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## ASX & Media Release

### AGL Investor Day

**14 November 2016**

AGL Energy Limited (AGL) will today host its 2016 Investor Day featuring presentations from members of AGL's Executive Team and other members of senior management.

Copies of the presentations are attached to this release and are available on AGL's website.

The Investor Day will be webcast live from approximately 12:15pm to 3:15pm and approximately 4:10pm to 5pm. You can register to view the webcast via AGL's website at the following link: <http://www.webcasts.com.au/agl141116/>.

A replay of the webcast will be archived on AGL's website with the presentation materials and a transcript of the event.

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#### About AGL

AGL is one of Australia's leading integrated energy companies. It is taking action to responsibly reduce its greenhouse gas emissions while providing secure and affordable energy to its customers. Drawing on over 175 years of experience, AGL serves its customers throughout eastern Australia with meeting their energy requirements, including gas, electricity, solar PV and related products and services. 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, solar, landfill gas and biomass.



## 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;
- Does not take into account the potential and current individual investment objectives or the financial situation of investors; and
- 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.

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

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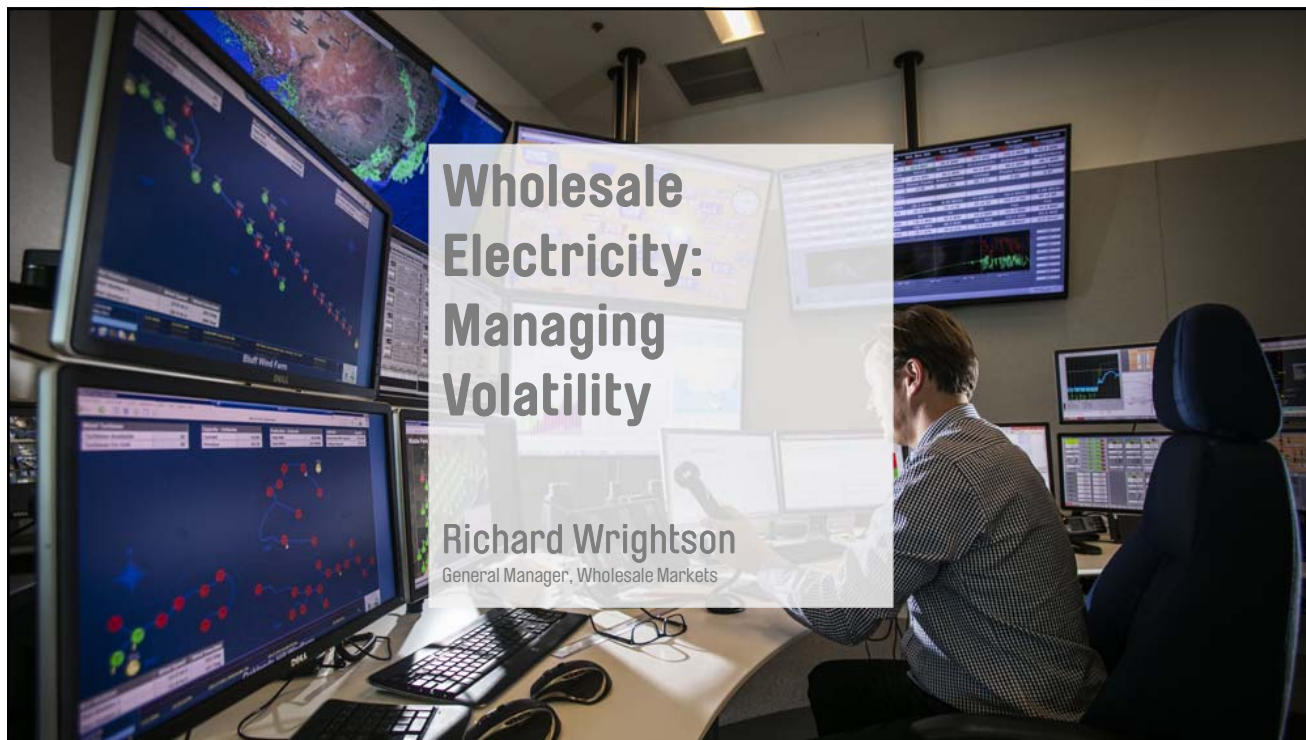


Wholesale  
Electricity:  
Managing  
Volatility

Group  
Operations:  
Driving Value

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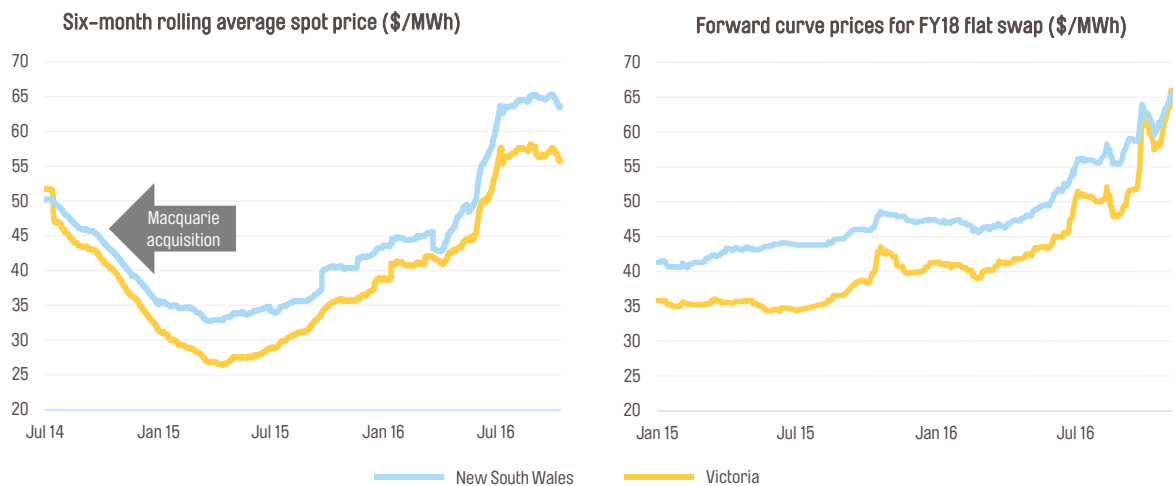




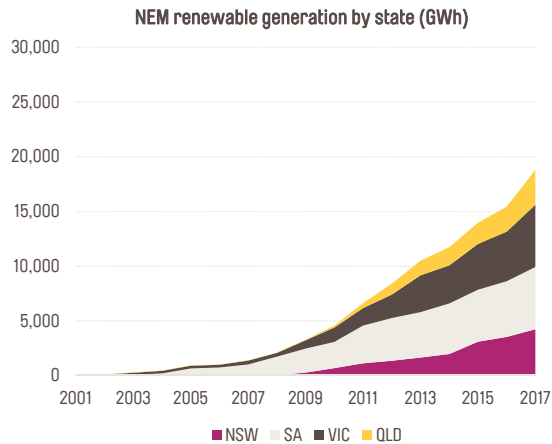
# Wholesale Electricity: Managing Volatility

**Richard Wrightson**  
General Manager, Wholesale Markets

## Rising wholesale electricity market

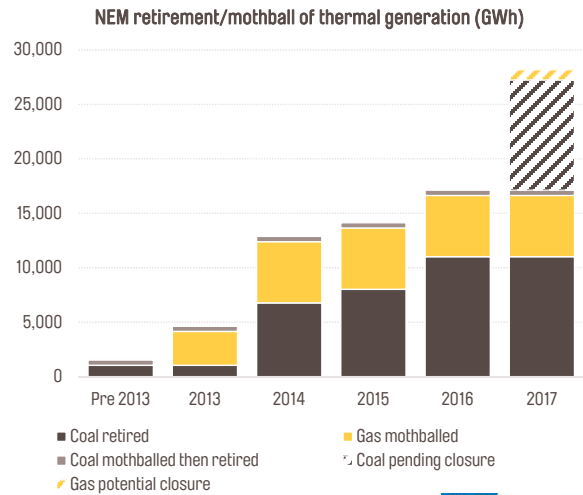


# Renewable build tracking thermal withdrawal

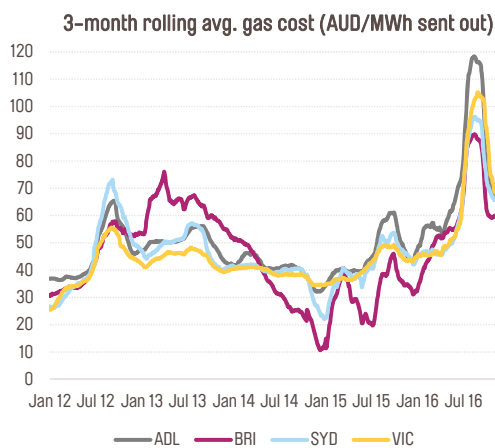


Source: REC Registry, SunWiz, AEMO

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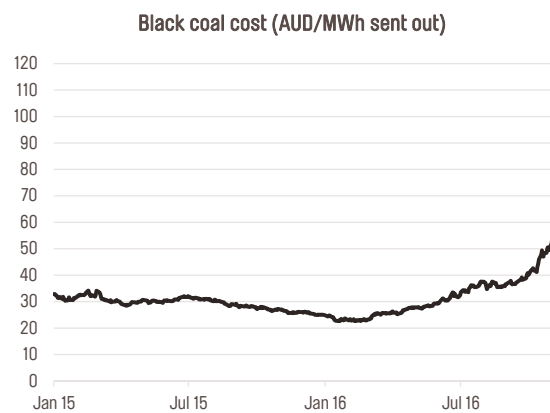


# Increasing thermal fuel costs driving the market

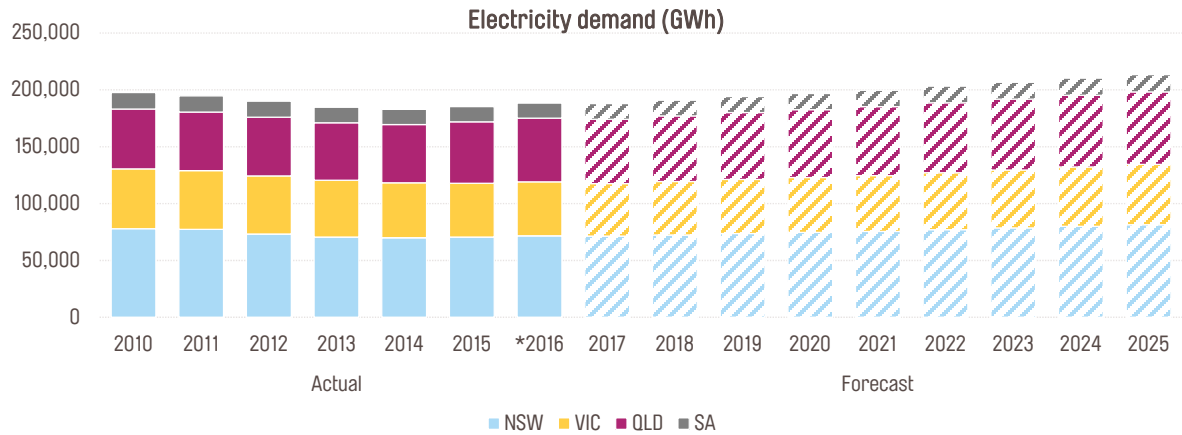


Source: AEMO, ICE Futures Europe

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## Demand outlook appears to be improving

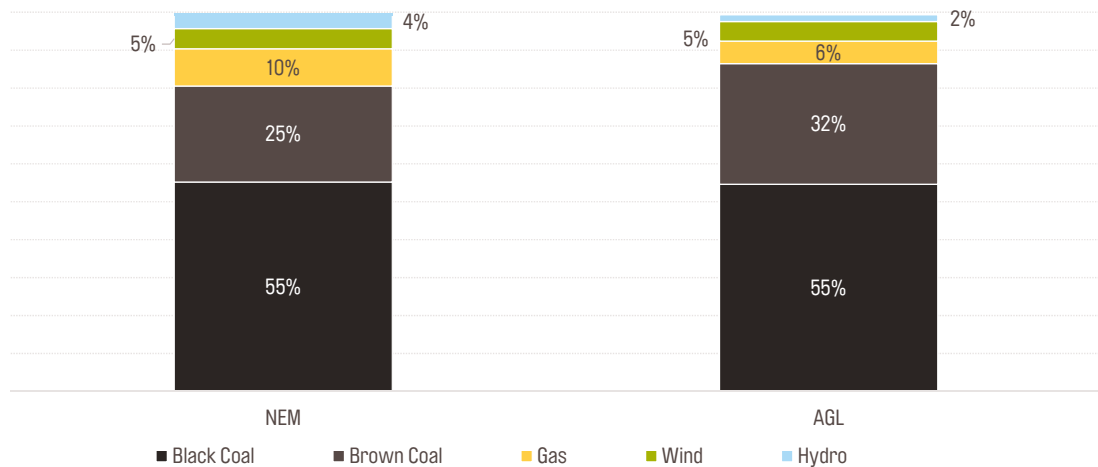


Source: AEMO  
\* Data is for partially complete year

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## AGL portfolio well-aligned to manage market risk



