UGI CORP /PA/

FORM 8-K
(Current report filing)

Filed 11/13/14 for the Period Ending 11/12/14

Address	460 N GULPH RD P O BOX 858 KING OF PRUSSIA, PA 19406
Telephone	6103371000
CIK	0000884614
Symbol	UGI
SIC Code	4932 - Gas and Other Services Combined
Industry	Natural Gas Utilities
Sector	Utilities
Fiscal Year	09/30

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 12, 2014

UGI Corporation
(Exact name of registrant as specified in its charter)

Pennsylvania	**1-11071**	**23-2668356**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

460 No. Gulph Road, King of Prussia, Pennsylvania	**19406**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: 610 337-7000

Not Applicable
Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On November 12, 2014 , UGI Corporation (the "Company") issued a press release announcing financial results for the Company for the fiscal quarter and year ended September 30, 2014 . A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

In its November 12, 2014 press release, the Company also announced earnings guidance for the fiscal year ending September 30, 2015. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

On November 13, 2014 , the Company will hold a live Internet Audio Webcast of its conference call to discuss its financial results for the fiscal quarter and year ended September 30, 2014 .

Presentation materials containing certain historical and forward-looking information relating to the Company (the "Presentation Materials") have been made available on the Company's website. A copy of the Presentation Materials is furnished as Exhibit 99.2 to this report and is incorporated herein by reference in this Item 7.01. All information in Exhibit 99.2 is presented as of the particular dates referenced therein, and the Company does not undertake any obligation to, and disclaims any duty to, update any of the information provided.

In accordance with General Instruction B.2 of Form 8-K, the information in this report, including Exhibits 99.1 and 99.2, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and will not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in that filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being furnished herewith:

99.1	Press Release of UGI Corporation dated November 12, 2014.
99.2	Presentation of UGI Corporation dated November 13, 2014.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

UGI Corporation

November 13, 2014

By: */s/ Kirk R. Oliver*

Name: *Kirk R. Oliver*

Title: *Chief Financial Officer*

EXHIBIT INDEX

The Following Exhibits Are Furnished:

EXHIBIT NO.	DESCRIPTION
99.1	Press Release of UGI Corporation dated November 12, 2014.
99.2	Presentation of UGI Corporation dated November 13, 2014.

Exhibit 99.1

Contact: 610-337-1000
Daniel Platt, ext. 1029
Shelly Oates, ext. 3202

For Immediate Release:
November 12, 2014

UGI Reports Record Earnings for Fiscal 2014

VALLEY FORGE, Pa., November 12 - UGI Corporation (NYSE: UGI) today reported net income attributable to UGI, as determined in accordance with GAAP, of $337.2 million, or $1.92 per diluted share, for its fiscal year ended September 30, 2014, compared to $278.1 million, or $1.60 per diluted share, for the fiscal year ended September 30, 2013. Adjusted net income attributable to UGI was $349.5 million, or $1.99 per diluted share, for fiscal 2014, compared to $273.8 million, or $1.58 per diluted share in fiscal 2013. Adjusted net income attributable to UGI excludes the impact of mark-to-market changes in commodity derivative instruments at Midstream & Marketing and AmeriGas Propane not associated with current period transactions, as well as the retroactive effects of a change in French tax legislation enacted in the first fiscal quarter of 2014.

For the fourth fiscal quarter ended September 30, 2014, the company reported a seasonal net loss attributable to UGI of $19.8 million ($0.11 per share) compared to a seasonal net loss of $14.2 million ($0.08 per share) for the prior-year period. Adjusted net loss attributable to UGI for the fourth fiscal quarter ended September 30, 2014 was $13.2 million, or $0.08 per share, compared to a loss of $13.8 million, or $0.08 per share, for the fourth fiscal quarter ended September 30, 2013. The adjusted net loss in both periods excludes the impact of mark-to-market changes in commodity derivative instruments not associated with current period transactions.

The 26% increase in adjusted net income attributable to UGI in fiscal 2014 primarily reflects better-than-expected earnings at Midstream & Marketing and Gas Utility. The extreme cold felt throughout the Northeast and Mid-Atlantic regions this past winter created unprecedented demand for natural gas as well as heightened natural gas price volatility due to locational basis differentials. These results were partially offset by lower earnings at UGI International, which experienced weather that was much warmer than normal.

John L. Walsh, president and chief executive officer of UGI, said, “Our businesses performed admirably in 2014, resulting in a 26% increase in adjusted net income attributable to UGI Corporation. Additionally, we achieved several noteworthy strategic objectives that position the company for profitable growth in fiscal 2015 and beyond. Midstream & Marketing announced a series of growth projects including PennEast, Auburn III, and the Temple liquefaction expansion. Our Gas Utility added approximately 18,000 net new customers. The AmeriGas cylinder exchange and national accounts programs achieved significant growth milestones and UGI International announced an agreement in principle to acquire Totalgaz, Total’s LPG business in France. The formal purchase agreement with Total was signed earlier this week. We continue to move forward with the regulatory approval process and we anticipate that the transaction will close in the first half of calendar 2015.”

Walsh continued, “As we announced last week, assuming normal weather patterns in fiscal 2015, we expect UGI diluted earnings per share in the range of $1.88 to $1.98.”

- MORE -

Segment Performance (Millions, except where otherwise indicated)

AmeriGas Propane:

For the fiscal year ended September 30,	2014	2013	Increase	
Revenues	$ 3,712.9	$ 3,168.8	$ 544.1	17.2%
Total margin (a)	$ 1,605.8	$ 1,511.6	$ 94.2	6.2%
Operating and administrative expenses	$ 964.1	$ 945.1	$ 19.0	2.0%
Partnership EBITDA	$ 664.8	$ 596.5	$ 68.3	11.5%
Operating income	$ 472.0	$ 394.4	$ 77.6	19.7%
Retail gallons sold	1,275.6	1,245.2	30.4	2.4%
Degree days - % colder (warmer) than normal	3.4%	(4.9)%		
Capital expenditures	$ 113.9	$ 111.1	$ 2.8	2.5%

- The increase in revenues primarily reflect the effects of higher average retail selling prices that were largely the result of higher propane product costs, as well as the increase in retail volumes sold.
- The increase in total margin reflects higher retail propane total margin, partially offset by lower margin from ancillary sales and services.
- The increase in Partnership EBITDA primarily reflects the higher total margin partially offset by slightly higher operating and administrative expenses and lower other income.
- The increase in retail gallons sold reflects average temperatures that were 3.4% colder than normal and 8.8% colder than the prior year. The effects on retail gallons sold of the colder winter weather, however, were muted by supply challenges in certain regions of the U.S. that experienced prolonged periods of unusually cold winter weather.
- Average daily wholesale propane commodity prices at Mont Belvieu, Texas, during fiscal 2014 were approximately 25% higher than during fiscal 2013.

