



**Final Results Announcement
Full year ended 30 June 2003**

20 August 2003

Outline

- Performance Highlights
- Financial Review
- Operational Review
- Outlook

Unless otherwise stated, all comparative data are in relation to the prior corresponding period, the financial year ended 30 June, 2002.



Performance Highlights

Financial highlights

• Total Revenue	\$3.4 billion	up 38%
• EBITDA	\$491 million	up 21%
• PAT	\$162 million	up 26%
• Basic EPS	24.8¢	up 23%
• Free Cash Flow (FCF)	\$350 million	up 37%
• FCF per share	53.7¢	up 34%
• Capex (incl. acquisitions)	\$524 million	up 30%
• Net Debt / Capitalisation	29%	up from 28%
• OCAT / Funds Employed	15.6%	up from 13.6%
• Total dividends per share (franked to 4 cents)	10 cents	up 100%

Operating highlights

- Higher contributions from retail following acquisition of CitiPower, favourable wholesale position and cessation of Gascor agency payments
- Generation result boosted by Mt Stuart acquisition
- Net oil production from the Perth Basin exceeds 500,000 barrels to date - strong profit contribution
- New gas contracts for Cooper Basin and CSG assets
- Steady progress on major development projects
- Development of renewables portfolio
- Improvements in working capital and billing
- Offer of \$4.25 per share for minority interests in OCA
- LTIFR improved from 3.6 to 2.7 injuries/million hrs worked



Financial Review

Profit & Loss

	Jun 03 (\$m)	Jun 02 (\$m)	% change
Total Revenue	3,352.3	2,428.8	38%
EBITDA	491.3	404.6	21%
EBIT	295.3	230.7	28%
Net interest expense	(48.7)	(42.8)	14%
Tax expense	(80.2)	(54.3)	48%
Outside equity interests	(4.4)	(4.9)	(12%)
PAT	162.0	128.7	26%
Earnings per share (cents)	24.8¢	20.2¢	23%
Free cash flow p s (cents)	53.7¢	40.1¢	34%
ROE	9.2%	8.1%	14%

Gascor agency payments

	Jun 03 (\$m)	Jun 02 (\$m)
Origin reported revenue	3,352	2,429
Retained by Gascor	61	147
Embedded Revenue	3,413	2,576
Group EBIT as reported	295	231
Profit Retained by Gascor	14	29
~ EBIT if Ret. Profit included	309	260

- The agency agreement ended in October 2002 and no further agency payments will be made

Group EBITDA up 21% on strong Retail performance and contribution from Mt Stuart.....

Segments*	Jun 03 (\$m)	Jun 02 (\$m)	% change
Exploration & Production	187.6	185.2	1%
Retail	232.1	166.8	39%
Generation	48.3	30.2	60%
Networks	23.4	22.5	4%
Total	491.4	404.6	21%

.....while Generation segment has benefited from tolling arrangement with Retail

* The Corporate Segment reported in previous results announcements has now been allocated across the four operational business segments



Depreciation & Amortisation expense increased 13% to \$196 million reflecting new capital expenditure.....

	Jun 03 (\$m)	Jun 02 (\$m)
Buildings, plant & equipment	84.8	79.5
Producing fields	46.5	44.5
Electricity hedging contracts	22.2	25.9
Licences and Goodwill	32.3	20.4
Retail Systems for FRC	8.7	2.1
Other	1.6	1.5
Total	196.1	173.9

.....and increased amortisation of intangibles and retail systems

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Funding & Interest

	Jun 03	Jun 02	% change
Net debt (\$m)	732	633	16%
Total equity (\$m)	1,790	1,626	10%
Net debt to equity (%)	41%	39%	5%
Debt to (debt + equity) (%)	29%	28%	4%
Net interest expense (\$m)	48.7	42.8	14%
Net interest cover (x EBIT)	6.1	5.4	12%
Average interest rate (%)	6.7%	6.6%	2%

- Completed US\$250 million US Private Placement debt issuance over 7 to 15 years with all proceeds hedged to Australian dollars and used to repay shorter term facilities
- Additional committed facilities in excess of \$300 million are immediately available

Tax reconciliation

	Jun 03 (\$m)	Jun 02 (\$m)
Profit before tax	246.6	187.9
Prima facie tax	74.0	56.4
<i>add</i> non-deductible amortisation	12.6	16.5
<i>less</i> tax loss benefit	0.0	(11.3)
<i>less</i> tax free income	(6.2)	(4.6)
<i>less</i> other permanent differences	(0.2)	(2.7)
<i>equals</i> Tax expense	80.2	54.3
Tax paid*	(39.6)	(22.5)
Subvention payments ⁺	(10.0)	(18.0)

* \$36 million expected to be refunded in December half 2003

+ Final subvention payments of \$4 million will be made by December 2003

The OCAT ratio improved largely due to immediate cash flow from acquisitions

	Jun 03 (\$m)	Jun 02(\$m)
EBITDA	491	405
Non-cash items (net)	13	(17)
Change in Working Capital	39	16
Stay in business Capex (net)	(94)	(65)
Tax/Subvention Payments	(50)	(40)
OCAT	399	299
Net Interest Paid	(49)	(43)
Free cash flow	350	256
Funds Employed	2,465	2,189
OCAT Ratio	15.6%	13.7%

Capital expenditure increased on the back of higher SIB and significant acquisitions

	Jun 03 (\$m)	Jun 02(\$m)
Stay in business	97.1	64.9
Growth		
Exploration & Production	128.8	74.3
Retail	19.2	69.8
Generation	3.7	46.0
Networks	0.0	0.1
Total capital expenditure	248.8	255.2
Acquisitions	275.6	148.0
Capex including acquisitions	524.3	403.2

- SIB capex increase mostly due to higher Cooper Basin expenditure
- Acquisitions included CitiPower (\$132 m), Mt Stuart Power Station (\$89 million), and CSG assets (\$50 million)

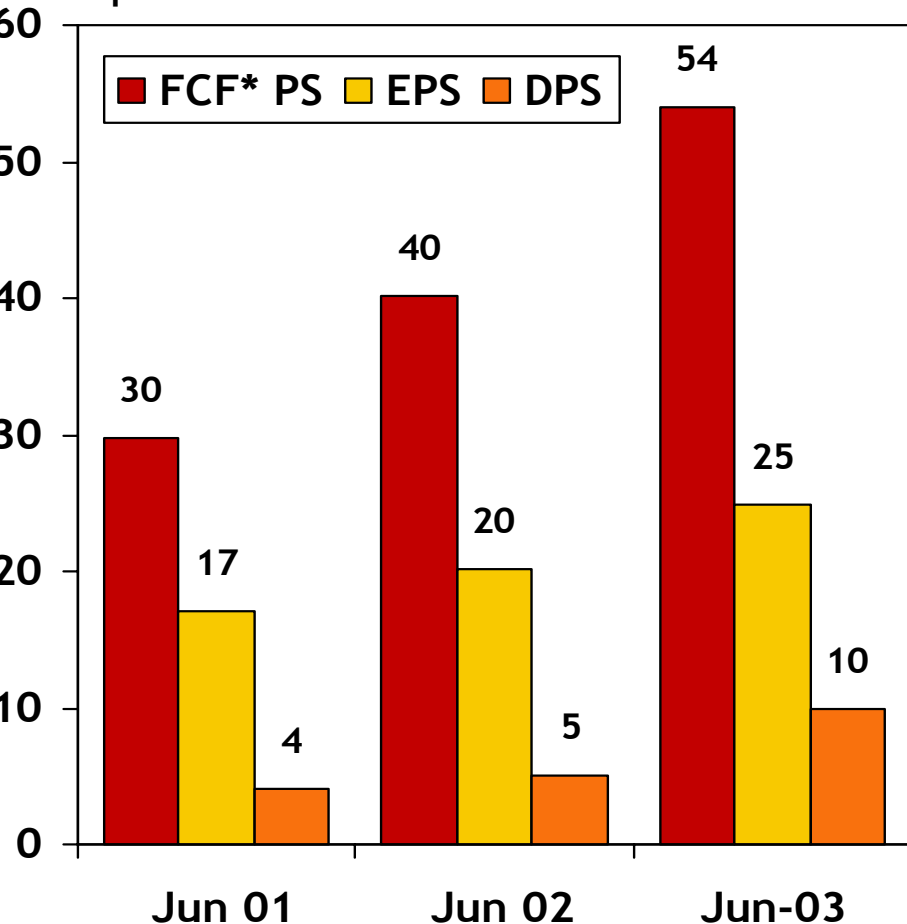
OCFR for the E&P segment is lower due to high up-front capex on development projects

