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Executive Search & Board Advisory

The Blenheim Report: The Energy Numbers

April 2015

ENERGY ($,000) HALF YEAR RESULTS												
Company	REVENUE H01 FY2015	REVENUE H01 FY2014	EBITDA H01 FY2015	EBITDA H01 FY2014	EBIT H01 FY2015	EBIT H01 FY2014	NPAT H01 FY2015[1]	NPAT H01 FY2014	NPAT MARGIN H01 FY2015 %	NPAT MARGIN H01 FY2014 %	CAPITAL EXPENDITURE H01 FY2015	CAPITAL EXPENDITURE H01 FY2014
AGL ENERGY LTD	5,183,000	5,287,000	735,000[2]	622,000[2]	548,000[2]	455,000[2]	308,000	261,000	5.8	4.6	385,000	284,000
- Retail	2,813,000	2,904,000	194,000	179,000	159,000	136,000						
- Merchant	2,343,000	2,359,000	654,000	531,000	522,000	433,000						
- Upstream Gas	22,000	24,000	-4,000	-1,000	-10,000	-13,000						
APA GROUP[3]	522,700[4]	509,600[4]	402,300	398,900	313,800	324,200	467,300	120,700	21.3	23.7	191,700	200,700
- Energy Infrastructure	471,800	414,500	373,600	326,000								
- Asset Management	38,400	56,100	20,100	34,500								
- Energy Investment	7,700	8,700	7,600	8,700								
BEACH ENERGY LTD	426,800	557,200	226,444[5]	322,463[5]			-79,100	160,500	-18.5	28.8	n/a	n/a
DRILLSEARCH ENERGY LTD	146,700	200,300	52,811	114,279			14,349	35,534	22.1	27.8	95,600	95,700

ENERGY ($,000) HALF YEAR RESULTS													
Company	REVENUE H01 FY2015	REVENUE H01 FY2014	EBITDA H01 FY2015	EBITDA H01 FY2014	EBIT H01 FY2015	EBIT H01 FY2014	NPAT H01 FY2015[1]	NPAT H01 FY2014	NPAT MARGIN H01 FY2015 %	NPAT MARGIN H01 FY2014 %	CAPITAL EXPENDITURE H01 FY2015	CAPITAL EXPENDITURE H01 FY2014
ORIGIN ENERGY LTD	6,950,000	7,238,000	1,080,000	1,082,000	659,000	694,000	-25,000	322,000	-0.4	4.4	1,248,000	460,000
- Energy Markets	5,489,000	5,850,000	617,000	505,000	466,000	372,000						
- Contact Energy	1,122,000	1,003,000	234,000	232,000	142,000	150,000						
- Exploration & Production	339,000	385,000	208,000	302,000	65,000	162,000						
- LNG	-	-	39,000	35,000	4,000	2,000						

[1] Statutory Profit used for all companies for comparison.
[2] AGL Energy reported Operating EBITDA and Operating EBIT.
[3] APA Group has reported normalised earnings, except for NPAT.
[4] APA Group revenue excludes pass through revenue where no margin is made.
[5] Beach Energy reported Total Segment Results before depreciation, amortisation and impairment.

ENERGY ($,000) 2014 FULL YEAR RESULTS												
Company	REVENUE 2014	REVENUE 2013	EBITDA 2014	EBITDA 2013	EBIT 2014	EBIT 2013	NPAT 2014	NPAT 2013	NPAT MARGIN 2014 %	NPAT MARGIN 2014 %	CAPITAL EXPENDITURE 2014	CAPITAL EXPENDITURE 2013
OIL SEARCH LTD[6]	1,610,370	766,265	1,256,984[7]	552,647	714,587	395,022	353,200	205,700	21.9	26.8	1,868,012	1,673,395
- PNG Oil & Gas	678,731	736,546	495,880	557,321	196,381	445,689						
- PNG LNG	896,682	-	773,331	-	592,272	-						
SANTOS LTD	4,099,000	3,651,000	2,153,000[2]	1,992,000	-1,447,000	886,000	-935,000	516,000	-22.8	14.1	4,100,000	3,600,000
-Eastern Australia	2,001,000	1,845,000	693,000	646,000	-1,411,000	257,000						
- WA & NT	1,057,000	1,280,000	635,000	979,000	-78,000	622,000						
- Asia Pacific	985,000	478,000	743,000	318,000	305,000	218,000						
- GLNG	59,000	58,000	-10,000	12,000	-44,000	-12,000						
WOODSIDE PETROLEUM LTD[6]	7,076,000	5,776,000	5,853,000	4,460,000	3,672,000	2,538,000	2,414,000	1,749,000	34.1	30.3	561,000	590,000
- North West Shelf	2,986,000	3,230,000			1,922,000	2,170,000						
- Pluto LNG	3,440,000	2,098,000			2,310,000	954,000						
- Aus Oil	825,000	519,000			-163,000	-154,000						

