



## Argo Investments Limited

Investing in Australia since 1946

# Investor presentation

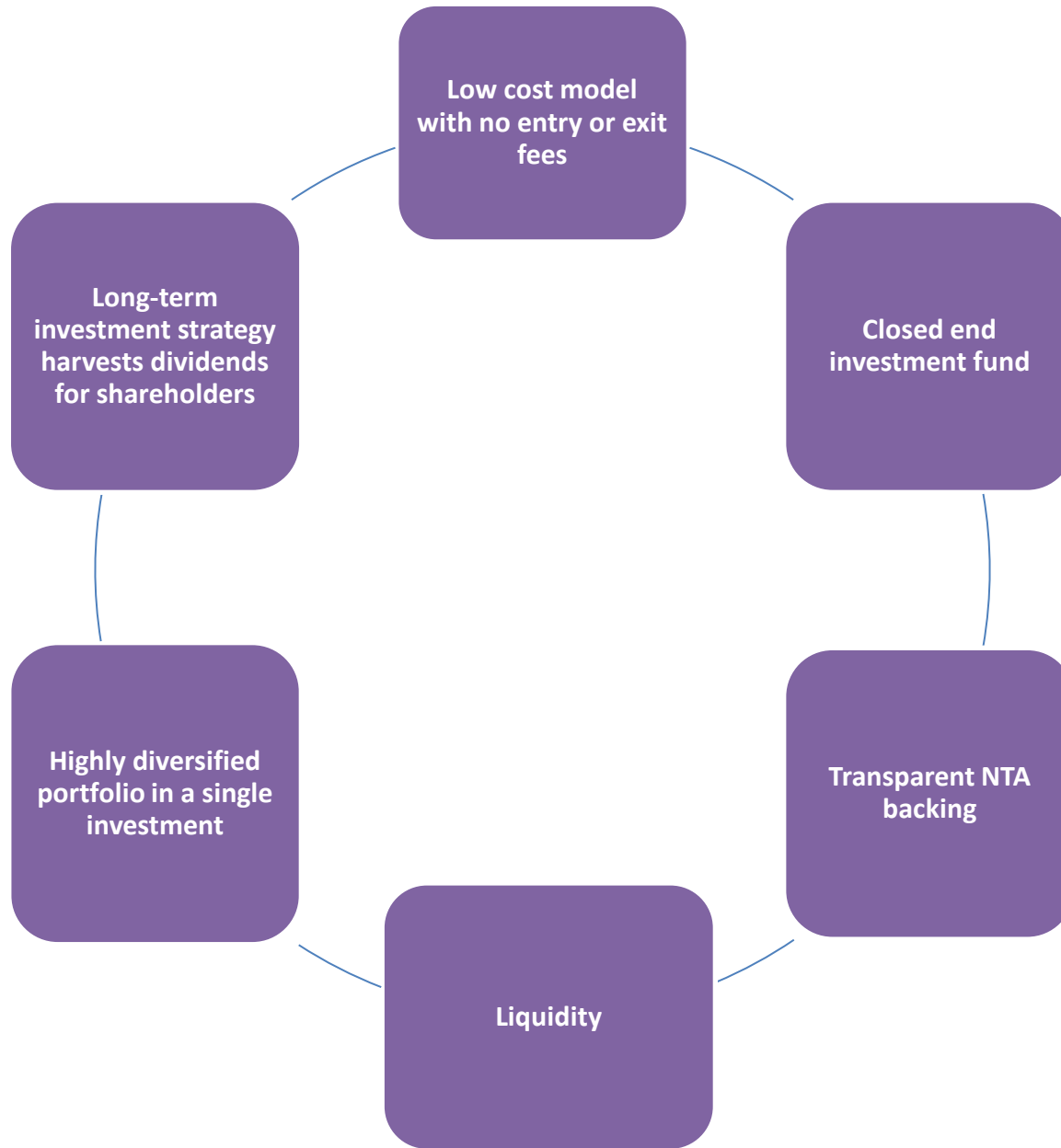
# Disclaimer

Argo Investments Limited has prepared this presentation in good faith. However, Argo does not warrant or represent that the information is free from errors or omissions or is suitable for your intended use and no warranty (explicit or implied) is made as to the accuracy, completeness or reliability of any statements. Subject to any terms implied by law and which cannot be excluded, Argo accepts no responsibility for any loss, damage, cost or expense (whether direct or indirect) incurred by any one as a result of any error, omission or misrepresentation in any information presented.

