2019 Half-Year Results Presentation

Agenda

1 **Results Highlights and Business Update**
Brett Redman, Managing Director & CEO

2 **Financial Results**
Damien Nicks, Interim CFO

3 **Market Update and Outlook**
Brett Redman, Managing Director & CEO

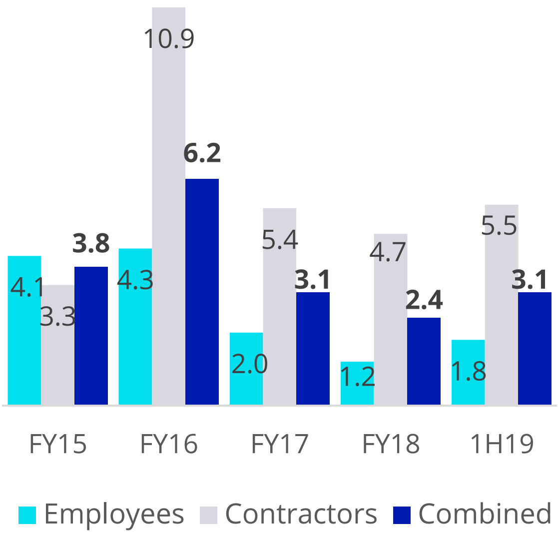
Results Highlights and Business Update

Brett Redman
Managing Director & CEO

Sharpening our focus on safety, customers and our people

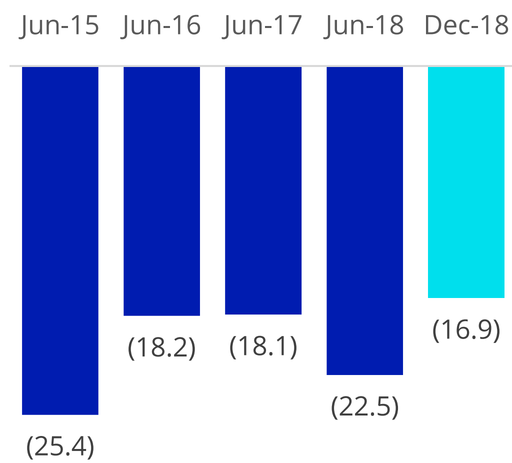
Safety

Total Injury Frequency Rate (per million hours worked)



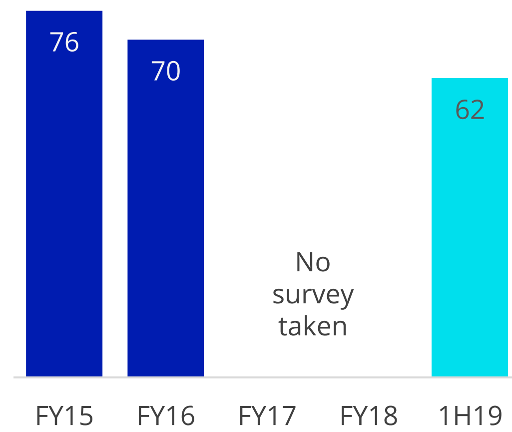
Customers

Quarterly Net Promoter Score (advocates less detractors)



People

Employee Engagement Index (%)



Delivering for customers and the community today and investing for an exciting future

Assisting customers	- Reduced electricity prices for household and small business customers across all states - Standing offer discounts rewarding loyalty; debt relief program helping the vulnerable
Building trust	- Ongoing investment in key AGL assets for efficient and reliable generation and supply - Emphasis on key customer and regulatory processes amid rising community expectations
Enhancing energy supply	- $1.9b of new energy supply projects under construction; further $1.5b subject to feasibility - Securing pumped hydro options; new residential battery offering ready July 2019
Optimising performance	- Increase operating expenditure across fleet to support performance and capture value - Revised total operating cost targets, retain plan for year-on-year nominal reductions
Investing in systems	- Customer Experience Transformation and ERP upgrade investments nearing completion - Benefits beginning to flow with further upside expected from FY20 onwards
FY19 guidance retained	- Tracking to mid-point of Underlying Profit after tax guidance range of $970m to $1,070m - Subject to normal trading conditions and ongoing energy policy uncertainty
Allocating capital to growth	- Opportunities to invest in growth at scale under development following fundamental review - $650m hybrid available to call in June; flexibility retained for further capital management

Strong first-half performance continues delivering value to shareholders

	1H19	1H18*	Change
Statutory Profit after tax ($m)	290	616	▼ 53%
Statutory EPS (cents)	44.2	93.9	▼ 53%
Underlying EBITDA ($m)	1,157	1,084	▲ 7%
Underlying EPS (cents)	81.9	74.3	▲ 10%
Underlying Profit after tax ($m)	537	487	▲ 10%
Net cash provided by operating activities ($m)	678	801	▼ 15%
Dividend per share (cents)	55	54	▲ 2%
Return on equity (%, rolling 12 months)	13.1	11.7	▲ 1.4 ppts

- Negative fair value movement of net sold electricity derivatives due to rising forward electricity prices
- Higher wholesale electricity prices underpin strong earnings growth
- Margin calls increase as forward electricity prices rise
- Strong earnings support dividend growth
- Rising returns reflect profit growth

*Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases. Refer to slide 34 for further information.

CEO scorecard: three strategic priorities and four operational goals

FY19 STRATEGIC PRIORITIES

Growth

Accelerate growth to meet evolving customer needs

- ~$1.9b of new energy supply projects under construction
- ~$1.5b of additional projects subject to feasibility
- Fundamental review of additional growth options completed

Transformation

Reposition, refresh and reinvigorate AGL

- ~$400m of digital transformation programs undertaken FY17 to FY19
- Ongoing focus on adoption of best in class technology
- Embedding smarter data analysis in all aspects of operations

Social Licence

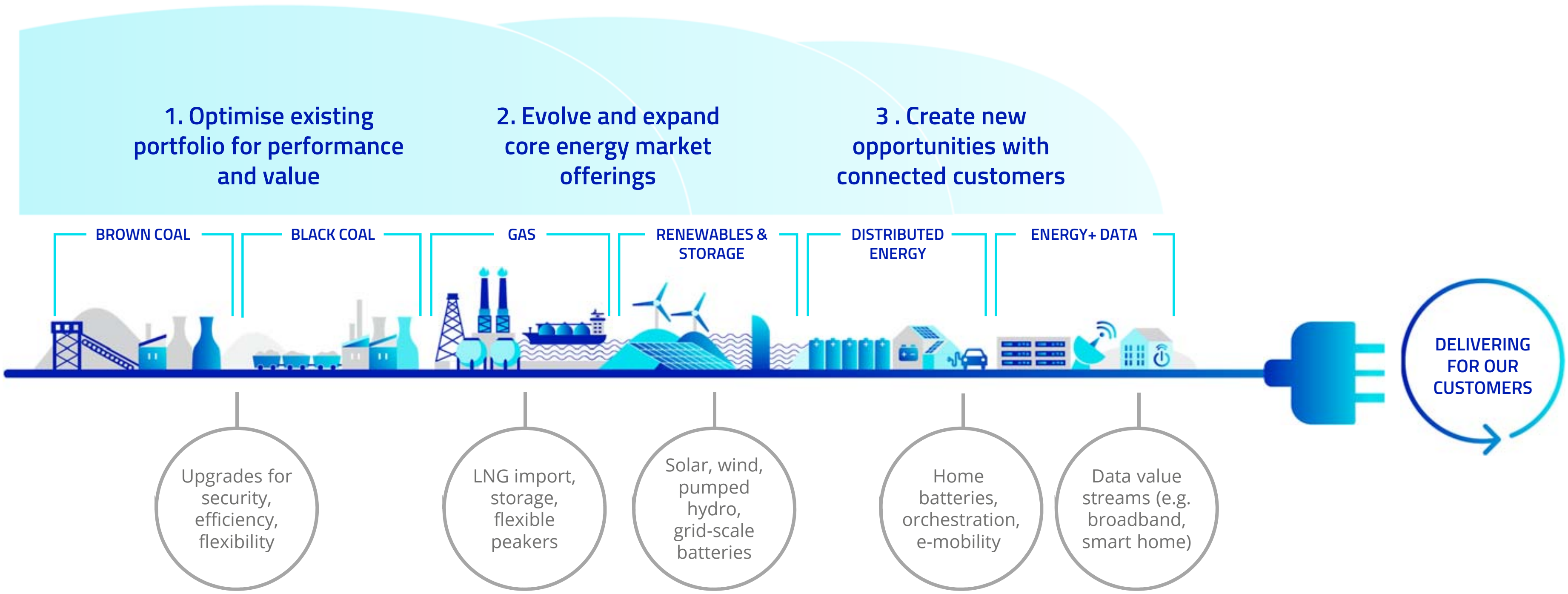
Meet and exceed rising community expectations

- Actions to support vulnerable customers
- Critical review of delivery of commitments to customer and community
- Committed to Energy Charter to embed customer-centric culture across the energy supply chain

FY19 OPERATIONAL GOALS

Safety	Customers	People	Financial
Combined employee/ contractor TIFR reduction	NPS ranking vs. other tier-1 retailers	Improve engagement towards FY16 levels	Per guidance and LTIP targets

Three key horizons define our refreshed growth agenda

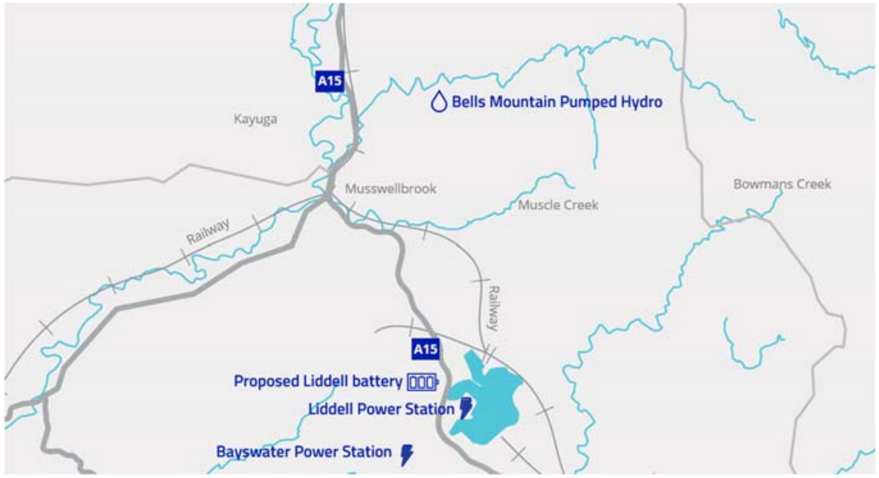


Serious about storage: progressing plans in pumped hydro and residential batteries

