



## **Argo Investments Limited**

ABN 35 007 519 520

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### **Appendix 4D**

**Half-year Report  
for the period ended 31 December, 2012  
(previous corresponding period being  
the half-year ended 31 December, 2011)**

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**RESULTS FOR ANNOUNCEMENT TO THE MARKET  
HALF-YEAR ENDED 31 DECEMBER, 2012**

(Comparative figures being the half-year ended 31 December, 2011)

				<u>\$A'000</u>
Revenue from operating activities	up	2.0%	to	94,819
Profit for the half-year	up	0.6%	to	86,280

**Dividend**

Interim fully franked dividend payable 4 March, 2013  
(previous corresponding period 13 cents fully franked) 13 cents

The Company's Dividend Reinvestment Plan will operate for this dividend. The Directors have resolved that the shares will be allotted at a discount of 2% from the market price of Argo shares which will be the weighted average ex-dividend market price of the shares sold on the ASX on the record date and during the three business days preceding the record date.

The record date for determining entitlements to the interim dividend and participation in the Dividend Reinvestment Plan 15 February, 2013

Final fully franked dividend for year ended 30 June, 2012 paid  
5 September, 2012 13 cents

**Net Asset Backing**

Net Tangible Asset Backing per Argo share was \$6.26 as at 31 December, 2012, compared with \$5.40 as at 31 December, 2011.



## ***ASX / Media Release***

4th February 2013

### **Argo Investments portfolio outperforms rebounding share market**

Argo Investments Limited (ASX: "ARG") – a leading Australian listed investment company with total assets of \$4 billion – today unveiled a total investment return of 16.3% from its diverse portfolio of stocks in the half-year ended 31 December, 2012.

This compared favourably with the S&P/ASX All Ordinaries Accumulation Index movement of 15.5% over the same period.

#### **Steady profit and dividend**

Argo reported a steady \$86.3 million profit after tax for the opening six months of the current 2012-2013 financial year compared with \$85.8 million in the previous corresponding period.

The Company's dividend and distribution income rose during the half-year, but the increase was offset to some extent by reduced interest income, reflecting the declining interest rates available on cash deposits.

Earnings per share of 13.7 cents compared with 13.8 cents in the half-year ended 31 December, 2011.

The interim dividend has been held at a steady fully franked 13 cents per share. The dividend, totalling \$81.8 million, will be paid on 4 March, 2013 to Argo shareholders on the register at 15 February, 2013.

#### **Outlook**

Argo's Chief Executive Officer, Mr Jason Beddow, said the stronger market returns for the half-year ended 31 December, 2012 were driven by investors searching for yield in a low interest rate environment and easing concerns about risks to the global economy.

"Although we believe some challenges remain, the global outlook does appear to be improving, particularly in the US, where the housing market recovery seems to be consolidating. In addition, the benefit to ongoing economic recovery in the US of cheap energy being released from the shale gas discoveries should not be underestimated," Mr Beddow said.

"Foreign demand for Australian assets kept the Australian dollar above parity when compared to the US dollar, with the result that lower Australian dollar prices were received for Australian commodity exports and local manufacturing industries continued to struggle," he said.

“However, the Reserve Bank may make additional cuts in interest rates, which should stimulate consumer spending and business investment. Further to this, we expect an improvement in both business and investor confidence is possible following the result of the Australian Federal election to be held on 14 September, 2013.”

Mr Beddow said Argo continues to look to deploy additional funds into the market and intends to use the news and meetings resulting from the upcoming company reporting season as opportunities.

“In general, we do not expect strong earnings growth from companies over the coming 12 months, which is likely to lead to only modest dividend growth. However, we believe the overall yield available in the Australian equity market will remain attractive to investors,” he said.

“Argo remains of the view that for a long-term investor, the Australian equity market is relatively good value. The Company has no debt and with cash reserves of around \$180 million, will continue to invest its funds into quality, well-managed companies with solid cash flows and dividend streams.”

### **Dividend Reinvestment Plan (DRP)**

The Company’s DRP will operate for the dividend payable on 4 March, 2013.

The Directors have resolved that the shares will be allotted to eligible shareholders participating in the DRP at a discount of 2% from the market price of Argo shares, as defined by the DRP.

