Interim Results

For the period ended 30 June 2012

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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

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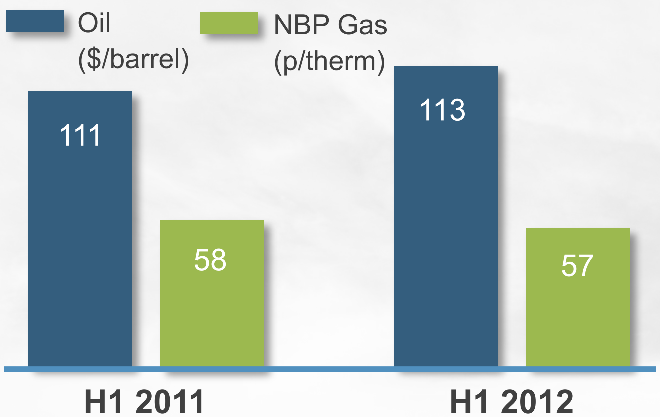
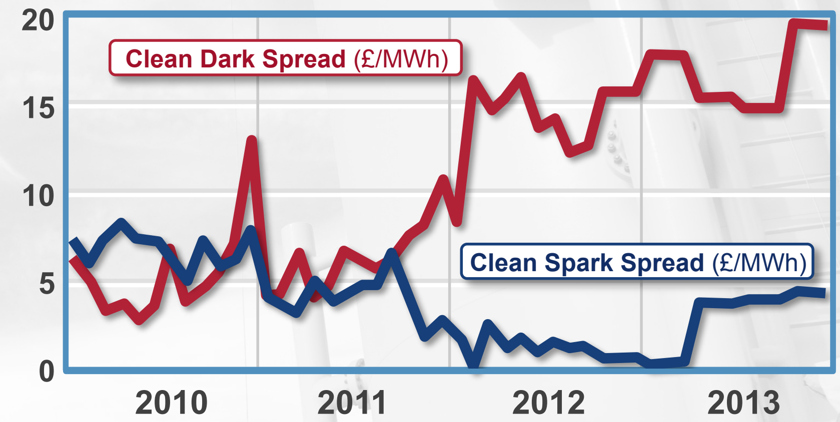
Commodity prices and spreads