UGI International:

For the fiscal year ended September 30,	2014	2013	Increase (Decrease)	
Revenues	$ 2,322.4	$ 2,179.2	$ 143.2	6.6 %
Total margin (a)	$ 664.4	$ 680.8	$ (16.4)	(2.4)%
Operating and administrative expenses	$ 470.2	$ 454.4	$ 15.8	3.5 %
Operating income	$ 117.5	$ 147.0	$ (29.5)	(20.1)%
Income before income taxes	$ 87.4	$ 116.2	$ (28.8)	(24.8)%
Retail gallons sold	583.2	592.4	(9.2)	(1.6)%
Degree days - % (warmer) colder than normal:				
Antargaz	(14.1)%	3.7%		
Flaga	(15.7)%	0.9%		
Capital expenditures	$ 73.2	$ 70.8	$ 2.4	3.4 %

- Total retail gallons sold were slightly lower reflecting the effects of the significantly warmer fiscal 2014 weather, partially offset by incremental retail gallons associated with BP Poland's former LPG business in Poland acquired by Flaga in September 2013.
- Revenues increased 6.6%, notwithstanding the effects of significantly warmer weather on retail volumes sold, principally reflecting greater total revenues at Flaga including incremental retail and wholesale revenues resulting from the BP Poland acquisition and, to a lesser extent, a slightly stronger Euro and British Pound.
- Total margin decreased 2.4% reflecting lower total margin at Antargaz principally on lower retail volumes sold partially offset by slightly higher total margin at Flaga and AvantiGas and the effects of the slightly stronger Euro and British Pound.

- MORE -

- Operating income decreased primarily due to the lower total margin, increased operating, administrative, and depreciation expenses at Flaga principally related to the BP Poland acquisition and, to a lesser extent, the currency conversion effects of the slightly stronger Euro and British Pound.

Gas Utility:

For the fiscal year ended September 30,	2014	2013	Increase	
Revenues	$ 977.3	$ 839.0	$ 138.3	16.5%
Total margin (a)	$ 480.5	$ 431.8	$ 48.7	11.3%
Operating and administrative expenses	$ 183.8	$ 176.2	$ 7.6	4.3%
Operating income	$ 236.2	$ 196.5	$ 39.7	20.2%
Income before income taxes	$ 199.6	$ 159.1	$ 40.5	25.5%
System throughput - billions of cubic feet (“bcf”)				
Core market	80.4	70.6	9.8	13.9%
Total	208.8	192.1	16.7	8.7%
Degree days - % colder (warmer) than normal	10.0%	(0.5)%		
Capital expenditures	$ 160.8	$ 144.4	$ 16.4	11.4%

- Temperatures in the Gas Utility service territory were 10.0% colder than normal and 10.6% colder than fiscal 2013.
- System throughput to core-market customers was higher than last year principally reflecting the effects of the significantly colder weather and, to a lesser extent, customer growth due principally to conversions.
- Revenues increased 16.5% during fiscal 2014 reflecting higher revenues from core market customers, higher revenues from off-system sales, and, to a lesser extent, higher revenues from large firm delivery service customers on higher throughput.
- Total margin increased 11.3% due to higher core market total margin and greater large firm delivery service margin.
- The increase in operating income was primarily the result of the growth of total margin partially offset by higher operating and administrative expenses.

Midstream & Marketing:

For the fiscal year ended September 30,	2014	2013	Increase (Decrease)	
Revenues	$ 1,368.9	$ 1,037.6	$ 331.3	31.9 %
Total margin (a)	$ 292.2	$ 164.0	$ 128.2	78.2 %
Operating and administrative expense	$ 70.6	$ 57.0	$ 13.6	23.9 %
Operating income	$ 198.6	$ 90.0	$ 108.6	120.7 %
Income before income taxes	$ 195.7	$ 86.8	$ 108.9	125.5 %
Capital expenditures	$ 83.4	$ 156.4	$ (73.0)	(46.7)%

- Revenues increased 31.9% reflecting higher natural gas revenues and, to a lesser extent, higher capacity management, peaking, and natural gas gathering revenues.
- Total margin increased 78.2% reflecting higher capacity management and peaking service total margin ($78.8 million), higher retail natural gas total margin ($24.5 million), higher Electric Generation total margin ($13.9 million) and increased natural gas gathering total margin ($12.9 million) primarily reflecting incremental margin from the Auburn pipeline extension.
- The significant increase in total margin from capacity management and peaking activities reflects the effects of periods of extreme cold winter weather primarily in January and February.
- Operating income increased due to the increase in total margin partially offset by higher operating, administrative, and depreciation expenses.

- MORE -

- Higher operating, administrative, and depreciation expenses include expense increases associated with storage and natural gas gathering assets and higher incentive compensation costs.

(a) Total margin represents total revenues less total cost of sales.

About UGI
UGI is a distributor and marketer of energy products and services. Through subsidiaries, UGI operates natural gas and electric utilities in Pennsylvania, distributes propane both domestically and internationally, manages midstream energy and electric generation assets in Pennsylvania, and engages in energy marketing in the Mid-Atlantic region. UGI, through subsidiaries, is the sole General Partner and owns 26% of AmeriGas Partners, L.P. (NYSE:APU), the nation's largest retail propane distributor.

UGI Corporation will hold a live Internet Audio Webcast of its conference call to discuss fiscal 2014 earnings and other current activities at 9:00 AM ET on Thursday, November 13, 2014. Interested parties may listen to the audio webcast both live and in replay on the Internet at http://www.ugicorp.com/investor-relations/events-and-presentations/default.aspx or at the company website http://www.ugicorp.com under Investor Relations. A telephonic replay will be available from 12:00 PM ET on November 13 through 11:59 PM ET on November 20. The replay may be accessed at (855) 859-2056, and internationally at 1-404-537-3406, conference ID 19612367.

Comprehensive information about UGI Corporation is available on the Internet at http://www.ugicorp.com .

This press release 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 and Quarterly Reports on Form 10-Q 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 those involving Russia, and foreign 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.

