Image: Bogong Creek
Kiewa Hydro Scheme

Energy in action®

AGL

2010 Full Year Results

12 months to 30 June 2010

Operational focus delivers continued growth

Michael Fraser, Managing Director & CEO
Stephen Mikkelsen, Chief Financial Officer

26 August 2010

Disclaimer

The information in this presentation:

- Is not an offer or recommendation to purchase or subscribe for securities in AGL Energy Limited or to retain any securities currently held.
- Does not take into account the potential and current individual investment objectives or the financial situation of investors.
- Was prepared with due care and attention and is current at the date of the presentation.

Actual results may materially vary from any forecasts (where applicable) in this presentation.

Before making or varying any investment in securities in AGL Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

Agenda

› **Result Highlights**	Michael Fraser
› **Group Financials**	Stephen Mikkelsen
› **Operational Review / Summary**	Michael Fraser
› **Supplementary Information**	

IMPORTANT NOTE:
This presentation should be read in conjunction with the
AGL Energy Limited ASX Appendix 4E for the 12 months ended 30 June 2010.

FY10 Highlights

Retail underpins strong result.

- Underlying profit up 13.2%
- Strong result from Retail Energy up 19.5%
- Continued growth in customer numbers and margins
- Gloucester/Camden 2P gas reserves up 49.9%
- Significant improvement in underlying cash flow up $121 million
- Safety and employee engagement continue to improve
- Tax refund from prior years of $89.0 million
- Full year dividends increased to 59.0 cents per share up 9.3%

FY10 Results

Strong operational performance delivers good financial outcomes.

FINANCIAL

Revenue:	$6,610.7m	↑ 9.2%
Underlying Profit:	$428.9m	↑ 13.2%
Statutory Profit:	$356.1m	↓ 77.7%
Underlying EPS:	95.6 cps	↑ 12.5%
DPS: (Final 0% franked, Interim 100% franked)	59.0 cps (Jun 09: 54.0 cps)	↑ 9.3%
EBITDA / Net Interest:	16.6x (Jun 09: 8.4x)	↑ 8.2x
Underlying Cash Flow (before tax) per share:	140.4 cps (Jun 09: 114.2 cps)	↑ 22.9%
Capital expenditure	$389.7m	

OPERATIONAL

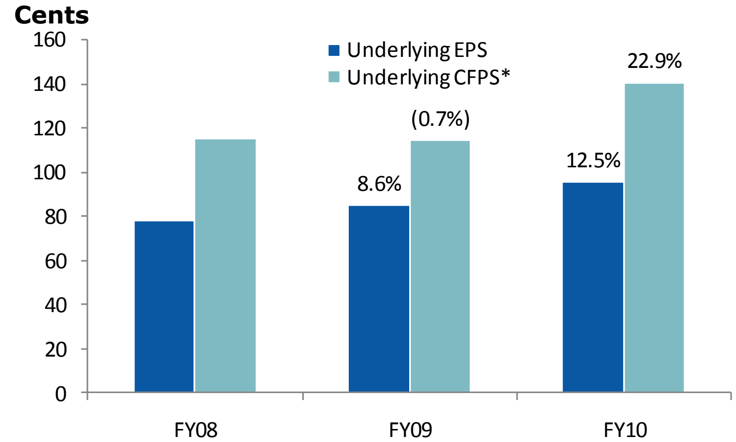
- Continued strong performance by Retail Energy driven by:
  - Increasing retail mass market gross margin per customer (up 7.5%)
  - Good growth in Dual Fuel customers (up 9.9%)
  - Significant improvement in debtor management
- Commencement of generation at Bogong Hydro and Hallett 2 wind farm
- Excellent wind farm performance, 780,000 MWh generated

FY10 Results

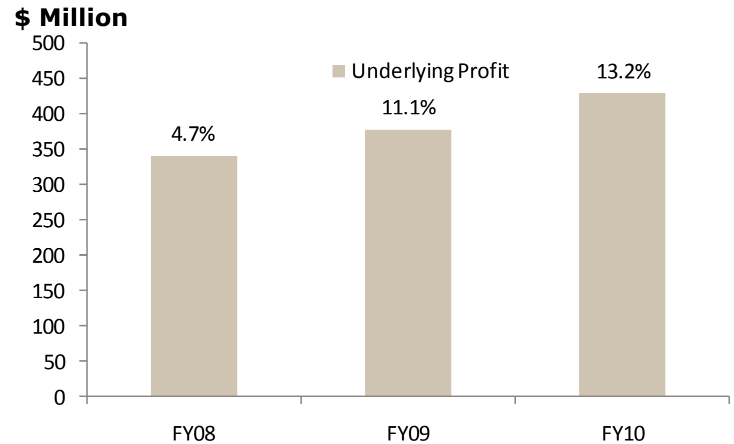
Strategy implementation delivers solid results.

- Underlying cash flow per share
  - Up 22.9% in 2010
  - Driven by improved operational efficiency
- Underlying EPS
  - Up 12.5% in 2010 (2009: +8.6%)
- Balance sheet strengthened ahead of NSW privatisation
  - Increase in retained earnings
  - Cash tax refund in FY11
  - ~$1,000 million of borrowing capacity

Underlying EPS and CFPS



Underlying Profit



* Calculated on Underlying Cash Flow (before tax).

Group Financials

Stephen Mikkelsen
Chief Financial Officer

Profit & Loss (excluding significant items & fair value movements)

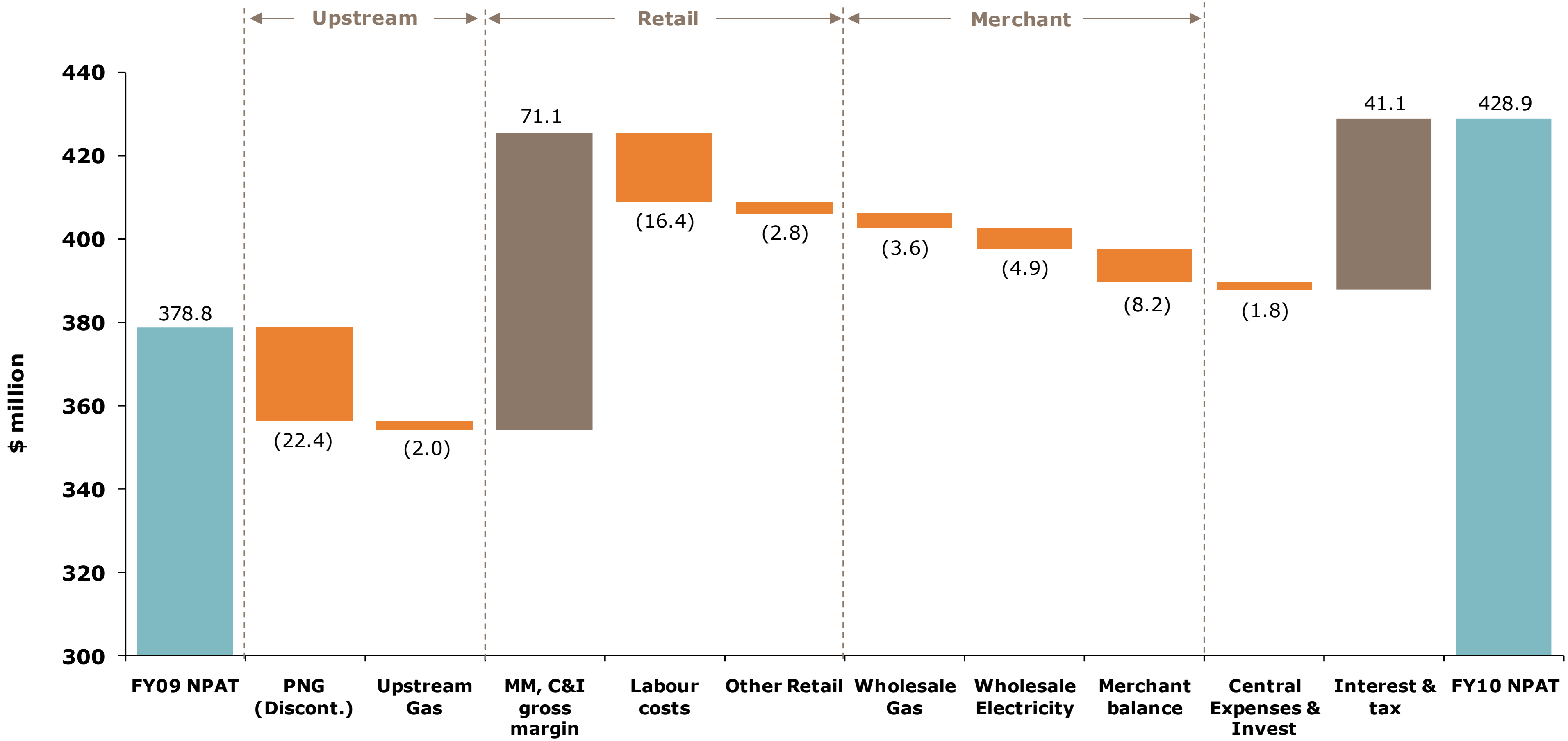
Underlying profits grow by 13%.

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Revenue	**6,610.7**	6,051.1	9.2%
Operating EBITDA	**789.6**	793.1	(0.4%)
Operating EBIT			
Retail	**318.7**	266.8	19.5%
Merchant	**386.1**	402.8	(4.1%)
Upstream Gas (incl. pro forma adjustment)[1]	**5.5**	29.9	(81.6%)
Energy Investments	**81.7**	74.8	9.2%
Centrally managed expenses	**(139.9)**	(131.2)	6.6%
Total operating EBIT[2]	**652.1**	643.1	1.4%
Less: Net finance costs	**(47.5)**	(94.0)	(49.5%)
Profit before tax	**604.6**	549.1	10.1%
Less: Income tax expense	**(175.7)**	(170.3)	3.2%
Underlying Profit	**428.9**	378.8	13.2%

1. PNG D&A $0.0m (Jun 09: $27.0m).
2. 7.3% Operating EBIT growth from continuing operations (excluding PNG, Elgas and QGC equity profits).

Group Underlying Profit

Strong uplift in Retail gross margin.



Retail – Key Financial Metrics

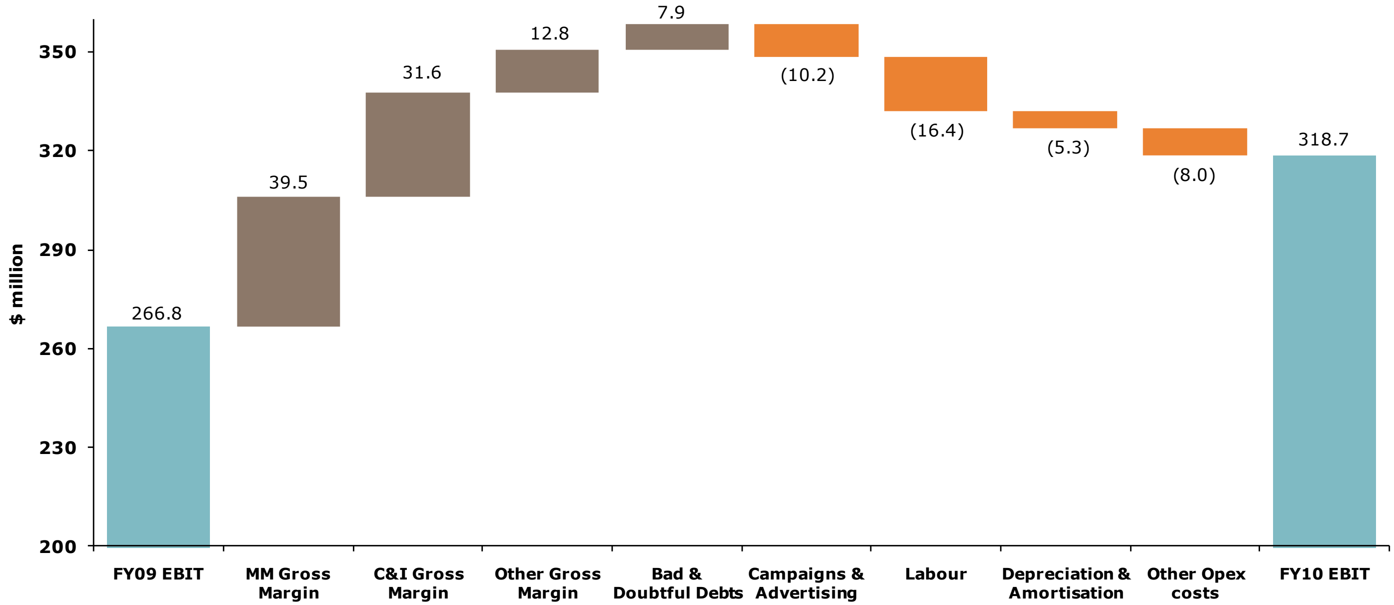
Strong revenue growth flows through to Operating EBIT.