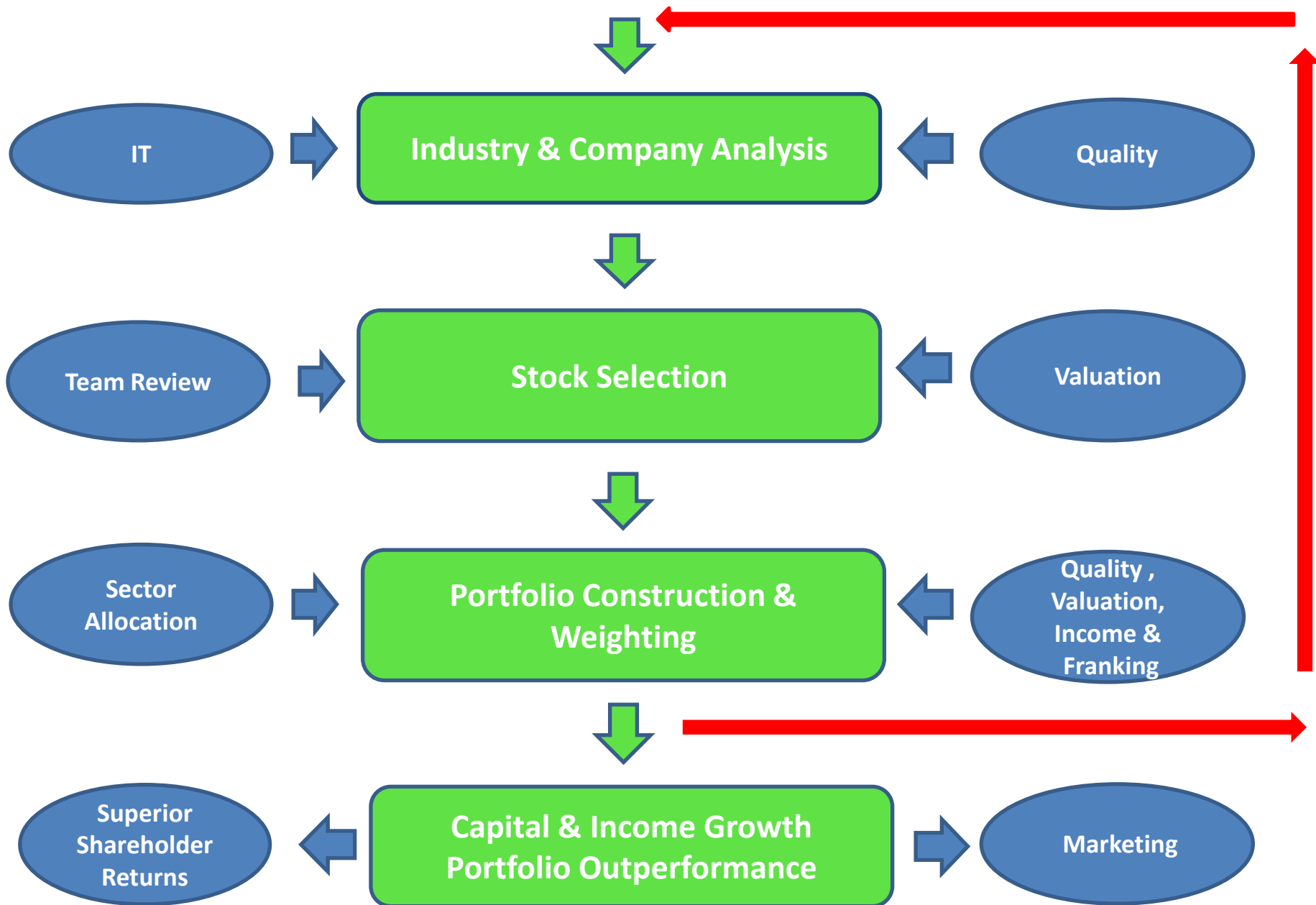
The information presented is intended as general information only and is not a securities recommendation or statement of opinion that is intended to influence any person in making an investment decision in relation to a particular financial product or class of financial products.

If you are considering making an investment decision, you should seek independent professional financial advice which would take into account your personal needs and individual financial circumstances.

