

Interim Results

for the period ended
30 June 2013



Disclaimer

This presentation does not constitute an invitation to underwrite, subscribe for, or otherwise acquire or dispose of any Centrica shares or other securities.

This presentation contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Centrica plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser.

Unless otherwise stated all reported figures include share of JVs and associates after interest and taxation (except adjusted operating profit which includes share of JVs and associates before interest and taxation) and are before depreciation of fair value uplifts to property, plant and equipment from Strategic Investments and exceptional items and certain re-measurements.



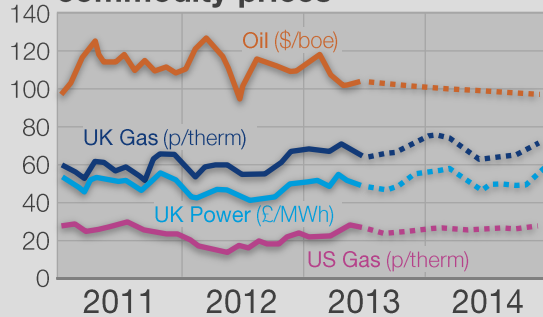
Sir Roger Carr
Chairman



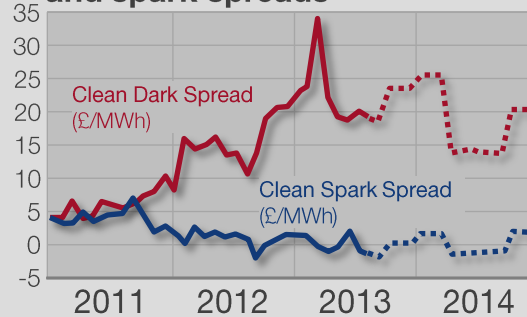
Nick Luff
Group Finance Director

Commodity prices and spreads

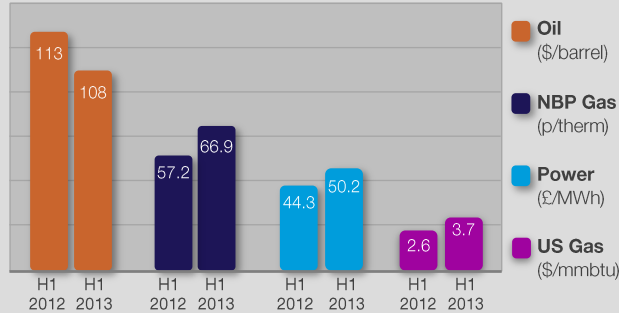
Average month ahead commodity prices



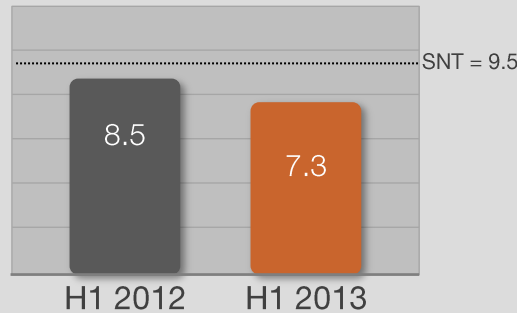
Clean dark and spark spreads



Average month ahead commodity prices



Average temperature (degrees centigrade)



Financial headlines

Period ended 30 June	2013	2012
Continuing operations:		
Revenue (£m)	13,651	11,977
Adjusted operating profit (£m)	1,583	1,447
Adjusted effective tax rate	47%	43%
Group result:		
Adjusted earnings (£m)	767	753
Adjusted earnings per share (p)	14.8	14.6
Interim dividend per share (p)	4.92	4.62

Above figures include share of JVs and associates after interest and taxation (except adjusted operating profit which includes share of JVs and associates before interest and taxation) and are before depreciation of fair value uplifts to property, plant and equipment from Strategic Investments and exceptional items and certain re-measurements

The Group has applied IAS19 (revised) pensions accounting. As a result 2012 earnings and earnings per share have been restated

A definition of the effective tax rate is summarised in the Group Financial Review



