



Argo Investments Limited

Investing in Australia since 1946

Annual General Meeting 2014

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Summary of financial results

for the year ended 30 June, 2014

	2014	2013	change
Profit	\$195.9 million	\$175.0 million	+11.9%
Earnings per share	30.2 cents	27.7 cents	+9.0%
Final dividend per share	14.5 cents^(a)	13.5 cents ^(b)	+7.4%
Total dividends per share for the full year	28.0 cents	26.5 cents	+5.7%
Net tangible asset backing per share	\$7.35	\$6.52	+12.7%
Management Expense Ratio	0.15%	0.18%	-16.7%

(a) does not include a listed investment company (LIC) capital gain component

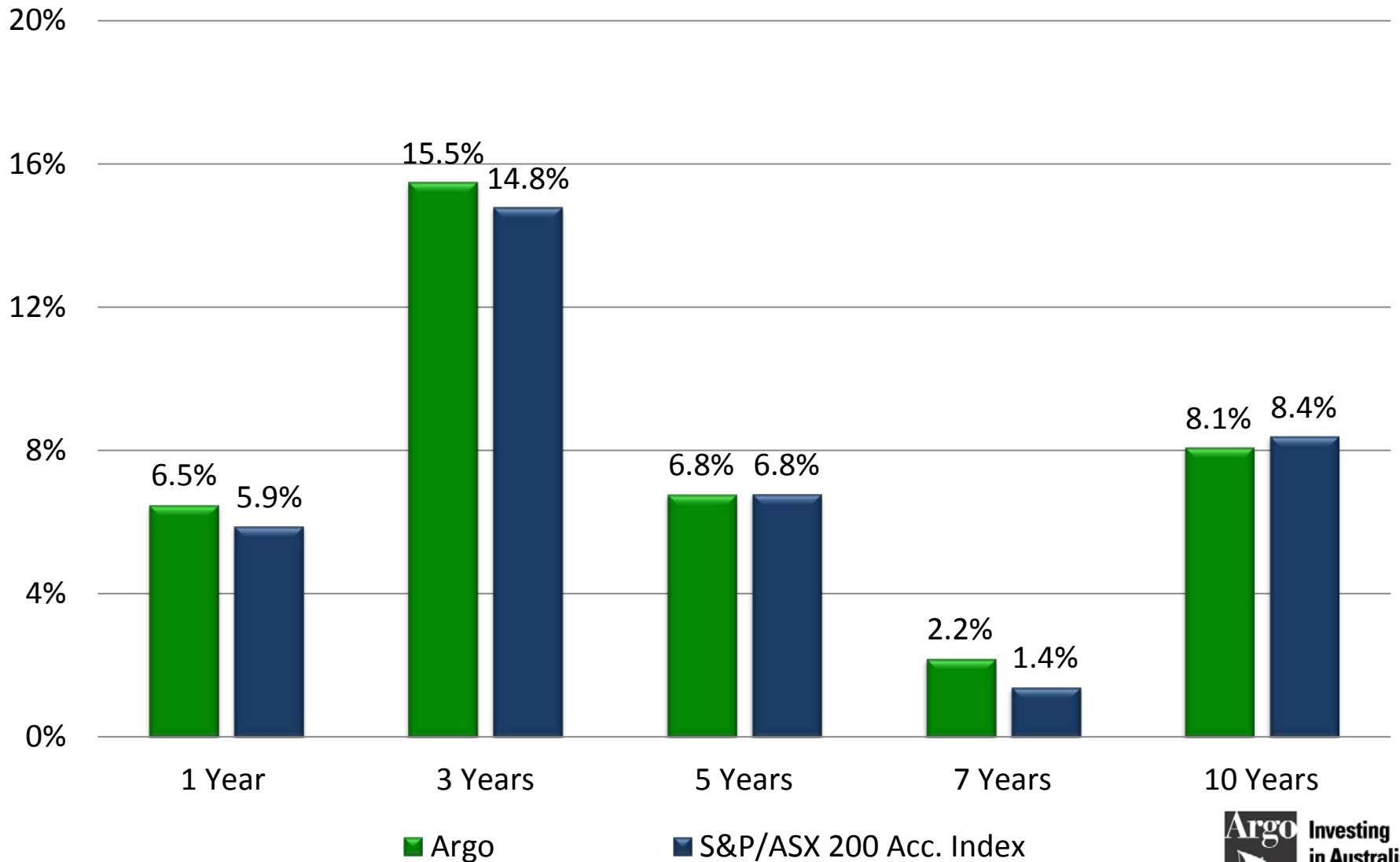
(b) included a 0.75 cent per share listed investment company (LIC) capital gain component

Capital management

- Share Purchase Plan in March 2014 raised \$99.6m
- Dividend Reinvestment Plan in September 2013 and March 2014 raised \$33.1m

