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The concise financial report has been derived from the full financial report for the year ended 30 June 2000. The full financial report and auditor's report will be sent to Proprietors on request, free of charge. Please call (02) 9922 8259 and a copy will be forwarded to you or, alternatively, you can access the full financial report and the concise report via the internet at: <http://www.agl.com.au>

The Directors present their report together with the concise financial report of The Australian Gas Light Company and the consolidated financial report of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2000 and the auditor's report thereon.

Directors

The Directors of the Company at any time during or since the financial year are:

M J Phillips AM BEc - Chairman (Age 70)

A non-executive Director since 1992 and appointed Chairman in October 1996. Chairman of the Nomination, Remuneration and Health, Safety and Environmental Committees. Mr Phillips is Chairman of IBJ Australia Bank Limited and Chairman of the Foreign Investment Review Board. His other directorships include QBE Insurance Group Limited, Woolworths Limited and WMC Limited. Mr Phillips is Hon Treasurer of Caritas Australia and a member of the Pontifical Council 'Cor Unum'. Formerly Deputy Governor and Deputy Chairman of the Reserve Bank of Australia.

M R G Johnson LLB MBA - Deputy Chairman (Age 59)

A non-executive Director since 1988 and appointed Deputy Chairman in October 1996. Member of the Nomination, Remuneration and Health, Safety and Environmental Committees. His other directorships include Macquarie Bank Limited Group and Biota Holdings Limited. He is a Trustee of The Centre for Independent Studies and the Museum of Applied Arts and Sciences. Mr Johnson is Joint Chairman of Macquarie Corporate Finance in Macquarie Bank Limited.

L F Bleasel AM - Managing Director (Age 57)

An executive Director since 1990 and a member of the Health, Safety and Environmental Committee. Mr Bleasel is Chairman of Natural Gas Corporation Holdings Limited of New Zealand and Elgas Limited. He is also a director of St George Bank Limited. His other interests include Chairman of the Zoological Parks Board of New South Wales and a member of the Business Council of Australia, The Salvation Army NSW Advisory Board and the Mary McKillop Foundation Advisory Board. Mr Bleasel has worked for the Company for forty-one years.

Sir Ronald Brierley (Age 63)

A non-executive Director since 1987 and a member of the Health, Safety and Environmental Committee. Sir Ronald's directorships include Mid-East Minerals Limited, Adsteam Marine Limited and Tooth & Co. Limited. His offices

overseas include Founder President of Brierley Investments Limited and Chairman of Guinness Peat Group plc.

G J Reaney BCom CPA (Age 57)

A non-executive Director since 1988, Chairman of the Audit Committee and a member of the Nomination, Remuneration and Health, Safety and Environmental Committees. Mr Reaney is also a director of St George Bank Limited, Australian Rural Group Limited, Open Telecommunications Limited and Queensland Cement Limited.

D C K Allen AO MA MSc (Age 64)

A non-executive Director since October 1996 and a member of the Audit and Health, Safety and Environmental Committees. Mr Allen is Chairman of the CSIRO and a director of the National Australia Bank Limited, Amcor Limited, Earthwatch Australia and Air Liquide Australia Limited. Mr Allen retired as Managing Director of Woodside Petroleum Limited in 1996.

C J Hewson BEc MA (Age 45)

A non-executive Director since October 1996 and a member of the Audit and Health, Safety and Environmental Committees. Mrs Hewson's other directorships include CSR Limited, South Australian Water Corporation and AMP Limited. Her community involvement includes board or advisory roles with The St George Foundation, YWCA of Sydney, Breast Cancer Research Foundation - Flinders Medical Centre, Neurosurgical Research Foundation and the Royal Humane Society of New South Wales.

A B Daniels OAM (Age 65)

A non-executive Director since 24 August 1999. Member of the Audit and Health, Safety and Environmental Committees. His other directorships include Commonwealth Bank of Australia, Orica Limited, Pacific Dunlop Limited and Pasminco Limited. Mr Daniels retired as Managing Director of Tubemakers Limited in December 1995.

E F Herbert BA (Hons) (Age 68)

A non-executive Director since 1989, member of the Audit and Health, Safety and Environmental Committees. Mr Herbert is Chairman of Powercoal Pty Ltd and Hydrogen Technology Limited. Mr Herbert retired as a Director on 23 August 1999.

Directors' Interests

The relevant interest of each Director in the share capital of the companies within the consolidated entity, as notified by the Directors to the Australian

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Regular Meetings		Special Meetings		Audit Committee		Nomination & Remuneration Committees		Health, Safety & Environmental Committee	
	A	B	A	B	A	B	A	B	A	B
M J Phillips	10	10	6	6	-	-	3	3	1	1
M R G Johnson	7	10	1	6	-	-	3	3	1	1
L F Bleasel	10	10	6	6	-	-	-	-	1	1
Sir Ronald Brierley	6	10	1	6	-	-	-	-	1	1
G J Reaney	9	10	5	6	4	4	3	3	1	1
D C K Allen	10	10	3	6	-	2	-	-	1	1
C J Hewson	10	10	3	6	2	4	-	-	1	1
E F Herbert	2	2	-	-	2	2	-	-	-	-
A B Daniels	7	8	4	6	2	2	-	-	1	1

A - Number of meetings attended

B - Number of meetings held during the time the Director held office during the year

Stock Exchange in accordance with Section 205G of the Corporations Law, at the date of the report is as follows:

The Australian Gas Light Company Ordinary Shares

M J Phillips	47,098
M R G Johnson	73,243
L F Bleasel	684,847
Sir Ronald Brierley	16,100
G J Reaney	26,517
D C K Allen	22,031
C J Hewson	6,617
A B Daniels	5,208

Dividends

The following dividends have been paid or recommended by the Directors since 30 June 1999:

Final dividend of 24 cents per share (16.7% franked) referred to in the previous Directors' Report and paid on 19 October 1999 (Note 1) \$78.9 million

Interim dividend of 24 cents per share (16.7% franked) out of profits for the six months ended 31 December 1999 paid on 14 April 2000 (Note 2) \$81.2 million

Final dividend of 27 cents per share (22.2% franked) recommended by Directors for payment on 17 October 2000 (Note 3) \$92.3 million

Special unfranked dividend of 23 cents per share recommended by Directors for payment on 17 October 2000 (Note 3) \$78.7 million

Notes:

- 1 Under the Dividend Reinvestment Plan, Proprietors who elected to receive additional shares in the Company in lieu of receiving the 1998/1999 cash final dividend totalled 25,214.
- 2 Under the Dividend Reinvestment Plan, Proprietors who elected to receive additional shares in the Company in lieu of receiving the 1999/2000 cash interim dividend totalled 30,516.
- 3 The proportion of the final dividend and special dividend which Proprietors will elect to take in the form of further shares in the Company will depend upon their participation in the Dividend Reinvestment Plan at record date. Meanwhile, the full amount of both recommended dividends has been provided.

