175 YEARS SUPPORTING THE COMMUNITY

AGL

2012 Full Year Results

12 Months to 30 June 2012

Michael Fraser, Managing Director and CEO
Stephen Mikkelsen, Chief Financial Officer | 22 August 2012

Disclaimer & Important Information

The information in this presentation:

- Is not an offer or recommendation to purchase or subscribe for securities in AGL Energy Limited or to retain any securities currently held.
- Does not take into account the potential and current individual investment objectives or the financial situation of investors.
- Was prepared with due care and attention and is current at the date of the presentation.

Actual results may materially vary from any forecasts (where applicable) in this presentation.

Before making or varying any investment in securities in AGL Energy Limited, all investors should consider the appropriateness of that investment in light of their individual investment objectives and financial situation and should seek their own independent professional advice.

Statutory Profit and Underlying Profit

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

Underlying Profit is the Statutory Profit adjusted for significant items and changes in fair value of financial instruments.

Underlying Profit has been presented with reference to the Australian Securities and Investment Commission Regulatory Guide 230 "Disclosing non-IFRS financial information" issued in December 2011. AGL's policy for reporting Underlying Profit is consistent with this guidance and the Directors have had the consistency of the application of the policy reviewed by the external auditors of AGL. For more information refer to slide 7 and the Appendix 4E.

Segmental Earnings Reclassification

As previously advised in its market release on 10 January 2012, AGL Energy Limited amended the basis for segmental analysis reporting. There has been no change to the aggregate reported profit in any prior periods, only movements between business units.

Agenda

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

IMPORTANT NOTE:

This presentation should be read in conjunction with the AGL Energy Limited ASX Appendix 4E and the Consolidated Financial Statements for the 12 months ended 30 June 2012.

FY12 Highlights

Loy Yang acquisition strengthens platform.

- Statutory Profit down due to significant items and fair value adjustments
- Strong Underlying Profit growth driven by Merchant and Retail performance
  - Underlying Profit of $482 million in line with guidance
- Acquisition of Loy Yang A completed June 2012
  - Funded by $900 million equity and $650 million subordinated notes issue
- 180,000 net growth in customer numbers across all markets
  - Net growth in New South Wales electricity customers of 152,000
- Sale of Hallett 5 wind farm completed May 2012
- Won rights to Federal/State funding for 159 MW Solar Flagships project
- Final development approval for Newcastle gas storage facility

FY12 Results

Strong improvement in Underlying Profit.

FINANCIAL

Revenue:	$7,455.6m	↑ 5.4%
Statutory Profit:	$114.9m	↓ 79.4%
Underlying Profit:	$482.0m	↑ 11.8%
Statutory EPS:	23.8 cps	↓ 79.9%
Underlying EPS:	100.0 cps	↑ 9.4[1] %
DPS: (final dividend 32.0 cents - 100% franked)	61.0 cps (FY11: 60.0 cps)	↑ 1.0 cps
Operating EBITDA / Net Interest:	17.7x (FY11: 21.5x)	↓ 3.8x
Gearing (Net Debt/Net Debt + Equity)	26.1% (FY11: 6.9%)	↑ 19.2%
Statutory operating cash flow after tax	$466.5m	↓ $102.8m
Underlying operating cash flow before interest and tax	$750.7m	↑ $35.4m

HIGHLIGHTS

- Lower Statutory Profit includes significant item for Loy Yang A acquisition and non-cash movement in fair value of financial instruments
- Improved Underlying Profit reflects strong Merchant and Retail results
- Higher leverage post Loy Yang A acquisition consistent with strong investment grade credit rating
- Statutory cash flow after tax reflects absence of tax refund in 2011 ($72.4 million) and resumption of normal tax payments
- Increased electricity transmission and distribution pass-through charges continue to be primary driver of revenue growth

1. FY11 EPS adjusted to reflect the bonus element of 1 for 6 rights issues

Group Financials

Stephen Mikkelsen
Chief Financial Officer

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Statutory Profit to Underlying Profit Reconciliation

Underlying Profit reflects improved operational performance.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Statutory Profit	**114.9**	558.7	↓ 79.4%
Adjust for the following after tax items:			
Significant items	**155.1**	27.3	
Changes in fair value of financial instruments	**212.0**	(154.9)	
Underlying Profit	**482.0**	431.1	↑ 11.8%

- Significant items of $155.1 million primarily relate to AGL's acquisition of Loy Yang A
  - Unrelated to the underlying performance of the business
- Changes in the fair value of financial instruments were $212.0 million arising from an accounting standard requirement to value certain components of AGL's derivative portfolio differently to the value of the underlying asset to AGL's business. This is a non-cash accounting entry
- AGL believes Underlying Profit provides a better understanding of its financial performance because it:
  - removes significant items that are material items of revenue or expense that are unrelated to the underlying performance of the business thereby facilitating a more representative comparison of financial performance between financial periods
  - removes changes in the fair value of financial instruments recognised in the income statement to remove the volatility caused by mismatches in valuing derivatives and the underlying asset

Significant items

Loy Yang A acquisition largest component.

12 months to 30 Jun 2012 $m	Pre Tax	Tax	After Tax
Loy Yang acquisition	(175.9)	1.6	(174.3)
Impairment of non-current assets	(35.8)	9.2	(26.6)
Tax items	-	45.8	45.8
Total significant items	**(211.7)**	**56.6**	**(155.1)**

- Loy Yang A acquisition was completed on 29 June 2012
  - Pre-existing equity interest in Loy Yang A revalued resulting in $120.7 million loss
  - Release of the Hedge Reserve recycled to income statement – $36.3 million loss
  - Restructuring cost of $3.5 million relate to Loy Yang A integration costs and employee redundancies
  - Other acquisition related costs of $15.4 million (assumes no stamp duty payable on transaction)
- Carrying value of AGL's Upstream Gas exploration assets
  - ATP 1056P (Cooper Basin) - $21.8 million impairment for unsuccessful wells
  - Geothermal exploration - $14.0 million impairment
- Tax items
  - Tax credit associated with the expanded scope of the Petroleum Resource Rent Tax – $53.4 million
  - Change to the tax treatment for liabilities under various green product schemes – ($7.6 million)

Prior period adjustment to retained earnings

Granular review post SAP implementation has increased liability.

- One-off, non-cash increase in distribution cost liability of $114.1 million
- Accounting standards require an adjustment to FY12 opening retained earnings of $79.9 million net of tax
- Conversion of business customers in FY12 onto SAP allowed granular analysis across full customer base and adoption of more rigorous liability estimation
- Estimated period-end distribution cost liability historically understated
  - Previous methodology consistently applied for many years since original acquisition of retail businesses
  - Impracticable to allocate increased liabilities to particular acquisition balances or other prior periods

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

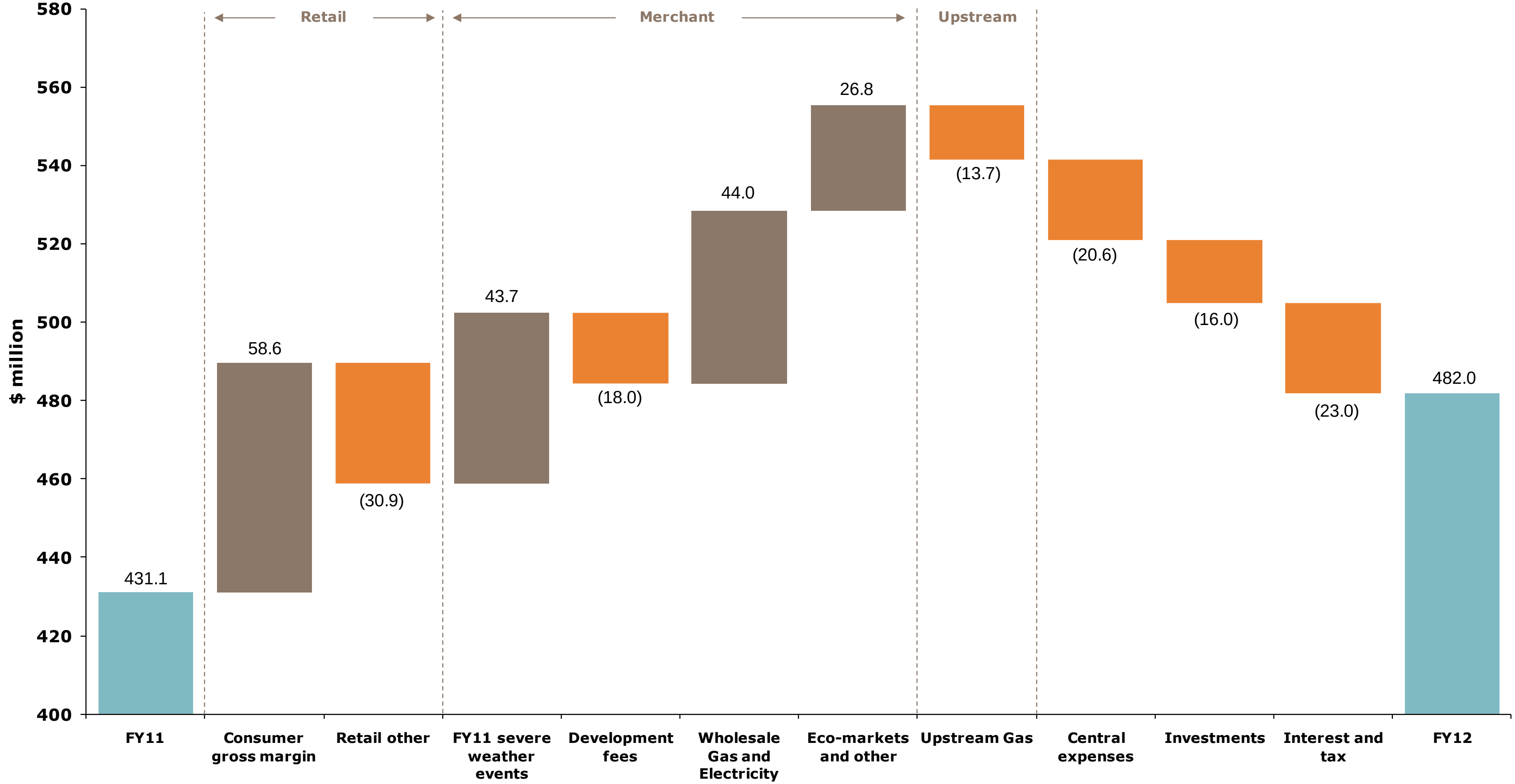
Strong customer growth contributes to improvement in Retail Energy.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Revenue	**7,455.6**	7,072.5	5.4%
Operating EBITDA	**904.3**	804.5	12.4%
Operating EBIT			
Retail	**332.8**	305.1	9.1%
Merchant	**549.7**	453.2	21.3%
Upstream Gas	**0.6**	14.3	(95.8%)
Energy Investments	**24.5**	40.5	(39.5%)
Centrally managed expenses	**(177.2)**	(156.6)	13.2%
Total operating EBIT	**730.4**	656.5	11.3%
Less: Net finance costs	**(51.2)**	(37.4)	36.9%
Underlying Profit before tax	**679.2**	619.1	9.7%
Less: Income tax expense	**(197.2)**	(188.0)	4.9%
Underlying Profit	**482.0**	431.1	11.8%

AGL

Group Underlying Profit

Growth driven by Retail and improved Merchant portfolio performance.