Compound NTA growth

to 30 September, 2014: % per annum



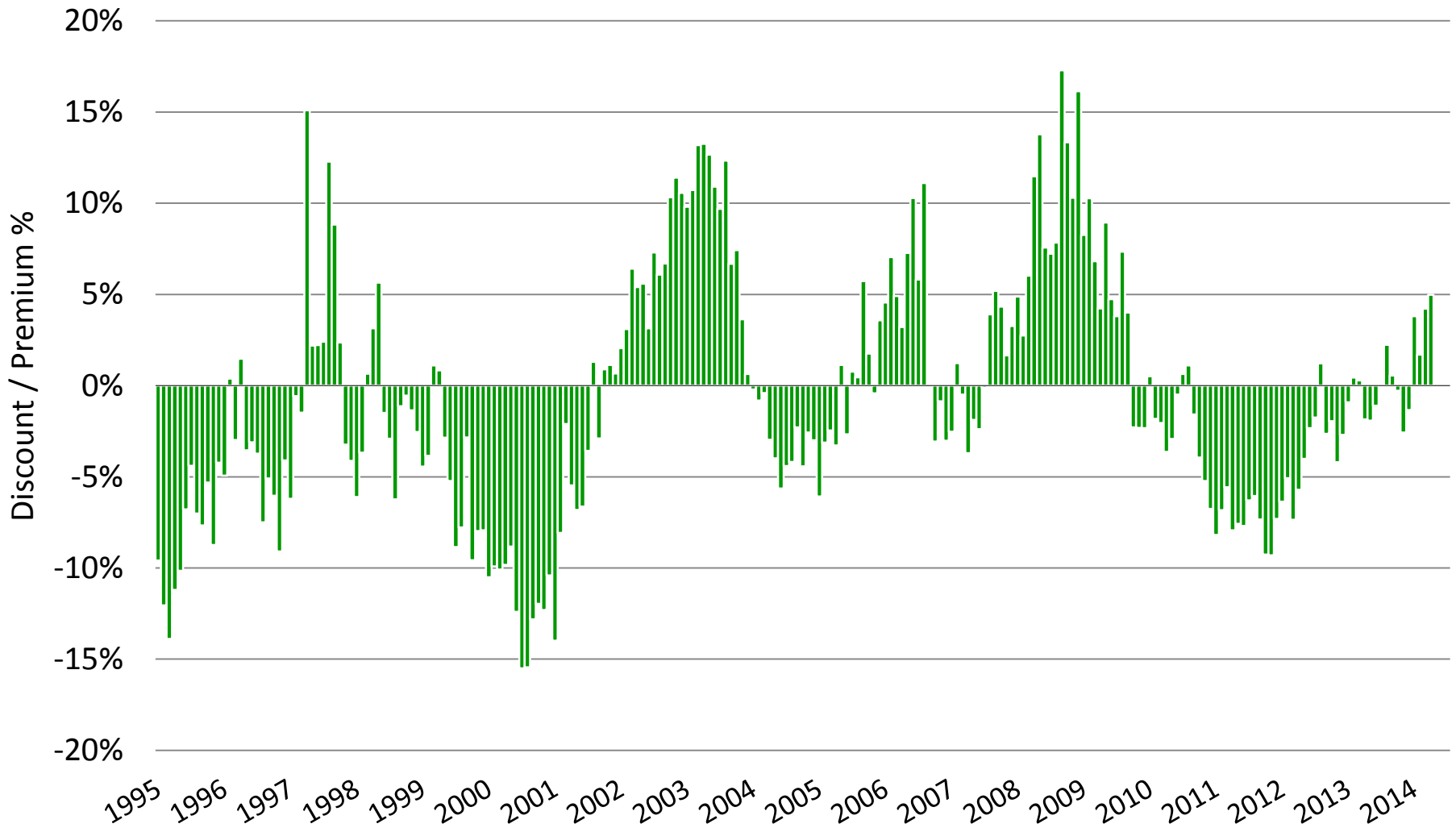
Source: Macquarie

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Share price relative to NTA

to 30 September, 2014



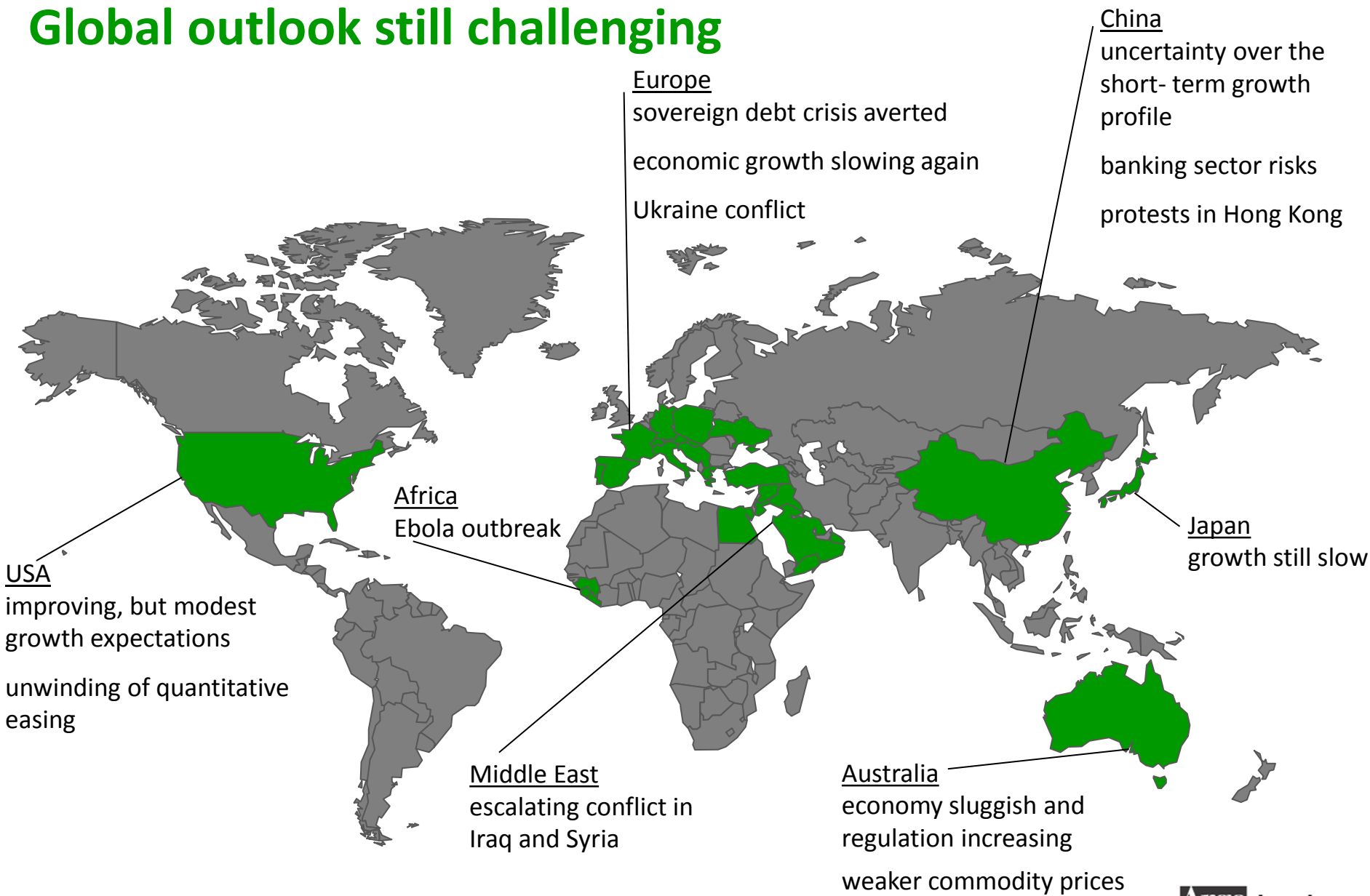
Independent assessment of Board performance

