



## **Argo Investments Limited**

ABN 35 007 519 520

---

### **Appendix 4D**

**Half-year Report  
for the period ended 31 December, 2011  
(previous corresponding period being  
the half-year ended 31 December, 2010)**

---

**RESULTS FOR ANNOUNCEMENT TO THE MARKET  
HALF-YEAR ENDED 31 DECEMBER, 2011**

(Comparative figures being the half-year ended 31 December, 2010)

				<u>\$A'000</u>
Revenue from operating activities	down	5.8%	to	92,968
Profit for the half-year	down	4.7%	to	85,765

**Dividend**

Interim fully franked dividend payable 7 March, 2012  
(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 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. No discount will apply.

The record date for determining entitlements to the interim dividend and participation in the Dividend Reinvestment Plan 20 February, 2012

Final fully franked dividend for year ended 30 June, 2011 paid  
7 September, 2011 13 cents

**Net Asset Backing**

Net Tangible Asset Backing per Argo share was \$5.40 as at 31 December, 2011, compared with \$6.28 as at 31 December, 2010.



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

6 February 2012

### **Argo to pay steady interim dividend despite challenging economic conditions**

Leading Australian listed investment company, Argo Investments Limited (ASX: "ARG"), is maintaining its interim dividend at the increased 13 cents per share paid last year. The fully franked interim dividend takes the Company into its 66<sup>th</sup> successive year of paying dividends.

Argo, with total assets of \$3.4 billion, said its profit after tax of \$85.8 million for the half-year ended 31 December 2011 was 4.7% lower than the \$90.0 million reported in the previous corresponding period when the result was boosted by one-off transactions totalling \$11.4 million (compared to \$1.3 million in the latest first half).

Argo's Chief Executive Officer, Mr Jason Beddow, said that if the income from these one-off transactions is excluded from both periods, the result reflects improvements in dividends and distributions received from many of the companies and trusts in the Company's diversified portfolio of some 120 ASX-listed stocks.

"Overall, the Company has delivered another solid result in uncertain economic conditions and despite a period of weaker equity markets, including the Australian market which dropped 11.8% in the six months under review," Mr Beddow said.

The improvement in dividend and distribution income was offset to some extent by reduced interest income, reflecting Argo's lower cash balance on deposit and declining interest rates. The result for the period benefited from the lower administration expenses paid when compared to those for the half-year ended 31 December 2010.

Earnings per share of 13.8 cents compared with 14.8 cents in the previous corresponding period.

#### **Outlook**

Mr Beddow said that the global economic outlook remained uncertain. Tentative signs of improvement in the U.S. economy have been overshadowed by the continuing deterioration of the sovereign debt crisis in Europe.

"Despite a number of initiatives to support its most indebted member countries, the European Union's policymakers are still struggling to find a solution to the crisis," he said.

"Meanwhile, China's economic growth rate has moderated as its government focuses on reigning in inflation and deflating the property market bubble. This strategy seems to have been initially successful, although the possibility of a hard landing has added a further layer of caution for investors."

Mr Chris Harris, Chairman, added that Argo had been cautious about the global macroeconomic outlook for some time and expected the high levels of offshore volatility would continue to hamper any meaningful recovery in global equity markets.

“In response to a deteriorating global outlook, the Reserve Bank of Australia began lowering the cash rate in November 2011. However, the economic benefit of future rate cuts may be diminished following indications from some Australian banks that they may move their interest rates independently to the Reserve Bank, in order to offset the rising cost of funding due to economic issues offshore,” Mr. Beddow said.

“As a result of these key occurrences and a high currency, Australian company earnings growth and dividend forecasts continue to be downgraded, with all major sectors contributing to the decline.

“Despite these headwinds, Australia remains one of the strongest developed economies and we believe that for a long-term investor, value is beginning to emerge in the local equity market. With no debt and current cash reserves of around \$180 million, Argo remains well placed to take advantage of opportunities as they arise.”

### **Interim Dividend**

The fully franked 13 cents per share interim dividend will be paid on 7 March, 2012. Argo’s shares will trade ex-dividend on 14 February, 2012 and the record date to establish shareholder dividend entitlements is 20 February, 2012.

### **Dividend Reinvestment Plan**

The Company’s Dividend Reinvestment Plan (DRP) will operate for the dividend payable on 7 March, 2012.

The Directors have resolved that the DRP shares will be allotted at the market price of Argo shares, as defined by the DRP, to participating eligible shareholders. The Directors have determined that no discount will apply on this occasion.

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 20 February, 2012. Any variation to an existing election must also be lodged by this date.

### **Net Asset Backing**

Reflecting the weaker performance in equity markets over the reporting period, net tangible asset backing per share was \$5.40 as at 31 December, 2011 compared with \$6.11 as at 30 June, 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 \$5.05 as at 31 December, 2011 compared with \$5.55 as at 30 June, 2011.