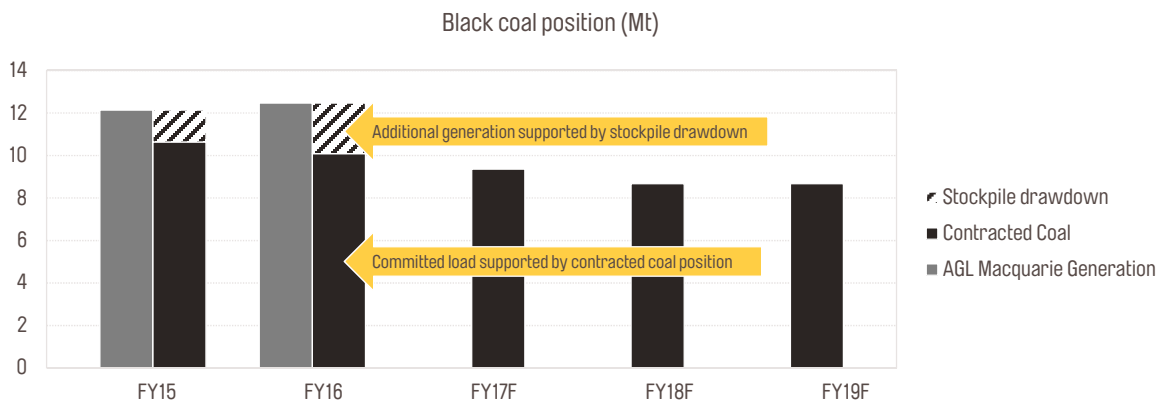
Note: Other sources comprise 1% of NEM generation mix  
Source: AEMO

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## AGL coal supply position remains well-hedged

Performance reflects capacity to flex incremental generation to meet market demand

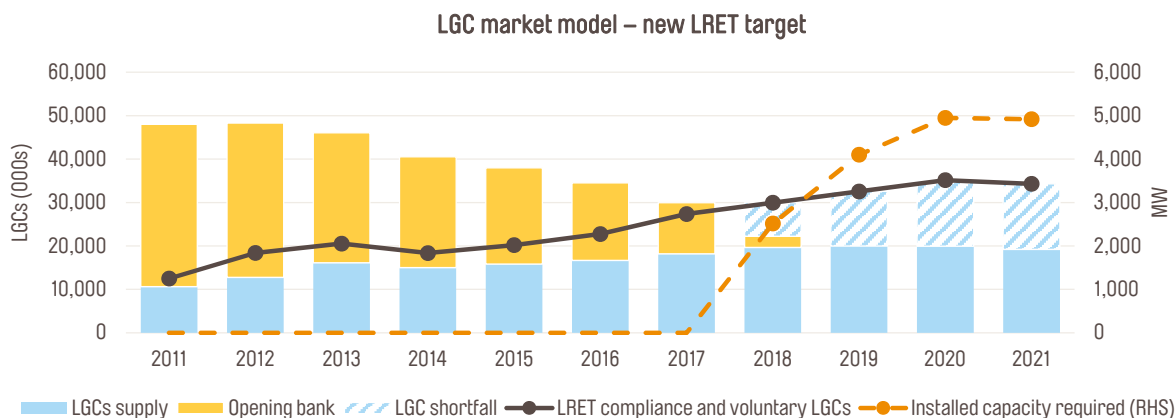


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## AGL well-positioned in event of LGC shortfall

... while lack of capital investment reflects policy uncertainty



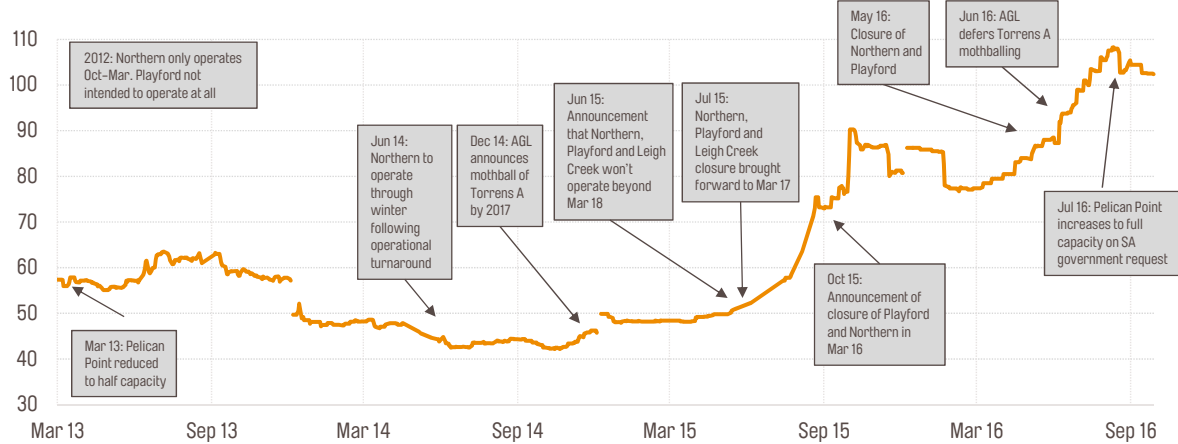
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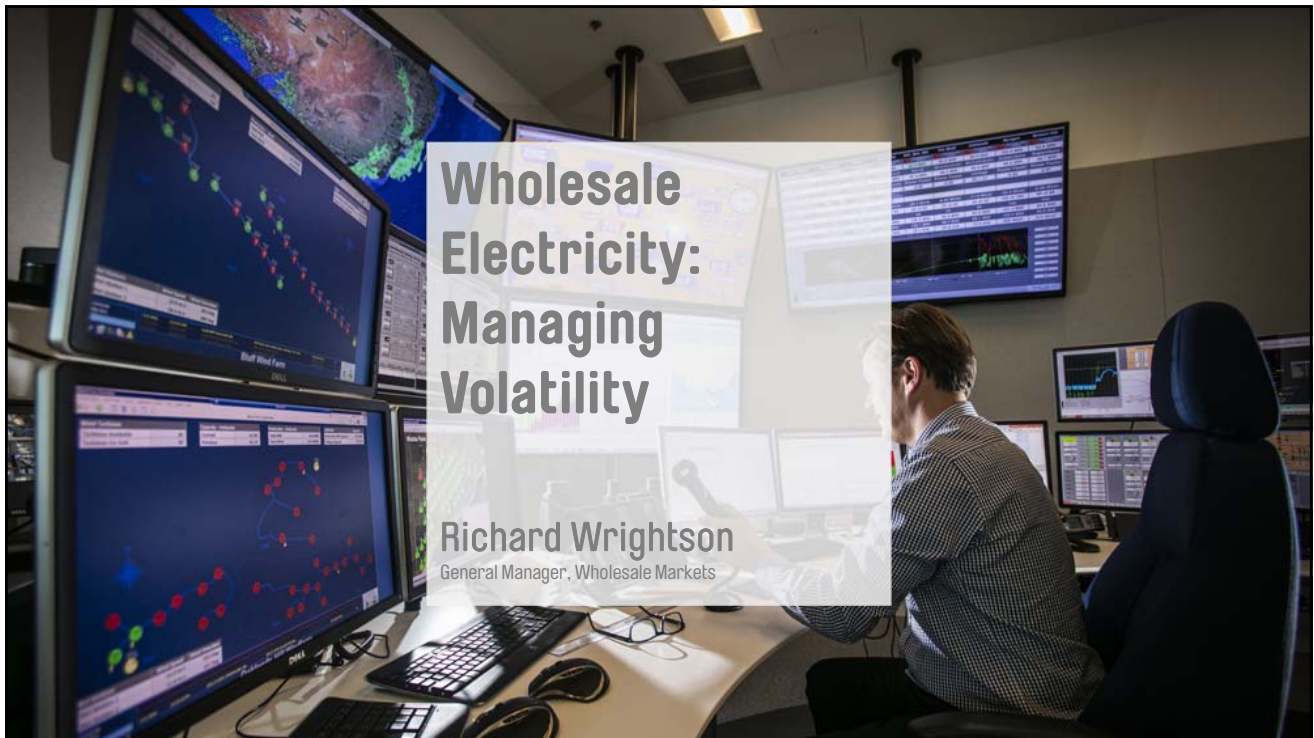
# SA pricing driven by thermal withdrawals

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



Source: GFI Group

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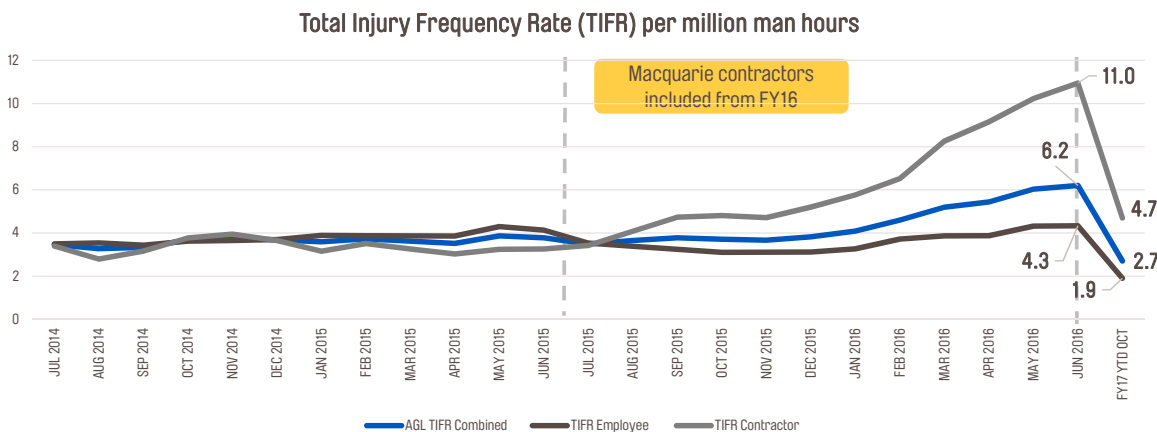
Wholesale  
Electricity:  
Managing  
Volatility

Group  
Operations:  
Driving Value

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## Focusing on improving our safety performance



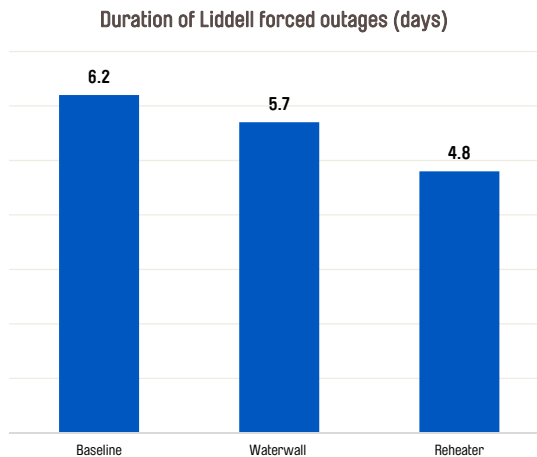
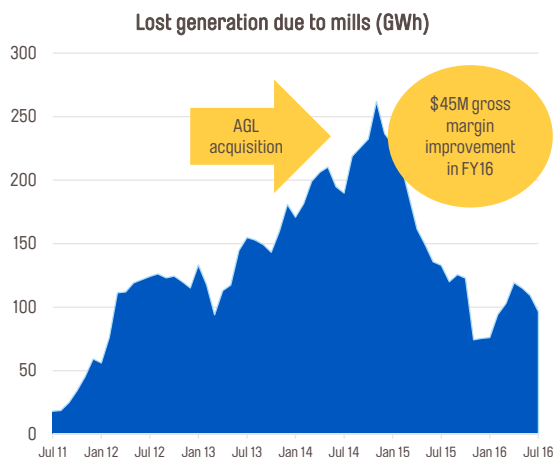
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**AGL Macquarie:  
beating expectations  
two years since  
acquisition**

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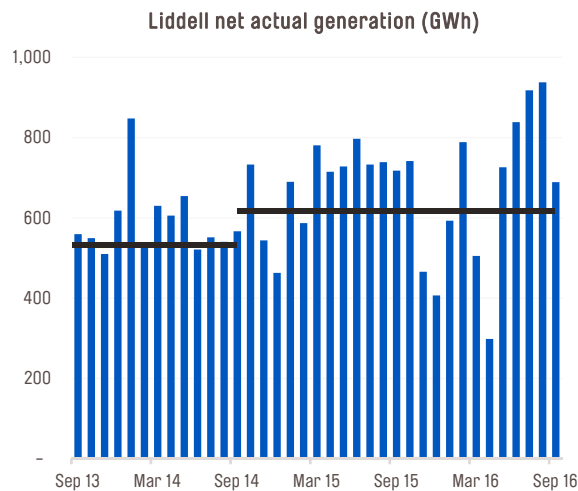
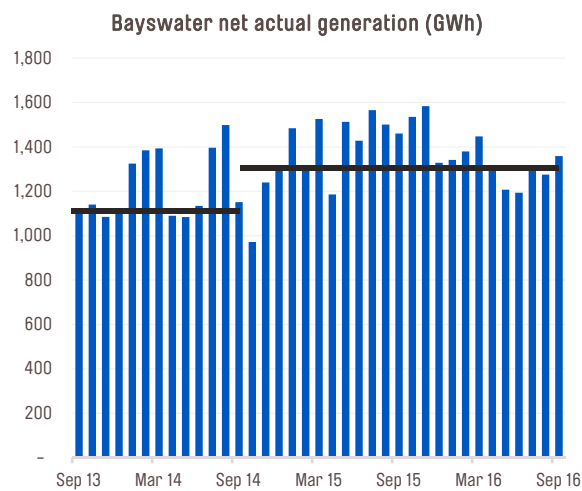
## Key operating statistics illustrate performance



