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# media release

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## **AGL announces \$515 million return of capital to Shareholders**

The Australian Gas Light Company (AGL) today released details of a \$515 million return of capital to Shareholders which would see Shareholders receive 80 cents per share. The median number of shares owned by an AGL retail investor is 800, which would translate into an average cash return of around \$640.

This capital management program contains three elements:

- A special dividend of 30 cents per share franked to 90 per cent (\$137 million)
- A proposed capital return of 50c per share (\$228 million)
- A \$150 million on-market share buy-back

AGL Chairman Mark Johnson said, "AGL has been able to undertake a capital management program due to the strength of its financial position. AGL's balance sheet was enhanced by the sale in late December 2004 of AGL's 66 per cent interest in NGC Holdings Limited (New Zealand).

"This capital management program represents a tax effective result for Shareholders whilst still enabling the company to pursue growth opportunities.

"In the Board's view, the combination of the special dividend, capital return and on-market buy-back is the simplest and fairest way to return excess capital to AGL Shareholders", Mr Johnson concluded.

Both the special dividend and the interim ordinary dividend are payable on March 24, 2005 with shares trading ex-dividend from March 7, 2005.

An Extraordinary Shareholders' Meeting is planned for April 6, 2005 at which a resolution will be put to Shareholders to approve the 50 cents per share capital return. If approved, the capital return is expected to be paid to Shareholders in late April 2005.

The Australian Taxation Office has confirmed the terms of a draft Class Ruling on the 50 cents per share capital return. The Ruling provides that no part of the 50 cents per share returned to Shareholders will be deemed to be a taxable dividend. Instead, it would be treated as a reduction of each Shareholder's cost base of their shares in AGL. However, Shareholders should consult their own taxation adviser on these matters.

AGL expects to commence the on-market share buy-back after payment of the proposed capital return, if approved by Shareholders.

Further general information will be contained in the Notice of Extraordinary General Meeting which will be sent shortly to all Shareholders.

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

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