

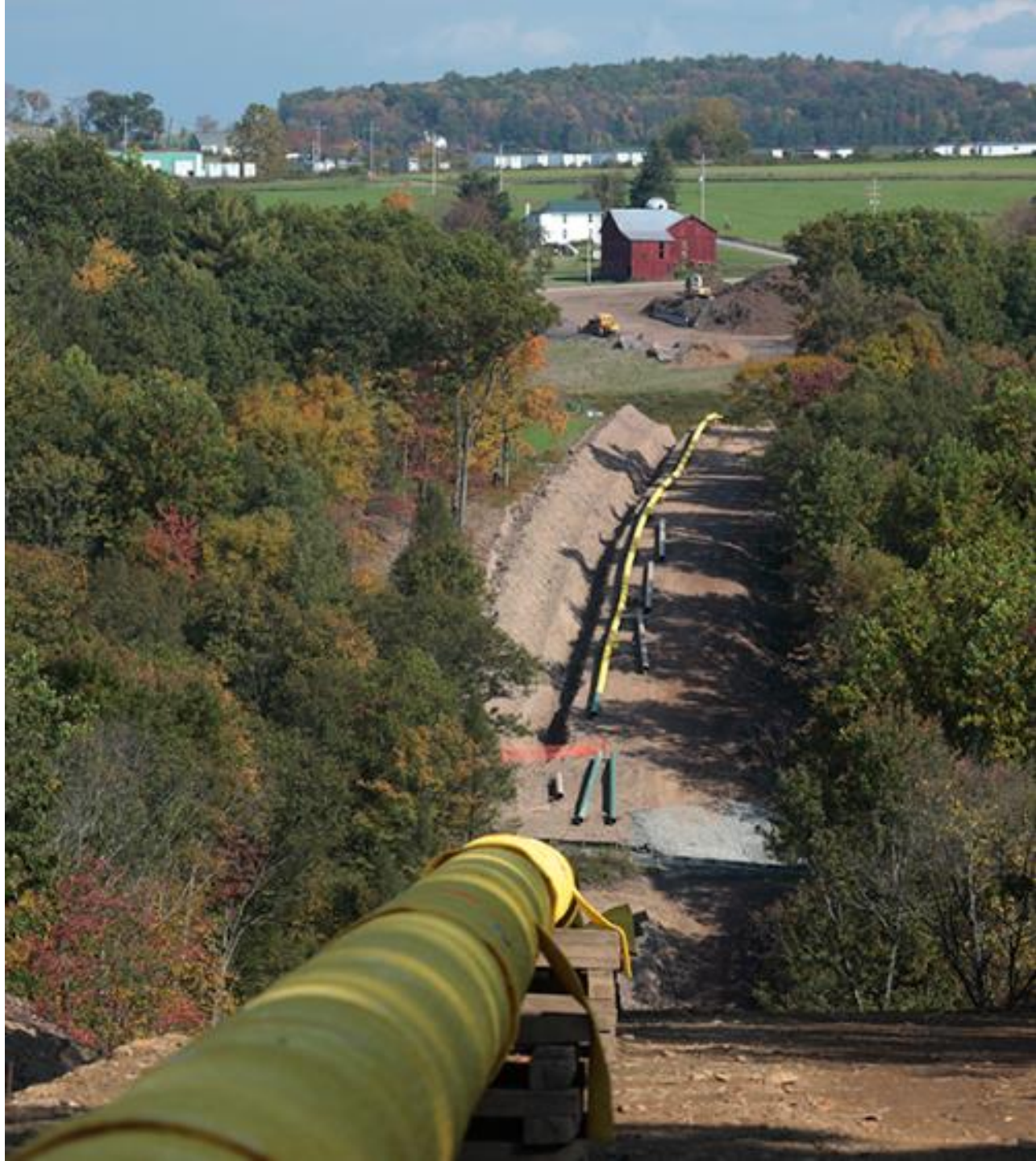


Fiscal 2016 Second Quarter Results

John Walsh
President & CEO, UGI

Kirk Oliver
Chief Financial Officer, UGI

Jerry Sheridan
President & CEO, AmeriGas



About This Presentation

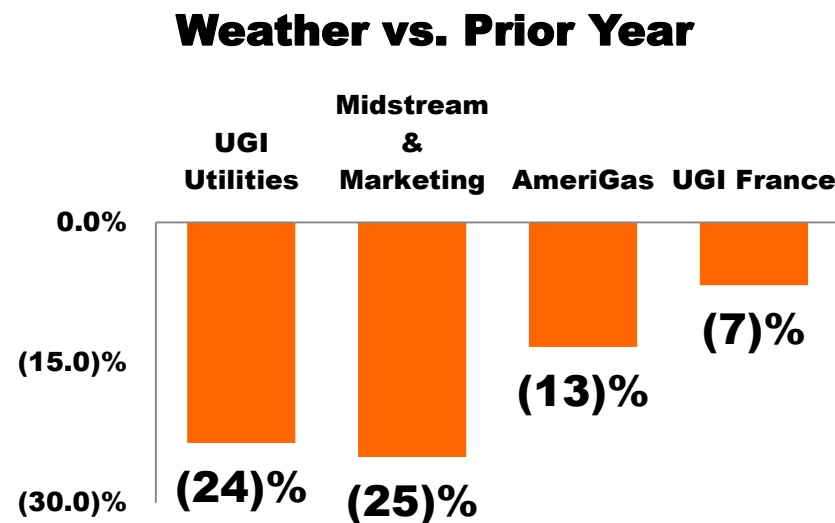
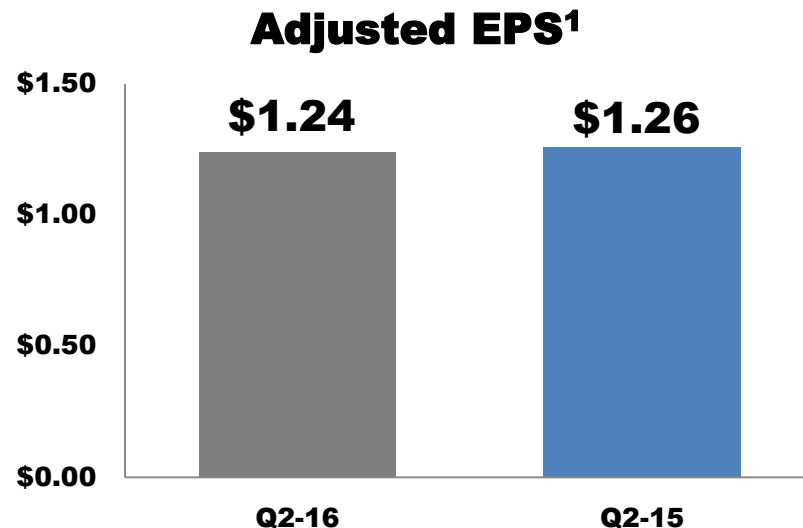
This presentation contains certain forward-looking statements that management believes to be reasonable as of today's date only. Actual results may differ significantly because of risks and uncertainties that are difficult to predict and many of which are beyond management's control. You should read 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 in the United States and in foreign countries, including the current conflicts in the Middle East, and currency exchange rate fluctuations (particularly the euro), the timing of development of Marcellus Shale gas production, the timing and success of our acquisitions, 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.

Second Quarter Recap

John Walsh
President & CEO, UGI



- **Comparable adjusted earnings to prior year despite significantly warmer weather highlight benefits of diversification**
- **Results reflect impact of accretive investments over the past few years, cost controls, and solid unit margin management**
- **Weather-adjusted demand remains very strong**
- **Revising guidance to \$1.95-\$2.05 due to warm weather experienced in Q1 and Q2**



¹ Q2-16 GAAP was EPS \$1.33; Q2-15 GAAP EPS was \$1.40. See appendix for Adjusted EPS reconciliation.



- **UGI Gas filed a \$58 million rate case, its first in 21 years; Expected to be finalized in Q1-17**
- **Strong demand for peaking service driven by increased peak requirements, customer growth, and migration from interruptible to firm service**
- **Integration of Finagaz has gone exceedingly well with synergies on track to meet or exceed expectations**
- **Results highlight the benefits of diversification**

