

**Appendix 4D**  
Half-year Report  
For the six months to 31 December 2008

**Results for announcement to the market**

| <b>Financial Results</b>  | Movement                        | <b>December<br/>2008<br/>\$</b> |
|---|---------------------------------|---------------------------------|
| Revenue from ordinary activities                                  | Up by \$1,638,380 (780%) to     | 1,876,765                       |
| Profit from ordinary activities after tax attributable to members | Down by \$17,773,823 (n.a.%) to | (17,606,989)                    |
| Net Profit for the period attributable to members                 | Down by \$17,773,823 (n.a.%) to | (17,606,989)                    |

| <b>Dividends</b>      | Amount per<br>Ordinary Security | Franked amount per<br>security |
|-----------------------|---------------------------------|--------------------------------|
| 2008 interim dividend | Nil                             | Nil                            |

|  |     |
|--|-----|
| Record date for determining entitlements to the 2007 interim dividends | N/A |
|--|-----|

| <b>Net Tangible Asset Backing</b>                | <b>December 2008</b> |
|--|----------------------|
| Net tangible asset backing per ordinary security | 16.5¢                |

|                                |
|--------------------------------|
| <b>Other explanatory notes</b> |
|--------------------------------|

**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 HALF-YEAR ENDED 31 DECEMBER 2008**

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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 HALF-YEAR ENDED 31 DECEMBER 2008**

Your Directors submit their report for the half-year ended 31 December 2008.

### **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  
Philip Rees  
Jay Hughes  
Michael Jefferies

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

Highlights of the Company's operations during the period ended 31 December 2008 are as follows:

- A net loss after tax of \$17,606,989 was recorded for the period. This included realised losses on investments, interest income, dividend income and changes in the fair value of assets held as at 31 December 2008; and
- Net tangible asset backing per share at 31 December 2008 was \$0.165 per share. This figure makes allowance for all costs and provision for tax credits on unrealised investment losses. Prior to allowance for tax credits on unrealised losses, the figure stood at \$0.150.

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

No material matters have occurred since 31 December 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 Ozgrowth Limited's Directors' report for the period from 1 July 2008 to 31 December 2008.

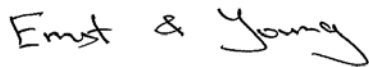
Signed for and on behalf of the Directors in accordance with a resolution of the Board.



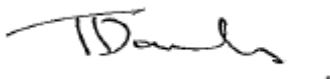
**Peter Diamond**  
**Chairman**  
**Dated: 2 February 2009**

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

In relation to our review of the financial report of Ozgrowth Limited for the half-year ended 31 December 2008, 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.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'T G Dachs'.

T G Dachs  
Partner  
Perth  
2 February 2009

**INCOME STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

|  | Note | 31/12/2008<br>\$ | Period from<br>9/7/2007 to<br>31/12/2007<br>\$ |
|--|------|------------------|--|
| <b>Revenue from continuing operations</b>  |      |                  |  |
| Interest revenue   |      | 1,436,679        | 238,385  |
| Dividend revenue   |      | 407,871          | -  |
| Other revenue  |      | 32,215           | -  |
| <b>Total revenue</b>   |      | 1,876,765        | 238,385  |
| <b>EXPENSES</b>  |      |                  |  |
| Changes in the fair value of investments designated as<br>at fair value through profit or loss | 3    | 26,714,731       | -  |
| Managers fees  |      | 362,666          | -  |
| Directors fees   |      | 25,000           | -  |
| Professional fees  |      | 27,191           | -  |
| Other expenses   |      | 24,479           | 51   |
| <b>Total expenses</b>  |      | 27,154,067       | 51   |
| <b>PROFIT/(LOSS) BEFORE INCOME TAX<br/>EXPENSE</b>   |      | (25,277,302)     | 238,334  |
| Income tax (credit)/expense  |      | (7,670,313)      | 71,500   |
| <b>NET PROFIT ATTRIBUTABLE TO MEMBERS<br/>OF THE COMPANY</b>                                   |      | (17,606,989)     | 166,834  |
| <b>Earnings/(loss) per share</b>   |      |                  |  |
| - Basic and Diluted (cents)  |      | (4.40)           | 0.43   |

