



Energy in
action.®

THE MARKET

AGL is Australia's leading integrated renewable energy company, with around 3.5 million customer accounts throughout New South Wales, Victoria, Queensland and South Australia, and over 3,500 employees.

Drawing on 175 years of experience, AGL has one of Australia's largest retail energy and dual fuel customer bases, and operates retail and merchant energy businesses, generation assets and an upstream gas portfolio.

AGL has a diverse power generation portfolio including base, peaking and intermediate generation plants, spread across thermal, coal fired and renewable generation sources, such as hydro, wind, landfill gas and biomass.

With a focus on sustainability, AGL is looking to further develop this position by exploring a suite of low emission and renewable energy generation development opportunities.

ACHIEVEMENTS

With expertise the cornerstone of AGL's reputation, the company has been at the forefront of energy use in the home and workplace, with its sustainability performance being recognised domestically and internationally by its inclusion in:

- Dow Jones Sustainability World Index 2010/11
- FTSE4 Good Index
- Carbon Disclosure Project ASX200/NZX50
- Carbon Disclosure Leadership Index 2010
- Carbon Disclosure Project ASX200/NZX50
- Carbon Performance Leaders List 2010

Other sustainability awards received by AGL include:

- Energy Supply Association of Australia's Sustainability Reporting Award (March 2011)
- ACCA Australia Sustainability Reporting Awards: Best report in the energy and utilities sector (November 2010)

Additionally, AGL was awarded 2012 Employer of Choice for Women Citation from the Equal Opportunity for Women in the Workplace Agency (EOWA) and in the Canstar Awards, AGL won 2012 Canstar Blue Most Satisfied Customers, Electricity Providers NSW.

HISTORY

As the second oldest publically listed company in Australia, AGL has an established reputation for serving the energy needs of Australian households for the past 175 years. The company supplied the gas that made the first public lighting of a street lamp possible in Sydney in 1841, and within two years had 165 gas lamps lighting the city. In 1857, AGL introduced gas purification, which allowed



gas to be used in private residences for the first time and 16 years later imported the first gas-cooking stove, installing it in its Darling Harbour showroom. Gas stoves could soon be rented or bought from AGL for the home.

By 1936, approximately 59,000 people had taken gas-cooking classes provided by AGL to better understand its benefits.

In 1976, AGL introduced and managed the installation of the longest natural gas pipeline in the country - from South Australia to Sydney - and in 1998 committed to sustainable energy with the Wilpena Solar Station in the Central Flinders Ranges.

In October 2006, AGL Energy began trading on the Australian Stock Exchange under a new ticker symbol 'AGK', after demerging ownership of its natural gas and electricity distribution networks, and in 2008 built Hallett Wind Farm in South Australia - the first of the six it now currently operates.

During 2009, AGL opened its Bogong Power

Station in Victoria - the largest hydroelectric asset to be built on the Australian mainland for 25 years - and became the proud sponsor of the AGL Action Rescue Helicopter in Queensland, keeping this vital service operating.

This same year, AGL helped restore Victoria's iconic Skipping Girl sign and in 2010 sponsored the Adelaide Zoo Giant Pandas, Wang Wang and Funi, by donating and installing a solar energy system to power their exhibit. In addition, AGL commenced construction of the Macarthur Wind Farm - the largest wind farm in the Southern Hemisphere, investing approximately \$1 billion.

In 2011, AGL acquired a solar company, Rezeko Pty Ltd. Now known as AGL Solar, this business delivers quality solar solutions to Australian homes and businesses.

Most recently AGL partnered with Coles, introducing its exclusive relationship with the flybuys loyalty program, where customers can be rewarded with flybuys points for spending on their gas and electricity.

THE PRODUCT

AGL operates in some of the most competitive energy markets in the world. The evolving needs of our customer's energy requirements continue to challenge AGL in delivering innovative energy solutions.

In addition to a full suite of competitive gas and electricity plans, AGL provides a range of energy efficiency advice, products



and services via AGL Smarter Living, offering customers three-ways to trade with AGL (online, in store, in home). AGL Smarter Living is a new end-to-end concept, which is new for the Australian energy market.

With shop fronts to support customer engagement, AGL Smarter Living provides expert plumbing and electrical tradespeople providing advice, repairs and new appliances for heating, cooling and hot water needs, as well as solar services from hot water to solar PV.

AGL Energy Online, just like Internet banking



but for your energy, enables customers to view, pay and store energy bills online, review and upgrade energy plans and move home – all from the convenience of your own computer or mobile device.

For business customers, AGL Energy Services focuses on helping organisations to reduce their energy usage to save money on their energy bills, as well as help manage emerging requirements such as carbon.

