Image: Torrens Island Power Station

Energy in action.®

AGL

2012 Interim Results

6 Months to 31 December 2011

Michael Fraser, Managing Director and CEO

Stephen Mikkelsen, Chief Financial Officer | 24 February 2012

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Agenda

› **Result Highlights**	Michael Fraser
› **Group Financials**	Stephen Mikkelsen
› **Operational Review / Summary**	Michael Fraser
› **Supplementary Information**	

IMPORTANT NOTE:
This presentation should be read in conjunction with the AGL Energy Limited ASX Appendix 4D for the 6 months ended 31 December 2011.

Half Year 2012 Highlights

Solid base for strong full year result.

- Underlying Profit up 3% to $232.9 million
- High quality result considering soft demand and lower wind farm development and gas storage fee income
- Retail Operating EBIT up $19.8 million (12.5%)
- Merchant Operating EBIT up $24.8 million (11.1%)
- 100,000 net increase in customer numbers
  - 89,000 net increase in NSW electricity customers
- Strong operational performance with step improvements in customer sales and service
- Operating cash flow temporarily impacted by new C&I system
- Conditional agreements signed to acquire remaining 67.5% of Loy Yang A*
- Intention to raise $650 million high equity credit hybrid*

* See separate ASX release dated 24 February 2012

Interim 2012 Result

Operating performance consistent with delivering strong FY12 result.

FINANCIAL

› Revenue:	$3,615.3m	↑ 3.6%
› Statutory Profit:	$117.0m	↓ 51.2%
› Underlying Profit:	$232.9m	↑ 3.0%
› Underlying EPS:	50.3 cps	↑ 0.8%
› DPS: 100% franked (Dec 10: 0% franked)	29.0 cps (Dec 10: 29.0 cps)	Maintained
› EBITDA / Net Interest:	18.8x (Dec 10: 18.8x)	Maintained
› Statutory operating cash flow after tax	$27.8m	↑ $1.8m
› Underlying operating cash flow before tax	$114.6m	↓ $117.1m

OPERATIONAL

- Good operational performance by Retail and Merchant underpinned by:
  - Growth in customer numbers and dual fuel accounts
  - Significantly improved customer service
  - Increased hydro generation capacity
  - Lower hedging costs
  - Growth in Eco-markets margins
- Lower wind farm development and gas storage fee income

Group Financials

Stephen Mikkelsen
Chief Financial Officer

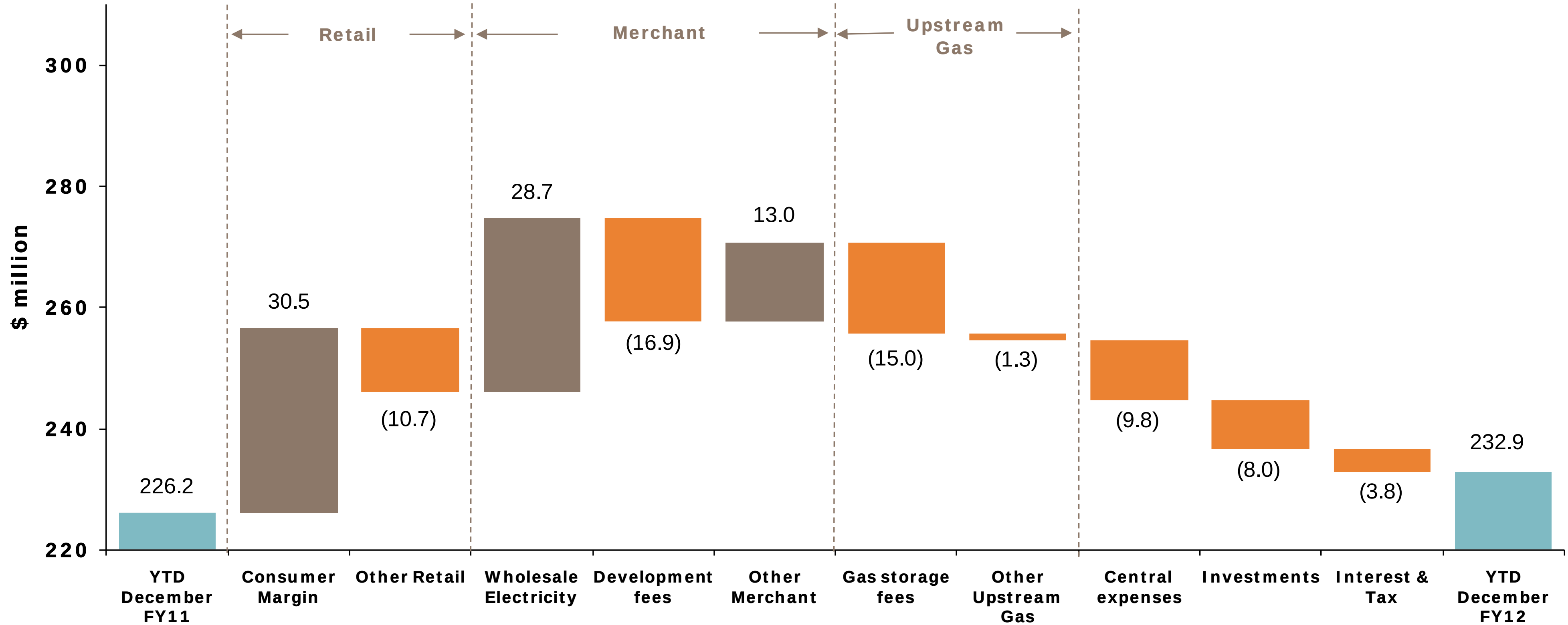
Profit & Loss (excluding significant items & fair value movements)

Clean result and a 3% uplift in Underlying Profit.

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Revenue	**3,615.3**	3,488.0	3.6%
Operating EBITDA	**438.9**	416.0	5.5%
Operating EBIT			
Retail	**178.2**	158.4	12.5%
Merchant	**248.8**	224.0	11.1%
Upstream Gas	**1.0**	17.3	(94.2%)
Energy Investments	**12.4**	20.4	(39.2%)
Centrally managed expenses	**(85.8)**	(76.0)	12.9%
Total operating EBIT	**354.6**	344.1	3.1%
Less: Net finance costs	**(23.3)**	(22.1)	5.4%
Profit before tax	**331.3**	322.0	2.9%
Less: Income tax expense	**(98.4)**	(95.8)	2.7%
Underlying Profit	**232.9**	226.2	3.0%

Group Underlying Profit

Retail and Merchant performing well.



Retail – Key Financial Metrics

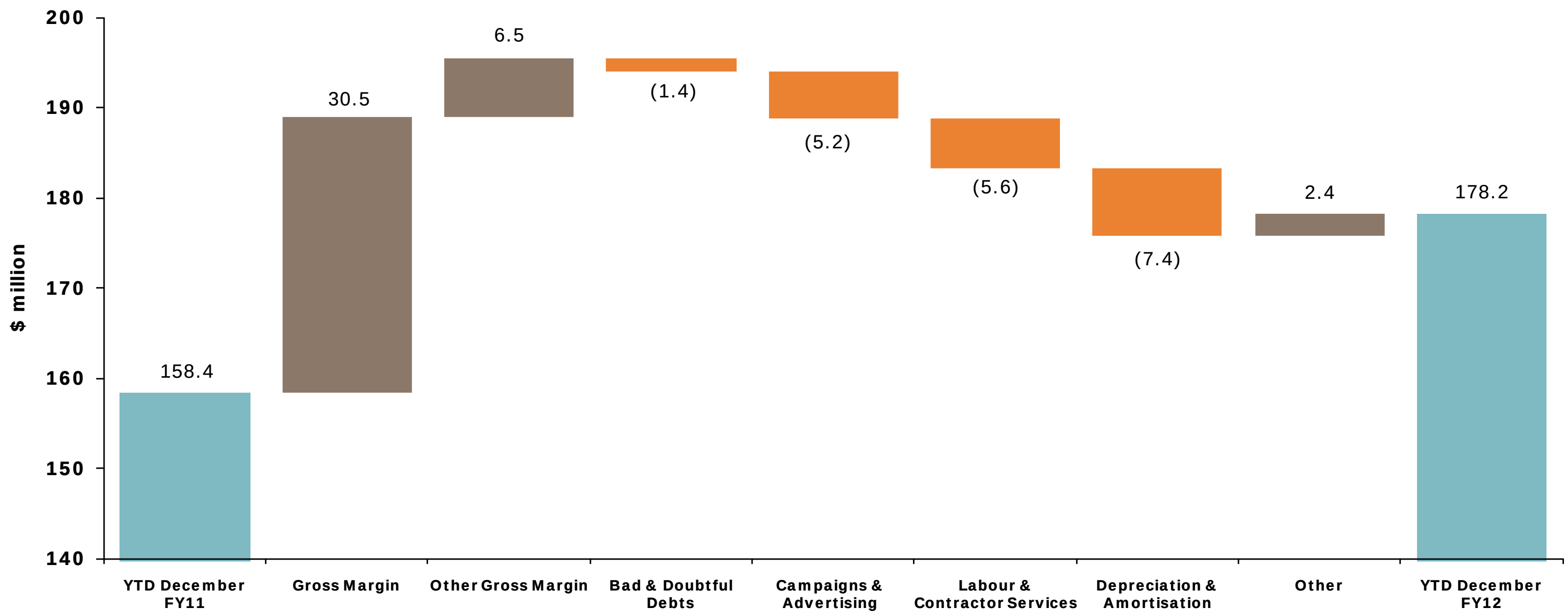
Gross margin improvement drives Operating EBIT improvement (+12.5%).