Cameronralph Navigator rating of –

“Strong - the Board demonstrates strong capabilities across the majority of the critical elements of board effectiveness and is actively minimising governance risk to the organisation and for stakeholders.”*

**Cameronralph Navigator considers materials provided by the organisation and interviews with directors and others, to make this assessment, which is solely of the corporate governance risk with respect to the organisation at the specified point in time. The rating cannot, and does not, represent either a credit assessment, or an assessment of the organisation’s suitability as an investment, or an assessment with respect to its corporate governance risk at any other time or in changed circumstances.*

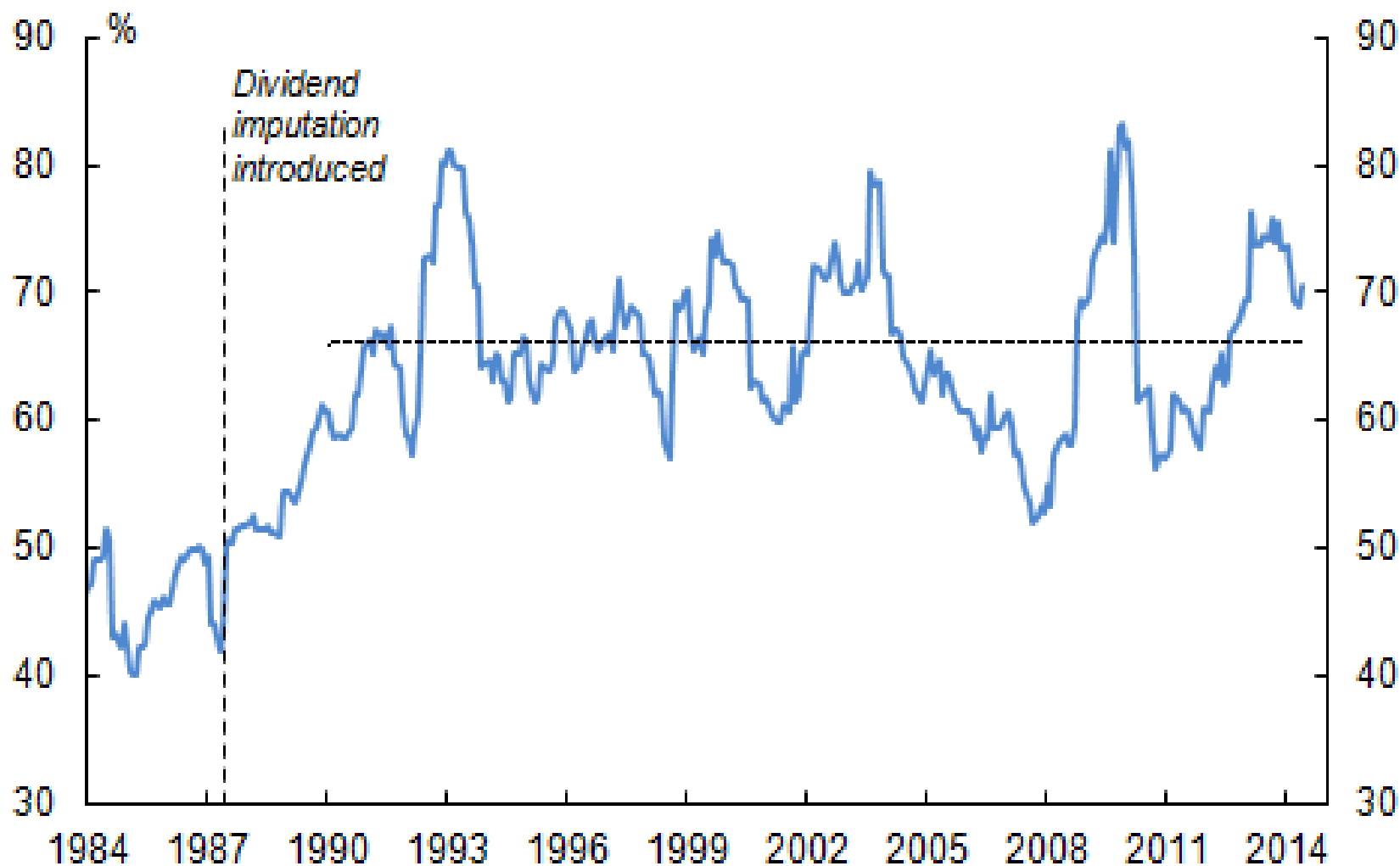
Global outlook still challenging



Has much changed in the last 12 months?

