relate to the dividends and financing costs associated with the minority stake in AGL that had been acquired at that time.
- The 2007 first half result is $7.1 million higher than the expected reportable profit of $89.4 million disclosed in the scheme book dated 2 July 2007. A reconciliation between the actual and expected profit is included as an attachment to this announcement.

Update on the Scheme of Arrangement

Alinta shareholders will vote on the proposed acquisition of the Company by the Babcock & Brown / Singapore Power consortium on Wednesday, 15 August 2007 at meetings to be conducted in Perth. The deadline for lodgement of proxies for those not planning to attend the meetings is 12.00pm (WST) / 2.00pm (AEST) Monday 13 August.

Alinta Chairman, Mr John Akehurst said "We encourage all shareholders to participate by voting by proxy or in person at the meeting next week.

"Directors believe that the offer from the consortium is in shareholder's best interests and we recommend that all shareholders vote in favour.

Alinta reiterates the schemes of arrangement are not conditional on consents currently being sought from DUET asset companies for proposed transactions to follow implementation of the schemes (should they receive the required shareholder and court approvals). Alinta also notes the public comments made by Babcock & Brown stating they believe failure to obtain any necessary consents will not have a material effect on participants in the consortium or their plans for Alinta.

Dividends

As previously advised to the market, with the pending vote by shareholders on the proposal for the sale of the company, the Directors have not declared an interim dividend for the period ended 30 June 2007.

Should the scheme proceed, shareholders will receive an in specie distribution of APA securities, a portion of which will be treated as a dividend and the balance a capital return. The quantum of the dividend, which will be paid in APA securities, will ensure Alinta's franking account balance is distributed to shareholders on implementation of the scheme of arrangement. The dividend is intended to be valued at $0.93 per Alinta share and will be franked to the maximum extent possible ($0.40 per Alinta share) for shareholders who can fully utilise franking credits.

Outlook

The Directors believe the forecast financial information included in the Scheme Book (dated 2 July 2007) remains appropriate.

Analysis of 2007 Financial Performance

The 2007 financial performance of Alinta includes a full six month contribution from the AGL infrastructure assets and Alinta Infrastructure Holdings. Revenue and EBITDA by operating segment is summarised as follows:

	Revenue		EBITDA	
Segment	2007	2006	2007	2006
Energy Retail	327.4	244.2	20.3	31.2
Energy Wholesale	66.6	64.8	(3.4)	(0.3)
Wesfarmers LPG	30.6	26.5	11.6	4.5
Energy Distribution	329.6	59.0	193.1	37.2
Asset Management	567.9	265.5	84.2	39.8
Power Generation	150.0	20.2	63.2	6.8
Gas Transmission	61.0	-	44.3	-
Energy Investments	-	-	23.9	40.8
Other / Intersegment eliminations	(389.2)	(54.8)	(15.8)	(1.0)
Total	**1,143.9**	**625.4**	**421.5**	**159.0**

A discussion of the operating performance of each segment is set out below.

Energy Retail

Principal Activities: Retail sales of gas and electricity in Western Australia.

Proposed ownership post scheme: Babcock & Brown Power, subject to the option arrangements with AGL Energy to acquire the remaining 67% of the business it does not currently own.

Operating Highlights:

- Revenue increase driven by increased electricity market share.
  - Customer numbers: approximately 1,500.
  - Contestable market share: approximately 30% by volume.
- Retail gas sales
  - Retail gas volumes 38.9PJ (2006: 33.5PJ). The majority of the increase is driven by the commissioning of cogeneration unit 2.
  - Degree heating days: 227 (2006: 266).
  - Customer numbers: 576,000.

- The decrease in EBITDA performance is due to:
  - Contracts between Power Generation and Energy Retail for electricity from the cogeneration units. Contract pricing sees the profits attributable to the electricity business reside within the Power Generation segment and a small operating loss in the Energy Retail segment. It should be noted that the cogeneration and retail electricity businesses are managed as a single AlintaAGL business. The original guidance of $20 million EBITDA attributable to a cogeneration unit remains appropriate.
  - Escalations in gas purchase costs have reduced margins within the gas retail business.

Energy Wholesale

Principal Activities:	Supply of wholesale energy in Western Australia, New South Wales, Victoria and Tasmania.
Proposed ownership post scheme:	Babcock & Brown Power.

Operating Highlights:

- Continue to actively managing the portfolio to minimise the losses associated with this segment.
- As a result of the Tamar Valley power station project in Tasmania, the losses associated with the gas wholesale business are expected to be substantially eliminated, with profitable results expected once the new power station becomes operational.

Wesfarmers LPG

Principal Activities:	Supply of gas and interest in the economic outcome of the Wesfarmers LPG plant in Kwinana, Western Australia.
Proposed ownership post scheme:	Babcock & Brown Power.

Operating Highlights:

- LPG production volumes: 92,100 tonnes (2006: 71,400).
- Average LPG price during the period: A$679/US$543 (2006: A$695/US$517).

Energy Distribution

Principal Activities:	Comprises the Alinta Gas Network (74.1%) in Western Australia, Alinta NSW Gas distribution network and Alinta Victorian electricity distribution network.
Proposed ownership post scheme:	Babcock & Brown Infrastructure: Alinta Gas Network Singapore Power: NSW Gas distribution and Victorian electricity distribution networks.

Operating Highlights:

- Former AGL networks contributed for the full 6 month period.
- NSW Gas Network
  - Volumes transported: 46.2PJ (2006: 46.5PJ).
  - Degree heating days: 180 (2006: 236).
  - Customer connections: 996,780.
- Victorian Electricity Network
  - Volumes transported: 2,141Gwh (2006: 2,070Gwh).
  - Customer connections: 299,400.
- Alinta Gas Network
  - Volumes transported: 14.4PJ (2006: 14.7PJ).
  - Degree heating days: 227 (2006: 266).
  - Customer connections: 574,764.
- No regulatory resets scheduled before 2010.

Asset Management

Principal Activities:	Operating, construction and maintenance services, principally for the infrastructure assets in which Alinta holds an ownership interest.
Proposed ownership post scheme:	Babcock & Brown Infrastructure: Western Australian asset management (excluding the Parmelia Pipeline) Singapore Power: Eastern States asset management (including Parmelia Pipeline).

Operating Highlights:

- Uplift in financial results driven by acquisition of the former AGL Agility asset management business.
- Agility integration project and forecast cost savings on schedule.
- EBITDA/revenue operating margins maintained.
- Major capital projects, DBNGP Stage 5A expansion and Sydney Primary Loop, on time and budget.

Power Generation

Principal Activities:	Comprises a portfolio of gas fired power stations and cogeneration plants in Australia and New Zealand.
Proposed ownership post scheme:	Babcock & Brown Power, with Pinjarra and Wagerup cogeneration plants subject to the option arrangements with AGL Energy to acquire the remaining 67% of the business it does not currently own.

Operating Highlights:

- Former AIH power stations at Newman and Port Hedland (WA), Glenbrook (NZ) and Bairnsdale (Vic) reacquired and contributed for the full six month period.
- Pinjarra cogeneration unit 1 operating at full capacity.
- Practical completion of Pinjarra cogeneration unit 2 in February 2007.
- Wagerup open cycle units under construction throughout the period, and expected to commence operation by the fourth quarter of 2007.

Gas Transmission

Principal Activities:	Comprises a portfolio of gas transmission pipelines in eastern Australia.
Proposed ownership post scheme:	Babcock & Brown Infrastructure: Tasmanian Gas Pipeline. Singapore Power: Eastern and Queensland Gas Pipelines

Operating Highlights:

- Former AIH gas transmission pipelines reacquired and contributed for the full 6 month period.
- Invoiced aggregate gas throughput volumes: 62.4PJ (2006: 67.2PJ).

Energy Investments

Principal Activities:	Minority investments held by Alinta in energy infrastructure assets.
Proposed ownership post scheme:	Babcock & Brown Infrastructure: Multinet (20.1% shareholding), Dampier to Bunbury Natural Gas Pipeline (18.9%). Singapore Power: United Energy (34.0%), ActewAGL (50%) Alinta Shareholders: APA Group shareholding (35%) by way of in specie distribution

Operating Highlights:

- EBITDA reflects a dividend of $15.9 million received from the APA shareholding and a preference dividend of $8.1 million received from United Energy. The remainder of earnings contributions from Energy Investments are equity accounted and therefore not included in EBITDA.
- The prior year EBITDA contribution was largely due to the dividends received on the minority holding in AGL at that time. The AGL shareholding is no longer included in Energy Investments due to the scheme of arrangement completed in October 2006.

