

# Appendix 4B

## Half yearly/~~preliminary final~~ report

Introduced 30/6/2002.

Name of entity

**The Australian Gas Light Company**

ABN or equivalent company reference    Half yearly (tick)    Preliminary final (tick)    Half year/~~financial year ended~~ ('current period')

**95 052 167 405**   
    
    
**31 December 2002**

### For announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A Million

Revenues from ordinary activities (item 1.1)	Up	<b>21.3 %</b>	to	<b>2,102.7</b>
Profit (loss) from ordinary activities after tax attributable to members (item 1.22)	Up	<b>129.9 %</b>	to	<b>190.6</b>
Profit (loss) from extraordinary items after tax attributable to members (item 2.5(d))	Gain (loss) of			<b>Nil</b>
Net profit (loss) for the period attributable to members (item 1.11)	Up	<b>129.9 %</b>	to	<b>190.6</b>
<b>Dividends (distributions)</b>	Amount per security			Franked amount per security
<del>Final dividend (Preliminary final report only - item 15.4)</del> Interim dividend (Half yearly report only - item 15.6)	<b>26 ¢</b>			<b>16 ¢</b>
<del>Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)</del>	<b>25 ¢</b>			<b>19 ¢</b>
†Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)		<b>14 March 2003</b>		
Brief explanation of any of the figures reported above (see Note 1) and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:				
<b># Significant items</b> <b>Profit from ordinary activities after tax includes significant revenues and expenses as detailed in Attachment A.</b>				

This half-yearly report it is to be read in conjunction with the most recent annual financial report.

### Condensed consolidated statement of financial performance

	Current period - \$A Million	Previous corresponding period - \$A Million
1.1 Revenues from ordinary activities ( <i>see items 1.23 – 1.25</i> )	2,102.7	1,733.2
1.2 Expenses from ordinary activities ( <i>see items 1.26 &amp; 1.27</i> )	(1,749.9)	(1,542.0)
1.3 Borrowing costs	(91.9)	(91.4)
1.4 Share of net profits (losses) of associates and joint venture entities ( <i>see item 16.7</i> )	44.9	40.4
<b>1.5 Profit (loss) from ordinary activities before tax</b>	<b>305.8</b>	<b>140.2</b>
1.6 Income tax on ordinary activities ( <i>see note 4</i> ) *	(103.9)	(52.7)
<b>1.7 Profit (loss) from ordinary activities after tax</b>	<b>201.9</b>	<b>87.5</b>
1.8 Profit (loss) from extraordinary items after tax ( <i>see item 2.5</i> )	0.0	0.0
<b>1.9 Net profit (loss)</b>	<b>201.9</b>	<b>87.5</b>
1.10 Net profit (loss) attributable to outside <sup>+</sup> equity interests	(11.3)	(4.6)
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>190.6</b>	<b>82.9</b>
<b>Non-owner transaction changes in equity</b>		
1.12 Increase (decrease) in revaluation reserves	0.0	0.0
1.13 Net exchange differences recognised in equity	19.7	(0.8)
1.14 Other revenue, expense and initial adjustments recognised directly in equity (attach details)	0.0	0.0
1.15 Initial adjustments from UIG transitional provisions	0.0	0.0
1.16 Total transactions and adjustments recognised directly in equity (items 1.12 to 1.15)	19.7	(0.8)
<b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>	<b>210.3</b>	<b>82.1</b>

Earnings per security (EPS)	Current period	Previous corresponding Period
1.18 Basic EPS	44.1 ¢	22.6 ¢
1.19 Diluted EPS	44.1 ¢	22.6 ¢

\* Item 1.6 Income tax on ordinary activities - refer Attachment C



## Notes to the condensed consolidated statement of financial performance

### Profit (loss) from ordinary activities attributable to members

	Current period - \$A Million	Previous corresponding period - \$A Million
1.20 Profit (loss) from ordinary activities after tax ( <i>item 1.7</i> )	201.9	87.5
1.21 Less (plus) outside <sup>+</sup> equity interests	11.3	4.6
<b>1.22 Profit (loss) from ordinary activities after tax, attributable to members</b>	<b>190.6</b>	<b>82.9</b>

### Revenue and expenses from ordinary activities

(see note 15)

	Current period - \$A Million	Previous corresponding period - \$A Million
1.23 Revenue from sales or services	<span style="font-size: 3em;">}</span> Refer Attachment B	
1.24 Interest revenue		
1.25 Other relevant revenue		
1.26 Details of relevant expenses		
1.27 Depreciation and amortisation excluding amortisation of intangibles ( <i>see item 2.3</i> )		
<b>Capitalised outlays</b>		
1.28 Interest costs capitalised in asset values	3.5	0.0
1.29 Outlays capitalised in intangibles (unless arising from an <sup>+</sup> acquisition of a business)	0.0	0.0

### Consolidated retained profits

	Current period - \$A Million	Previous corresponding period - \$A Million
1.30 Retained profits (accumulated losses) at the beginning of the financial period	560.6	565.0
1.31 Net profit (loss) attributable to members ( <i>item 1.11</i> )	190.6	82.9
1.32 Net transfers from (to) reserves ( <i>details if material</i> )	0.0	0.0
1.33 Net effect of changes in accounting policies	0.0	0.0
1.34 Dividends and other equity distributions paid or payable	(13.9)	(92.9)
<b>1.35 Retained profits (accumulated losses) at end of financial period</b>	<b>737.3</b>	<b>555.0</b>



## Intangible and extraordinary items

		<i>Consolidated – current period</i>			
		Before tax \$A Million  (a)	Related tax \$A Million  (b)	Related outside +equity interests \$A Million  (c)	Amount (after tax) attributable to members \$A Million  (d)
2.1	Amortisation of goodwill	4.4	0.0	0.0	4.4
2.2	Amortisation of other intangibles	12.2	0.0	0.0	12.2
<b>2.3</b>	<b>Total amortisation of intangibles</b>	<b>16.6</b>	<b>0.0</b>	<b>0.0</b>	<b>16.6</b>
2.4	Extraordinary items (details)	0.0	0.0	0.0	0.0
<b>2.5</b>	<b>Total extraordinary items</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

