



AGL Investor Day 2016

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;
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- Was prepared with due care and attention and is current at the date of the presentation.

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Major expenditure remains subject to standard Board approval processes.

Statutory profit and Underlying Profit

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

Underlying Profit is 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 & Investments Commission's 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.

Amounts presented as statutory profit/(loss) and Underlying Profit are those amounts attributable to owners of AGL Energy Limited.

Agenda

Market & Operations Update

1230



Richard Wrightson, General Manager, Wholesale Markets

Wholesale Electricity: Managing Volatility



Doug Jackson, Executive General Manager, Group Operations

Group Operations: Driving Value

Strategy & Growth Update

1345



Andy Vesey, Managing Director & CEO

Growth in Transition: Our Strategic Imperative



Alistair Preston, Exec. General Manager, Organisational Transformation

Power Shift: AGL Scenario Planning



Brett Redman, CFO

Agile Capital: a Growth Story



Stephen Mikkelsen, Executive General Manager, Energy Markets

Growth Initiatives: Break-Out Session



Elisabeth Brinton, Executive General Manager, New Energy

New Energy: Building the Innovation Accelerator



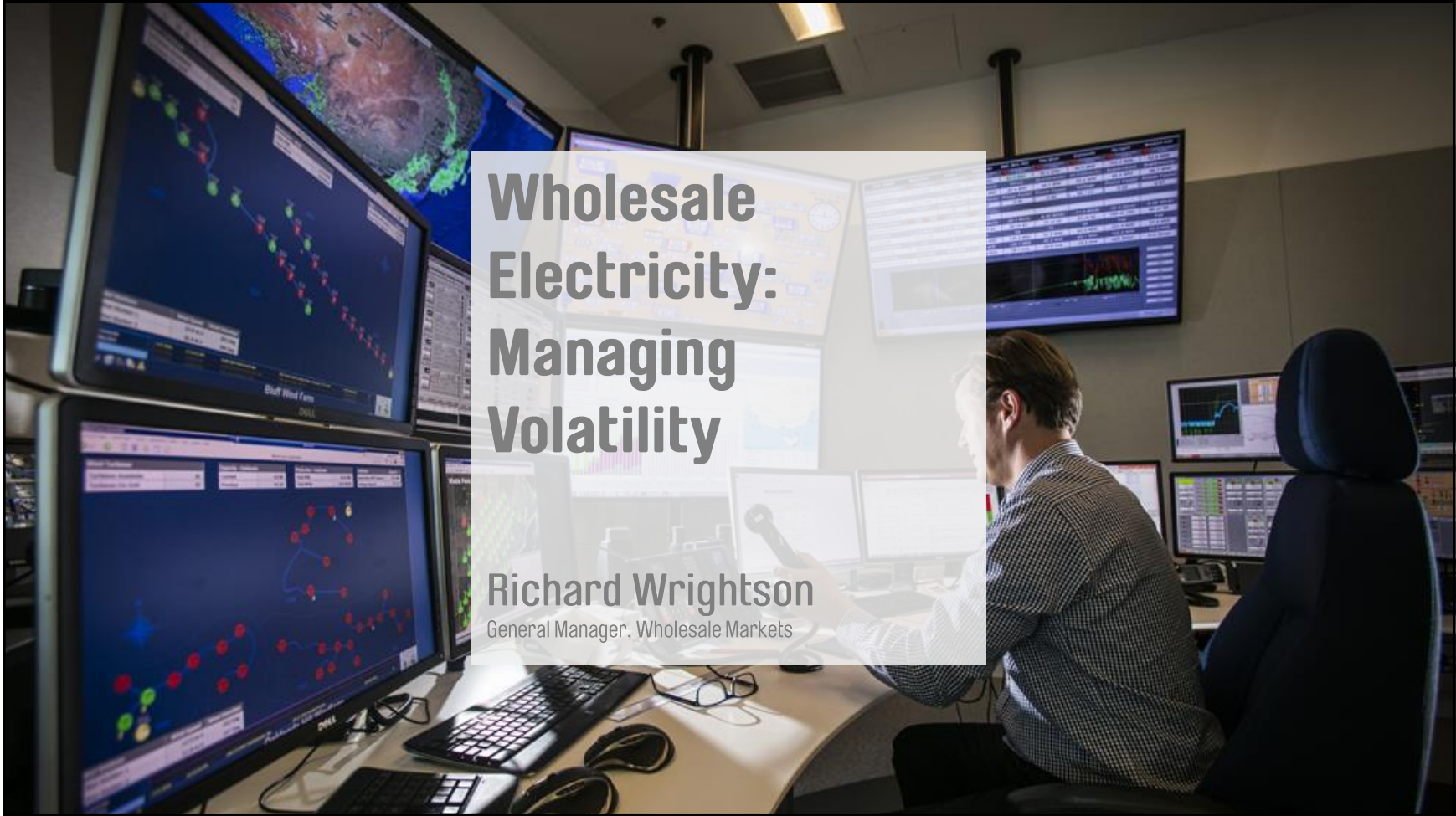
Tim Nelson, Head of Economic Policy & Sustainability

Perspectives on Policy Reform

1730

Wholesale
Electricity:
Managing
Volatility

Group
Operations:
Driving Value

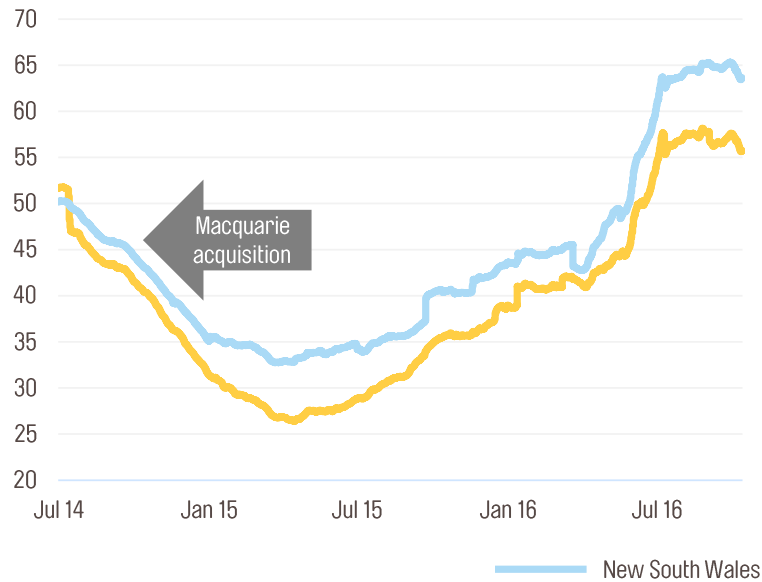


Wholesale Electricity: Managing Volatility

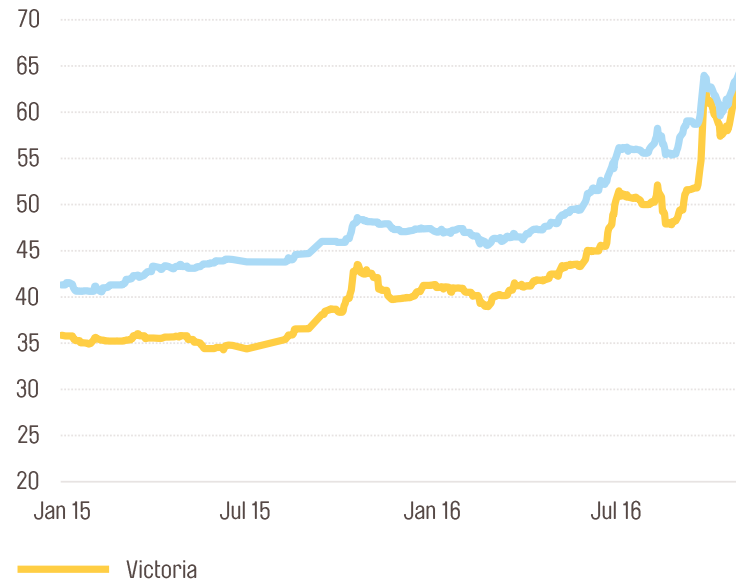
Richard Wrightson
General Manager, Wholesale Markets

Rising wholesale electricity market

Six-month rolling average spot price (\$/MWh)

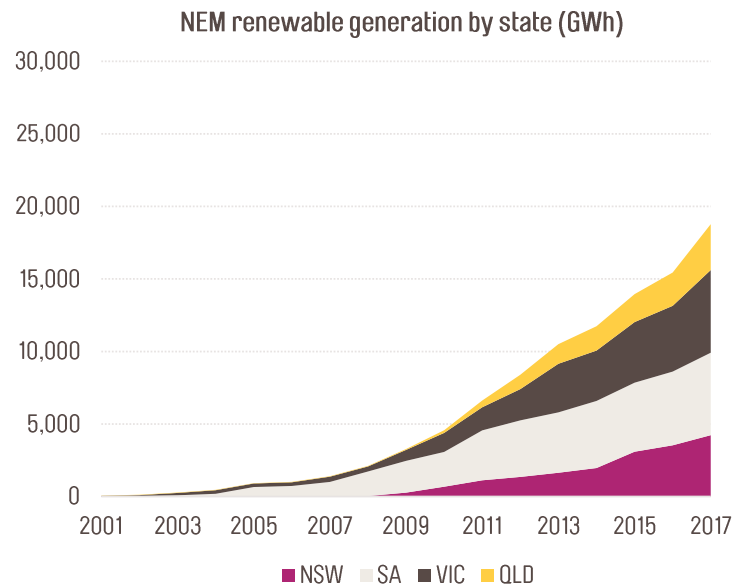


Forward curve prices for FY18 flat swap (\$/MWh)

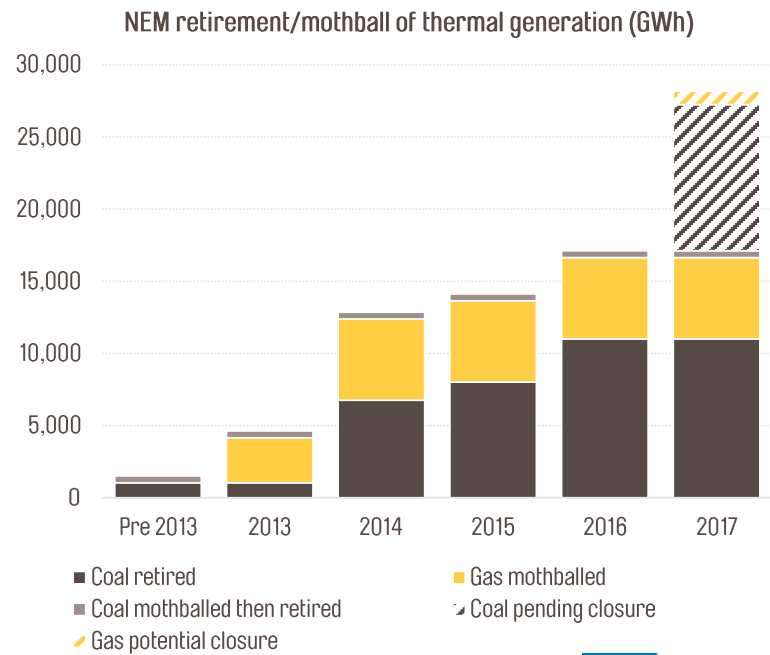


Source: AEMO, GFI Group

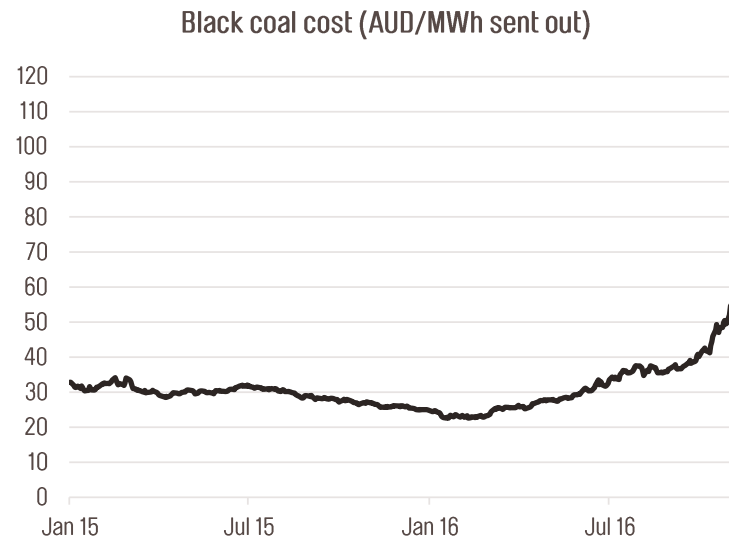
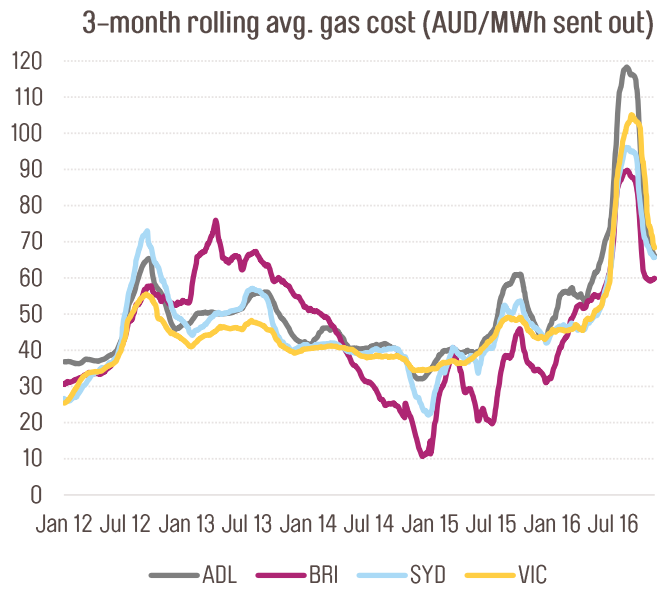
Renewable build tracking thermal withdrawal