	Funds Employed (\$m)	Operating Cash flow (\$m)	OCFR Jun 03 (%)	OCFR Jun 02 (%)
Exploration & Production	888	126	14.2%	16.7%
Retail	1,117	243	21.8%	16.4%
Generation	309	50	16.1%	10.7%
Networks	152	26	17.1%	16.8%

.....while Retail and Generation have benefited from immediate cash-flow associated with acquisitions

Origin has steadily grown returns per share

Cents per share



- Free cash flow per share up 34% reflecting the strong contribution of the Retail business and Mt Stuart
- EPS is up 23%
- A final dividend per share of 5¢ (franked to 2¢) brings total dividend per share to 10¢ (franked to 4¢)
- Dividend payout ratio of 40% is consistent with Board guidance in October 2002

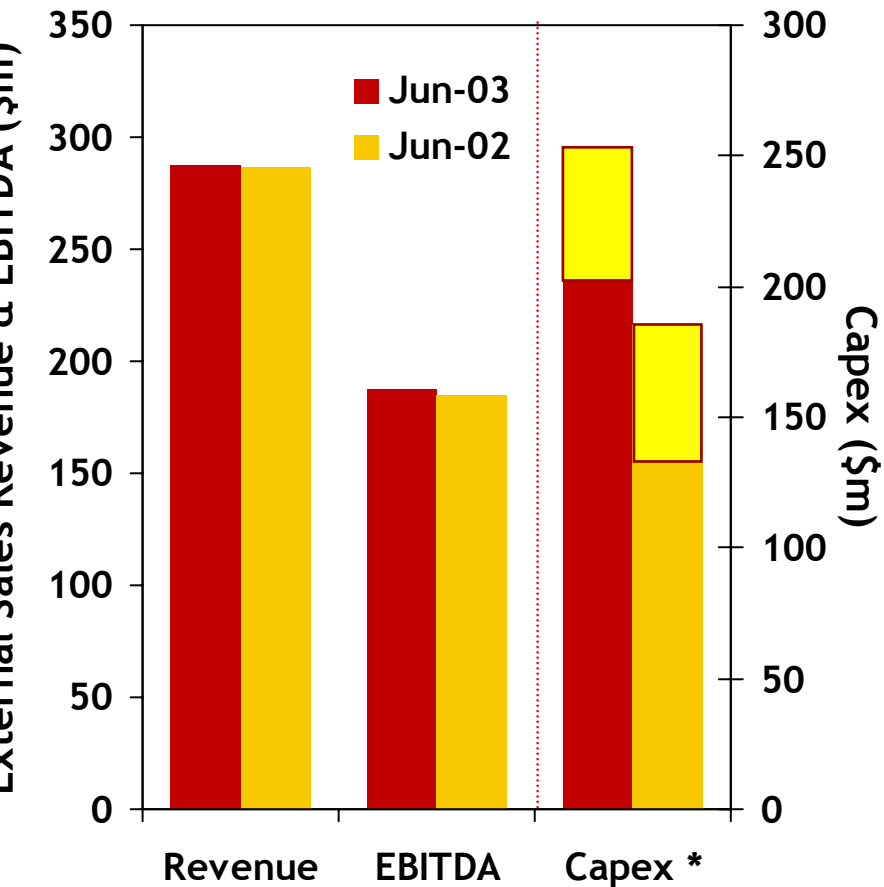
Origin continues to achieve EPS growth in excess of the long term goal of 10 - 15% pa

* Free Cash Flow (as calculated on slide 14) per share



Operating Review

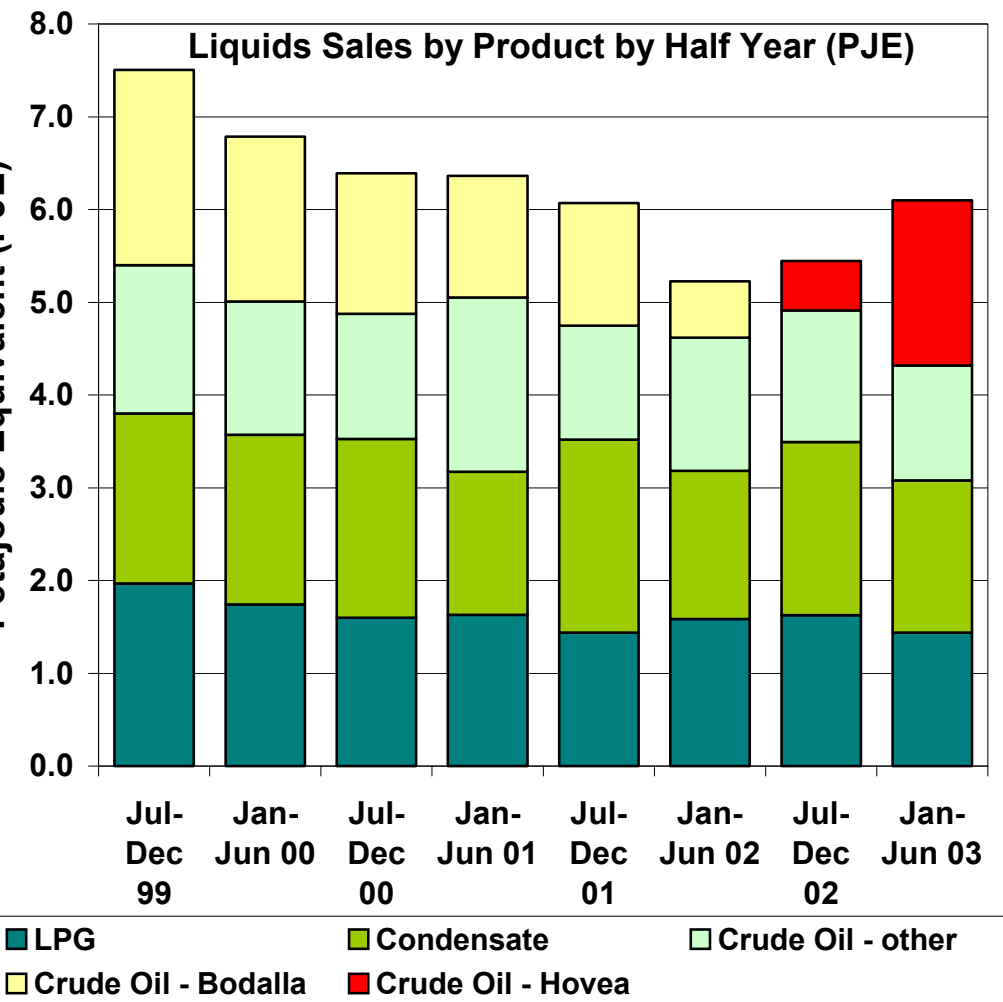
E&P: EBITDA reflects steady gas production while oil from the Perth Basin makes initial contribution



* Includes acquisitions

- Perth Basin oil offsets sale of Bodalla assets and decline in oil production
- 2P reserves increased by 433PJe to 1,573 PJe net of production of 84 PJe
- Major contracts signed for Cooper Basin and CSG
- Capital Expenditure significantly higher due to developments in Perth Basin, CSG and Bass/Otway
- Origin has made a bid for minority shareholdings in OCA of \$4.25 per share, to close on 22 September
- New Otway Basin acreage Perth and Surat Basin follow-up provide exploration upside

Oil production from the Perth Basin has reversed the decline in liquids production of the last few years



- Bodalla assets sold in FY '02 for \$16 million
- \$24 million invested in the Perth Basin in FY '03 has replaced the declining Eromanga fields with a new producing province
- Perth Basin fields producing in excess of 3,000 bopd Origin net, targeting 5,000 bopd net in calendar 2004