Financial Review

Kirk Oliver
Chief Financial Officer, UGI



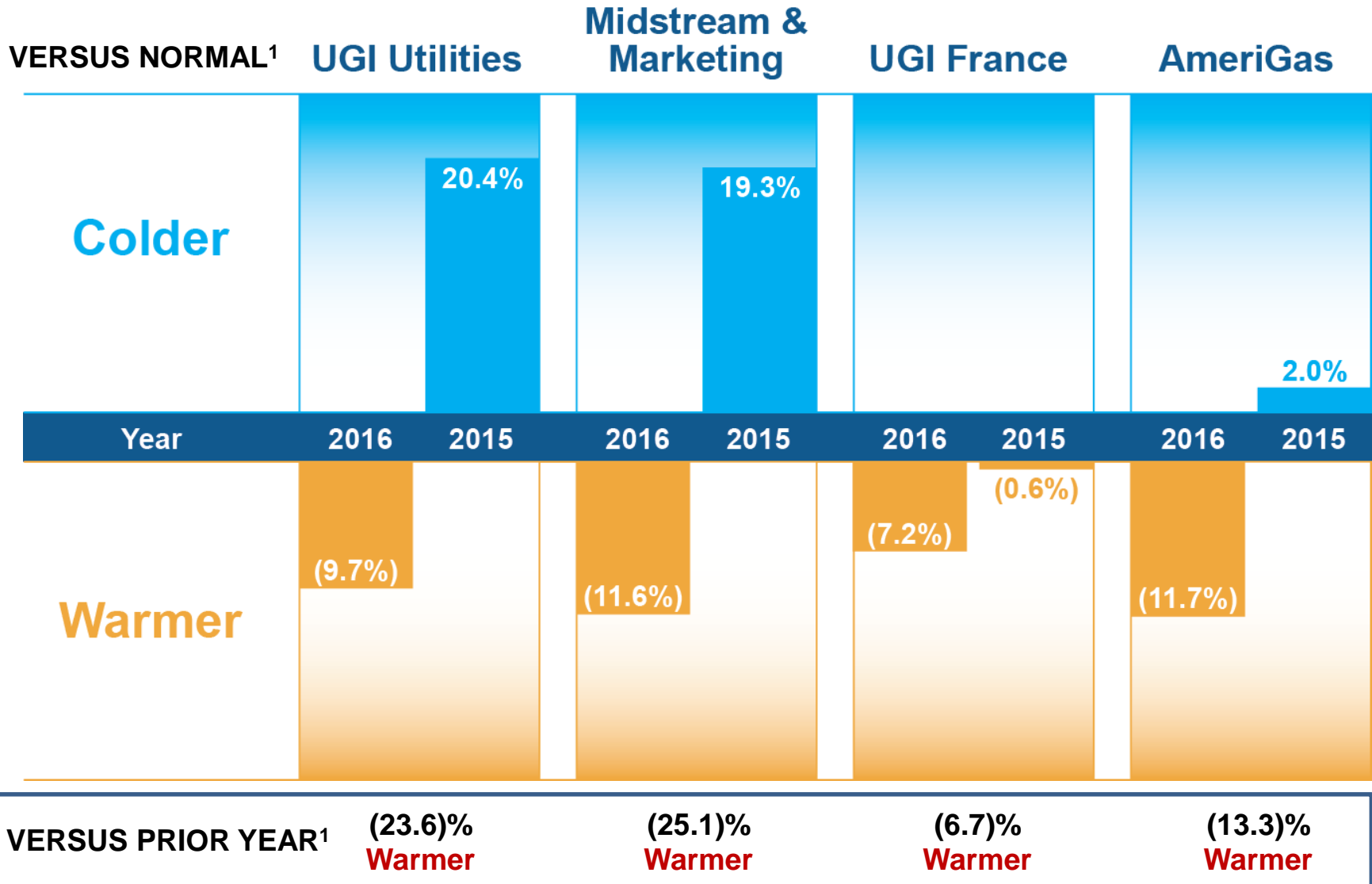
Q2 Adjusted Earnings

	Three Months Ended March 31, (millions)	
	<u>2016</u>	<u>2015</u>
	Net income attributable to UGI Corporation	\$233.2
Net after-tax (gains) on commodity derivative instruments ¹	(22.4)	(30.8)
Net after-tax acquisition and integration expenses ²	5.4	5.1
Adjusted net income attributable to UGI Corporation	\$216.2	\$220.8

	Three Months Ended March 31,	
	<u>2016</u>	<u>2015</u>
	UGI Corporation – Diluted Earnings Per Share (GAAP)	\$1.33
Net after-tax (gains) on commodity derivative instruments ¹	(0.12)	(0.17)
Net after-tax acquisition and integration expenses ²	0.03	0.03
Adjusted diluted earnings per share	\$1.24	\$1.26

¹ Not associated with current period

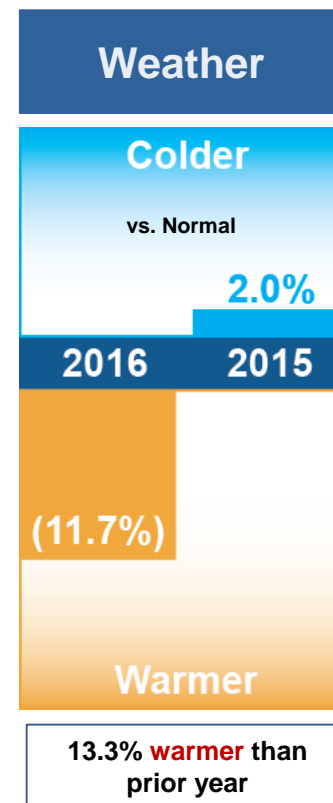
² Related to the Finagaz acquisition



¹Percent change in Heating Degree Days.

Financial Results – AmeriGas

(millions)	FY 2015		FY 2016
Q2 Operating Income	\$ 296.9		
Retail Volume		\$ (75.1)	} Total Margin
Retail Unit Margin		\$ 11.2	
Wholesale and Other Total Margin		\$ (1.9)	
Operating and Administrative Expenses		\$ 18.9	
Depreciation and Amortization		\$ 0.7	
Other		\$ (0.3)	
Q2 Operating Income			\$ 250.4



- Lower volume - weather 13% warmer than prior year
- Improved unit margins partially offset lower volume
- Lower compensation and benefits expenses, vehicle fuel, and bad debt expenses drove lower operating expenses