## Comparison of half year profits

*(Preliminary final report only)*

- 3.1 Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year (item 1.22 in the half yearly report)
- 3.2 Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year

	Current year - \$A Million	Previous year - \$A Million
3.1	N/A	N/A
3.2	N/A	N/A

<b>Condensed consolidated statement of financial position</b>		At end of current period \$A Million	As shown in last annual report \$A Million	As in last half yearly report \$A Million
<b>Current assets</b>				
4.1	Cash	20.0	13.1	27.1
4.2	Receivables	713.7	702.0	553.0
4.3	Investments	0.0	0.0	0.0
4.4	Inventories	25.2	21.5	19.0
	Property, plant and equipment	419.2	10.6	20.8
	Intangibles	0.0	0.0	0.0
	Deferred expenditure	10.5	0.0	0.0
4.5	Tax assets	0.0	0.0	0.0
4.6	Other (provide details if material)	109.7	87.9	55.8
<b>4.7</b>	<b>Total current assets</b>	<b>1,298.3</b>	<b>835.1</b>	<b>675.7</b>
<b>Non-current assets</b>				
4.8	Receivables	37.9	33.9	73.5
4.9	Equity accounted investments	454.8	446.6	583.5
4.10	Other financial assets	241.4	243.2	91.9
4.11	Inventories	0.0	0.0	0.6
4.12	Exploration and evaluation expenditure capitalised ( <i>see para .71 of AASB 1022</i> )	0.0	0.0	0.0
4.13	Development properties (+ mining entities)	0.0	0.0	0.0
4.14	Other property, plant and equipment (net)	2,704.1	3,041.7	2,911.1
4.15	Intangibles (net)	1,682.5	888.9	881.5
	Deferred expenditure	339.1	339.7	323.6
4.16	Tax assets	108.0	96.3	99.5
4.17	Other (provide details if material)	89.2	91.1	111.0
<b>4.18</b>	<b>Total non-current assets</b>	<b>5,657.0</b>	<b>5,181.4</b>	<b>5,076.2</b>
<b>4.19</b>	<b>Total assets</b>	<b>6,955.3</b>	<b>6,016.5</b>	<b>5,751.9</b>
<b>Current Liabilities</b>				
4.20	Payables	438.5	494.7	371.0
4.21	Interest bearing liabilities	771.1	518.4	393.5
4.22	Tax liabilities	59.1	35.4	45.6
4.23	Provisions exc. tax liabilities	125.4	178.5	183.2
4.24	Other (provide details if material)	9.1	10.6	9.1
<b>4.25</b>	<b>Total current liabilities</b>	<b>1,403.2</b>	<b>1,237.6</b>	<b>1,002.4</b>
<b>Non-current liabilities</b>				
4.26	Payables	0.0	0.0	0.0
4.27	Interest bearing liabilities	2,018.3	1,991.7	2,110.7
4.28	Tax liabilities	402.4	390.2	349.3
4.29	Provisions exc. tax liabilities	69.0	63.8	81.8
4.30	Other (provide details if material)	2.6	4.8	6.1
<b>4.31</b>	<b>Total non-current liabilities</b>	<b>2,492.3</b>	<b>2,450.5</b>	<b>2,547.9</b>
<b>4.32</b>	<b>Total liabilities</b>	<b>3,895.5</b>	<b>3,688.1</b>	<b>3,550.3</b>
<b>4.33</b>	<b>Net assets</b>	<b>3,059.8</b>	<b>2,328.4</b>	<b>2,201.6</b>



## Condensed consolidated statement of financial position continued

	<b>Equity</b>			
4.34	Capital/contributed equity	2,066.2	382.1	371.5
4.35	Reserves	14.1	1,158.3	1,066.4
4.36	Retained profits (accumulated losses)	737.3	560.6	555.0
<b>4.37</b>	<b>Equity attributable to members of the parent entity</b>	<b>2,817.6</b>	<b>2,101.0</b>	<b>1,992.9</b>
4.38	Outside <sup>+</sup> equity interests in controlled entities	242.2	227.4	208.7
<b>4.39</b>	<b>Total equity</b>	<b>3,059.8</b>	<b>2,328.4</b>	<b>2,201.6</b>
<hr/>				
4.40	Preference capital included as part of 4.37	0.0	0.0	0.0

## Notes to the condensed consolidated statement of financial position

### Exploration and evaluation expenditure capitalised

(To be completed only by entities with mining interests if amounts are material. Include all expenditure incurred.)

	Current period \$A Million	Previous corresponding period - \$A Million
5.1	Opening balance	
5.2	Expenditure incurred during current period	
5.3	Expenditure written off during current period	
5.4	Acquisitions, disposals, revaluation increments, etc.	
5.5	Expenditure transferred to development properties	
<b>5.6</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.12)</b>	<b>0.0</b>

### Development properties

(To be completed only by entities with mining interests if amounts are material)

	Current period \$A Million	Previous corresponding Period - \$A Million
6.1	Opening balance	
6.2	Expenditure incurred during current period	
6.3	Expenditure transferred from exploration and evaluation	
6.4	Expenditure written off during current period	
6.5	Acquisitions, disposals, revaluation increments, etc.	
6.6	Expenditure transferred to mine properties	
<b>6.7</b>	<b>Closing balance as shown in the consolidated balance sheet (item 4.13)</b>	<b>0.0</b>