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Electricity Revenue	**4,010.0**	3,475.2	15.4%
Gas Revenue	**1,511.9**	1,497.8	0.9%
Other Revenue (Fees & Charges)	**63.7**	50.9	25.1%
Total Revenue	**5,585.6**	5,023.9	11.2%
Cost of Sales[1]	**(4,890.3)**	(4,412.5)	10.8%
Gross Margin	**695.3**	611.4	13.7%
Operating Costs (excl. D&A)	**(335.1)**	(308.4)	8.7%
Operating EBITDA	**360.2**	303.0	18.9%
D&A	**(41.5)**	(36.2)	14.6%
Operating EBIT	**318.7**	266.8	19.5%

1. Includes $2,324.6m electricity COGS ($2,073.5m Jun 09) & $725.5m gas COGS ($735.0m Jun 09) transfer price to Merchant.

Retail – EBIT Drivers

Continued focus on customer value drives improvement.



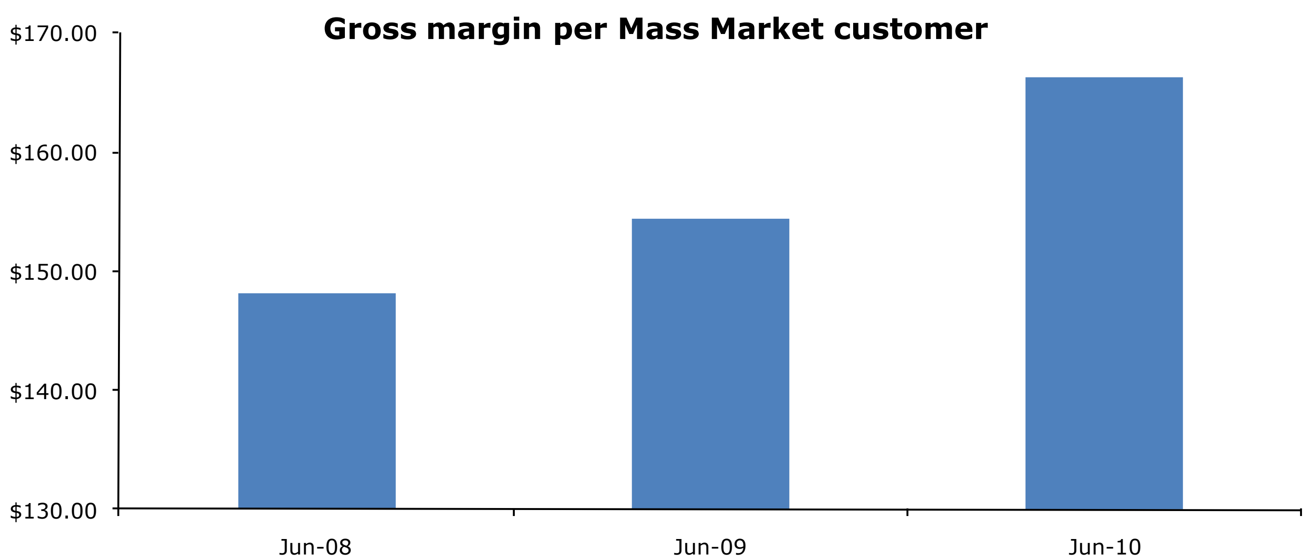
Key drivers:

- Mass market gross margin performed strongly compared to the prior period. Increases were primarily driven by regulatory and contract price outcomes as well as targeting higher value segments.
- C&I gross margin increased due to targeting higher value customers through acquisition and recontracting activities.
- Increased labour costs to achieve billing improvements, service improvements, gross margin improvements and growth in new connections.
- Higher campaign and advertising costs due to higher spending on retention and acquisition activities driving customer number growth and off-setting the impacts of market churn.
- Lower bad and doubtful debts expense includes the benefits of credit improvement initiatives.

Retail – Key Operating Metrics

Mass market margins improve but still don't deliver adequate returns.

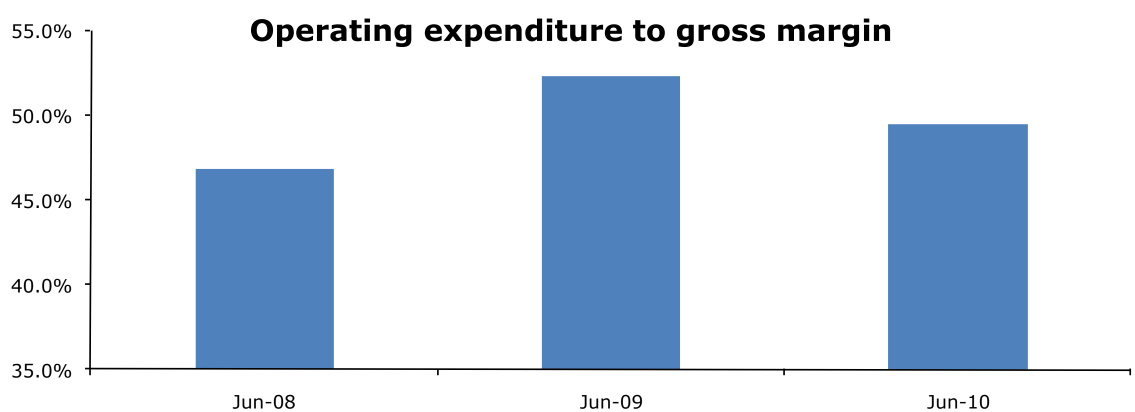
12 months to	30 Jun 2010	30 Jun 2009	Change
Mass Market gross margin ($m)	**533.3**	493.8	8.0%
Avg Mass Market customer numbers ('000)	**3,205.6**	3,191.9	0.4%
Gross margin per Mass Market customer	**$166.35**	$154.71	7.5%



Retail – Key Operating Metrics

Operating expenditure to gross margin improves to 49.5%.

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Operating costs	**335.1**	308.4	8.7%
Depreciation and amortisation	**41.5**	36.2	14.6%
Less fees and charges	**(63.7)**	(50.9)	25.1%
Net operating expenditure	**312.9**	**293.7**	**6.5%**
Gross margin	**695.3**	611.4	13.7%
Less fees and charges	**(63.7)**	(50.9)	25.1%
Gross margin less fees and charges	**631.6**	**560.5**	**12.7%**
Operating expenditure to gross margin ratio	**49.5%**	52.4%	2.9ppts



Merchant – Key Financial Metrics

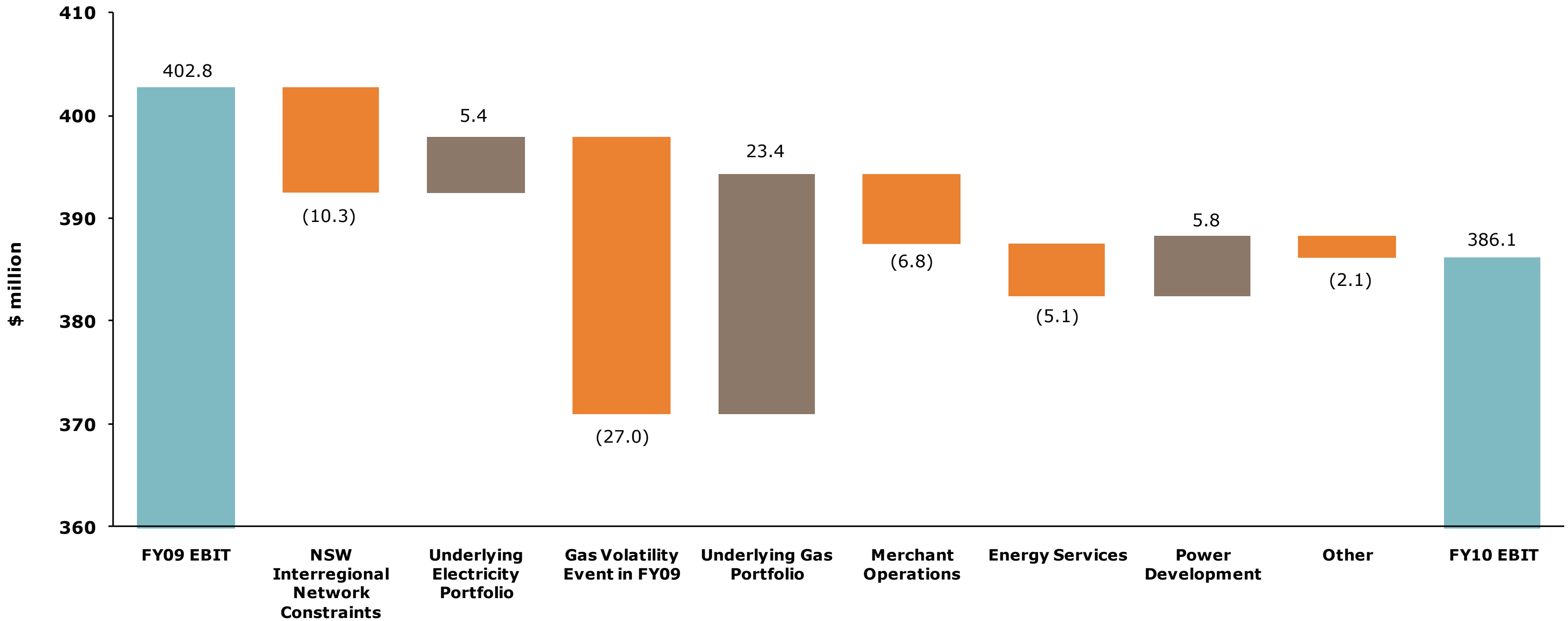
Lower market volatility and mild weather impact earnings.

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Operating EBITDA	**449.8**	460.6	(2.3%)
D & A	**(63.7)**	(57.8)	10.2%
EBIT Energy Portfolio Management (EPM)[1]			
Wholesale Electricity Gross Margin	**313.7**	318.6	(1.5%)
Wholesale Gas Gross Margin	**102.3**	105.9	(3.4%)
Eco-markets Gross Margin	**35.9**	36.6	(1.9%)
EPM Operating Expenses	**(25.8)**	(26.9)	(4.1%)
Merchant Operations	**(103.8)**	(97.0)	7.0%
Energy Services	**17.3**	22.4	(22.8%)
Power Development[2]	**56.9**	51.1	11.4%
Sundry	**(10.4)**	(7.9)	31.6%
Operating EBIT	**386.1**	402.8	(4.1%)

1. EPM operating expenses were previously reported in each of the EPM segments including Wholesale Electricity, Wholesale Gas and Eco-markets.
2. Includes development fees of $57.0m (June 09: $54.6m).

Merchant – EBIT Drivers

Strong performance from underlying gas portfolio.



Key Drivers:

- NSW Interregional Network Constraints – resulting in additional hedging costs during summer 2010.
- Gas Volatility Event – FY09 included an LNG sales event of $27.0 million arising from extreme Victorian pool prices in November 2008.
- Underlying Gas Portfolio – effective management resulted in favourable gas purchase costs in FY10.