Operating profit analysis

Period ended 30 June (£m)	2013	2012
British Gas	569	563
Direct Energy	165	155
Centrica Energy	802	693
Centrica Storage	47	36
Adjusted operating profit	1,583	1,447
Share of JV / associates' interest and taxation	(47)	(49)
Depreciation of FV uplifts to property, plant and equipment	(51)	(52)
Group operating profit	1,485	1,346

Above figures are from continuing operations and are before exceptional items & certain re-measurements

The North American upstream gas business is now included within Centrica Energy. The 2012 comparatives have been restated accordingly



Operating profit analysis

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Above figures include share of joint ventures and associates before interest and taxation and are before depreciation of fair value uplifts to property, plant and equipment from Strategic Investments and exceptional items and certain re-measurements

The North American upstream gas business is now included within Centrica Energy. The 2012 comparatives have been restated accordingly

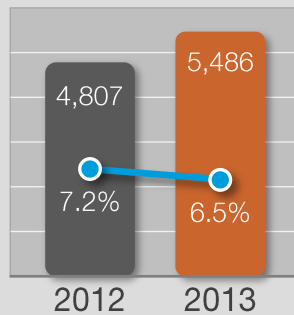


British Gas - operating profit & key drivers

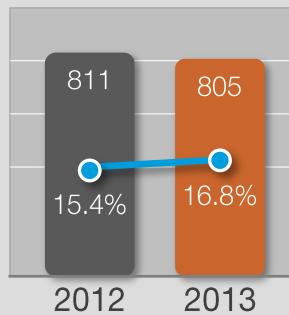
Operating profit

Period ended 30 June (£m)	2013	2012
Residential energy	356	345
Residential services	135	125
Business	78	93
British Gas	569	563

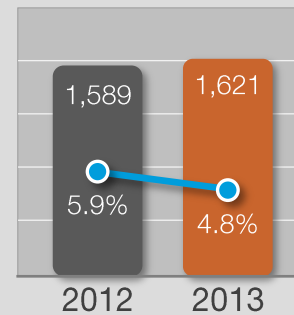
Residential energy revenue (£m) and margin (%)



Residential services revenue (£m) and margin (%)



Business revenue (£m) and margin (%)



Above figures include share of joint ventures and associates before interest and taxation and are before depreciation of fair value uplifts to property, plant and equipment from Strategic Investments and exceptional items and certain re-measurements

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The North American upstream gas business is now included within Centrica Energy. The 2012 comparatives have been restated accordingly

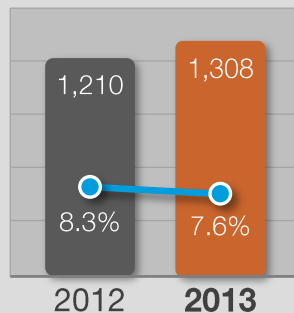


Direct Energy - operating profit & key drivers

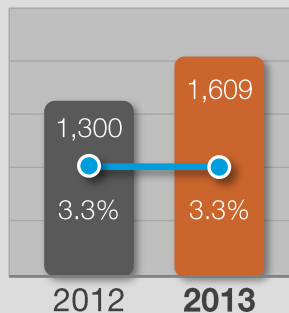
Operating profit

Period ended 30 June (£m)	2013	2012
Residential energy	99	101
Business energy	53	43
Services	13	11
Direct Energy	165	155

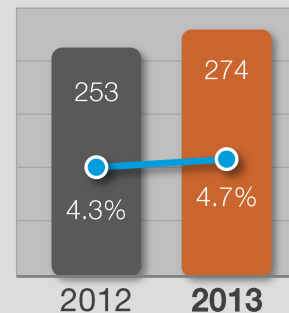
Residential energy revenue (£m) and margin (%)



Business energy revenue (£m) and margin (%)



Services revenue (£m) and margin (%)



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The North American upstream gas business is now included within Centrica Energy. The North American Power and Midstream & Trading businesses are now included within Direct Energy Business energy supply. The 2012 comparatives have been restated accordingly