Average Oil Price Realised	
FY '02	A\$ 42.37
FY '03	A\$ 46.06

Net 2P reserves increase of 433 PJe (5 times production) positions Origin to address gas market opportunities

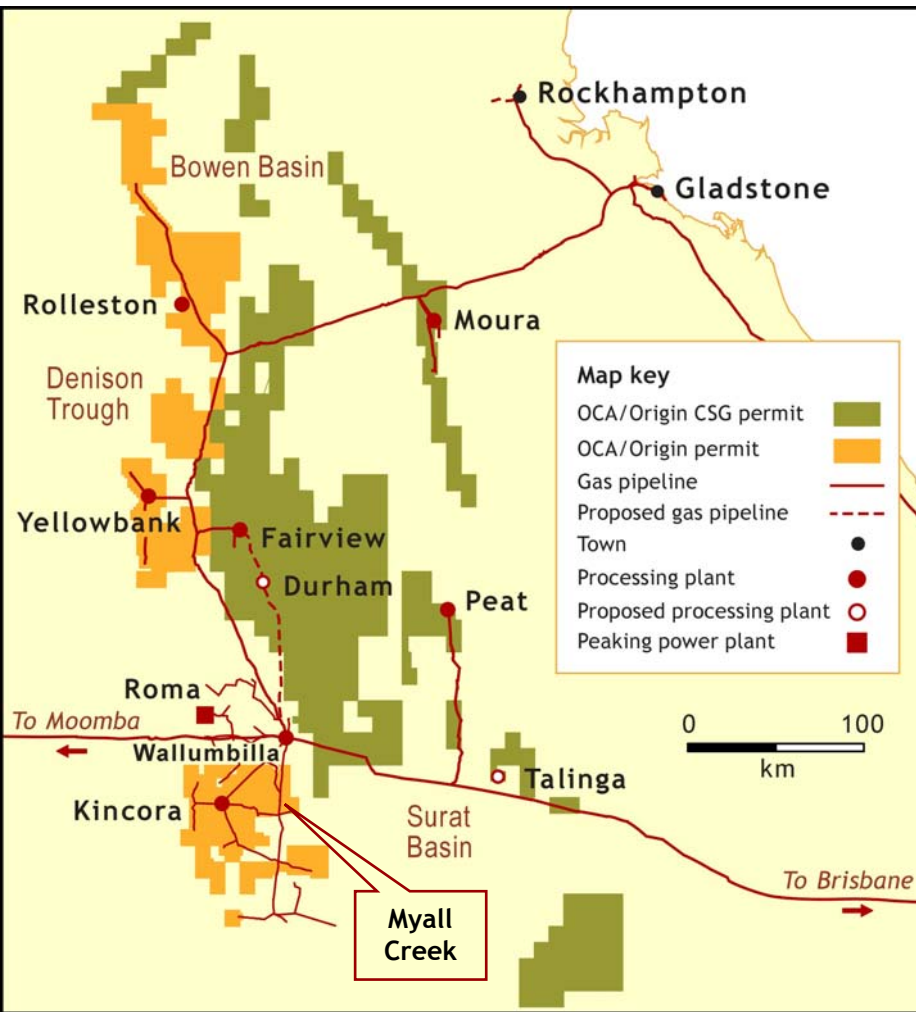
Proved and Probable Reserves (PJe*)

2P reserves at 30 June, 2002	1,140
<i>plus</i> Exploration success	82
<i>plus</i> Otway reserves upgrade	232
<i>plus</i> CSG acquisition (July '02)	164
<i>plus</i> revisions & adjustments	39
<i>less</i> production	84
2P reserves at 30 June, 2003	1,573

- Will book significant additional reserves in September upon completion of Durham field CSG appraisal program
- Provisioning and write-downs in FY'03 was \$16.6 million
- Exploration carrying values in Greenfields areas without imminent production now only \$21 million.

* PJE - petajoule equivalent - a measure of energy

Origin and OCA have continued to progress the commercialisation of CSG resources.....



- July '02 - increased equity in the Fairview (24%) and Durham (89%-99%) fields
- Dec '02 - Origin/OCA agreement with AGL to supply 340 PJ of gas over 13 years
- Gas supply agreement with AMC unlikely to proceed
- Expenditure of \$89 million (incl. acquisitions) during FY '03 is expected to increase to around \$100 million during FY '04
- Myall Creek stratigraphic trap in the Surat Basin provides encouraging new play to complement Bowen Basin CSG

.....while exploration success at Myall Creek has added upside to the Surat Basin

Significant progress has continued to be made in the Otway and Bass Basins

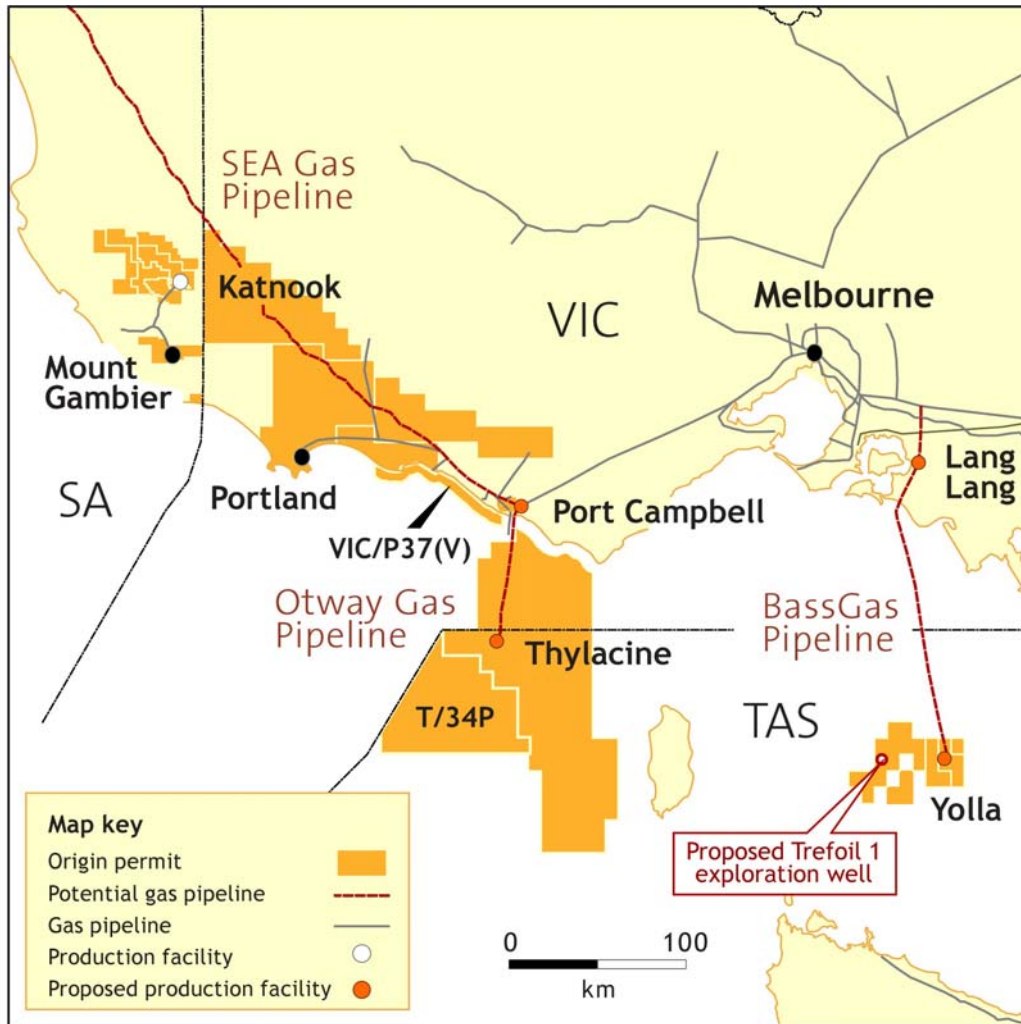
BassGas Project (37.5%)

- Final Government & JV approval given
- Construction commenced in January 2003 - now 45% complete
- Total cost around \$450 million to provide 20 PJ and over 1 million barrels of liquids per annum gross (Origin share ~\$170 million)
- Development on schedule and on budget
- First gas in third quarter 2004

Otway Gas Project (29.75%)

