



ASX ANNOUNCEMENT

22 October 2015

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

Annual Meeting Presentation

Attached is the Chairman and Managing Director's address to the Annual Meeting.

Mark Knapman
Company Secretary
Australian Pipeline Limited

For further information please contact:

Investor enquiries:

Yoko Kosugi
Telephone: +61 2 9693 0049
Mob: +61 438 010 332
Email: yoko.kosugi@apa.com.au

Media enquiries:

Todd Hayward
Telephone: +61 2 8306 4244
Mob: +61 412 205 151
Email: media@apa.com.au

About APA Group (APA)

APA is Australia's largest natural gas infrastructure business, owning and/or operating around \$19 billion of energy infrastructure assets. Its gas transmission pipelines span every state and territory on mainland Australia, delivering approximately half of the nation's gas usage. APA has direct management and operational control over its assets and the majority of its investments. APA also holds minority interests in a number of energy infrastructure enterprises including SEA Gas Pipeline, Energy Infrastructure Investments, GDI Allgas Gas Networks and Diamantina and Leichhardt Power Stations.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

For more information visit APA's website, www.apa.com.au

APA Group 2015 Annual Meeting

Address by Chairman, Len Bleasel AM

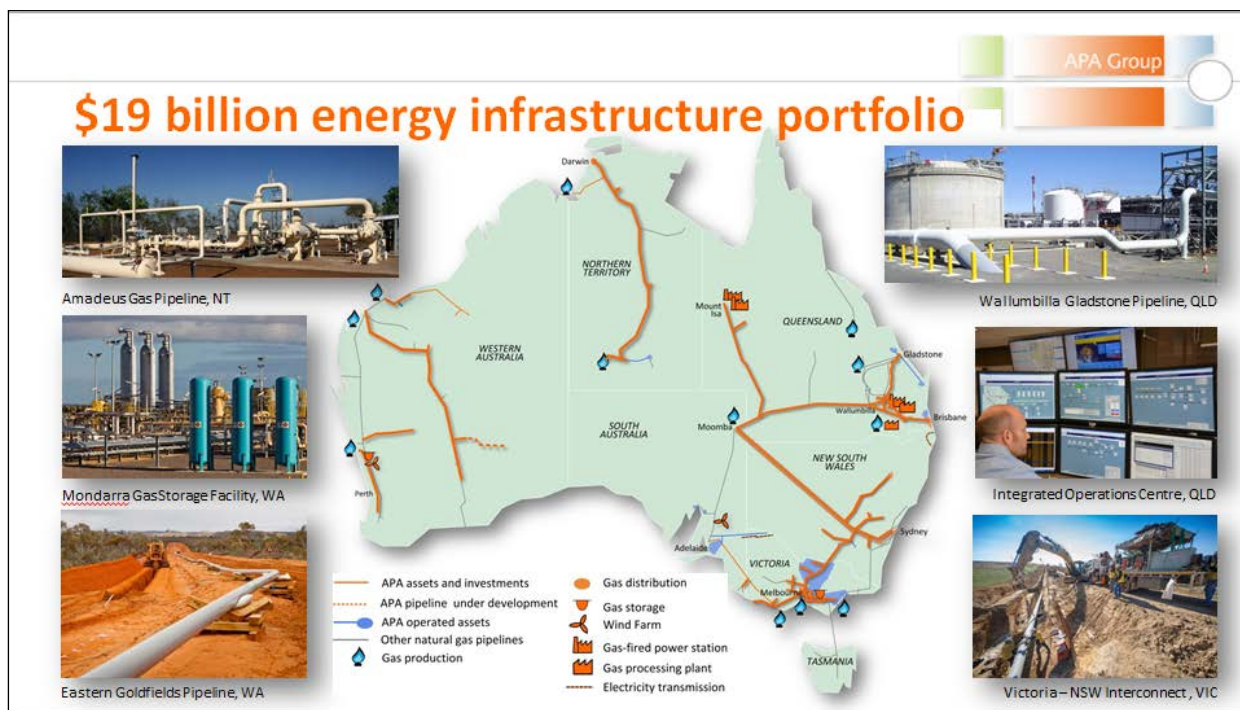
Ladies and gentlemen,

I am delighted to be presenting a sound result following yet another successful year for APA. It is pleasing to remind ourselves that, since our listing 15 years ago in June 2000, APA has consistently delivered strong results and sustainable growth for our Securityholders.

As in previous years, I will focus my address on the strategy within APA that has underpinned this long term growth in our business, creating and strengthening Australia’s leading gas infrastructure company.

Our Managing Director, Mick McCormack, will then provide a more detailed overview of what we are doing across the country to create value for our customers, which, of course, is the source of growing value for our Securityholders.

National gas infrastructure portfolio



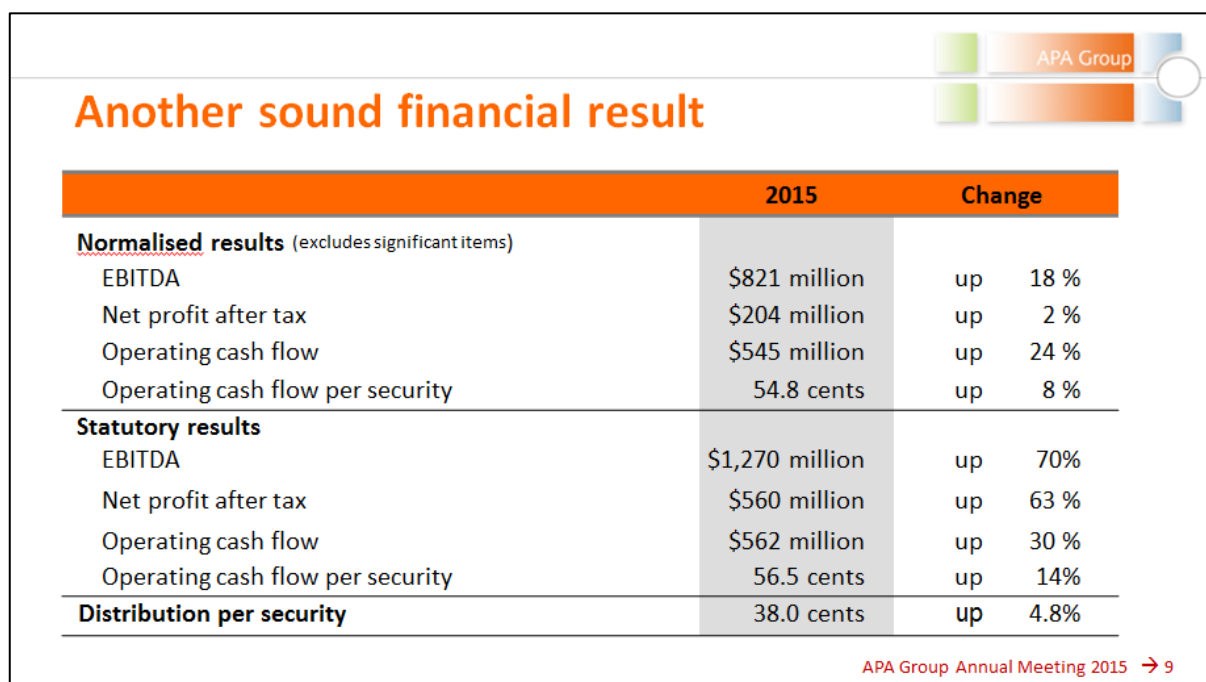
The map of Australia with our operations highlighted in orange and blue, provides an overview of the unique asset footprint we have created and bears testament to the success of APA’s strategy over the last 15 years. From humble beginnings in June 2000 with a market capitalisation of \$488 million and staff of 6, APA today has a market capitalisation of around \$10 billion and a team of 1,600 skilled people. We now own and/or operate around \$19 billion in aggregate of energy infrastructure assets within Australia. Our team is working harder than ever, to unlock still more value from this diverse and unique portfolio of assets.

