

Supplementary Information

Results

2004 full year results
Greg Martin, Managing Director



FINANCIAL SUMMARY



<u>Profit and Loss</u> (excl. significant items)	<u>2003</u> (\$m)	<u>2004</u> (\$m)	change
Revenue	3,924.1	4,183.4	+ 6.6%
Expenses	-3,058.7	-3,309.3	+ 8.2%
Equity accounted share of JV profits	73.1	84.0	+ 14.9%
EBITDA	938.5	958.1	+ 2.1%
Depreciation	-122.9	-124.3	+ 1.1%
Amortisation - intangibles	-35.6	-40.6	+ 14.0%
- other	-91.4	-79.4	- 13.1%
EBIT	688.6	713.8	+ 3.7%
Borrowing costs	-174.6	-134.0	- 23.3%
Tax	-171.6	-188.0	+ 9.6%
Outside equity interests	-21.6	-30.0	+ 38.9%
Profit after tax, interest and outside equity interests	320.8	361.8	+ 12.8%

FINANCIAL SUMMARY (cont.)



<u>Profit and Loss</u> <u>(reported)</u>	<u>2003</u> (\$m)	<u>2004</u> (\$m)	change
Revenue	4,687.8	4,201.7	- 10.4%
Expenses	-3,771.2	-3,348.2	- 11.2%
Equity accounted share of JV profits	20.6	91.8	+ 345.6%
EBITDA	937.2	945.3	+ 0.9%
Depreciation	-122.9	-124.3	+ 1.1%
Amortisation - intangibles	-35.6	-40.6	+ 14.0%
- other	-91.4	-79.4	- 13.1%
EBIT	687.3	701.0	+ 2.0%
Borrowing costs	-174.6	-134.0	- 23.3%
Tax	-172.8	-187.5	+ 8.5%
Outside equity interests	-44.9	-30.0	- 33.2%
Profit after tax, interest and outside equity interests	295.0	349.5	+ 18.5%

FINANCIAL SUMMARY (cont.)



<u>Balance sheet</u>	<u>2003</u> (\$m)	<u>2004</u> (\$m)	change
Current Assets	993.6	1,015.5	+ 2.2%
Non Current Assets	5,400.9	5,558.6	+ 2.9%
Total Assets	6,394.5	6,574.1	+ 2.8%
Current Liabilities	608.7	655.5	+ 7.7%
Non Current Liabilities	585.7	574.3	- 1.9%
Interest Bearing Liabilities	2,047.1	2,189.7	+ 7.0%
Total Liabilities	3,241.5	3,419.5	+ 5.5%
Equity attributable to AGL	2,896.8	3,049.8	+ 5.3%
Outside equity interests	256.2	104.8	- 59.1%
Net Assets	3,153.0	3,154.6	+ 0.1%

	<u>2003</u> (\$m)	<u>2004</u> (\$m)	change
Revenue	3,106.7	3,473.9	+ 11.8%
Expenses	-2,866.0	-3,204.3	+ 11.8%
EBITDA	240.7	269.6	+ 12.0%
Depreciation	-7.2	-5.3	- 26.4%
Amortisation - intangibles	-28.8	-35.6 ¹	+ 23.6%
- other	-8.1	-9.9	+ 22.2%
EBIT	196.6	218.8	+ 11.3%
Operating cashflow	99.6	212.6	+ 113.5%
EBIT:Sales	6.3%	6.3%	+ 0.0%
Average Funds Employed	1,681.3	1,895.2 ¹	+ 12.7%
EBIT: avg funds employed	11.7%	11.5%	- 0.2%

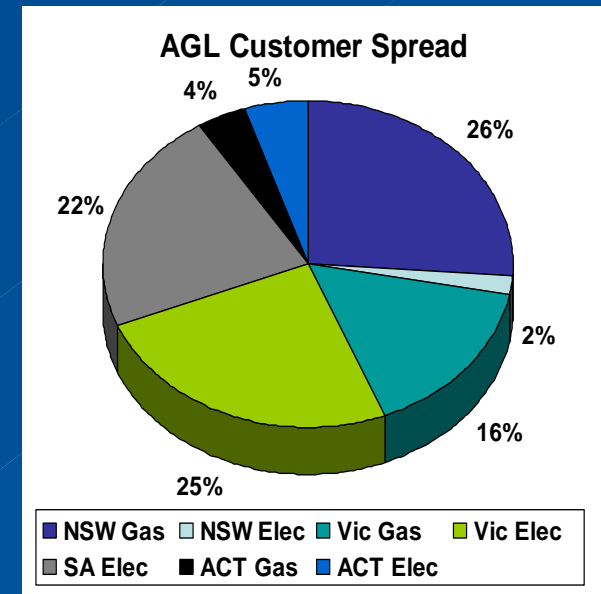
¹ \$165m re-allocated from Electricity Networks to ES&M in relation to retail license - reflected in increased funds employed and amortisation