Winning the battery build-out

- Live and proposed government battery schemes present opportunity for rapid growth
- AGL capability to deliver residential battery solutions to be in place at 1 July 2019
- AGL offering will assist customers in extracting value from storage systems
- Ramp up offering alongside government schemes to capture out-size market-share
- Apply learnings from Australia's largest retail-led virtual power plant in Adelaide
- Current market size ~50,000 batteries based on SA and Victoria schemes alone

Securing the best options in pumped hydro



Bells Mountain, NSW

- 250 MW/8hrs
- Potential ~$450m project could be completed FY26
- Option secured for upper reservoir site

Delivering fairness, simplicity and transparency for customers

Price reductions, customer assistance and new offerings

Customer affordability

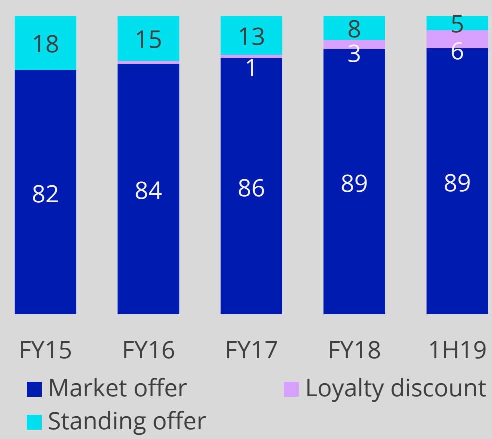
- Reduced Consumer electricity tariffs across all states amid continued increasing input costs
- Extended loyalty discounts to all Standing Offer customers with AGL for a year
- $50 million debt relief package for Staying Connected customers

Market-leading products & services

- AGL Essentials expanded into all states, currently represents 34% of internal sales
- New products Business Essentials and Solar Savers launched

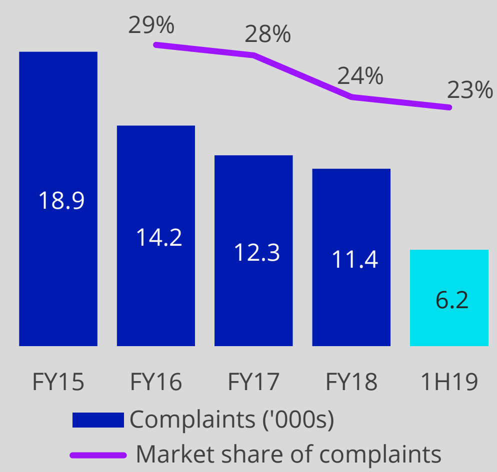
Reduction in customers on non-discounted standing offers

Electricity customer accounts by offer (%)



Focused on listening and improving customer processes

Ombudsman complaints

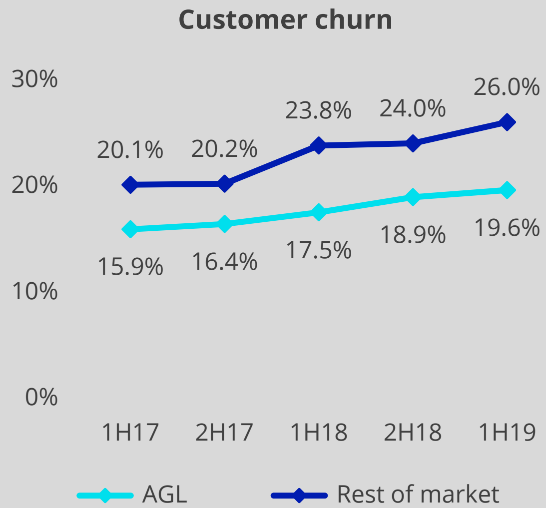


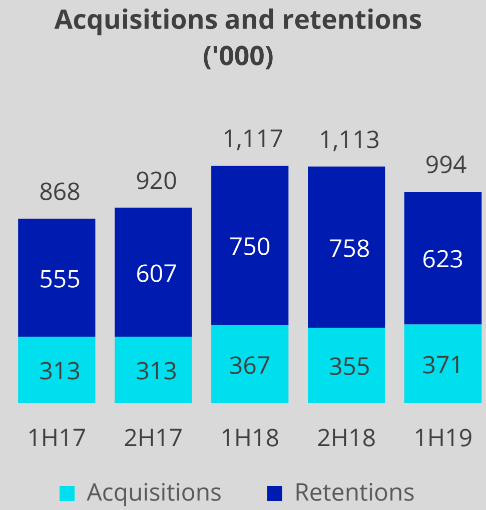
Solid customer numbers in a highly competitive market

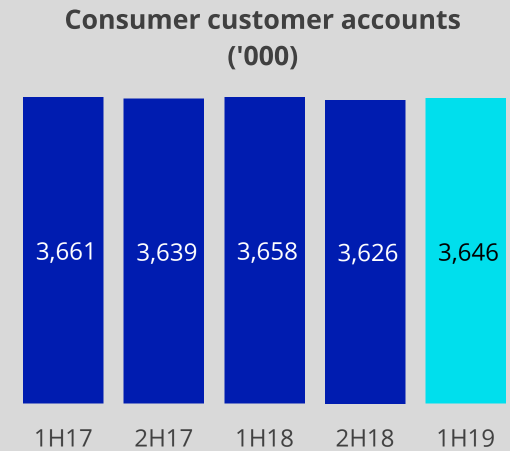
Churn spread to rest of market increased to 6.4 ppts

Customer acquisitions and retentions remain elevated

Customer accounts up slightly despite intense market activity







Customer Experience Transformation project largely complete, now business as usual

Core investment starting to deliver real value

Foundational capability

Built **reliable foundations** scalable for growth and operational efficiency

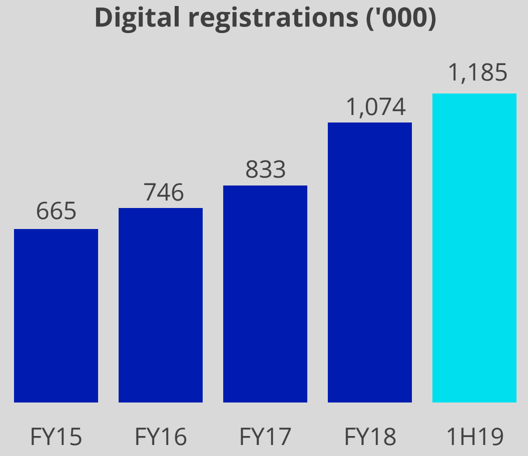
Digital adoption

Driving customers to **engage digitally** for sustainable reductions in cost to serve

Customer experience

Simplifying customers' lives to give **more control** over energy usage and spend

Transitioning from analogue to digital



Continual focus on customer experience and engagement

92% digital sales increase since 1H17

52% of customers receive a digital bill

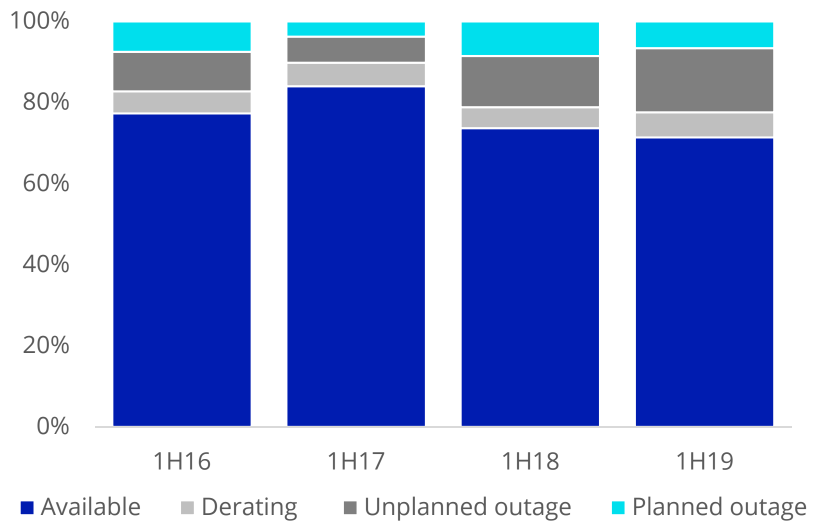
314k Energy Insights customers

+38 Digital Net Promoter Score

Investing in our diverse and flexible portfolio to support resilience, efficiency and flexibility

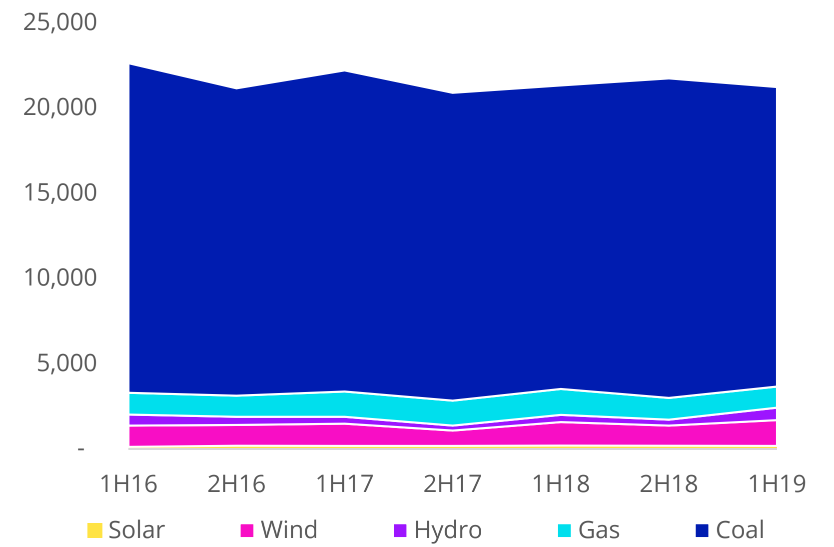
Thermal plant outages and availability (capacity weighted)

