Interim Results

for the period ended
30 June 2014

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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.

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Rick Haythornthwaite

Chairman

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Nick Luff

Chief Financial Officer

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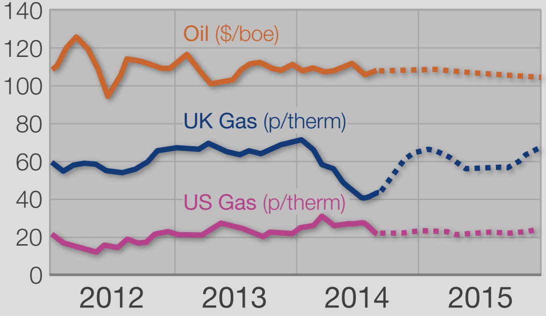
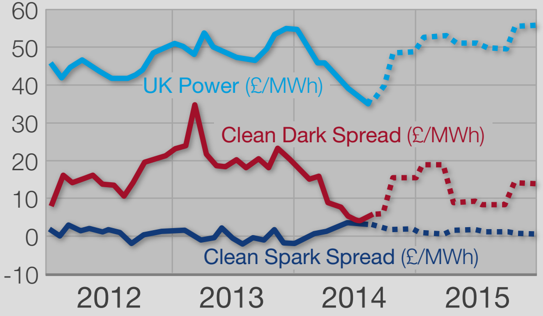
Commodity prices and spreads

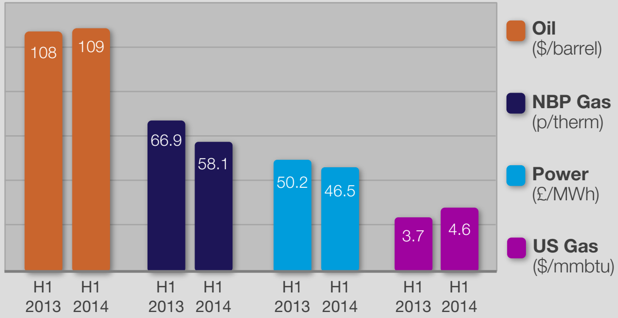
Average month ahead gas and oil prices



UK power prices and clean dark and spark spreads

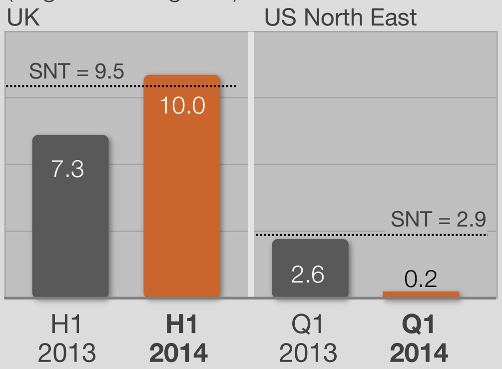


Average month ahead commodity prices



Average temperature

(degrees centigrade)



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As at 30 July 2014

Financial headlines

Period ended 30 June	2014	2013
Revenue (£m)	15,748	13,651
Adjusted operating profit (£m)	1,032	1,583
Adjusted effective tax rate	37%	47%
Group result:		
Adjusted earnings (£m)	530	767
Adjusted earnings per share (p)	10.5	14.8
Interim dividend per share (p)	5.10	4.92

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

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Operating profit analysis

Period ended 30 June (£m)	2014	2013
British Gas	455	569
Direct Energy	41	165
Centrica Energy	526	802
Centrica Storage	10	47
Adjusted operating profit	1,032	1,583
Share of JV / associates' interest and taxation	(63)	(47)
Depreciation of FV uplifts to property, plant and equipment	(40)	(51)
Group operating profit	929	1,485