Principal Activities

- Sale of gas and electricity
- Operation of natural gas and electricity distribution networks and natural gas transmission pipelines
- Extraction and sale of LPG
- Power generation and energy processing infrastructure
- Investments in international energy businesses
- Realisation of property and property-related assets
- Investments in technology commerce enterprises

Review and Results of Operations

The consolidated profit for the year after income tax attributable to Proprietors was \$450 million (1998/1999 \$221.3 million). A review of the operations and of the results of those operations of the consolidated entity during the financial year are contained in pages 6 to 33 of this report.

State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year other than:

- those included in the front section of the Annual Report; and
- the issue of 12,550,970 shares primarily pursuant to the Dividend Reinvestment Plan, including the underwriting of the October 1999 dividend.

Environmental Regulation

The consolidated entity's operations are subject to various Commonwealth, State and Territory environmental legislation in relation to energy (gas and electricity) operational and construction activities, LPG production, cogeneration (electricity, steam and desalinated water), plastic pipe manufacturing and land remediation works.

The Board meets as the Health, Safety and Environmental Committee in order to review the effectiveness of the environmental management system. Environmental compliance performance is monitored on an on-going basis by way of environmental audits conducted by the Company using internal accredited auditors and external resources. In addition, the consolidated entity has a management Health, Safety and Environment Committee which meets regularly to review the Company's environmental performance in detail.

Operational and Construction Activities

Gas and electricity activities were undertaken throughout Australia during the financial year. There has been one instance of minor non-compliance. A smoky vehicle infringement notice was issued by the NSW Environment Protection Authority (EPA) for \$112 for a diesel vehicle emitting visible smoke. A health, safety and environment alert was issued advising drivers to check their vehicles' performance.

AGL has been liaising with the EPA and local councils to ensure that contractors working for AGL meet the standard of environmental compliance which AGL requires.

Cogeneration Plan (WA)

Specific licence conditions arose under the WA Environmental Protection Act 1996. An environmental management plan has been prepared.

Plastic Pipe Manufacturing (NSW and Queensland)

There were no fines imposed or instances of breach of environmental regulations up until the Company sold its plastic pipe manufacturing business in April 2000.

LPG Production (NSW)

Specific licence conditions arose under the NSW Protection of the Environment Operations Act 1997 (POEO Act). There have been no instances of non-compliance in relation to these licences during the reporting period.

Environmental Training

The POEO Act, which came into force in July 1999, has implications for all field-based activities. A one-day training course was developed jointly with EPA licensed training providers and the Health, Safety and Environment department. To date, approximately 120 AGL employees and contractors have received training.

Land Remediation

Remediation works currently proceeding at the Breakfast Point site are subject to environmental regulation under various NSW legislation, including the Contaminated Land Management Act 1997, the POEO Act and the Environmental Planning and Assessment Act 1979. Compliance performance is audited by the Company and by external accredited auditors as well as by the relevant environmental regulators. The Company is not aware of any significant breaches of environmental regulation. No fines for non-compliance have been imposed and no prosecutions instituted in the reporting period.

Events Subsequent to Balance Date

On 2 August 2000 Natural Gas Corporation, a controlled entity, made an offer to purchase the Hutt Mana Energy Trust's 14.6% interest in TransAlta New Zealand.

Apart from other matters discussed elsewhere in the Annual Report, the Directors are not aware of any other matter or circumstance which has arisen since 30 June 2000 that has significantly affected or may significantly affect the operations of the consolidated entity in subsequent financial years, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Likely Developments

The consolidated entity will continue to pursue new opportunities in Australia and overseas which show promise in adding value. Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

Directors' and Senior Executives' Emoluments

The Remuneration Committee of the Board of Directors is responsible for making recommendations to the Board on remuneration policies and packages applicable to Board members and senior management of the Company.

The broad remuneration policy is determined by reference to relevant employment market conditions and set to ensure that the remuneration is competitive in attracting, retaining and motivating the highest quality Board and management team.

The Remuneration Committee also links senior management's remuneration to the consolidated entity's financial and operational performance. All senior managers may receive a bonus and qualify for participation in the AGL Share Reward Plan and the AGL Share Loan Plan, provided specific performance targets relating to earnings per share and other measures are met. The Board sets the performance targets annually.

All permanent employees, including senior managers, are entitled to participate in the AGL Share Reward Plan. The Plan was approved by Proprietors on 21 October 1997. Depending on the performance of the consolidated entity the issue of shares is made in the form of a gift of shares in the Company, with a market value of up to \$1,000 to each eligible employee.

Senior managers of entities of the consolidated entity nominated from time to time by the Directors of the Company are offered participation in the AGL Share Loan Plan. The Plan was approved by Proprietors on 21 October 1997.

Provided performance measures are met, the issue of fully-paid shares is made on the basis of:

- an optional discount of up to 5% on current market value;
- the purchase price financed by way of an interest-free limited-recourse loan provided by the Company repayable out of the proceeds from dividends on the Plan shares with any outstanding balance repayable at the expiration of ten years from the issue date; and
- a restriction on dealing in the shares for a period of three years from the issue date, with the shares being held by the Trustee of the Plan until the shares are free from restriction or the loan is fully paid, whichever last occurs.

Directors of the Company and all permanent employees nominated from time to time are entitled to participate in the AGL Share Purchase Plan which was also approved by Proprietors on 21 October 1997. Directors and employees can obtain fully-paid shares in the Company out of their remuneration entitlements, subject to certain limitations as to the maximum level of remuneration entitlements which may be applied to the purchase of shares. Other conditions relating to the acquisition of shares pursuant to the Plan are:

- shares are acquired at market value on the date of acquisition;
- shares may only be acquired at specific times during the year; and
- there is a restriction on dealing in the shares for a period of up to ten years from the date of acquisition.