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Electricity Revenue	**1,410.2**	1,217.9	15.8%
Gas Revenue	**582.8**	588.8	(1.0)%
Other Revenue (Fees & Charges)	**38.4**	31.9	20.4%
Total Revenue	**2,031.4**	1,838.6	10.5%
Cost of Sales[1]	**(1,658.1)**	(1,502.3)	10.4%
Gross Margin	**373.3**	336.3	11.0%
Operating Costs (excl. D&A)	**(166.8)**	(157.0)	6.2%
Operating EBITDA	**206.5**	179.3	15.2%
D&A	**(28.3)**	(20.9)	35.4%
Operating EBIT	**178.2**	158.4	12.5%

1. Includes $643.7m electricity COGS ($592.1m Dec 10) & $205.8m gas COGS ($218.5m Dec 10) transferred from Merchant.

Retail – EBIT Drivers

Strong growth in first half financial performance.



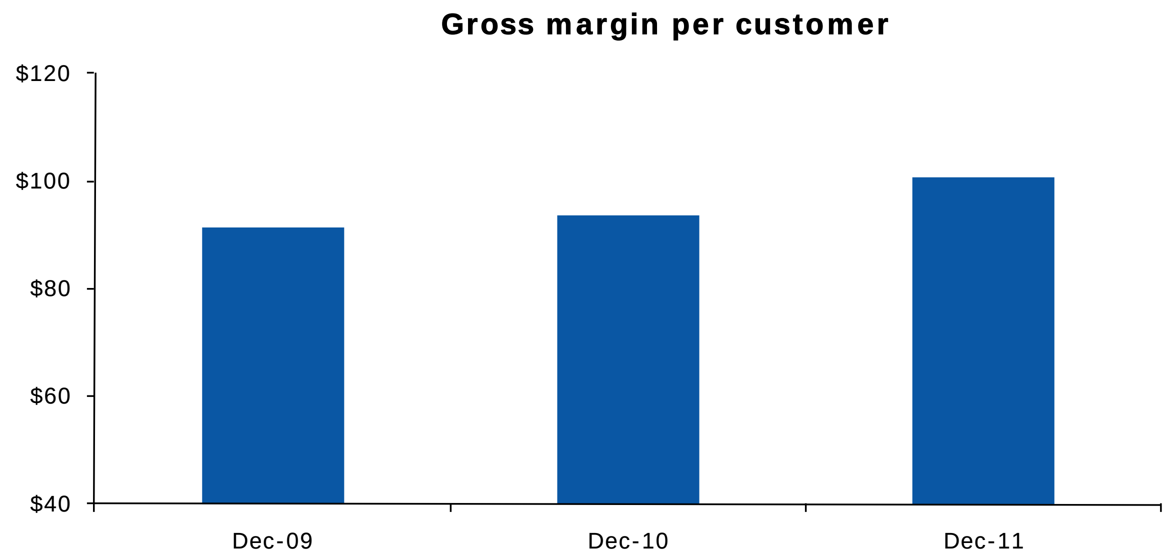
Key drivers:

- Gross margin favourable mainly due to the impact of higher tariffs in FY12
- Other gross margin higher than prior year mainly due to increased bad debt recoveries, reconnection / disconnection fees and special meter read fees
- Campaigns and advertising costs up in line with increased sales activity
- Labour and Contractor Services higher than prior year due to increased customer numbers in the half year. The majority of increased contractor costs from new connections were recovered in fees and charges and offset in Other gross margin
- Amortisation higher than last year due to amortisation of New South Wales customer acquisition costs

Retail – Key Operating Metrics

Gross margin per customer tracking well.

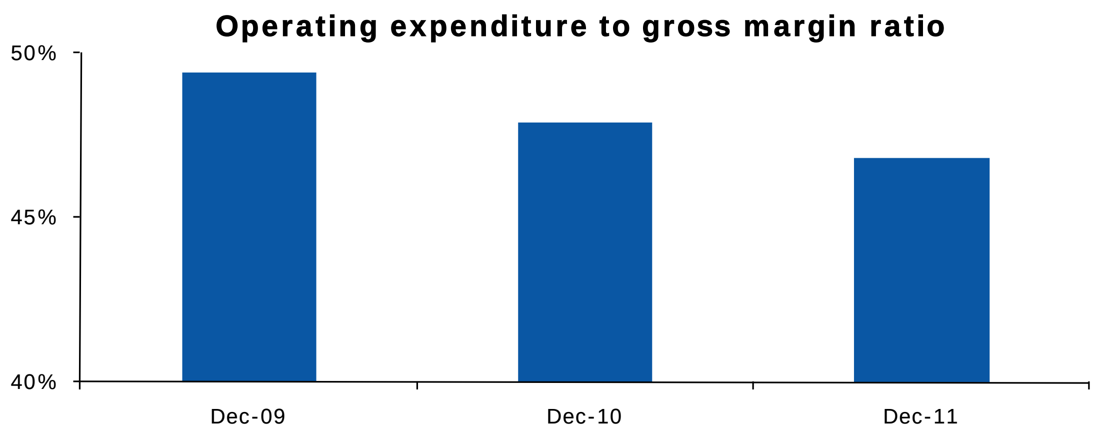
6 months to	31 Dec 2011	31 Dec 2010	Change
Gross margin excluding fees and charges ($m)	**334.9**	304.4	10.0%
Avg customer numbers ('000)	**3,322.3**	3,245.2	2.4%
Gross margin per customer	**$100.80**	$93.80	7.5%



Retail – Key Operating Metrics

Operating expenditure to gross margin ratio.

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Operating costs	**(166.8)**	(157.0)	6.2%
Depreciation and amortisation	**(28.3)**	(20.9)	35.4%
Less fees and charges	**38.4**	31.9	20.4%
Net operating expenditure	**(156.7)**	**(145.9)**	**7.4%**
Gross margin	**373.3**	336.3	11.0%
Less fees and charges	**38.4**	31.9	20.4%
Gross margin less fees and charges	**334.9**	**304.4**	**10.0%**
Operating expenditure to gross margin ratio	**46.8%**	47.9%	1.1ppts



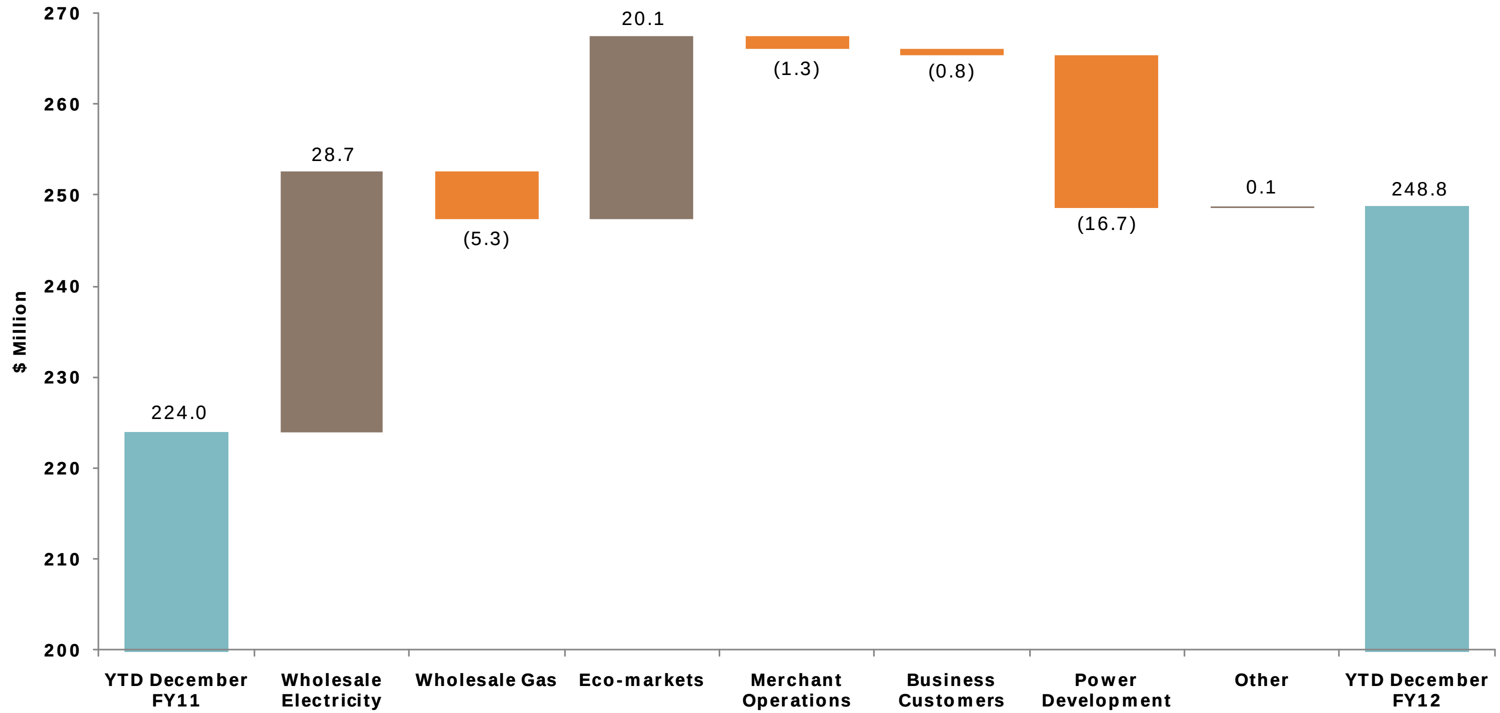
Merchant – Key Financial Metrics

Electricity and eco-markets drive Operating EBIT improvement (+11.1%).