Eligible shareholders, being those shareholders with registered addresses in Australia or New Zealand, who wish to participate in the DRP and who have not already lodged their intention, must do so by 15 February, 2013. Any variation to an existing election must also be lodged by this date.

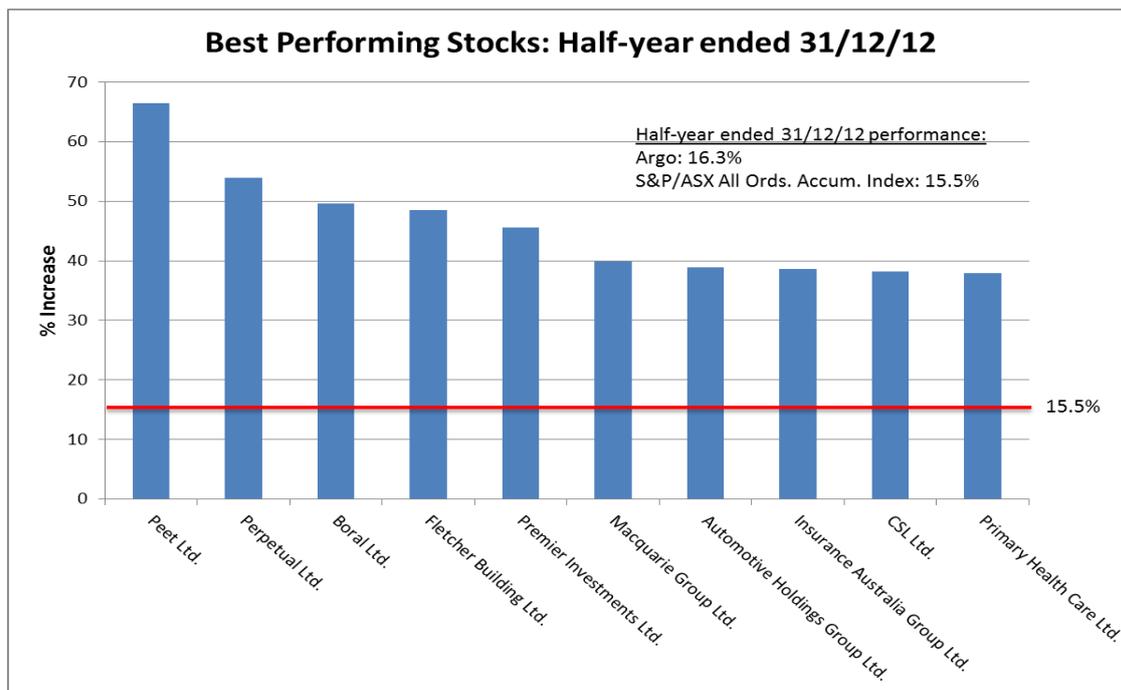
### **Net Asset Backing**

Reflecting a generally improved performance in equity markets over the reporting period, net tangible asset backing per Argo share was \$6.26 as at 31 December, 2012, up from \$5.50 as at 30 June, 2012 and \$5.40 as at 31 December, 2011.

As a long-term equity investor, Argo does not intend to dispose of its long-term investment portfolio. However, if estimated tax on unrealised portfolio gains was to be deducted, the net tangible asset backing per share would be \$5.64 as at 31 December, 2012 compared with \$5.12 as at 30 June, 2012 and \$5.05 as at 31 December, 2011.

### **Investment Performance**

The following chart shows the best performing stocks in the Argo investment portfolio for the half-year ended 31 December, 2012:-



For the same period, the worst performing stocks were Billabong International Ltd., Echo Entertainment Group Ltd., Programmed Maintenance Services Ltd. and Iluka Resources Ltd.

Over the calendar year, Argo's investment portfolio produced a total return of 21.3%, measured by the movement in net asset backing per share plus dividends paid. This return is after payment of all administration costs and tax and compares favourably with the calendar year return of 18.8% from the S&P/ASX All Ordinaries Accumulation Index, which makes no allowance for these items.

For the 10 years to 31 December, 2012, Argo's portfolio produced an annual compound return of 9.0%, compared with 9.1% from the S&P/ASX All Ordinaries Accumulation Index.

