AGL Energy Limited
ABN: 74 115 061 375

Locked Bag 1837
St Leonards NSW 2065
AUSTRALIA

Level 22, 101 Miller St
North Sydney NSW 2060
AUSTRALIA

T: +61 2 9921 2999
F: +61 2 9921 2552
www.agl.com.au

Energy in action.®

ASX & Media Release

11 February 2015

AGL reports Underlying Profit increase of 24.8 percent

AGL Energy Limited (AGL) today reported a statutory net profit after tax of $308 million for the six months ended 31 December 2014. This was up 18.0 percent on the prior corresponding period, including changes in the fair value of certain electricity derivatives, and $128 million of significant items associated with the acquisition of Macquarie Generation.

AGL's Underlying Profit of $302 million was up 24.8 percent on the prior corresponding period. Underlying Profit[1] is the statutory net profit after tax adjusted for significant items and changes in the fair value of certain electricity derivatives.

AGL reaffirmed guidance for FY15 Underlying Profit of $575 million to $635 million, subject to normal trading conditions for the remainder of the year.

AGL has declared an interim dividend of 30.0 cents per share fully franked which, after taking into account the bonus element of the recent rights issue, is an effective increase of 4 percent per share.

Result Overview:

- **Revenue $5,183 million, down 2.0%**
- **Statutory NPAT $308 million, up 18.0%**
- **Underlying Profit[1] $302 million, up 24.8%**
- **Statutory EPS[2] 48.6 cents per share, up 7.8%**
- **Underlying EPS[2] 47.7 cents per share, up 14.1%**
- **Underlying Operating cash flow before interest & tax $879 million, down $128 million**
- **FY15 interim dividend of 30.0 cents per share (100% franked), unchanged**

Commenting on the interim results, AGL Managing Director, Michael Fraser, said: "This is a pleasing result. Both our Retail and Merchant businesses performed well with improvements in the underlying business and the contribution from AGL Macquarie more than offsetting the effect of the repeal of the carbon tax on our renewable assets and the loss of transitional assistance at AGL Loy Yang.

"Retail competition remained intense during the period but the quality of AGL's customer service and product offering has continued to result in customer retention rates significantly better than our competitors", said Mr Fraser.

After more than seven years in the role of Managing Director and Chief Executive Officer, Michael Fraser retires today and Andy Vesey, previously Chief Operating Officer of The AES Corporation, takes over the position effective from 12 February 2015.

1. Underlying Profit has been presented with reference to the Australian Securities and Investment Commission Regulatory Guide 230 "Disclosing non-IFRS financial information". AGL's policy for reporting Underlying Profit is consistent with RG230. The Directors have had the consistency of the application of the policy reviewed by Deloitte.
2. Adjusted to reflect the bonus element of the 2014 rights issue

Dividend: AGL has declared a fully franked interim dividend of 30.0 cents per share.

The interim dividend will be paid on 25 March 2015. The record date to determine shareholders' entitlements to the interim dividend is 26 February 2015. Shares will commence trading ex-dividend on 24 February 2015.

The AGL Dividend Reinvestment Plan (DRP) will operate in respect of the dividend. Shares will be allotted at no 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 2 March 2015.

The last date for shareholders to elect to participate in the DRP for the FY15 interim dividend is 27 February 2015.

Outlook: AGL reaffirmed Underlying Profit[3] guidance of $575 million to $635 million for the 12 months ending 30 June 2015, subject to normal trading conditions for the remainder of the year.

AGL expects Underlying Profit in the second half of the financial year to be approximately the same as reported for the first half. The southern States of Australia have experienced soft demand so far this summer. AGL expects retail market competition to remain intense for the remainder of the financial year.

Conference call: A webcast and conference call will be held today to discuss AGL's 2015 interim profit result.

Webcast via: www.agl.com.au **10.30am (AEDST)** Dial In numbers: Toll Free Australia:1800 801 825 (quote "AGL") International Dial In: +61 2 8524 5042 (quote "AGL")

Further inquiries:

Investors

Nicole Rizgalla, Investor Relations Manager
Direct: +61 2 9921 2691
Mobile: +61 (0) 400 488 836
email: nrizgalla@agl.com.au

Media

Kathryn Lamond, Media Manager
Direct: +61 2 9921 2170
Mobile: +61 (0) 424 465 464
email: klamond@agl.com.au

About AGL

AGL is one of Australia's leading integrated energy companies and is the 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 investors, communities and customers.

3. Moranbah is classified as "held for sale" and, in accordance with accounting standards, is no longer depreciated. If, at 30 June 2015, a sale has not been completed or the asset is no longer classified as being held for sale, non-cash depreciation of approximately $25 million (pre-tax), for the period 1 January 2014 to 30 June 2015, would need to be recognised. No profit on sale is assumed for purposes of providing Underlying Profit guidance.

FY15 Interim Results

Half Year ended 31 December 2014

Michael Fraser
Managing Director and CEO

Brett Redman
Chief Financial Officer

11 February 2015

Energy in action.®

Since 1837

AGL

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.

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.

All references to prior period movements are references to the prior corresponding period ended 31 December 2013.

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 the fair value of financial instruments.

Underlying Profit has been presented with reference to the Australian Securities and Investments 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 the external auditor of AGL.

Energy in action.® Since 1837 AGL

Agenda

IMPORTANT NOTE:
This presentation should be read in conjunction with the AGL Energy Limited Financial Results ASX Release for the Half Year ended 31 December 2014.

Energy in action.® Since 1837 AGL

Half Year FY15 highlights

Strong performance from underlying business and Macquarie acquisition.

- Statutory Profit of $308 million, up 18.0%
- Underlying Profit of $302 million, up 24.8%
- Underlying Operating Cash Flow before interest and tax of $879 million
  - Up $201 million (excluding carbon) driven by close management of receivables and Macquarie
- Macquarie $1.5 billion acquisition and associated equity raising complete
  - Integration on track and contributing in line with expectations
- Retail Operating EBIT of $159 million up 16.9%:
  - Consumer gas volumes up 7.5% with return to more normal winter weather conditions
  - Electricity volumes down (2.3%) driven by lower average demand offset by margin improvement
- Merchant Operating EBIT of $522 million up 20.6%:
  - Repeal of carbon estimated to have reduced EBIT by ($87 million)
  - Queensland wholesale gas incremental sales of 18 PJ contributing $62 million
  - Macquarie contributing $51 million

Energy in action.® Since 1837 AGL

Interim FY15 result

Statutory and Underlying Profit up on prior year.

FINANCIAL

› Revenue:	$5,183m	↓ (2.0%)
› Statutory Profit:	$308m	↑ 18.0%
› Underlying Profit:	$302m	↑ 24.8%
› Statutory EPS:	48.6 cps	↑ 7.8%[1]
› Underlying EPS:	47.7 cps	↑ 14.1%[1]
› Dividends Per Share (100% franked):	30.0 cps (Dec 13: 30.0 cps)	– 0.0%
› Gearing (Net Debt / Net Debt + Equity):	26.4% (Jun 14: 29.8%)	↓ 3.4 ppts
› Statutory operating cash flow after tax:	$588m	↓ ($160m)
› Underlying operating cash flow before interest and tax:	$879m	↓ ($128m)

OPERATIONAL

- Strong focus on margin and cost management in highly competitive market conditions
- Diamantina Power Station commissioned in October 2014
- Newcastle Gas Storage Facility to be fully operational by mid 2015
- Nyngan and Broken Hill Solar Project construction on budget, due for completion by end of 2015
- APG customers churning in line with business case. Existing AGL customer base stable

1. Statutory and Underlying EPS for the prior corresponding period have been restated to reflect the bonus element of the rights issue completed in September 2014.

Energy in action.® Since 1837 AGL

Group Financials

Brett Redman
Chief Financial Officer

Energy in action.®

Since 1837

AGL

Statutory Profit to Underlying Profit reconciliation

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

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Statutory Profit	**308**	261	↑ 47
Adjust for the following after tax items:			
Significant items[1]	**128**	17	↑ 111
Changes in fair value of financial instruments	**(134)**	(36)	↑ (98)
Underlying Profit	**302**	242	↑ 60

› 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

› 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

1. Comprised primarily of costs associated with the acquisition of Macquarie. Refer next slide for further details.

Energy in action®
Since 1837
AGL

Significant Items

Macquarie acquisition largest component.

6 months to 31 December 2014 $m	Pre Tax	Tax	After Tax
Macquarie acquisition stamp duty	(93)	28	(65)
Macquarie elimination of derivative contracts	(37)	-	(37)
Macquarie acquisition and integration costs	(13)	3	(10)
Restructuring costs	(11)	3	(8)
Carbon repeal	(12)	4	(8)
Total significant items	**(166)**	**38**	**(128)**

- Macquarie acquisition was completed on 2 September 2014
  - Stamp duty now tax effected, otherwise no significant change to costs announced at time of acquisition
- Restructuring costs
  - Mainly closure of energy stores and HCE
- Carbon repeal
  - Costs of removing carbon tax from customer statements and write-off of carbon implementation costs

Underlying Profit

Underlying profit up 24.8% on prior period.