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Operating EBITDA	**287.7**	258.2	11.4%
D & A	**(38.9)**	(34.2)	13.7%
EBIT			
Energy Portfolio Management (EPM)			
Wholesale Electricity Gross Margin	**178.6**	149.9	19.1%
Wholesale Gas Gross Margin	**58.7**	64.0	(8.3%)
Eco-markets Gross Margin	**33.1**	13.0	154.6%
EPM Operating Expenses	**(11.0)**	(12.1)	(9.1%)
Merchant Operations	**(58.4)**	(57.1)	2.3%
Business Customers			
Electricity Gross Margin	**29.5**	30.9	(4.5%)
Gas Gross Margin	**20.7**	20.1	3.0%
C&I Operations and Sales & Customer Service	**(16.6)**	(15.6)	6.4%
Energy Services	**10.0**	9.0	11.1%
Power Development	**9.4**	26.1	(64.0%)
Sundry	**(5.2)**	(4.2)	23.8%
Operating EBIT	**248.8**	224.0	11.1%

Merchant – EBIT Drivers

Good growth in first half.



Key Drivers:

- Wholesale Electricity favourable due to higher hydro generation and lower hedging costs, partly offset by lower volumes
- Wholesale Gas unfavourable due to lower volumes in both Consumer and C&I segments
- Eco-markets ahead of last year largely due to effective portfolio management resulting in lower costs
- Power Development – lower development fees recognised due to timing

Underlying Operating Cash Flow

Cash flow temporarily impacted by new C&I system.

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Operating EBITDA	**438.9**	416.0	
Total working capital movements	**(249.3)**	(259.6)	
Net finance costs paid	**(37.8)**	(25.3)	
Income tax paid	**(121.6)**	(75.0)	
Other	**(2.4)**	(30.1)	
Statutory net cash provided by operating activities	**27.8**	26.0	
Cash flow relating to significant items	**-**	22.6	
(Decrease)/increase in futures margin calls	**(19.6)**	19.4	
Net movement in green assets/liabilities	**(15.2)**	88.7	
Underlying operating cash flow	**(7.0)**	156.7	
Income tax paid	**121.6**	75.0	
Underlying operating cash flow before tax	**114.6**	231.7	↓ 117.1

Operational Review

Michael Fraser
Managing Director & CEO

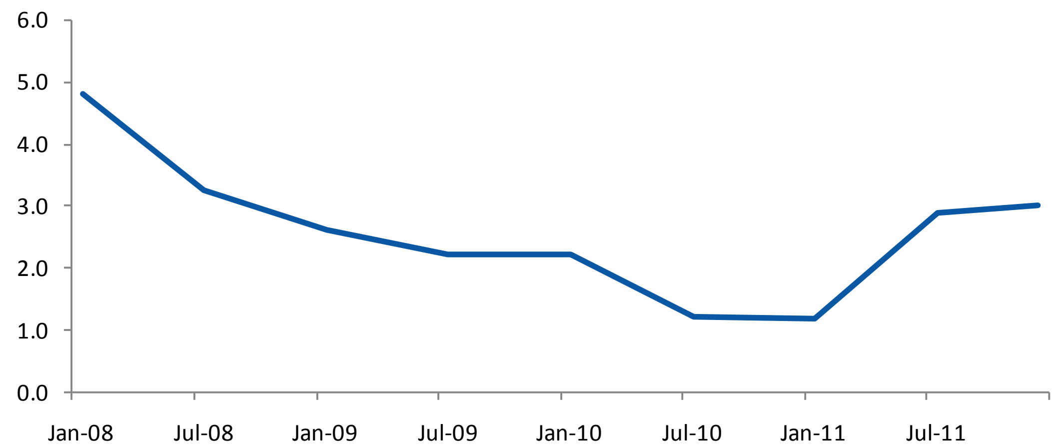
Safety & People

Continued drive to restore safety performance.

- Key safety statistics
  - 2.0 million hours worked
  - 5 Lost Time Injuries
  - 12 Total Injuries
- Key people initiatives
  - Improving employee and contractor safety
  - Building capability in People & Culture processes and talent
  - Employees as customer advocates
  - Sourcing talent to enable growth

Lost Time Injury Frequency Rate

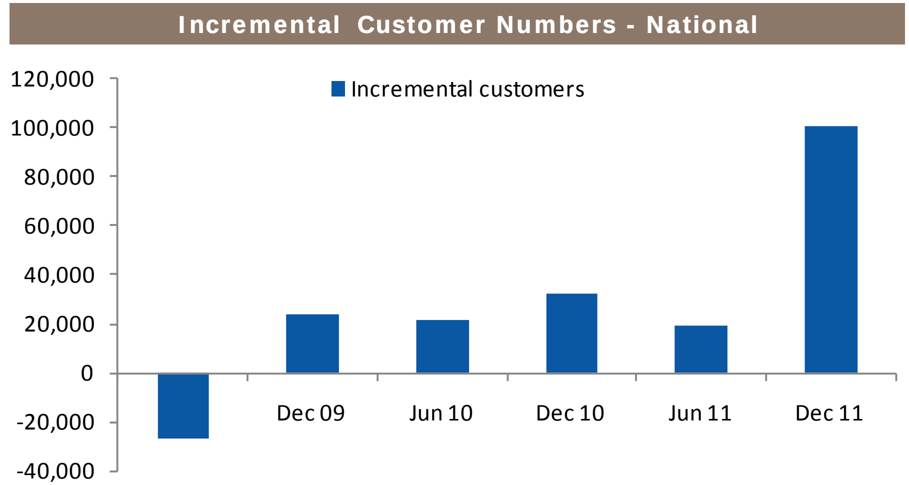
January 2008 - December 2011

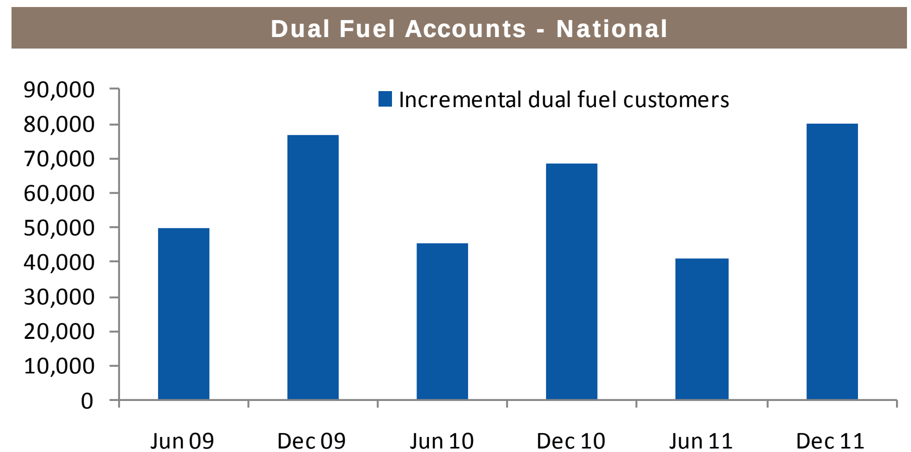


Customer growth - 100,000 customers in six months

NSW leads growth in AGL customer base.

- 100,419 net customer growth across all states
  - 80,166 new dual fuel customers
- AGL increases gap in national churn from 3.8ppts to 4.7ppts below industry average (16.1% vs. 20.8%)
- Strong net growth in NSW electricity customers
  - Up 89,002 (117% versus 1HFY11)
  - Reflecting effective conversion of lead sales
- Increased sales volumes driven by:
  - New channels
  - Expansion of existing capacity
  - Integrated marketing campaigns
- Other states performing well despite high levels of competition



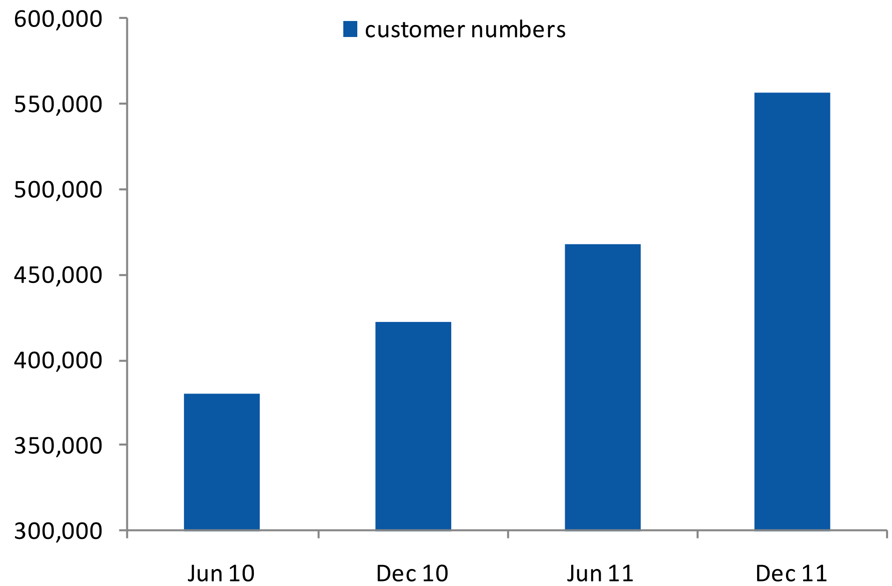


NSW growth – Electricity customer acquisition

Organic growth strategy ahead of required “run rate”.

