Energy in action.®

FY13 Full Year Results

12 Months to 30 June 2013

Michael Fraser, Managing Director and CEO
Brett Redman, Chief Financial Officer | 28 August 2013

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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.

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Statutory Profit and Underlying Profit

Statutory Profit is prepared in accordance with the Corporations Act 2001 and the Australian Accounting Standards, which comply with the International Financial Reporting Standards.

Underlying Profit is the Statutory Profit adjusted for significant items and changes in fair value of financial instruments.

Underlying Profit has been presented with reference to the Australian Securities and Investment Commission Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. AGL's policy for reporting Underlying Profit is consistent with this guidance and the Directors have had the consistency of the application of the policy reviewed by the external auditors of AGL. For more information refer to slide 7 and the Appendix 4E.

Agenda

- **Result Highlights** Michael Fraser
- **Group Financials** Brett Redman
- **Operational Review** Michael Fraser
- **Supplementary Information**

IMPORTANT NOTE:

This presentation should be read in conjunction with the AGL Energy Limited ASX Appendix 4E and the Consolidated Financial Statements for the 12 months ended 30 June 2013.

FY13 Highlights

Strong cash performance and profit growth.

- Statutory Profit of $388.7 million up 238.3%
- Underlying Profit of $598.3 million up 24.1%
- Underlying EPS of 108.8 cents per share up 8.8%
- Underlying Operating Cash Flow before interest and tax of $1.2 billion up 64.1%
- Provision for impairment of NSW gas projects of $343.7 million (pre-tax)
- Total injury frequency rate down by 31%
- Record level of employee engagement up 10%
- Successfully integrated Loy Yang A and completed Macarthur wind farm (420 MW)
- Proposed acquisition of Australian Power and Gas announced 15 July 2013
- Financial close for largest solar project in southern hemisphere (155 MW)

FY13 Results

Strong improvement of both Underlying and Statutory Profit.

FINANCIAL

Revenue:	$9,715.7m	↑ 30.3%
Statutory Profit:	$388.7m	↑ 238.3%
Underlying Profit:	$598.3m	↑ 24.1%
Statutory EPS:	70.7 cps	↑ 197.1%
Underlying EPS:	108.8 cps	↑ 8.8%
DPS: (final dividend 33.0 cents - 100% franked)	63.0 cps (FY12: 61.0 cps)	↑ 2.0 cps
Gearing (Net Debt/Net Debt + Equity)	27.8% (FY12: 26.1%)	↑ 1.7 ppts
Statutory operating cash flow after tax	$601.8m	↑ $135.3m
Underlying operating cash flow before interest and tax	$1,232.0m	↑ $481.3m

HIGHLIGHTS

- Revenue growth of 30.3% driven by expansion of generation portfolio and higher retail prices
- Underlying Profit growth driven by:
  - Strong Merchant results following Loy Yang A integration (up 58.1%); and
  - Solid performance from Retail (up 6.8%)
- Higher operating cash flow reflects higher earnings and focus on working capital
- Final dividend of 33.0 cents per share fully franked

Group Financials

Brett Redman
Chief Financial Officer

Statutory Profit to Underlying Profit Reconciliation

Strong growth in Underlying Profit driven by Merchant.

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Statutory Profit	**388.7**	114.9	↑ 238.3%
Adjust for the following after tax items:			
Significant items	**289.6**	155.1	
Changes in fair value of financial instruments	**(80.0)**	212.0	
Underlying Profit	**598.3**	482.0	↑ 24.1%

- Significant items of $289.6 million primarily related to the impairment of Upstream Gas assets
  - Unrelated to the underlying performance of the business
- Changes in the fair value of financial instruments (a gain of $80 million) arising from an accounting standard requirement to value certain components of AGL's derivative portfolio differently to the value of the underlying asset to AGL's business. This is a non-cash accounting entry
- AGL believes Underlying Profit provides a better understanding of its financial performance because it:
  - removes significant items that are material items of revenue or expense that are unrelated to the underlying performance of the business thereby facilitating a more representative comparison of financial performance between financial periods
  - removes changes in the fair value of financial instruments recognised in the statement of profit or loss to remove the volatility caused by mismatches in valuing derivatives and the underlying asset

Significant items

NSW State Government policy uncertainty drives impairment provisions.

12 months to 30 Jun 2013 $m	Pre Tax	Tax	After Tax
Loy Yang A acquisition stamp duty	(52.9)	-	(52.9)
Impairment of Upstream Gas New South Wales assets	(343.7)	59.4	(284.3)
Impairment of other Upstream Gas assets	(51.7)	15.0	(36.7)
Impairment of Power Development assets	(45.8)	6.9	(38.9)
Tax items	-	123.2	123.2
Total significant items	**(494.1)**	**204.5**	**(289.6)**

- Stamp duty of $52.9 million paid to the Victorian government in relation to the Loy Yang A acquisition (refer to ASX release dated 30 May 2013)
- Provision for impairment of Upstream Gas New South Wales assets of $343.7 million driven by uncertainty around the NSW State Environmental Planning Policy (Mining, Petroleum Production and Extractive Industries) 2007 ("Mining SEPP")
- Impairment of other Upstream Gas assets of $51.7 million predominantly related to a decline in the value of ATP 529P
- Impairment of Power Development assets of $45.8 million. These represent capitalised costs of projects that are unlikely to be developed based upon the expected revenue streams and costs of the project
- An income tax benefit of $176.6 million has been recognised in relation to the reduction of deferred tax liabilities associated with unbilled income. Partially offsetting this tax benefit is the reversal of a deferred tax asset of $53.4 million recognised in FY12 in relation to the Petroleum Resource Rent Tax. The reversal comes about as a result of the proposed changes to the Mining SEPP.

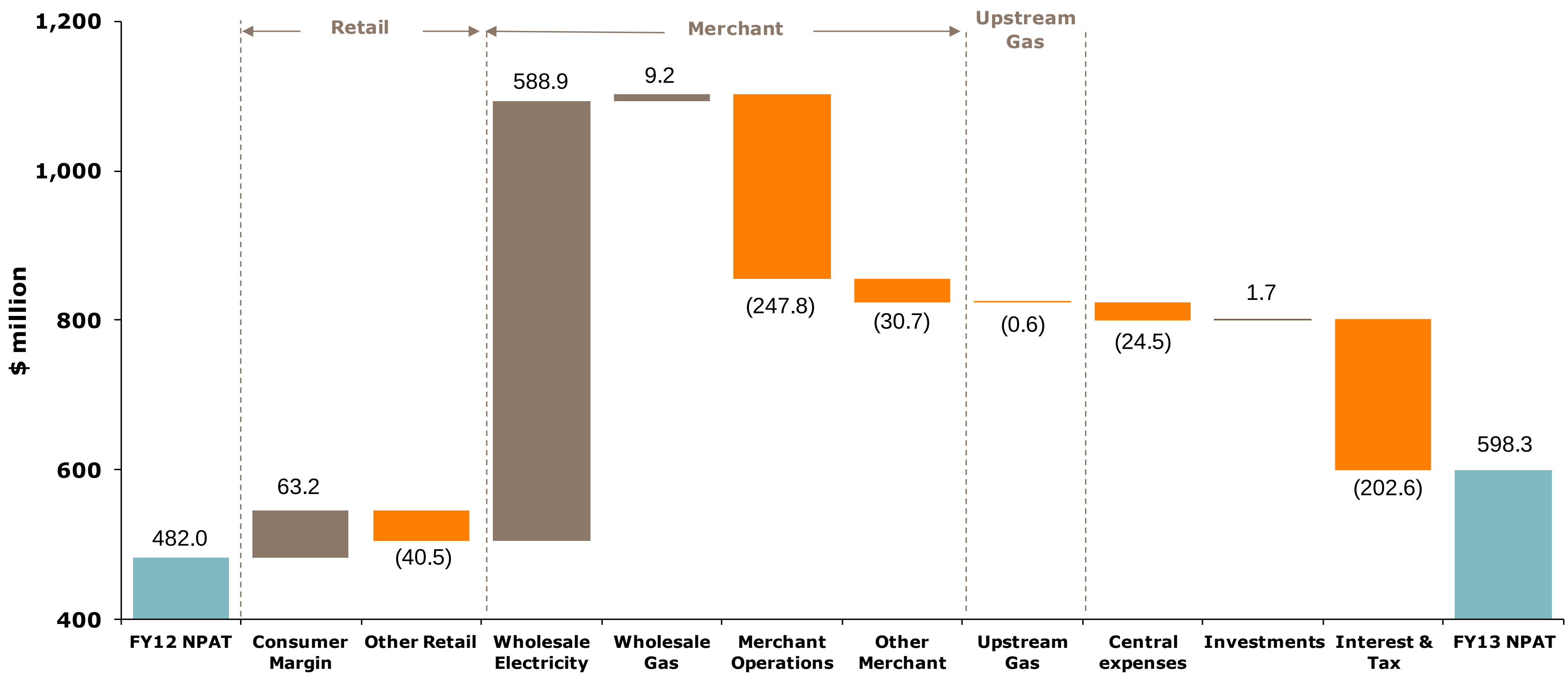
Underlying Profit

Growth in generation portfolio helps deliver strong profit growth.

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Revenue	**9,715.7**	7,455.6	30.3%
Operating EBITDA	**1,336.4**	904.3	47.8%
Operating EBIT			
Retail	**355.5**	332.8	6.8%
Merchant	**869.3**	549.7	58.1%
Upstream Gas	**0.0**	0.6	(100.0%)
Energy Investments	**26.2**	24.5	6.9%
Centrally managed expenses	**(201.7)**	(177.2)	13.8%
Total operating EBIT	**1,049.3**	730.4	43.7%
Less: Net finance costs	**(205.5)**	(51.2)	301.4%
Underlying Profit before tax	**843.8**	679.2	24.2%
Less: Income tax expense	**(245.5)**	(197.2)	24.5%
Underlying Profit	**598.3**	482.0	24.1%
Underlying EPS (cents per share)	**108.8**	100.0	8.8%

Group Underlying Profit

Growth driven by uplift in Merchant performance.



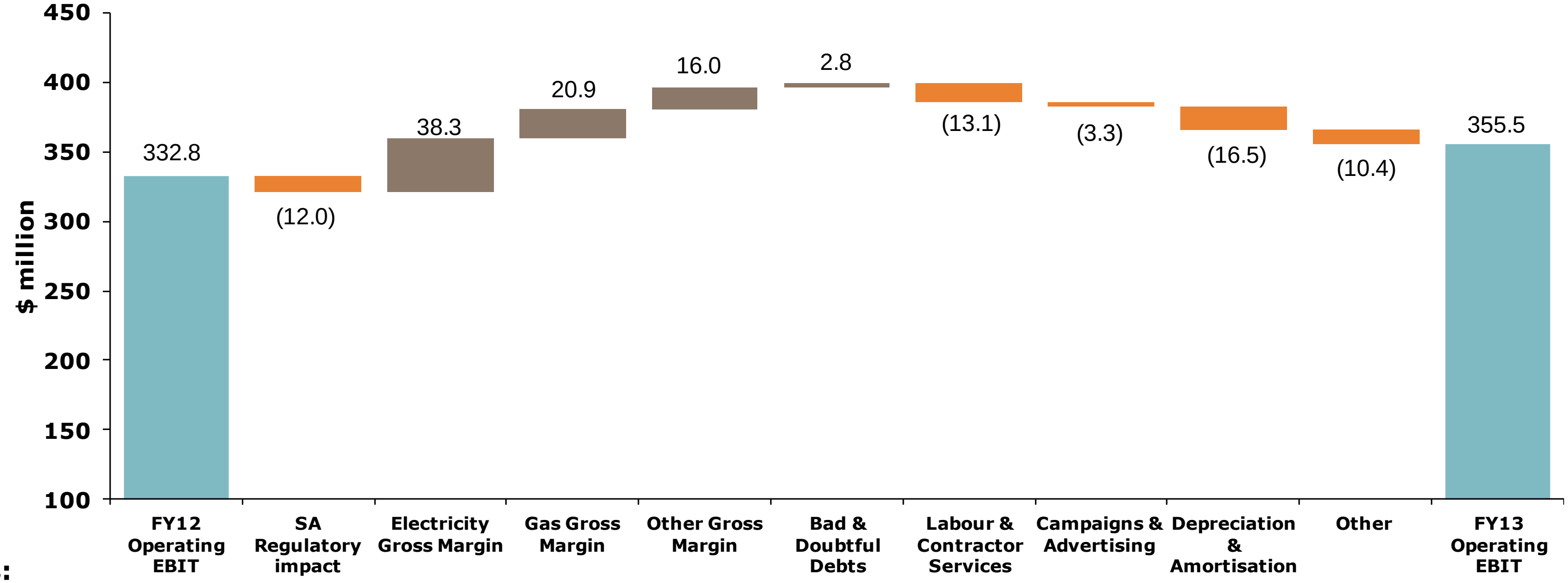
Retail – Key financial metrics

Continued customer growth in NSW helps lift gross margin.