* *

For more information please contact:

Media

Tony Robertson
Group Manager Corporate Affairs
Phone: (08) 6213 7362
Mobile: 0419 867 230

Investor Relations

Shaun Duffy
Group Manager Investor Relations
Phone: (08) 6213 7348
Mobile: 0404 094 384

APPENDIX – ANALYST INFORMATION

Actual v Scheme Book – 2007 Half Year

For the six months ended 30 June	Actual 2007 $m	Scheme Book Fig 11.2 $m	Difference 2007 $m
Profit / Pro forma profit attributable to members of the Alinta Group	80.0	80.0	-
Plus: One off tax credit	17.9	20.0	(2.1)
Plus: Profit on disposal of Wattle Point Assets (after tax)	9.1	7.1	2.0
Plus: Hedge redesignation on acquisition of AIH	9.0	-	9.0
Less: Non recurring project, legal and regulatory expenses (after tax)	(19.6)	(17.7)	(1.9)
Actual / Expected profit attributable to members of the Alinta Group	**96.5**	**89.4**	**7.1**

Energy Distribution – Alinta Gas Networks – Revenue

For the six months ended 30 June	2007 $m	2006 $m	2005 $m
Commercial (large)	9.6	9.3	9.5
Commercial (small)	3.4	3.0	3.0
Residential	41.4	41.1	37.5
External	2.3	2.1	1.7
Other Haulage	0.4	0.7	0.6
Other	2.4	2.8	1.0
Total Revenue	**59.5**	**59.0**	**53.3**

Energy Distribution – Alinta Gas Networks – Gas Volume Throughput

For the six months ended 30 June	2007 PJ	2006 PJ	2005 PJ
Commercial (large)	6.9	7.6	7.9
Commercial (small)	0.5	0.5	0.5
Residential	4.5	4.6	4.0
External	2.5	2.0	1.9
Total Throughput (excludes UAFG)	**14.4**	**14.7**	**14.3**

Energy Distribution – Alinta NSW Gas Network

For the six months ended 30 June	2007	2006	Change
Volume Transported (PJ)			
- Residential and small business	14.3	15.0	(4.6%)
- Large business	31.9	31.5	1.3%
- Total	**46.2**	**46.5**	(0.6%)
Customer connections	996,780	975,033	2.2%
Network length (km)	23,950	23,271	2.9%

Energy Distribution – Alinta Victorian Electricity Network

For the six months ended 30 June	2007	2006	Change
Volume Transported (Gwh)			
- Residential and small business	1,007	988	1.9%
- Large business	1,134	1,082	4.8%
- Total	**2,141**	**2,070**	3.4%
Customer connections	299,400	293,263	2.1%
Network length (km)	10,502	10,418	0.8%

Gas Transmission and Power Generation – AIH Assets

For the six months ended 30 June	2007	2006	Change
Gas Transmission			
Gas Pipeline Invoiced Throughput (PJ)	62.4	67.2	(4.8)
Power Generation			
Power Generation Output (Gwh)			
- Pilbara	280.2	293.4	(13.2)
- Other	523.2	325.1	198.1
	803.4	**618.5**	**184.9**

Energy Markets – Retail Gas Sales

For the six months ended 30 June	2007 PJ	2006 PJ	2005 PJ
Contract	33.1	28.1	26.9
Business	1.0	1.0	0.8
Residential	4.8	4.4	4.3
Total Retail Volume	**38.9**	**33.5**	**32.0**

Energy Markets – Wesfarmers LPG

For the six months ended 30 June	2007	2006	2005
LPG Production ('000 tonnes)	92.1	71.4	147.3
Av. LPG Price (US $/tonne)	543	517	389
Av. $A/$US Exchange Rate (cents)	79.9	74.4	77.5
Av. LPG Price (A $/tonne)	679	695	502
Number of Export Shipments	1	1	4

Alinta Limited
ABN: 11 119 985 590

Appendix 4D

Interim Financial Report
Period Ending 30 June 2007

1. The current reporting period is the half-year to 30 June 2007 and the previous corresponding period is the half-year to 30 June 2006.

2. Results for announcement to the market:

	30 June 2007 $ 000's	30 June 2006 $ 000's	% Change
2.1 Revenue from ordinary activities	1,112,125	616,451	80.4%
2.2 Profit for the half - year	92,303	80,313	14.9%
2.3 Net profit for the period attributable to members	96,479	80,313	20.1%
Profit for the half year	92,303	80,313	14.9%
Loss attributable to minority interest	4,176	-	100.0%
Profit for the period attributable to members	96,479	80,313	20.1%

2.4 Amount per security and franked amount per security of dividends	Dividends are recognised at the time they are declared, determined, or publicly recommended. There is no proposed dividend recognised in the accounts as at 30 June 2007, and no dividend has been declared by the Board as at 10 August 2007.		
2.4A Basic earnings per share	19.5 cents	30.6 cents	(36.3%)
2.5 Record date for determining entitlements to the dividends and payment date	No dividend declared as at 10 August 2007. Refer to Alinta Limited Interim Financial Report for details of the in-specie distribution which will be declared if the "Scheme of Arrangement" proceeds. *		
2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood	For a further analysis of the operating results refer to the Directors Report contained within the Alinta Limited Interim Financial Report and Press Release dated 10 August 2007.		

3. Net Assets per Security

June 2007: $7.57 (Net assets of $3,750.561 million divided by 495,218,848 ordinary shares).

June 2006: $4.21 (Net assets of $1,112.806 million divided by 264,477,378 ordinary shares).

4. Net Tangible Assets per Security

June 2007: $2.62 (Net tangible assets of $1,298.818 million divided by 495,218,848 ordinary shares).

June 2006: $3.74 (Net tangible assets of $989.898 million divided by 264,477,378 ordinary shares).

5. Gain or loss of control over entities

5.1A There were no entities over which control has been gained during the period.

5.1B Loss of control over entities:

5.1B Name of the entity	5.2B Date control lost	5.3B(i) 2007 Profit contribution ($M)	5.3B(ii) 2006 Profit contribution ($M)
Wattle Point Wind Farm Pty Ltd	23 April 2007	3.510	2.060**

***** The "Scheme of Arrangement" refers to the potential sale of Alinta Limited to the Babcock & Brown and Singapore Power International consortium.

****** The 2006 profit contribution of Wattle Point Wind Farm Pty Ltd is for the period 25 October 2006 to 31 December 2006. Wattle Point Wind Farm Pty Ltd was acquired on 25 October 2006 as part of the Alinta LGA Limited Group.

6. Recent Dividend History

Period	Amount		Payment date	Franking
	Amount per security	$M		
31 March 2006 – Reset preference shares*	$2.87	1.74	31 March 2006	100%
31 December 2005 – Final ordinary shares	23 cents	60.25	31 March 2006	100%
30 June 2006 – Interim ordinary shares	23 cents	60.98	29 September 2006	100%
31 August 2006 – Reset preference shares*	$2.89	1.54	29 September 2006	100%
24 October 2006 – Pro rata allocation of Final Dividend **	14.625 cents	40.28	24 October 2006	100%
31 December 2006 – Final ordinary shares	8.375 cents	41.30	4 April 2007	100%

* *For accounting purposes reset preference share payments are now classified as interest*

** *Transactional dividend representing the pro rata allocation of the 2006 final dividend*

Refer to items 2.4 and 2.5 above for further details of current dividends.

7. Dividend Reinvestment Plans

The company implemented a Dividend Reinvestment Plan in January 2005. All holders of ordinary shares eligible to participate in the plan at a reinvestment price based on the averages of the daily volume weighted average sales price of all ordinary fully paid Alinta shares on the ASX during the 10 trading days commencing on the fifth trading day prior to and inclusive of the record date for the eligible dividend.

No interim dividend has been declared as at 10 August 2007.

8. Investments in Equity Accounted Investees as at 30 June 2007

7.1 Name of the entity	7.2 Acquisition Date	7.3 Percentage Holding
United Energy Distribution Holdings Pty Ltd	23 July 2003	34%
Multinet Group Holdings Pty Ltd	23 July 2003	20.1%
Pacific Indian Energy Services Pty Ltd	23 July 2003	33.3%
DBNGP Holdings Pty Ltd	27 October 2004	20%*
ActewAGL Distribution Partnership	25 October 2006	50%
Ecowise Environmental Pty Ltd	25 October 2006	50%

* Economic interest is currently 18.9% as a result of uncalled equity contributions.