UGI CORPORATION
REPORT OF EARNINGS
(Millions of dollars, except per share)
(Unaudited)

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2014	2013	2014	2013
Revenues:				
AmeriGas Propane	$ 560.2	$ 531.9	$ 3,712.9	$ 3,168.8
UGI International	433.1	399.0	2,322.4	2,179.2
Gas Utility	97.3	95.4	977.3	839.0
Midstream & Marketing	208.5	226.7	1,368.8	1,037.6
Corporate & Other (a)	12.3	6.0	(104.1)	(29.9)
Total revenues	$ 1,311.4	$ 1,259.0	$ 8,277.3	$ 7,194.7
Operating (loss) income:				
AmeriGas Propane	$ 0.3	$ (13.1)	$ 472.0	$ 394.4
UGI International	(10.0)	(13.5)	117.5	147.0
Gas Utility	2.5	6.8	236.2	196.5
Midstream & Marketing	14.9	12.1	198.6	90.0
Corporate & Other (a)	(17.1)	(4.6)	(18.7)	3.2
Total operating (loss) income	(9.4)	(12.3)	1,005.6	831.1
Loss from equity investees	0.0	(0.5)	(0.1)	(0.4)
Interest expense:				
AmeriGas Propane	(40.6)	(41.2)	(165.6)	(166.6)
UGI International	(7.1)	(7.6)	(30.0)	(30.4)
Gas Utility	(10.0)	(9.3)	(36.6)	(37.4)
Midstream & Marketing	(0.4)	(0.8)	(2.9)	(3.2)
Corporate & Other, net (a)	(0.7)	(0.6)	(2.6)	(2.7)
Total interest expense	(58.8)	(59.5)	(237.7)	(240.3)
(Loss) income before income taxes	(68.2)	(72.3)	767.8	590.4
Income tax benefit (expense)	8.2	13.2	(235.2)	(162.8)
Net (loss) income	(60.0)	(59.1)	532.6	427.6
Add net loss (deduct net income) attributable to noncontrolling interests, principally in AmeriGas Partners, L.P.	40.2	44.9	(195.4)	(149.5)
Net (loss) income attributable to UGI Corporation	$ (19.8)	$ (14.2)	$ 337.2	$ 278.1
Earnings (loss) per share attributable to UGI shareholders:				
Basic	$ (0.11)	$ (0.08)	$ 1.95	$ 1.63
Diluted	$ (0.11)	$ (0.08)	$ 1.92	$ 1.60
Average common shares outstanding (thousands):				
Basic	172,882	171,897	172,733	170,885
Diluted	172,882	171,897	175,231	173,282
Supplemental information:				
Net (loss) income attributable to UGI Corporation:				
AmeriGas Propane	$ (3.4)	$ (5.7)	$ 63.0	$ 47.5
UGI International	(18.3)	(14.6)	48.3	82.7
Gas Utility	(4.7)	(0.8)	118.8	94.3
Midstream & Marketing	9.9	6.9	117.8	52.5
Corporate & Other (a)	(3.3)	0.0	(10.7)	1.1
Total net (loss) income attributable to UGI Corporation	$ (19.8)	$ (14.2)	$ 337.2	$ 278.1

(a) Corporate & Other includes, among other things, the elimination of certain intercompany transactions, and gains and (losses) on Midstream & Marketing's and, beginning April 1, 2014, AmeriGas Propane's commodity derivative instruments not associated with current period transactions.

(continued)

UGI CORPORATION
REPORT OF EARNINGS
(Millions of dollars, except per share)
(Unaudited)

(continued)

Non-GAAP Financial Measures - Adjusted Net Income Attributable to UGI and Adjusted Diluted Earnings Per Share

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) net after-tax gains and losses on commodity derivative instruments not associated with current period transactions at Midstream & Marketing and net after-tax gains and losses on commodity derivative instruments entered into beginning April 1, 2014 not associated with current period transactions at AmeriGas Propane, and (ii) those items that management regards as highly unusual in nature and not expected to recur. Volatility in net income at UGI can occur as a result of gains and losses on derivative instruments not associated with current period transactions but included in earnings in accordance with generally accepted accounting principles.

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) gains and losses on Midstream & Marketing's commodity derivative instruments, and gains and losses on AmeriGas Propane's commodity derivative instruments entered into beginning April 1, 2014, that are not associated with current period transactions and (ii) those items that management regards as highly unusual in nature and not expected to recur.

The following table reconciles consolidated net (loss) income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net (loss) income attributable to UGI, and reconciles diluted earnings (loss) per share, the most comparable GAAP measure, to adjusted diluted earnings (loss) per share, to reflect the adjustments referred to above:

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2014	2013	2014	2013
Adjusted net (loss) income attributable to UGI Corporation:				
Net (loss) income attributable to UGI Corporation	$ (19.8)	$ (14.2)	$ 337.2	$ 278.1
Net losses (gains) on Midstream & Marketing's derivative instruments not associated with current period transactions	5.5	0.4	4.9	(4.3)
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions, net of minority interest impact	1.1	0.0	1.7	0.0
Retroactive impact of change in French tax law	0.0	0.0	5.7	0.0
Adjusted net (loss) income attributable to UGI Corporation	$ (13.2)	$ (13.8)	$ 349.5	$ 273.8

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2014	2013	2014	2013
Adjusted diluted earnings (loss) per share:				
UGI Corporation earnings (loss) per share - diluted	$ (0.11)	$ (0.08)	$ 1.92	$ 1.60
Net losses (gains) on Midstream & Marketing's derivative instruments not associated with current period transactions (1)	0.03	—	0.03	(0.02)
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions, net of minority interest impact	0.01	—	0.01	—
Retroactive impact of change in French tax law	—	—	0.03	—
Adjusted diluted earnings (loss) per share	$ (0.08)	$ (0.08)	$ 1.99	$ 1.58

(1) Includes the impact of rounding.


UGI
CORPORATION
AmeriGas
2014 Q4 Earnings
Conference Call
November 13, 2014

UGI CORPORATION

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 and quarterly reports on Form 10-Q 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 those involving Russia, 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.