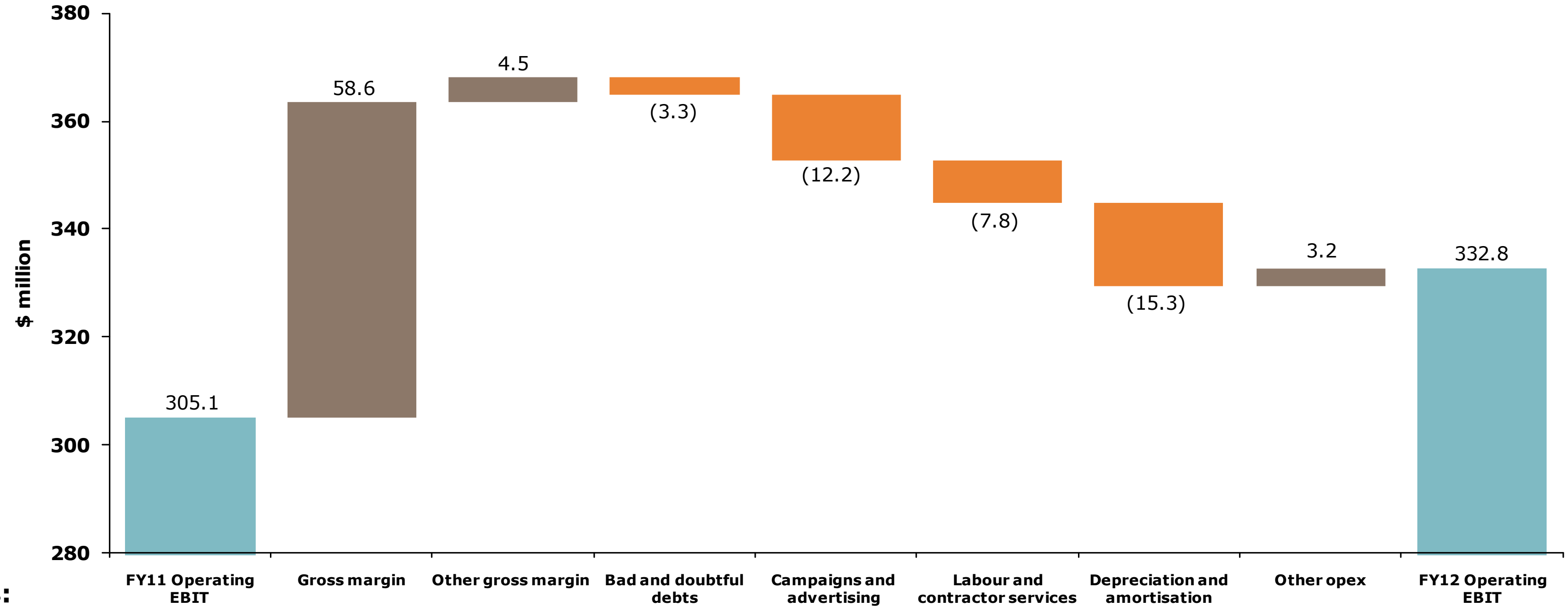
Retail – Key financial metrics

Customer growth and higher margin per customer drive strong performance.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Electricity revenue	**3,009.7**	2,479.3	21.4%
Gas revenue	**1,118.0**	1,111.8	0.6%
Other revenue (fees & charges)	**77.5**	73.0	6.2%
Total Revenue	**4,205.2**	3,664.1	14.8%
Cost of sales	**(3,473.2)**	(2,995.2)	16.0%
Gross margin	**732.0**	668.9	9.4%
Operating costs (excl. D&A)	**(340.1)**	(320.0)	6.3%
Operating EBITDA	**391.9**	348.9	12.3%
Depreciation and amortisation	**(59.1)**	(43.8)	34.9%
Operating EBIT	**332.8**	305.1	9.1%
Operating EBIT / Sales (%)	**7.9%**	8.3%	(0.4 ppts)

Retail – Operating EBIT drivers

Gross margin improvements driven by customer growth and tariffs.



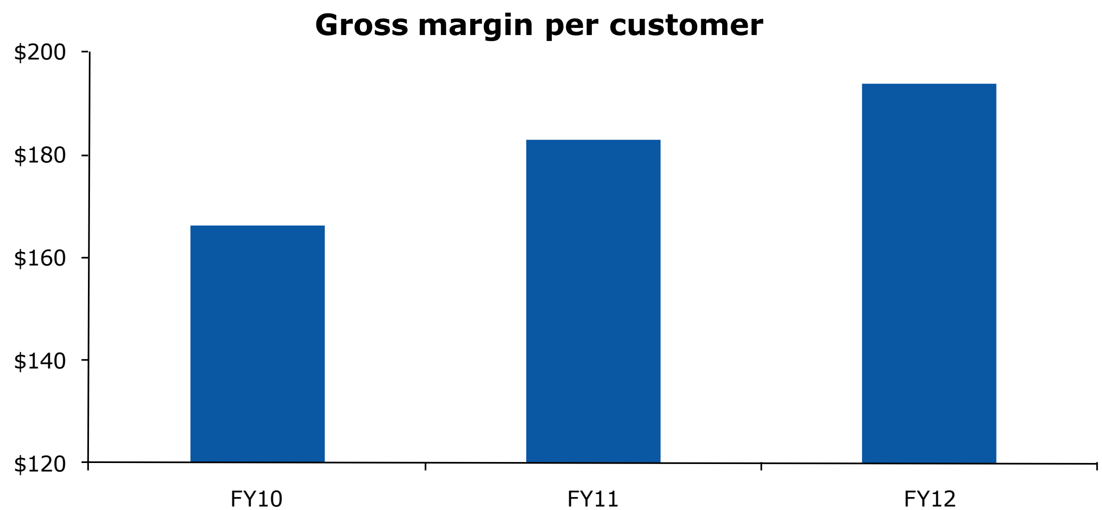
Key drivers:

- Gross margin higher due to customer growth and tariff outcomes, partly offset by lower average volumes
- Other gross margin higher due to fees relating to reconnection, disconnection and special meter readings
- Campaigns and advertising higher than prior year due to dedicated TV and press advertising in FY12, targeted retention offers and higher acquisition costs due to increased market competition
- Labour and contractor services higher than prior year driven by higher disconnection and re-connection activities (offset in other gross margin), and higher off-shore operations contractor charges
- Amortisation costs higher in FY12 due to New South Wales customer acquisition costs being amortised from January 2011

Retail – Key operating metrics

Continued growth in gross margin per customer.

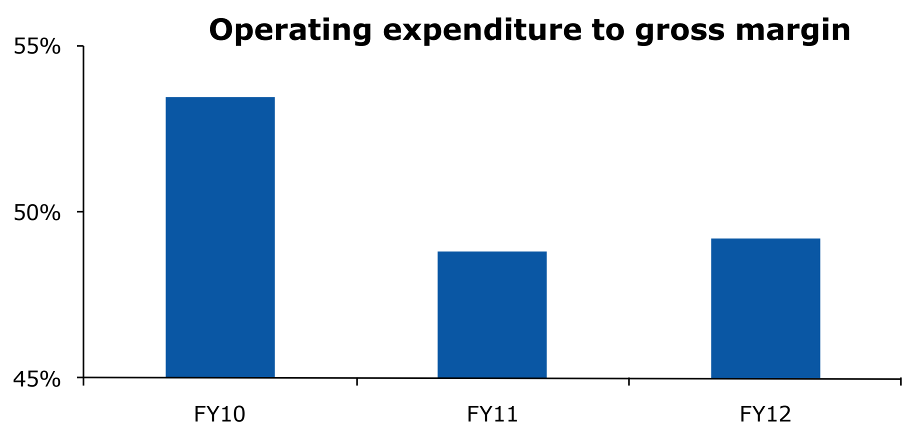
12 months to	30 Jun 2012	30 Jun 2011	Change
Consumer gross margin ($m)	**654.5**	595.9	9.8%
Avg customer numbers ('000)	**3,373.2**	3,254.2	3.7%
Gross margin per customer	**$194.03**	$183.12	6.0%

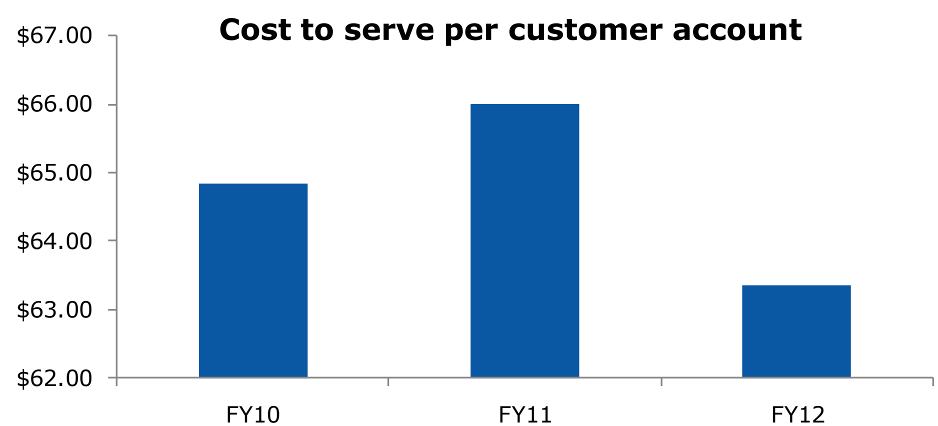


Retail – Key operating metrics

NSW customer amortisation costs increases opex to gross margin ratio slightly.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Operating costs	**340.1**	320.0	6.3%
Depreciation and amortisation	**59.1**	43.8	34.9%
Less fees and charges	**(77.5)**	(73.0)	6.2%
Net operating costs	**321.7**	**290.8**	**10.6%**
Gross margin	**732.0**	668.9	9.4%
Less fees and charges	**(77.5)**	(73.0)	6.2%
Gross margin excluding fees and charges	**654.5**	**595.9**	**9.8%**
Operating expenditure to gross margin ratio	**49.2%**	48.8%	(0.4 ppts)