Above figures are before exceptional items and certain re-measurements

British Gas

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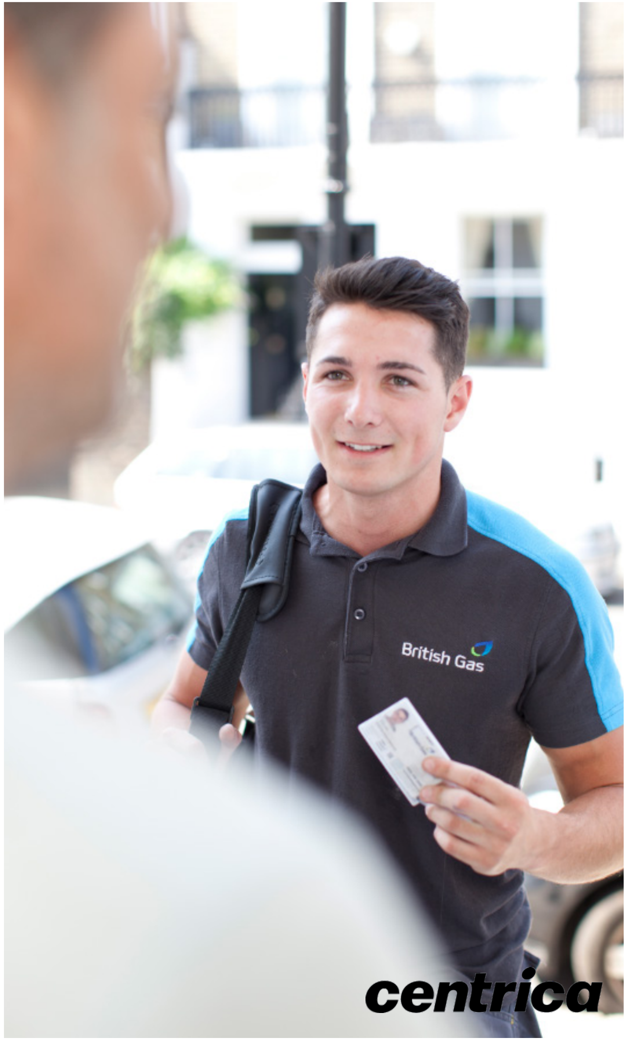

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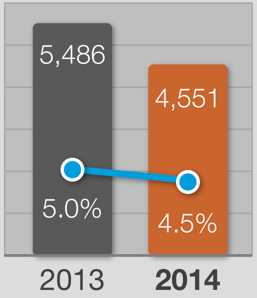
British Gas

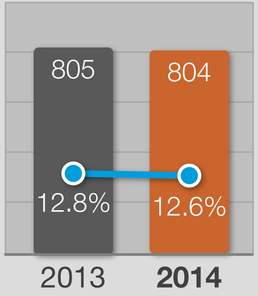
Operating profit (£m)

Period ended 30 June	2014	2013
Residential energy	265	356
Residential services	129	135
Business	61	78
Operating profit before tax	455	569

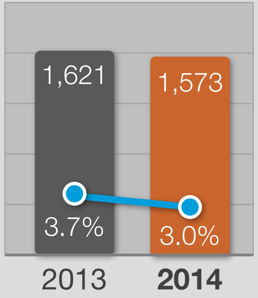
Residential energy revenue (£m) and post tax margin (%)

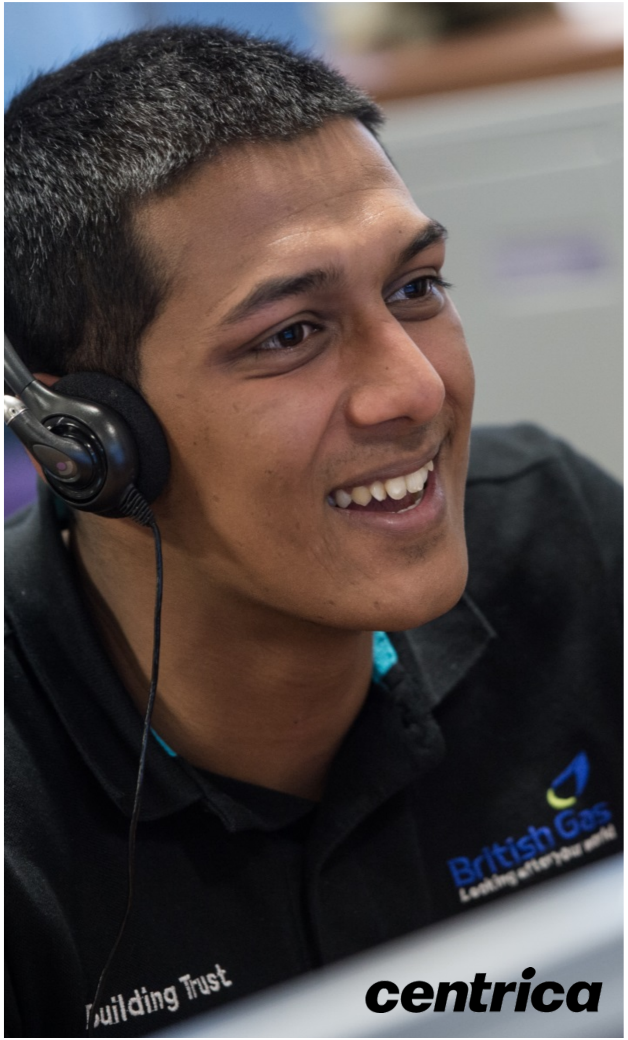


Residential services revenue (£m) and post tax margin (%)