UGI CORPORATION

John Walsh

President & CEO, UGI

Kirk Oliver

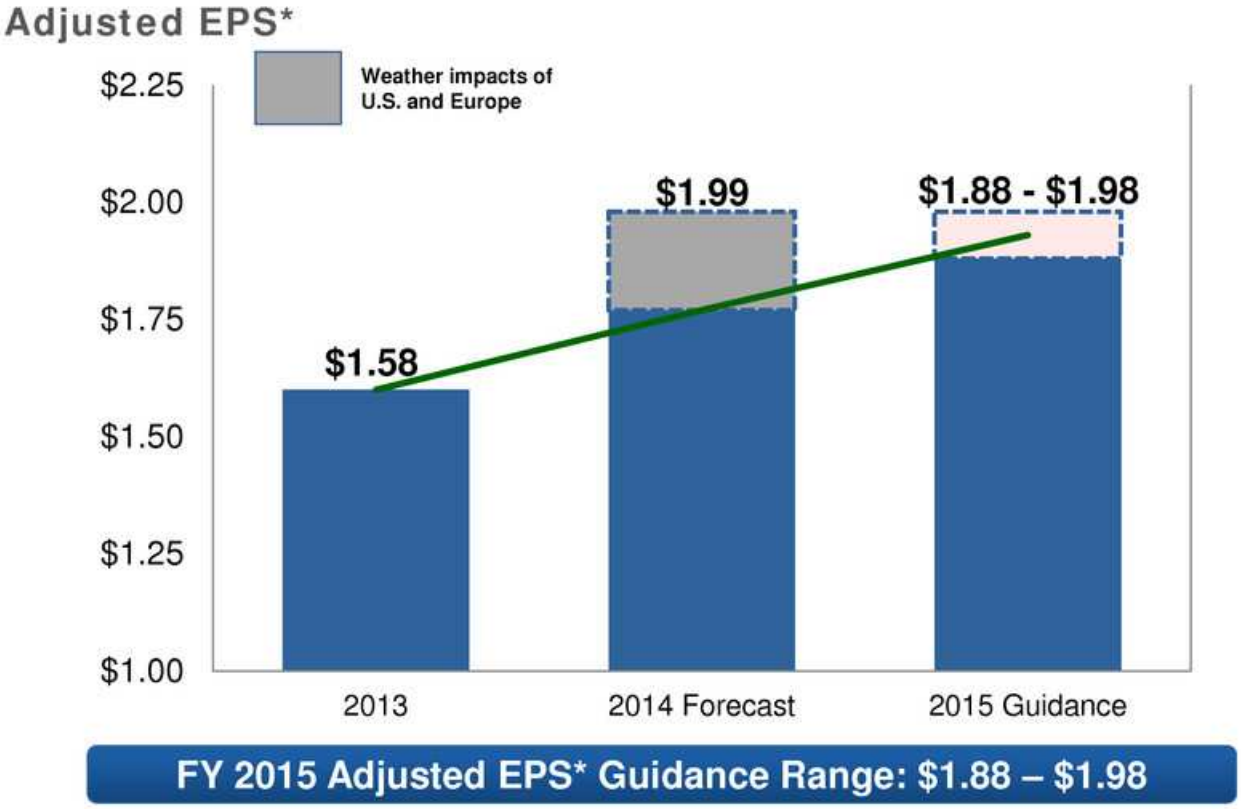
Chief Financial Officer, UGI

Jerry Sheridan

President & CEO, AmeriGas

November 13, 2014

FY14 Results and FY15 Guidance



* See appendix for Adjusted EPS reconciliation.

Strategic Milestones

Midstream & Marketing

- 20% equity partner in PennEast Pipeline
  - 100+ mile pipeline will link Marcellus production with customers in southeast PA and central NJ
- Project Manager and Pipeline Operator

UGI Utilities

- Record levels of customer additions and infrastructure investments
- Positive Response to GET Gas Program

Strategic Milestones

AmeriGas

- Strong ACE and National Accounts growth at AmeriGas
  - 8% ACE volume growth
  - Over 20% National Account volume growth

UGI International

- Purchase agreement to acquire Total's LPG distribution business in France was signed earlier this week
- Anticipate closing in first half of calendar year 2015

