



2014 Q1 Earnings
Conference Call
February 4, 2014

This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read UGI's Annual Report on Form 10-K for a more extensive list of factors that could affect results. Among them are adverse weather conditions, cost volatility and availability of all energy products, including propane, natural gas, electricity and fuel oil, increased customer conservation measures, the impact of pending and future legal proceedings, domestic and international political, regulatory and economic conditions including currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our commercial initiatives and investments to grow our business, and our ability to successfully integrate acquired businesses and achieve anticipated synergies. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.



John Walsh

President & CEO, UGI

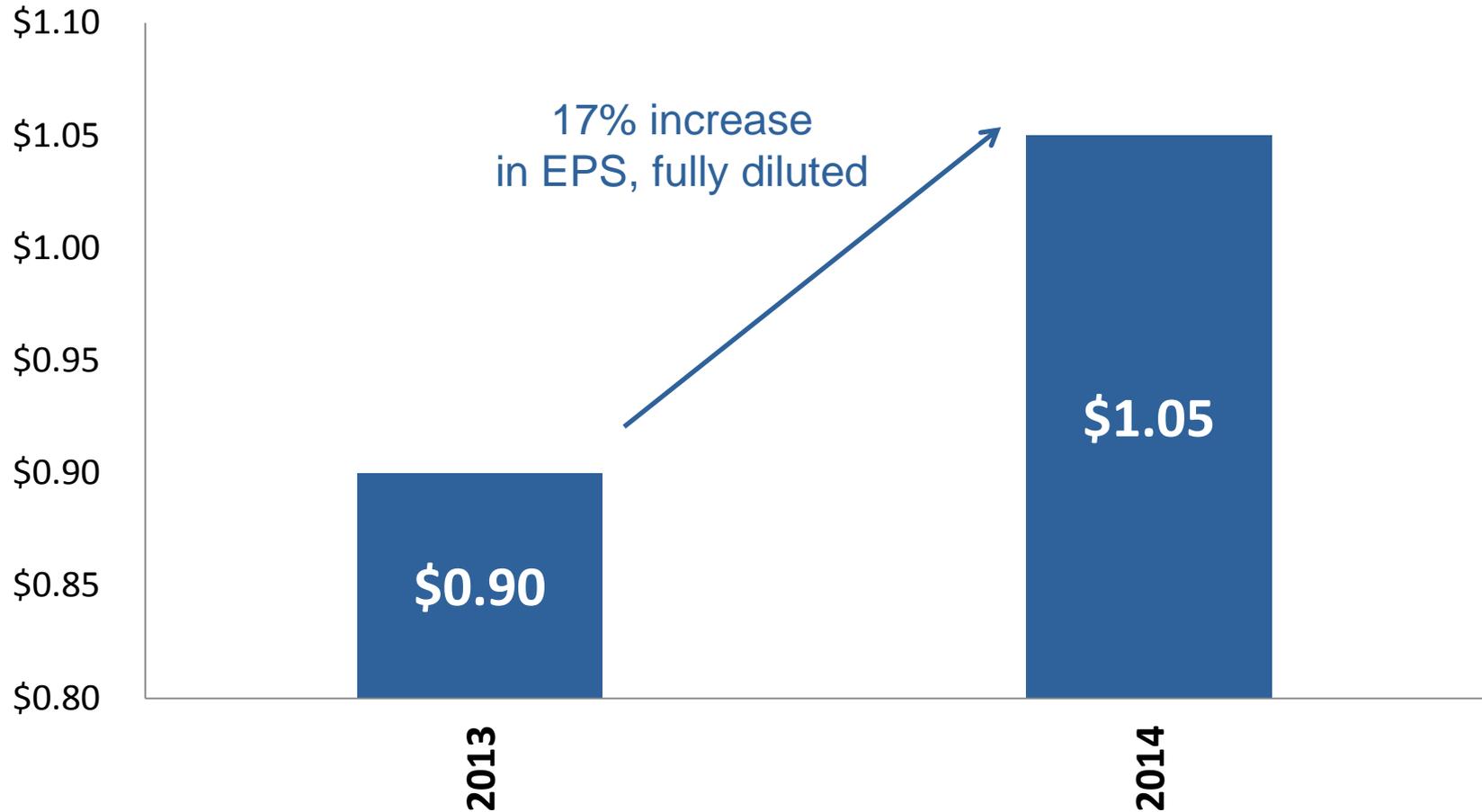
Kirk Oliver

Chief Financial Officer, UGI

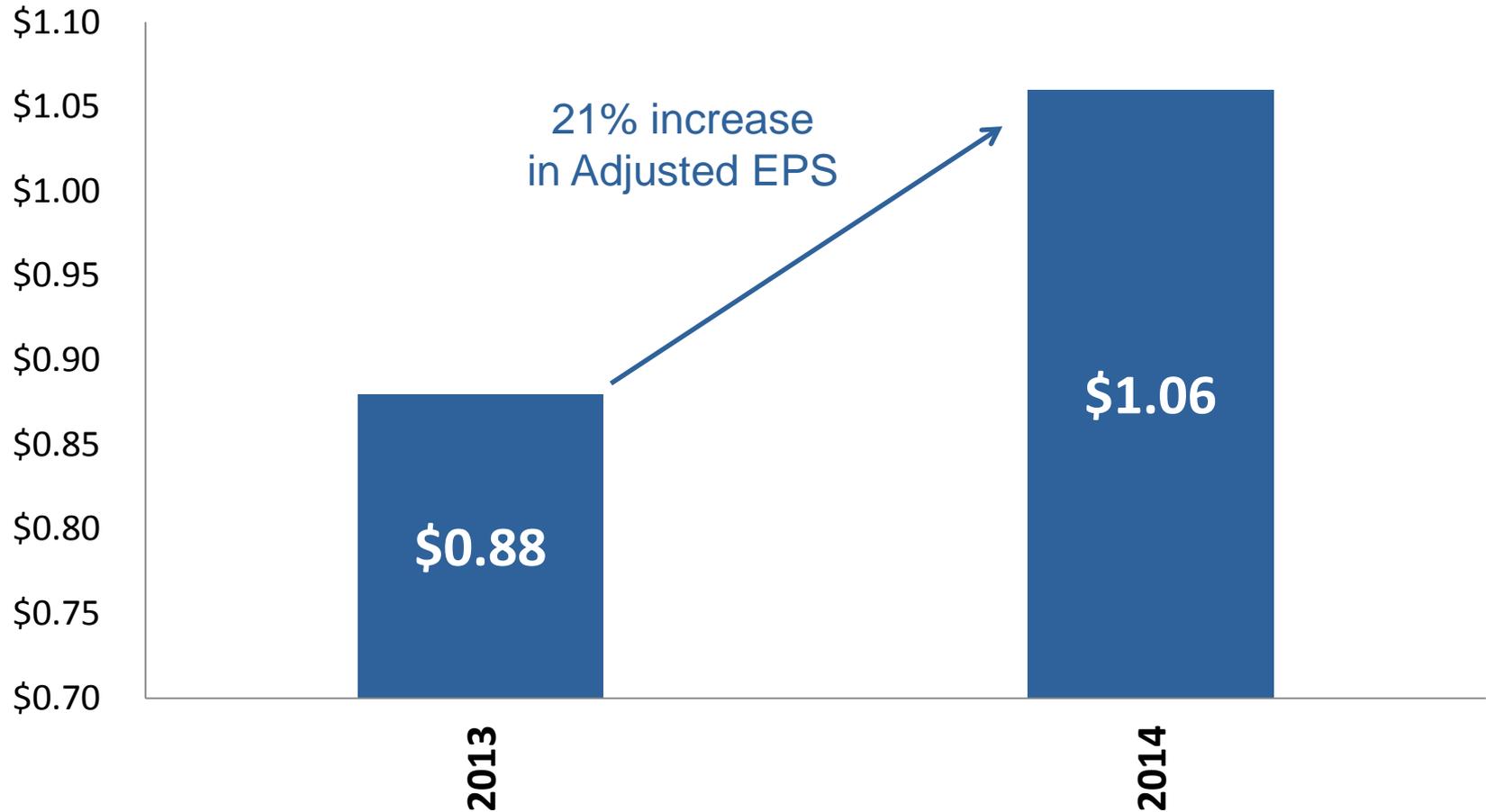
Jerry Sheridan

President & CEO, AmeriGas

GAAP EPS



Adjusted EPS*



* See reconciliation in appendix

Adjusted net income up 22% reflects colder weather and strong operational performance