Underlying Operating Cash Flow[1]

Strong cash generation continues.

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Statutory net cash provided by operating activities	**390.0**	235.4	
Cash flow relating to significant items	**27.8**	69.2	
Futures margin calls	**5.9**	66.8	
Increase in net green position	**17.6**	44.2	
Timing of Hallett 1 construction payments	**-**	32.0	
Underlying operating cash flow	**441.3**	447.6	
Income tax paid	**189.0**	61.7	
Underlying operating cash flow before tax	**630.3**	509.3	↑23.8%

1. See Supplementary Information for reconciliation of EBITDA to statutory cash flow.

Financial Ratios

Continued improvement across all key financial metrics.

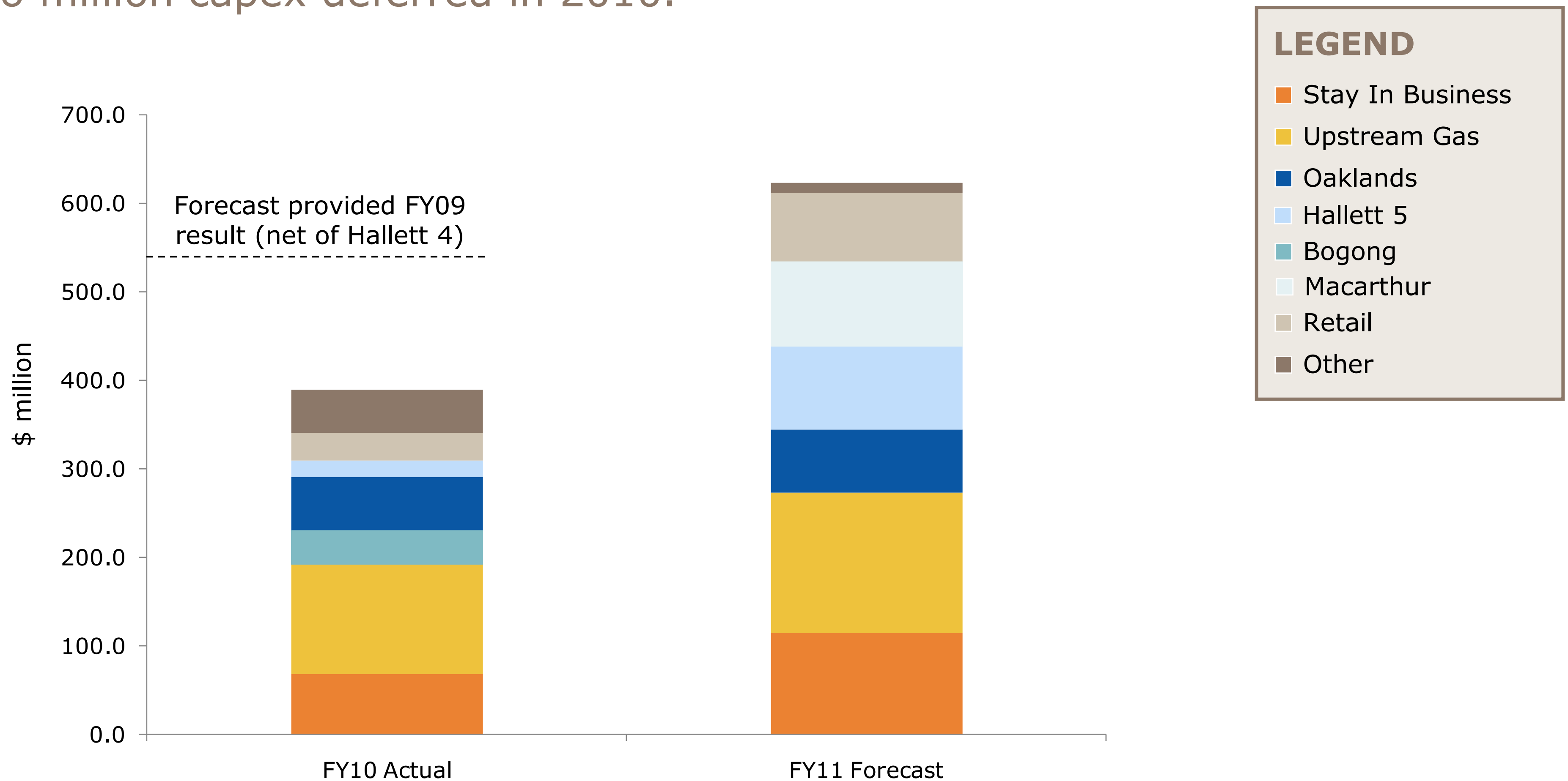
- BBB stable credit rating
  - S&P rating affirmed in May 2010
- Improved outcome in S&P's review of AGL's wind farm off-take agreements

As at	30 Jun 2010	30 Jun 2009
FFO / Interest cover (times)[1]	**7.5**	6.6
FFO / Interest cover S&P Adjusted (times)[2]	**5.4**	5.4
Net Debt	**420.4**	497.1
Net debt / (Net debt + Equity)	**6.7%**	7.8%
EBITDA / Net Interest (times)	**16.6**	8.4

1. Adjustments as applied by Standard & Poor's excluding the notional adjustment for Operating Lease Agreements and wind-farm off-take agreements.
2. Adjustments as applied by Standard & Poor's.

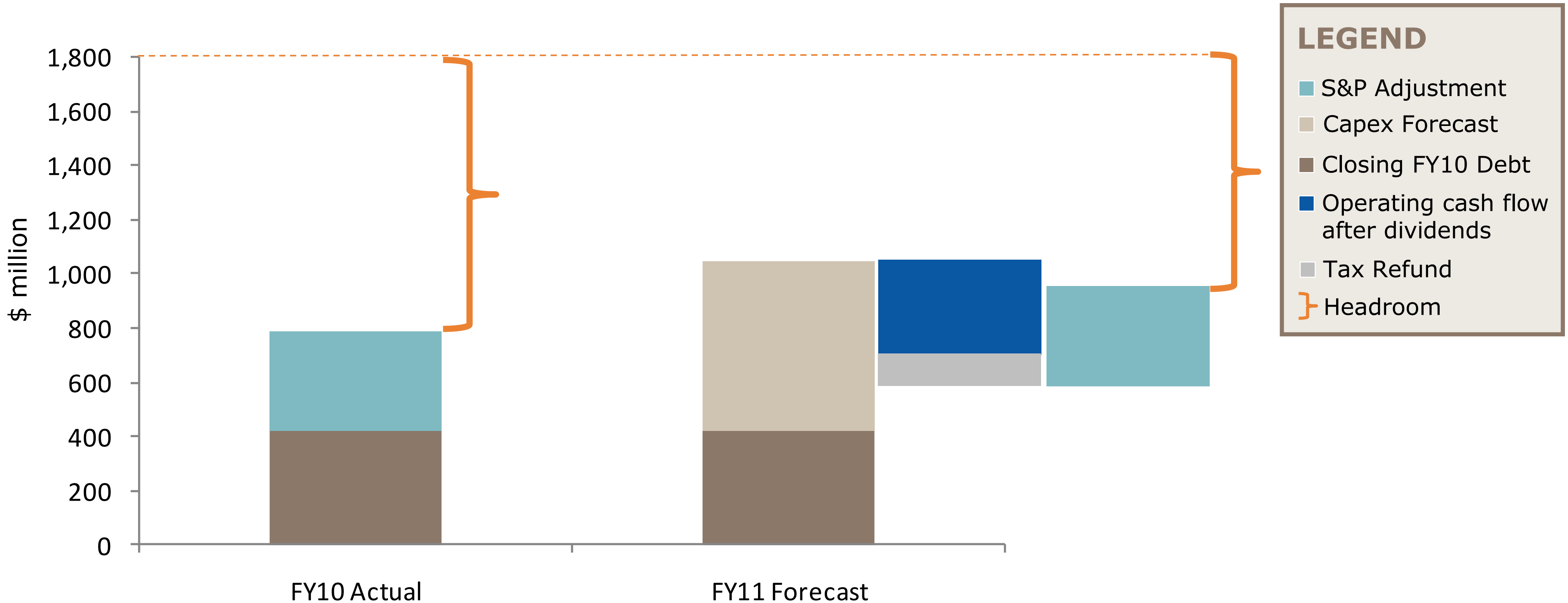
Capital Expenditure

$146 million capex deferred in 2010.



Debt Capacity

Ample headroom to fund organic growth.



Return on Funds Employed

Strong internal focus on return on assets.

12 months to $m	30 Jun 2010	30 Jun 2009	30 Jun 2008
Operating EBIT	**652.1**	643.1	693.2
Average Funds Employed	**6,953.8**	6,644.4	6,623.5
EBIT / Funds Employed	**9.4%**	**9.7%**	**10.5%**
Operating EBIT	**652.1**	643.1	693.2
Less: Upstream Gas EBIT	**(5.5)**	(4.9)	(19.4)
Less: Divested EBIT[1]	**-**	(35.6)	(125.4)
EBIT Adjusted	**646.6**	**602.6**	**548.4**
Average Funds Employed	**6,953.8**	6,644.4	6,623.5
Less: Assets under construction	**(220.6)**	(228.1)	(90.3)
Less: Upstream Gas Funds Employed	**(993.2)**	(747.1)	(572.6)
Less: Divested Funds Employed[1]	**-**	(215.6)	(727.4)
Average Funds Employed Adjusted	**5,740.0**	**5,453.6**	**5,233.2**
EBIT / Funds Employed Adjusted	**11.3%**	11.0%	10.5%

1. Divested assets include Elgas, Gasvalpo, AlintaAGL, PNG and QGC.

Operational Review

Michael Fraser
Managing Director & CEO

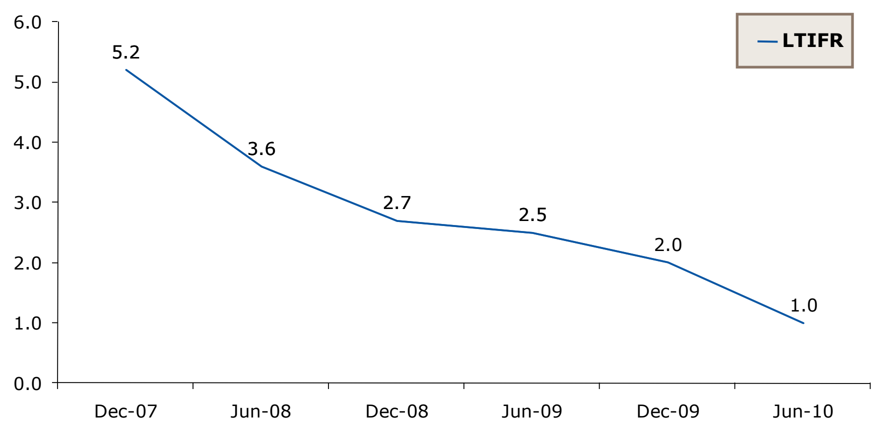
People & Safety

Continued improvement in safety performance and engagement.