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Revenue	**5,183**	5,287	(2.0%)
Operating EBITDA	**735**	622	18.2%
Operating EBIT			
Retail	**159**	136	16.9%
Merchant	**522**	433	20.6%
Upstream Gas	**(10)**	(13)	(23.1%)
Investments	**4**	14	(71.4%)
Centrally managed expenses	**(127)**	(115)	10.4%
Total Operating EBIT	**548**	455	20.4%
Less: Net finance costs	**(117)**	(113)	3.5%
Underlying Profit before tax	**431**	342	26.0%
Less: Income tax expense	**(129)**	(100)	29.0%
Underlying Profit	**302**	242	24.8%

Energy in action.®

Since 1837

AGL

Retail – Key financial metrics

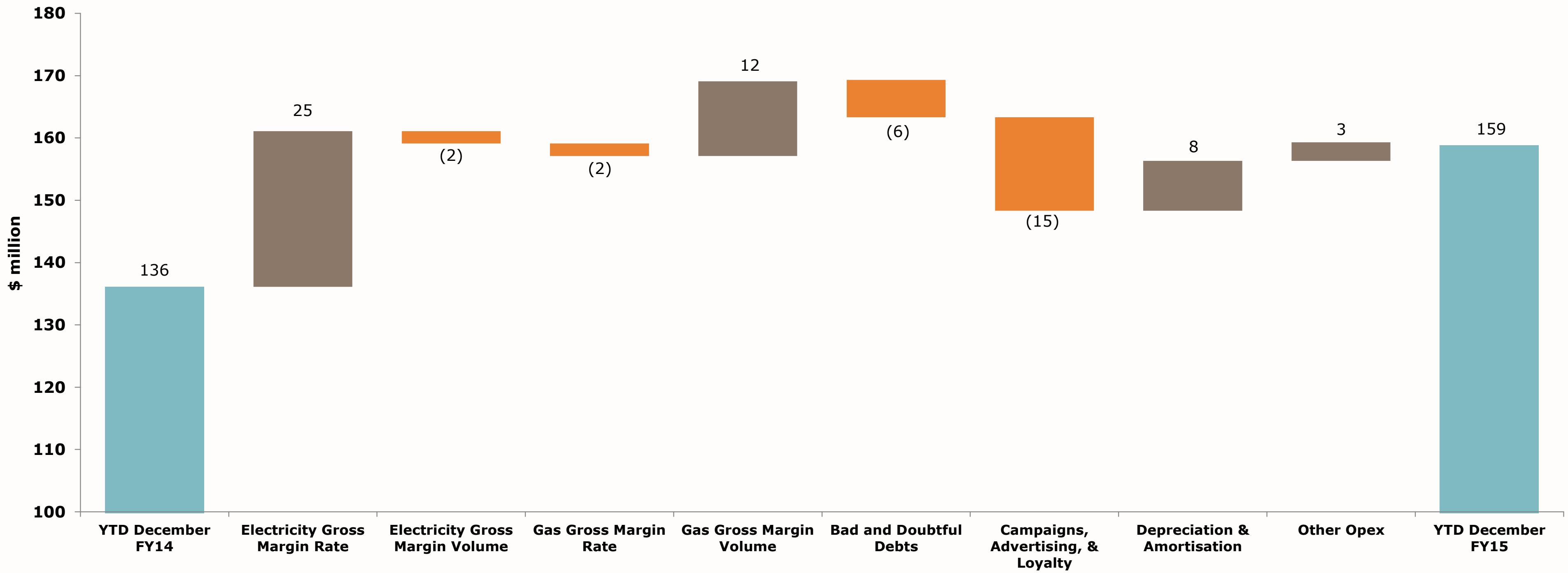
Improvement driven by higher gas volumes and retail margins.

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Electricity revenue	**1,999**	2,142	(6.7%)
Gas revenue	**780**	739	5.5%
Other revenue (fees & charges)	**34**	37	(8.1%)
Total revenue	**2,813**	2,918	(3.6%)
Cost of sales	**(2,404)**	(2,539)	(5.3%)
Gross margin	**409**	379	7.9%
Operating costs (excl. D&A)	**(215)**	(200)	7.5%
Operating EBITDA	**194**	179	8.4%
D&A	**(35)**	(43)	(18.6%)
Operating EBIT	**159**	136	16.9%

Energy in action.
Since 1837
AGL

Retail – Operating EBIT drivers

Strong result reflecting normalised weather and disciplined price management.



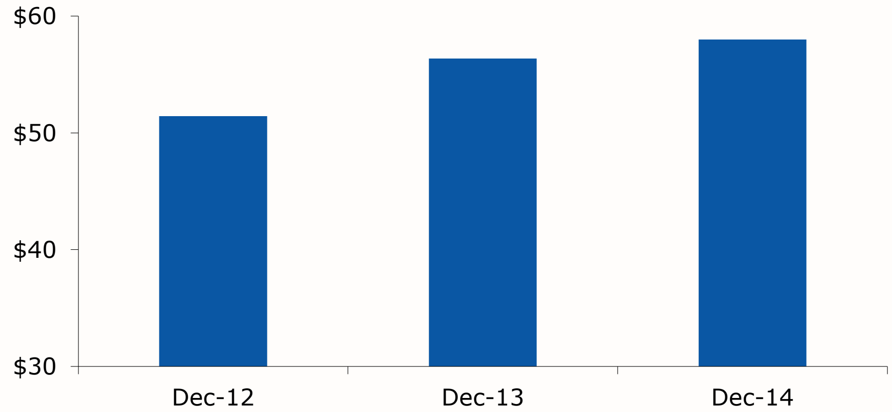
- Electricity rate improvement shows the benefit of disciplined margin management
- Electricity volume increased from normalised weather and an additional 3 months of APG. Offset by lower average consumption
- Gas gross margin increased with higher volumes as weather normalised and an additional 3 months of APG
- Bad and doubtful debts unfavourable driven by APG in line with business case; underlying bad debt management tracking well
- Campaign and advertising unfavourable with NSW electricity acquisitions no longer being capitalised offset by resultant lower amortisation

Retail – Key operating metrics

Higher operating costs driven by APG and expensing of NSW acquisitions costs.

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Operating costs	**(215)**	(200)	7.5%
Depreciation and amortisation	**(35)**	(43)	(18.6%)
Less fees and charges	**34**	37	(8.1%)
Net operating costs	**(216)**	**(206)**	**4.9%**
Gross margin	**409**	379	7.9%
Less fees and charges	**(34)**	(37)	(8.1%)
Gross margin excluding fees and charges	**375**	**342**	**9.6%**
Net operating expenditure to gross margin ratio	**57.6%**	60.2%	(2.6ppts)

Net operating expenditure per customer account

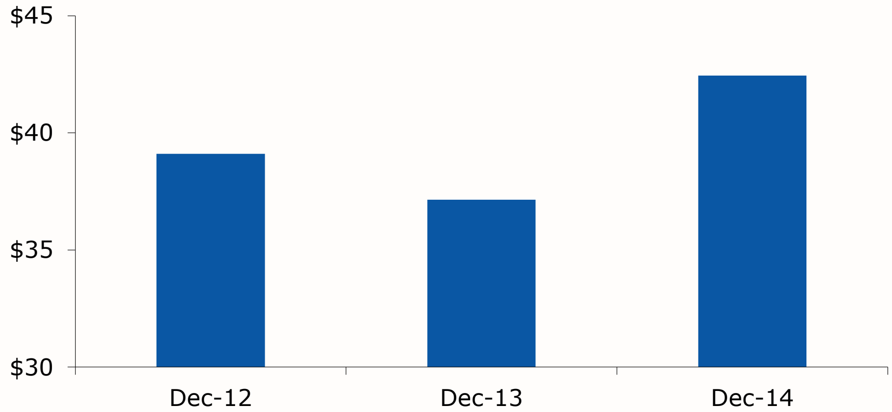


Retail – Key operating metrics

Improved performance from better volumes and margin management.

6 months to	31 Dec 2014	31 Dec 2013	Change
Gross margin excluding fees and charges ($m)	**375**	342	9.6%
Operating EBIT ($m)	**159**	136	16.9%
Average customer numbers ('000)	**3,741.3**	3,661.9	2.2%
Gross margin per customer account	**$100.15**	$93.41	7.2%
Operating EBIT per customer account	**$42.45**	$37.14	14.3%

Operating EBIT per customer account



Merchant – Key financial metrics

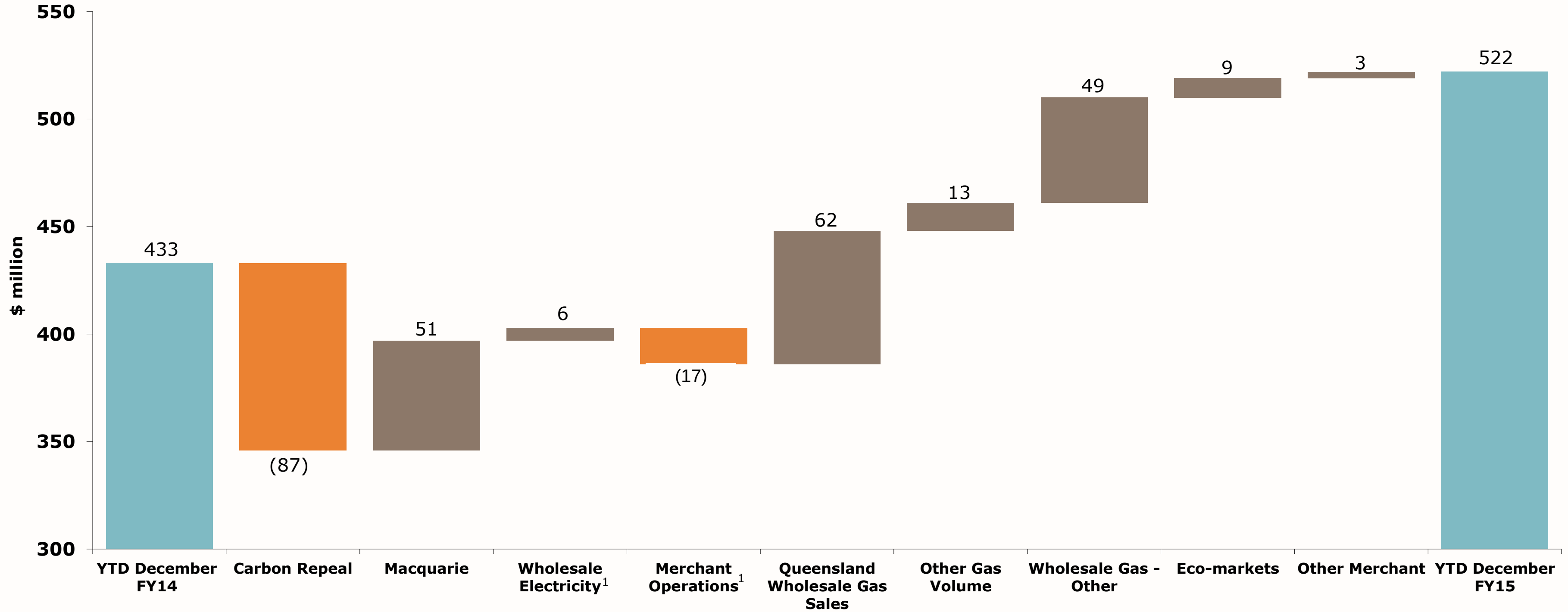
Operating EBIT up 20.6% on prior period.