Business revenue (£m) and post tax margin (%)





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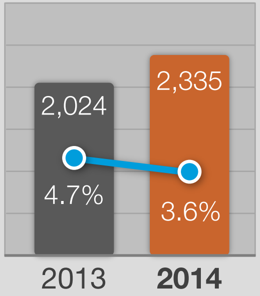
Direct Energy

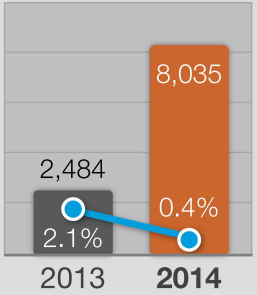
Operating profit/(loss) (US$m)

Period ended 30 June	2014	2013
Residential energy (underlying)	135	154
Business energy (underlying)	21	82
Services	23	19
Direct Energy (underlying)	179	255
DER Polar Vortex impact	*(55)*	-
DEB Polar Vortex impact	*(55)*	-
Operating profit before tax	69	255
Operating profit before tax (£m)	*41*	*165*

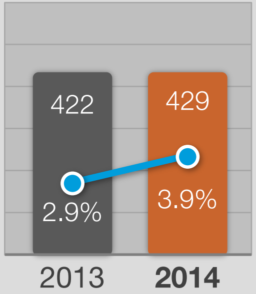
Residential energy revenue ($m) **and post-tax underlying margin** (%)



Business energy revenue ($m) **and post-tax underlying margin** (%)



Services revenue ($m) **and post-tax margin** (%)



Above figures are before exceptional items and certain re-measurements
Residential energy and business energy underlying operating profit exclude one-off costs associated with the Polar Vortex
The business energy post tax margin (%) excludes the impact of amortisation of customer intangibles resulting from the acquisition of the energy marketing business of Hess and one-off costs associated with the Polar Vortex. The 2014 residential energy post tax margins (%) exclude one-off costs associated with the Polar Vortex

Centrica Energy

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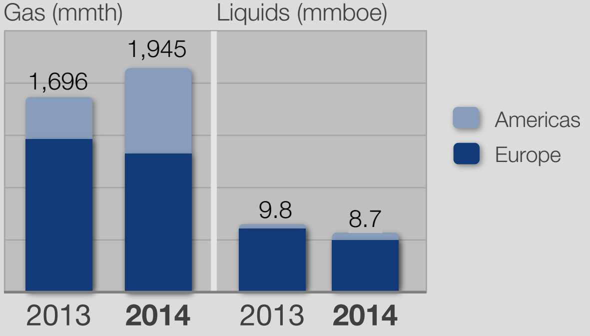
International gas

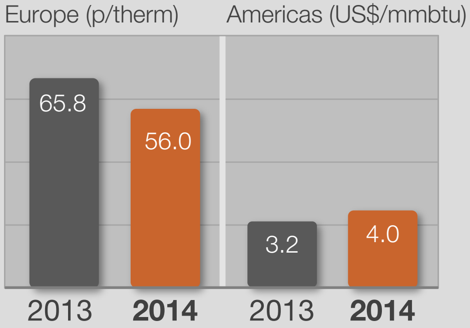
Operating profit (£m)

Period ended 30 June	2014	2013
Operating profit before tax	465	683
Operating profit after tax	*235*	*182*

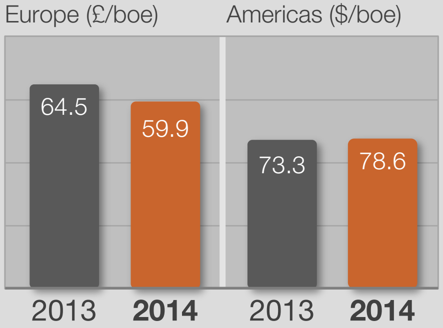
Gas & oil production volumes



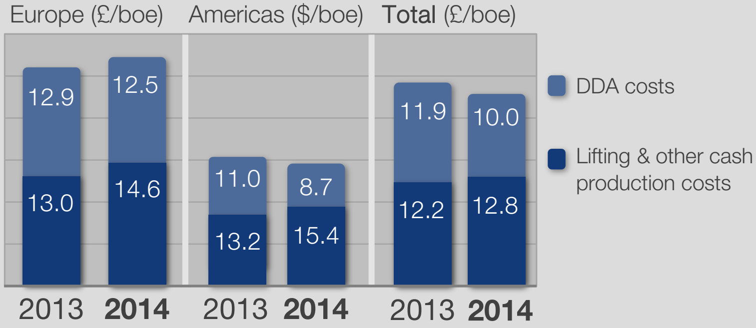
Average gas sales price



Average liquids sales price



Total unit production costs



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Americas figures include production from Canada and Trinidad & Tobago

