



Supplementary Information
Half Year Financial Results
6 months ended December 2004

Greg Martin
Managing Director

AGL Business Portfolio



<u>Profit and Loss</u> six months ended (excl. significant items)	<u>Dec '03</u> (\$m)	<u>Dec '04</u> (\$m)	change
Revenue	2,149.1	2,178.0	+ 1.3%
Expenses	-1,660.8	-1,693.8	+ 2.0%
Equity accounted share of JV profits	47.5	49.3	+ 3.8%
EBITDA	535.8	533.5	- 0.4%
Depreciation	-56.1	-59.8	+ 6.6%
Amortisation - intangibles	-17.1	-20.2	+ 18.1%
- other	-35.7	-33.8	- 5.3%
EBIT	426.9	419.7	- 1.7%
Borrowing costs	-64.6	-65.8	+ 1.9%
Tax	-119.9	-107.4	- 10.4%
Outside equity interests	-16.3	-19.9	+ 22.1%
Profit after tax, interest and outside equity interests	226.1	226.6	+ 0.2%

AGL Business Portfolio



<u>Profit and Loss</u> six months ended (reported)	<u>Dec '03</u> (\$m)	<u>Dec '04</u> (\$m)	change
Revenue	2,165.3	2,995.3	+ 38.3%
Expenses	-1,690.0	-1,907.5	+ 12.9%
Equity accounted share of JV profits	39.6	44.2	+ 11.6%
EBITDA	514.9	1,132.0	+ 119.8%
Depreciation	-56.1	-59.8	+ 6.6%
Amortisation - intangibles	-17.1	-20.2	+ 18.1%
- other	-35.7	-33.8	- 5.3%
EBIT	406.0	1,018.2	+ 150.8%
Borrowing costs	-64.6	-65.8	+ 1.9%
Tax	-119.4	-44.7	- 62.6%
Outside equity interests	-16.3	-19.9	+ 22.1%
Profit after tax, interest and outside equity interests	205.7	887.8	+ 331.6%

AGL Business Portfolio



<u>Balance sheet</u>	<u>Dec '03</u> (\$m)	<u>Dec '04</u> (\$m)	change
Cash	199.7	629.5	+ 215.2%
Current Assets	891.7	846.5	- 5.1%
Non Current Assets	5,340.2	4,795.2	- 10.2%
Total Assets	6,431.6	6,271.2	- 2.5%
Current Liabilities	573.3	577.8	+ 0.8%
Non Current Liabilities	555.8	407.3	- 26.7%
Interest Bearing Liabilities	2,163.9	1,471.7	- 32.0%
Total Liabilities	3,293.0	2,456.8	- 25.4%
Net Assets	3,138.6	3,814.4	+ 21.5%
Outside equity interests	103.0	0.0	- 100.0%
Equity attributable to AGL	3,035.6	3,814.4	+ 25.7%

Energy Sales and Marketing



... six months ended	<u>Dec '03</u> (\$m)	<u>Dec '04</u> (\$m)	change
Revenue	1,791.4	1,801.9	+ 0.6%
Expenses	-1,613.3	-1,644.0	+ 1.9%
EBITDA	178.1	157.9	- 11.3%
Depreciation	-2.2	-2.6	+ 18.2%
Amortisation - intangibles	-14.6	-17.8	+ 21.9%
- other	-5.0	-5.2	+ 4.0%
EBIT	156.3	132.3	- 15.4%
Operating cashflow	161.4	187.0	+ 15.9%
EBIT:Sales	8.7%	7.3%	- 1.4%
Average Funds Employed	1,899.4 ¹	1,866.4	- 1.7%
EBIT: avg funds employed	8.2%	7.1%	- 1.1%

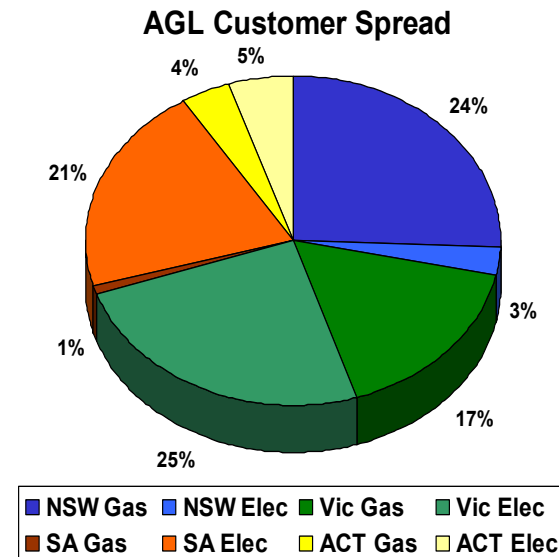
¹ \$165m re-allocated from Electricity Networks to ES&M in relation to retail license - increase in funds employed

Energy Sales and Marketing (cont.)