Operating profit analysis

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The North American upstream gas business is now included within Centrica Energy. The 2012 comparatives have been restated accordingly



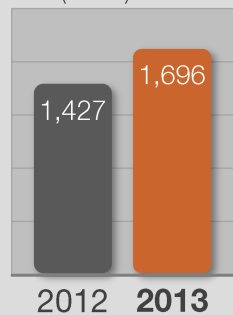
Centrica Energy - operating profit & key drivers

Operating profit

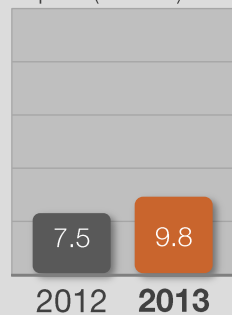
Period ended 30 June (£m)	2013	2012
Gas	683	519
Power	119	174
Centrica Energy	802	693

Gas & oil production volumes

Gas (mmth)

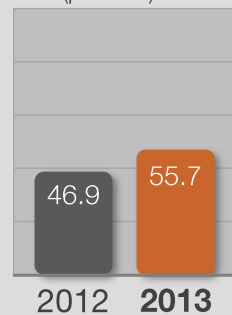


Liquids (mmboe)

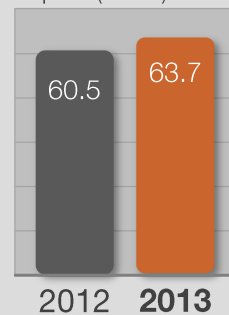


Average achieved sales price

Gas (p/therm)

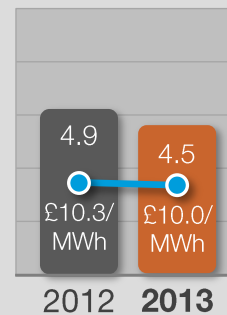


Liquids (£/boe)

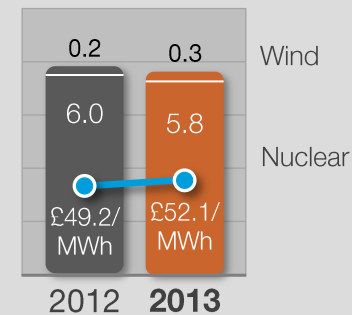


Power generation (TWh) / achieved CSS / nuclear power price (£/MWh)

Gas-fired



Other



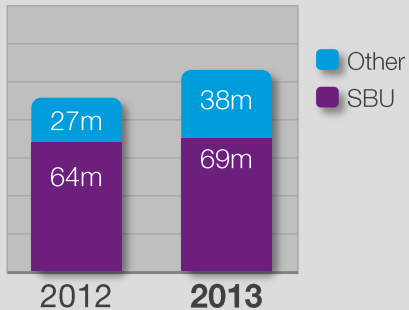
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The North American upstream gas business is now included within Centrica Energy. The 2012 comparatives have been restated accordingly

Operating profit analysis

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Storage revenue (£)



Forward price spreads (p/therm)



Above figures include share of joint ventures and associates before interest and taxation and are before depreciation of fair value uplifts to property, plant and equipment from Strategic Investments and exceptional items and certain re-measurements