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Electricity revenue	**3,541.7**	3,009.7	17.7%
Gas revenue	**1,302.3**	1,118.0	16.5%
Other revenue (fees & charges)	**82.6**	66.6	24.0%
Total Revenue	**4,926.6**	4,194.3	17.5%
Cost of sales	**(4,142.3)**	(3,473.2)	19.3%
Gross margin	**784.3**	721.1	8.8%
Operating costs (excl. D&A)	**(353.2)**	(329.2)	7.3%
Operating EBITDA	**431.1**	391.9	10.0%
Depreciation and amortisation	**(75.6)**	(59.1)	27.9%
Operating EBIT	**355.5**	332.8	6.8%
Operating EBIT / Sales (%)	**7.2%**	7.9%	(0.7 ppts)

Retail – Operating EBIT drivers

Gross margin driven by customer growth and higher tariffs.



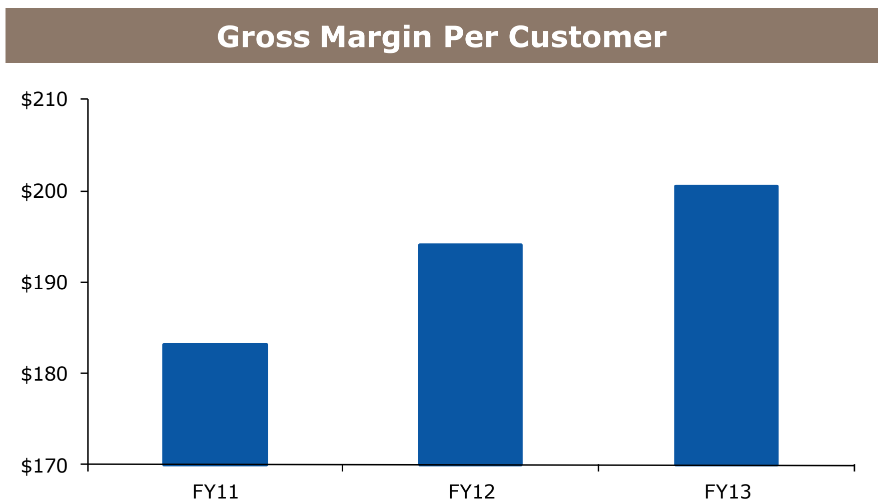
Key drivers:

- South Australian regulatory price outcomes had an adverse EBIT impact of $12 million
- Electricity gross margin higher from regulatory and contract price increases and NSW customer growth, partly offset by lower average consumption
- Gas gross margin higher largely as a result of regulatory and contract price increases and higher Victorian volumes
- Other gross margin higher due to the inclusion of AGL Solar which was reported as part of Merchant last financial year and revenue assurance activities
- Labour and contractor services higher driven by the inclusion of AGL Solar reported as part of Merchant last financial year, the launch of AGL Smarter Living stores, increased brand and marketing campaigns and higher call volumes and credit management activity
- Higher amortisation costs are associated with NSW customer acquisition costs

Retail – Key operating metrics

Modest improvement in gross margin per customer.

12 months to	30 Jun 2013	30 Jun 2012	Change
Consumer gross margin ($m)	**701.7**	654.5	7.2%
Avg customer numbers (‘000)	**3,500.2**	3,373.2	3.8%
Gross margin per customer	**$200.47**	$194.03	3.3%

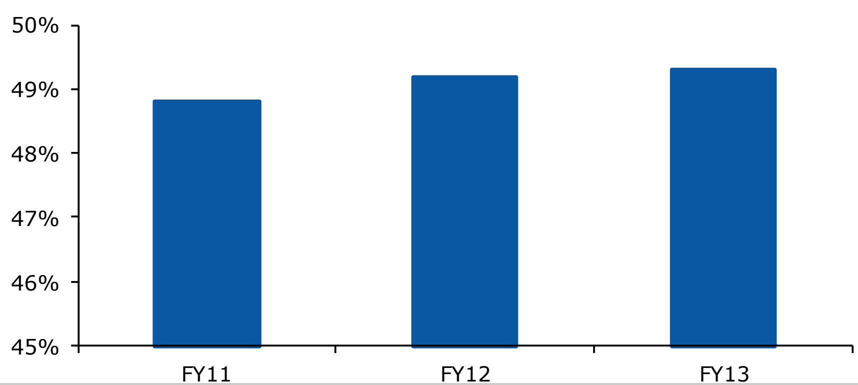


Retail – Key operating metrics

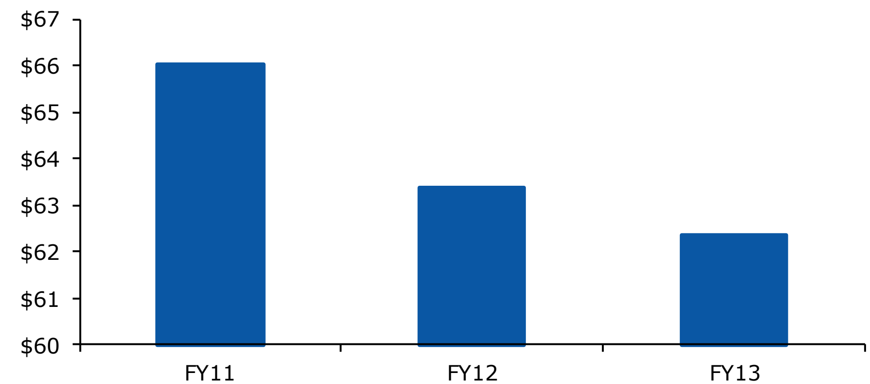
Operating expenditure to gross margin in line with prior year.

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Operating costs	**353.2**	329.2	7.3%
Depreciation and amortisation	**75.6**	59.1	27.9%
Less fees and charges	**(82.6)**	(66.6)	24.0%
Net operating costs	**346.2**	**321.7**	**7.6%**
Gross margin	**784.3**	721.1	8.8%
Less fees and charges	**(82.6)**	(66.6)	24.0%
Gross margin excluding fees and charges	**701.7**	**654.5**	**7.2%**
Operating expenditure to gross margin ratio	**49.3%**	**49.2%**	0.1 ppts

Operating Expenditure to Gross Margin



Cost to Serve Per Customer Account



Merchant – Key financial metrics

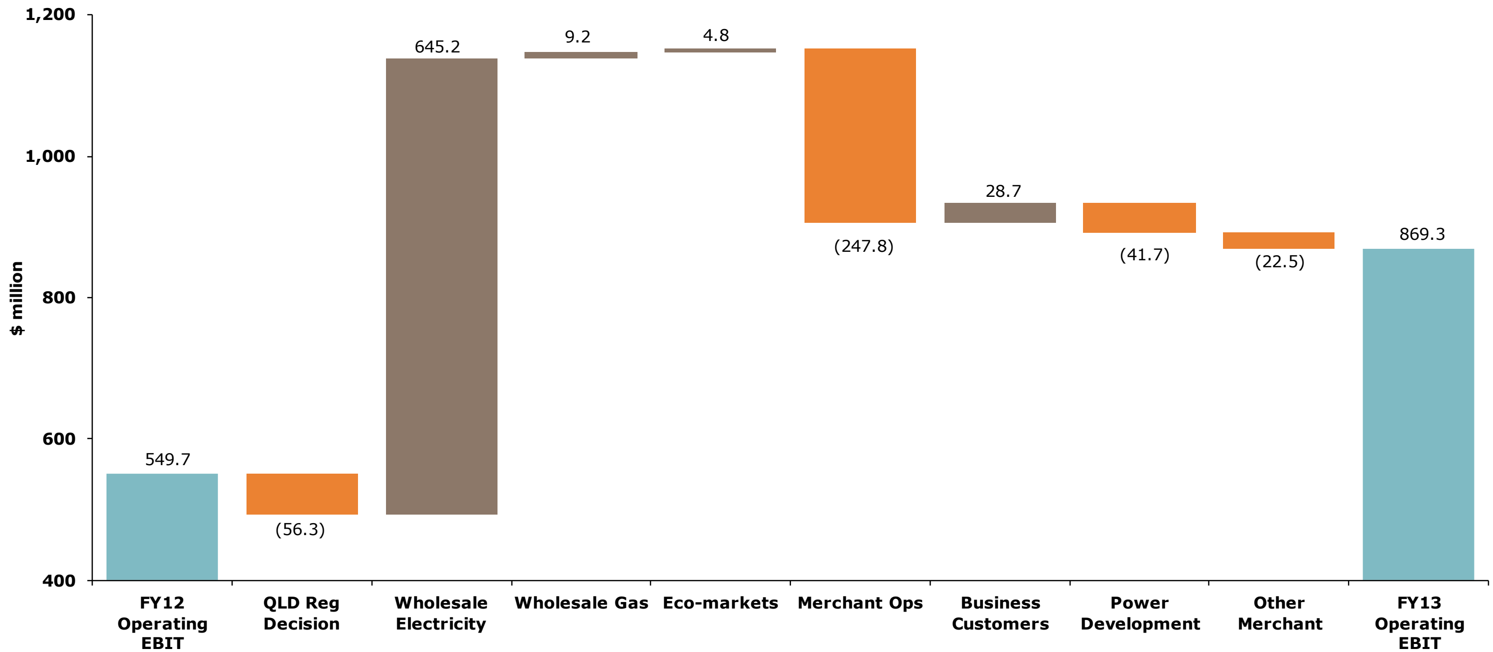
Operating EBIT improvement of 58.1% over prior year.

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Operating EBITDA	**1,034.5**	628.5	64.6%
Depreciation and amortisation	**(165.2)**	(78.8)	109.6%
EBIT			
Energy Portfolio Management (EPM)			
Wholesale Electricity Gross Margin	**970.4**	381.5	154.4%
Wholesale Gas Gross Margin	**124.0**	114.8	8.0%
Eco-markets Gross Margin	**71.2**	66.4	7.2%
EPM Operating Expenses (including D&A)	**(31.0)**	(22.3)	39.0%
Merchant Operations	**(366.6)**	(118.8)	208.6%
Business Customers			
Electricity Gross Margin	**65.4**	57.2	14.3%
Gas Gross Margin	**63.6**	51.1	24.5%
C&I Operations and Sales & Customer Service	**(35.5)**	(36.4)	(2.5%)
Energy Services	**29.3**	22.2	32.0%
Power Development	**(0.9)**	40.8[1]	(102.2%)
Sundry	**(20.6)**	(6.8)	202.9%
Operating EBIT	**869.3**	549.7	58.1%

1. Includes development fees of $43.0 million

Merchant – Operating EBIT drivers

Loy Yang A acquisition drives solid earnings uplift.