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Operating EBITDA	**654**	531	23.2%
Depreciation and amortisation	**(132)**	(98)	34.7%
Energy Portfolio Management (EPM)			
Wholesale Electricity gross margin	**588**	523	12.4%
Wholesale Gas gross margin	**205**	81	153.1%
Eco-markets gross margin	**25**	16	56.3%
EPM operating expenses (including D&A)	**(14)**	(14)	0.0%
Merchant Operations	**(323)**	(213)	51.6%
Business Customers			
Electricity gross margin	**19**	19	0.0%
Gas gross margin	**34**	32	6.3%
C&I Operations, sales and customer service	**(13)**	(14)	(7.1%)
Energy Services	**21**	22	(4.5%)
Depreciation & amortisation	**(9)**	(7)	28.6%
Sundry	**(11)**	(12)	(8.3%)
Operating EBIT	**522**	433	20.6%

Energy in action.® Since 1837 AGL

Merchant – Operating EBIT drivers

Growth from Macquarie acquisition and Queensland wholesale gas sales.



- Repeal of carbon estimated to have reduced EBIT by ($87 million) from the removal of Loy Yang A transitional assistance, and lower wholesale electricity prices from AGL's renewable and gas generation portfolio.
- Macquarie acquisition increased Wholesale Electricity gross margin, with corresponding increase in operating costs in Merchant Operations.
- Wholesale Gas increase driven by 18 PJ or $62 million of additional gross margin to Queensland wholesale customers, higher volumes to consumer and business customers $13 million, with balance of $49 million mainly from higher transfer prices charged to Retail and other Business / Wholesale Customers consistent with long term price increases in the wholesale gas market.

1. Excluding Macquarie shown separately.

Energy in action.® Since 1837 AGL

Underlying Operating cash flow

Close management of receivables significantly improves underlying cash flow.

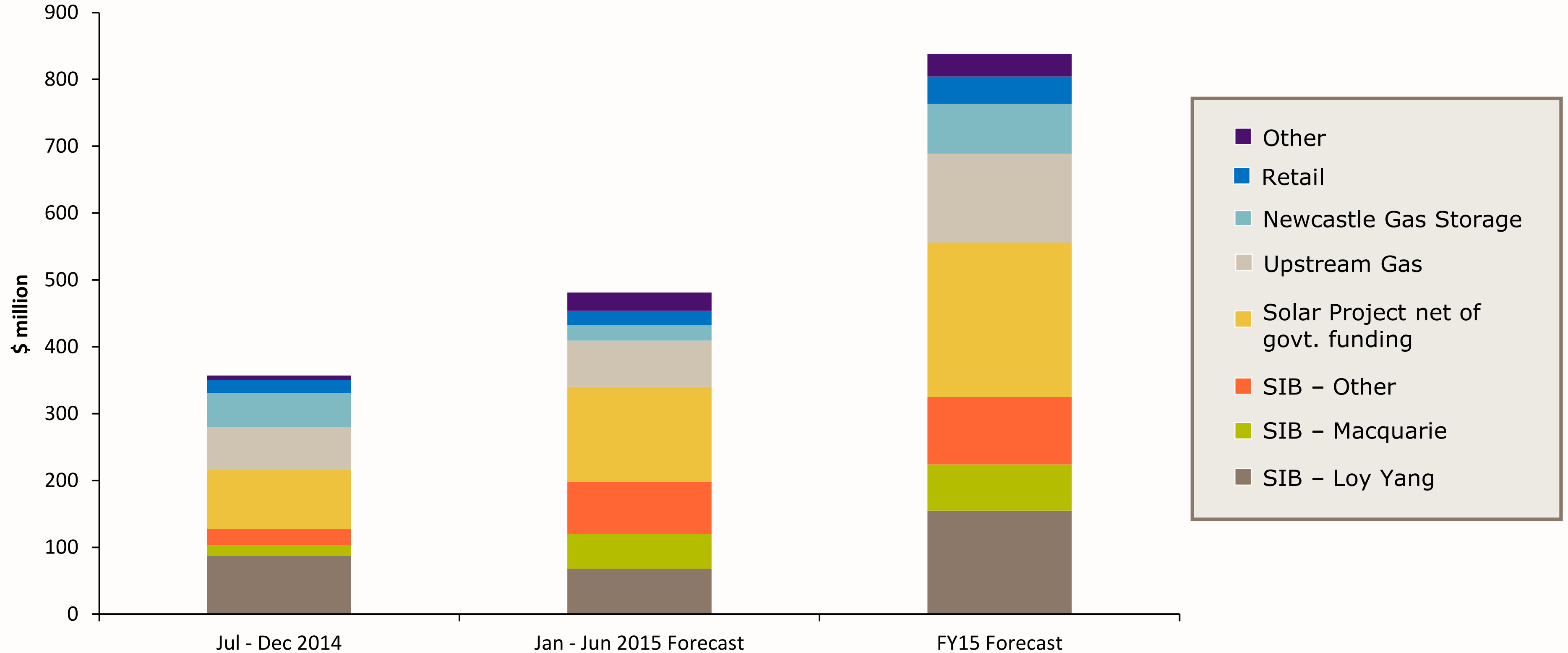
6 months to $m	31 Dec 2014	31 Dec 2013	Change
Operating EBITDA	**735**	622	113
Equity accounted income (net of dividends received)	**(9)**	(1)	(8)
Onerous contracts	**(8)**	(18)	10
Receivables	**332**	137	195
Inventories	**(5)**	4	(9)
Carbon transitional assistance	**-**	117	(117)
Creditors	**(225)**	(217)	(8)
Carbon Liability	**-**	288	(288)
Net green position	**19**	39	(20)
Futures margin calls	**6**	5	1
Other	**34**	31	3
Total working capital movements	**161**	404	(243)
Underlying Operating cash flow before interest and tax	**879**	1,007	(128)

- The repeal of carbon on working capital had a positive impact of $118 million in 1H15 down from $447 million in 1H14. This comprises a decrease in receivables of estimated $132 million (1H14 $40 million) and decrease in creditors of estimated $14 million (1H14 $2 million increase). Expected to net back to approximately nil in the full year FY15, as happened in FY14.
- Excluding the change of carbon impact on working capital compared to 1H14 ($329 million) underlying operating cash flow is up $201 million driven by Macquarie and close management of receivables.

Energy in action.® Since 1837 AGL

Capital expenditure

Largest component Solar Project at Nyngan and Broken Hill.



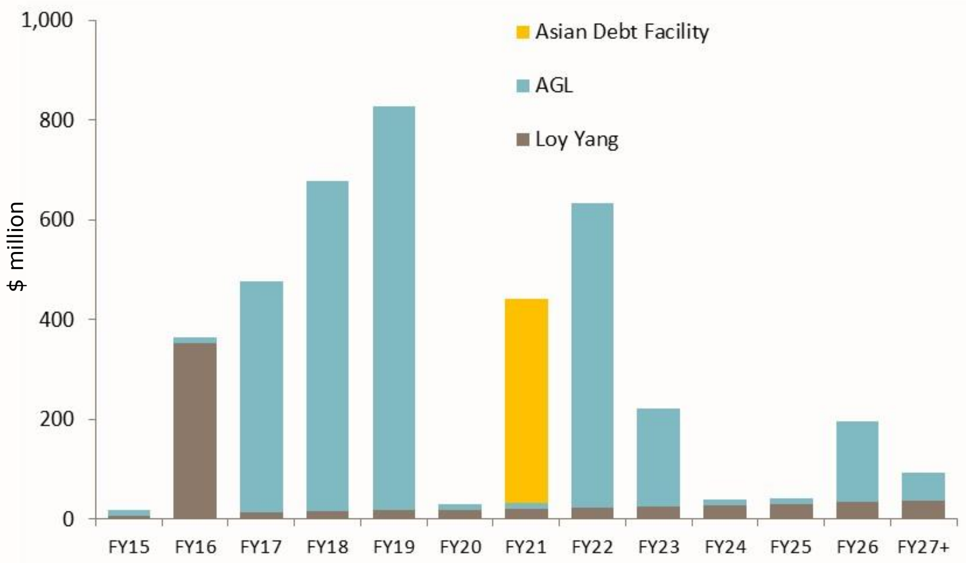
- Macquarie FY15 capital expenditure expected to be ~$70 million
- Loy Yang unit 4 major outage completed in October 2014 with capital expenditure totalling $58 million

Debt structure

Debt maturity profile lengthened and funding sources diversified.

- Short-term Macquarie Generation debt facility replaced with 7-year $600 million MTN issue
  - Awarded 'Domestic Bond Deal of the Year' by FinanceAsia and KangaNews
- $410 million 6.5-year Asian bank debt facility executed on 4 February 2015
  - Loy Yang project finance debt maturing in November 2015 only $332 million

AGL Debt Maturity Profile[1,2,3]



Facilities at 31 December 2014	Limit $m	Usage $m
Current		
Loy Yang A Senior Debt[3]	753	753
Export Credit Agency Facility	11	11
Non Current		
AGL – Term C	650	650
AGL - Term D	450	190
Revolver Facility	150	-
Medium Term Notes	597	597
AGL – US Senior Notes	338	338
Export Credit Agency Facility	172	172
Hybrid Subordinated Notes	650	650
Loy Yang A Senior Debt	263	263
Total Debt	4,034	3,624
Less: Cash		385
Net Debt		3,239

1. Debt maturity profile as at 12 February 2015
2. Assumes $650 million subordinated note issue repaid at first call date
3. $410 million of the Loy Yang A Senior Debt to be repaid on 12 February 2015

Energy in action.® Since 1837 AGL

Operational Review

Michael Fraser
Managing Director and CEO

Energy in action.®

Since 1837

AGL

People and safety

Continued improvements in safety. Enterprise Bargain Agreements.

