

ASX & Media Release

AGL reports solid result in soft demand conditions

20 August 2014

AGL Energy Limited (AGL) today reported a statutory net profit after tax of \$570 million for the year ended 30 June 2014, an increase of 52% on the statutory profit reported in FY13. The main reason for the increase was the substantial decline in significant items which fell from \$290 million in FY13 to \$20 million in FY14.

The statutory result included changes in the fair value of certain energy derivatives and the inclusion of \$20 million of significant items associated with the acquisition of Australian Power and Gas Company Limited (APG) and Macquarie Generation, partly offset by an income tax credit arising from adjustments to tax depreciation of the Southern Hydro assets.

AGL's Underlying Profit of \$562 million was down 3.9% on the prior corresponding period. Underlying Profit¹ is the statutory net profit after tax adjusted for significant items and changes in the fair value of certain energy derivatives.

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

RESULT OVERVIEW:

- Revenue \$9,543 million, down 1.8%
- Statutory NPAT \$570 million, up 52%
- Underlying Profit \$562 million, down 3.9%
- Statutory EPS 102.2 cents per share, up 49.9%
- Underlying EPS 100.8 cents per share, down 5.2%
- Underlying Operating cash flow before interest & tax \$1,149 million, down \$30 million
- 2014 final dividend of 33.0 cents per share (100% franked), unchanged

Commenting on the full year results, AGL Managing Director, Michael Fraser, said:

"The result reflects the difficult operating environment faced by all the major energy companies. As well as the record warm winter weather conditions experienced this year we saw a further drop in customer demand for energy.

"On a more positive note, we successfully integrated the APG retail business which grew our customer base to 3.8 million. We have also announced this morning that we have concluded a deal to acquire the Macquarie Generation assets in NSW creating a long term low cost advantage for AGL in our biggest market. We expect this acquisition will be immediately accretive to earnings."

1. 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. The Directors have had the consistency of the application of the policy reviewed by AGL's external auditors.



Macquarie Generation (MacGen) acquisition: AGL has separately announced today that it has concluded an agreement to acquire MacGen for a purchase price of \$1,505 million. To partly fund the acquisition, AGL has also announced the launch of a pro rata accelerated renounceable entitlement offer to raise approximately \$1.2 billion.

Dividends: AGL has declared a fully franked final dividend of 33.0 cents per share.

The final dividend will be paid on 30 September 2014. The record date to determine shareholders' entitlements to the final dividend is 4 September 2014. Shares will commence trading ex-dividend on 2 September 2014.

The AGL Dividend Reinvestment Plan will operate in respect of the dividend. Shares will be allotted at 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 8 September 2014. In view of the overlap between the periods for determining the issue price of shares under the DRP and the exercise price in respect of the rights entitlement offer, the Directors have determined that no discount will apply in respect of the issue price of shares under the DRP.

Outlook: On 17 July 2014, AGL advised the market that the repeal of the carbon tax would reduce FY15 Earnings Before Interest and Tax (EBIT) by a gross amount of \$186 million, with a further reduction in EBIT of approximately \$14 million due to the closure of its LPG extraction plant at Kurnell as a consequence of the closure of the Caltex Oil Refinery. AGL also advised the market that this combined reduction in EBIT of \$200 million would be largely offset by strong growth in other parts of AGL's business, including additional gas sales in Queensland.

Because an agreement for its acquisition had not then been concluded, the announcement did not include any earnings contribution in FY15 from MacGen. MacGen is expected to add approximately \$75 million to Underlying Profit (including funding costs) in FY15.

AGL will provide formal guidance of its FY15 earnings outlook at its Annual General Meeting on 23 October 2014.

Conference call: A webcast and conference call will be held today to discuss AGL's 2014 profit result.

A copy of the investor presentation is attached.

eWebcast via: www.aglinvestor.com

11.00am

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About AGL

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable energy generation in the country. Drawing on over 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 taking action toward creating a sustainable energy future for our investors, communities and customers.

FY14 Full Year Results

**Full Year ended
30 June 2014**

Michael Fraser,
Managing Director and CEO

Brett Redman,
Chief Financial Officer

20 August 2014

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Disclaimer and important information

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.

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or any other law. This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction. Neither the shares referred to in this presentation (the New Shares) nor the entitlements have been, or will be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements and the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

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.

References to FY14 refer to the 12 months ended 30 June 2014. All references to prior period movements are references to the prior corresponding period ended 30 June 2013 (FY13).

Disclaimer and important information

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 9 and the Operating and Financial Review.

This presentation contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, coal and gas resources and reserves, coal and gas costs, future carbon prices, estimated mine life, the outcome and effects of the entitlement offer and the use of proceeds.

The forward looking statements contained in this presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of AGL, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this presentation. The forward looking statements are based on information available to AGL as at the date of this presentation.

Agenda

5	Results Highlights	Michael Fraser
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IMPORTANT NOTE:

This presentation should be read in conjunction with the
AGL Energy Limited Financial Results ASX Release for the year ended 30 June 2014.

FY14 highlights

Solid result given soft demand conditions.

- > Statutory Profit of \$570 million, up 52.0%
- > Underlying Profit of \$562 million, down 3.9%
- > Underlying Operating Cash Flow before interest and tax of \$1.1 billion
- > Record mild winter and lower average demand impacted volumes and margins
- > Retail Operating EBIT of \$318 million down 10.7% with key drivers being:
 - » Volumes down due to lower average demand, impacting EBIT by \$82 million or 11.8% (excl. APG)
 - » Price discounting which shows signs of moderating but remains intense in Victoria and substantial customer retention activity continues
- > Merchant Operating EBIT of \$899 million up 5.4% driven by:
 - » Increased Queensland wholesale gas sales contributing \$40 million
 - » Wholesale electricity benefited from higher generation volumes and improved margins \$67 million
 - » Consumer volumes down due to lower average demand, impacting EBIT by \$49 million or 4.4% (excl. APG)
- > Electricity price deregulation across all AGL markets within 12 months
- > Gloucester Gas Project receives NSW Government approvals to proceed with flow testing of Waukivory Pilot
- > Bowen Basin assets held for sale. Process underway to divest assets
- > APG successfully and seamlessly integrated

FY14 result

Statutory and Underlying Profit impacted by lower electricity and gas volumes.

FINANCIAL			
	> Revenue:	\$9,543m	↓ (1.8%)
	> Statutory Profit:	\$570m	↑ 52.0%
	> Underlying Profit:	\$562m	↓ (3.9%)
	> Statutory EPS:	102.2 cps	↑ 49.9%
	> Underlying EPS:	100.8 cps	↓ (5.2%)
	> DPS: (final dividend 33.0 cents - 100% franked)	63.0 cps (FY13: 63.0 cps)	- 0.0 cps
	> Gearing (Net Debt/Net Debt + Equity)	29.8% (FY13: 27.9%)	↑ 1.9 ppts
	> Statutory operating cash flow after tax:	\$699m	↑ \$97m
	> Underlying operating cash flow before interest and tax:	\$1,149m	↓ (\$30m)
OPERATIONAL	<ul style="list-style-type: none"> > Revenue and Underlying Profit reduced because of lower volumes and competition <ul style="list-style-type: none"> » Electricity consumer volumes down 2.9%, including APG » Gas consumer volumes down 4.9% including APG > Strong operating cash flow reflects lower working capital > Final dividend of 33.0 cents per share fully franked > Core operations continue to perform well in difficult market conditions 		

Macquarie Generation Acquisition

Acquisition accretive to Underlying EPS in FY15.

- › AGL to acquire the assets of Macquarie Generation
 - › Adds scale and diversity to AGL's generation portfolio
 - › ~35-45% lower SRMC¹ than other major NSW base-load generators²
- › Purchase price of \$1,505 million³
- › Transaction will be funded to maintain AGL's BBB credit rating
 - › \$1,232 million equity – fully underwritten accelerated renounceable entitlement offer launched today
 - › \$350 million debt facility
- › Undertakings to sell 500 MW pa x 6.5 years to second tier retailers at market price
- › Modelled return exceeds AGL's cost of capital and required investment hurdle rate
 - › Investment payback of ~9 years
- › Conservative modelling assumptions include:
 - › Tomago shutting in 2017 and as a result Liddell will also shut in 2017
 - › Limited changes to RET policy assumed
- › Immediately accretive to Underlying EPS in FY15
- › Expected to generate substantial future cash flows for AGL
- › Acquisition completion expected in September 2014

1. Short run marginal cost
2. Carbon exclusive
3. Purchase price of \$1,505m including \$90m stamp duty but not other transaction costs of \$43m

FY14 Full Year Results 12 Months to 30 June 2014

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Group Financials

Brett Redman
Chief Financial Officer

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Statutory Profit to Underlying Profit reconciliation

Volatility of non-cash items highlights value of focus on Underlying Profit.

\$m	FY14	FY13*	Change
Statutory Profit	570	375	↑ 52.0%
Adjust for the following after tax items:			
Significant items	20	290	
Changes in fair value of financial instruments	(28)	(80)	
Underlying Profit	562	585	↓ (3.9%)

- › Significant items in the current year relate to costs associated with APG and Macquarie Generation acquisitions, less a tax benefit from a revised depreciation allowance for Southern Hydro
- › Changes in the fair value of financial instruments arise from an accounting standard requirement to value certain components of AGL's derivative portfolio differently from 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

* FY13 restated, details provided on slide 57 and section 1.3 of the Operating and Financial Review in the AGL Directors' Report 2014

Underlying Profit

Underlying Profit down (3.9%) on prior period.

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\$m	FY14	FY13	Change
Revenue	9,543	9,716	(1.8%)
Operating EBITDA	1,330	1,318	0.9%
Operating EBIT			
Retail	318	356	(10.7%)
Merchant	899	853	5.4%
Upstream Gas	(13)	0	n/a
Energy Investments	23	26	(11.5%)
Centrally managed expenses	(223)	(204)	9.3%
Total Operating EBIT	1,004	1,031	(2.6%)
Less: Net finance costs	(223)	(206)	8.3%
Underlying Profit before tax	781	825	(5.3%)
Less: Income tax expense	(219)	(240)	(8.8%)
Underlying Profit	562	585	(3.9%)
Underlying EPS (cents per share)	100.8	106.3	(5.2%)

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Retail – key financial metrics

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Reduced underlying consumption and record mild weather impacts volumes.