## Condensed consolidated statement of cash flows

		Current period \$A Million	Previous corresponding period - \$A Million
<b>Cash flows related to operating activities</b>			
7.1	Receipts from customers	2,643.3	1,937.6
7.2	Payments to suppliers and employees	(2,212.9)	(1,703.0)
7.3	Dividends received from associates	35.4	32.6
7.4	Other dividends received	5.2	0.0
7.5	Interest and other items of similar nature received	6.2	7.3
7.6	Interest and other costs of finance paid	(92.6)	(99.4)
7.7	Income taxes paid	(45.8)	(15.7)
7.8	Other (provide details if material)	0.0	0.0
<b>7.9</b>	<b>Net operating cash flows</b>	<b>338.8</b>	<b>159.4</b>
<b>Cash flows related to investing activities</b>			
7.10	Payment for purchases of property, plant and equipment	(171.0)	(237.0)
7.11	Proceeds from sale of property, plant and equipment	143.3	211.9
7.12	Payment for purchases of equity investments	(27.0)	(33.8)
7.13	Proceeds from sale of equity investments	1.5	2.8
7.14	Loans to other entities	(5.6)	(2.8)
7.15	Loans repaid by other entities	30.4	2.6
7.16	Other-proceeds from disposal of controlled entities	8.5	0.0
<b>7.17</b>	<b>Net investing cash flows</b>	<b>(19.9)</b>	<b>(56.3)</b>
<b>Cash flows related to financing activities</b>			
7.18	Proceeds from issues of <sup>+</sup> securities (shares, options, etc.)	520.3	97.8
7.19	Proceeds from borrowings	1,134.3	801.0
7.20	Repayment of borrowings	(1,848.9)	(991.1)
7.21	Dividends paid	(125.7)	(98.1)
7.22	Other (provide details if material)	0.0	0.0
<b>7.23</b>	<b>Net financing cash flows</b>	<b>(320.0)</b>	<b>(190.4)</b>
7.24	<b>Net increase (decrease) in cash held</b>	<b>(1.1)</b>	<b>(87.3)</b>
7.25	Cash at beginning of period (see Reconciliation of cash)	5.8	100.7
7.26	Exchange rate adjustments to item 7.25.	(2.1)	0.6
<b>7.27</b>	<b>Cash at end of period</b> (see Reconciliation of cash)	<b>2.6</b>	<b>14.0</b>

## Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (If an amount is quantified, show comparative amount.)

N/A
-----



## Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current period \$A Million	Previous corresponding period - \$A Million
8.1	Cash on hand and at bank	14.2	24.4
8.2	Deposits at call	5.8	2.7
8.3	Bank overdraft	(17.4)	(13.1)
8.4	Other (provide details)	0.0	0.0
<b>8.5</b>	<b>Total cash at end of period (item 7.27)</b>	<b>2.6</b>	<b>14.0</b>

## Other notes to the condensed financial statements

Ratios		Current period	Previous corresponding Period
<b>Profit before tax / revenue</b>			
9.1	Consolidated profit (loss) from ordinary activities before tax (item 1.5) as a percentage of revenue (item 1.1)	14.5 %	8.1 %
<b>Profit after tax / <sup>+</sup>equity interests</b>			
9.2	Consolidated net profit (loss) from ordinary activities after tax attributable to members (item 1.11) as a percentage of equity (similarly attributable) at the end of the period (item 4.37)	6.8 %	4.2 %



**Earnings per security (EPS)**

10. Details of basic and diluted EPS reported separately in accordance with paragraph 9 and 18 of AASB 1027: *Earnings Per Share* are as follows.

	Current period	Previous corresponding Period
(a) Basic EPS	44.1 ¢	22.6 ¢
(b) Diluted EPS	44.1 ¢	22.6 ¢
(c) Weighted average number of ordinary shares outstanding used in calculation of basic and diluted EPS	431,798,500	367,568,963

**NTA backing**

(see note 7)

11.1 Net tangible asset backing per <sup>+</sup>ordinary security

	Current period	Previous corresponding Period
11.1 Net tangible asset backing per <sup>+</sup> ordinary security	\$2.58	\$2.99

**Discontinuing Operations**

*(Entities must report a description of any significant activities or events relating to discontinuing operations in accordance with paragraph 7.5 (g) of AASB 1029: Interim Financial Reporting, or, the details of discontinuing operations they have disclosed in their accounts in accordance with AASB 1042: Discontinuing Operations (see note 17).)*

12.1 Discontinuing Operations

N/A
-----



### Control gained over entities having material effect

13.1	Name of entity (or group of entities)	Pulse Group
13.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	\$ 31.0 Million
13.3	Date from which such profit has been calculated	31 July 2002
13.4	Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ (1.7) Million

### Loss of control of entities having material effect

14.1	Name of entity (or group of entities)	N/A
14.2	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
14.3	Date to which the profit (loss) in item 14.2 has been calculated	
14.4	Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
14.5	Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

### Dividends (in the case of a trust, distributions)

15.1	Date the dividend (distribution) is payable	28 March 2003
15.2	Record date to determine entitlements to the dividend (distribution)	14 March 2003
15.3	If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

### Amount per security

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
15.4	(Preliminary final report only) Final dividend: Current year	N/A ¢	N/A ¢	N/A ¢
15.5	Previous year	N/A ¢	N/A ¢	N/A ¢
15.6	(Half yearly and preliminary final reports) Interim dividend: Current year	26 ¢	16 ¢	0 ¢
15.7	Previous year	25 ¢	19 ¢	0 ¢

Note: The financial effect of the current period's interim dividend has not been recognised in the 31 December 2002 financial report in-line with the requirements of AASB 1044 Provisions, Contingent Liabilities and Contingent Assets.