- Current success rates confirm AGL on track to grow NSW electricity customer base to between 800,000 and 900,000 by June 2014
- Future growth at 65% of current success rate would deliver target
- Average usage of NSW residential customers at least in line with market at ~ 6.9 MWh p.a.
- Strong growth in SME customers (up 12,744) adds to quality of NSW customers acquired
- AGL NSW electricity churn below market average (16.4% v 17.4%)
- Strong AGL brand supports high retention of gas customers and growth in electricity customers

NSW Electricity Customer Numbers



NSW Electricity Churn Rate	FY10	FY11	1HFY12*
AGL	19.5%	17.0%	16.4%
Market	12.8%	14.1%	17.4%

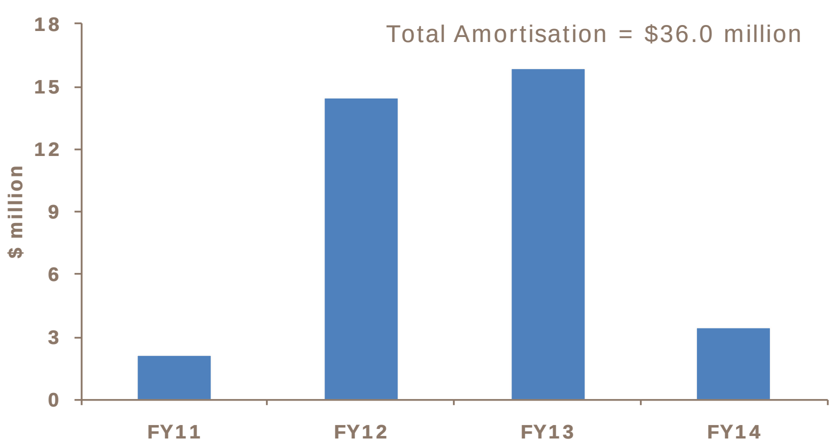
** half year churn, annualised*

NSW growth – Electricity customer acquisition

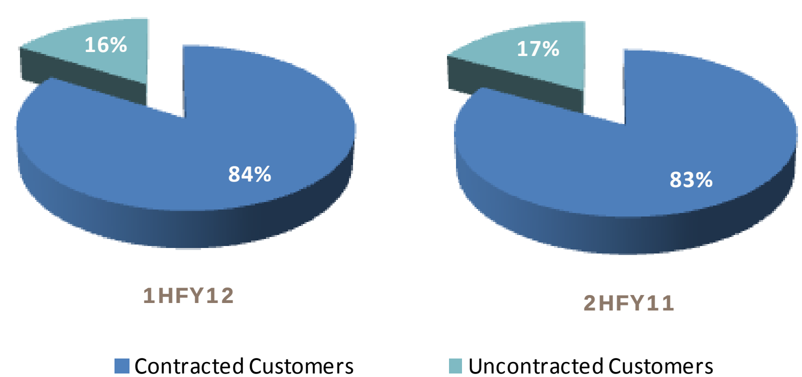
Low cost to acquire creates significant shareholder value.

- Average acquisition cost per customer - $172
  - Amount amortised over life of contracts - $164
- High proportion of new customers entering into fixed-term contracts (84%)
- Capitalised cash outlay in 1HFY12 was $20.4 million

Amortisation profile – NSW customer acquisition costs



NSW Lead sales by contract type

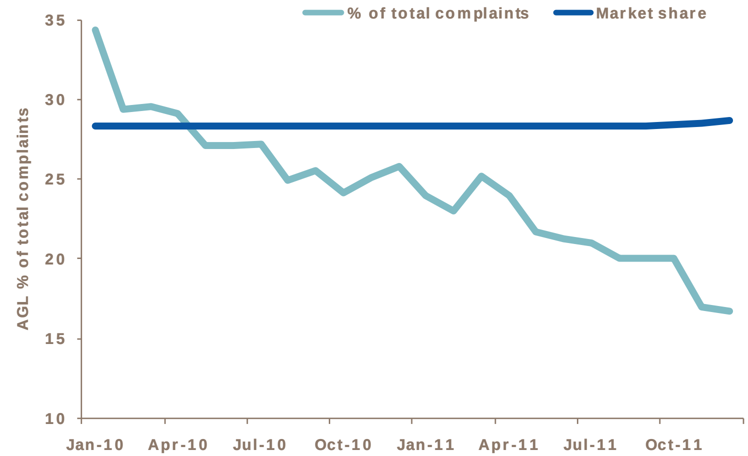


Retail Operations & Customer Service

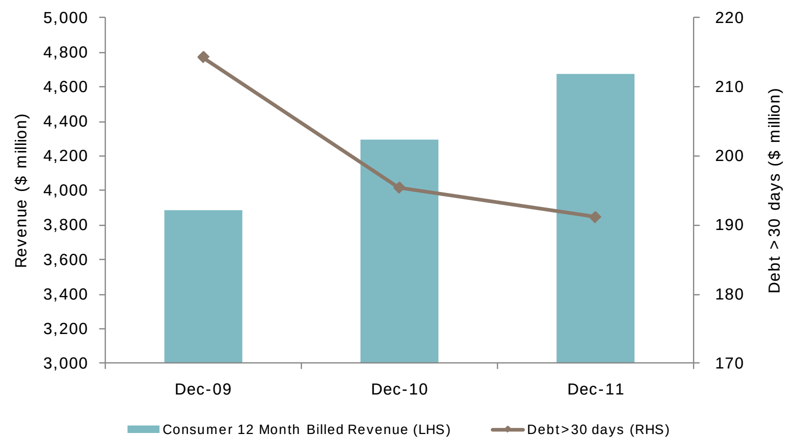
Continued focus on core operations.

- AGL share of customer complaints continues to decrease, well below natural market share
- Improved performance in the customer service centres
  - Reduced average call wait times, higher instances of first call resolution and grade of service improving
- Consumer receivables reducing driven by continued focus on collection processes
  - Consumer debt >30 days has reduced 10% since December 2009, despite annualised billings increasing 20% over the same period
- Unbilled customers remain at low levels
- Retail opex to gross margin ratio falling

Share of total Ombudsman complaints continues to decrease



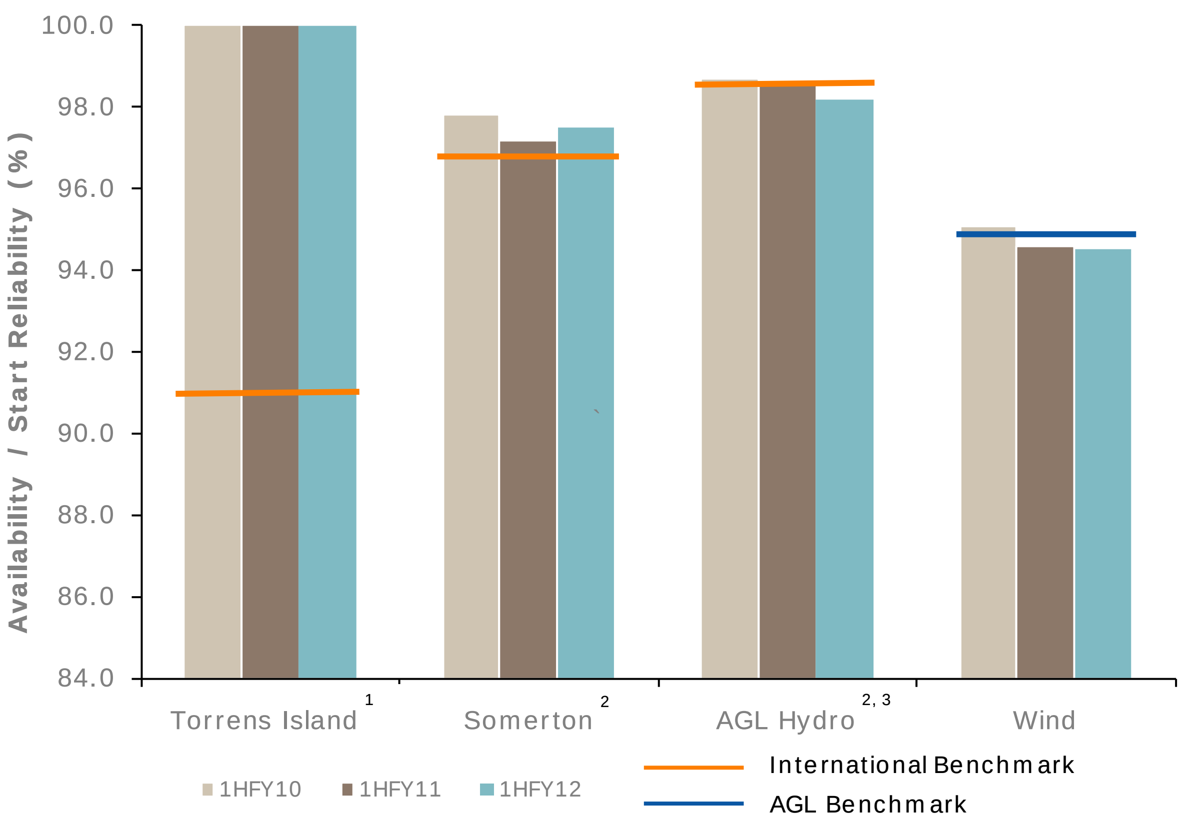
Consumer Debt >30days vs. Consumer Billed Revenue



Merchant – Generation: Operational performance

Plant performance continues at high levels.

