

2003 ANNUAL GENERAL MEETING
Greg Martin, Managing Director

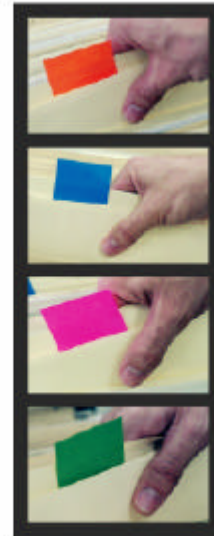




The Year Ahead

- **Delivering Maximum Returns**
Integrating Victorian acquisition
- **Redefining the Portfolio**
Rationalising non core businesses
- **Completing Business Platforms**
Assessing further opportunities
- **Building Capability**
Maintaining industry leadership

Building on the momentum...

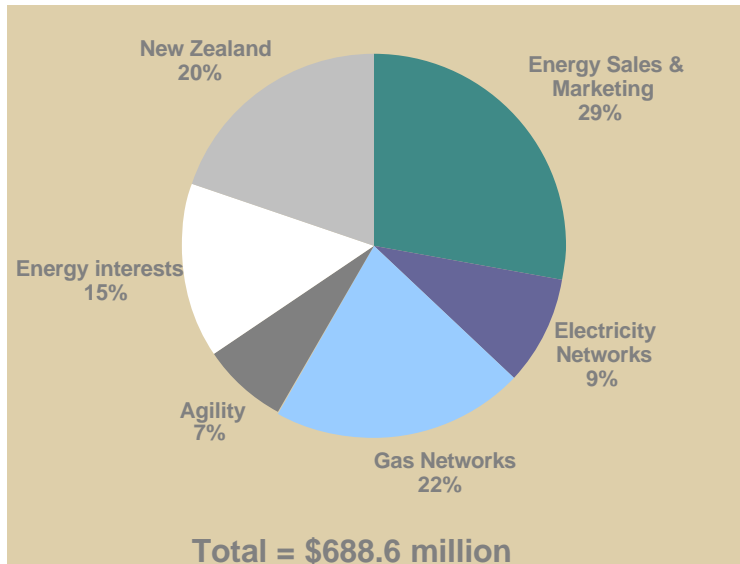


PERFORMANCE



BUSINESS SEGMENT PERFORMANCE

EBIT (before significant items)



- Underlying earnings before interest & tax up 24.7%
- Pulse Energy - \$96.2m EBIT contribution

Benefits of diverse downstream energy portfolio ...

AUSTRALIAN MARKET LEADERSHIP POSITIONS

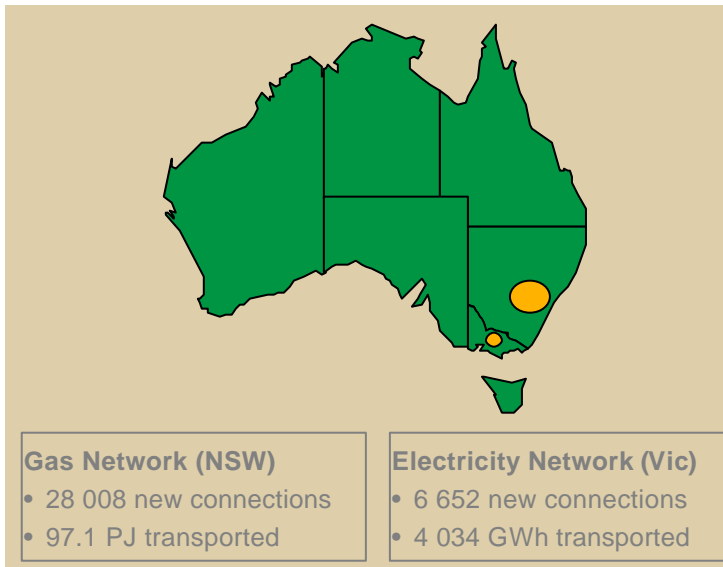


FY2003	Gas	Electricity
Network connections	888 600	272 400
Total network	23 000 km	7 200 km
Assets owned / managed		
Transmission	9 500 km	-
Distribution	26 400 km	7 200 km
Peaking Generation	-	330 MW
Retail customers ¹	1.4 million	1.7 million
Energy sales	155.2 PJ	21 208 GWh

¹ Includes ActewAGL customers

Australia's largest downstream energy company ...