Our strategy has not changed over the years. Our focus is on serving our customers and solving their energy challenges in a manner that generates sustainable growth opportunities. We do this by utilising our core skills in gas transmission, distribution and complementary energy infrastructure assets. We do this by leveraging our commercial, technical, financial and engineering resources.

APA’s history of consistently delivering solid financial results is proof of the strength of this strategy. Today, we have an interconnected set of energy infrastructure assets on both the East and West coasts of mainland Australia, with our East Coast Grid, in particular, becoming ever more flexible in response to the dynamic conditions developing in that gas market.

And, we continue to do more. During the 2015 financial year, we spent nearly \$400 million on capital expenditure including stay-in business capex. We also spent close to \$6 billion acquiring a new pipeline that connects the East Coast Grid to Gladstone in central Queensland and we also wrote a number of new and innovative service contracts with our customers to solve and support their energy needs.

Financial performance



Another sound financial result

	2015	Change
Normalised results (excludes significant items)		
EBITDA	\$821 million	up 18 %
Net profit after tax	\$204 million	up 2 %
Operating cash flow	\$545 million	up 24 %
Operating cash flow per security	54.8 cents	up 8 %
Statutory results		
EBITDA	\$1,270 million	up 70%
Net profit after tax	\$560 million	up 63 %
Operating cash flow	\$562 million	up 30 %
Operating cash flow per security	56.5 cents	up 14%
Distribution per security	38.0 cents	up 4.8%

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So, let me first touch on the highlights of our financial results. As you will see on this slide, all the numbers have increased compared to last year, a truly pleasing result.

As usual, I will explain both normalised and statutory results. Normalised results are our results excluding significant items. We believe these explain the underlying performance of our assets and business, in a more accurate way.

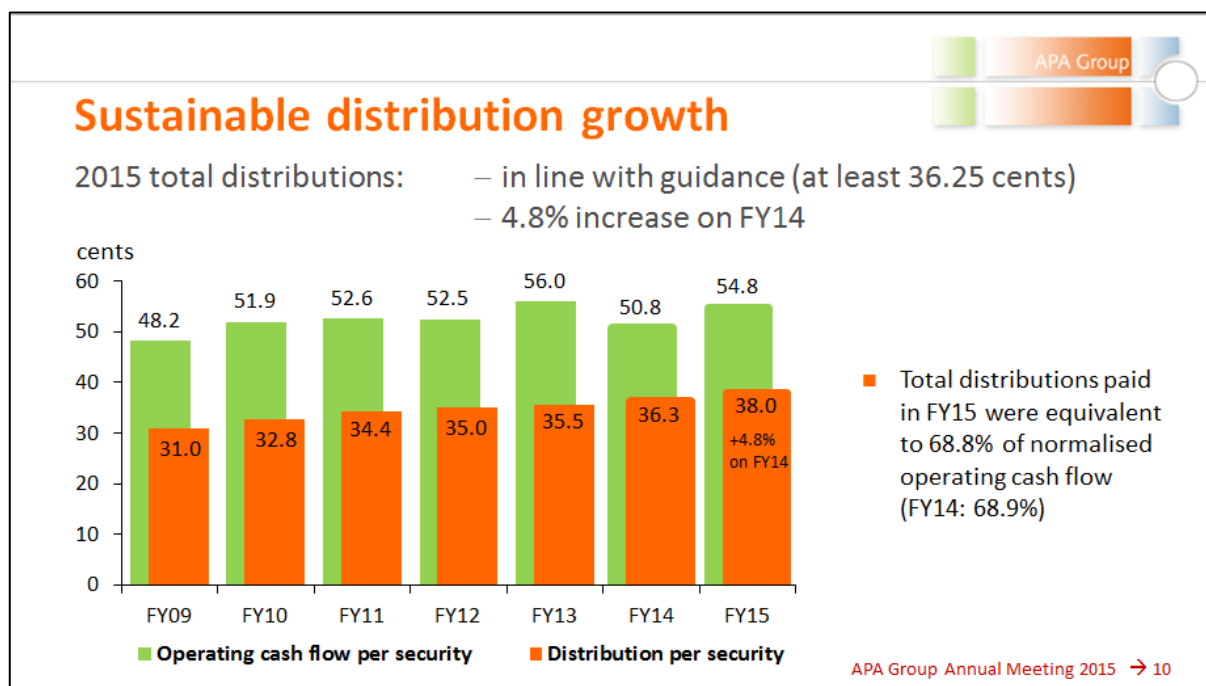
Significant items recorded this year relate to two items – firstly, profit booked on the sale of our investment in what is now called Australian Gas Networks, formerly Envestra; and secondly, the successful recovery of fees following the legal action that APA took against Hastings Funds Management Limited.

Earnings before interest, tax, depreciation and amortisation (that is, EBITDA) increased by 18%, on a normalised continuing basis to \$821.3 million. This was in line with our expectations and market guidance.

Operating cashflow increased on both a statutory and normalised basis, as did operating cashflow per security. We are particularly proud of the increase in the normalised operating cashflow per security, as this was achieved despite the increase in the number of securities on issue during the year.

These strong results were due to additional contributions from expansion projects completed during the year and from revenues from additional services provided to our customers on our assets. Also, we received almost one month of contribution from the newly acquired Wallumbilla Gladstone Pipeline.