Over the 15 years to 31 December, 2012, the portfolio produced an annual compound return of 8.9%, compared with 8.2% from the S&P/ASX All Ordinaries Accumulation Index.

The Company's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth from a diversified investment portfolio.

### Investment Portfolio

During the latest December half-year, Argo added to some of its existing portfolio holdings, with the larger purchases being:

	<u>\$ million</u>
Australia and New Zealand Banking Group Ltd.	16.5
Telstra Corporation Ltd.	13.9
Westpac Banking Corporation	9.0
DuluxGroup Ltd.	3.6
Santos Ltd.	3.5

"In addition, our investment in APA Group was increased by \$7.9 million, with the majority of this amount being the deemed cost of the units received when APA Group acquired our Hastings Diversified Utilities Fund investment," Mr Beddow said.

“Overall, the number of holdings in the Company’s portfolio was reduced during the period. Our investments in Fairfax Media Ltd., Aberdeen Leaders Ltd., Metcash Ltd. and Bank of Queensland Ltd. were sold, together with a few smaller holdings. Investments in several stocks were reduced, including Macquarie Group Ltd.

In addition to the takeover of our investment in Hastings Diversified Utilities Fund, we also accepted takeover offers for our holdings in Consolidated Media Holdings Ltd. and Alesco Corporation Ltd.”

A list of the Company’s principal investments as at 31 December, 2012 is set out below:-

	<u>Market Value</u> \$ million	<u>% of Total Assets</u>
BHP Billiton Ltd.	297.7	7.5
Westpac Banking Corporation	248.7	6.3
Australia and New Zealand Banking Group Ltd.	209.8	5.3
Wesfarmers Ltd.	186.7	4.7
Commonwealth Bank of Australia	172.7	4.4
Telstra Corporation Ltd.	167.0	4.2
Rio Tinto Ltd.	162.2	4.1
Milton Corporation Ltd.	143.9	3.6
Australian United Investment Company Ltd.	129.4	3.3
National Australia Bank Ltd.	128.9	3.3
Woolworths Ltd.	121.2	3.1
Macquarie Group Ltd.	95.7	2.4
Origin Energy Ltd.	77.7	2.0
CSL Ltd.	63.6	1.6
AMP Ltd.	58.8	1.5
Woodside Petroleum Ltd.	57.6	1.5
Orica Ltd.	56.1	1.4
AGL Energy Ltd.	48.6	1.2
Santos Ltd.	48.5	1.2
QBE Insurance Group Ltd.	<u>46.1</u>	<u>1.2</u>
Top 20 equity investments	2,520.9	63.8
Cash and term deposits	<u>183.6</u>	<u>4.6</u>
	<u>2,704.5</u>	<u>68.4</u>

### **Share Purchase Plan**

The Directors intend to offer a Share Purchase Plan (SPP) in the near term and the details will be announced to the Australian Securities Exchange when finalised. It is expected that the offer documents will be mailed to shareholders on 4 March, 2013.

### **Media contact: -**

**Jason Beddow**  
**Chief Executive Officer**  
**02-8274 4702 or 0409 900 709**

## ARGO INVESTMENTS LIMITED

### DIRECTORS' REPORT

The Directors submit the financial report of Argo Investments Limited ("the Company") for the half-year ended 31 December, 2012.

The Company's objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth from a diversified Australian investment portfolio. This is achieved through building a portfolio of long-term investments, currently 103 stocks, representing a cross section of Australia's enterprises, where there is good quality management and prospects for sound earnings and dividend growth.

Profit for the half-year under review was \$86.3 million, an improvement on the \$85.8 million in the previous corresponding half-year.

The Company's earnings per share was 13.7 cents, compared with 13.8 cents for the half-year ended 31 December, 2011.

A steady fully franked interim dividend of 13 cents per share has been declared. This dividend totals \$81.8 million compared with \$81.1 million in the previous corresponding period and will be paid on 4 March, 2013.

During the six month period under review, the Company's equity investment portfolio values generally improved with the result that the Net Tangible Asset Backing per share was \$6.26 per share as at 31 December, 2012, up from \$5.50 per share as at 30 June, 2012.