Source: REC Registry, SunWiz, AEMO

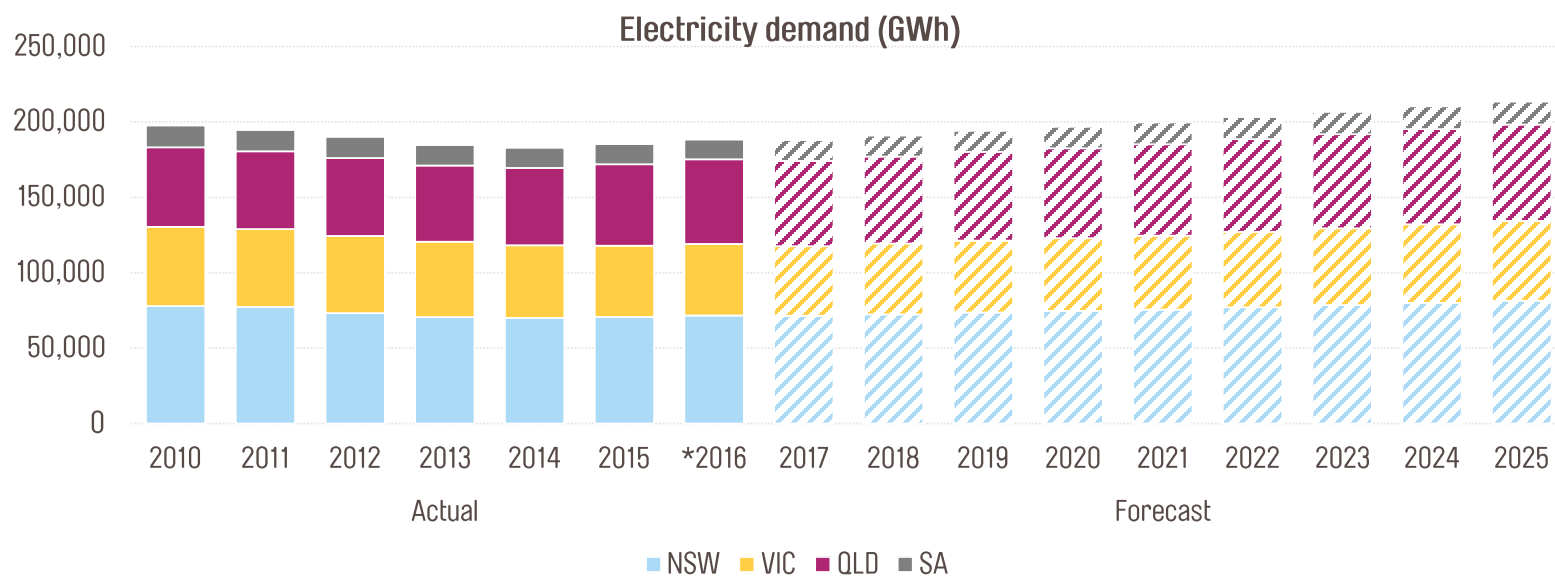


Increasing thermal fuel costs driving the market



Source: AEMO, ICE Futures Europe

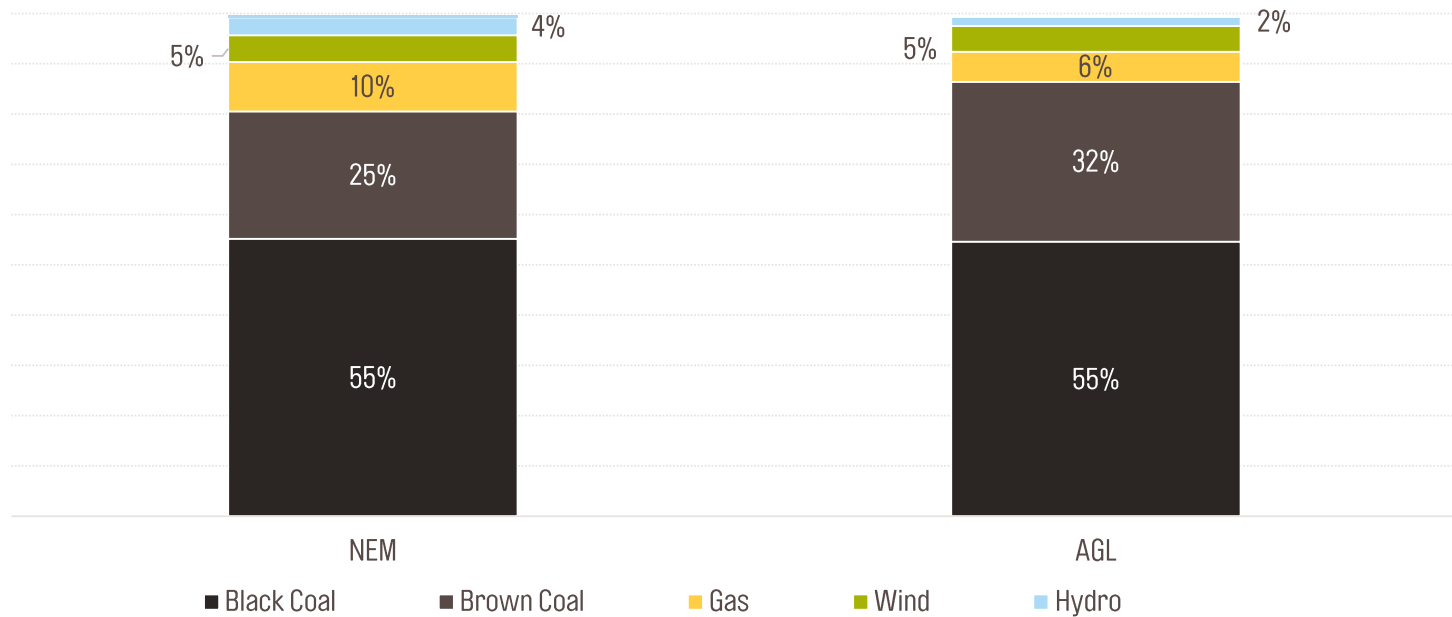
Demand outlook appears to be improving



Source: AEMO

* Data is for partially complete year

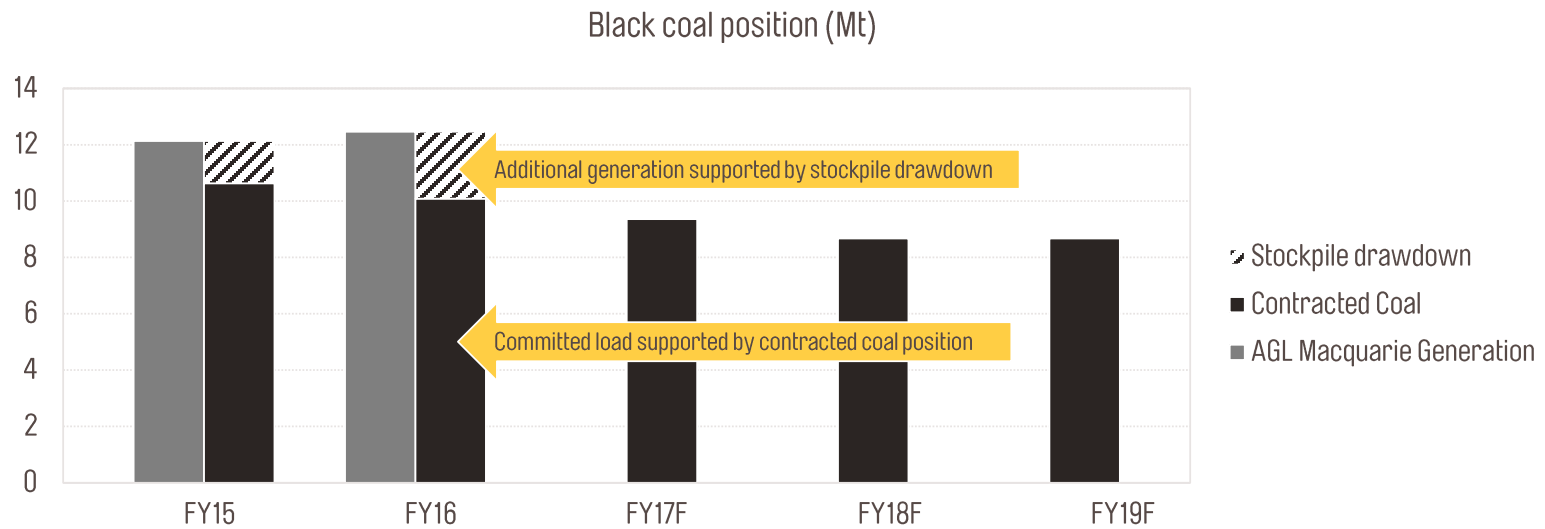
AGL portfolio well-aligned to manage market risk



Note: Other sources comprise 1% of NEM generation mix
Source: AEMO

AGL coal supply position remains well-hedged

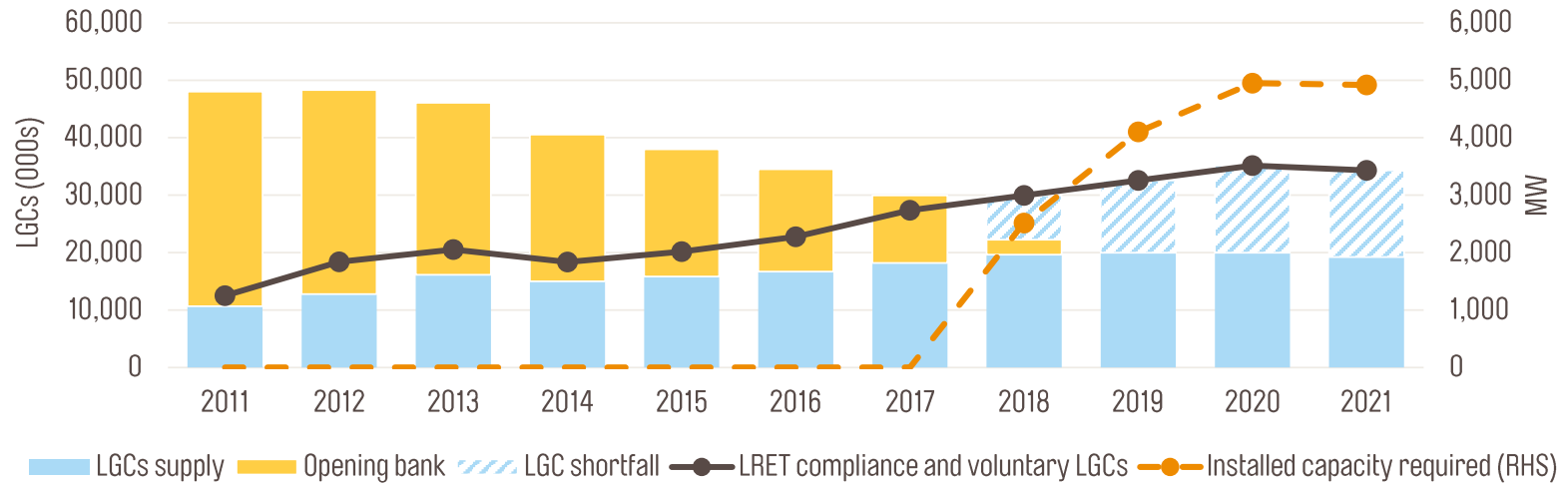
Performance reflects capacity to flex incremental generation to meet market demand



AGL well-positioned in event of LGC shortfall

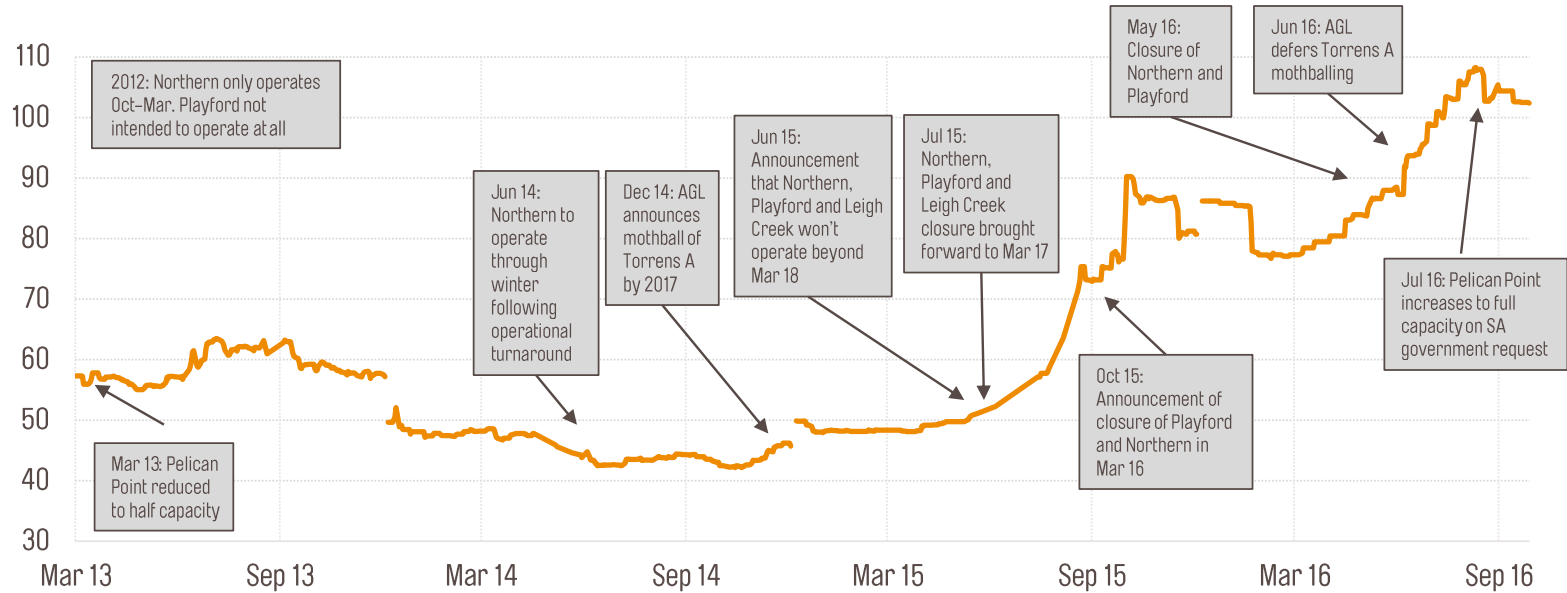
... while lack of capital investment reflects policy uncertainty

LGC market model – new LRET target

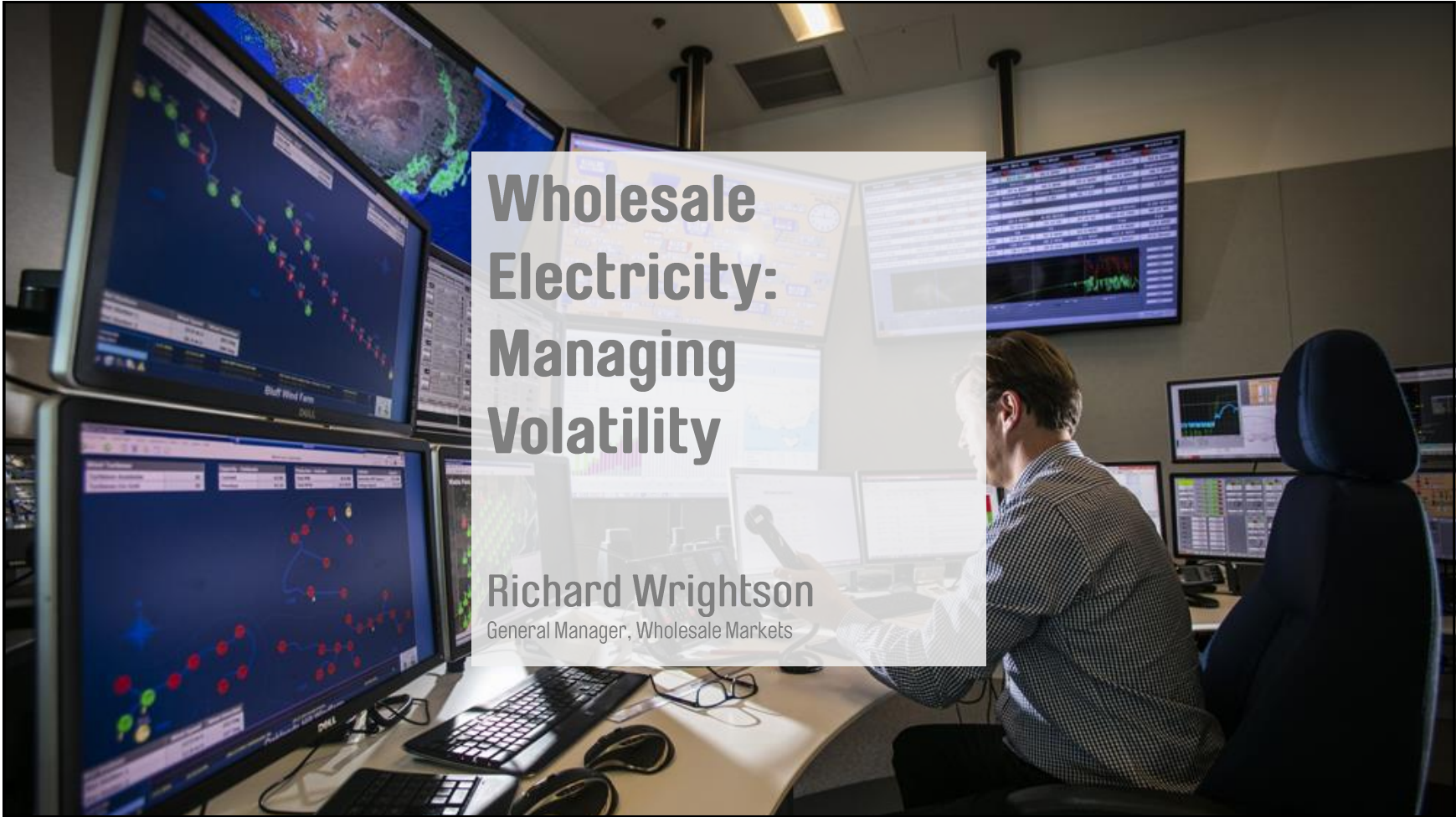


SA pricing driven by thermal withdrawals

South Australia electricity forward curve flat swap (\$/MWh)



Source: GFI Group



Wholesale Electricity: Managing Volatility

Richard Wrightson
General Manager, Wholesale Markets

Wholesale
Electricity:
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Driving Value



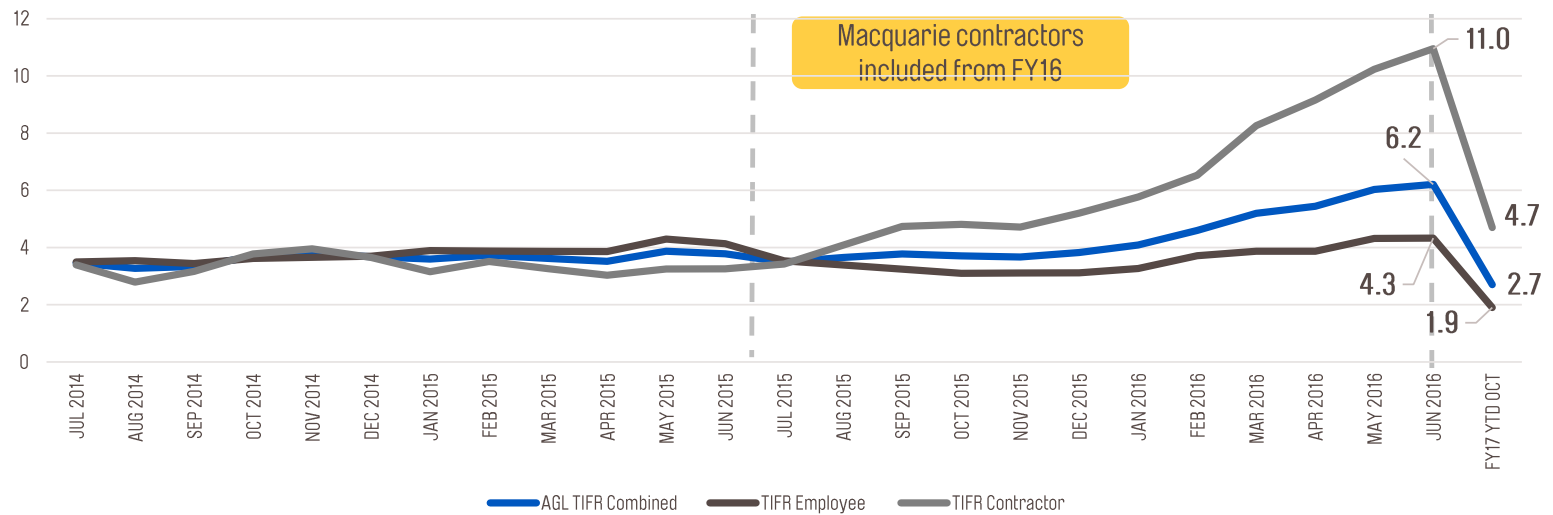
Group Operations: Driving Value

Doug Jackson

Executive General Manager, Group Operations

Focusing on improving our safety performance

Total Injury Frequency Rate (TIFR) per million man hours



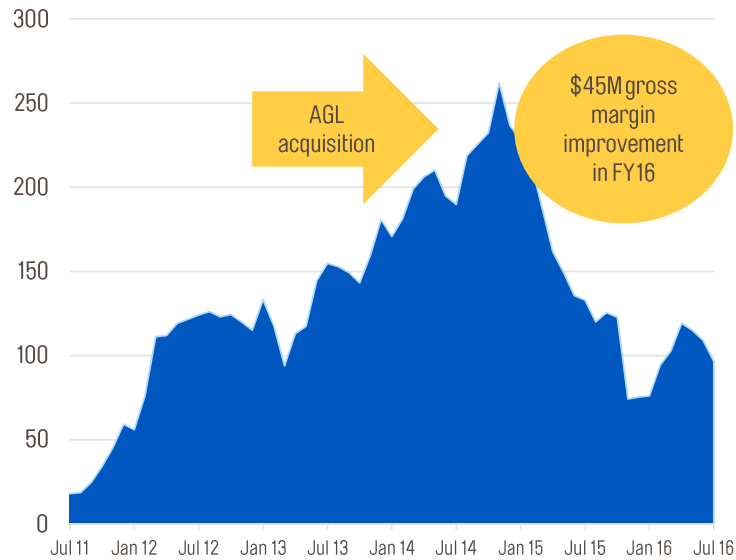


**AGL Macquarie:
beating expectations
two years since
acquisition**

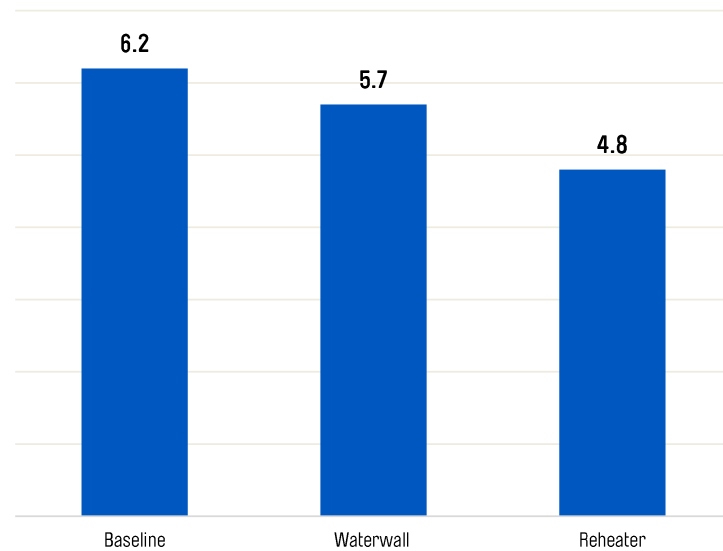
18

Key operating statistics illustrate performance

Lost generation due to mills (GWh)