- Reserves in the Thylacine and Geographe fields now booked as 2P (298 PJe)
- 3-phase development agreed by the JV parties
- Initial development cost of \$750 million to provide 60 PJ/a gross (Origin share ~\$220 million)
- EES/EIS submitted and on public exhibition through July and August '03
- First gas early 2006

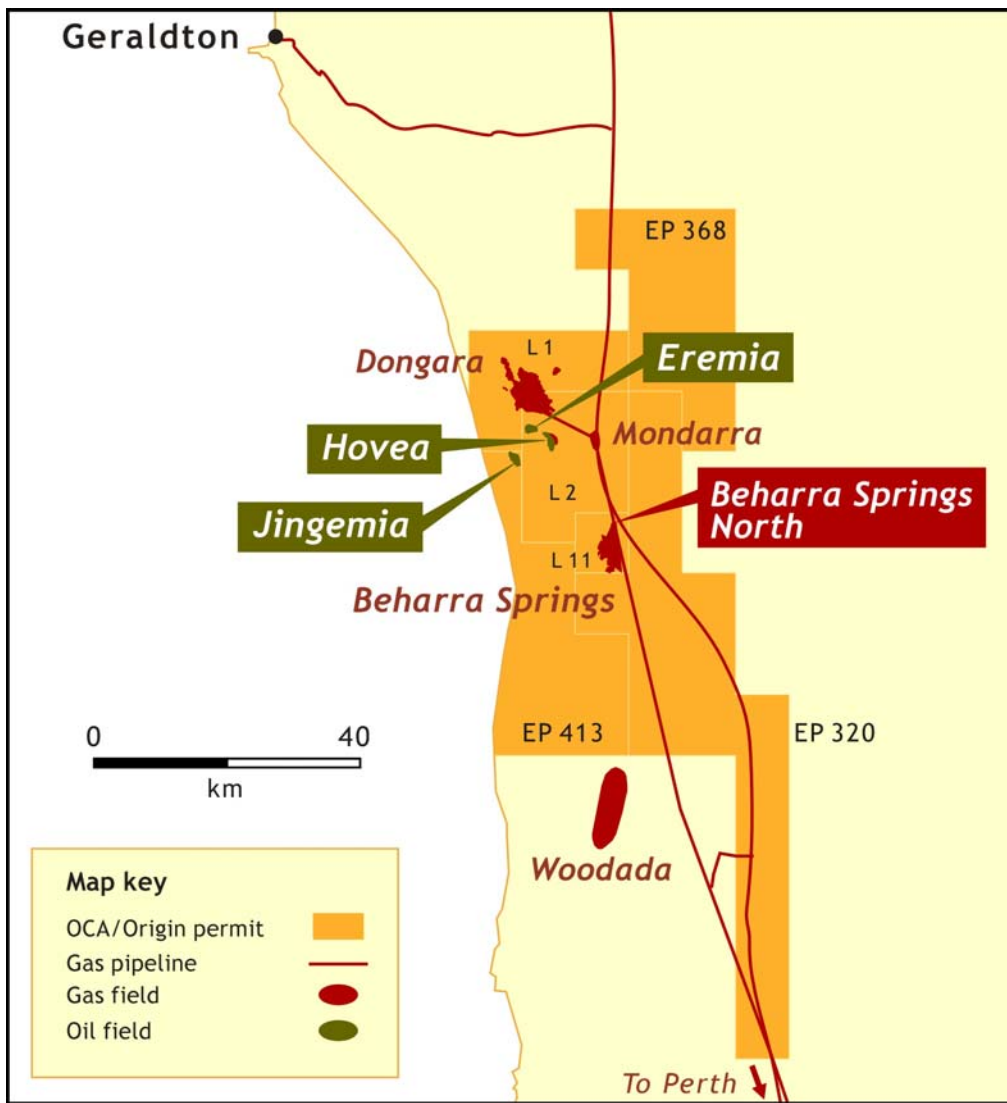
Additional permits have been secured in the Otway Basin in joint venture with Woodside.....



- Near-shore permit Vic/P37(V) on trend between Minerva and Port Campbell fields
- Deep-water permit T/34P adjacent to Thylacine field and prospective for both gas and oil
- Exploration programs will be integrated with work on existing permits
- Trefoil exploration well to be drilled in FY' 04 utilising the rig drilling BassGas development wells

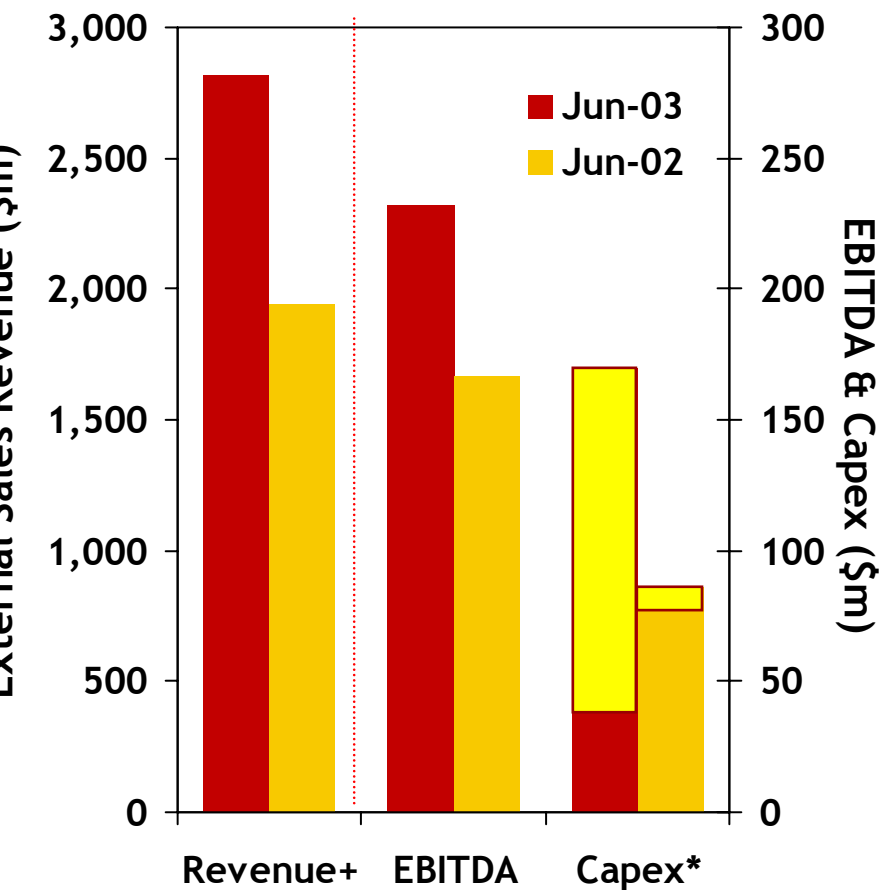
.....to complement and leverage from existing Bass and Otway Basin exploration & development plans

Oil and gas developments in the Perth Basin have been commercialised with further drilling to come



- Hovea field successfully developed with facilities capable of producing in excess of 5000 bopd
- Long term production tests at Eremia and Jingemina established flow rates of around 1000 and 1800 bopd respectively
- Program of up to 10 wells spanning development, appraisal and exploration planned for FY '04
- Beharra Springs North and Hovea 2 gas discoveries to be followed up with further gas exploration

Retail: EBITDA up 39% to \$232 million on contributions from CitiPower, favourable wholesale position and cessation of agency payments