Sustainable distribution growth



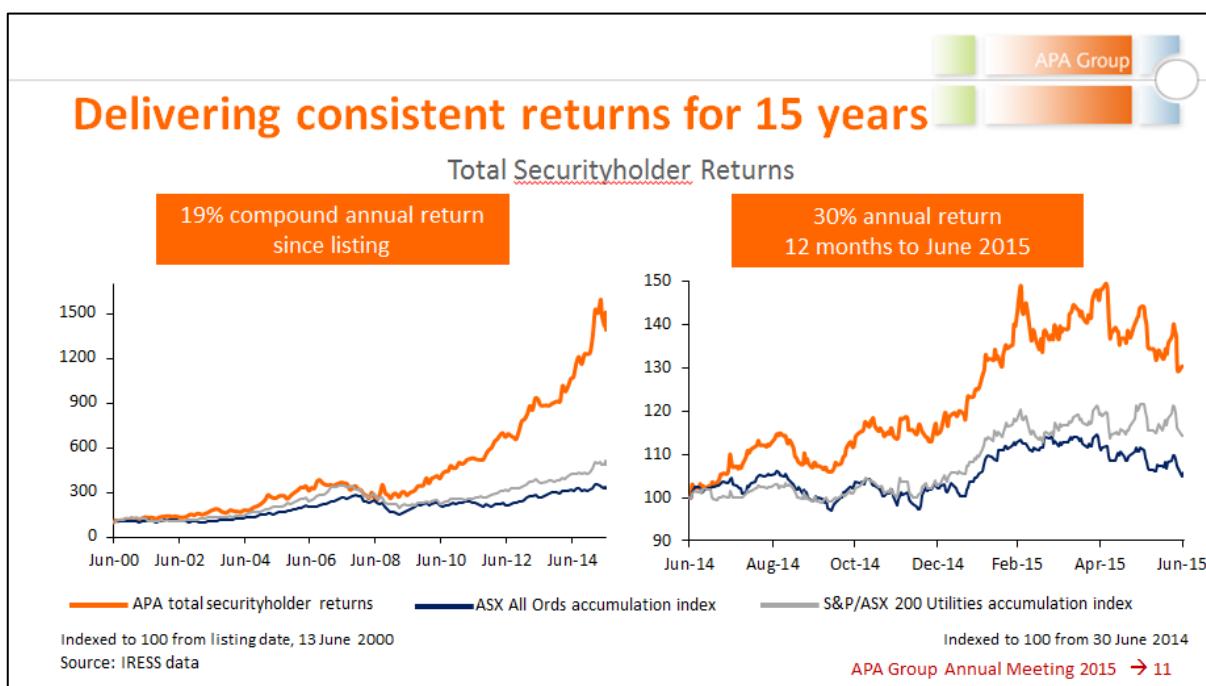
The Board declared a final distribution of 20.5 cents in August, bringing total distributions for the 2015 financial year to 38.0 cents per security. This was a 4.8% increase on the 36.25 cents paid in FY2014, in line with our earlier guidance that total distributions for the year would be at least in-line with the prior year.

Again, the increase in total distribution per security was achieved despite the increase in the number of securities on issue, which was due to the equity raising completed in January to assist with the funding of the Wallumbilla Gladstone Pipeline acquisition.

As in past years, this year’s distributions were well covered by operating cash flow, with operating cash flow of 54.8 cents per security. The distribution paid this year represents nearly 69% of operating cash flow.

Your Board is always mindful of the balance between maximising distributions to Securityholders and the retention of sufficient resources within the business, in order to invest in APA’s ongoing growth. Throughout our history, we have always paid out distributions from our operating cashflow. Measured and sustainable distribution growth has always been our focus and will continue to be so.

Delivering consistent returns for 15 years




This reliability and predictability has translated directly into consistent and superior returns for our Securityholders regardless of market cycles.

Again in FY15, APA’s total securityholder return, or TSR, which takes into account the capital appreciation of APA’s security price and assumes the reinvestment of distributions when they are declared, was strong compared to the market and our peers in the utilities sector.

For the 12 months to June 2015, APA’s TSR was 30%. Over the last 15 years since listing, TSR has grown at a compound annual growth rate of 19%, equivalent to 1,304%, over that period of time.

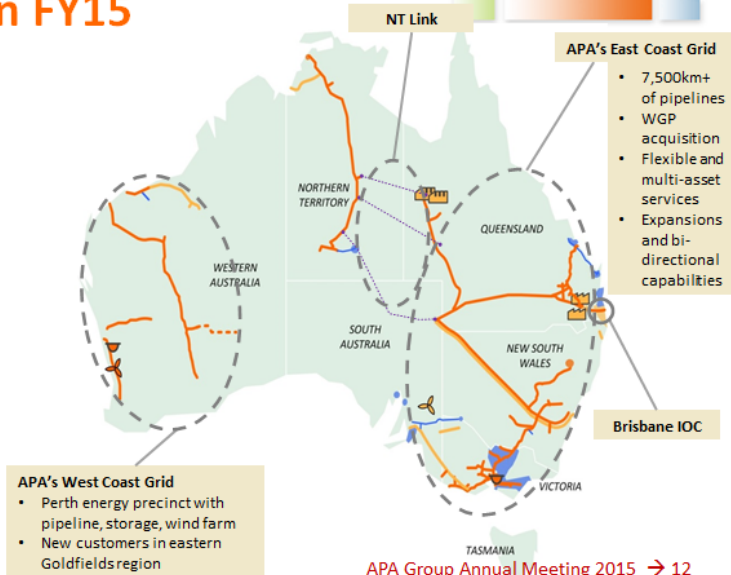
Such a long term record of sustainable growth in value is additional evidence of the effectiveness of our strategy.

Strategic activities in FY15



Strategic activities in FY15

- Wallumbilla Gladstone Pipeline acquisition
- Organic growth projects
 - \$343 million growth capex
 - Pipeline expansions underwritten by long term contracts with customers
 - Major greenfield initiatives
- Integrated Operations Centre opened
- Focus on flexible and solutions driven services delivery
- Preserving strong balance sheet



APA's East Coast Grid

- 7,500km+ of pipelines
- WGP acquisition
- Flexible and multi-asset services
- Expansions and bi-directional capabilities

APA's West Coast Grid

- Perth energy precinct with pipeline, storage, wind farm
- New customers in eastern Goldfields region

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During FY15, APA has been busy, continuing to execute our strategy of pursuing secure and sustainable returns for our Securityholders through acquiring and developing energy infrastructure assets and leveraging our significant expertise, be it operational, commercial, technical or financial. In his address, the Managing Director will discuss the specific opportunities, however, I would like to reference one or two particularly important highlights here.