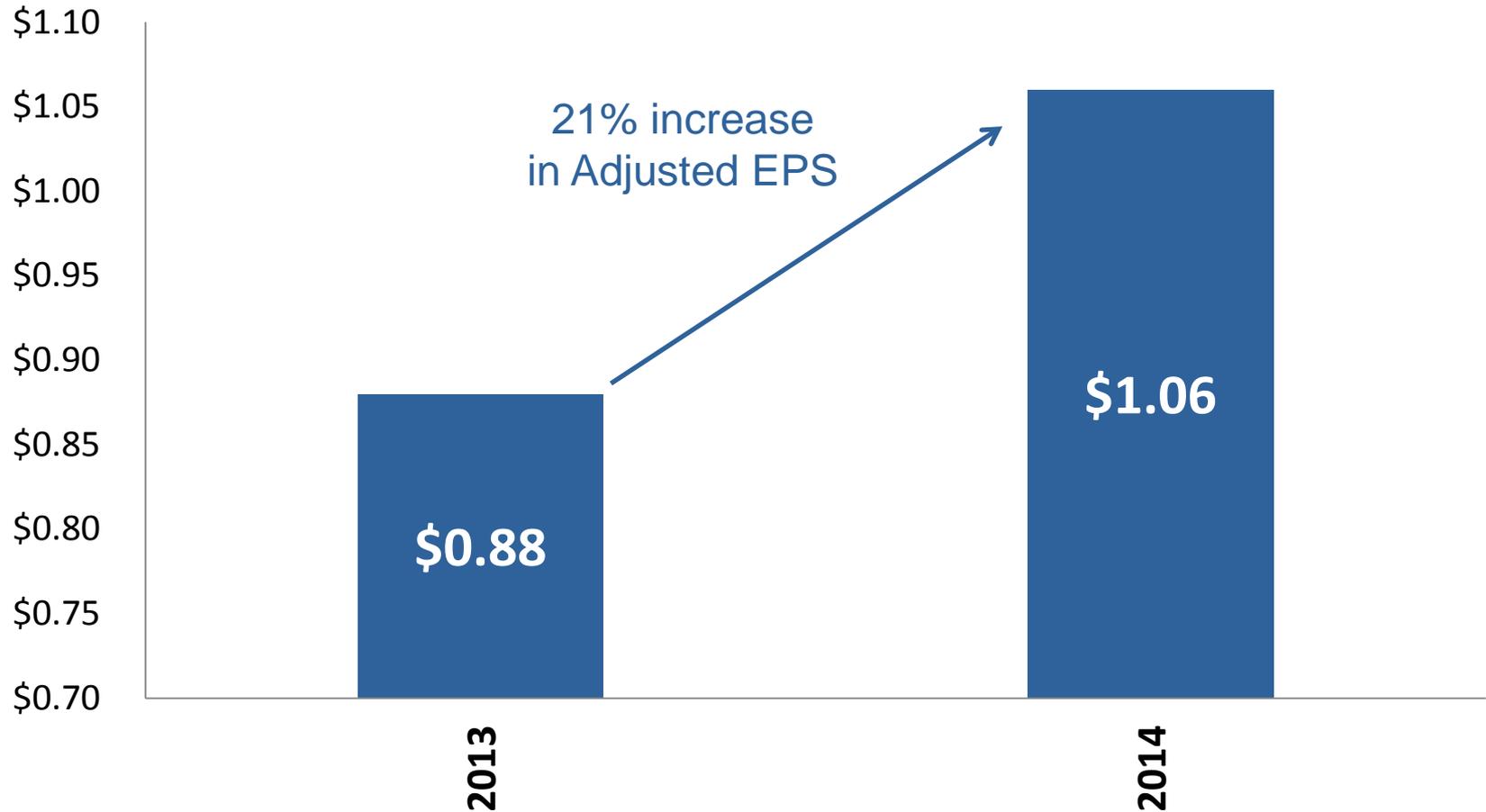
Strategic Milestones

- **Auburn II pipeline** placed into service
- **Gas Utility** new customer additions exceeded the record levels set in Q1 of FY13
- Successful **integration of the BP Poland** acquisition

