Alinta Limited
ABN 40 087 857 001

The Quadrant
1 William Street
Perth WA 6000

GPO Box W2030
Perth WA 6846

15 August 2003

To: Company Announcements Office
ASX

By: Electronic Lodgement

ANNOUNCEMENT OF HALF YEAR RESULTS

Attached are:

(a) News Release dated 15 August 2003;
(b) Half-Year Financial Report for the half year ended 30 June 2003; and
(c) Appendix 4D.

Murray King
Company Secretary

Enclosure

News Release

15 August 2003

Alinta Reports Stronger Earnings

The Chairman of Alinta Limited, Tony Howarth, today announced that Alinta had achieved an after tax profit of $28.1 million for the six months ended 30 June 2003, a 31 per cent increase over the previous corresponding period.

Mr Howarth said that the underlying business was continuing to perform strongly and Alinta was well placed to report a solid result for the 2003 calendar year.

This result was achieved on a 7.6 per cent rise in sales revenue to $184.0 million. Earnings before interest, depreciation, amortisation and tax (EBITDA) rose by 23 per cent to $68.0 million.

This strong underlying performance was underpinned by a continued focus on costs and winter weather conditions that were colder than in the previous corresponding period, but more in line with long term averages.

The result was impacted by a number of one-off items:

- The renegotiation of gas supply contracts resulted in a backdating of contract variations to a prior period. The benefit relating to the prior period was approximately $3.6 million before tax;

- Alinta expensed approximately $8.9 million in costs associated with the Aquila asset transactions and the co-generation project in the half year;

- The termination of the WA Gas Holdings Pty Ltd (WAGH) Operating Services Agreement in December 2002 resulted in net savings for the period under review of $2.4 million.

The financial results do not include any profit contribution from the management of, or ownership interest in, the United Energy and Multinet Gas distribution assets or from the non-distribution assets acquired as part of the Aquila asset transactions. These transactions were not concluded until 23 July 2003 and as such the initial contribution will be in December 2003 half year.

The Chief Executive Officer, Bob Browning, said, “the strong result was driven by improved performances from both the Networks and Sales businesses, which reflect sound growth in customer numbers and gas usage and an ongoing commitment to cost management.”

“It is a tribute to Alinta’s employees that, at a time when senior management has been concentrating on the Aquila asset transactions and progressing the Alcoa co-generation project, the underlying business has been able to continue to deliver a strong operational performance,” said Mr Browning.

Networks lifted sales revenue by 10 per cent to $50.5 million and EBITDA by 26 per cent to $36.1 million. The result was driven by good growth in customer connections (9,470 for the half year), a colder winter than 2002 and a continued focus on costs.

Alinta Limited ABN 40 087 857 001 • 1 William Street, Perth WA 6000
GPO Box W2030, Perth WA 6000 • Telephone (08) 9486 3014 • Facsimile (08) 9486 3019

Sales reported a 7 per cent increase in sales revenue to $182.2 million and a 64 per cent increase in EBITDA to $39.1 million. A lower operating cost base, new customer connections growth of 1.9 per cent and a higher LPG price were the major factors contributing to the result.

The 50 per cent owned maintenance and construction business, NPS (WA), reported a lower earnings contribution of $0.3 million. A major factor in this lower result were delays in the ramp-up of the Multinet Gas contract in Victoria.

Electricity

Alinta's move into the Western Australian electricity market gained further momentum during the half year.

Alinta and Alcoa World Alumina Australia (Alcoa) have previously announced plans to jointly develop co-generation electricity units in order to produce cheaper and cleaner electricity for Western Australian customers.

Design work in advance of construction has already begun, with a view of completing an operational facility by June 2005.

The first unit will be 140 MW and will cost approximately $140 million to build. It will be owned by Alinta and operated by Alcoa. Mitsubishi and Downer Engineering will supply and install the first unit and will support Alinta's ongoing development of co-generation units.

Customer support for the project has also been encouraging, with the volume of contracted electricity sales sufficient to meet the project's budgeted requirements.