[6] Oil Search and Woodside Petroleum reported in USD$.
[7] Oil Search and Santos reported EBITAX which excludes exploration costs.

PROFIT GUIDANCE

20 MAR 2015
Australian Financial Review
Woodside Petroleum retains 2015 output target after restarting Pluto LNG

Woodside Petroleum has retained its full-year production target after resuming output at its $15 billion Pluto liquefied natural gas project in Western Australia, which was shut down last Friday after a huge drilling rig drifted dangerously close to the offshore field.

Woodside said on Friday that its target for production for the 2015 calendar year remains between 84 million and 91 million barrels of oil equivalent, signalling that the temporary shutdown of Pluto will have only a minimal impact. Pluto is Woodside's biggest contributor to production and profits, generating almost $US10 million a day in revenues for the company in the December quarter. LNG from the venture is delivered primarily to two Japanese utilities under long-term sales contracts.

Woodside was forced to halt production at Pluto after the enormous Atwood Osprey drill rig, which was drilling nearby for Chevron's Wheatstone LNG broke from its moorings during Tropical Cyclone Olwyn and drifted about 5.5 kilometres near to the pipelines that take gas from the offshore field to a platform. The rig was secured later that day and dragged to beyond Woodside's exclusion zone on Monday.

http://www.afr.com/business/energy/gas/woodside-petroleum-retains-2015-output-target-after-restarting-pluto-lng-20150319-1m3k7z

25 FEB 2015
The Sydney Morning Herald
APA Group lifts profit guidance on east coast gas

Gas transporter APA Group has raised its guidance for full-year profit after taking advantage of increased opportunities to move gas around the grid with the start-up of LNG exports in Queensland. Managing Director Mick McCormack said the fast-changing dynamics of the east coast gas market, which included near-zero prices for spot gas in Queensland late last year, resulted in increased business to move gas by pipeline, a state of play that should continue as the LNG plants in Queensland ramp up production.

"That offered the economic incentive if you like: Some of those people were buying that gas, and we were shuffling it into southern markets," Mr McCormack said.

Credit Suisse last week described the east coast gas market as a "slow train crash," but Mr McCormack disagreed, pointing to increased opportunities to move gas around because of the Queensland LNG ventures and increased need to transport gas into New South Wales because of the slow development of coal seam gas. He likened APA's gas pipeline network to "the railway of the gas industry" and said the company would benefit.

"Whatever happens given APA's railway tracks, all trains one way, or another will be on our network," he said.

APA's earnings before interest, tax, depreciation and amortisation for the full 2014-15 year is now expected to be between $775 million and $790 million, excluding the contribution from APA's $US5 billion acquisition of BG Group's gas pipeline in Queensland. APA had previously given guidance of EBITDA for fiscal 2015 of $740 million to $760 million.

Shares in the pipeline giant were up 2.2 percent at $8.96 at 12:33pm.

The QCLNG pipeline being acquired from BG Group will make a further contribution to EBITDA, of $41 million-$83 million. That deal is expected to complete in the June quarter.

The increased guidance came as APA reported a near-four-fold increase in net profit for the first half, thanks to gains from the sale of its stake in gas distributor Envestra. Net profit surged to $467.3 million for the six months, on sales that edged up 4 percent to $740.1 million. Stripping out one-time gains, profit slid 7.9 percent to $111.2 million, due mostly to the Envestra sale. EBITDA from continuing operations climbed 9 percent to $401 million.

APA declared an interim dividend of 17.5c per share, in line with its earlier guidance, and said that total dividends for 2014-15 would be at least 36.25c per share.

http://www.smh.com.au/business/mining-and-resources/apa-group-lifts-profit-guidance-on-east-coast-gas-20150225-13nr5b.html

19 FEB 2015
Australian Financial Review
Origin swings to $25m first-half loss, hit by charges

Origin Energy managing director Grant King has assured investors the company is "getting close to the end" on the construction of the flagship $24.7 billion Australia Pacific LNG project in Queensland, with $2 billion of net spending to go before the venture should be self-funding. Mr King said the project would still make "robust" returns even if oil prices remained weak and signalled shareholders would start to see the benefits next year from the "very significant" increase in cash flows it would deliver.

