To	Company Announcements Office	Facsimile	1300 135 638
Company	ASX Limited	Date	12 April 2018
From	Helen Hardy	Pages	7
Subject	Half Year Report to Shareholders		

In accordance with Listing Rule 3.17 please find attached the Half Year Report to Shareholders for the half year ended 31 December 2017 which is being sent to Origin Energy Shareholders who have elected to receive it.

Regards



Helen Hardy
Company Secretary

02 8345 5000

origin

HALF YEAR REPORT 2018



“HOW ARE YOU IMPROVING THE BUSINESS?

Aruna Seneviratne
Shareholder

Everything you want to know about how we’re tackling the big questions.

WELCOME TO THE HALF YEAR REPORT

Fellow shareholder,

We are pleased to share with you Origin's half year report for FY2018, which demonstrates positive momentum in the performance of the business.

Notwithstanding our Statutory Loss of $207 million, driven by impairment charges after tax of $533 million, Origin's Underlying Profit improved by $255 million to $428 million.

We continued to make significant progress on our twin priorities of reducing debt and improving returns. We improved earnings with Underlying EBITDA[1] increasing by 51 per cent to $1.49 billion, driven by earnings growth in Energy Markets and higher production and revenue at Australia Pacific LNG.

A strong uplift in cash flow has helped us to reduce our debt. The successful completion of the sale of Lattice Energy in January will also contribute around $1 billion towards debt reduction.

Origin remains focused on reducing organisational complexity and cost, continuing to repair the balance sheet and adopting a disciplined approach to capital management.



Frank Calabria, CEO, and Gordon Cairns, Chairman.

ACTIONS TO HELP WITH ENERGY SECURITY AND AFFORDABILITY

We continue to respond to heightened concerns about energy prices and security. We have taken many steps to address high prices which have helped hundreds of thousands of Australians save. This includes no price rises for our hardship customers, low-priced offers for concession holders and a new simple-to-use online price comparator.

We also increased output from Eraring Power Station and supplied more gas including to Pelican Point Power Station, to improve energy security and to put downward pressure on prices. This will remain a focus in the months ahead.

DIVIDEND

Given the continued focus on debt reduction and prudent capital management, the Board has determined not to pay a dividend for the first half of 2018. We know dividends are important to our shareholders, and remain of the view that it is in the best interests of all shareholders to continue to suspend the dividend at this time.

OUTLOOK

Provided that market conditions and the regulatory environment do not materially change, FY2018 guidance for Energy Markets is for Underlying EBITDA to be in the range of $1.78 – $1.85 billion. This compares to previous guidance of $1.7 – $1.8 billion.

Origin's share of production from Australia Pacific LNG for FY2018 is expected to be 245 – 265 PJ. Australia Pacific LNG is also focused on achieving a step change reduction in its break-even cost base within 18 months, as it aims to become a globally competitive, low-cost gas producer.

We thank you for your support and look forward to reporting our progress at the full year.

Gordon Cairns
Chairman

Frank Calabria
Chief Executive Officer

1 From continuing operations.

WHAT HAS ORIGIN ACHIEVED THIS FIRST HALF?

33%
INCREASE IN GENERATION OUTPUT

20%
INCREASE IN GAS SALES FROM ENERGY MARKETS

200
CARGOES SHIPPED TO DATE BY APLNG

BEST EVER SAFETY PERFORMANCE

TRIFR REDUCED TO 1.9 FROM 3.2 IN FY2017

IMPROVING CUSTOMER SATISFACTION

INTERACTION NET PROMOTER SCORE INCREASED BY TWO, TO 18

COMMITTED TO HALVE CARBON EMISSIONS BY 2032

FIRST AUSTRALIAN COMPANY TO HAVE TARGETS RECOGNISED BY THE WE MEAN BUSINESS COALITION

HOW IS ORIGIN MOVING TO A CLEANER, SMARTER ENERGY FUTURE?



At Origin, we continue to take steps to lead the transition to a cleaner and smarter energy future.

In December 2017, Origin became the first Australian company to have science-based targets recognised by the global We Mean Business coalition. We have committed to a company-wide 50 per cent reduction in absolute Scope 1 and Scope 2 carbon emissions by 2032[2]. We have also committed to a 25 per cent reduction in our Scope 3 emissions on 2017 levels over the same period. As we shift to a cleaner energy portfolio, we expect renewables and gas to feature strongly, alongside a range of new technologies that will enable more efficient use of energy in homes.

We continue to progress a series of initiatives aimed at connecting customers to the technologies of the future. We are the principal sponsor of Energy Lab, based at the University of Technology Sydney, a home for clean energy innovation and Australian energy technology start-ups. Alongside German new energy giant, innogy and a small group of other companies, we are a co-founder of Free Electrons. This initiative brings together utilities like Origin and 12 leading start-ups in renewables, smart grids, electric vehicle and home energy management. We also continue to invest in and trial new technologies to help our customers have more visibility of their home energy use and cost.

2 On 2017 levels, excluding Lattice Energy, which has been divested.

ENERGY MARKETS

Origin is Australia's leading electricity, gas and LPG retailer, servicing approximately 4.2 million customer accounts. Origin has approximately 6,000 MW of power generation and is also a large natural gas supplier.

HOW DID ENERGY MARKETS PERFORM?