Increased investment to reduce future outages, increase availability, improve flexibility and deliver more value in future



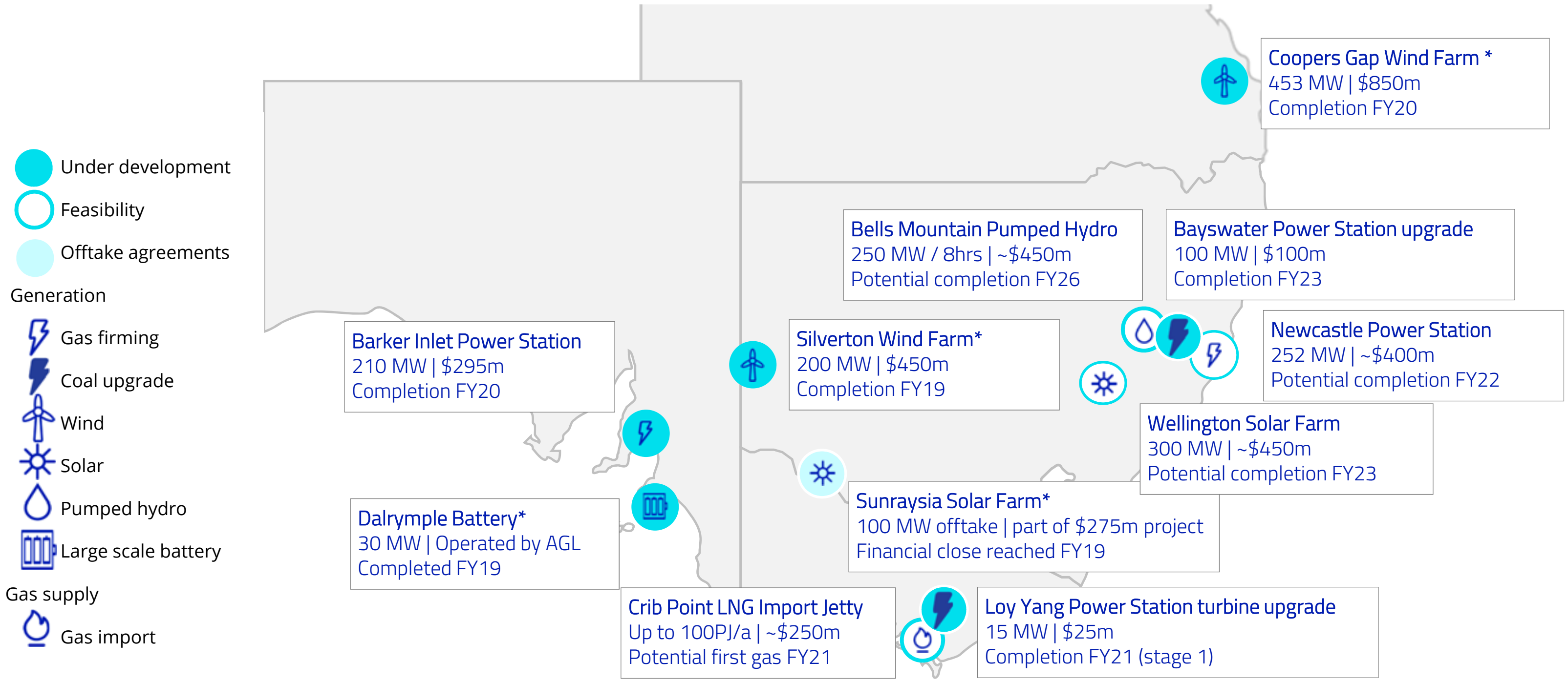
Generation mix (GWh)

Increased output from hydro and wind reflects resilience of AGL portfolio



$1.9b of energy supply projects under development; another $1.5b subject to feasibility

Energy policy impasse holding back pace and scale of investment decisions



* Projects funded by third parties on which AGL is operator and/or offtaker (including PARF)

Financial Results

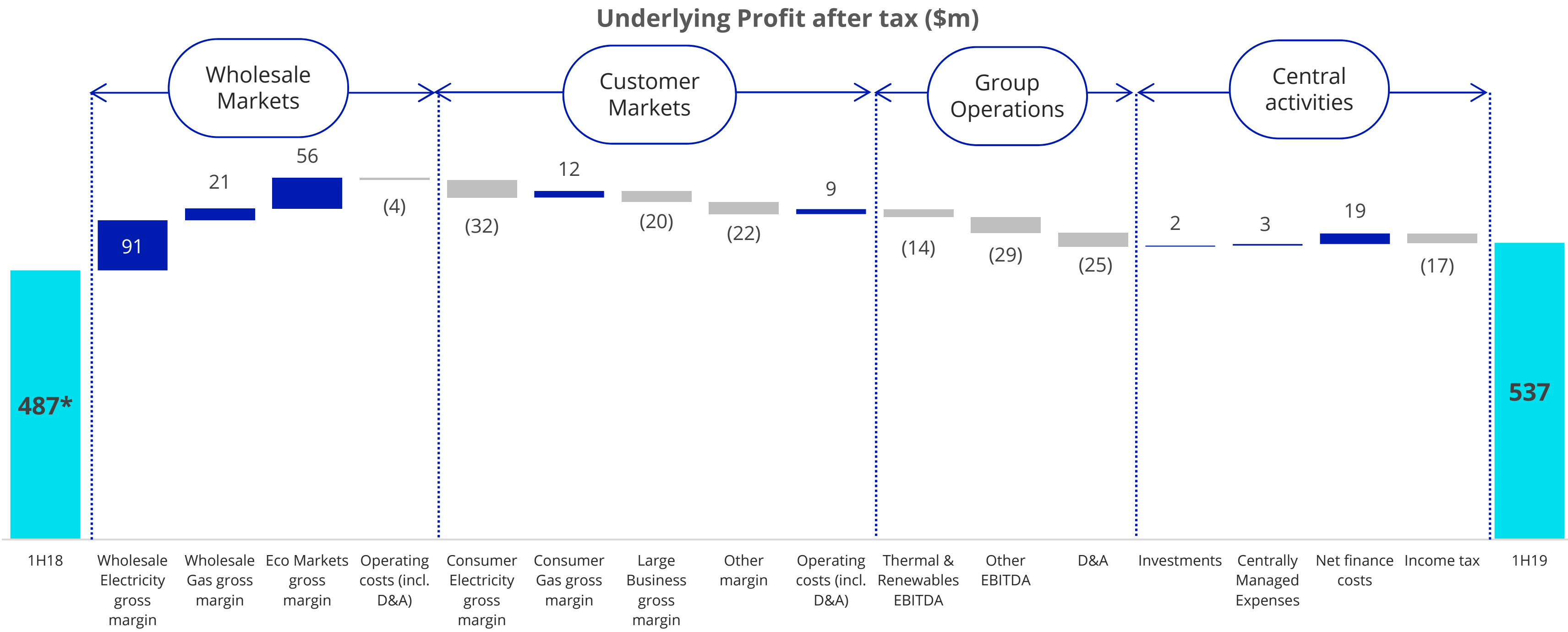
Damien Nicks
Interim CFO

Reconciliation of Statutory to Underlying Profit

($m)	1H19	1H18*	Change
Statutory Profit after tax	**290**	**616**	**(326)**
Adjust for the following after tax items:			
Significant Items:			
National Assets gain on divestment	(37)	-	(37)
Residential solar operations impairment	38	-	38
Proceeds from Yandin Wind Farm development rights	(5)	-	(5)
Active Stream gain on divestment	-	(29)	29
Sunverge impairment	-	27	(27)
(Gain)/loss on fair value of financial instruments	251	(127)	378
Underlying Profit after tax	**537**	**487**	**50**

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Underlying Profit: up $50m as Wholesale Markets continues to drive strong performance

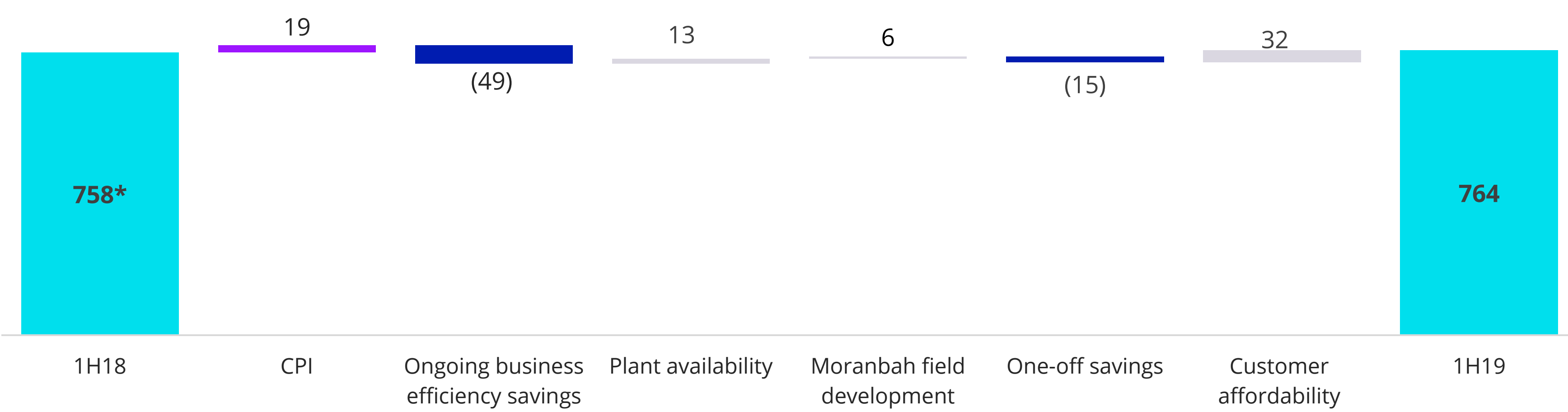


* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Operating costs: supporting value delivery for customers and shareholders