The comments came as Origin posted a 9 per cent dip in first-half underlying profit to $346 million, within a wide range of analyst forecasts. On the bottom line, Origin swung to a loss of $25 million, from a $322 million profit a year earlier, due to exchange rate losses on the derivative contracts and interest expenses. Revenues dipped 4 percent to $6.95 billion.

The core energy markets business saw a welcome 22 per cent gain in raw profits to $617 million as Origin took advantage of cheap gas available in Queensland ahead of the start-up of LNG exports and higher gas margins. But the same strategy weighed on profits in oil and gas production because the gas purchases reduced the call for Origin's own production. Oil and gas profits sank by almost a third, to $208 million, with lower prices also playing a part.

"The flexibility in Origin's business to profit from different industry outcomes is always seen as the advantage of the business, and it shone through in the result," said RBC Capital Markets analyst Paul Johnston. "APLNG seems to be going to plan. Investors have had to show a high degree of patience – it's a very long-dated project, and we're still not there – but every update is more positive than the last."

Market concerns about the adequacy of gas supplies for the three Queensland LNG projects have been growing, with Credit Suisse describing the situation on the east coast as a "slow train crash" and predicting the ventures will have to use gas that had been earmarked for local users. But APLNG has the biggest chunk of coal seam gas reserves to back its project, and Mr King played down the concerns.

"The train we are on is going pretty fast: I can't see any wreckage on our part," he said.

Mr King made a distinction between the gas reserves, which are a function of the oil price, and the ability of gas to be delivered on any day to the three LNG projects.

"It's way too early to say there's a problem," he said, adding it would "inefficient use of money" to have all the necessary reserves for multi-decade LNG sales contracts available from day one. "But deliverability could mean that the market is tight particularly through the ramp-up period."

Mr King said the development of Arrow Energy Gas, owned by Arrow partners Shell and PetroChina, could be limited to Arrow's Surat Basin acreage, where pipelines already existed to shift the gas to market. At APLNG, the first LNG production unit is on track to complete construction mid-year, and should reach steady production in the September quarter. The second unit, or train, would reach steady production by the end of 2015. Final costs will be within 5 percent of the $24.7 billion budget, Mr King said.

"We're on the way. I'm excited about APLNG," Mr King said. "I'd be even more excited if oil was at $US100 a barrel."

The project escaped any write-down on the slump in oil prices, with impairments limited to a $53 million write-down on oil assets in New Zealand. Meanwhile, Origin is targeting a $1 billion per year reduction in the upstream cost structure at APLNG as it moves into operations. It is also further reining in spending, with growth capex set to fall to about $900 million in 2015-16 from $1.5 billion this financial year.

http://www.afr.com/business/energy/gas/origin-swings-to-25m-firsthalf-loss-hit-by-charges-20150219-13ijyk

24 FEB 2015
The Sydney Morning Herald
Oil Search profit surges on PNG LNG start-up, boosts dividend

Oil Search has defied the collapse in oil prices by boosting full-year profits by 72 per cent thanks to the start-up of its liquefied natural gas project in Papua New Guinea. Oil Search managing director Peter Botten has stood by forecasts that the company could double production again by early next decade thanks to its LNG prospects in Papua New Guinea, which look set to defy the oil price plunge that is derailing other gas projects worldwide.

Mr Botten said that unlike other projects in Australia, Canada and the United States, both the expansion of ExxonMobil's PNG LNG venture and the Elk-Antelope LNG venture were economical even at prices "materially lower" than current levels. But he said the oil price collapse made collaboration between the ventures even more important. Oil Search recently lost arbitration with US-listed InterOil over pre-emptive rights in Elk-Antelope, but Mr Botten said there was still scope for collaboration with PNG LNG.

"The oil price drives a certain urgency to work together and ensure we are not building things that duplicate activities," Mr Botten said, adding the projects would also need to be coordinated to avoid expensive overlaps in timing.

