



ASX & Media Release

FY20 impact of extended unit outage at Loy Yang

7 June 2019

AGL Energy Limited ("AGL") has today completed an assessment of the extent and impact of an outage at Unit 2 at the Loy Yang A power station ("the Unit") in the Latrobe Valley. AGL now believes this outage may extend seven months and, as a result, have a material impact on its financial results in FY20.

The Unit has been out of service since 18 May 2019 following an electrical short internal to the generator, which caused consequential damage to the stator and rotor components. AGL's initial expectation was that it would take between two to four months to return the Unit to service pending results of internal generator inspections.

Following rotor removal and cleaning, further technical assessments revealed a more extensive level of damage than was previously assessed, the full impact of which has now been determined. AGL now expects it may take until December 2019 to return the Unit to service and ensure its ongoing reliability. This duration of repair reflects the unique original technical design specifications of the Unit and the extent of damage.

AGL does not expect any material impact on its results for FY19 from this outage. AGL continues to expect Underlying Profit after tax in FY19 towards the mid-point of its guidance range of \$970 million to \$1,070 million.

However, while AGL is seeking to mitigate impacts to portfolio availability and cost of the outage, AGL currently expects its extended nature to lead to a reduction in potential Underlying Profit after tax in FY20 of between \$60 million and \$100 million. Detailed assessment of the required repair process and likely financial impact is continuing.

Any material recoupment of these impacts via insurance claims is not likely to occur until FY21.

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