- Small real cost reduction delivers broadly flat nominal outcome in 1H19
- FY19 savings target lowered to ~$60m (real) from ~$120m previously announced
- Business optimisation programs to continue to drive lower costs from FY20 onwards

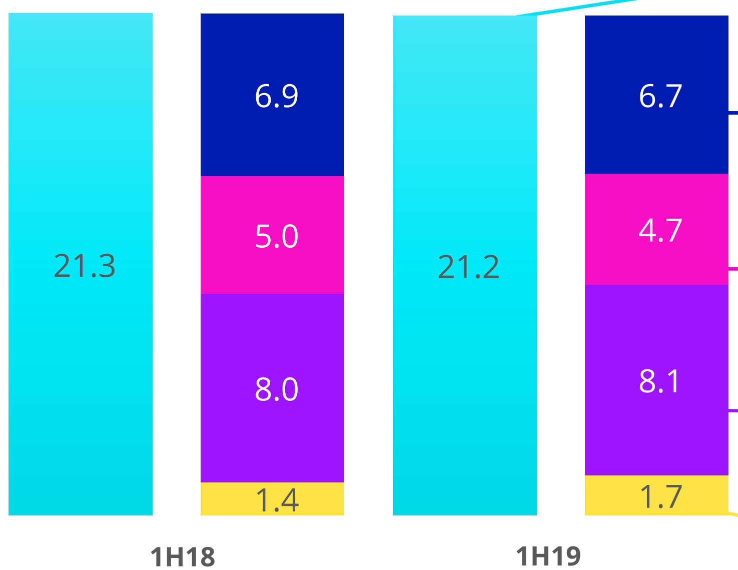
Operating costs (excluding depreciation and amortisation, $m)



* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Electricity generation and sales volumes: breadth and flexibility of portfolio offset thermal outages

Comparison of volumes (TWh)



Generation volumes flat

- Reduced generation at AGL Loy Yang and AGL Macquarie, increased generation at hydro and wind assets

Consumer customers sales down 0.2 TWh

- Lower average customers numbers and lower average consumption due to changed customer mix

Large Business customers sales down 0.3 TWh

- Decreased due to competitive pressures

Wholesale customers flat

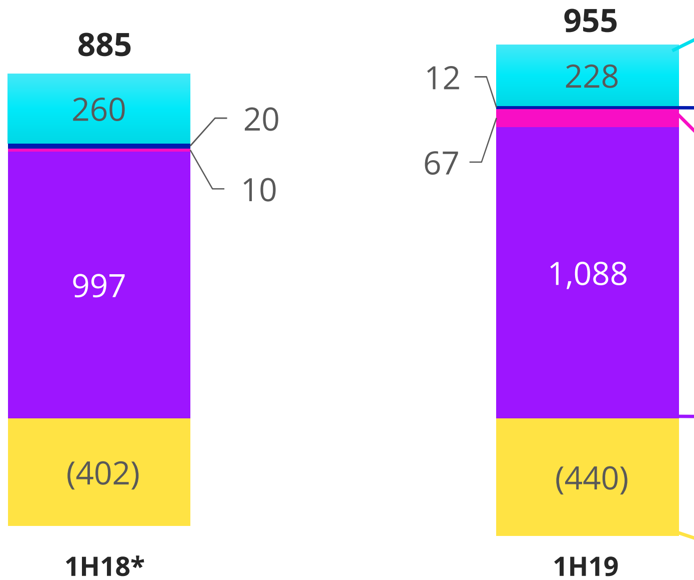
- Small increase in commercial load from existing customers

Other sales up 0.3 TWh

- Increased surplus generation volumes sold to pool

Electricity portfolio margin: strong Wholesale result and improvement in Eco Markets

Comparison of gross margin ($m)



Consumer customers down $32m

- Impacts of customers switching to lower priced products, and lower average volumes

Large Business customers down $8m

- Decline in volumes and lower energy margin rates

Eco Markets up $57m

- Compliance costs down on lower LREC price and increased self-generation from hydro

Wholesale up $91m

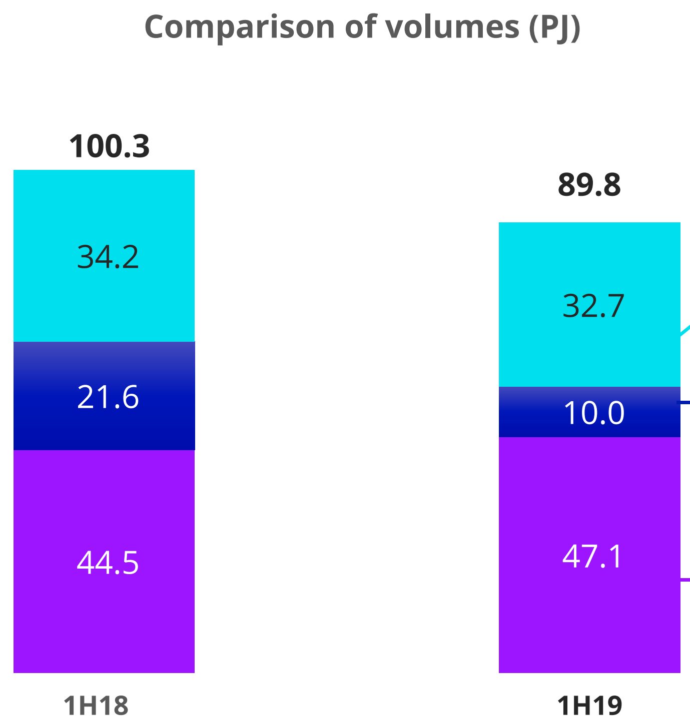
- Increased wholesale electricity contracted prices for Business and Wholesale customers

Group Operations down $38m

- Increased depreciation and operating costs at AGL Macquarie as a result of expenditure to ensure future reliability

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Gas sales volumes: decrease in Large Business volumes, increase in Wholesale customer volumes



Consumer customers sales down 1.5 PJ

- Lower average consumption as a result of changing customer mix and milder weather

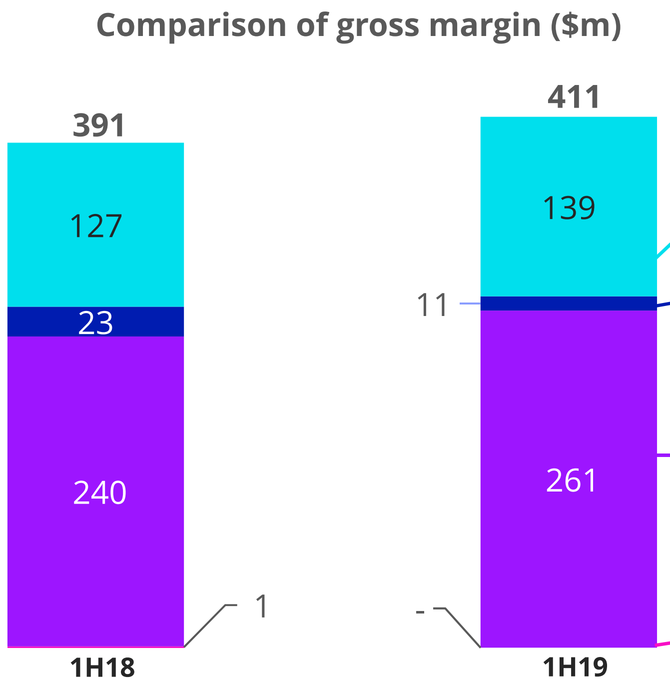
Large Business customers sales down 11.6 PJ

- Continued tight market conditions and loss of customers

Wholesale customers sales up 2.6 PJ

- Increase in customer acquisitions

Gas portfolio margin: increase in market price offsets decline in Large Business volumes



Consumer customers up $12m

- Rate improvements through disciplined price management

Large Business customers down $12m

- Decrease in volumes due to tight market conditions and loss of customers

Wholesale up $21m

- Increased contracted rates to Wholesale customers and an increase in customer acquisitions

Eco Markets down $1m

- Impact of small increase in compliance costs

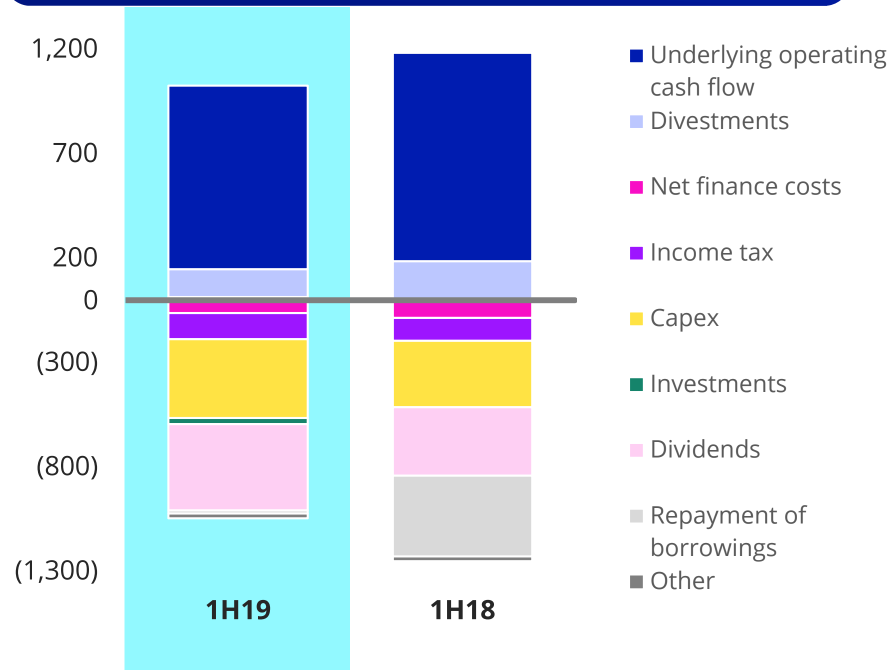
Higher wholesale prices increase margin calls, impacting cash flow