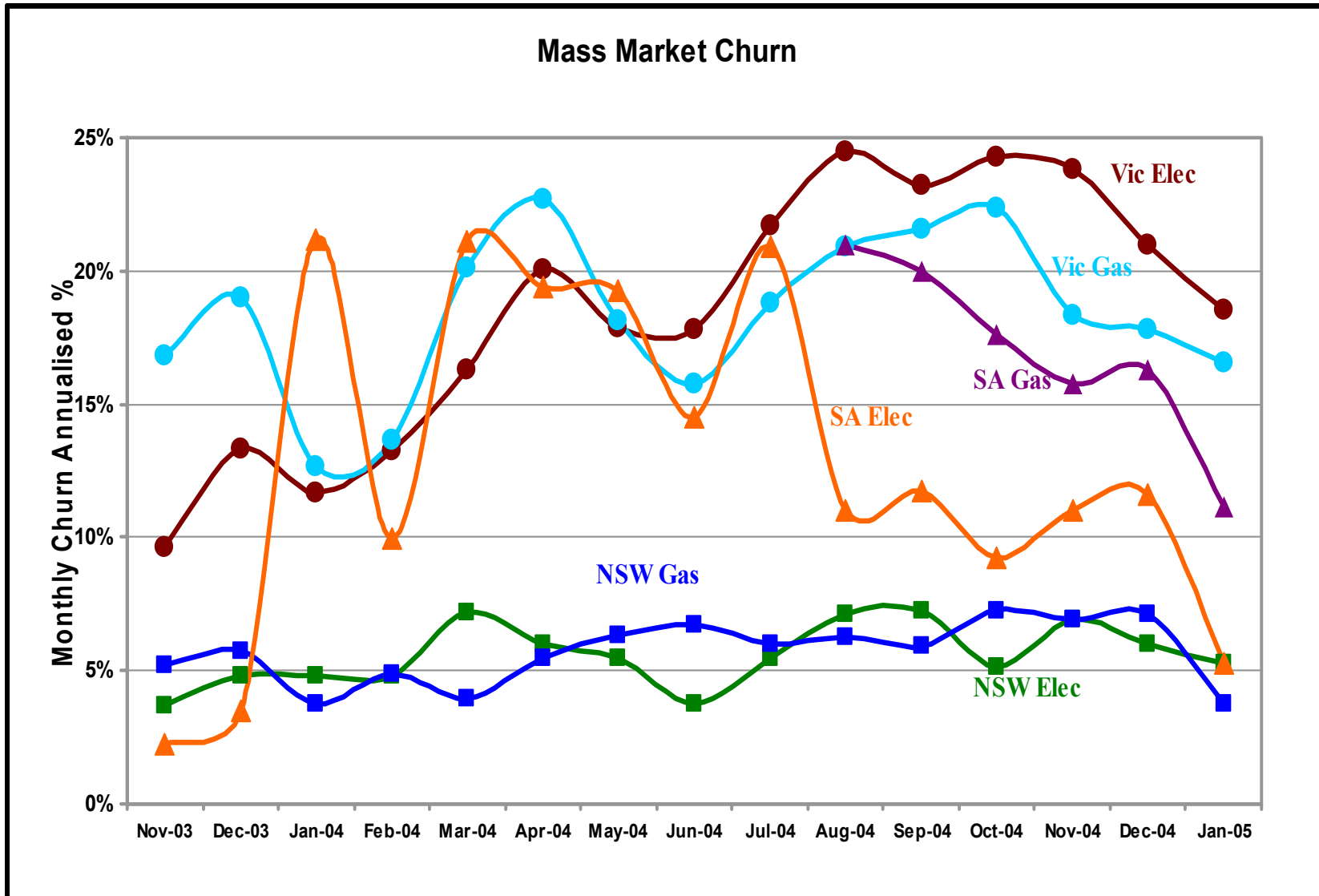
		Gas				Electricity			
		Dec '03	Jun '04	Dec '04	change	Dec '03	Jun '04	Dec '04	change
Customer accounts ('000)	AGL	1,297	1,296	1,312		1,577	1,518	1,497	
	ActewAGL	105	107	108		147	149	150	
	Total	1,402	1,403	1,420		1,724	1,667	1,647	
Revenue (\$m)		704.0		697.0	- 1.0%	1,042.0		1,078.0	+ 3.5%
Gross Margin (\$m)		135.6		131.6	- 2.9%	159.6		146.2	- 8.4%

Dual Fuel accounts	Dec '03	Jun '04	Dec '04
AGL	726,600 *	759,700 *	922,900 *
ActewAGL	188,000	190,000	194,000
Total	914,600	949,700	1,116,900

* Note: improved system matching more accurately calculates dual fuel accounts. Resulted in restatement of Jun '04 numbers of 74,100



Energy Sales and Marketing (cont.)