### **Investment Portfolio**

Mr Beddow said Argo’s objective is to maximise long-term returns to shareholders through a balance of capital and dividend growth from a diversified investment portfolio.

“For the past 10 years, Argo’s investment portfolio has produced a compound annual return of 6.6% as 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 with a compound annual return of 6.3% from the S&P ASX All Ordinaries Accumulation Index, which makes no allowance for these items,” he said.

“Larger equity purchases made during the latest December half were \$12.1 million in Australia and New Zealand Banking Group Ltd., \$4.5 million in Santos Ltd., \$4.2 million in National Australia Bank Ltd., \$3.9 million in Commonwealth Bank of Australia and \$3.6 million in Coca-Cola Amatil Ltd.

“Our holding in Treasury Wine Estates Ltd. was sold together with a few smaller holdings. A takeover for our holding in Foster’s Group Ltd. was accepted.”

Argo’s principal equity investments as at 31 December 2011 are set out below:-

	Market Value \$million	% of Portfolio (ex cash)
BHP Billiton Ltd.	271.2	8.4
Westpac Banking Corporation	183.4	5.7
Australia and New Zealand Banking Group Ltd.	157.2	4.9
Wesfarmers Ltd.	146.4	4.5
Rio Tinto Ltd.	144.3	4.5
Commonwealth Bank of Australia	136.7	4.2
National Australia Bank Ltd.	120.5	3.7
Milton Corporation Ltd.	119.8	3.7
Australian United Investment Company Ltd.	107.5	3.3
Telstra Corporation Ltd.	107.2	3.3
Woolworths Ltd.	102.5	3.2
Origin Energy Ltd.	89.2	2.8
Macquarie Group Ltd.	76.6	2.4
Orica Ltd.	54.2	1.7
Woodside Petroleum Ltd.	52.1	1.6
AMP Ltd.	49.8	1.5
QBE Insurance Group Ltd.	49.2	1.5
Santos Ltd.	49.1	1.5
Computershare Ltd.	39.3	1.2
AGL Energy Ltd.	38.0	1.2

**Media contact: -**

**Jason Beddow**  
**Chief Executive Officer**  
**08 8212 2055 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, 2011.

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, representing a cross section of Australia’s enterprises, where there is good quality management and prospects for sound earnings and dividend growth.

A number of key performance indicators are used by the Directors and management in their assessment of the Company’s performance, including growth in operating profit, operating earnings per share, dividends paid to shareholders, shareholders’ equity, asset backing per share, total portfolio return and control of management costs.

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

Profit for the half-year under review was \$85.8 million, compared with \$90.0 million in the previous corresponding half-year which included several positive one-off transactions totalling \$11.4 million. These were the dividend received when DuluxGroup Ltd. demerged from Orica Ltd., the Woolworths Ltd. share buy-back dividend and the early declaration by Milton Corporation Ltd. and Choiseul Investments Ltd. of their interim dividends due to the merger of those companies. For the half-year ended 31 December, 2011, the only one-off transaction was the Perpetual Ltd. share buy-back dividend totalling \$1.3 million.

The difference between the one-off transactions for the two corresponding half-year periods is \$10.1 million and contributed to the profit for the half-year ended 31 December 2011 being 4.7% less than that of the previous corresponding period. The Directors are pleased with this result which was achieved in a difficult economic environment.

Dividends and distributions received from investee companies and trusts are major contributors to the Company’s operating profit. The income from these sources in the half-year under review was \$6.7 million more than that received in the previous corresponding period after adjusting for the one-off transactions.

Due to a smaller cash balance on deposit during the current half-year period and with lower interest rates applying, interest income received was \$2.3 million less than the previous corresponding period.

The result for the period benefited from the lower administration expenses paid when compared to those for the half-year ended 31 December, 2011.

The Company’s earnings per share was 13.8 cents, compared with 14.8 cents in the previous corresponding half-year.

A steady fully franked interim dividend of 13 cents per share has been declared. This dividend absorbs \$81.1 million compared with \$79.2 million in the previous corresponding period and will be paid on 7 March, 2012.

The Dividend Reinvestment Plan raised \$15.7 million of new capital for investment during the half-year and resulted in the allotment of 3,088,054 shares at \$5.10 per share.

The Company has an on-market share buy-back facility in place and for the six months ended 31 December, 2011, no Company shares were acquired.