	24 October, 2014	28 October, 2013	<i>change</i>
ASX/200 Accumulation Index	5,412	5,441	-0.5%
Interest rates	2.5%	2.5%	<i>steady</i>
Australian dollar (against the USD)	\$0.88	\$0.96	-8.3%
Share price	\$7.82	\$7.27	7.6%

Payout ratio of companies in the S&P/ASX 200 Index



Source: Datastream, IBES, Deutsche Bank

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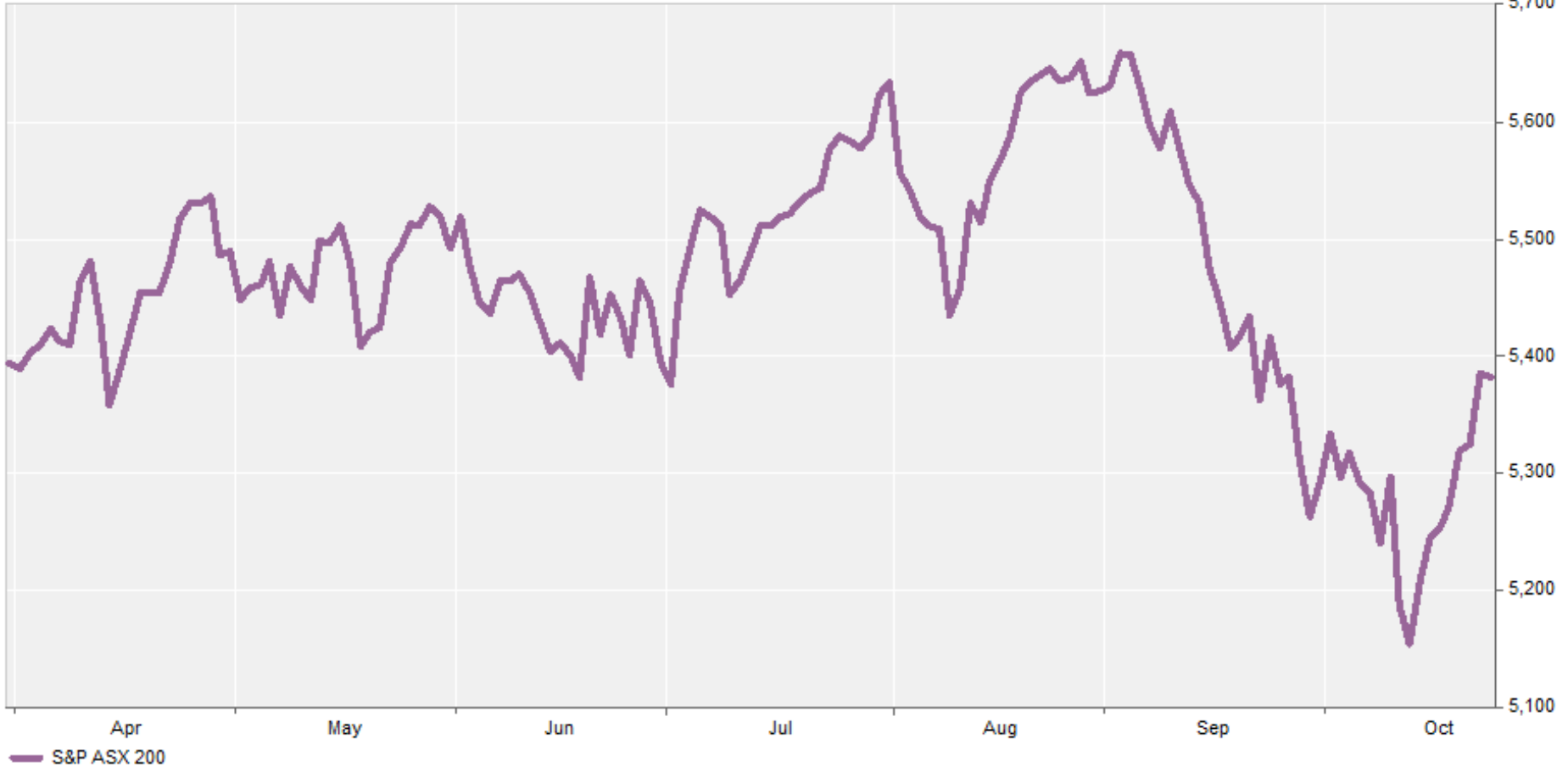


S&P/ASX 200 Index – increasing volatility

Closing Price

31-Mar-2014 to 23-Oct-2014 (Daily)

Price (Local Currency)



Source: FactSet Prices

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Major investment purchases

during the year to 30 June, 2014

	\$M
Mermaid Marine Australia	17.3
ANZ Banking Group	15.8
Telstra Corporation	15.7
Transurban Group	15.0
Commonwealth Bank of Australia	14.7
Westpac Banking Corporation	13.5
Sydney Airport	12.7

Major investment sales

during the year to 30 June, 2014

	\$M
Australian United Investment Company	20.1
Diversified United Investment	15.4
Cochlear*	7.5
Leighton Holdings (partial takeover)	6.6
James Hardie Industries*	5.2
BKI Investment*	5.2

* completely removed from the portfolio

Investment purchases since year end

to 30 September, 2014

- Total of approximately \$75m
- Larger purchases:
 - Commonwealth Bank of Australia
 - Santos
 - Asaleo Care
 - Telstra Corporation
 - AGL Energy

Investment disposals since year end

to 30 September, 2014

- David Jones - \$13.6 million
 - Takeover offer by Woolworths South Africa
- News Corporation - \$7.8 million
- Orora Limited - \$7.5 million

21st Century Fox, Inc.

- July, 2013 - News Corporation split and became
 - 21st Century Fox, Inc. (FOX)
 - core global portfolio of cable and broadcasting media and entertainment
 - News Corporation (NWS)
 - newspaper print and digital businesses, positions in REA Group, Foxtel, Fox sports, Amplify
- May, 2014 – removal of FOX from the ASX and listed solely on the NASDAQ

“same business we have analysed and invested in for many years...We feel the business is in a very strong position which is not being recognised in the current share price...offers exposure to a business not able to be replicated by other alternatives listed on the Australian market.”