**BALANCE SHEET  
AT 31 DECEMBER 2008**

|   | Note | 31/12/2008          | 30/06/2008        |
|---|------|---------------------|-------------------|
|   |      | \$                  | \$                |
| <b>CURRENT ASSETS</b>   |      |                     |                   |
| Cash and Cash Equivalents   |      | 43,135,398          | 45,635,291        |
| Investments in financial assets designated as at fair value through profit or loss: |      |                     |                   |
| - Listed Equities   |      | 17,417,424          | 41,207,191        |
| Other   |      | 26,560              | 151,740           |
| <b>TOTAL CURRENT ASSETS</b>   |      | <u>60,579,382</u>   | <u>86,994,222</u> |
| <b>NON CURRENT ASSETS</b>   |      |                     |                   |
| Deferred Tax Assets   |      | <u>6,268,174</u>    | -                 |
| <b>TOTAL NON CURRENT ASSETS</b>   |      | <u>6,268,174</u>    | -                 |
| <b>TOTAL ASSETS</b>   |      | <u>66,847,556</u>   | <u>86,994,222</u> |
| <b>CURRENT LIABILITIES</b>  |      |                     |                   |
| Trade and Other Payables  |      | 115,637             | 453,174           |
| Income Tax Payable  |      | 539,328             | 387,916           |
| Dividend Payable  |      | -                   | 800,001           |
| <b>TOTAL CURRENT LIABILITIES</b>  |      | <u>654,965</u>      | <u>1,641,091</u>  |
| <b>NON -CURRENT LIABILITIES</b>   |      |                     |                   |
| Deferred Tax Liabilities  |      | <u>-</u>            | <u>1,553,551</u>  |
| <b>TOTAL NON-CURRENT LIABILITIES</b>  |      | <u>-</u>            | <u>1,553,551</u>  |
| <b>TOTAL LIABILITIES</b>  |      | <u>654,965</u>      | <u>3,194,642</u>  |
| <b>NET ASSETS</b>   |      | <u>66,192,591</u>   | <u>83,799,580</u> |
| <b>EQUITY</b>   |      |                     |                   |
| Contributed Equity  | 4    | 80,000,100          | 80,000,100        |
| Retained Earnings   |      | <u>(13,807,509)</u> | <u>3,799,480</u>  |
| <b>TOTAL EQUITY</b>   |      | <u>66,192,591</u>   | <u>83,799,580</u> |

**CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

|  | Note | 31/12/2008<br>\$ | Period from<br>9/7/2007 to<br>31/12/2007<br>\$ |
|--|------|------------------|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |      |                  |  |
| Interest received  |      | 1,436,679        | 238,385  |
| Dividends received   |      | 452,871          | -  |
| Payments to suppliers and employees (inclusive of GST)                                 |      | (477,147)        | (51)   |
| Receipts from customers (Inclusive of GST)   |      | 112,395          | -  |
|  |      | <hr/>            | <hr/>  |
| NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES                                     |      | 1,524,798        | 238,334  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |      |                  |  |
| Proceeds from sale of investments designated at fair value through profit and loss     |      | 10,464,113       | -  |
| Payments for purchases of investments designated at fair value through profit and loss |      | (13,688,803)     | -  |
|  |      | <hr/>            | <hr/>  |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES  |      | (3,224,690)      | -  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |      |                  |  |
| Proceeds from issue of ordinary shares   |      | -                | 80,000,100                                     |
| Dividends paid   |      | (800,001)        | -  |
|  |      | <hr/>            | <hr/>  |
| NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES                                     |      | (800,001)        | 80,000,100                                     |
|  |      | <hr/>            | <hr/>  |
| NET INCREASE/(DECREASE) IN CASH HELD   |      | (2,499,893)      | 80,238,434                                     |
|  |      | <hr/>            | <hr/>  |
| Cash and cash equivalents at the beginning of the period                               |      | 45,635,291       | -  |
|  |      | <hr/>            | <hr/>  |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                              | 7    | 43,135,398       | 80,238,434                                     |
|  |      | <hr/> <hr/>      | <hr/> <hr/>                                    |

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

|                            | <b>Contributed Equity</b> | <b>Retained Earnings</b> | <b>Total Equity</b> |
|----------------------------|---------------------------|--------------------------|---------------------|
|                            | \$                        | \$                       | \$                  |
| <b>At 1 July 2008</b>      | 80,000,100                | 3,799,480                | 83,799,580          |
| Loss for the period        | -                         | (17,606,989)             | (17,606,989)        |
| <b>At 31 December 2008</b> | 80,000,100                | (13,807,509)             | 66,192,591          |

|                            | <b>Contributed Equity</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> | 80,000,100                | 166,834                  | 80,166,934          |

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FOR THE HALF-YEAR ENDED 31 DECEMBER 2008****1. BASIS OF PREPARATION AND ACCOUNTING POLICIES****Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2008 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2008 and considered together with any public announcements made by Ozgrowth Limited during the half-year ended 31 December 2008 in accordance with the continuous disclosure obligations of the ASX listing rules.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

**Changes in accounting policy**

From 1 July 2008 the Company has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2008. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Company.