+ Includes agency sales in Victoria

* Includes acquisitions

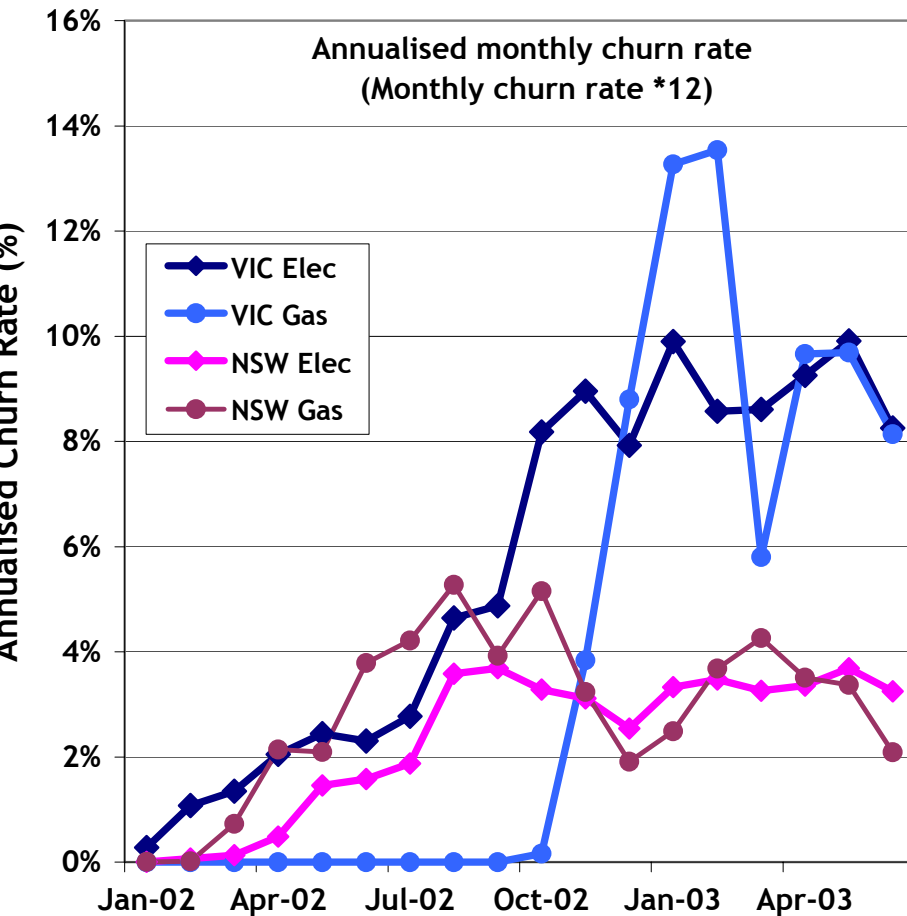
- Retail revenues increase 46% on the back of CitiPower acquisition, the cessation of the Gascor agency agreement, and a full year of 2002 tariff increases
- Additional benefits from significant improvements in working capital and billing, but billing system change-over delayed from June to August '03
- FRC fully introduced in Victoria and partially in SA. Churn within industry expectations.
- Achieved milestone of 30,000 green energy customers and market share leadership for grid-connected solar systems

Retail business: all areas contributed to the result

	Natural Gas *	Electricity	LPG
Revenue (A\$m)	841	1,547	417
Gross Margin (A\$m)	131	285	114
Sales - (PJ)	123		
Sales - (TWh)		15	
LPG (Ktonnes)			479
Total Sales (PJe)	123	54	24
Customer # ('000)	986	851	200+

* Gross revenue received from customers (including Retained Profit component). Gross Margin is after payment of Retained Profit

The gradual introduction of FRC has produced variable churn data, but annualised rates appear to be stabilising.



Origin Customer Numbers ('000)	Natural Gas	Electricity
Jun '02	986	582
CitiPower	-	264
Jun '03	986	851
Change net of acquisition	-	+5

Sources:

Graph: Various websites including Vencorp, Nemmco, Gasmarketco, ESAA, AGA

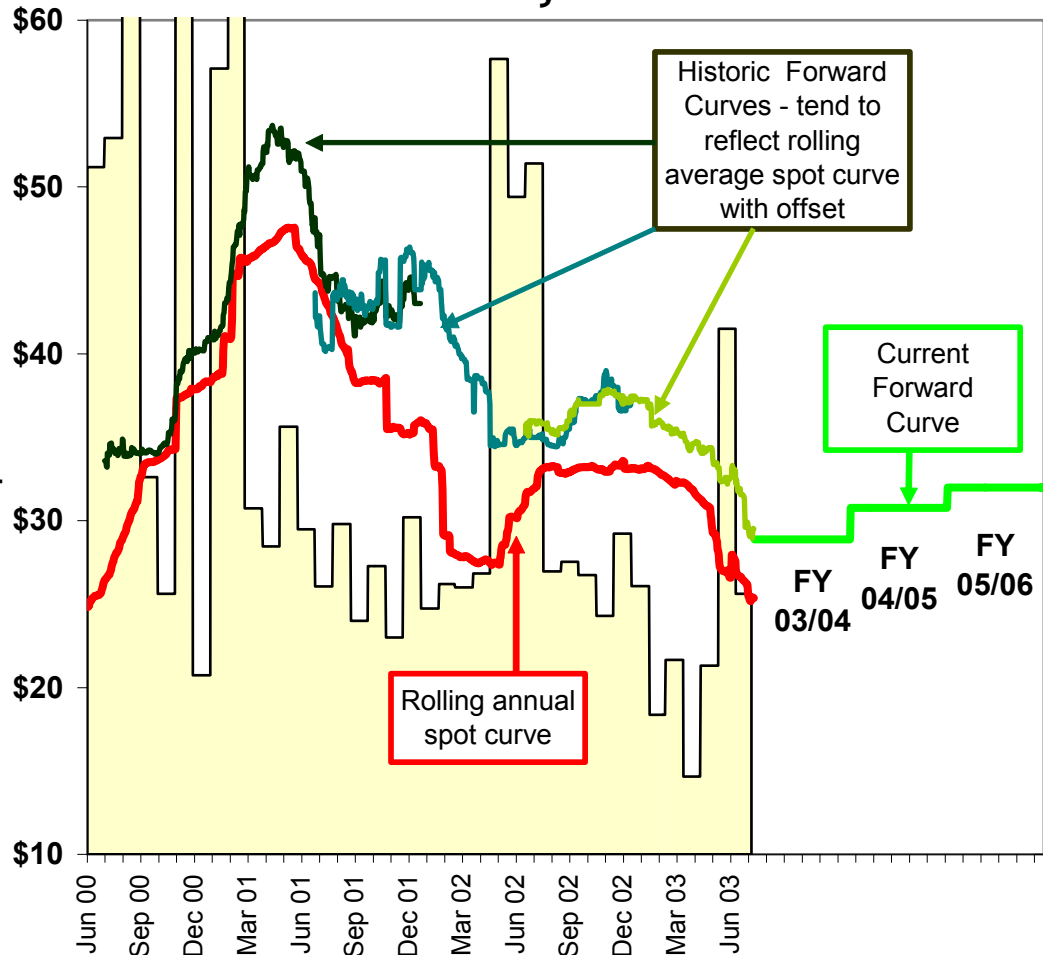
Table: Company information

Origin's net position is flat for gas customers and a modest increase in electricity customer numbers

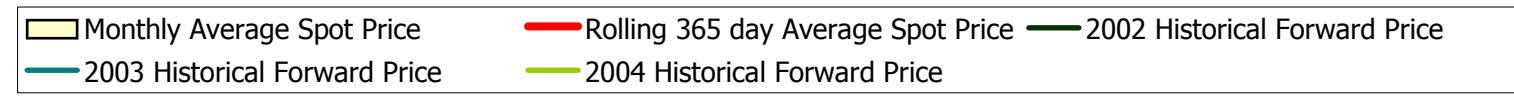


A well structured portfolio of contracts enabled access to low pool prices whilst maintaining a well covered position