Details of the nature and amount of the emoluments of each Director of the Company and of the six named officers of the Company and the consolidated entity receiving the highest emoluments are:

Emoluments of Directors of The Australian Gas Light Company:

	Fees Base Salary paid (excluding AGL Share Purchase Plan) \$	Incentive \$	Superannuation Contributions \$	Value of shares issued under AGL Share Purchase Plan \$	Total \$
M J Phillips	130,876		12,215	43,111	186,202
M R G Johnson			7,322	103,200	110,522
L F Bleasel	1,269,052	774,200	223,125		2,266,377
Sir Ronald Brierley			4,550	64,253	68,803
G J Reaney	39,400		5,516	33,900	78,816
E F Herbert	* 201,747		768		202,515
D C K Allen			4,908	67,862	72,770
C J Hewson	59,375		5,195	14,398	78,968
A B Daniels	60,621		4,244		64,865

* Includes retirement benefit

DIRECTORS' REPORT

Emoluments of the six most highly paid officers of the Company and the consolidated entity:

	Position	Base Salary \$	Superannuation Contributions \$	Incentive \$	Total \$	Number of shares issued under AGL Share Plans	Issue Price \$
L J Fisk	Group General Manager Corporate Services & Company Secretary	350,458	60,243	224,000	634,701	* 82 + 11,500	9.07 8.62
J A Fletcher	Group General Manager Finance	571,395	3,206	315,200	889,801	* 82 + 20,500	9.07 8.62
M A Fraser	Group General Manager Energy Sales & Marketing	484,934	90,843	315,200	890,977	* 82 + 20,500	9.07 8.62
G J W Martin	Group General Manager Infrastructure Management & Services	636,289	110,765	384,300	1,131,354	* 82 + 25,000	9.07 8.62
J K McDonald	General Manager Pipelines	• 813,883	56,227	179,600	1,049,710	* 82 + 10,500	9.07 8.62
I C K Woodward	Group General Manager Corporate Development	383,629	65,450	243,300	692,379	* 82 + 15,000	9.07 8.62

* AGL Share Reward Plan + AGL Share Loan Plan • Includes Eligible Termination Payment

The terms 'director' and 'officer' have been treated as mutually exclusive for the purposes of the above disclosures.

Proceedings on behalf of the Company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Indemnification and Insurance of Directors and Officers

The Company's Constituent Documents indemnify, to the extent permitted by law, officers of the consolidated entity when acting in their capacities in respect of:

- liability to third parties (other than related entities) when acting in good faith; and
- costs and expenses of successfully defending legal proceedings and ancillary matters.

The Directors named earlier in the Report and the Company Secretary, L J Fisk, have the benefit of the indemnity, together with any other person concerned in or who takes part in the management of the consolidated entity.

During the year the Company paid a premium in respect of a contract insuring all Directors of the Company as listed earlier, all Directors of related bodies

corporate of the Company, secretaries and other officers of the consolidated entity against liabilities incurred in their capacity as Director or Officer, as the case may be, of the consolidated entity.

The contract prohibits disclosure of the nature of the liabilities and the amount of premium paid and the Corporations Law does not require disclosure of the information in those circumstances.

Rounding

The Company is an entity to which ASIC Class Order 98/100 applies and in accordance with that Class Order, amounts in the financial report and the Directors' Report have been rounded off to the nearest tenth of a million dollars, unless otherwise stated.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board this twenty-fourth day of August 2000.



M J Phillips AM
Chairman



L F Bleasel AM
Managing Director

CONSOLIDATED PROFIT AND LOSS STATEMENT – for the year ended 30 June 2000

	Note	2000 \$m	1999 \$m
Revenue			
Continuing operations		2,775.1	1,671.9
Property operations		34.0	3.9
	4	2,809.1	1,675.8
Operating profit before borrowing costs, abnormal items and income tax			
Continuing operations		516.7	351.1
Property operations		(1.5)	(2.2)
		515.2	348.9
Net borrowing costs		(138.2)	(77.8)
Operating profit before abnormal items and income tax			
Abnormal items		109.5	0.0
Operating profit before income tax		486.5	271.1
Income tax attributable to operating profit before abnormal items		(115.3)	(63.2)
Income tax attributable to abnormal items		91.5	13.5
Income tax attributable to operating profit		(23.8)	(49.7)
Operating profit after income tax before abnormal items			
Profit on abnormal items after income tax		201.0	13.5
Operating profit after income tax			
Outside equity interests in operating profit after income tax		(12.7)	(0.1)
Operating profit after income tax attributable to Proprietors of the Parent Entity			
Retained profits at the beginning of the financial year		437.9	363.9
Total available for appropriation		887.9	585.2
Dividends provided for or paid	5	(252.2)	(147.3)
Retained profits at the end of the financial year		635.7	437.9
Earnings per share			
Basic earnings per share (cents)			
• Including abnormal items		133.8	68.0
• Excluding abnormal items		74.0	63.9
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share (millions)		336.3	325.5
Diluted earnings per share is the same as basic earnings per share			

CONSOLIDATED BALANCE SHEET – as at 30 June 2000

	2000	1999
	\$m	\$m
Current assets		
Cash	31.1	20.0
Receivables	608.8	296.6
Inventories	17.8	27.5
Investments	0.0	0.1
Property, plant and equipment	17.1	10.8
Other	24.7	8.9
Total current assets	699.5	363.9
Non-current assets		
Receivables	73.2	63.8
Inventories	3.1	2.4
Investments	279.9	567.3
Property, plant and equipment	2,614.5	1,723.4
Intangibles	1,159.7	601.3
Deferred expenditure	251.1	233.2
Other	264.1	60.7
Total non-current assets	4,645.6	3,252.1
Total assets	5,345.1	3,616.0
Current liabilities		
Accounts payable	478.1	215.8
Borrowings	200.1	96.1
Provisions	256.5	114.9
Unearned revenue	26.2	32.3
Total current liabilities	960.9	459.1
Non-current liabilities		
Accounts payable	12.5	19.1
Borrowings	1,850.7	1,239.9
Provisions	409.3	345.5
Unearned revenue	25.8	28.1
Total non-current liabilities	2,298.3	1,632.6
Total liabilities	3,259.2	2,091.7
Net assets	2,085.9	1,524.3
Equity		
Share capital	1,175.9	1,064.1
Reserves	(26.0)	22.1
Retained profits	635.7	437.9
Equity attributable to Proprietors of the Parent Entity	1,785.6	1,524.1
Outside equity interests in controlled entities	300.3	0.2
Total equity	2,085.9	1,524.3

CONSOLIDATED STATEMENT OF CASH FLOWS – for the year ended 30 June 2000

	Inflows (Outflows)	
	2000 \$m	1999 \$m
Cash flows from operating activities		
Receipts from customers	2,374.1	1,396.1
Payments to suppliers and employees	(1,893.6)	(1,028.3)
Proceeds from property mortgage repayments	0.2	2.5
Dividends received	77.2	39.2
Interest received	11.4	17.0
Borrowing costs paid	(151.9)	(81.7)
Income taxes paid	(44.1)	(47.6)
Net cash provided by operating activities	373.3	297.2
Cash flows from investing activities		
Payments for property, plant and equipment	(324.6)	(441.0)
Payments for investments	(327.2)	(355.6)
Payments for acquisition of controlled entities	(809.6)	0.0
Loans advanced	(55.1)	(39.6)
Proceeds from sale of property, plant and equipment	17.3	8.0
Proceeds from disposal of controlled entities	349.3	0.0
Proceeds from disposal of investments	34.5	140.9
Proceeds from loan repayments	17.5	26.3
Net cash used in investing activities	(1,097.9)	(661.0)
Cash flows from financing activities		
Proceeds from issue of shares	167.2	65.2
Proceeds from borrowings and hedge receipts on foreign currency borrowings	934.5	565.5
Repayment of borrowings and hedge payments on foreign currency borrowings	(202.7)	(103.6)
Dividends and other distributions paid	(173.6)	(139.7)
Net cash provided by financing activities	725.4	387.4
Net increase in cash held	0.8	23.6
Cash at the beginning of the financial year	19.4	(4.2)
Net effect of exchange rate changes on the balance of cash held in foreign currencies	2.4	0.0
Cash at the end of the financial year	22.6	19.4

