



AGL RESULTS FOR THE YEAR ENDED 30 JUNE 2003

HIGHLIGHTS

- Revenue up 49% to \$4.7 billion
- Profit attributable to shareholders up 54% to \$295 million
- Underlying net profit up 30% to \$320.8 million
- Operating cash flow up 57% to \$542.2 million
- Underlying EPS up 10% to 73cps
- Final dividend of 29cps, franked to 18cps
- Pulse Energy integration successfully completed
- Competitive wholesale gas supplies secured with new \$4.5 billion gas portfolio
- Retail pricing justification process concluded in Victoria, SA and NSW
- Somerton and Hallett peaking power stations successfully commissioned
- Disposal of NGC retail gas and power generation assets for \$NZ674m
- Further progress in NZ portfolio restructuring with sale of 20.5% interest in TrustPower
- Net negative of \$25.8 million in significant items from sale of non core assets and write-downs of non-core telecommunications investments

The Australian Gas Light Company

ABN 95 052 167 405 FORMED IN NSW IN 1837, WITH LIMITED LIABILITY
AGL Centre Cnr Pacific Highway & Walker Street North Sydney NSW 2060
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media release

August 21, 2003

Strong profit positions AGL for growth

The Australian Gas Light Company (AGL) today announced a profit attributable to shareholders for the year ended 30 June 2003 of \$295 million, up 54 per cent, and an underlying net profit of \$320.8 million, up 30 per cent. The underlying profit improvement for the year has resulted in earnings per share of 73.2 cents up 10 per cent from the prior year.

The full year reported profit includes a net negative \$25.8 million of significant items from the profit on sale of non-core assets offset by write-downs and losses on non-core telecommunications investments.

AGL Chairman, Mr John Phillips said, "The performance of the Pulse Energy business has clearly made a positive difference to AGL's earnings. Also contributing to the strong operating result has been the ongoing reconfiguration of AGL's asset portfolio around our core competencies and capabilities in the downstream energy sector," Mr Phillips said.

"By successfully restructuring AGL's New Zealand interests and disposing of non-core assets, AGL has developed a more balanced business portfolio and further cemented its position of market leadership in the Australasian energy industry," Mr Phillips added.

The AGL Board has declared a final dividend of 29 cents per share (franked to 18c) payable on 26 September 2003. This takes the total dividend for the year to 55 cents per share (franked to 34c) compared with 52 cents per share (franked to 35c) previously. There is 4 cents per share of Foreign Dividend Account amount applying to the full-year dividend.

Managing Director, Greg Martin said, "Our portfolio of core energy businesses is performing well, enabling AGL to deliver tangible benefits to shareholders from the positions of market leadership we enjoy across a diverse range of downstream energy businesses. The Pulse Energy acquisition is delivering according to expectations and has provided a solid platform from which the Company can continue to grow."

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During the 12-month period, AGL's operating cash flow increased by 57 per cent to \$542.2 million, gearing reduced to 38 per cent and AGL's "A" credit rating status was confirmed by Standard & Poors and Moodys.

"Having achieved the targets set 12 months ago, AGL will continue to consolidate its business platform through new investment opportunities including power generation. Investing in power generation assets is consistent with AGL's stated objective of developing interests across the energy value chain and of managing risk in the energy market.

"In regard to AGL's conditional purchase of a minority 35 per cent interest in Loy Yang Power, we remain committed to satisfactorily resolving outstanding conditions precedent in order to complete financial close of the transaction," Mr Martin added.

Business Segment Performance

Energy Networks

- EBIT increased to \$215.9 million from \$212.1 million last year
- Steady improvement notwithstanding the impact of mild weather
- Organic growth continued throughout the year with more than 34,000 additional customer sites across the combined gas and electricity networks

Agility

- EBIT increased by 8.6 per cent to \$50.5 million from \$46.5 million last year
- Continued expansion into third-party related work and activities
- Diversity added to Company earnings

Energy Sales & Marketing

- EBIT increased by 92.4 per cent to \$196.6 million from \$102.2 million last year driven by the acquisition and integration of the Pulse Energy business
- Pulse contributed \$96.2 million to the segment EBIT result
- Customer churn in Victoria has stabilised in accordance with expectations

NGC (New Zealand)

- EBIT increased by 2.3 per cent to \$135.9 million from \$132.8 million last year despite the reduction in revenue resulting from the sale of retail gas and generation assets
- Expansion of energy metering and LPG businesses

Other part-owned interests

- ActewAGL (50%) EBIT increased 3 per cent to \$44.4 million from \$43.1 million last year with minimal impact from the ACT bushfires in January 2003
- Australian Pipeline Trust (30%) contributed EBIT of \$16.4 million up 1 per cent
- Elgas (50%) contributed EBIT of \$12.8 million up 13 per cent
- Non core telecommunications investment write downs of \$17 million, (TransACT), and equity accounting losses of \$52.5 million, (Comindico).

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Outlook

Based on current trading conditions, and subject to no significant change in the market, the Directors expect the underlying profit and earnings per share in 2003/04 to exceed that in 2002/03.

For more detailed information visit www.aglinvestor.com

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