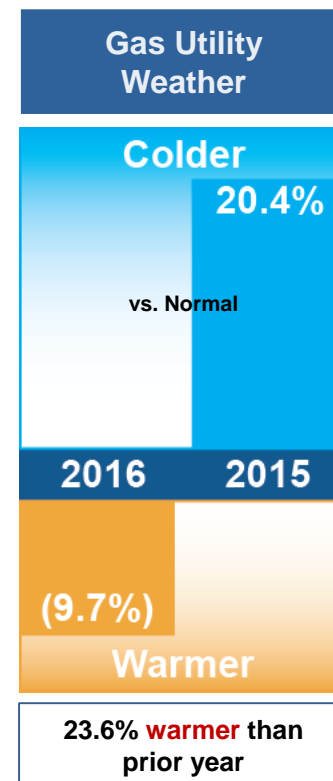
Financial Results – UGI International

(millions)	FY 2015	FY 2016	UGI France Weather				
Q2 Income Before Taxes	\$ 58.8		Colder vs. Normal <table border="1"> <thead> <tr> <th>2016</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>(7.2%)</td> <td>(0.6%)</td> </tr> </tbody> </table> Warmer 6.7% warmer than prior year	2016	2015	(7.2%)	(0.6%)
2016	2015						
(7.2%)	(0.6%)						
Total Margin		\$ 111.2					
Operating and Administrative Expenses		\$ (51.5)					
Depreciation and Amortization		\$ (11.3)					
Interest Expense		\$ (0.7)					
Other		\$ (1.5)					
Q2 Income Before Taxes		\$ 105.0					
Acquisition and Transition Related Expenses	7.5	8.6					
Adjusted Income Before Income Taxes	\$ 66.3	\$ 113.6					

- Higher total margin, operating expenses, and depreciation due to Finagaz acquisition as well as smaller acquisitions
- LPG costs 32% lower than prior year contributed to higher unit margins
- Finagaz synergies on track to meet or exceed expectations

Financial Results – UGI Utilities

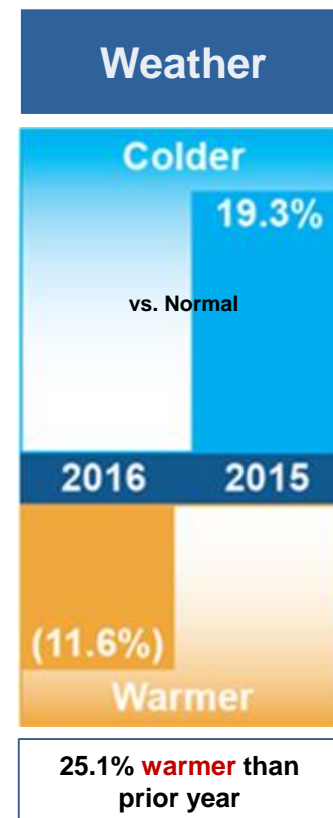
(millions)	FY 2015	FY 2016
Q2 Income Before Taxes	\$ 132.0	
Total Margin		\$ (37.4)
Operating and Administrative Expenses		\$ 14.2
Depreciation and Amortization		\$ (1.3)
Interest Expense		\$ 1.3
Other		\$ (3.6)
Q2 Income Before Taxes		\$ 105.2



- 24% warmer weather than prior year drove 23% lower core market throughput and lower margin
- Lower margin partially offset by lower operating and administrative expenses
- Rate case filed in January expected to conclude by October