Key drivers:

- QCA regulatory decision reduced Wholesale Electricity EBIT by $56.3 million
- Wholesale Electricity increases driven by full-year ownership of Loy Yang A, impact of carbon and one-off benefits associated with carbon exclusive contracts
- Merchant Operations inclusive of full year Loy Yang A operations
- Business Customers increases due to higher gross margin from increased electricity rates and gas volumes
- No development fees in Power Development for FY13 compared with $43 million in FY12
- Other Merchant reflects Macarthur wind farm depreciation, Loy Yang A integration costs and the centralisation of certain labour costs within Merchant Energy

Underlying Operating cash flow

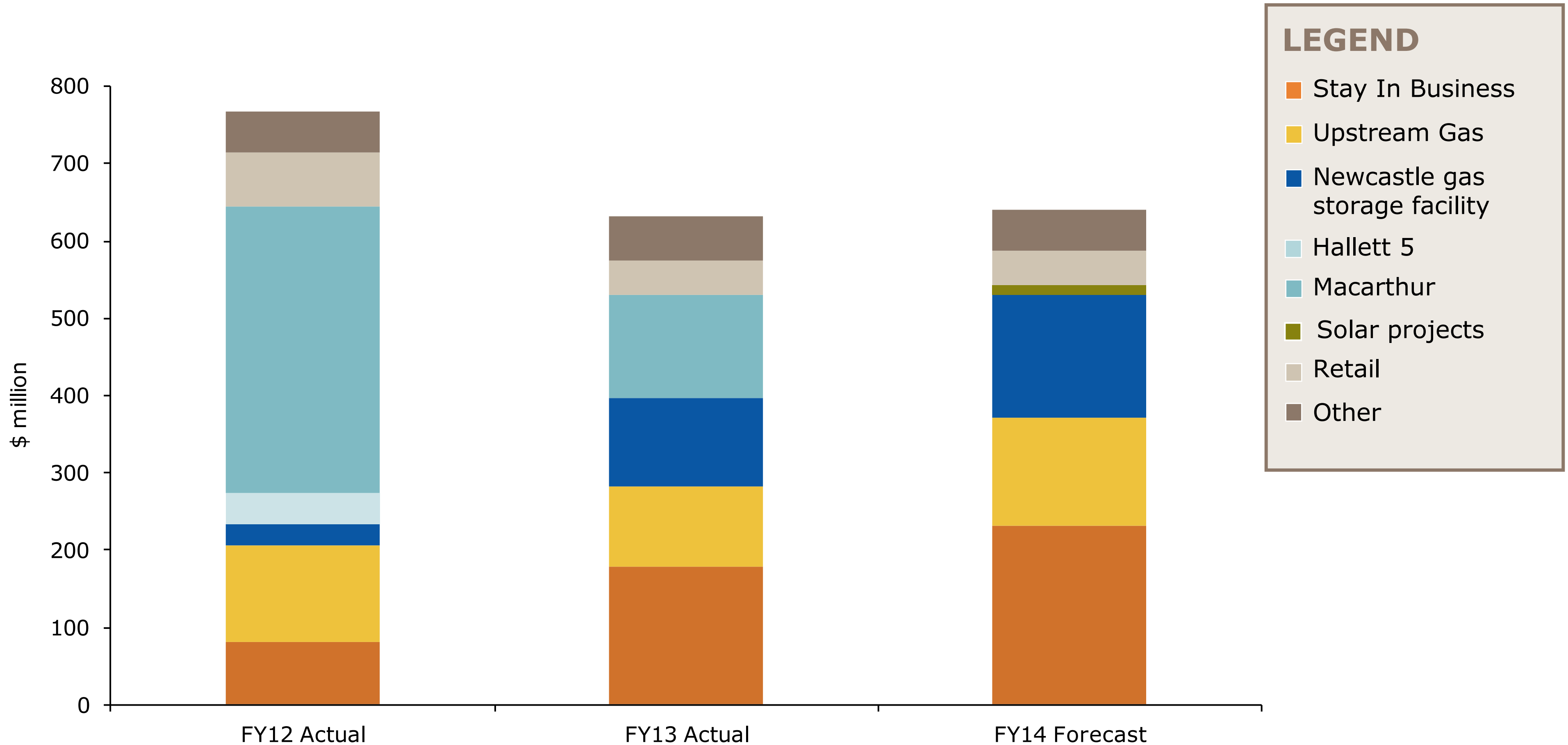
Focus on working capital significantly improves EBITDA to cash conversion.

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Operating EBITDA	**1,336.4**	904.3	432.1
Equity accounted income	**(1.8)**	14.0	(15.8)
Onerous contracts	**(48.8)**	(20.9)	(27.9)
Receivables	**(247.8)**	(197.0)	(50.8)
Inventories	**21.0**	(21.5)	42.5
Creditors	**22.4**	106.6	(84.2)
Carbon Liability	**144.8**	0.0	144.8
Net derivative premiums paid / roll-offs	**21.9**	(3.9)	25.8
Net movement in GST recoverable / payable	**13.3**	(7.8)	21.1
Other	**(29.4)**	(23.1)	(6.3)
Total working capital movements	**(53.8)**	(146.7)	92.9
Operating cash flow before interest, tax & significant items	**1,232.0**	750.7	481.3

The impact of carbon on working capital is not significant. Increase in carbon liability of $144.8 million plus estimated increase from carbon included in creditors of $14.0 million offset by estimated increase in receivables of $158.0 million

Capital expenditure

Power generation stay in business and Newcastle gas storage drives capex spend.



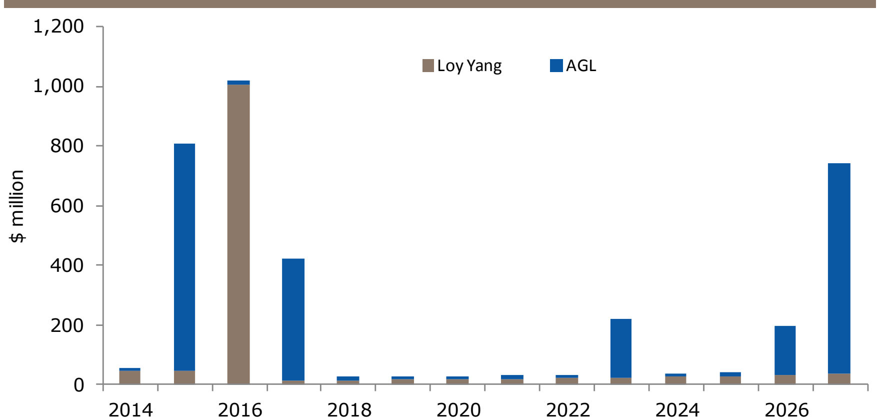
Note: Increase in Stay in Business capex between FY12 and FY13 due to Loy Yang A acquisition.

Debt structure

Balance sheet flexibility with $550 million in undrawn facilities.

- Loy Yang A debt restructured in August 2012
  - AGL purchased $120 million of Loy Yang A CPI bonds in H2 FY13
- $600 million to be refinanced prior to July 2014
- AGL to receive 10 million free carbon permits on 2 September 2013

AGL Debt Maturity Profile



Facilities at 30 Jun 2013	Limit $m	Usage $m
Current		
Loy Yang A Senior Debt	33.0	33.0
Export Credit Agency Facility	11.1	11.1
Non Current		
AGL – Term A	600.0	600.0
AGL – Term B	400.0	0.0
Revolver Facility	150.0	0.0
AGL – US Senior Notes	337.8	337.8
Export Credit Agency Facility	188.9	188.9
Hybrid Subordinated Notes	650.0	650.0
Loy Yang A Senior Debt	1,281.3	1,281.3
Total Debt	**3,652.1**	**3,102.1**
Less: Cash		281.0
Net Debt		**2,821.1**

Financial ratios

BBB stable credit rating reaffirmed.

- Standard & Poor's reaffirmed AGL's BBB stable credit rating on 21 June 2013
- Ratios reflect Loy Yang A acquisition
  - FFO/Interest cover expected to increase to ~4.0 times in FY14
  - Lowering/elimination of price on carbon tax would improve FFO/Interest

	30 Jun 2013	30 Jun 2012
FFO / Interest (times)[1]	**3.8**	5.0
FFO / Debt (%)[1]	**20.2%**	12.7%
Net Debt ($ million)	**2,821.1**	2,525.2
Net Debt / (Net Debt + Equity)	**27.8%**	26.1%

1. Similar methodology as applied by Standard & Poor's. 30 June 2012 ratios restated to be consistent with basis of calculation for 30 June 2013.

Operational Review

Michael Fraser
Managing Director & CEO

People and safety

Record high employee engagement and continued focus on safety.

Key safety statistics:

- Total recordable injuries - 33 (Loy Yang A: 7)
- Lost time injuries - 18 (Loy Yang A: 3)
- Total injury frequency rate down by 31% to 5.9

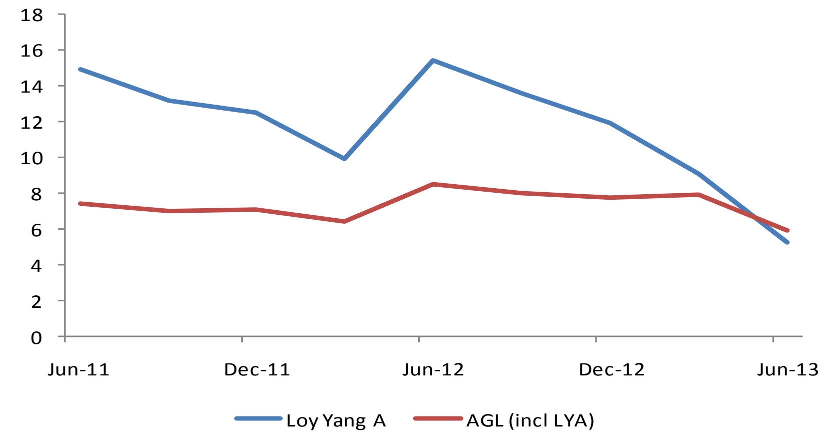
Key Health and Safety improvement initiatives:

- Increase safety leadership
- Improve contractor safety management
- Improvements in incident investigations

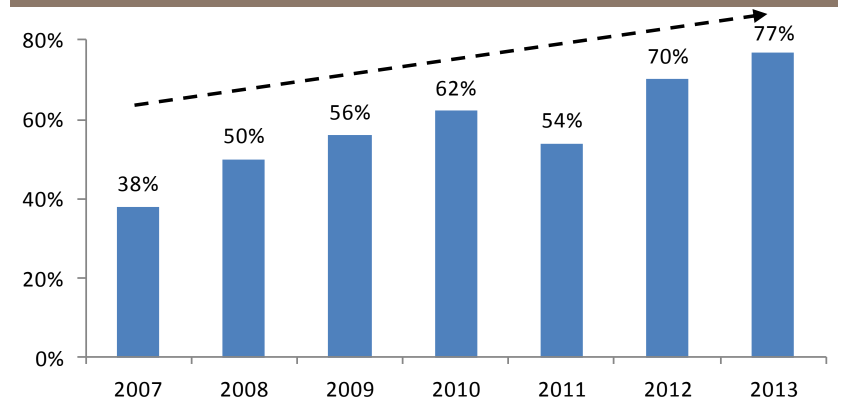
Employee engagement:

- 10% improvement in engagement
- AGL is now in international "Best Performing Zone"