Mr Botten's bullish comments came as Oil Search rewarded shareholders with a large lift to dividends as profit surged on the PNG LNG start-up last April. The Port Moresby-based oil and gas player declared a final dividend of US8¢ a share, four times higher than a year ago, as well as a special dividend of US4¢. That takes the full-year payout for 2014 to US14¢, more than triple the US4¢ payout in 2013 and in line with the 40 to 60 percent payout ratio announced by Oil Search last October.

Net profit for 2014 surged by 72 percent to $US353.2 million ($454.5 million), despite write-downs of almost $US130 million after tax on oil exploration and evaluation ventures in Papua New Guinea and Yemen. Excluding one-off items, profit surged 135 percent to a record $US482.8 million, broadly in line with consensus. Sales more than doubled to $US1.61 billion on production that almost trebled to 19.27 million barrels of oil equivalent.

Oil Search has stakes in both PNG LNG and the Elk-Antelope venture to be led by French oil major Total. Drilling taking place this year will determine whether gas resource is big enough to underpin two or three LNG production trains, beyond the two in production at PNG LNG. The expansion options put Oil Search in a unique position for LNG growth given the economic hurdles facing other new LNG projects, Mr Botten said.

Bernstein Research analyst Neil Beveridge said Oil Search's growth outlook "remains exciting" even with low oil prices. "PNG remains the most competitive country for LNG expansion in the Pacific given low costs, high liquids content and attractive fiscal regime," Mr Beveridge said.

ExxonMobil in January committed to a final go-ahead by 2017 to develop the P'nyang gas field to supply PNG LNG. InterOil has set 2015 as a target to decide how to develop Elk-Antelope. One investor said he expected the development of P'nyang to occur before Elk-Antelope LNG.

"You'd have to think that with the positive noises Exxon has been making over P'nyang, that they are going to be moving forward with that," he said.

Oil Search is still tightening its belt on spending and costs after a 50 percent drop in oil prices. It has cut its 2015 spending budget by 20 percent and is reducing production costs by 20 percent. The company also increased both gas and oil reserves and resources.

http://www.smh.com.au/business/oil-search-profit-surges-on-png-lng-startup-boosts-dividend-20150224-13mo1k.html

20 FEB 2015
Australian Financial Review
LNG continues to baffle Santos investors

The local bourse currently values Santos Limited at $7.2 billion. Frankly, that seems just a little bit light given the impairment-dented profit numbers Santos offered on Friday did not include any valuation concessions on its game-changing adventure in Queensland liquid natural gas. The Santos full-year numbers delivered on Friday carried $1.6 billion of impairments as a result of the bisection of the oil price over the final months of 2014 and the deferral and resource reduction of its Narrabri coal seam gas project in NSW.

But, to the surprise of some, auditors Ernst & Young did not require any sort of impairment on Santos' share of the Gladstone LNG project. Neatly enough, Santos carries its 30 percent of the $US18.5 billion ($23 billion) GLNG project at $7 billion.

In the end, Santos reported an underlying profit of $533 million that was extracted from record revenues of $4 billion.

Evidently, even if oil prices continue to orbit the current $US60 mark for some considerable time yet, Santos' existing business and oil reserves are worth more than $200 million. Indeed, based on any normal earnings multiple and on the consensus medium-term outlook for oil prices, Santos would appear to be valued only on what the market can see rather than what GLNG might promise.

Just for the record, the basis of the impairment testing at Santos runs an 80¢ Australian dollar across a range of forward pricing that starts at $US55 a barrel for 2015 then steps up in steady increments to a long-term mean of $US90 a barrel by 2018. While some are working to a slightly less positive outlook, the Santos price pack is reasonably standard across the industry.

This story of the investment market's uncertainty over Gladstone LNG is the same, though not so stark, for Santos' Curtis Island competitor, Origin Energy. Origin reported this week and, like Santos, it recorded no impairment on its LNG project or the gas that will feed it. Origin owns 37.5 percent of a $24.6 billion LNG project. That would imply a book valuation of, say, $9.2 billion. Yet the market capitalisation of Origin, Australia's most diversified listed energy company, currently stands at $13.6 billion. So, if APLNG is being valued at all, it is at a serious discount to its weighting in Origin's books.

It seems a fair conclusion that investors, and those who guide them, remain much more sceptical of the long-run value proposition here than do those who have spent $70 billion on Gladstone's three LNG projects. To suggest this credibility gap is frustrating for the likes of Santos chief executive David Knox would be understatement in the extreme. Scepticism has tracked Knox's project like a dingo since the final investment decision back in January 2011.