The major highlight of the year was the \$6 billion acquisition of the Wallumbilla Gladstone Pipeline that APA announced in December 2014 and executed in June 2015. I will talk more about this with the next slide.

Many of our organic growth projects were commissioned during the year, expanding capacity of our assets or increasing flexibility and service deliverability to our customers. As has been the case in the past, these committed expansions were underwritten by long term contracts with customers.





APA has also been listening to customers and the energy markets at large, and developing new innovative services across our asset portfolio. A new Integrated Operations Centre was opened in Brisbane during the year. This Centre brings together, all of our control rooms located across the nation into a single location. It will facilitate more flexible and solutions driven service delivery to our customers, against the backdrop of a dynamic energy market.

As I will touch on later, all of this growth cannot be achieved without a strong balance sheet and liquidity to fund it.

Acquisition of Wallumbilla Gladstone Pipeline

Wallumbilla Gladstone Pipeline

- ~\$6bn acquisition closed on 3 June 2015
 - Immediate earnings contribution to APA
 - 20-year take-or-pay contracts with two highly credit-worthy counterparties
 - APA processes, systems and governance in place
- Successful acquisition financing
 - Australia’s largest pipeline acquisition
 - \$1.8bn equity raising successfully completed in January 2015
 - US\$3.7bn (~\$4.9bn) global debt raising completed in March 2015
 - Net cashflows (to September 2018), after servicing US\$ denominated interest costs, hedged into A\$
- Strategically, expands APA’s East Coast Grid to service export LNG market
- Funding-wise, APA successfully accesses long dated, cost effective global debt markets


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The Wallumbilla Gladstone Pipeline acquisition constitutes the largest ever pipeline acquisition in Australia, and of course for APA.

The 556 kilometre pipeline connects to APA’s East Coast Gas Grid, giving it access to the growing LNG export market at Gladstone. This is a truly strategic acquisition for APA and I would like to take this opportunity to thank our Securityholders for their support and confidence in the acquisition, demonstrated through your strong support for the \$1.8 billion equity raising that was completed during the financial year.

With the acquisition completed in June 2015, integration of this asset into APA’s processes and systems has now been completed and the appropriate governance over the operations of the pipeline is now in place.

In addition to the aforementioned equity raising, APA also issued \$4.9 billion of debt securities in the international debt capital markets. The debt issuance not only enabled APA to finance the acquisition, but also has further strengthened the balance sheet of APA, giving it a more diverse debt portfolio with a longer maturity and from which future growth opportunities can be financed cost effectively.

Capital management

Capital management

- Maintain strong investment grade ratings – Standard & Poor’s BBB (Stable); Moody’s Baa2 (Stable)
- Debt at appropriate level for infrastructure business – gearing at 63.4%, average maturity of senior facilities extended to 8.5 years
 - US\$4.1 billion (~\$5.5 billion) 2-year syndicated bridge facility established in December 2014 for funding of WGP. US\$4 billion (~\$5.3 billion) term facility cancelled after capital markets issuance, US\$100 million (~\$133 million) working capital facility remains available
 - US\$3.7 billion (~\$4.9 billion) international debt capital markets issuance in March 2015 for funding of the WGP acquisition, across Euro, Sterling and US144A markets with tenors ranging from 7 to 20 years
 - In July 2015, \$830 million syndicated facility replaced existing \$1.1 billion syndicated facility. The facility comprises three tranches with maturity dates ranging from September 2017 to 2020
- Cash and committed undrawn debt facilities totalled \$1.3 billion (post refinancing of the syndicated facility)

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A strong balance sheet and access to capital is paramount to achieving sustainable growth. This is particularly so for a capital intensive infrastructure business like APA.

Your Board has maintained a focus on ensuring this and every funding event, no matter how big or small, is cautiously assessed.

We remain committed to maintaining strong investment grade credit ratings from both Standard & Poor’s and Moody’s. The BBB and Baa2 ratings remain an integral part of our declared capital management policies. Retaining this credit profile, provides APA with the necessary flexibility to access a wide range of global debt capital markets, which are both liquid and cost effective.

APA’s ability to access these markets was tested in the acquisition of the Wallumbilla Gladstone Pipeline. Whilst we had in place a \$5.5 billion syndicated acquisition facility from the local bank market at the time of announcing the acquisition in December 2014, APA saw an opportunity open in the global debt markets to raise longer term debt in March 2015. The result was a highly successful and cost effective long term funding of \$4.9 billion in the Euro, Sterling and US144A markets, with tenors ranging from 7 to 20 years. This was the largest ever offshore debt issuance by an Australian BBB rated company.

As I noted before, this issuance not only gave us the benefit of being able to fund the acquisition itself, it has also given APA a geographically diverse funding base and lengthened the average maturity of our debt book to 8.5 years. This is a great foundation from which to continue our sustainable growth strategy.

Post the end of the 2015 financial year, in July, APA refinanced its core syndicated debt facility, by replacing the \$1.1 billion facility with a new \$830 million syndicated debt facility.

As a result of these activities, APA’s debt to debt plus equity ratio was 63.4% as at 30 June 2015 and available liquidity in the form of cash and committed undrawn debt facilities was around \$1.3 billion.

APA Group Board

APA Group Board

- Regular and special board meetings and committee meetings
- Site visits – [Wallumbilla](#), Gladstone and Brisbane
 - APA operations - [Wallumbilla](#) Gas Hub
 - [Wallumbilla](#) Gladstone Pipeline, Curtis Island Queensland
 - Brisbane Integrated Operations Centre
- Reaffirmed APA’s strategy and operating model
- New appointments of Debbie [Goodin](#) and Michael Fraser




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During the 2015 financial year, your Board continued to focus on the development and execution of APA’s strategy through regular and special board meetings. The Board also conducted an annual strategic review, in which it reaffirmed APA’s strategy and operating model.


We have an ongoing focus on all aspects of corporate governance. In addition to holding fourteen Board meetings, we held three Remuneration Committee meetings, four Audit and Risk Management Committee Meetings and four Health Safety and Environment Committee meetings. I am pleased that every director attended every meeting they were called to attend.

During the year, your Board also conducted site visits to assets in Queensland. We visited the gas hub at Wallumbilla with new compressor stations commissioned this year, inspected the newly acquired Wallumbilla Gladstone Pipeline as well as the Integrated Operations Centre in Brisbane which opened in April.

Lastly, but not least, on 1st September, we welcomed two new board members, who are standing for re-election today, Debbie Goodin and Michael Fraser. I would like to welcome our two new members and look forward to their contribution, given their expertise in the energy industry and financial management.