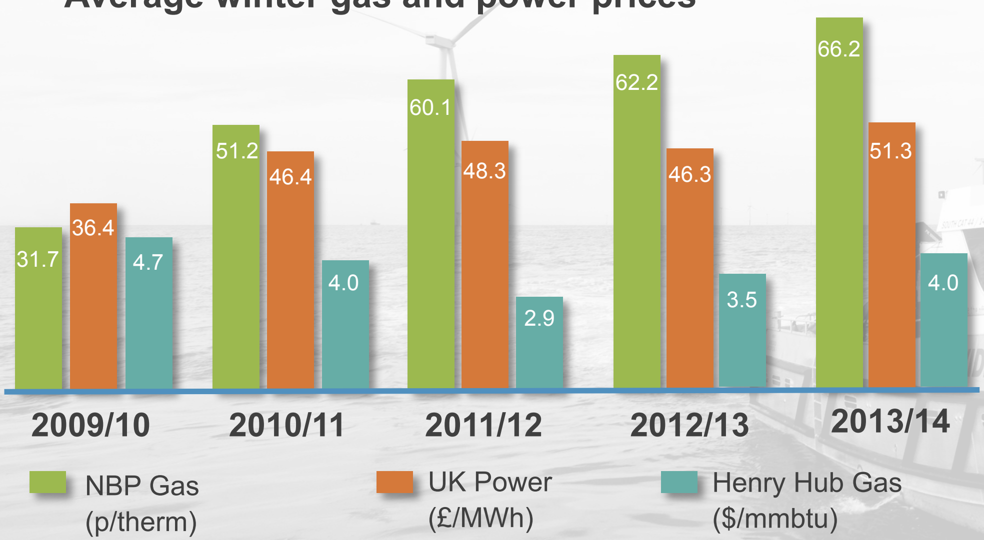
Average month ahead oil and gas prices



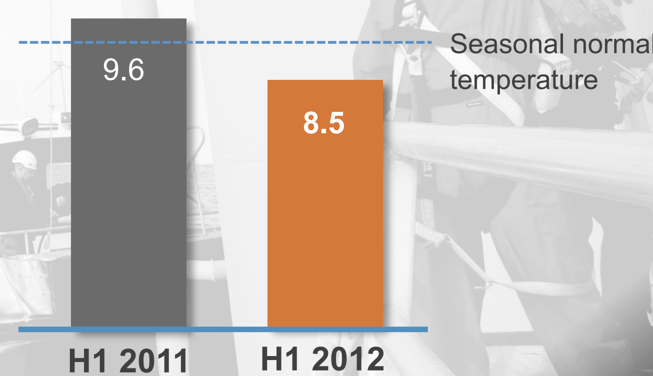
Clean dark and spark spreads



Average winter gas and power prices



Average temperature (degrees centigrade)



As at 25 July 2012

Financial headlines

Period ended 30 June	2012	2011
Continuing operations:		
Revenue (£m)	**11,977**	11,509
EBITDA (£m)	**1,773**	1,613
Adjusted operating profit (£m)	**1,447**	1,262
Adjusted effective tax rate	**43%**	43%
Group result:		
Adjusted earnings (£m)	**767**	673
Adjusted earnings per share (p)	**14.8**	13.0
Interim dividend per share (p)	**4.62**	4.29

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

Operating profit analysis

Period ended 30 June (£m)	2012	2011
Downstream UK	**563**	518
Upstream UK	**682**	531
Storage UK	**36**	39
North America	**166**	174
Adjusted operating profit	**1,447**	1,262
Share of JV / associates' interest and taxation	**(49)**	(61)
Depreciation of FV uplifts to property, plant and equipment	**(52)**	(57)
Group operating profit	**1,346**	1,144

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

Operating profit analysis

Downstream UK

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Downstream UK	563	518
Upstream UK	682	531
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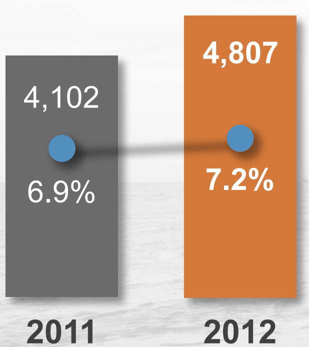
Downstream UK

Operating profit & key drivers

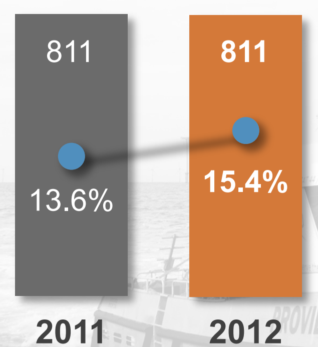
Operating Profit

Period ended 30 June (£m)	2012	2011
Residential energy	345	281
Residential services	125	110
Business	93	127
Downstream UK	563	518

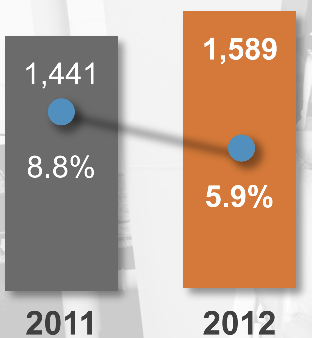
Residential energy revenue (£m) **& margin** (%)



Residential services revenue (£m) **& margin** (%)



Business revenue (£m) **& 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
To align with management responsibilities and reporting, British Gas New Energy and British Gas Community Energy have been reallocated from Residential energy to Residential services and Business respectively. The 2011 comparatives have been restated accordingly