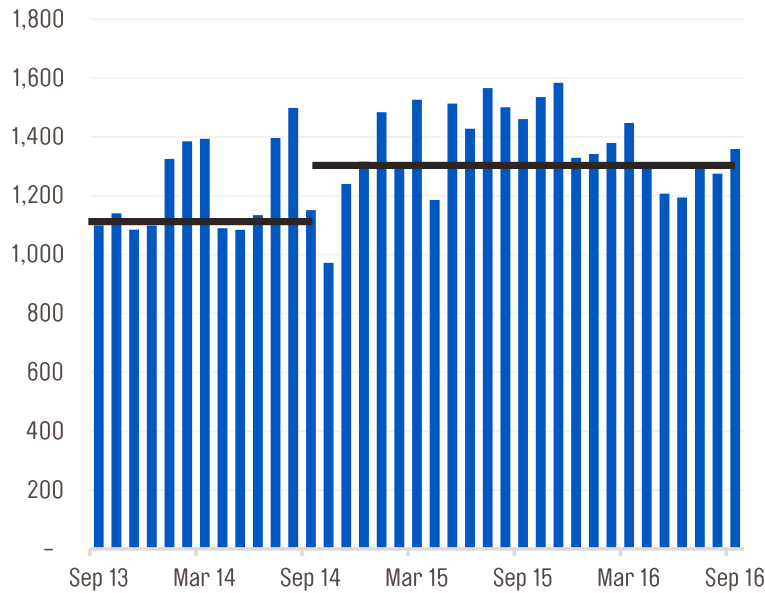


Duration of Liddell forced outages (days)

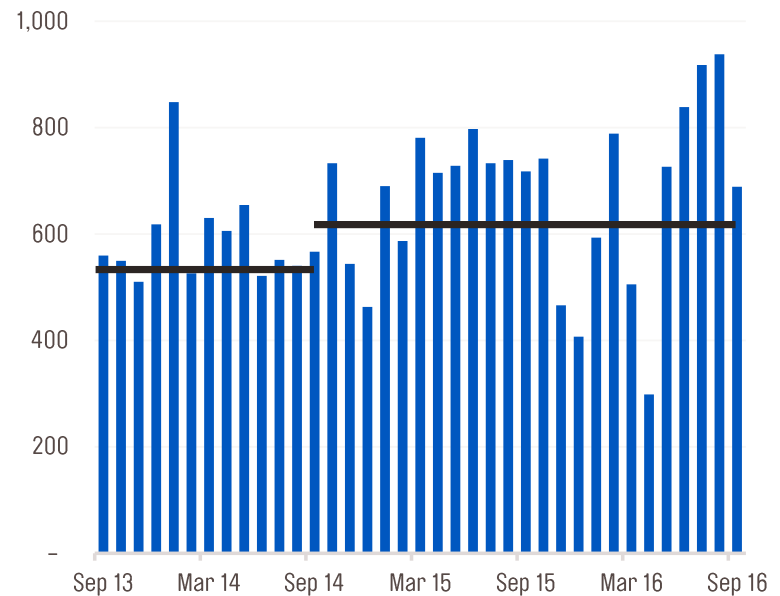


Improved generation output at AGL Macquarie

Bayswater net actual generation (GWh)

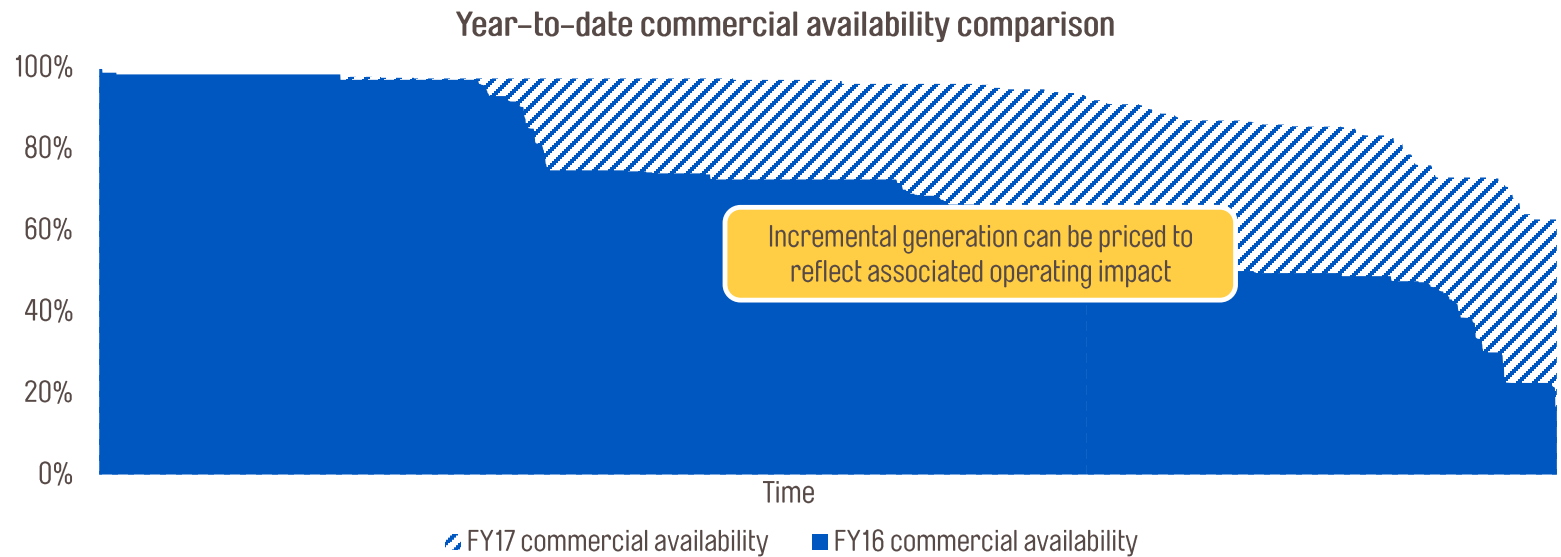


Liddell net actual generation (GWh)



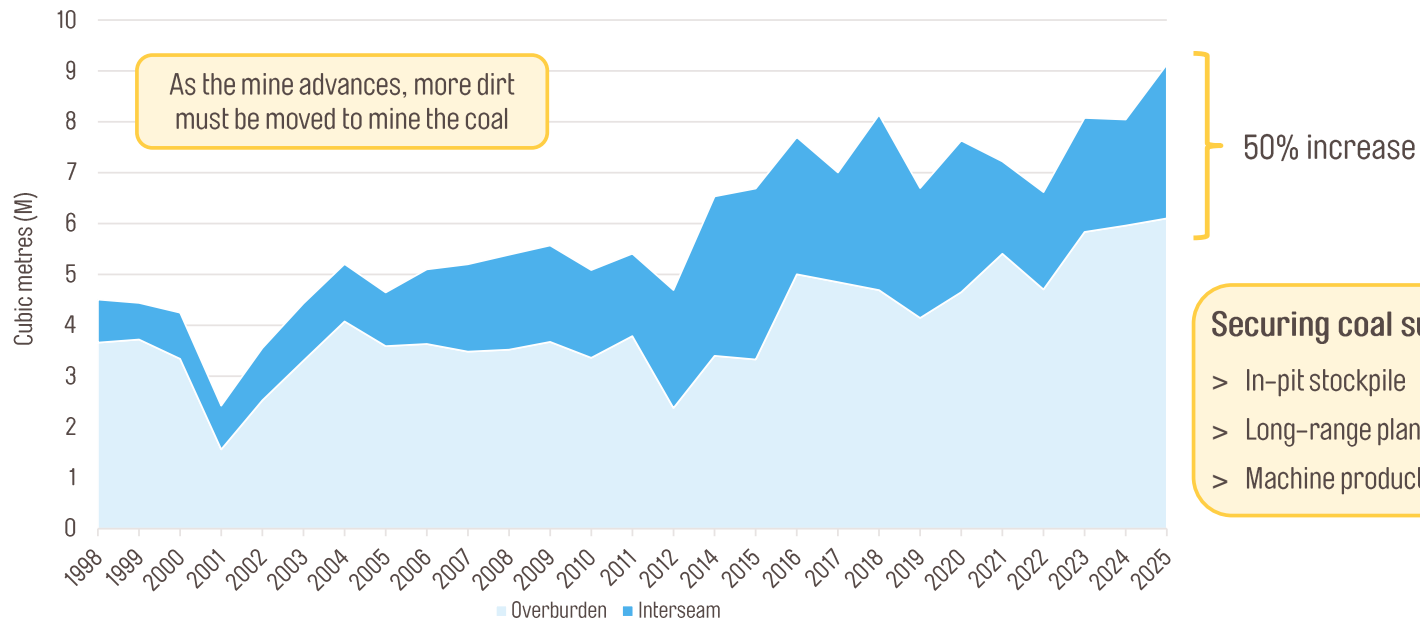
Optimising an ageing plant

Finding the sweet spot at Liddell



Loy Yang mine: doing it differently

Overburden and interseam volume



AGL Torrens outlook in a volatile market

- > Torrens A: operation reflects South Australian markets; annual assessment of ongoing operation
- > Torrens B: fuel optionality
- > Development permit provides flexibility to construct open-cycle gas turbine up to 800 MW





Group Operations: Driving Value

Doug Jackson

Executive General Manager, Group Operations



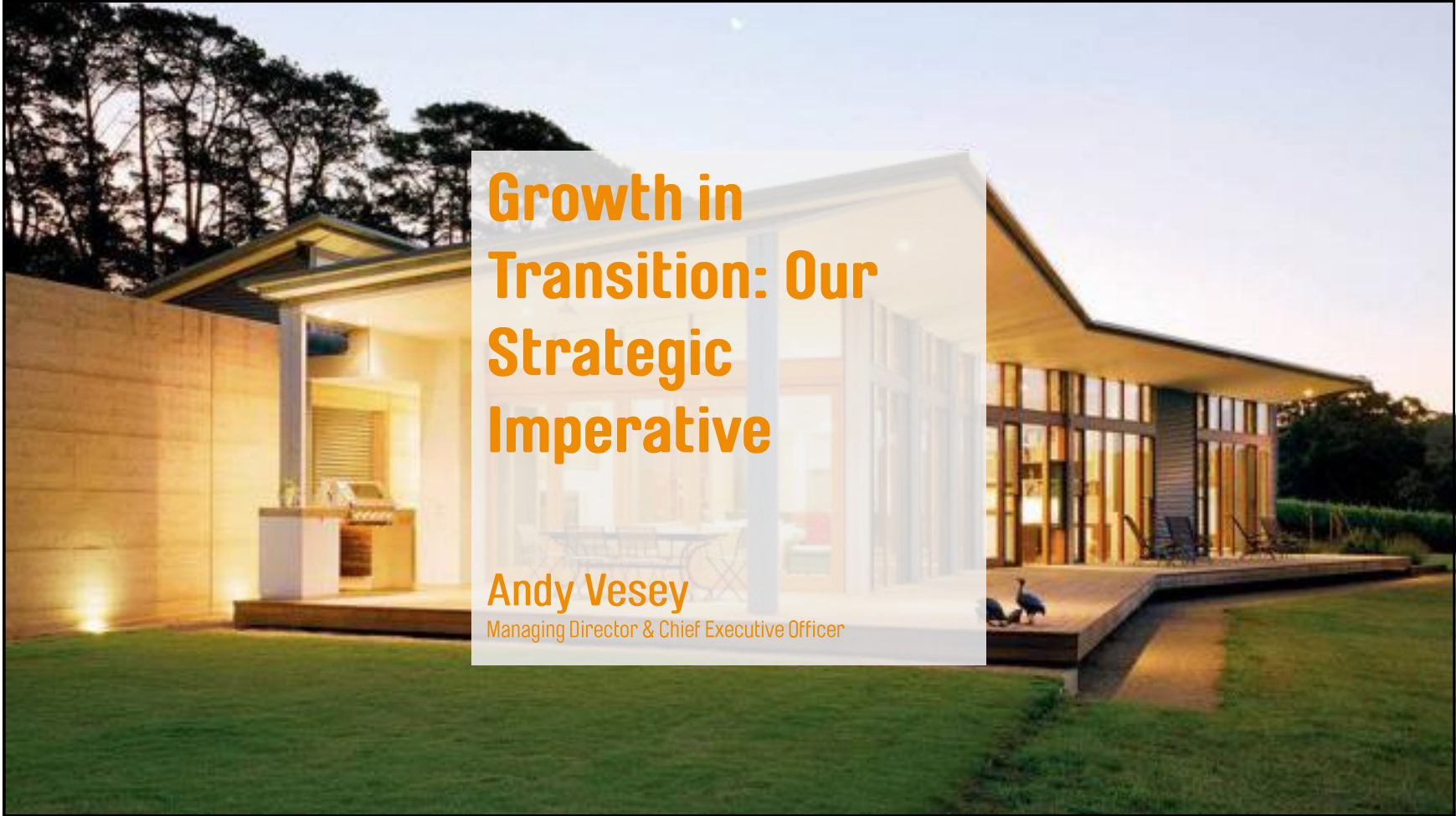
AGL Investor Day 2016

Growth in
Transition:
our Strategic
Imperative

Power Shift:
AGL
Scenario
Planning

Agile Capital:
a Growth
Story

New Energy:
Building the
Innovation
Accelerator



**Growth in
Transition: Our
Strategic
Imperative**

Andy Vesey
Managing Director & Chief Executive Officer

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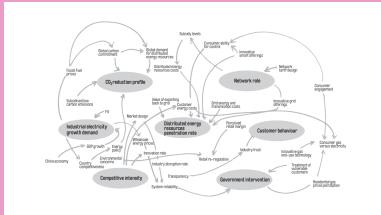
Power Shift: AGL Scenario Planning

Alistair Preston

Executive General Manager, Organisational Transformation

Scenario planning applies a rigorous process to strategy

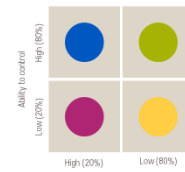
Identify key trends



Order uncertainty territories

- Distributed energy resources penetration rate
- Consumer behaviour
- Competitive intensity
- Network role
- CO₂ profile
- Industrial electricity demand
- Government intervention

Define drivers and outcomes



Test investments

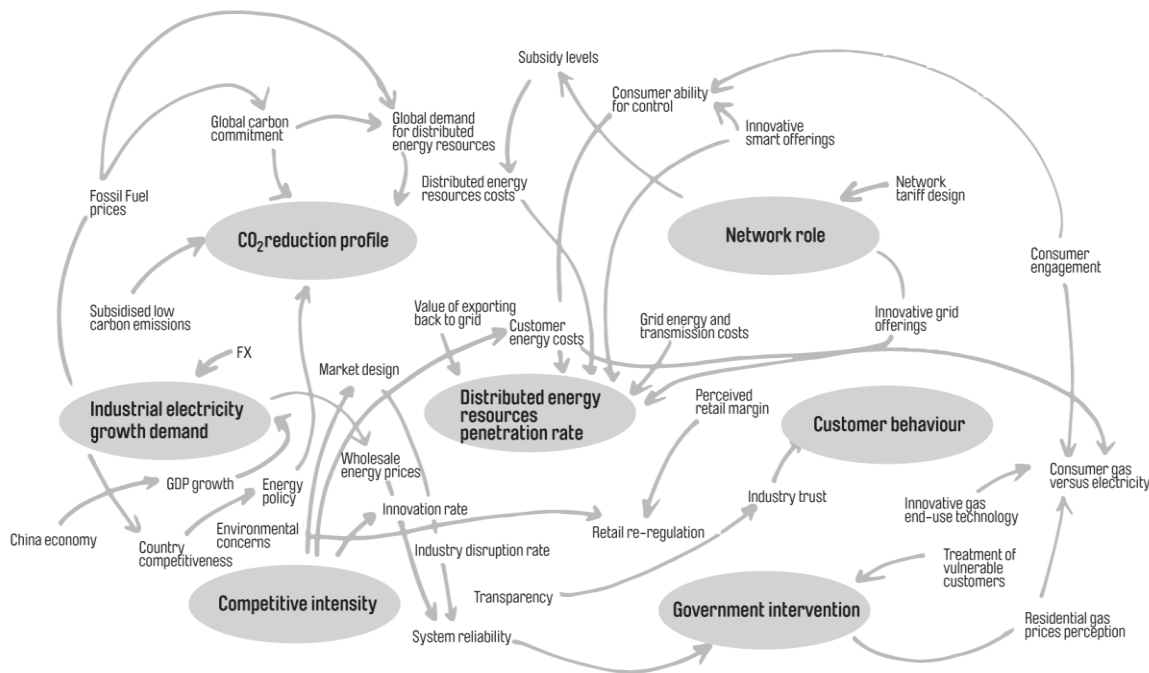
	Target	Variance	Strategy	Opportunity	
Digital Transformation Program	87%	6.68	Yes	11	The high AI business model is being tested in a controlled environment to ensure it is scalable and can be implemented across the organization.
HR	72%	6.92	Yes	16	The high AI business model is being tested in a controlled environment to ensure it is scalable and can be implemented across the organization.
Energy	67%	7.45	Yes	10	The high AI business model is being tested in a controlled environment to ensure it is scalable and can be implemented across the organization.