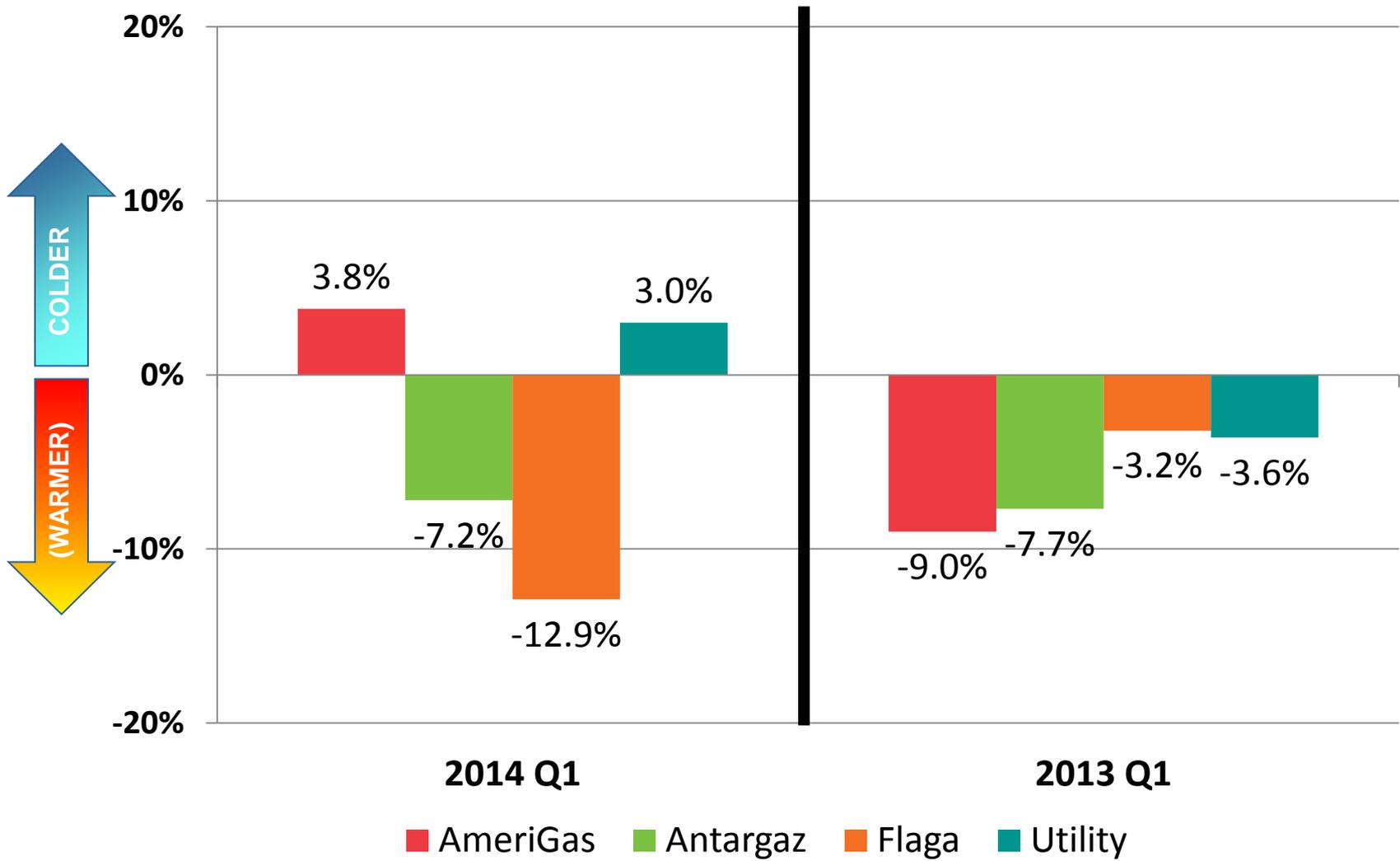
Unprecedented demand for natural gas

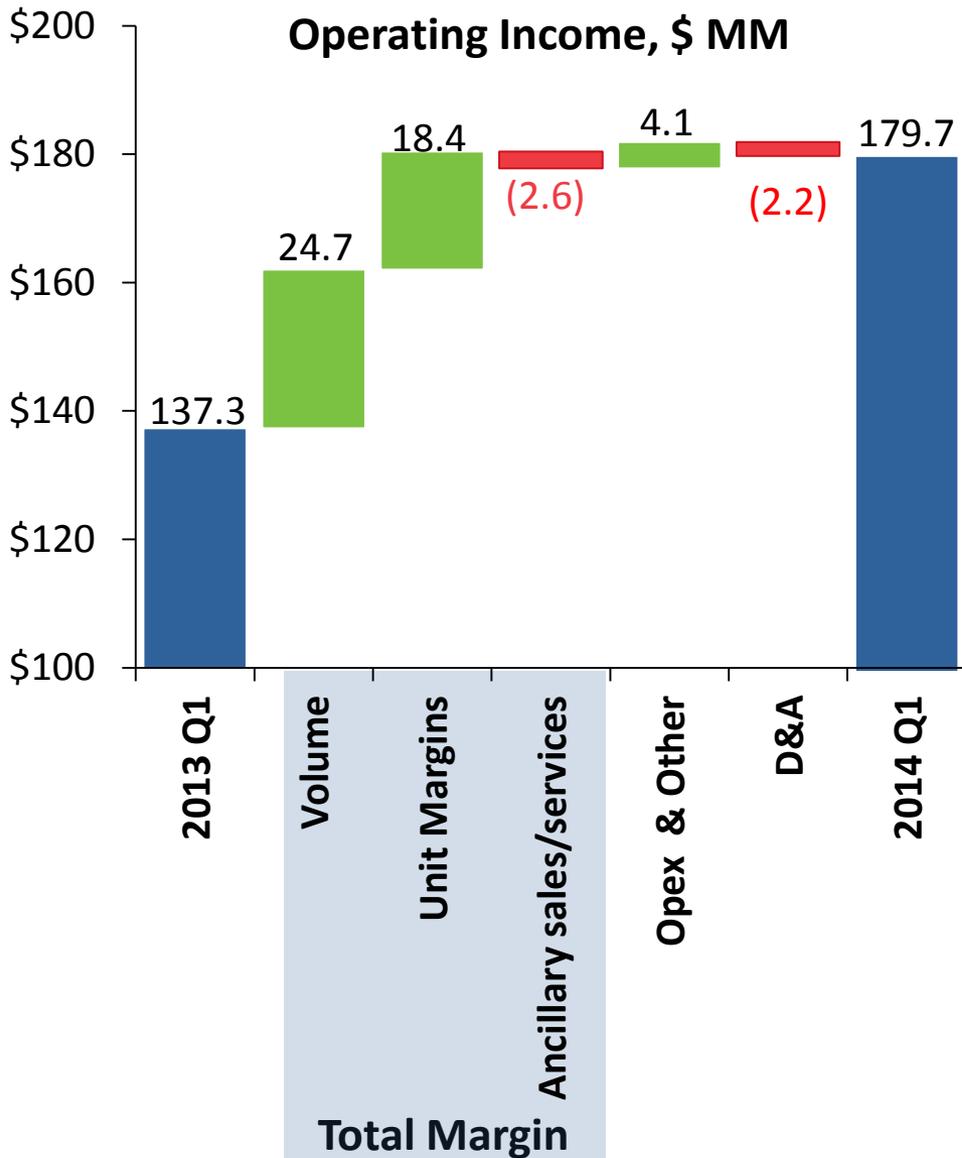
- Demand from residential, commercial, industrial and municipal users
- Strong demand benefits both our Gas Utility and Marketing business
- Increased need for Marcellus infrastructure