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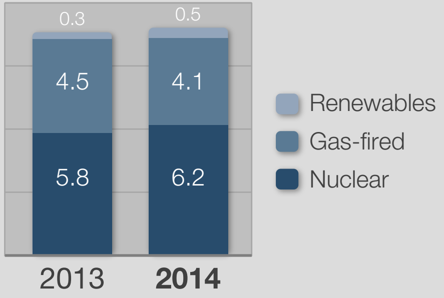
UK power

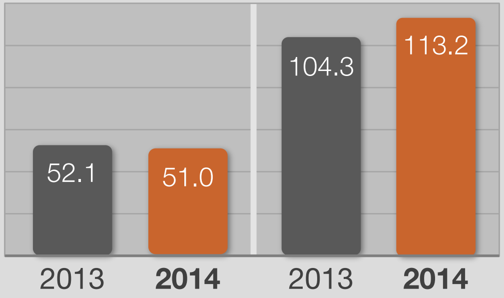
Operating profit/(loss) (£m)

Period ended 30 June	2014	2013
Gas-fired	*(70)*	*(64)*
Renewables (operating assets)	*23*	*12*
Renewables (one-off write-offs, profit on disposal)	*(40)*	*24*
Nuclear	*125*	*122*
Midstream	*23*	*25*
Operating profit before tax	61	119

Power generation (TWh)



Achieved power price



Achieved clean spark spread (£/MWh)

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

Centrica Storage

Period ended 30 June (£m)	2014	2013
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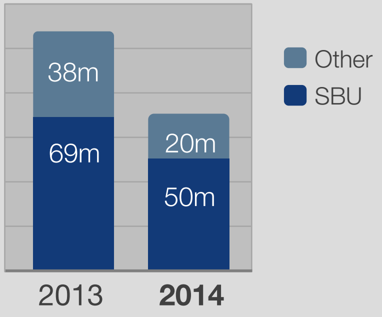
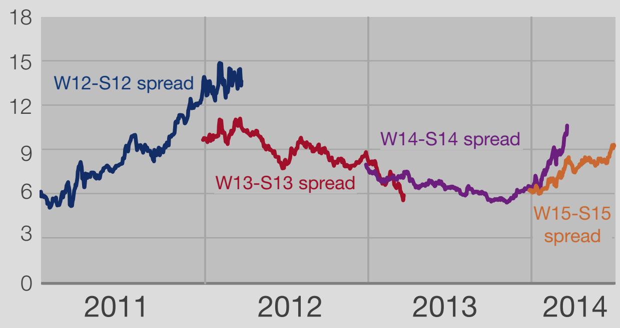
Storage revenue (£)



Forward price spreads (p/therm)



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Cash flow

Period ended 30 June (£m)	H1 2014	H1 2013	FY 2013
Opening net debt	(5,049)	(4,047)	(4,047)
EBITDA	1,501	2,112	3,799
Working capital movements	161	(112)	237
Margin calls	(127)	(2)	82
Interest	(111)	(105)	(219)
Tax	(413)	(401)	(892)
Net capex	(409)	(755)	(2,565)
Dividends	(605)	(607)	(862)
Share repurchase	(207)	(203)	(500)
FX / Other	62	(131)	(82)
Closing net debt	(5,197)	(4,251)	(5,049)
Margin cash held / (pledged) within net debt	*(230)*	*(110)*	*(107)*

Capex and acquisitions

Period ended 30 June (£m)	H1 2014	H1 2013	FY 2014e[4]
Centrica Energy gas and oil	556	495	1,000
Centrica Energy power[1]	37	53	50
British Gas	78	80	150
Centrica Storage	13	27	25
Direct Energy	46	28	100
Other	8	22	25
Total pre-acquisitions	738	705	1,350
Acquisitions / (disposals)	(329)[2]	50[3]	(640)[5]
Total	409	755	