Key safety statistics for 1H FY15:

- Total injury frequency rate down from 2.8 to 2.6
- Occupational injury frequency rate down from 3.7 to 1.3

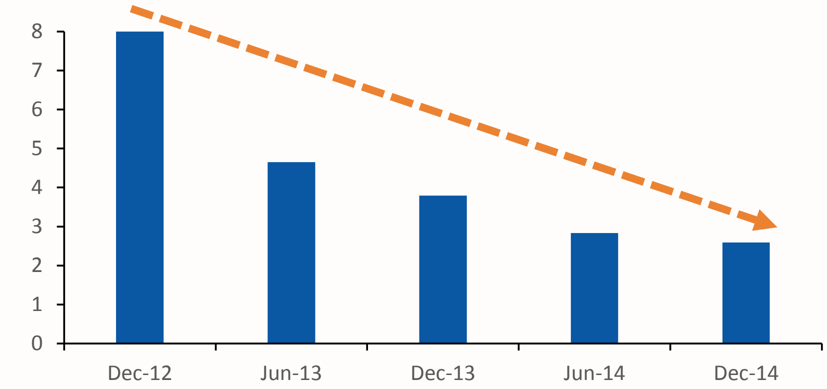
Key health and safety process improvements:

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

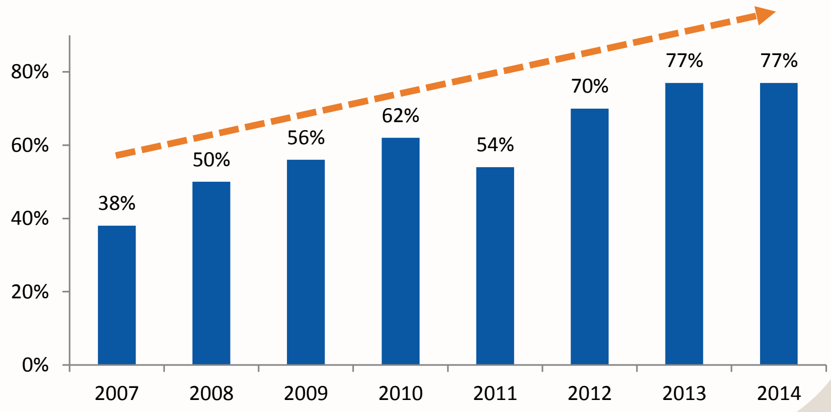
Enterprise Bargain Agreements

- Signed in the half:
  - Torrens Island Power Station (to June 2018)
  - AGL Hydro (to December 2017)
  - South Australian Retail contact centre (to December 2018)
- Loy Yang EBA expires on 31 December 2015, negotiations to commence in mid-2015

Total Injury Frequency Rate



Employee Engagement Score



Energy in action.® Since 1837 AGL

Macquarie acquisition

Macquarie performing in line with expectations. Integration on track.

- Integration proceeding well and consistent with business case
  - All corporate functions now integrated into AGL structure
  - Energy trading and finance functions fully integrated
  - Reorganisation of senior operational management to align with standard AGL operations structure in progress
- Contributed Underlying NPAT of $23 million in the half, performing in line with expectations
- Improved outlook for aluminium industry bodes well for Tomago smelter
- Macquarie acquisition delivers lowest short run marginal cost of generation of major base-load generators in NSW

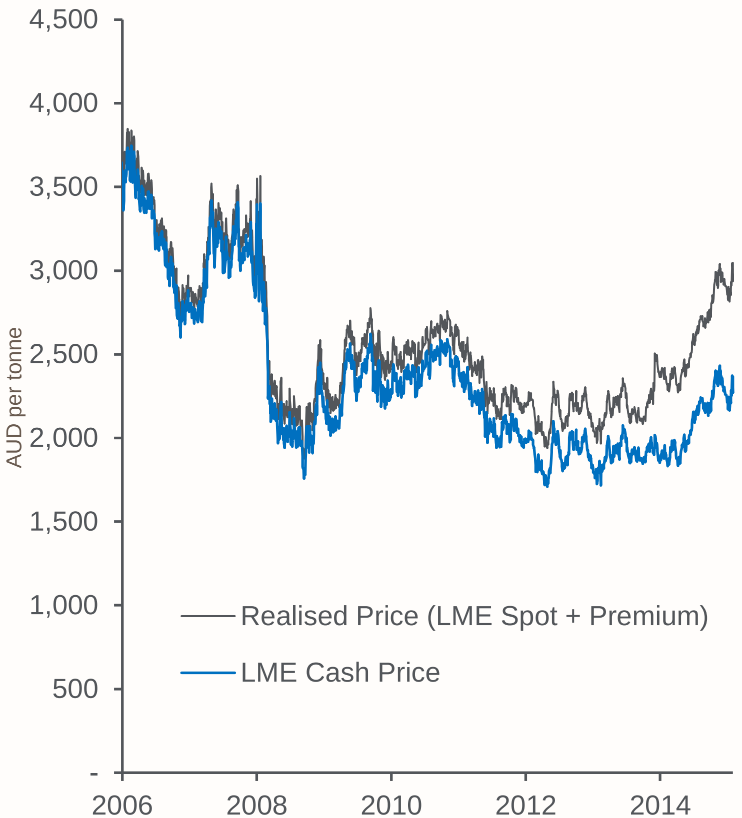
Energy in action.
Since 1837
AGL

Aluminium smelter contracts

Commodity price benefits from higher premiums and lower exchange rate.

- AGL has two electricity contracts with aluminium producers
  - Tomago
    - Current output of 550,000 tonnes p.a.
    - New contract signed in 2010
    - Contract period November 2017 to 2028
    - Smelter has constant demand of ~ 850 MW[1]
  - Alcoa (Portland)
    - Rated capacity of 358,000 tonnes p.a.
    - New contract[2] signed in 2010 for ~ 820 MW
    - Contract period November 2016 to 2036
- Aluminium market conditions have improved
  - Realised aluminium prices benefitting from higher regional premiums
  - Better global supply/demand balance due to diminishing historically high stockpiles
- Australian aluminium producers benefiting from a lower AUD/USD exchange rate

Aluminium Price



Source: Bloomberg, LME

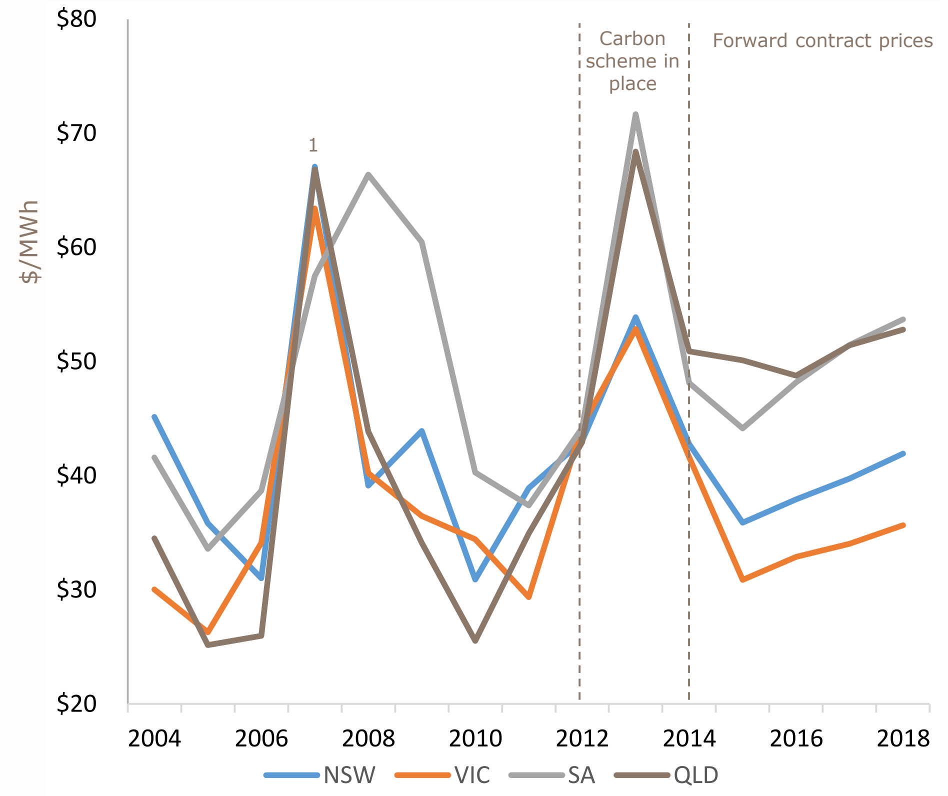
1. Source: Tomago submission to AER.
2. Contract for Portland and Point Henry (approximately 200 MW, which has subsequently closed).

Wholesale electricity price outlook

Rising prices as higher domestic gas prices reduce gas-fired generation.

- Queensland gas powered generators are expected to significantly reduce output from 2015 as fuel supply diverts to LNG projects and gas costs increase to LNG netback
- Queensland LNG projects expected to add ~850 MW demand when fully commissioned
- Queensland likely to shift from being a net exporter to a net importer of electricity
- The interconnector has historically flowed south from Queensland to New South Wales due to excess generation in Queensland being priced below generation in New South Wales. LNG project start-ups expected to reverse this as reflected in Queensland forward prices
- Roll-off of legacy coal contracts for other New South Wales base load generators expected to increase cost for competing generators

Wholesale Electricity Price



Source: AEMO, GFI Australian Energy Desk

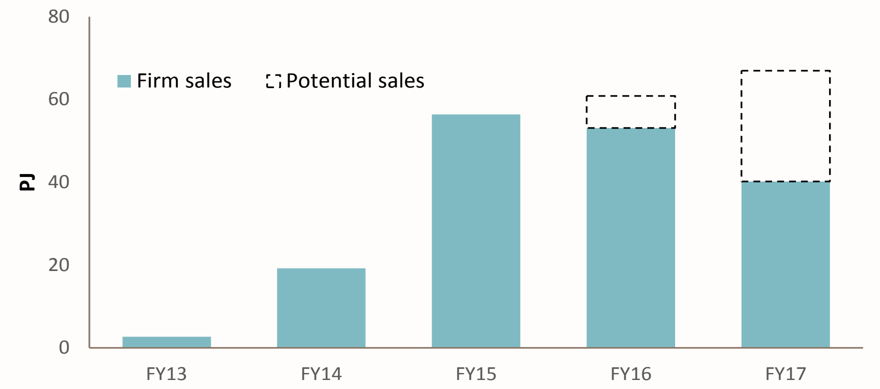
1. Drought conditions during 2007 impacted hydro generation causing high electricity prices.