Employee Total Injury Frequency Rate



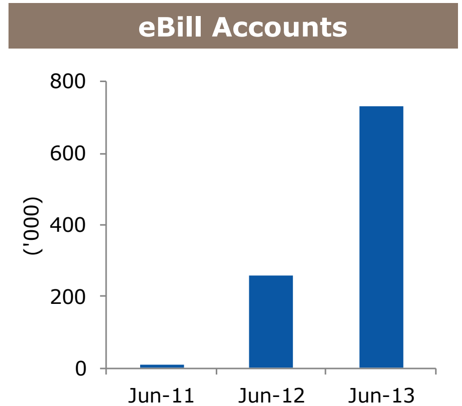
Employee Engagement Score

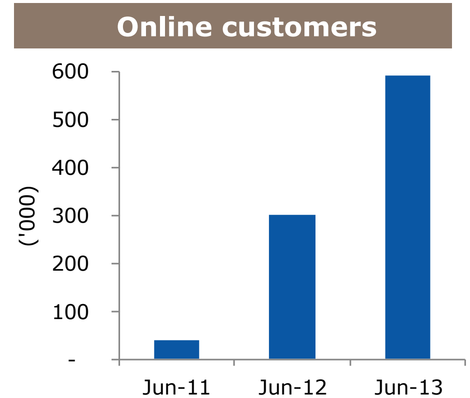


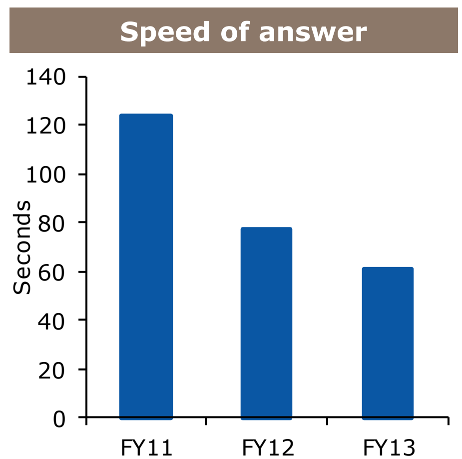
Core operations continue to perform well

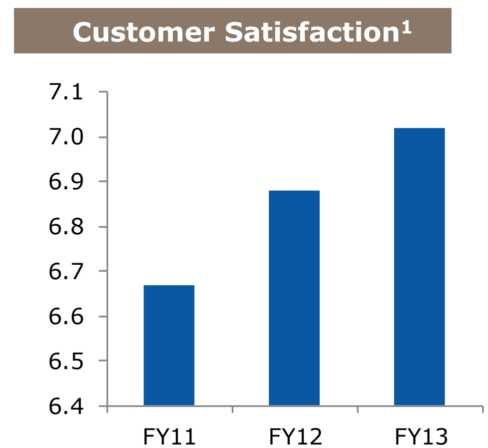
Further improvements in customer service and satisfaction.

- Customer Satisfaction[1]
  - Overall customer satisfaction leads major competitors
  - Average call handling time down 8.8% to 351 seconds
  - Share of Ombudsman complaints of 12.7% well below market share of ~29% of customers
- Digital service
  - On line customers increased to 590,000
  - Over 730,000 accounts now on e-billing
- Customer trust and loyalty
  - Direct debit increased from 9.8% to 14.0%
  - Over 400,000 customers linked to flybuys
  - Flexible billing rollout in October
  - AGL churn at 18.4%, well below Rest of Market (RoM) at 24%









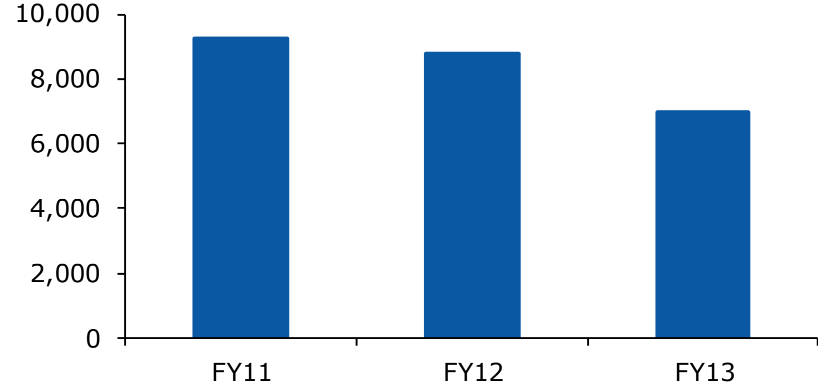
1. Customer Satisfaction score out of 10 as measured by AMR Australia

Core operations continue to perform well

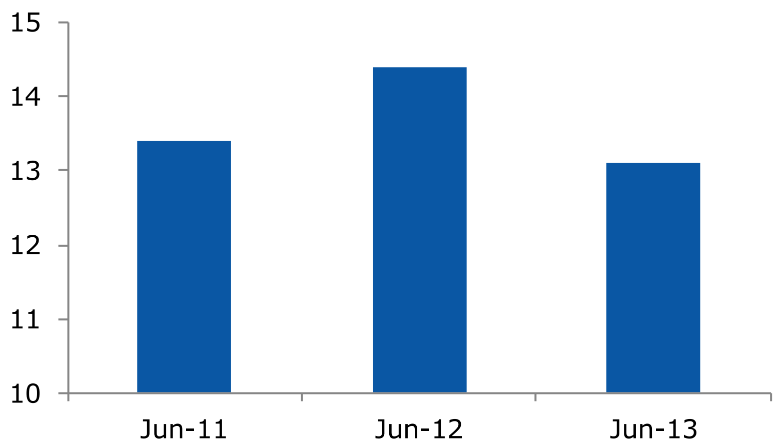
Robust systems provide platform for improved debt management.

- Stable operating systems over past three years provide platform for effective debtor management
  - 7,266 unbilled accounts at ~0.2% of total customer accounts
- Strong credit focus and close management of debtors:
  - Total Bad debt expense now at 0.7% of revenue

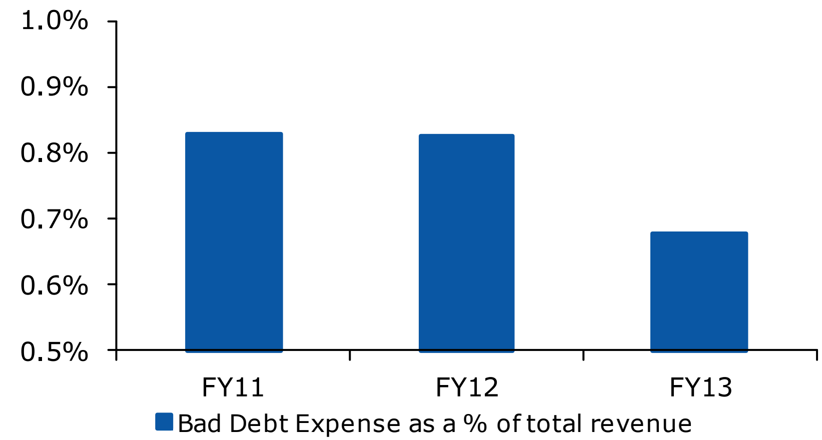
Unbilled accounts



Total Days Sales Outstanding*



Total Bad Debt Expense



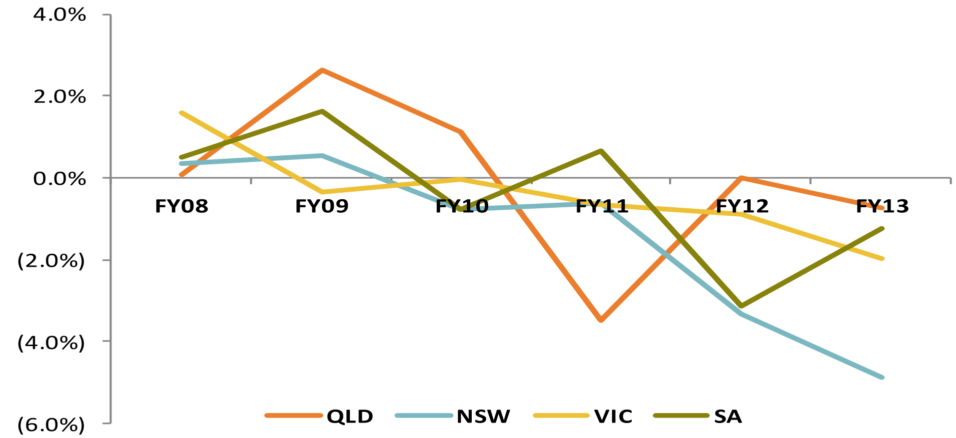
* Days Sales Outstanding = Overdue Debt / (12 months Billed Revenue/365)

Weak demand impacts volumes

Demand remains weak and impacted by mild weather.

- NEM electricity demand weak reflecting:
  - General economic conditions
  - Solar penetration (~2,500 MW installed)
  - Demand side response to price increases
- Average residential electricity consumption declined in all states
- Average residential gas consumption declined in all states but VIC
- July 2013 warmest since 1980 in Melbourne, Adelaide and Canberra
- Warm July and August weather sees reduced consumption, adversely impacting volumes

Change in Electricity Demand (2008-2013)



AGL Average Residential Volumes*

Electricity (MWh)	FY13	FY12	Change
NSW	5.9	6.0	(0.1%)
VIC	4.6	4.7	(2.4%)
SA	5.0	5.2	(4.1%)
QLD	5.6	6.1	(7.6%)
Average	**5.3**	**5.4**	**(2.2%)**

Gas (GJ)	FY13	FY12	Change
NSW	22.5	23.6	(4.7%)
VIC	53.3	51.0	4.5%
SA	17.4	20.5	(15.2%)
QLD	12.1	12.4	(2.4%)
Average	**32.3**	**32.4**	**(0.2%)**

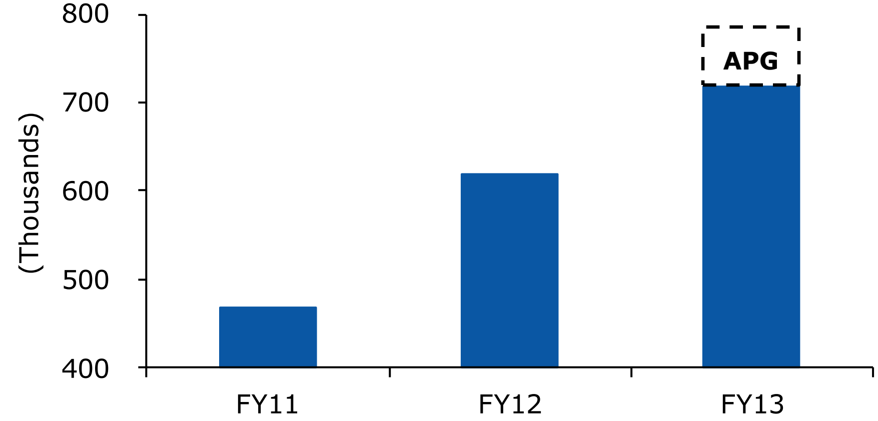
* Does not include small medium enterprise volumes which are included in Consumer volumes

Scale achieved in New South Wales

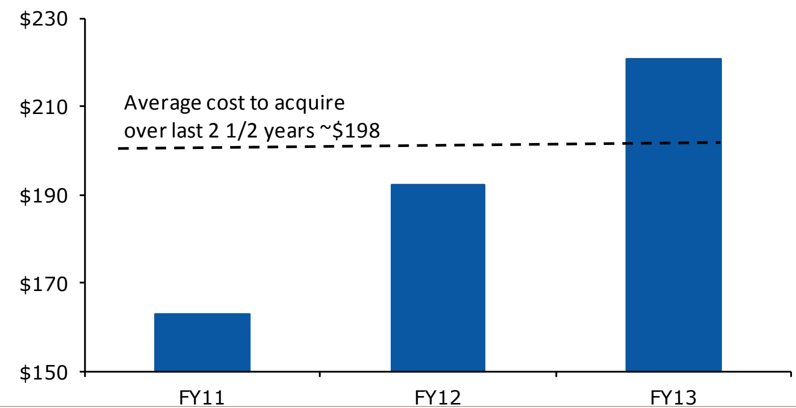
NSW electricity customer base set to exceed 800,000.