ENERGY SALES AND MARKETING (cont.)



		Gas			Electricity		
		2003	2004	change	2003	2004	change
Customer accounts ('000)	AGL	1,322	1,296	- 2.0%	1,568	1,518	- 3.2%
	ActewAGL	105	107	+ 1.9%	146	142	- 2.7%
	Total	1,427	1,403	- 1.7%	1,714	1,660	- 3.2%
Revenue (\$m)		1,092.2	1,293.4	+ 18.4%	1,923.4	2,104.4	+ 9.4%
Gross Margin (\$m)		163.9	231.4	+ 41.2%	264.3	268.3	+ 1.5%

Dual Fuel accounts	2003	2004	
AGL	617,900	685,600	+ 11.0%
ActewAGL	174,000	178,000	+ 2.3%
Total	791,900	863,600	+ 9.1%



Energy Volumes

GAS (PJ)

2003	<u>NSW</u>	<u>Vic</u>	<u>Other</u>	<u>Total</u>	
Retail	29.6	29.2		58.8	
I&C	40.8	20.0		60.8	
Wholesale	19.2	2.1	14.3	35.6	
Total	89.6	51.3	14.3	155.2	

2004	<u>NSW</u>	<u>Vic</u>	<u>Other</u>	<u>Total</u>	change
Retail	29.0	37.2		66.2	+ 12.6%
I&C	37.5	25.9		63.4	+ 4.3%
Wholesale	21.7	1.3	9.4	32.4	- 9.0%
Total	88.2	64.4	9.4	162.0	+ 4.4%

ELECTRICITY (GWh)

2003	<u>NSW</u>	<u>Vic</u>	<u>SA</u>	<u>Qld</u>	<u>Total</u>	
Retail	101	4,722	5,392		10,215	
I&C	3,158	4,513	3,251	71	10,993	
Total	3,259	9,235	8,643	71	21,208	

2004	<u>NSW</u>	<u>Vic</u>	<u>SA</u>	<u>Qld</u>	<u>Total</u>	change
Retail	275	5,140	5,315		10,730	+ 5.0%
I&C	3,777	4,357	2,999	432	11,565	+ 5.2%
Total	4,052	9,497	8,314	432	22,295	+ 5.1%

ENERGY NETWORKS



	Gas			Electricity		
	2003 (\$m)	2004 (\$m)	change	2003 (\$m)	2004 (\$m)	change
Revenue	324.7	337.0	+ 3.8%	178.0	181.9	+ 2.2%
Expenses	-133.4	-132.9	- 0.4%	-89.1	-85.3	- 4.3%
EBITDA	191.3	204.1	+ 6.7%	88.9	96.6	+ 8.7%
Depreciation	-30.3	-32.8	+ 8.3%	-17.6	-18.5	+ 5.1%
Amortisation - intangibles	0	0		-3.3	-3.3	+ 0.0%
- other	-9.1	-7.2	- 20.9%	-4.0	-4.7	+ 17.5%
EBIT	151.9	164.1	+ 8.0%	64.0	70.1	+ 9.5%
EBIT:Sales	46.8%	48.7%	+ 1.9%	36.0%	38.5%	+ 2.6%
Operating cashflow	187.6	199.5	+ 6.3%	88.3	94.7	+ 7.2%
Average funds employed	988.2	995.6	+ 0.7%	1,042.4	875.3 ¹	- 16.0%
EBIT: avg funds employed	15.4%	16.5%	+ 1.1%	6.1%	8.0%	+ 1.9%

¹ \$165m re-allocated from Electricity Networks to ES&M in relation to retail license - decrease in funds employed

