Appendix 4E

The Australian Gas Light Company

ABN 95 052 167 405

Preliminary Final Report

Results for announcement to the market for the financial year ended 30 June 2004

Extracts from this report for announcement to the market $A Million

Revenues from ordinary activities	**Down**	**10.4 %**	to	**4,201.7**
Profit from ordinary activities after tax attributable to Shareholders	**Up**	**18.5 %**	to	**349.5**
Net profit for the year attributable to Shareholders	**Up**	**18.5 %**	to	**349.5**

Dividends	Amount per ordinary share	Franked amount per ordinary share
Final dividend	**31 ¢**	**23 ¢**
Interim dividend	**29 ¢**	**22 ¢**

Record date for determining entitlements to the dividend:

Final dividend	16 September 2004
Interim dividend	15 March 2004

Brief explanation of revenues, net profit and dividends:

Profit from ordinary activities after tax, includes significant revenues and expenses as detailed in Note 4(c).

Refer to 'Discussion and Analysis' on Page 4 for a detailed explanation of results for the year ended 30 June 2004.

The final dividend in respect of ordinary shares for the year ended 30 June 2004 has not been recognised in the preliminary final report as the final dividend was declared subsequent to 30 June 2004.

The Australian Gas Light Company and Controlled Entities
Preliminary Final Report
For the financial year ended 30 June 2004

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The Australian Gas Light Company and Controlled Entities
Statement of Financial Performance
For the year ended 30 June 2004

	Note	**2004 $m**	2003 $m
Revenues from ordinary activities	4(a)	**4,201.7**	4,687.8
Expenses from ordinary activities	4(b)	**(3,348.2)**	(3,771.2)
Equity accounted share of profits of associates and joint venture entities	9	**91.8**	20.6
Profit from ordinary activities before borrowing costs, depreciation and amortisation		**945.3**	937.2
Depreciation and amortisation		**(244.3)**	(249.9)
Profit from ordinary activities before borrowing costs		**701.0**	687.3
Borrowing costs		**(134.0)**	(174.6)
Profit from ordinary activities before income tax		**567.0**	512.7
Income tax attributable to ordinary activities	5	**(187.5)**	(172.8)
Profit from ordinary activities after income tax		**379.5**	339.9
Outside equity interests in operating profit after income tax		**(30.0)**	(44.9)
Profit after income tax attributable to Shareholders of the Parent Entity	7	**349.5**	295.0
Increase (decrease) in foreign currency translation reserve arising on translation of financial reports of foreign controlled operations		**7.4**	(5.5)
Total revenue, expense and valuation adjustments attributable to Shareholders of the Parent Entity recognised directly in equity		**7.4**	(5.5)
Total changes in equity other than those resulting from transactions with Shareholders as owners		**356.9**	289.5
Earnings per share			
Basic (cents)		**76.8**	67.3
Diluted (cents)		**76.8**	67.3
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share			
Basic (millions)		**454.9**	438.5
Diluted (millions)		**455.3**	438.5

The Australian Gas Light Company and Controlled Entities
Statement of Financial Position
As at 30 June 2004

	Note	2004 $m	2003 $m
Current assets			
Cash		**18.0**	56.5
Receivables		**841.1**	803.9
Inventories		**23.7**	23.0
Property, plant and equipment		**21.8**	-
Other		**110.9**	110.2
Total current assets		**1,015.5**	993.6
Non-current assets			
Receivables		**130.3**	35.3
Equity accounted investments		**601.2**	474.2
Other financial assets		**2.0**	25.0
Property, plant and equipment		**2,916.6**	2,866.6
Intangible assets		**1,614.0**	1,651.2
Deferred expenditure		**147.8**	166.5
Deferred tax assets		**112.7**	120.4
Other		**34.0**	61.7
Total non-current assets		**5,558.6**	5,400.9
Total assets		**6,574.1**	6,394.5
Current liabilities			
Payables		**456.1**	445.8
Interest-bearing liabilities		**546.1**	274.4
Provisions		**110.5**	112.6
Current tax liabilities		**76.6**	34.7
Unearned revenue		**12.3**	15.6
Total current liabilities		**1,201.6**	883.1
Non-current liabilities			
Interest-bearing liabilities		**1,643.6**	1,772.7
Provisions		**48.4**	85.4
Deferred tax liabilities		**518.5**	490.6
Unearned revenue		**7.4**	9.7
Total non-current liabilities		**2,217.9**	2,358.4
Total liabilities		**3,419.5**	3,241.5
Net assets		**3,154.6**	3,153.0
Equity			
Contributed equity		**2,239.7**	2,180.8
Reserves		**(4.1)**	(11.5)
Retained profits	7	**814.2**	727.5
Equity attributable to Shareholders of the Parent Entity		**3,049.8**	2,896.8
Outside equity interests in controlled entities		**104.8**	256.2
Total equity		**3,154.6**	3,153.0

The Australian Gas Light Company and Controlled Entities
Statement of Cash Flows
For the year ended 30 June 2004

	2004 $m	2003 $m
Cash flows from operating activities		
Receipts from customers	**5,031.7**	4,802.6
Payments to suppliers and employees	**(4,227.7)**	(4,094.3)
Dividends received	**74.8**	66.8
Interest received	**8.8**	9.0
Borrowing costs paid	**(132.2)**	(169.2)
Income tax paid	**(118.2)**	(72.7)
Net cash provided by operating activities	**637.2**	542.2
Cash flows from investing activities		
Payment for property, plant and equipment	**(211.8)**	(296.0)
Payment for investments	**(120.7)**	(16.0)
Payment for intangibles	**(3.0)**	-
Payments for acquisition of controlled entities	**-**	(24.2)
Loans advanced	**(114.1)**	(4.7)
Proceeds from sale of property, plant and equipment	**5.6**	86.1
Proceeds from disposal of investments	**3.2**	133.2
Proceeds from dingo blue settlement	**20.9**	-
Proceeds from sale of controlled entities	**-**	571.6
Proceeds from loan repayments	**7.8**	47.6
Net cash (used in)/provided by investing activities	**(412.1)**	497.6
Cash flows from financing activities		
Proceeds from issues of shares	**58.9**	634.5
Share buy-back	**(155.8)**	-
Proceeds from borrowings and hedge receipts on foreign currency borrowings	**751.8**	696.9
Repayment of borrowings and hedge payments on foreign currency borrowings	**(639.0)**	(2,076.0)
Dividends paid	**(289.8)**	(250.1)
Net cash used in financing activities	**(273.9)**	(994.7)
Net (decrease)/increase in cash held	**(48.8)**	45.1
Cash at the beginning of the financial year	**50.4**	5.8
Effects of exchange rate changes on the balance of cash held in foreign currencies	**(0.2)**	(0.5)
Cash at the end of the financial year	**1.4**	50.4