The following standards and interpretations have been adopted from 1 July 2008:

- AASB 2008-10 *Amendment to Australian Accounting Standards – Reclassification of Financial Assets (amendments to AASB 139 Financial Instruments: Recognition and Measurement and AASB 7 Financial Instruments Disclosures)*
- Interpretation 12 and AASB 2007-2 *Service Concession Arrangements* and consequential amendments to other Australian Accounting Standards
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 4 (revised) *Determining whether an arrangement contains a lease*
- Interpretation 13 *Customer Loyalty Programmes*.
- Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*.

The Company has not elected to early adopt any new standards or amendments.

**2. 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.

|  | 31/12/2008<br>\$    | Period from<br>9/7/2007 to<br>31/12/2007<br>\$ |
|--|---------------------|--|
| <b>3. CHANGES IN FAIR VALUE OF INVESTMENTS</b> |                     |  |
| Net realised loss on disposal of investments   | (940,740)           | -  |
| - listed equities                              |                     |  |
| Net unrealised loss on investments             | (25,773,991)        | -  |
| - listed equities                              |                     |  |
|  | <u>(26,714,731)</u> | <u>-</u>                                       |

The main reason for the change in fair values was movement in market prices for listed investments held in the asset portfolio.

#### 4. ISSUED CAPITAL

|  | 31/12/2008                  |                   | Period from<br>9/7/2007 to<br>31/12/2007 |                   |
|--|-----------------------------|-------------------|--|-------------------|
| <i>(a) Contributed equity</i>                                |                             |                   |  |                   |
| 400,000,500 ordinary fully paid shares                       | 80,000,100                  |                   | 80,000,100                               |                   |
| <i>(b) Movements in ordinary shares on Issue</i>             | <b>Number of<br/>Shares</b> | <b>\$</b>         | <b>Number of<br/>Shares</b>              | <b>\$</b>         |
| Beginning of the financial period                            | 400,000,500                 | 80,000,100        | -  | -                 |
| 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        |
|  | <u>400,000,500</u>          | <u>80,000,100</u> | <u>400,000,500</u>                       | <u>80,000,100</u> |

#### *(c) Terms and conditions of contributed equity*

The company does not have authorized capital nor par value in respect of its issued capital. Ordinary fully paid 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 fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

#### 5. CONTINGENT LIABILITIES

The Company has no contingent liabilities.

#### 6. EVENTS SUBSEQUENT TO BALANCE DATE

No other material events have occurred subsequent to 31 December 2008.

## 7. NOTES TO THE CASH FLOW STATEMENT

### *Reconciliation of Cash*

For the purpose of the half-year cash flow statement, cash and cash equivalents are comprised of the following:

|                          | 31/12/2008 | 31/12/2007 |
|--------------------------|------------|------------|
|                          | \$         | \$         |
| Cash at Bank and in hand | 43,135,398 | 80,238,434 |

## 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.

Westoz Funds Management Pty Ltd, a Company of which Messrs Diamond, Rees and Hughes are Directors received management fees from the Company for the management of its assets. A fee of \$353,821 (2007: nil) was charged in the period for these services.

Euroz Securities Limited, a company of which Messrs Diamond and Hughes are Directors received brokerage fees for transactions undertaken by the Company in respect of its investments. An amount of \$71,950 (2007: nil) was paid in the period as brokerage to Euroz Securities Limited.

The above transactions were entered into on normal commercial terms.

## **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 2008 and of the performance for the period from 1 July 2008 to 31 December 2008 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.

**Peter Diamond**  
**Chairman**  
**Dated: 2 February 2009**

To the members of Ozgrowth Limited

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

We have reviewed the accompanying half-year financial report of Ozgrowth Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, 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 Interim and other Financial Reports 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 2008 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 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.

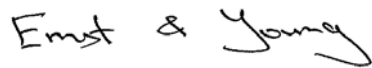
### **Independence**

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.

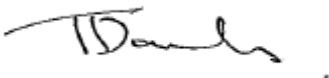
## Conclusion

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 2008 and of its performance for the half-year ended on that date; and
- ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'T G Dachs'.

T G Dachs  
Partner  
Perth  
2 February 2009