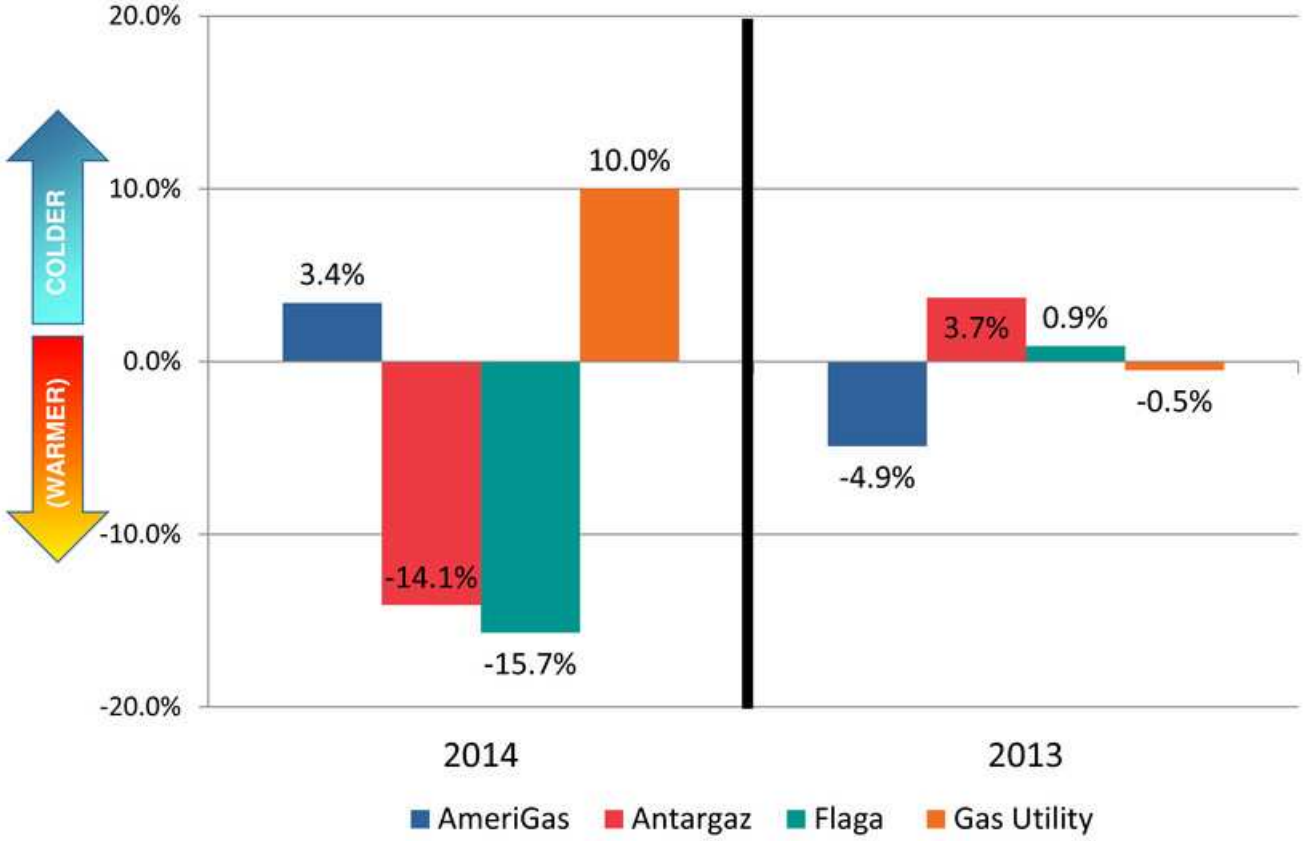
UGI CORPORATION

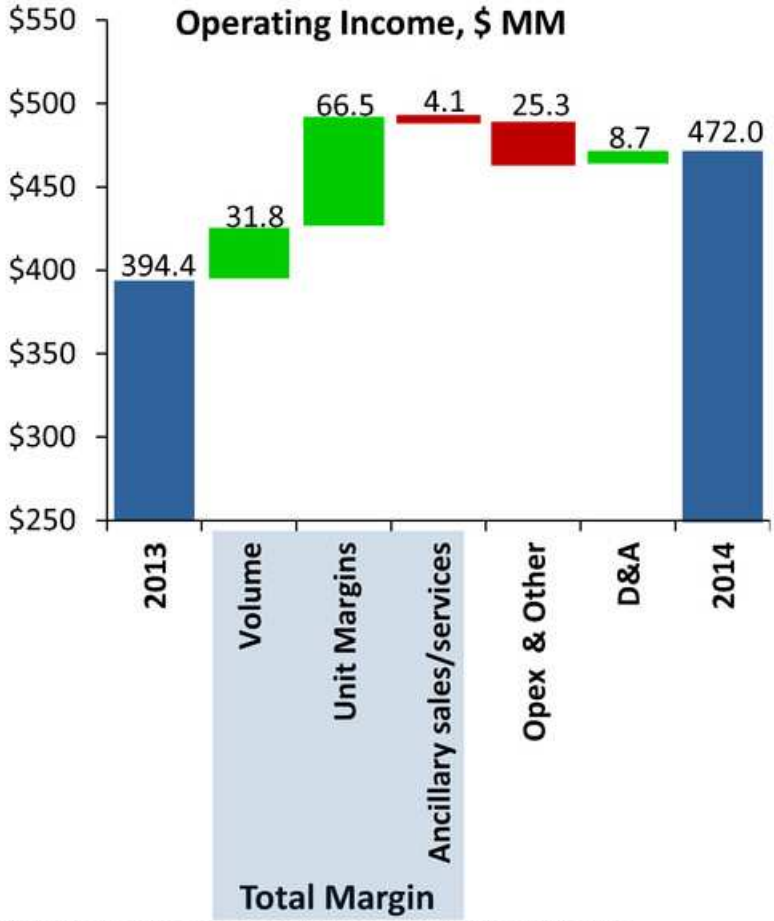
Kirk Oliver

Chief Financial Officer

November 13, 2014

Fiscal Year Weather vs. Normal





VOLUME

- Colder weather

MARGIN

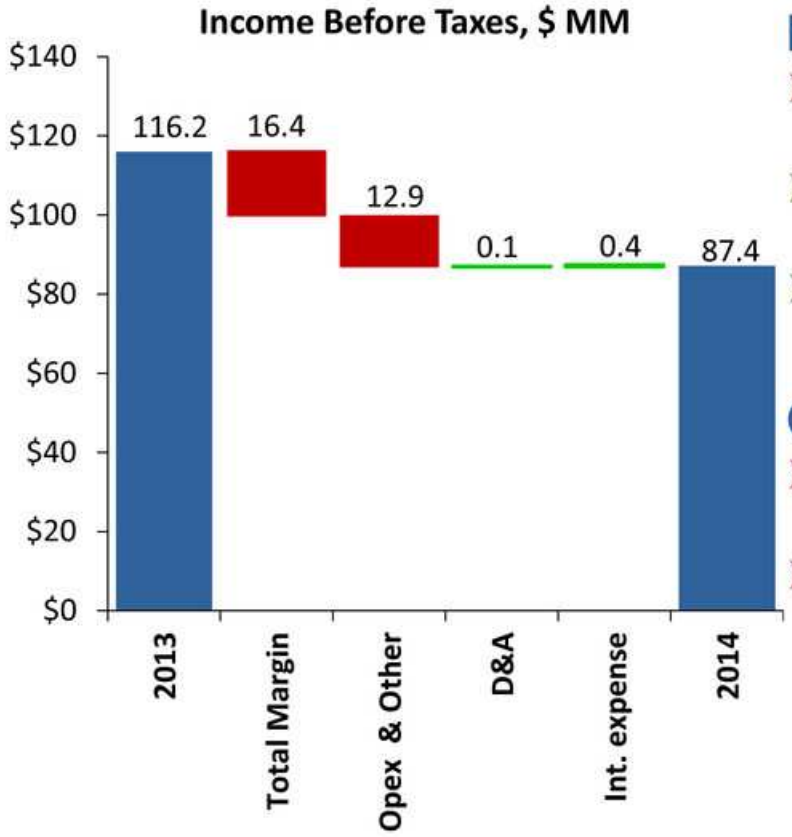
- Higher retail unit margins

OPEX

- Higher distribution-related expenses
- Higher uncollectable accounts expense
- Higher casualty and general liability expense

Opex includes all operating expenses, net of miscellaneous income. Excludes impact of mark-to-market changes in commodity hedging instruments. Total Margin represents total revenues less total cost of sales.

UGI International



MARGIN

- Lower volume due to warmer weather
- Slightly higher total margin at Flaga
- Slightly stronger Euro and British pound

OPEX

- Increased costs at Flaga from BP Poland acquisition
- Expenses related to proposed acquisition of Total's LPG distribution business in France

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

Gas Utility

MARGIN

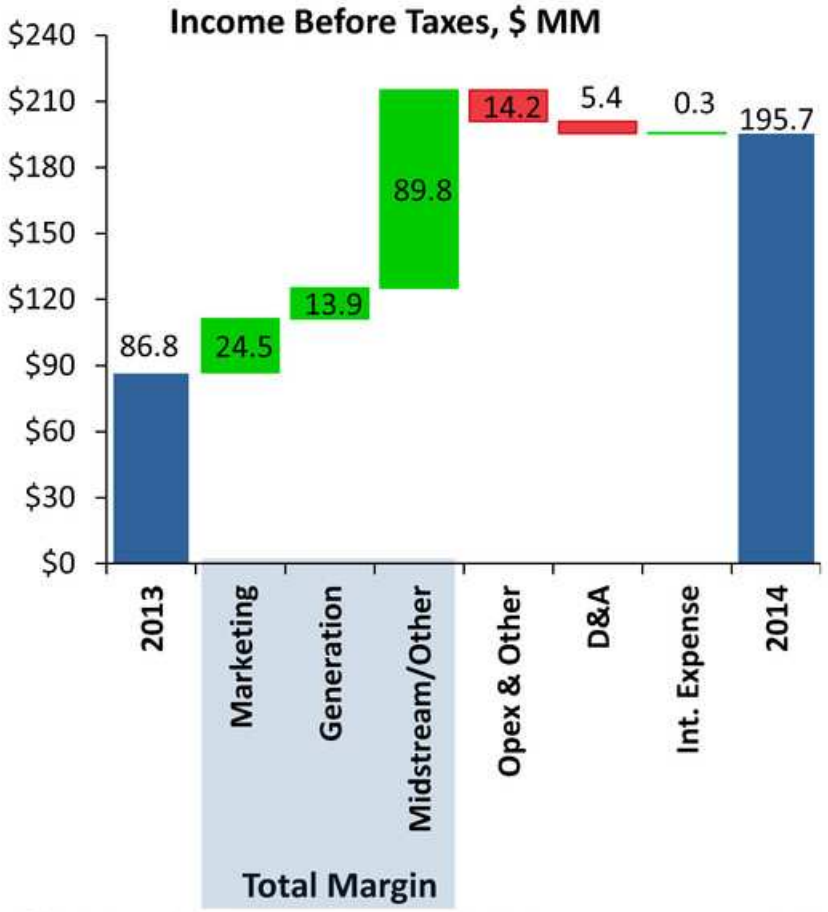
- Colder weather
- Higher core market and large firm delivery margins

