

Thursday, 21 August 2014

FULL YEAR RESULTS ANNOUNCEMENT AND PRESENTATION

Please find attached the following documents relating to ERM Power's results for the 12 months ended 30 June 2014:

1. ASX announcement
2. Presentation

A handwritten signature in black ink, appearing to be "P. Jans".

Peter Jans
Group General Counsel & Company Secretary
ERM Power Limited

Thursday, 21 August 2014

ERM POWER DELIVERS RECORD UNDERLYING PROFIT

ERM Power (ASX: EPW) today announced a record underlying net profit after tax (NPAT)¹ of \$57.0 million for the 2014 financial year (FY 2014), compared to \$15.7 million in the previous corresponding period.

Statutory NPAT² was a \$23.1 million loss, which included a \$115.6 million unrealised net fair value loss on financial instruments, compared with a \$38.5 million profit in the 2013 financial year, which included a \$29.8 million unrealised gain on financial instruments. Underlying NPAT excludes changes in the value of financial instruments.

The underlying and statutory results include a \$39.1 million tax benefit arising from the acquisition of the remaining 16.7% of the Oakey power station in Queensland. Excluding the Oakey tax benefit and other significant items, underlying NPAT³ increased 32% to \$26.3 million.

EBITDAIF³ was \$74.2 million, 6% higher than the previous financial year, when significant items are included and 8% higher at \$84.6 million when they are excluded. EBITDAIF and underlying NPAT were in line with guidance issued in April when compared on a like-for-like basis.

A fully franked final dividend of 6.0 cents per share has been declared and will be paid on 13 October 2014 to shareholders on record at 11 September 2014. The Company's shares will trade ex-dividend from 5 September 2014.

Highlights	FY 2014	Guidance ⁷	FY 2013	% Change
Sales Volume – Load (TWh ⁴)	14.1		11.1	+27
Revenue and other income (\$m)	2,076.5		1,569.6	+32
EBITDAIF ³ (\$m)	74.2	74-81	69.8	+6
<i>Excl. significant items⁵ (\$m)</i>	84.6		78.4	+8
Statutory NPAT ² (\$m)	(23.1)		38.5	N/A
Underlying NPAT ¹ (\$m)	57.0		15.7	+263
<i>Excl. Oakey transaction⁶ (\$m)</i>	19.0	19-22	15.7	+21
<i>Excl. significant items⁵ (\$m)</i>	26.3		20.0	+32
Operating cash flow	25.4		104.7	-76
Interim dividend (cents)	6.0		5.0	+20
Final dividend (cents)	6.0		5.5	+9

“The result continues ERM Power’s record of strong earnings growth. It is mainly driven by our successful energy sales business, which trades as ERM Business Energy. Our commercial proposition remains compelling and has seen us expand into all states and mainland territories,” Managing Director and CEO Philip St Baker said.

“We have significant market share in the large business sector and this year we have established a strong base in the small business market with over 17,000 sites. We intend to work hard to grow that business and improve our unit costs this coming year.”

Electricity Sales

Electricity sales volumes grew by 27% with growth particularly strong in NSW (56%) and Victoria (31%) as the business consolidated its position as the fourth⁸ largest electricity supplier in the National Electricity Market with a market share of 8.7%.

He said the business, which was rated number 1⁹ for customer satisfaction in business electricity for the third successive year, increased earnings despite weaker margins across the industry.

The small business operation commenced on 1 July 2013 and in the first 12 months has contracted approximately 17,500 small sites across four states.

Operating costs increased as a result of the start of small business operations and associated establishment costs. Higher hedging costs were also incurred in the face of uncertainty surrounding government policy on carbon and green scheme amendments. These elements are expected to moderate this year and as the small business operation grows market share.

“We finished the year well and are forecasting a further 21% growth in sales in FY 2015 and 85% of this forecast was contracted at 30 June,” he said.

Mr St Baker said the Company has been reviewing opportunities to expand the business energy retail model into new markets. The United States had been identified as a possible new market and a feasibility study was underway to determine the potential for such a move.

Generation

The generation business increased earnings compared with the previous year, a period which included arbitration and staff restructuring costs, as the Oakey and Neerabup power stations continued to operate safely and with high availability.

During the year the Company raised \$75 million by way of a share placement to buy the balance of the Oakey power station, comprising 16.7% of the company. The proceeds from the placement also enabled the repayment in full of the facility debt on Oakey.

Oakey comes off contract in January 2015, at which time the benefits of vertical integration will start to be realised together with opportunities for merchant sales.

Gas

The gas business delivered its first operational profits as sales of gas and condensate began from the Red Gully facility in Western Australia.

“We continue to consider opportunities to realise full value from our gas business including a restructure to enable the business to attract external capital for growth,” Mr St Baker said.

A gas retailing business has been established in Victoria that will be run on a trial basis in FY 2015 and rolled out across other markets if successful.

Metering

ERM Power has established a metering business, Powermetric Metering, to provide electricity metering services initially to large customers, but eventually to all customers. It is expected to begin installing meters in the first quarter of FY 2015 subject to obtaining the necessary accreditation.

Outlook

“Looking ahead we expect our strong earnings growth to continue in the current year. We expect electricity sales margins to normalise over the next few years and unit operating costs to fall as we achieve economies of scale in the small business market,” Mr St Baker said.

Management Change

The Managing Director and CEO, Philip St Baker, has advised the Board of his intention to step down after the AGM on 30 October 2014 in order to pursue opportunities outside the Company. The Board has commenced an executive search for a replacement Chief Executive Officer. (Refer separate ASX announcement lodged today 21 August 2014)

¹ Underlying NPAT is Statutory NPAT attributable to equity holders of the Company but excludes the impact of unrealised changes in fair values of financial instruments and onerous contracts, which best reflects the ongoing performance of the business

² Statutory net profit after tax (NPAT) attributable to equity holders of ERM Power Limited. A full reconciliation between Statutory NPAT and Underlying NPAT is provided in the Management Discussion and Analysis (MD&A). The Board believes that EBITDAIF and Underlying NPAT provide the most meaningful indicators of performance

³ EBITDAIF - earnings before interest, tax, depreciation, amortisation, impairment and net fair value gains/losses on financial instruments designated at fair value through profit and loss and gains/losses on onerous contracts

⁴ Terawatt hours

⁵ Significant items were: new business establishment costs, Macquarie Generation bid costs, Neerabup contractor arbitration costs net of contributions, legal fees in relation to the Empire Oil action, Oakey term debt repayment costs and tax effect of Oakey minority interest buyout in FY 2014; and new business establishment costs, restructuring costs, Neerabup contractor arbitration costs and a favourable prospective depreciation adjustment to the useful life of certain components of generation equipment in FY 2013

⁶ Includes significant items but excludes tax effect of Oakey minority interest buyout, and is directly comparable to FY 2014 guidance of \$19m-\$22m