- Proposed APG acquisition plus organic growth will see NSW electricity customer base exceed 800,000
- New South Wales electricity net growth of 97,000 in FY13
  - Net growth over 290,000 since 1 January 2011
  - Capitalised cash outlay in FY13 of $43.5 million for gross acquisitions of 197,000 customers
- Average cost to acquire $221 per customer in FY13
  - FY12 acquisition cost of $192 per customer
  - Increased cost reflects competitor activity
- Average cost to acquire of $198 per customer since 1 January 2011
- Upon completion of proposed APG acquisition, AGL will have added ~370,000 NSW electricity customers since 1 January 2011 at an average cost of $244[1] per customer

NSW electricity customer numbers



NSW Average Cost to Acquire[2]



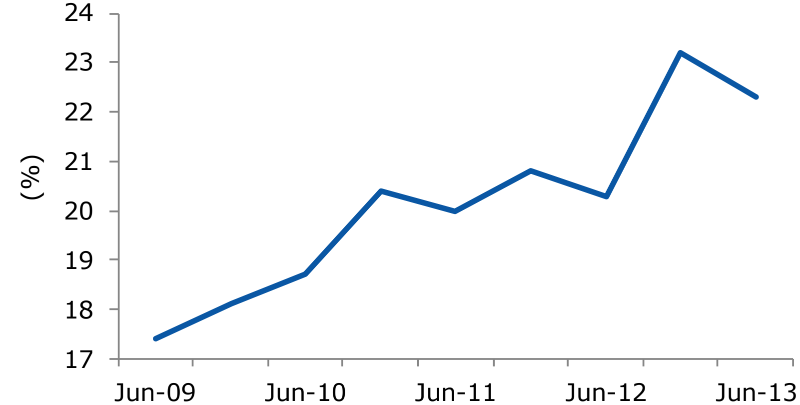
1. Assumes APG's NSW electricity customers acquired at $562 per customer
2. Includes capitalised costs only

FY13 retail competition at record levels

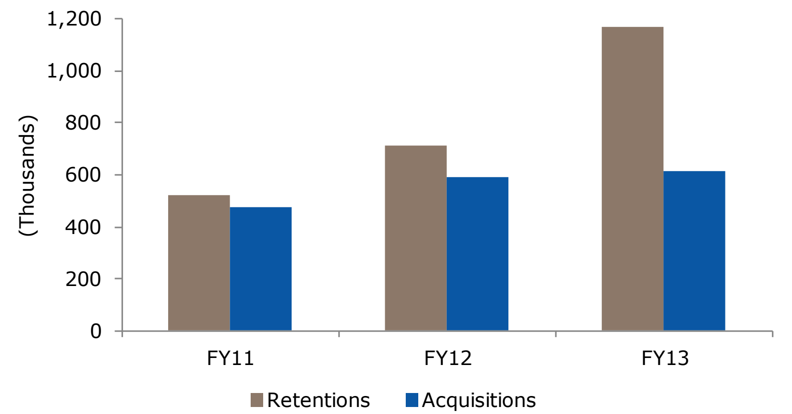
Increase in competitor activity required more active retention campaigns.

- Increased competitor activity resulted in sharp rise in retention activity
  - Retention activity increased by 65% in FY13
  - Acquisition and retention costs rose by $20.0 million as well as placing downward pressure on margins
- Net growth in electricity customers of 62,000
  - 104,000 increase in NSW and QLD
  - 42,000 reduction in electricity customers in VIC and SA
- Net loss of 18,000 gas customers
- Competitors also expanded their retention activities resulting in a lower conversion of lead sales than in previous years

Total Market churn



AGL customer activity[1]



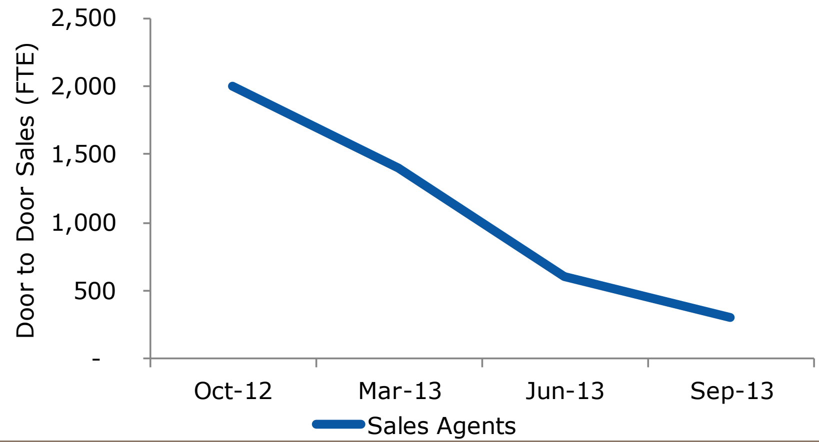
1. Retentions are defined as existing AGL customers that elect to take up a new contract with AGL

Customer acquisition channels

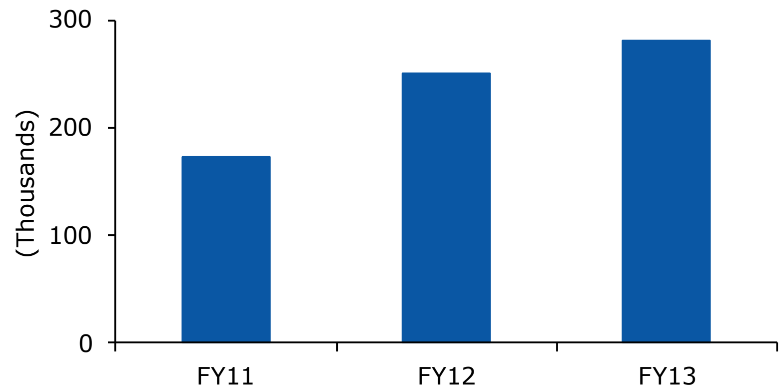
Industry withdrawal from doorknocking gathering pace.

- AGL ceased door knocking in all states over October to March
  - Progressively expanding alternative sales channels
- Energy Australia also exited channel in March 2013
- Lumo Energy exited channel May 2013
- Origin continuing door knocking activities
  - Exiting channel by October 2013
- Door knocking sales force industry-wide expected to decline by ~80% from estimated 2,000 by October 2013
- AGL continues to expand internal sales channels particularly conversion of inbound calls

Energy Sector Door-to-door sales force[1]



AGL Internal Sales Growth



1. Source: AGL estimates

Australian Power and Gas acquisition

Opportunity to further strengthen AGL's retail franchise.

- APG acquisition subject to ACCC decision expected 12 September
- Transaction targeted to complete October 2013
- Acquisition will increase AGL's customer numbers by approximately 10%
  - APG's largest customer base is in Victoria where the market is fully deregulated
- AGL plans to:
  - Improve quality of service and product offering
  - Cease APG's door knocking activities
  - Fully integrate within 12 months
  - Substantially lower cost to serve ($132/customer)
  - Deliver superior debtor management

APG Customer Numbers

('000)	Electricity	Gas	Total
Victoria	121	107	228
New South Wales	74	25	99
Queensland	22	4	26
Total	**217**	**136**	**353**

Key Retail Performance Metrics – FY13

	APG	AGL*	Difference
Cost to serve per account (excluding Bad Debts)	$181	$49	$132
Bad Debts Expense/Revenue	5.1%	1.0%	4.1%

* AGL cost to serve per account = Cost to serve of $218.2 million LESS Bad and Doubtful debts of $48.0 million DIVIDED by average number of customer accounts.

AGL Bad Debts Expense/Revenue is for the consumer market only, i.e. residential and small medium enterprises.

Regulatory pricing

Queensland to deregulate retail prices - NSW decision pending

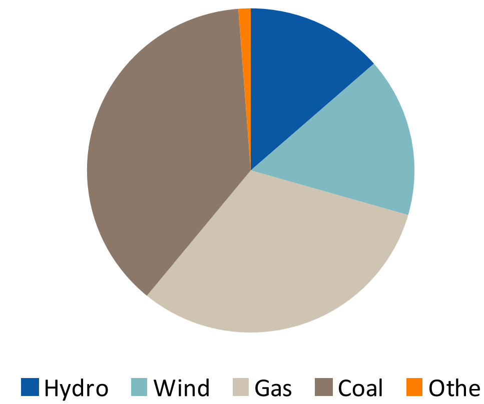
- Regulatory pricing outcomes reduced FY13 EBIT by ~$68 million
- Policy settings improving
  - SA government implemented price deregulation effective 1 February 2013
  - Queensland announces deregulation effective 1 July 2015
  - Increased focus on network and distribution costs and impact of small-scale renewable programs
- NSW competition report due in September 2013
  - Australian Energy Markets Commission report expected to reaffirm that competition is robust
  - Potential catalyst for NSW government to deregulate electricity prices
  - Deregulation of NSW electricity markets would remove key risk from privatisation process

Loy Yang A provides low cost generation source

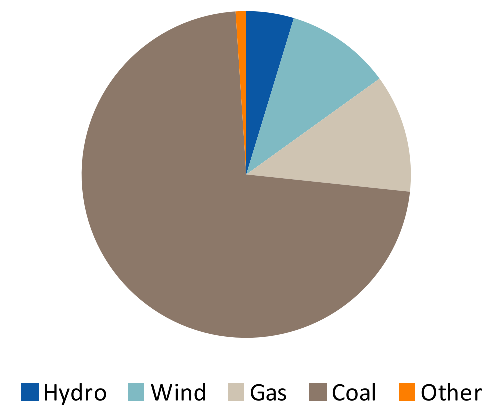
Performance in-line with acquisition expectations.

- Operational highlights for FY13:
  - Availability factor – 90.7%
  - Capacity factor – 84.0%
  - Operating expenses declined by 4.2% year on year to $273.6 million
  - Planned major outage on Unit 1 completed in FY13
  - Planned major outage on Unit 3 scheduled for first half of FY14
  - Mine produced 28.9 million tonnes of coal, mainly used to supply Loy Yang A and Loy Yang B
  - Coal supply reliability – 98.7%
- Loy Yang A's financing and Treasury operations fully integrated into AGL Treasury with improved controls and reduced funding costs
- AGL generation better matched with customer consumption since acquisition

AGL Generation Capacity



AGL Generation Output

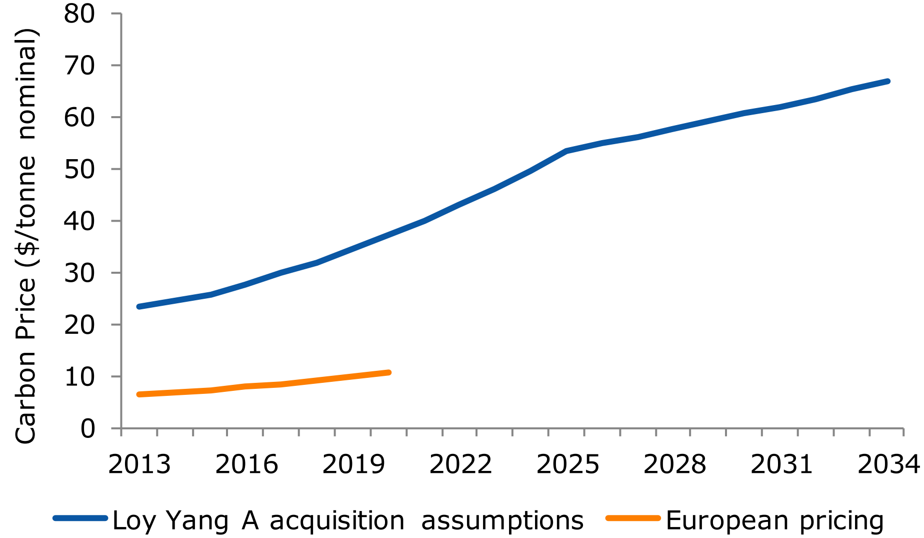


Carbon policy

Lower / no carbon price adds significant upside to Loy Yang A valuation.