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

## ARGO INVESTMENTS LIMITED

<u>Name</u>	<u>Period of Directorship</u>
Christopher Lee Harris (Chairman)	Director since 21 January 1994 - appointed Chairman 14 August, 1998
Robert Tom Rich (Deputy Chairman)	Director since 24 August, 1992 - appointed Deputy Chairman 14 August, 1998
Marina Santini Darling	Director since 23 July, 1999
Geoffrey Ian Martin	Director since 28 October, 2004
Anne Bernadette Brennan	Director since 1 September, 2011
Russell Allan Higgins	Director since 1 September, 2011
Robert John Patterson	Director since 25 October, 2011

### **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,



C.L. Harris  
Chairman

Adelaide  
6 February 2012

## **Auditor's Independence Declaration**

As lead auditor for the review of Argo Investments Limited for the half-year ended 31 December 2011, 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.

This declaration is in respect of Argo Investments Limited during the period.



AG Forman  
Partner  
PricewaterhouseCoopers

Adelaide  
6 February 2012

**ARGO INVESTMENTS LIMITED****INCOME STATEMENT  
for the half-year ended 31 December, 2011**

	<b>Note</b>	<b>2011</b> \$'000	<b>2010</b> \$'000
Dividends and distributions		88,854	92,251
Interest		4,000	6,301
Other revenue		<u>114</u>	<u>167</u>
Total revenue		92,968	98,719
Net gains on trading investments		<u>1,946</u>	<u>2,116</u>
Income from operating activities		94,914	100,835
Administration expenses		<u>(3,285)</u>	<u>(4,003)</u>
Profit before income tax expense		91,629	96,832
Income tax expense thereon		<u>(5,864)</u>	<u>(6,846)</u>
Profit for the half-year		<u>85,765</u>	<u>89,986</u>
		<b>2011</b> cents	<b>2010</b> cents
Basic and diluted earnings per share	2	13.8	14.8

**STATEMENT OF COMPREHENSIVE INCOME  
for the half-year ended 31 December, 2011**

	<b>2011</b> \$'000	<b>2010</b> \$'000
Profit for the half-year	<u>85,765</u>	<u>89,986</u>
Other comprehensive income		
(Devaluation)/Revaluation of long-term investments	(439,866)	269,626
Provision for deferred tax benefit/(expense) on unrealised gains on long-term investments	<u>127,157</u>	<u>(79,901)</u>
Other comprehensive income for the half-year	<u>(312,709)</u>	<u>189,725</u>
Total comprehensive income for the half-year	<u>(226,944)</u>	<u>279,711</u>

(To be read in conjunction with the accompanying notes)

**ARGO INVESTMENTS LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
as at 31 December, 2011

	<b>31 December 2011</b>	<b>30 June 2011</b>
	\$'000	\$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	139,780	82,095
Receivables	4,825	27,873
Other financial cash assets	<u>40,000</u>	<u>60,000</u>
<b>Total Current Assets</b>	<u>184,605</u>	<u>169,968</u>
<b>NON-CURRENT ASSETS</b>		
Receivables	782	833
Investments	3,219,999	3,666,924
Plant and equipment	<u>469</u>	<u>491</u>
<b>Total Non-Current Assets</b>	<u>3,221,250</u>	<u>3,668,248</u>
<b>TOTAL ASSETS</b>	<u>3,405,855</u>	<u>3,838,216</u>
<b>CURRENT LIABILITIES</b>		
Payables	674	1,807
Derivative financial instruments	170	-
Current tax liabilities	27	17,997
Provisions	<u>526</u>	<u>510</u>
<b>Total Current Liabilities</b>	<u>1,397</u>	<u>20,314</u>
<b>NON-CURRENT LIABILITIES</b>		
Payables	501	501
Deferred tax liabilities	252,871	374,005
Provisions	<u>249</u>	<u>235</u>
<b>Total Non-Current Liabilities</b>	<u>253,621</u>	<u>374,741</u>
<b>TOTAL LIABILITIES</b>	<u>255,018</u>	<u>395,055</u>
<b>NET ASSETS</b>	<u>3,150,837</u>	<u>3,443,161</u>
<b>SHAREHOLDERS' EQUITY</b>		
Contributed equity	2,182,714	2,167,020
Reserves	710,740	1,036,275
Retained profits	<u>257,383</u>	<u>239,866</u>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>3,150,837</u>	<u>3,443,161</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, 2011**

