

**Appendix 4D**  
Half-year Report  
For the six months to 31 December 2009

**Results for announcement to the market**

<b>Financial Results</b>	Movement	<b>December 2009 \$</b>
Revenue from ordinary activities	Up by \$16,725,972 (891%) to	18,602,737
Profit from ordinary activities after tax attributable to members	Up by \$28,609,582 (N/A%) to	11,002,593
Net Profit for the period attributable to members	Up by \$28,609,582 (N/A%) to	11,002,593

<b>Dividends</b>	Amount per Ordinary Security	Franked amount per security
2009 interim dividend	0.3 cents	100%

Record date for determining entitlements to the 2009 interim dividends	1 February 2010
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<b>Net Tangible Asset Backing</b>	<b>December 2009</b>	<b>December 2008</b>
Net tangible asset backing per ordinary security	22.5¢	16.5¢

<b>Other explanatory notes</b>
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**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 2009**

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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 2009**

Your Directors submit their report for the half-year ended 31 December 2009.

### **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 2009 are as follows:

- A net profit after tax of \$11,002,593 was recorded for the period. This included realised gains on investments, interest income, dividend income and changes in the fair value of financial assets designated as at fair value through profit and loss held as at 31 December 2009;
- Net tangible asset backing per share at 31 December 2009 was \$0.225 per share. This figure makes allowance for all future income tax benefits on unrealised investment losses. Prior to allowance for future income tax benefits on unrealised losses, the figure was \$0.231 per share; and
- 440,050 ordinary shares were purchased and cancelled under a share buyback arrangement announced on 19 November 2009.

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

No material matters have occurred since 31 December 2009.

### **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 2009 to 31 December 2009.

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

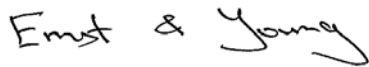


**Peter Diamond  
Chairman**

**11 February 2010**

### **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 2009, 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  
11 February 2010

Liability limited by a scheme approved under  
Professional Standards Legislation

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	31/12/2009 \$	31/12/2008 \$
<b>Revenue from continuing operations</b>			
Interest revenue		589,090	1,436,679
Dividend revenue		848,189	407,871
Other revenue		25,983	32,215
<b>Total revenue</b>		1,463,262	1,876,765
Changes in the fair value of investments designated as at fair value through profit or loss	3	17,139,475	(26,714,731)
<b>EXPENSES</b>			
Managers fees		3,139,755	362,666
Directors fees		29,327	25,000
ASX fees		31,681	27,191
Other expenses		29,665	24,479
<b>Total expenses</b>		3,230,428	439,336
<b>PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE</b>		15,372,309	(25,277,302)
Income tax benefit/(expense)		(4,369,716)	7,670,313
<b>NET PROFIT FOR THE PERIOD</b>		11,002,593	(17,606,989)
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		11,002,593	(17,606,989)
<b>Earnings/(loss) per share</b>			
- Basic and Diluted (cents)		2.75	(4.40)

**STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2009**

	Note	31/12/2009	30/06/2009
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents		33,205,672	42,512,478
Income Tax Refund		137,656	-
Other		224,074	38,303
<b>TOTAL CURRENT ASSETS</b>		<u>33,567,402</u>	<u>42,550,781</u>
<b>NON -CURRENT ASSETS</b>			
Investments in financial assets designated as at fair value through profit or loss:			
- Listed Equities		63,020,336	38,053,756
Deferred Tax Assets		-	1,072,038
<b>TOTAL NON-CURRENT ASSETS</b>		<u>63,020,336</u>	<u>39,125,794</u>
<b>TOTAL ASSETS</b>		<u>96,587,738</u>	<u>81,676,575</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		2,987,295	926,711
Income Tax Payable		-	742,013
Dividend Payable		1,198,681	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>4,176,976</u>	<u>1,668,724</u>
<b>NON -CURRENT LIABILITIES</b>			
Deferred Tax Liabilities		2,665,277	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,665,277</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>6,713,597</u>	<u>1,668,724</u>
<b>NET ASSETS</b>		<u>89,736,486</u>	<u>80,007,851</u>
<b>EQUITY</b>			
Contributed Equity	4	79,924,823	80,000,100
Retained Earnings		9,811,663	7,751
<b>TOTAL EQUITY</b>		<u>89,736,486</u>	<u>80,007,851</u>