Merchant – Key financial metrics

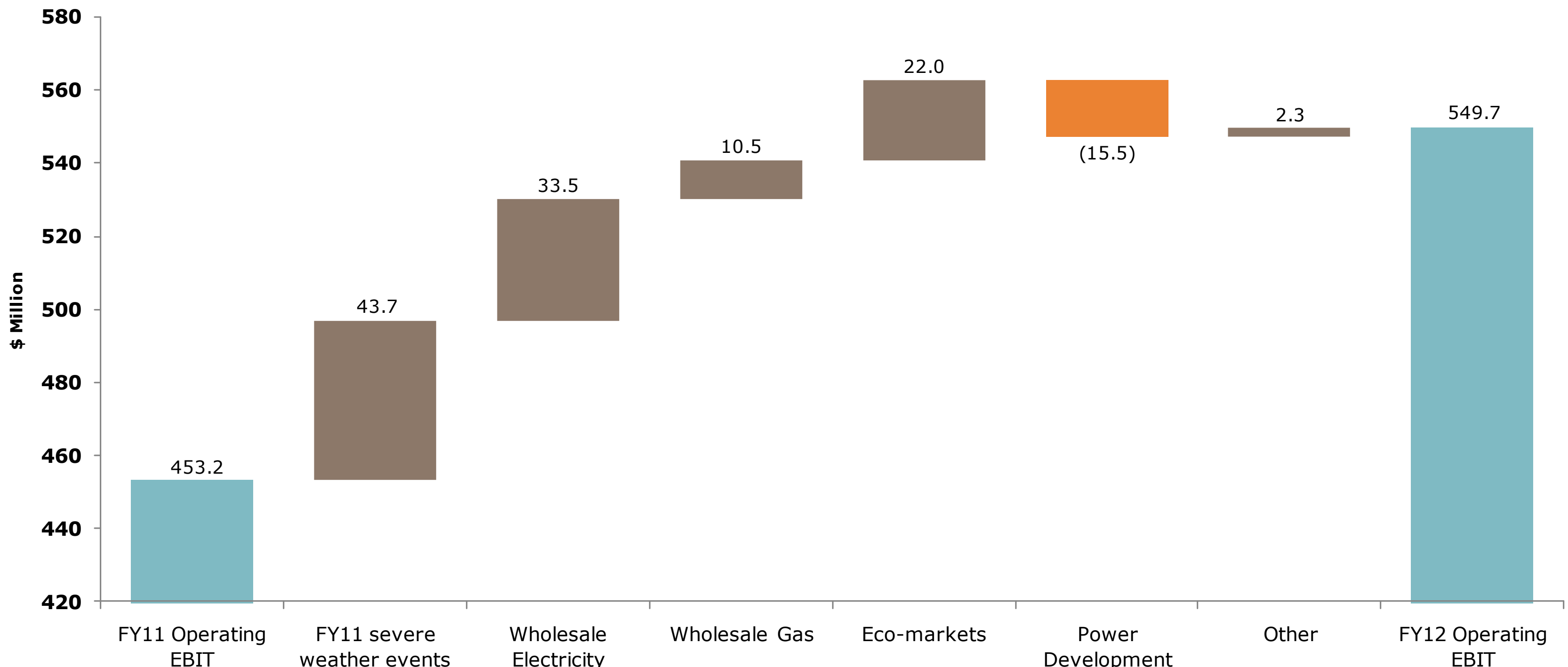
Operating EBIT improvement of 21.3% over prior year.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Operating EBITDA	**628.5**	522.3	20.3%
Depreciation and amortisation	**(78.8)**	(69.1)	14.0%
EBIT			
Energy Portfolio Management (EPM)			
Wholesale Electricity Gross Margin	**381.5**	304.3	25.4%
Wholesale Gas Gross Margin	**114.8**	104.3	10.1%
Eco-markets Gross Margin	**66.4**	44.4	49.5%
EPM Operating Expenses (including D&A)	**(22.3)**	(24.3)	(8.2%)
Merchant Operations	**(118.8)**	(114.7)	3.6%
Business Customers			
Electricity Gross Margin	**57.2**	61.0	(6.2%)
Gas Gross Margin	**51.1**	40.6	25.9%
C&I Operations and Sales & Customer Service	**(36.4)**	(30.8)	18.2%
Energy Services	**22.2**	19.6	13.3%
Power Development[1]	**40.8**	56.3	(27.5%)
Sundry	**(6.8)**	(7.5)	(9.3%)
Operating EBIT	**549.7**	453.2	21.3%

1. Includes development fees of $43.0m (Jun 11: $61.0m)

Merchant – Operating EBIT drivers

No recurrence of severe weather events.



Key Drivers:

- No repeat of the FY11 severe weather events affecting Queensland, New South Wales and South Australia
- Wholesale electricity – effective portfolio management, including benefit from depressed pool prices and absence of carbon hedge costs from FY11 ($22.4m)
- Wholesale gas – continuing solid performance from flexible gas portfolio in depressed gas market
- Eco-Markets – increased renewable generation and effective portfolio management of green certificates
- Power Development – lower development fees in FY12 ($18m)

Upstream Gas – Key financial metrics

Lower gas storage income.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Operating EBITDA	**20.6**	35.8	(42.5%)
Depreciation and amortisation	**(20.0)**	(21.5)	(7.0%)
Operating EBIT			
Upstream Gas			
Queensland / South Australia	**5.7**	16.2	(64.8%)
New South Wales	**1.5**	4.2	(64.3%)
Equity Investments	**(0.1)**	(0.4)	(75.0%)
Sundry	**(6.5)**	(5.7)	14.0%
Operating EBIT	**0.6**	14.3	(95.8%)

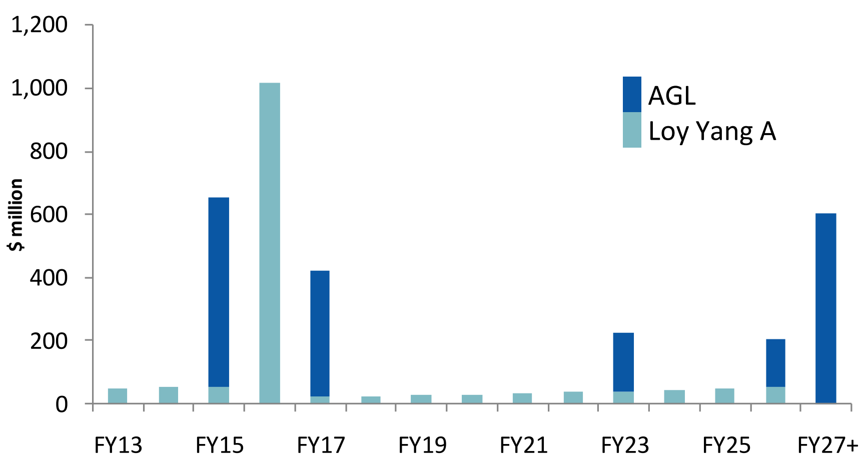
- Operating EBIT contribution from Queensland / South Australia lower primarily due to higher revenue received in FY11 associated with development of the underground gas storage facility. In addition, Moranbah production was adversely affected by water management constraints and slower than expected field development.
- New South Wales lower Operating EBIT was driven by higher operating expenses from well workover activity and water disposal costs.

Debt structure

$1.2 billion of Loy Yang A debt restructured.

- $650 million Hybrid issued April 2012
- $900 million equity raising completed June 2012
- Loy Yang A debt restructured August 2012:
  - $978 million Senior debt repaid
  - $234 million Junior debt cancelled
- No major debt maturity until July 2014

AGL Debt Maturity Profile[1]



Facilities at 30 June 2012	Limit $m	Usage $m
Current		
Loy Yang A Senior Debt	614.5	614.5
Non Current		
AGL – Term A	600.0	600.0
AGL – Term B	400.0	150.0
AGL – US Senior Notes	337.8	337.8
Export Credit Agency Facility	200.0	150.0
Hybrid Subordinated Notes	650.0	650.0
Loy Yang A Senior Debt	1,835.8	1,835.8
Total Debt	4,638.1	4,338.1
Less: Cash		1,812.9
Net Debt		2,525.2

1. Post repayment of Loy Yang A debt on 13 August 2012

Financial ratios

Committed to investment grade credit rating.

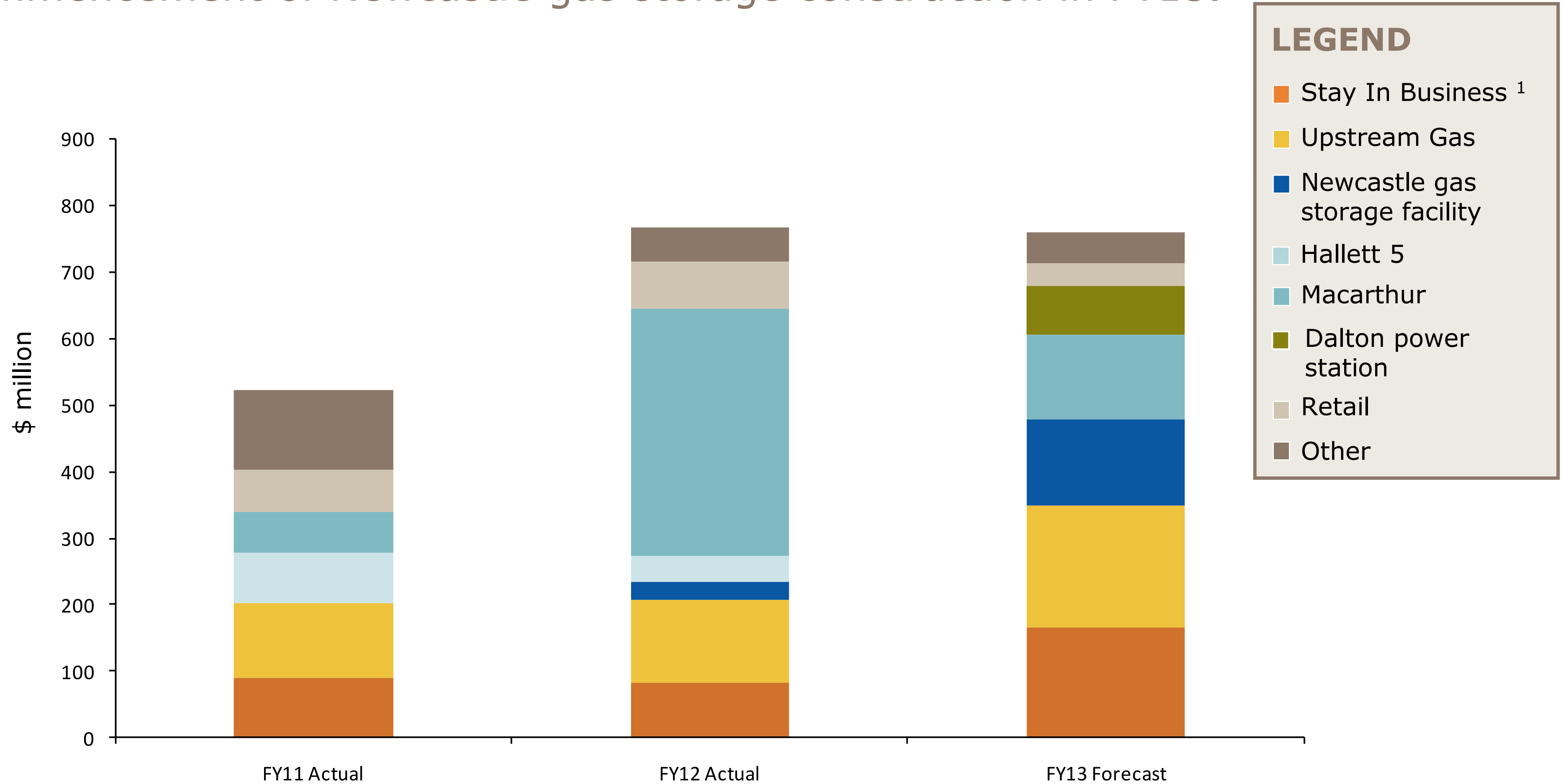
- Stable outlook following completion of capital raising in June 2012
- Current credit rating - BBB outlook Stable
- Prudently raised $1.55 billion of capital to fund acquisition and restructure debt
  - Maintaining disciplined approach to future capital expenditure and acquisitions

	30 Jun 2012	30 Jun 2011
FFO / Interest cover (times)[1]	**9.1**	12.2
FFO / Interest cover S&P Adjusted (times)[2]	**5.5**	7.9
Net Debt ($m)	**2,525.2**	471.4
Net Debt / (Net Debt + Equity)	**26.1%**	6.9%
EBITDA / Net Interest (times)	**17.7**	21.5

1. Adjustments as applied by Standard & Poor’s excluding the notional adjustment for Operating Lease Agreements and wind-farm off-take agreements
2. Adjustments as applied by Standard & Poor’s

Capital expenditure

Commencement of Newcastle gas storage construction in FY13.



1. FY13 SIB capex includes Loy Yang A

Underlying operating cash flow

Cash flow up on prior year despite increased working capital requirement.