\$m	FY14	FY13	Change
Electricity Revenue	3,679	3,542	3.9%
Gas Revenue	1,362	1,302	4.6%
Other Revenue (Fees & Charges)	74	82	(9.8%)
Total Revenue	5,115	4,926	3.8%
Cost of Sales	(4,344)	(4,143)	4.9%
Gross Margin	771	783	(1.5%)
Operating Costs (excl. D&A)	(367)	(352)	4.3%
Operating EBITDA	404	431	(6.3%)
Depreciation and Amortisation	(86)	(75)	14.7%
Operating EBIT	318	356	(10.7%)
Operating EBIT / Sales (%)	6.2%	7.2%	(1.0 ppts)

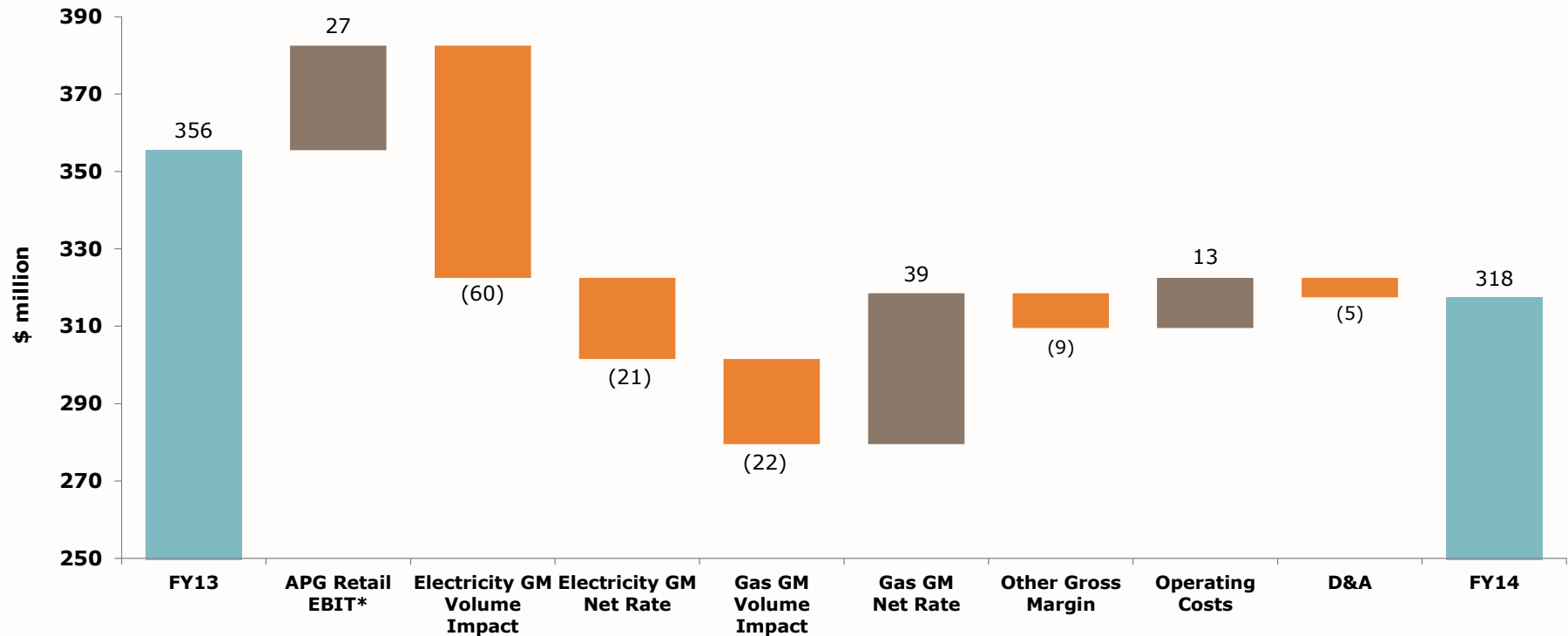
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Retail – Operating EBIT drivers

APG acquisition and rising gas rates partly offset lower volumes.



Key drivers:

- > Electricity gross margin decline driven by lower volumes due to lower average demand and record mild weather along the east coast, partially offset by customer growth in New South Wales and net price increases
- > Gas gross margin improvement due to net price increases, offset by lower volumes due to record mild weather
- > Net operating costs flat as cost saving initiatives offset inflation, the closure of the Canberra call centre, other restructuring and amortisation increases following the success of the NSW customer acquisition campaign (costs previously capitalised)

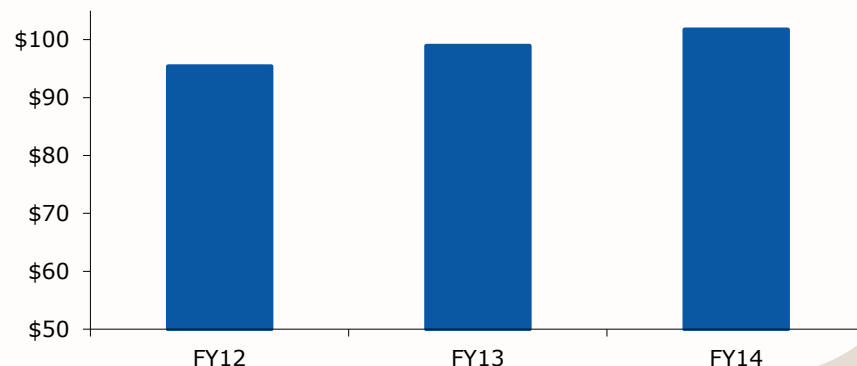
* Refer to section 2.1.1 of the Operating and Financial Review in the AGL Directors' Report 2014 for a breakdown of the APG Retail EBIT contribution for FY14.

Retail – key operating metrics

Lower volume drives lower margins, operating costs well controlled.

\$m	FY14	FY13	Change
Operating costs	(367)	(352)	4.3%
Depreciation and amortisation	(86)	(75)	14.7%
Less fees and charges	74	82	(9.8%)
Net operating costs	(380)	(346)	9.8%
Gross margin	771	783	(1.5%)
Less fees and charges	(74)	(82)	(9.8%)
Gross margin excluding fees and charges	697	701	(0.6%)
Net operating expenditure to gross margin ratio	54.5%	49.3%	5.2 ppts

Net operating expenditure per customer account



- > Net operating costs, excluding APG \$34 million, were flat year on year as a result of cost reduction initiatives
- > Lower volume drives lower margin, impacting operating cost to gross margin ratio

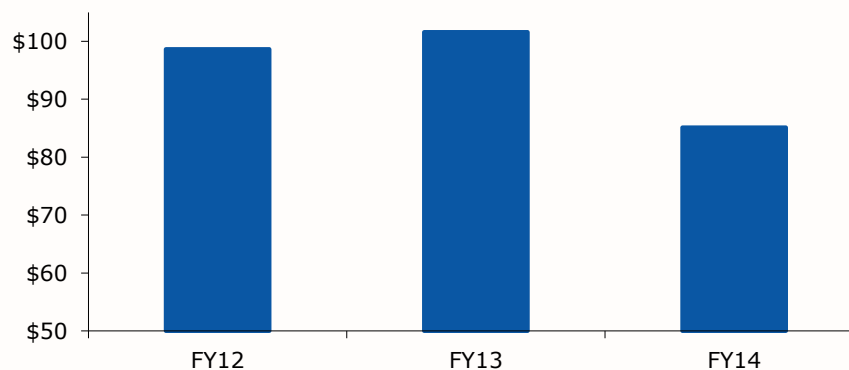
Retail – key operating metrics

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Lower volume drives lower EBIT per customer.

	FY14	FY13	Change
EBIT (\$m)	318	356	(10.7%)
Average customer numbers ('000)	3,733	3,500	6.7%
EBIT per customer account	\$85	\$102	(16.7%)

EBIT per customer account



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Merchant – key financial metrics

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Higher generation, higher Queensland gas sales and lower consumer volumes.

\$m	FY14	FY13	Change
Operating EBITDA	1,093	1,018	7.4%
Depreciation and amortisation	(194)	(165)	(17.6%)
Energy Portfolio Management (EPM)			
Wholesale Electricity Gross Margin	1,038	971	6.9%
Wholesale Gas Gross Margin	164	124	32.3%
Eco-markets Gross Margin	54	71	(23.9%)
EPM Operating Expenses (including D&A)	(26)	(31)	16.1%
Merchant Operations	(415)	(387)	(7.2%)
Business Customers			
Electricity Gross Margin	39	66	(40.9%)
Gas Gross Margin	62	64	(3.1%)
Operations, Sales and Customer Service	(30)	(30)	0.0%
Energy Services	48	42	14.3%
Depreciation & Amortisation	(17)	(15)	13.3%
Sundry	(18)	(22)	(18.2%)
Operating EBIT	899	853	5.4%

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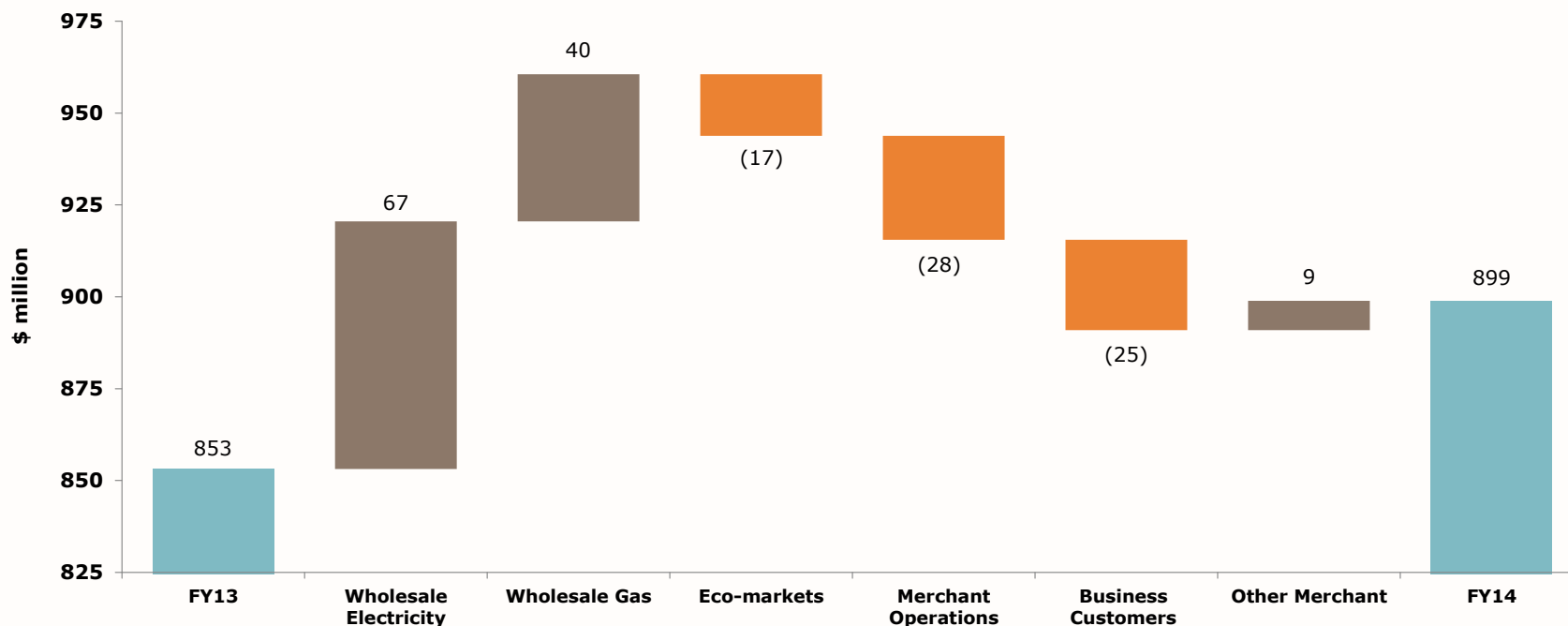
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Merchant – Operating EBIT drivers

Higher generation, higher Queensland gas sales and lower consumer volumes.