Financial Results – Midstream & Marketing

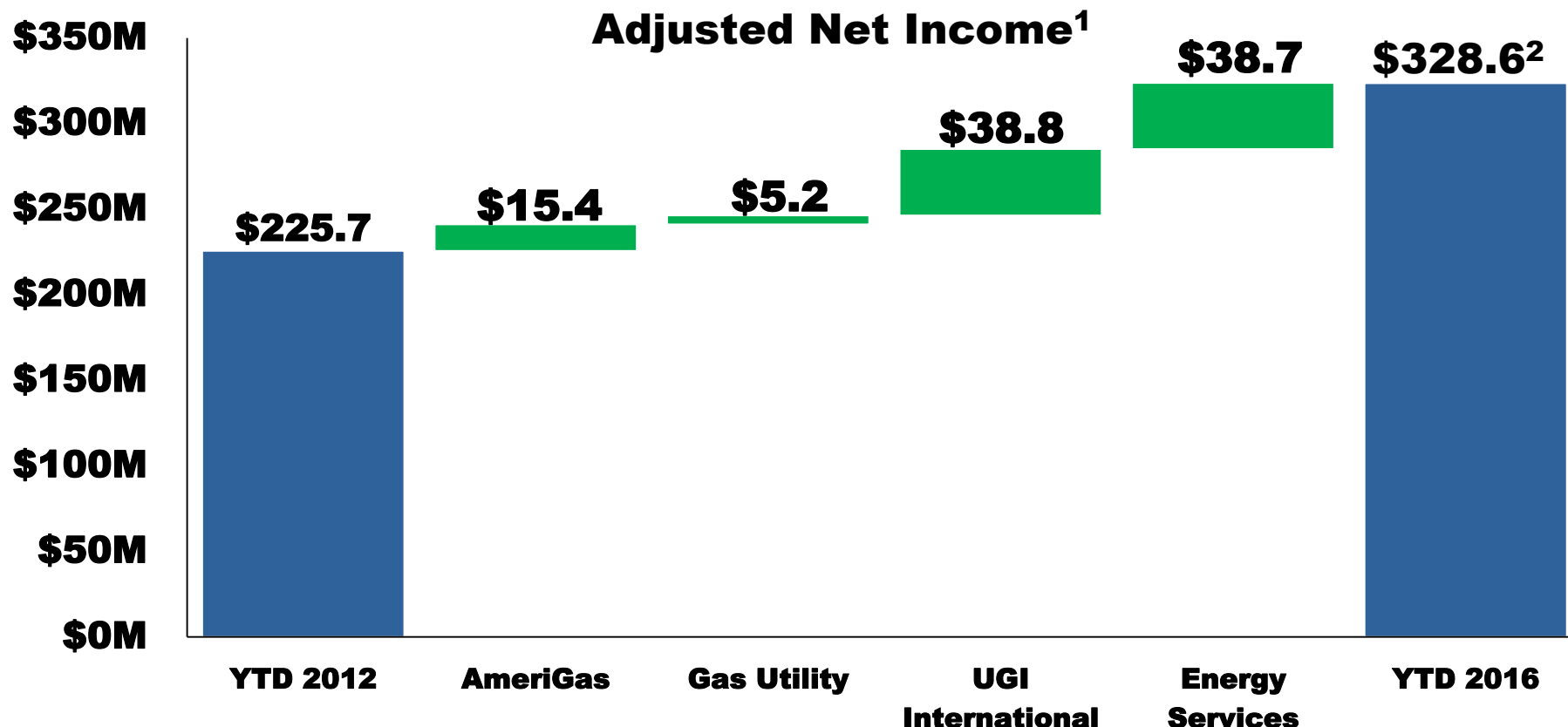
(millions)	FY 2015	FY 2016
Q2 Income Before Taxes	\$ 98.6	
Total Margin		\$ (24.9)
Operating and Administrative Expenses		\$ 4.2
Depreciation and Amortization		\$ (0.5)
Interest Expense		\$ -
Other		\$ (0.1)
Q2 Income Before Taxes		\$ 77.3



- Weather that was 25% warmer than the prior year led to lower capacity management, retail gas, power marketing, and electric generation margin
- Lower volatility in capacity values drove decrease in capacity management margins
- Asset and fee-based businesses contributed \$14 million of incremental margin compared to the prior year

Comparison of YTD FY16 vs. YTD FY12

The October – March YTD periods in 2012 and 2016 had comparable weather



	YTD 2012	AmeriGas	Gas Utility	UGI International	Energy Services	YTD 2016
EPS	\$1.33	\$.08	\$.01	\$.21	\$.22	\$1.88³

¹ See appendix for reconciliation of adjusted net income to GAAP net income.

² Includes \$4.7 million in Corporate & Other.

³ Includes \$0.03 in Corporate & Other.

Liquidity

- **\$466 million of cash on hand**
- **Adequate bank capacity**
- **\$400 million private placement**
 - **Delayed draw feature**
 - **Repay existing maturities**
 - **Fund capital expenditures**

Guidance

- **Updating guidance range due to warm weather**
- **Expect adjusted earnings per share of \$1.95 to \$2.05**