As foreshadowed at the Annual Meeting last year, Robert Wright, who was appointed to the Board when APA was floated in 2000, is retiring at the close of this Annual Meeting. I would like to take this opportunity to thank Robert for his significant contribution over the last 15 years.

Financial Year 2016 outlook



Financial year 2016 outlook

Outlook

- Continued development of expansion and greenfield projects
- Assessment of midstream asset opportunities
- Awaiting outcome of the Northern Territory Government process for the potential Northern Territory – east coast interconnection

Guidance

- EBITDA for FY2016 expected within a range of \$1,275 million to \$1,310 million
 - Includes US\$ denominated contribution from Wallumbilla Gladstone Pipeline of approximately US\$355 million (~\$470 million)
- Net interest costs for FY2016 expected within a range of \$500 million to \$510 million
- Growth capital expenditure expected within a range of \$300 million to \$400 million
- Distribution per security expected to be at least equal to 38.0 cents per security

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Turning to the future, your Board is confident that APA is well placed to continue to deliver steady and sustainable growth.

We continue to develop our infrastructure through organic expansion, greenfield developments and complementary acquisitions. We will continue to engage with our customers and the energy markets so that we can offer value-add services.

In terms of earnings guidance, we expect a full year contribution from the Wallumbilla Gladstone Pipeline, as well as major expansion projects commissioned during the year to yield strong growth in EBITDA of between \$1.275 and \$1.31 billion for the 2016 financial year. This includes contribution from the Wallumbilla Gladstone Pipeline of approximately \$470 million.

Net interest costs for FY2016 are expected to be in a range of \$500 to \$510 million and growth capex in the range of \$300 to \$400 million.

As in previous years, your Board expects to pay total distributions that are at least equal to those paid in FY2015 of 38.0 cents per security, noting that it is too early at this stage to forecast full year cashflows.

The APA business has been performing in line with these expectations and guidance during the first quarter of the 2016 financial year.

On behalf of the Board and our Securityholders, I would like to thank our Managing Director Mick McCormack, his leadership team and the people of APA, for their hard work, in a year in which we have delivered another solid financial result and sown more seeds for future growth.

Finally, I thank you, our investors, for your continued support and I look forward to APA delivering another set of solid results in 2016.

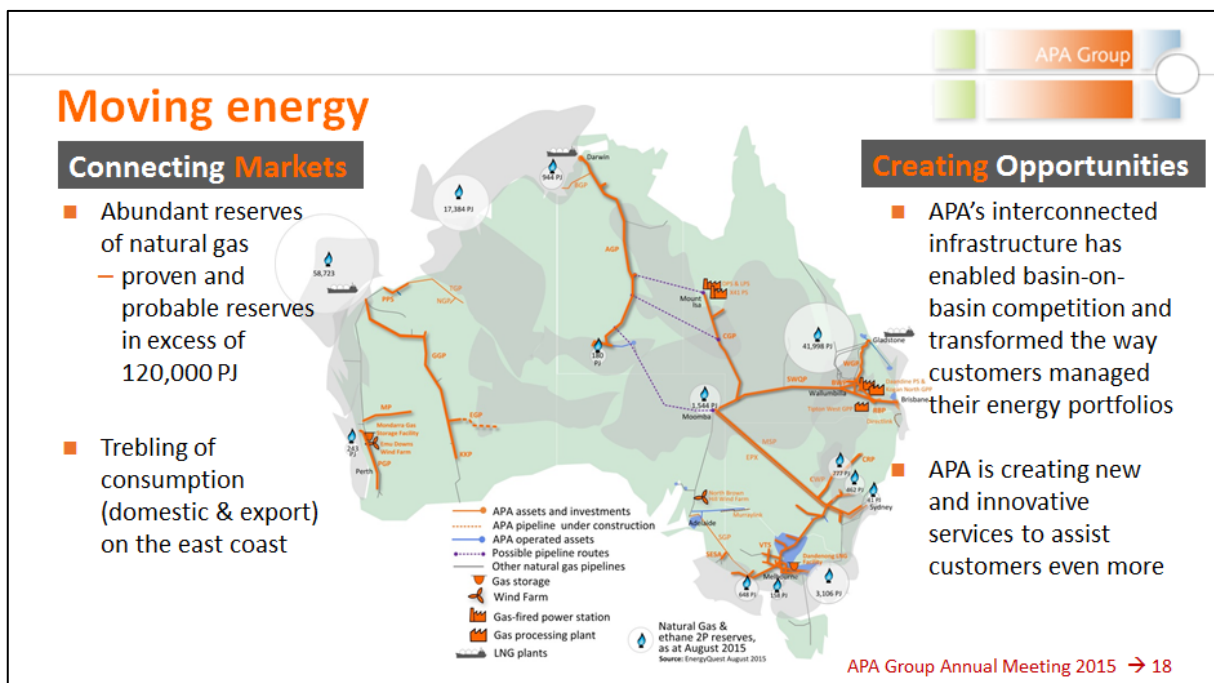
APA Group 2015 Annual Meeting

Address by Managing Director, Mick McCormack

Thank you Chairman, and welcome ladies and gentlemen.

As you have just heard, APA delivered another solid year of growth during the 2015 financial year. Consistent, long term strategy underpins our business and we continue to focus on leveraging our assets and expertise to deliver sustainable returns to our Securityholders.

Moving energy



This map tells the APA story.

Australia is well endowed with natural gas reserves spread across the country.

APA's business is about connecting gas resources to gas markets. We do this efficiently and responsibly.

APA has a long history of working constructively with all stakeholders. Where there is a need, we will build a pipeline connecting any new gas source with the market. This has led to our infrastructure bringing more transparency to the industry and basin-on-basin competition, which has been great news for gas users.

We have been and will always leverage our expertise and our assets to create value for APA and for our Securityholders.

On strategy – delivering sustainable growth



On strategy – delivering sustainable growth

- Dynamic gas industry
- Flexible and interconnected assets
- Industry leading expertise



FY15 highlights

- \$343 million organic growth projects
- SWQP & GGP expansions completed
- Victoria-NSW Interconnect expansion continues
- WGP acquisition completed
- Integrated Operations Centre opened
- Short term flexible services

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With the trebling of gas demand on the East Coast due to the export LNG projects at Gladstone and downward pressure on commodity prices across the resources sector to the West of the country, the Australian energy market continues to evolve.

APA’s national infrastructure footprint had been prepared for this dynamic development of the market. And we continue to work with our customers to deliver more flexible, more innovative services.


During the 2015 financial year, we continued to spend on organic growth projects across the country, increasing capacity, adding more length to reach more customers and adding greater capabilities to our pipelines.