1. Consolidated Profit and Loss Statement

(a) Revenue

Sales revenue has grown from \$1,459.6 million to \$2,292.2 million, a 57.0% increase over the previous year. This increase mainly arises from the consolidation during the year of two New Zealand controlled entities, Natural Gas Corporation Holdings (NGC) and TransAlta New Zealand (TANZ), and the purchase of the ETSA Power electricity retail business in January 2000.

(b) Operating Profit

Group earnings before borrowing costs, tax and abnormal items increased by 47.7% to \$515.2 million. The ratio of earnings before borrowing costs, tax and abnormal items to funds employed increased from 13.6% to 14.7% as a result of improved operating profits.

- **Gas Networks (EBIT contribution \$176.5 million)**
This division, which includes the medium to low pressure distribution networks, services both tariff and contract customers in most major centres in NSW and the ACT. Total gas transported through the distribution network for the year was 111.3 PJ, an increase of 3.5 PJ over the previous year. This increase reflected additional growth in tariff customers, with 40,754 new sites connected during the year, as well as increased gas transported to contract customers. Depreciation and amortisation charges reduced by \$23.8 million for the year as a result of reviewing and extending the useful lives of inlet services and customer connections in line with the Independent Pricing and Regulatory Tribunal (IPART) determination. This reduction has been partly off-set by reduced transfers from the former gas customers' reserve account, used to off-set reductions in network transportation charges.
- **Pipelines (EBIT contribution \$83.7 million)**
The Pipelines' contribution reflects higher equity accounted profits from East Australian Pipeline (EAPL) as a result of AGL increasing its interest in the company from 51% to 100% prior to the divestment of EAPL to the Australian Pipeline Trust (APT) in June 2000. The profit also reflects AGL's share of the benefits from the re-statement of deferred tax balances of Pipelines' equity accounted associates as a result of the announced reductions in company tax rates, totalling \$12.5 million. Total gas transported through

operated or owned and operated pipelines increased by 5.0% to 209.4 PJ per annum.

- **Electricity Networks (EBIT contribution \$68.9 million)**
Earnings for the Electricity Networks division increased marginally over the previous year in line with general economic growth in Victoria. Total energy delivered across the distribution network increased by 3.7% to 4,017 GWh per annum. Electricity Networks has continued to seek and secure profitable business growth, adding 5,198 new sites and 190 km of new distribution network.
- **Energy Sales & Marketing (EBIT contribution \$67.7 million)**
The Energy Sales & Marketing division combines both gas and electricity sales and energy services to AGL's customer base across eastern Australia. Prices charged to customers include both the network and the transmission charges whether AGL owns the infrastructure or not. No split between these two energy types will be provided for competitive reasons. Earnings for the division, which include five months trading from AGL South Australia, formerly ETSA Power, have increased by \$16.9 million over the previous year.
- **Power Generation (EBIT contribution \$2.9 million)**
This division comprises the Company's 100% investment in the power station at Centaur Mining's Cawse Nickel deposit, a 15% interest in generation plant supplying electricity to Western Mining Company along the route of the Goldfields Gas Pipeline in Western Australia, and a 50% interest in the Windimurra power station supplying electricity to Vanadium Australia also in Western Australia. The total investment to date is \$44.7 million.
- **LPG (EBIT contribution \$17.7 million)**
This division comprises the Company's investment in H C Extractions (HCE) and its 50% investment in Elgas. AGL's equity accounted share of Elgas' profit was significantly reduced by the impact of record high LPG purchase costs during the year. However, this was off-set by the benefit resulting from the re-statement of Elgas' net deferred income tax balances as a result of

the announced reductions in company tax rates. The cavern storage facility at Port Botany began operations in June 2000 and contributed marginally to the result. HCE's profitability increased for the year as a result of higher prices for LPG sales, thereby providing an effective hedge for the Company's Elgas investment.

- International Business (EBIT contribution \$100.5 million)

The largest contributor to group earnings in this division was AGL's investment in NGC which contributed \$92.5 million for the year. In July 1999 AGL acquired an additional 33.3% of NGC, raising its total shareholding to 71.6%. NGC's consolidated profit included three months contribution from a 75.8% investment in TANZ acquired by NGC in March 2000.

During the year AGL increased its relevant interest in the New Zealand entity TrustPower from 9.8% to 20.5%. AGL's equity accounted share of TrustPower's profit amounted to \$3.8 million.

The other contributors to this division were the equity accounted share of AGL's 50% investment in Gas Valpo, a natural gas distribution company in Chile, and AGL's investment in the distribution network in Lower Hutt and Porirua in New Zealand.

- Property (EBIT loss \$1.5 million)

In August 1999 the Company signed an agreement for the sale of the Breakfast Point site in stages up until 2006. Stage 1 was settled in March 2000, which realised an abnormal profit after tax of \$9.5 million (refer to 1(g)).

The operating loss of the Property division marginally improved over the previous year as a result of the settlement of a further 18 of the 25 allotments in the Lane Cove industrial sub-division.

- Other (EBIT contribution \$5.3 million)

The largest contributor to group earnings in this division was a non-recurring profit of \$5.5 million on the sale of AGL's investment in Industrial Pipe Systems (IPS).

Other activities in the division include business development.

(c) Depreciation and Amortisation

Depreciation and amortisation charges increased by a net 32.1% over the year to \$138.0 million, largely reflecting the NGC/TANZ acquisitions and the purchase of the ETSA Power assets, off-set by the impact of changing the asset lives for inlet services and customer connections (refer to 1(b)).

(d) Net Borrowing Costs

Net borrowing costs increased materially, reflecting the significant capital expenditure during the course of the year and a general increase in interest rates. Increased borrowings required to fund additional investments in NGC, TrustPower and EAPL, the purchase of the ETSA Power electricity retail business, the investment in APT, and market expansion costs for both electricity and gas, have been partially off-set by the net proceeds received from the disposal of the Company's pipeline investments to APT, the sale of IPS, and operating cashflows. Net debt increased from \$1,316.0 million to \$2,019.7 million over the course of the year. The Group's borrowing costs coverage ratio declined to 3.7 times as a result of this increase in debt.

