

UGI
CORPORATION

UGI

BALANCED
DIVERSIFIED
DISCIPLINED
I N N O V A T I V E
S T R A T E G I C

UGI International Teach-in
July 2, 2013

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, including Heritage Propane, and achieve anticipated synergies. UGI undertakes no obligation to release revisions to its forward-looking statements to reflect events or circumstances occurring after today.

- **Introduction**
 - **Overview of UGI International**
 - **Financial Summary**
 - **Growth Opportunities**
 - **Summary/Q&A**
- 

UGI Corporation

| | |
|--------------|------------------------------------|
| John Walsh | President and CEO, UGI Corporation |
| Kirk Oliver | CFO, UGI Corporation |
| Simon Bowman | IR and Treasury, UGI Corporation |

International

| | |
|----------------------|-----------------------|
| Reinhard Schodlbauer | CEO, Flaga Group |
| Eric Naddeo | CEO, Antargaz |
| Neil Murphy | CEO, AvantiGas |
| Paul Ladner | VP, Marketing- Europe |

Overview

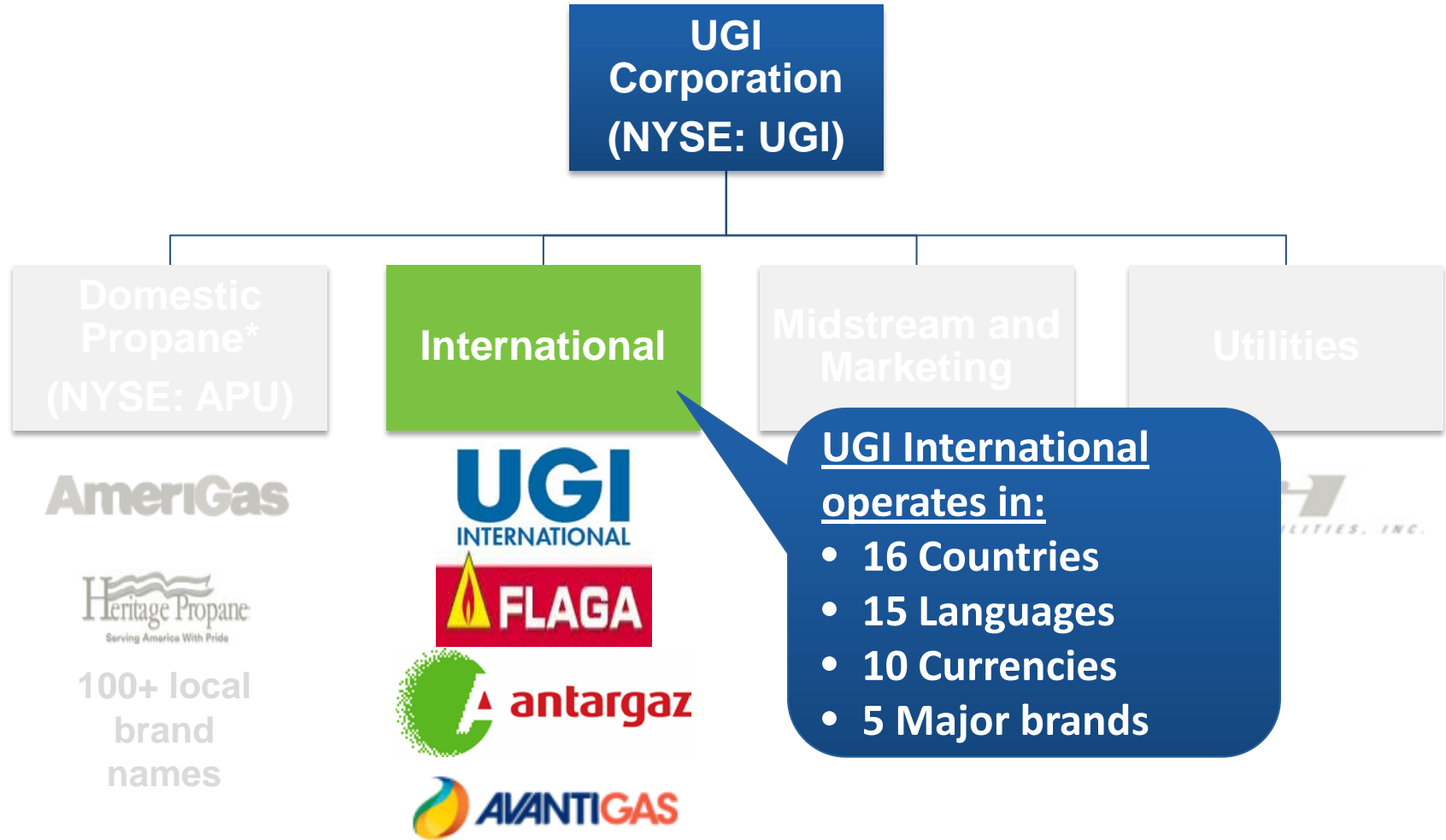


UGI Corporation is a distributor and marketer of energy products and services including natural gas, propane, butane, and electricity.



*100% GP interest and 25% of outstanding LP units

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1999: Acquisition of Flaga Beteiligungs Aktiengesellschaft

- First acquisition in Europe
- Operations in Austria, Czech Republic, and Slovakia

2001: Acquisition of 20% of Elf Antargaz, S.A.

