

ASX Release

AGL segment reclassification

21 December 2016

AGL Energy Limited (AGL) today advises of changes to its segmental reporting structure following the announcement on 14 November 2016 that the New Energy business would become an "innovation accelerator".

As such, New Energy, including Strategic Partnerships & Investments, Commercial Development and Technology Innovation & Development, will now be reported under Centrally Managed Expenses.

Proven and developed lines of business are to be integrated into the appropriate AGL business units as follows:

- The New Energy Services business, including residential and commercial solar and business energy efficiency solutions, will move to Energy Markets.
- The Distributed Energy Services business, including Active Stream digital metering and low emission generation assets, will move to Group Operations.

This change is in accordance with AASB 8, which requires companies to report segment information on a similar basis as is used internally by management for reviewing segment performance. The revised segment reporting will commence with the financial results for the half-year ended 31 December 2016 to be released on 9 February 2017.

There is no change to the reported profit in any periods, only movements between segments. To facilitate comparisons with performance in prior periods, AGL has provided the historical segment data and reconciliations in an appendix to this release.

Further inquiries:

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Appendix – Operating EBIT reconciliations by segment

Table 1 – AGL Group

AGL Group \$ million	Year ended 30 June 2016	Half-year ended 31 December 2015	Year ended 30 June 2015	Half-year ended 31 December 2014	Year ended 30 June 2014	Half-year ended 31 December 2013	Year ended 30 June 2013	Half-year ended 31 December 2012
Revised Structure								
Energy Markets	2,274	1,191	2,054	987	1,608	769	1,568	786
Group Operations	(842)	(429)	(710)	(340)	(436)	(230)	(397)	(215)
Investments	25	17	26	12	23	13	26	16
Centrally Managed Expenses	(246)	(129)	(244)	(111)	(191)	(97)	(166)	(84)
Operating EBIT	1,211	650	1,126	548	1,004	455	1,031	503
Previous Structure								
Energy Markets	2,286	1,196	2,063	993	1,619	773	1,575	788
Group Operations	(854)	(437)	(729)	(355)	(473)	(249)	(431)	(229)
New Energy	(21)	(8)	2	7	21	13	26	11
Investments	25	17	26	12	23	13	26	16
Centrally Managed Expenses	(225)	(118)	(236)	(109)	(186)	(95)	(165)	(83)
Operating EBIT	1,211	650	1,126	548	1,004	455	1,031	503

Table 2 – Energy Markets: revised structure

Energy Markets \$ million	Year ended 30 June 2016	Half-year ended 31 December 2015	Year ended 30 June 2015	Half-year ended 31 December 2014	Year ended 30 June 2014	Half-year ended 31 December 2013	Year ended 30 June 2013	Half-year ended 31 December 2012
Consumer Market	399	200	321	160	332	141	361	140
Business Customers	59	30	67	35	64	31	94	48
Wholesale Markets	1,828	966	1,675	798	1,223	601	1,120	600
New Energy Services	(12)	(5)	(9)	(6)	(11)	(4)	(7)	(2)
Operating EBIT	2,274	1,191	2,054	987	1,608	769	1,568	786

Table 3 – Group Operations: revised structure

Group Operations \$ million	Year ended 30 June 2016	Half-year ended 31 December 2015	Year ended 30 June 2015	Half-year ended 31 December 2014	Year ended 30 June 2014	Half-year ended 31 December 2013	Year ended 30 June 2013	Half-year ended 31 December 2012
Thermal	(675)	(338)	(574)	(279)	(340)	(176)	(346)	(183)
Renewables	(64)	(37)	(77)	(40)	(78)	(40)	(47)	(25)
Natural Gas	(45)	(27)	(23)	(10)	(13)	(13)	0	(2)
Distributed Energy Services	12	8	19	15	37	19	34	14
Other	(70)	(35)	(55)	(26)	(42)	(20)	(38)	(19)
Operating EBIT	(842)	(429)	(710)	(340)	(436)	(230)	(397)	(215)

Table 4 – Centrally Managed Expenses: revised structure

Centrally Managed Expenses \$ million	Year ended 30 June 2016	Half-year ended 31 December 2015	Year ended 30 June 2015	Half-year ended 31 December 2014	Year ended 30 June 2014	Half-year ended 31 December 2013	Year ended 30 June 2013	Half-year ended 31 December 2012
Previous structure	(225)	(118)	(236)	(109)	(186)	(95)	(165)	(83)
New Energy	(21)	(11)	(8)	(2)	(5)	(2)	(1)	(1)
Operating EBIT	(246)	(129)	(244)	(111)	(191)	(97)	(166)	(84)

Table 5 – Summary of former New Energy segment reallocation

Former New Energy Segment \$ million	Year ended 30 June 2016	Half-year ended 31 December 2015	Year ended 30 June 2015	Half-year ended 31 December 2014	Year ended 30 June 2014	Half-year ended 31 December 2013	Year ended 30 June 2013	Half-year ended 31 December 2012
Energy Markets	(12)	(5)	(9)	(6)	(11)	(4)	(7)	(2)
Group Operations	12	8	19	15	37	19	34	14
Centrally Managed Expenses	(21)	(11)	(8)	(2)	(5)	(2)	(1)	(1)
Operating EBIT	(21)	(8)	2	7	21	13	26	11