⁷ FY 2014 guidance issued on 24 April 2014 included ~\$7m investment in sales and generation business development that is not capitalised, and excluded the Neerabup arbitration outcome and a positive \$27.7m tax adjustment for Oakey and a \$1.6 finance cost associated with the Oakey Power Station acquisition

⁸ Based on ERM Power's forecast league table for volume of electricity sold in the National Electricity Market for FY 2014

⁹ Utility Market Intelligence (UMI) survey of retail electricity industry by independent research company NTF Group in 2013 (18th year of survey). Research based on survey of 414 business electricity customers in October and November 2013. Four major electricity retailers benchmarked

For further information

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About ERM Power

ERM Power is a dynamic Australian energy company with interests in electricity sales, generation and metering, and gas production and exploration. Trading as ERM Business Energy and founded in 1980, we have grown to become the 4th largest electricity retailer in Australia with operations in every state and the Australian Capital Territory. We initially focused on larger businesses but now offer our industry leading services to small businesses. We have equity interests in 497 megawatts of low emission, gas fired peaking power stations in Western Australia and Queensland, operate an electricity metering business that trades as Powermetric, sell conventional gas and condensate from onshore discoveries in Western Australia, and have gas exploration operations in Western Australia and New South Wales.

[**www.ermpower.com.au**](http://www.ermpower.com.au)



FULL YEAR RESULTS

12 months to 30 June 2014

21 August 2014

IMPORTANT NOTICE - DISCLAIMER

Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of ERM Power Limited (ERM Power) and certain plans and objectives of the management of ERM Power.

Such forward-looking statements involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of ERM Power and could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements.

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This document may contain certain non-IFRS financial measures and other defined financial terms.

The directors believe the presentation of certain non-IFRS financial measures is useful for the users of this document as they reflect the underlying financial performance of the business. The non-IFRS financial measures include but are not limited to:

EBITDAIF - Earnings before interest, tax, depreciation, amortisation, impairment and net fair value gains / losses on financial instruments designated at fair value through profit and loss and gains/losses on onerous contracts, including profit from associates.

Underlying profit or Underlying NPAT - Statutory net profit after tax attributable to equity holders of the Company after excluding the after tax effect of unrealised marked to market changes in the fair value of financial instruments, impairment and gains/losses on onerous contracts.

All reference to \$ is a reference to Australian dollars unless otherwise stated. Individual items, totals and percentages are rounded to the nearest appropriate number or decimal. Some totals may not add down the page due to rounding of individual components.

SAFETY, ENVIRONMENT & COMMUNITY

- Outstanding safety record maintained with no lost time injuries by staff or contractors
- No reportable environmental incidents or breaches of environmental licence conditions
- Supported community groups through partnerships and sponsorships
- Sponsored Brisbane International tennis tournament for second successive year



2014 Brisbane International winner Lleyton Hewitt

SIGNIFICANT ACHIEVEMENTS



Oakey Power Station



Industry leading service

- Revenue of over \$2 billion, up 32%
- Electricity sales of 14.1 TWh, up 27%
- Underlying profit of \$57.0 million, compared to \$15.7 million in FY 2013
- Now 2nd biggest retailer to large businesses
- Rated no.1 for customer satisfaction for third consecutive year
- Good progress in the small business market
- Generation profit up 19% from FY 2013
- Moved to 100% ownership of Oakey and paid out all facility debt
- Bid for Macquarie Generation assets
- Established electricity metering business

FULL YEAR RESULTS

	FY 2014	FY 2013	% change
Revenue and other income (\$m)	2,076.5	1,569.6	+32%
EBITDAIF (\$m)	74.2	69.8	+6%
<i>Ex. significant items¹ (\$m)</i>	84.6	78.4	+8%
Statutory NPAT (\$m)	(23.1)	38.5	N/A
Underlying NPAT (\$m)	57.0	15.7	+263%
<i>Ex. Oakey transaction items (\$m)¹</i>	19.0	15.7	+21%
<i>Ex. Other significant items (\$m)²</i>	26.3	20.0	+32%
Interim Dividend (cps) fully franked	6.0	5.0	+20%
Final Dividend (cps) fully franked	6.0	5.5	+10%

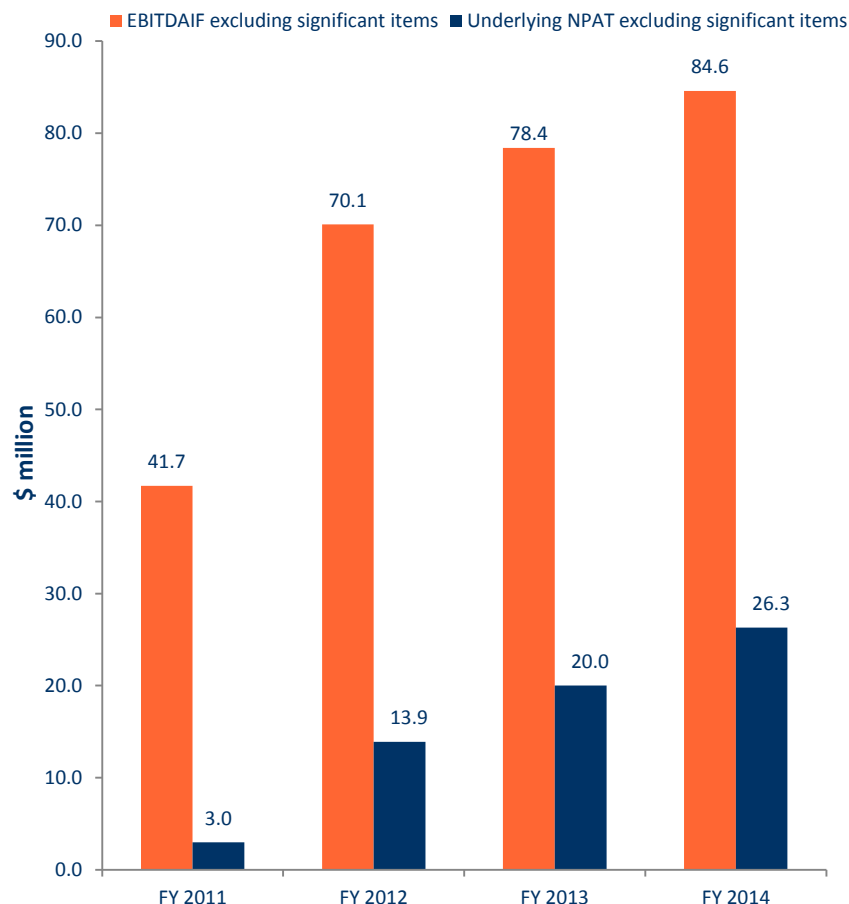
- Continued growth in EBITDAIF and Underlying NPAT which were in line with guidance and best reflect underlying business performance
- Statutory NPAT includes unrealised net fair value loss on financial instruments (\$115.6m unrealised loss versus \$29.8m unrealised gain in prior year) which is excluded from underlying NPAT