Adjusted EPS*



* See reconciliation in appendix





VOLUME

- Colder weather
- ACE and National Accounts

MARGIN

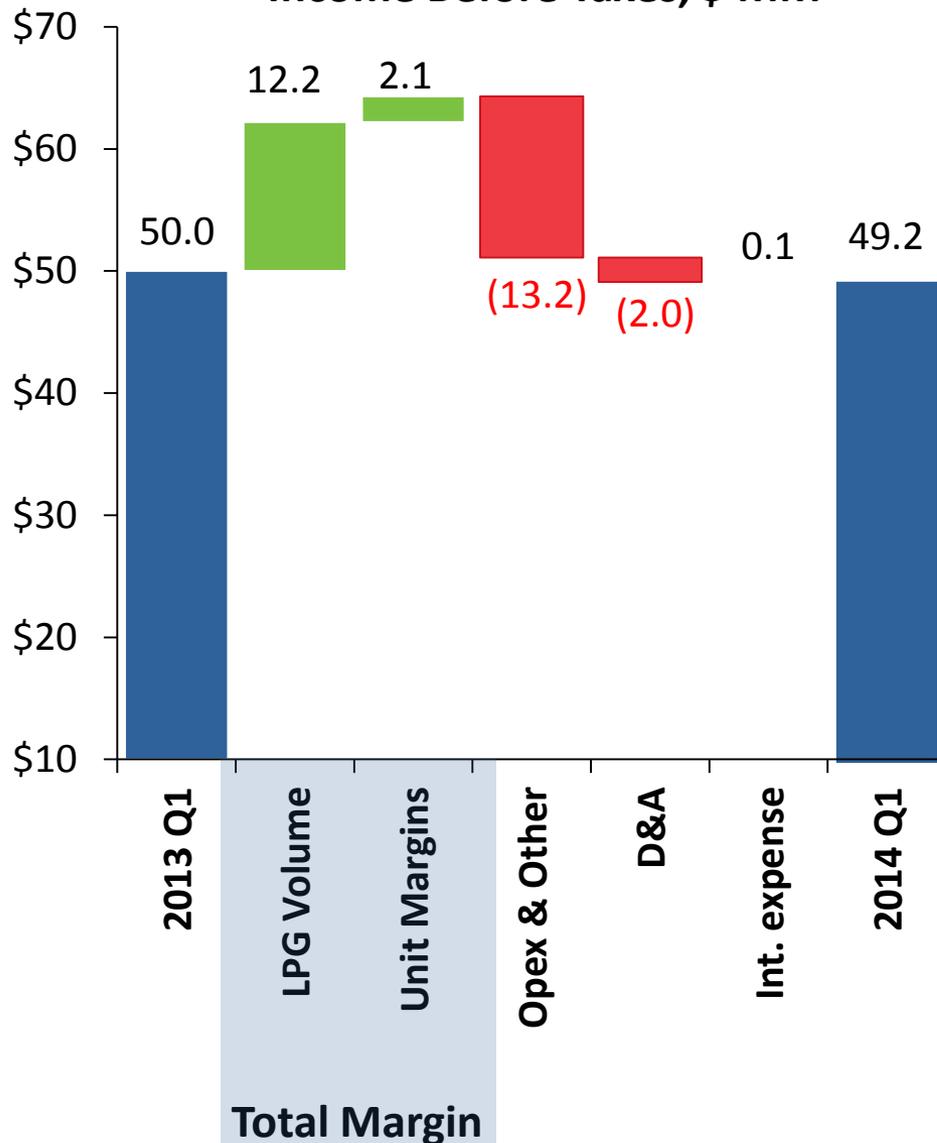
- Slightly higher unit margins

OPEX

- No transition expenses versus prior-year period
- Synergies

* Opex includes all operating expenses, net of miscellaneous income.
Total Margin represents total revenues less total cost of sales.