**Total dividend (distribution) per security (interim plus final)**

(Preliminary final report only)

	Current year	Previous year
15.8 <sup>+</sup> Ordinary securities	N/A	N/A
15.9 Preference <sup>+</sup> securities	N/A	N/A

**Half yearly report - interim dividend (distribution) on all securities ~~or~~  
Preliminary final report - final dividend (distribution) on all securities**

	Current period \$A Million	Previous corresponding Period - \$A Million
15.10 <sup>+</sup> Ordinary securities ( <i>each class separately</i> )	0.0	92.9
15.11 Preference <sup>+</sup> securities ( <i>each class separately</i> )	N/A	N/A
15.12 Other equity instruments ( <i>each class separately</i> )	N/A	N/A
<b>15.13 Total</b>	<b>0.0</b>	<b>92.9</b>

The <sup>+</sup>dividend or distribution plans shown below are in operation.

**The Australian Gas Light Company Dividend Reinvestment Plan**

The last date(s) for receipt of election notices for the <sup>+</sup>dividend or distribution plans

**14 March 2003**

Any other disclosures in relation to dividends (distributions). (*For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting*)

**Subsequent to 31 December 2002, the Directors have declared an interim dividend of 26 cents per share, franked to 16 cents per share, totalling \$114.2 million. In accordance with the adoption of AASB 1044 Provisions, Contingent Liabilities and Contingent Assets, the dividend has not been recognised in the 31 December 2002 financial report as the dividend has not been declared on or before the 31 December 2002.**

**Details of aggregate share of profits (losses) of associates and joint venture entities**

Group's share of associates' and joint venture entities':	Current period \$A Million	Previous corresponding period - \$A Million
16.1 Profit (loss) from ordinary activities before tax	54.5	44.7
16.2 Income tax on ordinary activities	(9.6)	(4.3)
<b>16.3 Profit (loss) from ordinary activities after tax</b>	<b>44.9</b>	<b>40.4</b>
16.4 Extraordinary items net of tax	0.0	0.0
<b>16.5 Net profit (loss)</b>	<b>44.9</b>	<b>40.4</b>
16.6 Adjustments	0.0	0.0
<b>16.7 Share of net profit (loss) of associates and joint venture entities</b>	<b>44.9</b>	<b>40.4</b>



### Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities. (If the interest was acquired or disposed of during either the current or previous corresponding period, indicate date of acquisition ("from dd/mm/yy") or disposal ("to dd/mm/yy").)

Name of entity	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss) (item 1.9)	
	Current Period	Previous corresponding period	Current period \$A Million	Previous corresponding period - \$A Million
<b>17.1 Equity accounted associates and joint venture entities</b>				
Auscom Holdings Pty Limited	50.0	50.0	6.1	5.6
Australian Pipeline Trust	30.0	30.0	10.8	8.8
ActewAGL	50.0	50.0	27.2	25.3
Agility Clough Lucas	50.0	50.0	0.1	1.8
Agility Diona	50.0	0.0	0.4	0.0
Agility Kembla	50.0	0.0	0.0	0.0
TrustPower Limited	(a)	13.9*	0.0	(1.4)
Other			0.3	0.3
<b>17.2 Total</b>			<b>44.9</b>	<b>40.4</b>
<b>17.3 Other material interests</b>				
COMindico	34.7	20.6	0.0	0.0
TransACT	16.1	20.0	0.0	0.0
TrustPower Limited (a)	20.5	(a)	5.2	0.0
<b>17.4 Total</b>			<b>50.1</b>	<b>40.4</b>

\*Relevant interest is 20.5%

(a) Not equity accounted from 1 February 2002.



### Issued and quoted securities at end of current period

(Description must include rate of interest and any redemption or conversion rights together with prices and dates)

Category of +securities	Total number	Number quoted	Issue price per security (see note 14) (cents)	Amount paid up per security (see note 14) (cents)
<b>18.1 Preference +securities</b> (description)	Nil	Nil		
18.2 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks, redemptions	Nil Nil	Nil Nil		
<b>18.3 +Ordinary securities</b>	439,293,639	439,293,639		
18.4 Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	57,138,329 Nil	57,138,329 Nil		
<b>18.5 +Convertible debt securities</b> (description and conversion factor)	Nil	Nil		
18.6 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil		
<b>18.7 Options</b> (description and conversion factor)	Nil	Nil	<i>Exercise price</i>	<i>Expiry date (if any)</i>
18.8 Issued during current period	Nil	Nil		
18.9 Exercised during current period	Nil	Nil		
18.10 Expired during current period	Nil	Nil		
<b>18.11 Debentures</b> (description)	Nil	Nil		
18.12 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil		
<b>18.13 Unsecured notes</b> (description)	Nil	Nil		
18.14 Changes during current period (a) Increases through issues (b) Decreases through securities matured, converted	Nil Nil	Nil Nil		



## Segment reporting

(Information on the business and geographical segments of the entity must be reported for the current period in accordance with AASB 1005: *Segment Reporting* and for half year reports, AASB 1029: *Interim Financial Reporting*. Because entities employ different structures a pro forma cannot be provided. Segment information in the layout employed in the entity's <sup>+</sup>accounts should be reported separately and attached to this report.)

Refer Attachment D1, D2, and D3

## Comments by directors

(Comments on the following matters are required by ASX or, in relation to the half yearly report, by AASB 1029: *Interim Financial Reporting*. The comments do not take the place of the directors' report and statement (as required by the Corporations Act) and may be incorporated into the directors' report and statement. For both half yearly and preliminary final reports, if there are no comments in a section, state NIL. If there is insufficient space to comment, attach notes to this report.)

## Basis of financial report preparation

19.1 *If this report is a half yearly report, it is a general purpose financial report prepared in accordance with the listing rules and AASB 1029: Interim Financial Reporting. It should be read in conjunction with the last <sup>+</sup>annual report and any announcements to the market made by the entity during the period. The financial statements in this report are "condensed financial statements" as defined in AASB 1029: Interim Financial Reporting. This report does not include all the notes of the type normally included in an annual financial report. [Delete if preliminary final report.]*

19.2 Material factors affecting the revenues and expenses of the economic entity for the current period. In a half yearly report, provide explanatory comments about any seasonal or irregular factors affecting operations.