- Uncertainty around carbon prices post-Federal election
  - High likelihood of carbon prices being lowered significantly or removed
- Loy Yang A acquisition assumed high ongoing carbon price
  - 5% p.a. real increases to 2025, then flat real increases for balance of period
- Lower / no carbon price increases Loy Yang A's NPV above the acquisition model:
  - Reduced short term EBIT contribution as carbon transitional assistance lowered/removed
  - Ongoing lower costs

Carbon price assumptions[1]



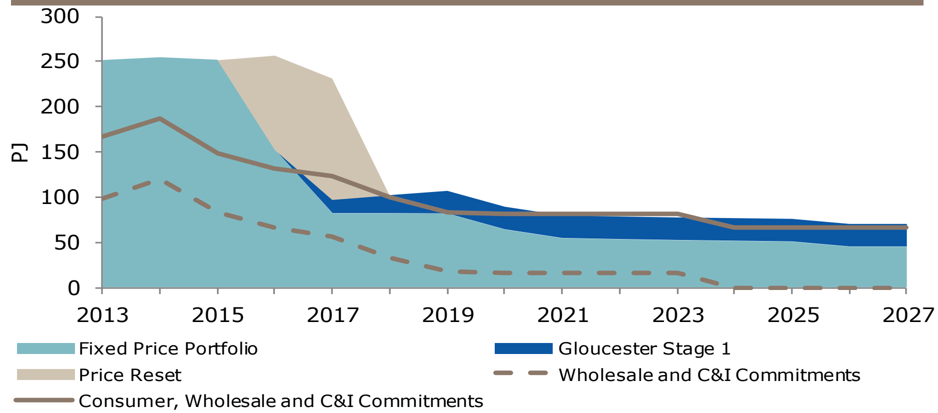
1. European carbon pricing in A$ based on forward curve to 2020.

Wholesale gas portfolio

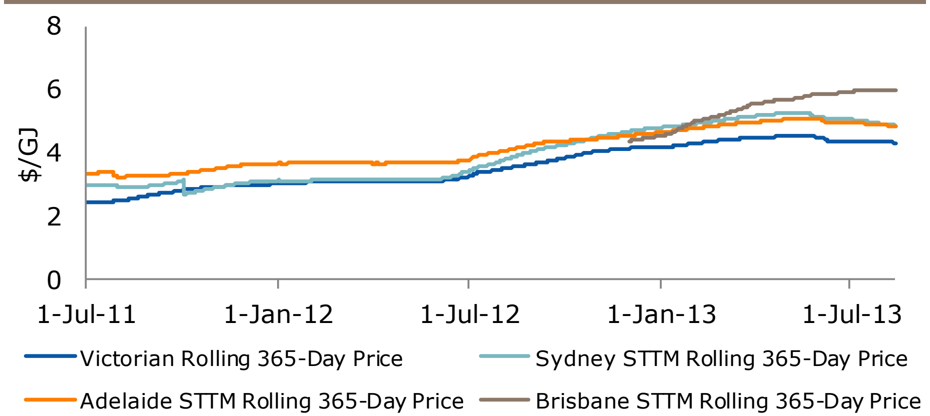
AGL's gas portfolio provides substantial upside.

- AGL is extremely well placed with a long gas position in QLD
  - QLD sourced supply contracts in place to 2027
  - Existing supply contracts allow for additional QLD sales of up to 40 PJ p.a. from 2015
  - Good progress being made in large sales contract negotiations
- Majority of AGL's existing gas supply contracts are now fixed
  - Approximately 85% of supply contracted at fixed prices with CPI escalation
  - Balance of portfolio subject to further market review is confined to southern markets
- Rising gas prices in all east coast markets
  - Queensland market for FY15 forward now trading at $9-10 per GJ

AGL Contracted Supply – Maximum Annual Quantity[1]



Wholesale gas prices



1. Wholesale and C&I commitments do not include requirements for generation at Torrens Island Power Station and Somerton which will vary dependent upon wholesale gas and electricity prices.

NSW gas regulations

NSW Government policy to drive up prices.

- NSW CSG regulations remain uncertain
  - Draft Mining SEPP excludes gas exploration and development within 2 km of residential areas and within certain industry clusters
  - Effectively sterilises large amounts of natural gas that could be produced in a cost-effective and timely manner for NSW homes and businesses
  - Delay in releasing final Mining SEPP
- Proposed changes to the Mining SEPP result in provision for impairment of $343.7 million (pre-tax)
  - Reduced AGL's NSW 2P gas reserves by 403 PJ (44%)
  - Equivalent of gas to supply NSW's residential gas demand (over one million homes) for 17 years
  - Gloucester Stage 1 remains unaffected by new regime
- NSW Chief Scientist & Engineer released initial report into CSG on 20 July 2013, commenting:
  - CSG activities in NSW could proceed provided industry best practice is met; and
  - Many health and environment concerns can be offset by ensuring engineering best practice, superb monitoring by industry and diligent and transparent compliance checks by regulators

Gloucester Gas Project

Front end engineering design (FEED) underway.

- FEED underway:
  - WorleyParsons engaged
  - Geotechnical and survey work for the pipeline
- Cooperation Agreement entered into with Gloucester Council to undertake basin wide water study
- Conducting irrigation trial with produced water
- Work program underway to comply with conditions required to commence construction
  - State development approval 92 conditions
  - Federal EPBC approval 36 conditions
- Applications made for petroleum production licence and pipeline licence in December 2012
- Final investment decision target Q3 2014:
  - First gas target Q4 2016
  - Production target 20-30 PJ per annum

Image of AGL's property near Gloucester, showing gas wells and irrigation trial

Project updates

Solar projects

- Total project cost of ~$440 million, with funding support provided by ARENA ($166.7 million) and the NSW Government ($64.9 million)
- Achieved financial close for Government funding on 30 July 2013
- Partnership with First Solar:
  - Nyngan, NSW (102 MW) and Broken Hill, NSW (53 MW), capacity factor of ~26-27%
- Construction to start at Nyngan in Jan 2014, with completion expected in mid 2015. Construction at Broken Hill to commence in Jun 2014, with commissioning in late 2015

Diamantina Power Station – Mount Isa (Joint Venture with APA)

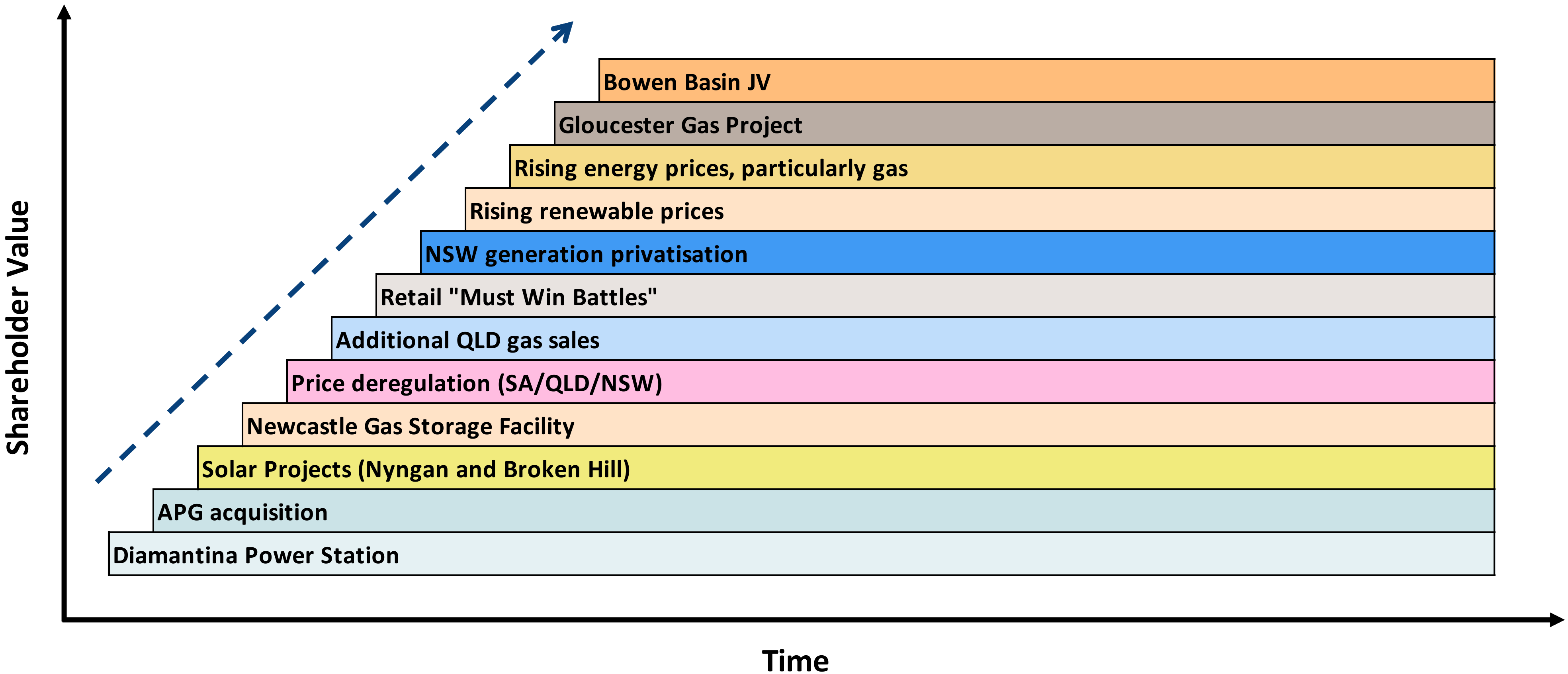
- 242 MW CCGT and 60 MW OCGT (dual fuel) power stations
- CCGT operations targeted H1 2014
- 10.5 year gas supply contract commenced May 2013 for 138 PJ

Newcastle Gas Storage Facility

- 120 TJ/day peaking capacity, total project cost of ~$310 million
- Main LNG tank construction has commenced
- Completion targeted mid 2015

Diversity of growth opportunities

Integrated strategy delivers numerous growth opportunities.



Summary

Core businesses deliver growth and shareholder value.

- Substantial increase in Underlying cash flow before interest and tax
- Retail performed well in a highly-competitive environment
  - Proposed APG acquisition and organic growth to deliver NSW customer target
  - Service platform enables high levels of customer retention
- Merchant delivers strong result driven by Loy Yang A contribution
  - Gas portfolio costs largely locked in
  - Macarthur wind farm completed on time and on budget
- Proposed changes to NSW CSG regulations gives rise to $343.7 million provision for impairment
- 155 MW solar projects achieve financial close

Outlook

Solid operating performance to continue against backdrop of soft demand.