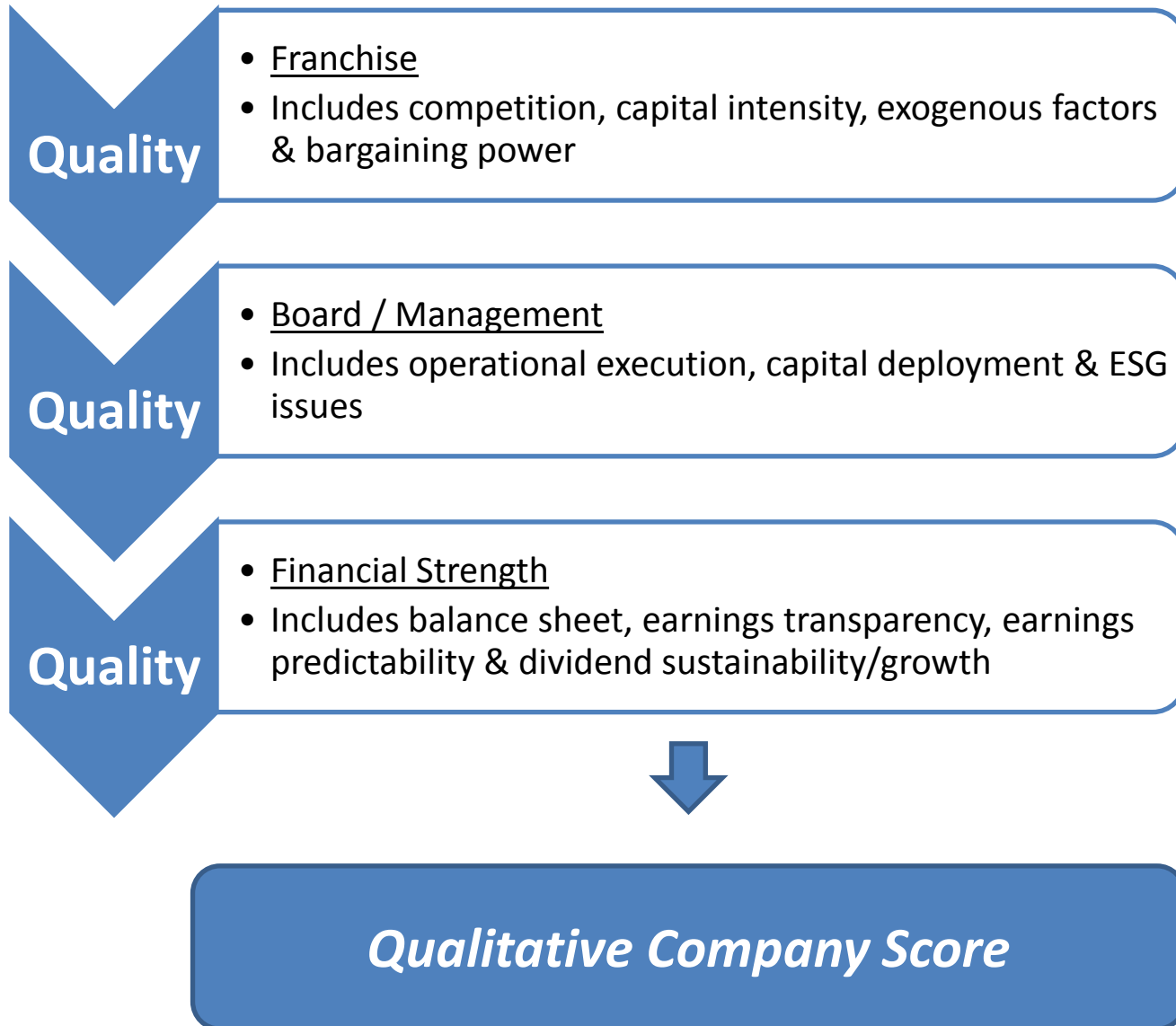
# Advantages of investing in Argo



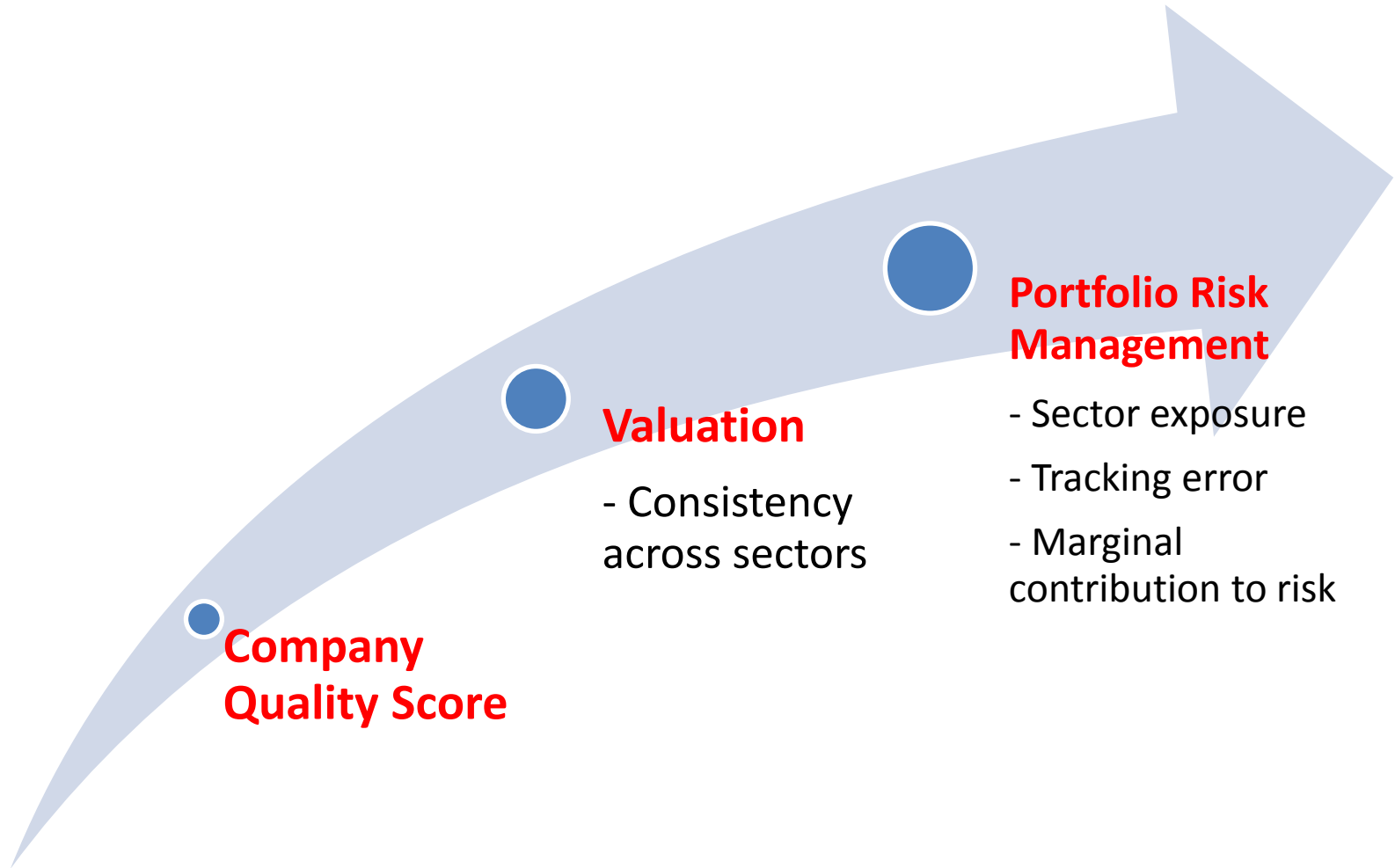
# Investment process



# Industry and company analysis – qualitative