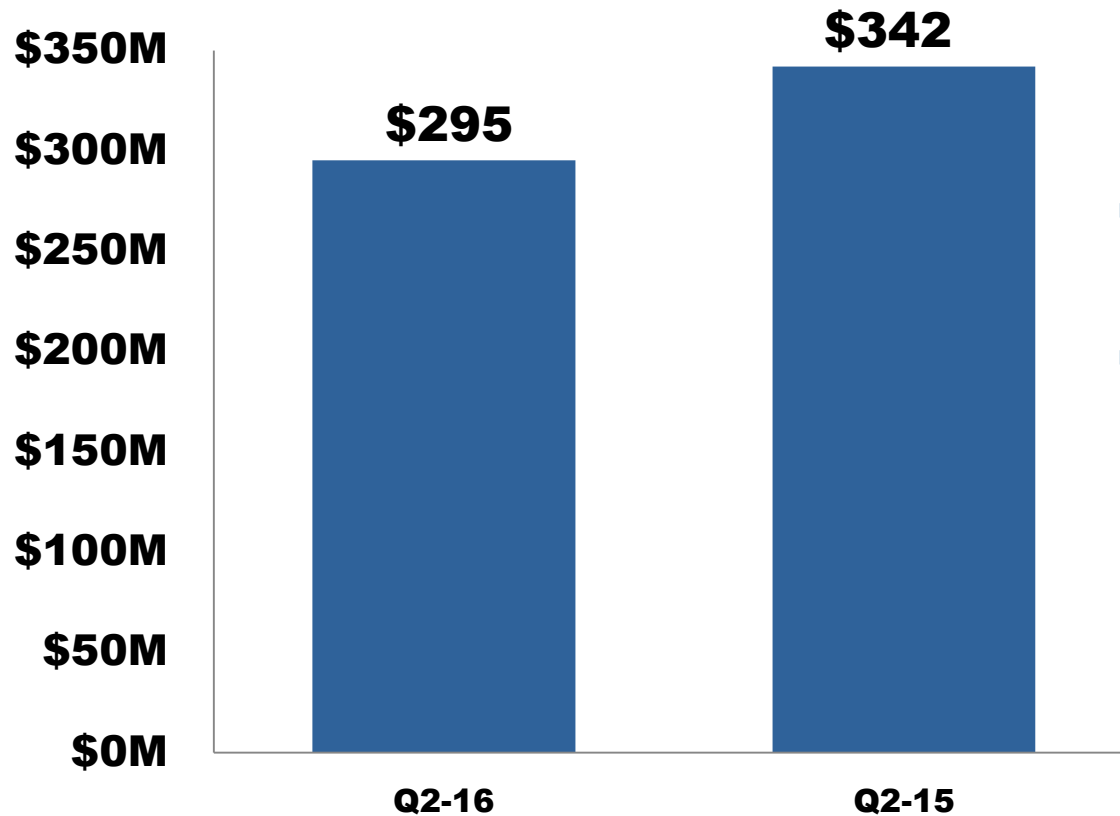


Second Quarter Recap

Jerry Sheridan
President & CEO, AmeriGas



Adjusted EBITDA¹



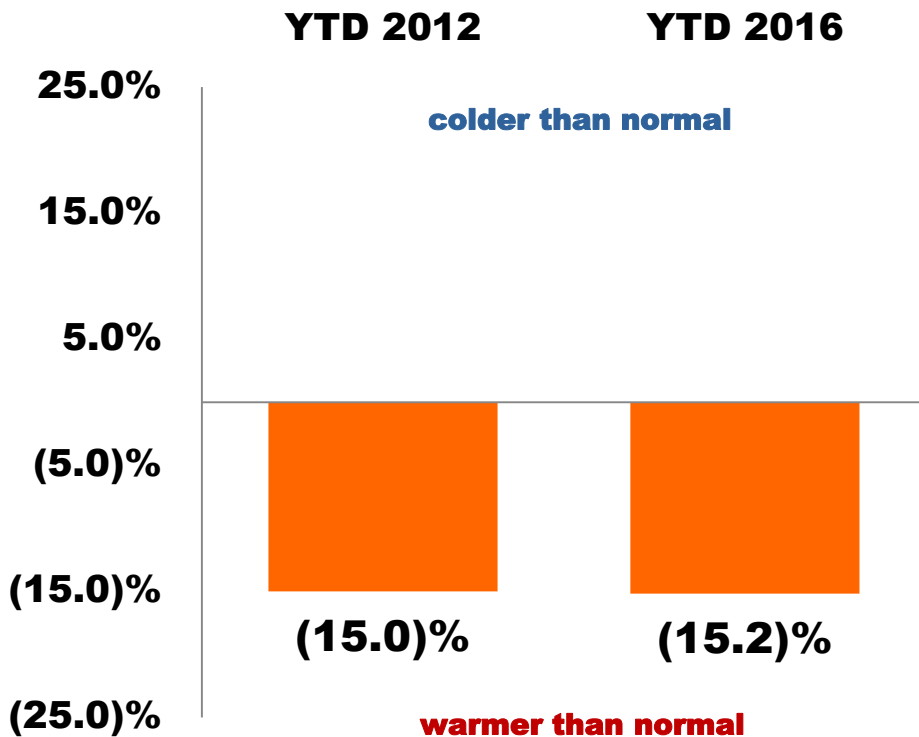
- **March quarter was the second warmest on record which led to lower volume**
- **Unit margins \$0.03 higher than the prior year**
- **Operating expenses \$19mm, or 7%, lower than the prior year**