Aquila Asset Transaction

On 23 April 2003, Alinta announced a series of transactions that resulted in Alinta emerging as an operator, manager and part owner of approximately $4 billion in regulated energy assets.

The transactions involved Alinta:

- selling a 25.9 per cent interest in the AlintaGas gas distribution business to funds managed by AMP Henderson Global;
- acquiring a 34 per cent interest in United Energy's Victorian electricity network;
- acquiring a 19.9 per cent interest in the Victorian gas distributor Multinet Gas;
- securing the long term agreements to operate, maintain and manage the network assets of Alinta, United Energy and Multinet
- acquiring 100 per cent of NPS, a maintenance and construction business in Victoria;

- acquiring a 66.3 per cent of Uecomm, a telecommunications carrier;
- removing the cornerstone shareholding held by WAGH.

As previously reported on 23 July 2003, the series of transactions were successfully completed. Alinta believes that the new operating structure resulting from these transactions will provide a solid platform from which Alinta can continue to grow.

Placement of Ordinary Shares

On 1 May 2003, Alinta placed 8 million ordinary shares with a range of institutional and professional investors. The placement raised $36 million before costs with the proceeds used to part fund the Aquila asset transactions.

Exit of Cornerstone Shareholder

Prior to the Aquila asset transactions, WAGH, which was jointly owned by Aquila Inc. and United Energy Limited (UEL), held 72 million shares in Alinta.

As part of the series of transactions, the 36 million shares that Aquila held indirectly in Alinta were sold to a range of institutional and professional investors. WAGH subsequently became 100 per cent owned by UEL.

Following the UEL Scheme of Arrangement, Alinta acquired all the non-distribution assets of UEL. This included the 36 million Alinta shares held by WAGH.

It is Alinta's intention to cancel these shares. This will result in a reduction in Alinta's ordinary shares on issue from approximately 168 million to approximately 132 million.

Reset Preference Share Issue

In July 2003, Alinta successfully raised $130 million via the issue of 1.3 million reset preference shares at $100 each. The offer was substantially over-subscribed. Funds raised from the offer were used to fund particular components of the Aquila asset transaction.

Dividends

The Directors have declared an interim, fully franked dividend of 12 cents per ordinary share, an increase of 1 cent, or 9.1 per cent, over the previous corresponding period. The record date for determining entitlement to the dividend is 4 September 2003 with the dividend payable to shareholders on 29 September 2003.

This dividend payout is consistent with Alinta's previous statements that it expects to pay at least 27 cents per share in fully franked dividends in relation to the profits for the 2003 calendar year.

News Release

Outlook

At this time and subject to no significant change in market conditions, Alinta expects to achieve the earnings projections outlined in the "The Aquila Opportunity" presentation dated 23 April 2003. In that presentation, Alinta forecast earnings per share of 40.8 cents in 2003 and 48.8 cents in 2004 before significant items.

Following the completion of the Aquila asset transactions on 23 July 2003, Alinta is now focused on successfully integrating the network management operations of Alinta, United Energy and Multinet.

* *

For more information please contact:

Bob Browning
Chief Executive Officer
Alinta Limited
Ph: (08) 9486 3004

John Cahill
Chief Financial Officer
Alinta Limited
Ph: (08) 9486 3102
Mobile: 0414 394 284

Half-Year Financial Report

ALINTA LIMITED

ACN: 087 857 001

(for the half-year ended 30 June 2003)

AlintaGas

Contents

Directors' Report

The Board of Directors of Alinta Limited has pleasure in submitting its report in respect of the half-year financial period ended 30 June 2003.

Directors

The names of the Directors in office during or since the end of the financial period are:

A J Howarth AO (Chairman)
D P Buckland (Director) (resigned effective 30 April 2003)
F E Harris (Director)
J H Poynton (Director)
K G Stamm (Director) (resigned effective 30 July 2003)
T C Healey (Director)
R B Browning (Chief Executive Officer)

R P Perkins acted as K G Stamm's alternative Director until 30 July 2003.
R W Holzwarth acted as T C Healey's alternative Director until 30 July 2003.