1. Centrica Energy power includes investment in JVs / associates
2. Acquisitions / disposals in H1 2014 include the disposal of three Texas CCGTs, the disposal of an interest in the Greater Kittiwake Area E&P assets, the acquisition of a package of Canadian assets from Shell and the acquisition of the energy supply business of Bord Gáis in Ireland
3. Acquisitions / disposals in H1 2013 include the acquisition of a 25% interest in the Bowland Shale exploration license, the sale of a 50% stake in the Braes of Doune onshore wind farm and a deferred consideration relating to the Statoil acquisition which completed in 2012
4. Latest guidance for 2014
5. Includes H1 2014 acquisitions / disposals plus cash inflows resulting from QPI acquiring 40% of our existing upstream gas assets in Canada and the sale of the Ontario home services business, and the acquisition of Astrum Solar, with these three transactions expected to complete in H2

Focus on maintaining a strong balance sheet

- Maintaining appropriate financial discipline a core priority, to enable capital to be deployed where we see attractive opportunities
- Non-core asset disposals expected to realise around £1 billion
  - sale of three larger UK CCGTs and Ontario home services business; potential release of capital from our gas assets in Trinidad and Tobago and our UK wind assets
  - retain proceeds to further strengthen the balance sheet
- Engaging with Moody's and S&P with a view to maintaining existing A3/A- credit ratings
  - to maintain our position as a strong counterparty and optimise collateral requirements
- Scrip dividend alternative to the 2014 final cash dividend

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Summary and outlook

- H1 EPS of 10.5p, down 29%
  - reflecting warm weather in the UK, the Polar Vortex in North America, low seasonal gas storage spreads and write down of our Round 3 offshore wind investment
- 2014 full year earnings expected to be in the range 21p-22p
- Commitment to real dividend growth reaffirmed
  - interim dividend 30% of 2013 full year dividend
  - half way through existing £420 million share repurchase programme
- Expect to deliver a return to EPS growth in 2015

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Sam Laidlaw

Chief Executive

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Clear management purpose, positioned for growth

- Business strengthened as a result of previous investments
- Customers at the heart of our business within vertically integrated model
    - energy and services, with leadership in innovation and smart connected homes
- Directing capital along the gas value chain, where we see the most attractive returns
- Affordability remains a key issue for the UK
    - CMA investigation should bring much needed clarity
- Clear focus on service delivery and efficiency in second half of 2014, positioning the business for growth in 2015

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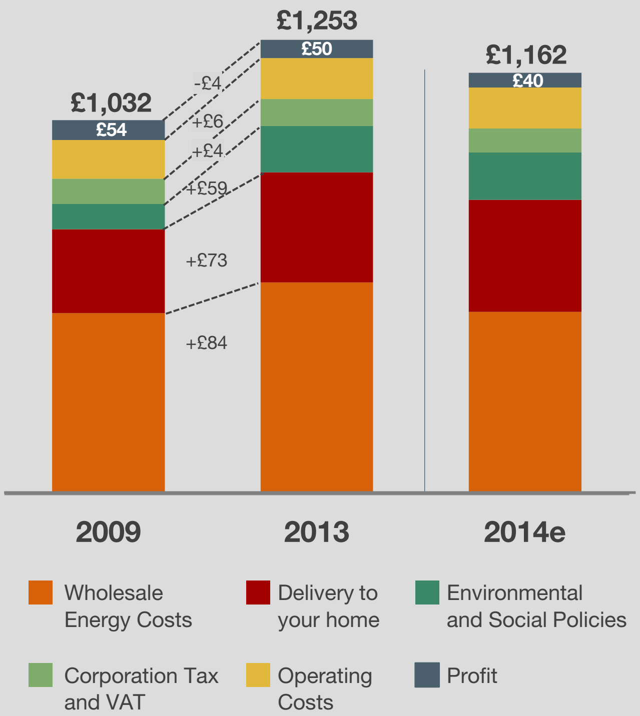
Continued stakeholder engagement

- Energy policy remains a key issue for the UK; retail energy bills a real concern for customers
  - open and honest debate needed about all components of the bill
  - upward pressure on bills driven by higher network and environmental costs
- Believe that competition is working for consumers
- Integration enables us to protect customers against energy price volatility

Average British Gas dual fuel bill over the last five years



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Lowest-cost, least regret options for the UK

- On the current trajectory, meeting the UK's long term carbon reduction target could add £150bn to energy costs by 2030
- Alternative choices could achieve the same target at around a third of the cost
  - prioritising the lowest-cost and least regret technologies
  - setting simple cost effective decarbonisation targets
  - helping those who are most affected by the costs of carbon reduction

