



## AGL RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2003

### HIGHLIGHTS

#### **Strong underlying performance from core businesses including energy retailing and energy networks**

- Revenue up 10% to \$2.2 billion
- Reported Profit up 8% to \$205.7 million
- Operating cash flow up 11% to \$375.7 million
- Underlying net profit up 21% to \$226.1 million
- Underlying Earnings per share increased by 15% to 49.9cps
- Interim dividend of 29cps up 3cps, franked to 76%
- "A" credit rating confirmed

#### **Major Items of Note**

- Cooler weather in NSW and Vic increased networks throughput and retail sales volumes
- Retail tariff certainty - 4 year price path in Victoria
- Trade Practices clearance on Loy Yang A
- Successful capital return and bond raising by NGC Holdings (NZ)

### The Australian Gas Light Company

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# media release

February 26, 2004

## AGL reports strong interim result

The Australian Gas Light Company (AGL) today reported profit attributable to Shareholders of \$205.7 million for the six months to December 31, 2003, up 7.9 per cent. Underlying profit<sup>1</sup> increased by 20.7 per cent to \$226.1 million for the same period.

AGL Chairman Mr Mark Johnson said, "AGL is continuing to execute successfully its strategy of building a market leading portfolio of energy supply businesses. The company has had a particularly good six months in which our retail and network businesses have contributed strongly to the overall results.

"In light of the half year results, the AGL Board has declared an interim dividend of 29 cents per share (franked to 76 per cent) payable on 26 March, 2004. This compares to the previous corresponding half year's interim dividend of 26 cents per share (franked to 62 per cent). The Dividend Reinvestment Plan remains suspended.

"The interim dividend has been increased to achieve a better balance in the amount paid to shareholders between the first and second half of the financial year," Mr Johnson added.

AGL Managing Director Mr Greg Martin said, "AGL's operating results from its portfolio of energy businesses have been very pleasing. The 25 per cent increase in EBIT from our energy retail business over the half year was driven by a full six month contribution from the enlarged Victorian business, strong gas sales in Victoria and NSW due to cooler weather and an overall improvement in performance in those two markets.

"EBIT from gas networks has risen by 12 per cent and electricity networks by 18 per cent from the prior corresponding period, predominantly reflecting higher throughput due to cooler weather and new connections," Mr Martin added.

Operating cash flow was up 11 per cent to \$375.7 million, gearing further reduced to 38.3 per cent, underlying earnings per share rose by 15 per cent to 49.9c per share and AGL's "A" credit rating was confirmed during the half year. The reported result included net negative significant items of \$12.5 million.

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<sup>1</sup> Excluding significant items and COMindico equity-accounted loss

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“AGL’s strong financial position when combined with our free cash flow, positions the company to deliver organic growth from the existing business portfolio as well as internally financing attractive acquisition opportunities,” Mr Martin added.

As previously advised, the completion of the acquisition of Loy Yang A is subject to satisfaction of two remaining significant conditions precedent. The Share Sale Agreement, including the exclusivity arrangements, has been extended to 12 March 2004 giving the consortium additional time to meet these conditions.

Looking ahead Mr Martin said, “AGL is well placed to build on the strong first half which, due to favourable trading conditions and second half costs associated with the Moomba gas supply incident, is likely to represent between 62 to 64 per cent of the full year underlying result.

“Subject to the effect of factors such as summer electricity demand, as well as any unforeseen circumstances in the second half, underlying EPS growth for the full year is expected to be between 6 to 9 per cent,” Mr Martin concluded.

For more detailed information visit [www.aglinvestor.com](http://www.aglinvestor.com)

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