Unless indicated otherwise, all Directors held their position as a Director throughout the entire financial period and up to the date of this report.

Review of Operations

Net profit after tax was $28.1 million for the 6 months to 30 June 2003 compared to $21.4 million for the 6 months to 30 June 2002. Total operating revenue of $191.5 million was 7.9% higher than the previous half year. EBITDA increased by 22% to $68.0 million.

Sales revenue increased by 7.6% to $184.0 million due to strong sales in all customer segments and higher world LPG prices.

Operating costs increased marginally to $148.2 million, which included project development costs of $8.9 million related to the Aquila asset transactions and the Co-generation project. These costs were offset by a reduction in gas purchase costs of $6.1 million following a renegotiation of some gas purchase contracts. A portion of this reduction is attributable to 2002, however, no allowance was previously made due to uncertainty at the time. A further saving resulted from the termination of the WA Gas Holdings Operating Services Agreement in December 2002. The net saving for the period under review was $2.4 million.

Aquila Asset Transaction

On 23 April 2003, Alinta announced a series of transactions that have, since 30 June 2003, resulted in Alinta emerging as an operator, manager and part owner of approximately $4 billion in regulated energy assets.

The transactions involved Alinta:

- Selling a 25.9% interest in the AlintaGas distribution business to funds managed by AMP Henderson Global;
- Acquiring a 34% interest in United Energy's Victorian electricity network;
- Acquiring a 19.9% interest in the Victorian gas distributor Multinet Gas;
- Securing the long term agreements to operate, maintain and manage the network assets of Alinta, United Energy and Multinet;
- Acquiring 100% of National Power Services, a maintenance and construction business in Victoria;
- Acquiring 66.3% of Uecomm, a telecommunications carrier; and
- Acquiring WA Gas Holdings Pty Ltd (WAGH) which now holds 21.4% of Alinta, after WAGH having sold 36 million shares in Alinta to a range of institutional investors.

The series of transactions were subsequently completed and are detailed in Note 8 "Events Subsequent to Reporting Date", in the Notes to the Financial Statements.

Directors' Report (continued)

Reset Preference Share Issue

In July 2003, Alinta successfully raised $130 million via the issue of 1.3 million reset preference shares at $100 each. Funds raised from the offer were used to fund particular components of the Aquila Asset Transaction.

Issue of New Shares

On 8 May 2003, Alinta issued 8 million ordinary shares at $4.50 per share, raising $36.0 million to part fund the Aquila asset transactions.

Rounding of Amounts

The consolidated entity has applied the relief available to it in Australian Securities and Investments Commission ("ASIC") Class Order 98/0100.

In accordance with that class order, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Directors.

A J Howarth AO
Chairman

R B Browning
Director and Chief Executive Officer

15 August 2003

Statement of Financial Performance for the period ended 30 June 2003

	Note	Consolidated Entity 30/06/03 $ 000	30/06/02 $ 000
Sales Revenue from Ordinary Activities	2(a)	**183,956**	170,948
Cost of Sales		**(89,624)**	(95,067)
Gross Profit		**94,332**	75,881
Other Revenues from Ordinary Activities	2(a)	**7,560**	6,555
Expenses excluding Borrowing Costs	2(b)	**(45,149)**	(39,360)
Borrowing Costs		**(13,399)**	(12,354)
Share of Net Profit in Associate		**335**	594
Profit from Ordinary Activities before Income Tax		**43,679**	31,316
Income Tax Expense relating to Ordinary Activities		**(15,591)**	(9,925)
Profit from Ordinary Activities after Income Tax		**28,088**	21,391
Net Profit		**28,088**	21,391
Basic Earnings per Share (cents per share)		**17.30**	13.37
Diluted Earnings per Share (cents per share)		**17.22**	13.37