Gas portfolio

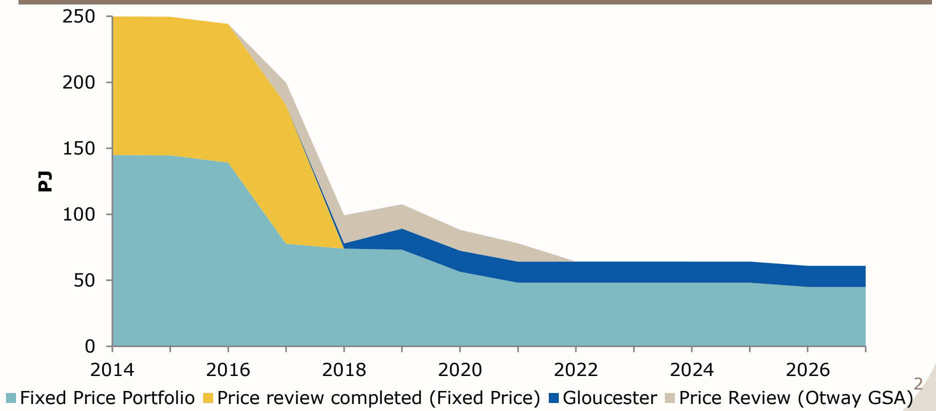
Queensland wholesale gas sales ramp up in FY15.

- Queensland wholesale gas sales:
  - Sales of 56 PJ in FY15, up from 19 PJ in FY14
  - Sales in FY15 contracted at an average margin of $3.40/GJ[1]
  - Ongoing negotiations for additional sales across FY16 and FY17
  - Additional volumes are available for sale to LNG facilities, but delays in LNG project start-ups limit opportunities in FY15
- Gas portfolio now substantially fixed at attractive prices
- Additional long term portfolio supplies:
  - Negotiations ongoing for additional long term supplies commencing in 2017 / 2018
  - Contract for additional 69 PJ of Otway Basin gas across 2018 – 2021 concluded
  - Existing oil-linked gas sales contracts are fully hedged against the effect of movements in oil prices

Queensland Wholesale Gas Sales FY13 to FY17



AGL Contracted Supply – Maximum Annual Quantity



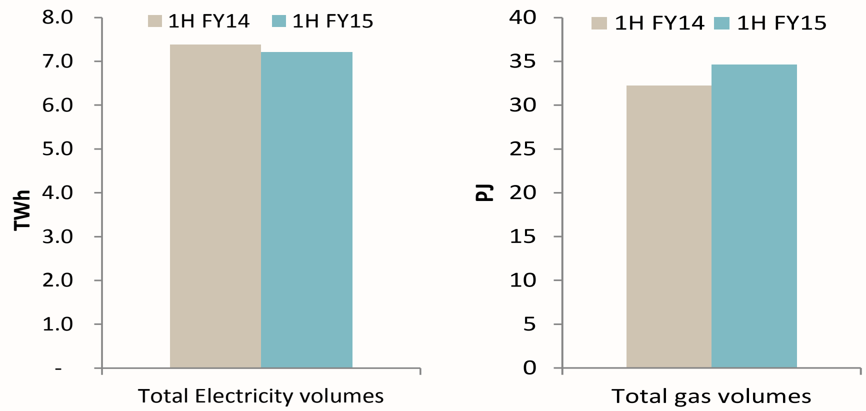
1. This includes all sales concluded by the end of FY15
2. Subject to price reset from January 2017

Consumer energy volumes

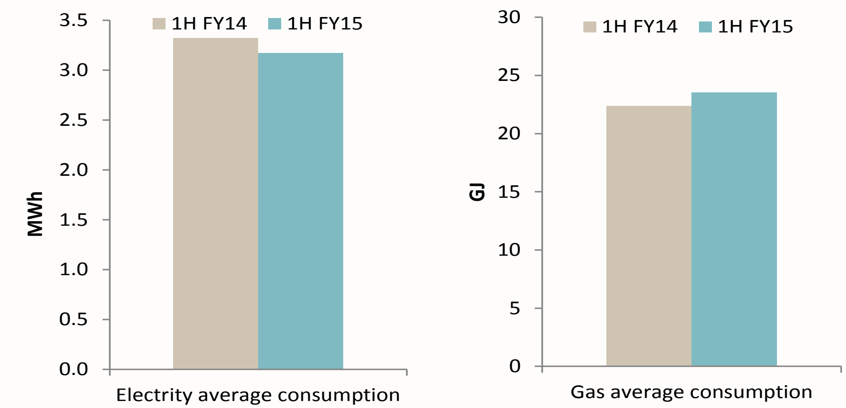
Gas volumes up, but electricity demand remains subdued.

- Return to more normal weather in 1H FY15, compared with record warm weather in prior period
- Consumer gas volumes up 7.5%
  - Average gas demand up 5.2%
- Consumer electricity volumes down (2.3%)
  - Average electricity demand down (4.4%)
- AGL expects subdued demand conditions to continue

AGL Total Consumer Energy Volumes



AGL Average Consumer Market Consumption



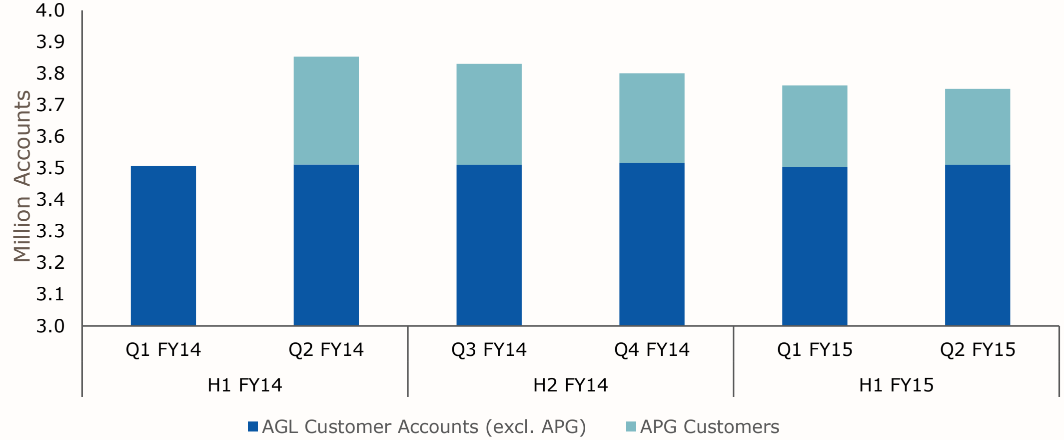
Energy in action.®
Since 1837
AGL

Retail – Market and customer dynamics

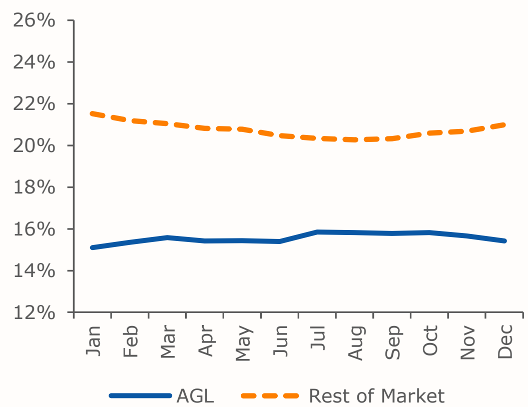
Core business delivers growth despite intense market competition.

- AGL churn maintained at 15.4% for the 1H FY15, increasing the gap to Rest of Market to 5.6%
- APG customer churn in line with business case. Existing AGL customer base stable
- Strong focus on margin and cost management despite tough competitive landscape
- flybuys and AGL Rewards continue to increase customer loyalty and reduce churn
- Growth in internal sales channels
- Key customer satisfaction metrics remain stable
- AGL leverages digital metering by launching Free Power Saturday