RECENT DEVELOPMENTS

The single largest change in Australia's energy market came with the move to deregulation, which saw reform beginning in 1994 with the privatisation of the electricity industry in Victoria.

In 1995, AGL acquired 50% of one of the Victorian electricity distribution and retail companies, Solaris Power, and in 1998 acquired the remaining 50%, rebranding it AGL.

Similarly, in South Australia AGL acquired the retail arm of ETSA Power, in January 2000 and Pulse Energy, a Victorian gas and electricity retailer, in 2002.

AGL has established major investments in hydro, wind, solar, geothermal, biomass, biogases and landfill gas, and over the last seven years has invested over \$3 billion in renewable energy generation.

PROMOTION

In preparation for the introduction of natural gas in 1974, AGL transformed its image to symbolise the change to environmentally friendly natural gas. The logo evolution continues to incorporate elements from this period. 2008 saw the introduction of the current brand tag line 'Energy in Action', along with the well-recognised soundtrack 'Energy', a new colour palette and visual devise – the highly recognisable AGL Blue Chip.

In recent years advertising campaigns have focused on AGL's commitment to renewable energy, energy efficiency and AGL's strong Australian heritage. In honour of its milestone 175th anniversary, AGL launched "Looking back on 175 years of looking forward." This campaign highlights the significant role AGL has played in Australian history, and the forward-looking



attitude that keeps it at the forefront of innovation.

All of these campaigns have been successful in making AGL one of the most recognised energy brands in Australia.

CORPORATE SOCIAL RESPONSIBILITY

AGL's corporate citizenship program, 'Energy for Life' includes three core components: Employee Giving, Employee Volunteering and its Strategic Partnerships Program.

AGL provides paid workdays for employees to volunteer their time and skills to a community group or cause of their choice and if employees would like to make donations to AGL's charity partners through payroll giving or events, AGL matches it dollar for dollar. In this way, AGL employees and Energy for Life donated more than \$150,000 to its charity partners in 2011 alone.

The Energy for Life program is informed by the latest research from AGL's Economic Policy and Sustainability Team, which identified that with electricity prices set to continue to rise over the coming decade, there are a growing number of households around Australia at risk of or unable to meet the costs of their energy requirements. It is AGL's view that as a responsible corporate citizen it will direct additional resources above its existing commitments such as the hardship program Staying Connected.

As such AGL will invest over \$3 million over the next six years, to a number of new long-term partnerships, with community organisations including The Smith Family, St Vincent de Paul and the Cancer Council to deliver support for families and households experiencing financial hardship. Their overarching objective is to deliver the right kinds of support, to the right place and through the right channels.

BRAND VALUES

AGL's vision of 'creating energy solutions for the communities of today and tomorrow', guides every aspect of the business.

This is underpinned by 'Actions, not Words', AGL's brand promise for everyone who deals with AGL. 'Actions, not Words' is about talking less and doing more.

AGL executes its brand promise creatively in market to consumers via advertising and other external communications as 'Energy in Action.' 'Energy in Action' illustrates the idea that change isn't just about words, it's about the things you do.

As a company, AGL is proud to offer its people the opportunity to work for a company that is innovative, customer focused and proudly still Australian and upholds the values of One Team, Vitality, Safe and Sustainable, Authentic and Delivery. AGL employees live by these values, which have shaped the company to what it is today.

The success of the AGL brand has come from continually asking 'what next' and ensuring actions align to the needs of customers and the community, which starts with simply evaluating consumer insights. As a result, AGL is an energy company that consumers know they can trust for all their energy needs.

THINGS YOU DIDN'T KNOW ABOUT AGL

- AGL provided the engineering expertise that designed and built the burner for the Olympic flame at the Sydney 2000 games.
- AGL became one of the first companies in Australia to employ computerised record-keeping systems.
- AGL was one of the first companies listed on the Sydney Stock Exchange.
- AGL is the second oldest company in Australia still trading under its original name.
- AGL introduced gas purification in Australia, making it possible for gas to be used in private homes.
- AGL built the very first dedicated gas-cooking showroom next to the Palace Emporium.
- AGL introduced natural gas to Sydney, before a crowd of 100,000 people on New Year's Eve in 1976.
- AGL has been recognized for its actions to address climate change on the Dow Jones Sustainability World Index.
- AGL's Bogong Power Station is the largest hydroelectric asset to be built on mainland Australia for more than 25 years. It uses existing water flow to generate an astonishing 94,000MW of emission-free renewable electricity each year.
- AGL donated and installed a solar energy system to help keep 'Little Audrey' as the Skipping Girl sign is affectionately known in 2012 to keep her skipping on sunshine well into the future.