OPEX

- Higher distribution system maintenance
- Higher uncollectable accounts
- Lower pension expense

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

Midstream & Marketing



MARGIN

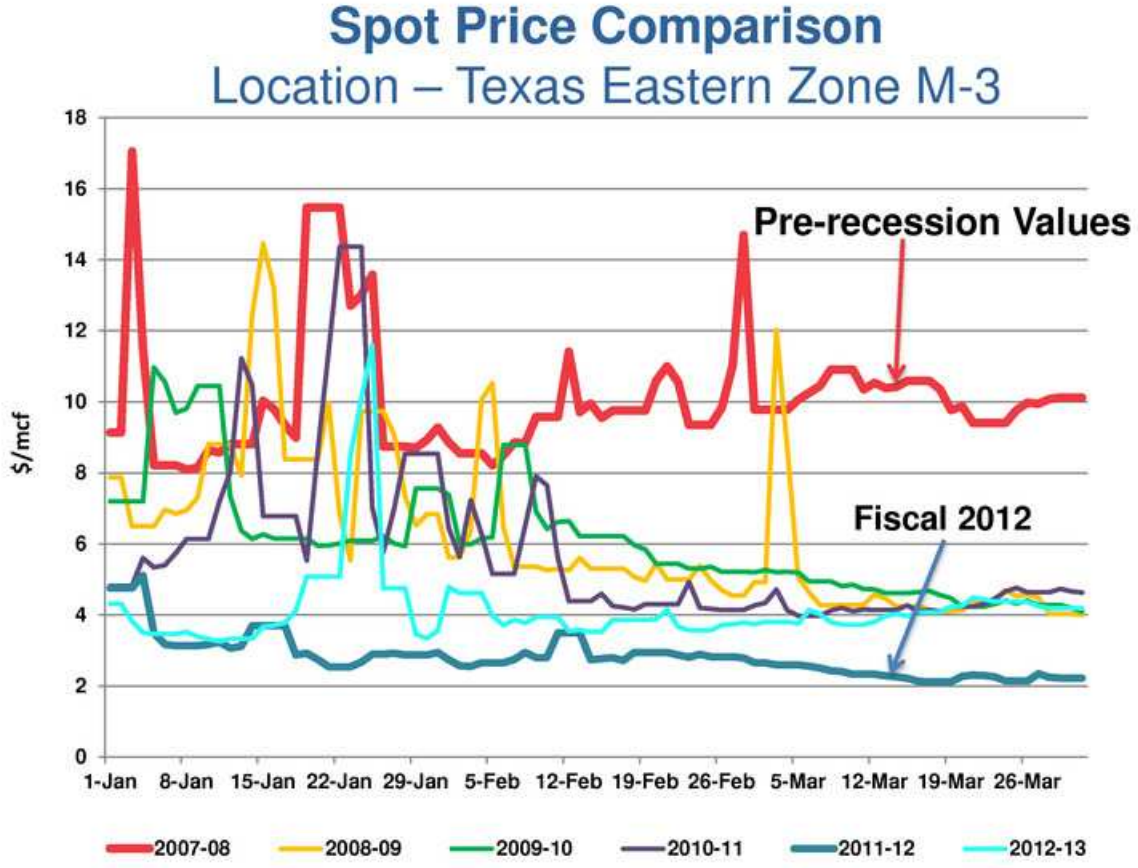
- Higher capacity management, storage, and gathering margin
- Higher gas marketing margin
- Higher electric generation margin
- Locational basis differentials

OPEX

- Increased operating and depreciation expenses associated with storage and natural gas gathering assets

* Excludes impact of mark-to-market changes in commodity hedging instruments.
Total Margin represents total revenues less total cost of sales.

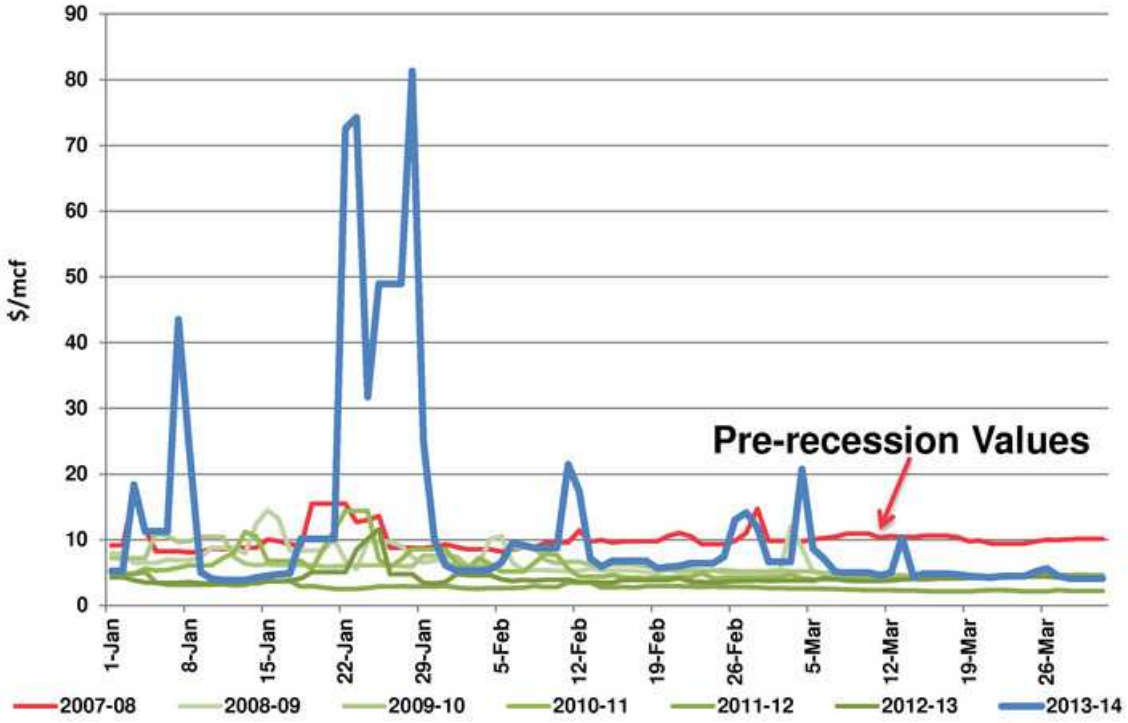
Q2 Basis Differentials



Q2 Basis Differentials

Spot Price Comparison

Location – Texas Eastern Zone M-3



UGI CORPORATION

Liquidity and Guidance

	Total	AmeriGas	UGI International	Utilities	Midstream	Corporate & Other
Cash on Hand	**$419.5**	$13.5	$140.2	$12.4	$8.1	$245.4
Revolving Credit Facilities		$525.0	$123.8	$300.0	$240.0	NA
Accounts Receivable Facility		NA	NA	NA	46.4	NA
Drawn on Facilities		109.0	0.0	86.3	7.5	NA
Letters of Credit		64.7	40.8	2.0	0.0	NA
Available Facilities		$351.3	$83.0	$211.7	$278.9	
Available Liquidity		$364.8	$223.2	$224.1	$287.0	

Excluding cash residing at operating subsidiaries, UGI had $225 million of cash at 09/30/14 compared with $172 million at 09/30/13.