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Statutory net cash provided by operating activities	**466.5**	**569.3**	
Cash flow relating to significant items	56.5	41.9	
Increase / (decrease) in futures margin calls	(29.8)	(30.0)	
Increase / (decrease) in net green position	(20.0)	94.1	
Underlying operating cash flow	**473.2**	**675.3**	↓ 202.1m
Net finance costs paid	96.7	39.3	
Income tax paid	180.8	0.7	
Underlying operating cash flow before interest and tax [1]	**750.7**	**715.3**	↑ 35.4m

1. Operating cashflow does not include $240.1 million of carbon transitional assistance received by GEAC in June 2012 just prior to acquisition. As this cash has been provided to partially offset the cost of carbon in FY13, an adjustment will be shown to include it in next years underlying cash flow.

Operational Review

Michael Fraser
Managing Director & CEO

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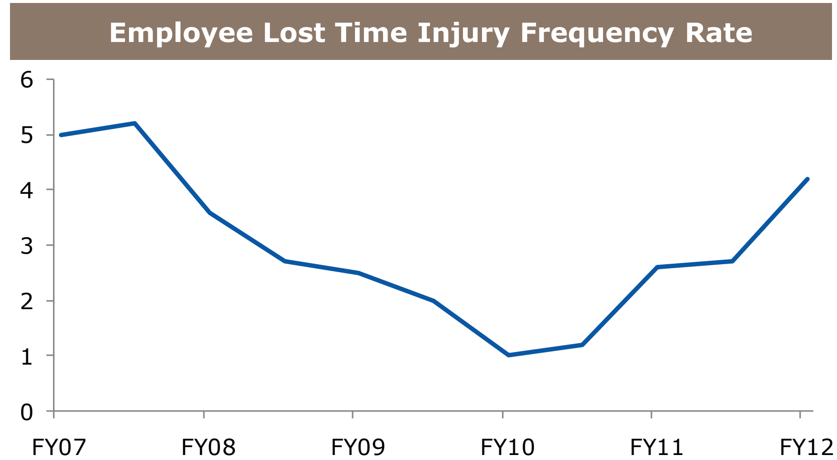
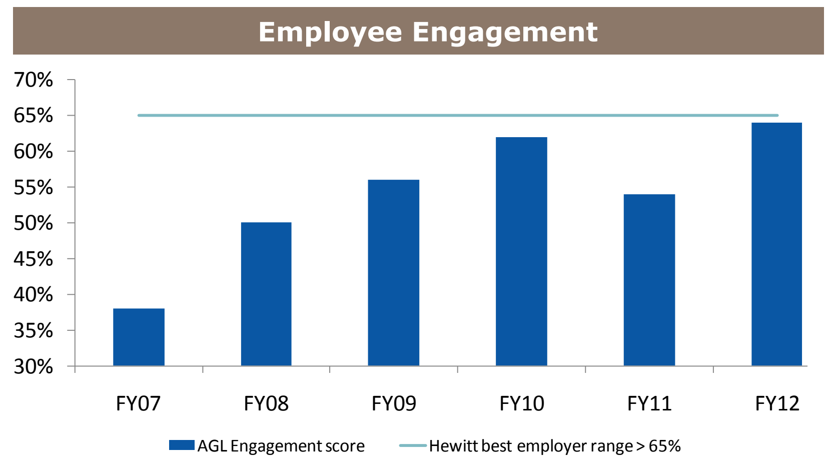
People & Safety

Improved employee engagement and continuing focus to address safety.

- Key safety statistics
  - Employee LTIFR 4.2 and TIFR 6.6
  - Contractor LTIFR 1.63
  - High potential near miss incidents reduced by 20%
  - Injury severity rate reduced by 50%, from 35 to 17.5 days lost per lost time injury
- Employee engagement and development
  - Significant improvement in employee engagement by 10 percentage points, from 54% to 64%
  - Customer Contact Centres have seen rate of employee turnover decline by 45% since 2009
  - 2012 Employer Choice for Women citation





Customer growth – 180,224 new customers in FY12

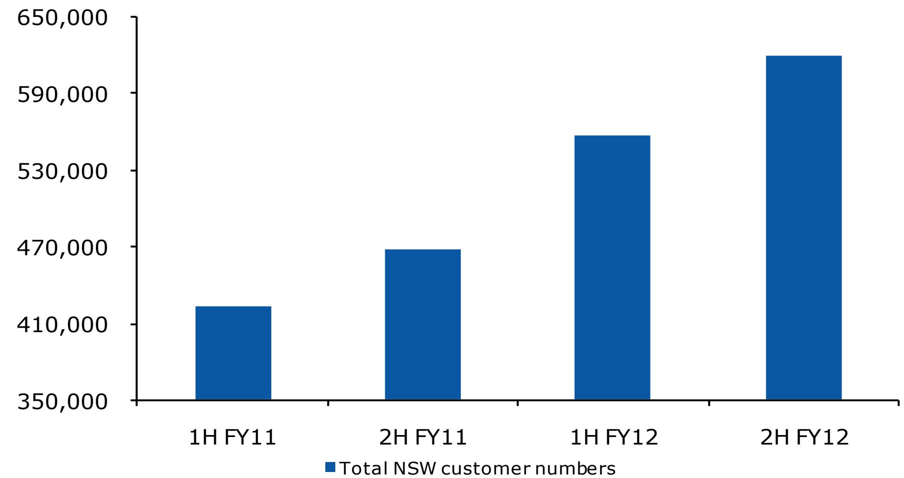
AGL outperforms market.

- Net customer growth of 180,224
  - Growth in all four States
  - Dual fuel customers up 151,038

New South Wales

- NSW electricity up 151,940 (FY11 +87,000)
- Net growth of ~200,000 since 1 January 2011
- Continued strong growth in NSW small/medium enterprise customers (FY12 ~17,500)
- AGL NSW electricity churn improves by 4.7ppts versus market
- Average cost to acquire increased from $163 to $192 in NSW
- Capitalised cash outlay in FY12 was $41.4 million
- Good start to FY13 customer growth

Total NSW electricity customer numbers



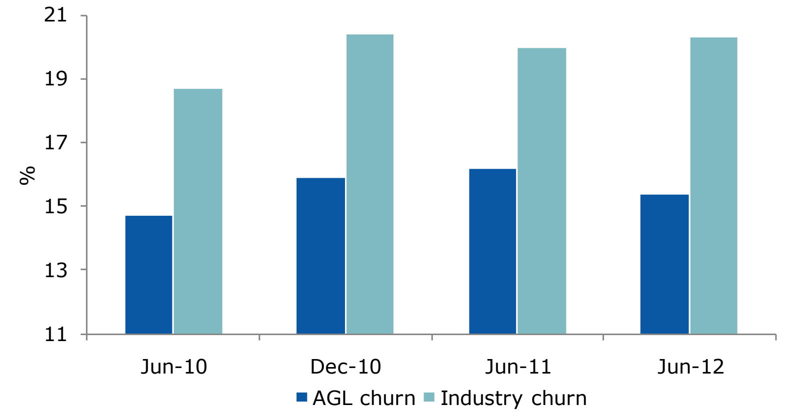
NSW Electricity Churn Rate	FY11	FY12	
AGL	17.0%	15.6%	↓1.4%
Market	14.1%	17.4%	↑ 3.3%

AGL continues to lead Australia's retail energy markets

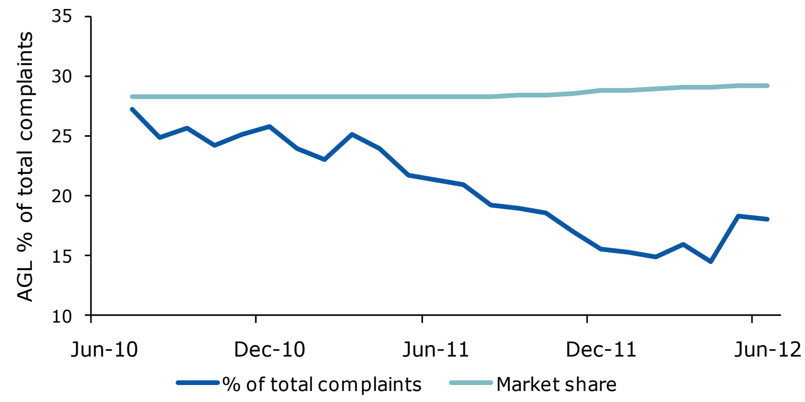
Continued emphasis on customer engagement delivers positive outcomes.

- Transformation of customer service operating model
  - Improvement in all satisfaction measures
  - Improvement in First Call resolution, Average Speed of Answer and Handle Time
  - Simplified transactions and improved experience
- Share of Ombudsman complaints significantly below market share
- AGL widens gap in national churn from 3.8 ppts to 4.9 ppts below industry average (15.4% vs. 20.3%)
- Coles flybuys partnership to reward customer loyalty. Registrations already reach 200,000
- AGL Energy Online customer registrations now over 300,000
- Paperless billing now over 300,000 accounts

AGL churn much lower than industry



Share of Ombudsman complaints below market share



Regulatory pricing

Queensland regulatory decision is unsustainable.

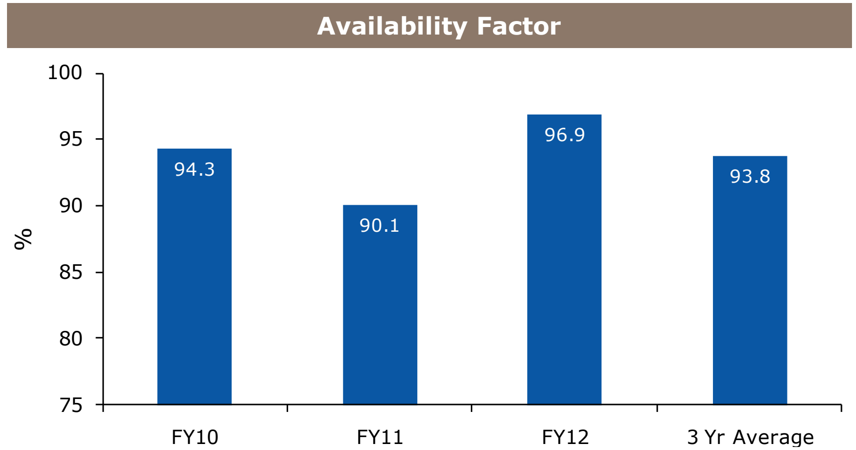
- QCA 2012 Determination has created unsustainable precedent
  - Using short-run prices only is incompatible with long-term sustainable industry and market participant's cost structure
  - Estimated AGL gross margin impact[1] of ~$50 million p.a.
  - Sends a clear signal not to invest in thermal generation[2] in Queensland
  - Expected to reduce retail competition and customer choice
  - Queensland Government now reviewing 2013/14 methodology
- NSW Regulatory Pricing
  - Currently incorporates LRMC floor which supports competition and investment
  - Currently supports stable retail price outlook over next three years subject to network/transmission charges
- ESCOSA Determination for 2012-14 subject to 'Special Review'
  - Currently incorporates LRMC floor which supports competition and investment
  - Supports stable retail price outlook over next three year subject to network/transmission charges
  - Any change in methodology would apply mid-year, 1 January 2013

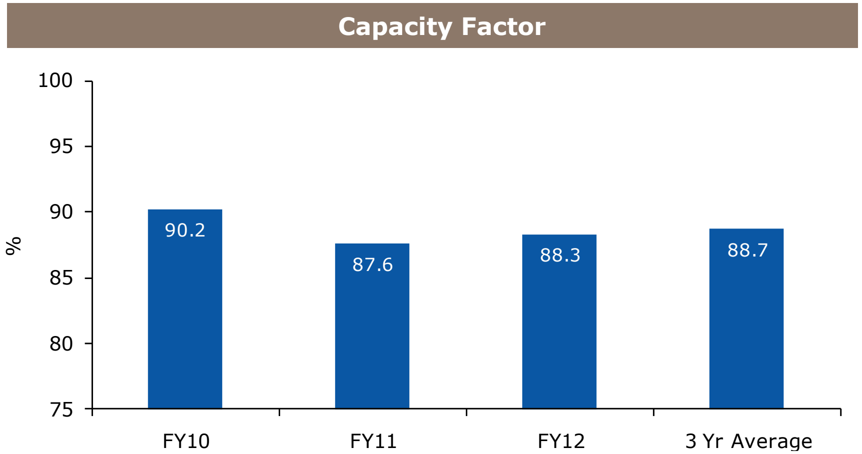
1. Assuming constant volumes
2. Connected to the National Electricity Market

Loy Yang A

Integration of Loy Yang A is progressing well.