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## Improved generation output at AGL Macquarie

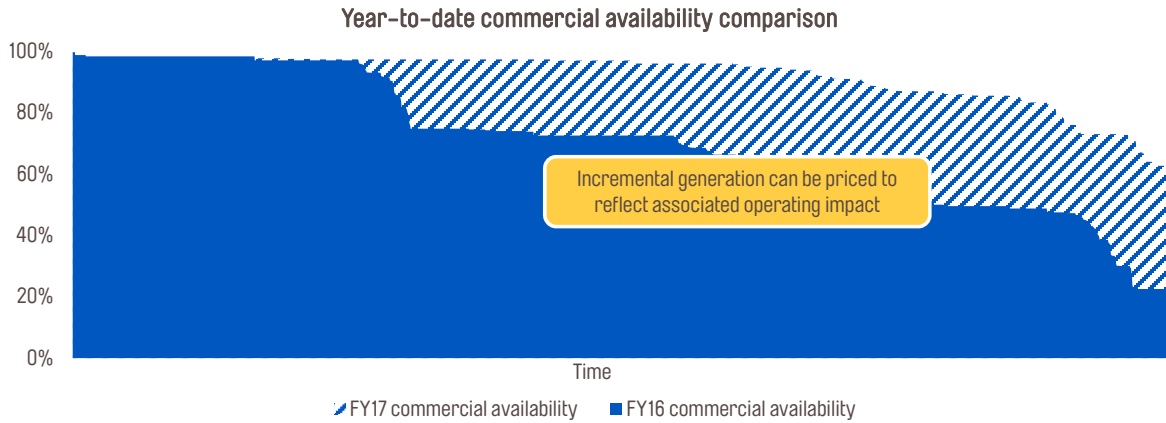


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# Optimising an ageing plant

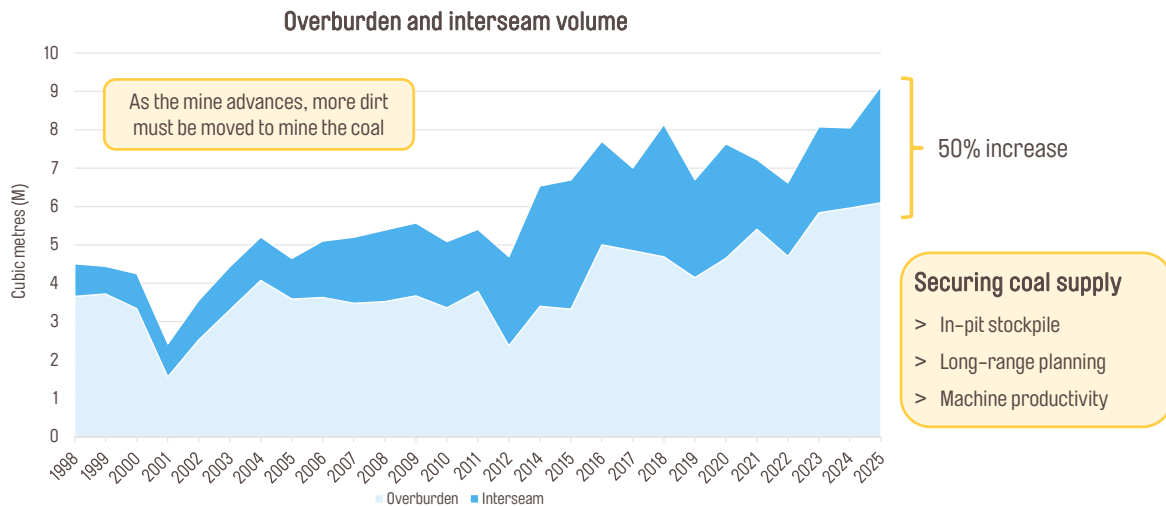
## Finding the sweet spot at Liddell



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# Loy Yang mine: doing it differently



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## 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



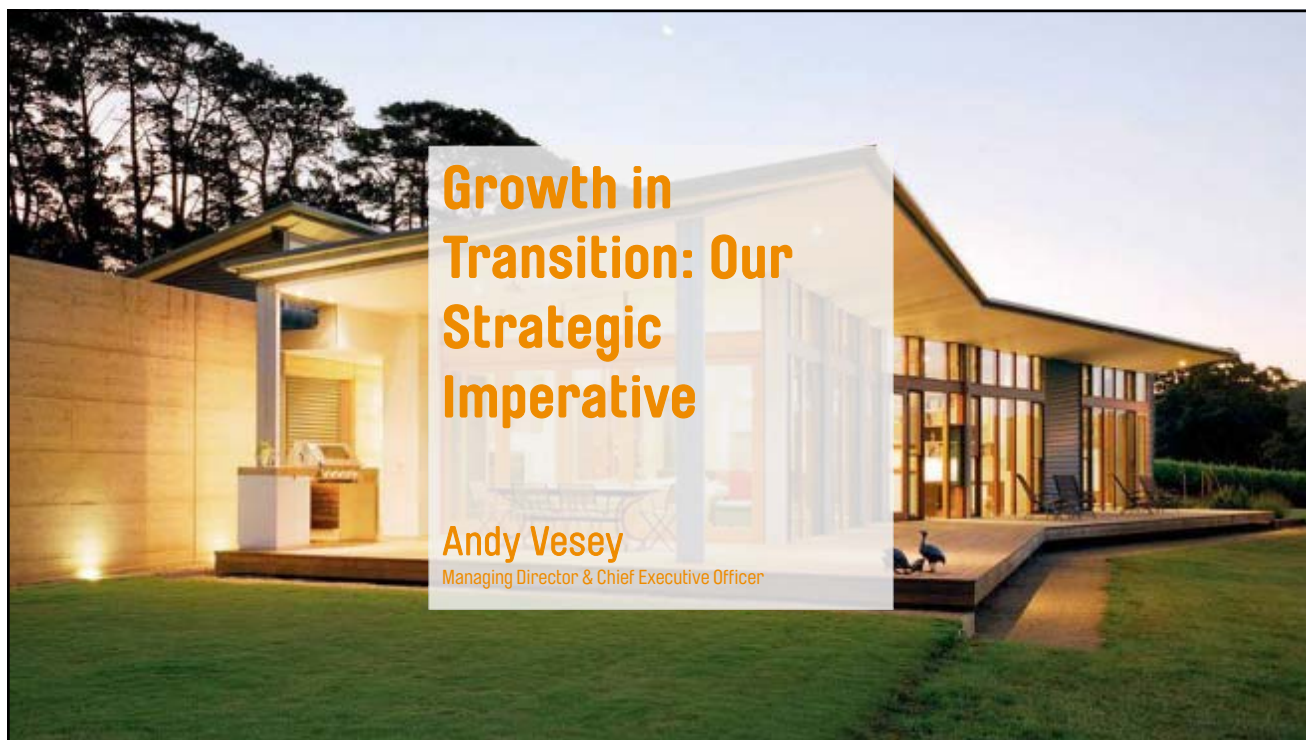


Growth in Transition:  
our Strategic Imperative

Power Shift:  
AGL Scenario Planning

Agile Capital:  
a Growth Story

New Energy:  
Building the Innovation Accelerator



Growth in Transition: our Strategic Imperative

Power Shift: AGL Scenario Planning

Agile Capital: a Growth Story

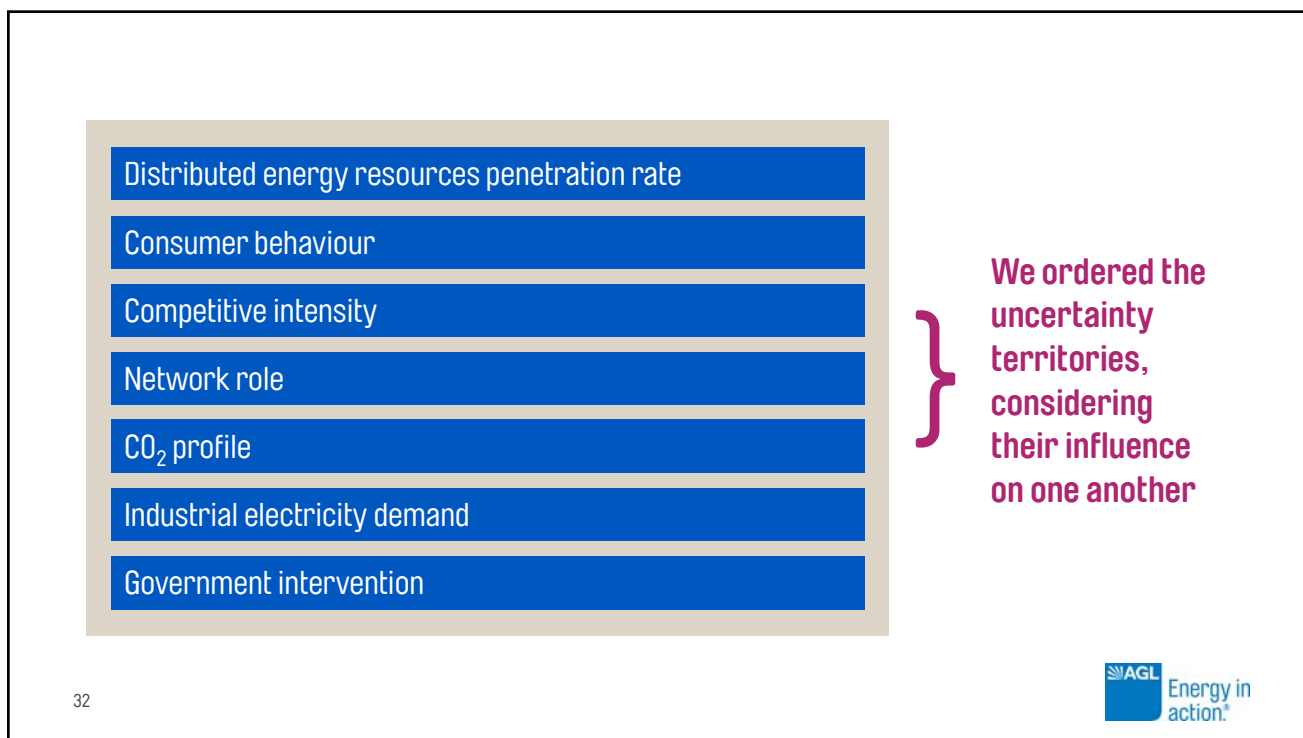
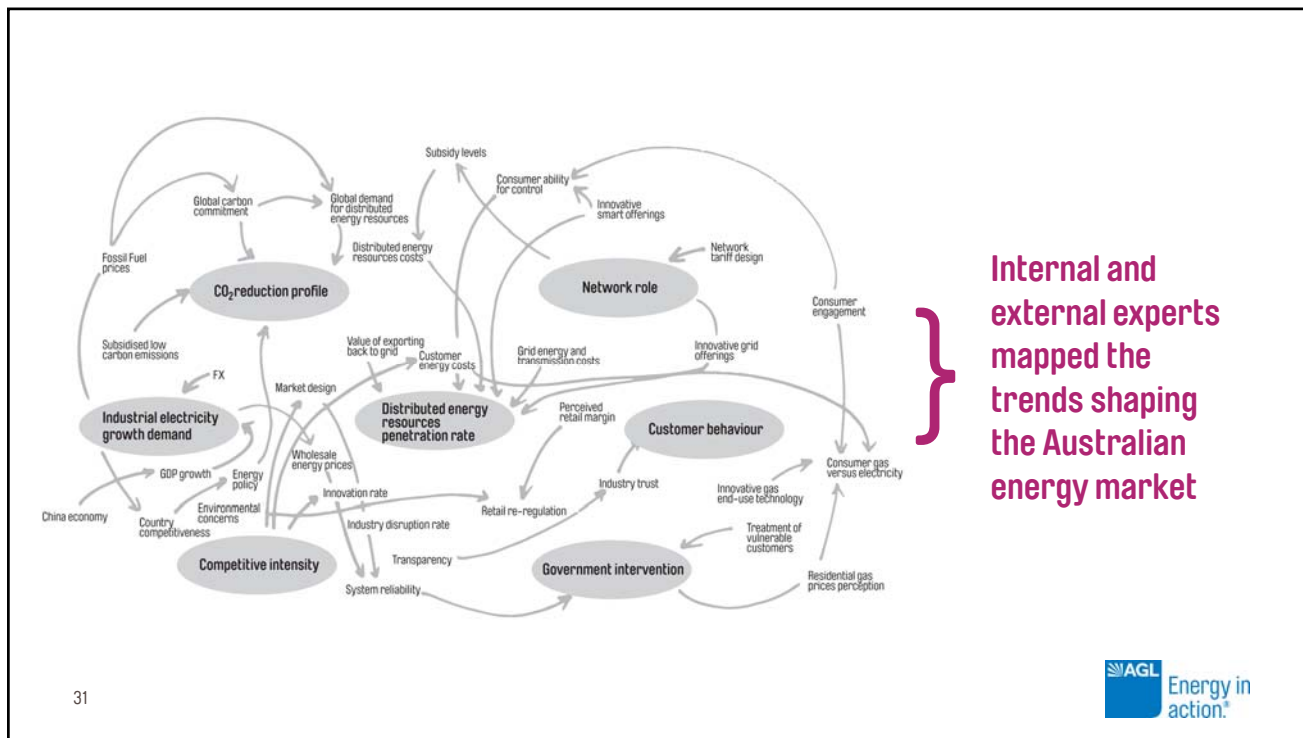
New Energy: Building the Innovation Accelerator