Operating cash flow

($m)	1H19	1H18*
Underlying EBITDA	**1,157**	**1,084**
Equity accounted income and onerous contracts	(24)	(23)
Movements in other assets/liabilities and non-cash items	(34)	(26)
Working capital – margin calls	(146)	10
Working capital – other	(74)	(47)
Underlying operating cash flow before interest and tax	**879**	**998**
Net finance costs paid	(76)	(87)
Income taxes paid	(125)	(110)
Net cash provided by operating activities	**678**	**801**
Cash conversion rate	76%	92%
Cash conversion rate (excl. margin calls)	89%	91%

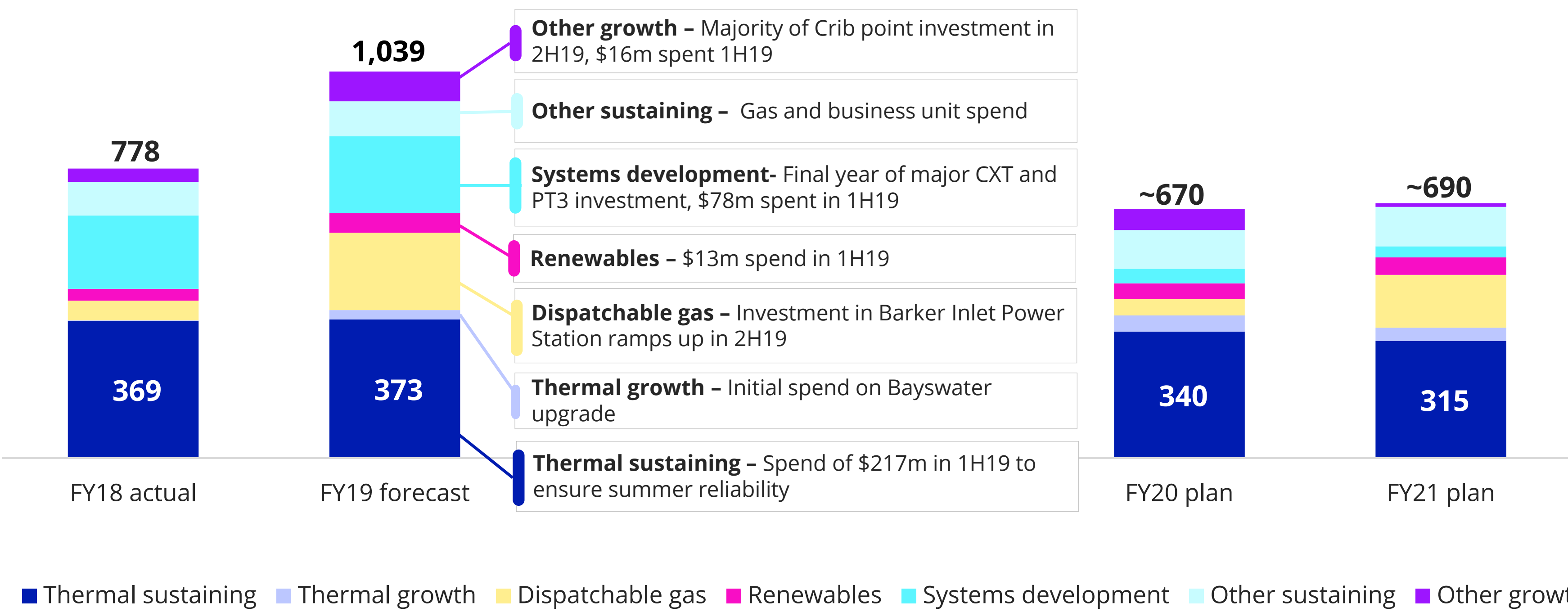
* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases

Sources and uses of cash in period ($m)



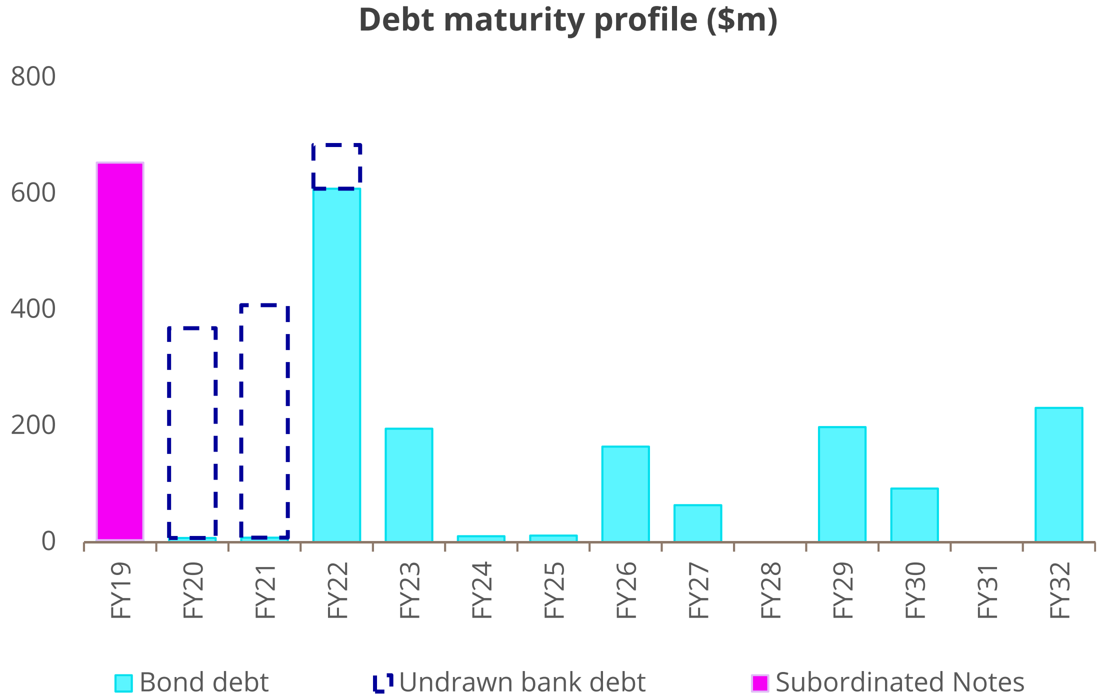
1H19 spend of $406m focused on ensuring availability of thermal plant

Capital expenditure and investment outlook ($m, accruals basis)



Strong balance sheet and flexibility to fund growth

Significant headroom remains; subordinated notes available to call in June 2019



Investment grade credit rating and metrics

- Moody's Baa2 credit rating with stable outlook
- More than $1.26b of cash and undrawn debt facilities
- 23.5% gearing (net debt to net debt plus adjusted equity)
- 8.8x interest cover
- 44.8% funds from operations to net debt

Subordinated notes

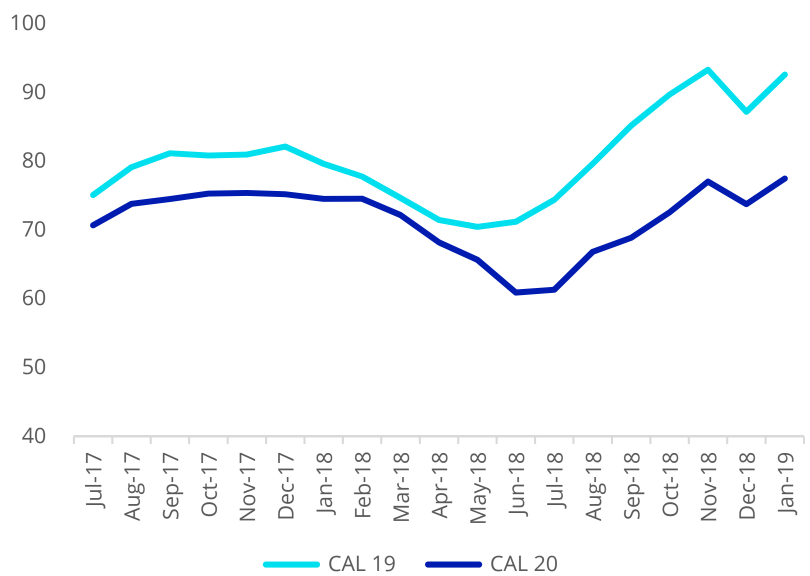
- Intend to redeem notes in June 2019 (first optional redemption date) using cash reserves and/or bank debt subject to material changes in market conditions, strategy or funding needs

Market Update and Outlook

Brett Redman
Managing Director & CEO

Wholesale electricity prices have rallied due to supply and demand constraints

NSW Flat Swap Price $/MWh

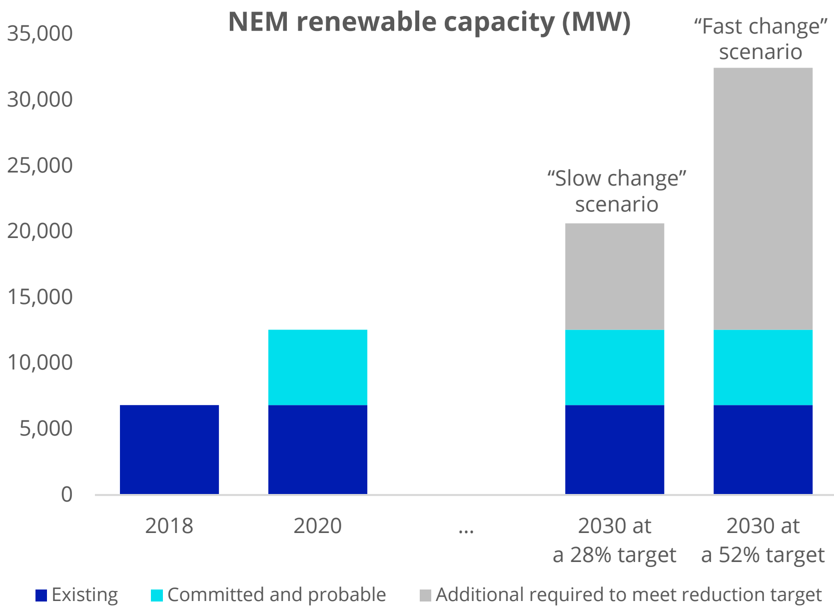


Source: ASX

- Forward prices have rallied in past six months:
  - Lower non-AGL hydro generation due to lower storage levels
  - Delay in renewables projects coming online
  - Higher thermal fuel input costs
  - Tight supply/demand conditions
- Forward curves remain in backwardation due to:
  - Additional anticipated renewables supply
  - Potential for moderation of fuel input costs
  - Market response to investment signals, such as demand response and batteries
- Trading beyond FY20 remains relatively illiquid due to regulatory policy uncertainty