- Acquisition successfully completed on 29 June 2012
  - 2,210 MW Loy Yang A power station
  - Adjacent coal mine with ~2.5 billion tonnes of coal reserves
- Transition team overseeing integration process
  - Power station and mine operations, electricity dispatch and marketing functions integrated into Merchant Energy effective 29 June
  - Ongoing integration of all remaining functions
- Will be reported within Merchant Energy
- Strong FY12 operational performance
  - Availability factor of 96.9%
  - Capacity factor of 88.3%
  - Mine supplied 30.2 million tonnes of coal to Loy Yang A and Loy Yang B





Carbon

Uncertainty surrounds ongoing operation of Clean Energy Act 2011.

- Clean Energy Act 2011 (carbon pricing scheme) is expected to impact AGL in FY13 as follows:
  - Direct emissions liability of approximately $650 million
  - Total cost uplift of approximately $1 billion
- To prepare for commencement of a carbon price on 1 July 2012, AGL has:
  - Invested heavily in renewable energy generation – hydro and wind farms
  - Undertaken a technical and legal assessment of contracts and energy supply chain impacts
  - Implemented new systems functionality and compliance procedures
  - Amended tariffs for both electricity and gas supplies to reflect carbon uplift
  - Capitalised on existing strategies and programs, including Energy Services and Smarter Living Centres
- Earnings accretive impact expected for AGL in FY13 primarily reflecting investment in renewable energy generation and transitional carbon assistance to Loy Yang A
- Contracting in both wholesale and retail markets continues to be impacted by legislative uncertainty

Macarthur wind farm

Completion expected early 2013.

- Largest wind farm in the southern hemisphere
  - 420 MW capacity and expected 1,250 GWh per annum output
  - EPC contractor – Vestas Leighton consortium
  - Joint venture with Meridian Energy
- 97 of 140 turbines installed as at 31 July 2012
  - Construction on-schedule with completion expected in third quarter FY13
  - AGL share of capex expected to be in line with investment case, $492 million
- First project in Australia to utilise the 3 MW V112 turbine

Macarthur Wind Farm under construction

Newcastle gas storage facility

Cost-competitive storage to manage winter peaks from 2015.

- NSW and Commonwealth approvals in place
- Major EPC contractor selected
  - Chicago Bridge & Iron (CBI), globally experienced
  - Major cost components covered under turn-key EPC contract
  - EPC activities underway, and site preparation commencing August 2012
- Total capex ~$310 million
- Site works commence September 2012
- Available to portfolio by winter 2015
- Managing peak gas demand
  - Storage capacity 1.5 PJ
  - Peak supply rate 120 TJ per day, 5 TJ per hour

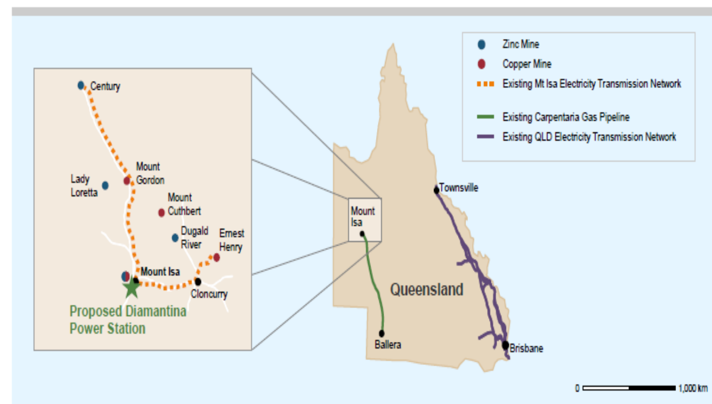
A similar facility in the USA (photo courtesy of CBI)

Diamantina power station

Construction of 242 MW Mt Isa power station commenced.

- Joint venture with APA for a 242 MW CCGT plant and 60 MW of stand-by OCGT plant
- Key commercial arrangements:
  - 17 year off-take agreements with strong counterparties in Xstrata/MIM and Ergon
  - Highly contracted bundled energy supply to 2023 and tolling thereafter to 2030
  - AGL to supply 138 PJ of gas until 2023
- Construction commenced
  - 242 MW CCGT fully operational 1H 2014

Diamantina power station construction site



Solar Flagships

Large-scale solar projects add to AGL's market leading renewable portfolio.

- AGL to develop solar photovoltaic projects at Nyngan (~106 MW) and Broken Hill (~53 MW) as part of the Commonwealth Solar Flagships program
- Total project cost of approximately $450 million with Commonwealth and NSW Governments to provide $195 million funding
- First Solar will construct the projects under fixed-price EPC contracts
- Environmental approval expected early 2013
- Construction starting mid-2014 with commissioning by December 2015 for both projects
- Generation from Broken Hill project expected to be complementary to output from Silverton Wind Farm

Workers installing modules at Blythe Solar Plant, California, 21 MW

Sarnia Solar Farm, Canada, 80 MW

Dalton power station

Development option to support growing NSW customer base.

- Development approval for up to 1,000 MW
- EPBC Act approval decision expected Q4 2012
- EPC contract negotiated with GE and Leighton Contractors
  - Initial proposal 500 MW gas-fired peaking plant
  - Favourable pricing reflecting strength of Australian dollar
  - EPC contract firm until December 2012
- Gas and electricity connection arrangements negotiated

Visual approximation of completed Dalton Power Station

Upstream Gas

Total 2P gas reserves entitlement increased by 77 PJ during FY12.

- Total Bowen Basin 2P reserves up 87 PJ (3P reserves up 327 PJ)
- Updated independent assessment of Silver Springs reserves

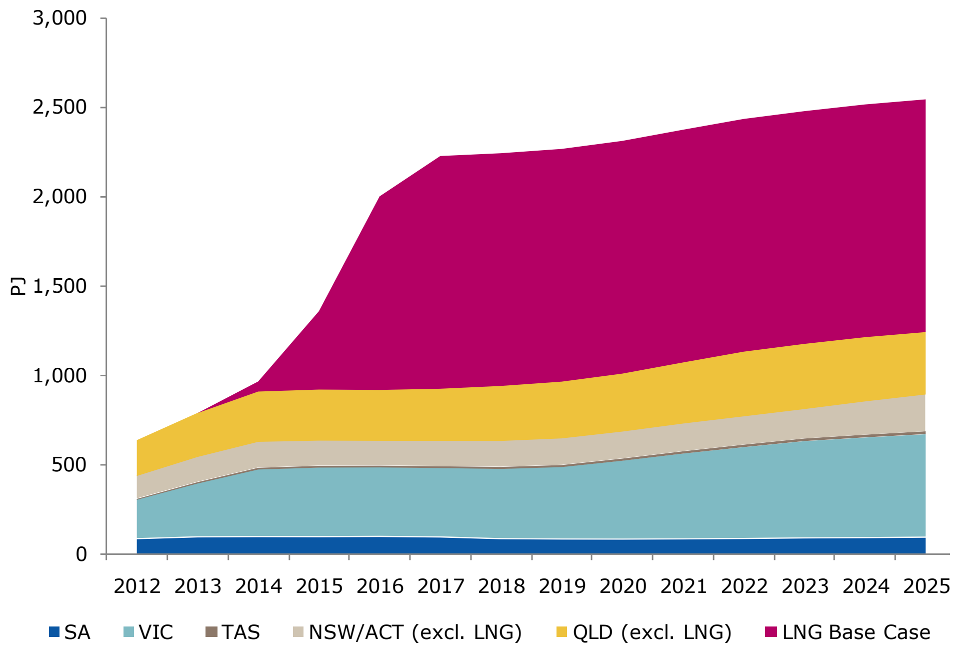
AGL share of gas reserves	As at 30 Jun 12		As at 30 Jun 11		Change	
PJ	**2P**	**3P**	**2P**	**3P**	**2P**	**3P**
Gloucester (100%)	**669**	**832**	669	832	-	-
Moranbah (50%) – Bowen Basin	**376**	**862**	370	700	1.6%	23.1%
Camden (100%)	**142**	**189**	148	195	(4.1%)	(3.1%)
Hunter (100%)	**142**	**271**	142	271	-	-
Silver Springs (various)	**61**	**158**	65	137	(6.2%)	15.3%
Spring Gully (various, small)	**8**	**10**	8	10	-	-
Sub-Total	**1,398**	**2,322**	**1,402**	**2,145**	**(0.3%)**	**8.3%**
ATP 1103 rights (50%) – Bowen Basin*	**768**	**1,660**	687	1,495	11.8%	11.0%
Total	**2,166**	**3,982**	**2,089**	**3,640**	**3.7%**	**9.4%**

* Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 1103 as these were assigned to Arrow Energy Limited. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs. Past costs are anticipated to be less than $0.05/GJ.

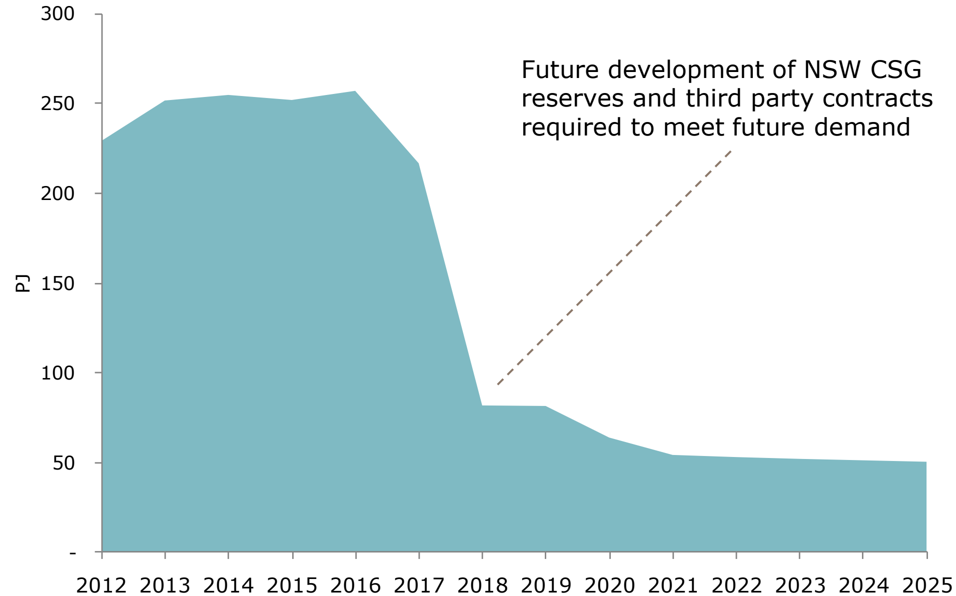
Long term gas outlook

LNG exports create need for new domestic supply sources.