Commercial Availability / Start Reliability (%)



1. Commercial availability is used to measure Torrens Island performance, and represents the percentage of times the plant is available to operate when required.
2. 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.
3. 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.
4. Availability weighted by plant MW capacity is used to measure wind farm performance. There is no international benchmark for wind farms, however AGL targets 95%.

Upstream Gas – Creating long-term value

AGL 2P reserves now stand at 2,176 PJ.

› Total Bowen Basin 2P reserves up 90 PJ and 3P reserves up 331 PJ

AGL share of gas reserves	As at 31 Dec 11		As at 30 Jun 11		Change	
PJ	**2P**	**3P**	**2P**	**3P**	**2P**	**3P**
Gloucester (100%)	**669**	**832**	669	832	-	-
Moranbah (50%) – Bowen Basin	**379**	**866**	370	700	2.4%	23.7%
Camden (100%)	**145**	**192**	148	195	(2.0%)	(1.5%)
Hunter (100%)	**142**	**271**	142	271	-	-
Silver Springs (various)	**65**	**137**	65	137	-	-
Spring Gully (various, small)	**8**	**10**	8	10	-	-
Sub-Total	**1,408**	**2,308**	1,402	2,145	**0.4%**	**7.6%**
ATP 1103 back-in rights (50%) – Bowen Basin*	**768**	**1,660**	687	1,495	11.8%	11.0%
Total	**2,176**	**3,968**	2,089	3,640	**4.2%**	**9.0%**

* 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 (previously designated ATP 364P) 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. Past costs are anticipated to be less than $0.05/GJ.

Development Projects

Project pipeline to augment growth and lower risk profile.

- Macarthur wind farm on track for completion Q3FY13
- Hallett 5 and Oaklands Hill wind farms currently generating and expected to be fully commissioned Q3FY12
- Diamantina power station, approximately 240 MW capacity, expected to be fully operational 2HFY14
- NSW development approval process delays commencement of construction
  - Newcastle Gas Storage Facility – approval expected Q4FY12
  - Dalton – 500MW power station, approval expected Q4FY12

Carbon tax legislation

Introduction of carbon tax expected to be earnings accretive for AGL.

- AGL has invested heavily in preparation for a low carbon environment
  - Generation fleet average emissions intensity 56% below NEM (excluding Loy Yang A)
  - Expanded pipeline of low-emission gas and renewable power development projects
  - Skilled resource base to assist customers – Energy Services
- Preparation underway to manage obligations and implementation

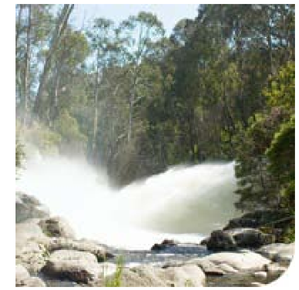
Generation – Carbon Intensity

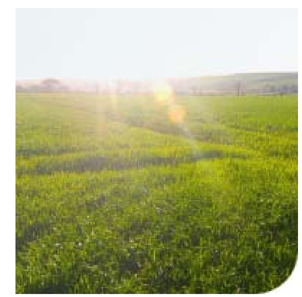
	Capacity (MW)	Output 2010/11 (GWh)	Carbon intensity (tonnes CO2e/MWh)
AGL Total	**3,246**	**4,938**	**0.4**
Industry Average			**0.9**

Summary

First half of FY12 has laid a solid foundation for a strong full year.

- Retail continues to perform well
  - Good growth in margins
  - Strong growth in customer numbers
  - Step improvement in customer service
- Merchant Energy performs very well despite lower wind farm development fees
- Upstream Gas continues to expand reserves
- Balance sheet remains strong
- Conditional agreements signed to acquire remaining 67.5% of Loy Yang A*
- Intention to raise $650 million high equity credit hybrid*



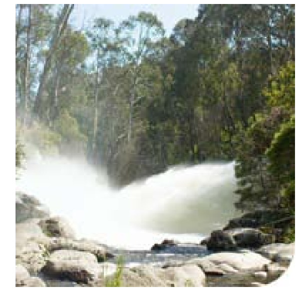


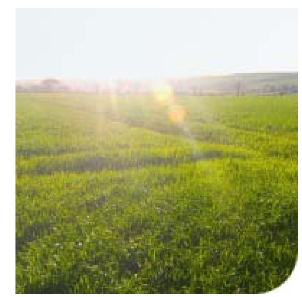
* See separate ASX release dated 24 February 2012

Outlook 2012

Further improvements expected in the second half of FY12.

- Previous guidance of Underlying NPAT for FY12 of $470m to $500m confirmed subject to normal trading conditions
- First half delivers foundation for strong full year result
- Continued growth in Retail contribution
- Growth in NSW electricity customers to continue
- Wholesale Electricity performance expected to materially improve on prior year
- Merchant Energy overall growth expected to be strong





Further Information / Contacts

A range of information on AGL Energy Limited including ASX & Media Releases, Presentations, Financial Results, Annual Reports and Sustainability Reports is available from our website:
www.agl.com.au

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Supplementary Information

Electricity Sales Volume

6 months to GWh	31 Dec 2011	31 Dec 2010	Change
Consumer			
VIC	**2,372**	2,476	(4.2%)
SA	**1,435**	1,647[1]	(12.9%)
NSW	**2,327**	1,859	25.2%
QLD	**1,447**	1,577	(8.2%)
Consumer Total	**7,581**	7,559	0.3%
C & I			
VIC	**2,841**	3,147	(9.7%)
SA	**2,332**	1,731	34.7%
NSW	**2,583**	2,736	(5.6%)
QLD	**1,347**	1,545	(12.8%)
C & I Total	**9,103**	9,159	(0.6%)
Total (excl. ActewAGL)	**16,684**	16,718	**(0.2%)**
Purchased volume ActewAGL	**1,344**	1,575	(14.7%)

1. Includes prior period volume revisions

Gas Sales Volume

6 months to PJ	31 Dec 2011	31 Dec 2010	Change
Consumer			
VIC	**15.5**	17.7	(12.4%)
SA	**1.4**	1.5	(6.7%)
NSW	**13.9**	14.6	(4.8%)
QLD	**1.5**	1.6	(6.3%)
Consumer Total	**32.3**	35.4	(8.8%)
C & I			
VIC	**12.5**	13.6	(8.1%)
SA	**4.5**	4.0	12.5%
NSW	**14.0**	20.5	(31.7%)
QLD	**7.3**	7.2	1.4%
C & I Total	**38.3**	45.3	(15.5%)
Wholesale Customers & Generation[1]	**27.3**	41.1	(33.6%)
Total	**97.9**	121.8	**(19.6%)**

1. Includes volumes sold to TIPS and Yabulu during half year Dec 11 13.9PJ (Dec 10 14.3 PJ), decrease due to loss of NRG Flinders & TRU Energy in 2HFY11