		Gas			Electricity		
		2003	2004	change	2003	2004	change
Volume transported	- I&C	66.4 PJ	64.2 PJ	- 3.3%	2,201 GWh	2,223 GWh	+ 1.0%
	- retail	30.7 PJ	32.2 PJ	+ 4.9%	1,833 GWh	1,900 GWh	+ 3.7%
	- total	97.1 PJ	96.4 PJ	- 0.7%	4,034 GWh	4,123 GWh	+ 2.2%
Customer connections	- total	892,900	924,600	+ 3.6%	272,400	279,100	+ 2.5%
	- incremental	32,300	31,700	- 1.9%	6,600	6,700	+ 1.5%
Network length		23,100 km	23,300 km	+ 0.9%	7,200 km	7,300 km	+ 1.4%

	<u>2003</u> (\$m)	<u>2004</u> (\$m)	change
Revenue	379.0	404.3	+ 6.7%
Expenses	-326.6	-345.6	+ 5.8%
EBITDA	52.4	58.7	+ 12.0%
EBIT	50.5	55.5	+ 9.9%
EBIT: Sales	13.3%	13.7%	+ 0.4%
Operating cashflow	60.8	55.5	- 8.7%
Average funds employed	0.4	0.9	

Assets under management	<u>2003</u>	<u>2004</u>	change
- Gas distribution	26,400 km	26,900 km	+ 1.9%
- Gas transmission	9,500 km	9,700 km	+ 2.1%
- Electricity distribution	7,200 km	7,300 km	+ 1.4%
- Peaking generation	330 MW	330 MW	+ 0.0%

NZ (incl. NGC - AGL 66%)



	<u>2003</u>	<u>2004</u>	change
	(A\$m)	(A\$m)	
Revenue (excl sale proceeds)	543.1	417.4	- 23.1%
Expenses	-297.0	-217.5	- 26.8%
EBITDA	246.1	199.9	- 18.8%
Depreciation	-51.5	-36.4	- 29.3%
Amortisation - intangibles	-2.5	-0.6	- 76.0%
- other	-53.0	-33.5	- 36.8%
EBIT	139.1	129.4	- 7.0%
Deduct EBIT from business sold			
Trustpower	-6.0	n/a	
NGC power generation	-10.9	n/a	
EBIT from continuing businesses	122.2	129.4	+ 5.9%
Operating cashflow	246.3	209.3	- 15.0%
EBIT:Sales	25.6%	31.0%	+ 5.4%
Average funds employed	1,265.3	703.1	- 44.4%
EBIT: avg funds employed	11.0%	18.4%	+ 7.4%

	<u>2003</u>	<u>2004</u>	change
Gas Sales	72.6 PJ	58.9 PJ	- 18.9%
Gas Transmission			
Pipeline length	2,187 km	2,187 km	+ 0.0%
Volume transported	90.8 PJ	94.7 PJ	+ 4.3%
Gas distribution			
Network length	2,739 km	2,810 km	+ 2.6%
Volume transported	11.0 PJ	11.1 PJ	+ 0.9%

<u>Reconciliation AGL EBIT to NGC published EBIT</u>				<u>2004</u>
				<u>(\$m)</u>
AGL	NZ segment EBIT	A\$		129.4
	converted at average FX rate			1.12
			<hr/>	
		NZ\$		144.9
	add/(less)			
	differences in accounting treatment of depreciation, amortisation and interest			-5.6
	Other AGL NZ revenue			-0.7
NGC	published EBIT		<hr/>	<hr/>
		NZ\$		138.6

<u>Balance sheet of NGC consolidated in AGL</u>	
	<u>Jun-04</u>
	<u>(A\$m)</u>
Assets	864.0
Liabilities	594.4
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Net assets	269.6
Outside equity interests	89.8
AGL equity in NGC	179.8
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Equity	269.6
Total no. shares on issue	442.8m
AGL interest in NGC	66.1%

	<u>2003</u> (\$m)	<u>2004</u> (\$m)	change
Revenue	46.9	50.7	+ 8.1%
Expenses	-21.5	-14.1	- 34.4%
EBITDA	25.4	36.6	+ 44.1%
Depreciation and amortisation	-5.3	-14.9	+ 181.1%
EBIT	20.1	21.7	+ 8.0%
Operating cashflow	26.1	36.8	+ 41.0%
Average funds employed	271.9	348.9	+ 28.3%
EBIT: avg funds employed	7.4%	6.2%	- 1.2%