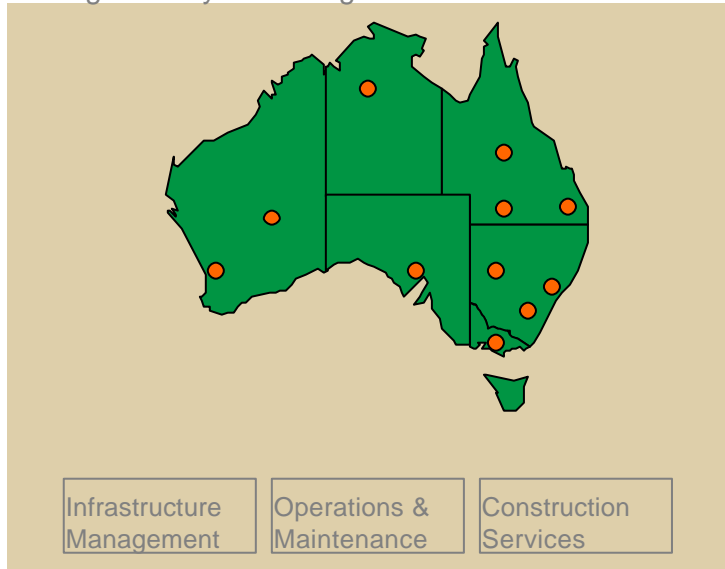
ENERGY NETWORKS



Steady growth going forward ...



Adding diversity to earnings



“Whole of asset life” portfolio of services ...



AGL Projects

- 6th Stage RBP
- Carpentaria Gas compressor
- Somerton & Hallett commissioning

3rd Party Projects

- Melbourne Airport O&M contract
- Sydney Water mains contract
- Telstra metering services

Agility

ACT bushfires

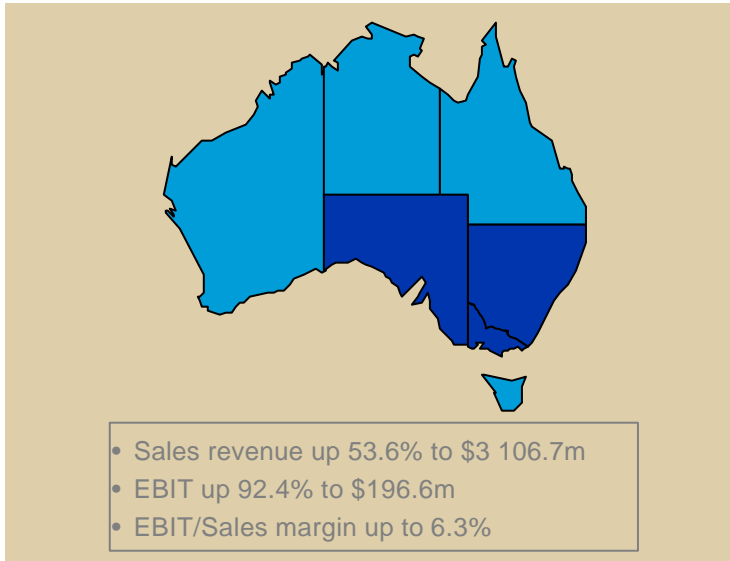


AGL



Demonstrating expertise in trying conditions ...

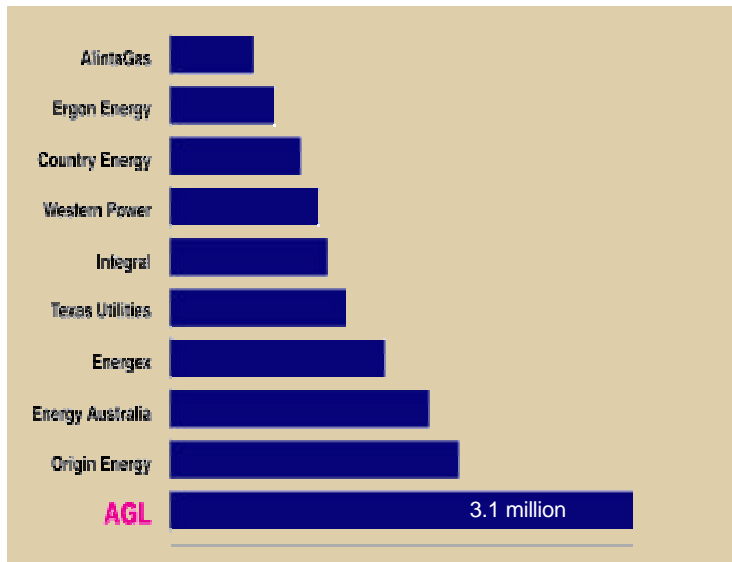
ENERGY SALES & MARKETING



Pulse makes strong initial EBIT contribution of \$96.2m ...



RETAIL ENERGY CUSTOMER NUMBERS



Australia's leading energy retailer ...



AUSTRALIAN ENERGY INVESTMENTS



- AGL interest - 30%
- EBIT contribution up 1% to \$16.4m



- AGL interest - 50%
- EBIT contribution up 3% to \$44.4m
- Capital Region retail arrangements established



- AGL interest - 50%(Elgas) and 100% (HCE)
- EBIT contribution up 33% to \$20.1m



Energy Investments contributing to portfolio returns ...

NGC HOLDINGS LIMITED

66% AGL ownership

- Strong EBIT contribution
- Asset sales successfully undertaken:
 - Retail gas
 - Power generation
- Capital return NZ\$525m
- Market leading positions in:
 - Metering
 - LPG
 - Gas transportation

AGL's principal NZ investment ...