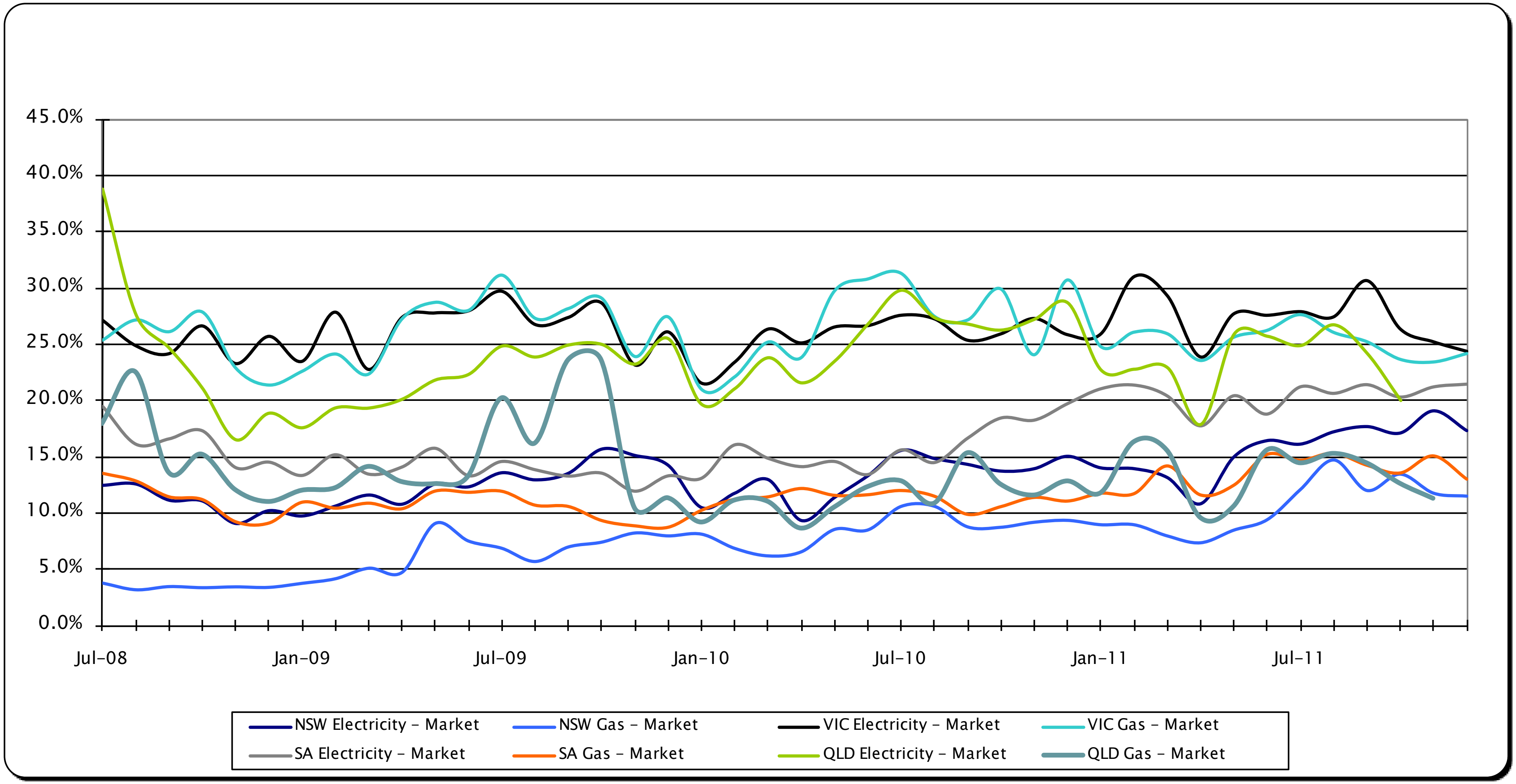
Retail – Consumer Key Indicators

6 months to Electricity	31 Dec 2011	31 Dec 2010	Change
Volume (GWh)	**7,581**	7,559	0.3%
Avg. Consumer Accounts ('000)	**1,951.5**	1,877.0	4.0%
Revenue ($m)	**1,410.2**	1,217.9	15.8%
Gross Margin ($m)	**217.5**	200.0	8.8%
Gross Margin	**15.4%**	16.4%	(1.0ppts)
Gross Margin per customer	**$111.44**	$106.69	4.5%
6 months to Gas			
Volume (PJ)	**32.3**	35.4	(8.8%)
Avg. Consumer Accounts ('000)	**1,370.9**	1,368.2	0.2%
Revenue ($m)	**582.8**	588.8	(1.0%)
Gross Margin ($m)	**117.4**	104.3	12.6%
Gross Margin	**20.1%**	17.7%	2.4 ppts
Gross Margin per customer	**$85.76**	$76.25	12.5%

Customer numbers

Customer Numbers ('000)	31 Dec 2010	30 Jun 2011	31 Dec 2011	Movement
Electricity				
New South Wales	422,681	467,980	**556,982**	89,002
Queensland	361,803	349,770	**354,645**	4,875
South Australia	475,329	467,769	**463,513**	(4,256)
Victoria	645,618	639,238	**637,505**	(1,733)
	1,905,431	1,924,757	**2,012,645**	87,888
Gas				
New South Wales	717,399	718,426	**716,386**	(2,040)
Queensland	75,359	73,976	**73,462**	(514)
South Australia	102,212	103,456	**108,322**	4,866
Victoria	473,934	473,037	**483,346**	10,309
	1,368,904	1,368,985	**1,381,516**	12,531
Total	3,274,335	3,293,742	**3,394,161**	100,419
Dual fuel accounts	1,430,518	1,471,674	**1,551,840**	80,166

Retail – Market Churn



Retail – Cost to Serve

6 months to	31 Dec 2011	31 Dec 2010	Change
Net operating expenditure	**156.7m**	145.9m	7.4%
Net operating cost per customer account	**$47.14**	$44.97	4.8%
Cost to grow/retain	**48.8m**	38.5m	26.8%
Cost to grow per account acquired/retained[1]	**$67.75**	$81.21	(16.6%)
Cost to serve	**107.9m**	107.4m	0.5%
Cost to serve per customer account[2]	**$32.44**	$33.10	(2.0%)

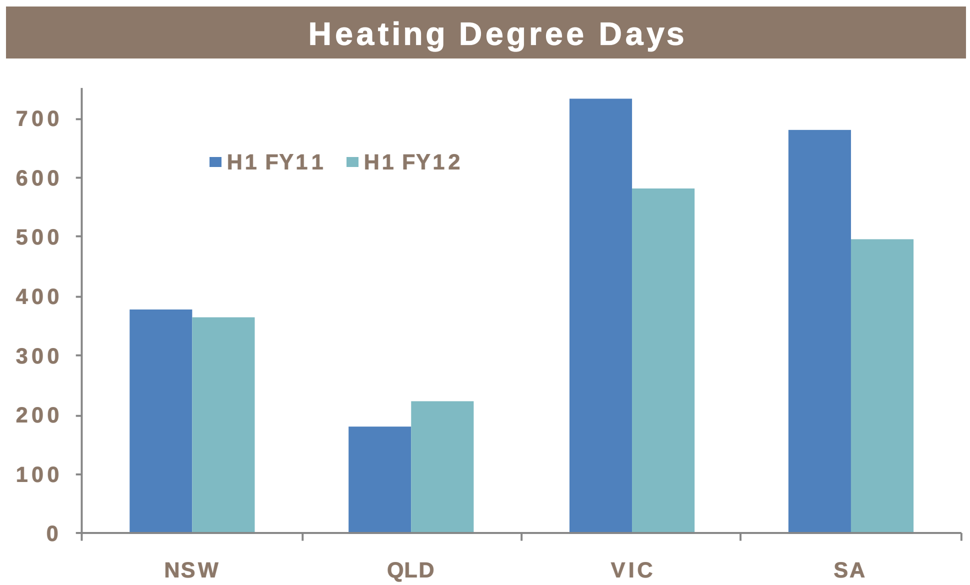
1. Cost to grow per account acquired / retained = costs to win and retain market contracts and transfer customers to AGL divided by contracts acquired plus contracts retained.
2. Cost to serve per customer account = net operating costs less cost to grow divided by average customer accounts.

Retail – Weather

Volume demand characterised by warm winter temperatures.

› Winter months

- » Victoria August 2011 3rd warmest average maximum temperatures on record, July and August 1 - 2°C above average
- » South Australia July and August 2011: 1 - 3°C above average, 4th warmest August since 1950 (July and August 2010: 1 - 3°C below average)
- » Mild weather impacted Consumer gas volumes



Merchant– C & I Key Indicators

6 months to Electricity	31 Dec 2011	31 Dec 2010	Change
Volume (GWh)	**9,103**	9,159	(0.6%)
C & I Accounts ('000)	**19.8**	17.9	10.6%
Revenue ($m)	**939.9**	905.3	3.8%
Gross Margin ($m)	**29.5**	30.9	(4.5%)
$ / MWh	**$3.24**	$3.37	(3.9%)
6 months to Gas			
Volume (PJ)	**38.2**	45.2	(15.5%)
C & I Accounts ('000)	**1.0**	1.0	0.0%
Revenue ($m)	**256.5**	276.1	(7.1%)
Gross Margin ($m)	**20.7**	20.1	3.0%
$ / GJ	**$0.54**	$0.44	22.7%

Merchant – Generation: Wind Farm

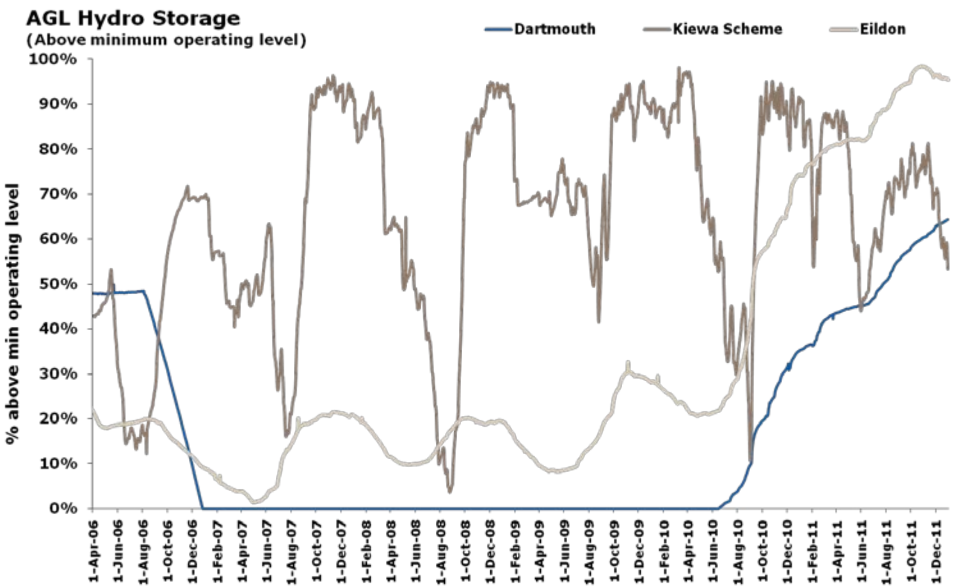
- Hallett 5 and Oaklands Wind Farm commenced operation during FY12 and will be fully commissioned in Q3 FY12
- Availability lower at Hallett 2 due to constraints for noise control. This has been corrected late in December and availability will return to normal levels