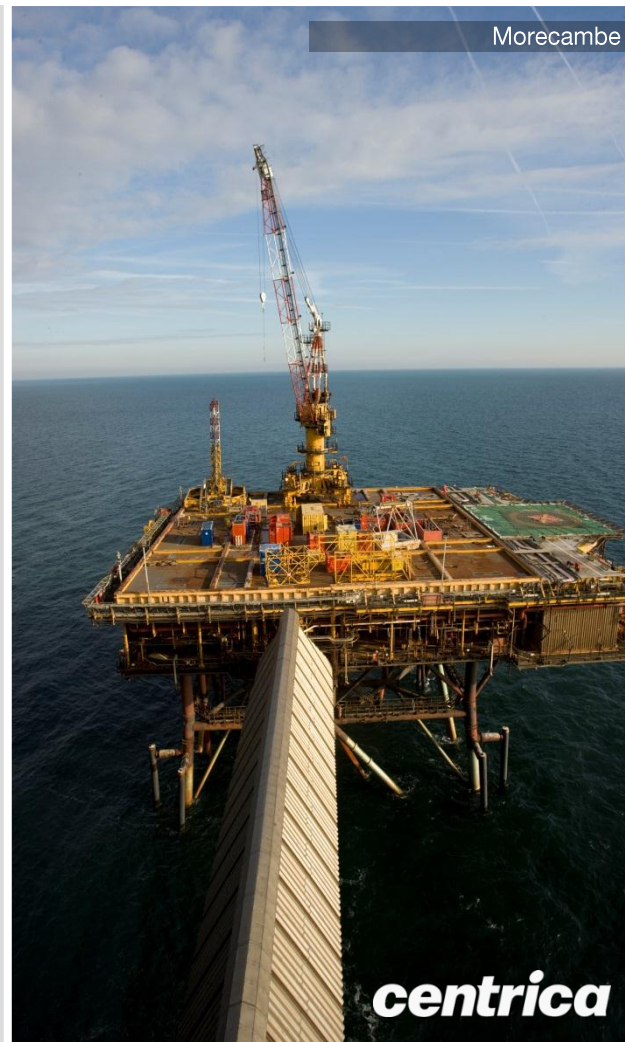
The North American upstream gas business is now included within Centrica Energy. The 2012 comparatives have been restated accordingly



Cash flow

Period ended 30 June (£m)	H1 2013	H1 2012	FY 2012
Opening net debt	(4,047)	(3,292)	(3,292)
EBITDA	2,112	1,773	3,650
Working capital movements	(112)	(333)	(51)
Margin calls	(2)	132	114
Interest and tax	(506)	(334)	(696)
Net capex	(755)	(1,525)	(2,727)
Dividends	(607)	(571)	(815)
Share repurchase	(203)	-	-
FX / Other	(131)	(191)	(230)
Closing net debt	(4,251)	(4,341)	(4,047)
<i>Margin cash held / (pledged) within net debt</i>	<i>(110)</i>	<i>(84)</i>	<i>(102)</i>

To align with management reporting, H1 2012 net debt has been restated to include mark-to-market values on derivative financial instruments used to hedge offsetting changes in borrowings



Capex and acquisitions

Period ended 30 June (£m)	H1 2013	H1 2012	2013e ³
International gas and oil	495	332	1,000
Centrica Energy power ¹	53	168	150
British Gas	80	66	150
Direct Energy	28	16	100
Centrica Storage	27	33	50
Other	22	25	50
Total pre-acquisitions	705	640	1,500
Acquisitions / disposals	50 ²	885	1,100 ⁴
Total	755	1,525	

1 UK Upstream power includes investment in JVs / associates for wind farm and new nuclear developments

2 Acquisitions / disposals in H1 2013 include the acquisition of a 25% interest in the Bowland Shale exploration licence, the sale of a 50% stake in the Braes of Doune onshore wind farm and a deferred consideration payment relating to the Statoil acquisition which completed in 2012

3 Latest guidance for 2013 including acquisitions announced to date

4 Includes the acquisition of gas and oil assets in Alberta from Suncor, the acquisition of Bounce Energy in Texas and the acquisition of Hess' Energy Marketing business



Summary and outlook

- Earnings up 2%
- Higher International Downstream profit
 - BGR profit marginally higher
 - challenging market conditions for BGB; BGS profit up 8% in weak economic environment
 - DE downstream profit growth despite a rising gas price environment
- Higher International Upstream profit
 - increased gas and liquids production
 - gas-fired generation loss-making
- On track for full year earnings growth in line with expectations