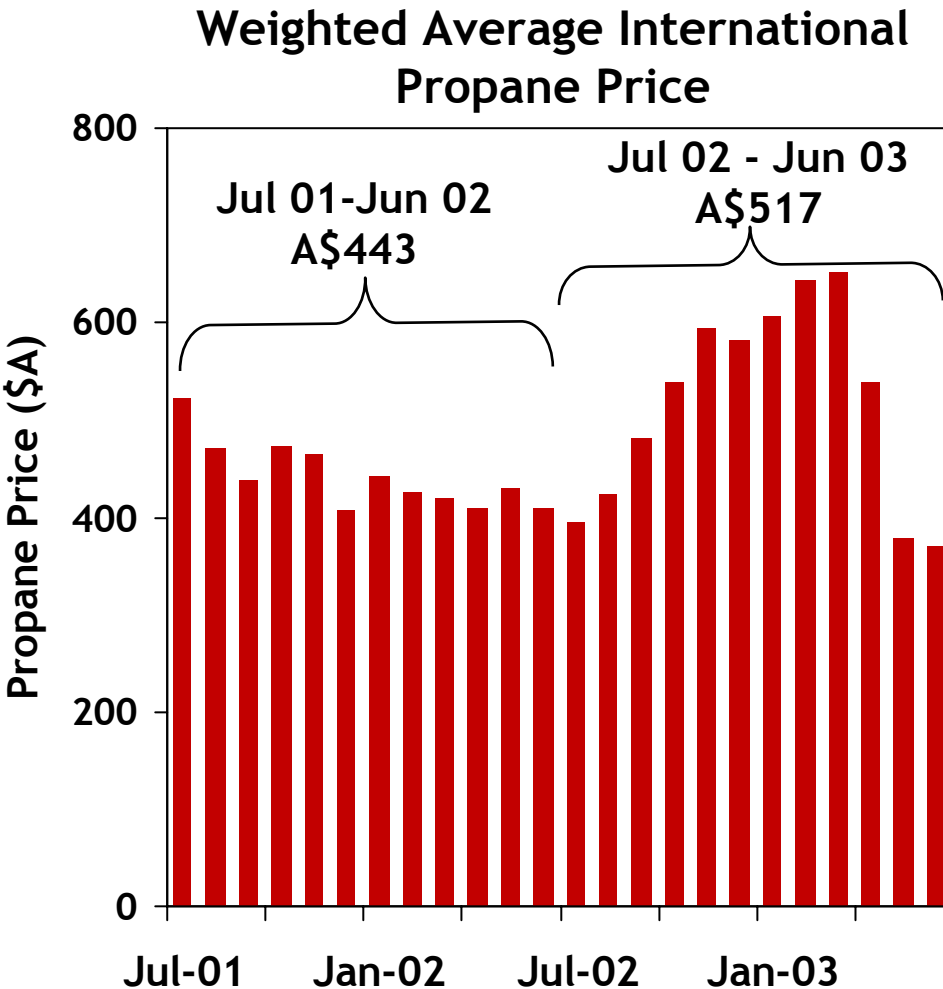
Victorian Spot and Forward Contract Electricity Prices



- The pool price is not a good indication of true purchasing costs
- Historic forward curves tend to reflect trends in the rolling annual spot curve
- These historic curves approximate the buying costs of retailers
- Effective management of electricity exposures requires purchase costs to be locked in 6-24 months or more ahead

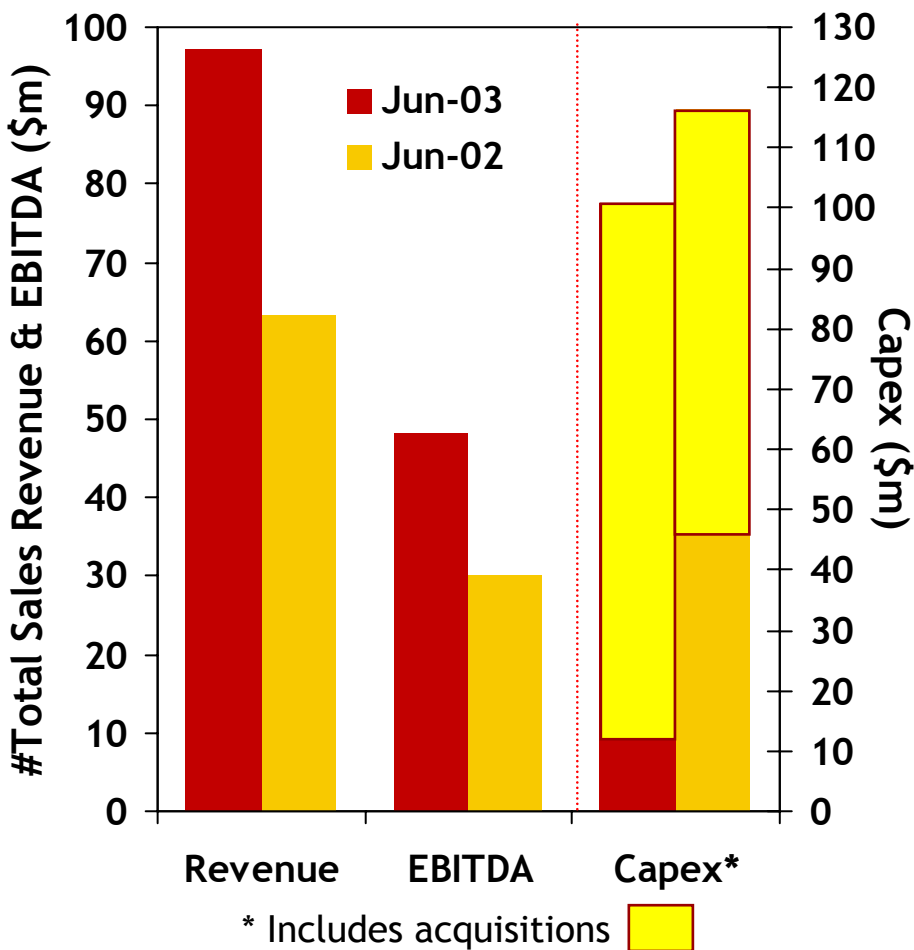


LPG margins have been maintained despite increased purchasing costs



- Cost of LPG benchmark CP up \$74 per tonne (17%) on previous year
- Pacific volumes up but Australian volumes affected by drought and decline in Autogas sector. Overall volumes down 2%
- Margins were maintained despite these pressures
- Government announcement re the abolition of the “excise free” status of auto LPG unlikely to have a major impact for several years

Generation: EBITDA up 60% to \$48.3 million on contributions from Mt Stuart and tolling agreement with Retail



Total Sales Revenue includes inter-segment sales under the tolling agreement with Retail

- Acquired Mt Stuart in December 2002
- Tolling agreement means all plant is contracted with either 3rd parties or Origin Retail
- Significant progress was made in the development of renewable energy projects such as solar, wind and HDR

Origin continues to add capacity in its Generation business with interests in over 880MW of installed capacity.....

Major Origin Power Plants	Origin Int. %	Capacity Mwe	Type	Operation	Contracting Party
Osborne	50	180	Cogen	Base	NRG Flinders & Penrice
Worsley	50	120	Cogen	Base	Western Power & Worsley
Bulwer Is.	50	32	Cogen	Base	BP
OneSteel	100	8	Cogen	Base	OneSteel
Mt Stuart	100	288	OCGT	Peak	Enertrade
Quarantine	100	96	OCGT	Peak	Origin Retail
Ladbroke	100	80	OCGT	Base/ Int	Origin Retail
Roma	100	74	OCGT	Peak	Origin Retail

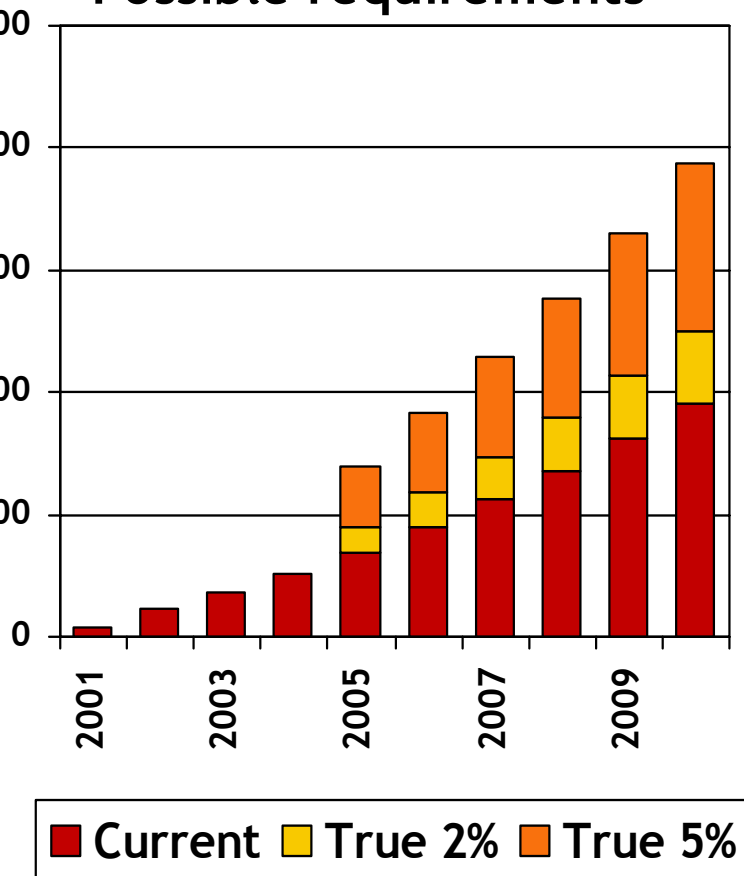
- Increased maturity of the electricity market has enabled Origin to implement a Tolling Agreement to cover Quarantine, Ladbroke and Roma
- Market based structure comprising
 - Payments for capacity based on capital invested and fixed costs
 - Payments for performance based on availability and running hours

