

## Appendix 4D

Half-year Report  
31 December 2007\*

### Results for announcement to the market

<b>Financial Results</b>	<b>December 2007* \$</b>
Revenue from ordinary activities	238,385
Profit from ordinary activities after tax attributable to members	166,834
Net Profit for the period attributable to members	166,834

<b>Dividends</b>	Amount per Ordinary Security	Franked amount per security
2007 interim dividend	Nil	Nil

Record date for determining entitlements to the 2007 interim dividends	N/A
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<b>Net Tangible Asset Backing</b>	<b>December 2007</b>
Net tangible asset backing per ordinary security	20.0¢

#### Other explanatory notes

\*As the company was incorporated on 9 July 2007, no prior corresponding period data is available. This report is for the period 9 July 2007 to 31 December 2007.

**The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.**

**OZGROWTH LIMITED**

**A.B.N. 52 126 450 271**

**HALF YEAR FINANCIAL REPORT**

**FOR THE PERIOD FROM INCORPORATION ON 9 JULY  
2007 TO 31 DECEMBER 2007**

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## **CORPORATE DIRECTORY**

### **REGISTERED OFFICE**

Level 1, The Ernst & Young Building  
11 Mounts Bay Road  
PERTH WA 6000  
  
Telephone: (08) 9321 7877  
Facsimile: (08) 9321 8288  
Website: [www.ozgrowth.com.au](http://www.ozgrowth.com.au)

### **AUDITORS**

Ernst & Young  
11 Mounts Bay Road  
PERTH WA 6000

### **BANKERS**

Westpac Banking Corporation  
109 St George's Terrace  
PERTH WA 6000

### **SHARE REGISTRY**

Computershare Investor Services Pty Ltd  
Level 2, 45 St Georges Terrace  
PERTH WA 6000  
  
Telephone: (08) 9323 2000  
Facsimile: (08) 9323 2033

### **BOARD OF DIRECTORS**

**Peter Diamond**  
Non Executive Chairman  
**Philip Rees**  
Executive Director, Company Secretary  
**Jay Hughes**  
Non Executive Director  
**Michael Jefferies**  
Non Executive Director

## **DIRECTORS' REPORT FOR THE PERIOD FROM INCORPORATION ON 9 JULY 2007 TO 31 DECEMBER 2007**

Your Directors submit their report for the period 9 July 2007 to 31 December 2007. A relief order has been granted by the Australian Securities and Investments Commission on 24 December 2007 that a shortened half-year (the period from 9 July 2007 to 31 December 2007) is applied to this first half-year financial report.

### **1. DIRECTORS**

The names of the Directors of the Company in office at the date of this report or during the half-year are as follows: -

Peter Diamond (Appointed 9 July 2007)  
Philip Rees (Appointed 31 October 2007)  
Jay Hughes (Appointed 9 July 2007)  
Michael Jefferies (Appointed 31 October 2007)  
Andrew McKenzie (Appointed 9 July 2007, Resigned 31 October 2007)

### **2. REVIEW AND RESULTS OF OPERATIONS**

Highlights of the Company's operations during the period ended 31 December 2007 are as follows:

- The Company was incorporated on 9 July 2007 by the issue of 500 new shares at \$0.20 each;
- A disclosure document was lodged on 9 November 2007 seeking to raise up to an additional \$80,000,000. This issue closed fully subscribed and a total of 400,000,000 new shares were issued on 14 December 2007;
- Funds raised from the share issues were held as short term cash deposits during the period. A total net profit after tax of \$166,834 was generated from interest income during the period; and
- Net tangible assets per share at 31 December 2007 was \$0.20.

### **3. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

The shares of the Company commenced quotation on the Australian Stock Exchange on 2 January 2008.

### **4. AUDITOR'S INDEPENDENCE DECLARATION**

The Auditor's Independence Declaration under section 307C of the Corporations Act 2001 is included on page 4 and forms part of the Ozgrowth Limited's report for the period from 9 July 2007 to 31 December 2007.

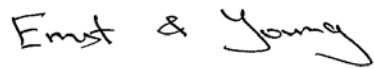
Signed for and on behalf of the Directors in accordance with a resolution of the Board.