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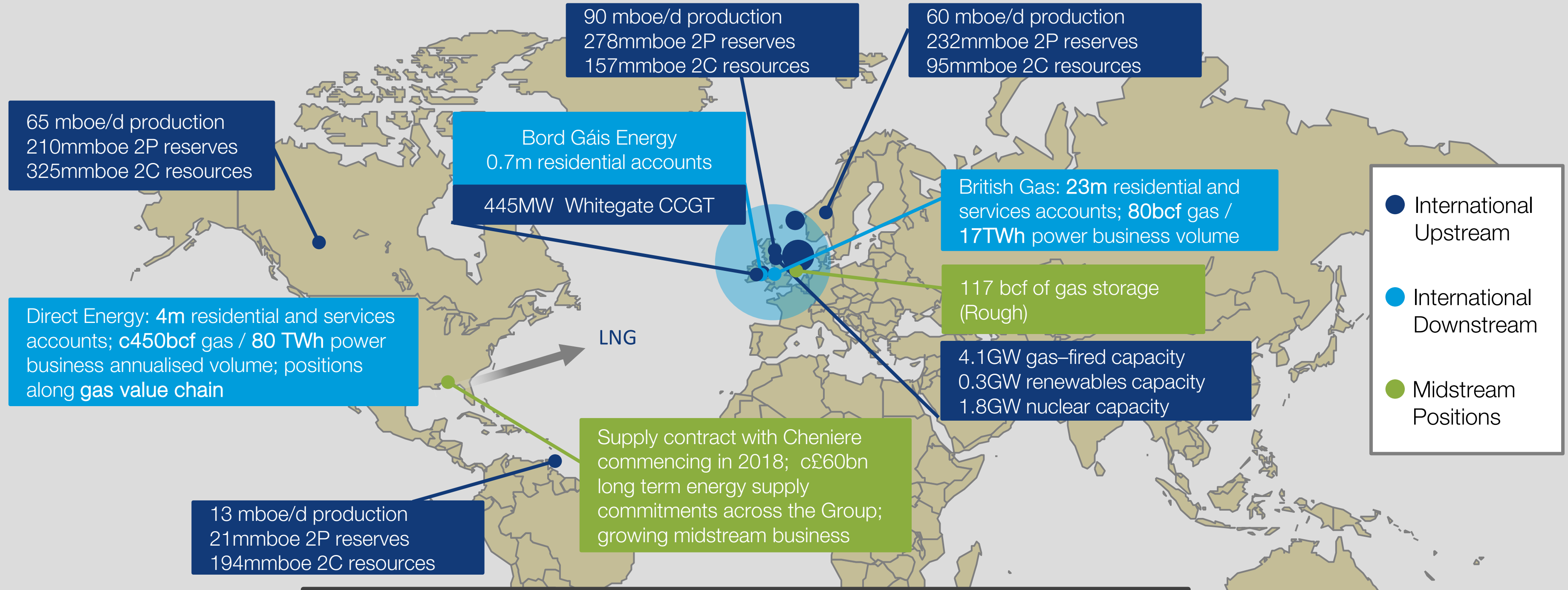
Well balanced and more resilient business



Vertically integrated, geographically diverse business
Scale platform for growth, with optionality over investments

Reserves and resources as at 31 Dec 2013
Customer accounts as at 30 Jun 2014, with DE adjusted for Ontario Home Services disposal
Production numbers are latest 2014 guidance
Business gas and power volumes are pro-forma 2013 annualised numbers