Key drivers:

- > Higher generation from wind farms (including full year of Macarthur) and hydro. Higher depreciation and costs from Macarthur included in Merchant Operations.
- > Wholesale Electricity benefited from higher generation volumes, addition of APG customers and higher transfer prices charged to Retail Energy. This was partially offset by lower consumer volumes.
- > Wholesale Gas increase driven by higher wholesale customer volumes and transfer prices charged to Retail Energy, partly offset by lower consumer and Business Customer volumes.
- > Eco-markets unfavourable due to increase in the market cost of Small-scale Renewable Energy Certificates (SREC).
- > Business Customers decrease due to lower electricity and gas volumes.

Underlying Operating Cash Flow

Strong operating cash flow reflecting quality of earnings.

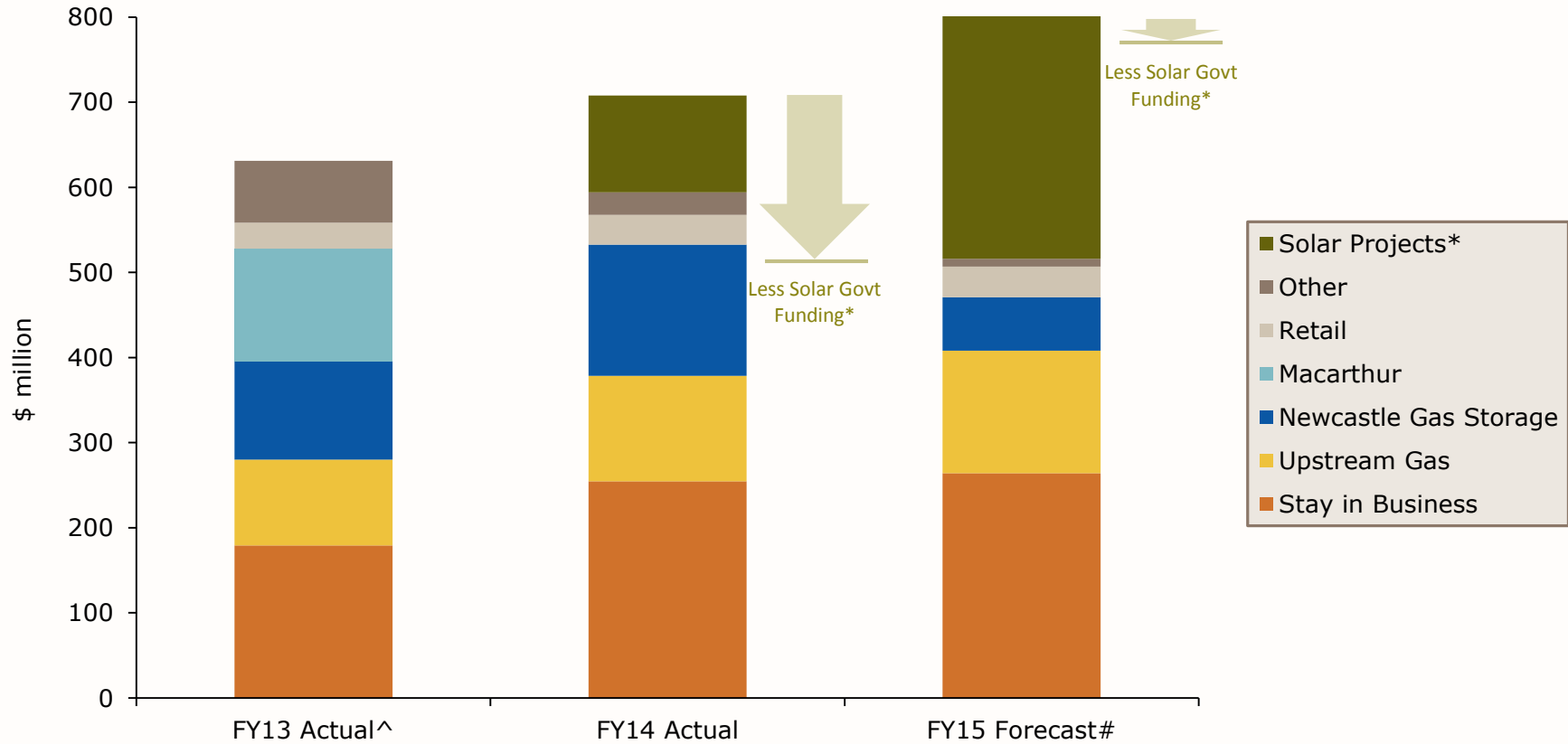
\$m	FY14	FY13	Change
Operating EBITDA	1,330	1,318	12
Equity accounted income	1	(2)	3
Onerous contracts	(117)	(49)	(68)
Receivables	109	(248)	357
Inventories	(54)	21	(75)
Creditors	(189)	22	(211)
Net movement in green assets and liabilities ¹	43	(61)	104
Carbon liability	(12)	145	(157)
Futures margin calls ¹	(0)	8	(8)
Other	38	25	13
Total working capital movements	(65)	(88)	23
Underlying Operating cash flow before interest and tax	1,149	1,179	(30)

- > The impact of carbon on working capital is not significant. Decrease in receivables of approximately \$24 million (FY13 \$158 million increase), and estimated increase in trade creditors of \$3 million (FY13 \$14 million increase), is partially offset by a decrease in carbon liability of \$12 million (FY13 \$145 million increase).
- > Year on year variance in onerous contracts of (\$68 million) is driven by a de-recognition of Torrens Island power station haulage onerous contract provision largely offset by an unbilled debtors adjustment of \$55 million shown in receivables. These net (\$13 million) accounting adjustments are non cash and relate to other periods.

1. Net movement in green assets and liabilities, and future margin calls included in Underlying Operating cash flow before interest and tax.

Capital expenditure

Major project spend offset by government funding.



* Solar Project capital expenditure is shown excluding government grant funding. \$191 million received in FY14, and \$31 million due to be received in FY15.

^ FY13 adjusted to include Loy Yang overburden

FY15 forecast excludes Macquarie Generation

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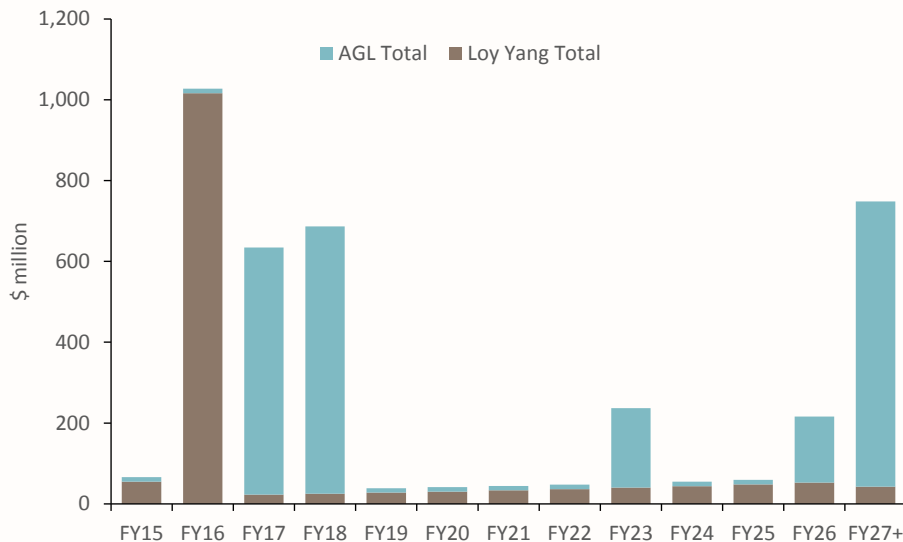
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Debt structure

Market liquidity supportive of financing activities.

- > Refinancing existing facilities secured lower margins and lengthened maturity profile
 - » \$600 million bank term facility increased to \$650 million and extended to February 2018
 - » \$400 million bank revolver facility increased to \$450 million and extended to June 2017
- > Debt markets conducive to refinancing existing AGL Loy Yang facilities and MacGen acquisition

AGL Debt Maturity Profile



Facilities at 30-Jun-14	Limit \$m	Usage \$m
Current		
Loy Yang A Senior Debt	34	34
Export Credit Agency Facility	11	11
Non Current		
AGL – Term C	650	650
AGL – RCF D	450	450
Revolver Facility	150	150
AGL – US Senior Notes	338	338
Export Credit Agency Facility	178	178
Hybrid Subordinated Notes	650	650
Loy Yang A Senior Debt	1,255	1,255
Total Debt	3,716	3,716
Less: Cash		466
Net Debt		3,250

Financial ratios

AGL ratios in FY13 and FY14 impacted by carbon.

- > During FY14 Standard & Poor's (S&P) adopted a revised methodology for determining corporate credit ratings. The key ratios for AGL are now
 - » FFO / Cash interest
 - » Gross Debt to Adjusted EBITDA
- > AGL ratios are expected to improve following
 - » Repeal of the carbon tax reflecting S&P's methodology which excluded the benefit of the Federal Government's carbon assistance payments
 - » Acquisition of MacGen's strong cash flows and acquisition funding mix

	FY14	FY13
FFO / Cash interest (times) ¹	4.0	4.5
Gross Debt / Adjusted EBITDA (times) ¹	4.3	3.9
Net Debt (\$ million)	3,250	2,821
Net Debt / (Net Debt + Equity)	29.8%	27.9%

1. Similar methodology as applied by S&P (new methodology published November 2013).

Operational Review

Michael Fraser
Managing Director and CEO

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People and safety

Improvement in key safety and engagement measures.