The Australian Gas Light Company and Controlled Entities
Financial Commentary – Discussion and Analysis of Financial Statements

Profit Attributable to Shareholders

Profit after tax for the year ended 30 June 2004 of $349.5 million increased by 18.5% over the 2003 profit after tax of $295.0 million, resulting in an increase in earnings per share of 14.1% to 76.8 cents per share. Profit after tax excluding significant items increased 12.8% to $361.8 million, reflecting earnings per share excluding significant items of 79.5 cents per share, a 8.6% increase over the prior year result.

The improvement in profit reflects a strong performance across the portfolio of energy businesses and completion of the New Zealand business restructure.

Cash Flow

During the year, operating cash flow increased by 17.5% to $637.2 million, primarily as a result of the improvement in the underlying performance of the business. Cash flow after stay-in-business capital expenditure increased by 16.9% to $556.8 million and cash flow available for expansion of the business, after stay-in-business capital expenditure and payment of dividends increased by 20.0% to $294.0 million. Improvements in the underlying cash flow position of the group continues to contribute to a stronger financial position.

Final Dividend

The Directors have declared a final dividend of 31 cents per share for the half year, franked to 23 cents (74.2%), payable on 24 September 2004. The full year dividend amount paid of 60 cents per share (franked to 45 cents (75.0%)) per share represents an increase of 9.1% over the full year dividend of 55 cents (franked to 34 cents (61.8%)) paid for the prior year.

A Foreign Dividend Account amount of 8 cents has been declared in respect of the full-year dividend.

The Record date to determine Shareholders' entitlements to the final dividend is 16 September 2004.

Review of Operations

Profit from ordinary activities (including significant items) before borrowing costs and tax was $701.0 million arising from the following activities:

- ***Energy Sales & Marketing - contribution $218.8 million (2003 $196.6 million) up 11.3%***

AGL's Energy Sales & Marketing (ES&M) division is responsible for the sale and marketing of gas, electricity and energy services to AGL's 1.5 million electricity customers and 1.3 million gas customers across Australia. During the year ended 30 June 2004, ES&M contributed $218.8 million to profit before borrowing costs and tax compared with $196.6 million for the previous year. This improvement was driven by an additional month's contribution from the Pulse Energy business, the cessation of the Victorian Gascor agency agreement, and strong gas sales in Victoria and NSW due to weather and improved margins. In addition, the number of dual fuel customers (customers supplied by AGL with both gas and electricity) increased by 67,700. These gains were partially offset by the increased amortisation of licence fees and higher purchase costs associated with increased electricity volumes. In addition, the result was impacted by additional marketing and customer churn costs reflecting increased levels of competition and net customer losses of 76,000.

Profit before borrowing costs and tax to sales revenue for ES&M was 6.3% for the year to 30 June 2004 unchanged from the prior year.

Funds employed in the ES&M segment increased by $68.5 million, reflecting a reallocation of $165.0 million from the Electricity Networks division in respect of a retail licence, offset by a reduction in the value of guarantee support of $93.7 million.

Return on funds employed (including guarantee support) before borrowing costs, tax and significant items was 11.5% (2003 11.7%). Excluding the value of guarantee support, return on funds employed was 14.0% (2003 15.1%).

The Australian Gas Light Company and Controlled Entities
Financial Commentary – Discussion and Analysis of Financial Statements (continued)

♦ ***Natural Gas***

Total natural gas sales of 162.0 PJ were 6.8 PJ higher than last year. Sales to the mass market, the residential and small business market in NSW decreased by 0.6 PJ to 29.0 PJ. This decrease in volume was due to the sale of customers in the Young, Goulburn, Yass and Boorowa districts to ActewAGL (0.6 PJ), and customer losses. The decrease was offset by an increase in volume due to cooler than prior year winter weather (1.0 PJ). Sales to the mass market in Victoria increased by 8.0 PJ to 37.2 PJ. This increase was due primarily to an additional month's sales volume from the Pulse Energy business (5.6 PJ) and cooler than prior year winter weather (2.2 PJ). Sales to the contract market in NSW decreased by 3.3 PJ to 37.5 PJ. This decrease was due primarily to the closure of operations of two major customers (Port Kembla Copper and Pasminco). Sales to the contract market in Victoria increased by 5.9 PJ to 25.9 PJ. This increase was due primarily to an additional month's sales volume from the Pulse Energy business (2.7 PJ), cooler than prior year winter weather (1.5 PJ) and a number of new large contracts. Wholesale gas sales decreased by 3.2 PJ to 32.4 PJ. This decrease was due primarily to lower sales volumes to National Power (5.9 PJ), and Origin Energy (3.7 PJ), which was offset by an increase in sales volume to ActewAGL.

♦ ***Electricity***

Total electricity sales of 22,295 GWh were 1,087 GWh higher than the prior year. Sales to the mass market in Victoria increased by 418 GWh to 5,140 GWh. This increase was due primarily to an additional month's sales volume from the Pulse Energy business (326 GWh) and cooler than prior year winter weather. Sales to the mass market in South Australia were down slightly by 77 GWh to 5,315 GWh. Sales to the mass market in NSW have more than doubled from 101 GWh to 275 GWh. This 174 GWh increase is due to new and additional mass market customers. Sales to the contract market in Victoria decreased by 156 GWh to 4,357 GWh. This decrease in volume was primarily due to the loss of the Paper Australia contract, which was offset by an additional month's sales volume from the Pulse Energy business. Sales to the contract market in NSW increased 619 GWh to 3,777 GWh. This was due to increased volume from Kimberly-Clark, Amcor, and coal mines. Sales to the contract market in SA decreased 252 GWh to 2,999 GWh, due to the shut-down of Mobil, and reduced volume from University of Adelaide and Coles Myer. Sales to the contract market in Queensland increased by 361 GWh to 432 GWh. This increase was due to increased sales volume from BOC, Gandel and Stockland.