Refer to separate accompanying commentary

19.3 A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

Refer Attachment E

19.4 Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

The balance of the franking credits available to the consolidated entity at 31 December 2002 was \$85.4 million. It is expected that dividends paid during the next twelve months will be partly franked principally out of franking credits that will arise in the period.



19.5 Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

N/A

19.6 Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous +annual reports if those revisions have a material effect in this half year.

N/A

19.7 Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last + annual report.

**Refer to Attachment E**

**Additional disclosure for trusts**

20.1	Number of units held by the management company or responsible entity or their related parties.	N/A
20.2	A statement of the fees and commissions payable to the management company or responsible entity.  Identify: <ul style="list-style-type: none"> <li>• initial service charges</li> <li>• management fees</li> <li>• other fees</li> </ul>	N/A

**Annual meeting**

*(Preliminary final report only)*

The annual meeting will be held as follows:

Place

N/A

Date

Time

Approximate date the <sup>+</sup>annual report will be available

**Compliance statement**

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

N/A

- 2 This report, and the <sup>+</sup>accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does/~~does not\* (delete one)~~ give a true and fair view of the matters disclosed (see note 2).

- 4 This report is based on <sup>+</sup>accounts to which one of the following applies.

*(Tick one)*

The <sup>+</sup>accounts have been audited.

The <sup>+</sup>accounts have been subject to review.

The <sup>+</sup>accounts are in the process of being audited or subject to review.

The <sup>+</sup>accounts have *not* yet been audited or reviewed.

- 5 ~~If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available\* (delete one) (Half yearly report only - the audit report or review by the auditor must be attached to this report if this report is to satisfy the requirements of the Corporations Act.)~~

- 6 The entity has/~~does not have\* (delete one)~~ a formally constituted audit committee.

Sign here: ..... Date: **6 March 2003**  
 (Director/~~Company Secretary~~)

Print name: **M. J. Phillips (Chairman)**



**Attachment A**

**Details of significant items included in revenues and expenses (item 1.23 - 1.26) from ordinary activities**

	<b>Consolidated</b>	
	<b>31 Dec 2002</b>	<b>31 Dec 2001</b>
	<b>\$m</b>	<b>\$m</b>
<b>Significant items</b>		
Profit on sale of surplus property held for sale (Income tax expense applicable \$0.3 million)	<b>13.5</b>	0.0
Write-off relating to COMindico (Income tax expense applicable \$nil)	<b>(10.0)</b>	0.0
Gain relating to contract settlement in NGC (Income tax expense applicable \$3.1million)	<b>0.0</b>	9.6
Losses and write downs relating to NGC (Income tax benefit applicable \$15.0 million)	<b>0.0</b>	(45.5)
Losses and write downs relating to Dingo Blue (Income tax benefit applicable \$nil)	<b>0.0</b>	(45.0)



**Attachment B**

Details of revenues and expenses (items 1.23 - 1.26) from ordinary activities are as follows:

	Consolidated	
	31 Dec 2002	31 Dec 2001
	\$m	\$m
<b>(a) Revenue from ordinary activities</b>		
Sales of goods		
Operating activities	1,746.6	1,312.0
Other activities	0.0	3.2
Provision of services		
Construction contracts	18.1	43.1
Other operating activities	168.6	167.7
Interest		
Associates and joint venture entities	0.9	2.4
Other operating entities	5.1	3.9
Other activities	0.5	0.5
Dividends	5.2	0.0
Share of partnership profits(losses)	0.1	(0.3)
Disposals of assets		
Operating activities	122.4	198.9
Other activities	21.4	0.0
Disposal of controlled entities	8.5	0.0
Rents		
Other activities	0.4	0.4
Write-back of provisions no longer required		
Doubtful debts	0.3	0.0
Employee entitlements	0.9	1.0
Other	2.5	0.4
Foreign currency exchange gain from non speculative dealing	1.2	0.0
	<b>2,102.7</b>	<b>1,733.2</b>

All revenue relates to operating activities unless otherwise stated.

<b>(b) Expenses from ordinary activities</b>		
Cost of goods sold	1,159.5	870.5
Administrative costs	78.5	71.1
Depreciation and amortisation	136.8	114.5
Employee entitlements	186.4	159.3
Losses and writedown relating to controlled entities	0.0	90.5
Writeoff relating to interest in other entities	10.0	0.0
Carrying value of assets/businesses sold	138.8	192.4
Other expenses	39.9	43.7
	<b>1,749.9</b>	<b>1,542.0</b>



Attachment C

Income tax attributable to ordinary activities (item 1.6) is arrived at as follows:

	Consolidated	
	31 Dec 2002	31 Dec 2001
	\$m	\$m
Prima facie income tax expense on profit from ordinary activities at 30%	(91.8)	(42.0)
Tax effect of permanent differences		
Non-allowable expenditure	(12.1)	(18.1)
Non-assessable revenue	1.0	3.8
Non rebateable/assessable dividends	(6.7)	(2.6)
Equity accounted profits of associates and joint venture entities	5.4	4.3
Development allowance	0.0	0.6
Profits/losses on disposals of assets	4.3	2.6
Other	(1.1)	(0.8)
Reversal of tax losses previously recognised now written off	0.0	(0.7)
Income tax over/(under) provided in prior years	(2.9)	0.2
Income tax attributable to ordinary activities	<b>(103.9)</b>	<b>(52.7)</b>