Eastern Australia Gas Demand



AGL Long-term Gas Supply Contracts



Summary

Core businesses delivering growth and shareholder value.

- Retail continues to perform well
  - Leading industry in customer service
  - Strong growth in customer numbers
- Merchant delivers strong result
  - Improved portfolio management
  - Sale of Hallett 5 wind farm
- Acquisition of Loy Yang A power station and adjacent coal mine
- Strong balance sheet to support growth pipeline
- Final approval of Newcastle gas storage facility
- Long-term gas and power supply arrangements for Mt Isa
- Secured Silverton wind farm site
- Successful bidder for 159 MW Solar Flagships project

Outlook

Further EPS growth expected in FY13.

- Solid growth in Merchant reflecting
  - Incremental EPS contribution from Loy Yang A
  - Hydro assets continuing to benefit from high inflows
  - Initial contribution from SA and Victorian desalination contracts
  - Offset by absence of wind farm development fees and continued soft demand
- Solid growth in Retail despite softer demand and Queensland regulatory decision
  - Continuing growth in customer numbers
  - Competition expected to continue at elevated levels
  - Regulatory risk rises following large price increases
- Expected to benefit from carbon uplift for renewable portfolio and transitional carbon assistance
- FY13 guidance provided at Annual General Meeting in October 2012

Sales / Information / Contacts

Sales

Switch to AGL electricity and gas:	**www.agl.com.au**
Register for AGL Energy Online:	**https://aglenergyonline.agl.com.au**
Call Customer Service:	**131 245**

Information

Refer to AGL's website:	**www.agl.com.au**

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Supplementary Information

175 YEARS
SUPPORTING THE COMMUNITY

AGL Energy in action.®

Electricity sales volume

12 months to GWh	30 Jun 2012	30 Jun 2011	Change
Consumer			
VIC	**4,660**	4,747	(1.8%)
SA	**3,025**	3,233	(6.4%)
NSW	**4,821**	3,859	24.9%
QLD	**2,904**	2,835	2.4%
Consumer Total	**15,410**	14,674	5.0%
Business			
VIC	**5,412**	6,156	(12.1%)
SA	**4,554**	3,563	27.8%
NSW	**4,876**	5,538	(12.0%)
QLD	**2,532**	2,833	(10.6%)
Business Total	**17,374**	18,090	(4.0%)
Total (excl. ActewAGL)	**32,784**	**32,764**	**0.1%**
Purchased volume ActewAGL	**2,600**	3,029	(14.2%)

Gas sales volume

12 months to PJ	30 Jun 2012	30 Jun 2011	Change
Consumer			
VIC	**28.7**	30.8	(6.8%)
SA	**2.6**	2.6	0.0%
NSW	**26.0**	26.3	(1.1%)
QLD	**2.8**	2.9	(3.4%)
Consumer Total	**60.1**	**62.6**	(4.0%)
Business			
VIC	**26.7**	26.0	2.7%
SA	**9.3**	9.4	(1.1%)
NSW	**30.9**	39.9	(22.6%)
QLD	**15.0**	13.8	8.7%
Business Total	**81.9**	89.1	(8.1%)
Wholesale Customers & Generation[1]	**48.8**	**64.5**	(24.3%)
Total	**190.8**	**216.2**	**(11.7%)**

1. Includes volumes sold to TIPS during full year to Jun 12 27.0 PJ (Jun 11 26.3 PJ).

Customer growth

Customer Numbers	30 Jun 2011	31 Dec 2011	30 Jun 2012	FY12 vs FY11
Electricity				
New South Wales	467,980	556,982	**619,920**	151,940
Queensland	349,770	354,645	**367,482**	17,712
South Australia	467,769	463,513	**458,822**	(8,947)
Victoria	639,238	637,505	**637,708**	(1,530)
	1,924,757	2,012,645	**2,083,932**	159,175
Gas				
New South Wales	718,425	716,386	**711,185**	(7,240)
Queensland	73,976	73,462	**74,607**	631
South Australia	103,547	108,322	**117,271**	13,724
Victoria	473,037	483,346	**486,971**	13,934
	1,368,985	1,381,516	**1,390,034**	21,049
Total	3,293,742	3,394,161	**3,473,966**	180,224
Dual fuel accounts	1,471,674	1,551,840	**1,622,712**	151,038

Retail – Consumer key indicators (includes SME)

12 months to Electricity	30 Jun 2012	30 Jun 2011	Change
Volume (GWh)	**15,410**	14,674	5.0%
Avg. Consumer Accounts ('000)	**1,993**	1,886	5.7%
Revenue ($m)	**3,009.7**	2,479.3	21.4%
Gross Margin ($m)	**437.4**	388.1	12.7%
Gross Margin	**14.5%**	15.7%	(1.2) ppts
Gross Margin per customer	**$219.48**	$205.81	6.6%
Gas			
Volume (PJ)	**60.1**	62.6	(4.0%)
Avg. Consumer Accounts ('000)	**1,380**	1,368	0.9%
Revenue ($m)	**1,118.0**	1,111.8	0.6%
Gross Margin ($m)	**217.1**	207.8	4.5%
Gross Margin	**19.4%**	18.7%	0.7 ppts
Gross Margin per customer	**$157.40**	$151.80	3.7%

Business customers – Key indicators

12 months to Electricity	30 Jun 2012	30 Jun 2011	Change
Volume (GWh)	**17,374**	18,090	(4.0%)
Business Accounts ('000)	**21.7**	19.6	10.7%
Revenue ($m)	**1,926.0**	1,870.0	3.0%
Gross Margin ($m)	**57.1**	61.0	(6.4%)
Gross margin per MWh	**$3.29**	$3.37	(2.4%)
12 months to Gas			
Volume (PJ)	**81.9**	89.1	(8.1%)
Business Accounts ('000)	**1.0**	1.0	0.0%
Revenue ($m)	**552.0**	553.8	(0.3%)
Gross Margin ($m)	**51.1**	40.6	25.9%
Gross margin per GJ	**$0.60**	$0.46	30.4%

Retail – Cost to serve

12 months to	30 Jun 2012	30 Jun 2011	Change
Net operating expenditure	**$321.7m**	$290.8m	10.6%
Net operating cost per customer account	**$95.38**	$89.34	6.8%
Cost to grow/retain	**$108.0m**	$75.9m	42.3%
Cost to grow per account acquired/retained[1]	**$82.94**	$84.08	(1.4%)
Cost to serve	**$213.7m**	$214.9m	(0.6%)
Cost to serve per customer account[2]	**$63.36**	$66.01	(4.0%)

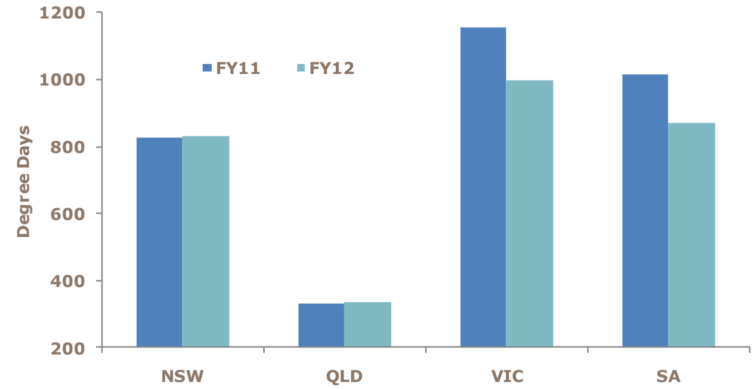
- Cost to grow per account acquired/retained decreased. Higher costs in New South Wales were offset by lower costs to retain and acquire in Victoria, South Australia and Queensland
- Cost to serve per customer account down – labour cost flat driven by improved customer service operating model and cost savings through engagement of off-shore business providers

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

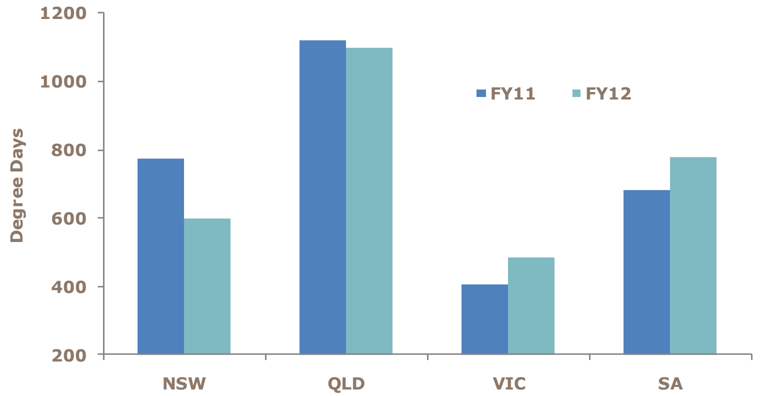
Retail – Weather

- **Winter months**
  - New South Wales: August 2011 recorded 5th warmest mean temperatures on record; June 2012 was coldest since 2007
  - Victoria: August 2011 3rd warmest average maximum temperatures on record
  - South Australia: August 2011 was 4th warmest since 1950; colder than average temperatures for the start of winter FY13
- **Summer months**
  - New South Wales: December 2011 recorded 3rd coldest daytime temperatures on record; January 2012 was coldest in 12 years
  - Victoria: Average temperatures across summer FY12 however January 2012 was characterised as a "cold snap"
  - South Australia: Above average mean temperatures in summer FY12 with above average rainfall
  - Queensland: February 2012 recorded third coolest minimum temperatures compared with severe flooding in 2011