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2003

	Note	Consolidated Entity 30/06/03 $ 000	31/12/02 $ 000
Current Assets			
Cash Assets		**11,944**	15,222
Receivables		**117,376**	71,145
Inventories		**57**	651
Other - Prepayments		**5,063**	13,771
Other - Deferred Hedge Loss		**-**	3,365
Total Current Assets		**134,440**	104,154
Non-Current Assets			
Receivables		**12,924**	12,971
Property, Plant and Equipment		**566,065**	564,071
Intangibles		**83,349**	83,758
Investments in Associate		**3,933**	3,598
Deferred Tax Assets		**3,283**	2,111
Other - Deferred Project Development Costs		**4,968**	-
Total Non-Current Assets		**674,522**	666,509
Total Assets		**808,962**	770,663
Current Liabilities			
Payables		**32,495**	29,835
Interest Bearing Liabilities		**42**	83
Tax Liabilities		**10,677**	16,253
Provisions		**4,416**	27,130
Other - Deferred Hedge Gain		**4,535**	1,138
Total Current Liabilities		**52,165**	74,439
Non-Current Liabilities			
Interest Bearing Liabilities		**330,073**	335,073
Provisions		**668**	745
Deferred Tax Liabilities		**15,417**	13,855
Total Non-Current Liabilities		**346,158**	349,673
Total Liabilities		**398,323**	424,112
Net Assets		**410,639**	346,551
Equity			
Contributed Equity	4	**316,605**	280,605
Retained Profits	5	**94,034**	65,946
Total Equity		**410,639**	346,551

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the period ended 30 June 2003

	Consolidated Entity	
	30/06/03 $ 000	30/06/02 $ 000
Cashflows from Operating Activities		
Receipts from Customers	**163,958**	161,254
Payments to Suppliers and Employees	**(120,940)**	(116,758)
	43,018	44,496
Interest Received	**306**	175
Borrowing Costs Paid	**(13,033)**	(12,172)
GST remitted to Australian Taxation Office	**(3,499)**	(3,258)
Income Tax Payments	**(20,776)**	(13,002)
Net Cash Inflow / (Outflow) from Operating Activities	**6,016**	16,239
Cashflows from Investing Activities		
Purchase of Property, Plant and Equipment	**(13,011)**	(10,713)
Payment for Deferred Project Development Costs	**(4,968)**	-
Proceeds from Sale of Non-current Assets	**85**	515
Loan to Associate	**-**	(900)
Net Cash Inflow / (Outflow) from Investing Activities	**(17,894)**	(11,098)
Cashflows from Financing Activities		
Proceeds from Borrowings	**79,000**	15,000
Repayment of Borrowings	**(84,000)**	-
Dividends Paid	**(22,400)**	(17,600)
Proceeds from issue of shares	**36,000**	-
Net Cash Inflow / (Outflow) from Financing Activities	**8,600**	(2,600)
Net increase / (decrease) in cash held	**(3,278)**	2,541
Cash at the beginning of the period	**15,222**	5,954
Cash at the end of the period	**11,944**	8,495

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Statement of Significant Accounting Policies

(a) Basis of Preparation

The half-year consolidated financial report is a general purpose financial report which has been prepared for the half-year ended 30 June 2003 in accordance with the Corporations Act 2001, Australian Accounting Standard AASB 1029: "Interim Financial Reporting", Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2002 and any public announcements made by Alinta and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The financial statements are prepared in accordance with the historical cost accounting convention and on the accrual basis of accounting. The accounting policies have been consistently applied by the entities within the consolidated entity, with the exception of accounting for provisions, contingent liabilities and contingent assets as detailed below in note 1(b), and are consistent with those applied in the 31 December 2002 annual report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

(b) Change in accounting policy

Provisions, contingent liabilities and contingent assets

The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" for the first time from 1 January 2003.

Dividends are now recognised at the time they are declared, determined, or publicly recommended. Previously, interim dividends were recognised in the half-year period to which they related, even though the dividends were announced after the end of that half-year period.

The adjustments to the consolidated financial report as at 1 January 2003 as a result of this change are:

- $22.4 million increase in opening retained earnings
- $22.4 million decrease in provision for dividends.