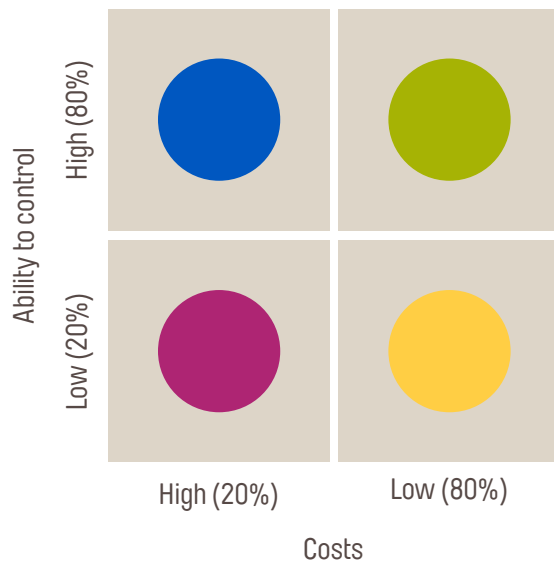


## Scenario planning applies a rigorous process to strategy





## Drivers and outcomes were identified



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

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## We developed scenarios to illustrate four possible futures



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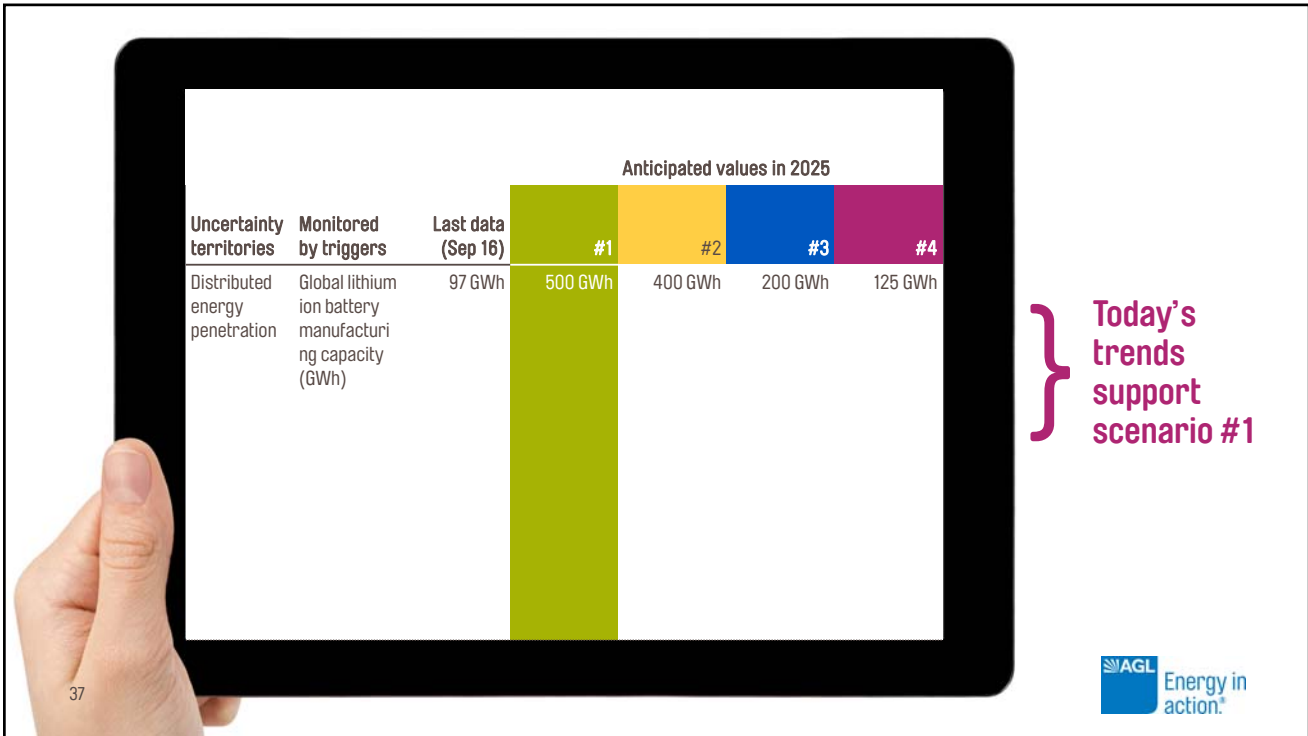
High uptake of smart distributed energy resources (DER) stimulates new business models. This results in increased competition from traditional and non-traditional players.

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.

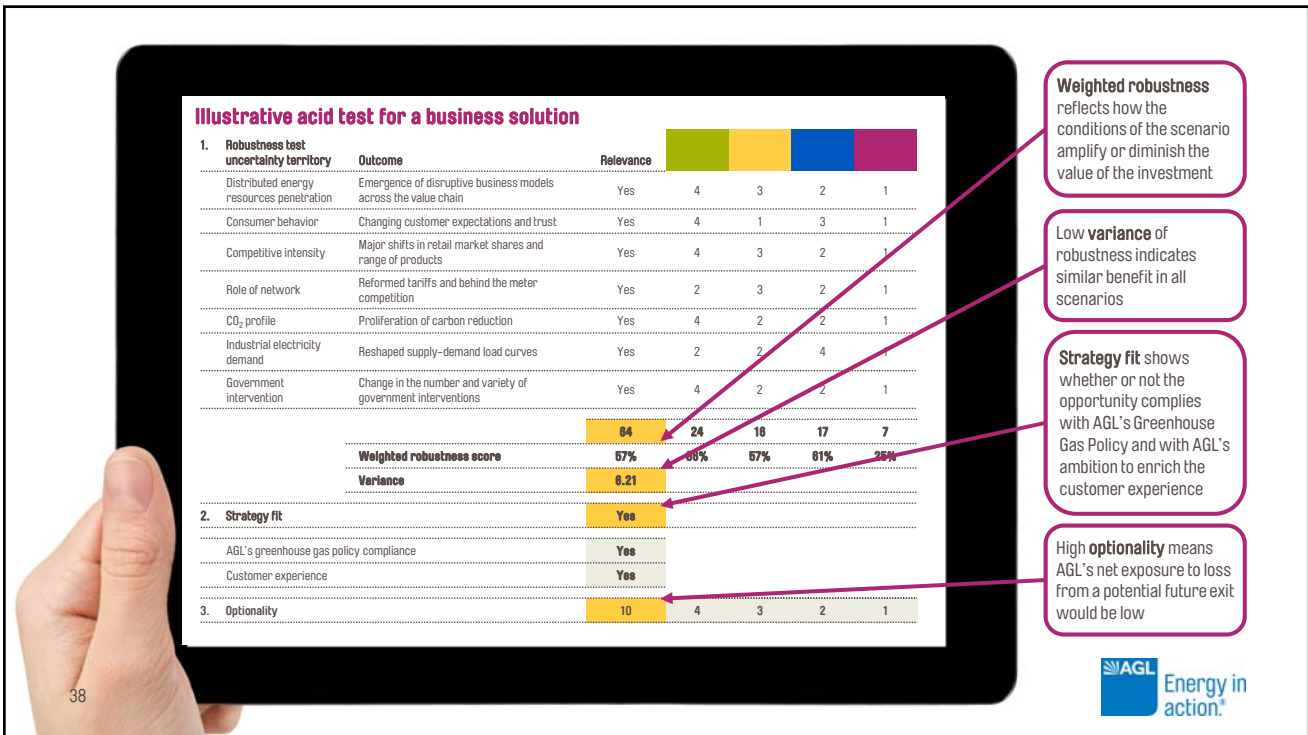
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Uncertainty territories	Monitored by triggers	Anticipated values in 2025			
		#1	#2	#3	#4
Distributed energy penetration	Trigger 1	Top quartile	Middle quartiles	Middle quartiles	Bottom quartile
Consumer behaviour	Trigger 2	High	Medium	Low	Low
	Trigger 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 <sub>2</sub> 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



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

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

Identify key trends

Order uncertainty territories

- Distributed energy resources penetration rate
- Consumer behaviour
- Competitive intensity
- Network role
- CO<sub>2</sub> profile
- Industrial electricity demand
- Government intervention

Define drivers and outcomes

High (20%) / Low (80%)

High (20%) / Low (80%)

Write scenario narratives

Monitor evolving events

Test investments

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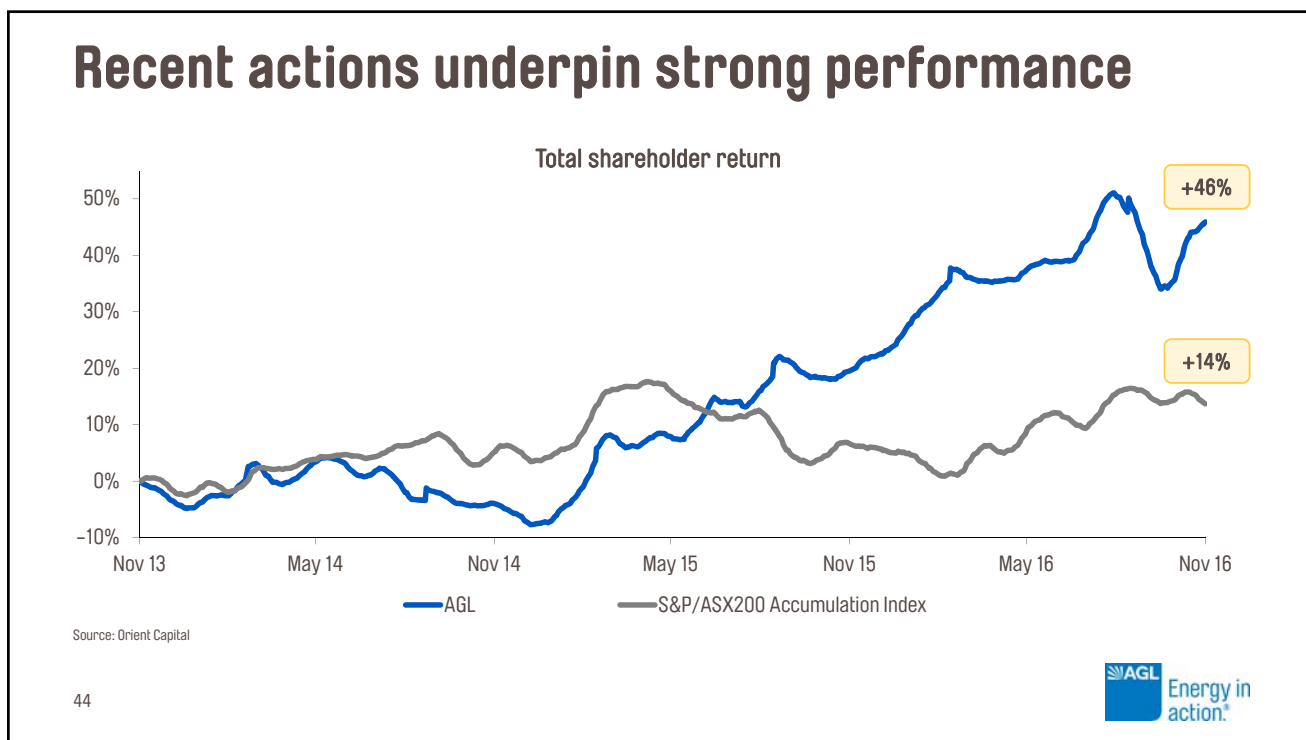
Growth in  
Transition:  
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Power Shift:  
AGL  
Scenario  
Planning