Key safety statistics for FY14:

- > Total injury frequency rate down 44% to 2.8
- > Occupational injury frequency rate down 42% to 3.7

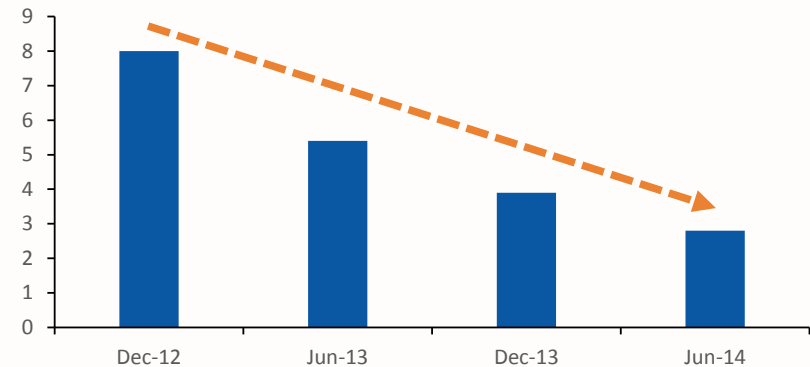
Key health and safety process improvements:

- > Established new health and safety management system
- > Increased focus on safety leadership
- > Development of enhanced data analysis and reporting through hazard reporting system

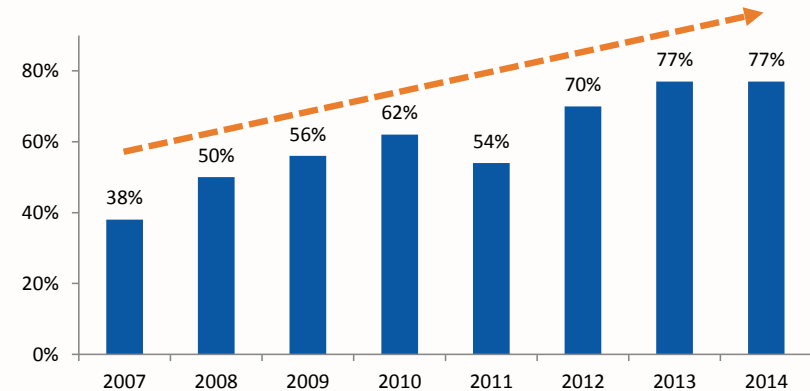
Employee engagement:

- > AGL maintains a high level of employee engagement while doubling operational workforce
- > AGL continues to be positioned in the international "Best Performing Zone"

Total Injury Frequency Rate



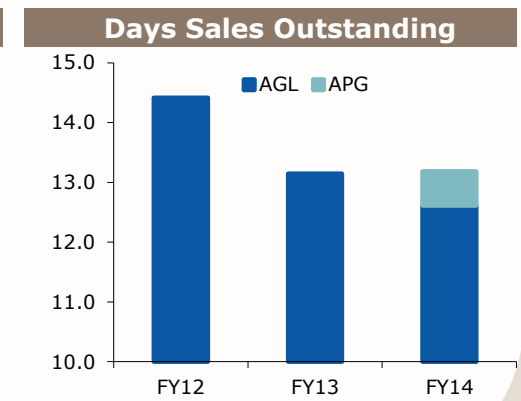
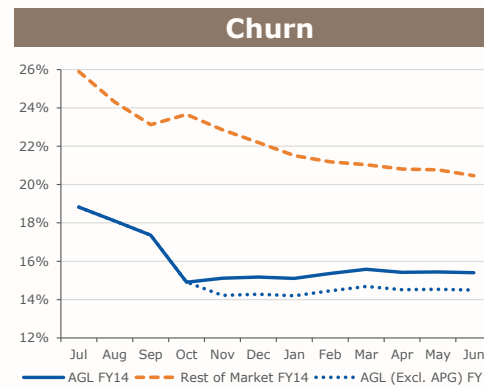
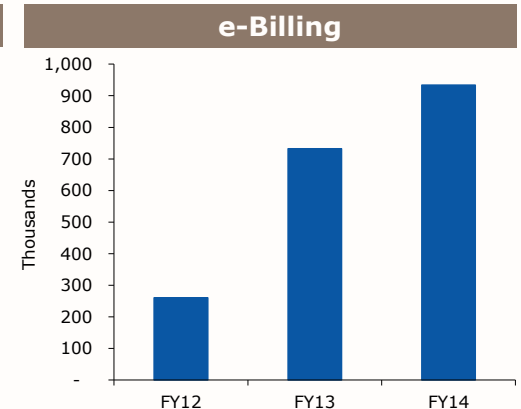
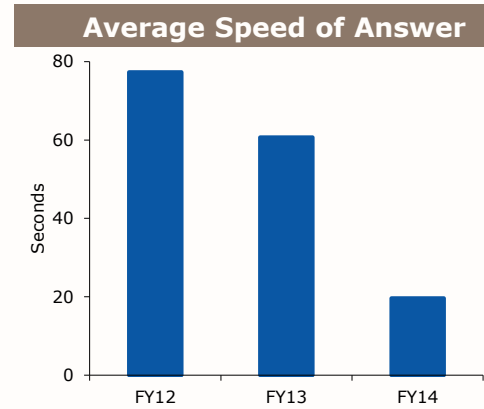
Employee Engagement Score



Retail core operations

Operational performance provides the platform for Retail's growth strategy.

- > APG customers seamlessly integrated into AGL including improved service and cost to serve
- > Lowest ever AGL underlying Days Sales Outstanding of 12.6. APG added 0.6 days
- > Strong AGL Net Bad Debt Expense to revenue ratio of 0.66%. APG added 0.2 ppts
- > e-Billing approaching 1 million customer accounts
- > Average speed of answer down to 20 seconds
- > Monthly billing launched in November 2013 with 116,000 registrations in the first 8 months
- > Average customer satisfaction improves. All key metrics continue to be ahead of the major competitors
- > AGL churn fell substantially to 14.5%, APG added 0.9 ppts. Rest of market churn was 20.5%
- > Direct debit increased 29.3% to 0.5 million. Fly buy linkages increased 48.1% to 0.6 million
- > Customers linked to one or more products and offerings churn at a considerably lower rate

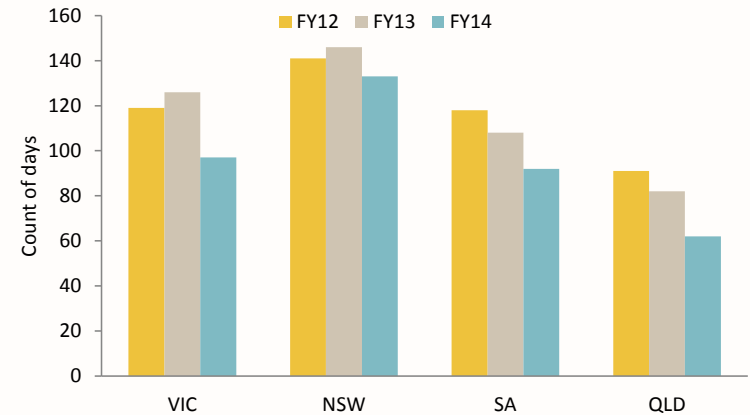


Weather and consumer demand

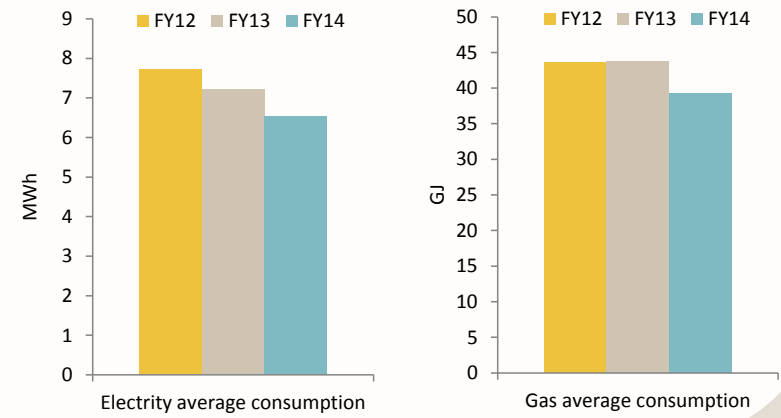
Record mild winter reduces demand.

- > Record mild winter across south east Australia only partially offset by hot January in Victoria and South Australia
- > Decline in total consumer market demand, partly offset by APG acquisition
 - » Electricity down 2.9% (excluding APG down 7.7%)
 - » Gas down 4.9% (excluding APG down 9.3%)
- > Average consumer market demand declines in all states for both electricity and gas
 - » Average electricity demand down 9.3%
 - » Average gas demand down 10.3%
- > Excluding FY14 weather effects, AGL expects average consumer demand to continue to be impacted by energy efficiency, solar and new technologies offset by population growth

Days with Minimum Temperatures < 10 degrees¹



AGL Average Consumer Market Demand



Note 1. Temperature data includes July-September and May-June.

Regulatory pricing

Deregulation of retail markets largely complete.

Electricity

Gas

New South Wales ✓ Deregulated 1 July 2014

✓ Regulation continues but allows retail prices to reflect market prices (up 11.7% from 1 July 2014)

Queensland ✓ Deregulated (price monitoring) from 1 July 2015

✓ Deregulated 1 July 2007

South Australia ✓ Deregulated 1 February 2013 (AGL commitment on standing price expires January 2015)

✓ Deregulated 1 February 2013

Victoria ✓ Deregulated 1 January 2009

✓ Deregulated 1 January 2009

Growing the Retail Business

Market fundamentals present some challenges but also substantial opportunities.

Market Fundamentals

- › Electricity deregulation for all States to be completed within 12 months
- › FY14 consumption impacted by mild weather
- › On-going reduced consumption due to solar PV and energy efficiency
- › Rapid digitisation of the market
- › Large, network led price increases abate
- › Carbon removed from the bill
- › Aggressive competitor activity through discounting – particularly Victoria



FY15 Strategic Priorities

Lift gross margins while driving customer value and loyalty:

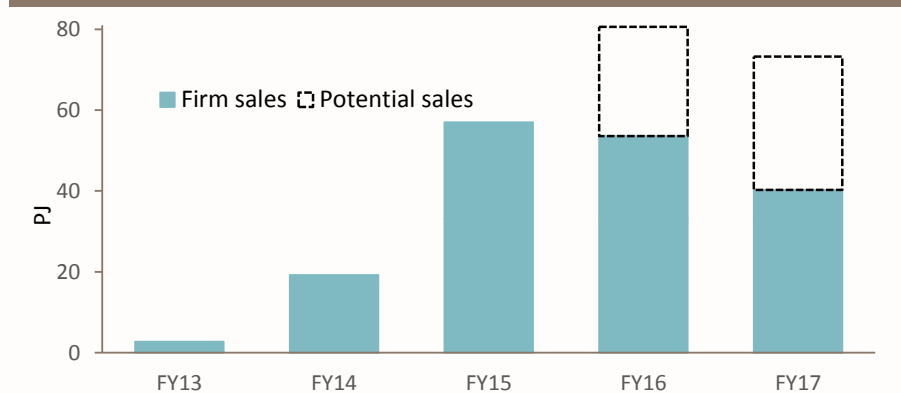
- › Drive lower costs through digitisation of customer engagement/interactions. Focus on AGL's highly successful e-bill as the primary communication channel
- › Increase focus on customer value rather than customer numbers by implementing value segmentation to drive market share in higher value segments, deliver affordability in lower value segments while improving profitability
- › Use AGL smart meter roll-out as a building block for innovative and segmented customer propositions
- › Complete implementation of 24/7 call centre
- › Launch AGL app as a critical customer channel
- › Further capitalise on AGL call centre's market leading operational metrics that free up operator time to promote AGL's loyalty propositions including: monthly billing, fly buys, direct debit

Gas portfolio

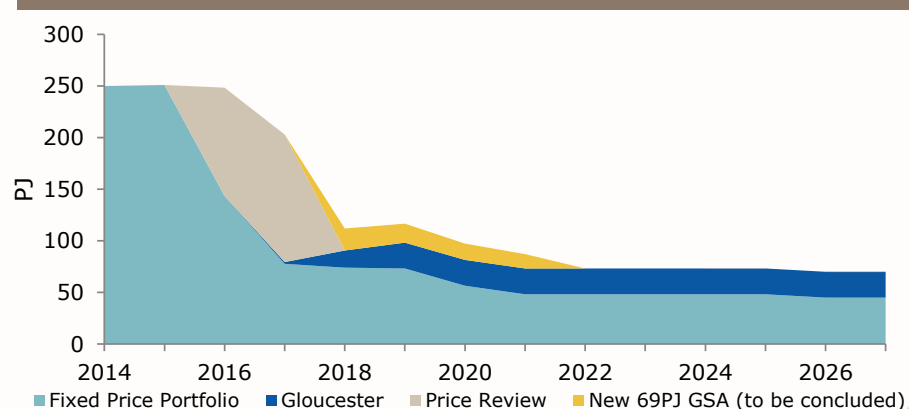
Queensland Wholesale gas sales to ramp up in FY15.