¹ Underlying NPAT excluding the \$39.1 million tax benefit recognised as part of the Oakey minority interest buyout and excluding \$1.1 million finance cost net of tax resulting from early repayment of the Oakey term debt following the acquisition

² Underlying NPAT excluding the Oakey significant transaction items and other significant items. Other significant items in FY 2014 were new business establishment costs, Macquarie Generation bid costs, Neerabup contractor arbitration costs net of any contributions received and legal fees in relation to the Empire Oil action. Other significant items in FY 2013 were new business establishment costs, restructuring costs, Neerabup contractor arbitration costs and a favourable prospective depreciation adjustment to the useful life of certain components of generation equipment

CONSISTENT GROWTH IN EARNINGS

EBITDAIF¹, Underlying NPAT²



- FY 2013-FY2014
 - 8% growth in EBITDAIF
 - 32% growth in underlying NPAT

- FY 2011-FY2014
 - 19% CAGR³ growth in EBITDAIF
 - 72% CAGR³ in underlying NPAT

¹ Excludes the following significant items:

FY2011: gain on asset sale (\$4.8m credit); FY2012: discount on acquisition of controlling interest in Oakey Power Station (\$19.1m credit) and Neerabup contractor arbitration costs (\$3.8m); FY2013: Neerabup contractor arbitration costs (\$4.4m), new business establishment costs (\$3.4m), restructuring costs (\$0.8m); FY2014: Macquarie Generation bid costs (\$6.1m), new business establishment costs (\$3.9m), legal fees in relation to Empire Oil action (\$0.9m) and Neerabup contractor arbitration costs net of contributions received (\$0.5m credit)

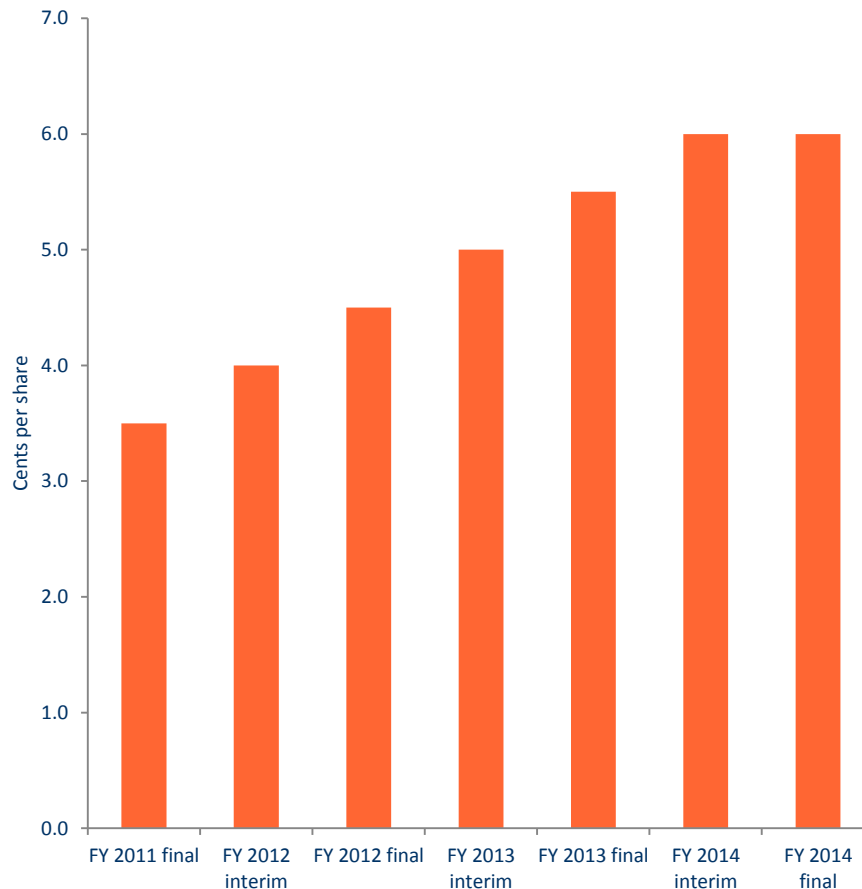
² Excludes the following additional significant items:

6 FY2013: prospective depreciation adjustment (\$2.4m credit) and tax effect of significant items (\$1.9m credit); FY2014: Oakey debt repayment costs (\$1.6m), tax effect of significant items (\$3.6m credit) and tax effect of Oakey minority interest buyout (\$39.1m credit)

³ Compound annual growth rate

CONSISTENT GROWTH IN DIVIDENDS

Dividends



- Strong growth in dividends since IPO
- All dividends fully franked to date

ELECTRICITY SALES

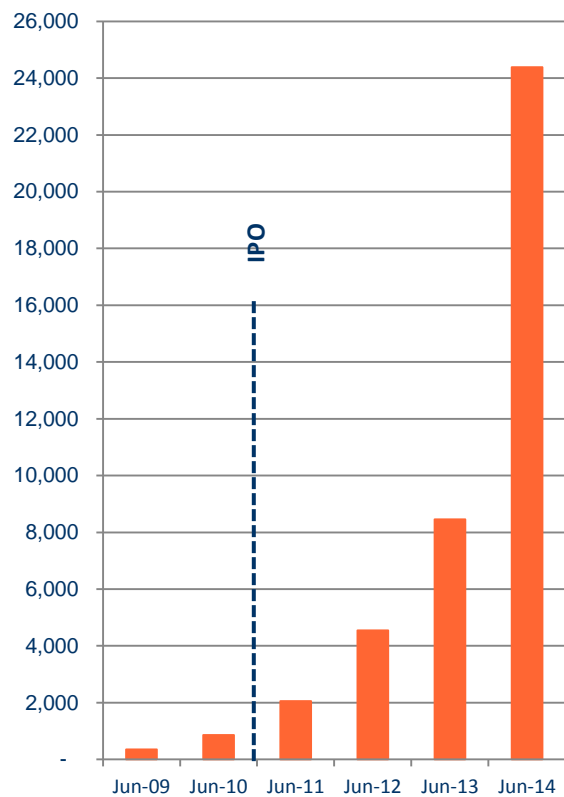
	FY 2014	FY 2013	% change
Sales Volume (TWh)	14.1	11.1	+27%
Revenue (\$m)	1,995.7	1,493.0	+34%
EBITDAIF (\$m)	41.8	38.3	+9%
<i>Ex. significant items¹ (\$m)</i>	44.6	42.0	+6%

- Revenue growth outstripped sales volume growth due to increases in network costs and environmental legislation including carbon tax
- Gross margins softer due to higher hedging costs for carbon repeal uncertainty, higher competition from hydro entities with carbon advantage, and general inefficiencies caused by green schemes changes
- Unit operating costs abnormally high with small business capability investment ahead of sales build-up, which is underway
- Well positioned with 25% growth in forward contracted sales for next two financial years to 23.6 TWh at 30 June 2014