(e) Income Tax

Income tax attributable to operating profit before abnormal items rose from 23.3% last year to 30.6% this year. The increase was mainly due to higher non-allowable expenditure, lower non-assessable revenue, lower rehabilitation expenditure, and lower over-provisions in respect of prior years.

(f) Operating Profit after Income Tax before Abnormal Items

Operating profit after income tax before abnormal items improved by 25.9% over the previous year to \$261.7 million.

(g) Abnormal Items

The Group's profit on abnormal items after tax for the year amounted to \$201.0 million and consisted of the following items:

- Profit on the sale of AGL Pipelines to APT (\$161.9 million)
- Profit on the sale of Stage 1 of Breakfast Point (\$9.5 million)
- Costs incurred to restructure AGL's business structures and processes (\$20.6 million)

- Costs incurred to implement the Goods and Services Tax (\$6.1 million)
- Benefit as a result of re-stating AGL's net deferred income tax balances due to the change in company tax rates (\$40.7 million)
- Recognition of tax losses in respect of which future income tax benefits were not previously brought to account (\$15.6 million)

(h) Net Profit attributable to Proprietors

Operating profit attributable to Proprietors improved by 103.3% to \$450.0 million over the previous year, resulting in a 96.8% increase in earnings per share to 133.8 cents.

(i) Dividends

A partially franked interim dividend of 24 cents (4 cents franked) was paid on 14 April 2000 compared to 21 cents (12 cents franked) for the same period last year. Directors have recommended a final dividend of 27 cents (6 cents franked) and a special dividend of 23 cents (unfranked) be approved at the Annual General Meeting by Proprietors. This compares with the final dividend paid in the prior year of 24 cents (4 cents franked). Total dividends for the year will be 74 cents (10 cents franked) up 64.4% on the previous year. The final dividend also carries a Foreign Dividend Account (FDA) credit of 5 cents per share, bringing the total FDA credits to 15 cents per share for the year.

2. Consolidated Balance Sheet

The main features of this year's consolidated balance sheet indicate a substantial growth in assets, up 47.8% over the prior year. This increase is primarily a result of the acquisitions of NGC and TANZ, and the purchase of the ETSA Power electricity retail business during the year. These acquisitions have been funded by operating cash flow, bank debt and the continued use of dividend reinvestment plan monies. No major changes occurred to managing the Group's borrowing facilities over the year. Total equity has increased 36.8% to \$2,085.9 million at 30 June 2000. This reflects an increase in retained earnings and higher outside equity interests in controlled entities resulting from the acquisitions of NGC and TANZ. At 30 June 2000 there were 342.0 million issued shares, compared with 328.8 million shares at 30 June 1999.

The Dividend Reinvestment Plan was in operation during the year with 38% and 36% of dividends being reinvested by Proprietors for the final dividend for the 1998/1999 year and interim dividend for 1999/2000 year respectively. A total of 3.4 million and 3.7 million shares were issued at an average price of \$8.88 per share and \$7.90 per share respectively. An additional 5.5 million shares were also issued under an underwriting agreement in respect of the Dividend Reinvestment Plan for the final dividend payment for the 1998/1999 year. Net assets attributable to Proprietors per share improved from \$4.64 per share to \$5.22 per share, largely attributable to the acquisitions of NGC, TANZ and the ETSA Power electricity retail business funded partly by retained earnings and the Dividend Reinvestment Plan. In addition, the Group's net debt to equity ratio increased from 86.3% to 96.8% over the course of the year. The Company's long term credit rating by Standard & Poor's was changed from A+ to A+ (negative watch). Moody's Investor Services retained their long term rating at A2 which is equivalent to A from Standard & Poor's.

3. Consolidated Statement of Cash Flows

(a) Operating Cash Flows

Operating cash flows have increased by 25.6% to \$373.3 million and includes the full year impact of the NGC acquisition and five months operations of AGL South Australia. Net borrowing costs paid reflects the cost of funding the significant capital expenditure during the year and a general increase in interest rates. Operating cash flow per share has improved from 91.3 cents to 111.0 cents.

(b) Investing Cash Flows

During the year the Company incurred significant capital expenditure on a number of items including:

- \$213.4 million to acquire an additional 33.3% of NGC
- \$119.7 million to purchase an additional 25.5% of EAPL in preparation for the listing of APT
- \$87.7 million to acquire an additional 13.9% interest in TrustPower
- \$175.0 million to purchase the ETSA Power electricity retail business in South Australia

- \$432.0 million to fund the 75.8% investment in TANZ
- \$146.4 million to acquire a 30% interest in APT
- \$27.5 million additional investment in Elgas
- \$45.1 million acquiring the assets of a “goldline operating lease” which constitutes part of the Sydney gas distribution network
- Approximately \$133.7 million on general gas and electricity network upgrades and market expansion activities to maintain the integrity of the existing distribution networks and provide continued growth opportunities. Expenditure included the expansion of capacity on the Roma to Brisbane pipeline, completion of the Mid West pipeline in Western Australia and the continued expansion and upgrade of the gas distribution networks in NSW and the ACT and the electricity distribution network in Victoria. This capital expenditure compares to depreciation and amortisation on plant and equipment totalling \$138.0 million for the year as the Company continues to build on its existing infrastructure asset base (refer to 1(c)).

Proceeds totalling \$359.9 million were received on the disposal of controlled entities during the year, including the sale of the Company’s interests in AGL Pipelines to APT.

(c) Financing Cash Flows

No unusual features marked the Group’s financing activities. A further \$112.1 million was raised under the Dividend Reinvestment Plan, including the underwriting of the final dividend payment for the 1998/1999 year and from share issues under employee share ownership plans.

Note 1 - Basis of concise financial report

The concise financial 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 Corporations Law and Accounting Standard AASB 1039 “Concise Financial Reports”.

The financial statements and specific disclosures included in this concise financial report have been derived from the full financial report of the consolidated entity. The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The accounting policies applied in the preparation and presentation of the concise financial report are consistent with those applied in respect of the year ended 30 June 1999.

Note 2 - Change in accounting estimates

During the year the useful lives of inlet services and customer connections were reviewed and extended from 13 years to 50 years, equivalent to their technical lives and in line with the Independent Pricing and Regulatory Tribunal (IPART) determination. The useful life of certain computer equipment was also reassessed during the year. The extension of useful lives has resulted in a reduction of \$13.9 million in depreciation of plant and equipment and a reduction of \$10.4 million in amortisation of deferred expenditure for the year.