The profit contribution from investments in Equity Accounted Investees was $19.151 million which is net of tax (2006: $4.444 million).

The APT investment of 35% has not been accounted for as an Associate.

9. Foreign Entities

Australian accounting standards are applied when reporting on foreign entities included within the consolidated interim financial report.

10. Status of Review of Financial Report

The financial report has been reviewed.

11. Audit Dispute or Qualification

Not applicable.

Dated: 10 August 2007

Alinta Limited
Interim financial report
for the half-year ended 30 June 2007

Alinta Limited ABN 11 119 985 590
Interim financial report - 30 June 2007

Contents

Directors' Report

The Board of directors of Alinta Limited ("Alinta") has pleasure in submitting its report in respect of the half-year financial period ended 30 June 2007, and the auditor's review report thereon.

Directors
The following persons were directors of Alinta during the half-year and, unless otherwise indicated, up to the date of this report:

J H Akehurst (Chairman) (appointed Chairman on 8 January 2007)
F E Harris
T R McMeckan
M J Wilkins
J H Poynton (resigned as Chairman on 8 January 2007, resigned as director on 12 January 2007)
R B Browning (resigned as director and CEO on 11 January 2007)

Financial Performance
Alinta achieved a net profit after tax for the half-year ended 30 June 2007 of $92.3 million (30 June 2006: $80.3 million) and an amount attributable to members of Alinta Limited of $96.5 million (30 June 2006: $80.3 million), with total revenue of $1,112.1 million (30 June 2006: $616.5 million).

Dividends
Dividends paid to members during the half-year were as follows:

	2007 **$'000**	2006 $'000
Final ordinary dividend - fully franked - for the year ended 31 December 2006 of 8.375* cents (2005 - 23 cents) per fully paid share paid on 4 April 2007 (2005 - 31 March 2006).	**41,347**	60,249
	41,347	60,249

* A dividend representing a pro rata allocation of the anticipated 2006 final dividend of 14.625 cents (2005 - nil) per fully paid share was paid on 24 October 2006.

The directors have not declared a dividend for the half-year ended 30 June 2007 due to the Board's recommendation for shareholders to approve a proposed scheme of arrangement for the acquisition of Alinta by Babcock & Brown and Singapore Power International ("Scheme of Arrangement") to be voted on by shareholders on 15 August 2007 (refer Potential Sale of Alinta below).

Should the scheme proceed, shareholders will receive an in specie distribution of Australian Pipeline Trust ("APA") securities, a portion of which will be treated as a dividend and the balance a capital return. The dividend component is intended to be valued at $0.93 per Alinta share and will be franked to the maximum extent possible ($0.40 per Alinta share) for shareholders who can fully utilise franking credits.

If the proposal does not proceed, Alinta still intends to distribute the APA Group securities either pro rata or by book build by 14 December 2007.

Review of operations
Alinta’s operational performance is reported in the following business segments:

- Energy Sales (incorporating the Wesfarmers LPG contract);
- Energy Distribution;
- Asset Management Services;
- Power Generation;
- Energy Investments;
- Gas Transmission.

A discussion of each segment is included below:

(a) Energy Sales (incorporating the Wesfarmers LPG contract)

Energy Sales primarily relates to the purchase and sale of gas and electricity to customers in Perth and various regional areas of Western Australia. The decline in profitability of this business segment in the current reporting period is primarily due to internal contractual relationships in place with the Power Generation segment and adverse fluctuations in commodity prices.

(b) Energy Distribution

The acquisitions of the AGL infrastructure assets led to increased contributions to the Energy Distribution and Asset Management Segments driven by the performance of the NSW gas distribution and Victorian electricity networks.

(c) Asset Management Services

The pre-existing Asset Management business continued to grow based on major expansion projects undertaken in relation to certain managed assets, combined with a continued cost reduction focus. Significant operational synergies are expected primarily from the integration of Agility with the existing Alinta Asset Management business.

(d) Power Generation

Alinta's first cogeneration unit was commissioned in the first quarter of 2006. A second unit became operational in February 2007 and therefore generated earnings during the period, and a third unit is under construction and is expected to be operational by October 2007.

(e) Energy Investments

The share of profits of equity accounted investees increased to $19.2m (2006: $4.4m) primarily as a result of the acquisition of ActewAGL Distribution Partnership via the AGL transaction on 25 October 2006.

(f) Gas Transmission

The gas transmission segment comprises interests in five gas transmission assets throughout Australia. In June 2007, the Company announced a $41 million expansion of the Eastern Gas Pipeline to increase capacity by 25% to be completed in late 2008. In July 2007, The Company also announced a major $112 million expansion to the Queensland Gas Pipeline to be completed in 2010 to meet increasing demand within that state.

Significant changes in the state of affairs
The following significant changes occurred in the state of affairs of Alinta during the half-year:

(a) Potential Sale of Alinta

On 9 January 2007, Alinta announced it had received a draft proposal outlining an incomplete and non-binding Management Buy-Out ("MBO").

In response to the MBO approach, the Board called for expressions of interest from third parties to acquire the Alinta Group. Alinta received two proposals to acquire all of the Company - one from Macquarie Bank and the MBO group and one from the Babcock & Brown and Singapore Power International consortium ("BB/SPI"). After assessment of these bids and an internal restructuring option, on 30 March 2007, Alinta announced its recommendation of the offer received from BB/SPI. The Company signed a Scheme Implementation Agreement with BB/SPI to acquire, subject to shareholder approval, all of the Alinta Group for a mixture of cash and securities in Babcock & Brown managed funds.

In early May 2007, Alinta received revised offers from the two bidders and on 11 May 2007 it was announced that after a thorough assessment, a new Scheme Implementation Agreement had been signed with BB/SPI.

The proposed Scheme of Arrangement is subject to shareholder approval, and on 14 June 2007, the draft scheme booklet was lodged with ASIC for review.

On 2 July 2007, Alinta received the approval of the Federal Court to dispatch the scheme booklet to shareholders and convene an extraordinary general meeting of shareholders to be held on 15 August 2007. If shareholders vote in favour of the proposed Scheme of Arrangement at that meeting and the Court subsequently approves the Scheme of Arrangement , completion of the transaction is expected to occur on or around 31 August 2007.

(b) Change of Key Management Personnel

Robert Browning and John Poynton resigned as directors of Alinta on 11 and 12 January 2007 respectively. John Akehurst replaced John Poynton as Chairman and Peter Magarry was appointed as acting CEO in place of Robert Browning.

On 17 January 2007, Ian Wells was appointed as acting CFO and Yasmin Broughton was appointed as acting General Counsel/Company Secretary.

(c) Acquisition of Alinta Infrastructure Holdings

On 11 January 2007, Alinta announced that it had acquired over 90% of the units in Alinta Infrastructure Holdings ("AIH"). On 27 February 2007, Alinta completed a compulsory acquisition of the remaining AIH units. On 28 February 2007, AIH was formally de-listed from the Australian Stock Exchange (ASX).

(d) APA Agreement and Settlement

On 28 June 2007, Alinta reached a negotiated agreement with APA Group to conclude all equity and operating relationships as well as outstanding legal proceedings between the companies. The agreement will include the following terms:

1. Alinta distributes its 35% security holding in APA Group to Alinta shareholders on a pro rata basis, as part of the Babcock & Brown/Singapore Power International proposal for the acquisition of Alinta (to be voted on by Alinta shareholders on 15 August 2007). If that proposal does not proceed, Alinta still intends (and has agreed with APA Group) to distribute the APA Group securities either pro rata or by book build by 14 December 2007.

2. Alinta and APA Group have agreed arrangements which will enable termination of the Pipeline Management Agreement (pursuant to which an Alinta subsidiary operates and maintains various APA Group pipelines, including the Moomba to Sydney Pipeline) and all other operating arrangements relating to APA pipelines. The agreement also provides for the transfer to APA of all operating arrangements relating to non APA pipelines which are operated in conjunction with APA pipelines.

3. Termination of the legal proceedings between the companies.

Significant events occurring after half-year end

(a) Dividends

The directors have not declared a dividend for the half-year ended 30 June 2007 due to the Board's recommendation for shareholders to approve the Scheme of Arrangement on 15 August 2007.

Should the scheme proceed, shareholders will receive an in specie distribution of Australian Pipeline Trust ("APA") securities, a portion of which will be treated as a dividend and the balance a capital return. The dividend component is intended to be valued at $0.93 per Alinta share and will be franked to the maximum extent possible ($0.40 per Alinta share) for shareholders who can fully utilise franking credits.