Operating profit analysis

Upstream UK

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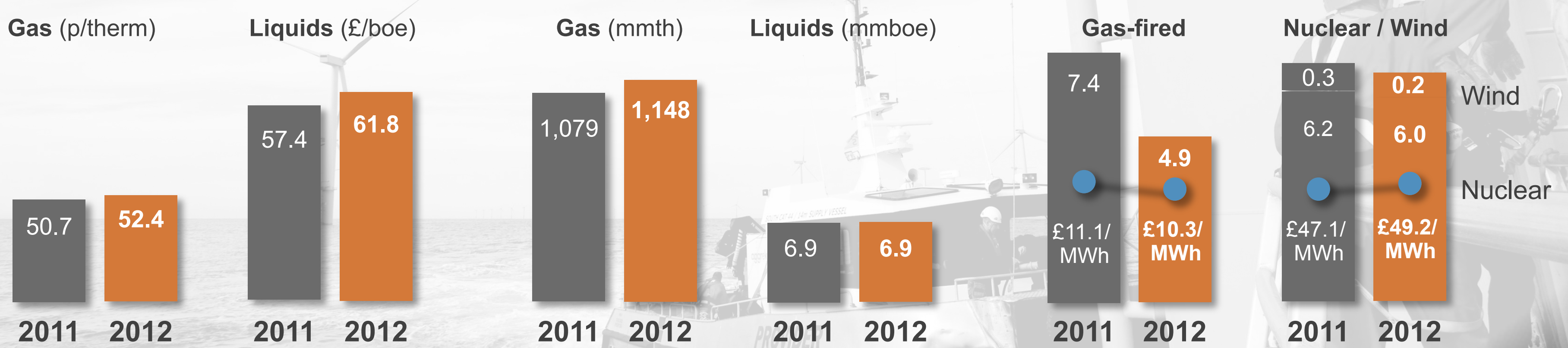
Upstream UK

Operating profit & key drivers

Operating Profit

Period ended 30 June (£m)	2012	2011
Gas	508	414
Power	174	117
Upstream UK	682	531

Average sales price | **Gas & liquids production volumes** | **Power generation** (TWh) & **achieved CSS / power price** (£/MWh)



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Operating profit analysis

Storage UK

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Operating profit analysis

North America

Period ended 30 June (£m)	2012	2011
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North America

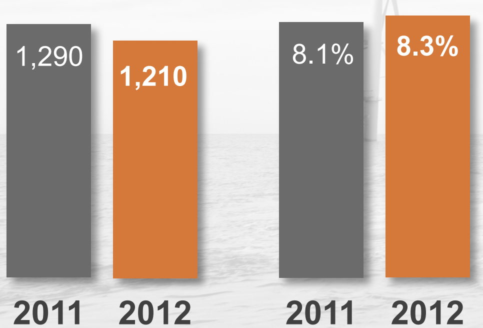
Operating profit & key drivers

Operating Profit

Period ended 30 June (£m)	2012	2011
Residential energy	101	105
Business energy	60	58
Services	11	9
Upstream & wholesale	(6)	2
North America	**166**	174

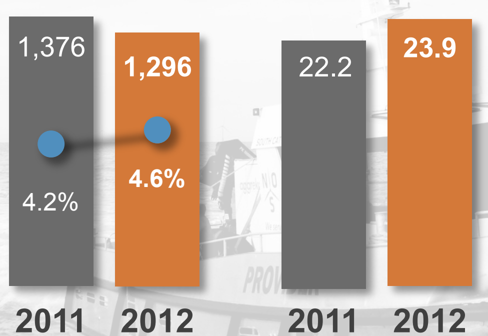
Residential energy

Revenue (£m) | **Operating margin** (%)



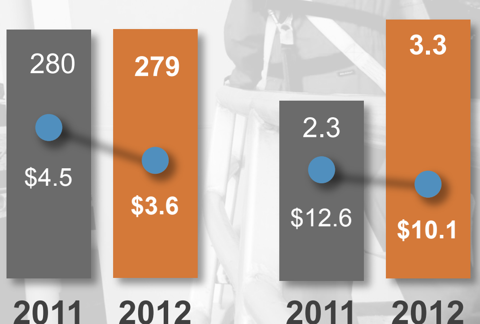
Business energy

Revenue & margin % (£m) | **Power volumes** (TWh)



Upstream and wholesale

Gas volume (mmth) **& achieved price** (C$GJ) | **Power volumes** (TWh) **/ achieved CSS** (US$/MWh)



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Cash flow

Period ended 30 June (£m)	H1 2012	H1 2011	FY 2011
Opening net debt	**(3,435)**	(3,312)	(3,312)
EBITDA	**1,773**	1,613	3,128
Working capital movements	**(333)**	(317)	165
Margin calls	**132**	123	(26)
Interest and tax	**(334)**	(319)	(862)
Net capex	**(1,525)**	(498)	(1,601)
Dividends	**(571)**	(540)	(762)
FX / Other	**(240)**	(95)	(165)
Closing net debt	**(4,533)**	(3,345)	(3,435)
Margin cash held / (pledged) within net debt	***(84)***	*(47)*	*(219)*