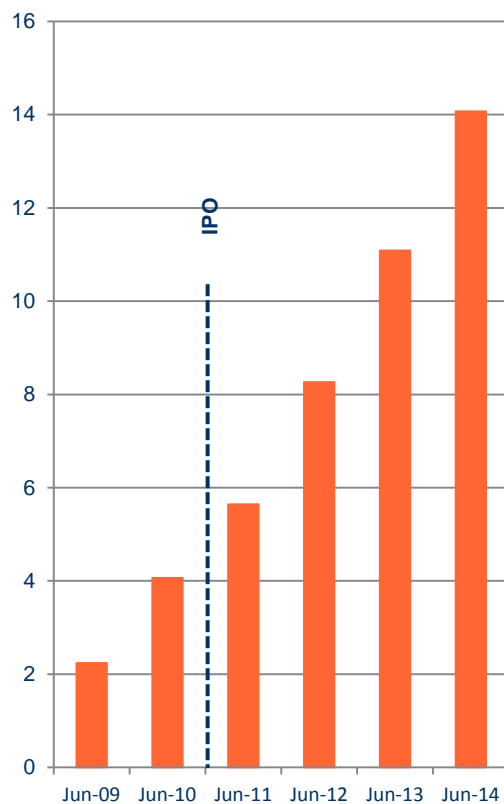
¹ EBITDAIF excluding new business establishment and restructuring costs

ELECTRICITY SALES TRENDS

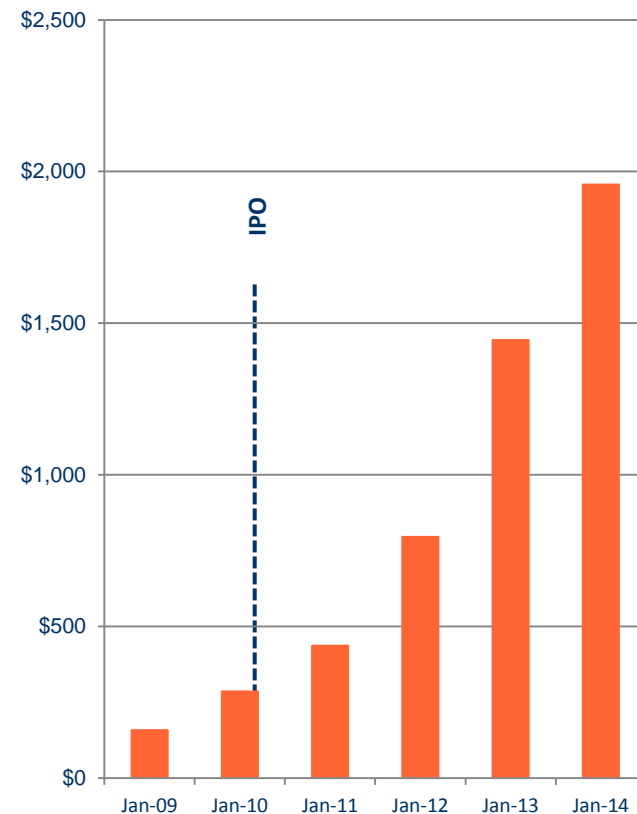
Customers (NMIs¹)



Annual Sales (TWh)



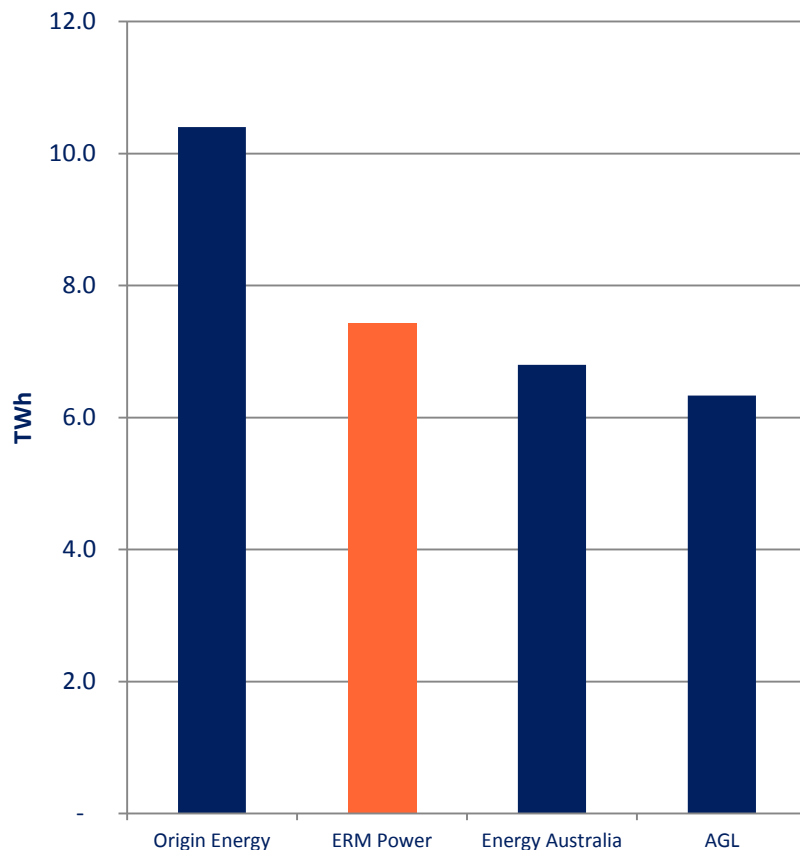
Annual Billing (ex. GST) (\$m)



¹ National Meter Identifiers – unique identifiers for sites that can choose a retail supplier. A customer may have more than one site and more than one NMI

NO.2 IN LARGE BUSINESS MARKET

Electricity sales to large business
(January to June 2014)