If the proposal does not proceed, Alinta still intends to distribute the APA Group securities either pro rata or by book build by 14 December 2007.

(b) Tamar Valley Power Station

On 27 July 2007, Alinta entered into an agreement with Aurora Energy for a long-term electricity supply contract.

The agreement with Aurora concluded all contractual arrangements for the construction of the 200 MW gas-fired Tamar Valley Power Station and back-up plant. Pending environmental approvals, Alinta plans to start construction of the power station in October 2007.

The Tamar Valley Power Station project comprises two separate power plants: a 200 MW combined cycle gas-fired power station (also known as a base-load power station); and a 180 MW open cycle gas-fired power station. The 180 MW station would allow Alinta to provide back-up electricity when required.

Alinta announced on 29 June 2007 that it would proceed with the purchase of the Bell Bay Power Station site and three gas turbines with a total generating capacity of 105MW. These three turbines will now be enhanced and augmented with a new turbine to provide a total of 180 MW peaking capacity.

(c) Working Capital Determination

On 27 July 2007, Alinta Limited announced a small increase in the cash component of the Base Consideration under the proposal by the Babcock & Brown/Singapore Power International consortium to acquire the Company.

The cash component of the Base Consideration has increased by 2.3 cents per share, taking the cash component from $8.925 per Alinta share to $8.948 per Alinta share.

The adjustment is in accordance with the terms of the Share Scheme and follows the determination of the Working Capital of Alinta as at 30 June 2007. As noted in section 13.2(a) on page 198 of Part B of the Booklet, under the Share Scheme, the cash component of the Base Consideration is increased or reduced by the amount by which the Working Capital of Alinta as at 30 June 2007 is greater than $190,240,000 or less than $184,240,000 (as the case may be), divided by the number of Alinta Shares and Alinta Options on issue at the Record Date. The Working Capital of Alinta as at 30 June 2007 (as defined in the Scheme Implementation Agreement) was $201,577,000. The calculation of the increase in the cash component of the Base Consideration has been done on the basis that Alinta does not intend to issue further Alinta Shares or Alinta Options prior to the Scheme Record Date (23 August 2007).

There were no other significant events occurring after reporting date.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 7 and forms part of the Directors' report for the half-year ended 30 June 2007.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the 'rounding off' of amounts in the Financial Report and Directors' Report. Amounts in the Financial Report and Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.

J H Akehurst
Chairman

Perth
10 August 2007

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Alinta Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the financial year ended 30 June 2007 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

B C FULLARTON
Partner

Perth
10 August 2007

Alinta Limited ABN 11 119 985 590
Interim financial report - 30 June 2007

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2006 and any public announcements made by Alinta Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Consolidated interim income statement

For the half-year ended 30 June

	Notes	Half-year ended **2007** **$'000**	2006 $'000
Revenue	6	**1,112,125**	616,451
Other income	7	**31,798**	8,799
Gas commodity and transmission purchases		**(273,451)**	(220,227)
Employee benefits expense		**(146,324)**	(48,428)
Depreciation and amortisation expense		**(98,590)**	(18,000)
Materials and services		**(302,920)**	(197,595)
Interest expense on reset preference shares		**-**	(2,172)
Other finance costs		**(229,321)**	(52,762)
Share of profits of equity accounted investees		**19,151**	4,444
Profit before income tax		**112,468**	90,510
Income tax expense		**(20,165)**	(10,197)
Profit for the half-year		**92,303**	80,313
Loss attributable to minority interest		**4,176**	-
Profit attributable to members of Alinta Limited		**96,479**	80,313

	Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company:		
Basic earnings per share	**19.5**	30.6
Diluted earnings per share	**19.4**	30.2

	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:		
Basic earnings per share	**19.5**	30.6
Diluted earnings per share	**19.4**	30.2

The above consolidated interim income statement should be read in conjunction with the accompanying notes.

Consolidated interim balance sheet

As at 30 June 2007

	Notes	**30 June 2007 $'000**	31 December 2006 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**200,024**	400,200
Trade and other receivables		**622,092**	611,689
Inventories		**8,281**	9,951
Current tax receivables		**23,317**	-
Available-for-sale financial assets		**633,054**	633,054
Other current assets		**4,417**	4,576
Total current assets		**1,491,185**	1,659,470
Non-current assets			
Receivables		**191,881**	230,156
Inventories		**12,046**	12,672
Investments in equity accounted investees		**666,561**	636,563
Other financial assets		**760**	806
Property, plant and equipment		**6,263,347**	6,069,730
Intangible assets		**2,451,743**	2,368,547
Retirement benefit surplus		**30,131**	22,805
Total non-current assets		**9,616,469**	9,341,279
Total assets		**11,107,654**	11,000,749
LIABILITIES			
Current liabilities			
Trade and other payables		**367,351**	458,349
Interest bearing liabilities	10	**1,779,664**	1,161,465
Income tax payable		**-**	24,859
Deferred income		**1,247**	818
Provisions		**150,086**	154,714
Other financial liabilities		**39,153**	43,299
Total current liabilities		**2,337,501**	1,843,504
Non-current liabilities			
Interest bearing liabilities		**4,680,862**	5,100,020
Deferred tax liabilities		**244,154**	177,137
Provisions		**91,793**	86,580
Retirement benefit obligations		**-**	3,255
Deferred income		**2,783**	2,630
Total non-current liabilities		**5,019,592**	5,369,622
Total liabilities		**7,357,093**	7,213,126
Net assets		**3,750,561**	3,787,623
EQUITY			
Issued capital	11(a)	**3,290,470**	3,273,248
Reserves	12(a)	**28,052**	6,681
Retained profits	12(b)	**318,648**	256,225
Total equity attributable to equity holders of the Company		**3,637,170**	3,536,154
Minority interest		**113,391**	251,469
Total equity		**3,750,561**	3,787,623

The above consolidated interim balance sheet should be read in conjunction with the accompanying notes.

Consolidated interim statement of recognised income and expense

For the half-year ended 30 June

	Half-year ended 2007 $'000	Half-year ended 2006 $'000
Cash flow hedges - effective portion	**10,632**	12,504
Cash flow hedges - transferred to income statement	**(2,078)**	(982)
Cash flow hedges - transferred to property, plant and equipment	**931**	254
Actuarial gains/(losses) on retirement benefit obligations	**6,392**	4,720
Net movement in reserves of associates	**8,293**	7,950
Foreign currency translation reserve	**1,234**	263
Change in fair value of available-for-sale financial assets	**2,359**	(126,284)
Net income/(expense) recognised directly in equity	**27,763**	(101,575)
Profit for the half-year	**92,303**	80,314
Total recognised income and expense for the half-year	**120,066**	(21,261)
Total recognised income and expense for the half-year that is attributable to:		
Members of Alinta Limited	**121,535**	(21,261)
Minority interest	**(1,469)**	-
	120,066	(21,261)

The above amounts are presented net of tax, where applicable.

The above consolidated interim statement of recognised income and expense should be read in conjunction with the accompanying notes.

Consolidated interim cash flow statement

For the half-year ended 30 June

	Half-year ended	
	2007	2006
	$'000	$'000
Cash flows from operating activities		
Receipts from customers	**940,482**	620,515
Payments to suppliers and employees	**(702,521)**	(509,908)
	237,961	110,607
Dividends received	**34,781**	32,585
Interest received	**36,583**	22,971
Interest paid	**(262,223)**	(49,431)
Income taxes paid	**(33,982)**	(111,661)
Net cash inflow from operating activities	**13,120**	5,071
Cash flows from investing activities		
Payments for intangible assets	**(20,097)**	(6,161)
Payments for property, plant and equipment	**(247,560)**	(135,361)
Payments for equity accounted investments	**(22,745)**	(21,240)
Return of capital from equity accounted investments	**6,936**	2,604
Payments for available-for-sale financial assets	**-**	(1,772,152)
Sale of investments in other corporations	**-**	57,237
Purchase of shares in other corporations	**-**	(918)
Payment for deferred acquisition costs	**-**	(12,597)
Acquisition of subsidiaries	**(371,730)**	-
Proceeds from disposal of interest in controlled entity	**225,993**	-
Net cash (outflow) from investing activities	**(429,203)**	(1,888,588)
Cash flows from financing activities		
Proceeds from issues of shares	**10,837**	1,566
Proceeds from borrowings	**673,778**	1,249,792
Repayment of borrowings	**(433,356)**	(5,000)
Proceeds from sale of promissory note	**-**	238,962
Repayment of loans to associate	**-**	(13,202)
Dividends paid	**(34,963)**	(46,958)
Dividends paid to minority interests in controlled entities	**(389)**	(389)
Net cash inflow from financing activities	**215,907**	1,424,771
Net increase / (decrease) in cash and cash equivalents	**(200,176)**	(458,746)
Cash and cash equivalents at the beginning of the half-year	**400,200**	626,246
Effects of exchange rate changes on cash and cash equivalents	**-**	-
Cash and cash equivalents at end of the half-year	**200,024**	167,500

The above consolidated interim cash flow statement should be read in conjunction with the accompanying notes.