Power Generation segment includes:

- AGL's 32.5% investment in Loy Yang Power. AGL share of equity accounted net profit since acquisition in April 2004 \$2.7m
- Somerton and Hallett Peaking power plants, contracted to the Energy Sales and Marketing division on a fixed fee arrangement.
- Power generation assets in WA contracted to single customers

LOY YANG

Performance since acquisition in April 2004

Electricity Sales

GWh	Average price
3,722	\$28.4 \$/MWh

Profit and Loss Summary (estimated)

	<u>Apr- Jun '04</u> (\$m)
Electricity sales revenue	105.7
Mining and other revenue	12.6
Expenses	- 35.6
Depreciation	- 20.7
Interest expense (excl payments to investors)	- <u>53.7</u>
Operating profit before tax	<u>8.3</u>

Reported vs. Underlying profit

Energy Networks

gas

electricity

ES&M

Agility

Power Generation

New Zealand

Energy Investments

ActewAGL

APT

LPG

Chile

Telecoms

Property

Unallocated

EBIT

Net interest cost

Tax

Outside equity interests

**Net profit attributable
to AGL shareholders**

	<u>2003</u> reported (\$m)	significant (\$m)	<u>2003</u> excl sig. (\$m)	<u>2004</u> reported (\$m)	significant (\$m)	<u>2004</u> excl sig. (\$m)
Energy Networks						
gas	151.9		151.9	164.1		164.1
electricity	64.0		64.0	70.1		70.1
ES&M	196.6		196.6	218.8		218.8
Agility	50.5		50.5	55.5		55.5
Power Generation	20.1		20.1	17.5	-4.2	21.7
New Zealand	198.8	59.7	139.1	129.4		129.4
Energy Investments						
ActewAGL	44.4		44.4	50.9		50.9
APT	16.4		16.4	38.0	23.7	14.3
LPG	20.1		20.1	15.3		15.3
Chile	7.5		7.5	6.2		6.2
Telecoms	-70.2	-69.5	-0.7	-33.3	-32.3	-1.0
Property	7.2	8.5	-1.3	0.5		0.5
Unallocated	-20.0		-19.6	-32.0		-32.0
EBIT	687.3	-1.3	688.6	701.0	-12.8	713.8
Net interest cost	-174.6		-174.6	-134.0		-134.0
Tax	-172.8	-1.2	-171.6	-187.5	0.5	-188.0
Outside equity interests	-44.9	-23.3	-21.6	-30.0		-30.0
Net profit attributable to AGL shareholders	295.0	-25.8	320.8	349.5	-12.3	361.8

SIGNIFICANT ITEMS



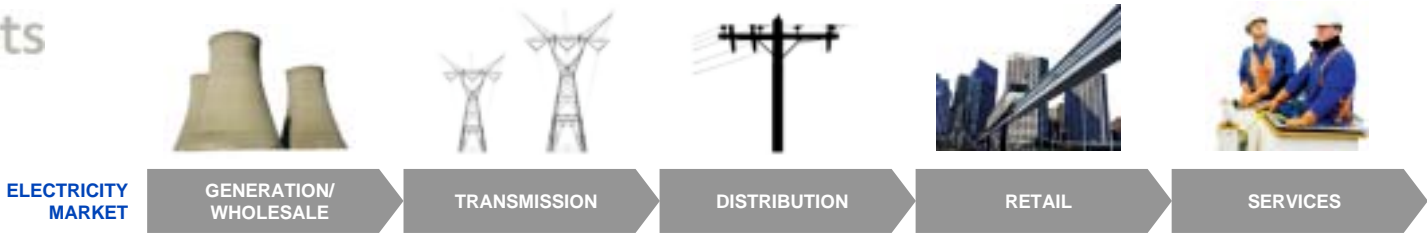
	<u>H1 '04</u>	<u>H2 '04</u>	<u>FY 2004</u>
Power Generation			
Windimurra power station	-4.2		-4.2
APT			
Windimurra pipeline		-4.2	
Tax consolidation impact		27.9	23.7
Telecoms			
Dingo Blue	16.2		
COMindico	-7.9	-15.6	
TransACT	-25.0		-32.3
Tax re. Windimurra writedown	0.5		0.5
Net Significant items	-20.4	8.1	-12.3