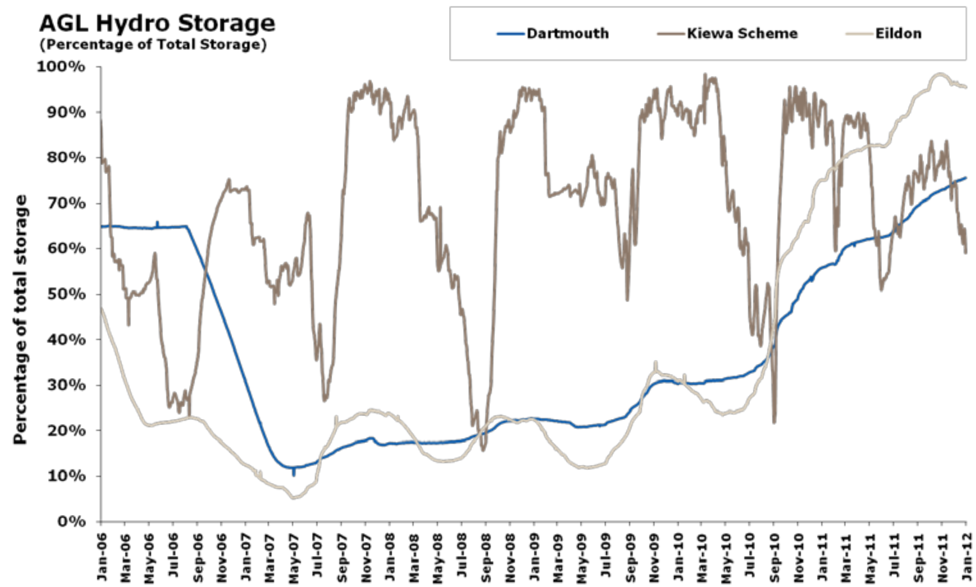
Six months to 31 Dec 2011	Unit	Wattle Point	Hallett 1	Hallett 2	Hallett 4	Hallett 5[3]	Oaklands[3]	Total
Capacity	**MW**	90.8	94.5	71.4	132.3	52.5	67.2	508.7
Availability	**%**	95.5	94.1	90.1	98.0	94.9	81.3	93.2[2]
Generated Energy[1]	**GWh**	102.3	165.3	124.8	233.6	53.6	58.3	737.9
Capacity Factor	**%**	30.9	40.7	40.6	41.0	23.7	20.3	34.6

1. Energy generated at node
2. Total availability is MW weighted
3. Still being commissioned

Merchant – Hydrology

- 52.6% of hydro capacity is linked to drought resistant Kiewa Scheme
- Dartmouth is fully operational with a current capacity of 151MW. Irrigation releases are expected to be minimal and the dam is expected to remain at its current levels over summer
- Eildon has had high inflows in FY12 thus far and the dam is above 95% capacity. Eildon's current capacity is 120MW and releases are expected to continue prior to winter to allow for future inflows



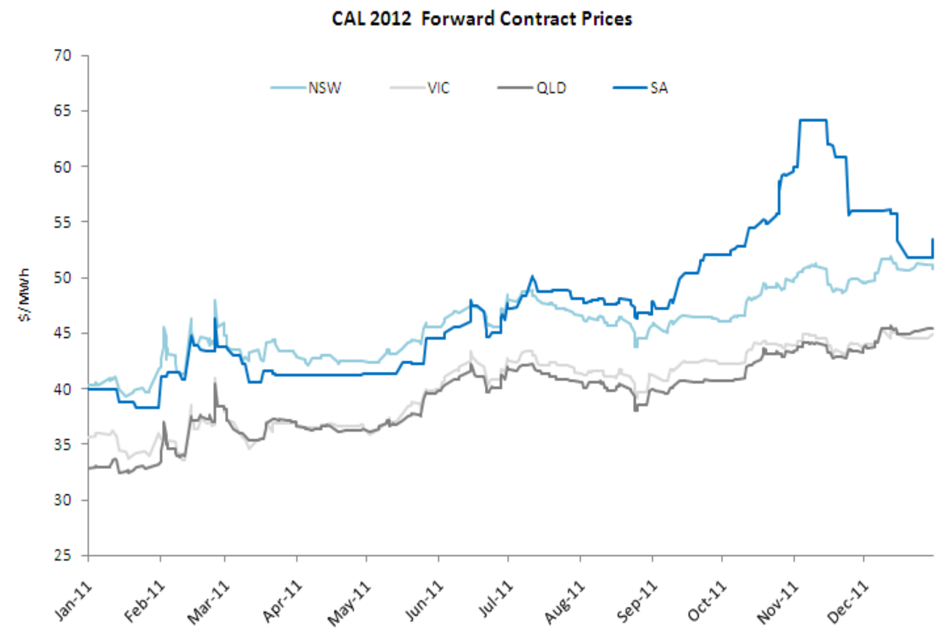


Merchant – Electricity Hedging: Policy

- AGL Risk Management Policy is set by the Board and establishes the requirements for the management of wholesale risk
- Clearly defined and approved commodity and transaction limits
- Counter party credit limit tier allocation
- Market price risk is contained with requirements for hedging based upon physical limits and financial limits:
  - **Physical Limits**: Appropriate hedges to meet minimum fraction of expected energy load
  - **Financial Limits**: Additional limits defined on basis of detailed economic analysis of portfolio dynamics of load, hedge contracts, generation and volatile prices:
    - Earnings at Risk limits are established as the worst outcome expected 1 year in every 10

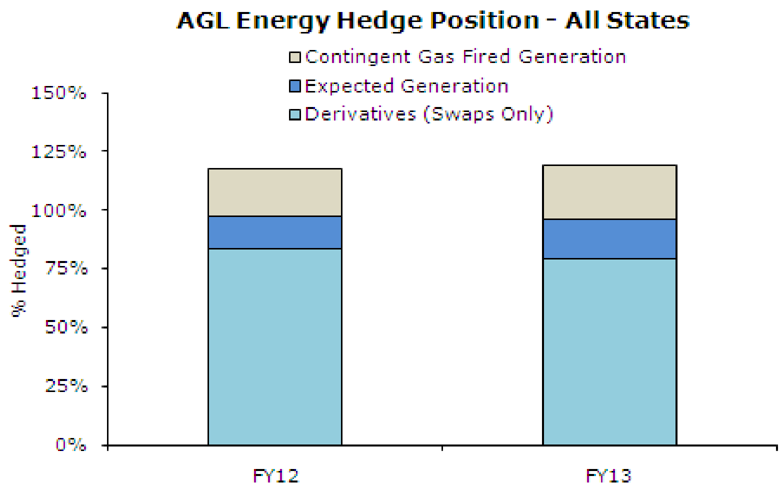
Merchant – Wholesale Electricity Prices

- Forward prices increased in all regions from May 2011 onwards, with most of the uplift seen in Q3 and Q4 Calendar year 2012
- These price increases reflected increased confidence in the Clean Energy Future bills being passed into legislation, taking effect from July 1 2012
- Q1 Calendar year 2012 contract prices also increased toward the end of Calendar year 2011, in part impacted by long-term weather forecasts



Merchant – Electricity Hedging: Position

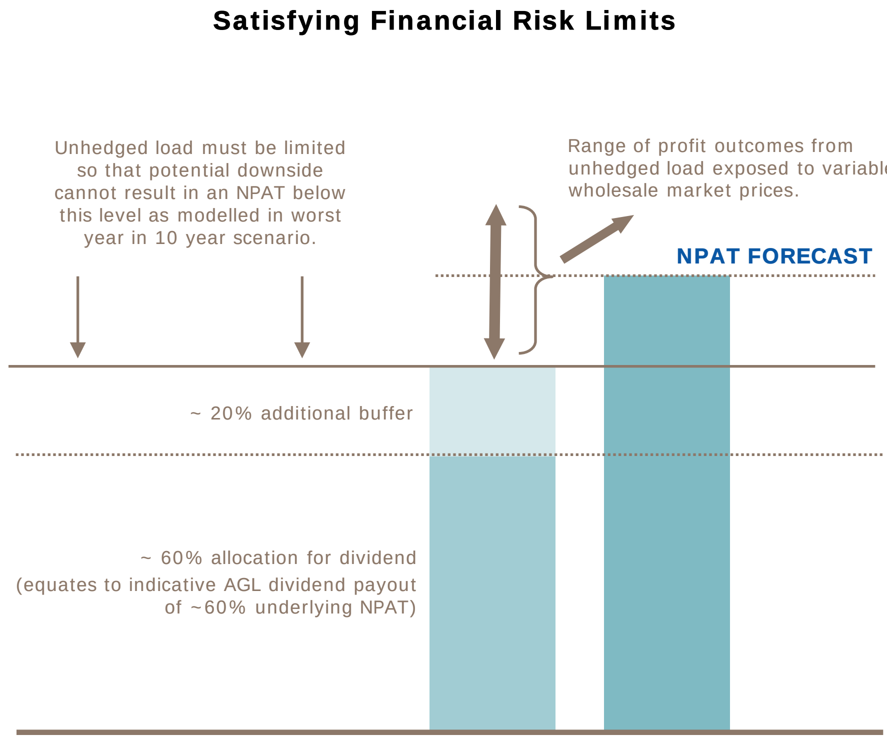
Physical



Key Points

- Positions across all states and time periods have been aggregated
- Reference load is average annual energy (in MWh) for 100% of (C&I contracted load + expected Consumer load)
- Expected Generation represents AGL's internal estimate of the amount of energy likely to be generated based on pool price, fuel cost and hydrology assumptions
- Contingent Gas Fired Generation is the maximum amount of energy that AGL's portfolio could generate if required
- Position does not include AGL's passive investment in Loy Yang A