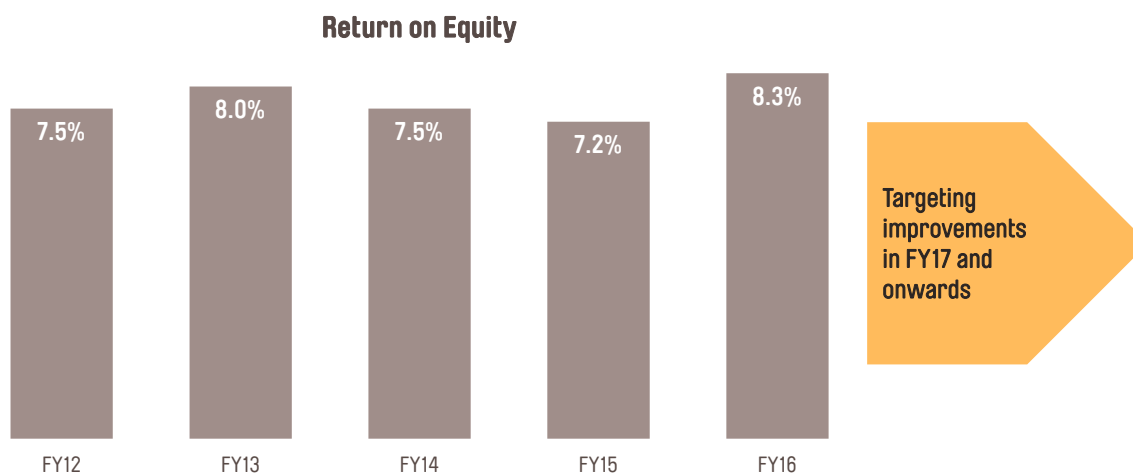
Agile Capital:  
a Growth  
Story

New Energy:  
Building the  
Innovation  
Accelerator





## We are targeting increased returns



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## Unchanged outlook reflects strategy delivery

### FY17 Underlying Profit expected to be \$720–800M<sup>1</sup>

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

<sup>1</sup> Subject to normal trading conditions for the remainder of FY17; Underlying Profit is after interest and tax

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## 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)

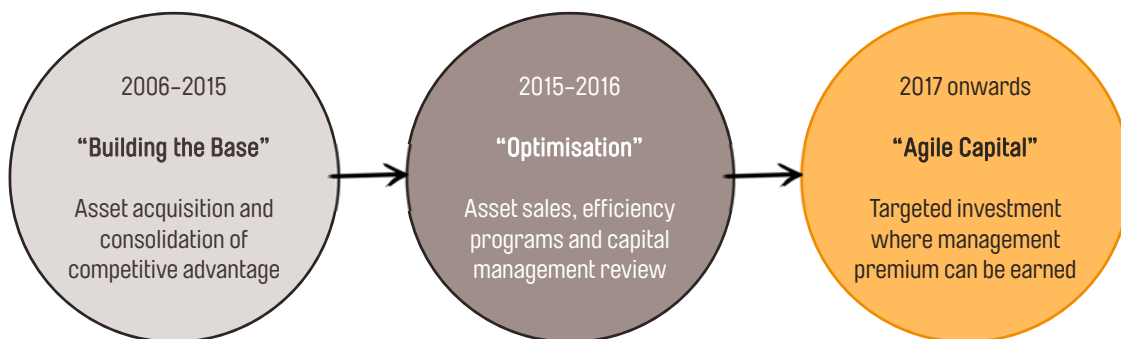
- > Nyngan and Broken Hill solar projects sold for \$257M
- > Sale of Silverton Wind Farm likely before third-quarter FY17

## 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%
<b>Cash flow from operations</b>	<b>\$1,527M</b>	<b>\$1,588M</b>	<b>To continue to grow broadly in line with Underlying Profit</b>
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)
<b>Cash available</b>	<b>\$474M</b>	<b>\$414M</b>	<b>To continue to generate at least \$400M per year</b>
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
<b>Total headroom @ Baa2</b>	<b>N/A</b>	<b>~\$2,000M</b>	<b>Ample to support growth and announced capital management initiatives</b>

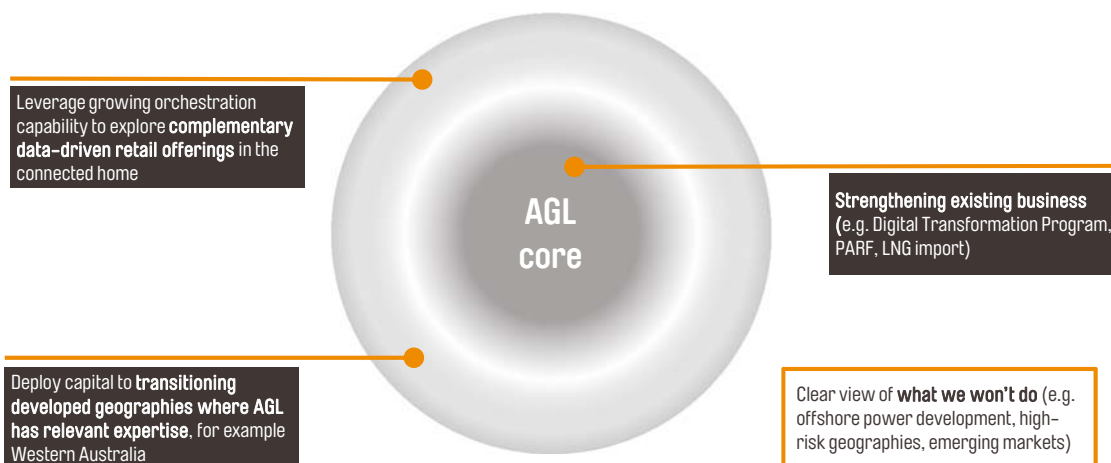
## The way we use capital is evolving



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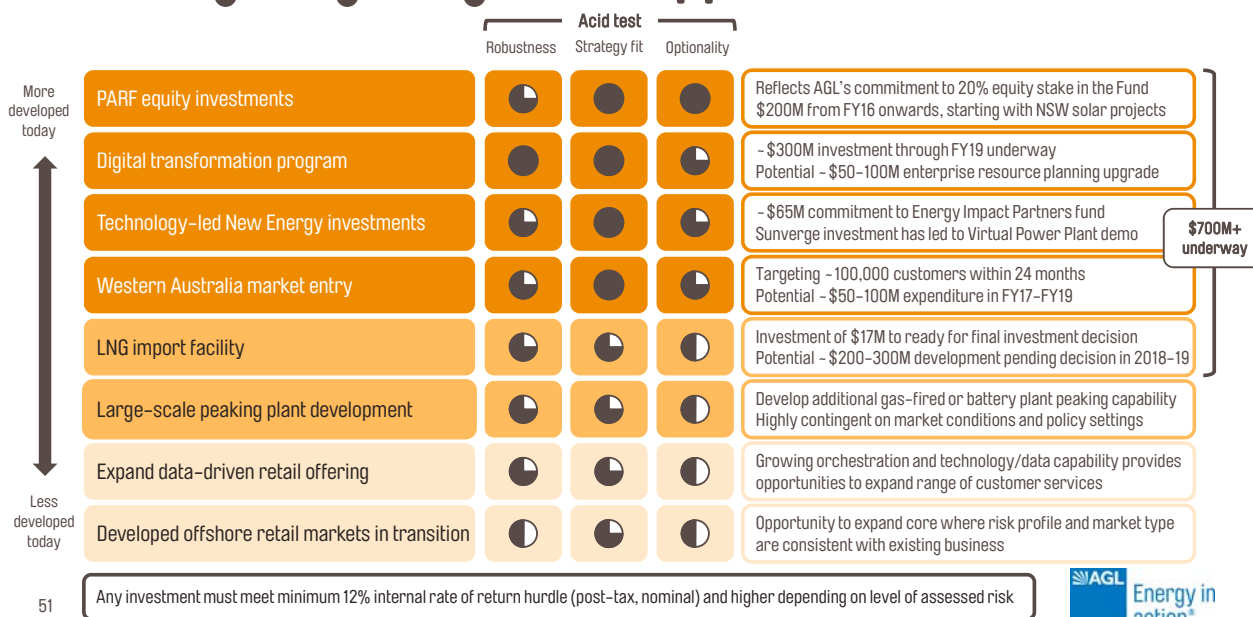
## Agile capital to enable an expanded core



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## A strong range of growth opportunities



## 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

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**Growth Project Break-Out Presentations**

Stephen Mikkelsen, Executive General Manager, Energy Markets

	<b>Phaedra Deckart</b> Head of Wholesale Gas		<b>Maree Mamo</b> General Manager, Customer, Capability & Insights
	<b>Scott Thomas</b> General Manager, Projects		<b>Simon Moorfield</b> Chief Information Officer



# 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

<p><b>Gas market primed for competition</b></p>  <p>Limited competition in gas before Kleenheat entry</p> <p>Competition relatively new for customers</p> <p>Kleenheat has acquired 10% of market in three years</p>	<p><b>Wholesale market is responsive</b></p>  <p>AGL has investigated gas supply, transport and storage options in WA, including services that enable loads to ramp up</p> <p>Market has been responsive, with offers received</p>	<p><b>Increased focus on value and cost</b></p>  <p>Mining has led economy, contributing 30% of GDP</p> <p>Falling demand has halved growth from 5.0% to 2.5%</p> <p>Tougher and tighter economic environment</p>	<p><b>Electricity market contestable in future</b></p>  <p>- 1M residential and - 100,000 business sites</p> <p>Only ~5% contestable today (mainly in remote areas)</p>
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Source: Government of Western Australia Department of State Development

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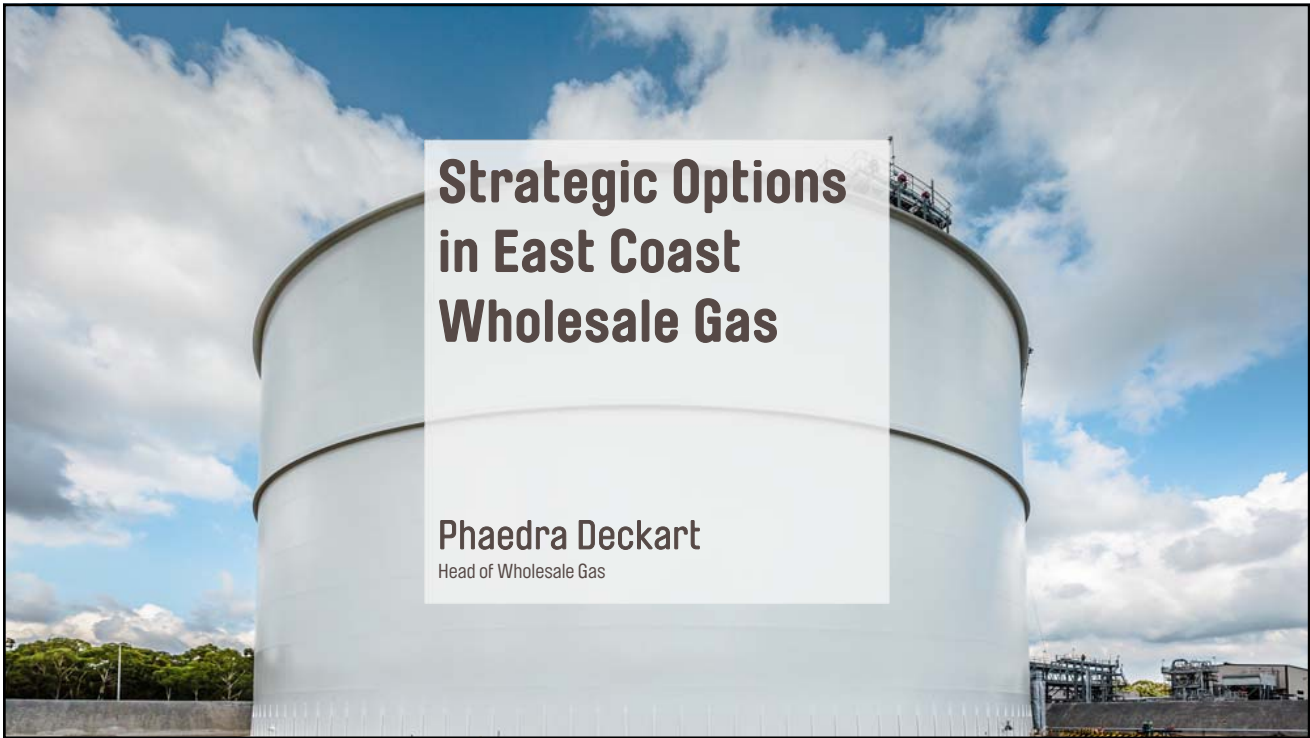


## Time to act with differentiated value proposition

AGL intent	How				
<p>Leverage competitive, macro and wholesale environment to acquire ~100,000 gas customers in 24 months, prior to future electricity market deregulation</p>	<p><b>Build brand awareness</b></p> <ul style="list-style-type: none"> <li>✓ Strong brand launch above line (TV, radio, press, billboards etc) and online</li> <li>✓ Constant and high presence (reach) and pressure (frequency)</li> <li>✓ Local and relevant sponsorship properties and activation</li> </ul>	<p><b>Build brand acceptance</b></p> <ul style="list-style-type: none"> <li>✓ Build intimacy and relevance through local area and cause-based marketing</li> <li>✓ Partnerships and alliances with local gas sales and service providers</li> <li>✓ Relationships with networks and government</li> </ul>	<p><b>Drive shopping behaviour</b></p> <ul style="list-style-type: none"> <li>✓ Profile and segment market using insight from other states and data augmentation</li> <li>✓ Develop and deliver targeted, relevant and personalised propositions to specific segments at the right time</li> <li>✓ Effective use of digital channels</li> </ul>	<p><b>Drive switching behaviour</b></p> <ul style="list-style-type: none"> <li>✓ Develop unique and valuable offers for different segments that drive high appeal to switch</li> <li>✓ Simple process to look for, choose and get gas from AGL</li> <li>✓ Mix of price and value based on deep segment insight and needs</li> </ul>	<p><b>Defend share strongly</b></p> <ul style="list-style-type: none"> <li>✓ Exceptional customer experience throughout life-cycle</li> <li>✓ Ongoing value through loyalty and engagement to build high regret for churn</li> <li>✓ Augmented by strong and responsive save and intervention programs</li> </ul>
<p>Leverage growing personalised retailing capability enabled by Digital Transformation Program</p>					