Underlying demand for renewables development will remain strong despite falling LGC prices

Renewable requirements under different policies

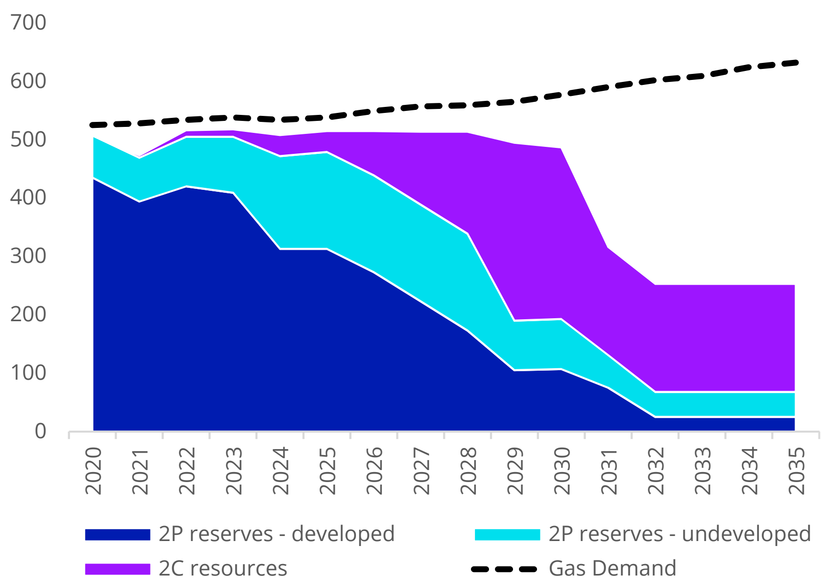


Source: AEMO, CER, AEMO ISP view of renewable/emission scenarios

- LGC spot prices trading at three-year lows and forward prices in backwardation due to expectation of 2020 LRET being met
- Irrespective of future of LRET, AGL expects renewables will continue to have value under government energy policy
- PARF assets to provide new stream of value in FY19 and FY20
- Policy options suggest 3-to-5 fold growth in renewables capacity to 2030
- AGL would expect to continue to support development via short-term PPAs and funding partnerships (e.g. PARF)

Supply uncertainty with declining gas production

East Coast gas demand vs. supply (PJ)



Source: AEMO

- Domestic conventional gas production continues to decline with future supply shortfalls forecast
  - Increasingly expensive and uncertain tranches of gas need to be developed
  - Market is short capacity and will need daily and seasonal demand variation to be managed via storage and other capacity products
- Strategy is to support customers by mitigating supply uncertainty and providing market optionality
  - 15-year gas storage services agreement at Iona to come on-stream in FY21
  - Continues to pursue the option to import LNG via Crib Point

FY19 guidance range unchanged

Underlying Profit after tax expected to be $970 million to $1,070 million

- Tracking towards mid-point of guidance range
- Strong portfolio performance offsetting impact of increased operating expenditure, coal plant outages
- Second half impacted by:
  - Lower gas volumes due to seasonality and lower Large Business customer volumes
  - Continued Consumer margin compression due to lower priced products and Victoria price change impact
  - Higher input fuel costs
- Subject to normal trading conditions and policy and regulatory uncertainty

2019 Half-Year Results Presentation

Supplementary Information

Underlying Profit summary

($m)	1H19	1H18*	Change
Revenue	6,337	6,450	(2)%
Gross margin	1,921	1,842	4%
Operating costs (excluding depreciation and amortisation)	(764)	(758)	1%
Underlying EBITDA	1,157	1,084	7%
Depreciation and amortisation	(295)	(270)	9%
Underlying EBIT			
Wholesale Markets	1,398	1,234	13%
Customer Markets	93	146	(36)%
Group Operations	(505)	(437)	16%
Investments	18	16	13%
Centrally Managed Expenses	(142)	(145)	(2)%
Underlying EBIT	862	814	6%
Net finance costs	(100)	(119)	(16)%
Underlying Profit before tax	**762**	**695**	**10%**
Income tax expense	(225)	(208)	8%
Underlying Profit after tax	**537**	**487**	**10%**
Underlying EPS (cents)	**81.9**	**74.3**	**10%**

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

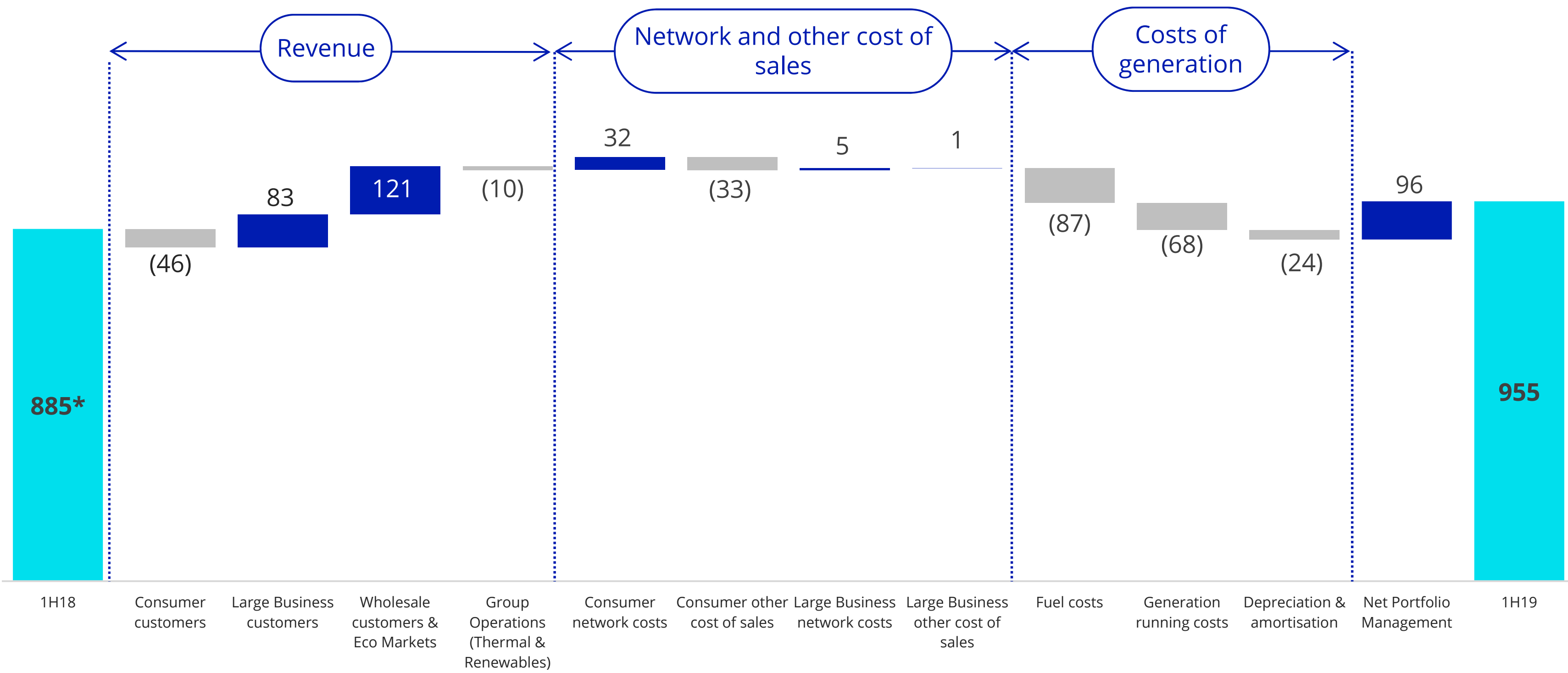
FY19 accounting standard change

AGL has adopted AASB 9 Financial Instruments and AASB 16 Leases and restated 2018 comparative figures to reflect the adoption of these new standards.
The table below summarise the adjustments recognised against each individual line item within the Group Financial Performance statement and the Summary Statement of Financial Position for all standards.
AGL also adopted AASB 15 Revenue from Contracts with Customers, however this did not have a material impact on adoption. Refer to Note 1(c) in the Half-Year Financial Report for a full summary of the overall impact of adoption of new and revised Standards and Interpretations.