Income Before Taxes, \$ MM



VOLUME

- BP Poland acquisition
- Warmer weather

MARGIN

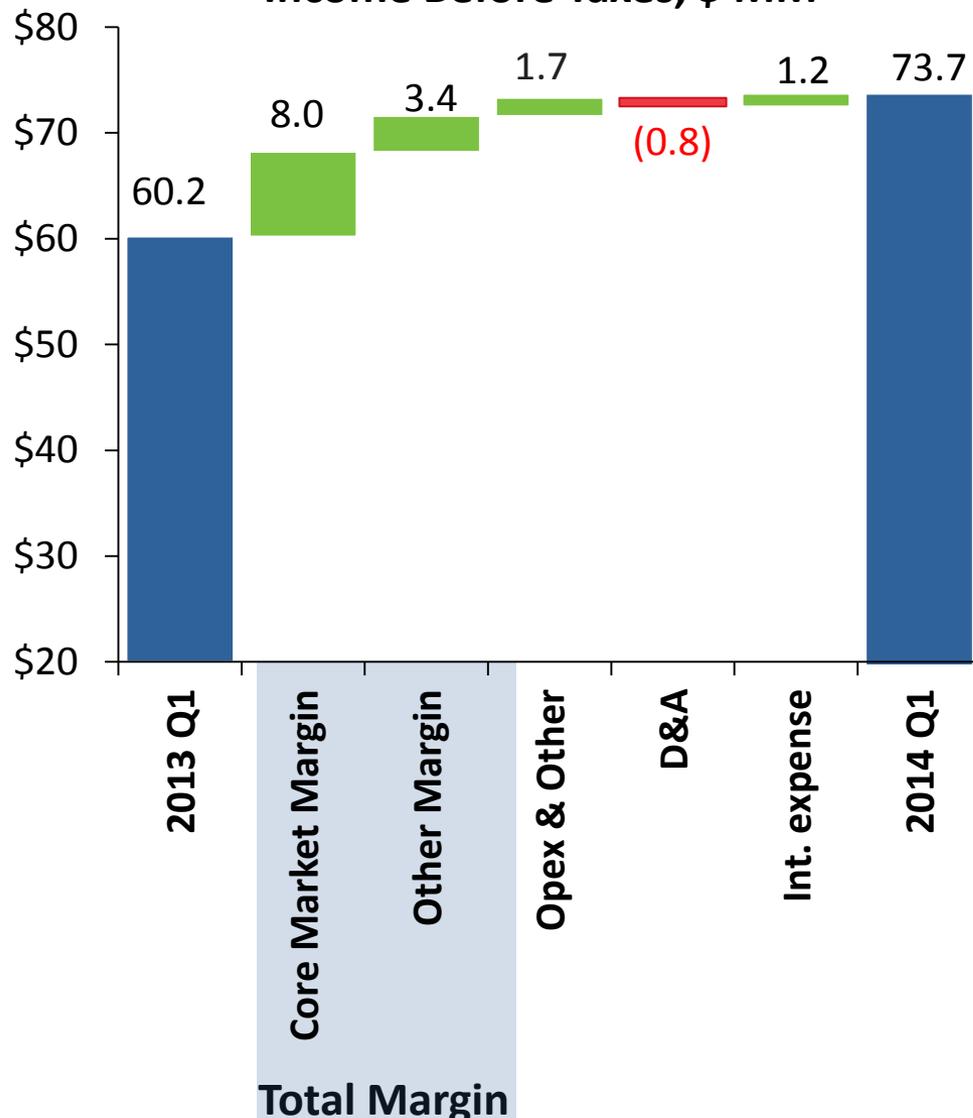
- BP Poland acquisition

OPEX

- Flaga (BP Poland) and Antargaz (repair and maintenance expense)

* Opex includes all operating expenses, net of miscellaneous income.
Total Margin represents total revenues less total cost of sales.

Income Before Taxes, \$ MM



MARGIN

- Colder weather
- Conversions from heating oil

OPEX

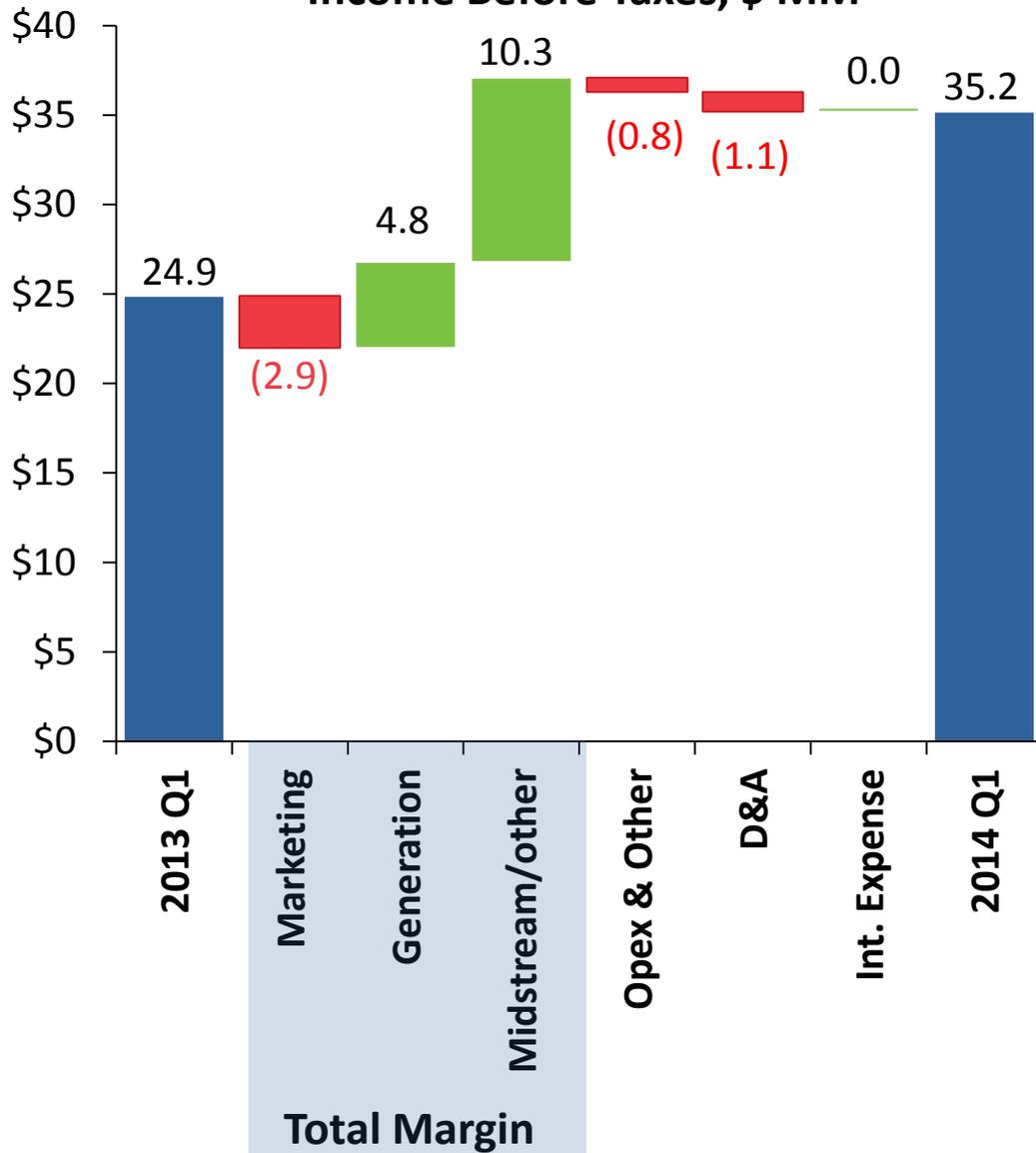
- Lower pension and benefits expense

INTEREST

- Lower average interest rates

* Opex includes all operating expenses, net of miscellaneous income.
Total Margin represents total revenues less total cost of sales.