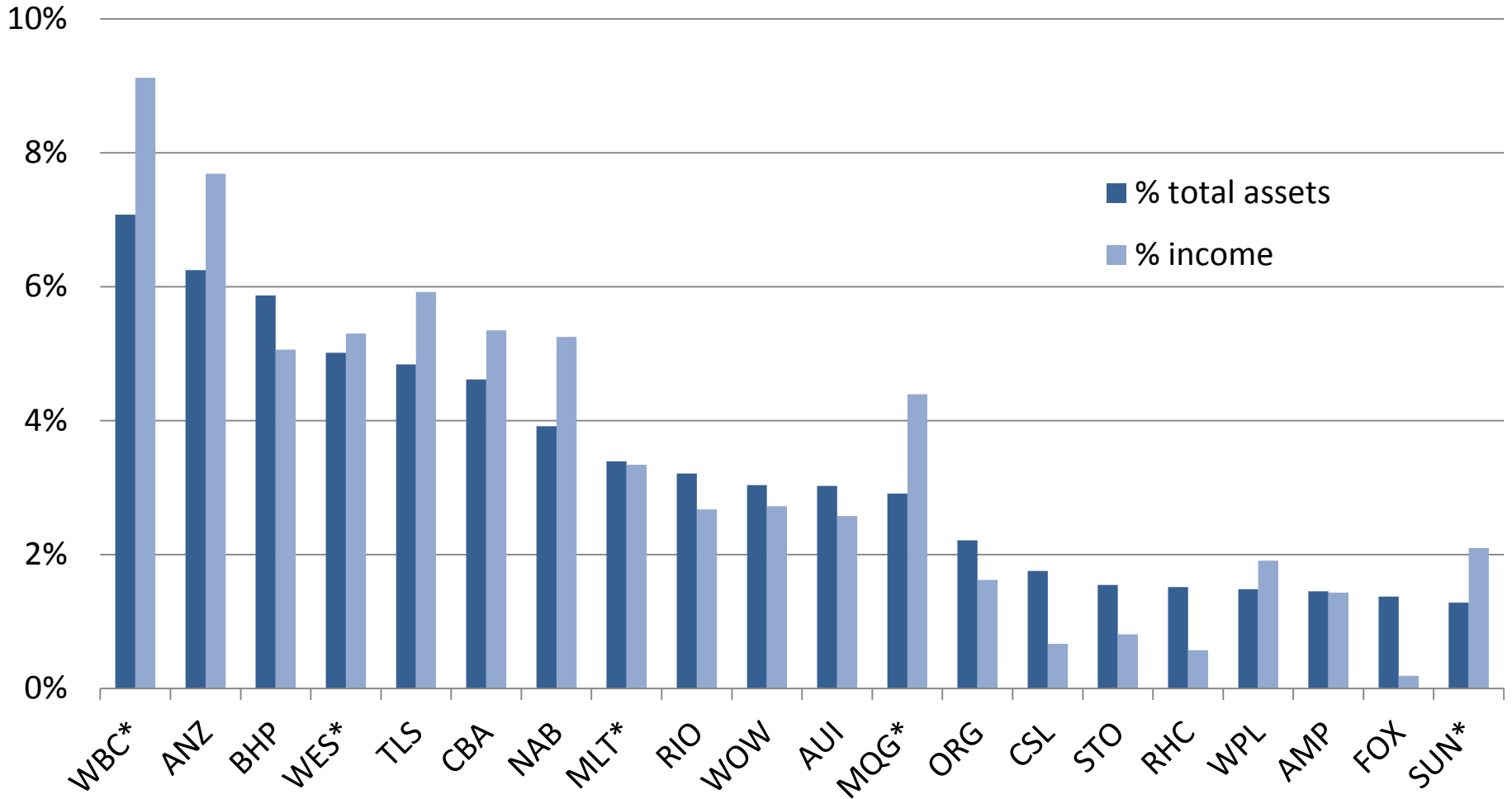
Top 20 equity investments

as at 30 September, 2014

	\$M		\$M
Westpac Banking Corp.	329.5	Australian United Invest.	140.8
ANZ Banking Group	290.8	Macquarie Group	135.6
BHP Billiton	273.2	Origin Energy	103.1
Wesfarmers	233.4	CSL	81.7
Telstra Corporation	225.3	Santos	72.0
Commonwealth Bank	214.8	Ramsay Health Care	70.6
National Aust. Bank	182.4	Woodside Petroleum	69.1
Milton Corporation	158.0	AMP	67.6
Rio Tinto	149.6	21 st Century Fox	63.9
Woolworths	141.5	Suncorp Group	59.8

Top 20 equity investments – proportion of total assets and contribution to income