A number of key performance indicators are used by the Directors and management in their assessment of the Company's performance, including profit, earnings per share, dividends paid to shareholders, shareholders' equity, asset backing per share, total and relative portfolio return and control of management costs. The Directors are pleased with the results from the assessment of these indicators in the period under review.

The Company has no debt and has liquid funds on deposit at balance date available for additional long-term investment.

The Dividend Reinvestment Plan raised \$15.2 million of new capital for investment during the half-year and resulted in the allotment of 2,834,832 shares at \$5.36 per share.

The Company has an on-market share buy-back facility in place and for the six months ended 31 December, 2012, no Company shares were acquired.

The following persons were Directors during the half-year and are in office at the date of this report:-

<u>Name</u>	<u>Period of Directorship</u>
Geoffrey Ian Martin (Chairman)	Director since 28 October, 2004 - appointed Chairman 1 March, 2012
Robert Tom Rich (Deputy Chairman)	Director since 24 August, 1992 - appointed Deputy Chairman 14 August, 1998
Anne Bernadette Brennan	Director since 1 September, 2011
Roger Andrew Davis	Director since 1 June, 2012
Russell Allan Higgins AO	Director since 1 September, 2011
Joycelyn Cheryl Morton	Director since 1 March, 2012
Robert John Patterson	Director since 25 October, 2011

**ARGO INVESTMENTS LIMITED**

**Auditor's Independence Declaration**

The auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 3.

This report is made in accordance with a resolution of the Board of Directors.

On behalf of the Board,



G.I. Martin  
Chairman

Adelaide  
4 February, 2013

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## Auditor's Independence Declaration

As lead auditor for the review of Argo Investments Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



AG Forman  
Partner  
PricewaterhouseCoopers

Adelaide  
4 February 2013

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**ARGO INVESTMENTS LIMITED**

**STATEMENT OF PROFIT OR LOSS  
for the half-year ended 31 December, 2012**

	<b>Note</b>	<b>2012</b>	<b>2011</b>
		\$'000	\$'000
Dividends and distributions		90,888	88,854
Interest		3,771	4,000
Other revenue		<u>160</u>	<u>114</u>
Total revenue		94,819	92,968
Net (losses)/gains on trading investments		<u>(994)</u>	<u>1,946</u>
Income from operating activities		93,825	94,914
Administration expenses		<u>(3,598)</u>	<u>(3,285)</u>
Profit before income tax expense		90,227	91,629
Income tax expense thereon		<u>(3,947)</u>	<u>(5,864)</u>
Profit for the half-year		<u><u>86,280</u></u>	<u><u>85,765</u></u>

		<b>2012</b>	<b>2011</b>
		cents	cents
Basic and diluted earnings per share	2	13.7	13.8

**STATEMENT OF COMPREHENSIVE INCOME  
for the half-year ended 31 December, 2012**

		<b>2012</b>	<b>2011</b>
		\$'000	\$'000
Profit for the half-year		<u>86,280</u>	<u>85,765</u>
Other comprehensive income <sup>(a)</sup>			
Revaluation of long-term investments		463,949	(439,866)
Provision for deferred tax (expense)/benefit on revaluation of long-term investments		<u>(140,887)</u>	<u>127,157</u>
Other comprehensive income for the half-year		<u>323,062</u>	<u>(312,709)</u>
Total comprehensive income for the half-year		<u><u>409,342</u></u>	<u><u>(226,944)</u></u>

(a) all items included will not be reclassified subsequently through the Statement of Profit or Loss

(To be read in conjunction with the accompanying notes)

