

Annual General Meeting

13 May 2013

centrica



INTEGRATED ENERGY

Sir Roger Carr Chairman

centrica



INTEGRATED ENERGY

Sam Laidlaw

Chief Executive

centrica



INTEGRATED ENERGY

Health, Safety & Environment

centrica

- Process safety. Training, monitoring and assurance
- Loss Time Injury rate down 20% to 0.2 per 100,000 hours worked
- CO2 emissions down from 8.4 million tonnes to 7.4 million



Grow British Gas

centrica

- Stable British Gas Residential profits; simpler, clearer bills.
- British Gas Services profits up 34%; high customer retention
- Investment in new British Gas Business systems and management team
- On track to deliver £300m cost savings
- Leadership is systems, online and Smart



Deliver value from our growing upstream business

centrica

- Gas & oil:
 - established significant Norwegian business
 - reserves and production up 50%
 - cash generation doubled
- Leader in offshore wind power
- Optimisation of gas-fired fleet
- Strong nuclear output and life extensions



Build an integrated North American business

centrica

- DE operating profit up 55%; US downstream profit up 72%
- US customers numbers up 75%
- Return on capital up from 9% to 13%
- Upstream production up 53%; resource base trebled



Drive superior financial returns

centrica

- Earnings before interest, tax, depreciation and amortisation up to £4.0bn from £2.6bn
- Earnings per share up 25%; Dividends per share up 28%
- Total shareholder return 36% (FTSE 100: 21%)



The external environment is evolving

centrica

- **Gas:**
 - UK more reliant on imports; LNG increases exposure to global markets
 - North America shale brings lower prices and export opportunities
- **UK power:**
 - New investment depends on regulatory outcomes
- **Downstream:**
 - UK affordability focus; efficiency and technology
 - US bills decreasing; market environment improving



Our refreshed strategic priorities

centrica

- **OUR VISION**
to be the leading integrated energy company with customers at our core
- **INNOVATE**
to drive growth and service excellence
- **INTEGRATE**
our natural gas business, linked to our core markets
- **INCREASE**
our returns through efficiency and continued capital discipline



What these priorities mean

centrica

- **INNOVATE**
 - Share technology and new propositions across the Atlantic, building on our leading positions
- **INTEGRATE**
 - Invest for value in E&P, notably in North America, and limit capital employed in power
- **INCREASE**
 - Drive operational and cost efficiency, invest for value, return surplus capital to shareholders



New organisational structure

centrica

- **International Downstream – Chris Weston**
 - Share ideas, expertise and best practice across markets
- **International Upstream – Mark Hanafin**
 - Bringing together our E&P teams and expertise across the Atlantic



Dividend per share growth

centrica