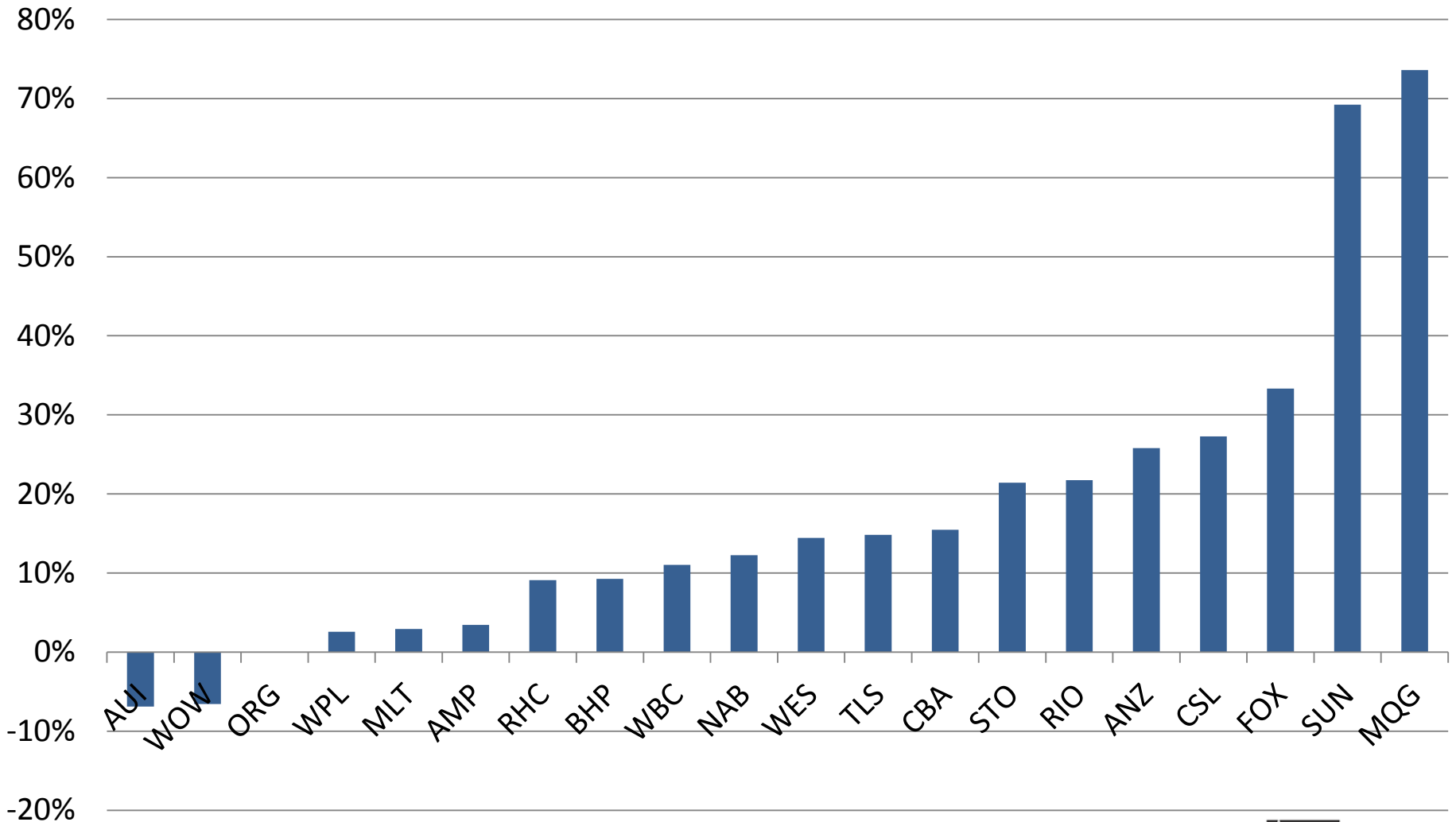
as at 30 September, 2014



*income from Westpac Banking Corporation (WBC), Wesfarmers (WES), Milton Corporation (MLT), Macquarie Group (MQG) and Suncorp Group (SUN) included special dividends

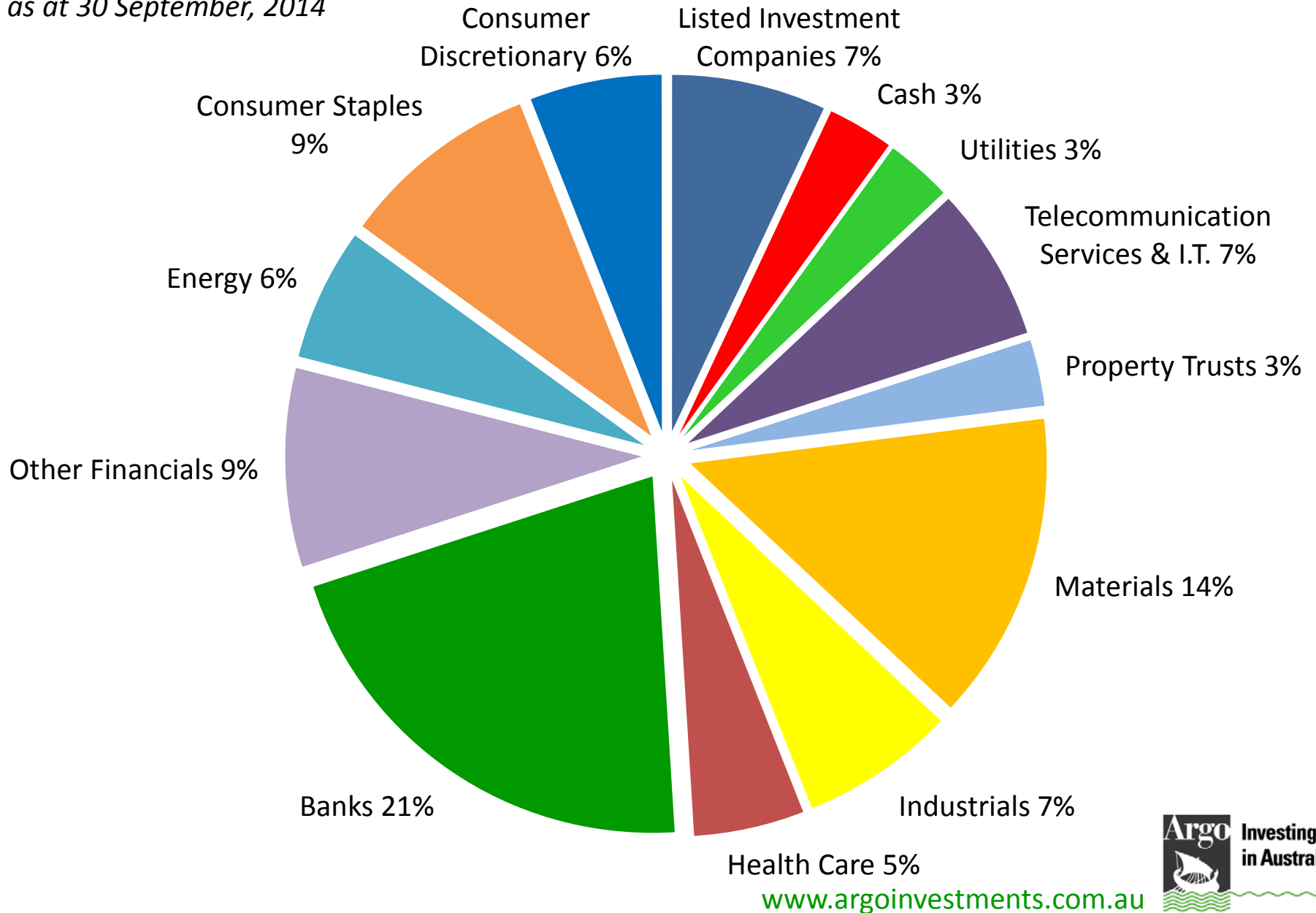
Top 20 equity investments - dividend movements