Capital and acquisition expenditure

Period ended 30 June (£m)	H1 2012	H1 2011	2012e[3]
UK upstream gas and oil	309	240	800
UK upstream power[1]	168	83	300
North America	39	29	100
UK gas storage	33	19	50
British Gas	66	85	150
Other	25	16	50
Total pre-acquisitions	640	472	1,450
Acquisitions / disposals	885[2]	26	1,100[4]
Total	1,525	498	

1 UK Upstream power includes investment in JVs and associates for wind farm and new nuclear developments
2 Major items in acquisitions / disposals in H1 2012 include the final cash payments for the Statoil Norwegian asset purchase (£751m) and an additional interest in the Statfjord field (£92m), adjusted for production from 1 January 2012 to 30 April 2012 (the date of each acquisition). In addition, tax liabilities of £165m were acquired on completion. They also include Home Warranty of America (£23m), the Carrot Creek assets (£38m) and the Seymour field, acquired as part of a package of UK North Sea assets from Total (£37m)
3 Latest guidance for 2012 including acquisitions announced to date
4 Includes the remainder of the package of UK North Sea assets from Total, the New York-based energy retailers Energetix and NYSEG and payment of a portion of the tax liabilities acquired as part of the Statoil Norwegian asset purchase and the additional interest in Statfjord

Summary and outlook

Increase in half year earnings

- Residential energy supply profit up following exceptionally mild 2011
- Challenging economic environment
  - delivering double digit growth in BGS
  - BGB impacted by site closures and competitive climate
- Increased UK upstream profit, reflecting higher realised prices and gas production
- North America benefiting from scale and operational efficiencies

Outlook for H2 2012

- Hedging protects 2012 upstream earnings from falling commodity prices; market conditions remain challenging for CCGTs
- BGR subject to weather, commodity prices and the competitive environment
- Continued growth in BGS and North America

Sam Laidlaw
Chief Executive

Overview

Growth in challenging market conditions

- Delivered further growth in earnings
- Group-wide cost reduction programme on track, sharpening the business to maintain competitive edge
- Driving long-term growth in British Gas
- Increased size and diversity upstream
  - securing energy resources for the UK
- Benefiting from enhanced scale in North America
- Strong cash flows, enabling value-adding capital deployment and strong dividend growth

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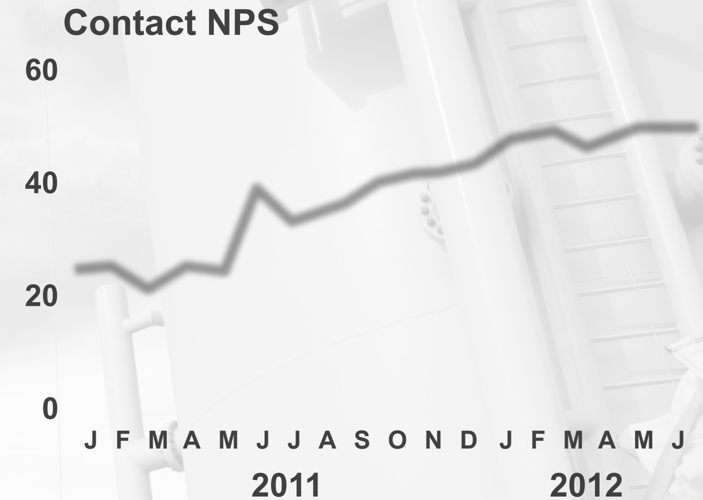
Downstream leadership

British Gas

- High levels of customer service, enabled by investment in systems and call centre technology
  - improved NPS
  - efficient call handling
  - targeted sales efforts
- Leadership in innovation and online
  - affinity partnerships
  - re-launched online platform
- Leadership in energy efficiency
  - insulation
  - smart meters
- Leadership in support for the vulnerable