- > Queensland Wholesale gas sales:
 - » Sales to QLD wholesale gas customers of 57 PJ expected in FY15, up from 19 PJ in FY14
 - » Sales in FY15 contracted at an average margin of \$3.40/GJ¹
 - » Ongoing negotiations for additional sales across FY16 and FY17
 - » While additional volumes are available for sale LNG delays limit opportunities in FY15
- > Additional long term portfolio supplies:
 - » Contract for additional 69 PJ of Otway Basin gas across 2018 – 2021 expected to be concluded in H1 FY15
 - » Negotiations ongoing for additional long term supplies commencing in 2017 / 2018
 - » FID on Gloucester Project expected in Q4 2015

Queensland Wholesale Gas Sales FY13 to FY17



AGL Contracted Supply – Maximum Annual Quantity

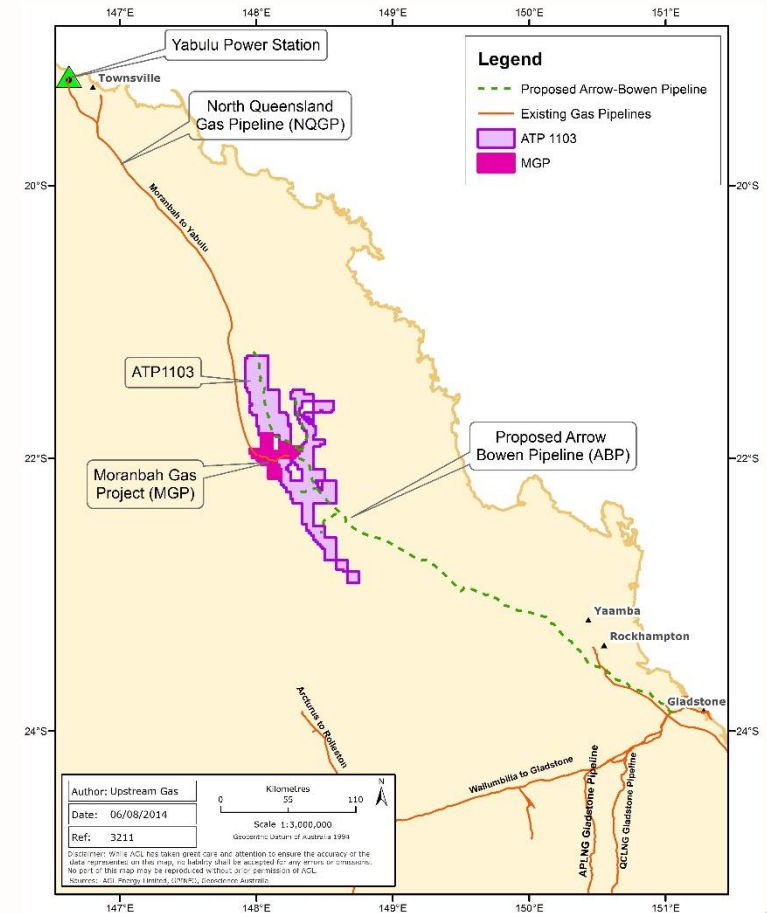


¹ This includes all sales concluded by the end of FY14

Moranbah asset sale

Commenced divestment process.

- > AGL's Bowen Basin gas interests held for sale
- > Purchased in 2006 to augment domestic gas, now regarded as non-core as long-term destination for gas is LNG exports
- > Assets comprise:
 - > Entitlement to 1,253 PJ (2P), 4,027 PJ (2P+2C)
 - > 50% interest in Moranbah Gas Project (MGP) supplying gas to local region and into gas pipeline to Townsville (Arrow operator)
 - > 50% interest in North Queensland Energy business supplying gas and electricity in Townsville (AGL operator)
 - > 50-year project agreement (runs to 2050), including rights to:
 - » Participate up to a 50% interest in any commercial development within exploration tenement ATP 1103 by contributing share of past costs
 - » 5% override royalty on Arrow's share of revenue from MGP and ATP 1103



Gloucester gas project

Flow testing of Waukivory Pilot receives approvals.

29

- > NSW Office of Coal Seam Gas and EPA approvals clear the way for AGL to perforate, fracture stimulate and flow test four existing Waukivory Pilot wells
- > FEED study nearing completion
- > Work program underway to comply with NSW and Federal conditions required to commence construction
- > Final investment decision expected in Q4 2015 and first gas in Q3 2017
- > Production target 20-30 PJ per annum by 2018



Water monitoring bore adjacent to Waukivory Pilot site

Project updates

Construction well advanced on all projects.

Diamantina Power Station – Mt Isa (302 MW, AGL 50% interest)

Construction largely complete, commissioning ongoing

- › KBR contracted to manage the completion of construction activities replacing EPC contractor (Forge Group)
- › Diamantina Power Station (DPS) (242 MW CCGT). Generating power in open cycle mode. Combined cycle commissioning underway and completion expected late 2014
- › Leichhardt Power Station (LPS) (60 MW OCGT) completed commissioning July 2014



Newcastle Gas Storage Facility

- › Critical infrastructure for NSW security of supply. 1,500 TJ storage and 120 TJ/day peaking capacity
- › LNG tank and process equipment nearing completion. 5.5 km high-pressure gas pipeline installed and electrical connection works are well advanced
- › Commissioning to commence in November 2014. Fully operational by mid 2015



Solar Projects

Construction of both projects due for completion in 2015

Nyngan Solar Plant – NSW (~102 MW)

- › Construction commenced in January 2014. Grid connection is planned for September 2014. Commissioning to commence in Q4 2014. Fully operational by mid 2015

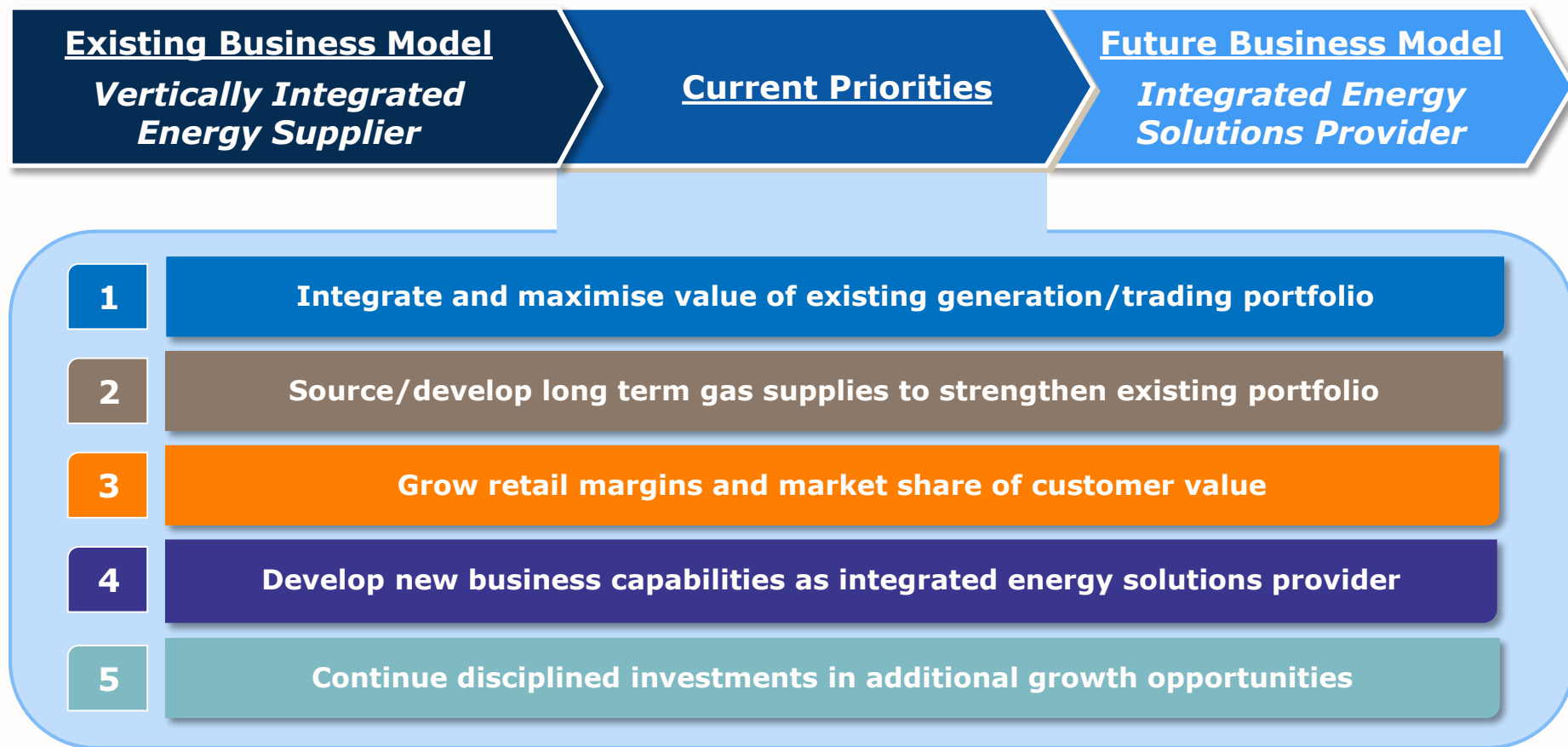
Broken Hill Solar Plant – NSW (~53 MW)

- › Construction commenced in July 2014. Grid connection is planned for early 2015. Fully operational by late 2015