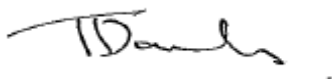
**Peter Diamond**  
**Chairman**  
**Dated: 7 February 2008**

### **Auditor's Independence Declaration to the Directors of Ozgrowth Limited**

In relation to our review of the financial report of Ozgrowth Limited for the period from 9 July 2007 to 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



T G Dachs  
Partner  
7 February 2008

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**CONDENSED INCOME STATEMENT  
FOR THE PERIOD FROM INCORPORATION ON 9 JULY 2007 TO 31 DECEMBER 2007**

	Note	31/12/2007
		\$
<b>Revenue from continuing operations</b>		
Interest Income		238,385
<b>Total revenue</b>		<u>238,385</u>
<b>EXPENSES</b>		
Bank Fees		(51)
<b>Total expenses</b>		<u>(51)</u>
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>		238,334
Income tax expense		(71,500)
<b>NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE COMPANY</b>		<u><u>166,834</u></u>
<b>Earnings per share (cents per share)</b>		
- Basic and Diluted		0.43

**CONDENSED BALANCE SHEET  
AT 31 DECEMBER 2007**

	Note	31/12/2007
		\$
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	7	80,238,434
		<hr/>
<b>TOTAL CURRENT ASSETS</b>		<u>80,238,434</u>
<b>TOTAL ASSETS</b>		<u>80,238,434</u>
<b>CURRENT LIABILITIES</b>		
Income Tax Payable		71,500
		<hr/>
<b>TOTAL CURRENT LIABILITIES</b>		<u>71,500</u>
<b>TOTAL LIABILITIES</b>		<u>71,500</u>
<b>NET ASSETS</b>		<u>80,166,934</u>
<b>EQUITY</b>		
Issued Capital	3	80,000,100
Retained Earnings		<u>166,834</u>
<b>TOTAL EQUITY</b>		<u>80,166,934</u>

**CONDENSED CASH FLOW STATEMENT  
FOR THE PERIOD FROM INCORPORATION ON 9 JULY 2007 TO 31 DECEMBER 2007**

	Note	31/12/2007
		\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Interest received		238,385
Payment to suppliers		(51)
		<u>238,334</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<u>238,334</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
		<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares		80,000,100
		<u>80,000,100</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<u>80,000,100</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		80,238,434
Cash and cash equivalents at the beginning of the period		<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7	<u><u>80,238,434</u></u>

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**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD FROM INCORPORATION ON 9 JULY 2007 TO 31 DECEMBER 2007**

	<b>Issued Capital</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$	\$	\$
<b>At 9 July 2007</b>	-	-	-
Issue of Share Capital	80,000,100	-	80,000,100
Profit for the period	-	166,834	166,834
<b>At 31 December 2007</b>	<b>80,000,100</b>	<b>166,834</b>	<b>80,166,934</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION ON 9 JULY 2007 TO 31 DECEMBER 2007****1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT**

Ozgrowth Limited (the “Company”) is a Company domiciled in Australia. The Company was incorporated on 9 July 2007. Accordingly, this is the first half -year financial report for the Company, prepared for the period 9 July 2007 to 31 December 2007. This financial report therefore does not include comparative information. The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is also recommended that the half-year financial report be considered together with any public announcements made by Ozgrowth Limited during the period from 9 July 2007 to 31 December 2007 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half-year financial report is a general purpose condensed financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 “Interim Financial Reporting”. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 “Interim Financial Reporting”.

The half-year financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars. For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****(a) Investments**

All investments are initially recognised at fair value. When financial assets are initially recognized they are recorded at fair value, plus in the case of investments not at fair value through the profit and loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year end.

*Financial assets at fair value through profit or loss.*

Financial assets in the scope of AASB139 “Financial Instruments; Recognition and Measurement” are classified as financial assets at fair value through profit or loss.

For investments that are actively traded in organised financial markets, fair value is determined by reference to the Stock Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Gains and losses on investments at fair value through profit and loss are recognised in the income statement.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognized on the trade date i.e. the date that the Company commits to purchase the asset

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) *Investments (cont'd)*

#### *Derecognition of financial assets*

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party lender under a "pass-through" arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### (b) *Cash and cash equivalents*

Cash and short term deposits in the balance sheet comprise cash at bank and short term deposits, including bank bills with a maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (c) *Income Tax*

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is recognised on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary differences is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) *Income Taxes (cont'd)*

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

### (d) *Other Taxes*

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

### (e) *Income Recognition*

Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

**Interest Income** - income is recognised as interest accrues using the effective interest rate method which is the rate that exactly discounts estimated future cash flows through the expected life of the financial investment to the net carrying value of the financial asset.

