



AGL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2002

HIGHLIGHTS

- Strong underlying performance from all business segments
- Profit attributable to shareholders increased to \$190.6 million
- Interim dividend of 26 cents, franked to 16 cents, per share
- Underlying net profit up 30.4% to \$187.4 million
- Revenue up 21.3% to \$2,102.7 million
- EBITDA up 24.4 % to \$531 million
- Operating cash flow per share up by 79.6% to 78.5 cents
- Earnings per share up 10.7% to 43.4c
- Initial revenue from Pulse Energy acquisition contributed \$31 million to NPAT.
- AGL delivered on strategy of securing diversified, competitive gas supplies with a \$4.5 billion gas portfolio.
- New Corporate Constitution; five per cent limit on shareholdings removed.
- Sale of AGL's 15 per cent equity in Southern Cross Energy for \$11.9 million in December 2002.
- Further progress in NGC portfolio restructuring, including exit from retail interests, NZ \$87.5 million sale of Southdown power generation and Rotokawa PPA and NZ \$583.9 million sale of Taranaki and Cobb Hydro power stations.
- Retail pricing justification process concluded in Victoria and South Australia.
- Somerton and Hallett power stations successfully commissioned.

The Australian Gas Light Company

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AGL Centre Cnr Pacific Highway & Walker Street North Sydney NSW 2060
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media release

6 March 2003

AGL delivers strong results

AGL Chairman, John Phillips, today announced a profit attributable to shareholders of \$190.6 million for the half year ended 31 December 2002, compared with \$82.9 million for the previous corresponding period.

The underlying net profit of \$187.4 million is a 30 per cent improvement over the result for the same period last year.

Operating cash flow was up by \$179 million, gearing improved to 47.3 per cent and earnings per share, excluding significant items, rose by 10.7%. AGL's "A" credit rating was also confirmed during this period.

"These are strong results, reflecting AGL's clear corporate strategy and its commitment to market leadership in the energy industry. The half year also saw the introduction of a modern constitution for AGL on 11 October 2002," Mr Phillips said.

The AGL Board has declared an interim dividend payable on 28 March 2003 of 26 cents per share (franked to 16 cents). This compares to the previous corresponding half year's interim dividend of 25 cents (19 cents franked). There is no Foreign Dividend Account amount applying to the half year dividend.

Mr Phillips added, "These results have been boosted by the acquisition of Victorian energy retailer Pulse Energy in July 2002. The focus on extracting synergies through the integration of the business into AGL is delivering according to expectations."

Managing Director, Greg Martin said, "The strategy of redefining our core energy business portfolio and divesting non core businesses is proceeding well. AGL continues to build a sustainable business platform for future growth focussing on improved results for customers and shareholders."

"It is pleasing to see that even without the additional revenue from Pulse Energy, our core energy businesses have all performed strongly. Although milder weather affected the energy networks business, the overall performance of all businesses is in line with expectations," Mr Martin added.

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Business Segments

Energy Networks

- EBIT of \$108.8 million, down from \$113.8 million previously, represented a credible result given the impact of milder weather on the overall performance of gas networks and the lack of any transfer from the Gas Customers Reserve Account (GCRA). Period on period underlying performance (excluding the GCRA) is up by \$7.6 million.
- There is continued organic growth in networks with 21,800 additional customer sites added during the period.

Agility

- A 34% improvement in EBIT of \$25.6 million, up from \$19 million.
- Agility continues to expand its customer base and range of services offered.

Energy Sales & Marketing

- Energy Sales & Marketing Group contributed an EBIT of \$124.8 million compared with \$64.9 million previously. Pulse Energy contributed \$53.6 million to the result for the 5 month period that this business was owned by AGL. In the current competitive environment, this was a pleasing improvement in the underlying energy retailing business excluding Pulse Energy.
- The Energy Sales & Marketing business is focussed on south eastern Australia where organic growth, modest increases in customer demand and the acquisition of Pulse Energy has seen increased gas sales revenue of 39% and electricity sales revenue of 52%.
- Following the opening of most South Eastern Australian markets to competition, customer churn of 5% of the total market has been in line with expectations.

NGC (New Zealand)

- NGC (AGL 66%) contributed an EBIT of \$76.4 million down on the last half year's \$84.1 million due to a lower contribution from the power generation business. All core business streams are performing well.
- NGC exited gas retailing and power generation and refocussed core business on energy infrastructure and energy services.

ActewAGL (AGL 50%)

- EBIT increased 7.9% to \$27.3 million again reflecting the benefit of the multi utility model in Canberra.
- The impact of the recent bushfires is yet to be fully quantified, but is expected to be small.

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Outlook

On current trading conditions, and subject to no significant change in the market, the Directors expect the profit attributable to shareholders for the full year to exceed the previous year. For the usual seasonal reasons, the second half profit is not expected to be as strong as the first half.

For more detailed information visit www.aglinvestor.com

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