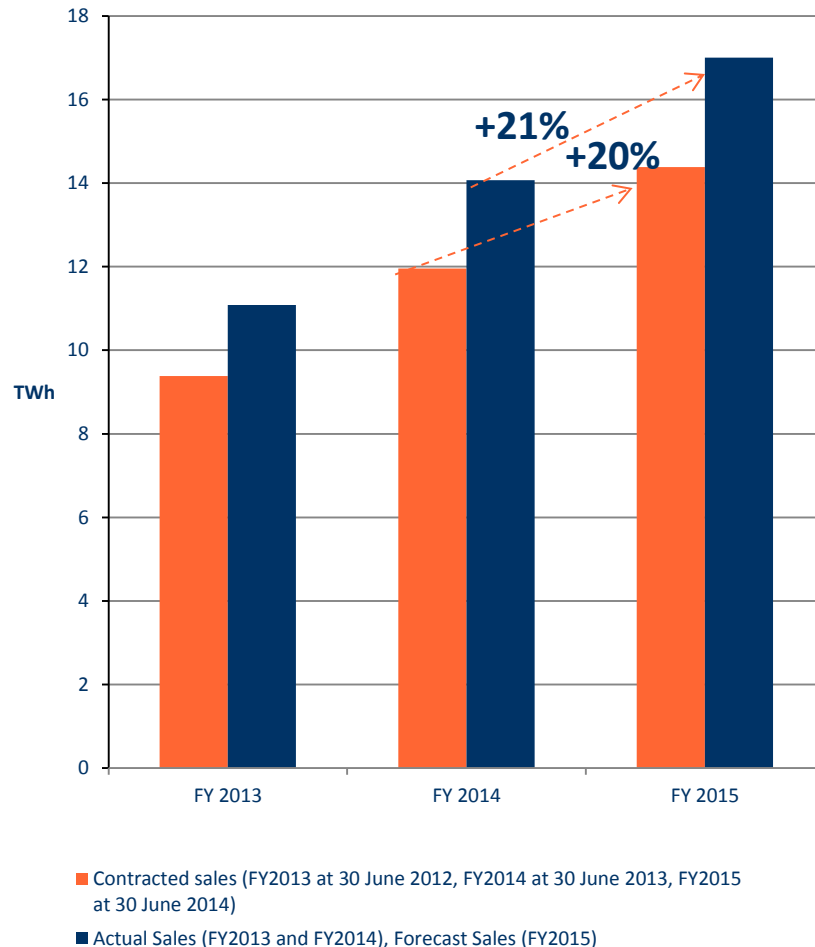


- Now the 2nd ¹ largest retailer to large businesses and continuing to grow
- 7.4 TWh of electricity sales in this segment in the second half of FY 2014
- Reached no.2 position after just seven years of operations

¹ Based on ERM Power analysis of latest published financial information

GROWTH IN CONTRACTED SALES

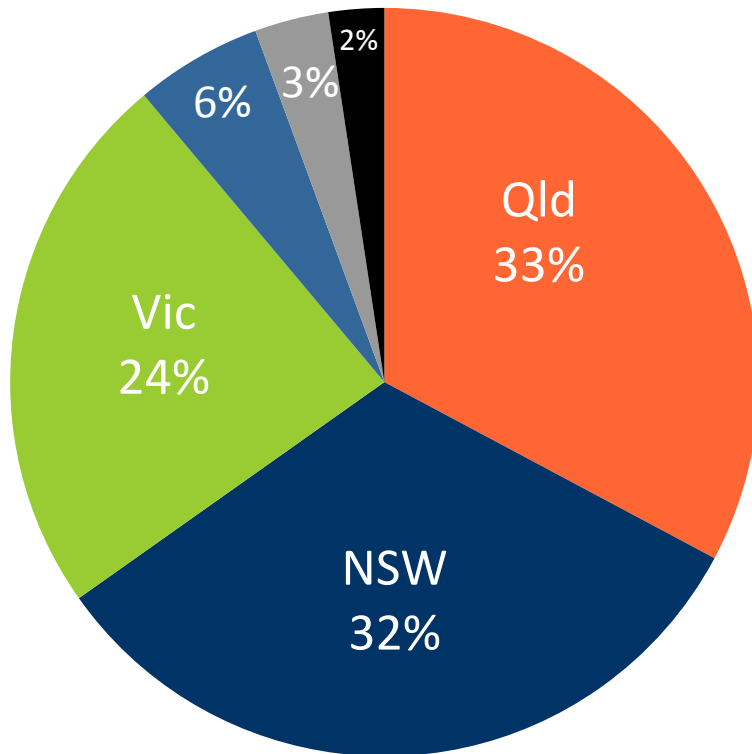
Forward sales contracts



- Electricity sold in 2.5-3 year contracts which are signed in advance of start date
- 85% of FY2015 forecast sales have been contracted
- FY 2015 contracted sales currently 20% higher than FY2014 contracted sales at the same time a year ago
- FY 2015 forecast sales are 21% higher than FY2014 actual sales

DIVERSIFIED CUSTOMER BASE

Sales (GWh) by Region (July 2014)