Sam Laidlaw
Chief Executive

Our strategic priorities

1. Innovate

to drive growth and service excellence

2. Integrate

our natural gas business, linked to our core markets

3. Increase

our returns through efficiency and continued capital discipline

The leading integrated energy company
with customers at its core

Strategic progress

- New management structure in place, under the leadership of Chris Weston for International Downstream and Mark Hanafin for International Upstream
- Further development of leading downstream propositions, through innovation and service excellence
- Hess' Energy Marketing acquisition marks an important step towards North American growth targets
- Announced three key gas transactions, securing supplies and strengthening our position along the gas value chain
- Continued progress in delivering organic projects; investment options across the Group
- Remain on track to deliver £500m cost reduction programme by the end of the year

Delivering for our customers and investing in jobs

- 'Tariff Check' launched, enabling British Gas customers to choose the best deal for them
- Over 500,000 vulnerable and elderly customers received £130 Warm Home Discount last winter
- 1,000 apprentices currently in training with British Gas
- Contracting with local authorities to deliver carbon savings through ECO programme
- Ending auto-rollover contracts in BGB, ensuring customers have a transparent choice of products



Leadership in innovation and customer service

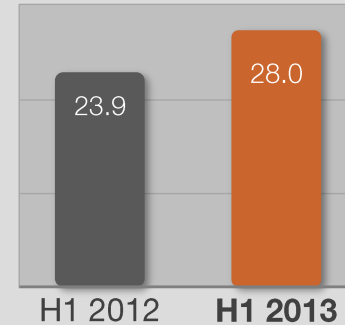
- Industry leading digital platform in the UK, providing differentiation through attractive propositions
- Over 1 million smart meters installed in the UK
- Good operational performance in BGS during cold winter; tailored tenant and landlord packages
- Significant systems upgrade underway to improve service at BGB; commenced work on 8 EPCs
- Bounce Energy acquisition provides leading internet-based platform in the US
- Launching 'Free Electricity Saturdays' in Texas
- Improved service levels in Direct Energy

The advertisement features the Direct Energy logo in the top left corner of an orange header bar, with 'ABOUT US' and 'CONTACT US' links on the right. The main image shows a woman in a patterned top and light-colored pants standing in a garden in front of a house. The headline reads 'Free electricity Saturday, every Saturday.' Below this, the slogan 'Saturdays were meant to be free.' is displayed in orange. A list of benefits includes '24 hrs of free electricity.', 'No long-term contracts.', and 'No credit check.' To the right, a call to action says 'Choose your area and switch today.' with two buttons: 'DALLAS / FT. WORTH' (labeled 'Incor service area.') and 'HOUSTON' (labeled 'CenterPoint service area.').

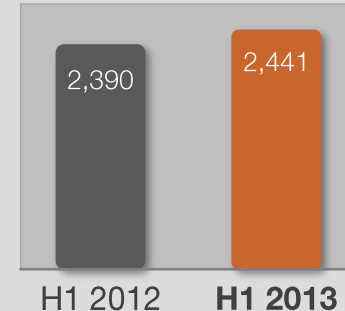
Delivering downstream growth

- BGR accounts up 56,000 reflecting competitive pricing position, customer service and leading digital platform
- Organic profit growth in US North East
- Scale benefits in North America; integration of NYSEG Solutions and Energetix
- Bounce Energy acquisition adds 80,000 customer accounts in Texas
- Organic growth in DE Business and DE Services
- Acquisition of Hess' Energy Marketing business transforms the scale and capabilities of our North American B2B operations

Direct Energy Business power volumes (TWh)