Monitor evolving events

Event	Impact	Probability	Response
Renewable energy adoption	High	Medium	Investment
Government policy changes	Medium	High	Advocacy
Technological breakthroughs	High	Low	Research & Development
Market competition	Medium	Medium	Strategic Partnerships
Consumer behavior shifts	Low	High	Marketing Campaigns

Write scenario narratives





Internal and external experts mapped the trends shaping the Australian energy market

Distributed energy resources penetration rate

Consumer behaviour

Competitive intensity

Network role

CO₂ profile

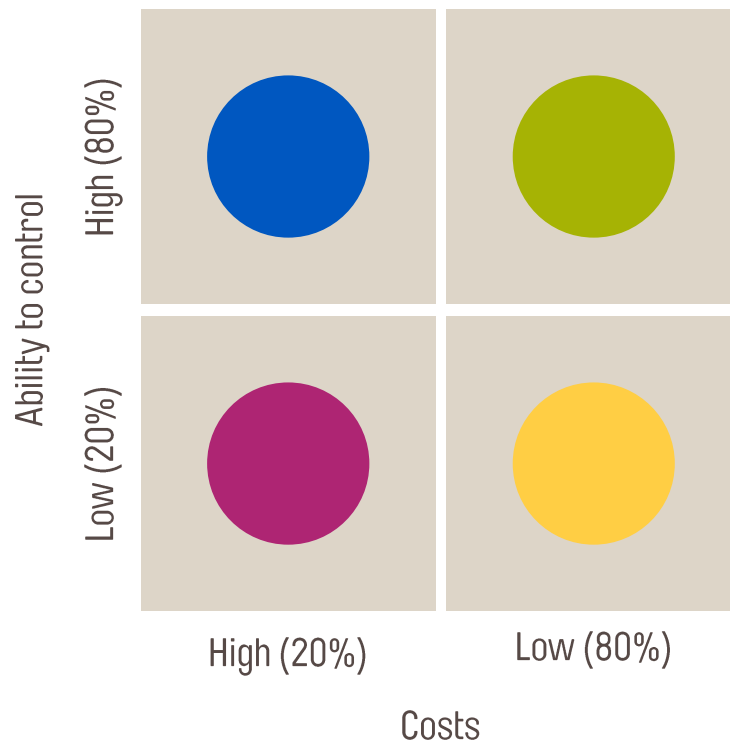
Industrial electricity demand

Government intervention



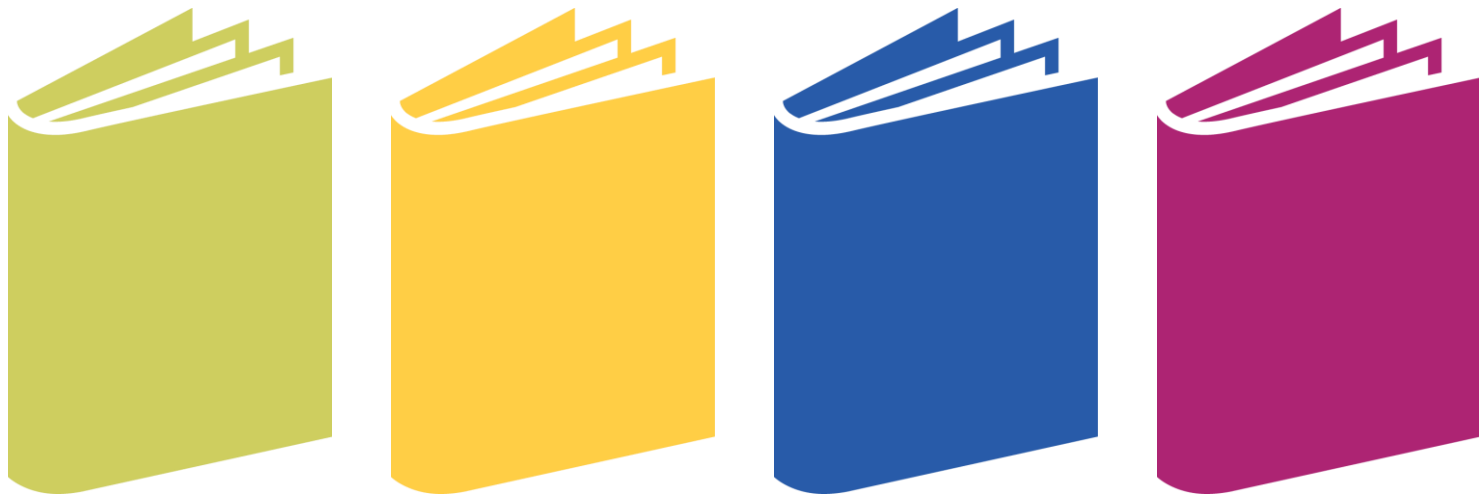
**We ordered the
uncertainty
territories,
considering
their influence
on one another**

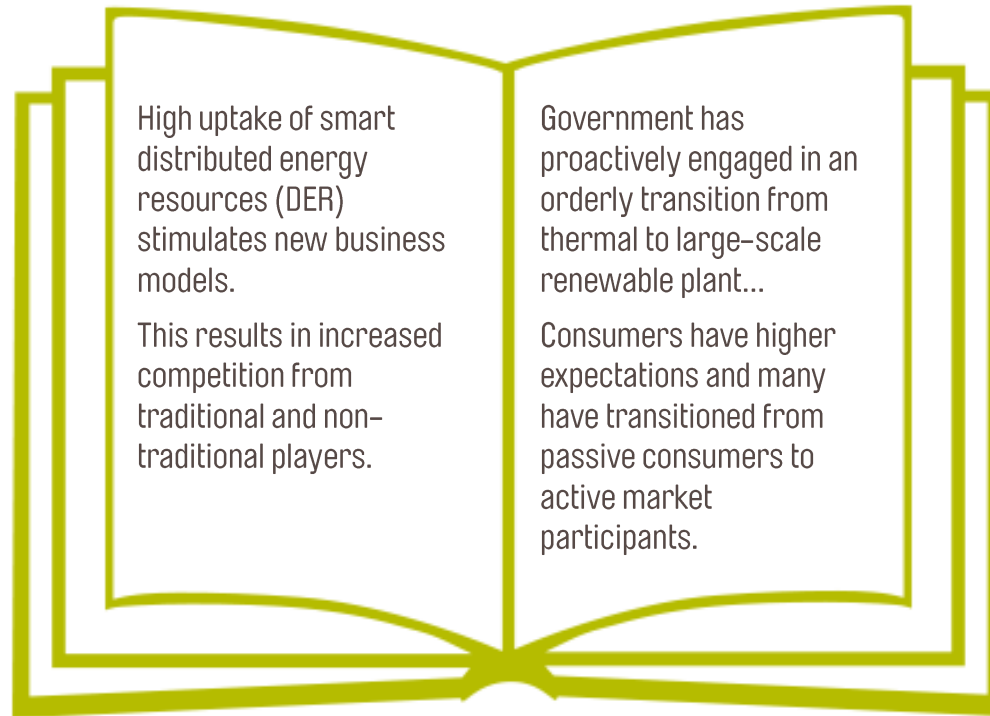
Drivers and outcomes were identified



Driver matrix for distributed energy resources penetration suggests emergence of disruptive business models

We developed scenarios to illustrate four possible futures





High uptake of smart distributed energy resources (DER) stimulates new business models.

This results in increased competition from traditional and non-traditional players.

Government has proactively engaged in an orderly transition from thermal to large-scale renewable plant...

Consumers have higher expectations and many have transitioned from passive consumers to active market participants.

Uncertainty territories	Monitored by triggers	Anticipated values in 2025			
		#1	#2	#3	#4
Distributed energy penetration	Trigger 1	Top quartile	Middle quartiles	Middle quartiles	Bottom quartile
Consumer behaviour	Trigger 2	High	Medium	Low	Low
	Trigger 3	High: >0%	Medium: -20%	Low: <-20%	Low: <-20%
Competitive intensity	Trigger 4	Medium	High	Medium	Low
Role of network	Trigger 5	Strong, low	Weak, high	Strong, low	Strong, low
	Trigger 6	High	Medium	Low	Very low
CO ₂ reduction profile	Trigger 7	Tracking towards low	Tracking towards low	Tracking towards medium	Not on track
Industrial electricity demand	Trigger 8	Medium	High	Low	Very high
	Trigger 9	High	High	Medium	Low
Government intervention	Trigger 10	Few	Few	Many	Several

} Today's trends support scenario #1

Uncertainty territories	Monitored by triggers	Last data (Sep 16)	Anticipated values in 2025			
			#1	#2	#3	#4
Distributed energy penetration	Global lithium ion battery manufacturing capacity (GWh)	97 GWh	500 GWh	400 GWh	200 GWh	125 GWh

} Today's trends support scenario #1

Illustrative acid test for a business solution

1. Robustness test uncertainty territory	Outcome	Relevance	Scenario 1	Scenario 2	Scenario 3	Scenario 4	
Distributed energy resources penetration	Emergence of disruptive business models across the value chain	Yes	4	3	2	1	
Consumer behavior	Changing customer expectations and trust	Yes	4	1	3	1	
Competitive intensity	Major shifts in retail market shares and range of products	Yes	4	3	2	1	
Role of network	Reformed tariffs and behind the meter competition	Yes	2	3	2	1	
CO ₂ profile	Proliferation of carbon reduction	Yes	4	2	2	1	
Industrial electricity demand	Reshaped supply-demand load curves	Yes	2	2	4	1	
Government intervention	Change in the number and variety of government interventions	Yes	4	2	2	1	
			64	24	16	17	7
	Weighted robustness score		57%	33%	57%	61%	25%
	Variance		6.21				
2. Strategy fit			Yes				
	AGL's greenhouse gas policy compliance		Yes				
	Customer experience		Yes				
3. Optionality			10	4	3	2	1

Weighted robustness reflects how the conditions of the scenario amplify or diminish the value of the investment

Low **variance** of robustness indicates similar benefit in all scenarios

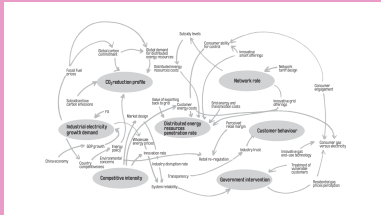
Strategy fit shows whether or not the opportunity complies with AGL's Greenhouse Gas Policy and with AGL's ambition to enrich the customer experience

High **optionality** means AGL's net exposure to loss from a potential future exit would be low

	Weighted robustness	Variance	Strategy fit	Optionality	
Digital Transformation Program	81%	4.69	Yes	11	No-regrets business decision; high robustness across all scenarios; high optionality provided by Agile framework
PARF	73%	6.92	Yes	16	Risk mitigation and capital-light; robust in all except "lilac" scenario; provides for considerable optionality
Sunverge	57%	7.45	Yes	10	Early-mover advantage; high robustness under "green" scenario; Virtual Power Plant demo provides optionality

The scenarios, watch-tower and acid test form the basis of an ongoing strategic conversation

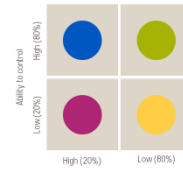
Identify key trends



Order uncertainty territories

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- Government intervention

Define drivers and outcomes



Test investments

	Target	Variance	Strategy	Opportunity	
Digital Transformation Program	87%	6.68	Yes	11	We have identified several high-potential digital transformation opportunities that we will continue to explore.
IT	72%	6.92	Yes	16	We will continue to invest in digital transformation and explore new opportunities for growth.
Energy	67%	7.45	Yes	10	Energy remains a critical part of our business and we will continue to invest in this area.

Monitor evolving events

Event	Impact	Probability	Response
Renewable energy costs	High	High	Investment
Government policy	Medium	Medium	Monitoring
Consumer behavior	Low	Low	Research
Technology innovation	High	Medium	Partnership
Global economic conditions	Medium	High	Flexibility

Write scenario narratives





Power Shift: AGL Scenario Planning

Alistair Preston

Executive General Manager, Organisational Transformation

Growth in
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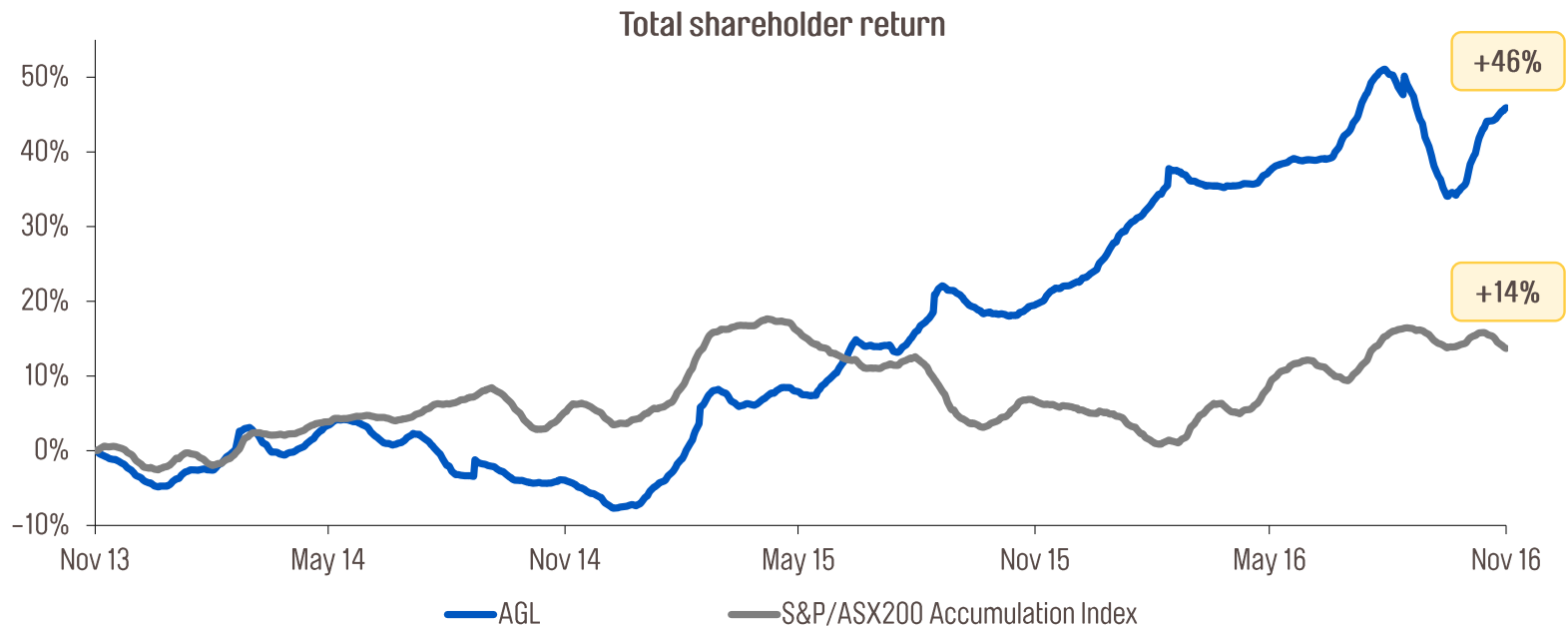
New Energy:
Building the
Innovation
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Agile Capital: a Growth Story

Brett Redman
Chief Financial Officer

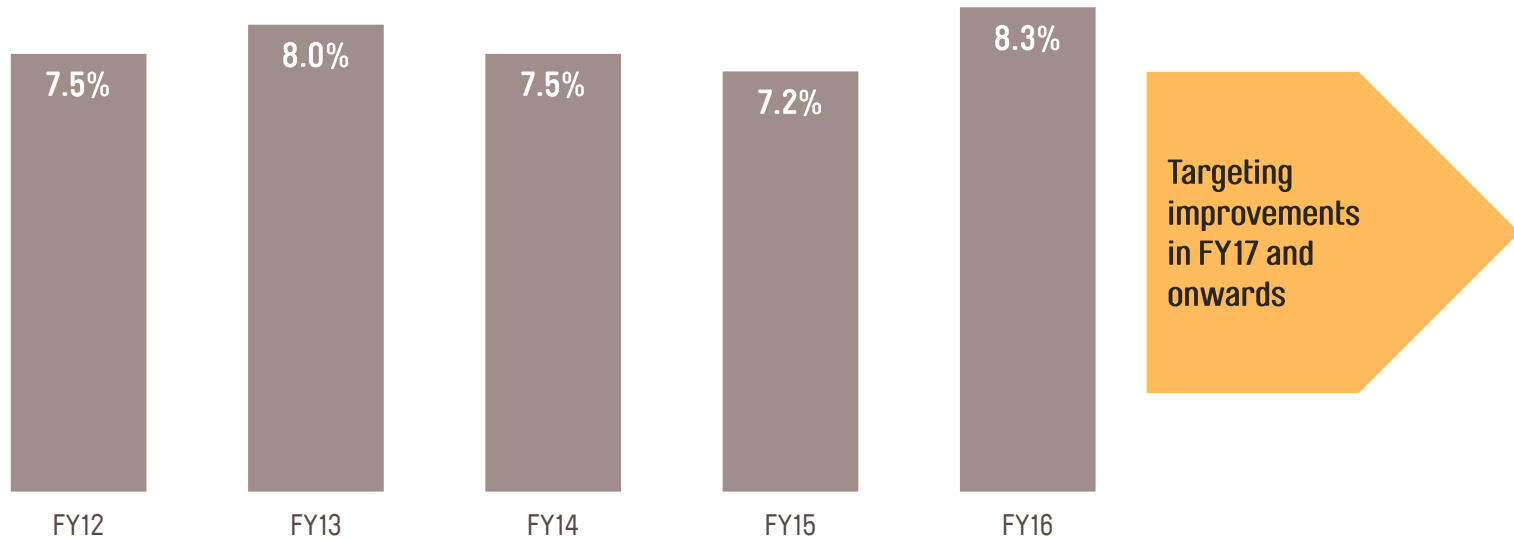
Recent actions underpin strong performance



Source: Orient Capital

We are targeting increased returns

Return on Equity



Unchanged outlook reflects strategy delivery

FY17 Underlying Profit expected to be \$720–800M¹

Primary drivers expected to be:

- > Wholesale electricity margin (phasing of benefit to reflect competitive environment, timing of retail price changes and AGL hedging profile)
- > Customer value strategy
- > Delivery of operational transformation targets

Year-on-year improvement expected to be weighted towards second half

Outlook reflects strength of AGL business despite previously disclosed challenges:

- > Unseasonably mild July/August weather
- > Anticipated reduction in gas portfolio EBIT of at least \$100M vs. FY16
- > Continued negotiations over AGL Loy Yang enterprise bargaining agreement

1. Subject to normal trading conditions for the remainder of FY17; Underlying Profit is after interest and tax



Asset sales reflect discipline and focus

\$948M of \$1B divestment objective for FY17 already achieved

Macarthur Wind Farm and Diamantina Power Station divestments completed in FY16

Sales to Powering Australian Renewables Fund (PARF)

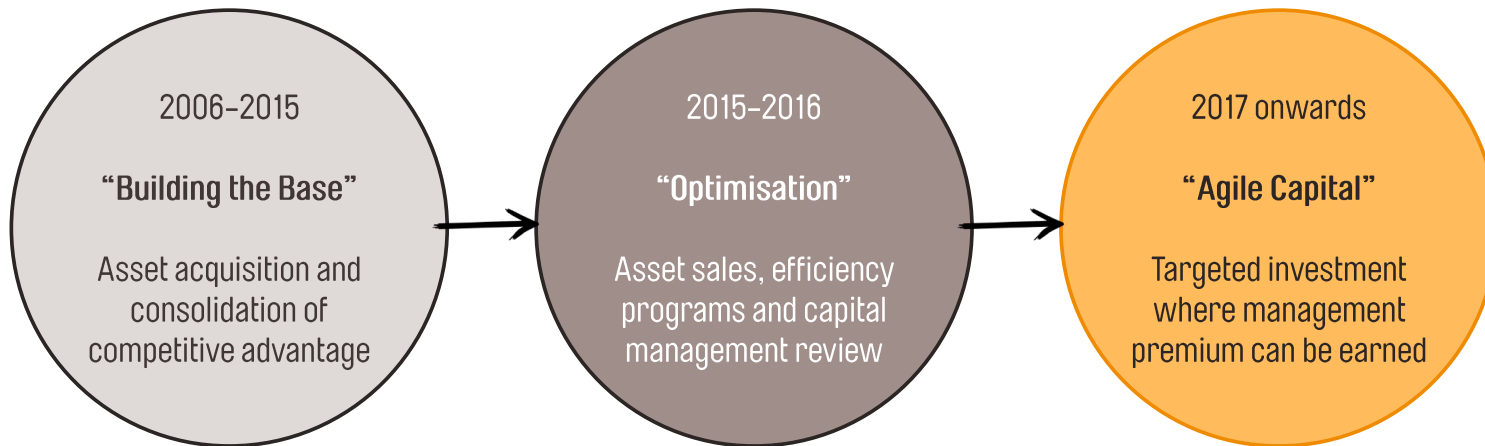
- > Nyngan and Broken Hill solar projects sold for \$257M
- > Sale of Silverton Wind Farm likely before third-quarter FY17