year ended 30 September, 2014: % change on previous corresponding period

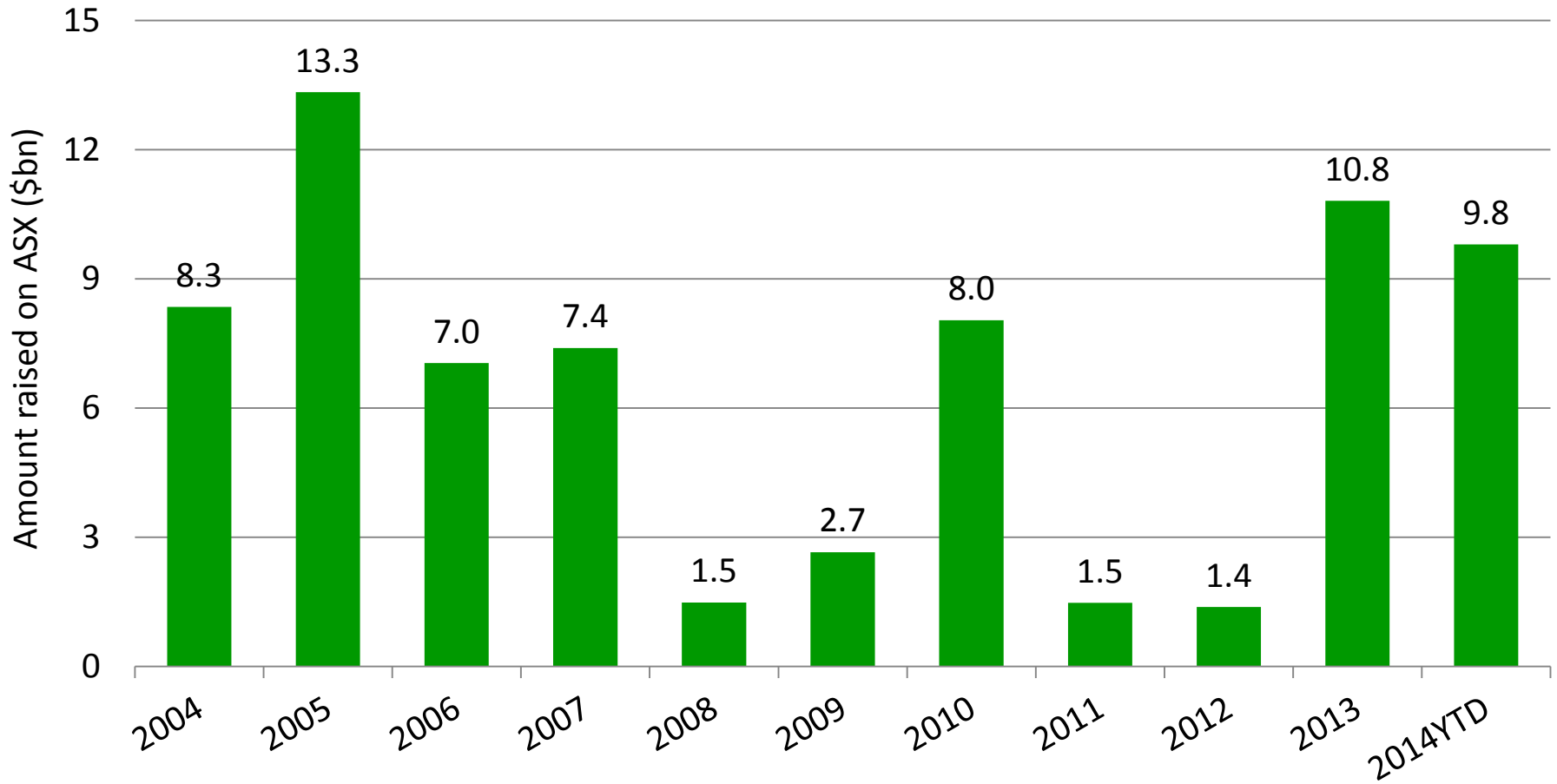


Investment portfolio sector allocation

as at 30 September, 2014



ASX Initial Public Offerings since 2004



Source: Macquarie

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New stocks added to the portfolio