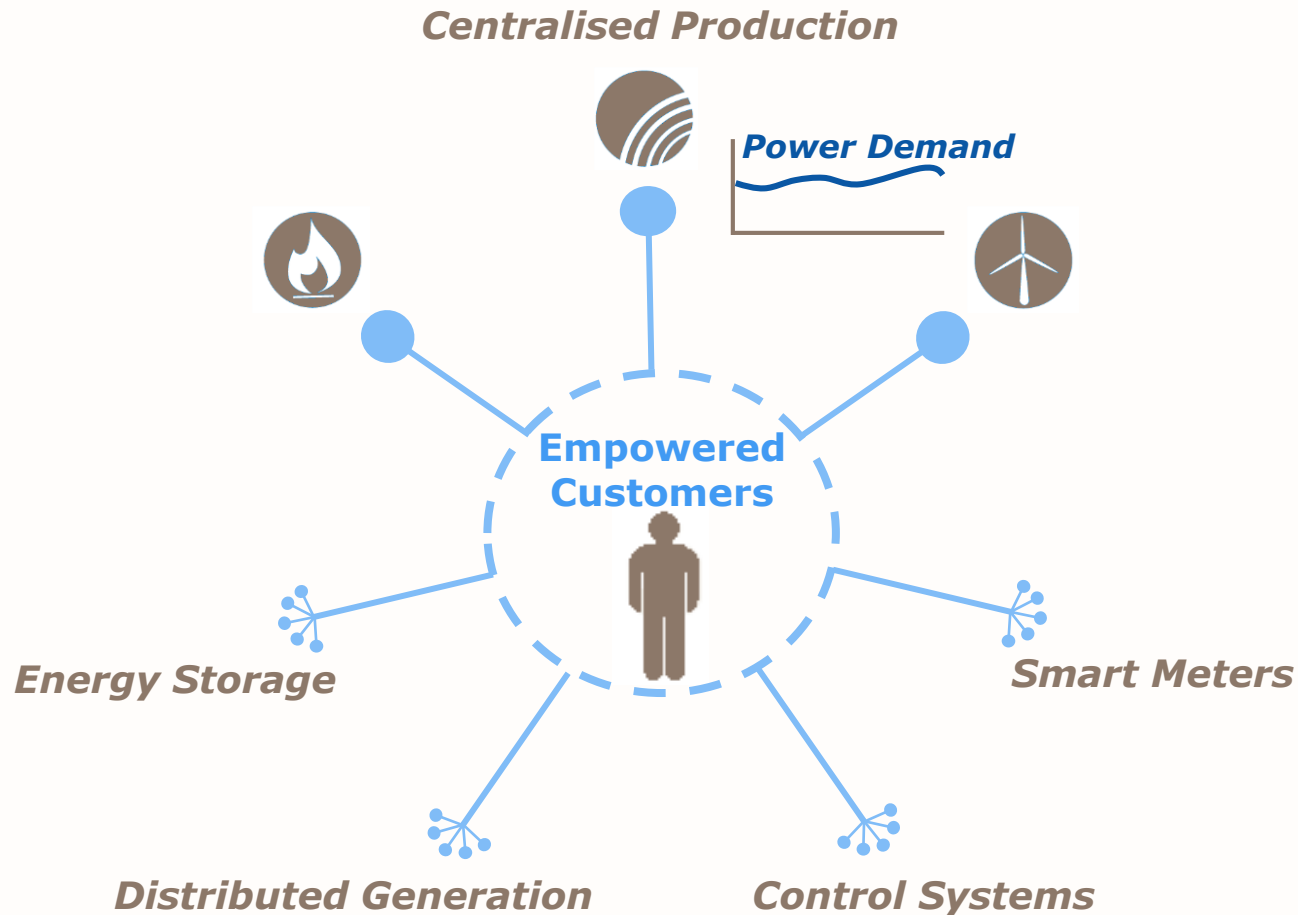
AGL Strategic Priorities

Optimise and grow core business, develop capabilities for future market.



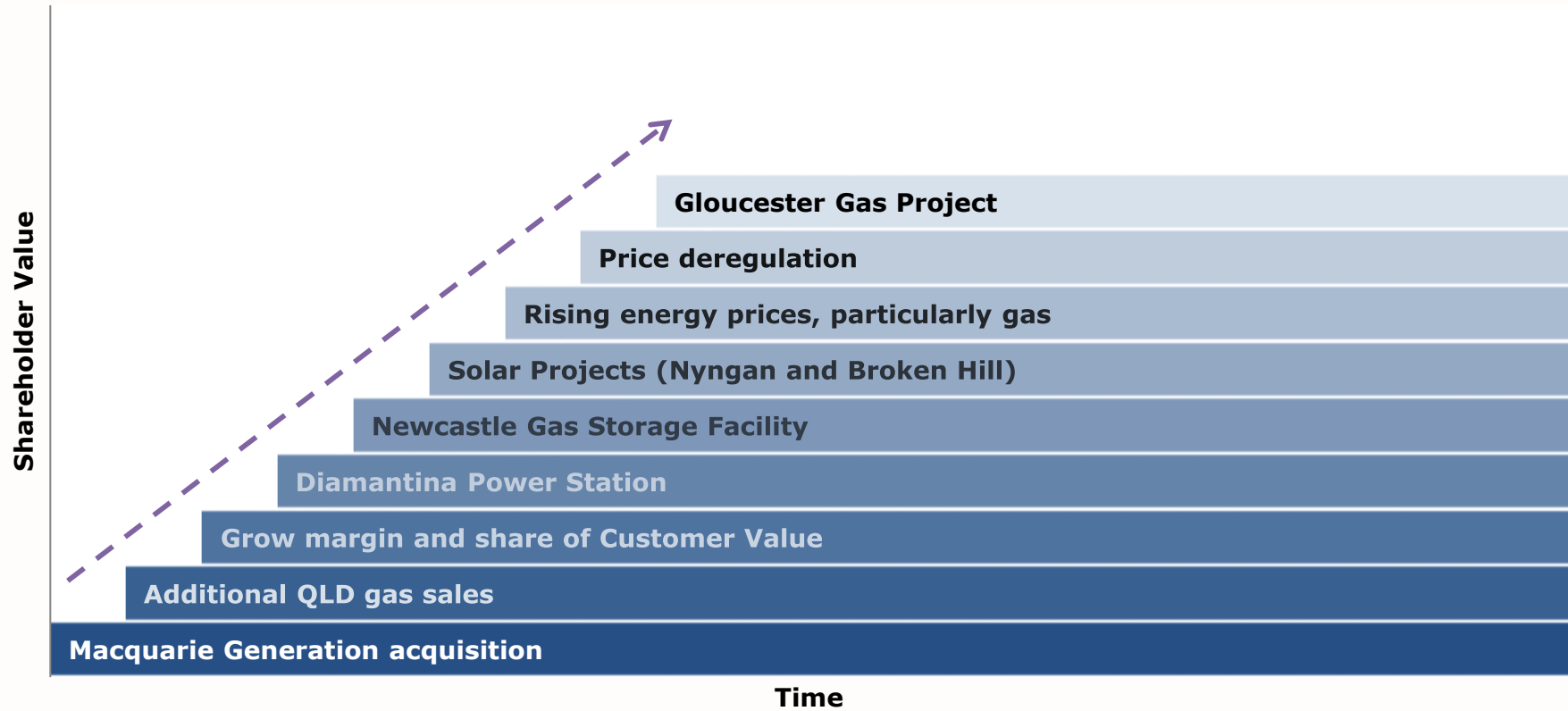
Future Energy Market Model

Energy will become increasingly ubiquitous.



AGL growth pipeline

AGL's integrated strategy creating significant growth pipelines.



Strong growth in underlying business excluding carbon tax removal.

- › Carbon tax repeal effective 1 July 2014 gives rise to a net reduction of approximately \$100 million in EBIT contribution from Loy Yang A due to cessation of transitional assistance arrangements and a reduction of approximately \$86m in EBIT from AGL's renewable and gas generation portfolio's due to anticipated lower wholesale electricity prices
- › HCE closure to reduce FY15 EBIT by \$14 million
- › Very strong growth in underlying business to largely offset Carbon tax and HCE impacts
- › QLD wholesale gas sales of 57 PJ expected in FY15, up from 19 PJ in FY14
- › Additional long term gas supplies under negotiation
- › Flow testing at Gloucester gas project to proceed
- › Macquarie Generation financial transaction close expected early September 2014
- › Commissioning of Diamantina Power Station, Nyngan Solar Plant and Newcastle Gas Storage Facility in FY15
- › FY15 guidance to be provided at Annual General Meeting on 23 October 2014
- › Progressive dividend policy is expected to be maintained¹
 - › FY15 dividends on the expanded share capital post MacGen expected to be fully franked

1. Dividends are determined by the Board on a semi annual basis. Assumes normal course of business

Contact information

Sales - Electricity and gas

Customer Service

AGL Energy Online/My AGL IQ™

Corporate Information

www.agl.com.au

131 245

<https://agleneryonline.agl.com.au>

www.agl.com.au/about/Pages/Default.aspx

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Supplementary Information

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Electricity sales volume

GWh	FY14	FY13	Change
Consumer			
New South Wales	5,579	5,450	2.4%
Victoria	4,234	4,258	(0.6%)
South Australia	2,522	2,814	(10.4%)
Queensland	2,504	2,754	(9.0%)
Consumer Total	14,839	15,276	(2.9%)
Business			
New South Wales	3,252	3,619	(10.1%)
Victoria	4,190	4,651	(9.9%)
South Australia	3,748	4,466	(16.1%)
Queensland	1,773	1,978	(10.4%)
Business Total	12,963	14,714	(11.9%)
Total (excl. ActewAGL)	27,802	29,990	(7.3%)
Purchased volume ActewAGL	2,441	2,527	(3.4%)

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

AGL External

Gas sales volume

PJ	FY14	FY13	Change
Consumer			
New South Wales	22.4	24.4	(8.4%)
Victoria	29.7	30.6	(2.9%)
South Australia	2.9	2.8	2.1%
Queensland	2.6	2.8	(3.4%)
Consumer Total	57.6	60.6	(4.9%)
Business			
New South Wales	31.5	35.1	(10.3%)
Victoria	27.6	27.2	1.5%
South Australia	8.0	9.0	(11.1%)
Queensland	13.5	14.2	(4.9%)
Business Total	80.6	85.5	(5.7%)
Wholesale Customers & Generation ¹	66.0	55.0	20.0%
Total	204.2	201.1	1.5%

1. Includes volumes sold to Torrens Island and Diamantina power stations during FY14 of 37.2 PJ (FY13 of 26.5 PJ)

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

AGL External

Customer numbers

Customer Numbers (`000)	As at 30 Jun 2014	As at 30 Jun 2013	Change since 30 Jun 2013
Electricity			
New South Wales	820	717	103
Victoria	673	611	62
South Australia	434	444	(10)
Queensland	389	374	15
	2,316	2,146	170
Gas			
New South Wales	707	683	24
Victoria	567	482	85
South Australia	130	129	1
Queensland	80	77	3
	1,484	1,371	113
Total	3,800	3,517	283
Dual fuel accounts	1,942	1,676	266

