

PRESENTATION TO ORD MINNETT - 10 OCTOBER 2003

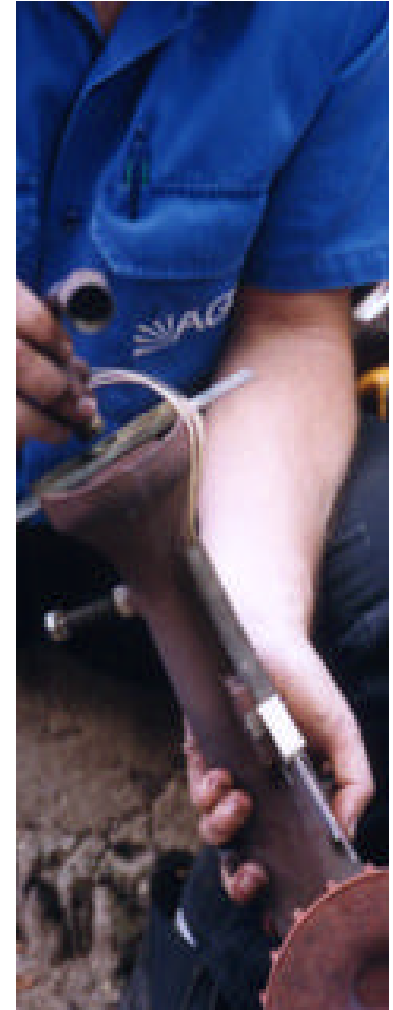
Greg Martin, Managing Director



AGENDA



- Annual Results 2002/2003
 - Highlights of Financial Performance
 - Positions of Market Leadership
- Strategy Implementation
- This Year's Priorities



FINANCIAL PERFORMANCE



	2002 \$m	2003 \$m	Change %
Revenue	3 148.4	4 687.8	+ 48.9
EBITDA	696.4	937.2	+ 34.6
EBIT	476.6	687.3	+ 44.2
NPAT	202.2	339.9	+ 68.1
Outside equity interests	(10.1)	(44.9)	
Profit attributable to shareholders	192.1	295.0	+ 53.6
Less			
Significant Items	(55.0)	(25.8)	
Underlying profit	247.1	320.8	+ 29.8

Portfolio of assets delivering strong financial results...

SEGMENT ANALYSIS



EBIT (exc. sig items)	2002 \$m	2003 \$m	Change %
Energy Networks			
- Gas	151.3	151.9	+ 0.4
- Electricity	60.8	64.0	+ 5.3
Energy Sales & Marketing	102.2	196.6	+ 92.4
New Zealand	137.6	139.1	+ 1.1
Energy Interests	80.8	104.7	+ 29.6
Agility	46.5	50.5	+ 8.6
Telecommunications	(13.5)	(0.7)	+ 94.8
Other	(13.6)	(17.5)	- 28.7
TOTAL	552.1	688.6	+ 24.7

Benefits of diverse downstream energy portfolio ...

FINANCIAL PERFORMANCE INDICATORS



	2002	2003	Change
Reported Performance			
- EPS	51.6c	67.3c	+ 30.4%
- OCF/S	92.5c	123.6c	+ 33.6%
- Total Dividend	52.0cps (35c franked)	55.0cps (34c franked)	+ 5.8%
- Return on Equity	9.6%	11.8%	+ 2.2
Underlying Performance			
- EPS	66.4c	73.2c	+ 10.2%
- Return on Equity	12.3%	12.8%	+ 0.5

Strong underlying performance ...

FINANCIAL POSITION



	2002	2003	Change %
Funds Employed			
- Australia (\$m)	3 343.3	4 463.5	+ 33.5
- New Zealand (\$m)	1 482.7	723.6	- 51.2
EBIT* / FE (%)	11.5	13.8	+ 20.0
Net Borrowings (\$m)	2 484.1	1 977.5	- 20.4
Interest coverage (times)	3.2	3.9	+ 21.9
Gearing (D/D+E) (%)	51.6	38.5	
Average Interest Rate (%)	6.8	6.6	
Debt duration (years)	4.5	4.7	

* EBIT excluding significant items

Strong financial position, poised for further growth ...