	<u>2003</u> (\$m)	<u>2004</u> (\$m)
Stay in business capex	66.0	80.4
Discretionary/ expansionary capex	228.8	134.0
Total capex	294.8	214.4

	<u>2003</u>	<u>2004</u>	change
Net Borrowings	\$1,977.5 m	\$2,159.1 m	9.2%
Interest cover	4.1 x	5.7 x	1.6 x
Gearing (D/D+E) (%)	38.5 %	40.6 %	2.1%
Average interest rate	6.6 %	6.4 %	-0.2%
Debt duration	4.7 yrs	4.8 yrs	0.1 yrs
Average exchange rate			
AUD/USD	0.62 USD	0.68 USD	-8.8%
AUD/NZD	1.15 NZD	1.12 NZD	2.7%

Key markets

This diagram shows the key markets in which AGL does business.



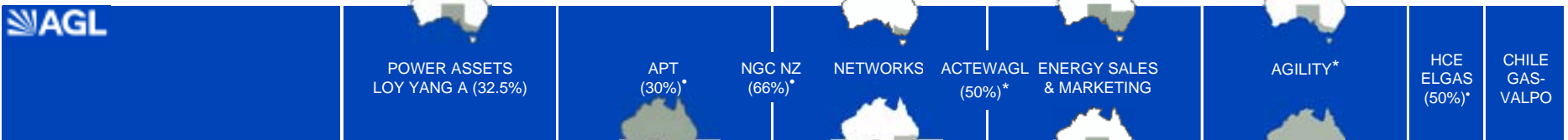
GENERATION/ WHOLESALE
 Power plant generates electricity for supply to national electricity market.
 AGL owns peaking gas-fired Power Generation plants in Victoria and South Australia and 32.5% investment in Loy Yang Power in Victoria's Latrobe Valley.

TRANSMISSION
 Transmission network transports electricity from generators to population centres.
 AGL does not have any electricity transmission investments.

DISTRIBUTION
 Low voltage electricity distributed via a network of poles and wires to customers.
 AGL owns the electricity distribution network that supplies Melbourne's north-western suburbs and is joint venture partner with Actew in the ACT.

RETAIL
 Residential, commercial and industrial consumers buy electricity from retailers.
 AGL is the leading electricity retailer in Australia.

SERVICES
 Designing, building operating, maintaining and management of infrastructure.
 Agility has contracts in Tasmania and with AGL's electricity network in Victoria.



- AGL business areas
- AGL Shareholding
- * Business contracts held with Power Assets, APT, Networks, ActewAGL, LPG.



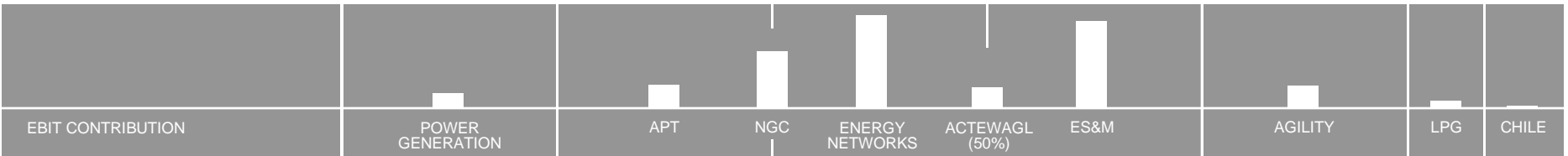
PRODUCTION/ WHOLESALE
 Remote onshore and offshore gas fields are drilled to access gas reserves.
 AGL does not have investments in natural gas exploration or production.

TRANSMISSION
 Large high pressure pipelines carry gas from the gas fields.
 AGL has a 30% interest in the Australian Pipeline Trust, Australia's largest owner/operator of gas transmission pipelines, and a 66% interest in NGC, a major New Zealand energy company.

DISTRIBUTION
 Low pressure gas distributed via a network of pipelines to consumers.
 AGL owns the major gas network that distributes gas in NSW and is joint venture partner with Actew in the ACT.

RETAIL
 Residential, commercial and industrial consumers buy gas from retailers.
 AGL is the leading gas retailer in Australia.

SERVICES
 Designing, building operating, maintaining and management of infrastructure.
 Agility contracts across Australia for transmission and distribution systems.



Results

2004 full year results
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