

# Media Release

27 August 2001

## Origin Energy announces a 30% increase in net profit to \$98.0 million

Origin Energy today announced a net profit after tax from its continuing businesses of \$98.0 million for the 12 months ending 30 June 2001, a 30% increase on the prior year. The Directors have declared a fully franked final dividend of 4 cents per share to be paid on 9 October 2001, and confirm a Share Purchase Plan (SPP) open to all shareholders. This plan will offer up to 1000 shares to existing shareholders at \$2.79 per share.

Commenting on the result the Chairman of Origin Energy, Mr Kevin McCann said, "The Directors are pleased with the development and growth of the Company over the last 12 months. This is reflected in the increased profit, the strength of the Company's cash flows and balance sheet, and the increased capitalisation of the Company. We are pleased to be able to offer shareholders the chance to participate in the SPP, which seeks to raise an extra \$50 million."

Origin Energy Managing Director Grant King said "This result is particularly pleasing as it sees all areas of the business contributing strongly to an EBITDA of \$305 million. Higher oil prices have contributed to an increase in EBITDA of 8% to \$201 million for the Exploration and Production business. The Retail and Trading business has increased EBITDA by 14% to \$66.5 million, reflecting an initial one month contribution from Powercor, and despite both the continuing high cost of LPG and continuing warmer than average winter weather. Generation has increased EBITDA by 55% to \$25 million as new projects have come on line.

"It is also pleasing to see major progress in implementing the Company's strategies. Significant developments in this regard have been:

- The discovery of two major new gas resources in the Thylacine and Geographe fields in the offshore Otway Basin, and the recent discovery of gas in the Beharra Springs North well in the onshore Perth Basin;
- Purchase of the Powercor electricity retail business in Victoria which added over 580,000 customers, bringing the total customer base of Origin Energy to 1.8 million and significantly enhancing the Company's capabilities as an energy retailer;
- Continued growth of the Generation business, including the additional contributions from Ladbroke Grove and Bulwer Island in this period and the potential for contributions from the Worsley co-generation plant and the Quarantine power station in the forthcoming period;

- Execution of gas sale and purchase agreements to facilitate commercialisation of the BassGas (Yolla) project; and
- Development of the Peat coal seam gas field in Queensland to supply the Bulwer Island cogeneration plant."

In order to fund the ongoing development of the business the Company undertook a share placement with institutions in July that raised \$125 million. The confirmation today of the Share Purchase Plan allows all shareholders the opportunity of participating in a capital raising on equivalent terms. All shareholders on the register as of Friday, 24 August 2001 will be able to purchase up to 1,000 Origin Energy shares at a price of \$2.79. This price reflects the institutional placement price of \$2.83 adjusted by 4 cents because the dividend announced today will not be payable on the new shares issued under the SPP. It is intended to raise a further \$50 million, and the Company reserves the right to scale back allocations if acceptances exceed this amount.

Grant King said "The combination of strong cash flow and the capital raising program will see the Company enjoy a net debt to equity ratio well below its 50% target and the Company will be well placed to fund opportunities that may arise as the industry continues to deregulate and evolve.

"The Company has a number of exciting development opportunities before it, including completion of the Worsley co-generation plant acquisition, the BassGas development, appraisal drilling of the Thylacine and Geographe gas discoveries, the SEA Gas pipeline from Victoria to South Australia, and development of the Quarantine Island power plant in Adelaide. These will provide a platform for continued growth in earnings per share."

*Ends*

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## Origin Energy continuing businesses Key Financials

	2000/2001	1999/2000	% change
Total revenue	1,687.4	1,529.8	10%
EBITDA	305.2	271.4	12%
EBIT	173.3	131.1	32%
Profit before tax*	141.6	101.1	40%
Profit after tax*	103.6	78.5	32%
Profit after tax and outside equity interests*	98.0	75.4	30%
*Before abnormals. No abnormals in 2000/01 result.			
Operating cash flow	237	140	
OCA Ratio	13.0%	7.4%	
Capital expenditure	536	145	
Total assets	2,828.8	2,231.2	
Net debt	727.2	431.0	
Shareholders equity	1,328.4	1,240.3	
<b>Key Ratios</b>			
Earnings per share	17.1 cents	13.3 cents	
Final Dividend per share	4 cents	6 cents	
Net asset backing per share	\$2.26	\$2.13	
Net debt to equity	55%	35%	
Interest cover	5.5 times	4.4 times	
Return on equity	7.6%	6.3%	
<b>Segment Analysis (EBITDA)</b>			
Exploration & Production	201.3	185.5	7.9%
Retail & Trading	66.5	58.4	13.9%
Generation	25.0	16.1	54.8%
Networks	21.9	22.6	(2.8%)
Corporate	(9.5)	(12.2)	22.5%
Total	305.2	271.4	12.5%