



## ASX & Media Release

### AGL reports strong growth in FY13 Underlying Profit and Operating cash flow

**28 August 2013**

AGL Energy Limited (AGL) today reported a statutory net profit after tax of \$388.7 million for the year ended 30 June 2013. This was an increase of 238.3 percent on the prior year with the key drivers of the result being the successful integration of and a full year contribution from Loy Yang, changes in the fair value of certain financial derivatives and a good performance from AGL's core Merchant and Retail operations. Significant expense items increased from \$155.1 million to \$289.6 million after tax.

AGL's Underlying Profit of \$598.3 million was up 24.1 percent on the prior year. Underlying Profit is the statutory net profit after tax adjusted for significant items and changes in the fair value of certain financial derivatives.

AGL has declared a final dividend of 33.0 cents per share, bringing the dividend for the year to 63.0 cents per share. The final dividend will be fully franked.

#### RESULT OVERVIEW:

- **Revenue \$9,715.7 million, up 30.3%**
- **Statutory NPAT \$388.7 million, up 238.3%**
- **Underlying Profit<sup>1</sup> \$598.3 million, up 24.1%**
- **Statutory EPS 70.7 cents per share, up 197.1%**
- **Underlying EPS 108.8 cents per share, up 8.8%**
- **Underlying Operating cash flow before interest & tax \$1,232.0 million, up 64.1%**
- **2013 dividend of 63.0 cents per share (100% franked), up 3.3%**

Commenting on the full year results, AGL Managing Director, Michael Fraser, said: "This has been a good year for AGL. Our core retail and merchant businesses both performed strongly against a backdrop of continued soft demand for energy and strong competition in our key markets. The growth in operating cash flow, up 64 percent, was a highlight of the year.

"I'm also delighted with the integration of Loy Yang into our business. The power station has performed reliably and its earnings contribution has met the expectations we set at the time we acquired it. A measure of the success of the integration has been the improvement in the safety record at Loy Yang, with the total injury frequency rate falling more than 30 percent."



**Significant Items:** The statutory profit included significant items totaling \$289.6 million (after tax) as set out in Table 1 below.

While the New South Wales Government is yet to finalise proposed changes to the regulations regarding the exploration and development of coal seam gas, AGL has considered it prudent to recognise a provision for impairment of the book value of its New South Wales gas projects resulting in a \$343.7 million pre-tax impairment charge for the year ended 30 June 2013. A more detailed explanation of each significant item can be found in Section 1.1 of the Appendix 4E that has been released to the Australian Securities Exchange.

**Table 1: Significant Items**

	Year ended 30 June 2013		Year ended 30 June 2012	
	Pre-tax	PAT	Pre-tax	PAT
	\$m	\$m	\$m	\$m
Loy Yang acquisition	(52.9)	(52.9)	(175.9)	(174.3)
Impairment of Upstream Gas New South Wales assets	(343.7)	(284.3)	-	-
Impairment of other Upstream Gas assets	(51.7)	(36.7)	(35.8)	(26.6)
Impairment of Power Development assets	(45.8)	(38.9)	-	-
Tax items	-	123.2	-	45.8
<b>Total significant items</b>	<b>(494.1)</b>	<b>(289.6)</b>	<b>(211.7)</b>	<b>(155.1)</b>

**Cash Flow:** The Underlying Operating Cash Flow before Interest and Tax increased by \$481.3 million to \$1,232.0 million, an increase of 64.1 percent. The major contributors to this improvement were the incremental earnings from Loy Yang and continued improvements in debtor management.

**Dividends:** AGL has declared a fully franked final dividend of 33.0 cents per share bringing the total dividend for 2013 to 63.0 cents per share, an increase of 3.3 percent on the prior corresponding period.

The record date for the final dividend is 6 September 2013 with payment to be made on 27 September 2013. Shares will commence trading ex-dividend on 2 September 2013.

The AGL Dividend Reinvestment Plan will operate in respect of the dividend. Shares will be allotted at a 1.5 percent discount to the simple average of the daily weighted average market price at which AGL's ordinary shares are traded on the ASX during each of the 10 trading days commencing on 10 September 2013.

**Outlook:** Formal earnings guidance will be provided at the Annual General Meeting to be held on 23 October 2013.

**Conference call:** A webcast and conference call will be held today to discuss AGL's 2013 full year profit result.

Webcast via: [www.agl.com.au](http://www.agl.com.au)  
**10.30am**  
 Dial In numbers:  
 Toll Free Australia: 1800 801 825 (Quote "AGL")  
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**Further inquiries:**

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## About AGL

AGL is one of Australia's leading integrated renewable energy companies and is taking action toward creating a sustainable energy future for our investors, communities and customers. Drawing on 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is Australia's largest private owner and operator of renewable energy assets and is looking to further expand this position by exploring a suite of low emission and renewable energy generation development opportunities.