FY 2015 Adjusted EPS* Guidance Range: $1.88 – $1.98

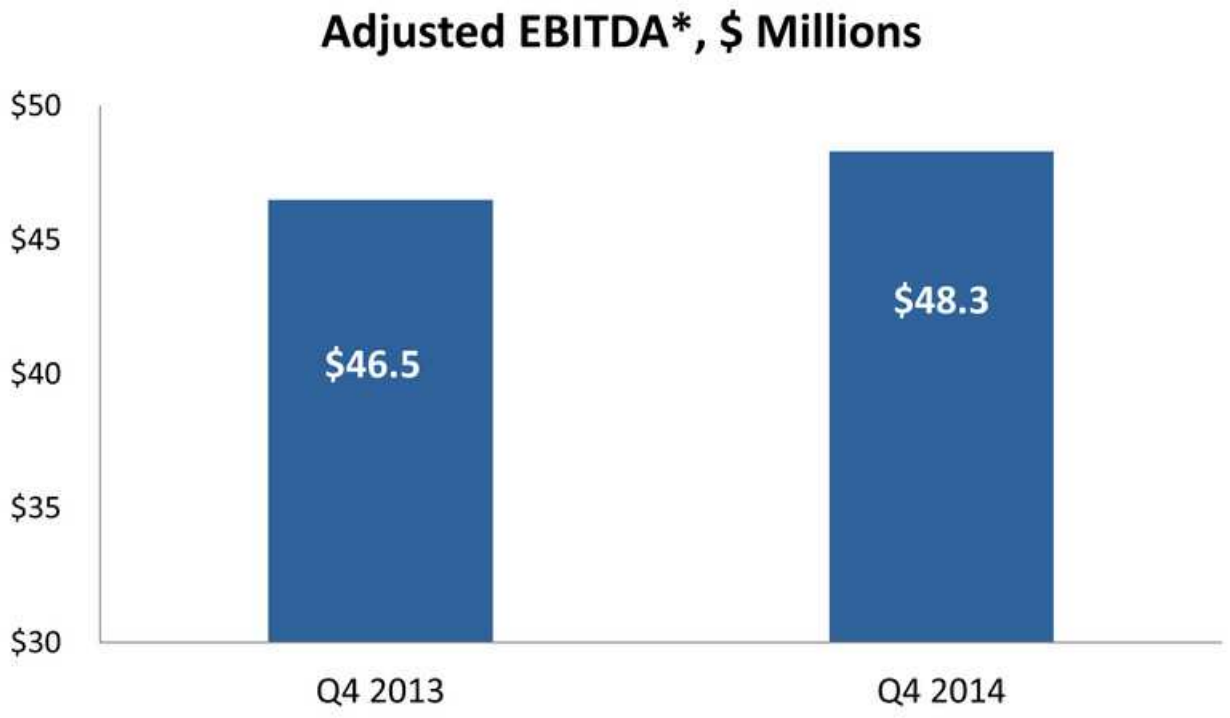
* See appendix for Adjusted EPS reconciliation.

AmeriGas UGI CORPORATION

Jerry Sheridan

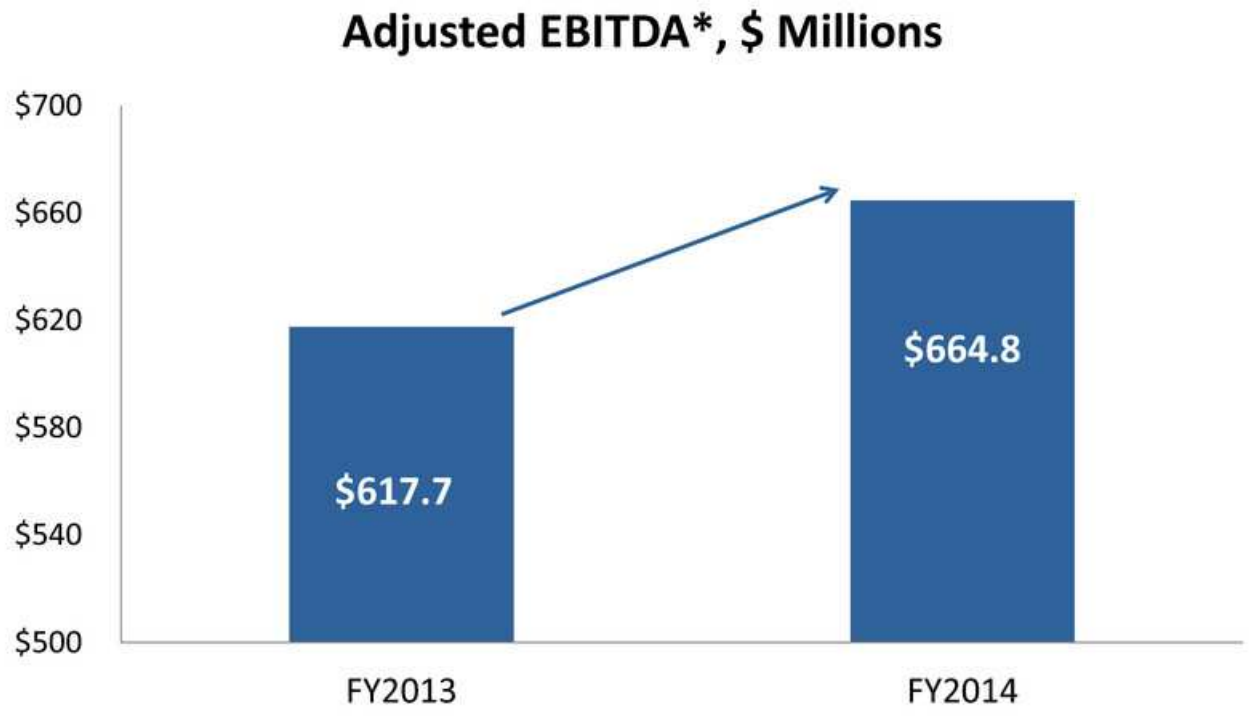
CEO of AmeriGas

Q4 Adjusted EBITDA



* See appendix for Adjusted EBITDA reconciliation

Fiscal 2014 Adjusted EBITDA



* See appendix for Adjusted EBITDA reconciliation

Growth Initiatives

AmeriGas Cylinder Exchange (ACE)