♦ ***Gas Networks - contribution $164.1 million (2003 $151.9 million) up 8.0%***

AGL's gas network transports gas to 924,600 customers across NSW. For the twelve months to 30 June 2004, Gas Networks contributed $164.1 million to earnings before borrowing costs and tax which is an increase of $12.2 million over the prior year. This result is due to higher customer usage during a cooler spring than that of the prior year and the impact of an increase in the distribution tariffs effective 1 July 2003.

96.4 PJ of gas was transported to 924,600 sites on the AGL gas distribution network in NSW during the year. While the amount of gas transported reflects a 0.7% decrease against the 97.1 PJ transported in the prior year, this does not have a significant impact on revenues as the lower throughput volumes for the year were mainly attributable to the contract market which is primarily demand based, but which pays primarily a fixed distribution fee. The number of customer sites increased by 31,700 or 3.6% over the June 2003 number. This increase is primarily attributable to connections for both medium/high density dwellings and new houses and has seen the network increase by 200 km in length, bringing the total network length to 23,300 km.

On 23 December 2003, Gas Networks submitted to the Independent Pricing and Regulatory Tribunal (IPART) a revised Access Arrangement and Access Arrangement Information (AAI) setting out the prices, services, terms and conditions, to be effective from January 2005 to June 2010. It is expected IPART will deliver its draft determination in late 2004.

Return on funds employed before borrowing costs, tax and significant items was 16.5% (2003 15.4%).

The Australian Gas Light Company and Controlled Entities
Financial Commentary – Discussion and Analysis of Financial Statements (continued)

♦ ***Electricity Networks - contribution $70.1 million (2003 $64.0 million) up 9.5%***

AGL's electricity network of poles and wires in the north-west suburbs of Melbourne, transports electricity to 279,100 customers. For the twelve months to 30 June 2004, Electricity networks contributed $70.1 million to earnings before borrowing costs and tax which is an increase of $6.1 million over the previous year. This result is largely due to higher sales revenue of $11.9 million, caused by higher customer usage during a cooler and longer winter and a warmer summer than that of the prior year with temperatures returning to "more normal levels" together with the impact of the increases in network tariffs from 1 January 2003 and 1 January 2004.

Electricity delivered to AGL’s 279,100 customers on the AGL electricity network in Melbourne was 4,123 GWh, an increase of 2.2% over the prior year. New site growth saw a further 6,700 sites added to the network since 30 June 2003 extending the distribution network by a further 100 km and bringing the total line length to 7,300 km. Electricity Networks continues to invest in the network to provide its customers with a reliable and secure supply, including significant investment to expand network capacity for industrial and commercial customers and to develop new residential estates. Significant projects include the reconfiguration of the Heidelberg network to meet the major load increase from the Austin Hospital development and the establishment of a new feeder at Broadmeadows to meet demand growth from industrial customers.

Funds employed in the Electricity Network segment decreased by $168.4 million, reflecting a reallocation of $165.0 million to the ES&M division in respect of a retail licence.

Return on funds employed before borrowing costs, tax and significant items was 8.0% (2003 6.1%).

♦ ***Agility - contribution $55.5 million (2003 $50.5 million) up 9.9%***

Agility manages, operates and develops energy infrastructure assets across Australia. During the year ended June 2004, Agility contributed $55.5 million to profit before borrowing costs and tax, an increase of $5.0 million compared to the previous year.

During the period, Agility continued to manage its asset management contracts, including those with the Australian Pipeline Trust and the ActewAGL joint venture, as well as managing, operating and developing AGL’s gas and electricity distribution and power generation assets. These contracts provide significant recurring revenues for Agility and cost efficiencies for AGL-owned infrastructure assets. Efforts to add diversity to Agility's earnings have seen revenue from third parties increase to 17% of total revenue.

By extending its presence to include Tasmania, Agility now operates in all States and Territories across Australia. Agility’s recent Tasmanian contracts include:
- Design and construction of polyethylene gas mains in various locations for Powerco.
- Several service agreements with Aurora Energy for engineering design, customer-initiated capital works and fuse installation for the electricity distribution network.

Agility also continues to make inroads into the water industry. Further to securing Sydney Water projects (involving the construction of a water pipeline and upgrade of a pumping station, the upgrade and renewal of 17 sewer access chambers and 14 kms of water mains), Agility has secured a position on the Water Corporation of Western Australia’s Prime Contractor Panel for the provision of engineering, procurement and construction services.

A number of new clients have been added to Agility's portfolio during this year, including Apache Energy, UBE Industries and Telstra.

♦ ***Energy Investments - contribution $110.4 million (2003 $88.4 million) up 24.9%***

AGL’s share of equity accounted profits from its 30% investment in the Australian Pipeline Trust totalled $38.0 million (2003 $16.4 million). The result for the current year includes two significant items, being a profit upon entry into tax consolidation (AGL share $27.9 million) and a loss associated with the write-off of the Windimurra pipeline following the closure by Xstrata of its vanadium mine (AGL share $4.2 million).

AGL's share of equity accounted profits from its 50% investment in the ActewAGL distribution and retail partnerships in the Capital Region totalled $53.3 million (2003 $44.4 million). The improvement reflected a colder winter than the prior year as well as successful customer retention and growth in customer numbers.

The Australian Gas Light Company and Controlled Entities
Financial Commentary – Discussion and Analysis of Financial Statements (continued)

AGL’s 50% interest in Auscom Holdings (Elgas) which distributes and retails LPG in Australia, made a $13.9 million equity accounted contribution, an increase of $1.1 million, or 8.6% on the previous year, reflecting improved trading margins.

HC Extractions, which produces LPG, contributed $1.4 million, a decrease of $5.9 million on the previous corresponding period. The decrease is primarily due to a deterioration in revenue caused by a detrimental movement in foreign exchange rates, and production being impacted by a scheduled plant shutdown for major maintenance in October and November of 2003.