AUSTRALIAN MARKET LEADERSHIP POSITIONS



FY2003	Gas	Electricity
Retail customers ¹	1.4 million	1.7 million
Energy sales	155.2 PJ	21 208 GWh
Network connections	888 600	272 400
Total network	23 000 km	7 200 km
Assets owned / managed		
Transmission	9 500 km	-
Distribution	26 400 km	7 200 km
Peaking Generation	-	330 MW

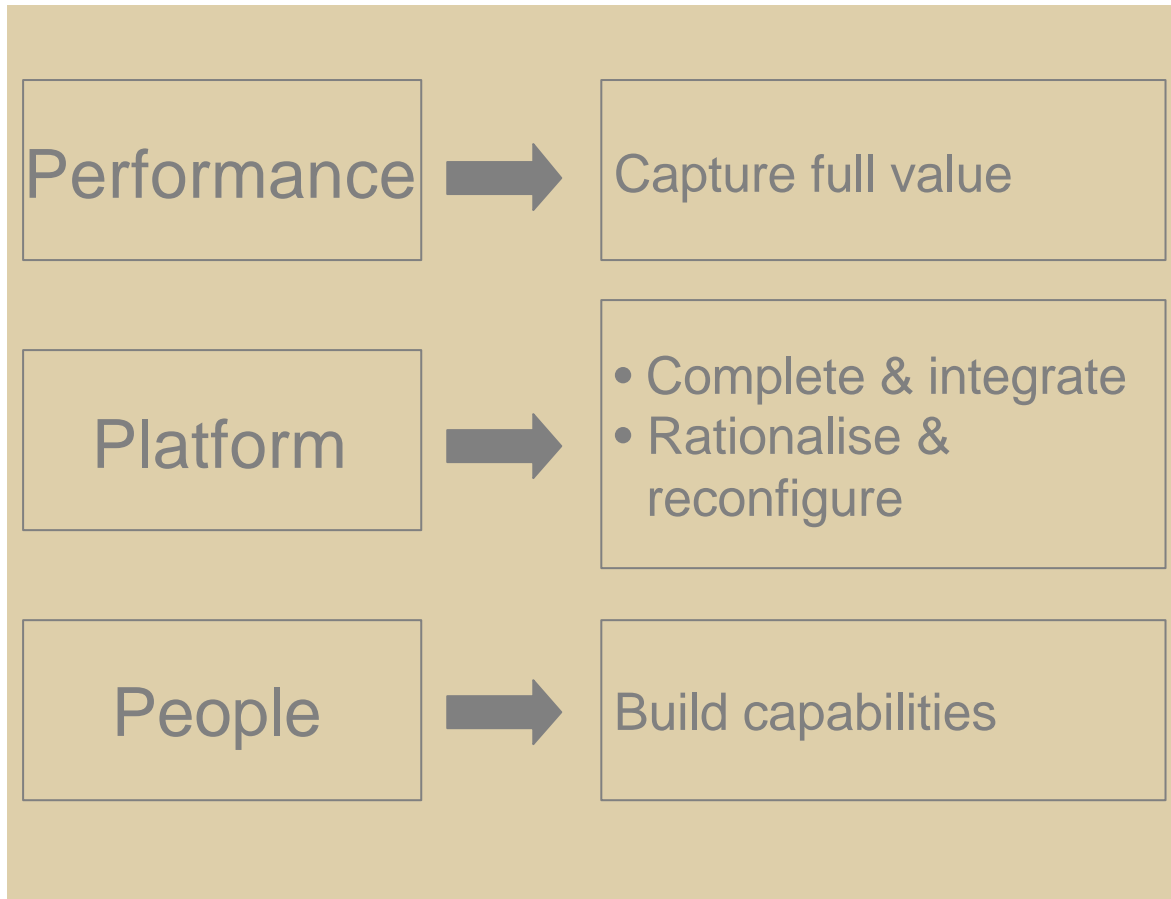
¹ Includes ActewAGL customers

Australia's largest downstream energy company ...