.....with all plants now covered by contracts with 3rd parties or Origin Retail



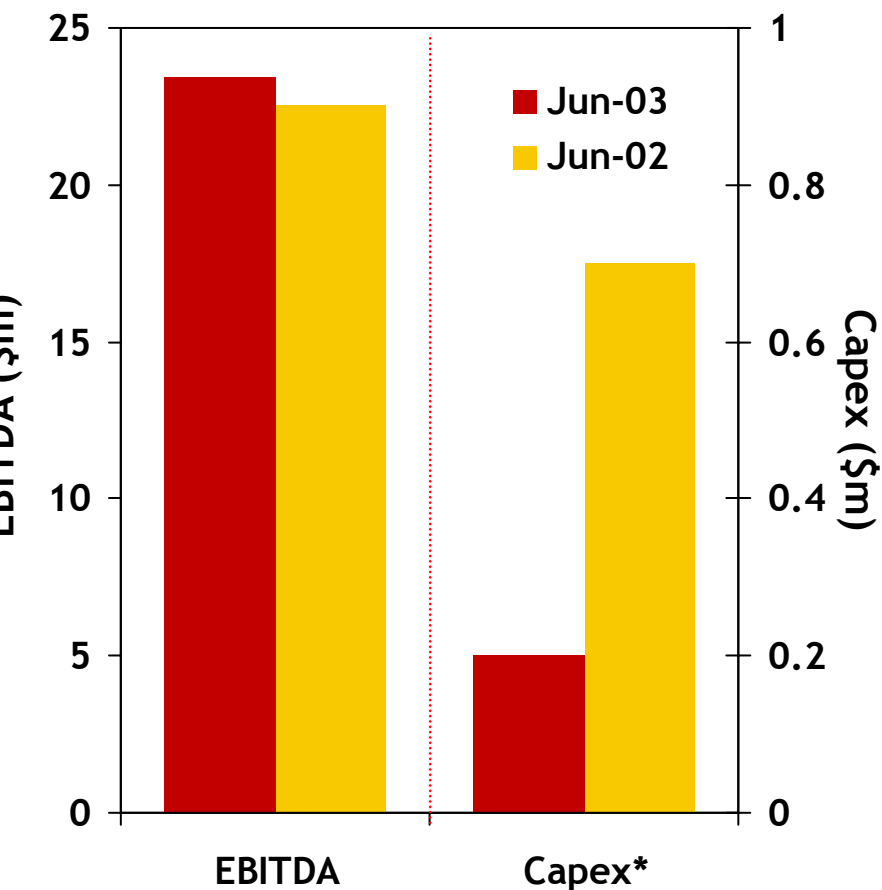
Origin has established a portfolio of renewable generation projects that provide value in an uncertain environment

Renewables - MRET GWh
Possible requirements



- **Solar:** Origin SLIVER® Solar Cell technology tested and commercial viability established. Planning for pilot plant well advanced
- **Wind:** Option to acquire 50% equity interest in Challicum Hills and progressed plans for development of the Kemmiss Hill Rd and Troubridge wind farms in SA
- **HDR:** Origin has taken a 19% stake in Geodynamics at a cost of \$5 million and secured arrangements to take up to 50% of the potential output

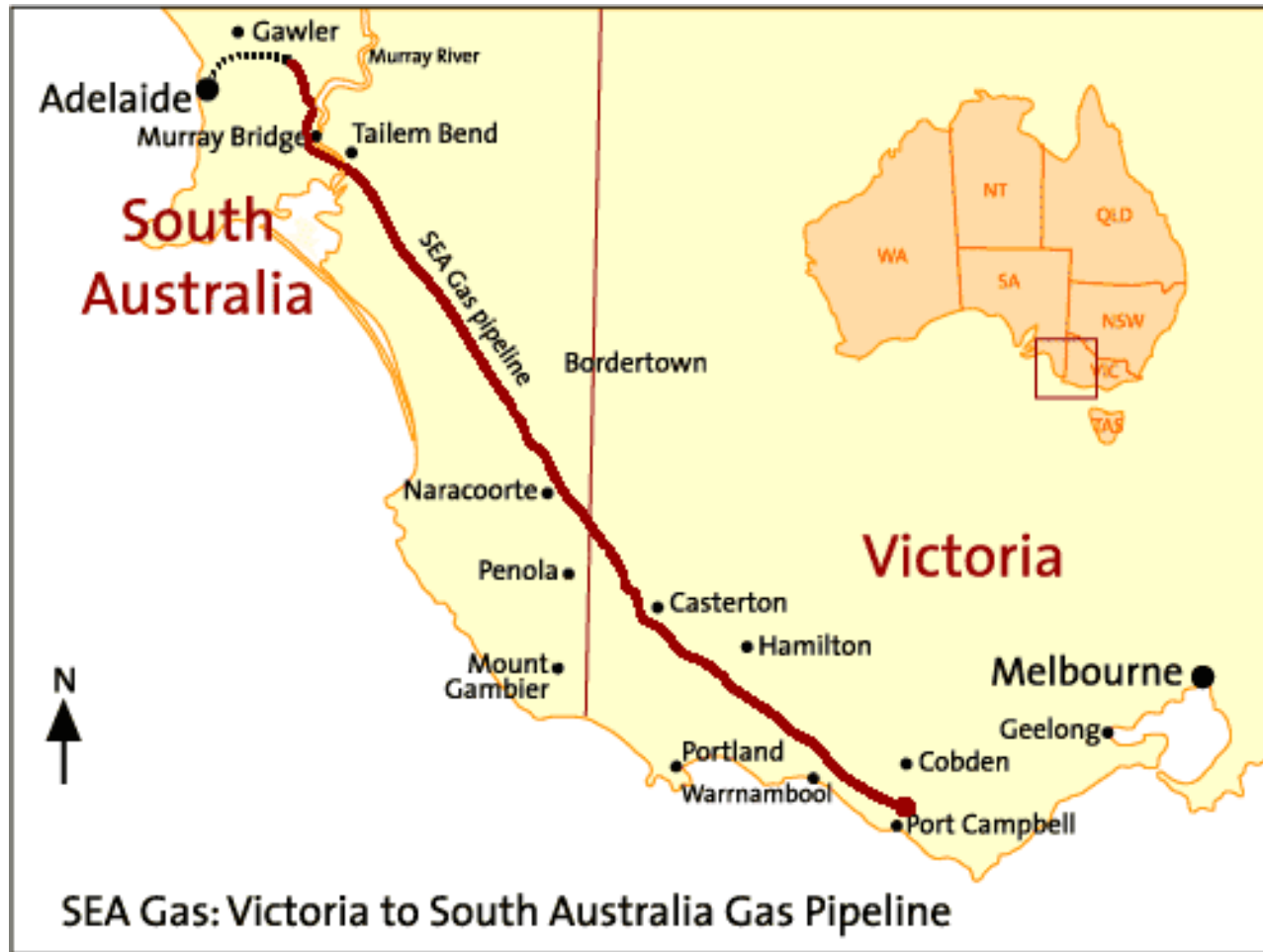
Networks: EBITDA up 4% to \$23.4 million including higher distributions from Envestra



* excludes acquisitions

- Distributions from Envestra were \$1.2 million higher due to increased shareholding
- Steady increase in Management fees offset by changes to other fees earned from Envestra
- More than 25,000 customers added to networks under management, 300 km of new pipe laid and 105 km of mains replaced.
- In JV with United Utilities won a 10 year contract for management of water network & treatment assets of Coliban Water in country Victoria. Revenues of \$120 million over ten years expected.

