

# investors.

## We will continue to be a reliable and attractive investment which delivers superior returns for securityholders by:

- Achieving reliable and sustainable earnings growth by focusing on long-term revenue and reduced costs.
- Maintaining a strong and robust balance sheet.
- Identifying and evaluating additional attractive infrastructure style investments in related energy businesses.

## 16.7%

total securityholder return for FY2016

## +9.2%

increase in distributions to investors for FY2016

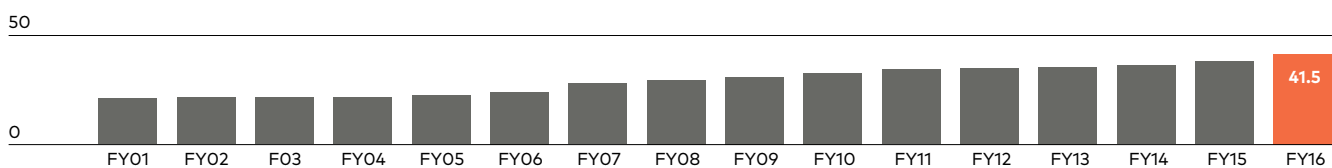
### FY2016 Performance

- Total securityholder return of 16.7% for FY2016.
- Delivered investors a 9.2% increase in distributions.
- Maintained investment grade credit ratings (BBB/Baa2).
- Extended the term to maturity on its syndicated and bilateral bank facilities by between 12 and 24 month.
- Entered into five new bilateral bank facilities for terms of between two and five years providing \$350 million of committed debt funding, which replaced maturing US Private Placement notes.
- Improved corporate costs as a proportion of business metrics, reducing the cost to EBITDA (continuing business) ratio to 6.1% in FY2016 (FY2015 8.2 %).
- \$673.6 million of capital and investment expenditure.
- Successfully completed 100% acquisition of Ethane Pipeline Income Fund and Diamantina and Leichhardt Power Stations

### Actions for FY2017

- Progress or complete current growth capital projects underway.
- Continue to evaluate and develop additional revenue streams in related energy infrastructure businesses.
- Maintain investment grade credit rating levels.

### APA'S HISTORICAL ANNUAL DISTRIBUTIONS (CENTS PER SECURITY), HAS CONTINUED TO INCREASE



### Key Sustainability Risks

- Debt and equity - Ensuring continued support from debt and equity markets for ongoing capital requirements. Inability to secure new debt facilities at appropriate quantum and price may adversely affect APA's operations and/or financial position and performance.

### Risk Management

- APA's investment decisions are made and its balance sheet is utilised with a continuous focus on maintaining long term investment grade credit ratings.
- A diverse portfolio of long-life assets underpinned by regulated and long term bilateral agreements, underscores APA's ability to service debt and sustain steady equity distributions.
- Maintain diversified funding base and access to deep and liquid global debt capital and banking markets.
- APA has a long term sustainable distribution policy having regard for the capital needs of the business and economic conditions. Distributions are fully covered by operating cash flow.
- Financial results and other salient developments are communicated regularly to investors in a timely manner.

As at 30 June 2016, APA had over 81,000 securityholders holding 1.1 billion securities, with the top 20 investors holding 62.5% of securities. Currently, approximately 74% of APA's investors are based in Australian and/or New Zealand.