Remote Heating Control App

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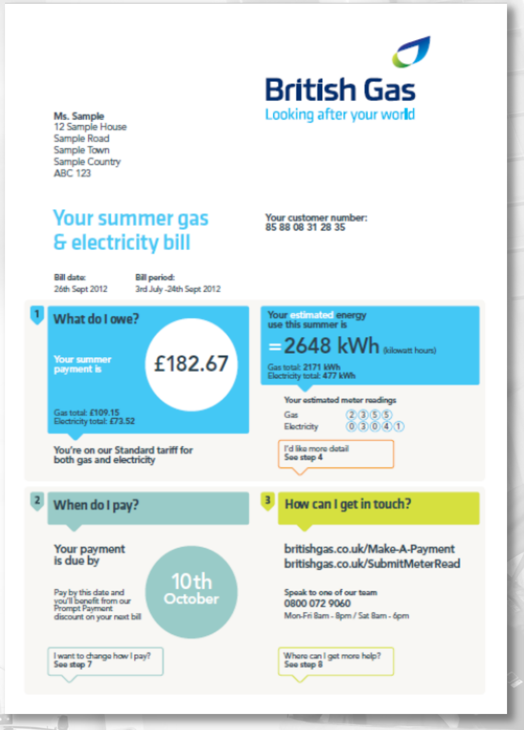
Delivering for customers

British Gas

- Making energy choices simple, transparent and fair
  - new bill design and simplified tariff structure
  - helping to rebuild trust in the industry
- Developing business services in a weak economic environment
  - helping customers manage their energy requirements
  - signed first multi-year ‘Energy Performance Contracts’
- Valued services products
  - strong retention rates
  - focus on cost efficiency



New British Gas bill

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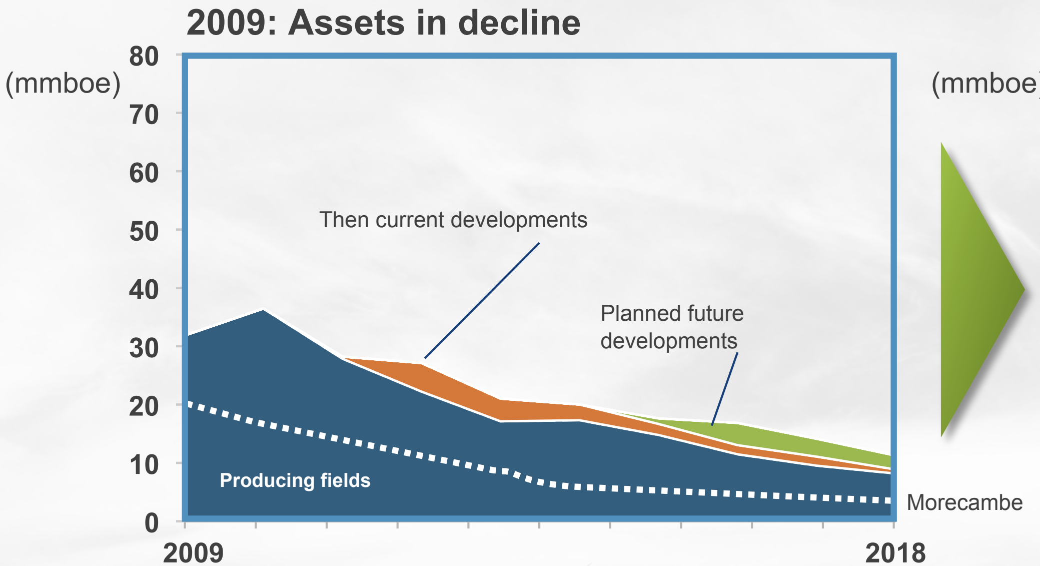
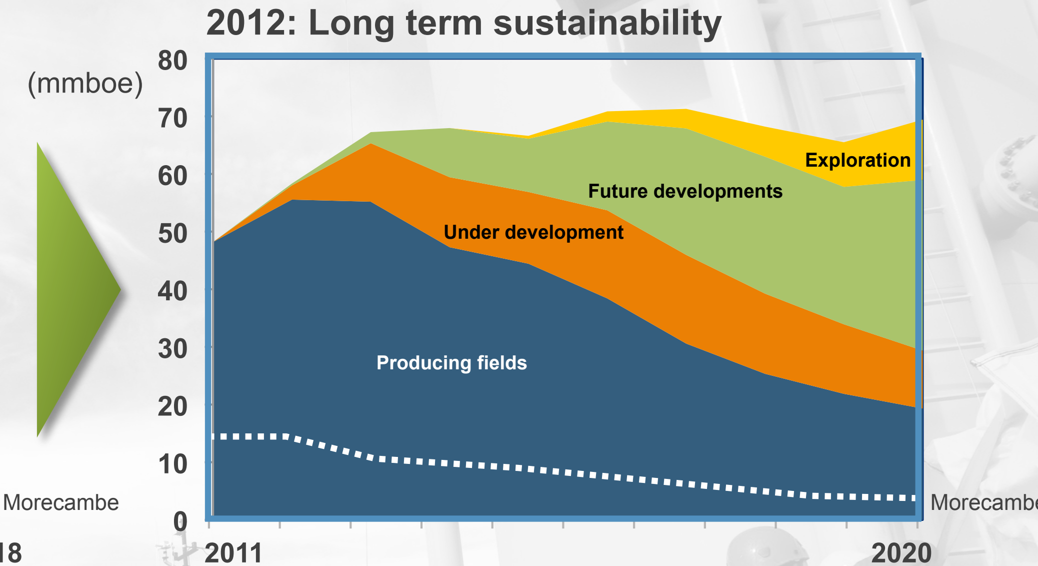
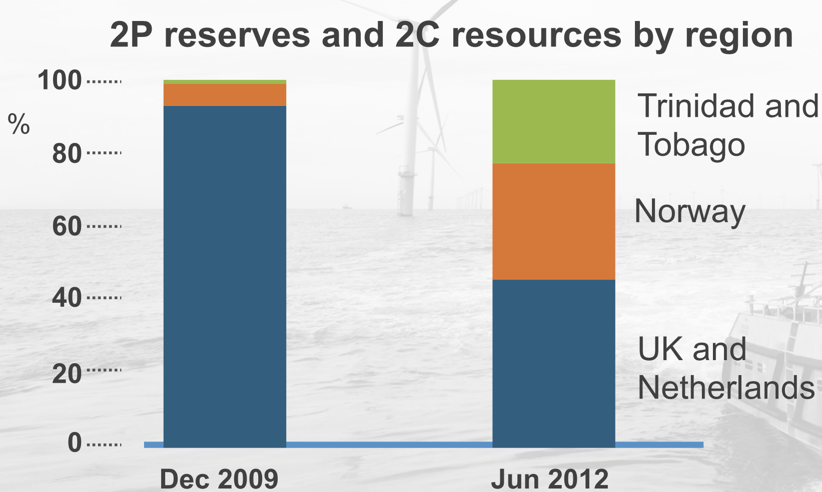
Upstream transformation