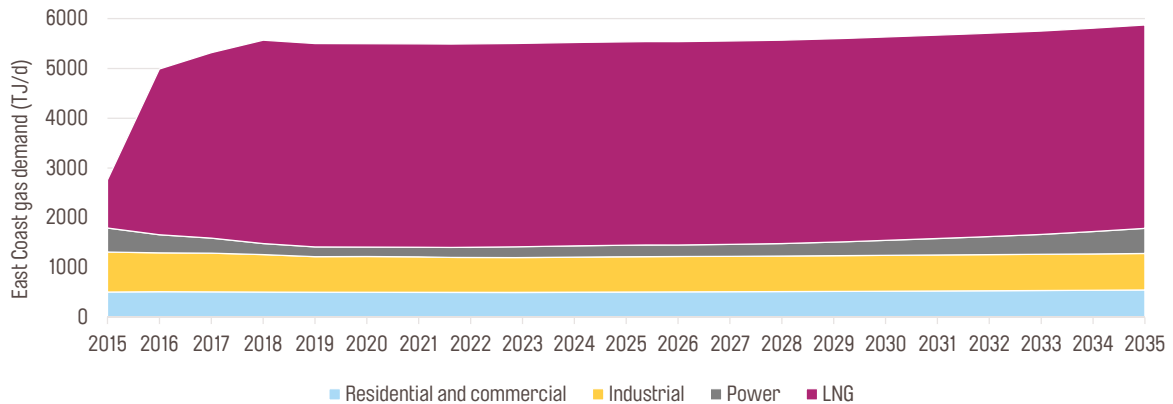
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## LNG demand continues to lead market transition

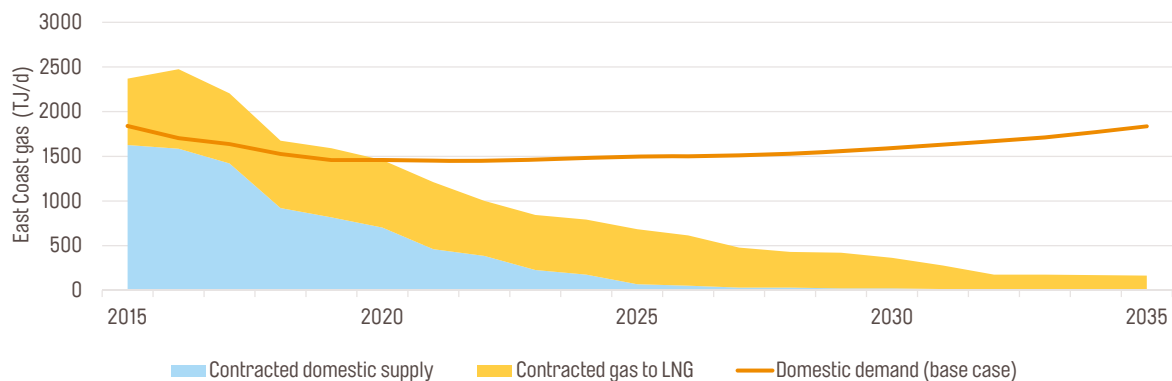
By 2018, 70% of gas demand will be Queensland LNG



Source: AEMO, Poten & Partners

## Market moving to shorter-term contracts

Re-contracting needed to meet future demand



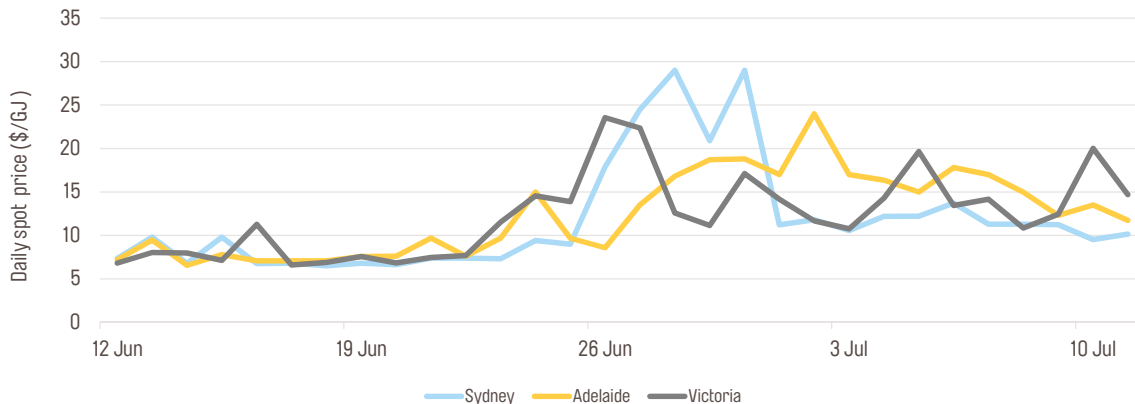
Source: AGL, Poten & Partners

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## Winter 2016 illustrates changing dynamic

Spike in spot gas prices likely to recur



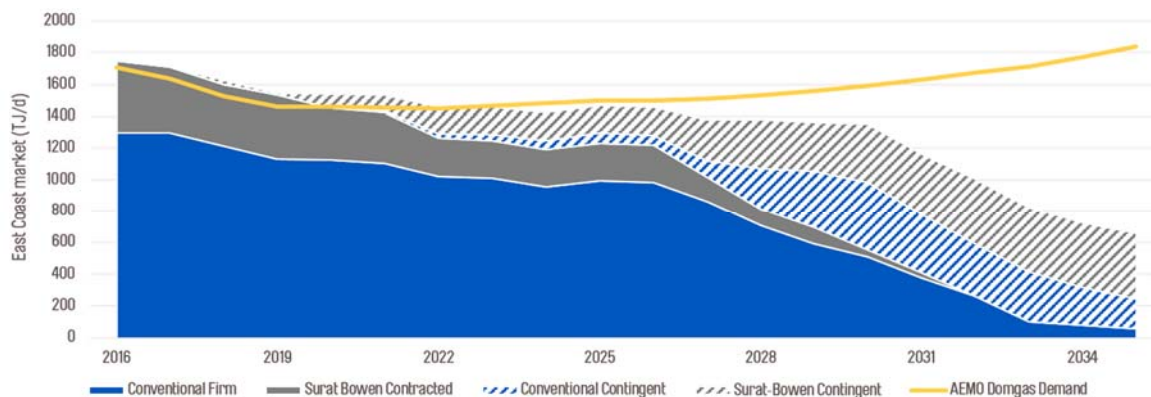
Source: AEMO

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## Supply tightness to continue

Shortfalls could occur in absence of further development



Source: AEMO, Poten & Partners

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## 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

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## Existing options for security of supply

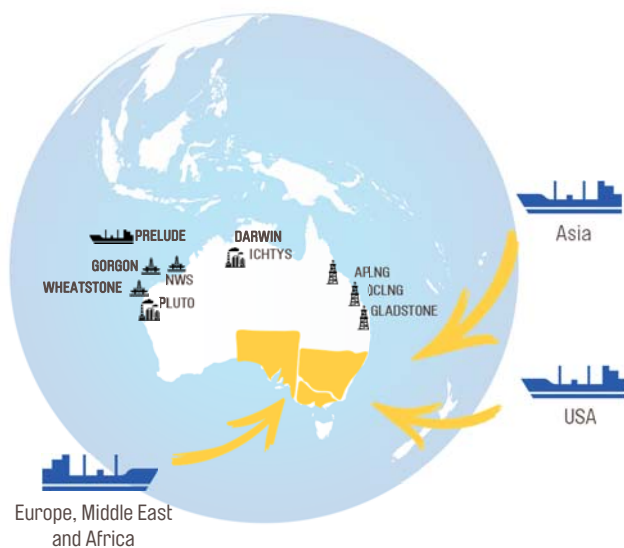
### Three key areas:

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

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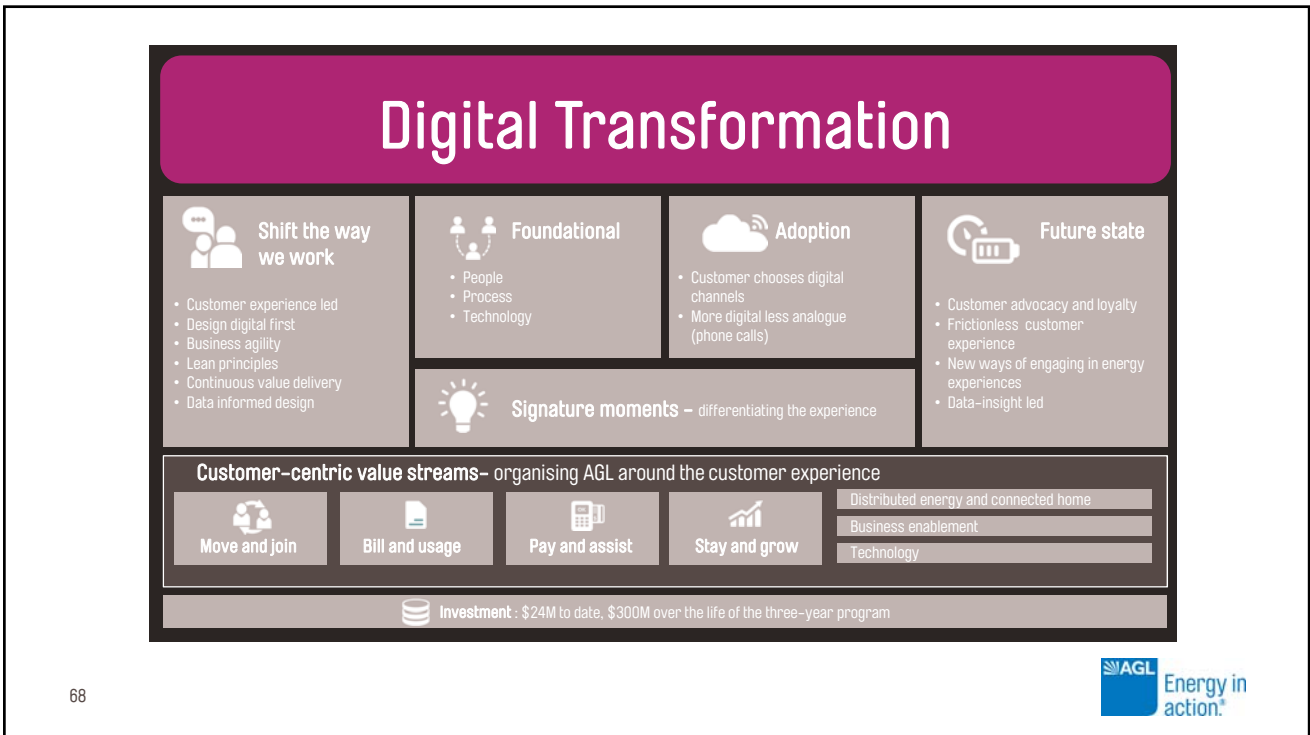
## LNG import facility a fourth option of interest