Strong cash flows position AGL to fund growth

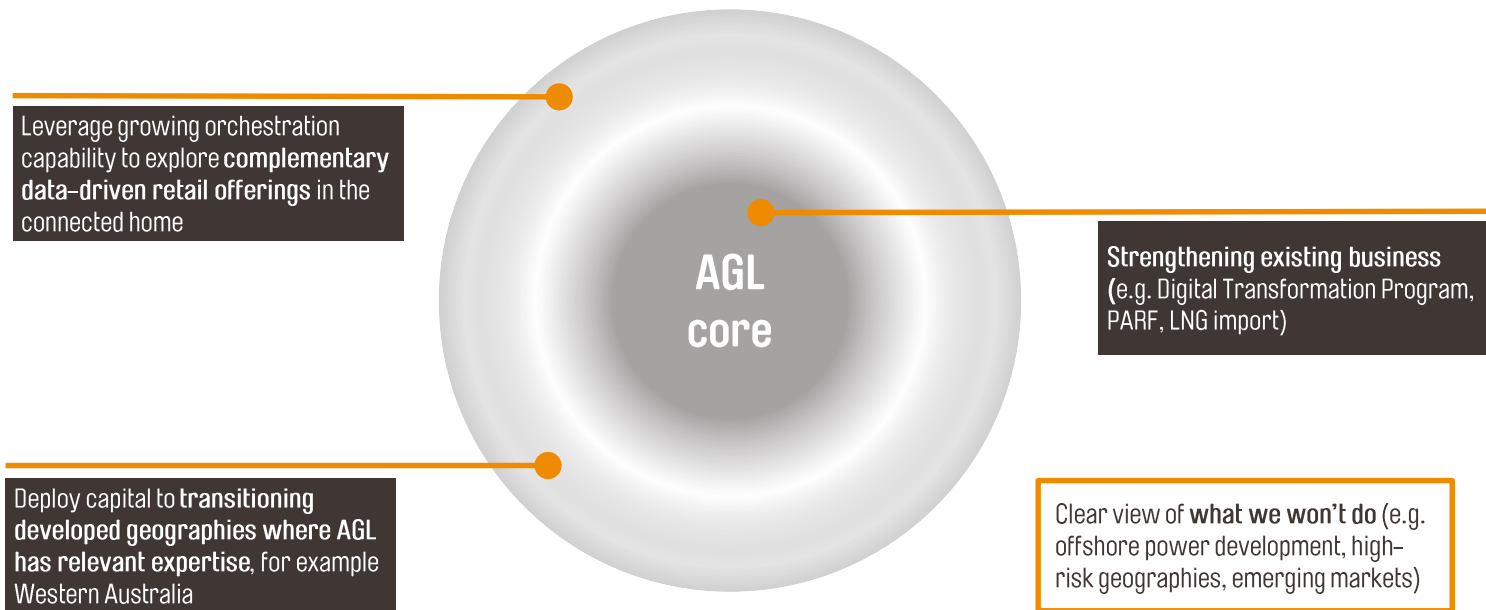
Generation and use of cash: FY15 onwards

	FY15	FY16	FY17 onwards
Operating expenditure	\$(1,352)M	\$(1,380)M	FY17 base of \$1,381M reflects targeted \$170M inflation-adjusted reduction vs. FY15
EBITDA	\$1,505M	\$1,689M	To continue to grow broadly in line with Underlying Profit
EBITDA/cash conversion	101%	94%	Expected to remain above 90%
Cash flow from operations	\$1,527M	\$1,588M	To continue to grow broadly in line with Underlying Profit
Interest paid	\$(194)M	\$(172)M	FY17 increase to reflect emphasis on securing long-term tenor
Tax paid	\$(147)M	\$(166)M	Cash tax rate expected to remain ~30%
Sustaining capital expenditure	\$(368)M	\$(390)M	FY17 base of \$315M reflects targeted \$100M inflation-adjusted reduction vs. FY15
Dividends paid	\$(344)M	\$(446)M	Dividend Policy for ~75% of Underlying Profit (where 80% franking can be maintained)
Cash available	\$474M	\$414M	To continue to generate at least \$400M per year
Disposals	-	\$691M	Asset sales likely to continue beyond achievement of ~\$1,000M by end FY17
Acquisitions/investments	\$(1,585)M	\$(30)M	Commitment to Energy Impact Partners fund in the region of ~\$65M
Growth capital expenditure	\$(426)M	\$(139)M	To increase beyond FY17 forecast base of ~\$200M in support of growth programs
Share issuance/buy-back	\$1,210M	-	On-market buy-back of up to 5% of issues share capital worth ~\$600M at announcement
Total headroom @ Baa2	N/A	~\$2,000M	Ample to support growth and announced capital management initiatives

The way we use capital is evolving



Agile capital to enable an expanded core



A strong range of growth opportunities

	Acid test				
	Robustness	Strategy fit	Optionality		
More developed today	PARF equity investments				Reflects AGL's commitment to 20% equity stake in the Fund \$200M from FY16 onwards, starting with NSW solar projects
↑	Digital transformation program				~ \$300M investment through FY19 underway Potential ~ \$50-100M enterprise resource planning upgrade
	Technology-led New Energy investments				~ \$65M commitment to Energy Impact Partners fund Sunverge investment has led to Virtual Power Plant demo
↓	Western Australia market entry				Targeting ~ 100,000 customers within 24 months Potential ~ \$50-100M expenditure in FY17-FY19
	LNG import facility				Investment of \$17M to ready for final investment decision Potential ~ \$200-300M development pending decision in 2018-19
Less developed today	Large-scale peaking plant development				Develop additional gas-fired or battery plant peaking capability Highly contingent on market conditions and policy settings
	Expand data-driven retail offering				Growing orchestration and technology/data capability provides opportunities to expand range of customer services
	Developed offshore retail markets in transition				Opportunity to expand core where risk profile and market type are consistent with existing business

\$700M+
underway

Any investment must meet minimum 12% internal rate of return hurdle (post-tax, nominal) and higher depending on level of assessed risk



Summary of growth and return expectations

- > FY17 Underlying Profit guidance of \$720–800M equates to **8% growth** at mid-point
- > New Dividend Policy targets **payout ratio of 75%** of Underlying Profit
- > Anticipated **90%** or higher EBITDA/cash conversion
- > At least **\$400M** a year of cash being generated to support growth funding
- > Balance sheet headroom of **~ \$2B** available
- > On-market buy-back of up to 5% of issued share capital: **~ \$600M** at announcement
- > Growth investment projects worth **\$700M-plus** underway
- > Targeted post-tax nominal internal rate of return **> 12%** on all growth investment



Agile Capital: a Growth Story

Brett Redman
Chief Financial Officer

Growth Project Break-Out Presentations

Stephen Mikkelsen, Executive General Manager, Energy Markets



Phaedra Deckart
Head of Wholesale Gas



Maree Mamo
General Manager, Customer,
Capability & Insights



Scott Thomas
General Manager, Projects



Simon Moorfield
Chief Information Officer

A wide-angle photograph of a beach scene. In the foreground, the ocean has light green waves breaking onto a sandy shore. Numerous people are swimming and sunbathing. In the background, a large, multi-story building with a prominent central tower and arched windows is visible, surrounded by tall pine trees under a clear blue sky.

Western Australia: Market Entry

Scott Thomas
General Manager, Projects

WA is attractive in size and accessibility

Population



2.6M people

1.0M households

92% live in south-west corner

Contestable gas market



~ 700,000 gas sites

~ 10,000 business sites

\$711 per annum average bill

Gas market competitors



~ 90% Alinta share

2013 Kleenheat entered

~ 10% Kleenheat share

Source: Government of Western Australia Department of State Development

Changing dynamics to drive customer value focus

Gas market primed for competition



Limited competition in gas before Kleenheat entry

Competition relatively new for customers

Kleenheat has acquired 10% of market in three years

Wholesale market is responsive



AGL has investigated gas supply, transport and storage options in WA, including services that enable loads to ramp up

Market has been responsive, with offers received

Increased focus on value and cost



Mining has led economy, contributing 30% of GDP

Falling demand has halved growth from 5.0% to 2.5%

Tougher and tighter economic environment

Electricity market contestable in future

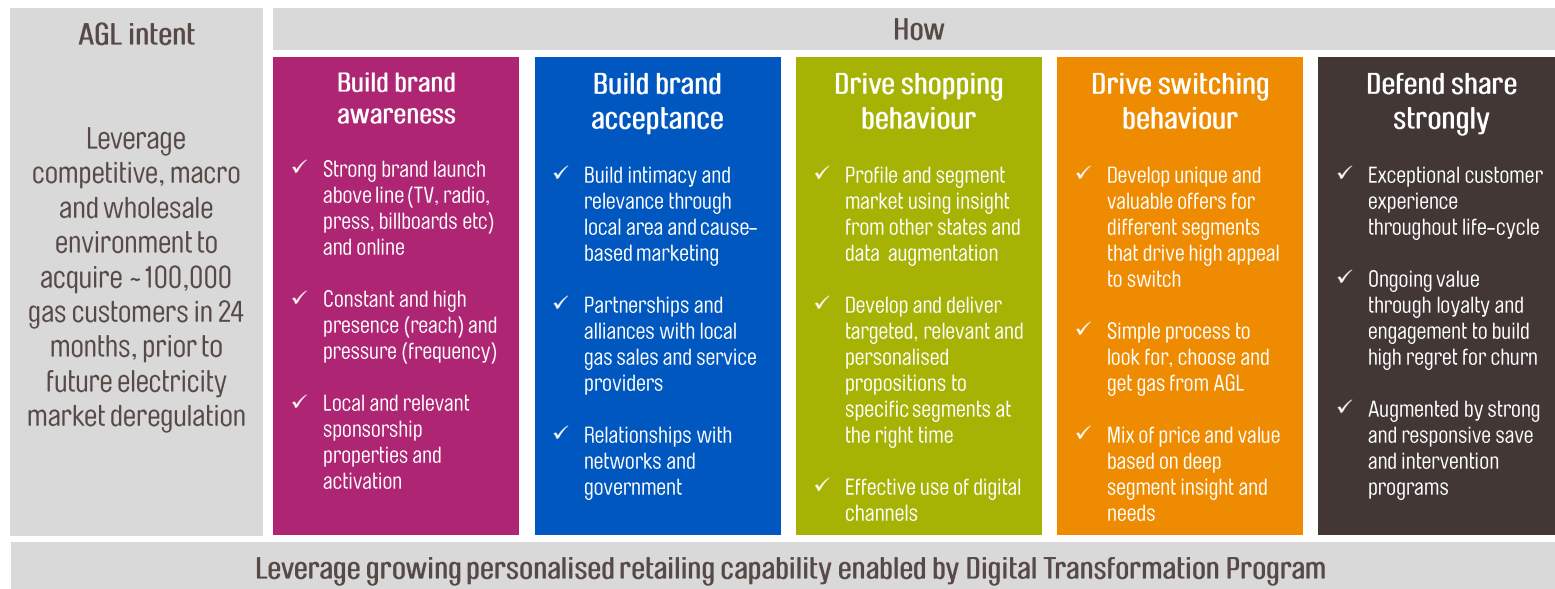


~1M residential and ~100,000 business sites

Only ~5% contestable today (mainly in remote areas)

Source: Government of Western Australia Department of State Development

Time to act with differentiated value proposition





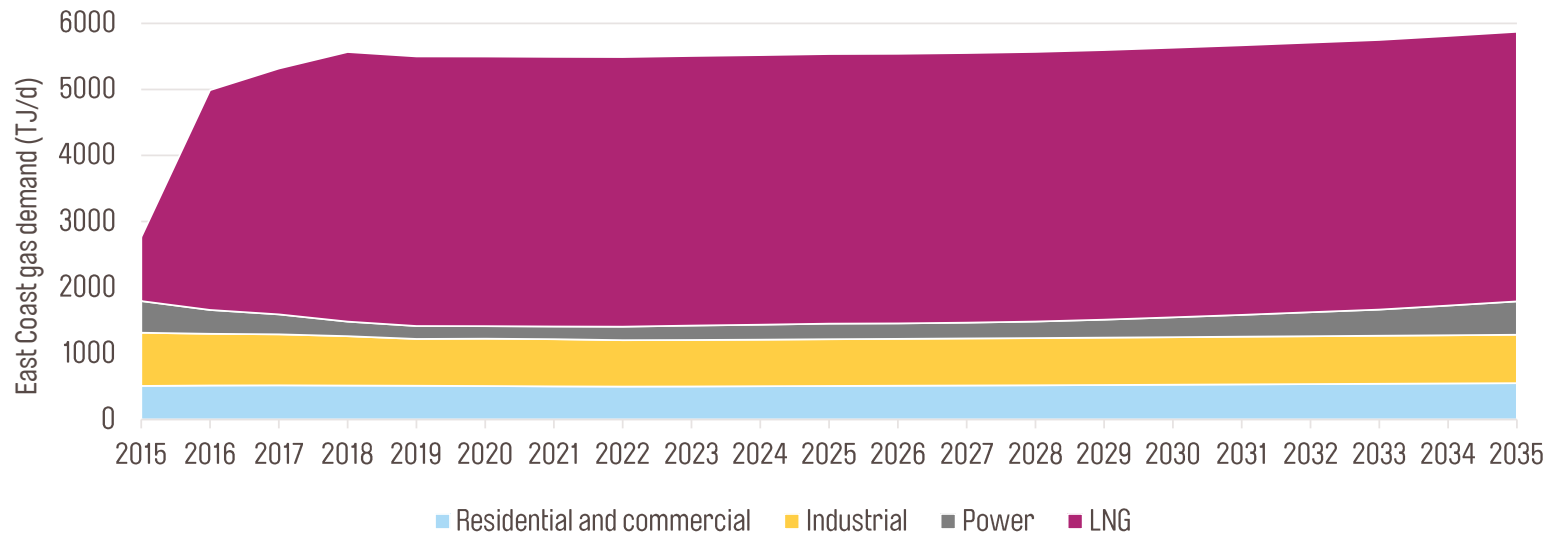
Strategic Options in East Coast Wholesale Gas

Phaedra Deckart

Head of Wholesale Gas

LNG demand continues to lead market transition

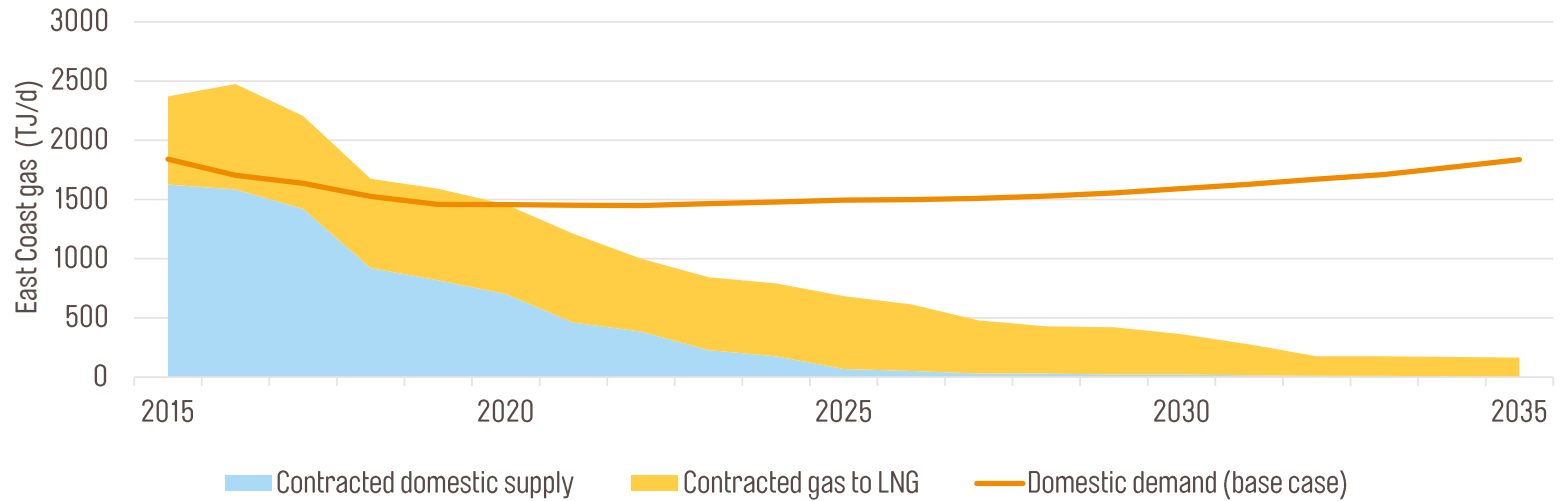
By 2018, 70% of gas demand will be Queensland LNG



Source: AEMO, Poten & Partners

Market moving to shorter-term contracts

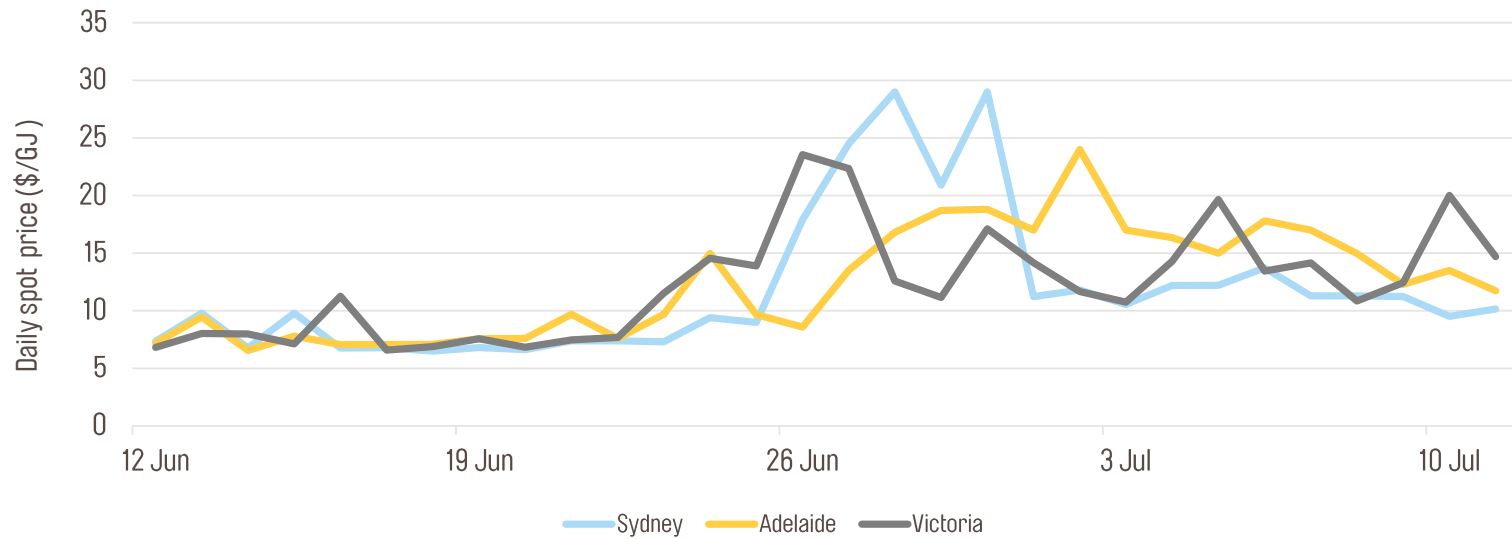
Re-contracting needed to meet future demand



