

REPORTING SEASON

ORIGIN ENERGY LIMITED (ORG)

RESULTS	Half Year	Half Year	CHANGE
	Dec 2013	Dec 2012	
Underlying Profit (\$m)	381.0	362.0	+5%
Underlying Profit (\$m) consensus	396.5		
Statutory Profit (\$m)	322.0	524.0	-38.5%
Revenue (\$m)	7,238.0	7,450.0	-2.8%
Interim Dividend (cents/share)	25.0	25.0	
Interim Dividend (c/s) consensus	25.0		

Australia's largest integrated energy company, Origin Energy (ORG) issued a slightly worse than expected half year underlying profit of \$381m. The warmer start to winter, continued discounting to attract customers, a drop in energy consumption and ongoing competition held earnings back. The need to discount to maintain market share is expected to have cost ORG around \$55m, the warmer weather wiped out ~\$30m while a fall in volumes cut profit by more than \$50m. ORG operates in five divisions – Energy Markets (provides household electricity and gas), Exploration, LNG, Contact Energy (NZ's second biggest electricity generator, which ORG has a 53% stake in) and a Corporate division. The biggest drag on profit was a 6% revenue slump in its Energy Markets unit. While its LNG business is yet to contribute to earnings, Origin's APLNG development (QLD natural gas/coal seam project) is estimated to start production by mid-2015 and is more than half complete. The market expects a boost to earnings once production begins. Once again, ORG remains tight lipped regarding guidance and has not provided profit forecasts for the full year. A \$0.25 per share unfranked interim dividend was announced and will be paid to eligible investors on the 4th April. Investors pushed ORG shares down in reaction to the result. Steven Daghlian, CommSec Market Analyst @CommSec

Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 ("CommSec") is a wholly owned, but non-guaranteed, subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 ("the Bank") and both entities are incorporated in Australia with limited liability.

This information is directed and available to and for the benefit of Australian residents only and is not a recommendation or forecast. This information has been prepared without taking account of the objectives, needs, financial and taxation situation of any particular individual. For this reason, any individual should, before acting on the information on this site, consider the appropriateness of the information, having regards to their own objectives, needs, financial and taxation situation, and, if necessary, seek appropriate independent financial, foreign exchange and taxation advice. CommSec, and its related bodies corporate, do not accept any liability for any loss or damage arising out of the use of all or any part of this information. We believe that this information is correct as at the time of its compilation, but no warranty is made as to its accuracy, reliability or completeness.