SEA Gas pipeline: Steady progress made in construction - on budget and on schedule with 530 km laid to mid August



Commissioning scheduled for October 2003 and first commercial gas January 2004



Outlook

There are a number of factors influencing the profit outlook for FY '04.....

Positives

- Increased oil production from the Perth Basin
- Full integration of the CitiPower business will reduce costs
- Compared to prior period no Gascor payments
- Full year contribution from Mt Stuart power station
- SEA Gas pipeline will commence operation in early 2004

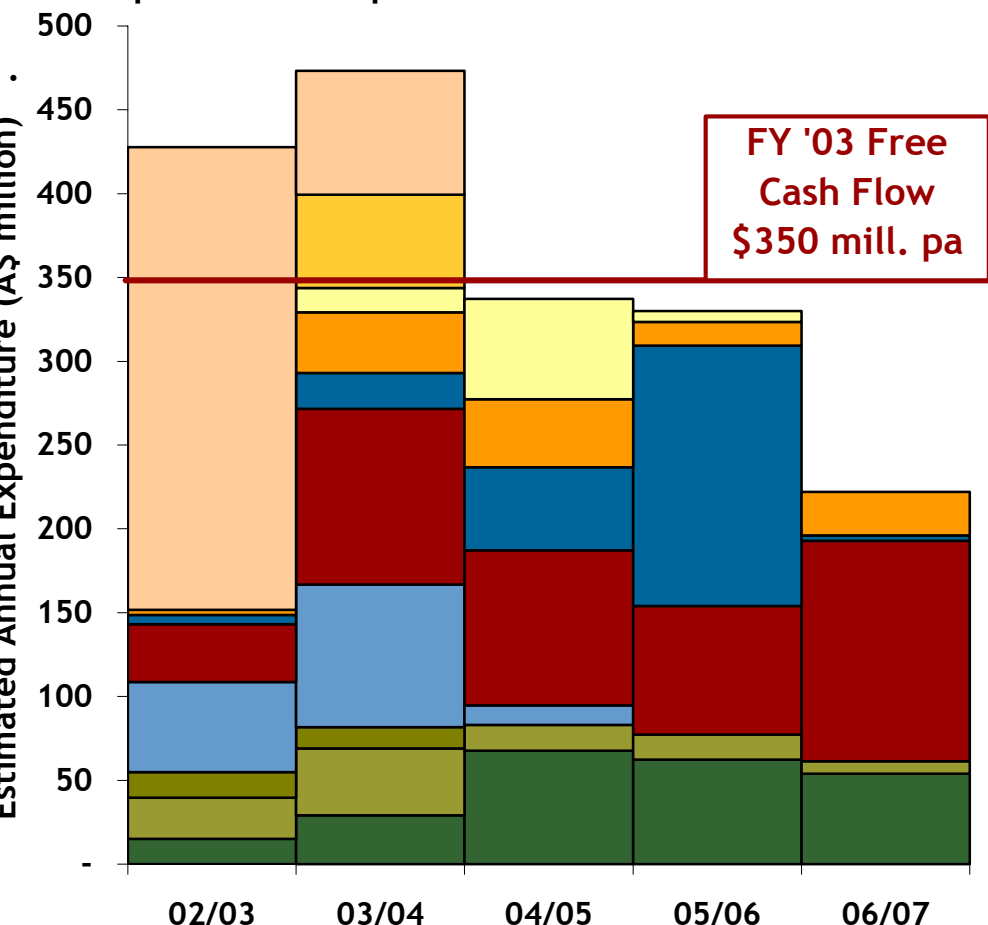
Negatives

- Gas production volumes will remain steady prior to additional sales from BassGas and CSG in FY '05
- Additional costs associated with gradual introduction of FRC in SA
- Continued Government capping of energy tariffs creates uncertainty in margins
- Lower contribution from electricity purchasing contracts

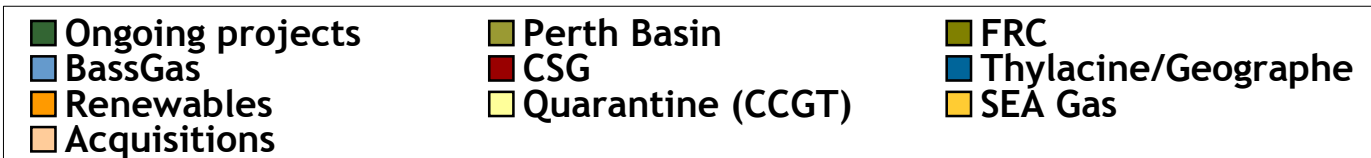
....while increased capital expenditure on development projects will continuing to drive growth

This Capital expenditure will be largely covered by cash flows from the business over the next few years

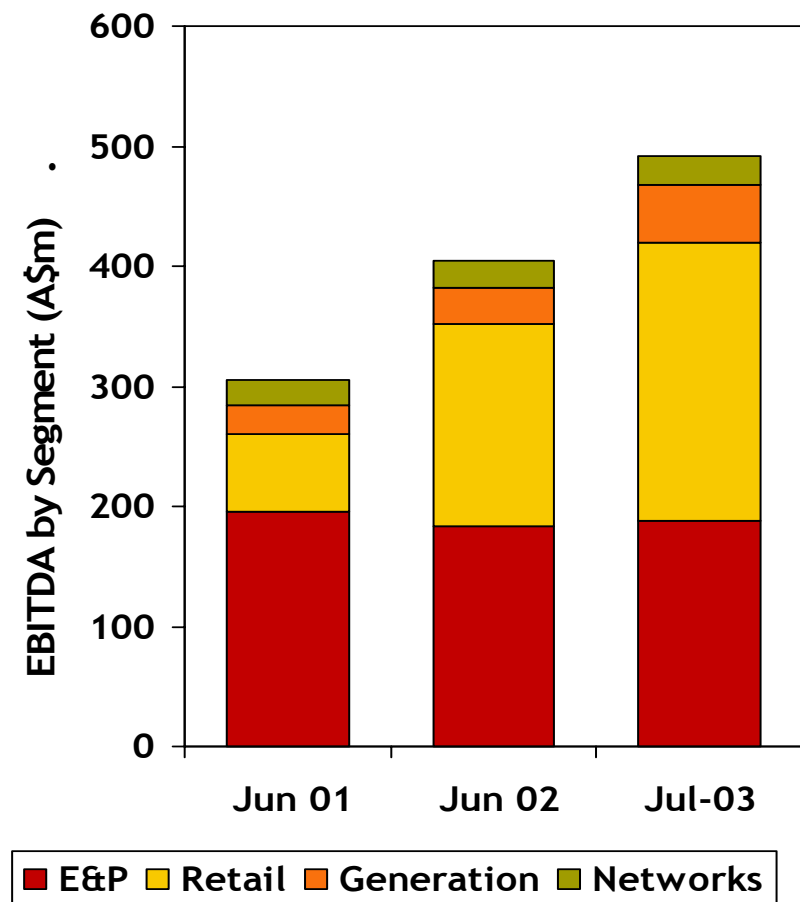
Growth capital expenditure estimates and acquisitions compared with free cash flow for FY '03



- Committed or highly likely development projects underpin the growth of the company over the next several years
- Current free cash flow will cover the majority of the capital required for this organic growth
- Conservative gearing of 29% and borrowing capacity of over \$400 million provide funding flexibility



Origin maintains the long term goal of achieving EPS growth of 10-15% pa through sound strategy, effective acquisitions and internally generated growth.....



- Growth of the retail business has delivered significant value and may now plateau for a period
- A modest decline in E&P has been reversed and major projects will see contributions from this area increase significantly going forward
- Gas generation assets have been added by development and acquisition, and a solid portfolio of renewable energy projects has been aggregated

.....largely funded through cash flow from existing businesses

The logo features a stylized white letter 'O' with several overlapping, thin yellow lines swirling around it, creating a sense of motion or energy.

origin
energy