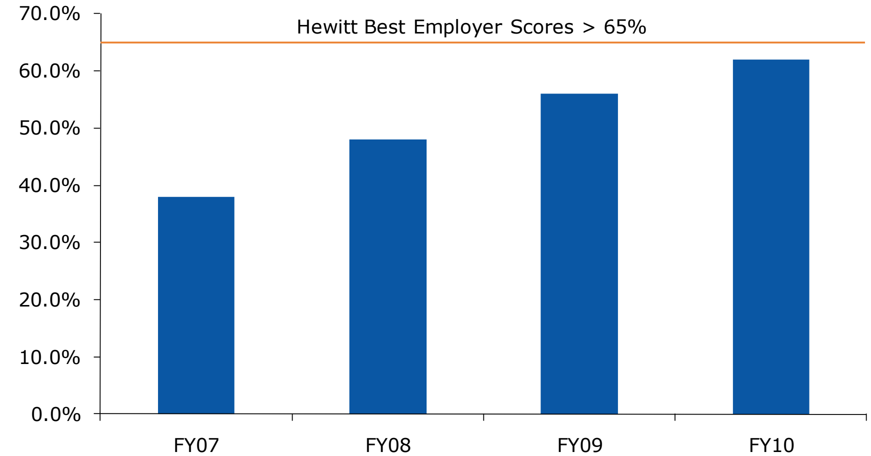
Delivering on our three people initiatives:

1. Attract, retain and develop talent
2. Enable a high performance culture
3. Continued improvement in safety performance

Lost Time Injury Frequency Rate



Employee Engagement

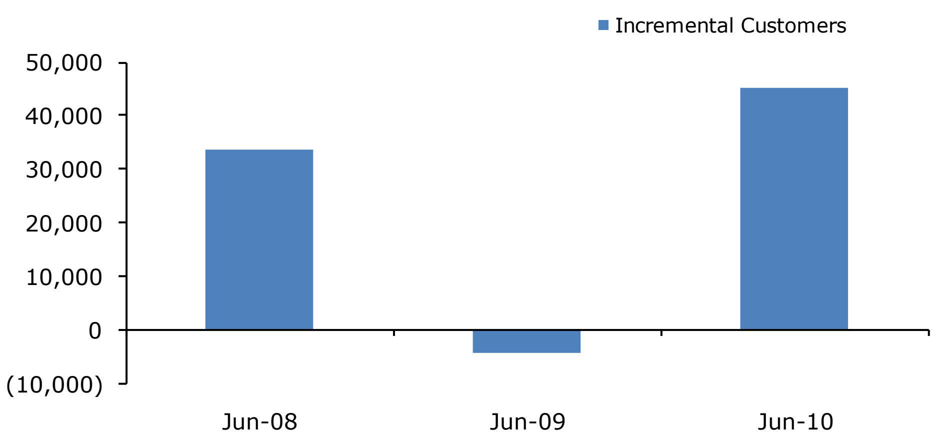


Retail – Delivering Customer Growth

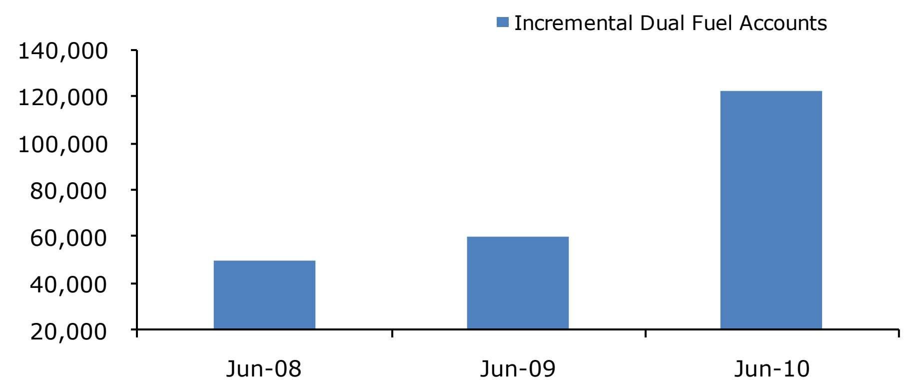
Accelerating growth in dual fuel customers.

- Customer numbers up 45,317 (+1.4%) to 3.24 million
- AGL churn at 14.7%, better than market churn of 18.7%
- Strong growth in Dual Fuel accounts, up 122,278 (+9.9%)

Incremental Customer Numbers



Dual Fuel Accounts

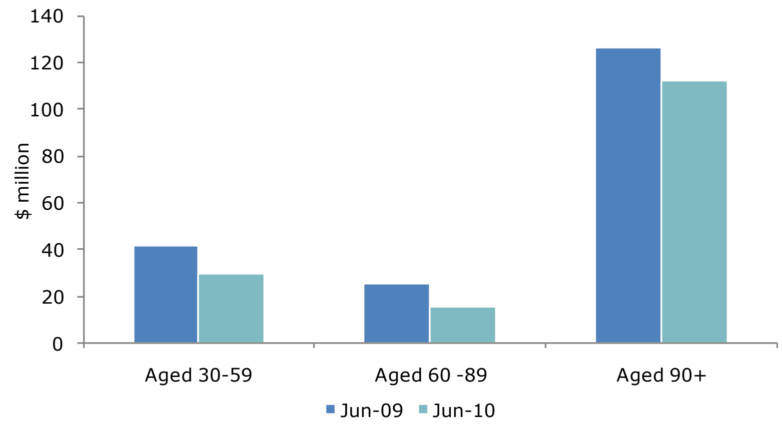


Retail – Improving Core Operations

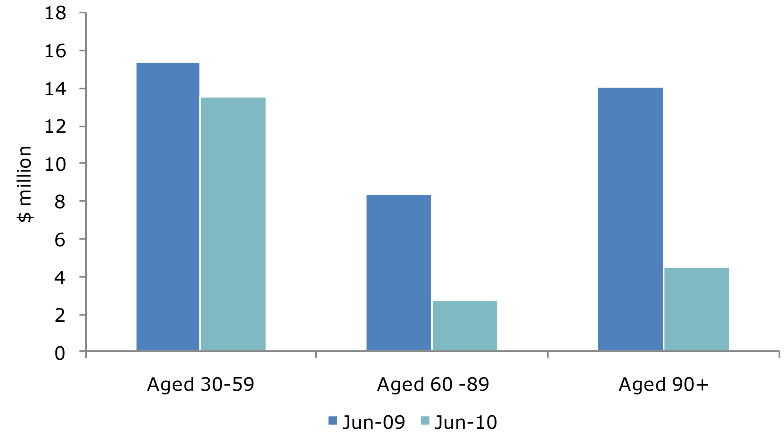
Strong working capital management.

- Unbilled customers continue to be at historical low levels and customers >30 days overdue are immaterial
- The implementation of the Credit Improvement Program contributed to improved operating cash flow
- Days sales outstanding decreased by 17%
- Net reduction in all categories of aged debt despite growing revenue streams
  - C&I total revenue increased 13.9%, or $282.8 million, compared to prior year
  - Mass market total revenue increased 9.1%, or $266.1 million, compared to prior year

Mass Market Aged Debt – improving across all categories



C&I Aged Debt – improving +90 day debt

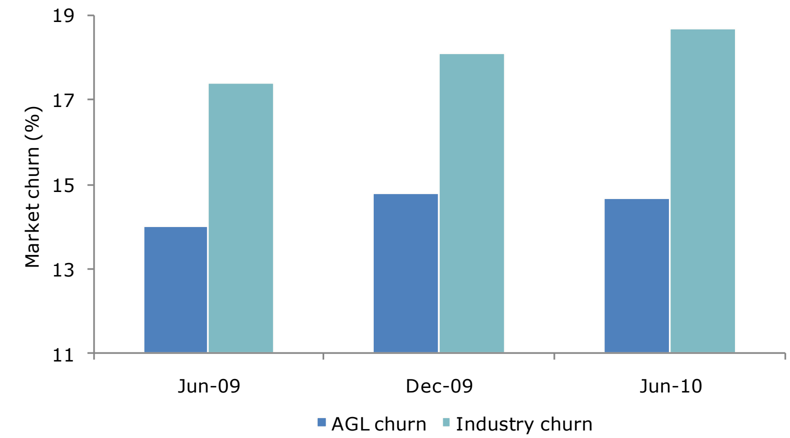


Retail – Improving Core Operations

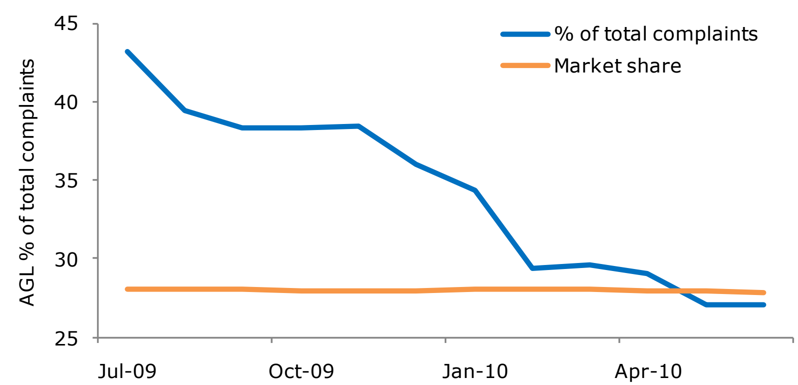
Good progress on Customer Service.

- AGL market churn remaining steady while industry churn increased
  - AGL churn 4 ppts below Industry average
  - Victoria still the most competitive market in the world; all other states in the top 10
- Effective AGL retention activity has reduced the impact of churn on gross margin and customer numbers
- AGL share of Ombudsman complaints lower than customer market share due to
  - Ongoing efforts to reduce unbilled accounts and improve timing and accuracy of SAP billing process
  - Greater focus on achieving early complaint resolution and undertaking root cause analysis

AGL churn much lower than industry



AGL share of total Ombudsman complaints decreasing

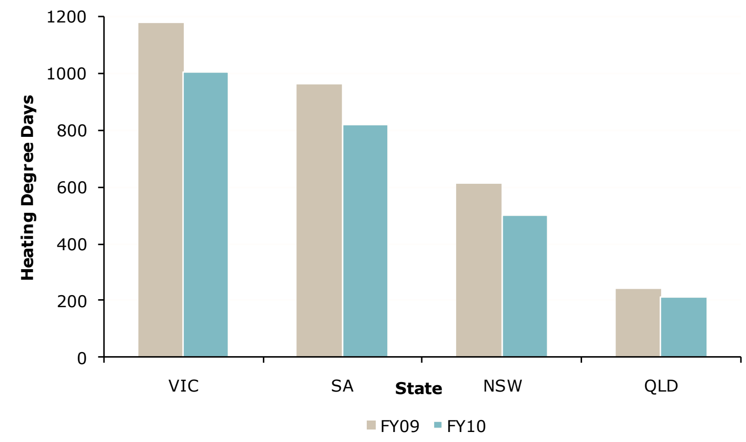


Retail – Weather Impact

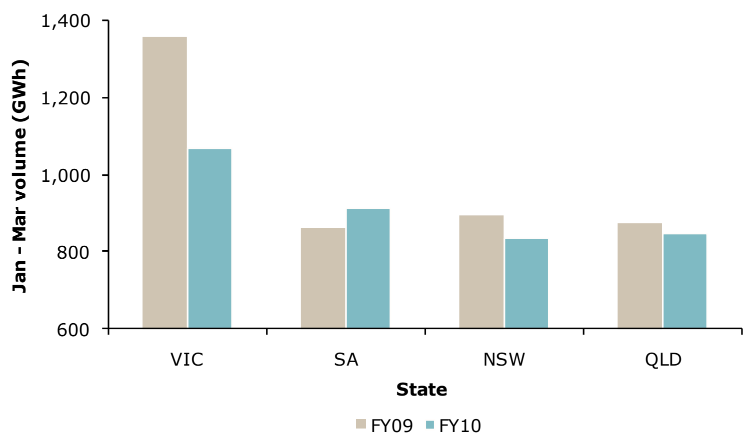
FY10 characterised by mild weather.

