



ASX RELEASE

Australian Power & Gas achieves 310,000 net accounts

- *Net customer accounts rise 13% on previous quarter*
- *Record new sign-ups in last quarter of FY11*
- *Positive underlying cash flow in Q1*

Sydney, 31 October 2011 – Independent energy retailer, Australian Power & Gas Company Limited (ASX: APK), today announced it achieved 310,000 net customer accounts, a 13 percent increase from June.

"The successful customer acquisition program continues our growth trajectory for achieving our fiscal 2012 target of between 400,000 and 420,000 customer accounts" said James Myatt, CEO of Australian Power & Gas.

The company today also released its Appendix 4C report for the three months to 30 September 2011. The attached quarterly report shows record new customer sign-ups in the last three months of the financial year was reflected in cash flow as Australian Power & Gas focuses on expanding its footprint across the eastern seaboard.

Underlying cash flow was positive \$1.0 million for the quarter, adjusted for the cost of growth, deposits and allowing for prepayments placed as guarantees. "This result was particularly pleasing given that \$4 million in amounts due from state governments relating to this period was not received until after month end," said Mr Myatt.

Customer payments of \$90.9 million for the quarter were up by 80% on the corresponding period in 2010, and also by a similar amount on customer payments received in the 3 months to June 2011.



The table below shows the reconciliation to the Appendix 4C.

	3 months to September 2011 \$'000	3 months to September 2010 \$'000
Reported operating & investing cash flow	(\$4,766)	(\$4,613)
<i>Adjustments for items included in operating cash flow</i>		
Costs of customer acquisition paid (refer below)	\$4,402	\$4,012
Prepayments & cash credit support	\$-	(\$69)
Net finance costs	\$1,370	\$1,320
Underlying operating cash flow	\$1,006	\$650
Customer acquisition costs		
Account replacement	\$1,392	\$1,003
Growth	\$3,010	\$2,009
	\$4,402	\$4,012

About Australian Power & Gas:

Australian Power & Gas Company Limited (ASX: APK) is an independent ASX-listed energy retailer. Australian Power & Gas holds a full suite of gas and electricity retail licences in Victoria, New South Wales, ACT, South Australia and Queensland and has been approved to operate by AEMO, the Australian Energy Market Operator. Australian Power & Gas was announced as the fastest starting company in the 2011 Business Review Weekly Annual Fast Starters List for a second year in a row, and was placed number 1 on the Business Review Weekly Fast100 list for 2010.

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