Income Before Taxes, \$ MM



MARGIN

- Higher peaking, capacity management, and gas marketing margin
- Higher electric generation margin
- Lower power marketing margins

* Total Margin represents total revenues less total cost of sales.

	<u>Total</u>	<u>AmeriGas</u>	<u>UGI Intl</u>	<u>Utilities</u>	<u>Midstream</u>	<u>Corporate & Other</u>
Cash on Hand	\$418.1	\$30.3	\$173.3	\$13.0	\$9.0	\$192.6
Revolving Credit Facilities		\$525.0	\$134.7	\$300.0	\$240.0	NA
Accounts Receivable Facility		NA	NA	NA	60.9	NA
Drawn on Facilities		208.8	9.1	73.5	124.5	NA
Letters of Credit		64.7	44.7	2.0	0.0	NA
Available Facilities		\$251.5	\$80.9	\$224.5	\$176.4	
Available Liquidity		\$281.8	\$254.1	\$237.5	\$185.4	

Excluding cash residing at operating subsidiaries, UGI had \$183.5 million of cash at 12/31/13 compared with \$101.2 million at 12/31/12.

- Share repurchase program announced last week
- FY14 Adjusted EPS guidance remains \$2.60-\$2.70

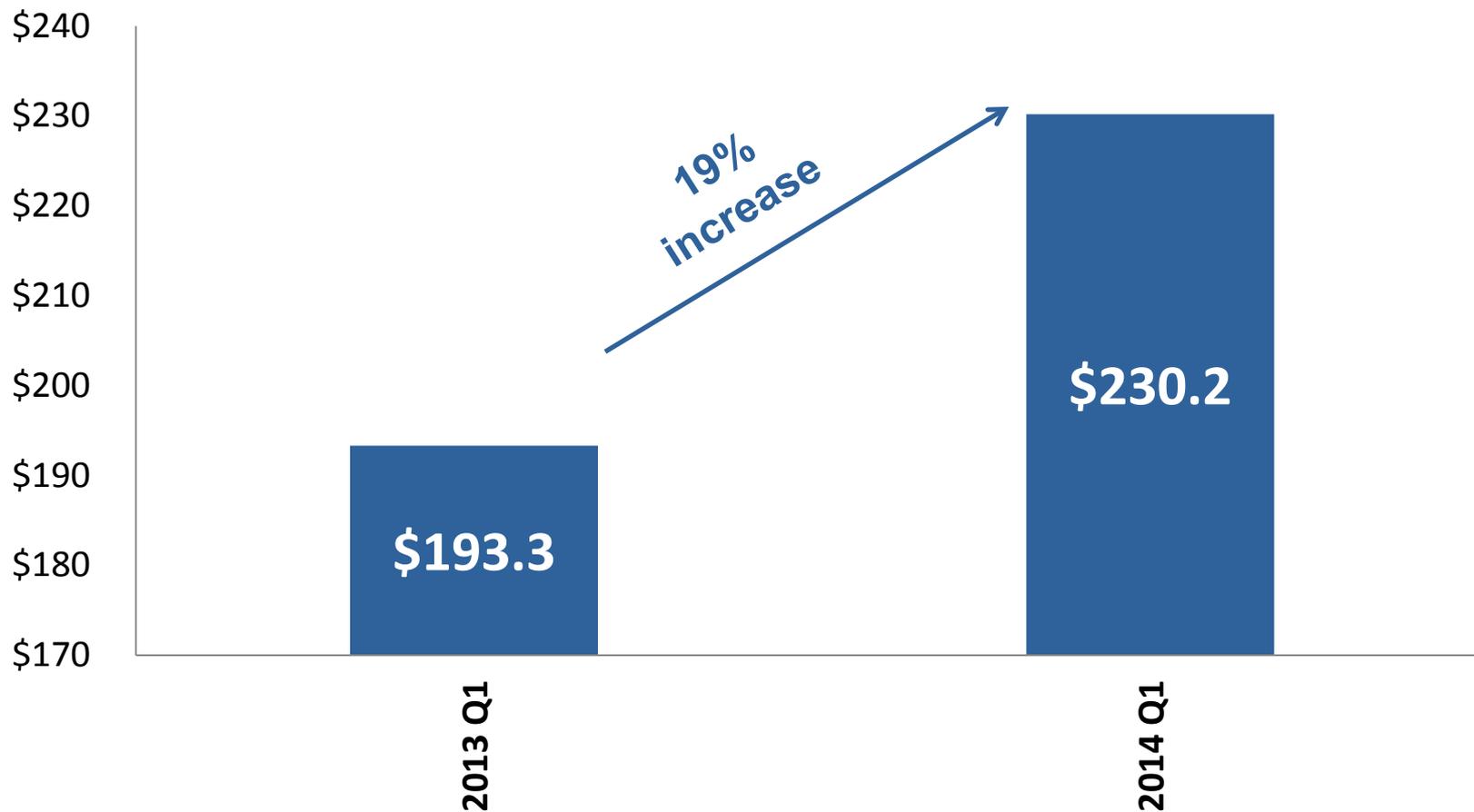
AmeriGas

UGI
CORPORATION

Jerry Sheridan
CEO of AmeriGas



Adjusted EBITDA*, \$ Millions



Operations

- Volume increased 7% versus last year's first quarter on weather that was 14% colder than last year
- Volume in December was up 19% from last year on 22% colder weather
- **Operating expenses were \$5.9 million below last year;** Excluding transition expenses, operating expenses declined \$0.5 million
- Wholesale prices at Mt Belvieu are approximately 35% higher than the average cost this time last year
- Our supply/logistics groups have taken extraordinary measures to secure and deliver propane to all residential and commercial customers
- Although costs rose quickly during the quarter, **margins were modestly higher than in the prior-year period** and we continue to actively manage costs in a challenging environment