attributes



# Portfolio construction





# Investment performance

# Summary of financial results

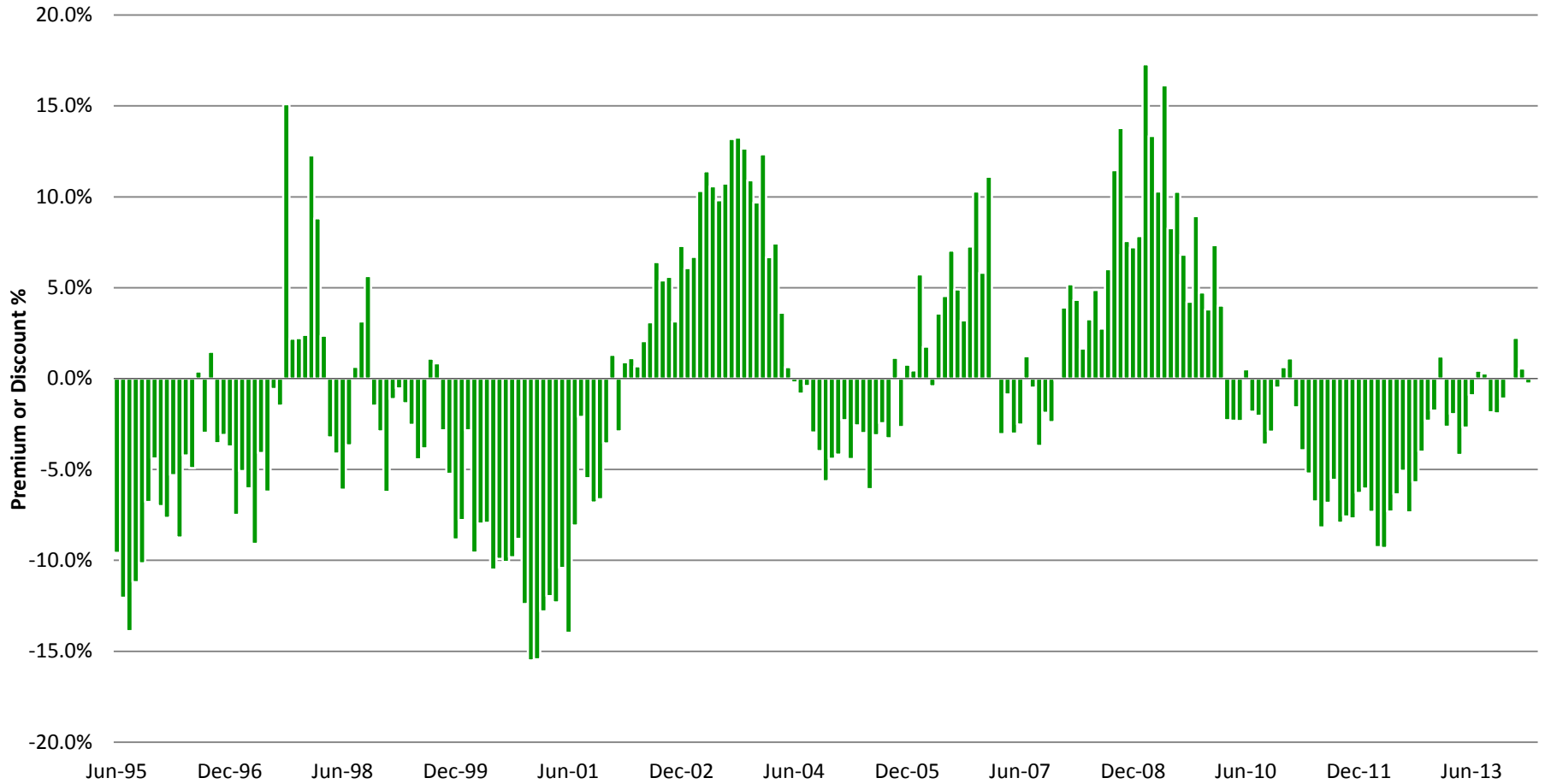
for the half year ended 31 December, 2013