- > 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

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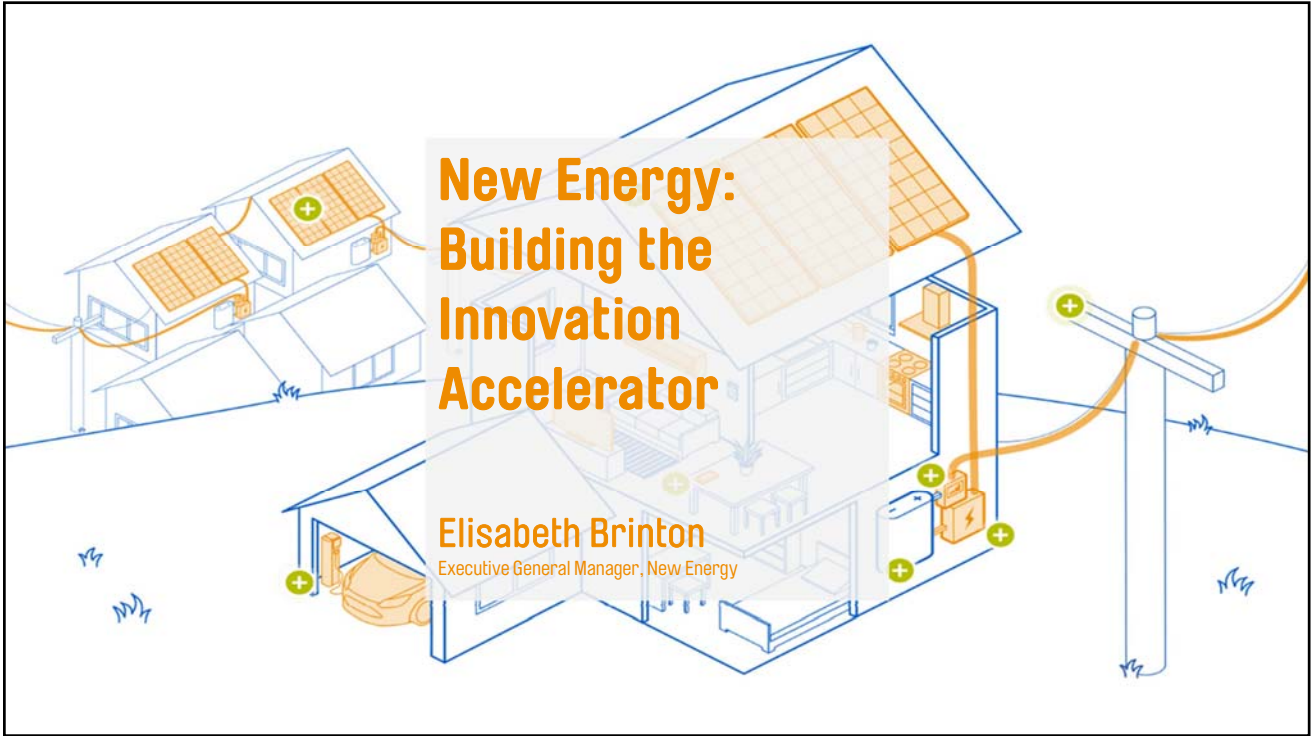


Growth in Transition:  
our Strategic Imperative

Power Shift:  
AGL Scenario Planning

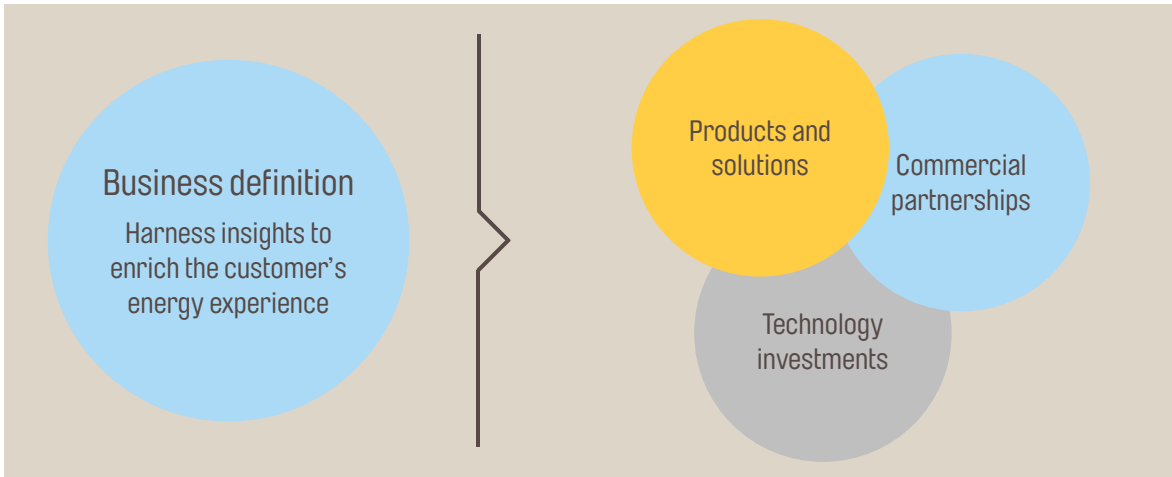
Agile Capital:  
a Growth Story

New Energy:  
Building the Innovation Accelerator

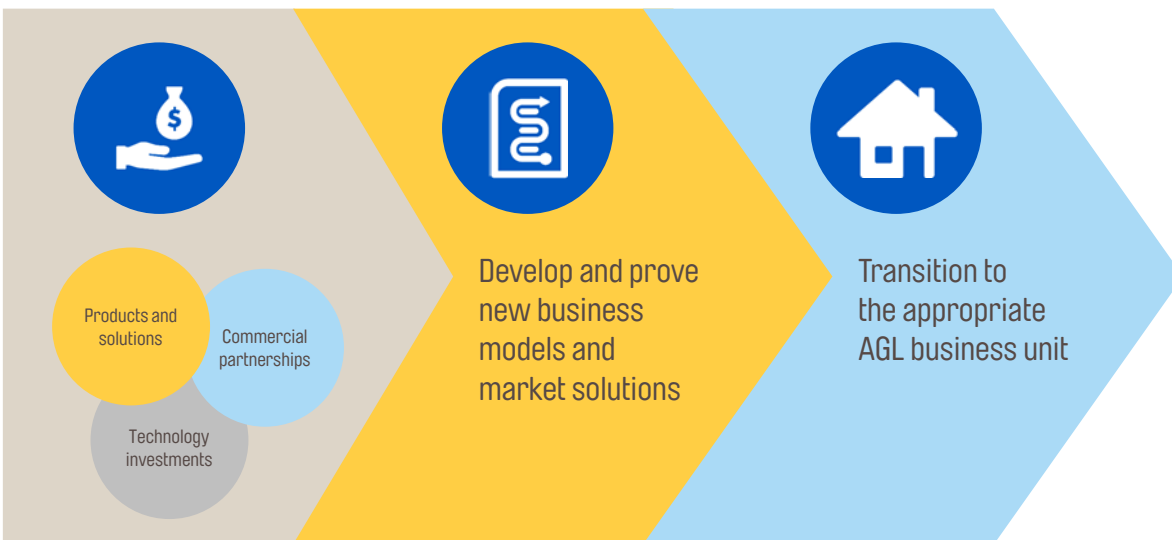




## Applying new technologies to deliver our business definition



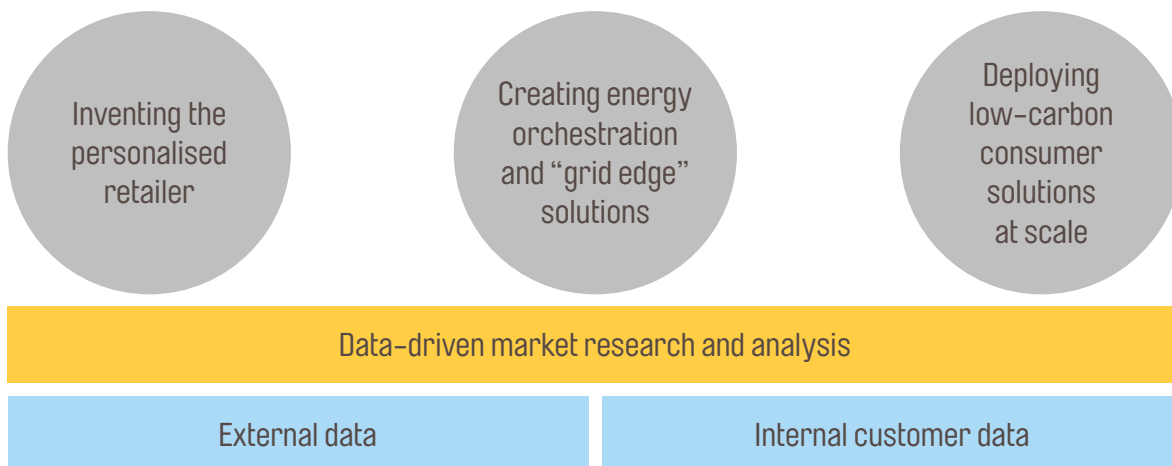
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## Focus on three value pools, aligned with scenario planning outcomes



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## Solar Analytics and Solar Command

### Maximising customers’ solar value

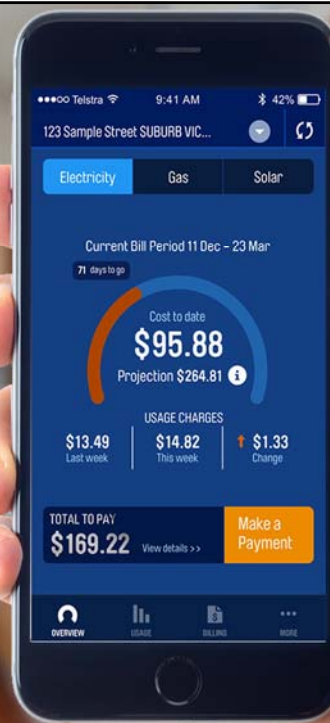
\$2.5M investment in Solar Analytics (from Dec 14) represents path of investment in innovation, then scaling up

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 BATTERIES

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

**2007**

AGL acquires Powerdirect

**2009**

AGL's hydroelectric Bogong Power Station opens in Victoria

**2008**

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

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

**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

**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

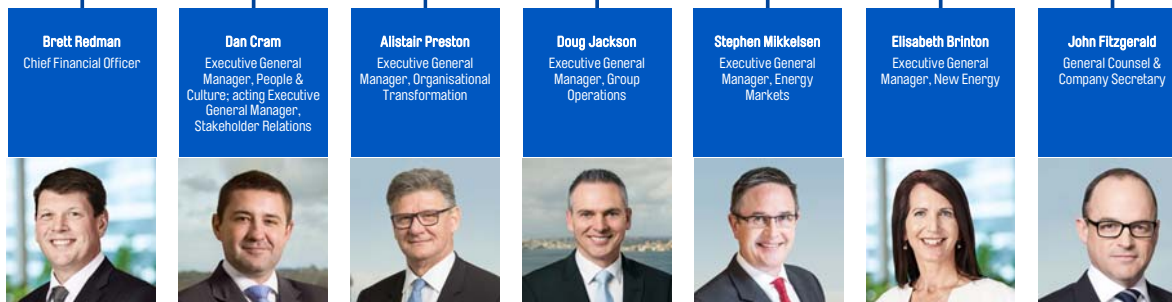
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## Executive Team



**Andy Vesey**  
Managing Director & Chief Executive Officer



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# 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 capacity?

- 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

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# 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

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## 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

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## 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



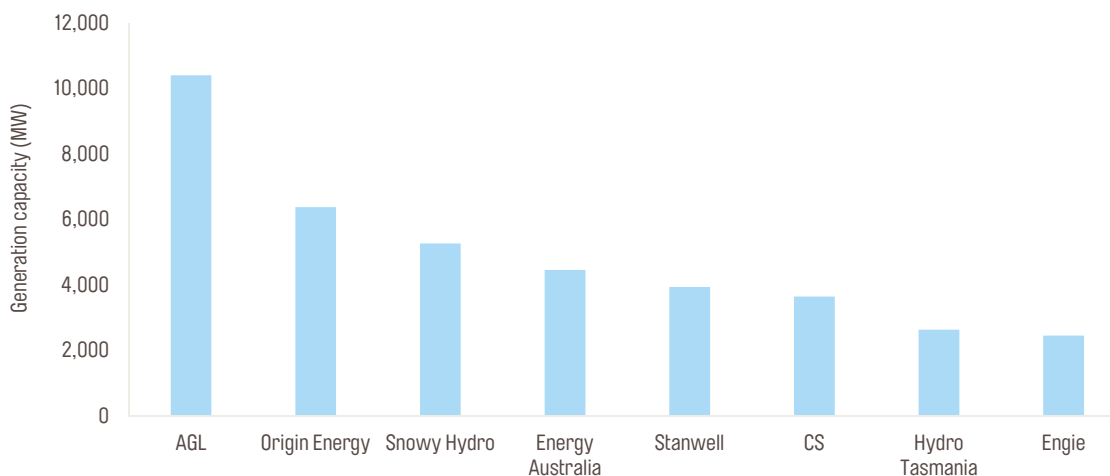
### Powering Australian Renewables Fund (PARF)

- \$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

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## Largest privately-owned generator in the NEM



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

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## Generation portfolio

Asset	State	Type	Status	Net Capacity (MW)	Carbon Intensity (tCO <sub>2</sub> 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
<b>Total Coal</b>				<b>6,850</b>		<b>38,884</b>
Torrens Island	SA	Gas Steam Turbine	Owned	1,280	0.62	2,447
Diamantina <sup>1</sup>	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 <sup>2</sup>	Various	Gas/Diesel	Various	88	0.54	244
<b>Total Oil and Gas</b>				<b>1,639</b>		<b>3,421</b>
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 <sup>3</sup>	Various	Landfill & Biogas	Various	44	0.09	133
<b>Total Renewable</b>				<b>1,920</b>		<b>4,171</b>
<b>Generation Portfolio as at 30 June, 2016</b>				<b>10,409</b>	<b>0.95</b>	<b>46,476</b>
<b>NEW Industry Average</b>					<b>0.90</b>	