- Retail
  - Core operations continue to perform well
  - Retail competition remains aggressive
  - Mild winter adds to soft demand outlook
  - Proposed APG acquisition targeted to complete October 2013 subject to ACCC
- Merchant
  - Gas prices expected to continue to rise
  - Progress expected on large gas sales contracts in QLD
  - Wholesale power and renewable prices expected to remain soft
- Construction of solar projects to commence January 2014, Newcastle Gas Storage Facility and Diamantina Power Station continue to progress
- Gloucester Gas Project FEED process underway
- FY14 guidance to be provided at Annual General Meeting in October 2013

Contact information

Sales - Electricity and gas:	**www.agl.com.au**
Customer Service:	**131 245**
AGL Energy Online/My AGL IQ™:	**https://aglenergyonline.agl.com.au**
Corporate Information:	**www.agl.com.au/about/Pages/Default.aspx**

Investors

John Hobson
Head of Capital Markets
phone: +61 2 9921 2789
mobile: +61 (0) 488 002 460
e-mail: john.hobson@agl.com.au

Media

Karen Winsbury
Head of Corporate Communications
phone: +61 3 8633 6388
mobile: +61 (0) 408 465 479
e-mail: kwinsbur@agl.com.au

Supplementary Information

175 YEARS SUPPORTING THE COMMUNITY

AGL Energy in action.®

Electricity sales volume

12 months to GWh	30 Jun 2013	30 Jun 2012	Change
Consumer			
New South Wales	**5,450**	4,821	13.1%
Victoria	**4,258**	4,660	(8.6%)
South Australia	**2,814**	3,025	(7.0%)
Queensland	**2,754**	2,904	(5.2%)
Consumer Total	**15,276**	15,410	(0.9%)
Business			
New South Wales	**3,619**	4,876	(25.8%)
Victoria	**4,651**	5,412	(14.1%)
South Australia	**4,466**	4,554	(1.9%)
Queensland	**1,978**	2,532	(21.9%)
Business Total	**14,714**	17,374	(15.3%)
Total (excl. ActewAGL)	**29,990**	**32,784**	(**8.5%)**
Purchased volume ActewAGL	**2,527**	2,600	(2.8%)

Gas sales volume

12 months to PJ	30 Jun 2013	30 Jun 2012	Change
Consumer			
New South Wales	**24.4**	26.0	(6.2%)
Victoria	**30.6**	28.7	6.6%
South Australia	**2.8**	2.6	7.7%
Queensland	**2.8**	2.8	0.0%
Consumer Total	**60.6**	60.1	0.8%
Business			
New South Wales	**35.1**	30.9	13.6%
Victoria	**27.2**	26.7	1.9%
South Australia	**9.0**	9.3	(3.2%)
Queensland	**14.2**	15.0	(5.3%)
Business Total	**85.5**	81.9	4.4%
Wholesale Customers & Generation[1]	**55.0**	48.8	12.7%
Total	**201.1**	**190.8**	**5.4%**

1. Includes volumes sold to Torrens Island power station during the year to Jun 2013 of 24.0 PJ (Jun 2012 of 27.0 PJ).

Customer numbers

Customer Numbers	30 Jun 2012	31 Dec 2012	30 Jun 2013	Change since 30 Jun 2012
Electricity				
New South Wales	619,920	684,140	**717,089**	97,169
Victoria	637,708	623,850	**610,728**	(26,980)
South Australia	458,822	458,125	**443,901**	(14,921)
Queensland	367,482	378,412	**374,048**	6,566
	2,083,932	2,144,527	**2,145,766**	61,834
Gas				
New South Wales	711,185	692,809	**683,330**	(27,855)
Victoria	486,971	490,652	**482,218**	(4,753)
South Australia	117,271	127,454	**129,192**	11,921
Queensland	74,607	75,235	**76,919**	2,312
	1,390,034	1,386,150	**1,371,659**	(18,375)
Total	3,473,966	3,530,677	**3,517,425**	43,459
Dual fuel accounts	1,622,712	1,673,660	**1,675,602**	52,890

Consumer market - key indicators

12 months to Electricity	30 Jun 2013	30 Jun 2012	Change
Volume (GWh)	**15,276**	15,410	(0.9%)
Avg. Consumer Accounts ('000)	**2,116**	1,993	6.2%
Revenue ($ million)	**3,541.7**	3,009.7	17.7%
Gross Margin ($ million)	**463.7**	437.4	6.0%
Gross Margin	**13.1%**	14.5%	(1.4 ppts)
Gross Margin per customer	**$219.14**	$219.48	(0.2%)
Gas			
Volume (PJ)	**60.6**	60.1	0.8%
Avg. Consumer Accounts ('000)	**1,384**	1,380	0.3%
Revenue ($ million)	**1,302.3**	1,118.0	16.5%
Gross Margin ($ million)	**238.0**	217.1	9.6%
Gross Margin	**18.3%**	19.4%	(1.1 ppts)
Gross Margin per customer	**$172.04**	$157.40	9.3%

Business customers – key indicators

12 months to Electricity	30 Jun 2013	30 Jun 2012	Change
Volume (GWh)	**14,714**	17,374	(15.3%)
Business Accounts ('000)	**18.4**	21.7	(15.2%)
Revenue ($ million)	**2,058.3**	1,926.0	6.9%
Gross Margin ($ million)	**65.4**	57.1	14.5%
Gross margin per MWh	**$4.44**	$3.29	35.0%
12 months to Gas			
Volume (PJ)	**85.5**	81.9	4.4%
Business Accounts ('000)	**0.9**	1.0	(10.0%)
Revenue ($ million)	**645.2**	552.0	16.9%
Gross Margin ($ million)	**63.6**	51.1	24.5%
Gross margin per GJ	**$0.74**	$0.60	23.3%

Retail – Cost to serve

12 months to	30 Jun 2013	30 Jun 2012	Change
Net operating costs ($m)	**346.2**	321.7	7.6%
Net operating cost per customer account	**$98.90**	**$95.38**	3.7%
Cost to acquire/retain ($m)	**128.0**	108.0	18.5%
Cost to acquire/retain per account acquired/retained[1]	**$71.75**	**$82.94**	(13.5%)
Cost to serve ($m)	**218.2**	213.7	2.1%
Cost to serve per customer account[2]	**$62.34**	**$63.36**	(1.6%)

- Cost to grow per account acquired/retained decreased largely as a result of higher retention activity
- Cost to serve per customer declined marginally

1. Cost to acquire/retain 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.

Merchant – generation: operational performance

1. 'Available capacity factor' is used to measure Loy Yang A performance, and represents the percentage of time the plant is available to operate. International benchmark used is North American Electricity Reliability Corporation 2006-2010 Historic Generation Unit statistics

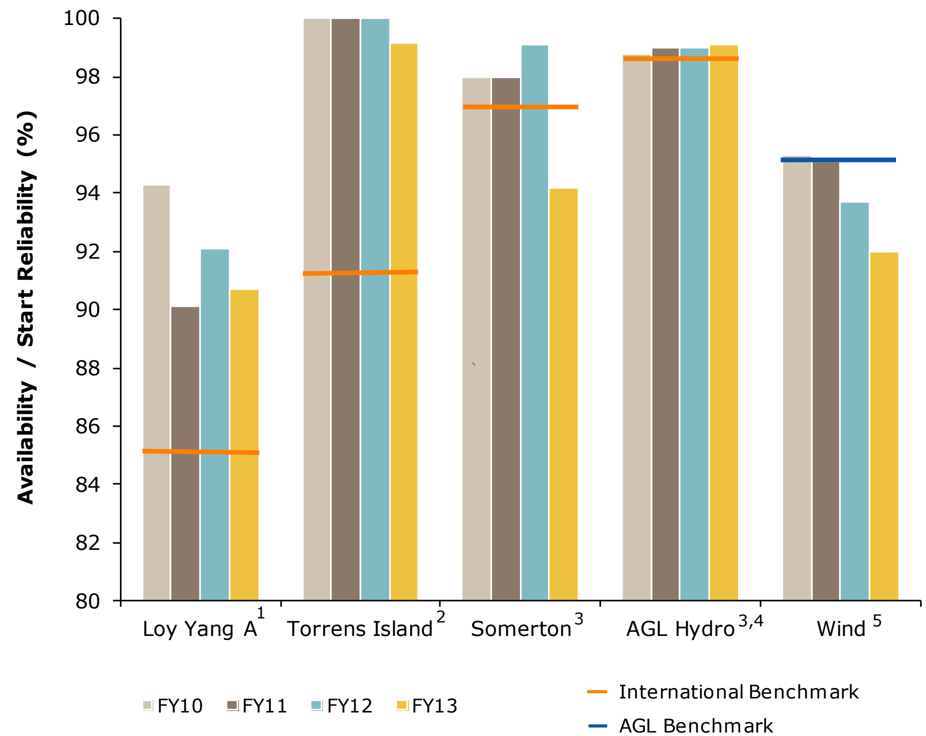
2. 'Commercial availability' is used to measure Torrens Island performance, and represents the percentage of time the plant is available to operate when required

3. '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

4. NERC – North American Electric Reliability Corporation's 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

5. Availability weighted by plant capacity is used to measure wind farm performance. There is no international benchmark for wind farms, however AGL targets 95%

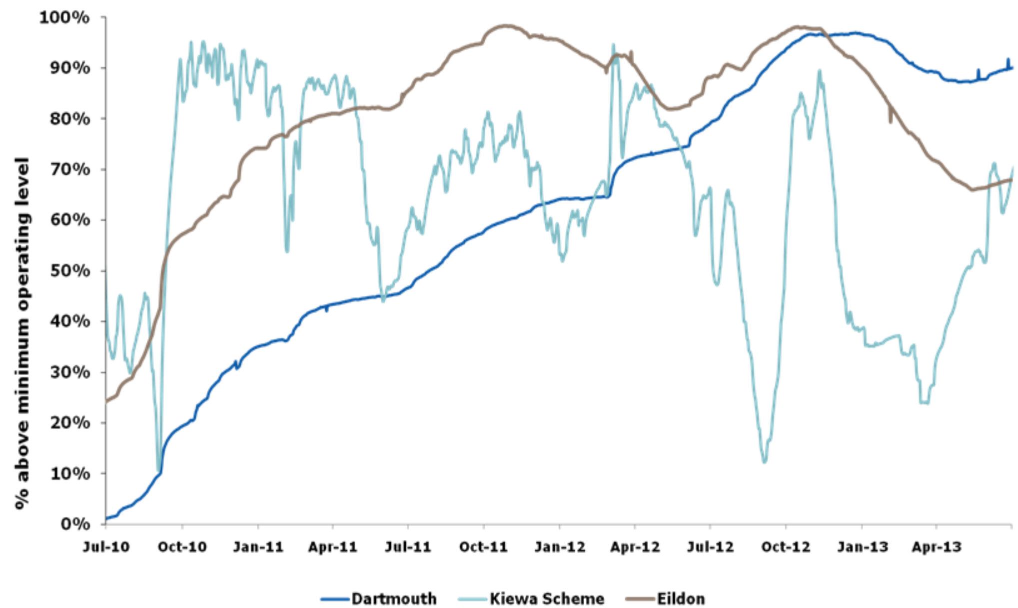
Availability / Start Reliability (%)



Merchant – hydrology

- Significant recovery of storage levels in recent years
- 52.6% of hydro capacity is linked to drought resistant Kiewa Scheme.
- Dartmouth is in service and currently available for 170 MW. Dam is currently above 95% with the water authority planning releases over the next few months
- Eildon is currently available for 110 MW

AGL Hydro % Above Minimum Operating Level



Merchant – Generation: Carbon intensity

Asset	Location	Type	Status	Capacity (MW)	FY13 Output (GWh)[1]	Implied Capacity Factor[4] (%)	Carbon intensity (tonnes CO2e/MWh)
Wattle Point	SA	Wind	Control dispatch	91	239	30%	0.0
Hallett 1	SA	Wind	Control dispatch	95	332	40%	0.0
Hallett 2	SA	Wind	Control dispatch	71	256	41%	0.0
Hallett 4	SA	Wind	Control dispatch	132	426	37%	0.0
Hallett 5	SA	Wind	Control dispatch	53	150	33%	0.0
Oaklands Hill	VIC	Wind	Control dispatch	63	150	27%	0.0
Macarthur	VIC	Wind	Control dispatch	420	578	26%[3]	0.0
VIC Hydro	VIC	Hydro	Owned	733	836	13%	0.0
NSW Hydro	NSW	Hydro	Owned	62	129	24%	0.0
Total Renewable				**1,720**	**3,094**		
Torrens Island	SA	CCGT	Owned	1,280	1,996	18%	0.6
Somerton	VIC	OCGT	Owned	150	16	1%	0.8
Moranbah	QLD	OCGT	Owned	12	68	62%	0.6
Oakey	QLD	OCGT	Control dispatch	282	12	0%	0.6
Yabulu	QLD	CCGT	Control dispatch	121	295	28%	0.4
Total Gas				**1,845**	**2,387**		
Loy Yang A	VIC	Coal	Owned	2,210	14,851	77%	1.3
Other	Various	Biogas & Cogen	Various	71	214	N/A[2]	0.2
Total at 30 June 2013				**5,847**	**20,545**		**1.0**
Industry Average							**0.9**