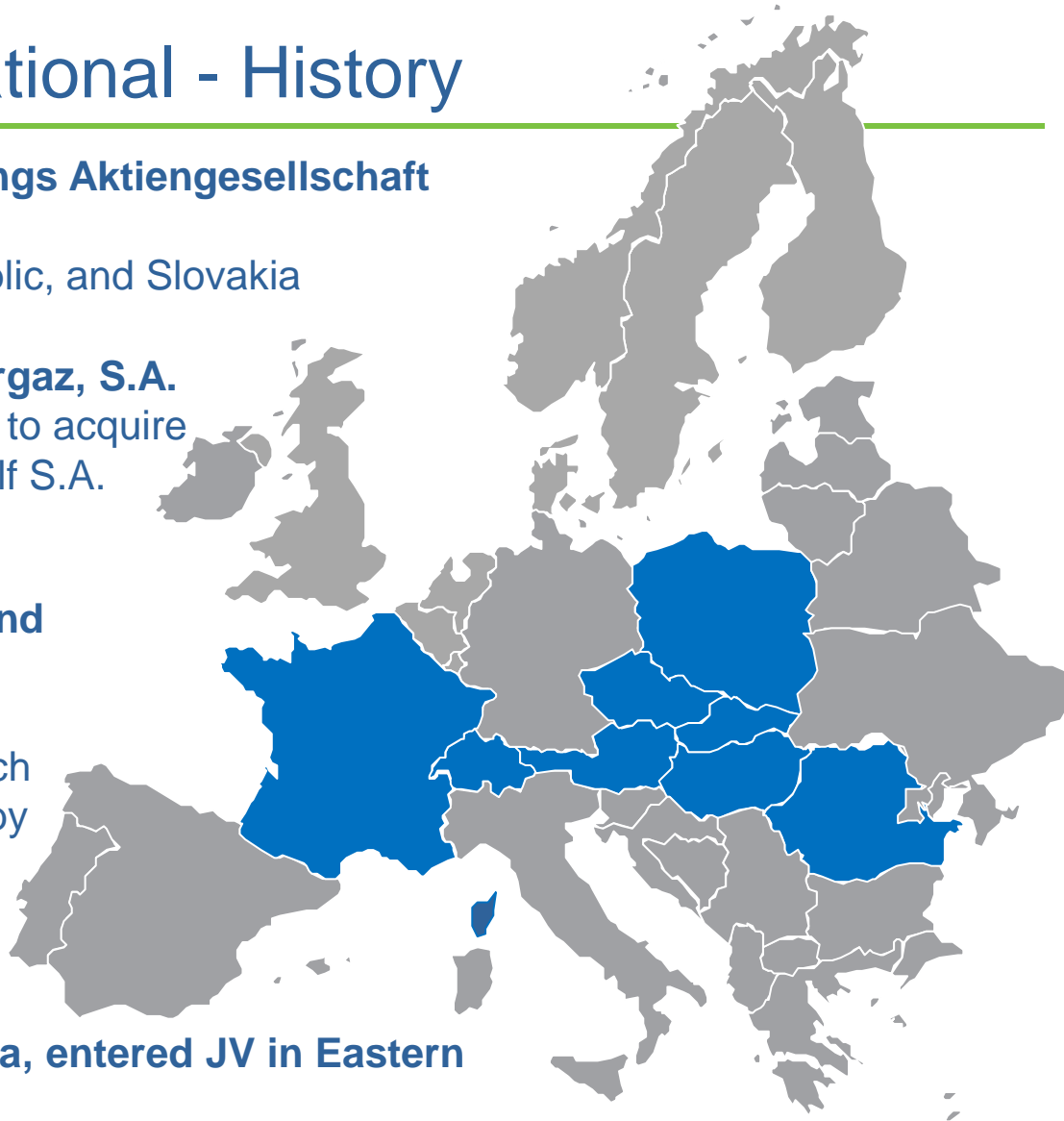
- Entered a JV with two other entities to acquire propane business from Total Fina Elf S.A.

2004: Acquisition of BP Czech Gas and remaining 80% of Antargaz, entered Switzerland

- BP's retail propane business in Czech Republic increases Flaga's volume by 20%

2006: Acquisition of PROGAS Austria, entered JV in Eastern Europe

- Flaga increased scale in Austria through PROGAS Austria
- JV enables entry into Poland, Hungary, and Romania



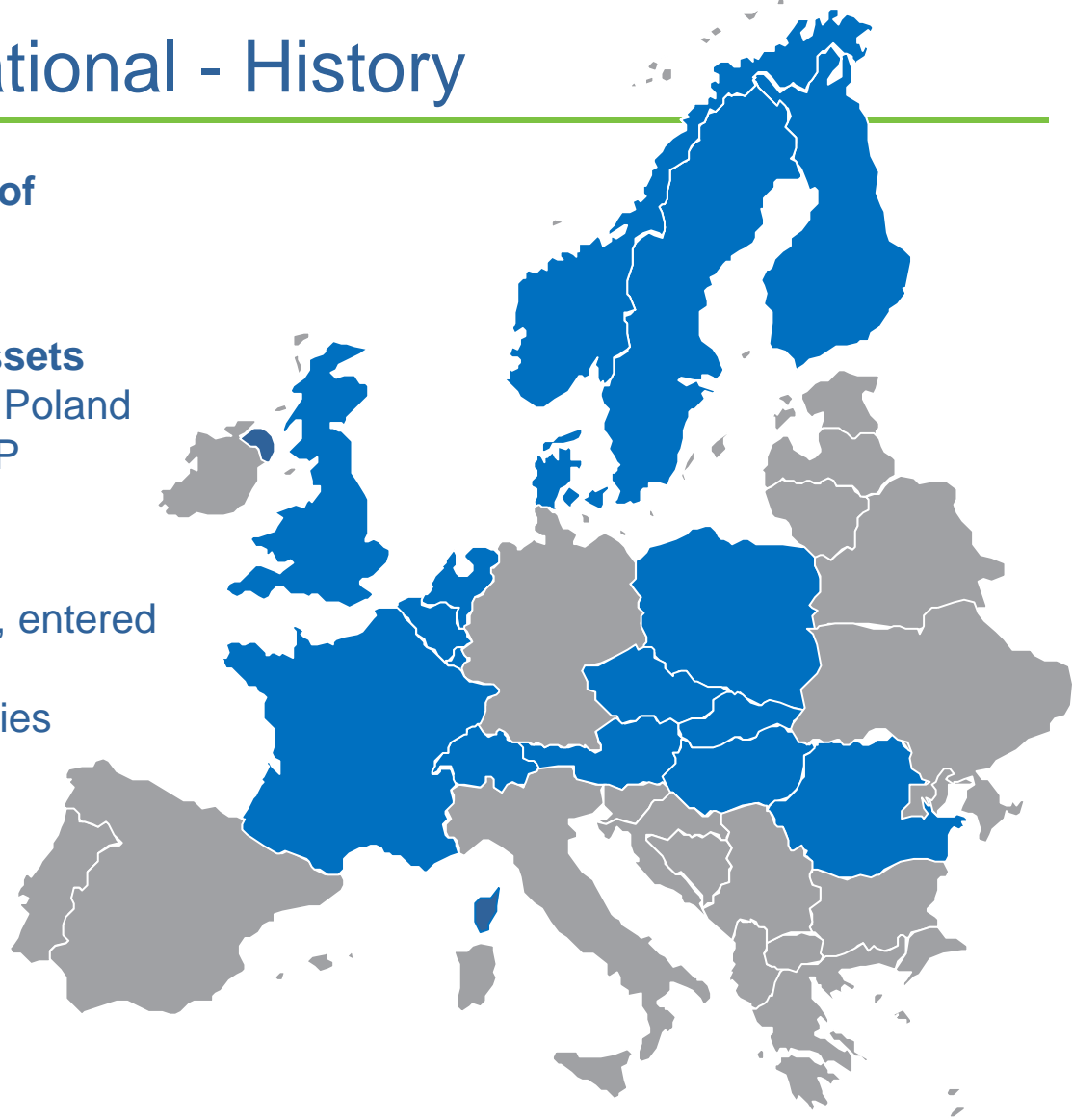
**2008: Acquisition of remaining 50% of
PROGAS JV**