Consumer market – key indicators

Electricity	FY14	FY13	Change
Volume (GWh)	14,839	15,276	(2.9%)
Avg. Consumer Accounts ('000)	2,267	2,116	7.1%
Revenue (\$m)	3,679	3,542	3.9%
Gross Margin (\$m)	420	463	(9.3%)
Gross Margin	11.4%	13.1%	(1.7 pts)
Gross Margin per customer	\$185	\$219	(15.5%)
Gas			
Volume (PJ)	57.6	60.6	(4.9%)
Avg. Consumer Accounts ('000)	1,466	1,384	5.9%
Revenue (\$m)	1,362	1,302	4.6%
Gross Margin (\$m)	277	238	16.4%
Gross Margin	20.4%	18.3%	2.1 pts
Gross Margin per customer	\$189	\$172	9.9%

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

AGL External

Business Customers – key indicators

Electricity	FY14	FY13	Change
Volume (GWh)	12,963	14,714	(11.9%)
Business Accounts ('000)	18.9	18.4	2.7%
Revenue (\$m)	1,851	2,058	(10.1%)
Gross Margin (\$m)	39	66	(40.9%)
Gross margin per MWh	\$2.98	\$4.44	(32.9%)
Gas			
Volume (PJ)	80.6	85.5	(5.7%)
Business Accounts ('000)	1.1	0.9	22.2%
Revenue (\$m)	653	645	1.2%
Gross Margin (\$m)	62	64	(3.1%)
Gross margin per GJ	\$0.77	\$0.74	4.1%

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

AGL External

Retail – cost to serve

	Operating costs			Cost per account		
	FY14 \$m	FY13 \$m	Change	FY14 \$	FY13 \$	Change
Cost to serve ¹	249	218	14.2%	\$67	\$62	8.1%
Cost to acquire ²	108	106	1.9%	\$148	\$125	18.4%
Cost to retain ²	23	22	4.5%	\$29	\$19	52.6%
Cost to acquire/retain ²	131	128	2.3%	\$86	\$63	36.5%
Net operating costs	380	346	9.8%	\$102	\$99	3.0%

- Net Operating costs flat year on year, excluding APG costs, as a result of cost reduction initiatives
- Cost to acquire/retain per acquisition/retention increased due to project Storm amortisation, APG costs and 23% lower acquisition and retention activity
- Cost to acquire, accounting for project Storm on a direct cash basis, decreases 3.5% (9.6% reduction over term of project)
- Cost to serve per customer account increased due to higher APG net bad debt expense, closure of the Canberra call centre and other restructuring, and reduction in AGL Solar installations

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

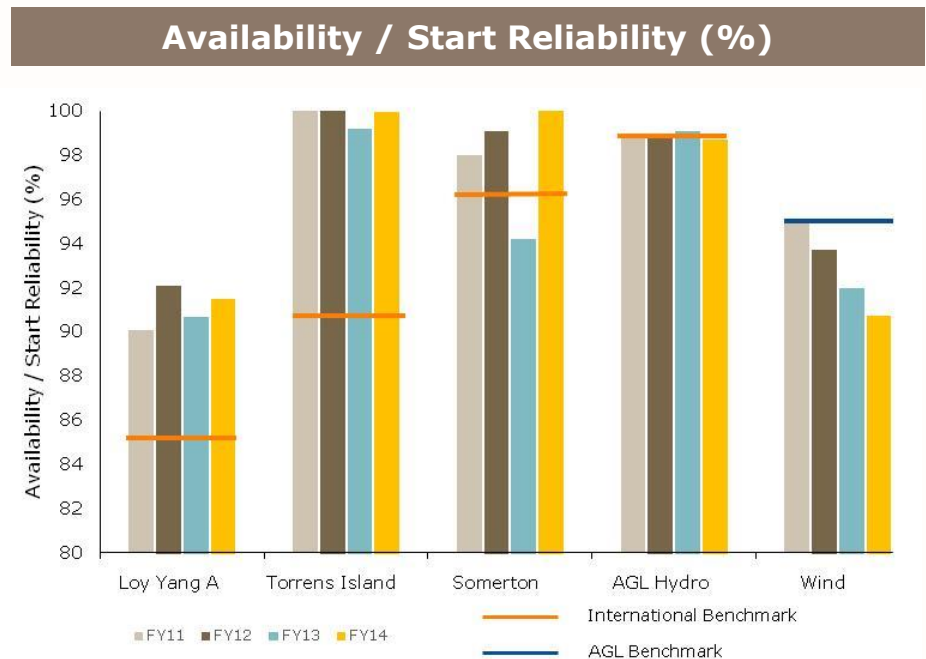
AGL External

1. Cost to serve per customer account = net operating costs LESS cost to grow DIVIDED by average customer accounts.
2. 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.



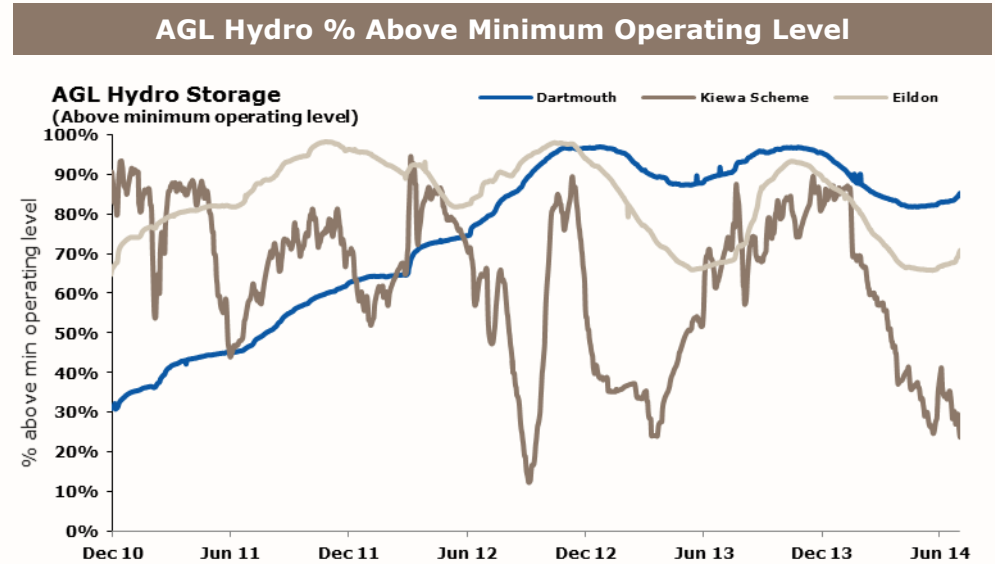
Generation – operational performance

- > International benchmark used in North American Electricity Reliability Corporation (NERC) 2006-2010 Historic Generation Unit statistics
- > 'Availability capacity factor' is used to measure Loy Yang A performance, and represents the percentage of time the plant is available to operate
- > 'Commercial availability' is used to measure Torrens Island performance, and represents the percentage of times the plant is available to operate when required
- > '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
 - > NERC'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
- > 'Availability' weighted by plant capacity is used to measure wind farm performance. There is no international benchmark for wind farms, however AGL targets 95%
 - > Macarthur Wind Farm had a technical issue causing it to be offline for 4 weeks. Excluding this event, availability would have improved relative to FY13



Hydrology

- > Drought resistant Kiewa Scheme has been heavily utilised ahead of an anticipated carbon tax repeal. Storage expected to re-fill by summer with snow melt
- > Dartmouth is in service and available for 170 MW. The dam is above 90% with water authority releases expected to be minimal until summer irrigation demand arrives
- > Lake Eildon is currently at 73% and the station is available for ~109 MW. Station capacity expected to rise to 120 MW as the dam fills through winter. Water authority releases are expected to be minimal until irrigation season



Generation portfolio

Asset	Location	Type	Status	Capacity	FY14 Sent Out Generation	Capacity Factor ¹	Carbon Intensity	Carbon Impact ³
				(MW)	(GWh)	(%)	(tCO ₂ e/MWh)	(\$m)
Hallett 1	SA	Wind	Control dispatch	95	349	42%	0.0	7.3
Hallett 2	SA	Wind	Control dispatch	71	262	42%	0.0	5.4
Hallett 4	SA	Wind	Control dispatch	132	473	41%	0.0	9.8
Hallett 5	SA	Wind	Control dispatch	53	162	35%	0.0	3.4
Macarthur	VIC	Wind	Control dispatch	420	1,045	28%	0.0	21.7
Oaklands Hill	VIC	Wind	Control dispatch	63	164	30%	0.0	3.4
Wattle Point	SA	Wind	Control dispatch	91	285	36%	0.0	5.9
VIC Hydro	VIC	Hydro	Owned	733	1,035	16%	0.0	21.4
NSW Hydro	NSW	Hydro	Owned	62	71	13%	0.0	1.5
Other	Various	Landfill & Biogas	Various	45	123	31%	0.1	0.0
Total Renewable				1,765	3,970			79.8
Torrens Island	SA	Gas Steam Turbine	Owned	1,280	1,615	14%	0.6	6.0
Somerton	VIC	OCGT	Owned	150	11	1%	0.8	0.0
Moranbah	QLD	OCGT	Owned	12	67	61%	0.5	0.0
Oakey	QLD	OCGT	Control dispatch	282	57	2%	0.9	-0.2
Yabulu	QLD	CCGT	Control dispatch	121	132	12%	0.5	1.2
Other	Various	Cogen/diesel	Various	26	185	N/A ²	0.5	0.0
Total Oil & Gas				1,871	2,068			7.0
Loy Yang A	VIC	Coal	Owned	2,210	14,693	76%	1.3	99.6
Total at 30 June 2014				5,847	20,730		1.0	186.4
Industry Average							0.9	

1. Implied capacity factor based on FY14 output
2. Includes seasonal generation facilities
3. Estimated impact of removal of carbon tax based on FY14 electricity generation, including removal of carbon liability (estimated by calculating Volume x Intensity factor x Carbon Price) and decrease in revenue (estimated as Volume x estimated Average NEM Carbon intensity x Carbon Price), assuming a carbon price of \$24.15/tonne and average NEM intensity of 0.86 tCO₂e/MWh