<sup>1</sup> Sold in March 2016

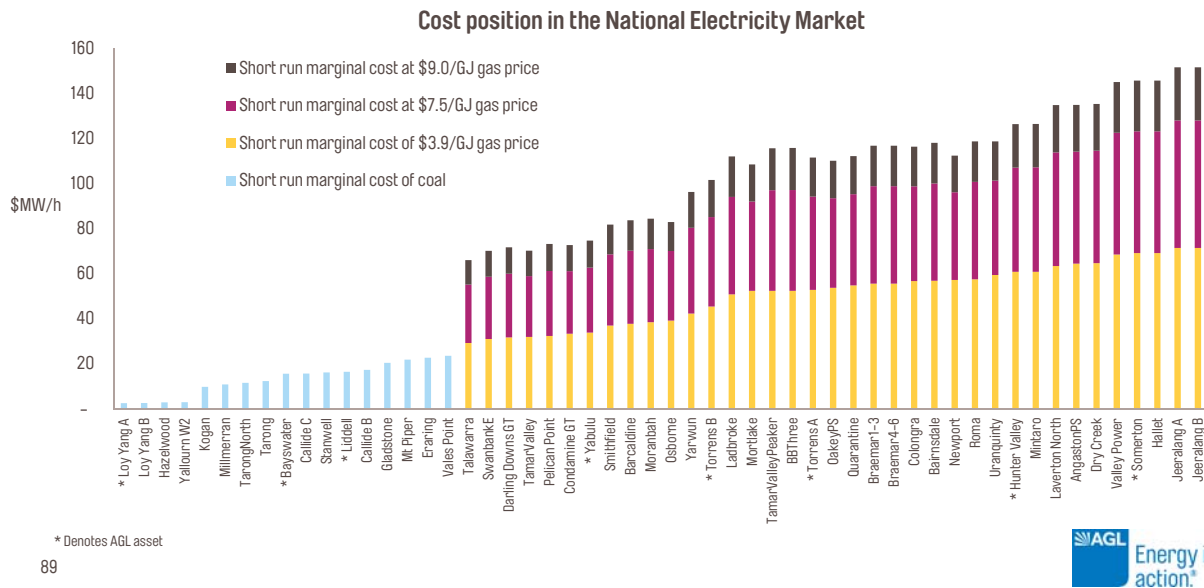
<sup>2</sup> Includes Hunter Valley Gas Turbines, Moranbah power station, the Denos and Coopers cogeneration plants and Wilpena diesel generator

<sup>3</sup> Includes six landfill generators, Werrimbee biogas power station, Wilpena solar plant and the SIS Bagasse biomass generation rights

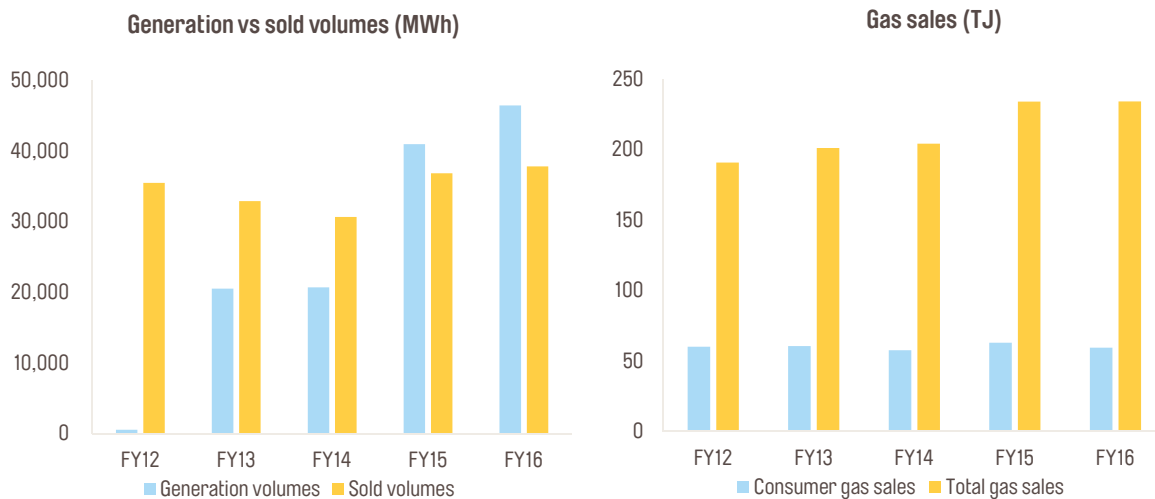
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## Lowest cost thermal generation portfolio



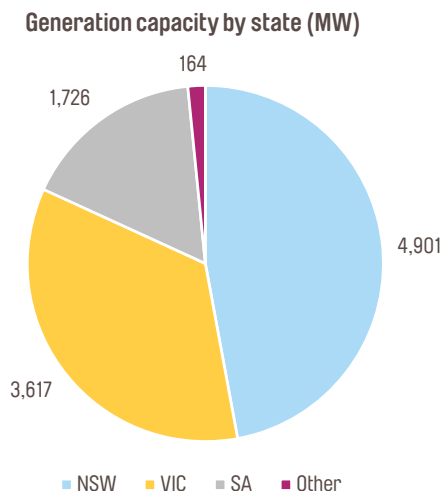
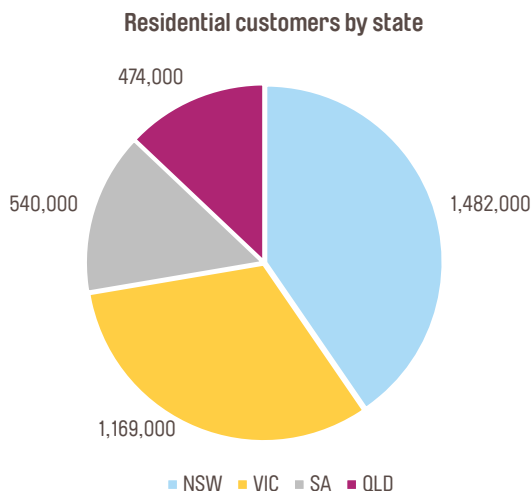
## Key wholesale operating statistics



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



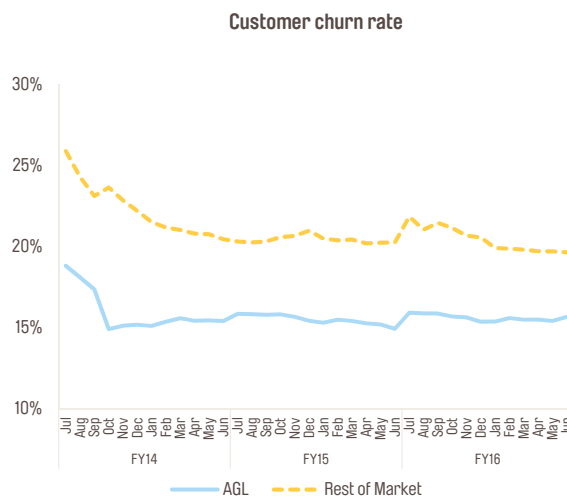
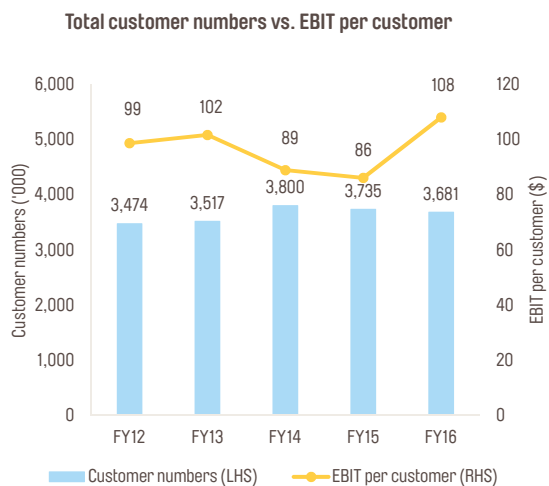
## Strong customer and generation position



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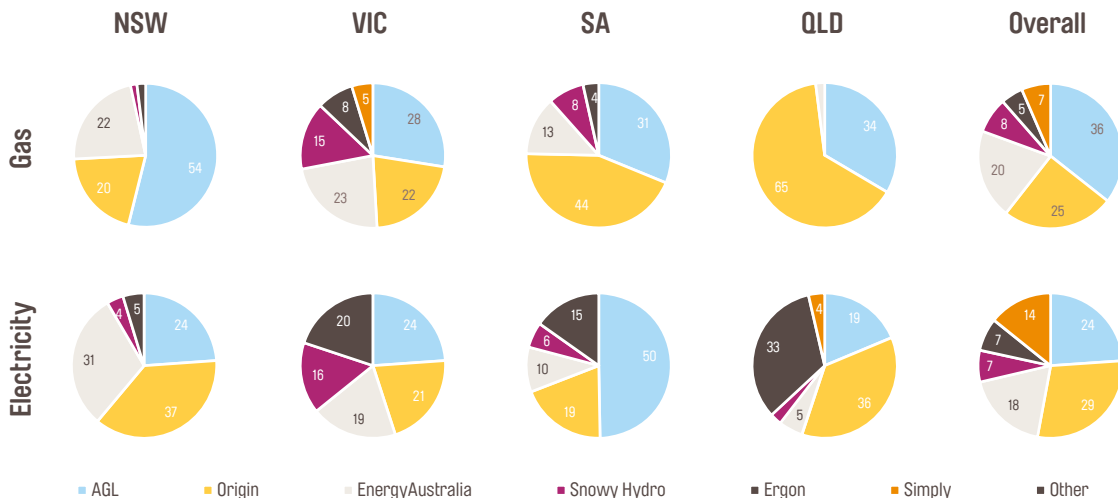
## Customer numbers and customer churn



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## Retail energy markets across the NEM

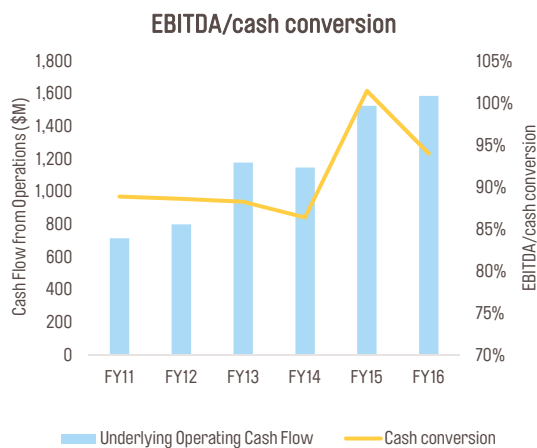
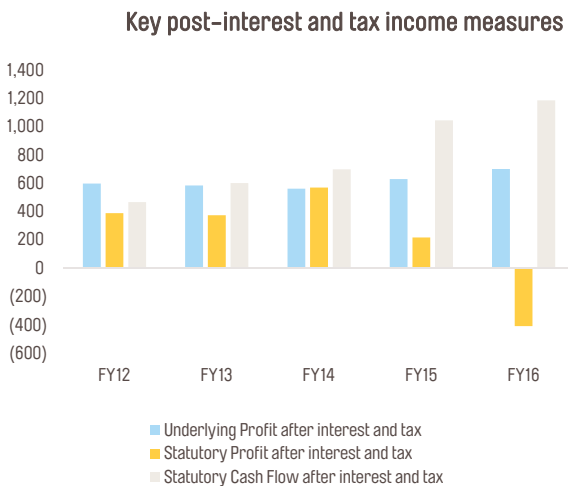


Source: AGL estimate, Australian Energy Regulator 2015/2016 financial and company presentations

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## Five-year profit and cash performance



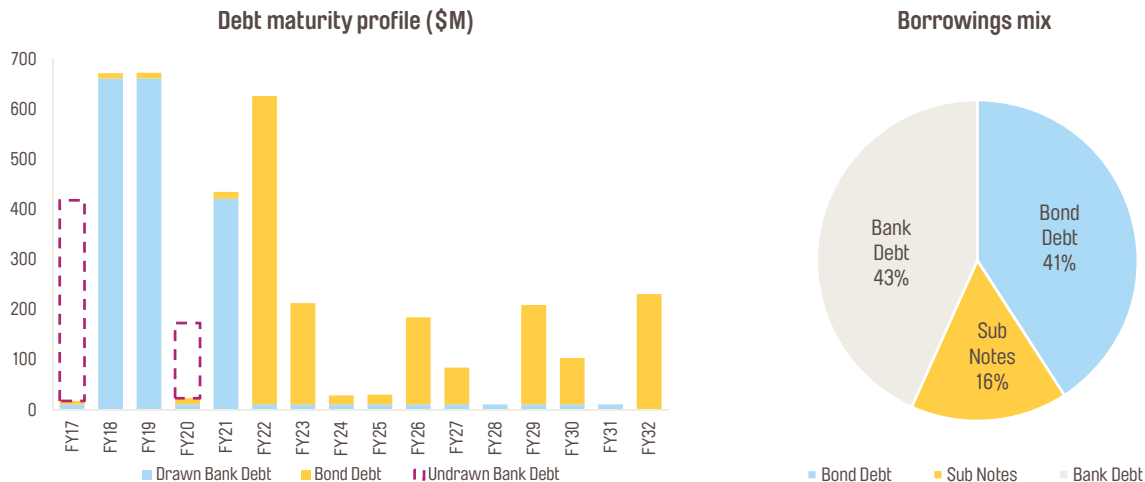
\*FY12-FY15 restated to reflect recognition of volumes associated with feed-in tariffs from solar customers

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## Debt maturity and debt mix post USPP issue



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