	<b>Contributed Equity \$'000</b>	<b>Reserves \$'000</b>	<b>Retained Profits \$'000</b>	<b>Total \$'000</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
Net devaluation of long-term investments	<u>-</u>	<u>(312,709)</u>	<u>-</u>	<u>(312,709)</u>
Total comprehensive income for the half-year	<u>-</u>	<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>-</u>	<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><u>2,182,714</u></u>	<u><u>710,740</u></u>	<u><u>257,383</u></u>	<u><u>3,150,837</u></u>
 <b>For the half-year ended 31 December, 2010</b>				
Balance at 1 July, 2010	<u>2,083,247</u>	<u>931,131</u>	<u>213,732</u>	<u>3,228,110</u>
Profit for the half-year	-	-	89,986	89,986
Net revaluation of long-term investments	<u>-</u>	<u>189,725</u>	<u>-</u>	<u>189,725</u>
Total comprehensive income for the half-year	<u>-</u>	<u>189,725</u>	<u>89,986</u>	<u>279,711</u>
Transactions with shareholders				
Dividend Reinvestment Plan	15,572	-	-	15,572
Cost of shares issued net of tax	(49)	-	-	(49)
Executive performance rights reserve	-	(422)	-	(422)
Dividend paid	<u>-</u>	<u>(12,131)</u>	<u>(66,719)</u>	<u>(78,850)</u>
Total transactions with shareholders	<u>15,523</u>	<u>(12,553)</u>	<u>(66,719)</u>	<u>(63,749)</u>
Balance at 31 December, 2010	<u><u>2,098,770</u></u>	<u><u>1,108,303</u></u>	<u><u>236,999</u></u>	<u><u>3,444,072</u></u>

(To be read in conjunction with the accompanying notes)

**ARGO INVESTMENTS LIMITED****STATEMENT OF CASH FLOWS  
for the half-year ended 31 December, 2011**

	<b>2011</b>	<b>2010</b>
	\$'000	\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Dividends and distributions received	108,922	106,795
Interest received	4,676	6,151
Other receipts	114	169
Payments for trading investments	(1,785)	(1,695)
Proceeds from trading investments	3,900	4,165
Other payments	(3,984)	(5,147)
Income tax (paid)/refunded	<u>(17,787)</u>	<u>285</u>
Net operating cash inflows	<u>94,056</u>	<u>110,723</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of long-term investments	67,091	62,081
Payments for long-term investments	(58,510)	(117,605)
Proceeds from other financial assets	60,000	45,000
Payments for other financial assets	(40,000)	(110,000)
Executive share scheme repayments	50	133
Proceeds from sale of fixed assets	-	31
Payments for fixed assets	<u>(15)</u>	<u>(34)</u>
Net investing cash inflows/(outflows)	<u>28,616</u>	<u>(120,394)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cost of shares issued	(79)	(71)
Dividends paid - net of Dividend Reinvestment Plan	<u>(64,908)</u>	<u>(63,278)</u>
Net financing cash outflows	<u>(64,987)</u>	<u>(63,349)</u>
Net increase/(decrease) in cash held	57,685	(73,020)
Cash at the beginning of the half-year	<u>82,095</u>	<u>187,270</u>
Cash at the end of the half-year	<u>139,780</u>	<u>114,250</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, 2011**

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

The general purpose financial report for the half-year ended 31 December, 2011 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, 2011 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>2011</b>	<b>2010</b>
	number	number
	’000	’000
Weighted average number of ordinary shares on issue used in the calculation of earnings per share	622,368	608,305
	\$’000	\$’000
Profit for the half-year	85,765	89,986
	cents	cents
Basic and diluted earnings per share	13.8	14.8

**3. DIVIDENDS**

	<b>2011</b>	<b>2010</b>
	\$’000	\$’000
Dividends paid during the half-year:		
Final dividend for the year ended 30 June, 2011 of 13 cents fully franked at 30% tax rate paid 7 September, 2011 (2010: 13 cents fully franked at 30% tax rate)	80,657	78,850

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, 2012 of 13 cents fully franked at 30% tax rate payable 7 March, 2012 (previous corresponding period: 13 cents fully franked at 30% tax rate)	81,058	79,205
---	--------	--------

## ARGO INVESTMENTS LIMITED

### 4. CONTRIBUTED EQUITY

	2011 No. of shares	2010 No. of shares	2011 \$'000	2010 \$'000
Issued and fully paid ordinary shares				
Opening balance	620,438,335	606,541,598	2,167,020	2,083,247
Dividend reinvestment plan	3,088,054	2,727,231	15,749	15,572
Cost of shares issued net of tax	<u>-</u>	<u>-</u>	<u>(55)</u>	<u>(49)</u>
Closing balance	<u>623,526,389</u>	<u>609,268,829</u>	<u>2,182,714</u>	<u>2,098,770</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, 2011 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



C.L. Harris  
Chairman

Adelaide  
6 February, 2012

## **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 2011, and the income statement, 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 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 2011 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*.

---

**PwC, ABN 52 780 433 757**

91 King William St, ADELAIDE SA 5000, GPO BOX 418, ADELAIDE SA 5001

T: +61 8 8218 7000, F: +61 8 8218 7999, [www.pwc.com.au](http://www.pwc.com.au)

Liability limited by a scheme approved under Professional Standards Legislation



**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 2011 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*.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be 'AG Forman'.

AG Forman  
Partner

Adelaide  
6 February 2012