

FINANCE



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Winning financial management

FINANCE FOCUS



- **Funding AGL's strategy**
 - **balance sheet capacity**
 - **non core asset sales/rationalisation**
 - **cash flow**
 - **capital management review**

BALANCE SHEET CAPACITY



	Book value of funds employed \$Million	Potential gearing D/(D/E)	Capacity \$Million
Networks	2,015	65-70%	1,300-1,400
ES&M	321	25%	80
Investments	643	45%	300
International	1,602	55%	900
Other	157	-	-
	<u>4,738</u>		<u>2,580-2,680</u>
Net borrowings 31/12/01			2,475
Capacity before disposals (approx)			100-200

SALE OF NON CORE ASSETS



- **Targeting sale proceeds of \$400m over next 18 months**
 - **WA power generation**
 - **COMindico**
 - **Others**

CASH FLOW

BALANCE SHEET CAPACITY



\$Million

Operating cash flow

?

SIB capex

- Networks

50

- International

20

- IT

20

- Other

20

110

Generation

200

Net sales

- AGL

(94)

- NGC

(113)

CAPITAL MANAGEMENT REVIEW

- **Funding alternatives**
- **Credit rating issues**
- **Distribution of franking**
- **Shareholder distributions**
 - **dividends**
 - **capital**