Source: AGL, Poten & Partners

Winter 2016 illustrates changing dynamic

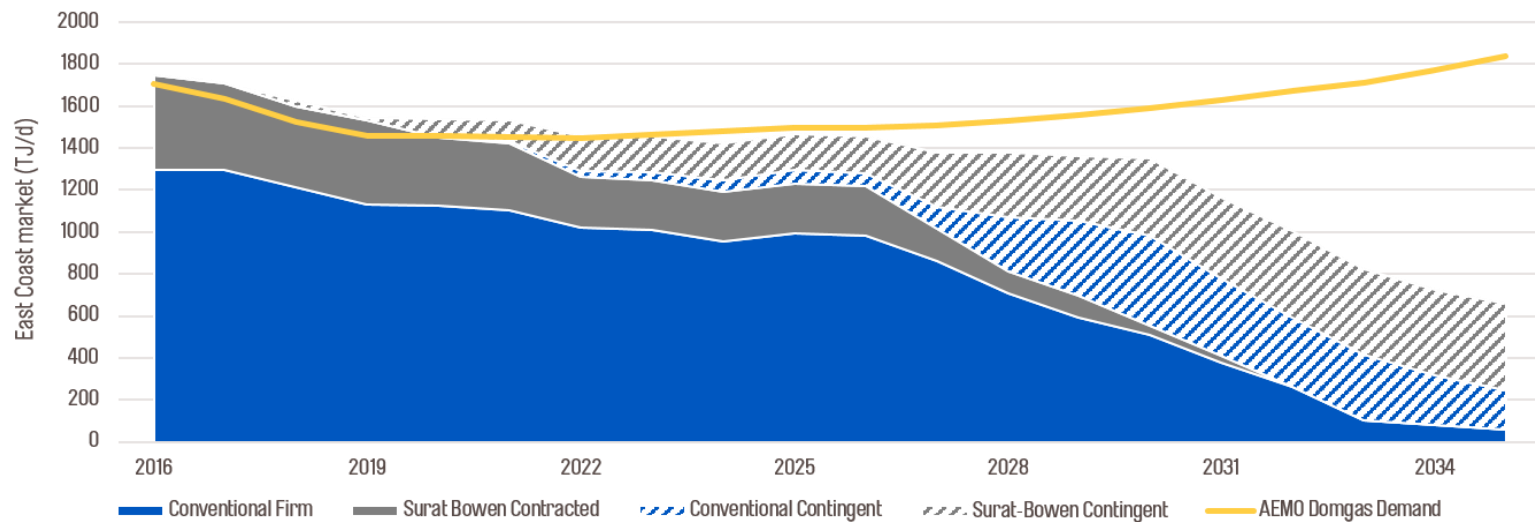
Spike in spot gas prices likely to recur



Source: AEMO

Supply tightness to continue

Shortfalls could occur in absence of further development



Source: AEMO, Poten & Partners

Disruption driving need for market reform

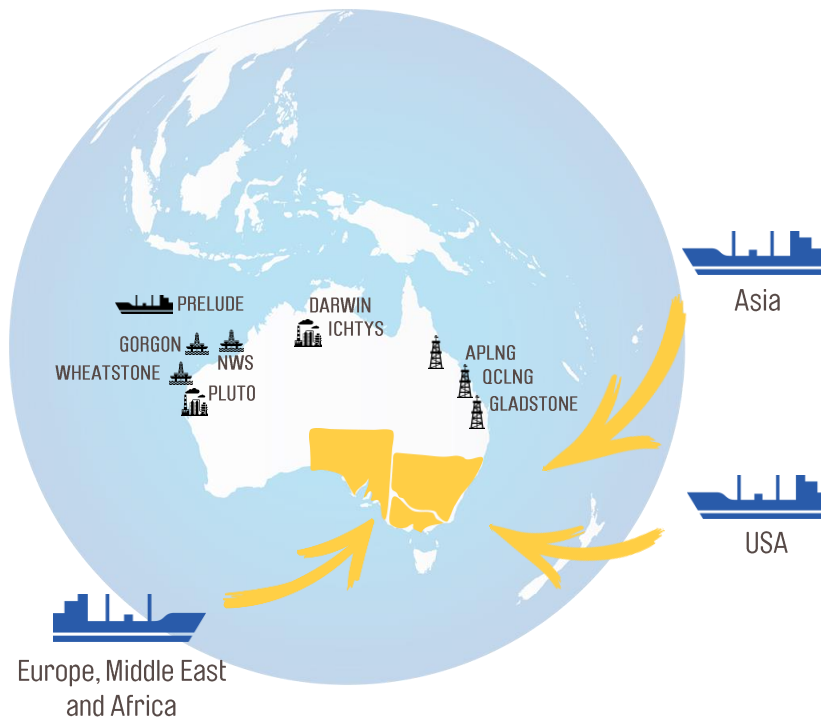
- > ACCC East Coast Gas Inquiry focus areas: transportation, transparency, liquidity
- > AGL supports increasing liquidity and transparency of trading hubs
- > Market structure should allow gas to flow to demand
- > Focus on alleviating system constraints to allow supply to meet demand is essential

Existing options for security of supply

Three key areas:

Strategic options	Commentary
Status quo foundation supply	Continue to negotiate with Cooper Basin and Gippsland Basin for long-term competitive supply
Expand domestic supply	Binding heads of agreement executed with Cooper Energy to support final investment decision of Sole development Final investment decision expected early 2017
Storage	Significant storage position in Iona Peak storage at Newcastle and Silver Springs positions AGL portfolio for seasonal demand

LNG import facility a fourth option of interest



- > AGL investing \$17M to ready project for final investment decision in 2018-19
- > Potential development cost of \$200-300M
- > A number of sites identified
- > Terminal could be available by 2021
- > Regulatory and community engagement to commence in early 2017



Digital Transformation Program

Maree Mamo

General Manager, Customer, Capability & Insights

Simon Moorfield

Chief Information Officer

Digital Transformation



Shift the way we work

- Customer experience led
- Design digital first
- Business agility
- Lean principles
- Continuous value delivery
- Data informed design



Foundational

- People
- Process
- Technology



Adoption

- Customer chooses digital channels
- More digital less analogue (phone calls)



Future state

- Customer advocacy and loyalty
- Frictionless customer experience
- New ways of engaging in energy experiences
- Data-insight led



Signature moments – differentiating the experience

Customer-centric value streams– organising AGL around the customer experience



Move and join



Bill and usage



Pay and assist



Stay and grow

Distributed energy and connected home

Business enablement

Technology



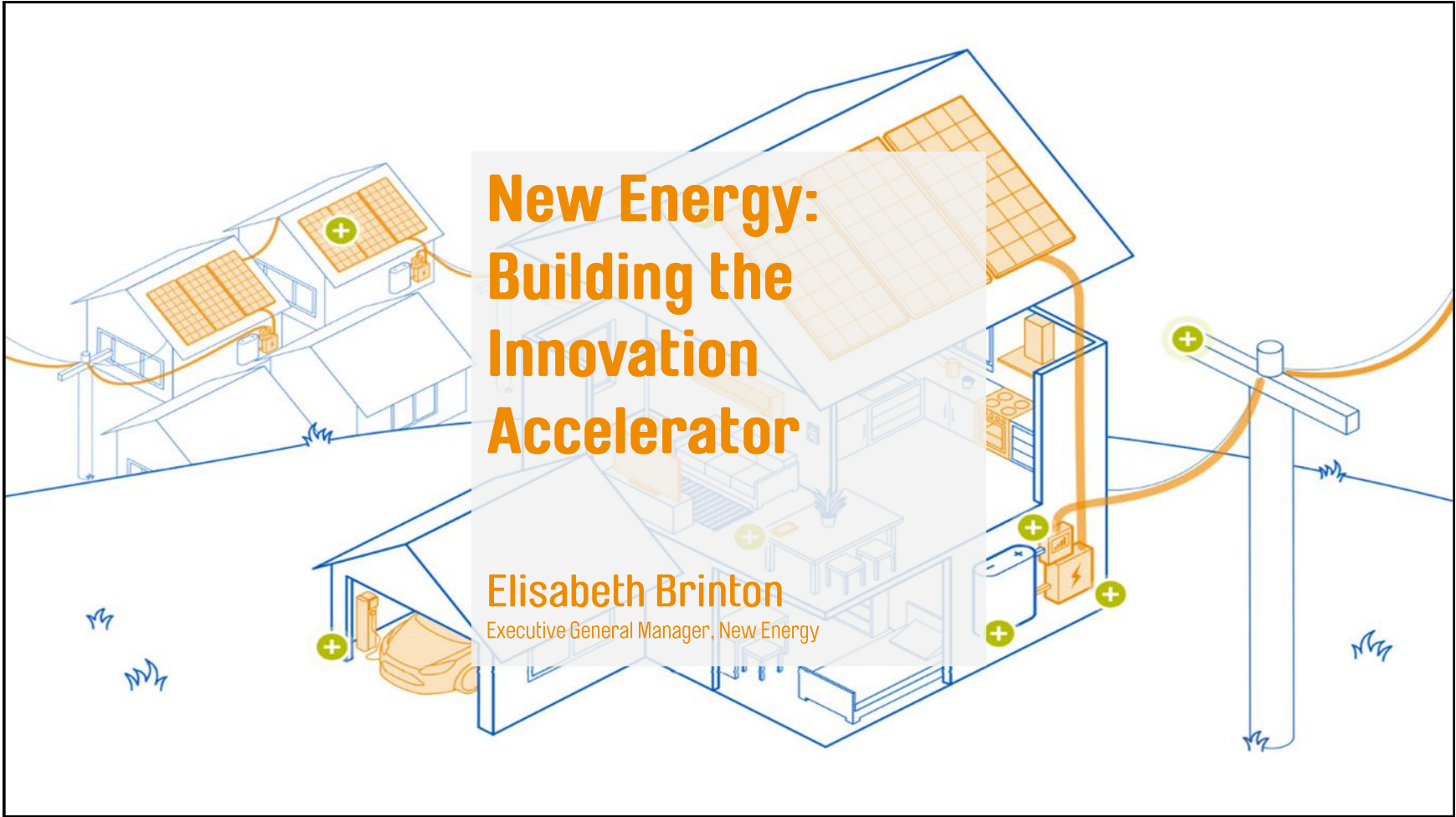
Investment: \$24M to date, \$300M over the life of the three-year program

Growth in
Transition:
our Strategic
Imperative

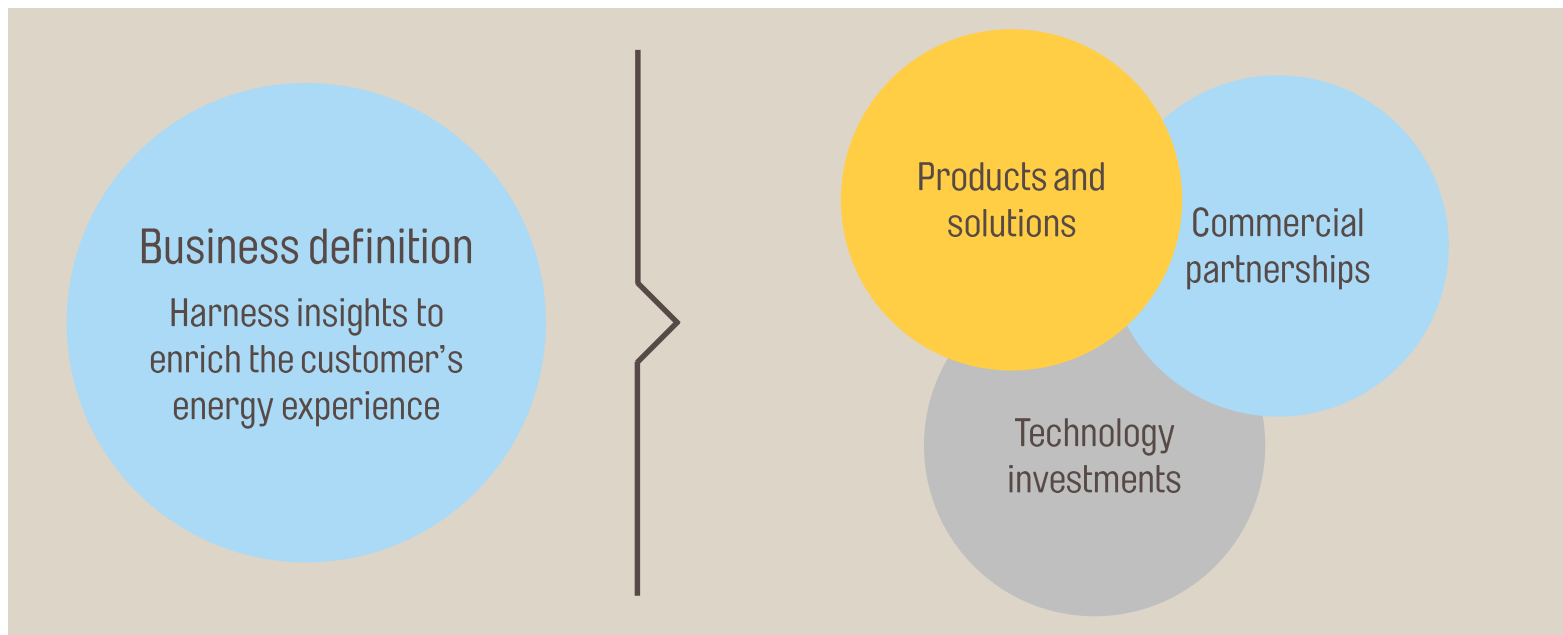
Power Shift:
AGL
Scenario
Planning

Agile Capital:
a Growth
Story

New Energy:
Building the
Innovation
Accelerator



Applying new technologies to deliver our business definition





Products and solutions

Commercial partnerships

Technology investments

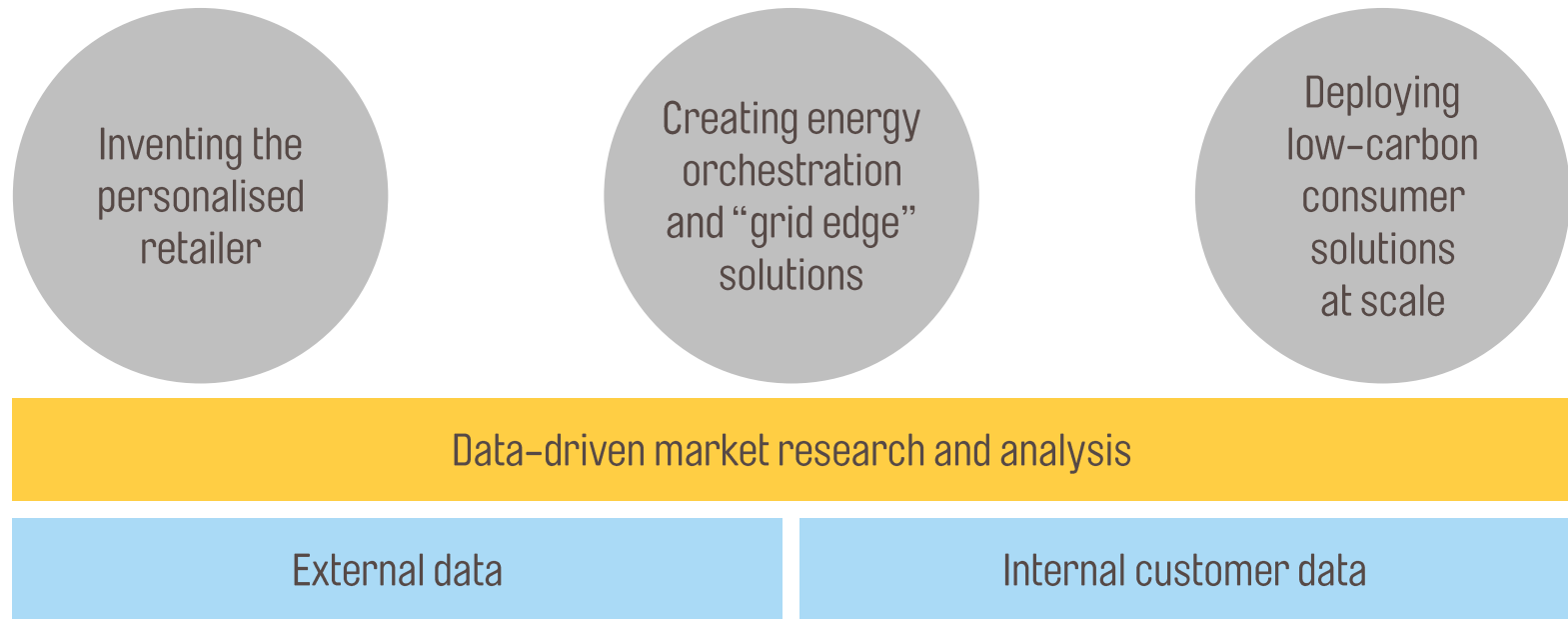


Develop and prove new business models and market solutions



Transition to the appropriate AGL business unit

Focus on three value pools, aligned with scenario planning outcomes



Solar Analytics and Solar Command

Maximising customers' solar value

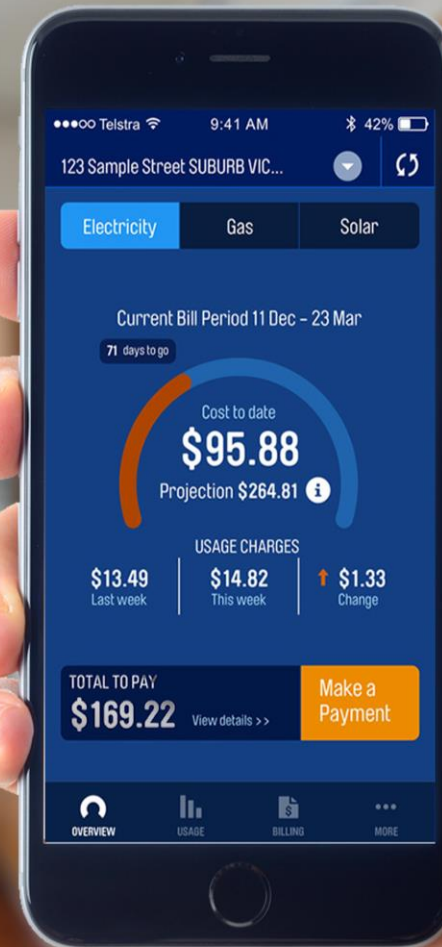
\$2.5M investment in Solar Analytics (from Dec 14) represents path of investment in innovation, then scaling up

Solar Command: technology solution adds new value for solar customers while opening up growth opportunity

Provides portal to test new product propositions such as smart appliance orchestration

Now using digital meters for scalability

Currently ~4,000 customers; expect to turn on another ~6000 by end of 2017





World's largest residential PV/battery virtual power plant

\$20M demonstration project leverages strategic investment in Sunverge and is supported by Federal Government