2010: Acquisition of Shell and BP assets

- Strengthened positions in Hungary, Poland with Shell; entered Denmark with BP

2012: Acquisition of Shell LPG

- Strengthened positions in Denmark, entered Norway, Sweden, and Finland
- Entered the UK and Benelux countries




| | | | |
|-------------------------------------|---|--|---|
| Brand Names |  |  |  |
| Countries of operation | 4: France, Belgium, Netherlands, Luxembourg | 11: Austria, Poland, Czech Republic, Hungary, Slovakia, Romania, Switzerland, Norway, Sweden, Denmark, Finland | 1: U.K. |
| Other Brand Names | None |  Nordics  Poland | None |
| Approx volume (FY12 gallons) | 295 MM | 223 MM | 60 MM (retail) 80 MM (wholesale) |
| Employees | 1,160 | 950 | 165 |
| Competitors | Total, Butagaz, Primagaz | SHV, MOL, Total, Independent marketers | Calor, Flogas |

| Customer segments: | U.S. | Europe |
|--|------|--------|
| Bulk delivery business (250 – 1,000 gallons) | √ | √ |
| Cylinder exchange | √ | √ |
| Motor fuel – forklifts | √ | √ |
| Motor fuel – over the road autogas | | √ |

| Competitive Advantages: | U.S. | Europe |
|--|------|--------|
| Scale | √ | √ |
| “Hub and spoke” truck-based delivery logistics | √ | √ |
| Risk management – credit and supply | √ | √ |
| Safety | √ | √ |
| Customer service | √ | √ |

International Cylinders:



 **AVANTIGAS**: Currently no cylinder exchange program

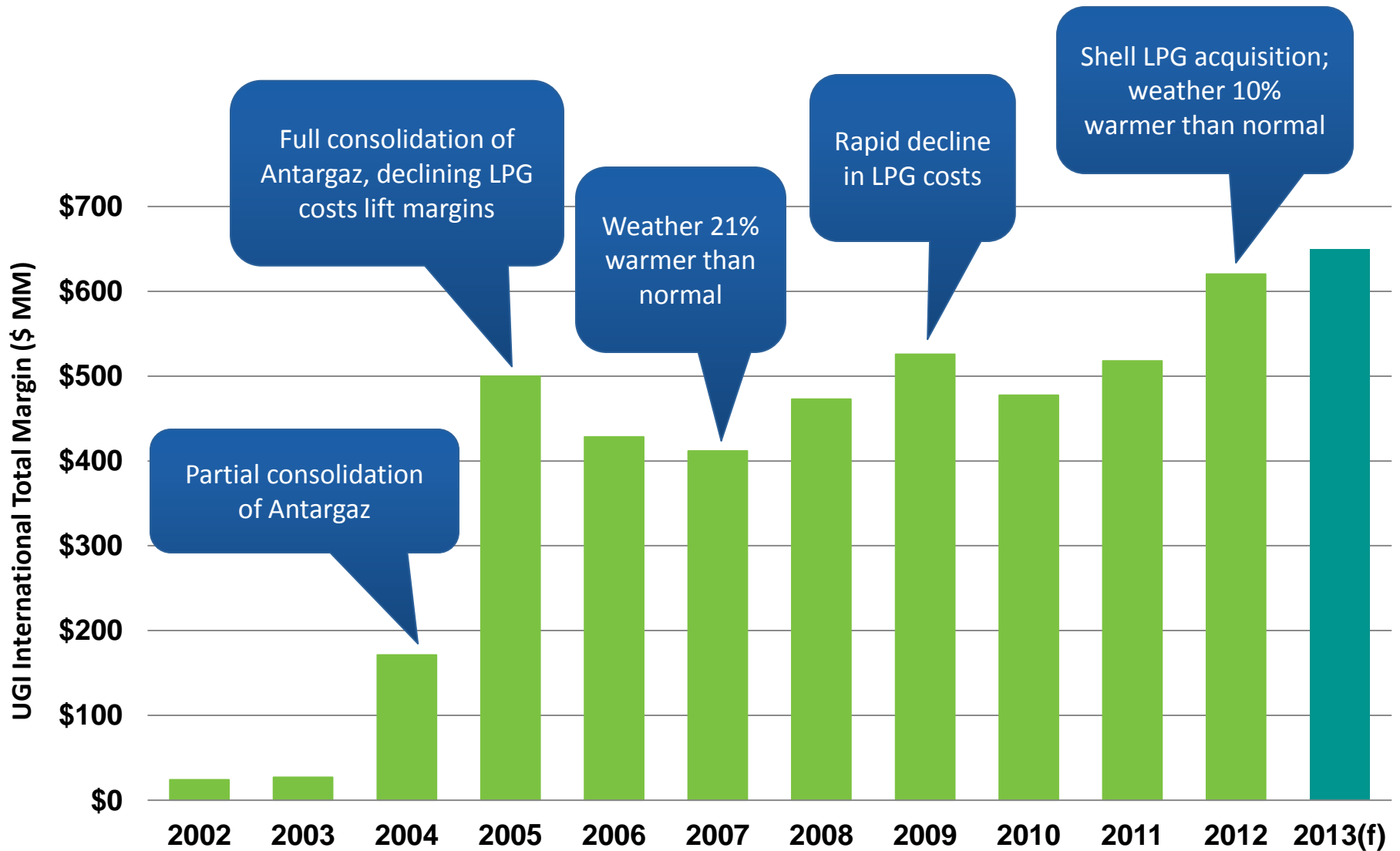
Domestic Cylinder:



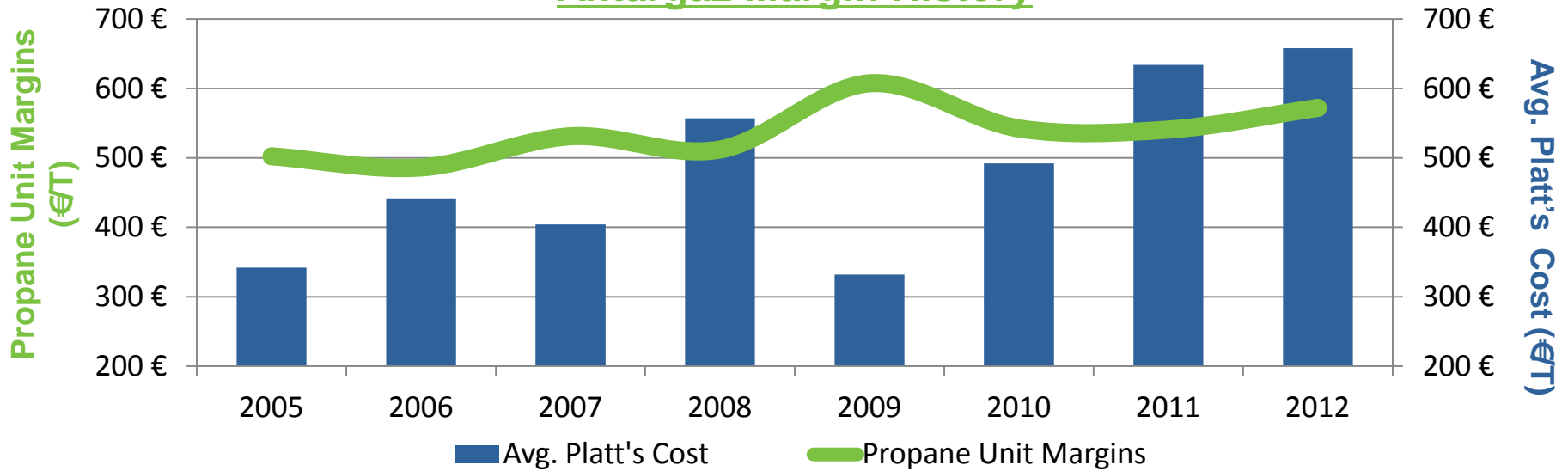


Financial Summary

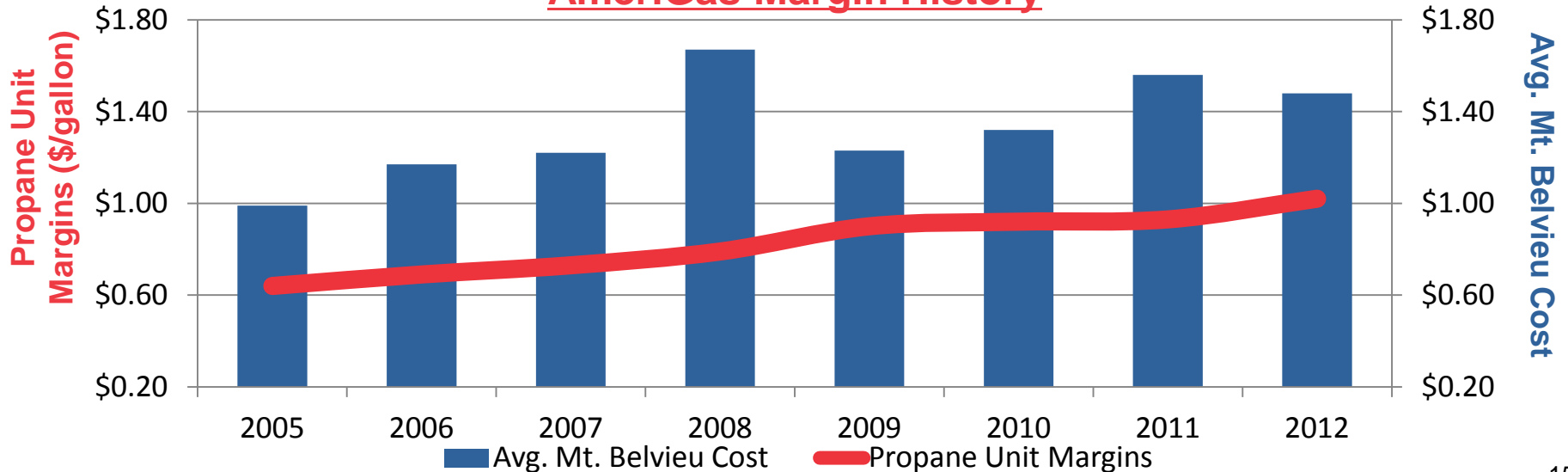


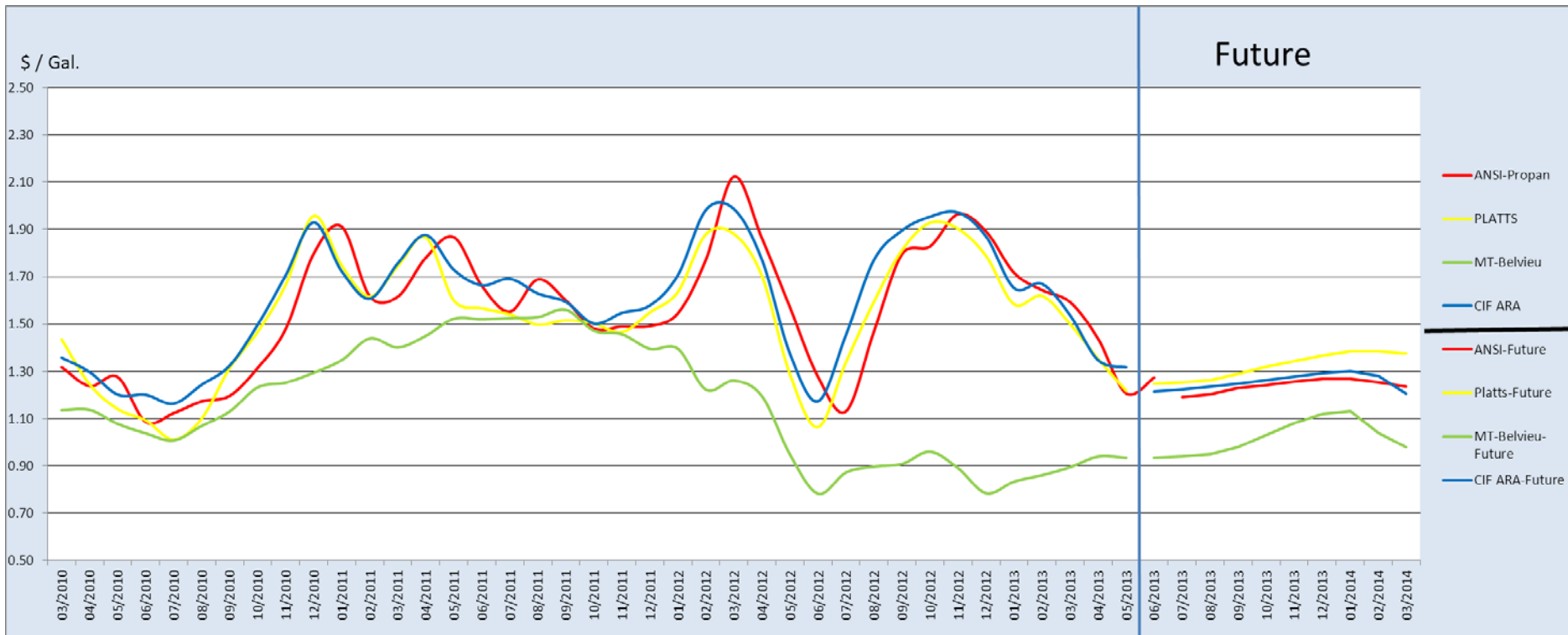