- Winter months
  - New South Wales August 2009 the second warmest August on record
  - Victorian average maximum temperature 2 degrees above long term average
  - South Australian July and August 2009 - the warmest average temperatures in last 60 years
  - Queensland experienced record high winter daily maximum temperatures
- Summer months
  - Mild temperatures in Victoria and South Australia; extreme weather patterns did not occur as in the previous year
  - South Australia experienced less extreme weather events in 2010 but average temperatures were higher
  - New South Wales experienced lower average day time temperatures than in 2009

Heating Degree Days



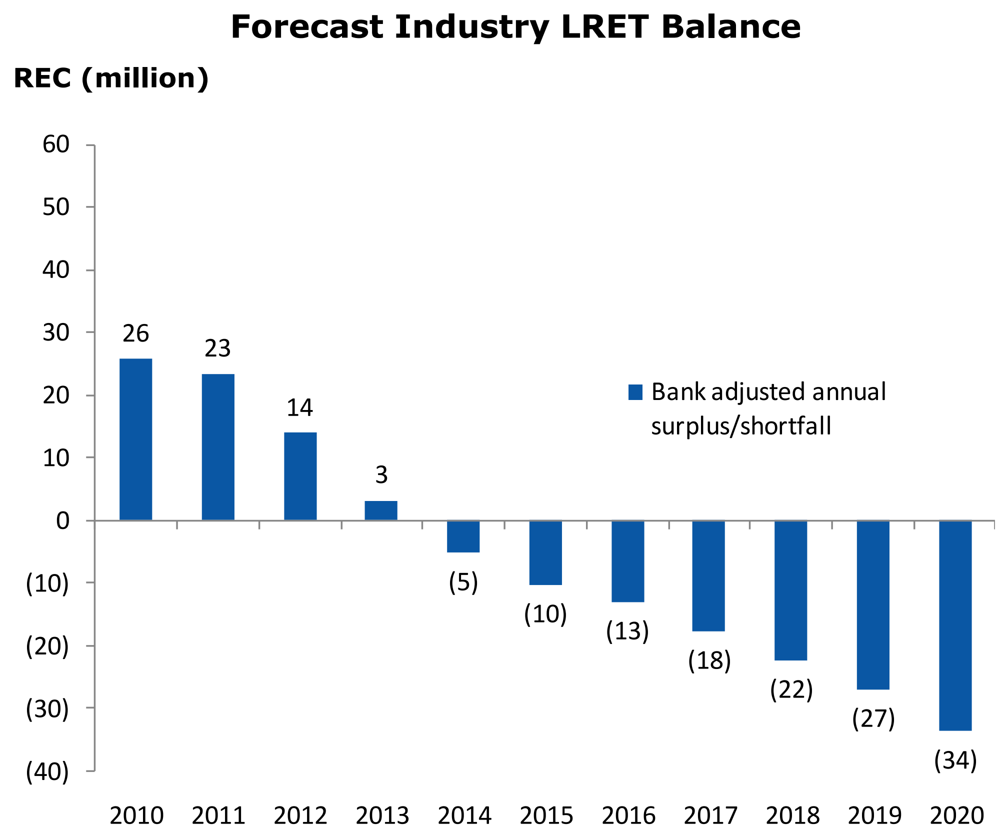
Mass market electricity volume for the summer quarter



Renewable Energy Certificates – Demand/Supply

Additional renewable generation required by 2014.

- Enhancements to RET scheme passed in June 2010
  - Ensures the majority of 20% RET is satisfied by large scale renewable generation
  - Wind likely to be dominant technology
- Macarthur wind farm approved (12 August)
  - Increased to 420 MW capacity
- AGL to satisfy its obligation via a mixture of:
  - Purchasing RECs
  - Self-build
  - PPAs with third-party providers
- AGL has contracted sufficient RECs to meet its Mass Market obligations out to 2014



Renewable Energy Certificates (REC) Obligations

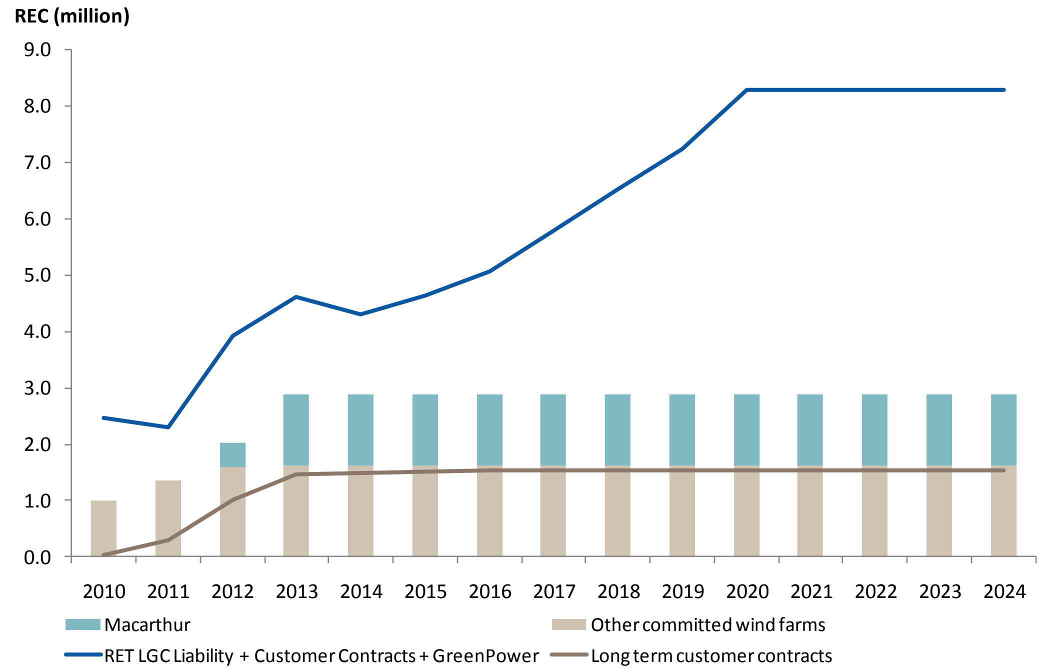
Reduction in future capex requirement.

- Reduced LRET requirement
- Increased energy generation at Macarthur
- Improves ability to stage build program

Renewable generation

- Under construction
  - Hallett 4 (132 MW)
  - Oaklands Hill (67 MW)
  - Hallett 5 (52 MW)
  - Macarthur (420 MW)
- Pipeline
  - Barn Hill, SA (150 MW)
  - Hallett 3, SA (99 MW)
  - Coopers Gap, Qld (300 MW)
  - Solar Flagships (200 MW)

AGL's RET Liability



Upstream Gas – Focused on Growing Reserves

Strong reserve upgrade at Gloucester.

- 2P reserves at Gloucester increase by 58%
- 2P reserves entitlement up 21% (1,578PJ); 3P reserves entitlement up 7% (3,372PJ)
- Initial reserves assessment expected at Hunter in 1H11

AGL share of CSG reserves	As at 30 Jun 10		As at 31 Dec 09		Change	
PJ	**2P**	**3P**	**2P**	**3P**	**2P**	**3P**
Moranbah (50%)	**501**	**1,022**	506	1,027	(1%)	-
Gloucester (100%)	**669**	**832**	423	630	58%	32%
Camden (100%)	**154**	**201**	126	170	22%	18%
Spring Gully (various, small)	**8**	**10**	7	9	14%	11%
Sub-Total	**1,332**	**2,065**	**1,062**	**1,836**	**25%**	**12%**
ATP 364P back-in rights (50%)*	**246**	**1,307**	246	1,307	-	-
Total	**1,578**	**3,372**	**1,308**	**3,143**	**21%**	**7%**

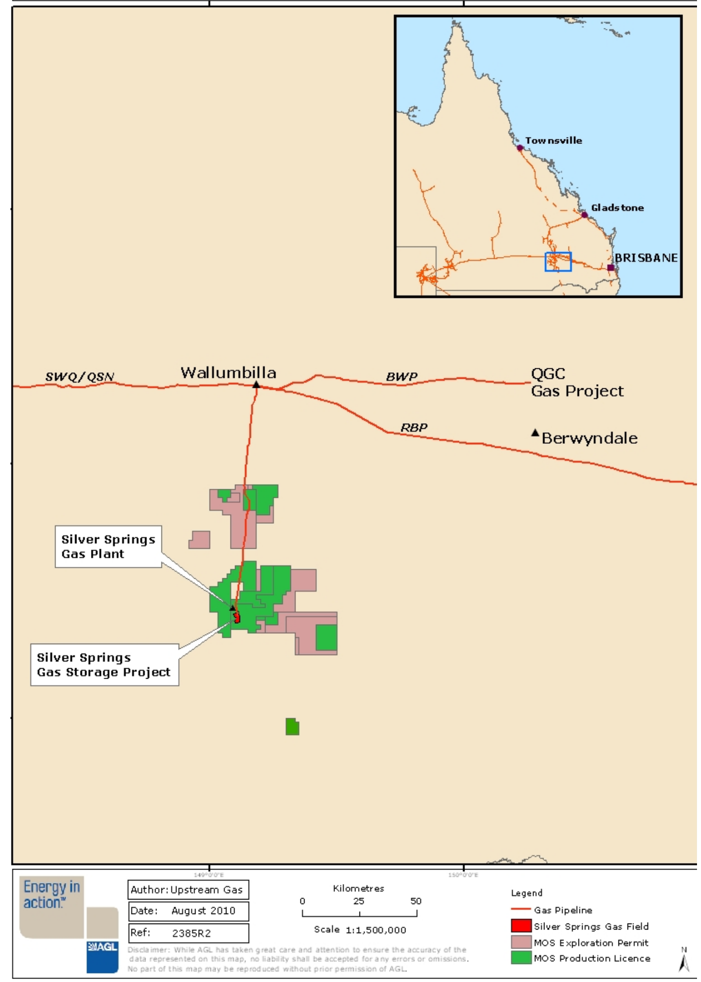
* Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 364P as these were assigned to Arrow Energy Limited. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs. Past costs are anticipated to be less than $0.05/GJ.

Mosaic Oil NL

Building strategic capability.

- Offer for Mosaic at 15 cents per share
  - Via Scheme of Arrangement
- Key dates
  - Scheme meeting 7 October 2010
  - Effective date 11 October 2010
  - Implementation date 20 October 2010
- Proposal to create a gas storage facility at Silver Springs
  - Utilise internal expertise to establish facility
  - QGC contract for first 7 years
  - Initial storage capacity of up to 35 PJ
- Upon acquisition AGL will undertake an asset rationalisation review

Mosaic's interests in the Surat Basin



NSW Electricity Privatisation

Rigorous financial discipline to be applied.

- NSW privatisation timetable
  - Data rooms opened — 1 July 2010
  - Bids due — 1 November 2010
  - Successful bids expected to be announced — Late-2010
- Potential opportunity to increase scale in both Retail & Generation
- Only bid for assets if accretive to shareholders
- Current intention is that any raising is expected to be a rights issue
  - To favour existing shareholders
- Maintenance of BBB credit rating

Summary

Operational focus delivered continued profit growth.

- Excellent performance by Retail Energy across full year
  - Substantial improvement in customer service
  - Sound platform for further growth
  - Good improvement in cash collection
- Merchant Energy delivered solid result
- Upstream Gas delivers substantial reserves upgrade
- Immediate balance sheet capacity of ~$1 billion



Outlook 2011

Solid profit growth expected to continue in 2011.