1 Basis of preparation

Alinta Limited ("the Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2007 comprises Alinta 2000 Limited, as the accounting parent, and its deemed subsidiaries (together referred to as the "Group" or the "consolidated entity") and the consolidated entity's interests in associates and jointly controlled entities. The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2006 is available upon request from the Company's registered office at 12-14 The Esplanade, Perth, Western Australia 6000 or at www.alinta.net.au.

(a) Statement of compliance

This general purpose financial report for the interim half-year reporting period ended 30 June 2007 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report. The interim financial report is to be read in conjunction with the most recent annual financial report. This report must also be read in conjunction with any public announcements made by the Company during the half-year in accordance with continuous disclosure obligations under the Corporations Act 2001.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 (updated by CO 05/641 effective 28 July 2005 and CO 06/51 effective 31 January 2006) and in accordance with the Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The consolidated interim financial report was approved by the Board of Directors on 10 August 2007.

(b) Basis of measurement

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation to fair value of:
- available-for-sale financial assets;
- derivative financial instruments; and
- defined benefit superannuation funds.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the members of the Group.

(d) Significant accounting policies

The accounting policies applied in this current interim reporting period are consistent with those of the previous financial year and corresponding interim reporting period.

(e) Use of estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Basis of preparation (continued)

(f) Going concern basis

The financial report has been prepared on the going concern basis of accounting, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

In the consolidated balance sheet as at 30 June 2007, total current liabilities exceeded total current assets by $846.3 million. Included in this amount are external loans of $1,779.7 million. The Alinta Group has received relevant confirmations and approvals from third party financiers to the value of $1,365.0 million thus ensuring that appropriate re-financing options can be exercised should the proposed Scheme of Arrangement not be consummated. Accordingly, the going concern basis of preparation is considered appropriate.

2 Summary of significant accounting policies

(a) Principles of consolidation

(i) Reverse acquisition accounting
Under AIFRS, the formation of the Alinta Limited Group has been accounted for as a business combination.

In applying the requirements of AASB 3 *Business Combinations* to the Group:
- Alinta Limited is the legal parent entity of the Group and presents consolidated financial information; and
- Alinta 2000 Limited, which is neither the legal parent nor legal acquirer, is deemed to be the accounting parent of the Group.

This reflects the requirements of AASB 3, that in situations where a number of existing entities are combined with a new entity, an existing entity shall be deemed to be the acquirer, subject to consideration of factors such as relative fair values of the entities involved in the transaction. This is commonly referred to as a reverse acquisition.

The impact on contributed equity of treating the formation of the Group as a reverse acquisition is discussed in note 11.

The consolidated financial information incorporates the assets and liabilities of all entities deemed to be acquired by Alinta 2000 Limited, including Alinta Limited, and the results of these entities for the period from which those entities are accounted for as being acquired by Alinta 2000 Limited. The assets and liabilities of the entities acquired by Alinta 2000 Limited were recorded at fair value while the assets and liabilities of Alinta 2000 Limited were recorded at their book value. The impact of all transactions between entities in the Group is eliminated in full.

(ii) Subsidiaries
Subsidiaries are entities controlled by the Company and are all those entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Minority interests in the results and equity of subsidiaries are shown separately in the consolidated income statement and balance sheet respectively.

(iii) Associates
Associates are all entities over which the Group has significant influence but not control. Investments in associates are accounted using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2 Summary of significant accounting policies (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Gains and losses are recognised as the contributed assets are consumed or sold by the associates or, if not consumed or sold by the associate, when the consolidated entity's interest in such entities is disposed of.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Joint ventures
Jointly controlled entities
Joint ventures are those entities whose activities are jointly controlled by the consolidated entity or established by contractual agreements.

Jointly controlled operations and assets
Interests in joint venture operations are reported in the financial statements by including the consolidated entity's share of assets employed in the joint ventures, the share of liabilities incurred in relation to joint ventures and the share of any income and expenses incurred in relation to joint ventures in their respective classification categories.

Unrealised gains on transactions between the Group and its joint venture partners are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Gains and losses are recognised as the contributed assets are consumed or sold by the jointly controlled entities or, if not consumed or sold by the jointly controlled entities, when the consolidated entity's interest in such entities is disposed of.

3 Critical accounting judgements and estimates

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The matters that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Onerous contracts
The Group tests annually whether significant contracts are onerous, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

(ii) Impairment
The Group tests annually whether goodwill and intangibles with indefinite lives, that are not amortised or that are not yet in use, have suffered any impairment. All other non-current assets are reviewed to determine whether there has been a trigger of impairment. The recoverable amount of the cash-generating units evaluated in these tests has been determined based on value-in-use calculations. These calculations require the use of assumptions.

(iii) Fair values in business combinations
The Group accounts for business combinations using the purchase method of accounting. This method requires the application of fair values for both the consideration given and the assets and liabilities acquired. The calculation of fair values is often predicated on estimates and judgements including future cashflows, revenue streams and value-in-use calculations. The determination of the fair values may remain provisional for up to 12 months from the date of acquisition due to the time necessarily required to obtain independent valuations of individual assets and to complete assessments of provisions.

3 Critical accounting judgements and estimates (continued)

(iv) Tax consolidation resets
The Group resets tax bases and values for assets and liabilities within tax consolidated groups as and when those tax consolidated groups are reformed due to acquisitions or disposals of entities. The calculations are complex in nature. They are principally based on independent valuations, which are subject to a degree of estimation and judgement. In the case of recently reset tax bases, the valuations may remain provisional as discussed in (iii) above.

(v) Recognition of current and deferred tax
The Group applies the criteria stated in AASB 112 *Income Taxes* ("AASB 112") with regard to the calculation and recognition of deferred tax assets. The application of the AASB 112 criteria involves the exercise of judgement surrounding the calculation of accounting and tax bases for the Group's assets and liabilities. Furthermore, the potential reversal of temporary timing differences also requires the use of estimates of future profitability, availability of taxable profits/losses on both revenue and capital account and potential future changes in accounting and tax bases.

(vi) Provisions
The Group calculates the carrying amount of provisions under AASB 137 based on a variety of available information, much of which is based on estimates of the likely outflow of economic benefits.

(vii) Decommissioning and restoration

The Group estimates the carrying amount of decommissioning and restoration assets and associated provisions at each year end. This exercise involves considerable judgement regarding the likely future costs of decommissioning.

(viii) Leases

The Group has considered a number of contractual arrangements in applying the accounting policy in the most recent annual financial report. The assessment of these contractual arrangements requires a degree of judgement as to whether the significant risks and rewards of ownership of an asset are substantially transferred to other entities. The classification of a contractual arrangement could materially change the balance sheet of the Group.

4 Segment information

(a) Description of segments
Intersegment pricing is determined on an arm's length basis.

Business segments
The consolidated entity's primary reporting is business segments which comprises the following:

Energy sales
Retail of gas and electricity, and the trading and marketing of energy and energy related products.

WLPG
Profit share arrangement with Wesfarmers Pty Ltd ("WLPG") and sale of gas.

Energy distribution
Distribution of gas and electricity.

Asset management services
Maintenance and construction services provided to the energy distribution, power generation and gas transmission segments and external customers; financial, information technology and other office support services provided to the energy distribution, power generation and gas transmission segments.

Power generation
Construction and ownership of co-generation and open cycle plant and operation and ownership of other power generation assets. The other power generation assets were disposed of in October 2005 and were included in discontinued operations. In December 2006, the other power generation assets were re-acquired as part of the acquisition of Alinta Infrastructure Holdings ("AIH") (refer to note 5).

Energy investments
Alinta's share of equity accounted investments in energy, water and telecommunications assets and other investments in energy assets.

Gas transmission
Transmission of gas through gas pipelines. This segment was disposed of in October 2005 and was included in discontinued operations. This segment was re-acquired in December 2006, as part of the acquisition of AIH (refer to note 5).

Adjusted EBITDA
Unallocated revenue includes dividend and interest income, which has been reallocated where appropriate in determining EBITDA calculations. Adjusted EBITDA is defined as earnings before share of net profits of equity accounted investees, interest expense, tax expense, depreciation and amortisation and allocation of corporate charges.