**Dividend Income** – income is recognised when the Company's right to receive the payment is established. This is taken to be the date the share is quoted ex-dividend.

**Changes in fair value of investments** – Increments and decrements arising upon the revaluation of securities are booked as a change in the fair value of securities in the Income Statement.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) *Trade and Other Payables*

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid on future goods and services received, whether or not billed to the entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

### (g) *Provisions*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

### (h) *Performance Fees*

Performance fees are calculated in accordance with contractual arrangements and are payable in the year in which the returns are generated.

### (i) *Contributed Equity*

Ordinary share capital is recognised at the fair value of the consideration received by the company and is classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### (j) *Earnings Per Share*

Basic earnings per share (EPS) is calculated as net profit attributed to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the period.

Diluted earning per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs, associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued at no consideration in relation to potential ordinary shares.

### 3. ISSUED CAPITAL

	<b>31/12/07</b>	
	<b>\$</b>	
<b>Ordinary Shares</b>		
(a) 400,000,500 ordinary fully paid shares	80,000,100	
<b>(b) Movements in ordinary shares on Issue</b>	<b>Number of</b>	<b>\$</b>
	<b>Shares</b>	
Beginning of the financial period	-	-
Issued during the period		
- Equity issue for cash at \$0.20 per share on incorporation	500	100
- Initial Public Offer at \$0.20 per share	400,000,000	80,000,000
Less issue costs	-	-
	<u>400,000,500</u>	<u>80,000,100</u>

The company does not have authorized capital nor par value in respect of its issued capital. Ordinary shares have the right to receive dividends as declared and in the event of the winding up of the Company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares are entitled to one vote, either in person or by proxy, at a meeting of the Company.

### 4. SEGMENT INFORMATION

#### (a) Business Segment

The Company operated in one business segment during the period as an investment company. The Company considers this business segment to be its primary segment.

#### (b) Geographic Segment

The Company operated in one geographical segment being Australia.

### 5. CONTINGENT LIABILITIES

The Company has no contingent liabilities.

### 6. EVENTS SUBSEQUENT TO BALANCE DATE

Apart from the shares of the Company commenced quotation on the Australian Stock Exchange on 2 January 2008, no other material events have occurred subsequent to 31 December 2007.

**7. NOTES TO THE STATEMENTS OF CASH FLOW****(a) Reconciliation of Cash**

For the purpose of the half-year balance sheet, cash and cash equivalents are comprised of the following:

	<b>31/12/07</b>
	<b>\$</b>
Cash at Bank and in hand	80,238,434
	<u>80,238,434</u>

**8. RELATED PARTY DISCLOSURES**

The Directors of Ozgrowth Limited during the period were Mr Peter Diamond, Mr Philip Rees, Mr Jay Hughes and Mr Michael Jefferies. Mr Andrew Mackenzie was appointed as a Director on 9 July 2007 and resigned on 31 October 2007.

The Company engages Westoz Funds Management Pty Ltd, a Company of which Messrs Diamond, Rees and Hughes are Directors for the management of its assets.

No fees were paid to related parties during the period.

## **DIRECTORS' DECLARATION**

In accordance with a resolution of the Directors of Ozgrowth Limited, the Directors declare that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2007 and of the performance for the period from 9 July 2007 to 31 December 2007 of the Company; and
  - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; 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.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Peter Diamond', written over a horizontal line that extends across the page.

**Peter Diamond**  
**Chairman**  
**Dated: 7 February 2008**

To the members of Ozgrowth Limited

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

We have reviewed the accompanying half-year financial report of Ozgrowth Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the period from 9 July 2007 to 31 December 2007, other selected explanatory notes and the directors' declaration.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *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 2007 and its performance for the period from 9 July 2007 to 31 December 2007; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory financial reporting requirements in Australia. As the auditor of Ozgrowth 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.

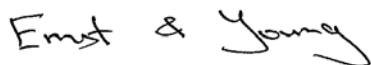
### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

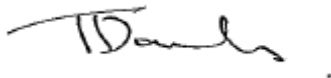
*Conclusion*

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

- (i) giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the period from 9 July 2007 to 31 December 2007; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



T G Dachs  
Partner  
Perth  
7 February 2008