- Retail Energy expected to show solid improvement
  - Impact of regulatory price reviews
  - Further reduction in operating expenses to gross margin
  - Continued improvement in customer service
- Merchant Energy to deliver good improvement in 2011
  - Generation flexibility at Dartmouth restored
  - Bogong Hydro power station operational for 12 months
- Upstream Gas to focus on additional reserve upgrades
- Interim dividend to be unfranked reflecting impact of tax refund
- Profit guidance at AGM 21 October 2010

Further Information / Contacts

A range of information on AGL Energy Limited including ASX & Media Releases, Presentations, Financial Results, Annual Reports and Sustainability Reports is available from our website:
www.agl.com.au

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Supplementary Information

Operating EBITDA to Statutory Cash Flow Reconciliation

12 months to $m	30 Jun 2010	30 Jun 2009
Operating EBITDA	**789.6**	793.1
Equity accounting	**(39.1)**	(23.4)
Onerous gas contract	**(20.9)**	(20.9)
Receivables	**(25.4)**	(83.8)
Net movement in green assets / liabilities	**(17.6)**	(44.2)
Inventories	**(42.9)**	(8.4)
Net PNG oil and foreign exchange hedge payments	**-**	(2.8)
Creditors	**26.5**	(26.8)
Futures margin calls	**(5.9)**	(66.8)
Net derivative premiums paid / roll-offs	**6.7**	(12.8)
Net movement in GST recoverable / payable	**(6.4)**	15.3
Timing of Hallett 1 construction payments	**-**	(32.0)
Other	**(14.0)**	(11.1)
Total working capital movements	**(79.0)**	(273.4)
Operating cash flow before interest, tax & significant items	**650.6**	475.4
Net finance costs	**(43.8)**	(109.1)
Tax paid	**(189.0)**	(61.7)
Cash flow relating to significant items	**(27.8)**	(69.2)
Statutory net cash provided by operating activities	**390.0**	235.4

Energy Investments

12 months to $m	30 Jun 2010	30 Jun 2009	Change
EBIT			
ActewAGL	**30.4**	27.9	9.0%
Elgas[1]	**-**	10.6	-
Loy Yang	**45.1**	30.8	46.4%
Investments Other	**6.2**	5.5	12.7%
Total EBIT	**81.7**	74.8	9.2%

1. AGL disposed of its 50% ownership interest in Elgas on 2 October 2008.

Significant Items[1]

12 months to 30 Jun 2010 $m	Pre Tax	Tax	After Tax
Impairment of non-current assets	**(21.7)**	6.5	**(15.2)**
Acquisition costs	**(5.1)**	0.7	**(4.4)**
Phoenix change program costs	**(11.7)**	3.5	**(8.2)**
Redundancy, termination and restructuring costs	**(11.1)**	3.3	**(7.8)**
Tax consolidation adjustment	**-**	85.5	**85.5**
Total significant items	**(49.6)**	99.5	**49.9**

1. Full detail in Appendix 4E, Section 1.

Capital Expenditure

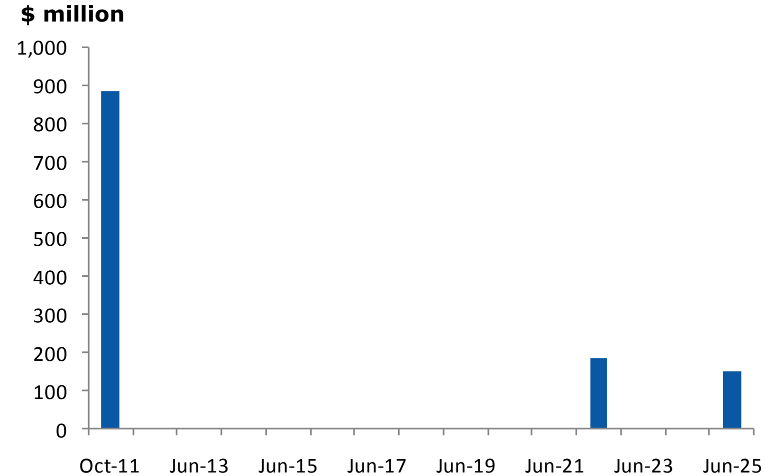
12 months to 30 Jun 2010 $m	SIB	Discretionary	Total
Merchant Energy	46.1	159.0	205.1
Upstream Gas	-	123.2	123.2
Retail Energy	-	31.5	31.5
Corporate Other	22.0	7.9	29.9
Total	**68.1**	**321.6**	**389.7**

Debt Position

- Successfully priced US$300 million unsecured notes in United States Private Placement
- Two tranches of 12 year and 15 year maturities
- No group debt maturing until October 2011

Facilities @ 30 Jun 2010 $m	Limit	Usage
Current		
Nil	N/A	N/A
Non Current		
Term facilities Tranche C	886.7	886.7
Revolving credit facility Tranche B	600.0	-
Total debt facilities	**1,486.7**	**886.7**
Cash	**-**	**480.4**
Net Debt[1]	**-**	**406.3**

Debt Maturity Profile post US Private Placement



1. Excludes other items classified as borrowings including finance lease liabilities and customer deposits. Net debt including these items is $420.4 million.

Balance Sheet

As at $m	30 Jun 2010	30 Jun 2009
Current assets	**2,208.5**	2,473.7
PPE, E&E and oil & gas assets	**2,997.1**	2,974.2
Other non current assets	**3,485.3**	3,586.8
Total Assets	**8,690.9**	9,034.7
Current liabilities	**1,532.5**	1,519.0
Total debt	**900.8**	1,120.2
Other non current liabilities	**457.7**	549.8
Total Liabilities	**2,891.0**	3,189.0
Net Assets	**5,799.9**	5,845.7
Contributed equity	**4,066.7**	4,030.3
Reserves	**(159.4)**	13.0
Retained earnings	**1,892.6**	1,802.4
Total Equity	**5,799.9**	5,845.7

Fair Value Reconciliation

As at $m	Net Assets (Liabilities) 30 Jun 2010	30 Jun 2009	Change
Electricity derivative contracts	**(474.3)**	(48.2)	(426.1)
Interest rate swap & foreign currency derivative contracts	**(7.2)**	(22.8)	15.6
Total net liabilities for derivative contracts	**(481.5)**	(71.0)	(410.5)
Change in derivative net liability	**(410.5)**		
Premiums paid	**(128.3)**		
Equity accounted fair value	**5.0**		
Premium roll off	**135.1**		
Total change in fair value	**(398.7)**		
Recognised in equity hedge reserve	**(221.3)**		
Recognised in profit and loss	**(177.4)**		
Total change in fair value	**(398.7)**		

Gas Sales Volume

12 months to PJ	30 Jun 2010	30 Jun 2009	Change
Mass Market			
VIC	**28.1**	31.4	(10.5%)
SA	**2.0**	1.8	11.1%
NSW	**25.0**	27.2	(8.1%)
QLD	**3.2**	2.6	23.1%
Mass Market Total	**58.3**	63.0	(7.5%)
C & I			
VIC	**25.8**	29.2	(11.6%)
SA	**7.3**	2.9	151.7%
NSW	**39.0**	46.1	(15.4%)
QLD	**14.6**	13.7	6.6%
C & I Total	**86.7**	91.9	(5.7%)
Wholesale Customers & Generation[1]	**65.9**	68.4	(3.7%)
Total	**210.9**	**223.3**	**(5.6%)**

1. Includes volumes sold to TIPS and Yabulu during full year Jun 10 23.4PJ (Jun 09 27.4PJ). Decrease due to lower generation at TIPS (4PJ).

Electricity Sales Volume

12 months to GWh	30 Jun 2010	30 Jun 2009	Change
Mass Market			
VIC	**4,931**	5,055	(2.5%)
SA	**3,404**	3,290	3.5%
NSW	**3,338**	2,882	15.8%
QLD	**3,406**	3,576	(4.8%)
Mass Market Total	**15,079**	14,803	1.9%
C & I			
VIC	**6,097**	5,618	8.5%
SA	**3,196**	2,579	23.9%
NSW	**5,397**	5,079	6.3%
QLD	**4,593**	5,887	(22.0%)
C & I Total	**19,283**	19,163	0.6%
Total (excl. ActewAGL)	**34,362**	**33,966**	**1.2%**
Purchased volume ActewAGL	**3,014**	2,916	3.4%

Retail – Mass Market Key Indicators (includes SME)

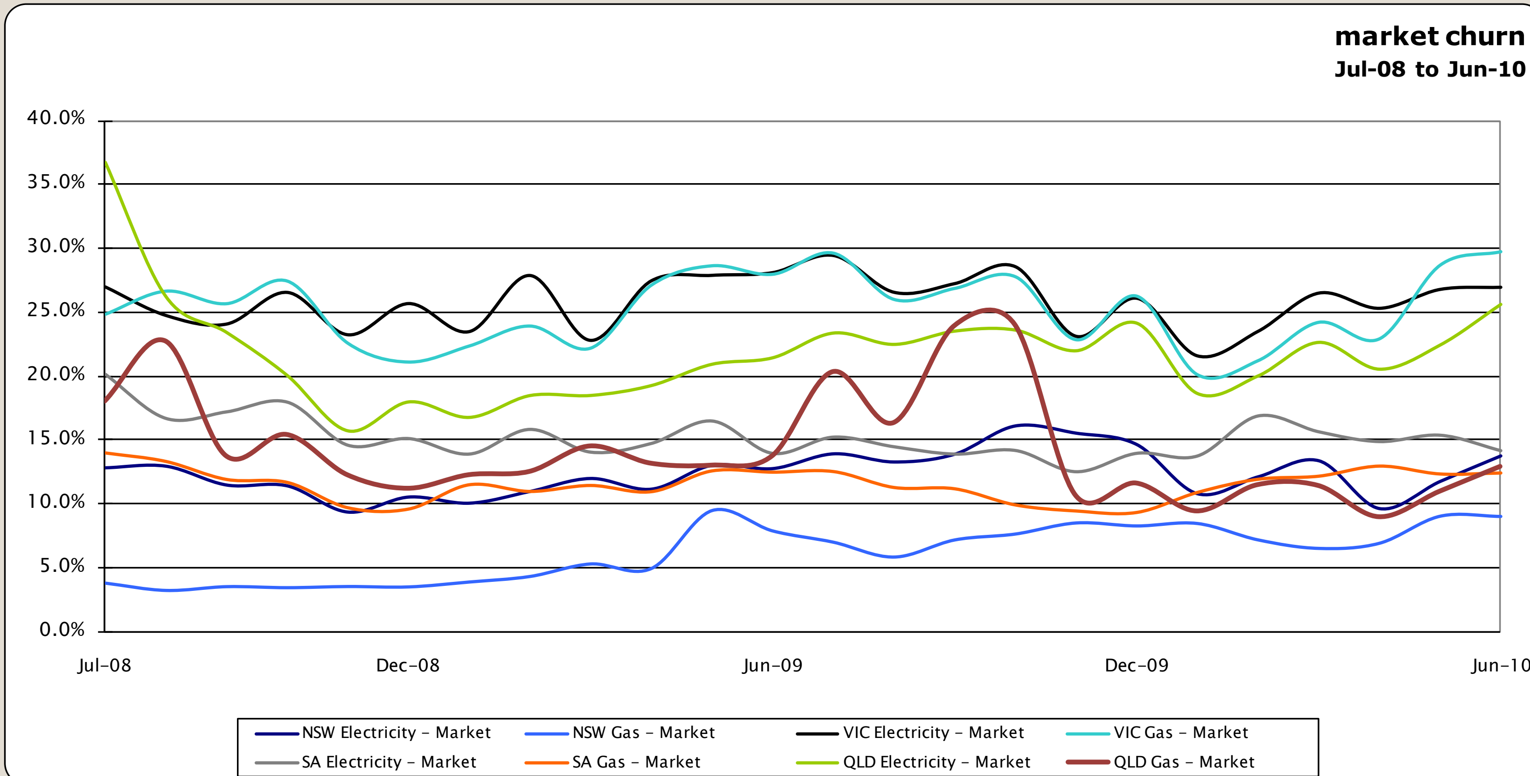
12 months to Electricity	30 Jun 2010	30 Jun 2009	Change
Volume (GWh)	**15,080**	14,803	1.9%
Mass Market Accounts ('000)	**1,856**	1,793	3.5%
Revenue ($m)	**2,208.9**	1,945.6	13.5%
Gross Margin ($m)	**345.0**	317.3	8.7%
Gross Margin	**15.6%**	16.3%	(0.7) ppts
Gross Margin per customer	**$188.93**	$176.90	6.8%
12 months to Gas			
Volume (PJ)	**58.3**	63.0	(7.5%)
Mass Market Accounts ('000)	**1,368**	1,388	(1.4%)
Revenue ($m)	**993.9**	991.1	0.3%
Gross Margin ($m)	**188.3**	176.6	6.6%
Gross Margin	**18.9%**	17.8%	1.1 ppts
Gross Margin per customer	**$136.47**	$125.87	8.4%