Antargaz Margin History



AmeriGas Margin History

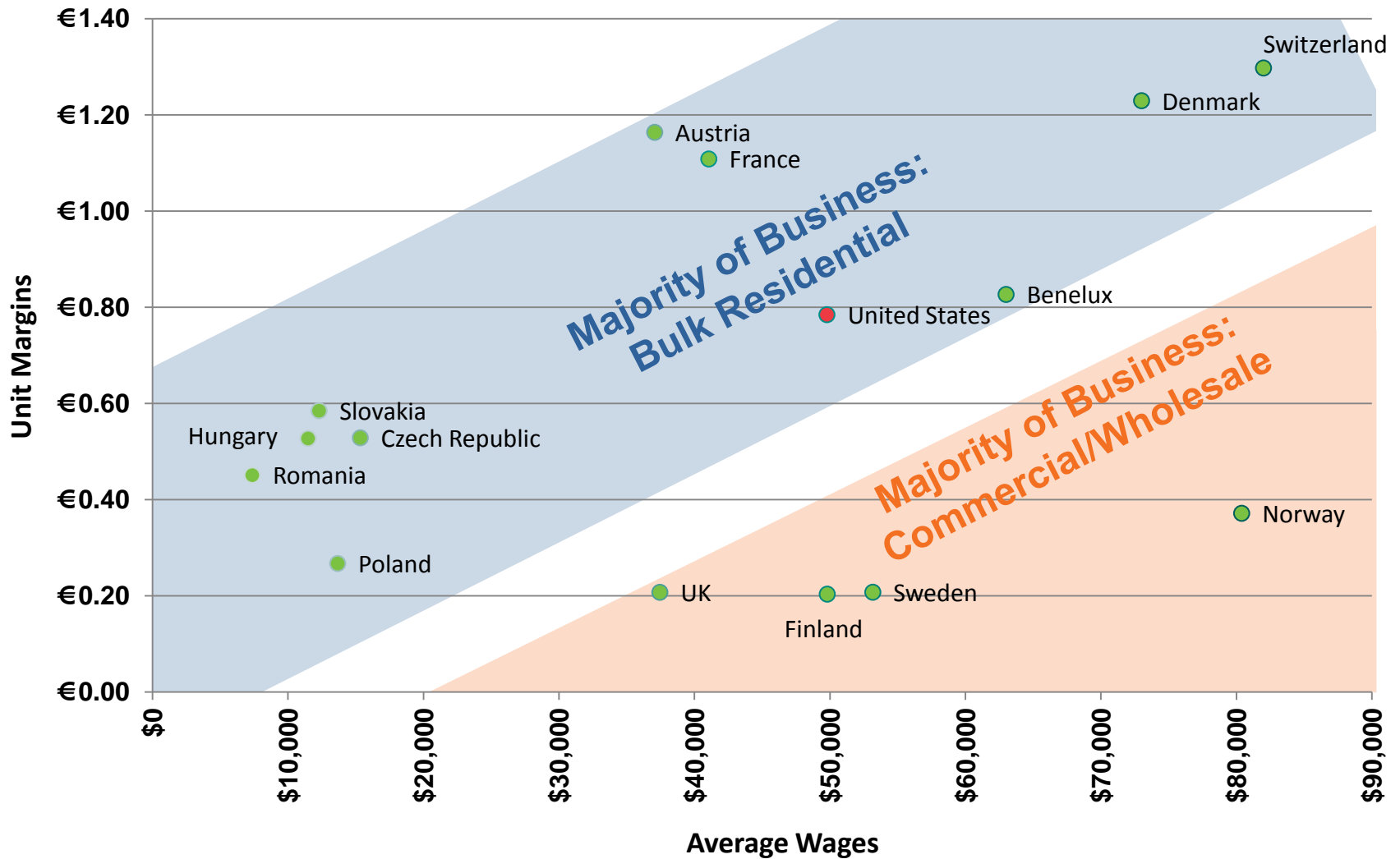




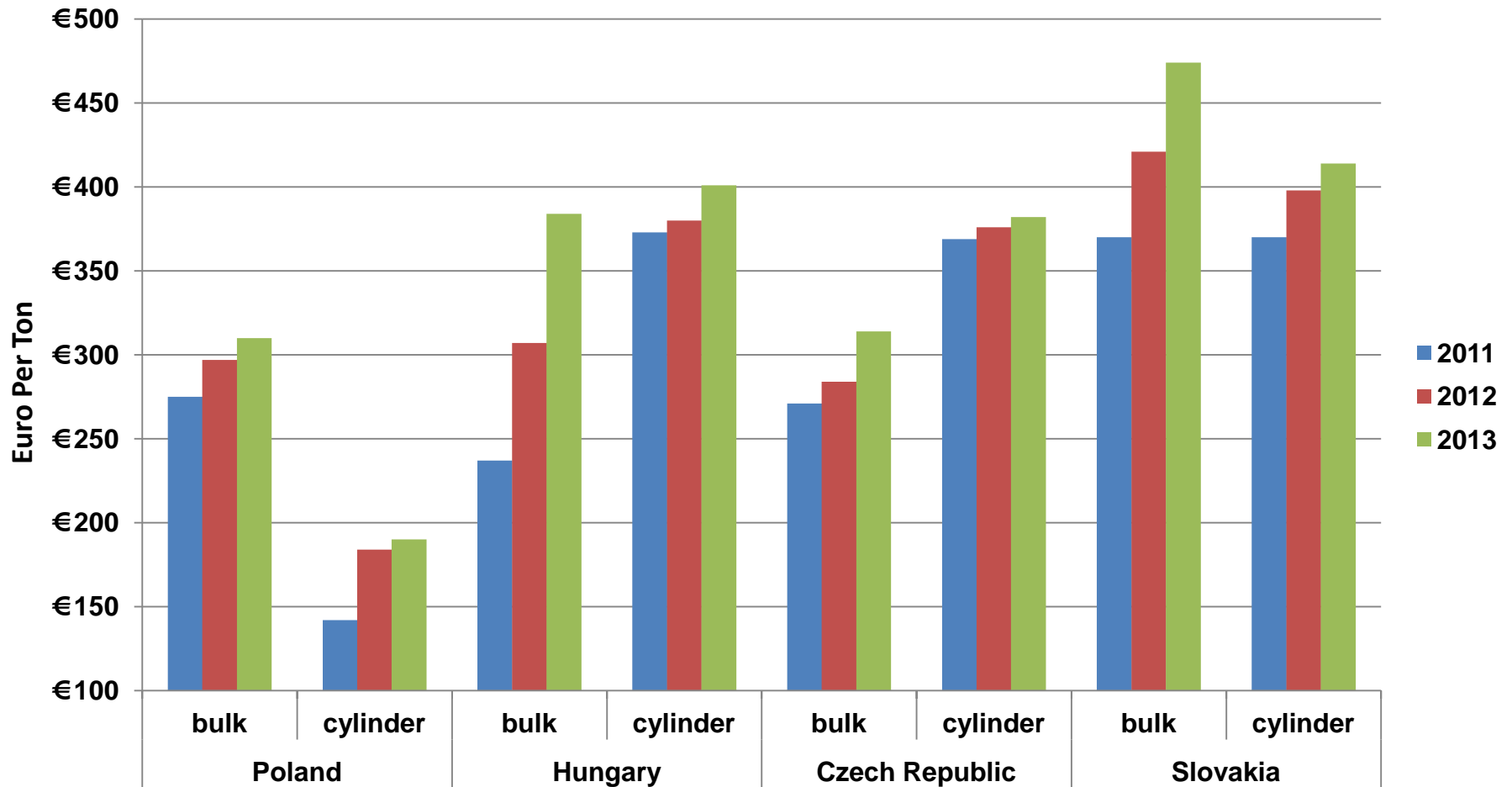
Diversity of supply:

- Increasing availability of propane/butane in US from shale gas developments
- Expansion of supply options in Europe

Unit Margins Versus Average Wages



A strong track record of effective unit margin management

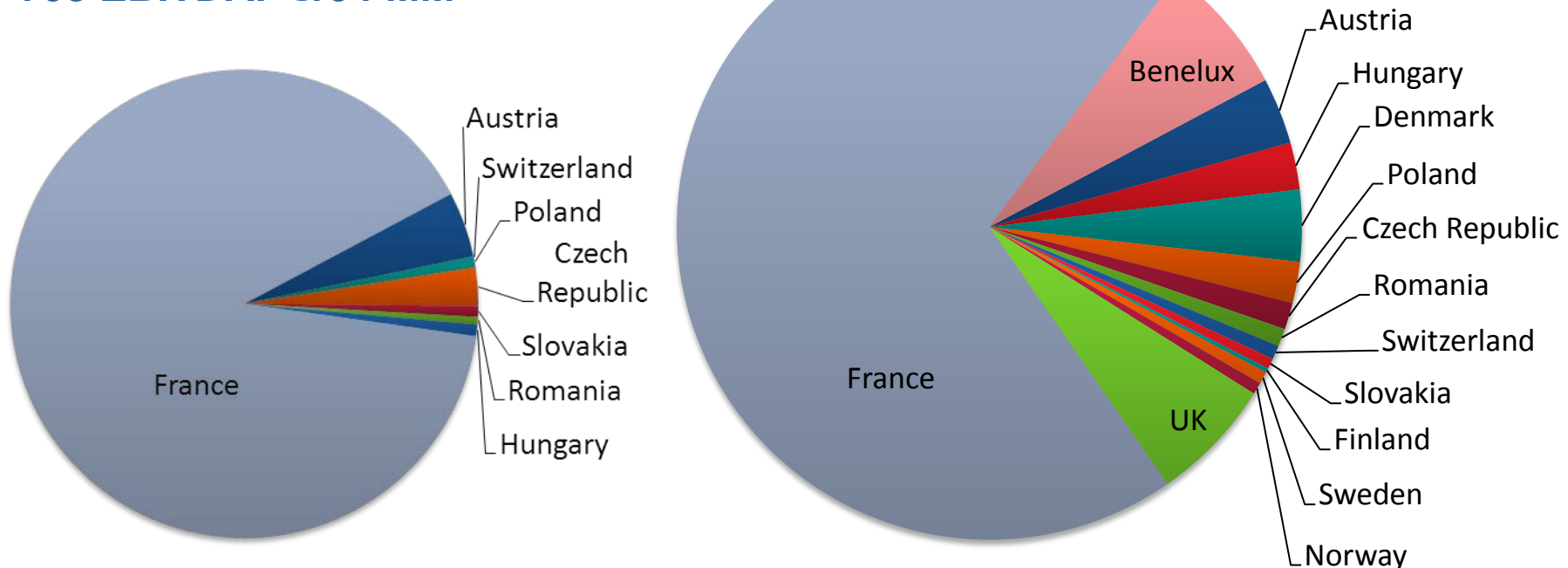


EBITDA contribution going forward

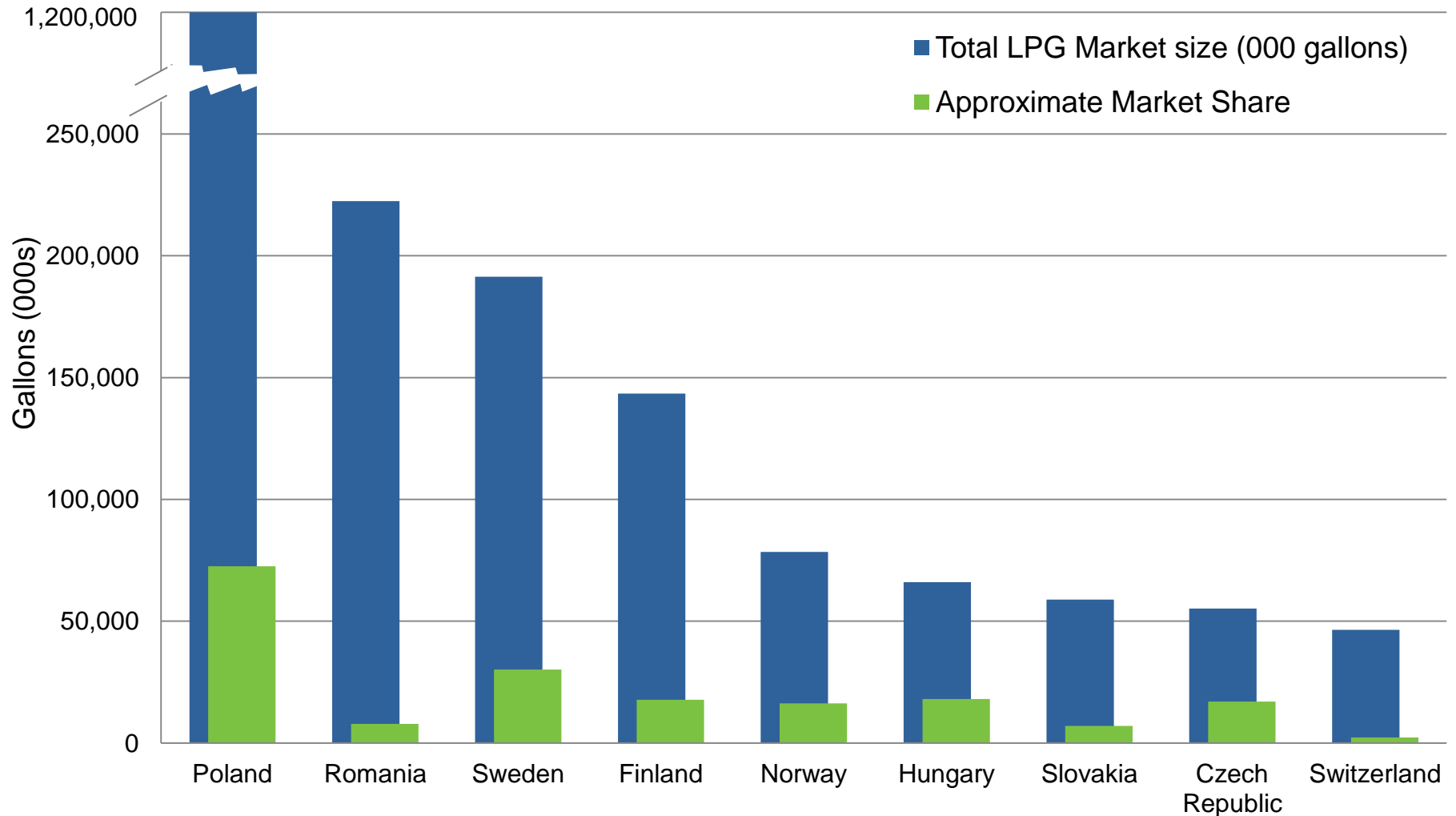
- Historical EBITDA was less diversified, focused on France and Austria
- Future EBITDA will be more diversified, weighted toward growing Eastern European markets and new western European markets

FY13 Forecasted EBITDA: ~ €170 MM

FY08 EBITDA: €104 MM



Potential Opportunities in Numerous Markets





Growth Opportunities



A new and promising market: Natural gas marketing

Antargaz has been authorized by the government of France as a new natural gas supplier



Focus: the 700,000 small and medium C&I consumers

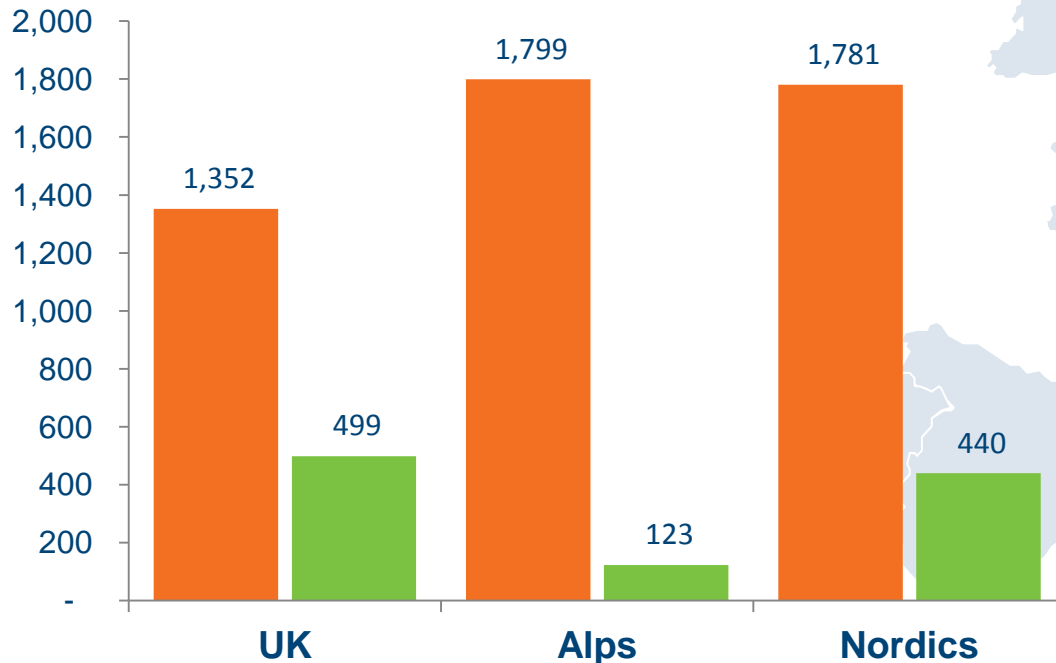
- Similar approach to our US marketing strategy
- Over 4 million Dth in contracts signed in 2012
- Positive contribution by close of FY13
- Expected annual EBITDA contribution of €2 MM to €5 MM over next several years



Heating Oil to LPG opportunities:

- Conversion opportunities exist in numerous European countries
- Added 9,000 new tons in conversions since 2010 in Nordics (DK, NO, SE, FI)
- Beginning 2013 targeting 4,000 new tons annually in Nordics
- Launched program in 2013 in Austria and Switzerland
- Exploring conversion opportunity in the UK

Annual consumption (mm gallons)



Expansion in Poland

Poland Overview:

- 3rd largest LPG market in Europe
- UGI acquired Shell Gas Poland in 2011
- Size of UGI Poland: over 65 million gallons and growing



~ 38 million pop

~41 million pop

~ 120,000 sq mi

~110,000 sq mi

Significant Organic Growth and Acquisition Opportunities:

- Highest number of new bulk installations in Europe
- Growing commercial / industrial segment
- Piped networks for small communities and developments
- BP Poland Acquisition:
 - Approximately 150 mm gallons (30 mm bulk/cylinder, 120 mm wholesale/autogas)
 - Significant synergies with existing business in Poland
 - Expected to close late summer