The wholly-owned investment in Gas Valpo, a natural gas distribution company in Chile contributed $6.2 million to earnings before interest and tax during the year ended June 2004. The decrease from the prior year contribution of $7.5 million is due primarily to the appreciation in the Australian dollar, with the underlying business showing a marginal improvement in base currency terms.

Return on funds employed before borrowing costs, tax and significant items was 14.6% (2003 15.1%).

- ***Power Generation – contribution $17.5 million (2003 $20.1 million) down 12.9%***

AGL's Power Generation segment comprises a 32.5% interest in Loy Yang Power, two peaking power generation plants, Somerton (150 MW capacity) in Victoria and Hallett (180 MW capacity) in South Australia and a 20 MW plant operating at Cawse in Western Australia, which services a single customer. In addition a 50% interest is held in a 13 MW plant at Windimurra in Western Australia, the book value of which was written down to zero during the year.

The plants at Somerton and Hallett, play an important role in mitigating AGL’s potential risk to the volatility of electricity spot prices during periods of peak electricity demand. In addition, the Somerton plant provides network support to both the AGL and TXU electricity networks. The gas-fired peaking generation plants at Somerton and Hallett operate under tolling arrangements through which ES&M pays Power Generation for the rights to operate the plant. All merchant risk transfers to ES&M. All costs form part of ES&M’s cost of goods sold in its wholesale electricity purchases. ES&M incorporates the generation capacity of the Somerton and Hallett plants into its electricity hedge portfolio. Agility operates and maintains both plants.

During the year ended June 2004, AGL Power Generation contributed $17.5 million to profit before borrowing costs and tax, a decrease of $2.6 million from the previous year. The decrease is due to additional maintenance costs at Cawse, and the lack of generation activity at the Windimurra power station, as its only customer Xstrata suspended operations in February 2003. Subsequent to the closure of the Xstrata mine, the decision to write off the investment in the power station, resulted in the recognition of a significant item of a loss of $4.2 million. These items were partially offset by operation for the full year of the Somerton and Hallett power stations following their completion during the prior year and a $2.7 million equity accounted profit contribution from AGL's investment in Loy Yang Power.

Return on funds employed before borrowing costs, tax and significant items was 6.2% (2003 7.4%).

- ***New Zealand - contribution $129.4 million (2003 $198.8 million) down 34.9%***

AGL’s investment in NGC derived a profit (before borrowing costs, tax and outside equity interests) of A$129.4 million for the year to 30 June 2004. This compares with AGL's profit before borrowing costs and interests from its New Zealand Business segment of A$198.8 million in the prior year. The 2003 period included contributions from non-continuing businesses, including A$6.0 million from AGL's investment in TrustPower (sold during the 2003 year) and power generation and gas retailing businesses sold by NGC in the intervening period, with the proceeds applied to the retirement of debt. In addition NGC's gain on sale of the power generation assets gave rise to a significant item after tax in the prior period of A$59.7 million.

In December 2003 NGC successfully completed its capital restructuring, comprising a NZ$525.0 million capital return (AGL share NZ$347.0 million), and a NZ$200.0 million retail bond issue. The resolution of the Maui and indemnity gas issue further contributed to the result, which reflected the benefits of restructuring the portfolio, and a strong underlying business performance.

Return on funds employed before borrowing costs, tax and significant items was 18.4% (2003 11.0%).

The Australian Gas Light Company and Controlled Entities
Financial Commentary – Discussion and Analysis of Financial Statements (continued)

- ***Property – contribution $0.5 million (2003 $7.2 million)***

This prior period's result included a profit of $13.5 million from the sale of Stage 5 of Breakfast Point, which was partially offset by the recognition of a $5.0 million provision in order to meet AGL's property rehabilitation obligations in respect of its non-core and previously owned properties.

- ***Telecommunications - loss $33.3 million (2003 loss $70.2 million)***

During the year AGL wrote off its remaining investments in TransACT and COMindico, resulting in losses of $25.0 million and $23.5 million respectively. As part of a capital raising in 2003 by TransACT in which AGL did not participate, AGL agreed to provide a guarantee in support of a $25.0 million bank facility obtained by TransACT. The guarantee is limited to that facility. As at 30 June 2004 $14.7 million has been drawn down on this facility. To date there has been no call on this guarantee. In February 2004, TransACT entered into a management agreement with ActewAGL whereby ActewAGL will provide engineering, operations, maintenance, sales, marketing, accounting, finance and human resources functions to TransACT. In addition, a gain of $16.2 million was recorded following the recovery of amounts owing in connection with AGL's previous investment in dingo blue.

The value of AGL's investment in Telecommunications was $nil at 30 June 2004.

- ***Unallocated items - expense $32.0 million (2003 expense $20.0 million) up 60%***

Unallocated items of $32.0 million for the year to 30 June 2004 increased by $12.0 million. The increase is largely a result of the recognition of costs in relation to the bid for Contact Energy Limited (NZSE: CEN) ($4.0 million) and costs in relation to improvements in information technology systems ($4.0 million).

- ***Borrowing costs - expense $134.0 million (2003 expense $174.6 million) down 23.3%***

Borrowing costs decreased by $40.6 million to $134.0 million primarily as a result of lower average outstanding debt during the year ended 30 June 2004. While the net debt position at June 2004 is higher than that of June 2003, the average outstanding indebtedness during 2004 is lower than that in 2003. This position arises primarily as a result of the sale late in the 2003 financial year of substantial portion of New Zealand assets, the proceeds of which were used to retire debt and the purchase of an interest in Loy Yang Power in April 2004.

- ***Tax expense $187.5 million (2003 expense $172.8 million) up 8.5%***

The increase in tax expense by $14.7 million to $187.5 million during the year is largely attributable to the increased profitability of AGL.

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 1 – Basis of preparation

The preliminary final report relates to the consolidated entity consisting of The Australian Gas Light Company (the Parent Entity) and each of its controlled entities. The report has been prepared in accordance with the requirements of the ASX Listing Rule 4.3A and the disclosure requirements of the ASX Appendix 4E.

The accounting policies applied in the preparation and presentation of the preliminary final report are consistent with those applied in respect of the year ended 30 June 2003 annual financial report, except as disclosed below.

Change in accounting policies

On 1 July 2003 the consolidated entity changed its policy regarding the classification of expenditures relating to the connection of customers to the gas system. Deferred expenditures relating to customer connections amounting to $196.3 million have been reclassified from deferred expenditure to plant and equipment.