**CASH FLOW STATEMENT  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	31/12/2009	31/12/2008
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest received		589,090	1,436,679
Dividends received		848,189	452,871
Payments to suppliers and employees (inclusive of GST)		(1,329,631)	(364,752)
Income tax paid		(1,512,071)	-
		<hr/>	<hr/>
NET CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES		(1,404,424)	1,524,798
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of investments designated at fair value through profit and loss		15,680,067	10,464,113
Payments for purchases of investments designated at fair value through profit and loss		(23,507,172)	(13,688,803)
		<hr/>	<hr/>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(7,827,105)	(3,224,690)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for costs of issue of ordinary shares		(75,277)	-
Dividends paid		-	(800,001)
		<hr/>	<hr/>
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		(75,277)	(800,001)
		<hr/>	<hr/>
NET INCREASE/(DECREASE) IN CASH HELD		(9,306,806)	(2,499,893)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period		42,512,478	45,635,291
		<hr/>	<hr/>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7	33,205,672	43,135,398
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	<b>Contributed Equity</b>	<b>Retained Earnings</b>	<b>Total Equity</b>
	\$	\$	\$
<b>At 1 July 2009</b>	80,000,100	7,751	80,007,851
Shares cancelled	(75,277)	-	(75,277)
Total Comprehensive Income/(Loss) for the half- year	-	11,002,593	11,002,593
<b>Dividend payable</b>	-	(1,198,681)	(1,198,681)
<b>At 31 December 2009</b>	<u>79,924,823</u>	<u>9,811,663</u>	<u>89,736,486</u>

	<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>	<u>80,000,100</u>	<u>(13,807,509)</u>	<u>66,192,591</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FOR THE HALF-YEAR ENDED 31 DECEMBER 2009****1. BASIS OF PREPARATION AND ACCOUNTING POLICIES****Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2009 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 2009 and considered together with any public announcements made by Ozgrowth Limited during the half-year ended 31 December 2009 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 2009 The Company has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Company.

The following applicable standards have been adopted from 1 July 2009

- AASB 7 *Financial Instruments: Disclosures*
- AASB 101 *Presentation of Financial Statements (revised 2007)* and AASB 2007-8 and AASB 2007-10
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2009-6 *Amendments to Australian Accounting Standards* AASB 2008-6 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*.
- AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*.
- AASB 2009-4 *Amendments to Australian Accounting Standards assuring from the Annual Improvements Project*.

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

**Comparative Figures**

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

**2. SEGMENT INFORMATION**

The company operates in one operating segment.

### 3. CHANGES IN FAIR VALUE OF INVESTMENTS DESIGNATED AS AT FAIR VALUE THROUGH PROFITS AND LOSS

	31/12/2009 \$	31/12/2008 \$
Net realised gain/(loss) on disposal of investments - listed equities	4,681,761	(940,740)
Net unrealised gain/(loss) on investments - listed equities	12,457,714	(25,773,991)
	17,139,475	(26,714,731)

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

### 4. CONTRIBUTED EQUITY

	31/12/2009		30/06/2009	
<i>(a) Contributed equity</i>				
399,560,450 ordinary fully paid shares	89,736,486		80,000,100	
<i>(b) Movements in ordinary shares on Issue</i>				
	<b>Number of Shares</b>	<b>\$</b>	<b>Number of Shares</b>	<b>\$</b>
Beginning of the financial period	400,000,500	80,000,100	400,000,500	80,000,100
Shares cancelled due to buyback	(440,050)	(75,277)	-	-
	399,560,450 79,924,823		400,000,500 80,000,100	

#### *(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 occasionally commits to underwriting activities in respect of public security offerings. As at 31 December 2009 the maximum potential financial amount the Company may be liable for in respect of an underwriting obligation was \$3,400,000 (2008: Nil)

### 6. EVENTS SUBSEQUENT TO BALANCE DATE

No other material events have occurred subsequent to 31 December 2009.

## 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:

	31/12/2009	31/12/2008
	\$	\$
Cash at Bank and in hand	33,205,672	43,135,398

## 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 \$474,755 (2008: \$353,821) was charged in the period for these services. Provision has been made for the payment of a performance fee of \$2,665,000 in the current period (2008: nil).

These fees were charged in accordance with a management agreement, the terms of which have been disclosed.

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 \$110,726 (2008: \$71,950) 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 2009 and of the performance for the period from 1 July 2009 to 31 December 2009 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**

**11 February 2010**

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 statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 2009 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.

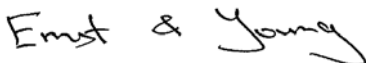
### Independence

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. The Auditor's Independence Declaration would have been expressed in the same terms if it had been given to the directors at the date this auditor's review report was signed.

### 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 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 2009 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*.



Ernst & Young



T G Dachs  
Partner  
11 February 2010

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