



## ASX/MEDIA RELEASE

### Australian Power & Gas releases December quarter 4C report

**Sydney, 31 January 2011** – Independent energy retailer Australian Power & Gas (ASX: APK) today released its Appendix 4C report for the three and six months to 31 December 2011.

Reflecting seasonal trends, while customer payments of \$88.2 million were below the \$90.9 million recorded in the September quarter, operating costs were lower. As a result underlying operating cash flow increased significantly to \$9.9 million, up from \$0.6 million for the September quarter.

For the 6 months to December, continuing customer growth drove customer payments to increase by over 70% to \$179.1 million compared to the prior corresponding period. Underlying operating cash flow improved by \$7.5 million to \$10.5 million.

	6 months to 31 December		Movement	
	2011	2010		
	\$000s	\$000s	\$000s	%
Customer payments	179,132	104,226	74,906	71.9%
Payments to suppliers and employees	(168,653)	(101,296)	(67,357)	66.5%
<b>Underlying operating cash flow</b>	<b>10,479</b>	<b>2,930</b>	<b>7,549</b>	<b>257.6%</b>
Customer acquisition costs	(7,848)	(8,433)	585	(6.9%)
Net finance costs	(5,144)	(4,423)	(721)	16.3%
Equipment and systems development	(950)	(534)	(416)	77.9%
Credit support (deposits and prepayments)	(810)	349	(1,159)	(332.1%)
<b>Operating and investing cash flow (per Appendix 4C)</b>	<b>(4,274)</b>	<b>(10,111)</b>	<b>5,838</b>	<b>(57.7%)</b>

While the results show the strong growth that has occurred in activities, as noted in the company's statement of 21 December there has been a period of abnormally mild weather conditions in Victoria during the 6 month period. These conditions have affected electricity and gas consumption by Australian Power & Gas customers, which is down by 10% to 15% on historical averages. As a direct result of these usual conditions, customer payments of \$179.1 million were \$31 million below forecast.

The Appendix 4C report is attached.

The company reiterates revised 2012 full-year guidance, as stated previously on 21 December, as follows:

Customer accounts	360,000-380,000
Revenue	\$390m -\$410m
Underlying EBITDA	\$28m - \$33m
Underlying NPAT	\$6m - \$8m

Supporting the growth assumptions in this guidance, customer accounts are currently 328,000, up by 56,000 since 30 June 2011.

[ENDS]

***For further information please contact:***

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**About Australian Power and Gas:**

Australian Power and Gas Company Limited (ASX: APK) is an independent ASX-listed energy retailer, and one of Australia's fastest growing companies. It 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 and 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 first on the *Business Review Weekly* Fast100 list for 2010.

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

AUSTRALIAN POWER AND GAS COMPANY LIMITED

ABN

96 077 206 583

Quarter ended ("current quarter")

31 December 2011

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers	88,168	179,132
1.2	Payments for		
	(a) staff costs	(1,992)	(5,534)
	(b) advertising and marketing	(369)	(1,487)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(75,180)	(160,218)
	(f) customer acquisition costs	(3,446)	(7,848)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	479	718
1.5	Interest and other costs of finance paid	(4,254)	(5,863)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	<b>Net operating cash flows</b>	<b>3,406</b>	<b>(1,100)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>3,406</b>	<b>(1,100)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(102)	(115)
(e) other non-current assets	(588)	(835)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other - restricted cash	(2,224)	(2,224)
- deposits		
<b>Net investing cash flows</b>	<b>(2,914)</b>	<b>(3,174)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>492</b>	<b>(4,274)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc	2	2,750
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	2,000	2,000
1.18 Repayment of borrowings	(1,700)	(2,700)
1.19 Dividends paid	-	(925)
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	<b>302</b>	<b>1,125</b>
<b>Net (decrease)/increase in cash held</b>	<b>794</b>	<b>(3,149)</b>
1.21 Cash at beginning of quarter/year to date	7,473	11,416
1.22 Exchange rate adjustments to item 1.20		
1.23 <b>Cash at end of quarter</b>	<b>8,267</b>	<b>8,267</b>
<b>Cash at end of quarter excludes cash on deposit of \$10,711,000 held as security for bank guarantees issued.</b>		

+ See chapter 19 for defined terms.

## **Payments to directors of the entity and associates of the directors**

### **Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	60
1.25 Aggregate amount of loans to the parties included in item 1.11	-
1.26 Aggregate amount of loans from the parties included in item 1.17	-

#### 1.26 Explanation necessary for an understanding of the transactions

Item 1.2 includes:

- \$60,000 (plus GST) paid to Arthur Phillip Pty Limited, a related entity of Mr Richard Poole a director and substantial shareholder of the company, for the provision of financial advisory services in accordance with their contract of service. The fees were paid for general advisory services.

## **Non-cash financing and investing activities**

#### 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

#### 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

n/a

## **Financing facilities available**

*Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
- convertible note	4,000	4,000
- revolving debt facility (1)	50,000	49,200
- loan	1,700	1,700

(1) Refer to ASX release dated 22 June 2007 in relation to a secured debt facility. The facility has a limit of \$50,000,000. The available balance is calculated in relation to outstanding receivables from customers. The amount that can be drawn is limited to a maximum of 90% of the balance owed, after deduction of allowances for overdue debts and other contingencies.

+ See chapter 19 for defined terms.

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	8,267	7,473
4.2	Deposits at call	-	-
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		8,267	7,473
Cash at end of quarter excludes cash held on deposit of \$10,711,000 held as security for bank guarantees issued.			

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	
5.2	Place of incorporation or registration	
5.3	Consideration for acquisition or disposal	
5.4	Total net assets	
5.5	Nature of business	

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement gives a true and fair view of the matters disclosed.

31/1/2012

David Franks  
Company Secretary

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