Note 2 – Change in accounting estimates

On 1 July 2003 the retail licence value attributable to the purchase of the Solaris business in Victoria of $165.0 million was reclassified from the funds employed of the Energy Networks business to the Energy Sales & Marketing business. This treatment is consistent with other acquisitions involving both distribution and retail licences. The change in the estimate of the retail licence has resulted in additional licence amortisation expense of $6.4 million being charged in the accounts to 30 June 2004.

Note 3 – Rounding of amounts

Unless otherwise specified, amounts in the preliminary final 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.

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

	2004 $m	2003 $m
Note 4 – Revenues/expenses from ordinary activities		
(a) Revenues from ordinary activities		
Sales of goods		
Operating activities	**3,704.0**	3,482.5
Provision of services		
Construction contracts	**27.3**	24.0
Other operating activities	**422.5**	365.9
Interest		
Associates and joint venture entities	**-**	1.2
Other operating entities	**9.4**	7.5
Dividends		
Other entities	**0.7**	5.0
Share of partnership profits	**-**	0.1
Disposals of assets		
Operating activities	**8.8**	765.5
Other activities	**-**	21.4
Rents		
Other activities	**0.6**	0.7
Foreign currency exchange gain from non speculative dealing	**-**	1.6
Other		
Operating activities	**10.1**	7.7
Other activities – proceeds on dingo blue settlement	**18.3**	4.7
	4,201.7	4,687.8

All revenue relates to operating activities unless otherwise stated.

	2004 $m	2003 $m
(b) Expenses from ordinary activities		
Cost of goods sold	**2,542.8**	2,364.2
Administrative costs	**210.0**	149.6
Employee benefits	**459.6**	413.3
Losses and write downs relating to investments/controlled entities	**36.8**	17.0
Carrying value of assets/businesses sold	**10.4**	734.4
Other expenses	**88.6**	92.7
	3,348.2	3,771.2

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

	2004 $m	2003 $m
Note 4 – Revenues/expenses from ordinary activities (continued)		
(c) Significant items		
dingo blue settlement	**16.2**	-
(Income tax expense applicable $nil million)		
Write-off of Windimurra Power Station and APT Western Pipeline	**(8.4)**	-
(Income tax benefit applicable $0.5 million)		
Write-off of TransACT	**(25.0)**	(17.0)
(Income tax expense applicable $nil million)		
Equity accounted losses/writedown relating to COMindico #	**(23.5)**	(52.5)
(Income tax expense applicable $nil million)		
Equity accounted profit relating to APT entering tax consolidations #	**27.9**	-
(Income tax expense applicable $nil million)		
Net gain on disposal of NGC generation assets	**-**	63.7
(Income tax expense applicable $2.5 million)		
Loss on sale of TrustPower investment	**-**	(4.0)
(Income tax expense applicable $nil million)		
Profit on sale of surplus property held for sale	**-**	13.5
(Income tax expense applicable $0.3 million)		
Provision for property rehabilitation obligations	**-**	(5.0)
(Income tax benefit applicable $1.5 million)		

Refer to Note 9 – Material interests in equity accounted associates and joint ventures.

Note 5 – Income tax expense

	2004 $m	2003 $m
Prima facie income tax expense on profit from ordinary activities	**(170.1)**	(153.8)
Tax effect of permanent differences		
Non-allowable expenditure	**(29.1)**	(31.4)
Non-assessable revenue	**7.0**	0.9
Non rebateable/assessable dividends	**(14.6)**	(14.0)
Equity accounted profits/(losses) of associates and joint venture entities	**11.3**	(7.2)
Profits/losses on disposals of assets	**(0.9)**	23.6
Other	**1.9**	(0.1)
Recognition of tax losses not previously brought to account	**2.1**	6.9
Income tax over provided in prior years	**4.9**	2.3
Income tax attributable to ordinary activities	**(187.5)**	(172.8)

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 6 – Dividends

	2004 $m	2003 $m
Recognised amounts		
Interim dividend paid 26 March 2004 (2003 - 28 March 2003)		
Franked amount (22 cents per share (2003 - 16 cents per share))	**100.4**	**70.3**
Unfranked amount (7 cents per share (2003 - 10 cents per share))	**31.9**	**43.9**
Total amount (29 cents per share (2003 - 26 cents per share))	**132.3**	**114.2**
Final dividend paid 26 September 2003 (2003 – 16 October 2002)		
Franked amount (18 cents per share (2003 – 16 cents per share))	**81.0**	**69.4**
Unfranked amount (11 cents per share (2003 – 11 cents per share))	**49.5**	**47.7**
Total amount (29 cents per share (2003 – 27 cents per share))	**130.5**	**117.1**
	262.8	**231.3**
Unrecognised amounts		
Proposed final dividend to be paid 24 September 2004 #		
Franked amount (23 cents per share)	**104.9**	
Unfranked amount (8 cents per share)	**36.5**	
Total amount (31 cents per share)	**141.4**	

The final dividend in respect of ordinary shares for the year ended 30 June 2004 has not been recognised in this financial report as the final dividend was not declared on or before 30 June 2004.

The Australian Gas Light Company Dividend Reinvestment Plan was suspended on 14 October 2003.

Note 7 – Retained profits

	2004 $m	2003 $m
Retained profits at the beginning of the year	**727.5**	560.6
Profit after income tax attributable to Shareholders of the Parent Entity	**349.5**	295.0
Dividends paid or provided	**(262.8)**	(231.3)
Write-back of prior year dividend provision	**-**	103.2
Retained profits at end of year	**814.2**	727.5

Note 8 – Net tangible asset backing

	2004	2003
Net tangible asset backing per ordinary share	**$3.15**	$2.77

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 9 – Material interests in equity accounted associates and joint ventures

	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit	
	2004	2003	**2004**	2003
	%	%	**$m**	$m
Equity accounted associates and joint ventures				
Auscom Holdings Pty Limited	**50.0**	50.0	**13.9**	11.5
Australian Pipeline Trust	**30.0**	30.0	**38.0**	16.4
ActewAGL	**50.0**	50.0	**53.3**	44.4
Greater Energy Alliance Corporation Pty Limited #	**32.5**	-	**2.7**	-
Agility Diona	**50.0**	50.0	**0.2**	0.4
COMindico	**35.9**	35.9	**(15.9)**	(52.5)
Other			**(0.4)**	0.4
Total			**91.8**	20.6