STRATEGY IMPLEMENTATION



AGL STRATEGY



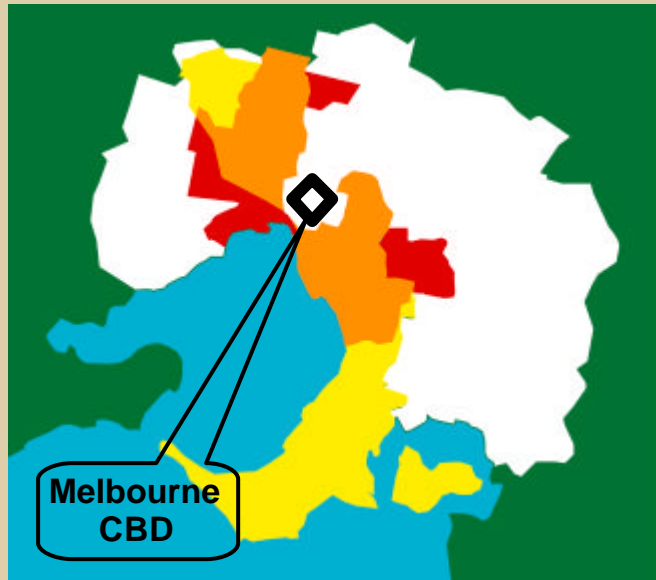
Our Purpose:

- To deliver sustainable earnings per share growth for AGL

Our Focus:

- AGL's core strengths in the downstream energy sector
- Energy knowhow & the capabilities of our people

PULSE ENERGY INTEGRATION



- Combined AGL Vic. customer base:
 - 1.3 million
- Contiguous footprint with pre-existing operations
- Access to Bass Strait Gas
- Tracking to expectations - strong initial contribution
- Now fully integrated into ES&M

■ Gas only ■ Electricity only ■ Dual Fuel

Cementing AGL's retail energy market leadership ...

WHOLESALE GAS PORTFOLIO



- Gas and transportation contracts collectively worth around \$4.5 billion
- 1 408 PJ over 15 years
- Supply flexibility to all key markets
- Long term certainty from diversified and market-competitive gas supplies

Competitive multi-field wholesale gas portfolio ...

POWER GENERATION STRATEGY



Two distinct elements:

- Positions of vertical integration - where appropriate
- Investments in power generation

Benefits:

- Earnings diversification
- Portfolio diversification
- Additional growth opportunities

Another plank in AGL's business platform ...

PEAKING POWER GENERATION



Somerton (Vic)

- Peaking operation
- 150 MW
- Gas fired

Hallett (SA)

- Peaking operation
- 180 MW
- Gas/distillate fired

Benefits:

- Enhancing the retail electricity business
- Wholesale electricity risk mitigation




Further investment as demand grows ...

LOY YANG POWER



- Conditional Share Sale Agreement signed 3 July 2003
- AGL investment of \$200m for 35% stake
- Lowest cash operating cost base load generator in the NEM
- 40 plus years fuel supply