There was no impact on profit or loss for the reporting period to 30 June 2003.

2. Profit from Ordinary Activities

(a) Revenue:

	Consolidated Entity 30/06/03 $ 000	Consolidated Entity 30/06/02 $ 000
Gas sales and haulage revenues	**183,956**	170,948
Other revenues:		
Interest received / receivable	**1,180**	1,051
Customer Fees and charges	**4,058**	3,234
Management services revenue	**2,322**	2,270
Total other revenues	**7,560**	6,555

Notes to the Financial Statements (continued)

	Consolidated Entity	
	30/06/03	30/06/02
	$ 000	$ 000

2. Profit from Ordinary Activities (continued)

(b) Profit from ordinary activities before income tax has been determined after the following:

Direct labour	**6,532**	6,274
Materials and services [1]	**26,951**	20,722
Severance payments (redundancies)	**325**	43
Depreciation of plant and equipment	**10,890**	11,862
Depreciation of buildings	**22**	23
Amortisation of distribution licences	**409**	409
Loss on sale of fixed assets	**20**	27
Expenses excluding borrowing costs	**45,149**	39,360

[1] Materials and services includes $8.871 million (NIL in 2002) in project development costs.

3. Dividends

During the reporting period Alinta Limited has paid or provided for dividends not previously recognised in retained profits as follows:

Final dividend for the period 31 December 2002 paid on 14 March 2003	**22,400**	-
Interim dividend for the period 30 June 2002 paid on 16 September 2002	**-**	17,600
	22,400	17,600

Subsequent to 30 June 2003 the directors declared a fully franked dividend of $20.160 million, which will be paid on 29 September 2003. The financial effect of this dividend has not been brought to account in the consolidated entity financial statements for the period ended 30 June 2003. Refer note 1(b) for details of the change in accounting policy.

4. Contributed Equity

	Consolidated Entity	
	30/06/03	31/12/02
	$ 000	$ 000
168,000,000 (2002: 160,000,000) fully paid ordinary shares	**316,605**	280,605
Movements during the period		
Balance at the beginning of the period	**280,605**	280,605
Shares issued during the period		
- 8,000,000 issued on 8 May 2003	**36,000**	-
Balance at the end of the period	**316,605**	280,605

Notes to the Financial Statements (continued)

	Consolidated Entity	
	30/06/03	31/12/02
	$ 000	$ 000

5. Retained Profits

Retained profits at the beginning of the half-year	**65,946**	51,542
Net profit attributable to members of the parent entity	**28,088**	36,804
Final dividend for the period 31 December 2002 provided for as at 31 December 2002	**-**	(22,400)
Net effect of initial adoption of:		
AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" [1]	**22,400**	-
Final dividend for the period 31 December 2002 paid 14 March 2003	**(22,400)**	-
Retained profits at the end of the half-year	**94,034**	65,946

[1] Refer to note 1(b) for details of the change in accounting policy.

6. Contingent Liabilities

Epic Energy

A dispute currently exists between Epic Energy (WA) Transmission Pty Ltd ("Epic Energy") and Alinta regarding the price of gas transmission.

Under Section 20 of the Dampier to Bunbury Pipeline Act, Epic Energy is obliged to offer to shippers with existing transmission contracts a variation of those contracts to incorporate the "statutory price" for the relevant service.

"Statutory price" is defined as the price a person could insist upon paying if entering, at that time, into a contract for the service concerned.

From 1 January 2000, Epic Energy has invoiced Alinta (prior to 1 July 2000 the Gas Corporation trading as AlintaGas) at $1.18 per gigajoule (as escalated). Alinta has disputed these invoices and has only processed for payment the undisputed portion of $1.00 per gigajoule (as escalated). The disputed portion of approximately $0.18 per gigajoule has been excluded from Alinta's accounting records.

The maximum amount of contingent liability that may become payable as a result of the above is $33.9 million. In the event Epic Energy is successful with its claim, Alinta believes it can recover some of this claim from customers.

It is currently unresolved between Alinta and Epic Energy whether an offer under Section 20 has been made and accepted.