Attachment D1

Segment Reporting

Segment revenues

	External Sales Revenue		Other External Revenue		Inter-Segment Revenue		Equity Accounted Share of Net Profits		Total	
	31 Dec 02 \$m	31 Dec 01 \$m	31 Dec 02 \$m	31 Dec 01 \$m	31 Dec 02 \$m	31 Dec 01 \$m	31 Dec 02 \$m	31 Dec 01 \$m	31 Dec 02 \$m	31 Dec 01 \$m
<b>Energy Networks</b>										
Gas networks	15.1	21.2	1.7	0.5	149.2	147.5	0.0	0.0	166.0	169.2
Electricity networks	23.8	23.2	0.6	0.8	58.4	57.0	0.0	0.0	82.8	81.0
	<b>38.9</b>	<b>44.4</b>	<b>2.3</b>	<b>1.3</b>	<b>207.6</b>	<b>204.5</b>	<b>0.0</b>	<b>0.0</b>	<b>248.8</b>	<b>250.2</b>
<b>Agility</b>	<b>51.5</b>	<b>73.4</b>	<b>1.2</b>	<b>0.1</b>	<b>76.5</b>	<b>70.8</b>	<b>0.4</b>	<b>1.8</b>	<b>129.6</b>	<b>146.1</b>
<b>Energy Sales &amp; Marketing</b>	<b>1,484.3</b>	<b>1,012.0</b>	<b>1.1</b>	<b>1.5</b>	<b>14.2</b>	<b>12.1</b>	<b>0.0</b>	<b>(0.2)</b>	<b>1,499.6</b>	<b>1,025.4</b>
<b>Energy Investments</b>	<b>0.0</b>	<b>0.0</b>	<b>1.5</b>	<b>2.3</b>	<b>0.0</b>	<b>0.0</b>	<b>38.1</b>	<b>34.1</b>	<b>39.6</b>	<b>36.4</b>
<b>Power Generation</b>	<b>4.6</b>	<b>4.3</b>	<b>8.5</b>	<b>0.0</b>	<b>10.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>23.7</b>	<b>4.3</b>
<b>LPG</b>	<b>10.0</b>	<b>11.0</b>	<b>0.9</b>	<b>1.1</b>	<b>0.0</b>	<b>0.0</b>	<b>6.1</b>	<b>5.6</b>	<b>17.0</b>	<b>17.7</b>
<b>New Zealand business</b>	<b>324.4</b>	<b>325.6</b>	<b>127.4</b>	<b>207.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>(0.9)</b>	<b>452.1</b>	<b>532.4</b>
<b>Property</b>	<b>0.0</b>	<b>3.3</b>	<b>21.9</b>	<b>0.5</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>22.0</b>	<b>3.9</b>
<b>Telecommunications</b>	<b>2.6</b>	<b>25.2</b>	<b>0.0</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.6</b>	<b>25.5</b>
<b>Other</b>	<b>16.3</b>	<b>16.7</b>	<b>2.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>18.3</b>	<b>16.9</b>
Segment totals	<b>1,932.6</b>	<b>1,515.9</b>	<b>166.8</b>	<b>215.0</b>	<b>309.0</b>	<b>287.5</b>	<b>44.9</b>	<b>40.4</b>	<b>2,453.3</b>	<b>2,058.8</b>
Unallocated items	<b>1.1</b>	<b>0.4</b>	<b>2.2</b>	<b>1.9</b>	<b>0.8</b>	<b>2.7</b>	<b>0.0</b>	<b>0.0</b>	<b>4.1</b>	<b>5.0</b>
	<b>1,933.7</b>	<b>1,516.3</b>	<b>169.0</b>	<b>216.9</b>	<b>309.8</b>	<b>290.2</b>	<b>44.9</b>	<b>40.4</b>	<b>2,457.4</b>	<b>2,063.8</b>
Less: eliminations	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(309.8)</b>	<b>(290.2)</b>	<b>0.0</b>	<b>0.0</b>	<b>(309.8)</b>	<b>(290.2)</b>
	<b>1,933.7</b>	<b>1,516.3</b>	<b>169.0</b>	<b>216.9</b>	<b>0.0</b>	<b>0.0</b>	<b>44.9</b>	<b>40.4</b>	<b>2,147.6</b>	<b>1,773.6</b>

Revenue is principally derived from:

(i) *Energy Networks* – distribution of gas and electricity.

*Agility* – provision of infrastructure management and maintenance services.

*Energy Sales & Marketing* - sale of natural gas and electricity.

*Energy Investments* – investments in pipeline and energy utility entities.

*Power Generation* – generation and sale of electricity.

*LPG* - extraction and sale of LPG and investment in a joint venture entity involved in the LPG industry.

*New Zealand business* – investments in New Zealand entities involved in the gas and electricity industries.

*Property* - sale and rental of properties.

*Telecommunications* – investment in entities involved in the telecommunications industry.

*Other* - business development activities and Chilean gas business.

(ii) Inter-segment pricing is made on an "arms-length", commercial basis.



Attachment D2  
Segment Reporting (continued)

Segment results – profits/(losses)

	Segment Results - Profits/(Losses)		Depreciation and Amortisation		Other Non-cash Expenses	
	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01
	\$m	\$m	\$m	\$m	\$m	\$m
<b>Energy Networks</b>						
Gas networks	80.1	85.7	19.7	20.5	0.9	1.0
Electricity networks	28.7	28.1	12.2	14.0	0.1	0.6
	<b>108.8</b>	<b>113.8</b>	<b>31.9</b>	<b>34.5</b>	<b>1.0</b>	<b>1.6</b>
<b>Agility</b>	25.6	19.0	0.9	0.6	7.7	6.6
<b>Energy Sales &amp; Marketing</b>	124.8	64.9	17.5	5.8	11.7	3.9
<b>Energy Investments</b>	38.1	33.8	0.0	0.0	0.0	0.0
<b>Power Generation</b>	7.5	1.9	2.2	0.8	0.2	0.0
<b>LPG</b>	11.0	11.4	0.2	0.1	0.2	0.2
<b>New Zealand business</b>	83.7	50.2	71.0	60.8	1.7	0.0
<b>Property</b>	12.4	(0.6)	0.5	0.5	0.7	0.0
<b>Telecommunications</b>	(10.0)	(57.2)	0.0	1.9	10.2	3.4
<b>Other</b>	3.3	(2.9)	2.5	2.7	0.4	1.3
Segment totals	405.2	234.3	126.7	107.7	33.8	17.0
Unallocated items	(7.5)	(2.7)	10.1	6.8	4.1	2.6
	<b>397.7</b>	<b>231.6</b>	<b>136.8</b>	<b>114.5</b>	<b>37.9</b>	<b>19.6</b>
Less: borrowing costs	(91.9)	(91.4)				
<b>Profit from ordinary activities before income tax</b>	<b>305.8</b>	<b>140.2</b>				
Income tax attributable to ordinary activities	(103.9)	(52.7)				
<b>Profit from ordinary activities after income tax</b>	<b>201.9</b>	<b>87.5</b>				

Profit from ordinary activities before borrowing costs includes the significant items detailed in Attachment A, as allocated to relevant segments.