- Expansion projects embarked on a couple of years ago on the South West Queensland Pipeline and the Goldfields Gas Pipeline were completed during the year.
- The first part of the Victoria-New South Wales Interconnect expansions for three customers were completed during the year. A fourth agreement with an existing customer was announced in July 2015, which will support further expansion of this interconnect.
- As was detailed by the Chairman, the Wallumbilla Gladstone Pipeline was acquired, adding some 550 kilometres to our East Coast Grid.
- Bi-directional capability was installed on the South West Queensland Pipeline and the Berwyndale Wallumbilla Pipeline.
- New compressor stations at Winchelsea were commissioned increasing volume throughput in the Victorian Transmission System.


As mentioned earlier by the Chairman, APA opened the Integrated Operations Centre in Brisbane in April 2015 which was not only exciting news for ourselves and our customers, but also an industry first. This new centre of excellence will enable us to centrally manage our portfolio of interconnected assets, responding more nimbly to operational and market imperatives. By integrating commercial, technical and operational resources in the one location in a real-time environment, we will provide a single point of contact for customers and realise additional operational efficiencies. This will lead to delivery of previously unthought-of services and a step-change in the timeliness and flexibility with which we meet our customers’ needs.

To date, our Queensland, Northern Territory and New South Wales assets have been transitioned to the Integrated Operations Centre. Over the next few months, we expect to complete full transitioning of all APA pipelines to the Integrated Operations Centre.

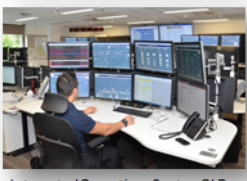
East Coast Grid – Australia’s gas superhighway



East Coast Grid – Australia’s gas superhighway

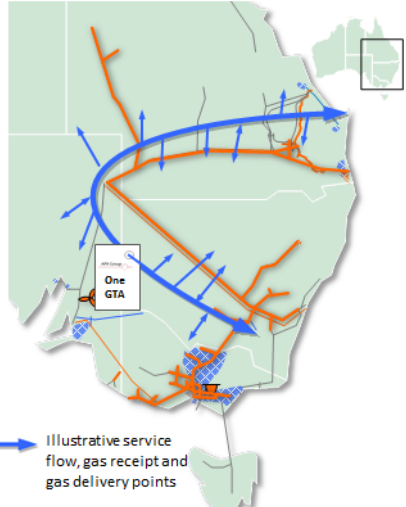


Pipeline looping in Victoria



Integrated Operations Centre, QLD

- Offering innovative services and flexibility
 - ~30 receipt & ~100 delivery points, incl. Gladstone, Sydney, Melbourne, Brisbane
 - Storage (in-pipe, LNG)
 - Multi-asset services
 - Interruptible haulage and storage services
 - Capacity trading and in-pipe trades
- Expansions continue
 - VNI further expansion
- Other opportunities being assessed



Illustrative service flow, gas receipt and gas delivery points

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We have invested a lot of time and money in the East Coast Grid, which has become Australia’s gas superhighway.

Three years ago, APA created the East Coast Grid by interconnecting the majority of our then existing assets in eastern Australia through the acquisition of the South West Queensland Pipeline. This has allowed our customers on the east coast of Australia to move gas seamlessly between different markets and states, enabling them to manage their energy portfolios with a high degree of flexibility.

The Grid has over 30 gas receipt points and 100 gas delivery points, that include the major east coast gas hubs of Gladstone, Sydney, Melbourne, Brisbane, Wallumbilla and Moomba.

We have gas storage services, both in-pipe and LNG. We can facilitate capacity trading and in-pipe trades. Above all, we can write and have written multi-asset, multi-functional service contracts, such that gas transportation contracts are no longer a ‘point A to point B’ delivery contract. They can be a flexible, custom-made solutions encompassing any number of gas sources and markets along the Grid.

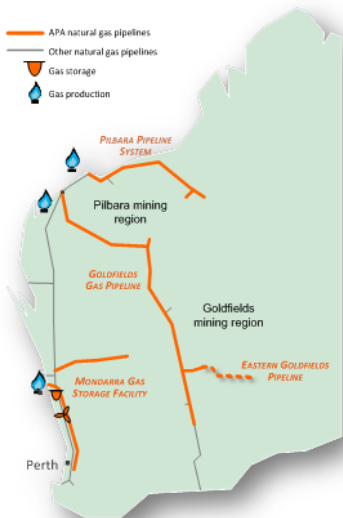
The Integrated Operations Centre that I mentioned previously will further facilitate management of these services.

I am pleased to report that our customers are providing us with very positive feedback on the work that we have been doing. Flexibility of our infrastructure assets translates to more flexibility for our customers to manage their energy requirements. This allows them to manage their energy portfolio more dynamically in response to the change in market conditions.



Nevertheless, we will continue to roll out new and more flexible services in the coming year to ensure customers can access our pipelines quickly and efficiently.

Holistic energy solution in WA


Holistic energy solution in WA




- Solid contributions from Perth region energy precinct
 - Mondarra gas storage facility
 - Emu Downs wind farm
- Serving mining operations in the Pilbara and Goldfield regions
 - Goldfields Gas Pipeline expansion projects delivering for Rio Tinto and Mt Newman JV
 - Pilbara Pipeline System growth
 - Eastern Goldfields Pipeline construction on track to supply energy to the gold mining operations