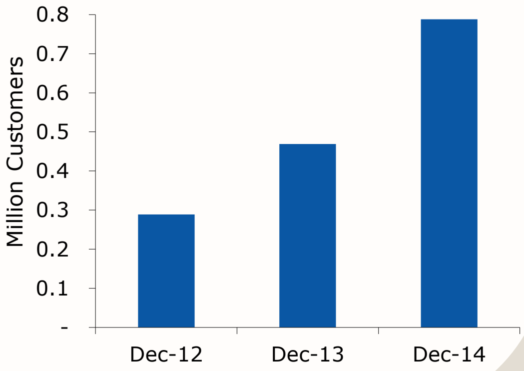
Customer Accounts



AGL Vs Market Churn



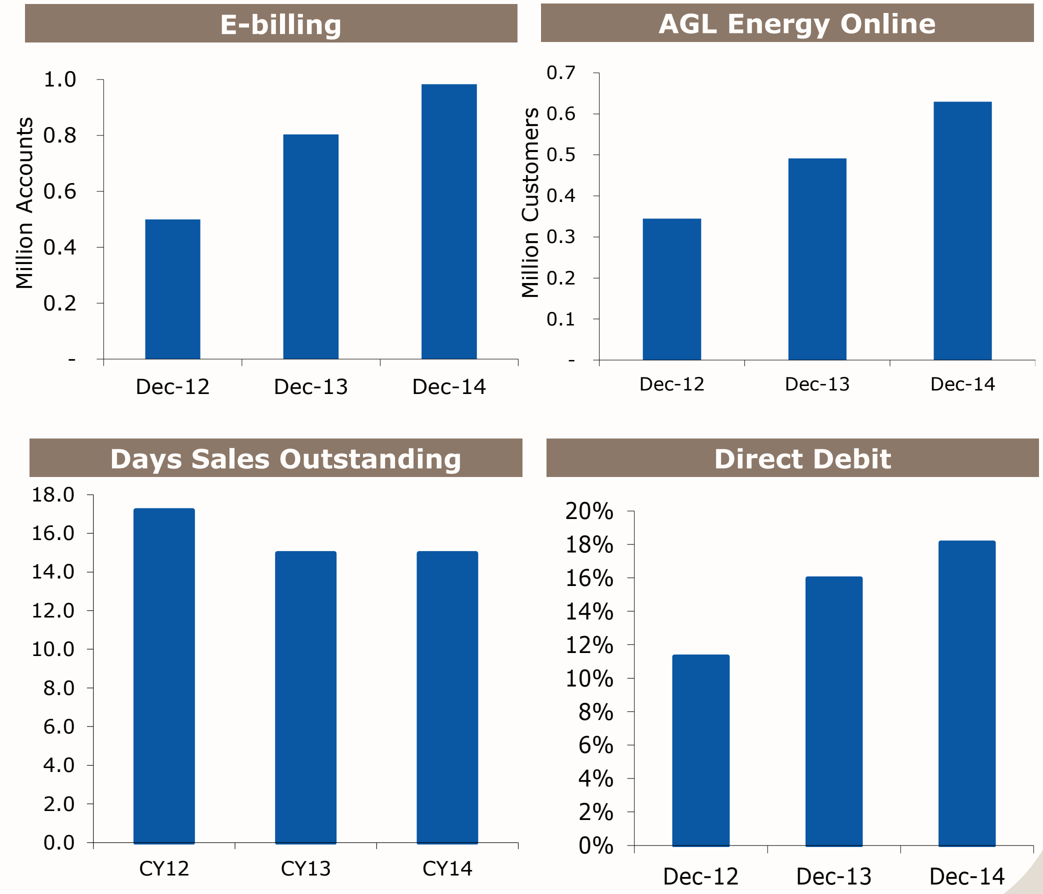
Loyalty & Reward Programs



Retail – Operational performance

Growth in digital interaction with customers.

- Investment in digital innovation
- 1 million e-Bill customer accounts
- Monthly billing approaching 200k customers
- Direct debit increasing to 18.1% penetration
- Launch of 24/7 customer service
- Net Bad Debt Expense improves by 0.05ppts to 0.79%
- Continued solid performance in Days Sales Outstanding metrics

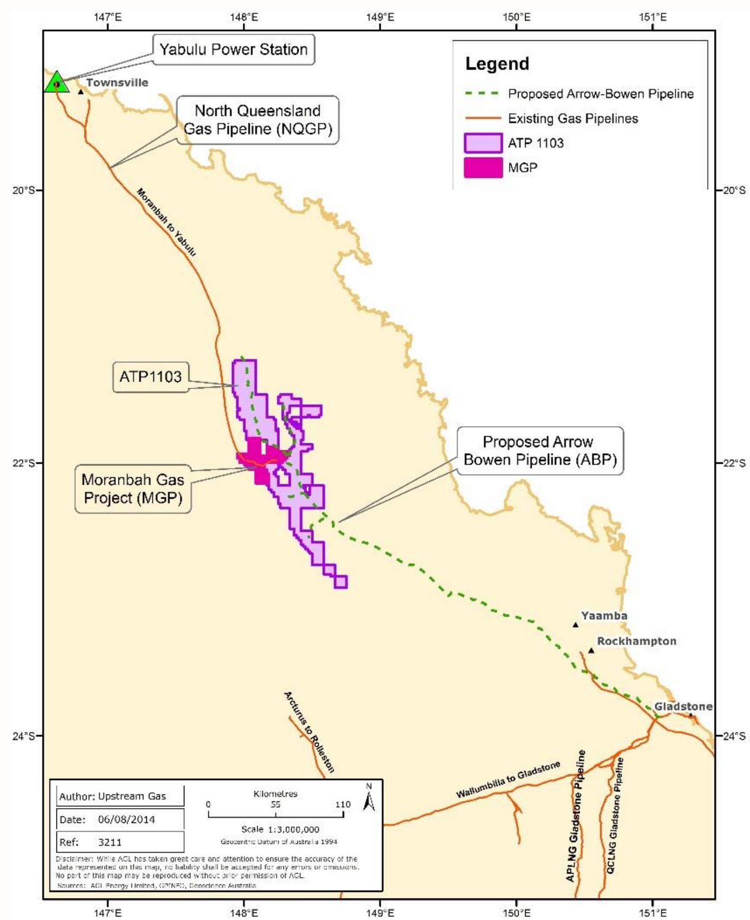


Energy in action.
Since 1837
AGL

AGL’s Bowen Basin interests

Divestment process continues.

- AGL’s Bowen Basin 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 1,250 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



Energy in action.® Since 1837 AGL

Gloucester gas project

Production testing of Waukivory Pilot voluntarily suspended.

- Waukivory Pilot
  - Completed fracture stimulation and installation of well completions including dewatering pumps, well metering skids and enclosed flares
  - Production testing voluntarily suspended after detection of BTEX in flowback water samples
- FEED study nearing completion
- Work program underway to comply with NSW and Federal conditions required to commence construction
- Commenced planning for project execution
- First gas targeted for 2H 2018
- Production target 20-30 PJ per annum

Fracture stimulation at Waukivory Pilot site

Project updates

Construction complete or well advanced on all projects.

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

Construction complete and fully operational

- Diamantina Power Station (DPS) (242 MW CCGT) commissioned in October 2014 and delivering energy under foundation customer agreements
- Leichhardt Power Station (LPS) (60 MW OCGT) operational from July 2014
- Operational control transferred to local DPS operations team during December 2014
- AGL delivering 13.5 PJ per annum to Mt Isa, DPS gas supply arrangement 138 PJ over 10.5 years

Newcastle Gas Storage Facility

Fully operational by mid-2015

- Critical infrastructure for NSW security of gas supply
- 1,500 TJ storage and 120 TJ per day peaking capacity
- Commissioning phase has commenced for LNG tank and process equipment
- 5.5 km high-pressure gas pipeline operational and electrical connection works energised

Solar Projects

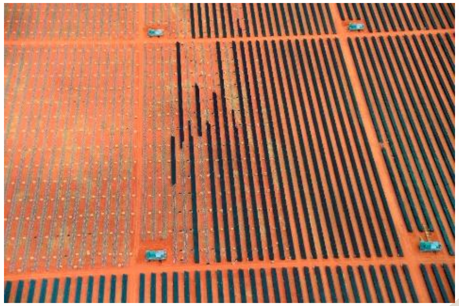
Construction of both projects due for completion in 2015

Nyngan Solar Plant – NSW (~102 MW)

- Connection works completed and energised, including transmission line, switchyard and substation. Structural works (posts, tilts and tables) nearly complete and over 50% of the solar PV modules have been installed. Commence generating in March 2015

Broken Hill Solar Plant – NSW (~53 MW)

- Transmission line under construction. Civil works completed and installation of structural components is progressing as planned. Fully operational by December 2015



Energy in action. Since 1837 AGL

Outlook FY15

Underlying Profit guidance of $575 million to $635 million reaffirmed.

- FY15 Underlying Profit expected to be between $575 - $635 million[1,2]
  - Approximate 50:50 split expected between 1H FY15 and 2H FY15
- Macquarie integration and performance in line with expectations
- Nyngan Solar plant to commence generation in March 2015
  - Broken Hill Solar plant to be fully operational by December 2015
- Retail market competition to remain intense for remainder of FY15
  - Consumer electricity demand to remain subdued
- Newcastle Gas Storage Facility to receive first gas in late February 2015
- Delays in Gladstone LNG project commencement limit capacity to sell additional volumes of gas in FY15

1. Subject to normal market conditions.
2. Moranbah is classified as "held for sale" and, in accordance with accounting standards, is no longer depreciated. If at 30 June 2015 Moranbah is not sold and is no longer classified as held for sale, then non-cash depreciation of approximately $25 million (pre-tax), for the period 1 January 2014 to 30 June 2015, would need to be recognised. No profit on sale is assumed for providing Underlying Profit guidance.

Energy in action.® Since 1837 AGL

Contact information

Sales - Electricity and gas	**www.agl.com.au**
Customer Service	**131 245**
AGL Energy Online	**https://aglenergyonline.agl.com.au**
Corporate Information	**www.agl.com.au/about-agl/media-centre/contact-us**

Investors

Nicole Rizgalla
Investor Relations Manager
phone: +61 2 9921 2691
mobile: +61 (0) 400 488 836
e-mail: nrizgalla@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

Energy in action.® Since 1837 AGL

Supplementary Information

Energy in action.®

Since 1837

AGL

Electricity sales volume

6 months to GWh	31 Dec 2014	31 Dec 2013	Change
Consumer			
New South Wales	**2,862**	2,795	2.4%
Victoria	**1,958**	2,093	(6.5%)
South Australia	**1,234**	1,240	(0.5%)
Queensland	**1,157**	1,254	(7.7%)
Consumer Total	**7,211**	7,382	(2.3%)
Business			
New South Wales	**1,701**	1,597	6.5%
Victoria	**2,124**	2,176	(2.4%)
South Australia	**1,673**	1,946	(14.0%)
Queensland	**895**	909	(1.5%)
Business Total	**6,393**	6,628	(3.5%)
Total (excl. ActewAGL)	**13,604**	14,010	(2.9%)
Purchased volume ActewAGL	**1,262**	1,272	(0.8%)

Energy in action.® Since 1837 AGL

Gas sales volume

6 months to PJ	31 Dec 2014	31 Dec 2013	Change
Consumer			
New South Wales	**13.0**	12.2	6.6%
Victoria	**18.5**	17.0	8.8%
South Australia	**1.7**	1.6	6.2%
Queensland	**1.4**	1.4	0.0%
Consumer Total	**34.6**	32.2	7.5%
Business			
New South Wales	**16.7**	16.1	3.7%
Victoria	**14.8**	14.4	2.8%
South Australia	**4.4**	4.1	7.3%
Queensland	**8.2**	7.1	15.5%
Business Total	**44.1**	41.7	5.8%
Wholesale Customers & Generation[1]	**47.8**	36.0	32.8%
Total	**126.5**	109.9	15.1%

1. Includes volumes sold to Torrens Island, Diamantina, and Oakey power stations during Half Year to Dec 2014 of 16.9 PJ (Dec 2013 of 20.0 PJ).