- (i) New Zealand business \$nil million (2001 \$(35.9) million)
- (ii) Property \$13.5 million (2001 \$nil million)
- (iii) Telecommunications \$(10.0) million (2001 \$(45.0) million)

Segment assets and liabilities

	Assets		Liabilities		Equity Accounted Investments *		Acquisition of Non-Current Assets *	
	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01	31 Dec 02	31 Dec 01
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Energy Networks</b>								
Gas networks	1,183.9	1,170.9	190.4	195.3	0.0	0.0	27.0	31.4
Electricity networks	1,107.6	1,100.2	68.4	60.9	0.0	0.0	15.5	18.0
	<b>2,291.5</b>	<b>2,271.1</b>	<b>258.8</b>	<b>256.2</b>	<b>0.0</b>	<b>0.0</b>	<b>42.5</b>	<b>49.4</b>
<b>Agility</b>	59.7	44.8	62.7	62.5	0.5	0.6	5.1	3.2
<b>Energy Sales &amp; Marketing</b>	1,834.5	691.5	540.8	371.8	0.0	0.0	885.4	4.0
<b>Energy Investments</b>	374.0	386.7	23.7	17.6	369.3	384.1	0.0	0.0
<b>Power Generation</b>	306.8	202.2	15.3	37.7	0.0	0.0	47.1	128.7
<b>LPG</b>	102.8	112.9	2.6	2.7	82.6	73.0	0.0	2.3
<b>New Zealand business</b>	1,555.7	1,604.9	730.8	887.2	2.4	125.8	24.4	50.4
<b>Property</b>	62.2	73.9	9.6	15.7	0.0	0.0	0.0	0.0
<b>Telecommunications</b>	105.7	86.7	4.4	17.8	0.0	0.0	0.0	2.6
<b>Other</b>	154.6	171.1	63.2	70.7	0.0	0.0	4.1	5.6
Segment totals	6,847.5	5,645.8	1,711.9	1,739.9	454.8	583.5	1,008.6	246.2
Unallocated items	107.8	106.1	2,183.6	1,810.4	0.0	0.0	16.6	16.3
<b>Consolidated totals</b>	<b>6,955.3</b>	<b>5,751.9</b>	<b>3,895.5</b>	<b>3,550.3</b>	<b>454.8</b>	<b>583.5</b>	<b>1,025.2</b>	<b>262.5</b>

\* included in Assets total



Attachment D3

Segment Reporting (continued)

Funds employed as at 31 December 2002

	Energy Networks		Agility	Energy Sales & Marketing	Energy Investments	Power Generation	LPG	New Zealand Business	Property	Telecom – munications	Other
	Gas networks	Electricity networks									
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Current assets											
Cash	0.0	0.0	0.1	11.1	0.0	0.0	0.0	0.8	0.0	0.2	5.9
Receivables	8.1	7.1	18.8	566.0	0.0	2.8	17.3	73.4	5.7	0.4	5.2
Inventories	0.1	0.0	4.0	11.8	0.0	1.4	0.0	6.3	0.0	0.0	1.6
Property, plant and equipment	2.1	0.0	0.0	0.0	0.0	0.0	0.0	416.5	0.6	0.0	0.0
Deferred expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.5	0.0	0.0	0.0
Other	0.5	0.0	1.0	67.3	0.0	1.6	0.1	36.4	0.5	0.0	0.0
Non-current assets											
Receivables	0.0	0.0	0.0	2.4	0.0	0.0	0.0	0.3	13.6	0.0	1.7
Equity accounted investments	0.0	0.0	0.5	0.0	369.3	0.0	82.6	2.4	0.0	0.0	0.0
Other financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	143.4	0.0	98.0	0.0
Property, plant and equipment	949.6	490.0	17.7	69.6	0.0	292.9	2.8	709.2	39.9	0.0	118.5
Intangibles	0.0	576.0	0.0	1,034.1	0.0	0.0	0.0	52.8	0.0	0.0	19.7
Deferred expenditure	221.5	24.9	0.0	16.3	0.0	2.8	0.0	4.4	0.0	0.0	0.7
Tax assets	1.0	9.6	10.2	55.9	4.7	5.3	0.0	18.6	1.9	7.1	1.3
Other	1.0	0.0	7.4	0.0	0.0	0.0	0.0	80.7	0.0	0.0	0.0
Total assets	1,183.9	1,107.6	59.7	1,834.5	374.0	306.8	102.8	1,555.7	62.2	105.7	154.6
Current liabilities											
Payables	3.7	7.3	16.1	310.0	0.0	6.6	0.3	58.8	1.3	1.8	3.4
Provisions	3.7	0.8	13.7	88.9	0.0	0.1	0.0	11.1	1.0	2.6	0.6
Tax liabilities	6.3	0.0	13.3	36.9	19.4	0.7	2.1	7.7	3.0	0.0	0.2
Unearned revenue	0.0	0.9	0.0	5.4	0.0	0.1	0.0	1.6	0.8	0.0	0.0
Non-current liabilities											
Payables	0.3	0.0	0.0	12.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.0	0.0	36.8	0.0	0.0	0.0	0.0	0.5	0.0	0.2
Tax liabilities	176.2	59.4	19.2	46.9	4.3	7.8	0.2	98.4	2.1	0.0	1.8
Unearned revenue	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0
Funds employed	993.5	1,039.2	(2.8)	1,297.4	350.3	291.5	100.2	1,378.1	52.6	101.3	148.4
Guarantee support	0.0	0.0	50.0	380.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