	Half-year to 31.12.13	Half-year to 31.12.12	Change
Profit*	<b>\$101.9 million</b>	\$86.3 million	+18.1%
Earnings per share	<b>15.8 cents</b>	13.7 cents	+15.3%
Interim dividend per share	<b>13.5 cents</b>	13.0 cents	+3.8%
Net asset backing per share	<b>\$7.31</b>	\$6.26	+16.8%

\* Included \$6.9m of non-cash, one-off income items (Brambles/Recall Holdings and Amcor/Orora demerger dividends and a special dividend due to the in-specie distribution of Sydney Airport securities by Macquarie Group).

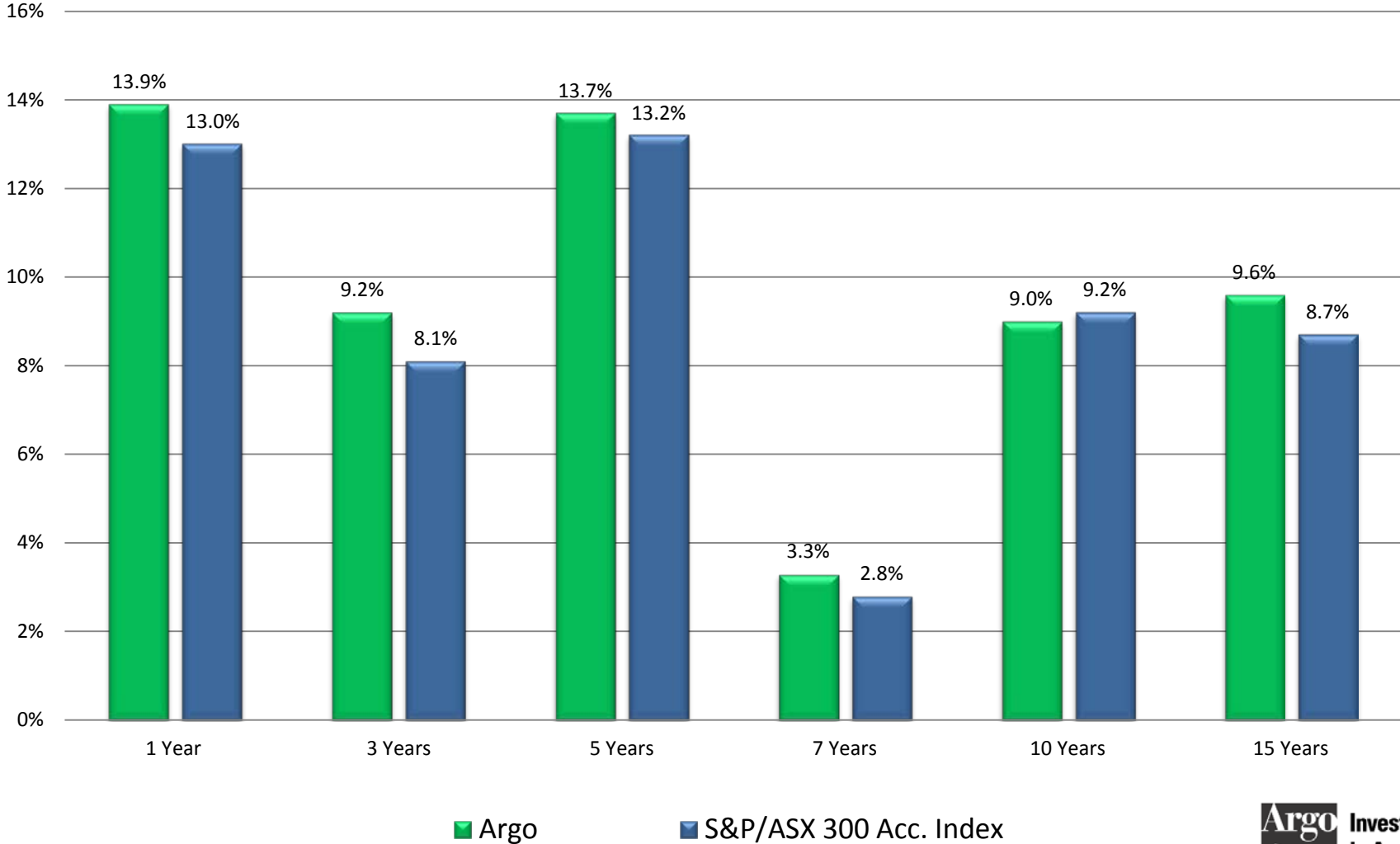
# Share price relative to NTA

to 31 March, 2014



# Total Portfolio Return

to 31 March, 2014: % per annum



■ Argo

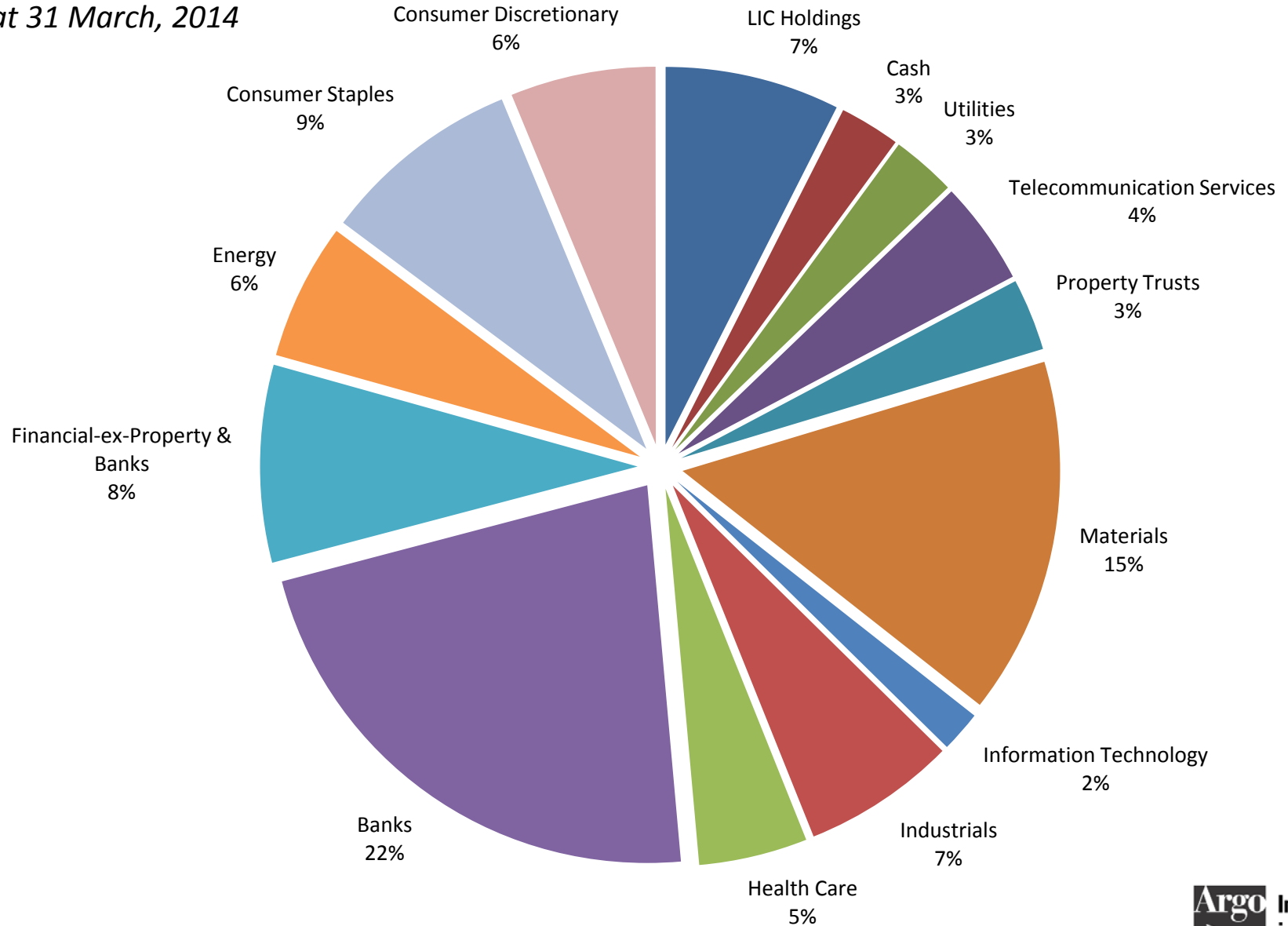
■ S&P/ASX 300 Acc. Index

Source: JBWere



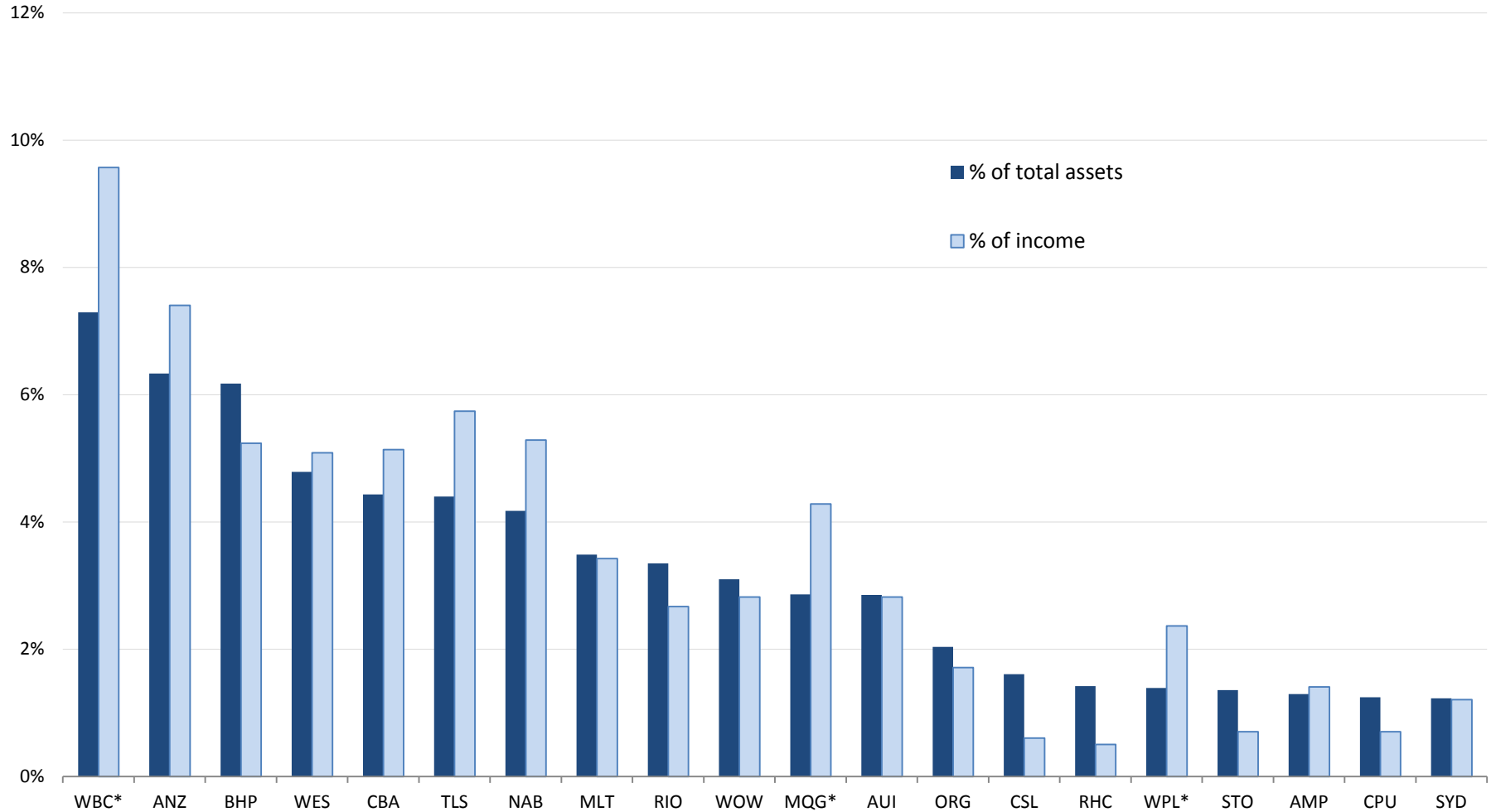
# Portfolio allocation

as at 31 March, 2014



# Proportion of total assets and contribution to income

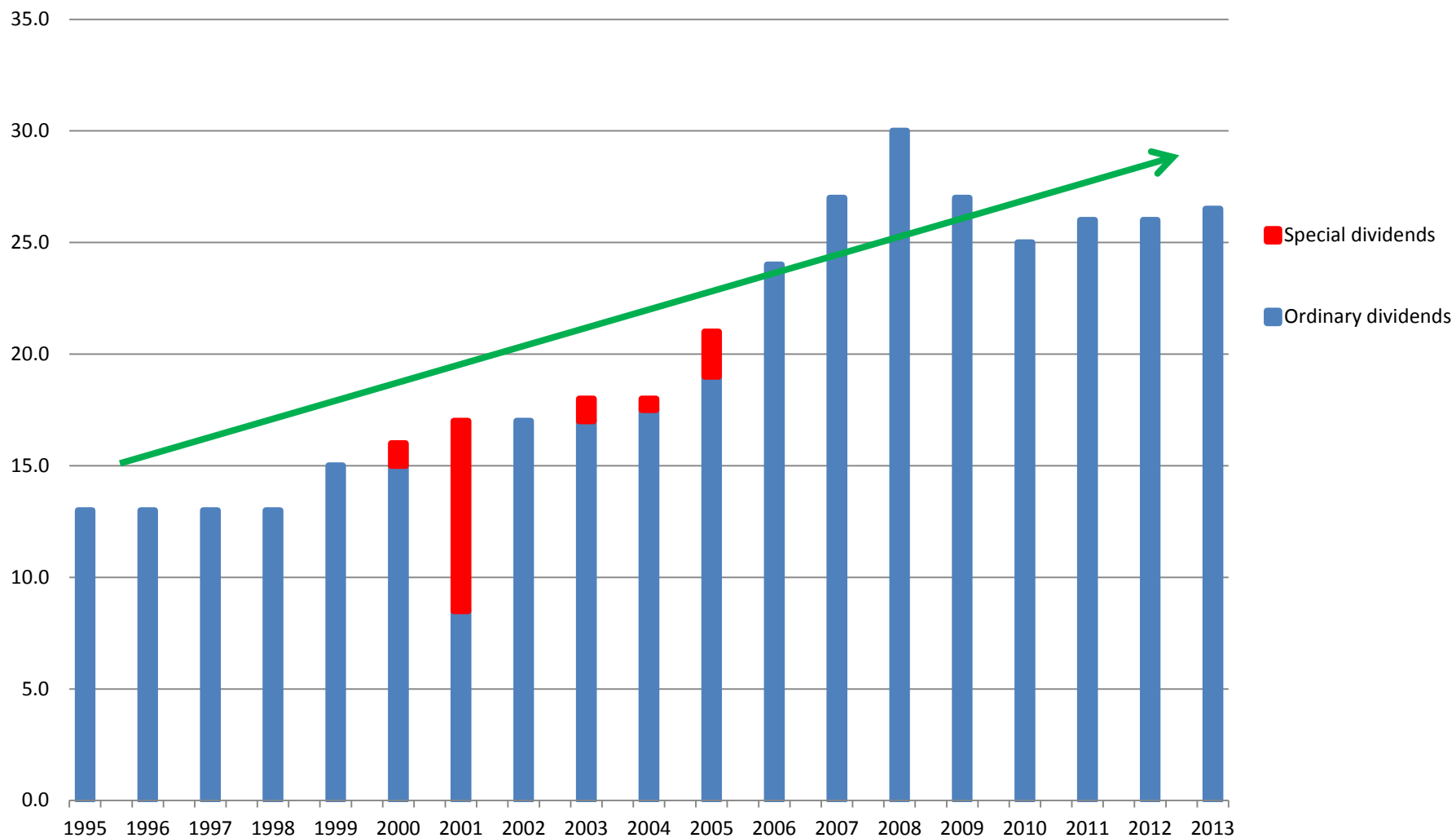
as at 31 March, 2014 – top 20 equity investments