- Step change in scale and geographic diversity
- Focus on bringing reserves into production
  - over a billion boe of 2P reserves and 2C resources
- Reduced reliance on Morecambe

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Delivering our investment pipeline

Centrica Energy

- Further progress on gas and oil development projects
  - to bring 140mmboe of reserves into production
  - moving ahead with £1.4bn Cygnus project
- Good appraisal and exploration results
  - Maria North, Cooper
  - extension to Statoil MOU
- Growing offshore wind capacity
  - first power from 270MW Lincs windfarm in coming weeks
  - Race Bank consent for 580MW of capacity
  - Round 3 Irish Sea partnership with Dong

Reserves into production (mmboe)

Valemon jacket

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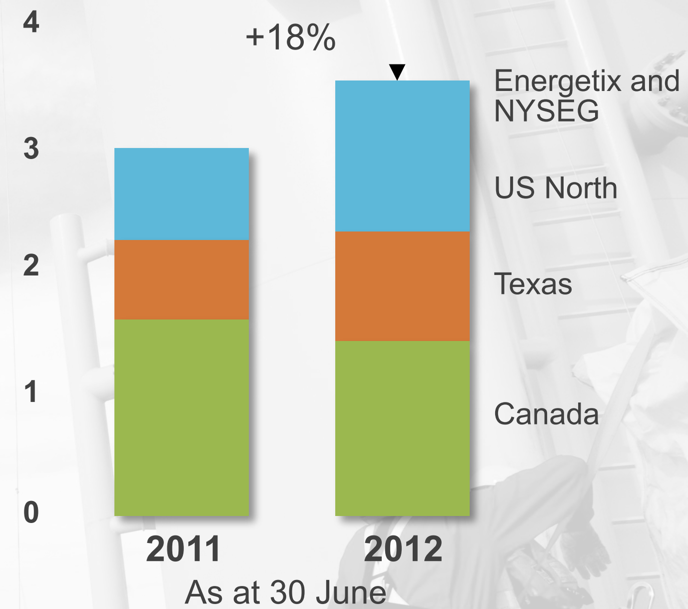
Enhanced scale in North America