Eastern Goldfields Pipeline construction



Emu Downs Wind Farm



Mondarra Gas Storage Facility

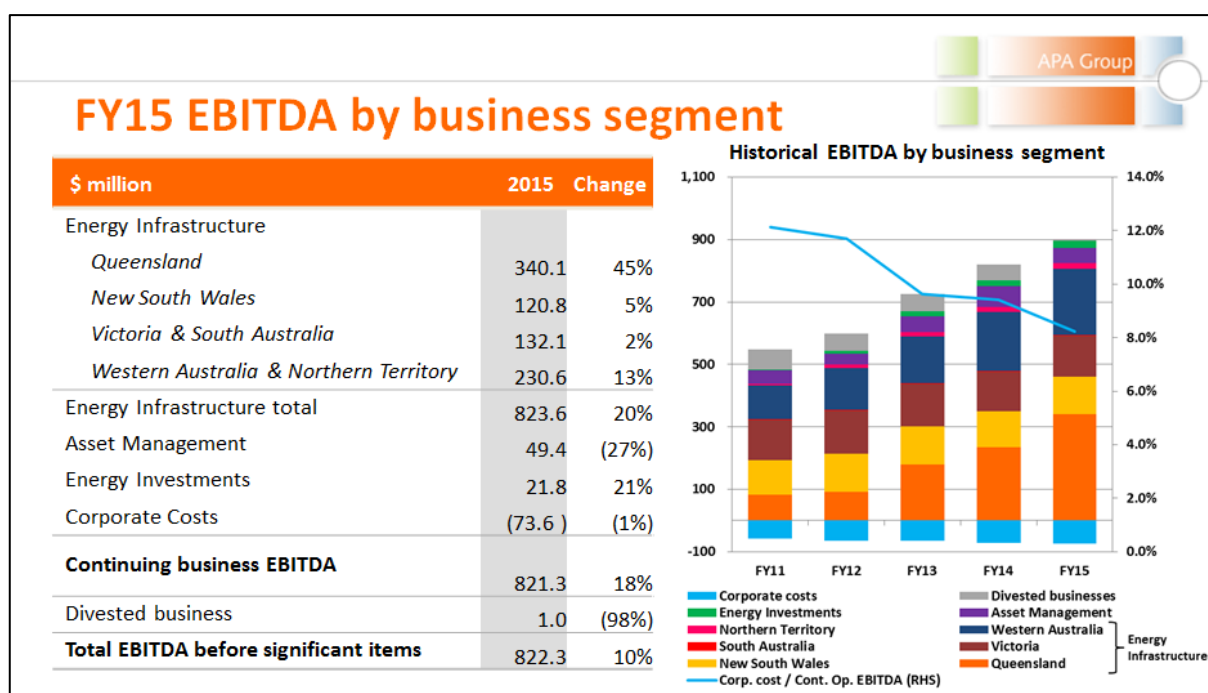
Our assets in Western Australia have been quietly achieving as well.

The Goldfields Gas Pipeline with all of its expansions over the years in response to mining customer requirements has seen it emerge as a key part of APA’s Western Australian offering. Along with our other WA assets including the Pilbara Pipeline System, Mondarra Gas Storage Facility, Emu Downs wind farm and the Parmelia Gas pipeline, APA’s assets in the west are developing into an interconnected energy solutions grid, the West Coast Grid.

We expect to continue to see solid performance from our assets in the Perth energy precinct as well as those serving the mining operations in the Pilbara and Goldfields regions.

During the financial year, construction commenced on the new 293 kilometre Eastern Goldfields Pipeline. This is a project underwritten by two gas transportation agreements with AngloGold Ashanti, to deliver gas to their gold mines at Sunrise Dam and Tropicana. Gas delivered will replace diesel as the mine’s energy source, giving AngloGold Ashanti, a cost efficient, reliable and safe means to fuel their mines. We expect first gas to be delivered during this financial year 2016, through 1,500 kilometres of APA’s pipes, starting at Karratha, Western Australia, along the Goldfields Gas Pipeline, the Murrin Murrin Lateral and then finally through the new Eastern Goldfields Gas Pipeline.

EBITDA by business segment



Being able to report such solid FY15 results is truly pleasing for us. The majority of our underlying businesses increased their contributions. This was not only for the assets that we expanded during the year.

The Energy Infrastructure segment includes gas transmission, gas storage and the Emu Downs wind farm. APA earns revenue either from regulatory arrangements or long term contracts with a large portion of that revenue being take-or-pay in nature. This segment contributed \$823.6 million of EBITDA in the year to 30 June 2015.

Whilst we report on a state-by-state basis, as we have seen in the previous slides, we are increasingly looking holistically at our assets in Queensland, New South Wales, Victoria and South Australia as a single “East Coast Grid”. From this perspective, EBITDA increase year-on-year from the East Coast Grid was 23.5%.

Most of the assets within the East Coast Grid experienced stronger results compared to last year, however, 'standouts' are:

- inclusion of the Wallumbilla Gladstone Pipeline for almost a full month;
- contribution from expansion of the South West Queensland Pipeline; and
- contribution from the commissioning of the Victoria – New South Wales Interconnect.

Furthermore, APA recorded some \$21 million of flexible short term revenues on the Grid. These were based on short term contracts with our customers wanting to move gas around more flexibly and on an interruptible basis, in response to signals from the gas market caused, at least in part, by LNG trains being commissioned at Gladstone.

In the west, as I mentioned earlier, increased contributions were received from the expanded Goldfields Gas Pipeline, as well as continuing growth in EBITDA from each of the Pilbara Pipeline System, Mondarra Gas storage facility and the Emu Downs wind farm.

Underlying earnings from the Asset Management segment have continued to grow, although there continues to be annual swings in customer contributions. Our Asset Management segment earns fees for operating and managing our joint venture assets, in addition to other services provided to customers. This segment contributed \$45.8 million in EBITDA, excluding customer contributions of \$3.6 million, a 4% increase on the previous financial year, on a like-for-like basis. This was achieved because APA helped to grow the underlying distribution network businesses. During the year, our Asset Management staff replaced 541 kilometres of mains across 4 eastern states in mainland Australia, laid 349 kilometres of new mains for urban developments and secured over 28,000 new connections.

Our Energy Investments segment includes APA's strategic stakes in a number of energy infrastructure assets. The segment contributed nearly \$22 million in EBITDA. Excluding the impact of Envestra, which was divested during the year, the Energy Investments segment EBITDA was also up on financial year 2014 by approximately 21%.

From this financial year, we have separated out our Corporate Costs from the underlying businesses, in an effort to provide investors with a better view of the financial performance of our assets. Previously, the allocation of corporate costs may have inadvertently masked the year on year operating performance of the assets.

The light blue line in the graph indicates that Corporate costs have been declining as percentage of Operating EBITDA over the longer term. This demonstrates the economies of scale that our business is able to achieve. It shows that APA is leveraging its 'head office' costs across increasingly larger revenue generating assets.

APA’s current growth projects

Sustainable growth – staying ‘on strategy’

	FY2015	Outlook	On Strategy
<ul style="list-style-type: none"> Organic growth 	<ul style="list-style-type: none"> ✓ \$343 million growth capex ✓ SWQP, GGP, VNI expansions 	<ul style="list-style-type: none"> ➔ \$300-400 million p.a. growth capex ➔ Connections growth in Networks business ➔ VNI expansions continues 	<ul style="list-style-type: none"> ■ Leverage APA’s portfolio and expertise ■ Deliver more options and flexibility to our customers ■ Achieve economies of scale
<ul style="list-style-type: none"> Mergers & Acquisitions 	<ul style="list-style-type: none"> ✓ WGP acquisition complete 	<ul style="list-style-type: none"> ➔ Integration of WGP into APA systems ➔ Operations of WGP remain with vendor at this time ➔ Review broader complementary mid stream assets 	
<ul style="list-style-type: none"> Greenfield & large scale organic growth 	<ul style="list-style-type: none"> ✓ Commenced EGP construction 	<ul style="list-style-type: none"> ➔ EGP completion during FY16 ➔ NT Link (1 of 4 shortlisted bidders) 	

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Looking to the year ahead and beyond, we continue to see growth opportunities.