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

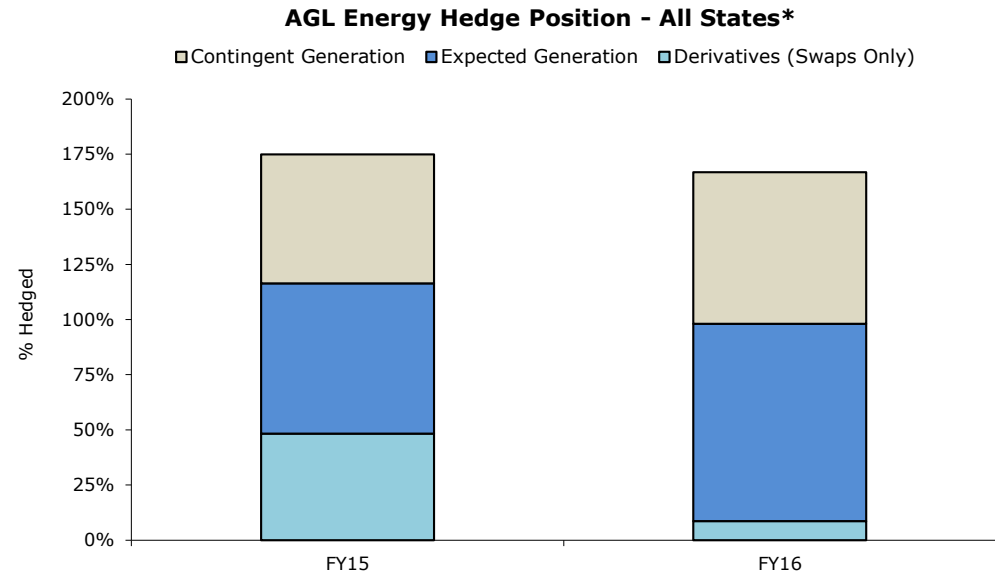
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Electricity hedging

- > AGL Wholesale Risk Management Policy is approved by the Board and establishes the requirements for the management of wholesale risk
- > Clearly defined permitted hedging activities, transaction limits, counterparty credit management requirements
- > Limits for exposure (retail load/generation) to market price risk to ensure stability of profit, cash flow and dividends. Exposure is monitored by:
 - > Physical: retail load, generation, hedge contracts
 - > Financial: Earnings at Risk simulation analyses of retail load, generation, hedge contracts and variable spot prices



- > Reference energy is (contracted C&I + expected consumer market)
- > Expected Generation: estimate based on current market assumptions
- > Contingent Generation: maximum if required

* Excludes Macquarie Generation

Upstream Gas – key financial metrics

Reduced income and increased operating expenses impact Operating EBIT.

\$m	FY14	FY13	Change
Operating EBITDA	4	24	(83.3%)
Depreciation and amortisation	(17)	(24)	29.2%
Operating EBIT			
Upstream Gas			
Queensland	(2)	6	(133.3%)
New South Wales	0	0	-
Equity Investments	0	0	-
Sundry	(11)	(6)	(83.3%)
Operating EBIT	(13)	0	n/a

Key drivers:

- > Reduced gas sales revenue at Moranbah, reduced storage capacity income at Silver Springs, and higher operating expenses at Moranbah and Silver Springs
- > Sundry includes additional costs aimed at engaging with local communities and launch of 'AGL Side By Side' program

Upstream Gas – reserves

2P reserves up 162 PJ or 9.4%.

48

AGL share of gas reserves	As at 30 Jun 2014		As at 30 Jun 2013		Change	
	2P	3P	2P	3P	2P	3P
Gloucester (100%)	527	649	454	565	16.1%	14.9%
Moranbah (50%) - Bowen Basin	285	481	291	487	(2.1%)	(1.2%)
Camden (100%)	45	45	50	50	(10.0%)	(10.0%)
Silver Springs (various)	57	149	58	150	(1.7%)	(0.7%)
Spring Gully (various, small)	9	11	8	9	12.5%	22.2%
Sub-Total	923	1,335	861	1,261	7.2%	5.9%
ATP 1103 back-in rights (50%) - Bowen Basin ¹	968	2,191	868	2,065	11.5%	6.1%
Total	1,891	3,526	1,729	3,326	9.4%	6.0%

1. 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		Working Interest	Basin	Project	Permits		Working Interest
		Exploration (Area km ²)	Production (Area km ²)				Exploration (Area km ²)	Production (Area km ²)	
Sydney	Camden Gas Project	PEL 2 (6,694) ^r	-	100%	Surat	Silver Springs Project	ATP 471P (445)	-	28.71-100%
		PEL 5 (398) ^r	-	100%			-	PL 1 (55)	15%
		-	PPL 1 (48)	100%			-	PL 15 (259)	75%
		-	PPL 2 (1)	100%			-	PL 30 (37)	10%
		-	PPL 4 (56)	100%			-	PL 48 (6) ^r	100%
		-	PPL 5 (103)	100%			-	PL 49 (21) ^r	100%
-	PPL 6 (7)	100%	-	PL 66 (125)			100%		
Hunter Gas Project	PEL 4 (3,843)	-	100%	-			PL 74 (18) ^r	16%	
	PEL 267 (4,906) ^r	-	100%	-			PL 192 (92)	100%	
Gloucester Gas Project	PEL 285 (761)	-	100%	-			PL 202 (91)	100%	
Gloucester	Gloucester Gas Project	PEL 285 (761)	-	100%	-	PL 213 (46)	100%		
Cooper/Eromanga	Conventional oil and gas	ATP 934P (1,462) ^a	-	20%	-	PL 446 (259)	100%		
	Conventional oil and gas	ATP 1056P (2,726)	-	40% ^f	-				
Galilee	Galilee JV	ATP 529P (3,962)	-	50%	Bowen	Moranbah Gas Project	ATP 1103 (3,832)	-	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 (1,440)	-	0.75%	Spring Gully Project		ATP 592P (1,440)	-	0.75%	
	-					-	PL 195 (257)	0.75%	
	-					-	PL 203 (259)	0.75%	
	-					-	PL 204 (220)	0.0375%	
	-				-	PL 417 (231)	0.75%		

^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.

Significant items

12 months to 30 Jun 2014 \$m	Pre Tax	Tax	After Tax
APG acquisition	(49)	13	(36)
Macquarie Generation	(12)	4	(8)
Tax items		24	24
Total significant items	(61)	41	(20)

- > APG acquisition included transaction costs and higher costs of running old APG systems in the short term as per the acquisition case
- > Macquarie Generation costs associated with the proposed acquisition
- > Tax items relates to Southern Hydro assets allowable depreciation deductions

Reconciling Statutory to Underlying Cash Flow

\$m	FY14	FY13 restated	Change
Statutory net cash provided by operating activities	699	602	
Cash flow relating to significant items	61	53	
Unwind of carbon assistance ¹	-	240	
Underlying operating cash flow	760	895	↓ 15.1%
Net finance costs paid	198	213	↓ 7.0%
Income tax paid	191	71	↑ 169.0%
Underlying operating cash flow before interest and tax	1,149	1,179	↓ 2.5%

¹ Represents the carbon transitional assistance of \$240 million received by GEAC in June 2012, which was not included in Operating Cashflow in FY12 as this cash was provided to partially offset the cost of carbon for FY13.

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

AGL External

Return on Funds Employed

\$m	FY14	FY13 ¹
Operating EBIT	1,004	1,031
Average Funds Employed	10,018	9,851
Operating EBIT / Funds Employed	10.0%	10.5%
Operating EBIT	1,004	1,031
Less: Upstream Gas EBIT	13	0
Less: Equity Accounted Diamantina EBIT	2	0
Adjusted Operating EBIT	1,019	1,031
Average Funds Employed	10,018	9,851
Less: Assets under construction	(307)	(371)
Less: Upstream Gas Funds Employed	(953)	(1,308)
Less: Investment in Diamantina Funds Employed	(16)	(57)
Adjusted Average Funds Employed	8,742	8,115
Adjusted EBIT / Funds Employed ²	11.7%	12.7%

Average Funds Employed is the average of monthly Funds Employed, and removes the impact of:

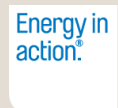
- Derivatives balances (these balances are fair value adjustments and do not represent Funds Employed in the production of EBIT); and
- Tax balances (Funds Employed is pre-tax balances to make the calculation consistent with EBIT)

1. FY13 restated for adoption of revised accounting standard AASB 119 Employee Benefits- refer slide 57.
2. One of two performance measures used in AGL's Long-Term Incentive Plan

FY14 Full Year Results 12 Months to 30 June 2014

20 August 2014

AGL External



Energy Investments

\$m	FY14	FY13	Change
ActewAGL	25	26	(3.8%)
Diamantina Power Station	(2)	0	n/a
Total EBIT	23	26	(11.5%)

FY14 Full Year Results 12 Months to 30 June 2014

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Capital expenditure

FY14 \$m	SIB	Discretionary	Total
Merchant	228	275	503
Upstream Gas	-	124	124
Retail	-	35	35
Corporate and Other	27	19	46
Capital expenditure	255	453	708
Less: AGL Solar Projects advance government grant funding	-	(191)	(191)
Net capital expenditure	255	262	517

FY14 Full Year Results 12 Months to 30 June 2014

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AGL External

Balance Sheet

As at \$m	30 June 2014	30 Jun 2013
Current assets	3,252	2,836
PPE, E&E and oil & gas assets	6,236	6,176
Other non current assets	4,487	4,354
Total Assets	13,975	13,366
Current debt	45	45
Other current liabilities	1,962	2,147
Non current debt	3,669	3,064
Other non current liabilities	711	770
Total Liabilities	6,387	6,026
Net Assets	7,588	7,340
Contributed equity	5,437	5,354
Reserves	(99)	(2)
Retained earnings	2,249	1,988
Non-controlling interests	1	-
Total Equity	7,588	7,340

FY14 Full Year Results 12 Months to 30 June 2014

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Energy in
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Fair Value Reconciliation

As at \$m	Net Assets (Liabilities)		
	30 June 2014	30 Jun 2013	Change
Energy derivative contracts	18	113	(95)
Interest rate swaps and foreign currency derivative contracts	(79)	(56)	(23)
Total net assets (liabilities) for derivative contracts	(61)	57	(118)
Change in derivative net assets	(118)		
Premiums paid	(105)		
Premium roll off	107		
Fair value of derivatives acquired	20		
Total change in fair value	(96)		
Recognised in equity hedge reserve	(141)		
Recognised in borrowings	(8)		
Recognised in profit and loss (fair value – pre-tax)	40		
Recognised in profit and loss (interest – pre-tax)	13		
Total change in fair value	96		

FY14 Full Year Results 12 Months to 30 June 2014

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AGL External

Comparative information

- > AGL has restated the result for the year ended 30 June 2013 to reflect the adoption of the revised accounting standard AASB 119 Employee Benefits. The following table summarises the affects of this change:

\$m	FY13 As published	AASB 119 Restatement	FY13 Restated
Revenue	9,716	-	9,716
Operating EBITDA	1,336	(18)	1,318
Operating EBIT			
Retail	356	-	356
Merchant	869	(16)	853
Upstream Gas	0	-	0
Energy Investments	26	-	26
Centrally managed expenses	(202)	(2)	(204)
Total Operating EBIT	1,049	(18)	1,031
Less: Net finance costs	(206)	-	(206)
Underlying Profit before tax	843	(18)	825
Less: Income tax expense	(245)	5	(240)
Underlying Profit	598	(13)	585
Underlying EPS (cents per share)	108.8	(2.5)	106.3