**ARGO INVESTMENTS LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
as at 31 December, 2012

	<b>31 December</b>	<b>30 June</b>
	<b>2012</b>	<b>2012</b>
	\$'000	\$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	173,589	141,727
Receivables	5,401	34,400
Investments	-	2,102
Other financial cash assets	10,000	10,000
Current tax assets	-	763
<b>Total Current Assets</b>	<u>188,990</u>	<u>188,992</u>
<b>NON-CURRENT ASSETS</b>		
Receivables	682	732
Investments	3,774,803	3,302,933
Plant and equipment	407	427
<b>Total Non-Current Assets</b>	<u>3,775,892</u>	<u>3,304,092</u>
<b>TOTAL ASSETS</b>	<u>3,964,882</u>	<u>3,493,084</u>
<b>CURRENT LIABILITIES</b>		
Payables	687	13,206
Derivative financial instruments	3,973	419
Current tax liabilities	6,879	-
Provisions	658	650
<b>Total Current Liabilities</b>	<u>12,197</u>	<u>14,275</u>
<b>NON-CURRENT LIABILITIES</b>		
Payables	150	150
Deferred tax liabilities	400,326	269,171
Provisions	173	145
<b>Total Non-Current Liabilities</b>	<u>400,649</u>	<u>269,466</u>
<b>TOTAL LIABILITIES</b>	<u>412,846</u>	<u>283,741</u>
<b>NET ASSETS</b>	<u>3,552,036</u>	<u>3,209,343</u>
<b>SHAREHOLDERS' EQUITY</b>		
Contributed equity	2,213,225	2,198,081
Reserves	1,069,873	753,429
Retained profits	268,938	257,833
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>3,552,036</u>	<u>3,209,343</u>

(To be read in conjunction with the accompanying notes)

**ARGO INVESTMENTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY**  
**For the half-year ended 31 December, 2012**

	<b>Contributed Equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained Profits \$'000</b>	<b>Total \$'000</b>
Balance at 1 July, 2012	<u>2,198,081</u>	<u>753,429</u>	<u>257,833</u>	<u>3,209,343</u>
Profit for the half-year	-	-	86,280	86,280
Other comprehensive income	-	<u>323,062</u>	-	<u>323,062</u>
Total comprehensive income for the half-year	-	<u>323,062</u>	<u>86,280</u>	<u>409,342</u>
Transactions with shareholders:-				
Dividend Reinvestment Plan	15,195	-	-	15,195
Cost of shares issued net of tax	(51)	-	-	(51)
Executive performance rights reserve	-	(354)	-	(354)
Dividend paid	-	<u>(6,264)</u>	<u>(75,175)</u>	<u>(81,439)</u>
Total transactions with shareholders	<u>15,144</u>	<u>(6,618)</u>	<u>(75,175)</u>	<u>(66,649)</u>
Balance at 31 December, 2012	<u>2,213,225</u>	<u>1,069,873</u>	<u>268,938</u>	<u>3,552,036</u>
<b>For the half-year ended 31 December, 2011</b>				
Balance at 1 July, 2011	<u>2,167,020</u>	<u>1,036,275</u>	<u>239,866</u>	<u>3,443,161</u>
Profit for the half-year	-	-	85,765	85,765
Other comprehensive income	-	<u>(312,709)</u>	-	<u>(312,709)</u>
Total comprehensive income for the half-year	-	<u>(312,709)</u>	<u>85,765</u>	<u>(226,944)</u>
Transactions with shareholders:-				
Dividend Reinvestment Plan	15,749	-	-	15,749
Cost of shares issued net of tax	(55)	-	-	(55)
Executive performance rights reserve	-	(417)	-	(417)
Dividend paid	-	<u>(12,409)</u>	<u>(68,248)</u>	<u>(80,657)</u>
Total transactions with shareholders	<u>15,694</u>	<u>(12,826)</u>	<u>(68,248)</u>	<u>(65,380)</u>
Balance at 31 December, 2011	<u>2,182,714</u>	<u>710,740</u>	<u>257,383</u>	<u>3,150,837</u>

(To be read in conjunction with the accompanying notes)