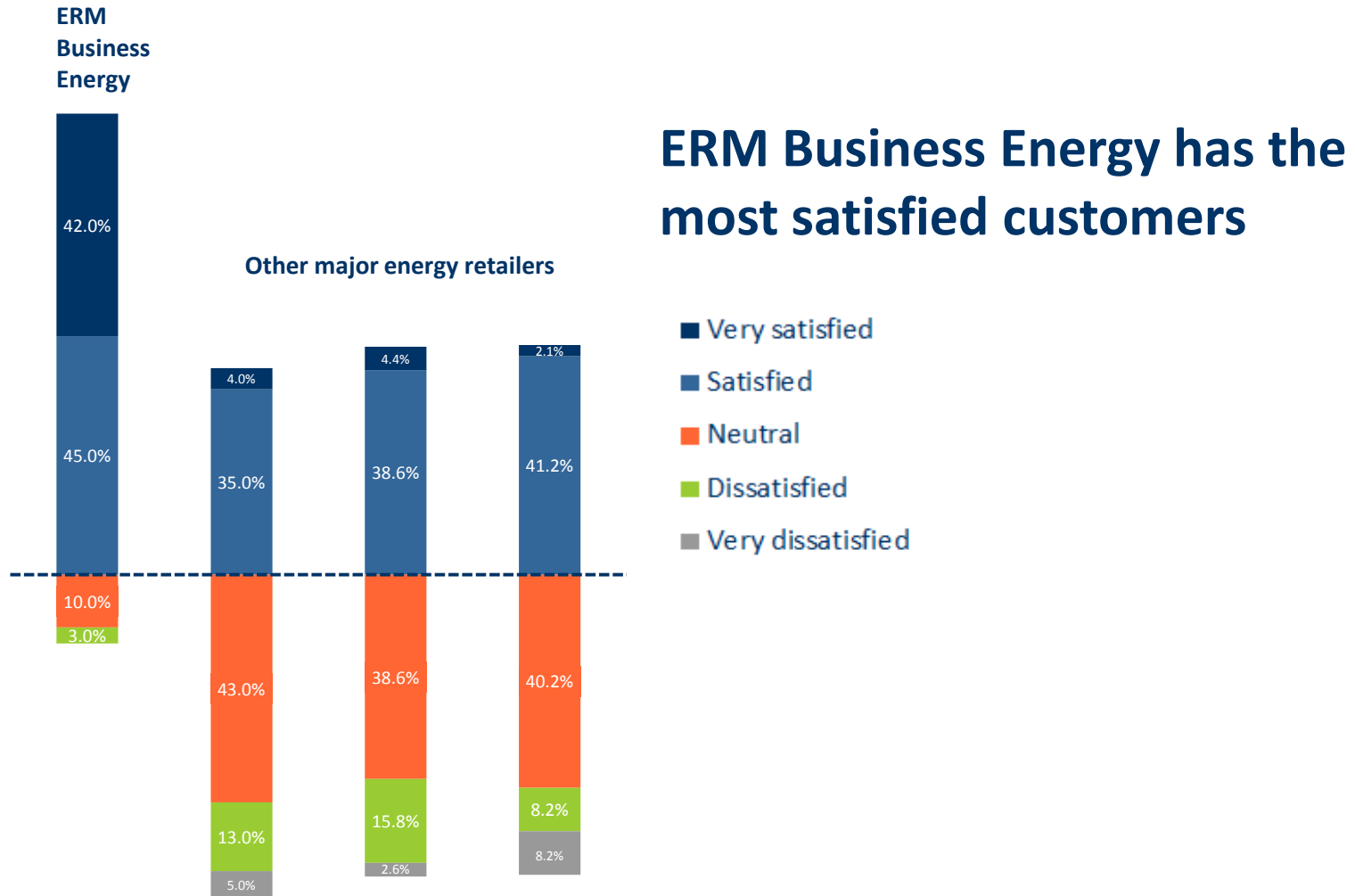
■ QLD ■ NSW ■ VIC ■ TAS ■ SA ■ WA

- Geographic diversification increasing
- Strongest growth rates in NSW (56%) and Vic (31%)
- Qld continues to grow (9%)

OPERATIONAL EXCELLENCE

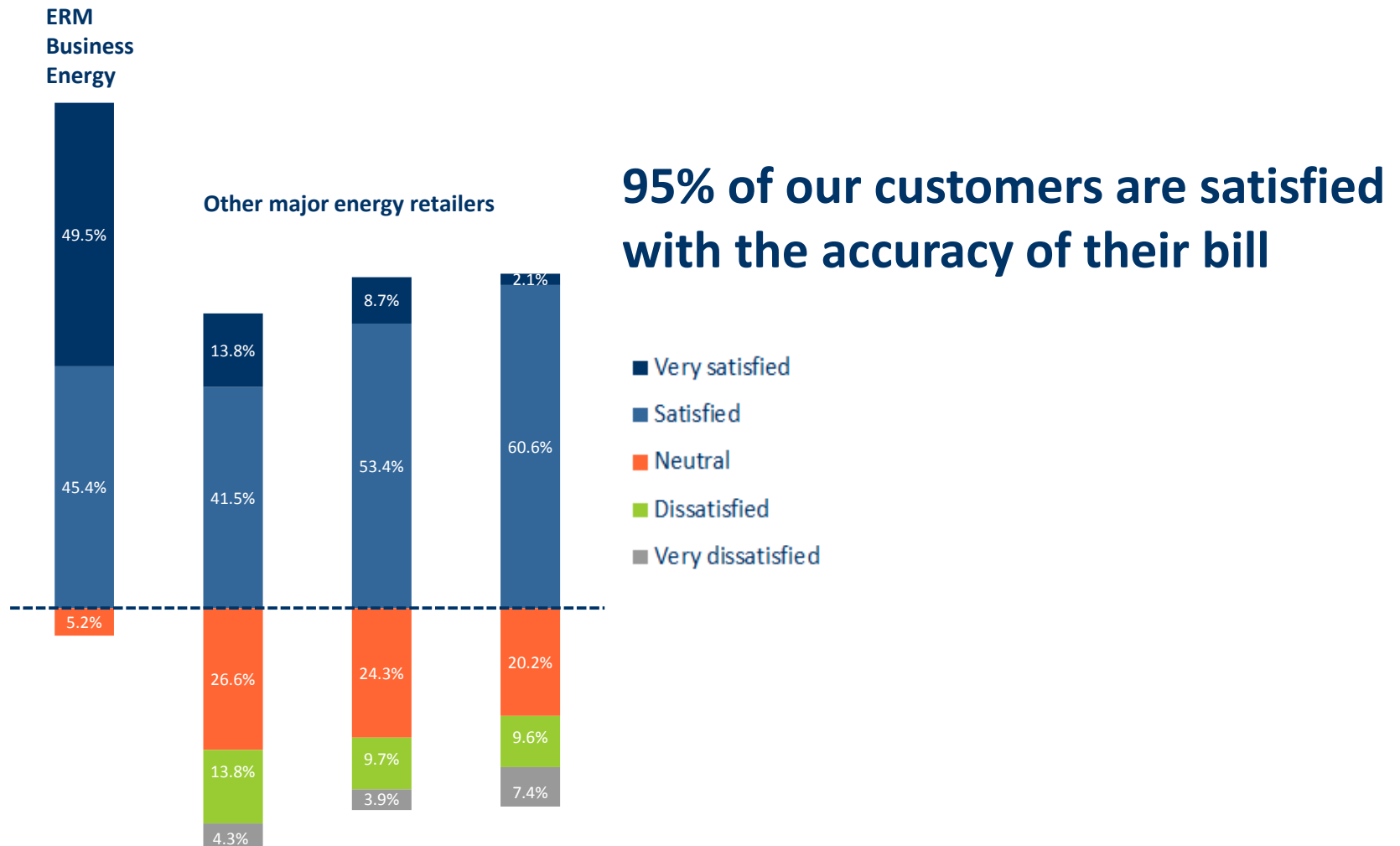
- Highly accurate and efficient operations enable market leadership in customer satisfaction, service and value
- A major competitive advantage for ERM Power
- Billing accuracy of 99.95% (FY 2014)
- Billing collection rate 99.88% (FY 2014)
- We have achieved this industry-leading performance level by designing, building, owning and operating our own retailing systems and processes
- We have achieved this despite a 32% increase in customer revenue in FY2014

NO.1 FOR CUSTOMER SATISFACTION



Source: Utility Market Intelligence (UMI) survey of retail electricity industry by independent research company NTF Group in 2013 (18th year of survey). Research based on survey of 414 business electricity customers in October/November 2013. Four major electricity retailers benchmarked.

NO.1 FOR BILLING ACCURACY



Source: Utility Market Intelligence (UMI) survey of retail electricity industry by independent research company NTF Group in 2013 (18th year of survey). Research based on survey of 414 business electricity customers in October/November 2013. Four major electricity retailers benchmarked.