Heating Degree Days

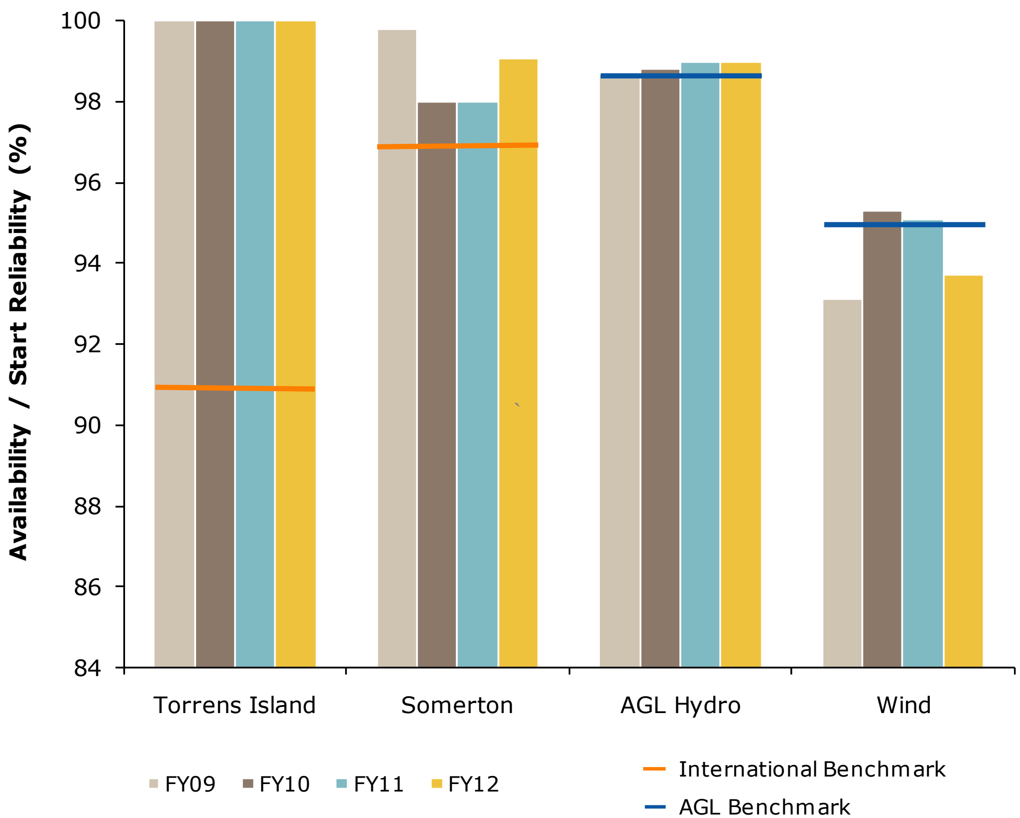


Cooling Degree Days



Merchant – Generation: Operational performance

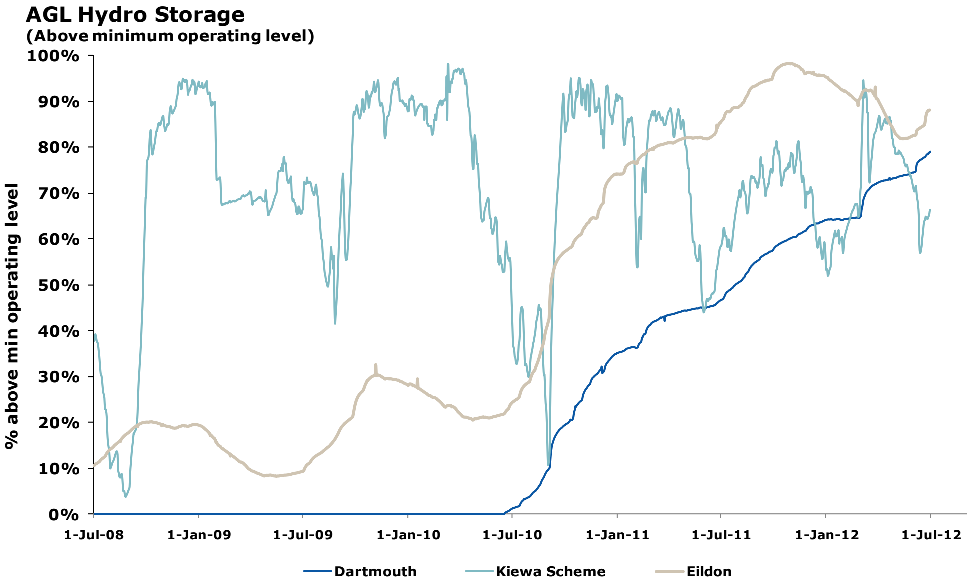
Commercial Availability / Start Reliability (%)

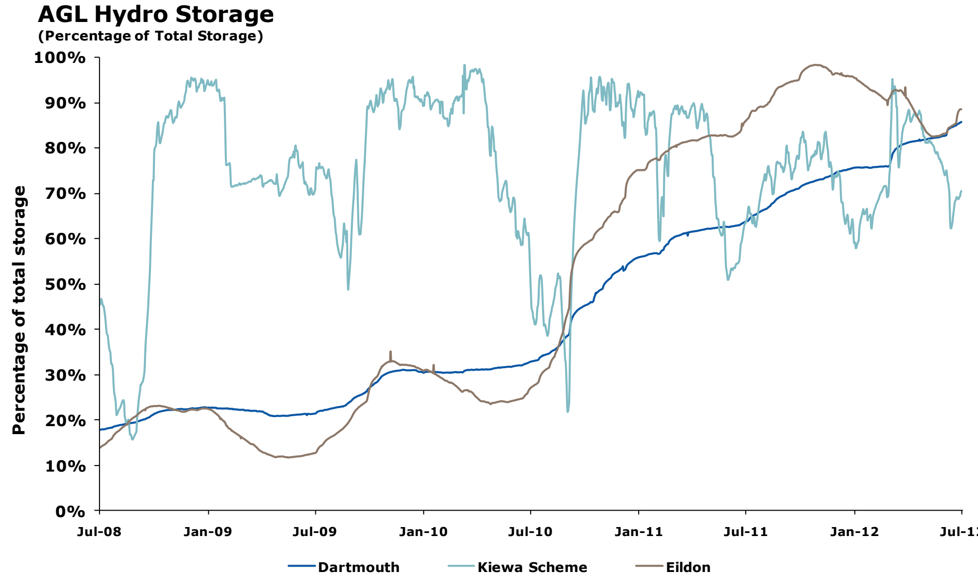


1. 'Commercial availability' is used to measure Torrens Island performance, and represents the percentage of times the plant is available to operate when required.
2. 'Start reliability' is used to measure the performance of Somerton and AGL Hydro. Start reliability is the percentage of times the plant 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 capacity is used to measure wind farm performance. There is no international benchmark for wind farms, however AGL targets 95%.

Merchant – Hydrology

- Eildon is operational and at full capacity (120 MW). Goulburn Murray Water Authority is currently releasing high volumes of water to mitigate the risk of spill
- Dartmouth continues to receive good inflows and is operational at 170 MW (out of a total 180 MW)





Merchant – Generation: Carbon intensity

Asset	Location	Type	Status	Capacity (MW)	Capacity Factor (%)	FY12 Output (GWh)	Carbon intensity (tonnes CO2e/MWh)
Torrens Island	SA	CCGT	Owned	1,280	20%	2,280	0.6
Wattle Point	SA	Wind	Control dispatch	91	33%	261	0
Hallett 1	SA	Wind	Control dispatch	95	40%	334	0
Hallett 2	SA	Wind	Control dispatch	71	41%	257	0
Hallett 4	SA	Wind	Control dispatch	132	40%	458	0
Hallett 5	SA	Wind	Control dispatch	52.5	36%	127	0
Oaklands Hill	SA	Wind	Control dispatch	63	38%	131	0
Somerton	VIC	OCGT	Owned	150	2%	25	0.7
VIC Hydro	VIC	Hydro	Owned	733	11%	734	0
NSW Hydro	NSW	Hydro	Owned	62	24%	129	0
Moranbah	QLD	OCGT	Owned	12	76%	80	0.6
Oakey	QLD	OCGT	Control dispatch	282	1%	26	0.6
Yabulu	QLD	CCGT	Control dispatch	121	39%	417	0.4
Loy Yang A [1]	VIC	Coal	Owned	2,210	88%	92[1]	1.3
Other	Various	Biogas & Cogen	Various	101	43%	204	0.2
AGL Total at 30 June				**5,456**			**0.3**
Industry Average							**0.9**

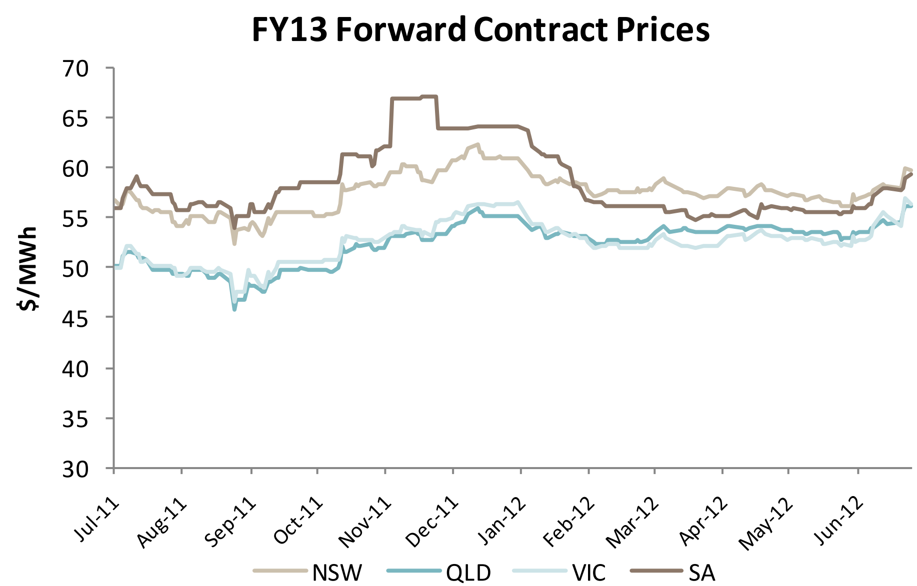
1. Loy Yang A output included for two days of full ownership

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
- Counterparty 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 years

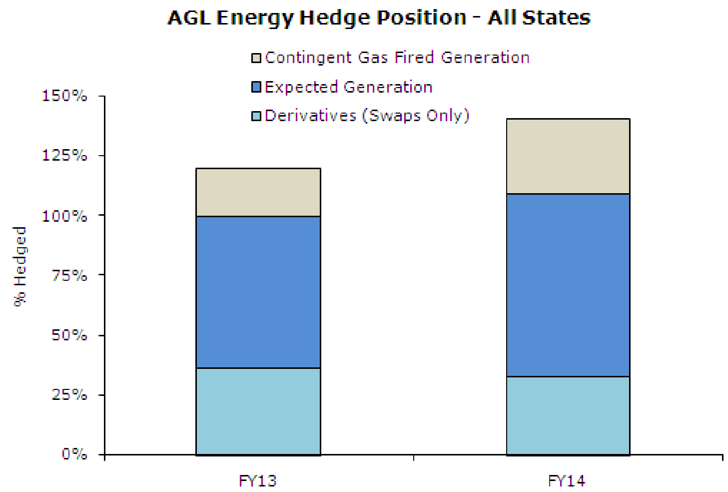
Merchant – Wholesale electricity prices

- FY13 forward electricity prices increased in November 2011 as a result of the passing of the carbon legislation
- After a subdued summer and low underlying pool prices the forward curve declined
- The price of contracts rose in June 2012 due to a range of generator outages, in particular the Yallourn flooding
- The inter-regional price difference between New South Wales and Victoria reduced during the year with underlying prices becoming more closely aligned in all states



Merchant – Electricity hedging position

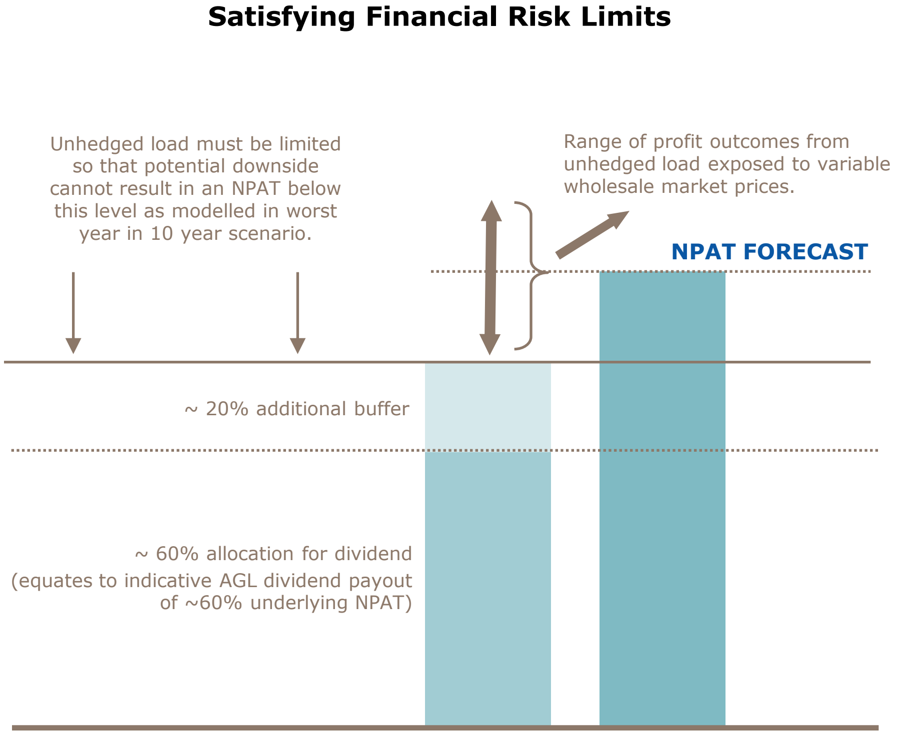
Physical



Key Points

- Positions across all states and time periods have been aggregated
- Reference load is average annual energy (in MWh) for 100% of (Business Customers 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 now includes 100% ownership of Loy Yang A

