



A photograph of an offshore wind farm with several white wind turbines on blue water under a clear sky. The turbines are arranged in a line across the horizon. The water is a deep blue, and the sky is a pale, clear blue. The wind turbines have three blades each and are mounted on yellow and orange bases. The text 'Centrica Annual General Meeting 2008' is overlaid in white on the image.

Centrica

Annual General Meeting 2008

Roger Carr

Chairman





2007 Performance Review

- Strong set of financial results
- Volatility in gas & power prices
- Global energy issues
 - Oil prices
 - Rising energy demand in Asia & Far East
 - Increasing levels of imported gas to UK
- Large wholesale gas price swings in 2007

British Gas – Restored to Viable Profit Margins

- **Rise in customer numbers during 2007**
- **Further investment essential to provide future energy supplies for our customers**
- **January 2008 price rise driven by rising wholesale prices**
- **Leadership position in supporting fuel poor customers**



Upstream Investments

- Increasing proportion of gas & power sourced from our own assets
- Newfield acquisition – September 2007
- Langage power station operational in 2009



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A photograph of an industrial facility, likely an oil or gas processing plant. The image shows a complex network of pipes, some painted yellow and others white, supported by a metal structure. A prominent orange vertical pipe is in the foreground. In the background, a flare stack is visible with a bright yellow flame. The sky is blue with light clouds.

Sam Laidlaw

Chief Executive

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Integrated Energy Company

- Transform British Gas
- Sharpen the organisation and reduce costs
- Reduce risk through increased integration
- Build on our growth platforms



Changing Energy Markets

- Sharp increases in wholesale gas and power prices
- Percentage of gas imported to the UK is increasing
- UK prices now subject to global issues



2007 Performance

- **Strong overall performance**
 - Operating profit up 40%
 - Earnings up 60%
- **A year of two distinct halves**
- **Volatility in wholesale gas and power markets**

British Gas Residential

- Performance impacted by wholesale prices
- Led retail price reductions, cutting by 20% in spring 2007
- Wholesale price increases from April 2007 reduced second half margins
- Price increase in January 2008



British Gas Residential

- 2007 Cost reduction programme of £139 million
- Further £60m savings in 2008
- Improved customer service
- Competitive pricing
- Industry leading fuel poverty programmes



Business Highlights

- **Strong Centrica Energy performance**
- **Record profits in British Gas Services, British Gas Business, Direct Energy and Centrica Storage**
- **Significant investment in new sources of gas and power**





Gas – New Fields and New Contracts

- Reduce exposure to volatile energy markets
- Gas & power resources, renewables and possibly new nuclear



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Growth Businesses

- **Build on strong 2007 performance**
 - **British Gas Services**
 - **North America**
 - **British Gas Business**

The logo for Direct Energy Resources, featuring a red square with a white stylized flame or spark symbol on the left, and the text "Direct E" in a large blue serif font and "Resources" in a smaller grey sans-serif font below it, all on a white background.

Direct E
Resources

The Centrica logo, consisting of the word "centrica" in a bold, lowercase, blue sans-serif font, with a small orange dot above the letter 'i'.

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Delivering Value For Customers And Investors

- Continued investment in new sources of gas and low carbon power generation
- Energy efficiency initiatives to help manage fuel bills
- Remain focused on our chosen strategy



A wide-angle photograph of an offshore wind farm. Numerous white wind turbines with three blades are scattered across a vast, deep blue ocean. The sky is a pale, clear blue. The turbines are mounted on yellow and orange foundations. The text 'Centrica Annual General Meeting 2008' is overlaid in white on the right side of the image.

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