**ARGO INVESTMENTS LIMITED**  
**STATEMENT OF CASH FLOWS**  
**for the half-year ended 31 December, 2012**

	<b>2012</b>	<b>2011</b>
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends and distributions received	97,557	86,326
Interest received	3,818	4,676
Other receipts	160	114
Proceeds from trading investments	5,970	3,900
Payments for trading investments	(1,308)	(1,785)
Other payments	(4,383)	(3,984)
Income tax paid	(6,015)	(17,787)
	<u>95,799</u>	<u>71,460</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of long-term investments	70,677	67,091
Payments for long-term investments	(68,340)	(35,914)
Proceeds from other financial cash assets	10,000	60,000
Payments for other financial cash assets	(10,000)	(40,000)
Executive share scheme repayments	50	50
Payments for fixed assets	(7)	(15)
	<u>2,380</u>	<u>51,212</u>
Net investing cash inflows	<u>2,380</u>	<u>51,212</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cost of shares issued	(73)	(79)
Dividend paid - net of Dividend Reinvestment Plan	(66,244)	(64,908)
	<u>(66,317)</u>	<u>(64,987)</u>
Net financing cash outflows	<u>(66,317)</u>	<u>(64,987)</u>
Net increase in cash held	31,862	57,685
Cash at the beginning of the half-year	<u>141,727</u>	<u>82,095</u>
Cash at the end of the half-year	<u><u>173,589</u></u>	<u><u>139,780</u></u>

(To be read in conjunction with the accompanying notes)

**ARGO INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
for the half-year ended 31 December, 2012**

**1. BASIS OF PREPARATION OF HALF-YEAR REPORT**

The general purpose financial report for the half-year ended 31 December, 2012 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this half-yearly report is to be read in conjunction with the Annual Report for the year ended 30 June, 2012 and any public announcements made by Argo Investments Limited ("the Company") during the half-year, in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**2. EARNINGS PER SHARE**

	<b>2012</b>	<b>2011</b>
	number	number
	'000	'000
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	628,255	622,368
	\$'000	\$'000
Profit for the half-year	86,280	85,765
	cents	cents
Basic and diluted earnings per share	13.7	13.8

**3. DIVIDENDS**

	<b>2012</b>	<b>2011</b>
	\$'000	\$'000
Dividend paid during the half-year:		
Final dividend for the year ended 30 June, 2012 of 13 cents fully franked at 30% tax rate paid 5 September, 2012 (2011: 13 cents fully franked at 30% tax rate)	81,439	80,657
Since the end of the half-year, the Directors have declared the following dividend which has not been recognised as a liability at the end of the half-year:		
Interim dividend for the year ending 30 June, 2013 of 13 cents fully franked at 30% tax rate payable 4 March, 2013 (previous corresponding period: 13 cents fully franked at 30% tax rate)	81,807	81,058

## ARGO INVESTMENTS LIMITED

### 4. CONTRIBUTED EQUITY

	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	No. of	No. of	\$'000	\$'000
	shares	shares		
Issued and fully paid ordinary shares				
Opening balance	626,452,410	620,438,335	2,198,081	2,167,020
Dividend reinvestment plan	2,834,832	3,088,054	15,195	15,749
Cost of shares issued net of tax	<u>-</u>	<u>-</u>	<u>(51)</u>	<u>(55)</u>
Closing balance	<u>629,287,242</u>	<u>623,526,389</u>	<u>2,213,225</u>	<u>2,182,714</u>

### 5. FINANCIAL REPORTING BY SEGMENTS

The Company operates only in the investment industry within Australia.

The Company is managed as a whole and is considered to have a single operating segment. There is no further division of the Company or internal segment reporting used by the Chief Executive Officer and the Directors when making strategic, investment or resource allocation decisions.

The Company is domiciled in Australia and derives its revenue entirely from an Australian investment portfolio, through the receipt of dividends, distributions, interest and other income. The portfolio is highly diversified, with no single investment accounting for more than 10% of revenue.

The Company's assets are located entirely in Australia or are listed on the Australian Securities Exchange.

There has been no change to the operating segments during the half-year.

## ARGO INVESTMENTS LIMITED

### DIRECTORS' DECLARATION

In the opinion of the Directors of Argo Investments Limited ("the Company"):-

- (a) the financial statements and notes set out on pages 4 to 9 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December, 2012 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors



G. I. Martin  
Chairman

Adelaide  
4 February, 2013

## **Independent auditor's review report to the members of Argo Investments Limited**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Argo Investments Limited (the Company), which comprises the statement of financial position as at 31 December 2012, and the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Argo Investments Limited.

#### *Directors' responsibility for the half-year financial report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Argo Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

**PricewaterhouseCoopers, ABN 52 780 433 757**

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**Independent auditor's review report to the members of  
Argo Investments Limited (continued)**

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Argo Investments Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

*AG Forman*

AG Forman  
Partner

Adelaide  
4 February 2013

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