Date of acquisition – 8 April 2004

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The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 10 – Segment Information

(a) Segment revenues

	External Sales Revenues		Other External Revenues		Inter-Segment Revenues		Equity Accounted Share of Net Profits/(Losses)		Total	
	2004	2003	**2004**	2003	**2004**	2003	**2004**	2003	**2004**	2003
	$m	$m	**$m**	$m	**$m**	$m	**$m**	$m	**$m**	$m
Energy Networks										
Gas networks	**45.0**	28.3	**1.9**	6.8	**290.1**	289.6	**-**	-	**337.0**	324.7
Electricity networks	**66.4**	54.5	**0.3**	3.0	**115.2**	120.5	**-**	-	**181.9**	178.0
	111.4	82.8	**2.2**	9.8	**405.3**	410.1	**-**	-	**518.9**	502.7
Agility	**129.6**	105.7	**3.2**	2.3	**271.3**	270.6	**0.2**	0.4	**404.3**	379.0
Energy Sales & Marketing	**3,436.8**	3,067.3	**3.2**	1.9	**34.1**	37.6	**(0.2)**	-	**3,473.9**	3,106.8
Energy Investments	**50.1**	61.5	**4.1**	7.3	**-**	-	**105.2**	72.4	**159.4**	141.2
Power Generation	**8.9**	9.0	**0.1**	8.7	**39.0**	29.2	**2.7**	-	**50.7**	46.9
New Zealand Business	**409.7**	535.2	**7.9**	752.3	**-**	-	**(0.2)**	0.3	**417.4**	1,287.8
Property	**-**	-	**0.9**	23.2	**0.1**	0.3	**-**	-	**1.0**	23.5
Telecommunications	**1.0**	4.2	**18.4**	5.0	**-**	-	**(15.9)**	(52.5)	**3.5**	(43.3)
Segment totals	**4,147.5**	3,865.7	**40.0**	810.5	**749.8**	747.8	**91.8**	20.6	**5,029.1**	5,444.6
Unallocated items	**6.2**	6.7	**8.0**	4.9	**-**	1.6	**-**	-	**14.2**	13.2
	4,153.7	3,872.4	**48.0**	815.4	**749.8**	749.4	**91.8**	20.6	**5,043.3**	5,457.8
Less: eliminations	**-**	-	**-**	-	**(749.8)**	(749.4)	**-**	-	**(749.8)**	(749.4)
	4,153.7	3,872.4	**48.0**	815.4	**-**	-	**91.8**	20.6	**4,293.5**	4,708.4

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.
New Zealand Business – investments in New Zealand entities involved in the gas industry.
Property – sale and rental of properties.
Telecommunications – investment in entities involved in the telecommunications industry.

Change in segment accounting policy

For the purpose of presentation, the Chilean gas business is disclosed in the 'Energy Investments' segment (previously reported in the 'Other' segment) and the remainder of the 'Other' segment is now aggregated in 'Unallocated items'.

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

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 10 – Segment Information (continued)

(b) Segment results – profits/(losses)

	Segment Results - Profits/(Losses)		Depreciation and Amortisation		Other Non-cash Expenses	
	2004	2003	**2004**	2003	**2004**	2003
	$m	$m	**$m**	$m	**$m**	$m
Energy Networks						
Gas networks	**164.1**	151.9	**40.0**	39.5	**2.2**	2.3
Electricity networks	**70.1**	64.0	**26.5**	24.8	**0.4**	0.8
	234.2	215.9	**66.5**	64.3	**2.6**	3.1
Agility	**55.5**	50.5	**3.2**	1.9	**15.0**	19.1
Energy Sales & Marketing	**218.8**	196.6	**50.8**	44.2	**34.5**	30.6
Energy Investments	**110.4**	88.4	**5.9**	5.9	**1.2**	1.9
Power Generation	**17.5**	20.1	**14.9**	5.3	**4.5**	0.3
New Zealand Business	**129.4**	198.8	**70.5**	106.5	**15.7**	17.0
Property	**0.5**	7.2	**1.1**	1.1	**0.3**	6.1
Telecommunications	**(33.3)**	(70.2)	**-**	-	**32.6**	17.3
Segment totals	**733.0**	707.3	**212.9**	229.2	**106.4**	95.4
Unallocated items	**(32.0)**	(20.0)	**31.4**	20.7	**19.6**	6.8
	701.0	687.3	**244.3**	249.9	**126.0**	102.2
Less: borrowing costs	**(134.0)**	(174.6)				
Profit from ordinary activities before income tax	**567.0**	512.7				
Income tax attributable to ordinary activities	**(187.5)**	(172.8)				
Profit from ordinary activities after income tax	**379.5**	339.9				

Profit from ordinary activities before borrowing costs and tax includes the following significant items, detailed in Note 4(c), as allocated to relevant segments:

(i)	Energy Investments	$23.7 million (2003 $Nil million)
(ii)	Power Generation	$(4.2) million (2003 $Nil million)
(iii)	New Zealand Business	$Nil million (2003 $59.7 million)
(iv)	Property	$Nil million (2003 $8.5 million)
(v)	Telecommunications	$(32.3) million (2003 $(69.5) million)

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 10 – Segment Information (continued)