Retail – C & I Key Indicators

12 months to Electricity	30 Jun 2010	30 Jun 2009	Change
Volume (GWh)	**19,283**	19,163	0.6%
C & I Accounts ('000)	**16.5**	14.0	17.9%
Revenue ($m)	**1,801.1**	1,529.6	17.7%
Gross Margin ($m)	**49.6**	31.3	58.5%
$ / MWh	**$2.57**	$1.63	94.0%
12 months to Gas			
Volume (PJ)	**86.7**	91.9	(5.7%)
C & I Accounts ('000)	**1.0**	1.0	0%
Revenue ($m)	**518.0**	506.7	2.2%
Gross Margin ($m)	**48.8**	35.4	37.5%
$ / GJ	**$0.56**	$0.39	17.0%

Retail – Market Churn

AGL churn below Market (14.7% vs. Market at 18.7%)



Retail – Delivering customer growth

State	Period[1]	Gas	Electricity	Total
Victoria	***FY10*** *FY09*	***468,190*** *472,678*	**642,588** 651,958	**1,110,778** 1,124,636
South Australia	***FY10*** *FY09*	***96,788*** *84,955*	**477,879** 463,907	**574,667** 548,862
New South Wales	***FY10*** *FY09*	***726,692*** *752,292*	**380,801** 329,100	**1,107,493** 1,081,392
Queensland	***FY10*** *FY09*	***77,454*** *79,011*	**371,267** 362,391	**448,721** 441,402
Total accounts (Net)	***FY10*** *FY09*	***1,369,124*** *1,388,936*	**1,872,535** 1,807,406	**3,241,659** 3,196,342
Change		***(19,812)*** *(1.4%)*	**+65,129** +3.6%	**+45,317** +1.4%

Dual fuel accounts **Change**	***FY10***	**1,362,074** **+122,278**

1. As a result of the Hansen Hub conversion and relevant customer account reconciliations following this, a downward adjustment has been made to the opening balance for the year of 7,400 in Queensland Gas for FY09.

Retail – Cost to Serve

12 months to	30 Jun 2010	30 Jun 2009[3]	Change
Net operating expenditure	**312.9m**	293.7m	6.5%
Net operating cost per customer account	**$97.11**	$91.47	6.2%
Cost to grow/retain	**77.5m**	67.5m	14.8%
Cost to grow per account acquired/retained[1]	**$86.84**	$81.63	6.4%
Cost to serve	**235.4m**	226.2m	4.1%
Cost to serve per customer account[2]	**$73.06**	$70.46	3.7%

- Cost to grow per acquisition / retention increased due to a higher spend on customer sales and retention activities
- Cost to serve per customer account up – labour cost increase due to maintaining low unbilled levels, increased sales and support for C&I customers and increased connections and transfers, and higher Ombudsman costs

1. Cost to grow per account acquired / retained = costs to win and retain market contracts and transfer customers to AGL DIVIDED by contracts acquired PLUS contracts retained.
2. Cost to serve per customer account = net operating costs LESS cost to grow DIVIDED by average customer accounts.
3. The cost to grow/retain has been adjusted to include all labour costs associated with growth and retention in 2010 and the prior corresponding period. The prior year impact of this change was a $6.8 million increase in cost to grow/retain.

Retail – EBIT / Sales Analysis

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Total revenue	**5,585.6**	5,023.9	11.2%
Cost of sales	**(4,890.3)**	(4,412.5)	10.8%
Gross margin	**695.3**	611.4	13.7%
Operating costs (excl D & A)	**(335.1)**	(308.4)	8.7%
Operating EBITDA	**360.2**	303.0	18.9%
Depreciation and amortisation	**(41.5)**	(36.2)	14.6%
Operating EBIT	**318.7**	266.8	19.5%
Operating EBIT / Sales (%)	**5.7%**	5.3%	0.4 ppts

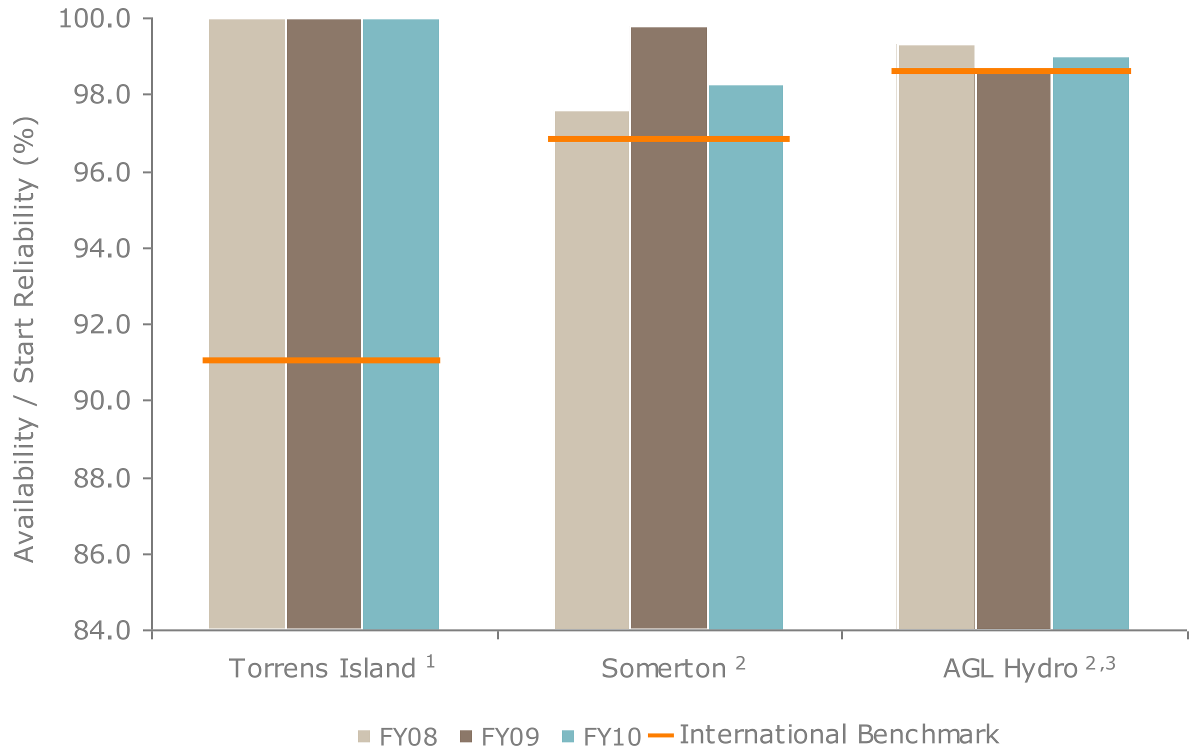
Merchant - EBIT Analysis

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Revenue from Retail Business			
- Electricity (COGS transfer price)	**2,324.6**	2,073.5	12.1%
- Gas (COGS transfer price)	**725.5**	735.0	(1.3%)
External Revenue			
- Generation Revenue[1]	**361.5**	321.6	12.4%
- ActewAGL[2]	**253.9**	256.2	(0.9%)
- External (3rd Party) Revenue[3]	**361.0**	299.7	20.5%
- Wind Farm Development Fees	**57.0**	54.6	4.4%
Total Merchant Revenue	**4,083.5**	3,740.6	9.2%
Cost of Goods Sold			
- Electricity COGS[4]	**(2,606.1)**	(2,351.8)	(10.8%)
- Electricity CFD's	**93.4**	110.6	15.6%
- Gas COGS	**(863.0)**	(835.2)	(3.3%)
- Green Certificates	**(155.7)**	(103.9)	(49.9%)
Gross Margin	**552.1**	560.3	(1.5%)
Operating Costs	**(102.3)**	(99.7)	2.6%
EBITDA	**449.8**	460.6	(2.3%)
D&A	**(63.7)**	(57.8)	10.2%
EBIT	**386.1**	402.8	(4.1%)

1. Generation revenue is pool revenue from owned generation assets.
2. ActewAGL June 10: Electricity sales 63%, Gas sales 30%; Other sales 7%; June 09: Electricity sales 66%, Gas sales 27%; Other sales: 7%.
3. External revenue June 10: Gas sales 45%, Green Certificate sales 36%, Other sales 19%; June 09: Gas sales 46%, Green Certificate sales 34%, Other sales 54%.
4. Electricity COGS includes $113.5m (June 09: $129.0m) of gas costs for gas fired generation (TIPS, Oakey, Somerton and Yabulu) which is reported in Wholesale Electricity EBIT.

Merchant Generation

Commercial Availability / Start Reliability (%)



Operational performance of generation assets continues to exceed international benchmarks.

1. Commercial availability is used to measure Torrens Island performance, and represents the percentage of times the plant is available to operate when required.
2. Start reliability is used to measure the performance of Somerton and AGL Hydro. Start Reliability is the percentage of times the plant started successfully when asked to start.
3. NERC – North American Electric Reliability Council 5 Year average for Hydro facilities adjusted for the difference in operating regime between the North American fleet and AGL's fleet which operate as peaking plant which increases the frequency of starts and stops.

Merchant - Wind Farm Generation

- Hallett 2 commissioned 17 May 2010
- High operational availability continued across portfolio

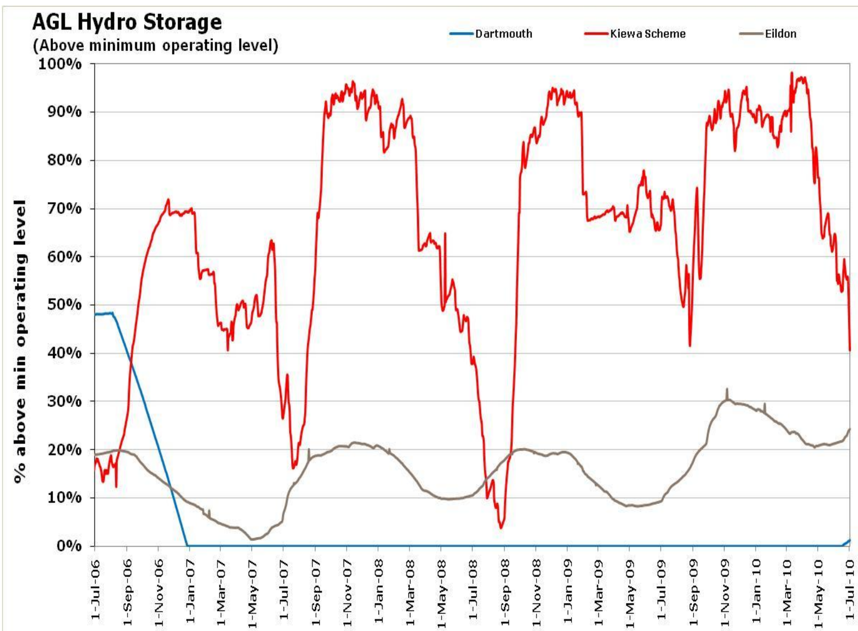
Twelve months to 30 June 2010	Unit	Wattle Point	Hallett 1	Hallett 2	Total
Capacity	**MW**	90.8	94.5	71.4	256.7
Availability	**%**	95.2	95.7	94.9	95.3
Generated Energy[1]	**MWh**	206,690	328,530	244,800	780,020
Capacity Factor	**%**	31.7	40.7	39.8	37.3