**Revised FY16
Guidance**

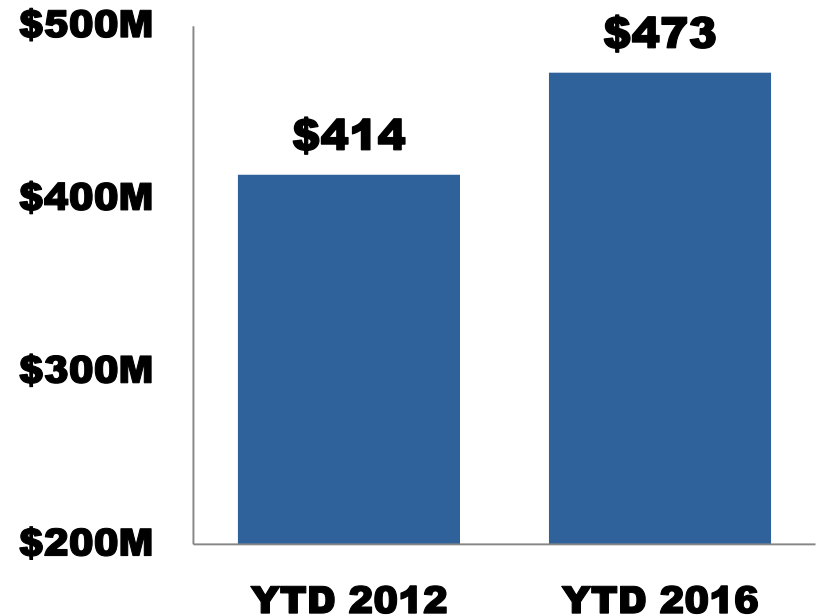
**Adjusted EBITDA
\$575-\$600 million**

¹ See appendix for reconciliation of Adjusted EBITDA to GAAP EBITDA.

Comparable Weather



14% Higher Adjusted EBITDA



Cylinder Exchange

- **Weather-related volume decline due to lower patio heater utilization rates**
- **Added 2,500 locations in the quarter bringing the total to approximately 51,000**

National Accounts

- **Volume down ~8.4% in the quarter on warm weather**
- **Have added 31 new customer contracts so far this year**

Distribution

- **Recently announced increase in our distribution to \$3.76**
- **Represents our 12th consecutive distribution increase**
- **Target distribution coverage of ~1.2x**

Conclusion

John Walsh
President & CEO, UGI



Midstream & Marketing

- **Received FERC certificate for the Sunbury pipeline on April 29, 2016 and preparing for the field execution phase**
- **PennEast received the Notice of Schedule from the FERC that set December 16, 2016 for the completion of its environmental review**

Utilities

- **Deploying capital to support customer base and infrastructure replacement**
- **Expect to deploy \$1 billion over the next four years**

AmeriGas

- **Outstanding job of managing warm weather through cost controls and margin management**
- **Announced 12th consecutive distribution increase**

International

- **Great performance in warm weather**
- **Strong results at both Finagaz and smaller scale acquisitions**

- **Revised guidance is related to warm weather**
- **Solid results year-to-date demonstrate benefits of our balanced portfolio**
- **Continue driving growth through organic investments in our Midstream and Utility businesses, and acquisitions in the U.S. and Europe**
- **Underlying weather-adjusted demand remains strong**
- **Infrastructure gap will provide investment opportunities for the next several years while enhancing the value of our existing assets**



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. For the periods presented, adjusted net income attributable to UGI is net income attributable to UGI Corporation after excluding net after-tax gains and losses on commodity derivative instruments not associated with current period transactions, loss on extinguishment of debt and Finagaz transition and acquisition expenses. Volatility in net income at UGI can occur as a result of gains and losses on commodity derivative instruments not associated with current period transactions but included in earnings in accordance with U.S. generally accepted accounting principles ("GAAP"). Effective October 1, 2014, UGI International determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions and also de-designated its then-existing commodity derivative instruments accounted for as cash flow hedges. Also effective October 1, 2014, AmeriGas Propane de-designated its remaining commodity derivative instruments accounted for as cash flow hedges. Previously, AmeriGas Propane had discontinued cash flow hedge accounting for all commodity derivative instruments entered into beginning April 1, 2014.
- ❖ 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 (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other discrete items that can affect the comparison of period-over-period results.
- ❖ The following table reconciles net income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net income attributable to UGI Corporation, and reconciles diluted earnings per share, the most comparable GAAP measure, to adjusted diluted earnings per share, to reflect the adjustments referred to above.

(millions)	Three Months Ended		Six Months Ended	
	March 31		March 31	
	2016	2015	2016	2015
Adjusted net income attributable to UGI Corporation:				
Net income attributable to UGI Corporation	\$ 233.2	\$ 246.5	\$ 347.8	\$ 280.6
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions (1)	(22.4)	(30.8)	(26.0)	51.1
Net after-tax acquisition and integration expenses associated with Finagaz	5.4	5.1	6.8	7.8
Adjusted net income attributable to UGI Corporation	<u>\$ 216.2</u>	<u>\$ 220.8</u>	<u>\$ 328.6</u>	<u>\$ 339.5</u>
	Three Months Ended		Six Months Ended	
	March 31		March 31	
	2016	2015	2016	2015
Adjusted diluted earnings per share:				
UGI Corporation earnings per share - diluted	\$ 1.33	\$ 1.40	\$ 1.99	\$ 1.60
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions (1)	(0.12)	(0.17)	(0.15)	0.29
Net after-tax acquisition and integration expenses associated with Finagaz	0.03	0.03	0.04	0.04
Adjusted diluted earnings per share	<u>\$ 1.24</u>	<u>\$ 1.26</u>	<u>\$ 1.88</u>	<u>\$ 1.93</u>

(millions)	Six Months Ended March 31, <u>2012</u>
Adjusted net income attributable to UGI Corporation:	
GAAP Net Income Attributable to UGI Corporation	\$ 211.2
Net after-tax (gains) losses on commodity derivative instruments not associated with current period transactions	9.9
Net after-tax losses on extinguishment of debt	2.2
Net after-tax acquisition and transition expenses associated with Heritage	2.4
Adjusted net income attributable to UGI Corporation	<u>\$ 225.7</u>