The Directors are of the opinion that a provision for this contingent liability is not appropriate as it is not probable that a future material sacrifice of economic benefit will be required.

Other Matters

In the course of its normal business, Alinta occasionally receives claims and other matters arising from its operations.

In the opinion of the Directors, all such matters are covered by insurance, or, if not so covered, are without merit or are of such kind or involve such amounts that would not have a material adverse effect on the operating results or the financial position of AlintaGas if settled unfavourably.

7. Segment Information

The consolidated entity considers its business segment to be its primary segmentation. The consolidated entity operates in one business segment (the supply of natural gas) in one geographical segment (the State of Western Australia). The consolidated entity's primary product is natural gas. It also provides the primary service of the reticulation of natural gas within the greater Perth metropolitan area.

Notes to the Financial Statements (continued)

8. Events Subsequent to Reporting Date

The following events have occurred subsequent to 30 June 2003. The financial effect of each event has not been recognised in this financial report.

(a) 1,300,000 Reset Preference Shares were issued at a price of $100 each to raise $130,000,000 less issue costs;

(b) Alinta acquired the following assets from United Energy Limited (UEL):

- 66.3% of Uecomm Limited (Uecomm) and its controlled entities;
- 100% of National Power Services Pty Ltd;
- 100% of WAGH, (the holder of 36,000,000 Alinta Ordinary Shares); and
- shareholder loans made by UEL to Uecomm;

for approximately $199,396,000 plus incidental costs;

(c) Alinta acquired stapled securities totalling $121,613,000 in the form of redeemable preference shares and ordinary shares in United Energy Distribution Holdings Pty Ltd (UEDH) plus incidental costs, which gave Alinta 34% ownership of UEDH and ultimately 34% of UEL;

(d) Alinta acquired via Multinet Group Holdings Pty Ltd a 19.9% interest in Multinet for purchase consideration of $44,349,000 plus incidental costs;

(e) Alinta Network Services Pty Ltd entered into a series of agreements (ANS Services Agreements) in relation to the operation, management and maintenance of the AlintaGas Networks Pty Ltd (AlintaGas Networks), UEL and Multinet distribution networks. Alinta also entered into an agreement for the disposal of a 25.9% interest in AlintaGas Networks and received $44,000,000 for the disposal. The management contract rights and net costs of acquisition in relation to ANS comprise:

- The payment for the ANS management contract rights of $19,000,000;
- The assumption of related estimated restructuring costs of $17,493,000 to be paid upon the restructure of Alinta Network Services Pty Ltd;
- The assumption of estimated employee entitlement liabilities of $16,000,000 with related future income tax benefit of $4,800,000;
- The payment of transaction costs;

Less:

- The excess over book value on disposal of a 25.9% interest in AlintaGas Networks, net of tax, amounting to $25,667,000;

(f) UEL assigned to Alinta, the rights and obligations of a loan facility to Uecomm for up to $80,000,000. The amount drawn down of this facility at the date of assignment was $43,700,000;

(g) Alinta refinanced its existing debt facilities totalling $330,000,000 by Alinta Network Holdings Pty Ltd arranging new bank debt facilities totalling $530,000,000, of which $230,000,000 is a 6 month bridge facility which is intended to be refinanced in the debt capital markets and $300,000,000 is a 3 year syndicated loan facility;

(h) Diversified Utility and Energy Trusts (DUET), managed by AMP Hendersen, provided subordinated debt of approximately $79,824,000 to AlintaGas Networks to facilitate the above transactions;

(i) Alinta has agreed to buy back and will cancel 21.4% of its shares totalling 36,000,000 Ordinary Shares held by WAGH;

(j) Alinta paid financing costs associated with transactions (g) and (h) above totalling $10,463,000;

(k) Alinta Directors resolved to declare a fully franked dividend of 12 cents per ordinary share totalling $20.16 million.