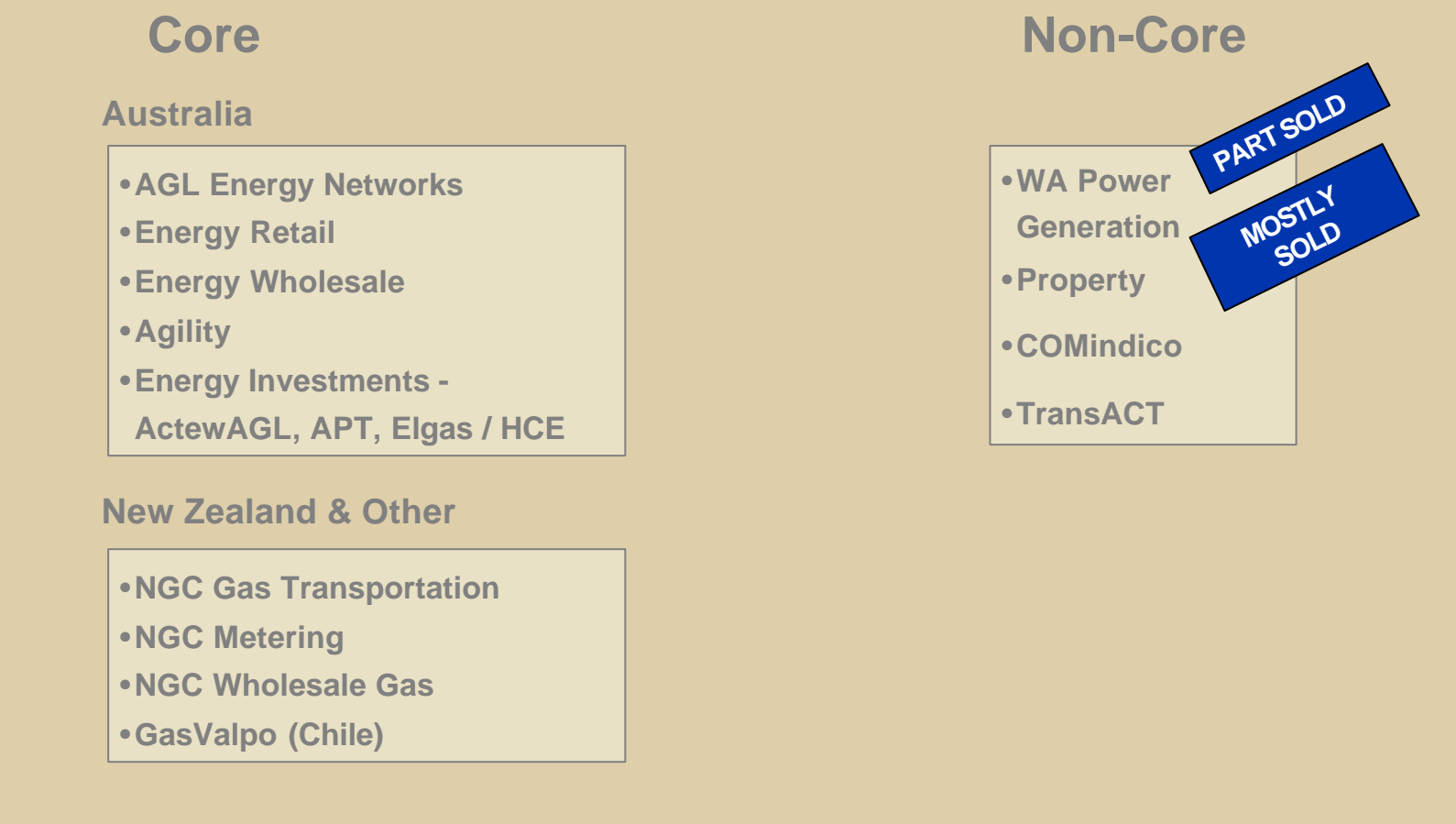
Loy Yang investment is aligned with AGL strategy:

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- Increased investment in important part of energy chain
 - Earning appropriate return on investment in lowest cost base load generator
 - Delivers a natural income hedge



An attractive investment opportunity...

MANAGING THE PORTFOLIO



Focus is on core businesses ...

THIS YEAR'S PRIORITIES



- **Performance**

- Focus on enhancing businesses within AGL's core asset portfolio

- **Platforms**

- Building on positions of market leadership

- **People**

- Retail capability and organisational effectiveness

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