- ❖ The Partnership's management uses certain non-GAAP financial measures, including adjusted total margin, EBITDA, adjusted EBITDA and adjusted net income attributable to AmeriGas Partners, L.P., when evaluating the Partnership's overall performance. These 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 earnings before interest, income taxes, depreciation and amortization ("EBITDA"), as adjusted for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have ("Adjusted EBITDA"), is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of Adjusted EBITDA may be different from those used by other companies. Management uses Adjusted 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, the effects of gains and losses on commodity derivative instruments not associated with current-period transactions or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have from 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 Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI Corporation, uses the Partnership's EBITDA, as adjusted to exclude gains and losses on commodity derivative instruments not associated with current-period transactions, to assess the profitability of the Partnership which is one of UGI Corporation's industry segments. UGI Corporation discloses the Partnership's EBITDA, as so adjusted, in its disclosure about industry segments as the profitability measure for its domestic propane segment. Management believes the presentation of other non-GAAP financial measures, comprised of adjusted total margin and adjusted net income (loss) attributable to AmeriGas Partners, L.P., provide useful information to investors to more effectively evaluate the period-over-period results of operations of the Partnership. Management uses these non-GAAP financial measures because they eliminate the impact of (1) gains and losses on commodity derivative instruments that are not associated with current-period transactions and (2) other gains and losses that competitors do not necessarily have to provide insight into the comparison of period-over-period profitability to that of other master limited partnerships.
- ❖ The following tables include reconciliations of adjusted total margin, EBITDA, adjusted EBITDA and adjusted net income attributable to AmeriGas Partners, L.P. to the most directly comparable financial measure calculated and presented in accordance with GAAP for all the periods presented.

AmeriGas Adjusted EBITDA

(thousands)	Three Months Ended March 31,		Six Months Ended March 31,	
	2016	2015	2016	2015
Adjusted total margin:				
Total revenues	\$ 827,487	\$ 1,100,317	\$ 1,471,585	\$ 1,989,109
Cost of sales - propane	(241,621)	(411,745)	(469,543)	(990,286)
Cost of sales - other	(17,161)	(18,822)	(38,028)	(40,862)
Total margin	568,705	669,750	964,014	957,961
 (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	 (39,454)	 (74,739)	 (33,821)	 63,491
Adjusted total margin	<u>\$ 529,251</u>	<u>\$ 595,011</u>	<u>\$ 930,193</u>	<u>\$ 1,021,452</u>
 Adjusted net income attributable to AmeriGas Partners, L.P.:				
Net income attributable to AmeriGas Partners, L.P.	\$ 245,908	\$ 326,055	\$ 326,881	\$ 286,484
 (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	 (39,454)	 (74,739)	 (33,821)	 63,491
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions	399	755	342	(641)
Adjusted net income attributable to AmeriGas Partners, L.P.	<u>\$ 206,853</u>	<u>\$ 252,071</u>	<u>\$ 293,402</u>	<u>\$ 349,334</u>
 EBITDA and Adjusted EBITDA:				
Net income attributable to AmeriGas Partners, L.P.	\$ 245,908	\$ 326,055	\$ 326,881	\$ 286,484
Income tax expense	290	806	1,200	1,676
Interest expense	40,806	41,096	81,831	82,130
Depreciation	36,533	37,402	75,139	76,084
Amortization	10,886	10,713	21,486	21,399
EBITDA	334,423	416,072	506,537	467,773
 (Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	 (39,454)	 (74,739)	 (33,821)	 63,491
Noncontrolling interest in net gains (losses) on commodity derivative instruments not associated with current-period transactions	399	755	342	(641)
Adjusted EBITDA	<u>\$ 295,368</u>	<u>\$ 342,088</u>	<u>\$ 473,058</u>	<u>\$ 530,623</u>

(thousands)	Six Months Ended March 31, <u>2012</u>
Pro Forma Net Income attributable to AmeriGas Partners, L.P.	196,362
Pro Forma Tax Expense	3,231
Pro forma Interest Expense	94,304
Pro Forma Amortization expense	20,991
Pro Forma depreciation Expense	<u>73,895</u>
Pro Forma EBITDA	388,783
Loss on Extinguishment of Debt	13,379
Heritage Acquisition and Transition Expenses (MD&A)	11,855
Pro Forma Adjusted EBITDA	<u><u>414,017</u></u>

Note 4 to AmeriGas Partners' Form 10-Q for the six-month period ended March 31, 2012 disclosed the pro forma impact on AmeriGas Partners' revenues, net income attributable to AmeriGas Partners and income per limited partner unit of its acquisition of Heritage Propane on January 12, 2012. AmeriGas Partners' net income attributable to AmeriGas Partners for the six-month period ended March 31, 2012 was \$176,410.



Investor Relations:

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