SUCCESSFUL SMALL BUSINESS DEBUT

- Business launched in July 2013
- Offering competitive pricing electricity with industry leading service to small business customers
- 17,500 customers contracted in four states by 30 June
- Win rates steadily improving with new and refined channels
- Averaging >1,000 new customers per month
- Realising economies of scale as customer volumes increase

RETAIL EXPANSION – NEW MARKETS

- International benchmarking to identify prospective markets for expansion of our ERM Business Energy model
- Currently undertaking detailed feasibility of the U.S. market
 - Contestable U.S. business market ~8X larger¹
 - U.S. business market growing as more regions deregulate
 - Active foreign participation
 - Some similar structures and characteristics to Australia
- Assessing a range of market entry options
- Feasibility report to be finalised by end of 2014

¹US Energy Market Overview”, December 10, 2013 by Energy Research CG

GENERATION

	FY 2014	FY 2013	% change
Revenue (\$m)	73.5	72.7	+1%
EBITDAIF (\$m)	51.8	43.5	+19%
<i>Ex. Significant Items¹ (\$m)</i>	<i>51.3</i>	<i>48.3</i>	<i>+6%</i>

- Oakey revenue was consistent with previous year excluding full recovery of distillate fuel in prior year
- Neerabup revenue increased mainly as result of additional energy sales
- Development and operations revenue also consistent with previous year
- Acquired remaining 16.7% interest in Oakey for \$30m and repaid debt
- New developments on hold due to falling electricity demand

¹ EBITDAIF excluding arbitration costs net of any contributions received and restructuring costs

OPERATIONAL EXCELLENCE - GENERATION



Oakey Power Station - Queensland



Neerabup Power Station – Western Australia

- **Oakey Power Station (Qld)**
 - 100% owner, operator
 - 332MW peaker
 - Two units
 - Dual fuel – gas and distillate
 - High availability¹ – 99%
- **Neerabup Power Station (WA)**
 - 50% owner, operator
 - 330MW peaker
 - Two units
 - Gas fuel
 - High availability¹ – 99%

¹IEEE Standard used for calculation of availability

Oakey Power Station

- **Off-take contract ends 31 December 2014**
- **Post contract plans:**
 - Internal use (vertical integration including leverage of dispatch control)
 - Selling additional product in the wholesale market
 - Leveraging gas supply opportunities as they arise in Qld around LNG
- **Significant tax benefit of \$39.1m on joining ERM Power's tax consolidated group**
 - Tax cost base of the power station reset following purchase of the remaining 16.7%
 - Additional \$130m of tax depreciation deductions to be realised over the operating life of the power station
 - Tax benefit of \$39.1m has been recognised in FY2014 NPAT being the tax effect of the \$130m step up of the tax cost base
 - Oakey power station taxable income can now be offset against other tax losses in the ERM group minimising cash tax payments

GAS

	FY 2014	FY 2013	% change
Revenue (\$m)	3.6	-	+100%
EBITDAIF (\$m)	0.9	(0.8)	N/A
CAPEX – Exploration (\$m)	(2.9)	(7.4)	+61%
CAPEX – Development (\$m)	(1.3)	(8.3)	+85%
Reserves ¹ (2P / 3P / 2C) (PJ)	8.5 / 190 / 315	5 / 114 / 189	

- First revenue and earnings from sale of gas and condensate from Red Gully facility
- Exploration expenditure reduced during development phase and development expenditure reduced after commissioning of facility
- Focused on west coast assets to enhance value of our investment with east coast assets on hold until investment conditions improve
- Continuing to consider opportunities to realise more value from gas business including restructure to attract and facilitate external capital for growth

¹ ERM Power equity interests in reserves and resources certified by MHA Petroleum Consultants (April 2011) in the NSW tenements only

GAS



Red Gully production facility

- **Red Gully (23.6% interest)**
 - Closest oil and gas production centre to Perth
 - Relationships with Alcoa (gas) and BP (condensate)
 - Behind target due to commissioning and early operational issues
 - Empire Oil & Gas (the operator) working to improve performance
 - Well positioned for development of step-out prospects

METERING

- Established business called Powermetric Metering, which provides meters and meter data services
- Initial focus on our customers but over time expect to service all large businesses irrespective of retailer
- Have built information and data management systems, established relationships with meter and telecoms suppliers and are in the final stages of the AEMO accreditation process
- Meter installation and operational commissioning subject to AEMO accreditation process

FY2015 OUTLOOK

■ FY2015 guidance

	FY 2015F	FY 2014	% change
Sales volumes (TWh)	17.0	14.1	21%
EBITDAIF ¹ (\$m)	94-98	84.6	13% ²
Underlying NPAT ¹ (\$m)	30-33	26.3	20% ²

¹ Excludes significant items

² % calculations based on mid points for all ranges

PRIORITIES

- Delivering FY 2015 results
- Continuing to grow electricity sales to large businesses
- Building scale in small business segment
- Establishing metering business
- Optimising returns from the Oakey power station
- Restructuring our gas assets
- Assessing international expansion for Retail business

SUPPLEMENTARY INFORMATION

SUMMARY INCOME STATEMENT

\$ million	FY 2014	FY 2013	% Change
Revenue and other income	2,076.5	1,569.6	+32%
EBITDAIF	74.2	69.8	+6%
Depreciation and amortisation	(18.0)	(14.0)	-29%
Net fair value (loss) / gain on financial instruments	(115.6)	29.8	N/A
Finance expense	(29.3)	(31.8)	+8%
Statutory (loss) / profit before tax	(88.7)	53.8	N/A
Income tax benefit / (expense)	65.6	(15.3)	N/A
Statutory net (loss) / profit after tax (NPAT)	(23.1)	38.5	N/A
Non-controlling interest	(0.8)	(1.9)	+58%
<u>Add back:</u>			
Net fair value loss / (gain) on financial instruments net of tax	80.9	(20.9)	N/A
Underlying NPAT	57.0	15.7	+263%
Underlying EPS ¹ (cents per share)	25.2	8.9	+183%
Dividend per share ² (cents)	11.5	9.5	+21%

- Revenue up on increased electricity sold
- Depreciation higher on commencement of Red Gully operations
- Income tax benefit includes \$39.1m tax benefit following Oakey minority interest acquisition

¹ Based on Underling NPAT and weighted average number of shares on issue (FY2014 – 226.3m shares)

² Dividends are dividends paid within the financial year

CASH FLOW SUMMARY

\$ million	FY 2014	FY 2013
EBITDAIF net of non-cash items	76.0	70.6
Tax paid	(4.2)	(6.6)
Operating cash flow before working capital changes	71.8	64.0
Working capital changes	(46.4)	40.7
Net cash flows from operating activities	25.4	104.7
Capital Expenditure (gas exploration, evaluation and development, and plant and equipment)	(6.4)	(29.4)
Payments for intangible assets	(8.3)	(4.6)
Purchase of share investments	(5.3)	(6.7)
Net cash flows used in investing activities	(20.0)	(40.7)
Net movement in borrowings including receivables financing facility	24.4	(9.0)
Loan to Empire Oil & Gas NL	(2.0)	-
Payment for acquisition of non-controlling interest	(30.0)	-
Dividends paid	(23.7)	(15.5)
Finance costs	(25.5)	(28.7)
Issue of shares on capital raising net of transaction costs	83.7	58.0
Cash received on exercise of share options	-	6.9
Net cash flows from financing activities	26.9	11.7
Net change in cash	32.3	75.7
Closing cash and cash equivalents	247.7	215.4