Source: NEMMCO, Vencorp and company estimates.

Energy Sales and Marketing (cont.)



GAS (PJ) (6 month to ...)

<u>Dec '03</u>	<u>NSW</u>	<u>Vic</u>	<u>SA</u>	<u>Other</u>	<u>Total</u>	
Retail	16.2	22.3	0.0		38.5	
I&C	19.0	12.9	2.4		34.3	
Wholesale				16.3	16.3	
Total	35.2	35.2	2.4	16.3	89.1	

<u>Dec '04</u>	<u>NSW</u>	<u>Vic</u>	<u>SA</u>	<u>Other</u>	<u>Total</u>	<u>change</u>
Retail	15.4	20.5	0.1		35.9	- 6.8%
I&C	19.0	13.6	2.7		35.3	+ 2.9%
Wholesale				14.2	14.2	- 12.9%
Total	34.4	34.1	2.8	14.2	85.4	- 4.2%

ELECTRICITY (GWh) (6 months to ...)

<u>Dec '03</u>	<u>NSW</u>	<u>Vic</u>	<u>SA</u>	<u>Qld</u>	<u>Total</u>	
Retail	101	2,601	2,602		5,304	
I&C	1,876	2,320	1,522	189	5,907	
Total	1,977	4,921	4,124	189	11,211	

<u>Dec '04</u>	<u>NSW</u>	<u>Vic</u>	<u>SA</u>	<u>Qld</u>	<u>Total</u>	<u>change</u>
Retail	275	2,533	2,268		5,076	- 4.3%
I&C	2,190	2,385	1,437	311	6,323	+ 7.0%
Total	2,465	4,918	3,705	311	11,399	+ 1.7%

Energy Networks



6 months to ...	Gas			Electricity		
	Dec '03 (\$m)	Dec '04 (\$m)	change	Dec '03 (\$m)	Dec '04 (\$m)	change
Revenue	180.1	177.8	- 1.3%	89.9	96.3	+ 7.1%
Expenses	-70.9	-67.7	- 4.5%	-42.8	-45.3	+ 5.8%
EBITDA	109.2	110.1	+ 0.8%	47.1	51.0	+ 8.3%
Depreciation	-15.2	-17.8	+ 17.1%	-9.0	-9.6	+ 6.7%
Amortisation - intangibles	0.0	0.0		-1.6	-1.6	+ 0.0%
- other	-4.6	-2.4	- 47.8%	-2.6	-2.4	- 7.7%
EBIT	89.4	89.9	+ 0.6%	33.9	37.4	+ 10.3%
EBIT:Sales	49.6%	50.6%	+ 1.0%	37.7%	38.8%	+ 1.1%
Operating cashflow	120.5	129.8	+ 7.7%	47.1	50.2	+ 6.6%
Average funds employed	993.2	1006.5	+ 1.3%	877.5 ¹	906.4	+ 3.3%
EBIT: avg funds employed	9.0%	8.9%	- 0.1%	3.9%	4.1%	+ 0.2%

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

		Dec '03	Dec '04	change			Dec '03	Dec '04	change
Volume transported	- Tariff	18.2 PJ	17.7 PJ	- 2.7%	- Small customers		970 GWh	989 GWh	+ 2.0%
	- Contract	33.0 PJ	32.5 PJ	- 1.5%	- Large busines		1,126 GWh	1,148 GWh	+ 2.0%
	- total	51.2 PJ	50.2 PJ	- 2.0%	- Total		2,096 GWh	2,138 GWh	+ 2.0%
Customer connections	- total	910,000	939,100	+ 3.2%			275,600	281,900	+ 2.3%
	- incremental	17,155	14,500	- 15.5%			3,230	2,800	- 13.3%
Network length		23,100 km	23,450 km	+ 1.5%			7,200 km	7,250 km	+ 0.7%

6 months to ...	<u>Dec '03</u> (\$m)	<u>Dec '04</u> (\$m)	change
Revenue	199.6	210.4	+ 5.4%
Expenses	-171.1	-176.2	+ 3.0%
EBITDA	28.5	34.2	+ 20.0%
EBIT	27.0	32.4	+ 20.0%
EBIT: Sales	13.5%	15.4%	+ 1.9%
Operating cashflow	15.5	32.9	+ 112.3%
Average funds employed	5.1	1.0	