Note 3 - Rounding of amounts

Unless otherwise specified, amounts in the concise financial 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.

	2000 \$m	1999 \$m
Note 4 - Revenue		
Sales revenue	2,292.2	1,459.6
Other revenue	516.9	216.2
	2,809.1	1,675.8
Note 5 - Dividends		
Interim dividend paid 14 April 2000 (1999 - 15 April 1999)		
• Franked amount (4 cents per share (1999 12 cents per share))	13.5	39.1
• Unfranked amount (20 cents per share (1999 9 cents per share))	67.7	29.3
• Total amount (24 cents per share (1999 21 cents per share))	81.2	68.4
Final dividend proposed to be paid 17 October 2000 (1999 - 19 October 1999)		
• Franked amount (6 cents per share (1999 4 cents per share))	20.5	13.1
• Unfranked amount (21 cents per share (1999 20 cents per share))	71.8	65.8
• Total amount (27 cents per share (1999 24 cents per share))	92.3	78.9
Special dividend proposed to be paid 17 October 2000		
• Franked amount (0 cents per share (1999 0 cents per share))	0.0	0.0
• Unfranked amount (23 cents per share (1999 0 cents per share))	78.7	0.0
• Total amount (23 cents per share (1999 0 cents per share))	78.7	0.0
	252.2	147.3

The franking rate applicable to all franked dividends paid is 36%.

The franking rate applicable to all franked dividends proposed is 34%.

	Revenue		Operating result		Total assets	
	2000 \$m	1999 \$m	2000 \$m	1999 \$m	2000 \$m	1999 \$m
Note 6 - Segment information						
INDUSTRY SEGMENTS						
Energy						
<i>Infrastructure</i>						
• Gas networks	371.3	380.2	176.5	156.8	1,119.7	1,035.3
• Pipelines	542.9	327.8	83.7	52.8	67.5	500.0
• Electricity networks	172.2	172.7	68.9	68.4	1,123.0	1,100.0
	1,086.4	880.7	329.1	278.0	2,310.2	2,635.3
<i>Sales and marketing</i>						
	1,510.1	1,178.2	67.7	50.8	682.3	278.8
Less network charges	469.3	469.7	0.0	0.0	0.0	0.0
	1,040.8	708.5	67.7	50.8	682.3	278.8
	2,127.2	1,589.2	396.8	328.8	2,992.5	2,914.1
<i>Power generation</i>						
	32.0	3.0	2.9	1.3	47.6	68.6
<i>LPG</i>						
	30.8	21.3	17.7	10.4	100.2	75.7
<i>International business</i>						
	528.8	20.7	100.5	19.0	2,035.2	383.0
	2,718.8	1,634.2	517.9	359.5	5,175.5	3,441.4
Property	34.2	3.9	(1.5)	(2.2)	73.3	69.5
Other	53.2	36.9	5.3	(6.4)	28.2	36.7
	2,806.2	1,675.0	521.7	350.9	5,277.0	3,547.6
Unallocated items	5.6	4.3	(6.5)	(2.0)	68.1	68.4
	2,811.8	1,679.3	515.2	348.9	5,345.1	3,616.0
Less: inter-segment revenue	2.7	3.5	0.0	0.0	0.0	0.0
net borrowing costs	0.0	0.0	138.2	77.8	0.0	0.0
	2,809.1	1,675.8	377.0	271.1	5,345.1	3,616.0

Inter-segment revenue was derived as follows:

Energy	1.1	1.1
Property	0.2	0.3
Other	1.4	2.1
	2.7	3.5

Inter-segment pricing is on an “arms-length” basis.

REVENUE IS PRINCIPALLY DERIVED FROM:**Energy***Infrastructure*

- Gas networks - distribution of natural gas.
- Pipelines - transportation of natural gas and management of gas pipelines.
- Electricity networks - distribution of electricity.

Sales and marketing - sale of natural gas and electricity.

Power generation - generation and sale of electricity.

LPG - extraction and sale of LPG and investment in a joint venture entity involved in the LPG industry.

International business - distribution of natural gas and investments in foreign entities involved in the gas and electricity industries.

Property - sale and rental of properties.

Other - sale of nylon pipe and related products and revenue from other activities.

GEOGRAPHICAL SEGMENTS

Australia	2,275.1	1,651.4	410.8	330.4	3,291.3	3,216.9
New Zealand	532.2	20.2	104.0	18.4	1,995.7	321.5
Other	1.8	4.2	0.4	0.1	58.1	77.6
	2,809.1	1,675.8	515.2	348.9	5,345.1	3,616.0

There was no material inter-segment revenue.

Note 7 - Events occurring after reporting date and not recognised in the financial report

- On 5 July 2000 the consolidated entity acquired the remaining 50% interest in Empresa de Gas de la V Region SA (Gas Valpo) for \$36.6 million. Gas Valpo, previously equity accounted by the consolidated entity as a joint venture entity, will be consolidated as a wholly-owned controlled entity as from the date of acquisition.
- On 2 August 2000 Natural Gas Corporation, a controlled entity, made an offer to purchase the Hutt Mana Energy Trust's 14.6% interest in TransAlta New Zealand Limited.

Scope

We have audited the concise financial report of The Australian Gas Light Company for the financial year ended 30 June 2000 as set out on pages 43 to 51, in order to express an opinion on it to the members of the Company. The concise financial report includes the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year. The Company's Directors are responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of The Australian Gas Light Company for the year ended 30 June 2000. Our audit report on the full financial report was signed on 24 August 2000, and was not subject to any qualification.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standard AASB 1039 "Concise Financial Reports" issued in Australia.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the concise financial report of The Australian Gas Light Company complies with Accounting Standard AASB 1039 "Concise Financial Reports".



Deloitte Touche Tohmatsu



G Coultas
Partner
Chartered Accountants
Sydney, 24 August 2000

The liability of Deloitte Touche Tohmatsu, is limited by, and to the extent of, the Accountants' Scheme under the Professional Standards Act 1994 (NSW).