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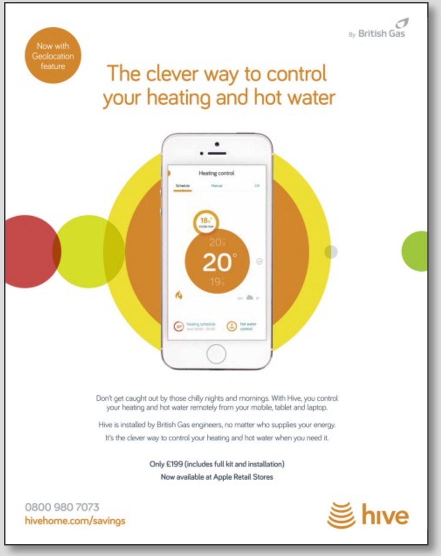
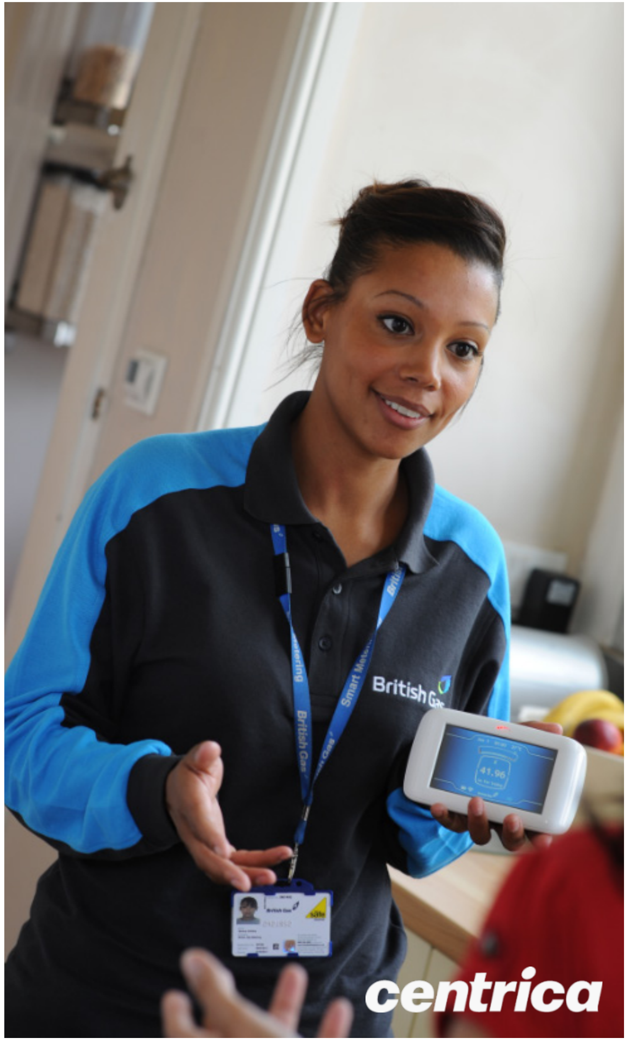
British Gas: Focus on service, efficiency, innovation and growth

- Business well placed, benefiting from previous investment in systems, enabling better service and operational efficiencies
- Clear strategy in place focused on three priorities: deliver great service, transform to grow, engage key stakeholders
  - improved customer service and satisfaction levels in BGR and BGS
  - BGB billing system implementation proceeding to plan; on track to deliver £100m cost reduction programme
  - around two thirds of customer interactions through digital channels
  - 1 million smart meters installed; over 350,000 customers received unique Smart Energy Report
  - 100,000 smart thermostats sold



British Gas: Focus on service, efficiency, innovation and growth

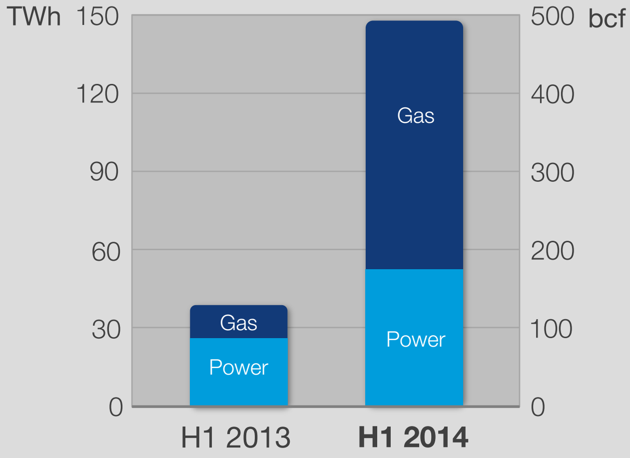
- Clear priorities for the second half of 2014
  - return the business to customer account growth
  - targeting industry leading service levels and a reduction in complaints
  - simplify key customer interactions (Homemove, DD)
  - complete migration of customer accounts onto new residential energy and services CRM system
  - launch new services propositions targeted at energy customers
  - smart enabled proposition trials: “Free Saturdays or Sundays”; Smart Connected Boiler; Virtual IHD
- Positioned for long term growth through combination of energy and services and leadership in innovation and smart connected homes



Direct Energy:
Focus on customer value, service and choice

- An established large-scale business in North America, providing a platform for further growth in energy supply and services
- Focus on service, efficiency and customer choice
  - $100m cost reduction programme on track
  - residential energy account growth, increased sales through digital channels
  - increased sales of US protection plans
  - Hess Energy Marketing acquisition delivering EBITDA ahead of investment case
  - sold B2B unit gross margins increased by 35% for gas and 33% for power compared to H2 2013
  - Texas CCGTs disposal completed