1,000 connected customer batteries storing 7MWh of energy (equivalent to 5MW peaker) in South Australia

Enables AGL to provide orchestration services that benefit network operators including: peak shaving, voltage optimization and enhanced grid stability services

World-leading IoT solution being developed that includes scalable software and consumer experience interface



Electric car plan and concierge service

Australian-first service offering

Bundled offer combining distributed energy product with tailored energy plan

Unlimited charging for \$1 a day, fully carbon offset via Future Forests program

Leverages initial Ninja Blocks investment in orchestration/IoT capabilities

ActiveStream digital meter captures charging load and provides demand management capability

Concierge service includes online and call-centre guidance plus premium installation service

Positions AGL as clear market leader as EV take-up increases



Energy Impact Partners investment

Investment in global Energy Impact Fund

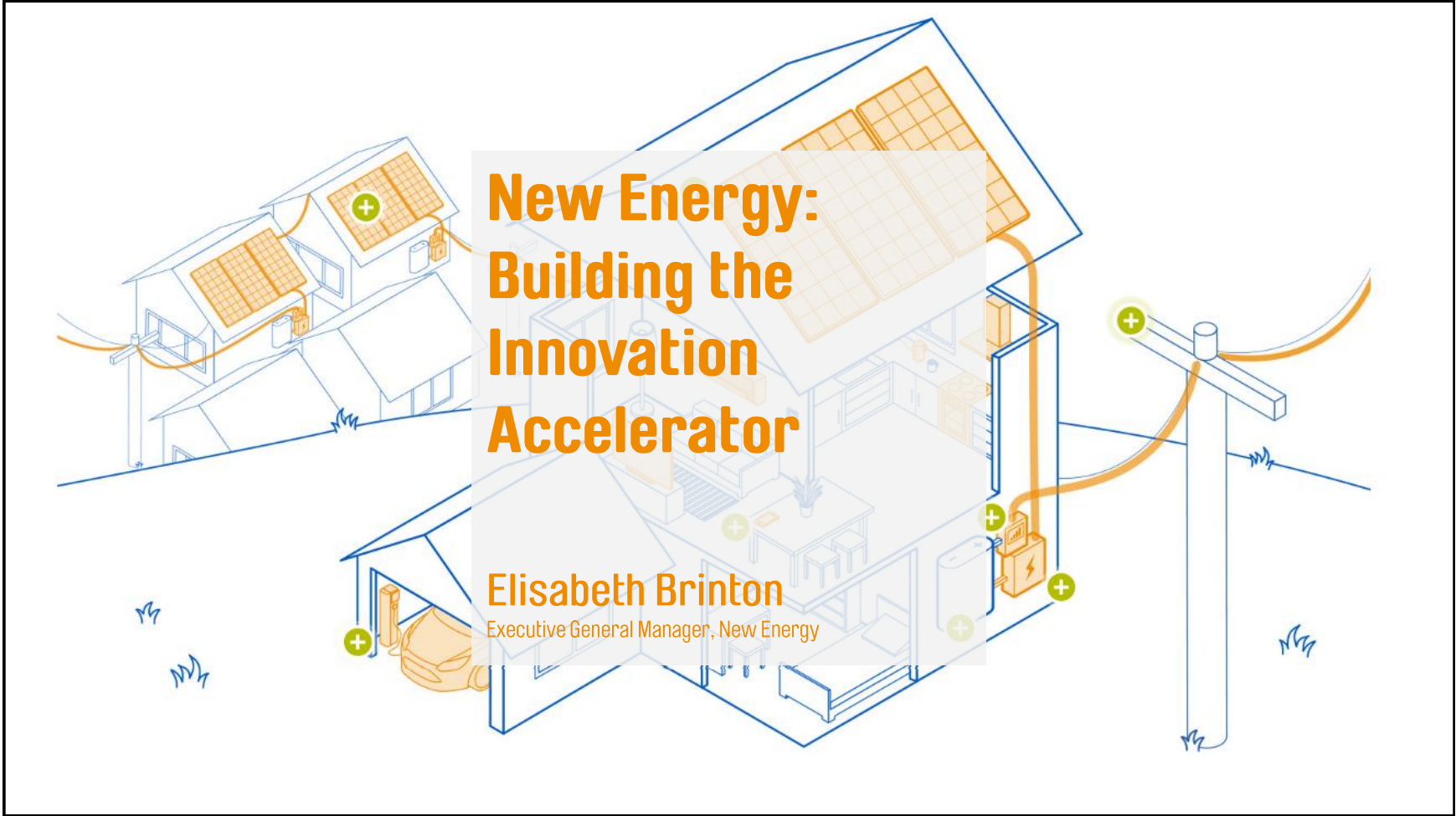
Managed by private-equity firm in New York

AGL to join EIP Nexus Council alongside Southern Company,
National Grid and Xcel Energy Inc

Access to leading-edge products, technologies, partnerships,
business models and market intelligence globally

Channel to global markets for our innovative Australian
technology partners

Creates optionality in technology and partner selection





AGL Investor Day 2016



**Supplementary
Information**

History of AGL

1837

Australian Gas Light Company is created

1873

AGL imports and installs first gas-cooking stove at its Darling Harbour store

1841

Australian Gas Light Company lights the first gas lamp in Australia (within two years there are 165 gas lamps)

2006

AGL Energy Limited founded from merger/demerger with Alinta Limited

2005

AGL acquires Southern Hydro

2009

AGL's hydroelectric Bogong Power Station opens in Victoria

2008

AGL develops the Hallet wind farm project in South Australia comprising four wind farms

2007

AGL acquires Powerdirect

2012

AGL acquires the Loy Yang A power station and adjacent coal mine

2013

AGL acquires Australian Power & Gas

2013

Macarthur Wind Farm opens and is the largest wind farm in the Southern Hemisphere

2015

First gas arrives at AGL's Newcastle Gas Storage Facility

2015

AGL releases its Greenhouse Gas Policy, providing a pathway for the decarbonisation of AGL's coal-fired generation portfolio

2014

AGL acquires Macquarie Generation including Bayswater and Liddell power stations

2015

AGL launches the first residential battery storage device into the Australian market

2016

AGL invests in demand response management company Sunverge and offers customers EV charging

2016

AGL launches world's largest solar Virtual Power Plant in South Australia

2016

AGL launches the Powering Australian Renewables Fund.

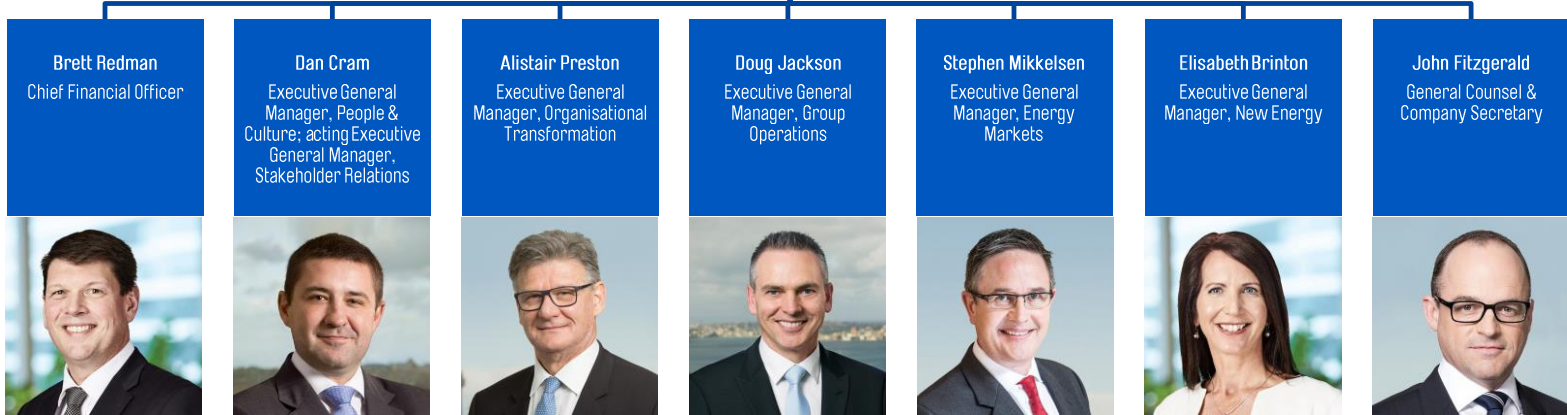
2015

AGL's Nyngan and Broken Hill solar plants achieve full generation of 155 MW

Executive Team



Andy Vesey
Managing Director &
Chief Executive Officer



AGL operations and key generation capacity

OPERATIONAL OVERVIEW

Total customer accounts

- 3.7 million accounts
 - 2.2 million electricity
 - 1.4 million gas
 - 2.0 million dual fuel accounts

Key generation capacity²

- 10,409 MW total owned / operated

Energy sales (FY16)

- Electricity - 37,839 GWh
- Gas - 234 PJ



VIC

Customer accounts

- 533,000 gas
- 636,000 electricity

Key generation capacity

- Loy Yang A – 2,210 MW
- Somerton – OCGT – 150 MW
- Macarthur Wind – 420 MW
- Oaklands Hill Wind – 63 MW
- VIC Hydro – 743 MW

SA

Customer accounts

- 132,000 gas
- 408,000 electricity

Key generation capacity

- Hallett Wind Farms – 351 MW
- Torrens Island Power Station – Gas – 1,280 MW
- Wattle Point Wind Farm – 91 MW

QLD

Customer accounts

- 79,000 gas
- 395,000 electricity

NSW

Customer accounts

- 674,000 gas
- 808,000 electricity

Key generation capacity

- Bayswater – 2,640 MW
- Liddell – Coal – 2,000 MW
- NSW Hydro – 53 MW
- Broken Hill Solar – 53 MW
- Nyngan Solar – 102 MW

ACT

ActewAGL

- Partnership between AGL and Icon Water Limited where AGL holds 50% of ActewAGL's retail business

Customer accounts

- 134,000 gas
- 195,000 electricity

Thermal generation portfolio

AGL Macquarie



- Capacity: 4,960 MW
 - Bayswater power station – 2,640 MW
 - Liddell power station – 2,000 MW
 - Hunter Valley gas turbines – 50 MW
 - ~13% of eastern Australia’s electricity supply
- Fuel: black coal
- Location: ~240km from Sydney, between Singleton & Muswellbrook in NSW’s Hunter Valley
- Age: Bayswater – 1985, Liddell – 1971
- Committed closure dates under AGL Greenhouse Gas Policy:
 - Bayswater – 2035
 - Liddell – 2022

AGL Loy Yang



- Capacity: 2,210 MW
 - ~30% of Victoria’s electricity supply
- Fuel: brown coal
- Comprises Loy Yang A power station and adjacent Loy Yang coal mine
- Annual mine output of ~30 million tonnes of coal
- Location: 165km south east of Melbourne near Traralgon in Victoria’s Latrobe Valley
- Age: Completed between 1984 –1988
- Committed closure date under AGL Greenhouse Gas Policy – 2048

AGL Torrens



- Capacity: of 1,280 MW
 - ~30% of South Australia’s electricity supply
- Fuel: natural gas
- Location: 18km from Adelaide
- Age: ‘A’ station – 1967, ‘B’ station – 1976

Coal supply position

AGL Macquarie

- Coal sourced from Peabody's Wilpinjong mine, BHP Billiton's Mt Arthur mine and Glencore's Mangoola mine
- Significant strategic coal advantage
 - Strong contractual position with coal suppliers
 - Access to multiple low-cost coal mines
 - Ability to burn low-cost non-export quality coal
 - Upper Hunter Valley location provides strategic rail access and state of the art unloading infrastructure
 - Low rail haulage cost and significant existing delivery infrastructure provides competitive advantage in coal procurement

AGL Loy Yang

- Coal sourced from AGL Loy Yang mine, largest brown coal mine in Australia
- Significant strategic benefits of ownership
 - Control of fuel source
 - No haulage requirement; only cost is cash cost to mine
 - Full flexibility on managing generation levels
 - Full control and visibility over mine capex program
 - No re-contracting risk

Renewables portfolio and funding

Wind

- Seven wind farms in South Australia and Victoria with installed capacity of 925 MW



Solar

- Nyngan and Broken Hill solar plants in NSW with installed capacity of 155 MW



Hydro

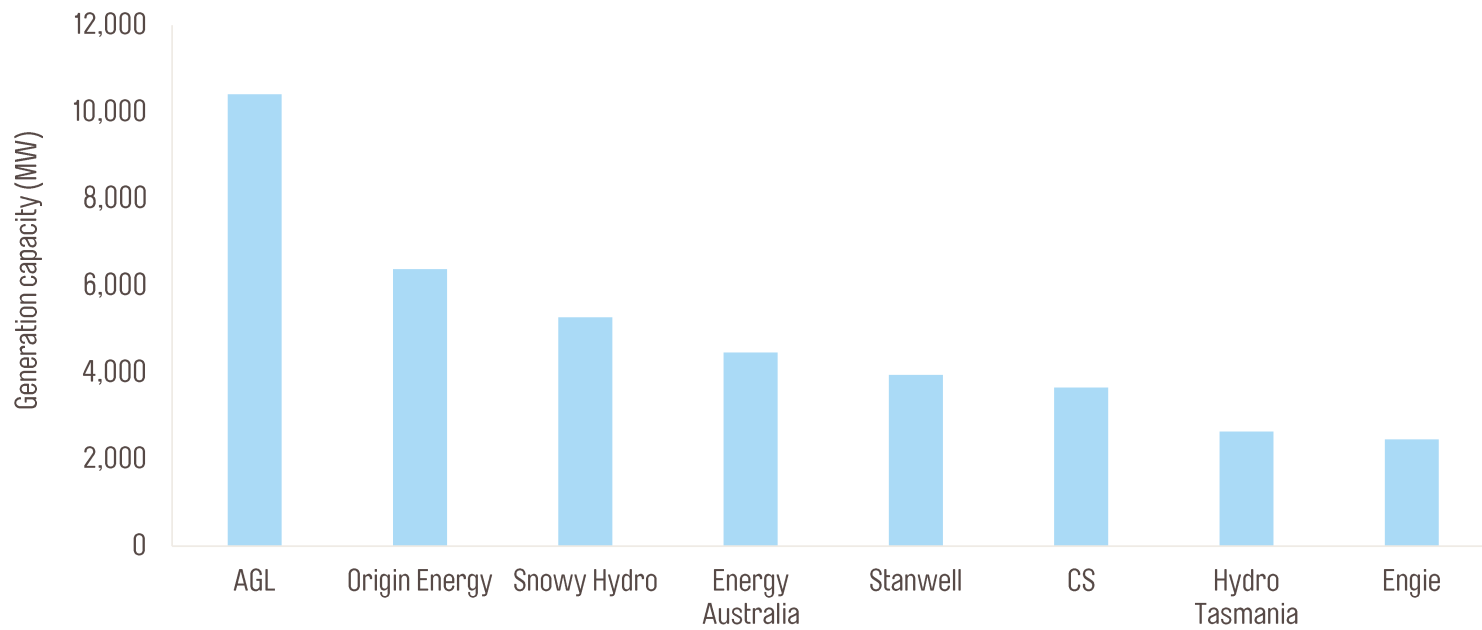
- Hydroelectric power stations in Victoria and NSW, with three primary schemes located in the Kiewa, Dartmouth and Eildon catchments with total installed capacity of 796 MW



Powering Australian Renewables Fund (PARF)

- \$2-3B fund devised to own ~1,000 MW of large-scale renewable projects
 - Nyngan and Broken Hill solar plants as seed assets
 - AGL Silverton and Coopers Gap wind projects progressed as priority projects
 - Leveraging AGL's development pipeline and project management
- AGL to contribute equity of ~\$200M
- July 2016 announcement confirmed QIC committed \$800M of equity on behalf of its clients including Future Fund

Largest privately-owned generator in the NEM



Source: Australian Energy Regulator 2015/2016 financial and company presentations

Generation portfolio

Asset	State	Type	Status	Net Capacity (MW)	Carbon intensity (tCO ₂ e/MWh)	FY16 Sent out Generation (GWh)
Bayswater	NSW	Coal	Owned	2,640	0.95	16,849
Liddell	NSW	Coal	Owned	2,000	1.01	7,640
Loy Yang	VIC	Coal	Owned	2,210	1.28	14,395
Total Coal				6,850		38,884
Torrens Island	SA	Gas Steam Turbine	Owned	1,280	0.62	2,447
Diamantina ¹	QLD	Combined Cycle Gas Turbine	Sold	N/A	N/A	643
Yabulu	QLD	Combined Cycle Gas Turbine	Control Dispatch	121	0.51	75
Somerton	VIC	Combined Cycle Gas Turbine	Owned	150	1.00	12
Other ²	Various	Gas/Diesel	Various	88	0.54	244
Total Oil and Gas				1,639		3,421
Macarthur	VIC	Wind	Control Dispatch	420	0.00	989
Hallett Wind Farms	SA	Wind	Control Dispatch	351	0.00	1,147
Wattle Point	SA	Wind	Control Dispatch	91	0.00	259
Oaklands Hill	VIC	Wind	Control Dispatch	63	0.00	163
VIC Hydro	VIC	Hydro	Owned	743	0.01	1,134
NSW Hydro	NSW	Hydro	Owned	53	0.00	30
NSW Solar	NSW	Solar	Owned	155	0.01	316
Other ³	Various	Landfill & Biogas	Various	44	0.09	133
Total Renewable				1,920		4,171
Generation Portfolio as at 30 June, 2016				10,409	0.95	46,476
NEW Industry Average					0.90	