Energy in action.® Since 1837 AGL

Customer numbers

Customer Numbers ('000)	31 Dec 2014	30 Jun 2014	Change since 30 Jun 2014
Electricity			
New South Wales	**813**	820	(7)
Victoria	**657**	673	(16)
South Australia	**428**	434	(6)
Queensland	**385**	389	(4)
	2,283	2,316	(33)
Gas			
New South Wales	**702**	707	(5)
Victoria	**556**	567	(11)
South Australia	**130**	130	-
Queensland	**80**	80	-
	1,468	1,484	(16)
Total	**3,751**	3,800	(49)
Dual fuel accounts	**1,919**	1,942	(23)

Energy in action.
Since 1837
AGL

Consumer market - Key indicators

6 months to Electricity	31 Dec 2014	31 Dec 2013	Change
Volume (GWh)	**7,211**	7,382	(2.3%)
Avg. consumer accounts ('000)	**2,273**	2,224	2.2%
Revenue ($m)	**1,999**	2,142	(6.7%)
Gross margin ($m)	**215**	192	12.0%
Gross margin	**10.8%**	9.0%	1.8 ppts
Gross margin per customer	**$95**	$87	9.2%
Gas			
Volume (PJ)	**34.6**	32.2	7.5%
Avg. consumer accounts ('000)	**1,469**	1,438	2.2%
Revenue ($m)	**780**	739	5.5%
Gross margin ($m)	**160**	150	6.7%
Gross margin	**20.5%**	20.3%	0.2 ppts
Gross margin per customer	**$109**	$104	4.8%

Energy in action.
Since 1837
AGL

Business customers – Key indicators

6 months to Electricity	31 Dec 2014	31 Dec 2013	Change
Volume (GWh)	**6,393**	6,628	(3.5%)
Business accounts ('000)	**19.1**	19.0	0.5%
Revenue ($m)	**926**	1,065	(13.1%)
Gross margin ($m)	**19**	19	0.0%
Gross margin per MWh	**$3.04**	$2.79	9.0%
Gas			
Volume (PJ)	**44.1**	41.7	5.8%
Business accounts ('000)	**1.0**	1.1	(9.1%)
Revenue ($m)	**323**	330	(2.1%)
Gross margin ($m)	**34**	32	6.3%
Gross margin per GJ	**$0.77**	$0.76	0.0%

Retail – Cost to serve

6 months to	Operating costs 31 Dec 2014 $m	31 Dec 2013 $m	Change	Cost per account 31 Dec 2014 $	31 Dec 2013 $	Change
Cost to serve[1]	**(143)**	(134)	6.7%	**(38)**	(37)	2.7%
Cost to acquire[2]	**(57)**	(58)	(1.7%)	**(164)**	(159)	3.1%
Cost to retain[2]	**(16)**	(14)	14.3%	**(36)**	(29)	24.1%
Cost to acquire/retain[2]	**(73)**	(72)	1.4%	**(93)**	(90)	3.3%
Net operating costs	**(216)**	(206)	4.9%	**(58)**	(56)	3.6%

- Cost to serve per customer account increased due to net bad debt expense and other costs associated with APG customers acquired.
- Cost to acquire/retain per acquisition/retention increased due to a lower proportion of customer reactive retention.

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.

Energy in action.® Since 1837 AGL

Wholesale electricity & generation

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Wholesale Electricity	**588**	523	12.4%
Merchant Operations	**(323)**	(213)	51.6%
Wholesale Operating EBIT	**265**	310	(14.5%)
Consisting of:			
Retail	**552**	735	(24.9%)
Business and Wholesale[1]	**539**	589	(8.5%)
Total Wholesale Revenue	**1,091**	1,324	(17.6%)
Fuel	**(244)**	(136)	79.4%
Carbon	**-**	(110)	(100.0%)
Generation costs	**(265)**	(180)	47.2%
Depreciation and amortisation	**(117)**	(82)	42.7%
Total costs of generation	**(626)**	(508)	23.2%
Pool generation revenue	**577**	572	0.9%
Pool purchase costs	**(723)**	(975)	(25.8%)
Net derivative cost	**(54)**	(103)	(47.6%)
Net portfolio management	**(200)**	(506)	(60.5%)
Total cost of sales	**(826)**	(1,014)	(18.5%)
Wholesale Operating EBIT	**265**	310	(14.5%)

1. Consists of Internal Business Customer transfer price revenue and external wholesale revenues.

Energy in action.® Since 1837 AGL

Wholesale electricity & generation

6 months to Volumes (GWh)	31 Dec 2014	31 Dec 2013	Change
Retail	**7,741**	7,908	(2.1%)
Business and Wholesale	**10,712**	8,228	30.2%
Total Demand[1]	**18,453**	16,136	14.4%
AGL generated	**(16,019)**	(9,818)	63.2%
Pool sales	**16,019**	9,818	63.2%
Pool purchases	**(18,453)**	(16,136)	14.4%
Total Supply	**(18,453)**	(16,136)	14.4%
$ per MWh			
Retail	**71.3**	93.0	(23.3%)
Business and Wholesale	**50.3**	71.5	(29.7%)
Average Revenue	**59.2**	82.0	(27.8%)
Fuel	**(15.2)**	(13.8)	10.1%
Carbon	**-**	(11.2)	(100.0%)
Generation costs	**(16.5)**	(18.3)	(9.8%)
Depreciation and amortisation	**(7.3)**	(8.3)	(12.0%)
Total cost of generation	**(39.0)**	(51.6)	(24.4%)
Pool sales	**36.0**	58.3	(38.3%)
Pool purchases	**(39.2)**	(60.4)	(35.1%)
Net derivative (cost)/revenue over total supply	**(2.9)**	(6.4)	(54.7%)
Average total cost of sales	**(44.8)**	(62.8)	(28.7%)
Average Wholesale Operating EBIT	**14.4**	19.2	(25.0%)

1. Demand volumes are equal to purchase volumes at the node and therefore differ from sold volumes by the corresponding loss factor.

Energy in action.® Since 1837 AGL

Wholesale gas

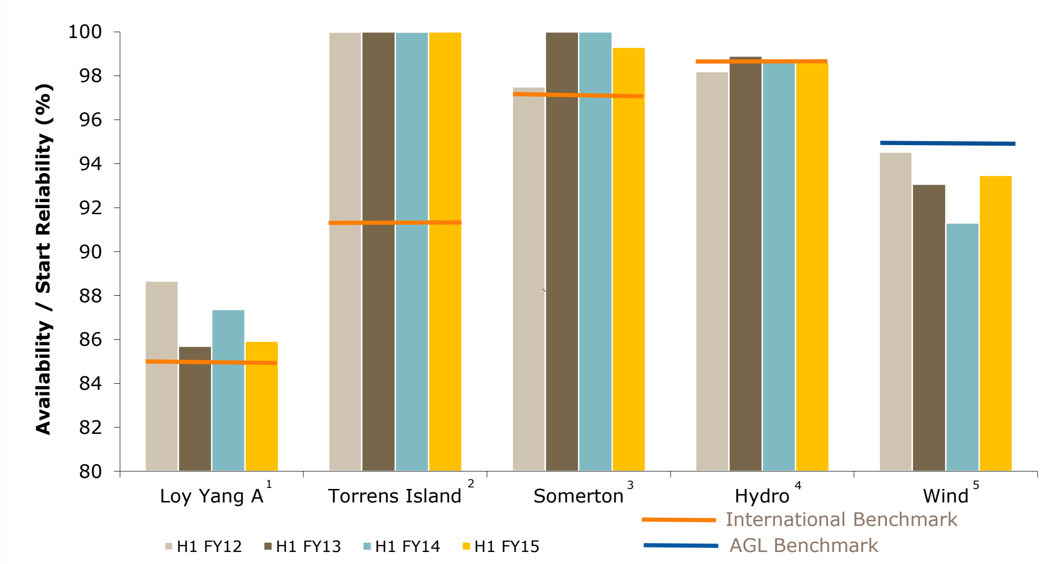
6 months to $m	31 Dec 2014	31 Dec 2013	Change
Retail	**275**	225	22.2%
Business, Wholesale and Generation[1]	**620**	451	37.5%
Total Revenue	**895**	676	32.4%
Gas purchases	**(558)**	(471)	18.5%
Haulage and storage	**(132)**	(124)	6.5%
Total Cost of Sales	**(690)**	(595)	16.0%
Wholesale Gross Margin	**205**	81	153.1%
Volume (PJ)			
Retail	**34.6**	32.2	7.5%
Business, Wholesale and Generation	**91.9**	77.7	18.3%
Total Demand	**126.5**	109.9	15.1%
Gas purchases	**(127.4)**	(111.5)	14.3%
Less Energy Losses	**0.9**	1.6	(43.8%)
Total Supply	**(126.5)**	(109.9)	15.1%
$ per GJ			
Retail	**8.0**	7.0	14.3%
Business, Wholesale and Generation	**6.7**	5.8	15.5%
Average Revenue	**7.1**	6.2	14.5%
Gas purchases	**(4.4)**	(4.3)	2.3%
Haulage and storage	**(1.0)**	(1.1)	(9.1%)
Average total cost of sales	**(5.4)**	(5.4)	0.0%
Average Wholesale Gross Margin	**1.7**	0.8	112.5%

1. Consists of Internal Business Customer and Generation transfer price revenue and external Wholesale revenues.

Generation: Operational performance

1. "Equivalent Availability Factor' is used to measure Loy Yang A, 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 times 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%
6. Availability for Macquarie will be reported at 30 June 2015

Availability / Start Reliability (%)



Energy in action.

