

AGL RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2005 HIGHLIGHTS

February 28, 2006

<u>Underlying</u>	<u>Reported</u>
<ul style="list-style-type: none"> Net profit after income tax of \$234.1 million up 15.4 per cent from continuing operations Net profit after income tax of \$234.1 million down 2.0 per cent if contribution from NGC included in prior corresponding period Basic EPS of 51.3 cents from continuing operations up 6.9 cents per share 	<ul style="list-style-type: none"> Net profit after income tax of \$282.2 million (prior year comparative included a significant item of \$624.2 million profit on the sale of New Zealand company NGC Holdings Limited) Basic EPS of 61.8 cents from continuing operations up 1.2 cents per share
<ul style="list-style-type: none"> Fully franked interim dividend 31 cents per share to be paid on 23 March 2006. Confirmation of dividend for 6 months ended December 2005 as outlined in the Scheme Booklet. 	
<p>MAJOR ITEMS OF NOTE</p> <p>Retail Energy</p> <ul style="list-style-type: none"> 8.4 per cent increase in EBIT to \$153.8 million resulting in EBIT/Sales margin improvement from 8.2 per cent to 8.8 per cent. Increase in dual fuel accounts by 148,306 to 1,071,250 amid continuing highly competitive retail environment. <p>Merchant Energy</p> <ul style="list-style-type: none"> Significant improvement in performance of power generation portfolio with a 54.8 per cent increase in profit to \$19.5 million including an additional \$6.4 million from Loy Yang Power. Expansion of renewable energy portfolio through the acquisition of Southern Hydro power generation assets. Entry into 50:50 joint venture with Sydney Gas including the operatorship of the Camden coal-seam methane project. <p>Agility</p> <ul style="list-style-type: none"> Won orders for over \$100 million of additional external third party work resulting in a 12.6 per cent increase in 6 months reported revenue to \$237.0 million. <p>Networks</p> <ul style="list-style-type: none"> Combined EBIT result up \$2.7 million to \$115.8 million or 2.4 per cent after tariff reset for gas network. <p>New Zealand</p> <ul style="list-style-type: none"> Results from continuing operations exclude NGC's contribution. AGL's 66.05 per cent interest in New Zealand company NGC Holdings Limited sold in December 2004 realising a profit after tax of \$624.2 million. <p>NET SIGNIFICANT ITEMS OF \$48.1M INCLUDING:</p> <ul style="list-style-type: none"> \$50.0 million positive impact from tax consolidation benefit related to revaluation of NSW Gas Network to fair value. \$6.9 million after tax from accrued costs of AGL demerger. \$4.8 million relating to APT entering tax consolidation. 	