Notes to the Financial Statements (continued)

9. Change to Board of Directors

The following changes have been made to the Board of Directors of Alinta Limited as at 30 July 2003 as a result of the financial closure of the Aquila transaction:

- Keith Stamm resigned and accordingly the appointment of Paul Perkins as his alternate director was terminated;
- The appointment of Robert Holzwarth as an alternate director for Tim Healey was terminated.

Directors' Declaration

In the opinion of the directors of Alinta Limited:

1 The financial statements and notes set out on pages 5 to 12 are in accordance with the Corporations Act 2001, including:

(a) Giving a true and fair view of the financial position of the consolidated entity as at 30 June 2003 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and

(b) Complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

2 There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Directors.

A J Howarth AO
Chairman

R B Browning
Director and Chief Executive Officer

15 August 2003

KPMG

Independent review report to the members of Alinta Limited

Scope

We have reviewed the financial report of Alinta Limited for the half-year ended 30 June 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, and the directors' declaration set out on pages 5 to 13. The financial report includes the consolidated financial statements of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the Company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of Company personnel and analytical procedures applied to the financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Alinta Limited is not in accordance with:

a) the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2003 and of its performance for the half-year ended on that date; and

   ii. complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

KPMG

KPMG

D P McCOMISH
Partner

Perth
15 August 2003

Alinta Limited

ABN: 40 087 857 001

Appendix 4D

Half year report
Period ending 30 June 2003

1. **The current reporting period is the half-year to 30 June 2003 and the previous corresponding period is the half-year to 30 June 2002.**

2. **Results for announcement to the market**

	30 June 2003	30 June 2002	% Change
	$ 000's	$ 000's	
2.1 Revenue from ordinary activities.	183,956	170,948	7.6 % increase
2.2 Profit from ordinary activities after tax attributable to members.	28,088	21,391	31.3 % increase
2.3 Net profit for the period attributable to members.	28,088	21,391	31.3 % increase
2.4 Amount per security and franked amount per security of interim dividend.	The consolidated entity has applied AASB 1044 "Provisions, Contingent Liabilities and Contingent Assets" for the first time from 1 January 2003. Dividends are now recognised at the time they are declared, determined, or publicly recommended. Previously, interim dividends were recognised in the half-year period to which they related, even though the dividends were announced after the end of that half-year period. While there is no proposed dividend recognised in the accounts as at 30 June 2003, a fully franked dividend of 12 cents per share totalling $20.16 million was declared by the Board on 15 August 2003.		
2.4A Basic earnings per share	17.30	13.37	29.4 % increase
2.5 Record date for determining entitlements to the dividends and payment date.	• Record date is 4 September 2003 • Payment date is 29 September 2003.		

2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.	For a further analysis of the operating results refer to the Directors Report contained within the Half Year Financial Report.

3. Net Tangible Assets Per Security

The net tangible assets per security for the period ending 30 June 2003 is $1.95 which is compared to a figure of $1.55 for the previous corresponding period ending 30 June 2002.

4. Gain or loss of control over entities

There were no entities over which control has been gained or lost during the period.

5. Recent Dividend History

Period	Amount		Payment date	Franking
	Cents per share	$ M		
December 2001 - Final	11 cents	17.60	14 March 2002	100 %
June 2002 – Interim	11 cents	17.60	16 September 2002	100 %
December 2002 – Final	14 cents	22.40	14 March 2003	100 %
June 2003 – Interim	12 cents	20.16	29 September 2003	100 %

Refer to items 2.4 and 2.5 above for further details of current dividends.

6. Dividend Reinvestment Plans

There are no dividend or distribution reinvestment plans in operation.

7. Joint Venture

As at 30 June 2003, Alinta Limited had a 50% share in the incorporated joint venture National Power Services (Western Australia) Pty Ltd. This incorporated joint venture contributed $0.335 million to the net profit of the consolidated entity for the interim period ended 30 June 2003. This compares with a contribution of $0.594 million for the previous corresponding interim period ended on 30 June 2002.

8. Foreign Entities

Not applicable.

9. Audit Dispute or Qualification.

Not applicable.

Dated: 15 August 2003