Direct Energy

- Benefiting from enhanced scale and synergies
- Successful bolt-on acquisition strategy in US North and Texas
  - Energetix and NYSEG acquisitions
- Further organic growth in US North East
  - 90k increase in accounts over period
- Delivering high levels of service and innovation
  - ‘Power to Go’, ‘Free Power Saturdays’
- Managing Ontario decline
  - halved the cost base
  - preserving margins

North America residential customer accounts (million)



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Enhanced scale in North America

Direct Energy

- Continued DEB volume growth
  - small commercial growth
  - tailored offerings
  - high levels of customer service
- Services positioned for growth
  - established on-demand model
  - developing cross-sell and protection plan products
- Low price environment upstream
  - higher proportion of liquids production
  - optimising CCGT fleet to capture price spikes in volatile price environment

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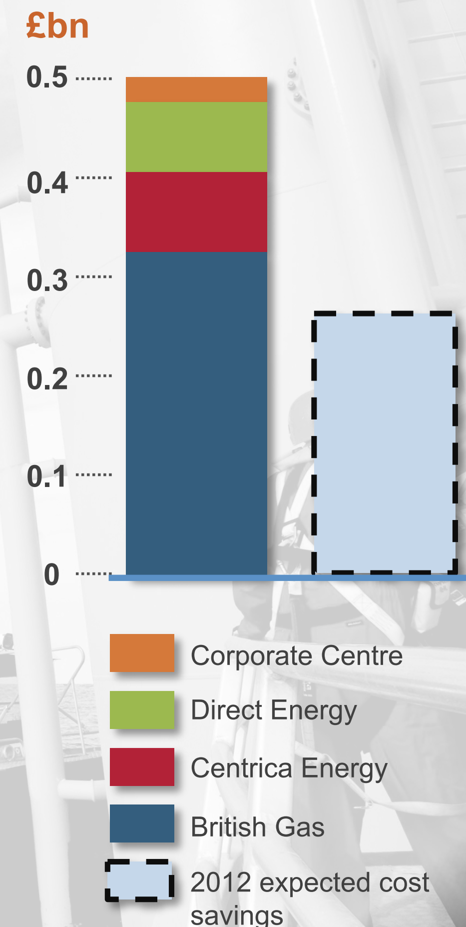
Cost reduction programme

- Group-wide £500m cost reduction programme, sharpening the business
- On track to deliver half the savings in 2012
  - 5% reduction in British Gas H1 operating cost
- Good progress on initiatives across the business
  - announced closure of Southampton call centre, BGB offshoring
  - CCGT closure, IS and support function restructuring
  - North America scale benefits, relocation of DE headquarters to Houston
- High levels of service maintained

Cost reduction split by business



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Capital deployment

- Sustaining production upstream
  - substantial progress towards 75mmboe production target
  - deploying capital to bring production on-stream
- Investing in offshore wind
  - established partnership model
  - progressing towards Race Bank FID
- Continue to grow in North America
  - investing for value and growth, adding scale
- Progress on EMR, but further clarity required
  - recognition of the role of gas; affordability increasingly important
  - options in NNB, biomass, CCGT, gas storage
  - offshore wind RO banding confirmed
- Invest only where we see suitable returns

Lincs offshore wind farm

Summary

- Good progress in first half
  - delivered growth in challenging market environment
  - competitive advantage through cost reduction programme
- Strategic milestones
  - geographic diversity
  - step change in upstream gas and oil portfolio
  - enhanced scale in North America through bolt-on strategy
- Distinctive integrated business model
  - leading downstream business, customer at the heart of everything we do
  - strong cash generation across the Group
  - continue to invest for value and growth, options aligned to capabilities