Attachment D3 (continued)

Segment Reporting (continued)

Funds employed as at 31 December 2002

	Energy Networks		Agility	Energy Sales & Marketing	Energy Investments	Power Generation	LPG	New Zealand Business	Property	Telecom – munications	Other
	Gas networks	Electricity networks									
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Profit from ordinary activities before borrowing costs and significant items</b>											
Before income tax	80.1	28.7	25.6	124.8	38.1	7.5	11.0	83.7	(1.1)	0.0	3.3
After income tax	58.4	19.5	18.1	79.0	27.9	5.0	9.5	48.4	(0.2)	0.0	3.0
<b>Profit from ordinary activities before borrowing costs and significant items/funds employed* (%)</b>											
Before income tax	8.1	2.8	n/a	15.0	10.9	2.8	10.5	5.9	n/a	0.0	2.2
After income tax	5.9	1.9	n/a	9.5	8.0	1.9	9.0	3.4	n/a	0.0	2.0
<b>Profit from ordinary activities before borrowing costs and significant items/funds employed including guarantee support (%)</b>											
Before income tax	8.1	2.8	115.3	10.9	10.9	2.8	10.5	5.9	n/a	0.0	2.2
After income tax	5.9	1.9	81.5	6.9	8.0	1.9	9.0	3.4	n/a	0.0	2.0

Geographical segments

	External Revenues		Assets		Acquisition of Non-current Assets	
	31 Dec 02	31 Dec 01	31 Dec 02	30 Jun 02	31 Dec 02	31 Dec 01
	\$m	\$m	\$m	\$m	\$m	\$m
Australia	1,632.9	1,183.0	5,250.1	3,980.3	996.7	206.5
New Zealand	451.8	533.3	1,555.7	1,604.9	24.4	50.4
Other	18.0	16.9	149.5	166.7	4.1	5.6
	2,102.7	1,733.2	6,955.3	5,751.9	1,025.2	262.5

There was no material inter-segment revenue.



**Attachment E**

**Notes to the Financial Statements**  
**For the half-year ended 31 December 2002**

**Note 1 – Basis of accounting**

This general purpose half-year consolidated financial report has been prepared in accordance with the Corporations Act 2001, Accounting Standard AASB 1029 *Interim Financial Reporting*, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board as applicable to the half-year report. The accounting policies applied in the preparation and presentation of the report are consistent with those applied in respect of the report for the year ended 30 June 2002. The half-year report does not include disclosures of the type normally included in the annual report. It is recommended that this financial report be read in conjunction with the 2002 annual report and any public announcements made by the Parent Entity during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

**Note 2 – Non-cash financing and investing activities**

There were no material non-cash financing or investing activities during the half-year ended 31 December 2002.

**Note 3 – Changes in accounting estimates**

During the period the useful lives of certain “installed” electricity distribution assets and gas meters were reviewed and amended, equivalent to their technical lives based on detailed engineering assessments. The extension in useful lives of the assets has resulted in a reduction of \$4.0 million in depreciation of plant and equipment for the period.

**Note 4 – Rounding of amounts**

Unless otherwise specified, amounts in the financial report are shown to the nearest tenth of a million dollars in accordance with ASIC Class Order 98/100 issued 10 July 1998. The Parent Entity is an entity to which the Class Order applies.

**Note 5 – Contingent liabilities**

	2002 \$m	2001 \$m
Bank guarantees in respect of the consolidated entity	8.7	8.7
Guarantees in respect of associates	5.0	5.0
	13.7	13.7

**Other contingent liabilities**

Claims and possible claims, indeterminable in amount, have arisen in the course of business against entities in the consolidated entity. Based on legal advice obtained, the directors of the Parent Entity believe that any resultant liability will not materially effect the financial position of the consolidated entity.

**Note 6 - Events subsequent to the end of the current period**

- (a) The sale of NGC Holdings Limited's (a partly-owned controlled entity) interests in the Taranaki Combined Cycle Power Station for NZ\$500 million and the Cobb Power Station for NZ\$92.5 million, announced on 23 December 2002, were approved by NGC's shareholders on 3 March 2003.
- (b) On 7 February 2003, The Independent Expert released the final redetermination of Maui gas reserves. The Independent Expert's assessment, which is binding on all parties to the Maui supply agreement, has significant implications for energy supply in New Zealand. For NGC the redetermination represents a reduction of approximately 138 PJ on the company's original allocation of reserves from the Maui gas field. Taking into account usage to date, NGC's remaining entitlements to Maui gas amount to 112 PJ as at 7 February 2003.



**Attachment E (continued)**

**Notes to the Financial Statements (continued)**  
**For the half-year ended 31 December 2002**

**Note 6 - Events subsequent to the end of the current period (continued)**

The financial effect on NGC of the redetermination has been mitigated by the agreement for the return to NGC, at no cost, of 78.9 PJ of prepaid Maui gas entitlements in settlement of the Gasbank 2 arrangement. NGC also has provision in its Maui purchase contract with the Crown to accelerate uptake of take-or-pay quantities. If prepaid gas cannot be delivered there is provision for financial compensation to NGC.

- (c) Subsequent to 31 December 2002, the Directors of AGL have declared an interim dividend of 26 cents per share, franked to 16 cents per share, totalling \$114.2 million. In accordance with the adoption of AASB 1044 *Provisions, Contingent Liabilities and Contingent Assets*, this dividend has not been recognised in the 31 December 2002 financial report, as the dividend has not been declared on or before 31 December 2002.