Direct Energy Business total volume



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Direct Energy:
Focus on customer value, service and choice

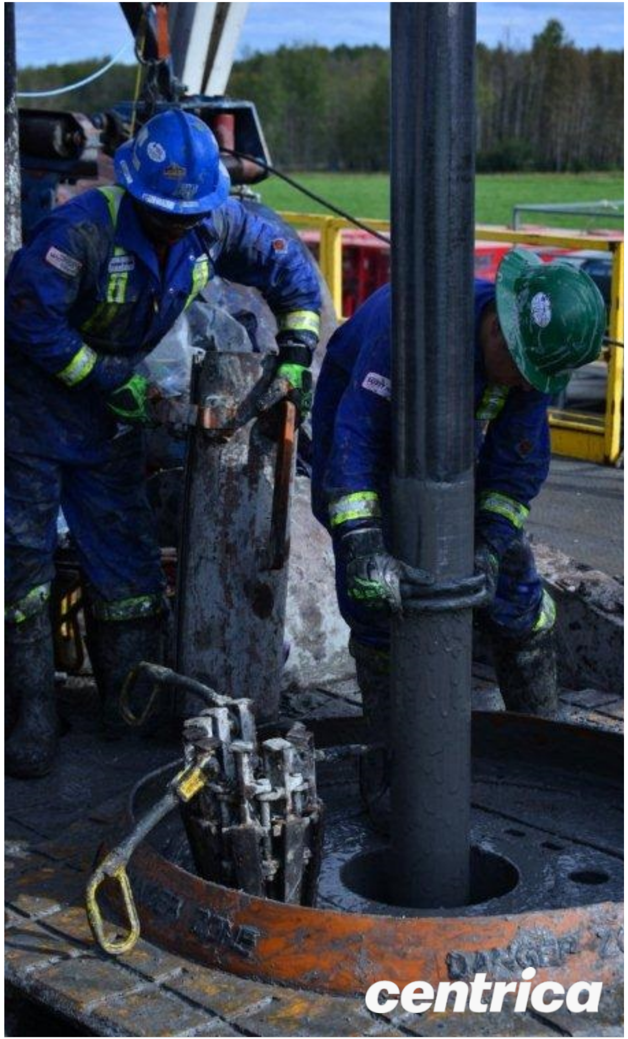
- Clear priorities for the second half of 2014
  - further improvement in DEB sales margins
  - complete integration of Hess Energy Marketing acquisition
  - drive additional growth through dual fuel capabilities, advantaged positions along the gas value chain, long-term customer relationships
  - target increase in US services protection plans to 250k by the end of the year
  - target increase in energy and services bundled products to 100k by the end of the year
- Positioned for long term growth through focus on customer value, energy and services bundling, and smart connected home propositions

Centrica Energy:
Securing energy supplies for our customers

- A larger scale, more geographically diverse upstream gas and oil business with a balanced power portfolio
- Good progress in first half of 2014
  - solid performance from core assets
  - strengthening of QPI relationship through Canadian gas transactions
  - increased nuclear and wind generation volumes
  - good midstream performance
  - increasing role of LNG, progressing shale gas opportunities

Centrica Energy:
Securing energy supplies for our customers

- Clear priorities for the second half of 2014, in a lower wholesale price environment
  - deliver total gas and oil production of c83mmboe
  - targeting flat E&P unit lifting and cash production costs
  - deliver capex plan; expected to reduce to around £900m per annum on average over the next 3 years
  - deliver first gas from a fourth well at York and a new well at Grove
  - progress sale of three larger CCGTs
  - develop plans for smaller power stations; evaluating investment options under proposed capacity auction
- Platform for growth, investing where economics are attractive and a good strategic fit, divesting non-core assets for value



Summary

- Good strategic progress in first half of 2014, in challenging market conditions
- Clear priorities for second half of 2014, to drive performance
- Balanced and resilient business, strengthened by previous investments
- Distinctive combination of energy and services, with leadership in innovation and smart connected homes
- Positioned for growth in 2015, assuming more normal weather conditions in North America
  - targeting a return to growth in UK residential energy and services
  - underlying growth in services in UK and US; improved margins in DEB
  - benefit of cost reduction programmes in BGB and DE
  - full year's contribution from Bord Gáis
  - continued capital discipline upstream

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