Geographical segments
The consolidated entity operates in predominantly one geographical segment, that is Australasia.

4 Segment information (continued)

(b) Primary reporting format - business segments

Half-year 2007	Energy sales $'000	WLPG $'000	Energy distribution $'000	Asset management services $'000	Power generation $'000	Energy investments $'000	Gas transmission $'000	Inter-segment eliminations/ unallocated $'000	Consolidated $'000
Sales to external customers	331,648	30,375	273,503	314,102	67,693	-	39,937	-	1,057,258
Intersegment sales	57,281	224	54,780	251,212	70,018	-	21,225	(454,740)	-
Total sales and services revenue	388,929	30,599	328,283	565,314	137,711	-	61,162	(454,740)	1,057,258
Other revenue	5,017	-	1,318	2,583	12,322	-	(119)	15,887	37,008
Unallocated revenue	-	-	-	-	-	-	-	49,657	49,657
Total revenue	393,946	30,599	329,601	567,897	150,033	-	61,043	(389,196)	1,143,923
Segment result	14,893	11,126	146,335	107,772	35,712	-	30,966	5,918	352,722
Unallocated revenue less unallocated expenses									(259,405)
Shares of net profits of equity accounted investees						19,151			19,151
Profit before income tax									112,468
Income tax expense									(20,165)
Net profit for the period									92,303
Adjusted EBITDA	16,916	11,573	193,053	84,236	63,209	23,947	44,281	(15,753)	421,462
Depreciation and amortisation expense	9	447	45,330	10,561	15,894	-	13,434	12,915	98,590

Half-year 2006	Energy sales $'000	WLPG $'000	Energy distribution $'000	Asset management services $'000	Power generation $'000	Energy investments $'000	Gas transmission $'000	Inter-segment eliminations/ unallocated $'000	Consolidated $'000
Sales to external customers	291,503	26,472	4,827	231,527	4,079	-	-	32	558,440
Intersegment sales	12,557	-	54,176	32,805	16,161	-	-	(115,699)	-
Total sales and services revenue	304,060	26,472	59,003	264,332	20,240	-	-	(115,667)	558,440
Other revenue	4,890	-	-	1,185	-	-	-	10,810	16,885
Unallocated revenue	-	-	-	-	-	-	-	50,091	50,091
Total revenue	308,950	26,472	59,003	265,517	20,240	-	-	(54,766)	625,416
Segment result	31,606	4,478	26,867	53,125	4,874	-	-	(25,819)	95,131
Unallocated revenue less unallocated expenses									(9,065)
Shares of net profits of equity accounted investees						4,444			4,444
Profit before income tax									90,510
Income tax expense									(10,197)
Net profit for the period									80,313
Adjusted EBITDA	30,909	4,478	37,194	39,785	6,764	40,820	-	(965)	158,985
Depreciation and amortisation expense	4	-	10,204	1,880	1,502	-	-	4,410	18,000

5 Business combinations

During the year ended 31 December 2006, the consolidated entity undertook two business combinations:
AGL transaction; and
AIH acquisition.

Further information regarding each transaction is presented below.

AGL Transaction

(a) Summary of acquisition

On 25 October 2006, two interdependent Schemes of Arrangement between The Australian Gas Light Company ("AGL") and Alinta 2000 Limited were implemented that effected a merger of the two companies and immediate de-merger of the AGL Energy assets into a new company. The AGL business retained by Alinta after the de-merger of AGL Energy is referred to below as AGL Infrastructure, ("AGLI"). The business is based in Australia and owns gas and electricity infrastructure assets as well as an asset management business.

The merger of the AGLI business into the new Alinta Group is accounted for as an acquisition under AASB 3 *Business Combinations*. Accounting for the purchase price allocation against the fair value of the net assets acquired was provisional at 31 December 2006. The revised fair values are still provisional due to the valuation process still being undertaken and are set out in (d) below:

(b) Purchase consideration

	At 30 June 2007 $'000	At 31 December 2006 $'000
Purchase consideration		
Fair value of shares issued (i)	**2,255,586**	2,255,586
Cost of pre transaction AGL shares acquired (ii)	**1,538,752**	1,538,752
Cash received from AGL (iii)	**(1,300,008)**	(1,300,008)
Working capital settlement (iv)	**34,101**	22,858
Transaction costs	**77,929**	77,929
Total purchase consideration	**2,606,360**	2,595,117
Fair value of net identifiable assets acquired (refer to (d) below)	**1,202,483**	1,230,018
Goodwill (refer to (d) below)	**1,403,877**	1,365,099

(i) The Group issued 217,720,657 ordinary shares at $10.36 each, based on the quoted price of the shares of Alinta 2000 Limited at the date of control.

(ii) In February 2006, Alinta 2000 Limited acquired a 19.9% stake (of which 2.6% was subsequently disposed) in AGL which was prior to the implementation of the Schemes of Arrangement discussed above.

(iii) This amount of $1,300,008,000 was received in cash from AGL Energy as part of the overall net consideration for the transaction, and was used principally to retire existing and bridging debt within the Alinta group.

(iv) The working capital settlement represents the payment made by Alinta for the additional working capital balances acquired at 25 October 2006.

5 Business combinations (continued)

(c) Net cash outflow

	At 30 June 2007 $'000	At 31 December 2006 $'000
Outflow of cash to acquire subsidiary, net of cash acquired		
Cost of pre transaction AGL shares acquired	**1,538,752**	1,538,752
Cash received from AGL	**(1,300,008)**	(1,300,008)
Transaction costs	**77,929**	77,929
Working capital settlement (i)	**2,669**	-
Cash balances acquired	**(14,531)**	(14,531)
Net outflow of cash	**304,811**	302,142

(i) On 22 June 2007, an independent arbitrator concluded on the working capital position and resulted in a net payment by Alinta to AGL Energy of $2.7 million.

(d) Assets and liabilities acquired

	30 June 2007 Revised provisional fair value $'000	31 Dec 2006 Provisional fair value initially attributed $'000
Cash	**14,531**	**14,531**
Receivables	**498,174**	**508,855**
Inventories	**2,543**	**2,543**
Property, plant and equipment	**3,697,989**	**3,702,398**
Retirement benefit surplus	**21,868**	**21,868**
Intangible assets	**177,773**	**177,773**
Energy derivative asset	**130,061**	**130,061**
Available-for-sale financial assets	**354,143**	**358,791**
Investment in equity accounted investees	**495,867**	**495,867**
Other assets	**9,225**	**9,225**
Payables	**(65,959)**	**(65,959)**
Unearned revenue	**(1,399)**	**(1,399)**
Interest bearing liabilities	**(3,809,007)**	**(3,809,007)**
Provisions	**(126,506)**	**(121,520)**
Deferred tax liability	**(66,759)**	**(63,948)**
Energy derivative liability	**(130,061)**	**(130,061)**
Total net identifiable assets	**1,202,483**	**1,230,018**
Goodwill on consolidation (i)	**1,403,877**	**1,365,099**
Net assets acquired	**2,606,360**	**2,595,117**

(i) Goodwill recognised relates to future profitability of the AGLI business and synergies existing within the acquired business and also synergies and improvements in profitability expected to be achieved as a result of combining AGLI with the rest of the Alinta Group.

5 Business combinations (continued)

Alinta Infrastructure Holdings ("AIH")

(a) Summary of acquisition

On 5 October 2005, the Alinta Group disposed of its 80% interest in Alinta Infrastructure Limited ("AIL"), Alinta Infrastructure Trust ("AIT"), and Alinta Infrastructure Investment Trust ("AIIT"). The subsequent stapling of these three entities formed the ASX listed entity AIH.

The assets held by the AIH Group comprised a portfolio of power stations and gas pipelines intially acquired from the former Duke Energy Group in 2004.

On 15 November 2006, Alinta announced an unconditional cash takeover offer for AIH. The offer was for $2.06 per partly paid AIH unit or $3.26 per fully paid AIH unit.

Alinta gained control over AIH on 19 December 2006 and at 31 December 2006 owned 82% of the stapled units of AIH. On 27 February 2006, Alinta completed a compulsory acquisition of the remaining AIH units.

The acquisition of AIH by Alinta is accounted for as an acquisition using the purchase method under AASB 3 *Business Combinations.* Accounting for the purchase price allocation against the value of the assets and liabilities acquired was provisional as at 31 December 2006 due to an ongoing assessment of the fair values of the acquired assets and liabilities by independent valuers. The revised fair values are still provisional due to the valuation process still being undertaken and are presented in (d) below.