Financial



Upstream Gas – Key Financial Metrics

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Operating EBITDA	**11.1**	27.6	(59.8%)
D & A	**(10.1)**	(10.3)	(1.9%)
EBIT			
Upstream Gas			
Queensland / South Australia	**4.2**	17.5	(76.0%)
New South Wales	**1.0**	3.1	(67.7%)
Equity Investments	**(0.1)**	(0.1)	-
Sundry	**(4.1)**	(3.2)	28.1%
Operating EBIT	**1.0**	17.3	(94.2%)

Upstream Gas Interests – Permit Details

Basin	Project	Permits		Working Interest
		Exploration (Area km^2)	Production (Area km^2)	
Sydney	Camden Gas Project	PEL 2 (6,708)**r**	-	100%
		PEL 5 (401)**r**	-	100%
		-	PPL 1 (48)	100%
		-	PPL 2 (1)	100%
		-	PPL 4 (55)	100%
		-	PPL 5 (103)	100%
		-	PPL 6 (7)	100%
	Hunter Gas Project	PEL 4 (5,081)	-	100%
		PEL 267 (4,925)**r**	-	100%
Gloucester	Gloucester Gas Project	PEL 285 (1,021)	-	100%
Cooper/Eromanga	Conventional oil and gas	ATP 934P (1,466)**a**	-	20%
	Conventional oil and gas	ATP 1056P (3,917)	-	40%**f**
Galilee	Galilee JV	ATP 529P (5,930)	-	50%**f**

Notes:
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		Working Interest
		Exploration (Area km^2)	Production (Area km^2)	
Surat	Silver Springs (oil and gas)	ATP 471P (703)**r**	-	28.71-100%
		ATP 709P (146)	-	100%
		-	PL 1 (55)	15%
		-	PL 15 (259)	75%
		-	PL 16 (259)	100%
		-	PL 30 (37)	10%
		-	PL 46 (33)**r**	100%
		-	PL 48 (6)**r**	100%
		-	PL 49 (21)**r**	100%
		-	PL 56 (18)**r**	100%
		-	PL 66 (125)	10%
		-	PL 74 (18)**r**	16%
		-	PL 192 (91)	100%
		-	PL 202 (91)	100%
		-	PL 213 (46)	100%
		-	PL 441 (43)	75.252%
Bowen	Moranbah Gas Project	ATP 1103 (4,135)	-	99%**p**
		-	PL 191 (219)	50%
		-	PL 196 (38)	50%
		-	PL 222 (108)**a**	50%
		-	PL 223 (166)	50%
		-	PL 224 (70)	50%
	Spring Gully Project	ATP 592P (1,734)	-	0.75%
		-	PL 195 (256)	0.75%
		-	PL 203 (259)	0.75%
		-	PL 204 (219)	0.0375%
Taranaki (New Zealand)	Conventional oil and gas	PEP 51149 (636)	-	18.575%
		PEP 52181 (172)	-	15%
		PEP 53247 (6)	-	75%

Operating Cash Flow to Statutory Cash Flow Reconciliation

6 months to $m	31 Dec 2011	31 Dec 2010	Movement
Operating EBITDA	**438.9**	416.0	22.9
Equity accounted income (net of dividend received)	**8.0**	2.9	5.1
Accounting for onerous gas contract	**(10.4)**	(10.4)	-
(Increase) / decrease in receivables	**(51.3)**	17.6	(68.9)
Net movement in green assets / liabilities	**15.2**	(88.7)	103.9
(Increase) / decrease in inventories	**(7.5)**	3.6	(11.1)
Increase / (decrease) in creditors	**(155.9)**	(82.1)	(73.8)
(Increase) / decrease in futures margin calls	**19.6**	(19.4)	39.0
Net derivative premiums paid / roll-offs	**(44.5)**	(83.2)	38.7
Net movement in GST recoverable / payable	**(4.4)**	5.4	(9.8)
Other	**(20.5)**	(12.8)	(7.7)
Total working capital movements	**(249.3)**	(259.6)	10.3
Operating cash flow before interest, tax & significant items	**187.2**	148.9	38.3
Net finance costs paid	**(37.8)**	(25.3)	(12.5)
Income tax paid	**(121.6)**	(75.0)	(46.6)
Cash flow relating to significant items	**-**	(22.6)	22.6
Statutory net cash provided by operating activities	**27.8**	26.0	1.8

Energy Investments

6 months to $m	31 Dec 2011	31 Dec 2010	Change
EBIT			
ActewAGL	**17.3**	17.6	(1.7%)
Loy Yang	**(4.9)**	0.4	nm
Investments Other	**-**	2.4	na
Total EBIT	**12.4**	20.4	(39.2%)

Capital Expenditure

6 months to 31 Dec 2011 $m	SIB	Discretionary	Total
Merchant Energy	33.0	174.4	207.4
Upstream Gas	-	81.4	81.4
Retail Energy	-	31.5	31.5
Corporate Other	7.0	2.2	9.2
Total	**40.0**	**289.5**	**329.5**

Capital Expenditure

$m	1H FY12 Actual	2H FY12 Forecast	FY12 Forecast
Macarthur	136.4	240	376.4
Dalton	1.1	40	41.1
Newcastle GSF	3.3	45	48.3
Upstream Gas	78.1	90	168.1
SIB	40.0	60	100.0
Other	70.6	85	155.6
Total	**329.5**	**560**	**889.5**

Balance Sheet

As at $m	31 Dec 2011	30 Jun 2011
Current assets	**2,259.2**	2,730.4
PPE, E&E and oil & gas assets	**3,652.6**	3,400.9
Other non current assets	**3,495.2**	3,564.4
Total Assets	**9,407.0**	9,695.7
Current debt	**-**	886.7
Other current liabilities	**1,294.2**	1,570.4
Non current debt	**1,135.7**	284.5
Other non current liabilities	**577.2**	612.6
Total Liabilities	**3,007.1**	3,354.2
Net Assets	**6,399.9**	6,341.5
Contributed equity	**4,291.4**	4,244.6
Reserves	**(14.8)**	(97.1)
Retained earnings	**2,123.3**	2,194.0
Total Equity	**6,399.9**	6,341.5

Statutory Profit to Underlying Profit Reconciliation

6 months to $m	31-Dec-11	31-Dec-10
Statutory Profit	**117.0**	239.6
Adjust for the following after tax items:		
Significant items	-	16.8
Changes in fair value of financial instruments	**115.9**	(30.2)
Underlying Profit[1]	**232.9**	226.2

1. Underlying Profit is the Statutory Profit adjusted for significant items and changes in fair value of financial instruments. AGL believes that Underlying Profit provides a better understanding of its financial performance and allows for more relevant comparison of financial performance between financial periods

Underlying Profit has been presented with reference to the Australian Securities and Investment Commission Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. AGL's policy for reporting Underlying Profit is consistent with this guidance and the Directors have had the consistency of the application of the policy reviewed by the auditors of AGL.

6 months to $m	31-Dec-11		31-Dec-10	
	Pre-tax	**PAT**	Pre-tax	PAT
Merger and acquisition related costs	-	-	(16.1)	(12.3)
Redundancy, termination and restructuring costs	-	-	(6.5)	(4.5)
Total significant items	-	-	(22.6)	(16.8)

Fair Value Reconciliation

As at $m	Net Assets (Liabilities) 31 Dec 2011	30 Jun 2011	Change
Electricity derivative contracts	**(11.1)**	(89.7)	78.6
Interest rate swap & foreign currency derivative contracts	**(117.7)**	(148.5)	30.8
Total net liabilities for derivative contracts	**(128.8)**	(238.2)	109.4
Change in derivative net liability	**109.4**		
Premiums paid	**(110.2)**		
Equity accounted fair value	**4.2**		
Premium roll off	**65.7**		
Total change in fair value	**69.1**		
Recognised in equity hedge reserve	**179.9**		
Recognised in borrowings	**56.6**		
Recognised in profit and loss	**(167.4)**		
Total change in fair value	**69.1**		

Loy Yang A: Financial Performance

6 months to $m	31 Dec 2011	31 Dec 2010	Change
Generation Volume (GWh)	**7,479**	7,677	(2.6%)
Average Price ($/MWh)[1]	**$35.57**	$36.60	(2.8%)
Generation revenue	**266.0**	281.0	(5.3%)
Other revenue	**47.3**	41.8	13.2%
Expenses	**(148.7)**	(146.6)	1.4%
Depreciation	**(62.9)**	(59.1)	6.4%
Borrowing costs	**(134.5)**	(132.2)	1.7%
Loss after tax before fair value changes	**(32.8)**	(15.1)	117.2%
AGL share of Loss after tax before fair value	**(10.7)**	(4.9)	118.4%
Interest on loan note	**5.8**	5.3	9.4%
Operating EBIT	**(4.9)**	0.4	nm

1. Weighted average price based on Generation Revenue and Generation Volume.

AGL