(c) Segment assets and liabilities

	Assets		Liabilities		Equity Accounted Investments *		Acquisition of Non-Current Assets *	
	2004 $m	2003 $m	**2004 $m**	2003 $m	**2004 $m**	2003 $m	**2004 $m**	2003 $m
Energy Networks								
Gas networks	**1,219.0**	1,191.8	**217.5**	202.1	**-**	-	**66.4**	59.0
Electricity networks	**949.6**	1,110.1	**76.0**	68.0	**-**	-	**32.6**	42.2
	2,168.6	2,301.9	**293.5**	270.1	**-**	-	**99.0**	101.2
Agility	**67.7**	59.6	**71.2**	61.3	**0.2**	-	**6.8**	8.0
Energy Sales & Marketing	**2,102.3**	1,986.9	**553.9**	588.4	**1.0**	-	**10.5**	935.3
Energy Investments	**643.4**	598.8	**77.3**	86.4	**484.0**	452.7	**6.6**	8.9
Power Generation	**524.2**	314.4	**21.5**	12.1	**111.6**	-	**5.6**	62.2
New Zealand Business	**864.0**	892.8	**594.4**	169.2	**4.4**	2.0	**55.1**	32.5
Property	**55.1**	61.5	**9.1**	12.7	**-**	-	**0.2**	0.5
Telecommunications	**0.2**	45.0	**2.5**	3.4	**-**	19.5	**-**	0.3
Segment totals	**6,425.5**	6,260.9	**1,623.4**	1,203.6	**601.2**	474.2	**183.8**	1,148.9
Unallocated items	**148.6**	133.6	**1,796.1**	2,037.9	**-**	-	**31.0**	35.2
Consolidated totals	**6,574.1**	6,394.5	**3,419.5**	3,241.5	**601.2**	474.2	**214.8**	1,184.1

* included in Assets total

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 10 – Segment Information (continued)

(d) Funds employed as at 30 June 2004

	Energy Networks		Agility	Energy Sales & Marketing	Energy Investments	Power Generation	New Zealand Business	Property	Telecom – munications
	Gas networks	Electricity networks							
	$m	$m	$m	$m	$m	$m	$m	$m	$m
Current assets									
Cash	-	-	0.2	4.9	3.6	-	0.4	-	-
Receivables	9.9	11.3	21.6	708.8	9.0	4.2	56.0	9.1	0.2
Inventories	-	-	4.0	9.9	1.6	0.4	7.7	-	-
Property, plant and equipment	-	-	-	-	-	-	-	21.8	-
Other	0.1	0.5	1.1	71.0	-	0.7	34.0	0.5	-
Non-current assets									
Receivables	-	-	-	1.6	0.4	111.9	-	4.5	-
Equity accounted investments	-	-	0.2	1.0	484.0	111.6	4.4	-	-
Other financial assets	-	-	-	-	-	-	2.1	-	-
Property, plant and equipment	1,187.1	512.2	21.2	45.8	118.7	291.9	707.6	17.3	-
Intangibles	-	406.1	-	1,181.2	18.7	-	8.0	-	-
Deferred expenditure	19.8	19.1	-	25.8	0.6	2.4	2.8	0.1	-
Deferred tax assets	0.7	0.4	12.2	52.3	6.8	1.1	15.6	1.8	-
Other	1.4	-	7.2	-	-	-	25.4	-	-
Total assets	1,219.0	949.6	67.7	2,102.3	643.4	524.2	864.0	55.1	0.2
Current liabilities									
Payables	2.9	5.0	25.0	333.3	4.1	2.8	30.9	2.0	0.5
Provisions	2.1	0.2	14.6	42.9	0.3	-	32.3	3.8	2.0
Tax liabilities	8.2	-	10.0	19.5	8.6	7.6	10.3	0.2	-
Unearned revenue	1.5	-	2.4	7.5	-	-	-	0.5	-
Non-current liabilities									
Provisions	0.2	-	19.0	20.2	-	-	-	0.3	-
Deferred tax liabilities	202.1	70.8	-	109.8	8.5	11.1	107.9	2.1	-
Unearned revenue	0.5	-	-	6.1	-	-	-	0.2	-
Funds employed	1,001.5	873.6	(3.3)	1,563.0	621.9	502.7	682.6	46.0	(2.3)
Guarantee support			1.4	283.9					

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 10 – Segment Information (continued)

	Energy Networks		Agility	Energy Sales & Marketing	Energy Investments	Power Generation	New Zealand Business	Property	Telecommunications
	Gas networks	Electricity networks							
	$m	$m	$m	$m	$m	$m	$m	$m	$m
(e) Profit from ordinary activities before borrowing costs and significant items									
Before income tax	**164.1**	**70.1**	**55.5**	**218.8**	**86.7**	**21.7**	**129.4**	**0.5**	**(1.0)**
After income tax	**114.0**	**48.1**	**38.7**	**141.8**	**67.5**	**8.1**	**83.8**	**(0.4)**	**(0.1)**
(f) Profit from ordinary activities before borrowing costs and significant items/funds employed* (%)									
Before income tax	**16.5**	**8.0**	**n/a**	**14.0**	**14.6**	**6.2**	**18.4**	**1.1**	**n/a**
After income tax	**11.5**	**5.5**	**n/a**	**9.1**	**11.4**	**2.3**	**11.9**	**n/a**	**n/a**
*Weighted where appropriate									
(g) Profit from ordinary activities before borrowing costs and significant items/funds employed including guarantee support* (%)									
Before income tax	**16.5**	**8.0**	**n/a**	**11.5**	**14.6**	**6.2**	**18.4**	**1.1**	**n/a**
After income tax	**11.5**	**5.5**	**n/a**	**7.5**	**11.4**	**2.3**	**11.9**	**n/a**	**n/a**
*Weighted where appropriate									

(h) Geographical segments

	External Revenues		Assets		Acquisition of Non-Current Assets	
	2004	2003	**2004**	2003	**2004**	2003
	$m	$m	**$m**	$m	**$m**	$m
Australia	**3,749.3**	3,366.2	**5,563.0**	5,360.5	**153.2**	1,143.7
New Zealand	**417.4**	1,287.8	**864.0**	892.8	**55.1**	32.5
Other	**35.0**	33.8	**147.1**	141.2	**6.5**	7.9
	4,201.7	4,687.8	**6,574.1**	6,394.5	**214.8**	1,184.1

There was no material inter-segment revenue.

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 11 – Impact of adopting Australian equivalents to International Financial Reporting Standards

AGL will be required to prepare financial statements using the Australian equivalents to International Financial Reporting Standards (IFRSs) for the financial year beginning 1 July 2005. AGL's first financial report using IFRSs will be for the half year ended 31 December 2005.

To manage the convergence to IFRSs, a project team has been established reporting to a Steering Committee which is chaired by AGL's Chief Financial Officer. The Steering Committee monitors the progress of the project. Project status reports are provided on a regular basis to the Board's Audit and Risk Management Committee. Internal resources have been allocated to specific areas of impact and external consultants have been engaged to provide advice.