Since 1837

AGL

Generation portfolio

Asset	State	Type	Status	Capacity (MW)	Carbon Intensity[7] (tCO_2e/MWh)	1H FY15 Sent Out Generation (GWh)	Capacity Factor[1] (%)
Bayswater[2]	NSW	Coal	Owned	2,640	0.9	4,682	61%
Liddell[2]	NSW	Coal	Owned	2,000	1.0	2,310	40%
Loy Yang	VIC	Coal	Owned	2,210	1.3	6,947	71%
Total Coal				**6,850**		**13,939**	
Torrens Island	SA	Gas Steam Turbine	Owned	1,280	0.6	788	14%
Diamantina[3]	QLD	CCGT	Owned (50%)	151	0.7	300	NR[4]
Oakey	QLD	OCGT	Control dispatch	282	0.9	35	3%
Yabulu[3]	QLD	CCGT	Control dispatch	121	0.5	24	5%
Somerton	VIC	OCGT	Owned	150	1.0	8	1%
Other[2,5]	Various	Gas/Diesel	Various	88	0.5	127	40%
Total Oil & Gas				**2,072**		**1,282**	
Macarthur	VIC	Wind	Control dispatch	420	0.0	493	27%
Hallett Wind Farms	SA	Wind	Control dispatch	351	0.0	578	37%
Wattle Point	SA	Wind	Control dispatch	91	0.0	120	30%
Oaklands Hill	VIC	Wind	Control dispatch	63	0.0	70	25%
VIC Hydro	VIC	Hydro	Owned	743	0.0	586	18%
NSW Hydro	NSW	Hydro	Owned	53	0.0	34	15%
Other[6]	Various	Landfill & Biogas	Various	45	0.1	80	40%
Total Renewable				**1,766**		**1,961**	
Generation Portfolio as at 31 December 2014				**10,688**	**0.9**	**17,182**	
NEM Industry Average					**0.9**		

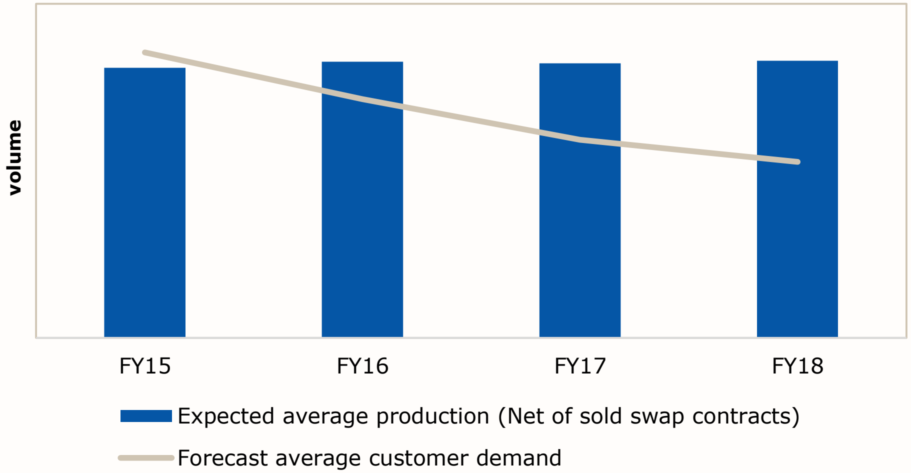
1. *Implied capacity factor based on H1 FY15 output.*
2. *H1 FY15 performance data for Macquarie assets from 2 September 2014 onwards.*
3. *Capacity and performance reflects AGL's 50% interest in the output of each asset.*
4. *Capacity factor not reported due to commissioning activities undertaken during H1 FY15.*
5. *Includes Hunter Valley Gas Turbines, Moranbah power station, the Qenos and Coopers cogeneration plants and Wilpena diesel generator.*
6. *Includes six landfill gas generators, Werribee biogas power station, Wilpena solar plant and the ISIS and Suncoast biomass generation plants*
7. *Carbon intensity based on FY14 performance of the asset.*

Energy in action.® Since 1837 AGL

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 (net of retail load/generation/financial contracts) 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

AGL Energy Expected Hedge Position - All Regions



- Forecast average customer demand is (contracted C&I + expected consumer market)
- Expected average generation production: estimate based on current market assumptions
- Sold swaps are netted off expected generation production
- Other financial contracts (caps etc.) and reserve generation not shown
- FY15 is the position for the remainder of financial year.

Upstream Gas – Key financial metrics

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Operating EBITDA	**(4)**	(1)	300.0%
Depreciation and amortisation	**(6)**	(12)	(50.0%)
Operating EBIT			
Upstream Gas			
Queensland	**(2)**	(7)	(71.4%)
New South Wales	**(2)**	-	n/a
Sundry	**(6)**	(6)	-
Operating EBIT	**(10)**	(13)	(23.1%)

- Operating EBIT contribution from the combined Moranbah and NQE joint ventures was a loss of $2 million compared with a loss of $6 million in the prior corresponding period. Depreciation and amortisation recognised in the prior corresponding period has been excluded from the current period (as the asset is held for sale). This reduction was partially offset by an increase in operating expenditure in the current period.

Upstream Gas – Reserves

AGL share of gas reserves	As at 31 Dec 14		As at 30 Jun 14		Change	
PJ	**2P**	**3P**	**2P**	**3P**	**2P**	**3P**
Gloucester (100%)	**527**	**649**	527	649	-	-
Moranbah (50%) - Bowen Basin	**282**	**478**	285	481	(1.1%)	(0.6%)
Camden (100%)	**43**	**43**	45	45	(4.4%)	(4.4%)
Silver Springs (various)	**57**	**149**	57	149	-	-
Spring Gully (various)	**9**	**11**	9	11	-	-
Sub-Total	**918**	**1,330**	**923**	**1,335**	**(0.5%)**	**(0.4%)**
ATP 1103 back-in rights (50%) - Bowen Basin[1]	**968**	**2,191**	968	2,191	-	-
Total	**1,886**	**3,521**	**1,891**	**3,526**	**(0.3%)**	**(0.1%)**

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.

Energy in action.® Since 1837 AGL

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 (3,843)	-	100%
		PEL 267 (4,906)**r**	-	100%
Gloucester	Gloucester Gas Project	PEL 285 (761)	-	100%
Cooper/Eromanga	Conventional oil and gas	ATP 934P (1,462)**a**	-	20%
	Conventional oil and gas	ATP 1056P (2,687)	-	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)	-	28.71-100%
		-	PL 1 (55)	15%
		-	PL 15 (259)	75%
		-	PL 30 (37)	10%
		-	PL 48 (6)**r**	100%
		-	PL 49 (21)**r**	100%
		-	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 (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%
		-	PL 195 (257)	0.75%
		-	PL 203 (259)	0.75%
		-	PL 204 (220)	0.0375%
		-	PL 417 (231)	0.75%

Energy in action.® Since 1837 AGL

Reconciling Statutory to Underlying cash flow

6 months to $m	31 Dec 2014	31 Dec 2013	Change
Statutory net cash provided by operating activities	**588**	748	
Cash flow relating to significant items	**124**	22	
Underlying operating cash flow	**712**	770	↓ (7.5%)
Net finance costs paid	**99**	99	-%
Income tax paid	**68**	138	↓ (50.7%)
Underlying operating cash flow before interest and tax	**879**	1,007	↓ (12.7%)

Energy in action.®
Since 1837
AGL

Investments

6 months to $m	31 Dec 2014	31 Dec 2013	Change
ActewAGL	**15**	14	7.1%
New Energy	**(8)**	-	n/a
Diamantina Power Station	**(3)**	-	n/a
Operating EBIT	**4**	14	(71.4%)

Capital expenditure

6 months to 31 Dec 2014 $m	SIB	Discretionary	Total
Merchant	120	169	**289**
Upstream Gas	-	64	**64**
Retail	-	19	**19**
Corporate and Other	7	6	**13**
Capital expenditure	**127**	**258**	**385**
Less: Solar projects government funding	-	(28)	**(28)**
Total capital expenditure	**127**	**230**	**357**

Energy in action.® Since 1837 AGL

Balance sheet

As at $m	31 Dec 2014	30 Jun 2014
Current assets	**3,436**	3,411
PPE, E&E and oil & gas assets	**7,855**	6,236
Other non current assets	**4,632**	4,487
Total Assets	**15,923**	14,134
Current debt	**765**	45
Other current liabilities	**2,031**	2,121
Non current debt	**2,921**	3,669
Other non current liabilities	**1,238**	711
Total Liabilities	**6,955**	6,546
Net Assets	**8,968**	7,588
Contributed equity	**6,674**	5,437
Reserves	**(63)**	(99)
Retained earnings	**2,353**	2,249
Non-controlling interests	**4**	1
Total Equity	**8,968**	7,588

Energy in action.® Since 1837 AGL

Fair value reconciliation

As at $m	Net Assets (Liabilities) 31 Dec 2014	 30 Jun 2014	 Change
Energy derivative contracts	**156**	18	138
Interest rate swaps and foreign currency derivative contracts	**(39)**	(79)	40
Total net assets (liabilities) for derivative contracts	**117**	(61)	178
Change in derivative net assets	**178**		
Premiums paid	**(33)**		
Premium roll off	**41**		
Settlement of interest rate swaps	**(4)**		
Fair value of derivatives acquired	**97**		
Total change in fair value	**279**		
Recognised in equity hedge reserve	**54**		
Recognised in borrowings	**63**		
Recognised in profit & loss (significant items – pre-tax)	**(37)**		
Recognised in profit and loss (fair value – pre-tax)	**191**		
Recognised in profit and loss (interest – pre-tax)	**8**		
Total change in fair value	**279**		

Energy in action.® Since 1837 AGL