Now, with the first of two LNG trains due to be switched on early in the second half, questions continue to be asked about Santos's capacity to fully feed its second train just as they continue to be asked about the underlying economics of the project given the changed outlook for oil. Santos is regarded as more vulnerable to the thoroughly unexpected oil shock because its balance sheet is directly exposed to its project and because of the apparent complexity of the resource position that supports the GLNG project.

But Knox just will not yield to the doubters.

Yes, Santos has to live in the now. It has trimmed its 2015 capital program by 25 percent with the result that it will spend 44 percent less this year than last ($2 billion instead of $3.6 billion). It has sacked 520 people, and it will sack more yet. It has pruned its exploration and appraisal program, which means it is unlikely to take a long-expected step up in its resource base anytime soon. It has invited Goldman Sachs to sell the pipeline network that supports GLNG, and there is an expectation that other longer-dated gas resources might be marketed too.

But Knox continues to insist that the GLNG doubters have got it wrong both on future gas supply and the value his spanking new freezers will generate. Santos says that by the end of 2016, when both its production trains are running at capacity, GLNG will be cash flow positive at a $US40 oil price and an 80¢ exchange rate. CFO Andrew Seaton forecast that

Santos would be cash flow positive from the final quarter of this year and beyond. That is important because it would suggest that, even should oil prices stay lower for longer, Santos will be in a position to start retiring debt from 2017.

That is comforting because there is no avoiding the fact that peak debt is going to look fairly mountainous. Santos is currently carrying $7.5 billion of debt, and the FY14 impairments have lifted its gearing to 44 per cent. But there is another $2 billion yet to spend on GLNG and Santos will fund its share of that from its $2.1 billion of undrawn credit facilities. Throughout his recent trial by oil prices, Knox has refused to heed those who want him to raise new equity. That pressure has come from both his analysts and, more importantly, his senior investors. But Knox says Santos just does not need the liquidity.

As things stand, just as the auditors are content with the GLNG book values, so the credit agencies are content that economics of Knox's LNG project will sustain through the oil shock. Standard & Poor's recently affirmed a BBB rating for Santos and it was made clear on Friday that the company would take a downgrade to BBB- rather than raise more equity.

On the supply side of the equation, Knox insists that Santos has enough gas already to fill one train for the 20 years of its contracted production and that it will take no more than three years for his proprietary and third party channels to confirmed supply for a second train. In the meantime, he has gas enough to commission both trains without adding to the project's risk profile.

At the same time, Knox is confident that the Australian gas market is very much a work in progress and that long-term demand created by Gladstone's machines will drive a response from a bigger pool of operators than just the joint ventures that have built those projects. The biggest and most visible of those opportunists is the Shell and PetroChina-owned Arrow. The joint venture owns gas enough for its owners to have contemplated their own LNG project.

"Arrow gas has clearly not found a development home at this time," Knox said on Friday. "Clearly, at some stage, it needs to be developed. It does not represent value for Australia, Queensland or for Arrow if it stays in the ground,"

Knox did not include Santos in his list of Arrow's value extractors. But, one suspects, at some point in the near future he will.

http://www.afr.com/news/lng-continues-to-baffle-santos-investors-20150220-13kmm3

19 FEB 2015
The Sydney Morning Herald
Drillsearch pulls back as oil price slump drives fall in revenue

Drillsearch Energy is reining in drilling work so that capital spending better matches now-reduced revenues after the oil-price slump. The collapse in crude oil prices has driven a 60 percent drop in half-year profit for the Cooper Basin oil and gas player, which saw its bottom line result dragged down by write-downs and lower revenues. First-half net profit fell to $14.3 million, from $35.5 million a year earlier, while the underlying profit sank 42 percent to $32.4 million. Sales slid 27 percent to $146.7 million.

Managing Director Brad Lingo said while the oil price collapse made it a "difficult period for the sector", Drillsearch's balance sheet and cash flow remained strong. Drillsearch shares still dropped 5.8 per cent amid concerns that growth in the business would be slowed by the lower spending plan. The company also narrowed its full-year production guidance to 3-3.2 million barrels of oil equivalent, from 3-3.4 million boe.

Drillsearch revealed that Seven Group Holdings had taken a 3.8 per cent stake on its register. That sparked speculation of a potential Cooper Basin play by Seven, which recently took a 13 per cent stake in bigger company Beach Energy. Seven chief financial officer Richard Richards declined to comment. United Kingdom gas major BG Group holds a 4.6 per cent stake while Beach owns 4.6 per cent.