($m)	31 Dec 2017	AASB 9	AASB 16	Restated 31 Dec 2017
Group financial performance				
Revenue	6,450	-	-	**6,450**
Cost of sales	(4,628)	(3)	-	**(4,631)**
Other income/(loss)	23	-	-	**23**
Gross margin	1,845	(3)	-	**1,842**
Operating costs (excluding depreciation and amortisation)	(761)	(5)	8	**(758)**
Underlying EBITDA	**1,084**	**(8)**	**8**	**1,084**
Depreciation and amortisation	(265)	-	(5)	**(270)**
Underlying EBIT	**819**	**(8)**	**3**	**814**
Net finance costs	(116)	-	(3)	**(119)**
Underlying Profit before tax	703	(8)	-	**695**
Income tax expense	(210)	2	-	**(208)**
Underlying Profit after tax	**493**	**(6)**	**-**	**487**

($m)	30 June 2018	AASB 9	AASB 16	Restated 30 June 2018
Summary statement of group financial position				
Assets				
Cash and cash equivalents	463	-	-	**463**
Other current assets	3,343	(116)	-	**3,227**
Property, plant and equipment	6,685	-	72	**6,757**
Intangible assets	3,271	-	-	**3,271**
Other non-current assets	877	35	3	**915**
Total assets	**14,639**	**(81)**	**75**	**14,633**
Liabilities				
Borrowings	2,841	-	122	**2,963**
Other liabilities	3,408	-	(39)	**3,369**
Total liabilities	**6,249**	**-**	**83**	**6,332**
Net assets / total equity	**8,390**	**(81)**	**(8)**	**8,301**

Movement in electricity portfolio margin ($m)



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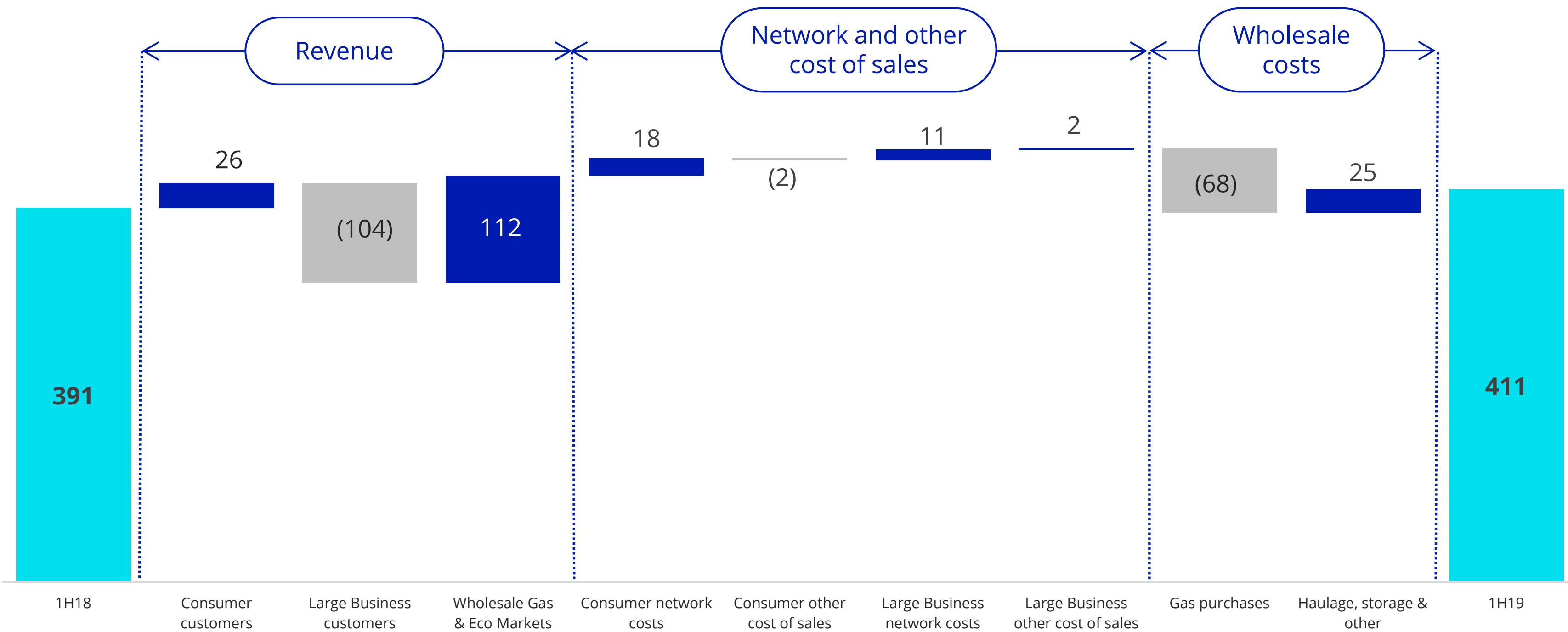
Movement in gas portfolio margin ($m)



Wholesale Markets – Underlying EBIT

($m)	1H19	1H18*	Change
Wholesale Electricity gross margin	1,088	997	9%
Wholesale Gas gross margin	261	240	9%
Eco Markets gross margin	67	11	509%
Gross margin	**1,416**	**1,248**	**14%**
Operating costs (excluding depreciation and amortisation)	(13)	(10)	30%
Underlying EBITDA	**1,403**	**1,238**	**13%**
Depreciation and amortisation	(5)	(4)	25%
Underlying EBIT	**1,398**	**1,234**	**13%**

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Customer Markets – Underlying EBIT

($m)	1H19	1H18*	Change
Consumer Electricity gross margin	228	260	(12)%
Consumer Gas gross margin	139	127	9%
Large Business Electricity gross margin	12	20	(40)%
Large Business Gas gross margin	11	23	(52)%
Fees, charges and other margin	15	37	(59)%
Gross margin	**405**	**467**	**(13)%**
Operating costs (excluding depreciation and amortisation)	(264)	(275)	(4)%
Underlying EBITDA	**141**	**192**	**(27)%**
Depreciation and amortisation	(48)	(46)	4%
Underlying EBIT	**93**	**146**	**(36)%**

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Group Operations – Underlying EBIT

($m)	1H19	1H18*	Change
Gross margin	**81**	**109**	**(26)%**
Operating costs (excluding depreciation and amortisation)	(355)	(340)	4%
Underlying EBITDA	**(274)**	**(231)**	**19%**
Depreciation and amortisation	(231)	(206)	12%
Underlying EBIT			
Thermal	(392)	(367)	7%
Renewables	(48)	(35)	37%
Natural Gas	(29)	(23)	26%
Other operations	(36)	(12)	300%
Underlying EBIT	**(505)**	**(437)**	**16%**

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Centrally Managed Expenses and Investments– Underlying EBIT

($m)	1H19	1H18	Change
Centrally Managed Expenses:			
Underlying EBITDA	**(131)**	**(131)**	**-**
Depreciation and amortisation	(11)	(14)	(21)%
Underlying EBIT	**(142)**	**(145)**	**(2)%**
Investments:			
Underlying EBITDA	**18**	**16**	**13%**
Depreciation and amortisation	-	-	-
Underlying EBIT	**18**	**16**	**13%**

Pool generation volume

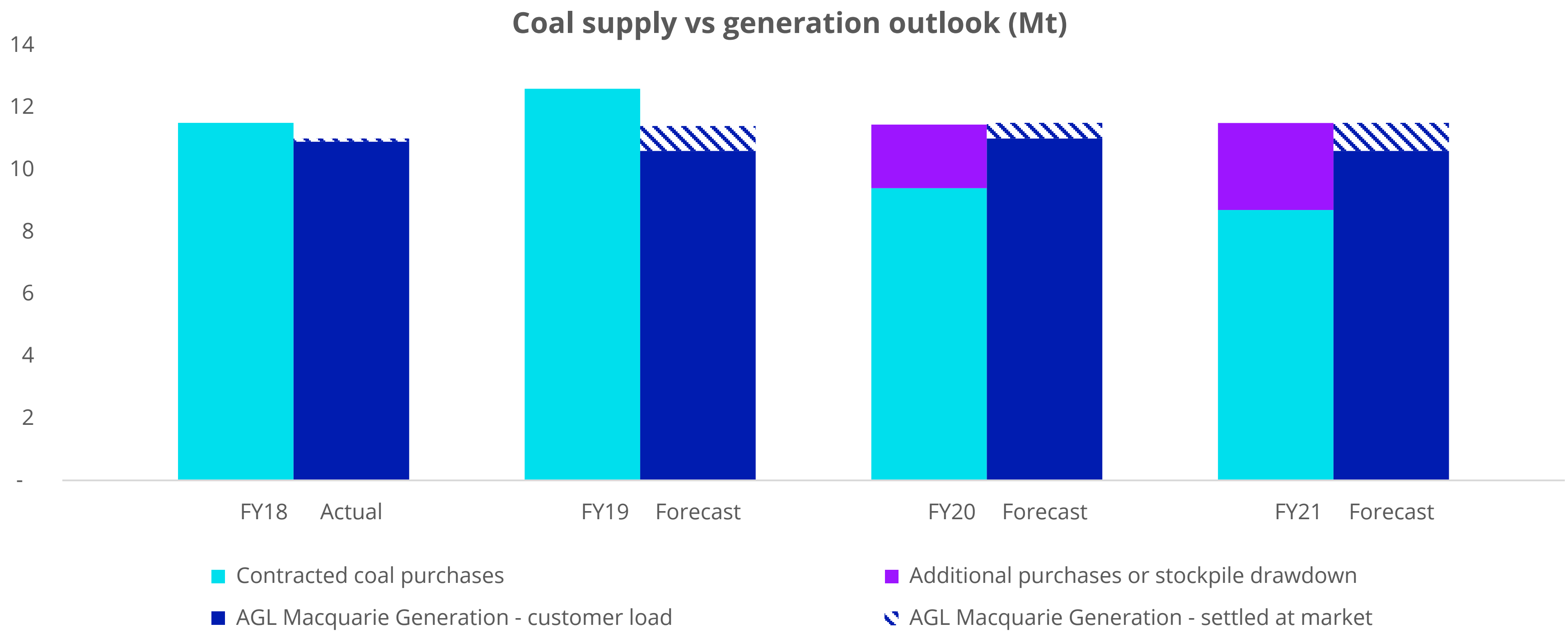
GWh	1H19	1H18	Change
Asset			
AGL Macquarie – Bayswater	6,790	7,497	(9)%
AGL Macquarie – Liddell	3,900	3,358	16%
AGL Loy Yang	6,883	6,951	(1)%
AGL Torrens	1,142	1,411	(19)%
SA wind	743	732	2%
VIC hydro	688	368	87%
VIC wind	678	649	5%
NSW solar	184	200	(8)%
Other gas	93	104	(11)%
NSW Wind	91	0	100%
NSW hydro	41	57	(28)%
Total	**21,233**	**21,327**	**(0)%**
Generation type			
Coal	17,573	17,806	(1)%
Gas	1,235	1,515	(18)%
Wind	1,512	1,381	9%
Hydro	729	425	72%
Solar	184	200	(8)%
Total	**21,233**	**21,327**	**(0)%**