(b) Purchase consideration

	At 30 June 2007 $'000	At 31 December 2006 $'000
Purchase consideration		
Pre-acquisition holding in equity accounted investment	**114,966**	114,966
Cash paid prior to 31 December 2006 (i)	**398,873**	398,873
Cash payable in 2007	**-**	188,581
Cash paid in 2007 (ii)	**363,681**	-
Transaction costs (iii)	**67,932**	31,290
Total purchase consideration	**945,452**	733,710
Fair value of net identifiable assets acquired (refer to (d) below)	**509,600**	360,844
Goodwill(refer to (d) below)	**435,852**	372,866

(i) Prior to 15 November 2006, Alinta held 20% of the issued units of AIH.

(ii) Cash paid in 2007 has increased for purchase of remaining 18% in AIH.

(iii) Transaction costs represent those costs directly attributable to the acquisition of AIH by Alinta.

5 Business combinations (continued)

(c) Net cash outflow

	At 30 June 2007 $'000	At 31 December 2006 $'000
Cash consideration (i)	**762,519**	398,873
Transaction costs	**4,749**	1,058
Cash balances acquired	**(69,590)**	(69,590)
Net outflow of cash	**697,678**	330,341

(i) The increase in cash consideration relates to payment for offers accepted but not paid at 31 December 2006 as well as the purchase of the remaining 18% in AIH.

(d) Assets and liabilities acquired

	30 June 2007 Revised provisional fair value $'000	**31 Dec 2006 Provisional fair value initially attributed $'000**
Cash	**69,590**	**69,590**
Receivables	**172,313**	**167,119**
Inventories	**3,307**	**7,631**
Property, plant and equipment	**1,258,465**	**1,240,120**
Other assets	**2,258**	**7,453**
Intangible assets	**323,062**	**321,821**
Payables	**(113,014)**	**(117,528)**
Provisions	**(41,197)**	**(38,694)**
Interest bearing liabilities	**(1,107,608)**	**(1,107,608)**
Derivative financial instruments	**(6,270)**	**-**
Deferred tax liability (i)	**(51,306)**	**(55,160)**
Total net identifiable assets	**509,600**	**494,744**
Minority interests (iii)	**-**	**(133,900)**
Goodwill on consolidation (ii)	**435,852**	**372,866**
Net assets acquired	**945,452**	**733,710**

(i) Amendments to the provisional tax valuations resulting in changes to the tax base resets.

(ii) Goodwill, representing a premium paid for the acquired net assets, represents future profitability of the AIH business and likely synergies and improvements in profitability that the Directors believe will be available as AIH is integrated into the Alinta group.

(iii) Minority interests at 31 December 2006 represented the remaining 18% which was purchased by Alinta during 2007.

6 Revenue

	Half-year ended 2007 $'000	2006 $'000
Sales and services revenue		
Sale of goods	**550,930**	301,189
Services revenue	**506,328**	260,113
	1,057,258	561,302
Other revenue		
Interest received or receivable	**23,333**	9,740
Related party dividend received or receivable	**-**	1
Related party interest received or receivable	**8,060**	8,060
Dividend received or receivable	**18,841**	28,181
Fee revenue	**4,633**	3,924
Unwind of discount - interest revenue	**-**	5,244
	54,867	55,150
	1,112,125	616,452

7 Other income

	Half-year ended 2007 $'000	2006 $'000
Other income	**17,188**	8,799
Gain on sale of Wattle Point Wind Farm (a)	**14,610**	-
	31,798	8,799

(a) Net gain on disposal of property, plant and equipment

On 23 April 2007, Alinta announced it had completed the sale of the Wattle Point Wind Farm for $225.9 million, recording a gain on sale of $14.6 million, before tax.

8 Income tax expense

The effective tax rate for the half-year is 17.9%. This is less than the corporate rate of 30% due to various tax credits arising from the finalisation of tax treatments predominantly from the AGLI acquisition.

9 Property, plant and equipment

(a) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	30 June 2007 $'000	31 December 2006 $'000
Property, plant and equipment		
Payable:		
Within one year	**171,244**	180,760
Later than one year but not later than five years	**50,425**	-
	221,669	180,760

The 2007 capital commitments above relate principally to expenditure on Cogeneration Plants 3 and 4 in Wagerup, and on the Tamar Valley project.

(b) Major acquisitions and disposals

During the six month period, the consolidated entity acquired property, plant and equipment with a cost of $270.5 million, compared to $91.1 million for the six months to 30 June 2006. This principally relates to the construction of the Cogeneration Plants 3 and 4 in Wagerup and mains additions for distribution networks. There were no major disposals of property, plant and equipment during the period.

10 Interest bearing liabilities

Significant movements in interest bearing liabilities are described as follows:

(a) Interest bearing loans

Re-financing

As at 30 June 2007, the Alinta Group had external debt of $6,460.5 million and has classified $1,779.7 million of this debt as current.

The debt that is due for re-financing in the next 12 months resides primarily in Alinta 2000 Limited and Alinta LGA Limited. A previous bridge facility in Trewas Pty Limited has been repaid with proceeds from the disposal of Wattle Point Wind Farm in April 2007.

The Alinta Group has received relevant confirmations and approvals from third party financiers to the value of $1,365.0 million thus ensuring that appropriate re-financing options can be exercised should the proposed Scheme of Arrangement not be consummated.

11 Contributed equity

	Notes	**30 June 2007 Shares**	31 December 2006 Shares	**30 June 2007 $'000**	31 December 2006 $'000
(a) Share capital					
Ordinary shares	(b)	**495,218,848**	493,482,167	**3,290,470**	3,273,248

(b) Movements in ordinary share capital of the consolidated entity:

Date	Details	Number of shares	$'000
1 Jan 2006	Opening balance	260,009,060	908,343
	Conversion of reset preference shares	2,903,721	18,245
	Dividend Reinvestment Plan issues (d)	1,256,995	13,290
	Exercise of executive options	307,602	1,566
30 Jun 2006	Balance	264,477,378	941,444
	Conversion of reset preference shares	8,838,034	55,056
	Dividend Reinvestment Plan issues (d)	1,154,978	12,650
	Exercise of executive options	1,283,450	8,514
	Issue of shares	217,728,327	2,255,584
31 Dec 2006	Balance	493,482,167	3,273,248
1 Jan 2007	Opening balance	493,482,167	3,273,248
	Dividend Reinvestment Plan issues (d)	438,346	6,384
	Exercise of executive options	1,298,335	10,838
30 Jun 2007	Balance	495,218,848	3,290,470

Issued capital in these financial statements comprises shares on issue of Alinta 2000 Limited (formerly Alinta Limited) as the deemed acquiring company under the principles of reverse acquisition accounting.

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Dividend reinvestment plan

The Group implemented a Dividend Reinvestment Plan in January 2005. All holders of ordinary shares are eligible to participate in the plan at a reinvestment price based on the averages of the daily volume weighted average sales price of all ordinary fully paid Alinta shares on the ASX during the 10 trading days commencing on the 5th trading day prior to, and inclusive of the record date for the eligible dividend.

12 Reserves and retained profits

	30 June 2007 $'000	31 December 2006 $'000

(a) Reserves

Available-for-sale investments revaluation reserve	**(18,108)**	(20,467)
Hedging reserve - cash flow hedges	**44,525**	26,747
Foreign currency translation reserve	**1,635**	401
	28,052	6,681

(b) Retained profits

Movements in retained profits were as follows:

	30 June 2007 $'000	31 December 2006 $'000
Opening balance	**256,225**	243,808
Profit attributable to members of Alinta	**96,479**	172,689
Dividends provided for or paid (note 13)	**(41,347)**	(161,506)
Actuarial gains / (losses) on defined benefit plans	**6,392**	3,566
Dividends paid to minority interest	**(389)**	(4,023)
Share based payments	**1,288**	1,691
Closing balance	**318,648**	256,225

13 Dividends

	Half-year	
	2007 $'000	2006 $'000

Ordinary shares

Final dividend for the year ended 31 December 2006 of 8.375 cents per fully paid share paid on 4 April 2007 (Final dividend for the year ended 31 December 2005 of 23 cents per fully paid share paid on 31 March 2006). Fully franked based on tax paid @ 30%	**41,347**	60,249

Reset preference shares

In the comparative period, reset preference shares were classified as current interest bearing liabilities and any related dividends were classified as interest expense in the income statement. During the half-year, Alinta paid interest of $nil (2006: $2.87) per reset preference share. All reset preference shares were converted into ordinary shares in Alinta 2000 Limited by 31 August 2006 in accordance with the conversion notice issued on 19 July 2006.