Financial



Upstream Gas– Permits

Basin	Project	Permits: Exploration (Area km²)	Permits: Production (Area km²)	Working Interest
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)**r**	-	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**

Basin	Project	Permits: Exploration (Area km²)	Permits: Production (Area km²)	Working Interest
Surat	Silver Springs Project	ATP 471P (453)**r**	-	28.71-100%
		ATP 709P (146)	-	100%
		-	PL 1 (55)	15%
		-	PL 15 (259)	75%
		-	PL 30 (37)	10%
		-	PL 46 (33)**r**	100%
		-	PL 48 (6)**r**	100%
		-	PL 49 (21)**r**	100%
		-	PL 56 (18)	16%
		-	PL 66 (125)	100%
		-	PL 74 (18)**r**	16%
		-	PL 192 (92)	100%
		-	PL 202 (91)	100%
		-	PL 213 (46)	100%
		-	PL 441 (43)**r**	75.252%
		-	PL 446 (259)	100%
Bowen	Moranbah Gas Project	ATP 1103 (4,153)	-	99%**p**
		-	PL 191 (220)	50%
		-	PL 196 (38)	50%
		-	PL 222 (108)**a**	50%
		-	PL 223 (166)	50%
		-	PL 224 (70)	50%
	Spring Gully Project	ATP 592P (1,734)	-	0.75%
		-	PL 195 (257)	0.75%
		-	PL 203 (259)	0.75%
		-	PL 204 (220)	0.0375%
Taranaki (New Zealand)	Conventional oil and gas	PEP 51149 (578)	-	18.575%
		PEP 52181 (312)	-	42.857%
		PEP 53247 (6)	-	75%

a Under application.

f Subject to farm in; working interests reflect AGL's final position after farm in is completed.

r Under renewal.

p Under a 50-year project agreement that commenced in 2000, AGL has no effective exploration rights (or ongoing cost obligations) within exploration tenement ATP 1103 as these were assigned to Arrow Energy. However, AGL is entitled to participate up to a 50% interest in any commercial development by contributing its share of past costs.

Return on Funds Employed

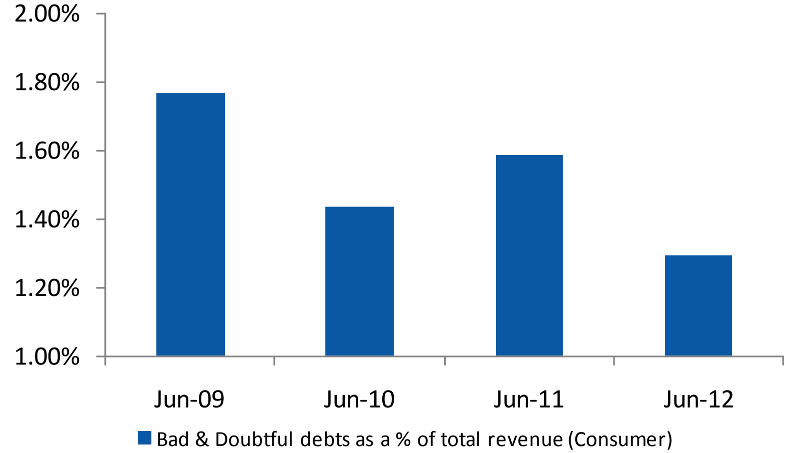
12 months to $m	30 Jun 2012	30 Jun 2011
Operating EBIT	**730.4**	656.5
Average Funds Employed	**7,917.2**	7,403.0
Operating EBIT / Funds Employed	**9.2%**	8.9%
Operating EBIT	**730.4**	656.5
Less: Upstream Gas EBIT	**(0.6)**	(14.3)
Adjusted Operating EBIT	**729.8**	642.2
Average Funds Employed	**7,917.2**	7,403.0
Less: Assets under construction	**(347.2)**	(164.4)
Less: Upstream Gas Funds Employed	**(1,282.7)**	(1,086.0)
Adjusted Average Funds Employed	**6,287.3**	6,152.6
Adjusted EBIT / Funds Employed[1]	**11.6%**	10.4%

1. One of two performance measures used in AGL's Long-Term Incentive Plan

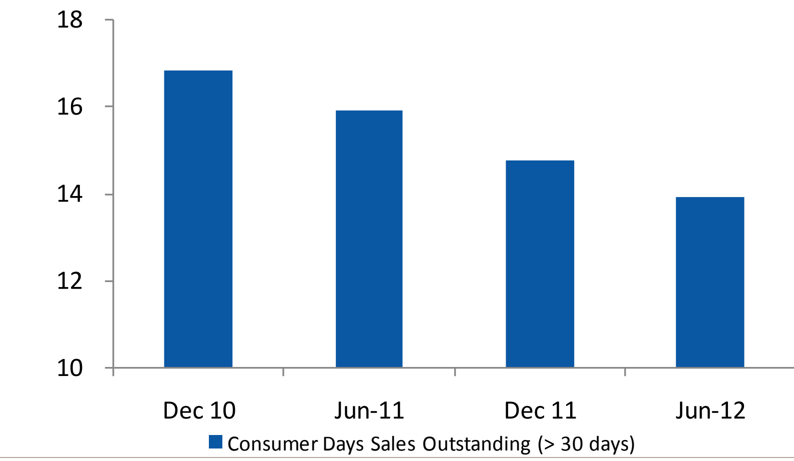
Operating cash flow

- Introduction of risk-based credit management
  - Bad and doubtful debts increased by 6% against Consumer revenue increase of 15%
- Further decline in Days Sales Outstanding, measuring debtors greater than 30 days from billed date
- Business customers converted to SAP billing platform, allowing more efficient monthly billing of large customers
- Continued focus on billing and customer operations, delivering robust cash flows for company growth initiatives

Bad and Doubtful Debts



Days Sales Outstanding



Operating EBITDA to statutory cash flow reconciliation

12 months to $m	30 Jun 2012	30 Jun 2011	Movement
Operating EBITDA	**904.3**	804.5	99.8
Equity accounted income	**14.0**	(6.0)	20.0
Onerous gas contract	**(20.9)**	(20.9)	-
Receivables	**(197.0)**	(42.3)	(154.7)
Net movement in green assets / liabilities	**20.0**	(94.1)	114.1
Inventories	**(21.5)**	(30.4)	8.9
Creditors	**106.6**	22.9	83.7
Futures margin calls	**29.8**	30.0	(0.2)
Net derivative premiums paid / roll-offs	**(3.9)**	(29.2)	25.3
Net movement in GST recoverable / payable	**(7.8)**	7.5	(15.3)
Other	**(23.1)**	9.2	(32.3)
Total working capital movements	**(96.9)**	(126.4)	29.5
Operating cash flow before interest, tax & significant items	**800.5**	651.2	149.3
Net finance costs paid	**(96.7)**	(39.3)	(57.4)
Income tax paid	**(180.8)**	(0.7)	(180.1)
Cash flow relating to significant items	**(56.5)**	(41.9)	(14.6)
Statutory net cash provided by operating activities	**466.5**	569.3	(102.8)

Energy Investments

12 months to $m	30 Jun 2012	30 Jun 2011	Change
Operating EBIT			
ActewAGL	**28.0**	29.8	(6.0%)
Loy Yang A	**(3.5)**	10.7	(132.7%)
Total Operating EBIT	**24.5**	40.5	(39.5%)

Capital expenditure

12 months to 30 Jun 2012 $m	SIB	Discretionary	Total
Merchant Energy	71.4	444.1	515.5
Upstream Gas	-	151.3	151.3
Retail Energy	-	70.2	70.2
Corporate Other	28.5	2.2	30.7
Total	**99.9**	**667.8**	**767.7**

Balance Sheet

As at $m	30 Jun 2012	30 Jun 2011
Current assets	**4,131.9**	2,730.4
PPE, E&E and oil & gas assets	**6,323.5**	3,400.9
Other non current assets	**4,283.0**	3,564.4
Total Assets	**14,738.4**	9,695.7
Current debt	**616.0**	886.7
Other current liabilities	**1,993.8**	1,570.4
Non current debt	**3,696.0**	284.5
Other non current liabilities	**1,299.7**	612.6
Total Liabilities	**7,605.5**	3,354.2
Net Assets	**7,132.9**	6,341.5
Contributed equity	**5,227.3**	4,244.6
Reserves	**22.0**	(97.1)
Retained earnings	**1,883.6**	2,194.0
Total Equity	**7,132.9**	6,341.5

Fair Value Reconciliation

As at $m	Net Assets (Liabilities) 30 Jun 2012	30 Jun 2011	Change
Electricity derivative contracts	**208.7**	(89.7)	298.4
Interest rate swap & foreign currency derivative contracts	**(224.9)**	(148.5)	(76.4)
Total net liabilities for derivative contracts	**(16.2)**	(238.2)	222.0
Change in derivative net liability	**222.0**		
Premiums paid	**(169.5)**		
Equity accounted Loy Yang fair value	**4.0**		
Premium roll off	**165.4**		
Derivatives acquired	**(293.1)**		
Total change in fair value	**(71.2)**		
Recognised in equity hedge reserve	**170.3**		
Recognised in borrowings	**63.1**		
Recognised in income statement	**(304.6)**		
Total change in fair value	**(71.2)**		

Loy Yang A Investment

12 months to $m	30 Jun 2012 [2]	30 Jun 2011	Change
Generation Volume (GWh)	**15,382**	15,174	1.4%
Average Price ($/MWh)[1]	**$35.33**	$37.62	(6.1%)
Generation revenue	**543.4**	570.9	(4.8%)
Other revenue	**88.4**	77.8	13.6%
Expenses	**(285.6)**	(271.1)	5.3%
Depreciation	**(127.0)**	(117.1)	8.5%
Borrowing costs	**(265.8)**	(266.3)	(0.2%)
Income tax benefit	**-**	5.8	-
(Loss) profit after tax before fair value changes	**(46.6)**	0.0	-
AGL share of (loss) profit after tax before fair value	**(15.2)**	0.0	-
Interest on loan notes	**11.7**	10.7	9.3%
Operating EBIT	**(3.5)**	10.7	(132.7%)

1. Weighted average price based on Generation Revenue and Generation Volume
2. FY12 results in the above table reflect the period from 1 July 2011 to 29 June 2012, the date on which AGL completed the acquisition of Loy Yang A