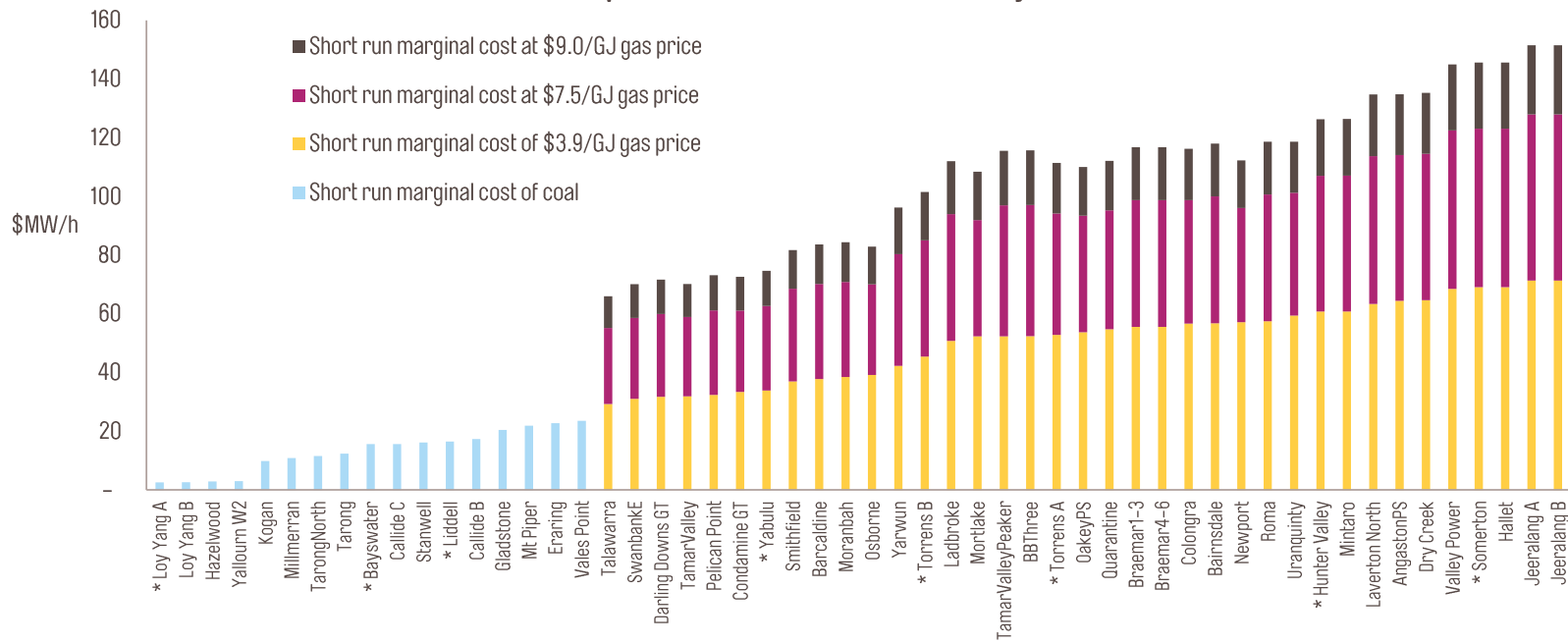
¹ Sold in March 2016

² Includes Hunter Valley Gas Turbines, Moranbah power station, the Genos and Coopers cogeneration plants and Wilpena diesel generator

³ Includes six landfill generators, Werrimbee biogas power station, Wilpena solar plant and the ISIS Bagasse biomass generation rights

Lowest cost thermal generation portfolio

Cost position in the National Electricity Market

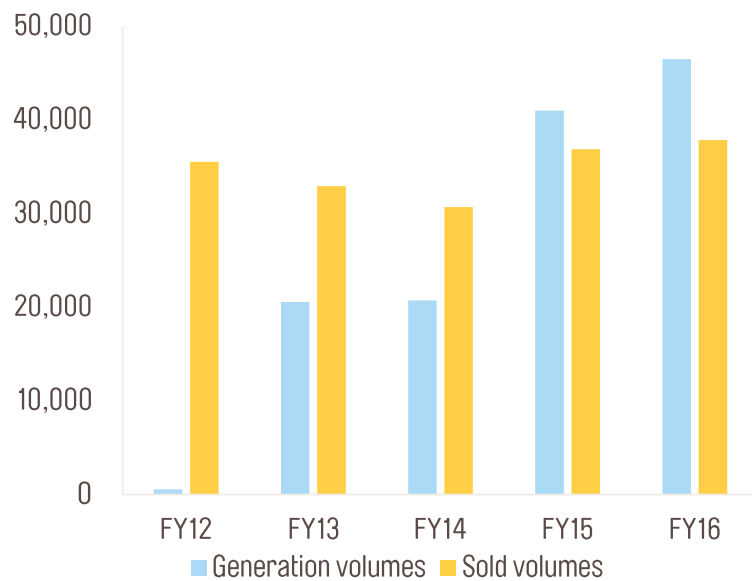


* Denotes AGL asset

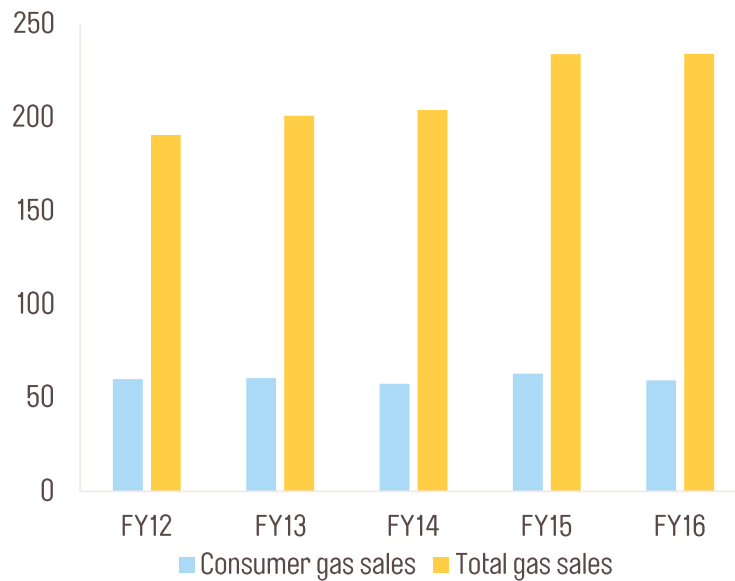


Key wholesale operating statistics

Generation vs sold volumes (MWh)



Gas sales (TJ)



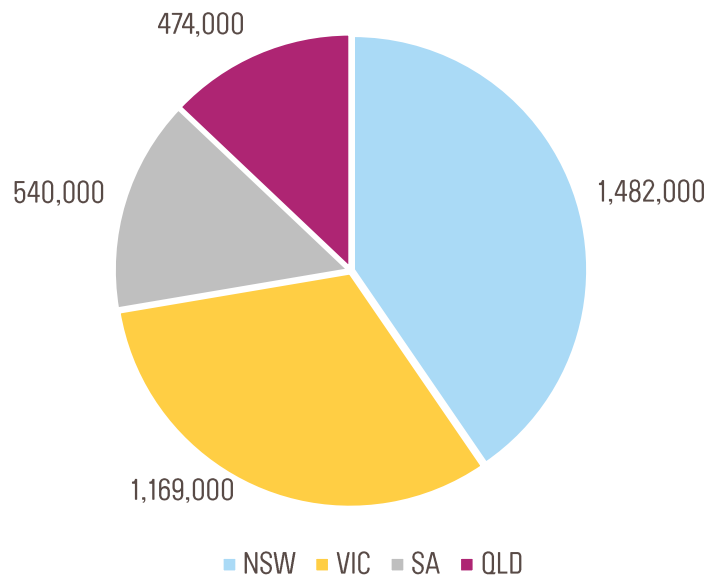
Note: FY12-FY15 restated to reflect recognition of volumes associated with feed-in tariffs from solar customers

90

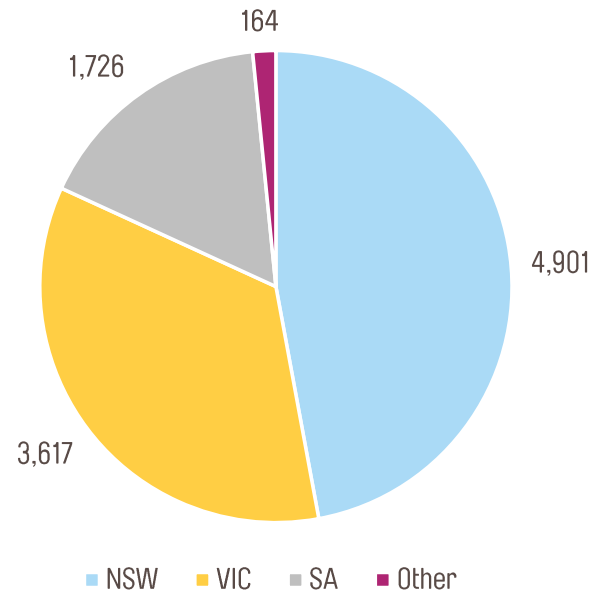


Strong customer and generation position

Residential customers by state

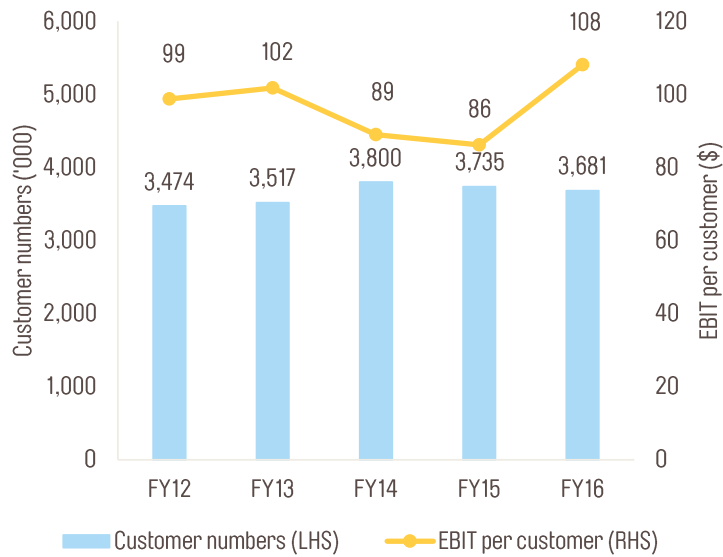


Generation capacity by state (MW)

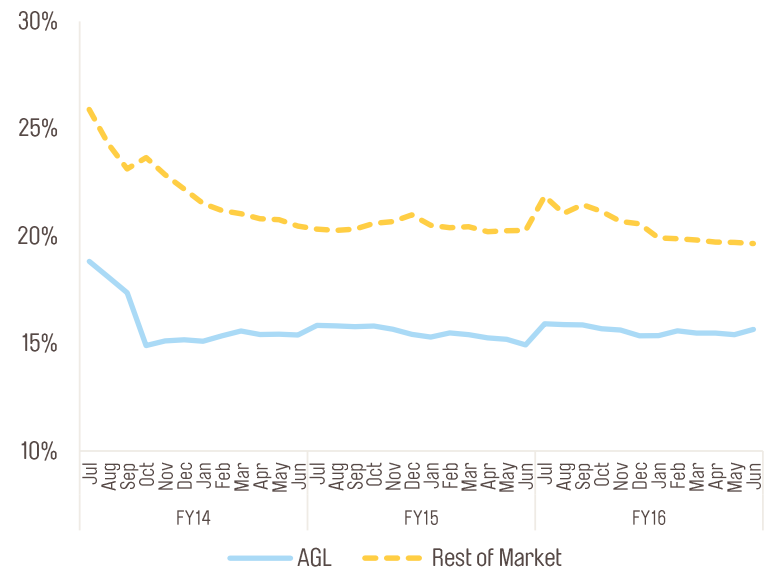


Customer numbers and customer churn

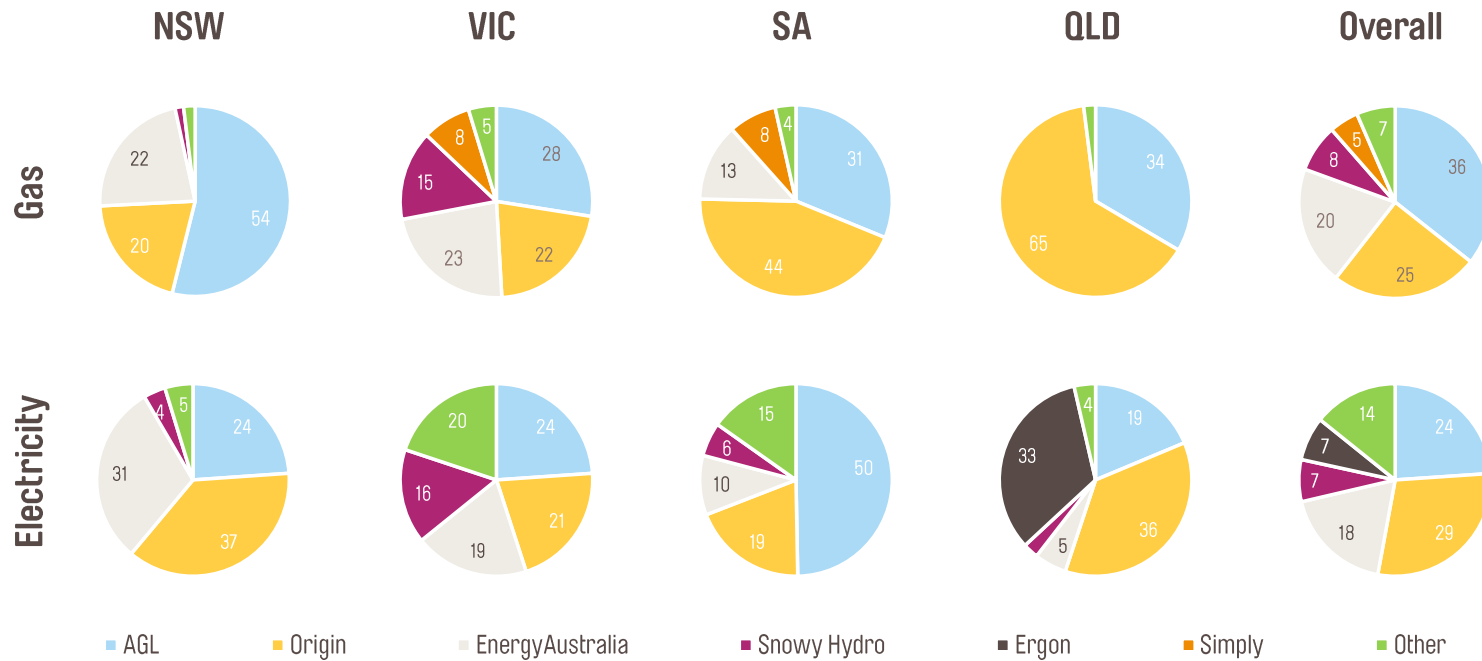
Total customer numbers vs. EBIT per customer



Customer churn rate



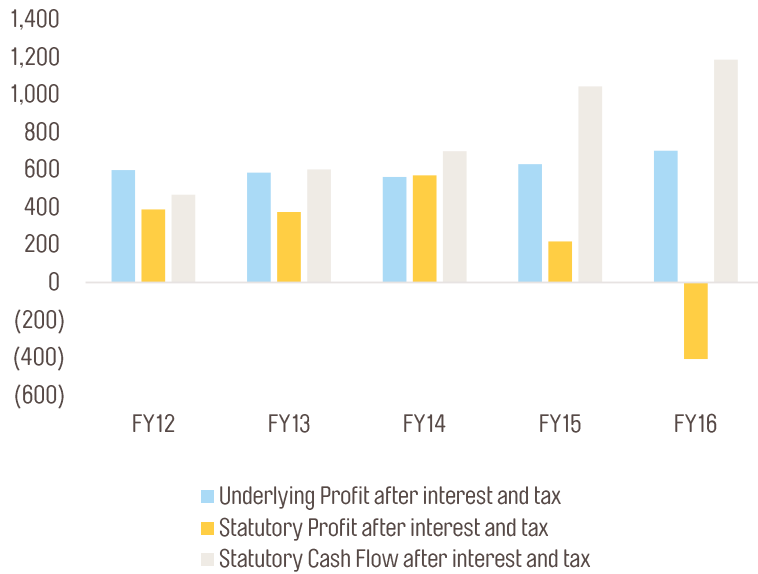
Retail energy markets across the NEM



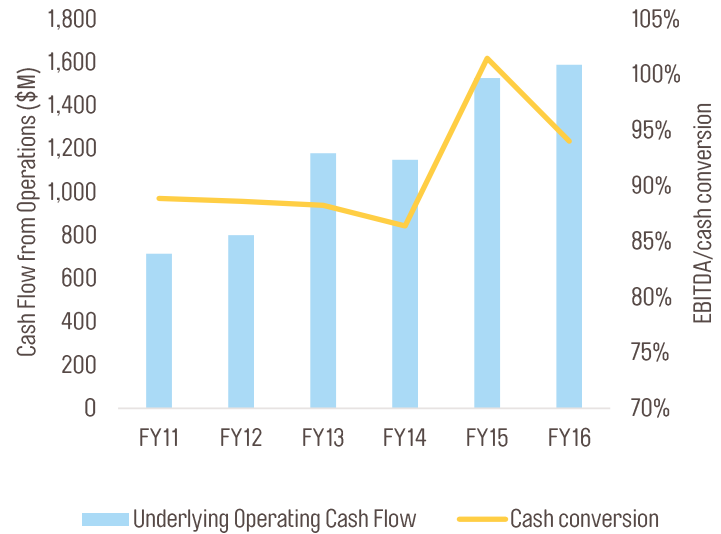
Source: AGL estimate, Australian Energy Regulator 2015/2016 financial and company presentations

Five-year profit and cash performance

Key post-interest and tax income measures



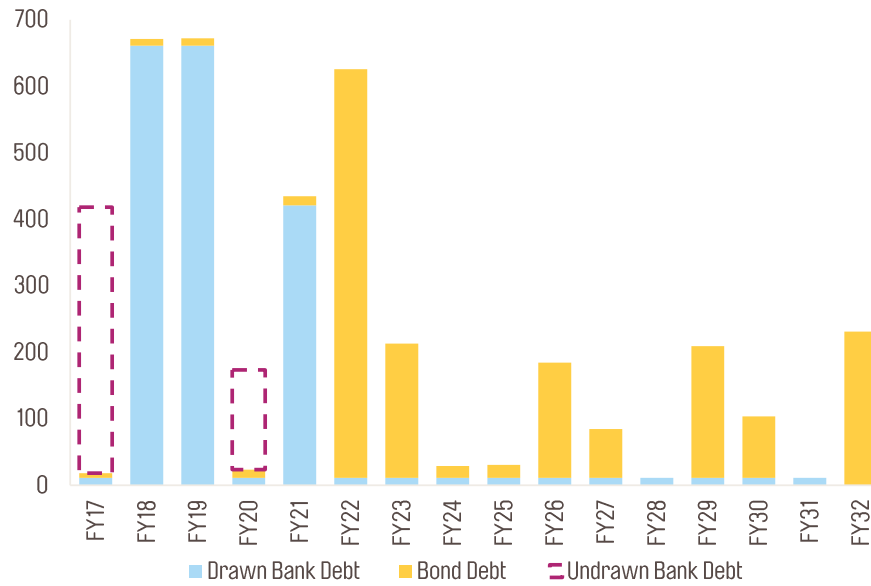
EBITDA/cash conversion



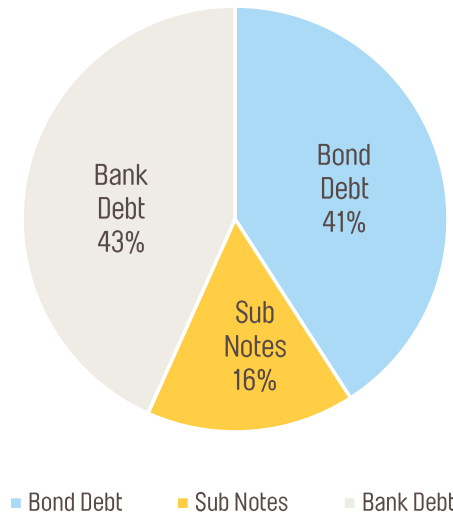
*FY12-FY15 restated to reflect recognition of volumes associated with feed-in tariffs from solar customers

Debt maturity and debt mix post USPP issue

Debt maturity profile (\$M)



Borrowings mix



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