



ASX/MEDIA RELEASE

Australian Power & Gas first half cash receipts up 37%

Sydney, 24 January 2013

Australian Power & Gas Company Limited (ASX:APK), Australia's leading independent energy retailer, today announced record first half cash receipts from customers. Cash receipts for the six months to 31 December 2012 increased by 37.4% to \$246.1 million, compared with \$179.1 million in the previous corresponding period.

Underlying operating cash inflow (before customer acquisition, credit support and related finance costs), which reflects the company's underlying performance, was \$10.9 million, for the six months to 31 December 2012, an increase of 40.3% over the previous corresponding period (\$7.8 million).

Cash at 31 December 2012 was \$6.3 million. During the December quarter, surplus cash of \$4.9 million was applied to reduce the balance of the group's working capital facility. While this has led to a lower cash balance, the new debt facilities with Macquarie Bank enable more effective use of cash balances and minimise interest expense.

These figures are in line with management expectations for the 2013 financial year given the seasonality of the group's results. Cash flow in the first half is usually strong as winter revenue is collected from customers.

Australian Power & Gas CEO James Myatt said: "Continuing growth in the company's cash receipts demonstrates the strength and potential of our business model. We expect this growth to continue in 2013, helped by expansion into additional sectors and regional markets, new products and the introduction of new technology."

A summary of the comparative information for the six months to 31 December is shown below. The company's Appendix 4C report is attached.

	6 months to 31 December		Movement	
	2012 \$000s	2011 \$000s	\$000s	%
Customer payments	246,135	179,133	67,002	37.4
Payments to suppliers and employees	(235,178)	(171,324)	(63,854)	27.1
Underlying operating cash flow	10,958	7,809	3,148	40.3
Customer acquisition costs	(8,661)	(7,839)	(822)	10.4
Net finance costs	(8,305)*	(4,675)	(3,630)	77.6
Equipment and systems development	(1,740)	(1,731)	(9)	1.0
Credit support (deposits and prepayments)	(103)	998	(1,101)	-
Operating and investing cash flow (per Appendix 4C)	(7,852)	(5,438)	(2,414)	(44.3%)

* includes \$6 million in fees relating to the replacement of the financing facility

[ENDS]

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About Australian Power and Gas:

Australian Power and Gas Company Limited (ASX: APK) is Australia's leading independent energy retailer, and one of the country's fastest growing companies. It holds a full suite of gas and electricity retail licences in Victoria, New South Wales, ACT, South Australia and Queensland, and has been approved to operate by AEMO, the Australian Energy Market Operator. Australian Power and Gas was announced as the fastest starting company in the 2011 Business Review Weekly Annual Fast Starters List for a second year in a row, and was placed first on the Business Review Weekly Fast100 list for 2010.

For further information please visit www.auspg.com.au

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

AUSTRALIAN POWER AND GAS COMPANY LIMITED

ABN

96 077 206 583

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	112,562	246,135
1.2 Payments for		
(a) staff costs	(3,359)	(6,984)
(b) advertising and marketing	(297)	(623)
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(103,181)	(227,605)
(f) customer acquisition costs	(5,211)	(8,661)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	194	327
1.5 Interest and other costs of finance paid	(1,209)	(5,114)
1.6 Income taxes paid	-	-
1.7 Other (fees on replacement of debt facility)	(279)	(3,518)
Movements in prepayments (credit support)	4,097	5,467
Net operating cash flows	3,317	(542)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter (3 months) \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	3,317	(542)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	(412)
(e) other non-current assets	(1,095)	(1,328)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other - restricted cash released	-	13,761
- restricted cash deposited	(831)	(19,331)
Net investing cash flows	(1,892)	(7,276)
1.14 Total operating and investing cash flows	1,391	(7,852)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings – working capital facility initial drawdown	-	55,000
Proceeds from borrowings – restricted cash facility initial drawdown	-	15,000
Proceeds from borrowings – current period drawdowns	141,161	141,161
Proceeds from borrowings – current period repayments	(146,046)	(146,046)
1.18 Repayment of borrowings – prior working capital facility	(50,000)	(50,000)
Repayment of borrowings – convertible note	(4,000)	(4,000)
1.19 Dividends paid	(1,515)	(1,515)
1.20 Other (provide details if material)	-	-
Net financing cash flows	(6,400)	9,600
Net (decrease)/increase in cash held	(5,009)	1,748
1.21 Cash at beginning of quarter/year to date	11,315	4,558
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	6,306	6,306
Cash at end of quarter excludes cash on deposit of \$19,330,000 held as security for wholesale hedging and bank guarantees issued.		

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	60
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Aggregate amount of loans from the parties included in item 1.17	-
1.26	Explanation necessary for an understanding of the transactions	
	-	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
Not applicable
- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest
n/a

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
	- revolving debt facility	52,500	50,114
	- restricted cash loan	15,000	15,000
	Total	67,500	65,114

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Appendix 4C
Quarterly report for entities
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Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	6,306	11,315
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,306	11,315
Cash at end of quarter excludes cash held on deposit of \$19,330,000 held as security for wholesale hedging and bank guarantees issued.		

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement gives a true and fair view of the matters disclosed.

25/1/2012

David Franks
Company Secretary

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