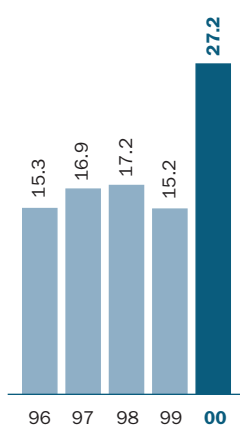
VALUE ADDED STATEMENT

	2000		1999	
	\$m	%	\$m	%
SOURCE				
Sales of goods and provision of services, including abnormal items	2,658.6	100	1,459.6	100
Purchase of materials and services	(1,701.0)	(64)	(838.0)	(57)
Total value added available for distribution	957.6	36	621.6	43
DISTRIBUTION				
Wages, salaries and benefits to employees	147.2	15	132.9	21
Taxes and imposts to governments	70.4	7	80.7	13
Net borrowings costs to providers of loan funds	138.2	14	77.8	12
Distributions to Proprietors	252.2	26	147.3	24
Reinvested in the business:				
• Depreciation and amortisation	151.9	16	108.9	18
• Retained earnings	197.7	22	74.0	12
TOTAL	957.6	100	621.6	100

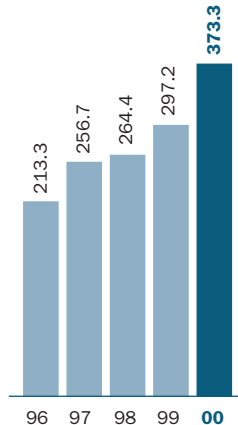
ASSOCIATED COMPANIES – at 30 June 2000

	Australian Pipeline Trust	Elgas Limited	Wanganui Gas Limited	Empresa de Gas de la V Region SA	Inversiones Plastics SA	TrustPower Limited	Essential Energy Services
Interest	30.0%	50.0%	25.1%	50.0%	50.0%	13.7%*	50.0%
Partners	Petronas of Malaysia & general public	BOC Gas of United Kingdom	City of Wanganui Council of New Zealand	Lipigas SA of Chile	Lipigas SA of Chile	Infratil of New Zealand & Alliant Energy of USA	Wizard Company Investments
Principal Activity	Transmission of natural gas	Distribution & sale of LPG	Distribution of natural gas	Distribution of natural gas	Manufacture & sale of plastic pipes	Generation & sale of electricity	Maintenance & service of electrical appliances
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
AGL Funds Employed	33.5	96.8	1.7	39.4	0.5	126.9	0.5
Share of Profit	0.3	6.9	0.2	(3.5)	0.4	3.8	0.0
Interest Revenue		2.4		1.0		2.1	0.0

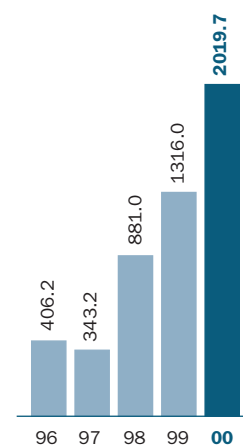
* Relevant Interest is 20.5%



Earnings after abnormal:
Proprietors' equity
(percent)



Operating cash flow
(\$ million)



Net borrowings
(\$ million)

FIVE YEAR SUMMARY

	2000	1999	1998	1997	1996
Statistics					
Revenue (excluding abnormal items) (\$m)	2,438.8	1,675.8	1,263.4	1,074.3	967.9
Depreciation and amortisation (\$m)	151.9	108.8	86.3	72.3	62.2
Profit before borrowing costs, tax and abnormal items (\$m)	515.2	348.9	288.7	234.5	205.0
Net borrowing costs (\$m)	138.2	77.8	41.2	30.1	33.7
Tax expense (\$m)	115.3	63.2	69.4	56.2	46.8
Profit after tax and before abnormal items (\$m)	261.7	207.9	178.1	148.2	124.5
Profit attributable to Proprietors (\$m)	450.0	221.3	196.4	148.1	124.3
Proprietors' equity (\$m)	1,785.6	1,524.1	1,392.5	897.2	850.9
Net borrowings (\$m)	2,019.7	1,316.0	881.0	343.2	406.2
Total assets (\$m)	5,345.1	3,616.0	2,982.2	1,822.3	1,799.2
Funds employed (\$m)	4,136.7	2,860.3	2,279.6	1,249.0	1,398.3
Net assets (\$m)	2,085.9	1,524.3	1,392.7	897.5	985.9
Operating cash flow (\$m)	373.3	297.2	264.4	256.7	213.3
Capital expenditure (\$m)	289.3	433.7	252.9	191.7	108.5
Number of employees	2,979	2,115	2,096	1,794	2,123
Number of issued shares (m)	342.0	328.8	322.7	291.0	290.5
Number of Proprietors	83,694	57,600	41,738	34,419	29,338
Market capitalisation (\$m)	3,402.9	3,021.7	3,258.8	2,269.7	1,536.8
Performance Indicators					
Net tangible assets attributable to Proprietors/share (\$)	1.83	2.81	2.44	3.07	2.91
Net assets attributable to Proprietors/share (\$)	5.22	4.64	4.31	3.08	2.93
Earnings/share ⁽¹⁾					
• before abnormal items (c)	74.0	63.9	59.6	51.0	43.4
• after abnormal items (c)	133.8	68.0	65.7	51.0	43.4
Dividends/share (c)	74.0	45.0	41.0	36.0	30.0
Operating cash flow/share (c) ⁽²⁾	111.0	91.3	88.6	88.4	74.4
Profit before borrowing costs, tax and abnormal items/ revenue (excluding abnormal items) (%)	21.1	20.8	22.9	21.8	21.2
Profit before borrowing costs, tax and abnormal items (average funds employed) (%)	14.7	13.6	16.4	17.7	15.7
Earnings on Proprietors' equity ⁽³⁾					
• before abnormal items (%)	15.0	14.3	15.5	16.9	15.3
• after abnormal items (%)	27.2	15.2	17.2	16.9	15.3
Debt : equity (%) ⁽⁴⁾	96.8	86.3	63.3	38.2	41.2
Net borrowing costs cover (times) ⁽⁵⁾	3.7	4.5	7.0	7.8	6.1
Current ratio ⁽⁶⁾	0.73	0.79	0.86	0.81	1.24
Revenue (excluding abnormal items)/employee (\$000)	957.5	795.9	649.6	548.5	440.5
Profit before borrowing costs, tax and abnormal items/employee (\$000)	202.3	165.7	148.4	119.7	93.3

(1) Profit after tax and outside equity interests; shares weighted for issues and adjusted for bonus elements.

(2) Net cash provided by operating activities; shares weighted for issues and adjusted for bonus elements.

(3) Profit after tax and outside equity interests; Proprietors' equity averaged for movements during the year.

(4) Net borrowings as a percentage of total equity.

(5) Net borrowing costs related to profit before borrowing costs, tax and abnormal items.

(6) Liquidity was supported by \$1,140 million of unused credit facilities at 30 June 2000 (refer Note 43(b) to the full financial report).

SHAREHOLDING INFORMATION

The following information with respect to 341,990,877 fully paid ordinary shares on issue as at 15 August 2000 reflects the Share Register at that date.