Energy Markets performed well, with Underlying EBITDA increasing by $156 million (21 per cent) to $891 million. During the half, Origin continued to take action to address energy prices and security by increasing generation output by 33 per cent, sourcing more renewables and securing an additional 69 PJ of gas for domestic customers in 2018.

The retail market remains highly competitive, with rising prices and a national focus on energy prices contributing to increased customer movement. While customer accounts decreased by 47,000, increased efforts to win and retain customers resulted in net gains in accounts in both December and January.

Our focus on improving the Origin customer experience is demonstrated by Origin's Interaction Net Promoter Score, which increased from 16.1 at the end of FY2017 to 18.

HOW ARE YOU HELPING CUSTOMERS?

There is heightened concern about energy prices and security. Given the primary concern is about prices, Origin has taken steps to make energy simpler and more transparent for customers. Our customers in financial hardship did not pay recent price increases, and we launched Origin Value, a new low-priced offer for concession holders.

We are competing actively for customers and making it easier for them to get a better deal. Through our online price comparator tool, Origin has helped hundreds of thousands of Australians save on their energy costs.

We also boosted output from Eraring Power Station and secured additional gas supply for the domestic market. These are critical actions to help cover the gap left by the closure of Hazelwood Power Station and put downward pressure on prices.

INTEGRATED GAS

Origin is the upstream operator of Australia Pacific LNG, an incorporated joint venture with ConocoPhillips and Sinopec, which supplies natural gas to domestic markets and exports LNG under long-term contracts.

HOW HAS INTEGRATED GAS IMPROVED EARNINGS?



Integrated Gas Underlying EBITDA (excluding Lattice Energy) increased by $343 million to $630 million. Australia Pacific LNG performed strongly, delivering higher production and revenue. Importantly, Australia Pacific LNG delivered $116 million of net cash flow to Origin.

The project has now shipped more than 200 LNG cargoes, a significant milestone. Planned maintenance was successfully completed on both LNG trains, with excess gas volumes directed to the domestic market during the period.

HOW WILL ORIGIN IMPROVE RETURNS AT APLNG?

Integrated Gas is in the process of implementing a flatter, simpler operating model as it aims to achieve a step change improvement in productivity and a reduction in operating and capital costs.

FINANCIAL HIGHLIGHTS

A reconciliation between Statutory and Underlying Profit measures can be found in note A1 of the Origin Consolidated Interim Financial Statements.

Half year ended 31 December	2017 ($m)	2016 ($m)
Statutory Loss	(207)	($1,559)
Statutory EPS (cps)	(11.8)	(88.9)
Underlying Profit (continuing operations)	428	173
Underlying EPS (continuing operations) (cps)	24.3	9.9
Underlying EBITDA (continuing operations)	1,492	990
Operating cash flow (continuing operations)	552	386
Net debt[3]	7,887	8,111

UNDERLYING EBITDA (CONTINUING OPERATIONS)

Half year ended 31 December	2017 ($m)	2016 ($m)
Energy Markets	891	735
Integrated Gas	630	287
Corporate	(29)	(32)
Underlying EBITDA	**1,492**	**990**

3 Prior period comparative is 30 June 2017.

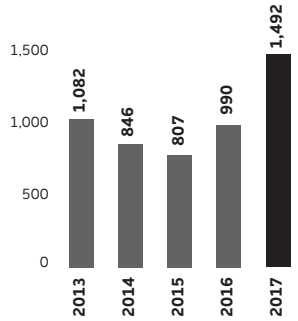
GLOSSARY

APLNG	Australia Pacific LNG
cps	Cents per share
TRIFR	Total Recordable Injury Frequency Rate
Underlying EBITDA	Underlying earnings before underlying interest, underlying tax, underlying depreciation and amortisation (EBITDA) as disclosed in note A1 of the Origin Consolidated Interim Financial Statements
Underlying EPS	Underlying profit/loss divided by weighted average number of shares
Underlying Profit	Underlying Profit is derived from Statutory Profit and excludes certain items to facilitate a more representative comparison of the ongoing performance of the business between periods

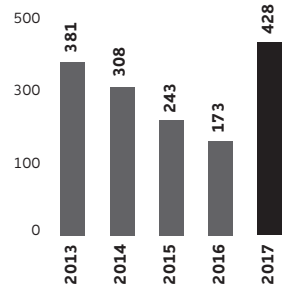
FINANCIAL HISTORY

FOR THE HALF YEAR ENDED 31 DECEMBER[4,5]

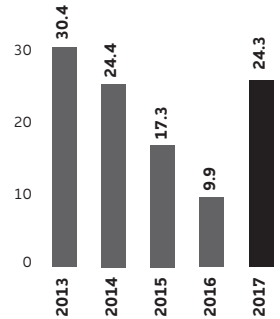
Underlying EBITDA ($m)



Underlying Profit ($m)



Underlying Earnings Per Share (cps)[6]



Interim Dividend (cps)

2017	**Nil**
2016	**Nil**
2015	**10**
2014	**25**
2013	**25**

FINANCIAL CALENDAR 2018

30 June	End of financial year
16 August	Full year results announcement
17 October	Annual General Meeting

4 From continuing operations.
5 Half year on half year comparison.
6 Prior periods adjusted for the bonus element (discount to market price) of the September 2015 rights issue.

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Further information about Origin's performance can be found on the website: www.originenergy.com.au

On the cover of this report is Aruna Seneviratne, an Origin shareholder and also one of our employees. Recently, we talked to Aruna and he asked several questions; the answers to which are included in this report.