BUSINESS PLATFORMS



WHOLESALE GAS PORTFOLIO



- Gas and transportation contracts collectively worth around \$4.5 billion
- 1 408 PJ over 15 years
- Supply flexibility to all key markets
- Long term certainty from diversified and market-competitive gas supplies

Competitive multi-field wholesale gas portfolio ...

POWER GENERATION STRATEGY



Two distinct elements:

- Vertical integration positions with control of trading/dispatch
- where appropriate
- Stand-alone power generation investments

Benefits:

- Earnings diversification
- Portfolio diversification
- Additional growth opportunities

Another plank in AGL's business platform ...

PEAKING POWER GENERATION



Somerton (Vic)

- Peaking operation
- 150 MW
- Gas fired

Hallett (SA)

- Peaking operation
- 180 MW
- Gas/distillate fired

Benefits:

- Enhancing the retail electricity business
- Wholesale electricity risk mitigation



Further investment as demand grows ...

LOY YANG POWER

- Conditional Share Sale Agreement signed - extension to Dec 2003
- AGL investment of \$200m for 35% stake
- Lowest cash operating cost base load generator in the NEM
- 40 plus years fuel supply

Loy Yang investment is aligned with AGL strategy:



- Increased investment in important part of energy chain
- Earning appropriate return on investment in lowest cost base load generator

An attractive investment opportunity...



MANAGING THE PORTFOLIO

Rationalise & reconfigure

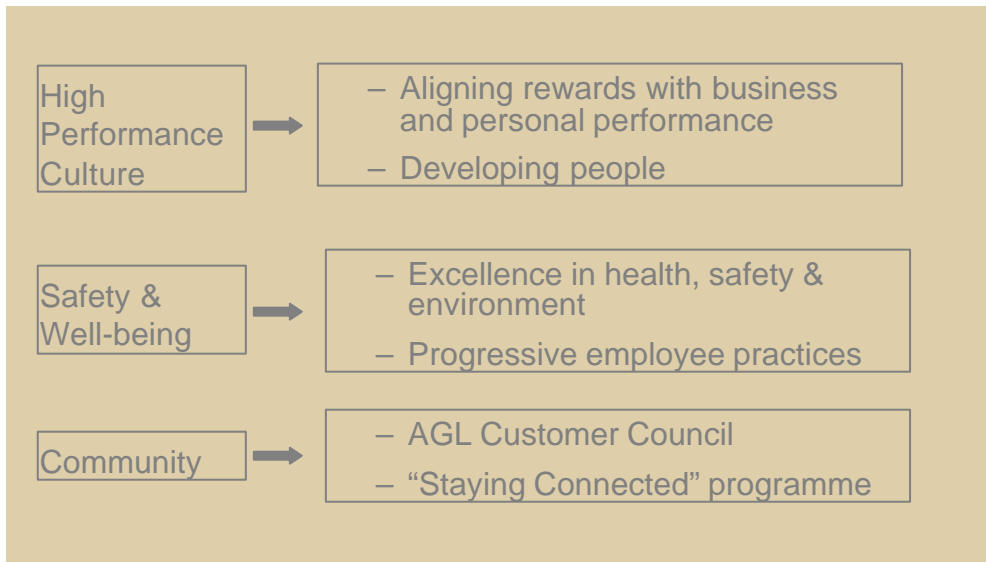


Focus is on core businesses ...

PEOPLE

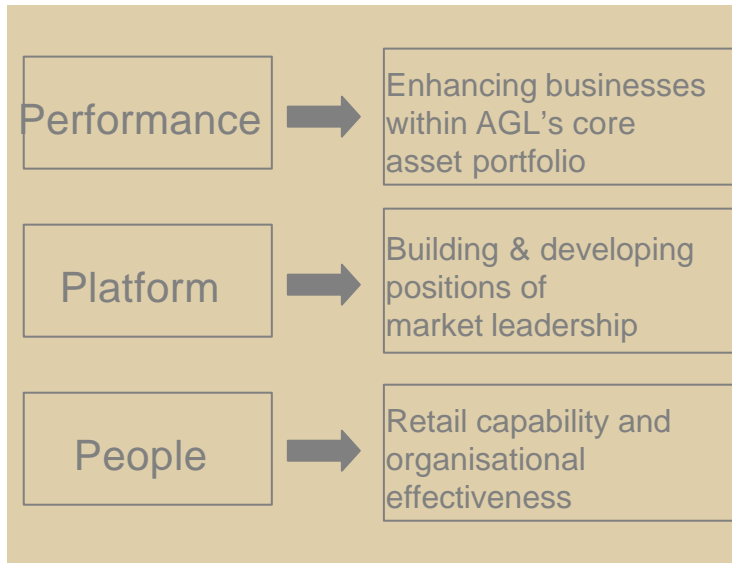


PEOPLE & COMMUNITY



Building our capabilities through people ...

THIS YEAR'S PRIORITIES



Building on core businesses & competencies...