1. There were 81,380 holders of ordinary shares. Voting rights in the case of a poll are:

- one vote for every 5 shares up to 100 shares;
- one vote for every 10 shares between 101 and 200 shares; and
- one vote for every 25 shares in excess of 200 shares up to one fourth of the total number of shares issued (but see Note below)

2. The 20 largest holders represented 39.47% of the total issued capital.

3. The distribution of holders was:

1 – 1,000 shares	44,756
1,001 – 5,000 shares	30,456
5,001 – 10,000 shares	3,816
10,001 – 100,000 shares	2,197
100,001 shares and over	155
	81,380

4. There were 5,875 holders of less than 100 shares.

5. Holders by address and class of holder were:

Addresses	No. of holders	%	No. of shares	%
Australia	77,302	94.99	334,473,940	97.80
USA and Canada	558	0.69	466,129	0.14
United Kingdom	397	0.49	576,141	0.17
New Zealand	2,682	3.29	5,391,498	1.57
Others	441	0.54	1,083,169	0.32
	81,380	100.00	341,990,877	100.00

Class of holder	No. of holders	%	No. of shares	%
Individuals	58,382	71.74	99,737,856	29.16
Companies and other	22,998	28.26	242,253,021	70.84
	81,380	100.00	341,990,877	100.00

Twenty largest Proprietors as at 15 August 2000	Fully paid ordinary shares	Percentage of total issued shares
Chase Manhattan Nominees Limited	30,865,789	9.03
National Nominees Limited	20,190,704	5.90
Westpac Custodian Nominees Limited	17,286,045	5.05
AMP Limited	9,834,739	2.88
Perpetual Nominees Limited	8,859,572	2.59
Queensland Investment Corporation	8,791,195	2.57
ANZ Nominees Limited	7,908,995	2.31
MLC Limited	5,802,706	1.70
Citicorp Nominees Pty Limited	5,014,470	1.47
NRMA Nominees Pty Limited	3,713,700	1.09
Mercantile Mutual Life Insurance Company Limited	3,473,495	1.02
Government Superannuation Office	1,911,231	0.56
Australian Foundation Investment Company Limited	1,778,991	0.52
UBS Nominees Pty Ltd (Warrant A/C)	1,692,417	0.49
Commonwealth Custodial Services Limited	1,615,492	0.47
CSS Board	1,433,473	0.42
BT Custodial Services Pty Limited (Sub Cus A/C)	1,308,724	0.38
Labrador Pty Limited	1,263,150	0.37
HSBC Custody Nominees (Australia) Limited	1,172,482	0.34
PSS Board	1,051,124	0.31
	134,968,494	39.47

Note

The Gas Supply Act 1996 (formerly the Gas Industry Restructuring Act 1986) prohibits any shareholding entitlement in excess of 5% of the Company's issued capital except where the Minister for Energy has given written approval to such a holding with the Company's consent. Chase Manhattan Nominees Limited, National Nominees Limited and Westpac Custodian Nominees Limited, hold the shares registered in their names as bare trustees.

Enquiries

Proprietors with enquiries about any aspect of their shareholdings should contact the Company's Share Registry as follows:

Share Registry

Telephone: 02 9922 8259 (within Australia)

The Australian Gas Light Company

612 9922 8259 (international)

Locked Bag 944

Facsimile: 02 9922 8465 (within Australia)

North Sydney NSW 2059

612 9922 8465 (international)

Australia

Enquiries of a general nature should be directed to the Manager Investor Relations on 02 9922 8576.

The Total Final Dividend

Subject to formal approval at the Annual General Meeting to be held on Tuesday 17 October 2000, the total final dividend of 50 cents per share comprising the normal dividend of 27 cents per share (franked to 6 cents per share) and the special dividend of 23 cents per share (wholly unfranked) will be paid on that day.

The Foreign Dividend Account amount in respect of the final dividend is 5 cents per share.

Direct Payment to Proprietors' Accounts

Proprietors who currently receive their dividends by cheque may wish to take advantage of the direct deposit system which is available to anyone who has an account with a bank, building society or credit union within Australia. The direct deposit system is prompt and secure. Proprietors who wish to have their dividends paid directly to their account should contact the Share Registry.

Dividend Reinvestment Plan

The Plan offers Proprietors the alternative of receiving shares in lieu of a cash dividend and will apply to the total final dividend. Shares are issued at a 2.5% discount on the ex-dividend weighted average market price of the Company's shares over the five business days up to and including the record date and no brokerage or stamp duty is payable. A booklet explaining the Dividend Reinvestment Plan can be obtained from the Share Registry.

Stock Exchange Listing

The Company's shares are listed on the Australian Stock Exchange. Details of share transactions and prices are published in the financial pages of daily capital city newspapers under the code 'AGL'.

Issuer Sponsorship

AGL converted to Issuer Sponsorship in January 1998 which means that AGL is totally uncertificated. Each Issuer Sponsored Proprietor has been given a unique Shareholder Reference Number (SRN) to facilitate share trading by telephone. Any movement of shares on a Proprietors' shareholding is reflected in a statement issued to them at month end.

CHESS (Clearing House Electronic Sub-register System)

CHESS is the centralised electronic clearing, settlement and transfer system for trading securities on the Australian Stock Exchange. Today's buy/sell timing is described as T+3 (transaction date plus 3 days).

The Company's shares are 'CHESS Approved' and all 'on market' transactions in AGL shares are processed electronically through CHESS.

Change of Name/Address

Proprietors who are Issuer Sponsored should advise the Share Registry promptly of any change of name and/or address so that correspondence with them does not go astray.

All such changes must be advised in writing and cannot be accepted by telephone.

Proprietors who are in CHESS and Broker Sponsored should instruct their sponsoring broker **in writing** to notify the Share Registry of any change of name and/or address.

In the case of all name changes the written advice must be supported by documentary evidence.

Tax File Number (TFN)

Whilst not compulsory, most Australian resident Proprietors prefer to quote their TFN so as to avoid withholding tax being deducted from dividends which are unfranked.

Proprietors who are Issuer Sponsored should advise the Share Registry of their TFN.

Proprietors who are Broker Sponsored can either advise their sponsoring broker or the Share Registry of their TFN.

TFN application forms can be obtained from the Share Registry on request.

Australian Business Number (ABN)

As from July 2000 Australian companies have the option to quote their ABN in lieu of their TFN to avoid withholding tax being deducted from dividends which are unfranked.

Consolidation of Shareholdings

Proprietors who wish to consolidate their separate shareholdings into one account should write to the Share Registry or their sponsoring broker, whichever is applicable.

Removal from Annual Report mailing list

Proprietors who do not wish to receive the Annual Report should advise the Share Registry **in writing** to remove their names from the mailing list. Those Proprietors will continue to receive all other Proprietor information.

Registered Office

AGL Centre

Cnr Pacific Highway and Walker Street

North Sydney NSW 2060

Australia

Telephone: 02 9922 0101 (within Australia)

612 9922 0101 (international)

Company Secretary

L J Fisk