14 Contingencies

The Group had contingent liabilities at 30 June 2007 in respect of:

(a) Guarantees

(i) Bank Guarantees

Bank guarantees represent guarantees provided by certain of the Group's financiers in favour of the Group's customers, suppliers or various building owners for access to their buildings.

(ii) Financial Guarantee Contracts

A subsidiary of Alinta Limited, Alinta LGA Limited, has provided a guarantee over a $25.0m bank facility utilised by TransACT Communications Pty Limited, an entity in which Alinta LGA Limited holds a minority equity interest. The guarantee is secured upon the assets of TransACT Communications Pty Limited. As at 31 December 2006, the facility had been drawn down to the amount of $23.8m. As at 30 June 2007, no amount has been provided in respect of this guarantee.

(iii) Operating Guarantees

Certain subsidiaries of the consolidated entity have varying service requirements built into their sales contracts. If the requirements of the service levels are not met, penalties and/or additional costs may be incurred. Alinta's considered opinion is that it will not be exposed to any material liability in relation to these operating guarantees.

(b) Levies and commerical disputes

(i) Indemnity in respect of controlled entity (formerly associate)

Alinta 2000 Limited (formerly Alinta Limited) entered into an agreement prior to the disposal of its interest in certain assets to AIH whereby Alinta 2000 Limited would manage certain exposures for relevant members of the AIH Group. This agreement is the Exposure Management and Indemnity Deed, ("EMID"). Although the Alinta Group controlled AIH as at 30 June 2007, the EMID remained in existence as at that date.

Under the EMID, Alinta 2000 Limited has agreed to indemnify the relevant members of the AIH Group to the extent of any liability incurred in excess of existing provisions in relation to certain outstanding matters against those assets.

QAL

Queensland Alumina Limited ("QAL") has brought proceedings against Alinta DQP Pty Ltd and Alinta DEQP Pty Ltd, in the Queensland Supreme Court. The claim relates to an alleged inconsistency between the terms of a Gas Transportation Agreement entered into in 1996 in relation to the Wallumbilla to Gladstone and Rockhampton pipeline, and the Tariffs prescribed under the approved access principles applicable to the pipeline. QAL's claim is for approximately $22 million plus interest and costs of approximately $10 million.

During 2006, the court found in favour of the Alinta Group.

QAL appealed the Supreme Court decision, in its entirety, on 12 January 2007. This appeal was heard in May 2007. A final decision is expected later in 2007. Alinta's considered opinion is that it will not be exposed to any material liability in relation to this matter.

Other

This relates to the acquisition of certain assets in April 2004 and any potential land rich duty payable on this transaction. The information usually required by AASB 137 is not disclosed on the grounds that it could seriously prejudice the submitting parties' position.

14 Contingencies (continued)

(ii) AGL Transaction

As part of the Alinta/AGL transaction, the Wesfarmers LPG ("WLPG") contract was novated from Alinta Sales Pty Limited to ALPG Pty Limited. The relevant novation documents have been lodged for assessment of duty with the Office of State Revenue (OSR) in Western Australia. The OSR in Western Australia has requested further information and this will be provided in due course.

The information usually required by AASB 137 is not disclosed on the grounds that it could seriously prejudice the submitting parties' position.

(iii) AIH Transaction

It is proposed that Alinta will lodge a request for predetermination that no Western Australian or other land rich duty applies to the acquisition of units in AIH. The OSR in Western Australia has requested further information and this will be provided in due course.

The information usually required by AASB 137 is not disclosed on the grounds that it could seriously prejudice the submitting parties' position.

(iv) Co-generation Liquidated Damages Claim

The construction contract for the Pinjarra No 1 Co-generation Project entitles the main contractor Mitsubishi Downer to lodge prescribed notices to claim for time extension or extra costs where there has been a change or variation to the contract. Mitsubishi Downer has lodged 47 prescribed notices claiming approximately $38m. Alinta (Alinta Co-generation (Pinjarra) Pty Ltd) has made a counterclaim for liquidated damages under the contract amounting to approximately $10m. As at 30 June 2007, the matter remains subject to a dispute resolution process (which includes mediation). Litigation may result if an agreed outcome cannot be negotiated. Alinta's considered opinion is that it will not be exposed to any material liability in relation to the claim made by Mitsubishi Downer.

(c) Proposed Scheme of Arrangement

Alinta has entered into a Proposed Scheme of Arrangement (the “Scheme”) with a Consortium made up of Babcock & Brown Infrastructure, Babcock & Brown Power, Babcock & Brown Wind and Singapore Power International.

Should the Scheme be approved by the relevant Court, costs and fees totalling $81m will become payable.

(d) Other

In the course of normal business, the consolidated entity occasionally receives claims and other matters arising from its operations. In the opinion of the Directors, all such matters are covered by insurance, or if not so covered, are without merit or are of such kind or involve such amounts that would not have a material adverse effect on the operating results or the financial position of the consolidated entity if settled unfavourably.

15 Events occurring after the balance sheet date

(a) Dividends

The directors have not declared a dividend for the half-year ended 30 June 2007 due to the Board's recommendation for shareholders to approve a proposed scheme of arrangement for the acquisition of Alinta by Babcock & Brown and Singapore Power International ("Scheme of Arrangement") to be voted on by shareholders on 15 August 2007.

Should the scheme proceed, shareholders will receive an in specie distribution of Australian Pipeline Trust ("APA") securities, a portion of which will be treated as a dividend and the balance a capital return.

If the proposal does not proceed, Alinta still intends to distribute the APA Group securities either pro rata or by book build by 14 December 2007.

(b) Tamar Valley Power Station

On 27 July 2007, Alinta entered into an agreement with Aurora Energy for a long-term electricity supply contract.

The agreement with Aurora concluded all contractual arrangements for the construction of the 200 MW gas-fired Tamar Valley Power Station and back-up plant. Pending environmental approvals, Alinta plans to start construction of the power station in October 2007.

The Tamar Valley Power Station project comprises two separate power plants: a 200 MW combined cycle gas-fired power station (also known as a base-load power station); and a 180 MW open cycle gas-fired power station. The 180 MW station would allow Alinta to provide back-up electricity when required.

Alinta announced on 29 June 2007 that it would proceed with the purchase of the Bell Bay Power Station site and three gas turbines with a total generating capacity of 105MW. These three turbines will now be enhanced and augmented with a new turbine to provide a total of 180 MW peaking capacity.

(c) Working Capital Determination

On 27 July 2007, Alinta Limited announced a small increase in the cash component of the Base Consideration under the proposal by the Babcock & Brown/Singapore Power International consortium to acquire the Company.

The cash component of the Base Consideration has increased by 2.3 cents per share, taking the cash component from $8.925 per Alinta share to $8.948 per Alinta share.

The adjustment is in accordance with the terms of the Share Scheme and follows the determination of the Working Capital of Alinta as at 30 June 2007. As noted in section 13.2(a) on page 198 of Part B of the Booklet, under the Share Scheme, the cash component of the Base Consideration is increased or reduced by the amount by which the Working Capital of Alinta as at 30 June 2007 is greater than $190,240,000 or less than $184,240,000 (as the case may be), divided by the number of Alinta Shares and Alinta Options on issue at the Record Date. The Working Capital of Alinta as at 30 June 2007 (as defined in the Scheme Implementation Agreement) was $201,577,000. The calculation of the increase in the cash component of the Base Consideration has been done on the basis that Alinta does not intend to issue further Alinta Shares or Alinta Options prior to the Scheme Record Date (23 August 2007).

Directors' declaration

In the opinion of the directors of Alinta Limited ("the Company"):

(a) the financial statements and notes set out on pages 9 to 29 are in accordance with the *Corporations Act 2001,* including:

- (i) complying with AASB 134 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and
- (ii) giving a true and fair view of the Group's financial position as at 30 June 2007 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

J H Akehurst
Chairman

Perth
10 August 2007

Independent auditor's review report to the members of Alinta Limited

Report on the financial report

We have reviewed the accompanying half-year financial report of Alinta Limited, which comprises the consolidated interim balance sheet as at 30 June 2007, income statement, statement of recognised income and expenses and cash flow statement for the half-year ended on that date, a description of accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 Group's financial position as at 30 June 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Alinta Limited, 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.

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 Alinta Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2007 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

B C FULLARTON
Partner

Perth
10 August 2007