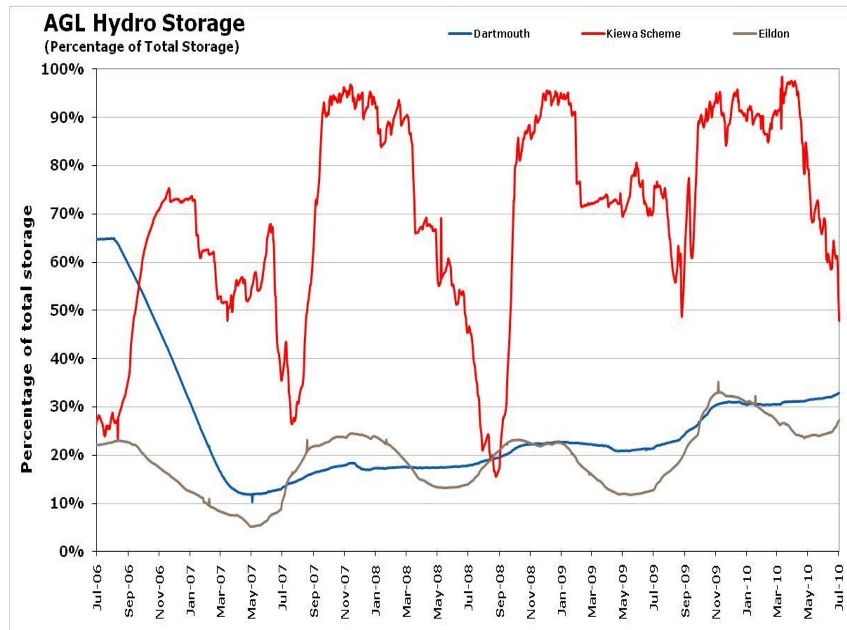
Notes

1. Energy generated at node.

Merchant – Hydrology

- 52.6% of Hydro capacity is now linked to drought resistant Kiewa Scheme
- Eildon can deliver 80MW of generation out of 120MW capacity
- Dartmouth has had good inflows over the last 12 months. Re-commissioning works are underway to have the plant operational prior to the summer period. Current dam storage level has reached 34% of capacity with 90MW to 100MW of generation capacity (out of total 180MW) expected over summer



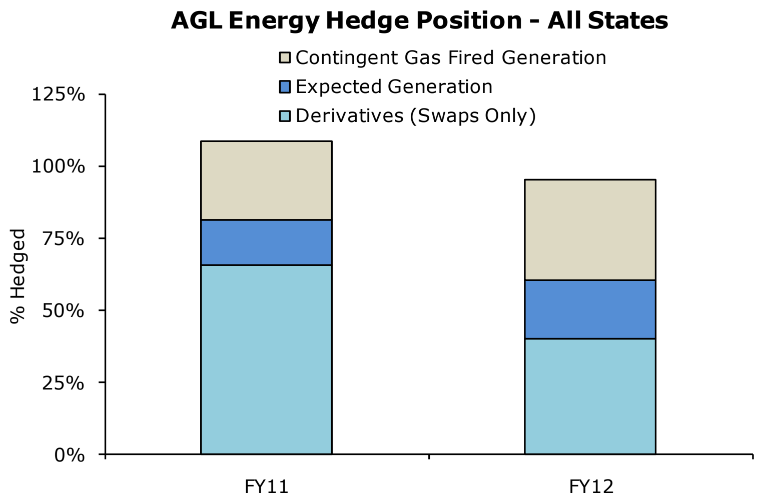


Merchant - Electricity Hedging: Policy

- AGL Risk Management Policy is set by the Board and establishes the requirements for the management of wholesale risk
- Clearly defined and approved commodity and transaction limits
- Counter party credit limit tier allocation
- Market price risk is contained with requirements for hedging based upon physical limits and financial limits:
  - **Physical Limits**: Appropriate hedges to meet minimum fraction of expected energy load
  - **Financial Limits**: Additional limits defined on basis of detailed economic analysis of portfolio dynamics of load, hedge contracts, generation and volatile prices:
    - Earnings at Risk limits are established as the worst outcome expected 1 year in every 10

Merchant - Electricity Hedging: Position

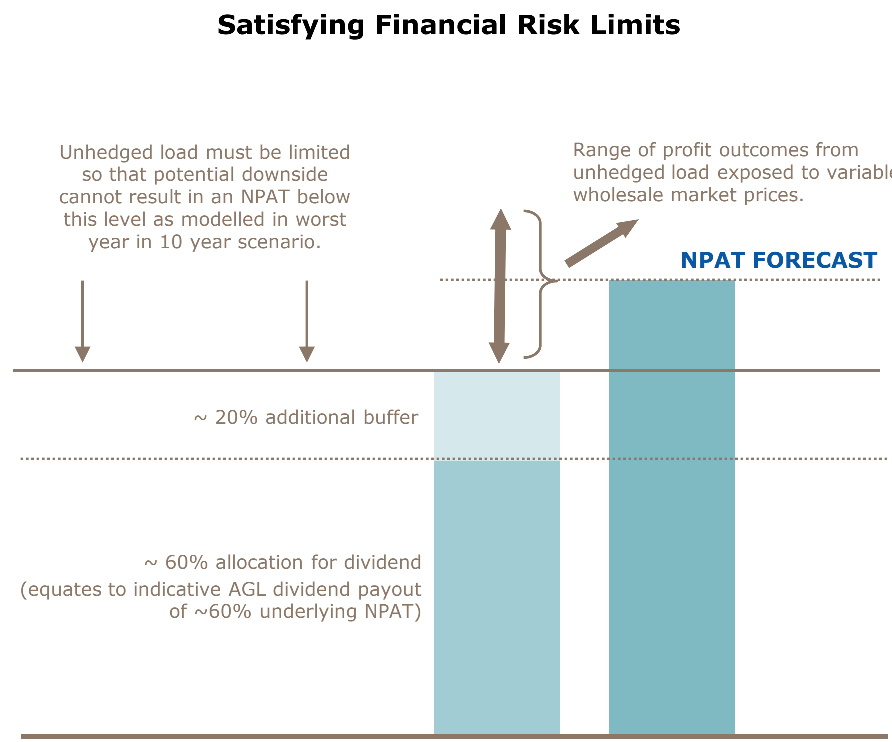
Physical



Key Points

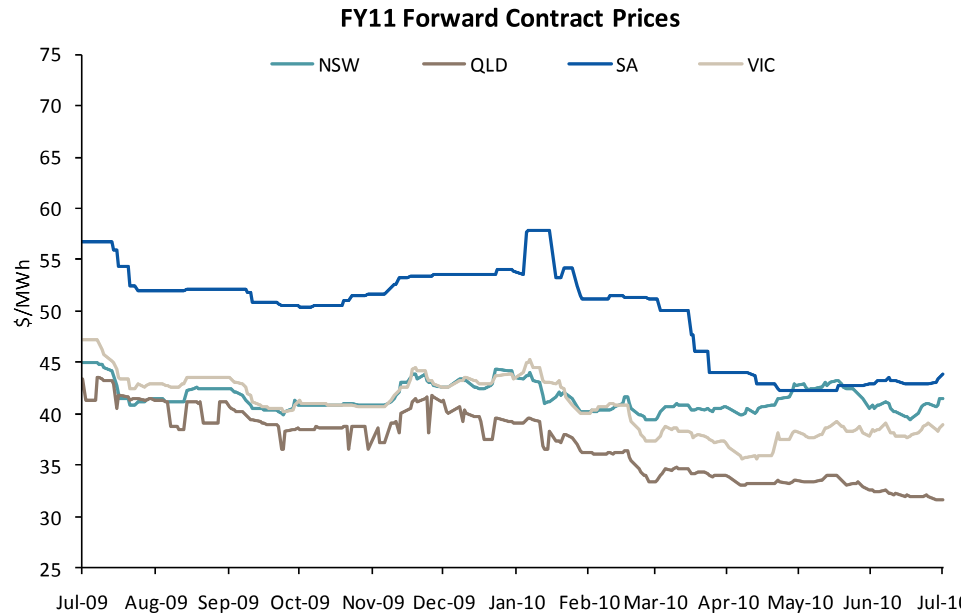
- Positions across all states and time periods have been aggregated
- Reference load is average annual energy (in MWh) for 100% of (C&I Contracted Load + Expected Mass Market Load)
- Expected Generation represents AGL's internal estimate of the amount of energy likely to be generated based on pool price, fuel cost and hydrology assumptions
- Contingent Gas Fired Generation is the maximum amount of energy that AGL's portfolio could generate if required
- Position does not include AGL's passive investment in Loy Yang A

Financial



Merchant – Wholesale Electricity Prices

- A relatively mild 2009 winter and declining spot prices across the NEM resulted in the forward curve being sold off in all states
- Hot weather in NSW in December combined with a constraint on a physical line caused spot volatility which rallied the forward curve leading into 2010
- A heat wave in VIC and SA in January saw the forward curve testing 6-month highs, however milder temperatures from then on saw the forward curve once again being sold off
- Underlying (less than $300/MWh) spot prices have continued to decline since summer, assisted by new generation coming online in NSW and QLD. This has driven the forward curve to near 3-year lows



Upstream Gas – Key Financial Metrics

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Operating EBITDA	**26.6**	101.2	(73.7%)
D & A	**(21.1)**	(44.3)	(52.4%)
Pro forma D & A adjustment[1]	**-**	(27.0)	na
EBIT			
PNG Upstream Investment (net of pro forma adjustment)	**-**	22.4	na
Upstream Gas			
Queensland / South Australia	**4.7**	7.3	(35.6%)
New South Wales	**4.3**	1.2	258.3%
Equity Investments	**(2.2)**	2.3	(195.7%)
Sundry	**(1.3)**	(3.3)	(60.6%)
Operating EBIT	**5.5**	29.9	(81.6%)

1. Prior period includes AGL's interest in oil and gas exploration and production in Papua New Guinea, sold on 18 December 2008.

Upstream Gas Interests – Permit Details

Basin	Project	Permits		Working Interest
		Exploration (Area km^2)	Production (Area km^2)	
Sydney	Camden Gas Project	PEL 2 (6,696) PEL 5 (400) - - - - -	- - PPL 1 (48) PPL 2 (1) PPL 4 (55) PPL 5 (103) PPL 6 (7)	100% 100% 100% 100% 100% 100% 100%
	Hunter Gas Project	PEL 4 (5,076) PEL 267 (4,913)	- -	100% 100%
Gloucester	Gloucester Gas Project	PEL 285 (1,018)	-	100%
Bowen	Moranbah Gas Project	ATP 364P (4,494) - - - - -	- PL 191 (220) PL 196 (38) PLA 222 (108) PL 223 (166) PL 224 (70)	99%* 50% 50% 50% 50% 50%
	Spring Gully Project	ATP 592P (1,738) - - -	- PL 195 (257) PL 203 (259) PL 204 (220)	0.75% 0.75% 0.75% 0.0375%
Galilee	Galilee Exploration Project	ATP 529P (5,949)	-	50%**
Cooper / Eromanga	Conventional oil and gas targets	PEL 101 (154) PEL 103 (177) PEL 103A (56)	- - -	35%** 37.5%** 37.5%**

* Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 364P as these were assigned to Arrow Energy Limited. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs. Past costs are anticipated to be less than $0.05/GJ.

** Working interests reflect AGL's final position after respective farm-in programs are completed.

Loy Yang A: Financial Performance

12 months to $m	30 Jun 2010	30 Jun 2009	Change
Generation Volume (GWh)	**15,518**	14,911	4.1%
Average Price ($/MWh)[1]	**$42.62**	$40.46	5.3%
Sales Revenue[2]	**715.7**	655.7	9.2%
Other Revenue	**21.7**	23.0	(5.7%)
Expenses	**(264.7)**	(243.7)	8.6%
Depreciation	**(112.7)**	(112.2)	0.4%
Borrowing costs	**(252.4)**	(257.3)	(1.9%)
Profit (loss) after tax before fair value changes	**107.6**	65.5	64.3%
AGL share of profit (loss) after tax before fair value	**35.0**	19.6	78.6%
Interest on loan note	**10.1**	11.2	(9.8%)
Operating EBIT	**45.1**	30.8	46.4%

1. Weighted average price based on Generation Revenue and Generation Volume.
2. Sales Revenue includes revenue from generation, mining and infrastructure services.