Assets under management	<u>2003</u>	<u>2004</u>	change
- Gas distribution	26,500 km	27,000 km	+ 1.9%
- Gas transmission	9,700 km	9,700 km	+ 0.0%
- Electricity distribution	7,200 km	7,300 km	+ 1.4%
- Peaking generation	330 MW	330 MW	+ 0.0%

Power Generation



	<u>2003</u>	<u>2004</u>	change
	(\$m)	(\$m)	
Revenue	23.2	23.2	+ 0.0%
Expenses	-3.6	-3.2	- 11.1%
EBITDA	19.6	20.0	+ 2.0%
Depreciation and amortisation	-6.7	-7.7	+ 14.9%
EBIT	12.9	12.3	- 4.7%
Operating cashflow	17.6	18.0	+ 2.3%
Average funds employed	297.2	502.4	+ 69.0%
EBIT: avg funds employed	4.3%	2.4%	- 1.9%

Power Generation segment includes:

- AGL's 32.5% investment in Loy Yang Power acquired in April 2004. AGL share of equity accounted net profit for the six months to December 2004 - \$0.01
- 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

Power Generation (cont.)



LOY YANG

Performance for the 6 months ended 31 December 2004

Electricity Sales

GWh

7,863

Average price (net of contract amortisation)

\$27.8 \$/MWh

six months to ...	P&L Dec '04 (\$m)	six months to ...	Cash Flow Dec '04 (\$m)
Electricity sales revenue	257.5	Opening cash	96.3
Contract amortisation*	<u>-39.0</u>	Electricity sales	248.0
Net Generation revenue	218.5	Contract amortisation	<u>0.0</u>
Mining and other revenue	30.4	Mining and other receipts	49.3
Expenses	-86.9	Expenses	-105.0
Depreciation	-48.4	net GST	-19.0
Interest expense (excl payments to investors)	<u>-113.1</u>	net interest (excl payments to investors)	<u>-115.6</u>
Operating profit before tax	0.5	Operating cash flow after financing	57.7
		Capex	-22.6
		Net cash flow after capex	<u>35.1</u>
		Repayment of Borrowing	-52.3
		Cash at end of period	<u>79.1</u>

* Relates to market to market of electricity sales contracts undertaken at the time of acquisition in April 2004

Reconciliation



Reported vs. Underlying profit

	<u>Dec '03</u> reported (\$m)	significant (\$m)	<u>Dec'03</u> excl sig. (\$m)	<u>2004</u> reported (\$m)	significant (\$m)	<u>2004</u> excl sig. (\$m)
Energy Networks						
gas	89.4		89.4	89.9		89.9
electricity	33.9		33.9	37.4		37.4
ES&M	156.3		156.3	132.3		132.3
Agility	27.0		27.0	32.4		32.4
Power Generation	8.7	-4.2	12.9	12.3		12.3
New Zealand	71.7		71.7	665.2	591.5	73.7
Energy Investments						
ActewAGL	30.1		30.1	31.6		31.6
APT	7.4		7.4	8.1		8.1
LPG	8.9		8.9	11.5		11.5
Chile	3.4		3.4	2.6		2.6
Telecoms	-17.6	-16.7	-0.9	1.0		1.0
Property	-0.1		-0.1	8.6	8.6	0.0
Unallocated	-13.1		-13.1	-14.7	-1.6	-13.1
EBIT	406.0	-20.9	426.9	1,018.2	598.5	419.7
Net interest cost	-64.6		-64.6	-65.8		-65.8
Tax	-119.4	0.5	-119.9	-44.7	62.7	-107.4
Outside equity interests	-16.3		-16.3	-19.9		-19.9
Net profit attributable to AGL shareholders	205.7	-20.4	226.1	887.8	661.2	226.6

Capital Expenditure



6 months to ...	<u>Dec '03</u> (\$m)	<u>Dec '04</u> (\$m)
Stay in business capex	53.3	48.9
Discretionary/ expansionary capex	50.4	38.4
Total capex	103.7	87.3