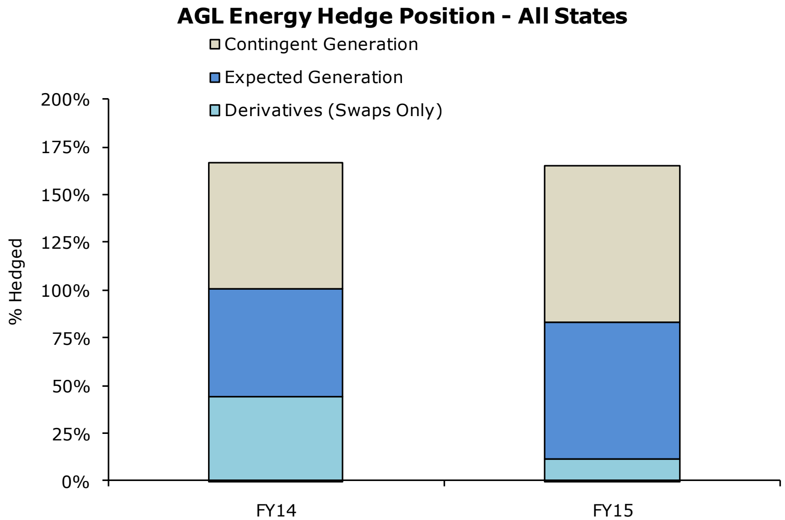
[1] Sent out generation
[2] Includes seasonal generation facilities
[3] Since practical completion (February to June 2013)
[4] Implied Capacity Factor based on FY13 Output

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
- Counterparty 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 years

Merchant – Electricity Hedging: Position

Physical

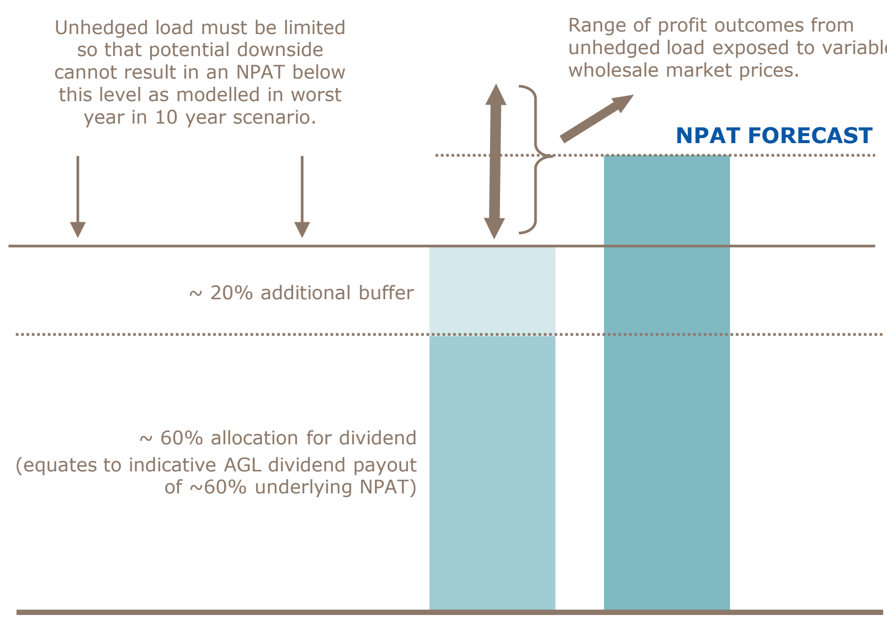


Key Points

- Positions across all states and time periods have been aggregated
- Reference load is average annual energy (in MWh) for 100% of (Business Customers contracted load + expected consumer 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 Generation is the maximum amount of energy that AGL's portfolio could generate if required

Financial

Satisfying Financial Risk Limits



Upstream Gas – Key financial metrics

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Operating EBITDA	**23.8**	20.6	15.5%
Depreciation and amortisation	**(23.8)**	(20.0)	19.0%
Operating EBIT			
Queensland / South Australia	**6.2**	5.7	8.8%
New South Wales	**(0.3)**	1.5	(120.0%)
Equity Investments	**0.0**	(0.1)	100.0%
Sundry	**(5.9)**	(6.5)	(9.2%)
Operating EBIT	**0.0**	0.6	(100.0%)

- Queensland / South Australia Operating EBIT was higher primarily due to increased gas sales at the Moranbah Gas Project partially offset by reduced Silver Springs storage injection income
- New South Wales Operating EBIT was lower mainly due to reduced gas sales and higher operating expenses associated with increased workover activity

Upstream Gas - Reserves

AGL share of gas reserves*	As at 30 Jun 13		As at 30 Jun 12		Change	
PJ	**2P**	**3P**	**2P**	**3P**	**2P**	**3P**
Gloucester (100%)	**454**	**565**	635	790	(28.5%)	(28.5%)
Moranbah (50%) – Bowen Basin	**291**	**487**	361	828	(19.4%)	(41.2%)
Camden (100%)	**50**	**50**	138	183	(63.8%)	(72.7%)
Hunter (100%)	**0**	**0**	134	257	(100.0%)	(100.0%)
Silver Springs (various)	**58**	**150**	58	150	-	-
Spring Gully (various, small)	**8**	**9**	7	10	14.3%	(10.0%)
Sub-Total	**861**	**1,261**	**1,333**	**2,218**	**(35.4%)**	**(43.1%)**
ATP 1103 rights (50%) – Bowen Basin**	**868**	**2,065**	737	1,594	17.8%	29.6%
Total	**1,729**	**3,326**	**2,070**	**3,812**	**(16.5%)**	**(12.8%)**

* Consistent with new ASX Listing Rules reporting requirements, gas reserves are now reported net of 'lease fuel', i.e. net of estimated own use fuel consumption upstream of the point of sale. Reserves as at 30 June 2012 have been restated accordingly for comparison purposes.

** Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 1103 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.

Upstream Gas – Permits

Basin	Project	Permits: Exploration (Area km²)	Permits: Production (Area km²)	Working Interest
Sydney	Camden Gas Project	PEL 2 (6,694)**r**	-	100%
		PEL 5 (398)**r**	-	100%
		-	PPL 1 (48)	100%
		-	PPL 2 (1)	100%
		-	PPL 4 (56)	100%
		-	PPL 5 (103)	100%
		-	PPL 6 (7)	100%
	Hunter Gas Project	PEL 4 (5,081)	-	100%
		PEL 267 (4,906)**r**	-	100%
Gloucester	Gloucester Gas Project	PEL 285 (1,016)**r**	-	100%
Cooper/Eromanga	Conventional oil and gas	ATP 934P (1,462)**a**	-	20%
	Conventional oil and gas	ATP 1056P (3,907)	-	40%**f**
Galilee	Galilee JV	ATP 529P (3,962)	-	50%

a Under application.

f Subject to farm in; working interests reflect AGL's final position after farm in is completed.

r Under renewal.

p Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 1103 as these were assigned to Arrow Energy. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs.

Basin	Project	Permits: Exploration (Area km²)	Permits: Production (Area km²)	Working Interest
Surat	Silver Springs Project	ATP 471P (445)**r**	-	28.71-100%
		ATP 709P (146)	-	100%
		-	PL 1 (55)	15%
		-	PL 15 (259)	75%
		-	PL 30 (37)	10%
		-	PL 48 (6)**r**	100%
		-	PL 49 (21)**r**	100%
		-	PL 56 (19)**r**	16%
		-	PL 66 (125)	100%
		-	PL 74 (18)**r**	16%
		-	PL 192 (92)	100%
		-	PL 202 (91)	100%
		-	PL 213 (46)	100%
		-	PL 446 (259)	100%
Bowen	Moranbah Gas Project	ATP 1103 (4,153)	-	99%**p**
		-	PL 191 (220)	50%
		-	PL 196 (38)	50%
		-	PL 222 (108)**a**	50%
		-	PL 223 (166)	50%
		-	PL 224 (70)	50%
	Spring Gully Project	ATP 592P (1,677)	-	0.75%
		-	PL 195 (257)	0.75%
		-	PL 203 (259)	0.75%
		-	PL 204 (220)	0.0375%

Reconciling Statutory to Underlying cash flow

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Statutory net cash provided by operating activities	**601.8**	**466.5**	
Cash flow relating to significant items	52.9	56.5	
Increase / (decrease) in futures margin calls	(8.2)	(29.8)	
Increase / (decrease) in net green position	61.4	(20.0)	
Carbon assistance received [1]	240.1	-	
Underlying operating cash flow	**948.0**	**473.2**	↑ 474.8
Net finance costs paid	212.9	96.7	
Income tax paid	71.1	180.8	
Underlying operating cash flow before interest and tax	**1,232.0**	**750.7**	↑ 481.3

1. Carbon transitional assistance received by GEAC in June 2012, which was not included in Operating Cash Flow in FY12. This cash was provided to partially offset the cost of carbon in FY13.

Return on Funds Employed

12 months to $m	30 Jun 2013	30 Jun 2012
Operating EBIT	**1,049.3**	730.4
Average Funds Employed	**9,853.4**	7,917.2
Operating EBIT / Funds Employed	**10.6%**	**9.2%**
Operating EBIT	**1,049.3**	730.4
Less: Upstream Gas EBIT	**0.0**	(0.6)
Less: Equity Accounted Diamantina EBIT	**0.3**	
Adjusted Operating EBIT	**1,049.6**	**729.8**
Average Funds Employed	**9,853.4**	7,917.2
Less: Assets under construction	**(370.8)**	(347.2)
Less: Upstream Gas Funds Employed	**(1,308.3)**	(1,282.7)
Less: Investment in Diamantina Funds Employed	**(56.9)**	
Adjusted Average Funds Employed	**8,117.4**	**6,287.3**
Adjusted EBIT / Funds Employed[1]	**12.9%**	11.6%

Average Funds Employed is the average of monthly Funds Employed, and removes the impact of:
- Derivatives balances (these balances are fair value adjustments and do not represent Funds Employed in the production of EBIT); and
- Tax balances (Funds Employed is pre-tax balances to make the calculation consistent with EBIT)

1. One of two performance measures used in AGL's Long-Term Incentive Plan

Energy Investments

12 months to $m	30 Jun 2013	30 Jun 2012	Change
Operating EBIT			
ActewAGL	**26.5**	28.0	(5.4%)
Loy Yang A	**-**	(3.5)	n/a
Diamantina Joint Venture	**(0.3)**	-	n/a
Total Operating EBIT	**26.2**	24.5	6.9%

Balance Sheet

As at $m	30 Jun 2013	30 Jun 2012
Current assets	**2,836.0**	4,131.9
PPE, E&E and oil & gas assets	**6,175.7**	6,323.5
Other non current assets	**4,354.1**	4,283.0
Total Assets	**13,365.8**	14,738.4
Current debt	**45.4**	616.0
Other current liabilities	**2,146.4**	1,993.8
Non current debt	**3,063.6**	3,696.0
Other non current liabilities	**771.4**	1,299.7
Total Liabilities	**6,026.8**	7,605.5
Net Assets	**7,339.0**	7,132.9
Contributed equity	**5,353.6**	5,227.3
Reserves	**(1.9)**	22.0
Retained earnings	**1,987.3**	1,883.6
Total Equity	**7,339.0**	7,132.9

Fair Value Reconciliation

As at $m	Net Assets (Liabilities) 30 Jun 2013	 30 Jun 2012	 Change
Energy derivative contracts	**112.7**	208.7	(96.0)
Interest rate swaps & foreign currency derivative contracts	**(55.5)**	(224.9)	169.4
Total net assets (liabilities) for derivative contracts	**57.2**	(16.2)	73.4
Change in derivative net assets	**73.4**		
Premiums paid	**(107.8)**		
Settle of interest rate swaps	**(105.1)**		
Premium roll off	**127.1**		
Adjustment to derivatives acquired	**120.0**		
Total change in fair value	**107.6**		
Recognised in equity hedge reserve	**(35.5)**		
Recognised in borrowings	**9.9**		
Recognised in profit and loss (fair value – pre tax)	**114.3**		
Recognised in profit and loss (interest – pre tax)	**18.9**		
Total change in fair value	**107.6**		