

ASX & Media Release

2015 Earnings Guidance

23 October 2014

AGL Energy Limited (AGL) is today holding its Annual General Meeting at which it is the normal practice of the Company to provide earnings guidance for the current year.

Assuming normal trading conditions for the remainder of the year, Underlying Profit for the year ending 30 June 2015 (FY15) is expected to be in the range \$575 million to \$635 million. Underlying Profit is the Statutory Profit after tax adjusted for significant items and changes in the fair value of certain electricity derivatives.

The main factors affecting FY15 Underlying Profit are:

- Repeal of carbon
- Closure of AGL's LPG extraction plant at Kurnell (HCE)
- Growth in wholesale gas margins
- Return to more normal winter weather in July and August
- Continued softness in customer demand
- Sale of Moranbah gas assets¹

Guidance for FY15 Underlying Profit includes the expected contribution from Macquarie Generation from the date of its acquisition on 2 September 2014.

AGL's Statutory Profit will include a significant item in relation to Macquarie Generation acquisition costs, estimated to be approximately \$156 million (after tax).

Further inquiries:

Investors

John Hobson, Head of Capital Markets
Direct: +61 2 9921 2789
Mobile: +61 (0) 488 002 460
email: john.hobson@agl.com.au

Media

Karen Winsbury, Head of Corporate Communications
Direct: +61 3 8633 6388
Mobile: +61 (0) 408 465 479
e-mail: kwinsbury@agl.com.au

¹ Moranbah is classified as "held for sale" and, in accordance with accounting standards, is no longer depreciated. If, at 30 June 2015, a sale has not been completed or the asset is no longer classified as being held for sale, non-cash depreciation of approximately \$25 million (pre-tax), for the period 1 January 2014 to 30 June 2015, would need to be recognised. No profit on sale is assumed for purposes of providing Underlying Profit guidance.



About AGL

AGL is one of Australia's leading integrated energy companies and largest ASX listed owner, operator and developer of renewable energy generation in the country. Drawing on over 175 years of experience, AGL operates retail and merchant energy businesses, power generation assets and an upstream gas portfolio. AGL has one of Australia's largest retail energy and dual fuel customer bases. AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across traditional thermal generation as well as renewable sources including hydro, wind, landfill gas and biomass. AGL is taking action toward creating a sustainable energy future for our investors, communities and customers.