Growth opportunities for APA can be grouped into 3 main areas, organic growth, acquisitions, and large scale organic or greenfield developments. Let us look at each one in turn.

Organic growth is our ‘bread and butter’. These are the projects that are exclusive to us and the type of expansions we are doing every day, and have been doing for the last 15 years. These organic growth projects are borne out of what our customers expect APA’s infrastructure assets to be able to deliver. During FY15, we completed a few of these on the Goldfields Gas Pipeline, the South West Queensland Pipeline and the Victoria – New South Wales Interconnect. We announced a new agreement with an existing customer in July 2015 for a further expansion of the Victoria – New South Wales Interconnect. During the 1st quarter of FY16, we have completed bi-directional capability installation on the Roma Brisbane Pipeline and the Moomba Sydney Pipeline.

The second area is acquisitions. In FY15, we made the largest acquisition in APA’s, or better still, the Australian pipeline industry’s history, in the Wallumbilla Gladstone Pipeline. We have for a while now talked about a midstream energy asset class emerging, much like has occurred in North America. We believe there may be complementary assets where APA could bring value to the table and will continue to monitor this space for opportunities.

And thirdly, large scale organic growth. Many of these will be greenfield opportunities, like the Eastern Goldfields Pipeline that we are currently constructing or the NT Link that we are currently assessing. These represent organic growth in the sense that they are more often connecting to our existing infrastructure footprint and complementary to our business. However, they are significant and industry-altering projects and possibly involve significant capital, time and resource investment on APA’s part.

We commenced a feasibility study into the the possible link of our Northern Territory assets to our East Coast Grid, which has dovetailed into the NT Government's process for the North East Gas Interconnect project. APA submitted its bid on 30 September as part of this process. The NT Link or NEGI, is an exciting project for APA and to this end, we have put our best foot forward with our bid. The link would create a 10,000 kilometre, interconnected gas infrastructure network linking the market with gas from any source between the Timor Sea, Gladstone, Moomba and Bass Strait. The connection would further strengthen our ability to offer customers more flexible solutions and stimulate investment in new gas production sources in the Territory. The NT Government is expected to make a decision on the preferred bidder by the end of the year. We stand ready and able to build it. But even if we were to be unsuccessful, APA would still benefit from this 'missing link' being built.

These growth opportunities are right on APA's long term strategy of leveraging our assets and expertise, delivering more options to our customers and achieving economies of scale for APA, thus delivering solid returns to our Securityholders.

We at APA are proud to have built the business from humble beginnings, as the Chairman mentioned at the beginning of his speech. Our national gas infrastructure footprint was built, expanded, innovated and acquired, using the capital that was vested in us by our Securityholders based on our long term vision and world-class execution.

Despite this, there have been unprecedented levels of public and policy discussions and reviews of the gas market of late. The Federal and State Energy Ministers, through the Council of Australian Governments' Energy Council, initiated a major review of the east coast gas market and concurrently, the Federal Government has instructed the Australian Competition and Consumer Commission to undertake an inquiry into the competitiveness of the wholesale gas market, including gas transmission. Responding to these enquiries consumes a material amount of APA's financial and management resources. Whilst transparent discussion of the issues facing the industry can be beneficial, succession of reviews and inquiries should not be allowed to adversely affect business confidence.

In the last decade, Australia has been well served by the relatively light level of regulation and market interference in transmission pipelines. It was this environment that has enabled the development of the East Coast Grid that promotes basin-on-basin competition and provides gas producers and users with flexibility and optionality in their energy management.

Focus on safety and operational excellence



Focus on safety and operational excellence

- Lost time injury frequency rate decreased to 0.64 (FY14: 0.8)
 - Long term safety goal of Zero Harm
 - Second year of a 3-year HSE Strategic Improvement Plan

- Enhancing operations and maintenance
 - Consolidating controls and monitoring
 - Improving asset maintenance systems and processes
 - Adopting industry best practice
- Improve reliability and efficiency





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Fiscal Year	LTIFR
FY11	6.1
FY12	2.2
FY13	2.1
FY14	0.8
FY15	0.64


The safety of our people and operational excellence is an ongoing focus for us at APA. And none of us take that lightly.

After achieving a solid improvement in our Lost Time Injury Frequency Rate (LTIFR) in FY2014, we achieved further improvement in FY15 to 0.64, down from 0.8 in FY14. Our target remains less than 1.0. APA aims to be a Zero Harm workplace for our employees, contractors and the broader communities that we operate in. As you may recall, during FY14, we launched a three-year Strategic Improvement Plan and introduced a tailored list of risk based initiatives. During FY15, execution of the plan continued, including refreshing the Leading Zero Harm behavioural safety program, introduction of a new contractor safety management programme and implementation of Safeguard+, APA’s online safety management system.

Having come from an operating background and seen first hand the impacts of workplace accidents on our employees and their families, I am personally committed to a strong safety culture and the safest possible working environment.


We have also continued to pursue operational excellence through better controls and maintenance management of our assets. We have invested in new systems to enable us to continue to adopt global industry best practice. We believe that, if we can look after our assets well, we will improve reliability and efficiency, which will benefit all of our stakeholders.

Connecting gas resources to gas markets



Connecting gas resources to gas markets

- Strategy remains the same:
 - Continue to grow our ownership in transmission pipelines
 - Consider / review other energy infrastructure mid stream assets
 - Leverage APA's capabilities
 - Provide safe, stimulating and rewarding workplace
 - Deliver responsive, valuable solutions to customers
 - Deliver an environmentally responsible, safe and essential service
 - Contribute to the community
 - Maintain financial strength, flexibility and capability



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Deliver long term, sustainable growth for all our stakeholders

I started my presentation with the map and it is only fitting to conclude it with the map.

Our approach and strategy will remain unchanged. Our core values and strengths have served us well to date. We have had the foresight of recognising the changes to industry dynamics and we have been able to adapt ourselves and our assets to the changing environment.

APA will continue to invest in our gas infrastructure portfolio, continue to invest in assets that are complementary to our infrastructure and continue to provide innovative services that solve our customers' energy needs. We will do this with the same philosophy and care that have delivered our Securityholders, 15 years of continuous growth and return on their investments and trust in our company.

We will look after our assets, our people and our balance sheet – all important ingredients of sustainable growth.

With APA just 15 years young, I would like to extend my sincere appreciation for your ongoing support of our business. I look forward to leading our business with the same enthusiasm and focus that has brought us this far, to a future that promises to be even more exciting than our past.

[ENDS]

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