



Highlights

In the first half of 2009-10, Ergon Energy delivered two of its key strategies of implementing its new organisation design and regionalising the locus of executive decision making to regional Queensland. The Business Case benefits have been achieved and these, along with other benefits from our enterprise transformation program, are contributing to organisational and operational efficiencies, reduced costs and therefore solid financial performance.

The Australian Energy Regulator released its Draft Determination on Ergon Energy's revenue for the 2010-15 control period. Ergon Energy has responded to the draft and is currently clarifying matters with the AER.

Ergon Energy is the lead proponent in a collaborative bid with Energex to apply for \$100 Million in grant funding associated with the Federal Government's Smart Grid, Smart City initiative. The bid is due in late January 2010.

Ergon Energy scored back to back wins at the National Customer Service Excellence Awards for the state and federal government category.

Financial Results*

Six months to 31 December	2009 \$M	2008 \$M
Earnings Before Interest and Tax (\$m)	211.9	157.2
Net Profit After Tax (\$m)	62.5	36.8
Return on Equity (%)	2.4%	1.5%
Return on Assets (%)	2.7%	2.2%

Overall financial performance has improved due to the continuing focus on cost efficiency, increased energy sales and improved hedging practices.

Non-Financial Results

Six months to 31 December	2009	2008
All Injury Frequency Rate (AIFR) ¹	13.16	10.15
System Average Interruption Duration Index (SAIDI) ²	274	225
Maximum Peak Demand	2,505 MW	2,417 MW
Alpha Deliverables	85%	76%

Management is implementing a five point safety plan to reduce injuries to staff. SAIDI performance remains adversely impacted by the suspension of live line work practices (now reinstated) and operating restraints on certain High Voltage switches.

Capital Program

Total capital expenditure for the period is \$373.1 million.

Major projects completed: Clare Substation, Abbot Point Coal Terminal and Dalrymple Bay.

Corporate Entertainment and Hospitality

Event	Date	Cost (\$)
Toowoomba 2009 Christmas Function	18/12/2009	\$8,991



everything in our power

This report has been prepared based on information readily available as at 31 December 2009, and has been prepared for general information purposes. Representations made in this report may be subject to change and should not be relied upon.* The financial information provided in this document is unaudited. For audited information and more detailed financial statements please see the Annual Report.

¹ AIFR is a frequency rate of the number of injuries per million hours worked on a rolling twelve month basis. 'All injuries' is made up of Lost Time Injuries and Medical Treatment Injuries.
² SAIDI is the average of the total duration (expressed in minutes) of interruptions of supply that a customer has experienced in the reporting period 1 July 2009 to 31 December 2009.