Growth Initiatives

- **AmeriGas Cylinder Exchange (ACE):** Volume growth of 9.8% from the prior-year quarter, 2,900 new outlets added
- **National Accounts:** Volume increased 6 million gallons from the prior-year quarter and benefitted from both new accounts and the cold weather
- **Acquisitions:** Closed one small acquisition in Virginia

Outlook

- FY14 Adjusted EBITDA guidance **remains \$645 million - \$675 million**



John Walsh

President & CEO

February 4, 2014

AmeriGas

- Adjusted EBITDA up 19% on volume growth, unit margin management, and expense control
- Strong performance at both ACE and National Accounts as well

UGI International

- Warmer weather than expected, offset by benefits of BP Poland acquisition

Gas Utility

- Capex level has increased ~ 40% since FY12
- Customer additions running ~ 10% above Q1 of FY13

Midstream & Marketing

- Strong performance from LNG business (both peaking and transport) as well as our midstream business
- Auburn II placed into commercial service

Recent Developments

- Meeting service challenges is critically important during extreme weather periods
- Teams across UGI and AmeriGas did an outstanding job meeting these challenges
- Scale, combined with commitment, enabled us to maintain very high service levels during this challenging period

Q&A



Appendix



- ❖ Management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI excluding (i) changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as gains and losses on settled commodity derivative instruments not associated with current period transactions and (ii) those items that management regards as highly unusual in nature and not expected to recur. Midstream & Marketing accounts for commodity derivative instruments at fair value with changes in fair value included in earnings as a component of cost of sales or revenues. Volatility in net income at UGI can occur as a result of changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as timing differences between the settlement of commodity derivative instruments and the income statement impact of the purchase or sale of the associated commodity.
- ❖ Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (i) changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments as well as gains and losses on settled commodity derivative instruments not associated with current period transactions that are required, under GAAP, to be recorded in current period earnings but are economic hedges of the related commodity transactions and (ii) those items that management regards as highly unusual in nature and not expected to recur.
- ❖ The following table reconciles consolidated net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above:

Adjusted EPS to GAAP EPS Reconciliation

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2013	2012	2013	2012
Adjusted diluted earnings per share:				
UGI Corporation earnings per share - diluted	\$ 1.05	\$ 0.90	\$ 2.56	\$ 2.09
Adjust: Net unrealized (gains) losses on Midstream & Marketing's unsettled commodity derivative instruments	(0.03)	0.01	(0.04)	(0.13)
Adjust: Net (gains) losses on certain Midstream & Marketing settled commodity derivative instruments (1)	(0.01)	(0.03)	(0.02)	(0.04)
Adjust: Retroactive impact of change in French tax law	0.05	0.0	0.05	0.0
Adjusted diluted earnings per share	<u>\$ 1.06</u>	<u>\$ 0.88</u>	<u>\$ 2.55</u>	<u>\$ 1.92</u>
(1) Includes the impact of rounding.				

- ❖ The enclosed supplemental information contains a reconciliation of earnings before interest expense, income taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA to Net Income.
- ❖ EBITDA and Adjusted EBITDA are not measures of performance or financial condition under accounting principles generally accepted in the United States ("GAAP"). Management believes EBITDA and Adjusted EBITDA are meaningful non-GAAP financial measures used by investors to compare the Partnership's operating performance with that of other companies within the propane industry. The Partnership's definitions of EBITDA and Adjusted EBITDA may be different from those used by other companies.
- ❖ EBITDA and Adjusted EBITDA should not be considered as alternatives to net income (loss) attributable to AmeriGas Partners, L.P. Management uses EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes or historical cost basis. Management uses Adjusted EBITDA to exclude from AmeriGas Partners' EBITDA gains and losses that competitors do not necessarily have to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. In view of the omission of interest, income taxes, depreciation and amortization from EBITDA and Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners, L.P. for the relevant years. Management also uses EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA to assess the profitability of the Partnership, which is one of UGI Corporation's industry segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its industry segments as the profitability measure for its domestic propane segment.

AmeriGas Partners EBITDA Reconciliation

	Three Months Ended December 31,	
	2013	2012
Net income attributable to AmeriGas Partners, L.P.	\$ 134,898	\$ 96,665
Income tax expense	1,431	627
Interest expense	41,590	41,196
Depreciation	41,503	38,323
Amortization	10,819	11,028
EBITDA	\$ 230,241	\$ 187,839
Heritage Propane acquisition and transition expense	-	5,488
Loss on extinguishments of debt	-	-
Adjusted EBITDA (1)	\$ 230,241	\$ 193,327

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