Ord Minnett analyst John Young described the numbers as "a pretty good result", which did not seem to warrant the sell-off on the market.

Mr Lingo said management was "taking the steps required" to meet the challenge of lower prices. Capital spending has been cut for 2014-15 to $150-$165 million, from as high as $170 million. Savings of $10-$15 million are targeted in corporate and operating costs. Drillsearch took $61.8 million of write-downs pre-tax, with an oil joint venture with Santos taking the biggest hit, as well as some exploration permits. The Western Flank oil and wet gas activities were not affected.

http://www.smh.com.au/business/mining-and-resources/drillsearch-pulls-back-as-oil-price-slump-drives-fall-in-revenue-20150219-13ik0e.html

13 FEB 2015
The Sydney Morning Herald
Oil price slump hits Beach Energy, Origin Energy

The hit to the asset values of local oil and gas players from the oil price collapse is climbing towards $3.5 billion, with Beach Energy becoming the latest to write down the value of its oil and gas fields.

Beach advised on Friday of impairments of $224 million to its assets before tax, a day after Santos flagged an enormous $2.4 billion pre-tax impairment. Woodside Petroleum, Oil Search and junior player Drillsearch Energy have already detailed write-downs in the wake of a near 60 per cent dive in crude oil prices since June. Santos' write-down is set to send the company to a bottom line loss for 2014 of at least $1 billion, according to UBS and RBC Capital Markets.

The drop in prices to lows not seen for almost six years has also triggered a wave of cost cuts, which are set to take a toll on jobs mounting into the hundreds. Origin Energy told its 6000 employees in an internal email on Thursday that it would merge its LNG business unit with its upstream oil and gas business, in a move expected to result in the elimination of duplicate positions. Paul Zealand, Origin's head of upstream oil and gas, is the most senior executive to be let go, after a career at the company dating from 2005.

Origin managing director Grant King said the formation of a single integrated gas business "allows us to draw on the best skills available to Origin, benefit from the increased scale of our business and focus relentlessly on delivering safe and reliable operations across all our upstream activities". The restructuring to form the new business, to be headed by current head of LNG David Baldwin, follows the milestone reached earlier this week with the first delivery of coal seam gas to Gladstone's Curtis Island for Origin's Queensland LNG project, due to begin production in mid-year.

The local cutbacks mirror the swingeing cuts being made by global oil majors, which sent oil prices bouncing higher late in the week.

Royal Dutch Shell chief executive Ben van Beurden said he expected oil markets to remain volatile in 2015 and warned that delays to projects could result in a spike in prices, as new supplies were still needed to meet rising demand. "A rapid recovery could occur if projects are postponed or even cancelled," Mr van Beurden said at a conference in London. "This would lead to less new supply – not so much now, but in two or three years. Combined with economic growth, the market could tighten quickly in this scenario."

http://www.smh.com.au/business/mining-and-resources/oil-price-slump-hits-beach-energy-origin-energy-20150213-13e0uk.html

11 FEB 2015
TheBull.com.au
AGL Energy (AGL) beat expectations as cooler winter boosted demand

Electricity generator and retailer, AGL Energy (AGL) today reported its half year numbers for the 2015 financial year. AGL result beat market expectations, statutory net profit after tax lifted by 18% to $308 million when the market didn't expect AGL to break the $300 million mark.

Revenues fell slightly while margins were higher from AGL's Retail Energy unit, helped by higher prices and demand. Electricity and gas demand improved as weather conditions normalised over the half compared to the very warm winter in 2013. Merchant earnings lifted to $852 million helped by a lift in wholesale gas sales, AGL Upstream gas still reported a loss, as expected, but there was an improvement over the period.

Net Profit included a loss of $128 million after tax in relation to significant Items; the cost of its purchase of Macquarie Generation, restructure costs (AGL retail units) and the cost of the repeal of the carbon tax. AGL incurred costs in removing the carbon tax from customer statements and set up costs for accounting changes within its business of $8 million. AGL also lost income from transitional assistance at AGL Loy Yang power plant.

Long-standing AGL CEO Michael Fraser will be replaced by Andrew Vesey, after this result and will retire by the end of June, 2015.

http://www.thebull.com.au/articles/a/52031-reporting-season-analysis:-agl-energy-ltd.html

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