- Volume growth up 8% in fiscal 2014
- Added over 1,300 new locations
- Now 48,000 distribution locations nationwide

National Accounts

- **22% volume growth in fiscal 2014**
- **Over 50 new accounts added**

Local Acquisitions

- Seven deals closed in fiscal 2014

Strategic Milestones

Strong Balance Sheet

- Leverage Ratio ~ 3.6x
- Distribution coverage - 1.2x

Earnings Power

- Earnings have nearly doubled from just two years ago
- FY15 Adjusted EBITDA Guidance of $670MM-$700MM
- Supports long-term goals of 3%-4% EBITDA growth and 5% distribution growth

UGI CORPORATION

John Walsh

President & CEO

November 13, 2014

Operational Highlights

Gas Utility

- Added 16,000 residential heating customers and 2,000 new commercial customers
- Moving forward with innovative approaches to support continued growth, such as GET Gas
- Received the highest customer satisfaction score among large utilities in the Eastern U.S. by J.D. Power[1]

Midstream & Marketing

- Effective Marcellus asset utilization helped to double operating income
- Successfully concluded the first phase of Auburn III pipeline capacity expansion and the Union Dale Lateral
- Announced PennEast and Temple liquefaction expansion

[1] *UGI received the highest numerical score among large utilities in the Eastern U.S. in the proprietary J.D. Power 2014 Gas Utility Residential Customer Satisfaction StudySM. Study based on 69,806 online interviews ranking 10 providers in the Eastern U.S. (CT, DC, MD, MA, NH, NJ, NY, PA, RI, VA). Proprietary study results are based on experiences and perceptions of consumers surveyed September 2013-July 2014. Your experiences may vary. Visit jdpower.com.*

Operational Highlights

UGI International

- Strong performance despite significantly warmer weather
- Planned Total acquisition remains on track to close in first half of calendar year 2015

AmeriGas

- Leveraged size and scale to ensure uninterrupted access to propane for customers
- Achieved strategic growth milestones in ACE and National Accounts

In Conclusion

Strongest financial performance in our history

Progress on a range of strategic growth initiatives

Significant growth opportunities across all four business segments in FY 2015 and beyond


UGI
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AmeriGas
Q& A

Appendix

UGI Supplemental Information: Footnotes

- 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) net after-tax gains and losses on commodity derivative instruments not associated with current period transactions at Midstream & Marketing and net after-tax gains and losses on commodity derivative instruments entered into beginning April 1, 2014 not associated with current period transactions at AmeriGas Propane, and (ii) those items that management regards as highly unusual in nature and not expected to recur. Volatility in net income at UGI can occur as a result of gains and losses on derivative instruments not associated with current period transactions but included in earnings in accordance with generally accepted accounting principles.

- 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) gains and losses on Midstream & Marketing's commodity derivative instruments, and gains and losses on AmeriGas Propane's commodity derivative instruments entered into beginning April 1, 2014, that are not associated with current period transactions and (ii) those items that management regards as highly unusual in nature and not expected to recur.

- The following table reconciles consolidated net (loss) income attributable to UGI Corporation, the most directly comparable GAAP measure, to adjusted net (loss) income attributable to UGI, and reconciles diluted earnings (loss) per share, the most comparable GAAP measure, to adjusted diluted earnings (loss) per share, to reflect the adjustments referred to above.

Adjusted EPS to GAAP EPS Reconciliation

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2014	2013	2014	2013
Adjusted diluted earnings (loss) per share:				
UGI Corporation earnings (loss) per share - diluted	$ (0.11)	$ (0.08)	$ 1.92	$ 1.60
Net losses (gains) on Midstream & Marketing's derivative instruments not associated with current period transactions (1)	0.03	-	0.03	(0.02)
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions, net of minority interest impact	0.01	-	0.01	-
Retroactive impact of change in French tax law	-	-	0.03	-
Adjusted diluted earnings (loss) per share	$ (0.08)	$ (0.08)	$ 1.99	$ 1.58

(1) Includes the impact of rounding.

UGI CORPORATION

Adjusted Net Income to GAAP Net Income Reconciliation

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2014	2013	2014	2013
Adjusted net (loss) income attributable to UGI Corporation:				
Net (loss) income attributable to UGI Corporation	$ (19.8)	$ (14.2)	$ 337.2	$ 278.1
Net losses (gains) on Midstream & Marketing's derivative instruments not associated with current period transactions	5.5	0.4	4.9	(4.3)
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions, net of minority interest impact	1.1	0.0	1.7	0.0
Retroactive impact of change in French tax law	0.0	0.0	5.7	0.0
Adjusted net (loss) income attributable to UGI Corporation	$ (13.2)	$ (13.8)	$ 349.5	$ 273.8

AmeriGas Supplemental Information: Footnotes

- 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 business segments. UGI Corporation discloses the Partnership's EBITDA in its disclosures about its business segments as the profitability measure for its domestic propane segment.

AmeriGas Partners EBITDA Reconciliation

	Three Months Ended September 30,		Twelve Months Ended September 30,	
	2014	2013	2014	2013
Net (loss) income attributable to AmeriGas Partners, L.P.	$ (47,347)	$ (54,056)	$ 289,893	$ 221,222
Income tax expense	407	1,155	2,611	1,671
Interest expense	40,617	41,213	165,581	165,432
Depreciation	37,095	41,638	154,020	159,306
Amortization	10,784	10,740	43,195	43,565
EBITDA	$ 41,556	$ 40,690	$ 655,300	$ 591,196
Heritage Propane acquisition and transition expense	-	5,793	-	26,539
Net losses on commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions	6,714	-	9,495	-
Adjusted EBITDA	$ 48,270	$ 46,483	$ 664,795	$ 617,735

AmeriGas Partners Adj. EBITDA Guidance Reconciliation

	Forecast Fiscal Year Ending September 30, 2015
Net income attributable to AmeriGas Partners, L.P. (estimate)	$ 323,000
Interest expense (estimate)	163,000
Income tax expense (estimate)	4,000
Depreciation (estimate)	154,000
Amortization (estimate)	41,000
Adjusted EBITDA (c)	$ 685,000

(c) Represents the midpoint of Adjusted EBITDA guidance range for fiscal 2015. Forecasted net income attributable to AmeriGas Partners, L.P. for fiscal 2015 excludes the impact of potential gains or losses on commodity derivative instruments not associated with current period transactions since this number cannot be reasonably estimated / forecasted.


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