- Unfavourable working capital timing and higher purchase of renewable energy certificates
- Lower expenditure in gas development and exploration
- Acquisition of last 16.7% of Oakey and repayment of Oakey term debt
- Placements in June and November 2013, SPP in June 2013

STATEMENT OF FINANCIAL POSITION

\$ million	30 June 2014	30 June 2013
Current cash and cash equivalents	247.7	215.4
Current trade and other receivables	202.3	157.3
Inventories	56.4	63.4
Other current assets and derivative financial instruments	12.9	36.1
Total current assets	519.3	472.2
Property, plant and equipment, and capitalised gas exploration and development	467.3	476.1
Other non-current and deferred tax assets	29.9	19.4
Total non-current assets	497.2	495.5
Total assets	1,016.5	967.7
Current trade and other payables	249.4	221.6
Current borrowings	130.0	95.5
Current borrowings - limited recourse	8.1	26.8
Current liability derivative financial instruments	114.4	17.8
Other current liabilities	2.5	3.3
Total current liabilities	504.4	365.0
Non-current borrowings – limited recourse	193.5	216.6
Non-current liability derivative financial instruments	40.5	47.2
Other non-current and deferred tax liabilities	0.9	67.1
Total non-current liabilities	234.9	330.9
Total liabilities	739.3	695.9
Net assets	277.2	271.8

- \$247.7m cash and cash equivalents on hand as at 30 June 2014
 - Restricted cash – \$160.5m;
 - Unrestricted cash – \$87.2m
- Debt of \$331.6m, of which \$201.6m is recourse only to Neerabup power station
- Market value of sales contracts (approximately \$175¹ million) not shown in balance sheet

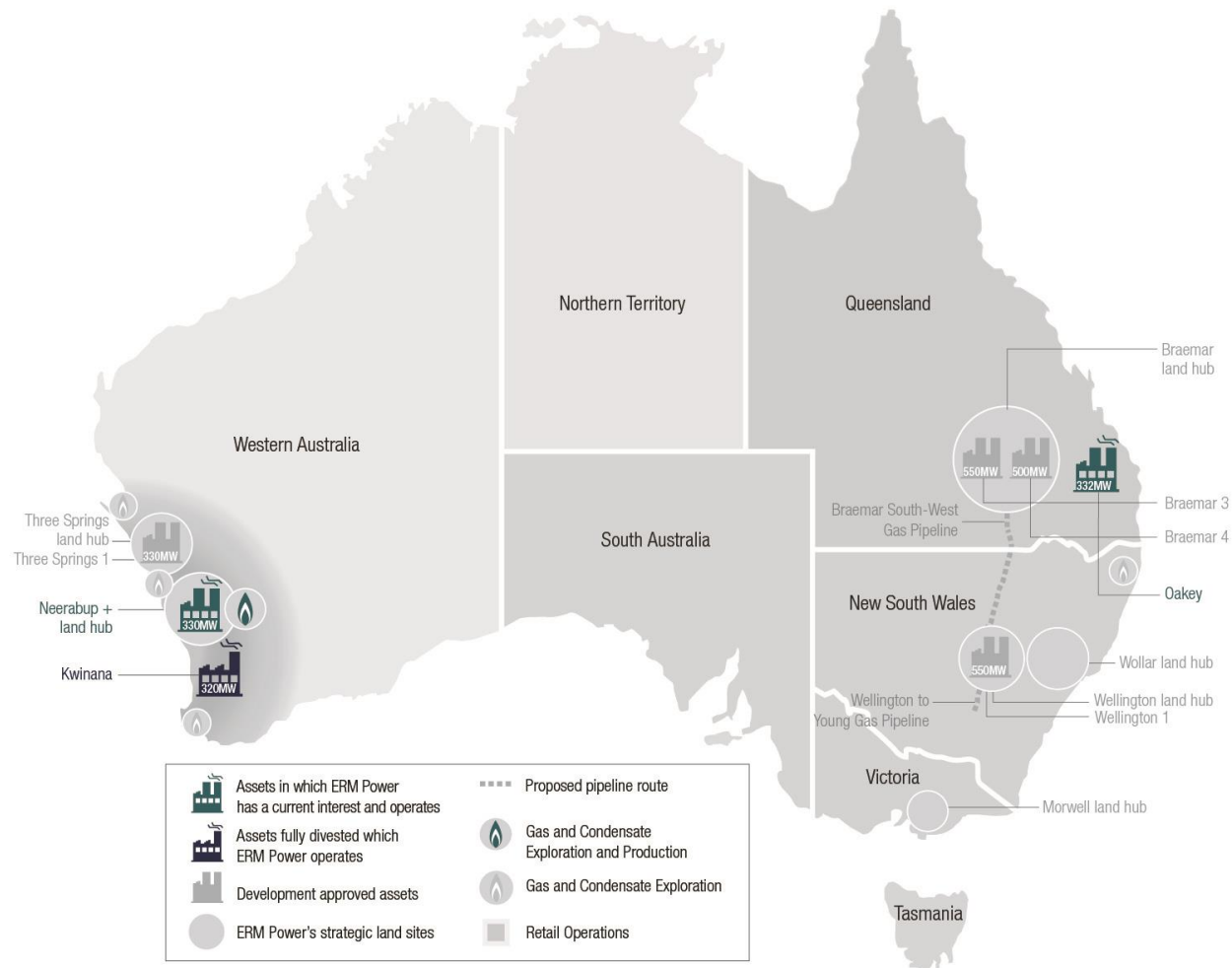
¹ This figure has not been subject to audit or review

SIGNIFICANT ITEMS RECONCILIATION

\$ million	FY 2014	FY 2013
EBITDAIF	74.2	69.8
New business establishment costs	3.9	3.4
Macquarie Generation bid and other corporate costs	6.1	-
Neerabup contractor arbitration costs net of contributions	(0.5)	4.4
Legal fees in relation to Empire Oil action	0.9	-
Restructuring costs	-	0.8
Total significant item adjustments in EBITDAIF	10.4	8.6
EBITDAIF ex. significant items	84.6	78.4
Underlying NPAT	57.0	15.7
Total significant item adjustments in EBITDAIF	10.4	8.6
Oakey term debt repayment costs	1.6	-
Prospective depreciation adjustment	-	(2.4)
Tax effect of significant items	(3.6)	(1.9)
Tax effect of Oakey minority interest buyout	(39.1)	-
Total significant item adjustments on Underlying NPAT	(30.7)	4.3
Underlying NPAT ex. significant items	26.3	20.0

NATIONAL FOOTPRINT

- **Business energy sales in every State and ACT**
- **497MW equity interests in 662MW of peaking power stations**
- **Operator of 982MW of generation**
- **Gas production, reserves, and exploration interests; footprint on the east and west coasts.**



MORE INFORMATION:

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