- Operates child care centres



- personal care, hygiene and tissue product company



- investment administration provider



- developer of assisted reproductive technologies

New stocks added to the portfolio



- manufacturer of specialist plastic packaging



- provider of services to insurance brokers



- global online education company



- residential aged care provider

Market P/E ratio

based on 12 months forward earnings estimates



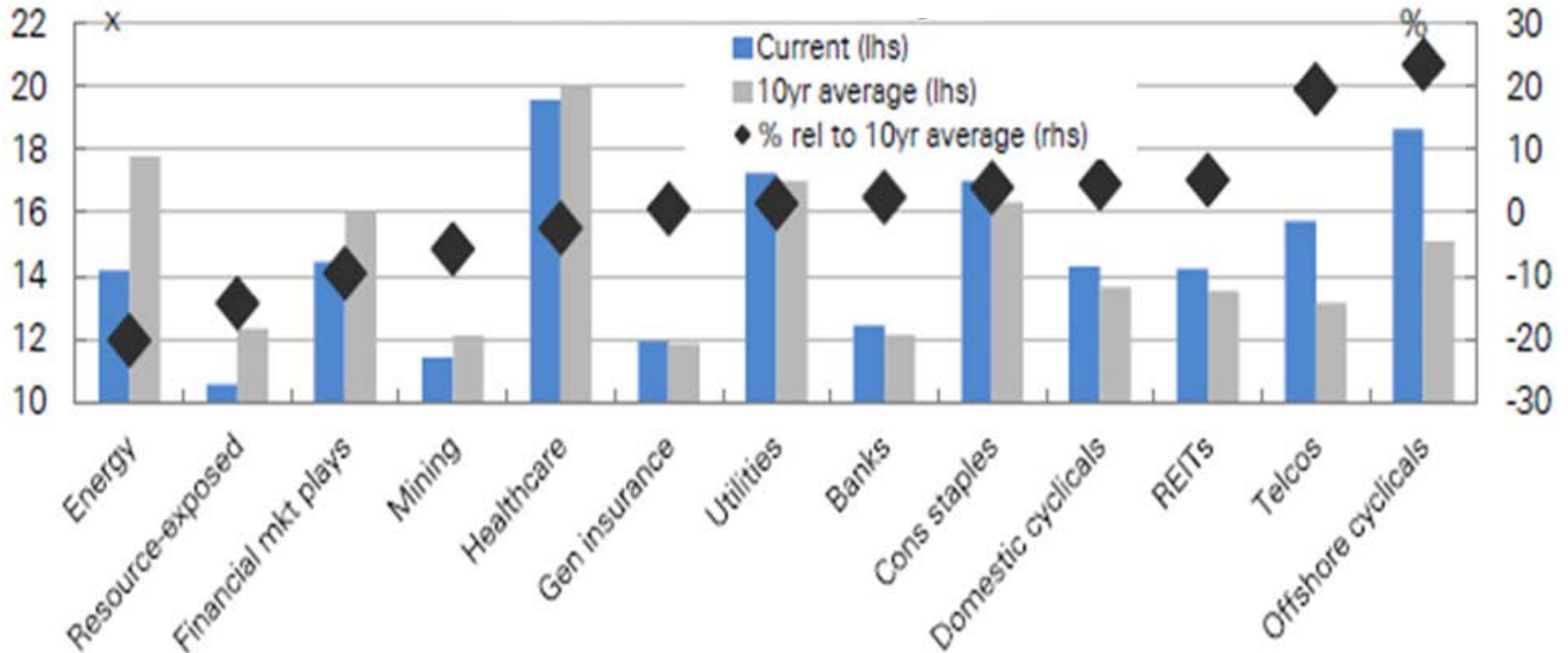
Source: Deutsche Bank

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Sector P/E ratios

based on 12 months forward earnings estimates

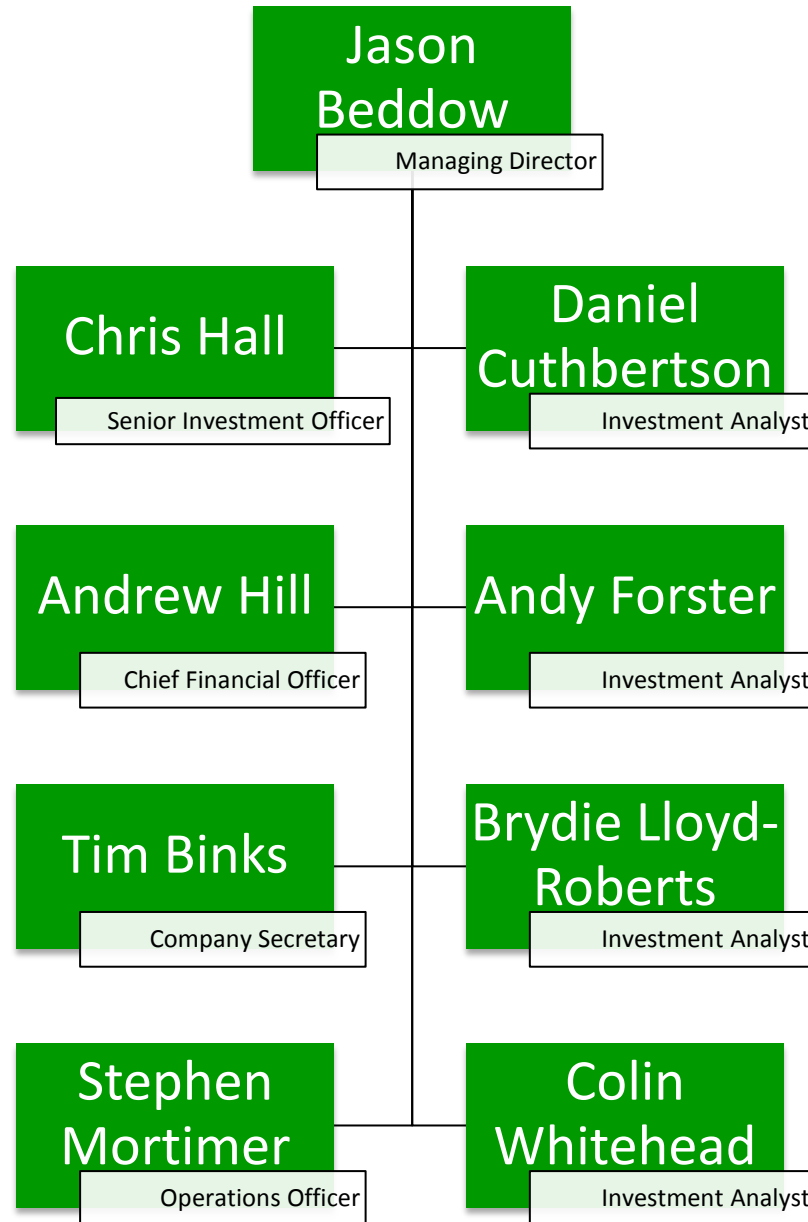


Source: Deutsche Bank

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Executive team





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