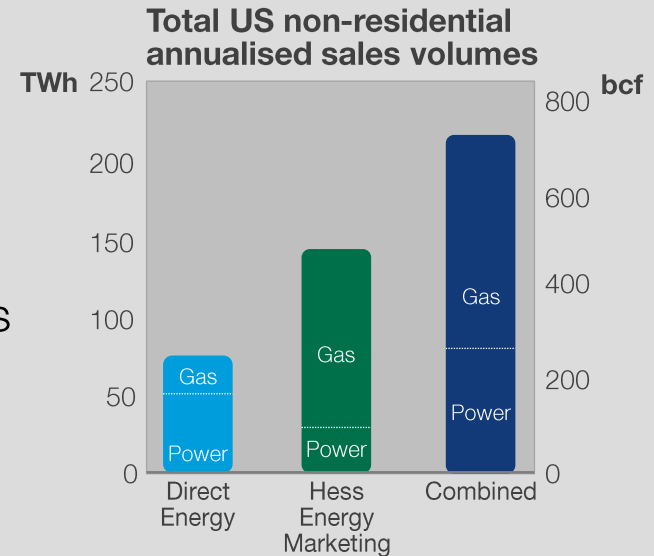


Direct Energy Services customer accounts ('000)



Acquisition of Hess' Energy Marketing business

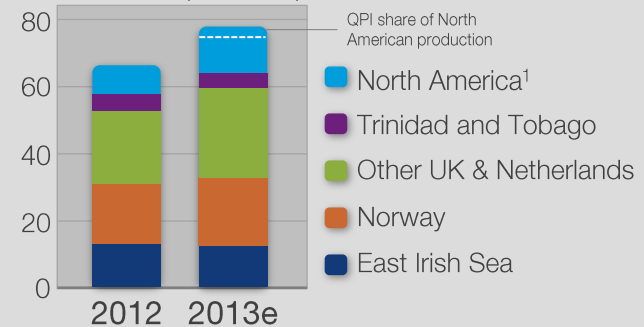
- Acquisition of Hess' Energy Marketing business for \$731m (£478m) plus additional working capital; one of the biggest B2B energy suppliers in the Eastern US
- Substantially increases scale in competitive markets
 - DE becomes the largest business gas supplier on the US East Coast and 2nd largest business power supplier in the competitive US retail markets
- Builds on existing DEB activities, integrating along the gas value chain
 - linking gas supplies from producers, through secured transport and storage capacity, to business gas and power customers
- Transaction expected to complete later this year



Upstream performance

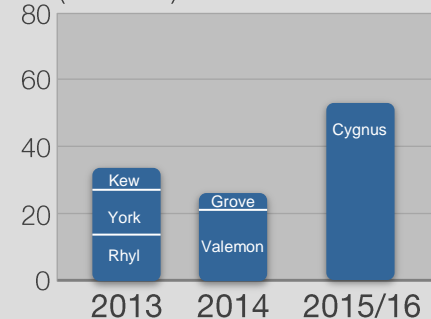
- Gas and liquids production up 22%
 - achieved first gas at York and Rhyl
- Delivering value across our portfolio
 - balanced international portfolio
 - approved projects to bring a further 86mmboe of reserves into production
- Positive appraisal and exploration results
 - 2 out of 3 wells successful; a further 10 wells planned in second half of year
- Good operational power performance
 - continued good nuclear output
 - high CCGT reliability
 - £1 billion Lincs wind farm in final commissioning

Global gas & oil production outlook (mmboe)



1. Includes 100% share of assets acquired from Suncor

Reserves into production (mmboe)



Strengthening our position along the gas value chain

- 20 year LNG export agreement with Cheniere
 - ‘capital light’ model
 - links and optimises our positions along the gas value chain
- \$1bn acquisition of gas and oil assets in WCSB
 - first investment under our MoU with QPI
 - strong overlap with existing assets in Alberta
 - favourable transaction metrics
- Acquisition of 25% interest in Bowland shale licence
 - attractive option to explore the potential of shale in the UK for relatively small initial outlay



Flexibility in investment choices

- ~£1.1bn p.a. to sustain upstream gas and oil production
- Investment options across the Group
 - pipeline of upstream gas investment opportunities
 - choices in offshore wind, new-build CCGT and gas storage if regulatory climate permits
 - acquisition opportunities downstream in North America and upstream across our portfolio
- All investments benchmarked against returns to shareholders



Summary

- Strong performance in first half
 - on track for full year earnings growth
- Good progress against strategic priorities
- Strong cash generation and strong balance sheet
 - investment options across the Group
 - bought back over £240m of shares
 - real dividend growth, all paid in cash