Adoption of IFRSs is likely to result in changes to accounting policies and processes. Based on current information, the key differences in accounting policies that are expected to arise as a result of adoption of IFRSs are summarised below. At this stage it is not possible to reliably quantify the impacts on the financial report.

(a) AASB 2 – Share Based Payments
AGL has several employee share ownership plans. AASB 2 applies to all share based payments that were issued after 7 November 2002 but have not vested by 1 January 2005. This standard requires share based payments to be measured at fair value at grant date and expensed over the period until they vest. This may result in a change to current accounting policy, which does not require share based payments to be expensed.

(b) AASB 3 - Business Combinations
Under this standard goodwill will no longer be amortised but will be subject to annual impairment testing. If there is any impairment, the goodwill will be written down in the Statement of Financial Performance. This may result in a change to current accounting policy which requires goodwill to be amortised on a straight line basis over the period of time during which the future benefits are expected to arise or twenty years, whichever is the shorter. The amortisation of goodwill recorded for the year ended 30 June 2004 was $5.1 million.

(c) AASB 112 – Taxation
Current accounting policy is to apply the liability method of tax effect accounting. Under this method, income tax expense is based on profit from ordinary activities adjusted for any permanently non-allowable and non-assessable items (the "Income Statement" approach). Deferred tax assets and liabilities are recognised for timing differences which occur when revenue and expense items are allowed for income tax purposes in a period different to that for accounting. AASB 112 adopts a "Balance Sheet" approach which recognises deferred tax amounts for any differences between the accounting and tax value of assets and liabilities. As AASB 112 has a "Balance Sheet" approach to the calculation of deferred tax amounts rather than an "Income Statement" approach, this Standard may result in the recognition of more or less tax assets and tax liabilities. In addition the income tax expense and deferred tax amounts calculated under AASB 112 may be affected by other IFRSs to the extent that they impact on the carrying value of assets and liabilities in the Statement of Financial Position.

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 11 - Impact of adopting Australian equivalents to International Financial Reporting Standards (cont'd)

(d) AASB 119 - Employee Benefits
AGL sponsors a number of defined benefit superannuation plans for employees. This standard requires the recognition of an asset or liability for the net difference between the defined benefit obligation and the fair value of the plan assets. Movements in the net position will be reflected in the Statement of Financial Performance. Current policy is to provide for any present obligation to fund a shortfall in the net market value of defined benefit plan assets compared to the estimated members' benefits. As this calculation is different to that required under AASB 119, and as assets are not recognised for actuarial surpluses, adoption of this standard may result in a change to current accounting policy. The initial adjustment on transition will be through retained earnings and subsequent adjustments will be to the Statement of Financial Performance for the relevant period.

(e) AASB 138 - Intangible Assets
AGL has two types of intangible assets, goodwill and licences. Assets currently classified as licences may not meet the definition under this standard and may be recognised as goodwill. Distribution licences are not amortised as they have an indefinite life. Retail licences are amortised over the period during which the future benefits are expected to arise. If Retail licences are considered to be goodwill under IFRS, there will be a change to the amount of amortisation charged to the Statement of Financial Performance.

(f) AASB 139 - Financial Instruments: Recognition and Measurement
This standard requires all derivatives to be measured at fair value on the Statement of Financial Position regardless of the use of the derivative. This standard is expected to result in key differences in accounting policy. This standard has stricter criteria for the adoption of hedge accounting and, where these are not met, movements in the fair value of derivatives will result in impacts to the Statement of Financial Performance. AGL uses derivatives to help manage exposures to wholesale electricity and gas price fluctuations. These derivatives will mainly be classified as cash flow hedges as defined under this standard.

Any gain or loss on fully effective cash flow hedges will be recognised in equity. The gain or loss will be released from equity at the same time the change in the underlying hedged item is recognised in the Statement of Financial Performance. Any gain or loss on an ineffective portion of a qualifying cash flow hedge will be immediately recognised in the Statement of Financial Performance.

AGL also uses treasury derivatives to help manage exposures to interest rate and foreign exchange movements. These derivatives will mainly be fair value hedges as defined under this standard.

Any gain or loss on fair value hedges will be recorded in the Statement of Financial Performance and will be offset by the movement in the fair value of the hedged item to the extent that the hedge is effective. Any ineffectiveness will, by default, be recognised in the Statement of Financial Performance. AGL currently applies hedge accounting to derivatives, where derivatives are only recorded in the Statement of Financial Performance on settlement.

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 11 – Impact of adopting Australian equivalents to International Financial Reporting Standards (cont'd)

(g) AASB 1 – First Time Adoption of Australian International Financial Reporting Pronouncements
This standard establishes guidance for entities that are preparing IFRS compliant statements for the first time. Generally the standard requires an entity to retrospectively apply each IFRS in an entity's first IFRS financial report. AGL's first IFRS financial report will be the interim financial report for the period ending 31 December 2005. AGL's date of transition to Australian equivalents to IFRSs is 1 July 2004 and AGL will be required to prepare an opening Statement of Financial Position at that date.

Financial statements under current Australian accounting standards are still required to be prepared for the year commencing 1 July 2004. Opening adjustments to comply with retrospective application of all of the IFRS standards will be made to retained earnings except for adjustments to intangibles acquired in a business combination which will be made against goodwill rather than retained earnings. The standard provides some mandatory exemptions to the retrospective application of some IFRS and some voluntary exemptions. AGL is analysing the voluntary options and has not yet finalised its decision in regards to those options.

Note 12 – Subsequent events

AGL has announced that it has commenced a process to seek expressions of interest for the sale of its NGC business in New Zealand. This process is expected to take several months.

The Australian Gas Light Company and Controlled Entities
Notes to the Financial Statements
For the year ended 30 June 2004

Note 13 – Information on audits or review

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 .

2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

3. This report does give a true and fair view of the matters disclosed.

4. This report is based on accounts to which one of the following applies.

☑	The accounts have been audited.	☐	The accounts have been subject to review.
☐	The accounts are in the process of being audited or subject to review.	☐	The accounts have *not* yet been audited or reviewed.

5. The entity has a formally constituted audit and risk committee.

Mark Johnson.

M R G Johnson (Chairman)

26 August 2004