Generation portfolio performance

Asset	State	Type	Status	Capacity (MW)	Carbon intensity (tCO_2e/MWh)	1H19 sent out generation (GWh)
AGL Macquarie - Bayswater	NSW	Coal	Owned	2,640	0.95	7,134
AGL Macquarie - Liddell	NSW	Coal	Owned	2,000	0.95	4,146
AGL Loy Yang	VIC	Coal	Owned	2,210	1.28	7,125
Total coal				**6,850**		**18,405**
AGL Torrens	SA	Gas steam turbine	Owned	1,280	0.61	1,151
Yabulu	QLD	CCGT	Control dispatch	122	0.43	89
Somerton	VIC	OCGT	Owned	160	0.74	54
Other	Various	Gas/diesel	Various	88	0.75	60
Total oil and gas				**1,650**		**1,354**
Macarthur	VIC	Wind	Control dispatch	420	0.00	590
Hallett	SA	Wind	Control dispatch	350	0.00	648
Wattle Point	SA	Wind	Control dispatch	91	0.00	140
Oaklands Hill	VIC	Wind	Control dispatch	63	0.00	101
Silverton	NSW	Wind	Control dispatch (PARF)	200	0.00	91
VIC hydro	VIC	Hydro	Owned	734	0.01	756
NSW hydro	NSW	Hydro	Owned	54	0.00	34
NSW solar	NSW	Solar	Control dispatch (PARF)	156	0.00	192
Other	Various	Landfill and bio-gas	Various	46	0.11	48
Total renewables				**2,114**		**2,600**
Generation portfolio at 31 December 2018				**10,614**	**0.93**	**22,359**
NEM industry average					**0.78**	

Note: the difference between sent out generation and pool generation volume (as disclosed on the prior slide and in the Operating & Financial Review) is due to marginal loss factors, non-scheduled generation and auxiliary usage.

Coal contracting



Electricity sales volumes

GWh	1H19	1H18	Change
Consumer			
New South Wales	2,741	2,797	(2)%
Victoria	1,896	1,917	(1)%
South Australia	953	993	(4)%
Queensland	1,125	1,242	(9)%
Consumer total	**6,715**	**6,949**	**(3)%**
Large Business			
New South Wales	1,990	2,401	(17)%
Victoria	1,270	1,466	(13)%
South Australia	339	394	(14)%
Queensland	1,112	753	48%
Large Business total	**4,711**	**5,014**	**(6)%**
Wholesale total*	**8,051**	**7,982**	**1%**
Electricity sales volume total	**19,477**	**19,945**	**(2)%**

* Includes purchased volumes sold to ActewAGL during 1H19 of 1,548 GWh (1H18 1,606 GWh)

Gas sales volumes

PJ	1H19	1H18	Change
Consumer			
New South Wales	11.1	11.6	(4)%
Victoria	18.4	19.3	(5)%
South Australia	1.7	1.9	(11)%
Queensland	1.2	1.4	(14)%
Western Australia	0.3	0.0	100%
Consumer total	**32.7**	**34.2**	**(4)%**
Large Business			
New South Wales	2.3	4.4	(48)%
Victoria	5.1	11.7	(56)%
South Australia	0.2	1.2	(83)%
Queensland	2.4	4.3	(44)%
Large Business total	**10.0**	**21.6**	**(54)%**
Wholesale customers & Generation*	**47.1**	**44.5**	**6%**
Gas sales volume total	**89.8**	**100.3**	**(10)%**

* Includes volumes sold to AGL owned generation assets during 1H19 of 15 PJ (1H18 17 PJ)

Customer account numbers

('000)	31 Dec 2018	30 Jun 2018	Change
Consumer Electricity			
New South Wales	831	823	1%
Victoria	658	658	0%
South Australia	364	367	(1)%
Queensland	369	372	(1)%
Total Consumer Electricity	**2,222**	**2,220**	**0%**
Consumer Gas			
New South Wales	641	643	(0)%
Victoria	534	528	1%
South Australia	132	131	1%
Queensland	84	83	1%
Western Australia	33	21	57%
Total Consumer Gas	**1,424**	**1,406**	**1%**
Total Consumer accounts	**3,646**	**3,626**	**1%**
Total Large Business accounts	**16**	**15**	**7%**
Total Customer accounts	**3,662**	**3,641**	**1%**
Dual fuel accounts	2,054	2,027	1%

Consumer customers account metrics

	1H15	1H16	1H17	1H18*	1H19
Gross margin ($m)	375	415	394	387	367
Net operating costs ($m)	(215)	(215)	(204)	(255)	(272)
EBIT ($m)	160	200	190	132	95
Gross margin per customer account ($)	100	112	107	106	101
Net operating costs per customer account ($)	(58)	(58)	(56)	(70)	(75)
EBIT per customer account ($)	43	54	52	36	26
Net operating costs/gross margin ratio (%)	58	52	52	66	74
Cost to serve ($m)	(143)	(137)	(133)	(154)	(175)
Cost to grow ($m)	(72)	(78)	(71)	(101)	(97)
Cost to serve per customer account ($)	(38)	(37)	(36)	(42)	(48)
Cost to grow per account (acquired and retained) ($)	(93)	(95)	(82)	(90)	(98)

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Consumer customers key indicators

	1H19	1H18*	Change
Electricity			
Volume (GWh)	6,715	6,949	(3)%
Average Consumer accounts ('000)	2,218	2,251	(1)%
Revenue ($m)	2,030	2,076	(2)%
Gross margin ($m)	228	260	(12)%
Gross margin (%)	11.2	12.5	(1.3)ppts
Gross margin per customer account ($)	103	116	(11)%
Gross margin per MWh ($)	34.0	37.4	(9)%
Gas			
Volume (PJ)	32.7	34.2	(4)%
Average Consumer accounts ('000)	1,413	1,408	0%
Revenue ($m)	851	825	3%
Gross margin ($m)	139	127	9%
Gross margin (%)	16.3	15.4	1.1ppts
Gross margin per customer account ($)	98	90	9%
Gross margin per GJ ($)	4.25	3.71	15%

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Large Business customers key indicators

	1H19	1H18*	Change
Electricity			
Volume (GWh)	4,711	5,014	(6)%
Revenue ($m)	844	761	11%
Gross margin ($m)	12	20	(40)%
Gross margin (%)	1.4	2.6	(1.2)ppts
Gross margin per MWh ($)	2.5	4.0	(38)%
Gas			
Volume (PJ)	10.0	21.6	(54)%
Revenue ($m)	108	212	(49)%
Gross margin ($m)	11	23	(52)%
Gross margin (%)	10.2	10.8	(0.6)ppts
Gross margin per GJ ($)	1.1	1.1	(0)%

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

Debt facilities at 31 December 2018

Debt facility ($m)	Limit	Usage	Maturity
Subordinated notes *	650	650	FY19
Revolving bilateral facilities	361	0	FY20
Syndicated revolving facility	400	0	FY21
A$600m medium-term notes	600	600	FY22
Revolving bilateral facility	75	0	FY22
USPP US$165m	186	186	FY23
Club facility term	410	410	FY25
USPP US$135m	152	152	FY26
USPP A$50m	50	50	FY27
CPI bonds	84	84	FY27
USPP US$150m	198	198	FY29
USPP US$70m	92	92	FY30
ECA amortising facility	139	139	FY31
USPP US$175m	231	231	FY32
Total debt facilities	**3,628**	**2,792**	
Less: Cash		428	
Net debt		**2,364**	

* Subordinated notes – first call date June 2019, final maturity 2039

Historical financial information

($m)	1H15	FY15	1H16	FY16	1H17	FY17	1H18*	FY18*	1H19
Wholesale Markets external revenue	1,014	2,481	1,630	3,518	1,966	4,860	2,454	4,944	2,417
Customer Markets external revenue	4,071	8,006	3,878	7,438	3,752	7,334	3,907	7,696	3,852
Group Operations external revenue	98	190	93	193	312	389	89	175	67
Other external revenue	-	1	-	1	-	1	-	1	1
Total external revenue	**5,183**	**10,678**	**5,601**	**11,150**	**6,030**	**12,584**	**6,450**	**12,816**	**6,337**
Wholesale Markets Underlying EBITDA	804	1,686	969	1,837	989	1,975	1,238	2,675	1,403
Customer Markets Underlying EBITDA	228	458	271	537	272	533	192	304	141
Group Operations Underlying EBITDA	(206)	(440)	(255)	(486)	(230)	(451)	(231)	(495)	(274)
Investments Underlying EBITDA	12	26	17	25	11	17	16	33	18
Centrally Managed Expenses Underlying EBITDA	(103)	(225)	(117)	(224)	(118)	(222)	(131)	(281)	(131)
Total Underlying EBITDA	**735**	**1,505**	**885**	**1,689**	**924**	**1,852**	**1,084**	**2,236**	**1,157**
Wholesale Markets Underlying EBIT	798	1,675	966	1,828	985	1,967	1,234	2,665	1,398
Customer Markets Underlying EBIT	189	379	225	446	229	446	146	202	93
Group Operations Underlying EBIT	(337)	(704)	(425)	(834)	(410)	(814)	(437)	(920)	(505)
Investments Underlying EBIT	12	26	17	25	11	17	16	33	18
Centrally Managed Expenses Underlying EBIT	(114)	(250)	(133)	(254)	(130)	(248)	(145)	(313)	(142)
Total Underlying EBIT	**548**	**1,126**	**650**	**1,211**	**685**	**1,368**	**814**	**1,667**	**862**
Underlying Profit after tax	**302**	**630**	**375**	**701**	**389**	**802**	**487**	**1,018**	**537**

* Figures restated on adoption of AASB 9 Financial Instruments and AASB 16 Leases.

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 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 fair value of financial instruments.
- Underlying Profit is 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 Energy Limited.
- Amounts presented as Statutory Profit and Underlying Profit are those amounts attributable to owners of AGL Energy Limited.

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