Acquisition strategy:

| | | | |
|-------------------------|-----------------|--|--|
| Economic Climate | Volatile | <p>Markets under assessment</p> <ul style="list-style-type: none"> • Several potential value-driven opportunities include Spain, Portugal, Italy | <p>Greece/Balkans, Cyprus, Ukraine</p> |
| | Stable | <p>Benelux, Eastern Europe, France, Germany, Switzerland, Nordics, UK</p> <ul style="list-style-type: none"> • Many potential targets • Large volume and EBITDA opportunity | <p>Latvia, Estonia, Lithuania</p> <ul style="list-style-type: none"> • Markets are small, fragmented |
| | | Appealing | Less appealing |
| LPG Market | | | |

Acquisition strategy:

- Pursue opportunities to **enhance position in current markets** (add-on acquisition):
 - France
 - Benelux
 - Nordics
 - UK
 - Eastern Europe

- Potential to **build-out position in Europe** (step-out acquisition)



In Summary



- UGI has a **successful history of acquiring, integrating, and growing** European LPG businesses
 - Flaga
 - Antargaz
 - Progas
 - Various Shell and BP assets
- UGI International is currently pursuing numerous organic **growth and acquisition opportunities**
- Operational efficiency and effective redeployment of cash will be **critical to the business's future success**

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Q&A



Appendix



| (millions of dollars) | Year Ended September 30, | | | | |
|--|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Income Statement | | | | | |
| Revenues | \$ 6,519.2 | \$ 6,091.3 | \$ 5,591.4 | \$ 5,737.8 | \$ 6,648.2 |
| Cost of sales | (4,111.2) | (4,010.9) | (3,584.0) | (3,670.6) | (4,744.6) |
| Total Margin | 2,408.0 | 2,080.4 | 2,007.4 | 2,067.2 | 1,903.6 |
| Operating expenses | (1,591.7) | (1,266.4) | (1,177.4) | (1,220.0) | (1,157.3) |
| Taxes other than income taxes | (17.3) | (16.6) | (18.6) | (16.9) | (18.3) |
| Depreciation and amortization | (316.0) | (227.9) | (210.2) | (200.9) | (184.4) |
| Other income, net | 38.3 | 46.5 | 58.0 | 55.9 | 41.6 |
| Operating income | 521.3 | 616.0 | 659.2 | 685.3 | 585.2 |
| Loss from equity investees | (0.3) | (0.9) | (2.1) | (3.1) | (2.9) |
| Loss on extinguishment of debt | (13.3) | (38.1) | - | - | - |
| Interest expense | (221.5) | (138.0) | (133.8) | (141.1) | (142.5) |
| Income before income taxes | 286.2 | 439.0 | 523.3 | 541.1 | 439.8 |
| Income taxes | (99.6) | (130.8) | (167.6) | (159.1) | (134.5) |
| Net income | \$ 186.6 | \$ 308.2 | \$ 355.7 | \$ 382.0 | \$ 305.3 |
| Less: net income attributable to noncontrolling interests, principally AmeriGas Partners | 12.8 | (75.3) | (94.7) | (123.5) | (89.8) |
| Net income attributable to UGI | \$ 199.4 | \$ 232.9 | \$ 261.0 | \$ 258.5 | \$ 215.5 |
| Average diluted shares outstanding (MM) | 113.4 | 112.9 | 110.5 | 109.3 | 108.5 |
| GAAP diluted EPS | \$ 1.76 | \$ 2.06 | \$ 2.36 | \$ 2.36 | \$ 1.99 |

| (millions of dollars, except where otherwise indicated) | <u>Year Ended September 30,</u> | | | | |
|--|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| GAAP Net Income | \$ 199.4 | \$ 232.9 | \$ 261.0 | \$ 258.5 | \$ 215.5 |
| Adjustments: | | | | | |
| Acquisition and transition expenses | \$ (13.3) | | | | |
| Loss on early extinguishment of debt at AmeriGas | \$ (2.2) | \$ (10.3) | | | |
| Loss from discontinuance of cash flow hedge accounting at AmeriGas | | \$ (3.9) | | | |
| Gains from sale of AmeriGas storage terminals | | | | \$ 10.4 | |
| Gain from sale of Atlantic Energy LLC - UGI Energy Services | | | \$ 17.2 | | |
| Adjusted Net Income | \$ 214.9 | \$ 247.1 | \$ 243.8 | \$ 248.1 | \$ 215.5 |
| GAAP EPS | \$ 1.76 | \$ 2.06 | \$ 2.36 | \$ 2.36 | \$ 1.99 |
| Adjusted EPS | \$ 1.90 | \$ 2.19 | \$ 2.21 | \$ 2.27 | \$ 1.99 |
| Diluted Shares Outstanding | 113.4 | 112.9 | 110.5 | 109.3 | 108.5 |

International EBITDA Reconciliation

(millions of dollars, except where otherwise indicated)

| | <u>Year Ended September 30,</u> | |
|-----------------------------------|---------------------------------|----------------|
| | <u>2008</u> | <u>2013</u> |
| Net income attributable to UGI | \$52.3 | \$75.0 |
| Income tax (benefit) expense | \$20.7 | \$30.0 |
| Interest expense | \$29.7 | \$45.0 |
| Depreciation and amortization | \$54.7 | \$80.0 |
| EBITDA | \$157.4 | \$230.0 |
| Average currency translation rate | \$1.51 | \$1.31 |
| EBITDA | € 104.2 | € 171.0 |

Year Ended September 30,

(millions of dollars, except where otherwise indicated)

Income Statement - International Propane

| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|---|----------------|----------------|----------------|----------------|----------------|
| Revenues | \$ 1,946.0 | \$ 1,488.7 | \$ 1,059.5 | \$ 955.3 | \$ 1,124.8 |
| Cost of sales | (1,325.8) | (970.8) | (582.1) | (429.5) | (651.9) |
| Total Margin | 620.2 | 517.9 | 477.4 | 525.8 | 472.9 |
| Operating expenses, net of other income | (429.2) | (361.2) | (300.0) | (317.9) | (311.4) |
| Depreciation and amortization | (79.2) | (70.6) | (60.4) | (56.5) | (54.7) |
| Operating income | 111.8 | 86.1 | 117.0 | 151.4 | 106.8 |
| Loss from equity investees | (0.0) | (0.9) | (2.1) | (3.1) | (2.9) |
| Interest expense | (30.9) | (28.2) | (25.4) | (26.6) | (29.7) |
| Income before income taxes | 80.9 | 57.0 | 89.5 | 121.7 | 74.2 |
| Income taxes | (15.8) | (15.7) | (30.4) | (43.7) | (20.7) |
| Noncontrolling interests | (0.0) | (0.3) | (0.3) | 0.3 | (1.2) |
| Net income attributable to UGI | \$ 65.1 | \$ 41.0 | \$ 58.8 | \$ 78.3 | \$ 52.3 |

Investor Relations:

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