Debt Profile

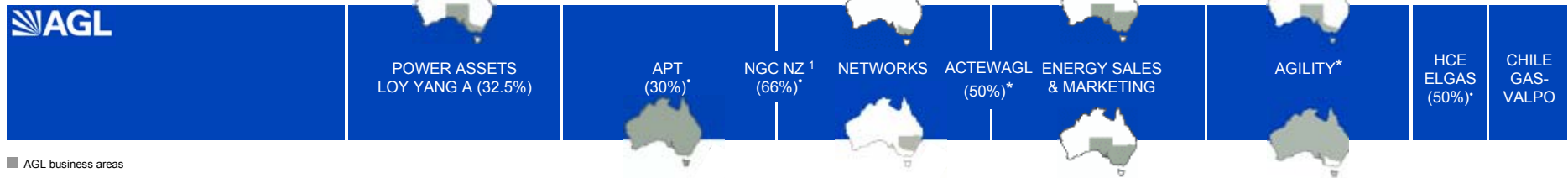
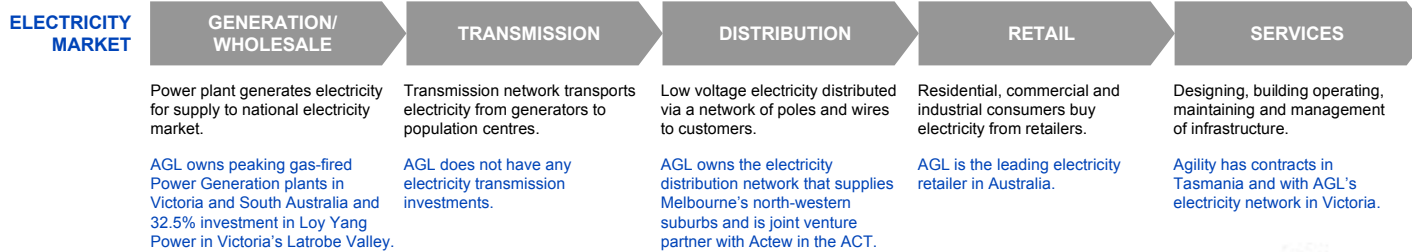


Six months to ...	<u>Dec '03</u>	<u>Dec '04</u>	change
Net Borrowings	\$1,951.4 m	\$842.2 m	-56.8%
Interest cover	6.6 x	6.4 x	-0.2 x
Gearing (D/D+E) (%)	38.3 %	18.1 %	-20.2%
Average interest rate	6.0 %	6.2 %	+0.2%
Debt duration	5.9 yrs	6.0 yrs	0.1 yrs
Average exchange rate			
AUD/USD	0.69 USD	0.73 USD	-5.5%
AUD/NZD	1.14 NZD	1.11 NZD	2.7%

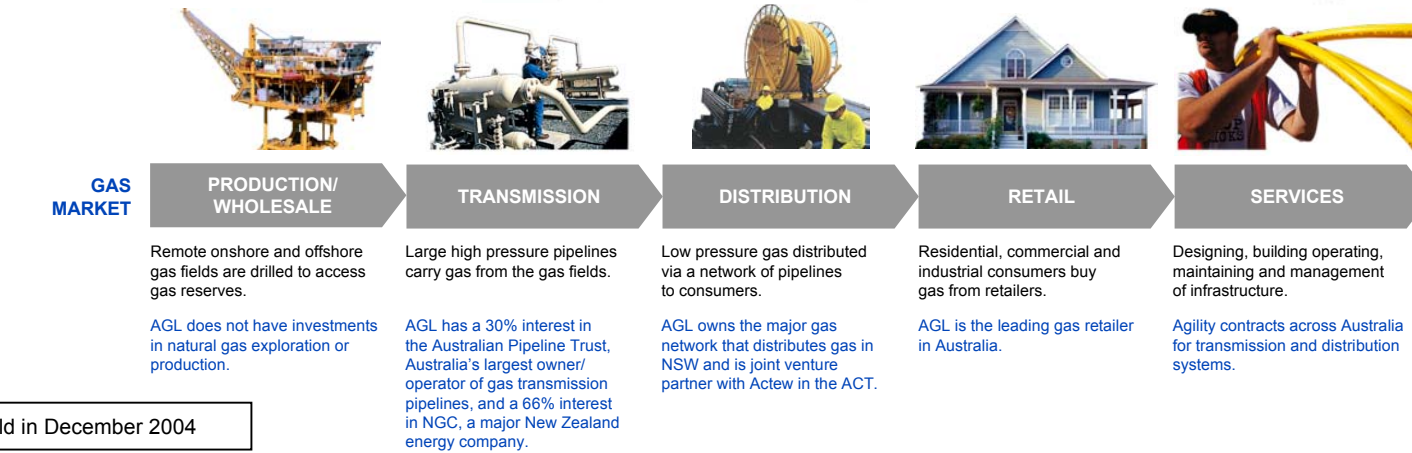
Key markets



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



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



¹ Investment in NGC sold in December 2004