\* Income from WBC, MQG and WPL included special dividends

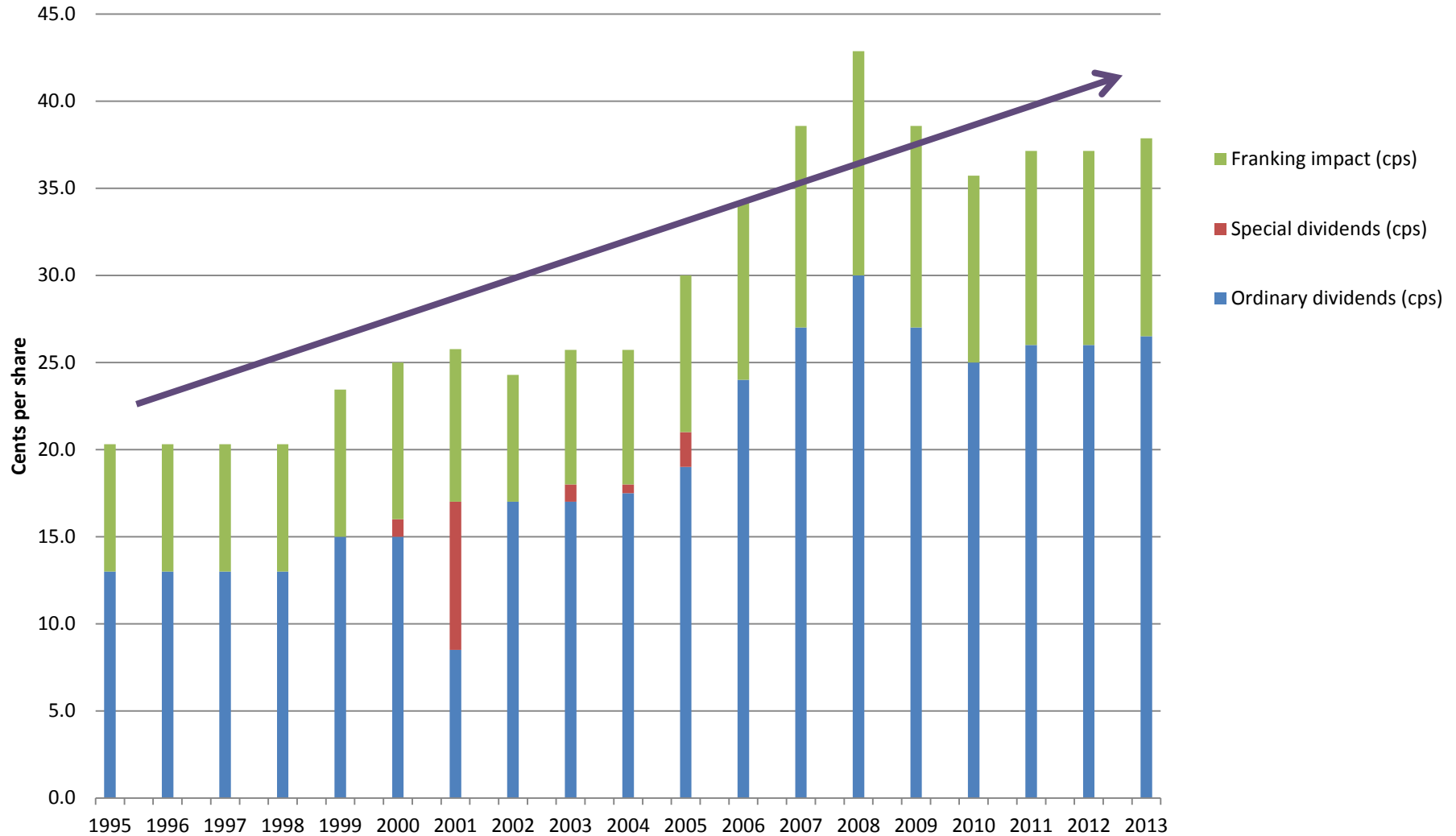
# Dividends and the portfolio

# Dividend history - cents per share



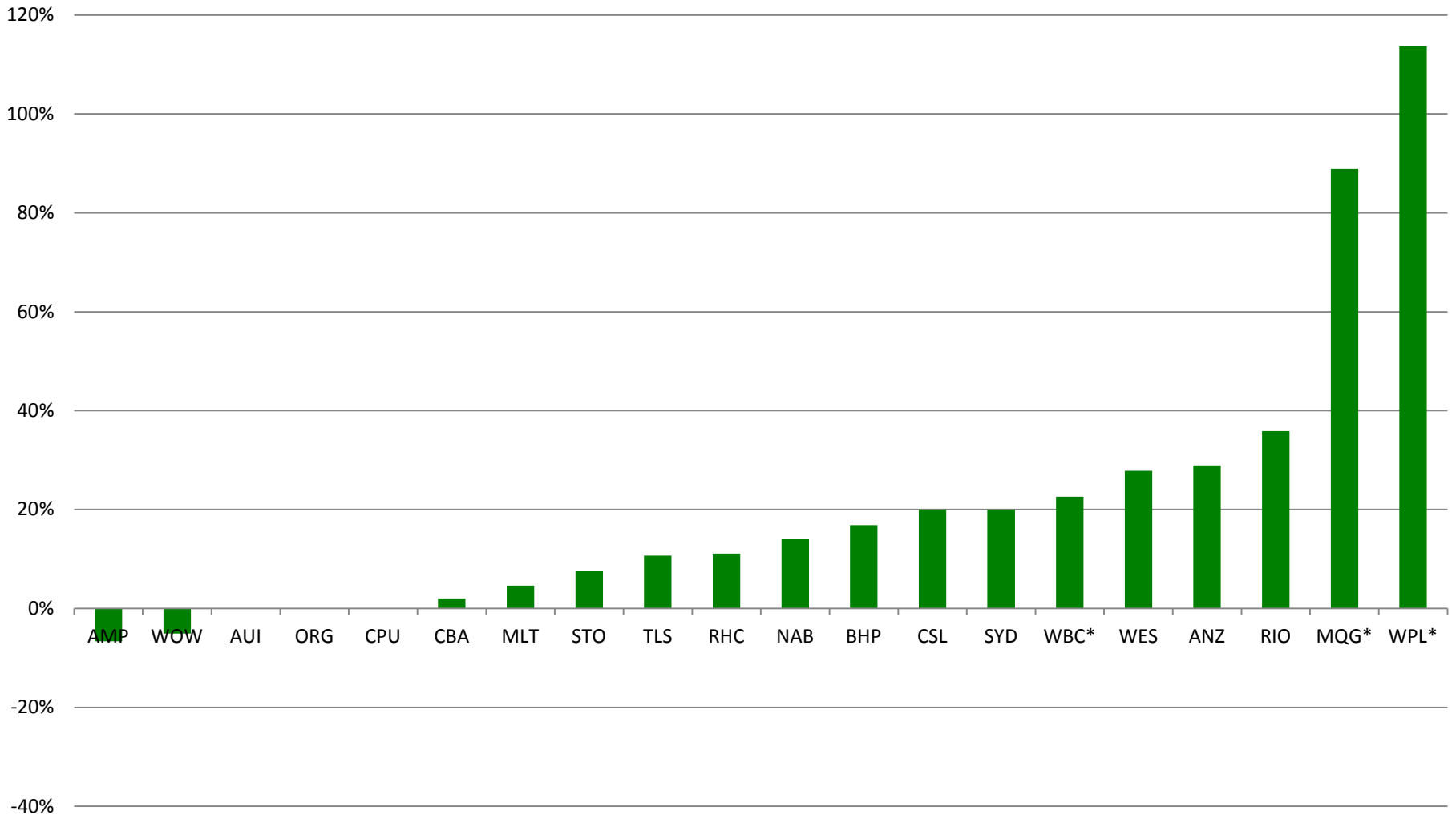


# Dividend history - grossed up for franking credits



# Income received – dividend movements

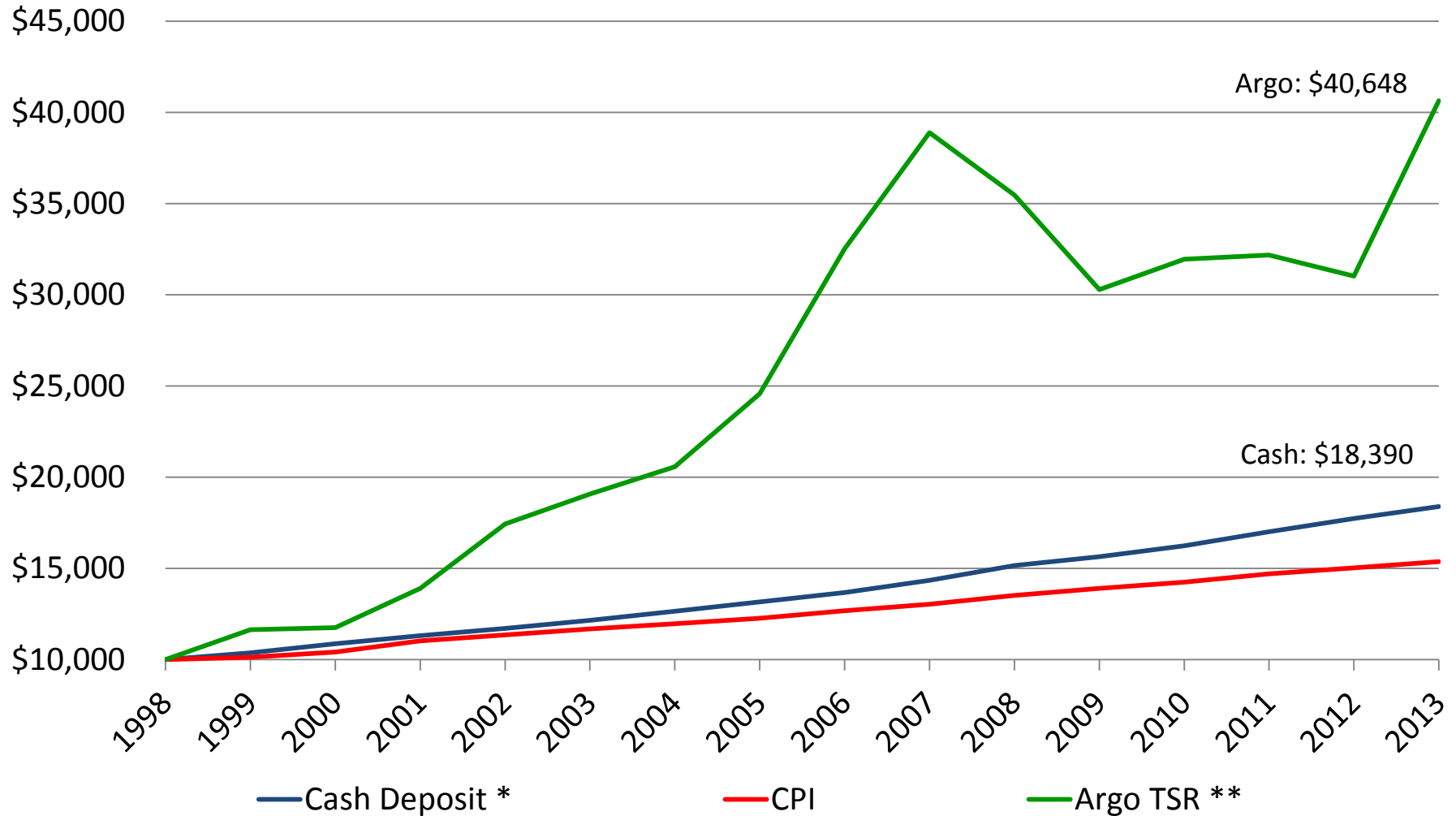
to 31 March, 2014: % change on previous year



\* Income from WBC, MQG and WPL included special dividends

# Value of \$10,000 invested in Argo shares v cash deposits

15 years to 30 June, 2013



\* Based on a 6 month bank deposit with balance >\$10,000 compounded & calculated monthly

\*\* Total Shareholder Return (TSR) assumes all dividends & sale of rights are reinvested in Argo shares

Source: Macquarie Group

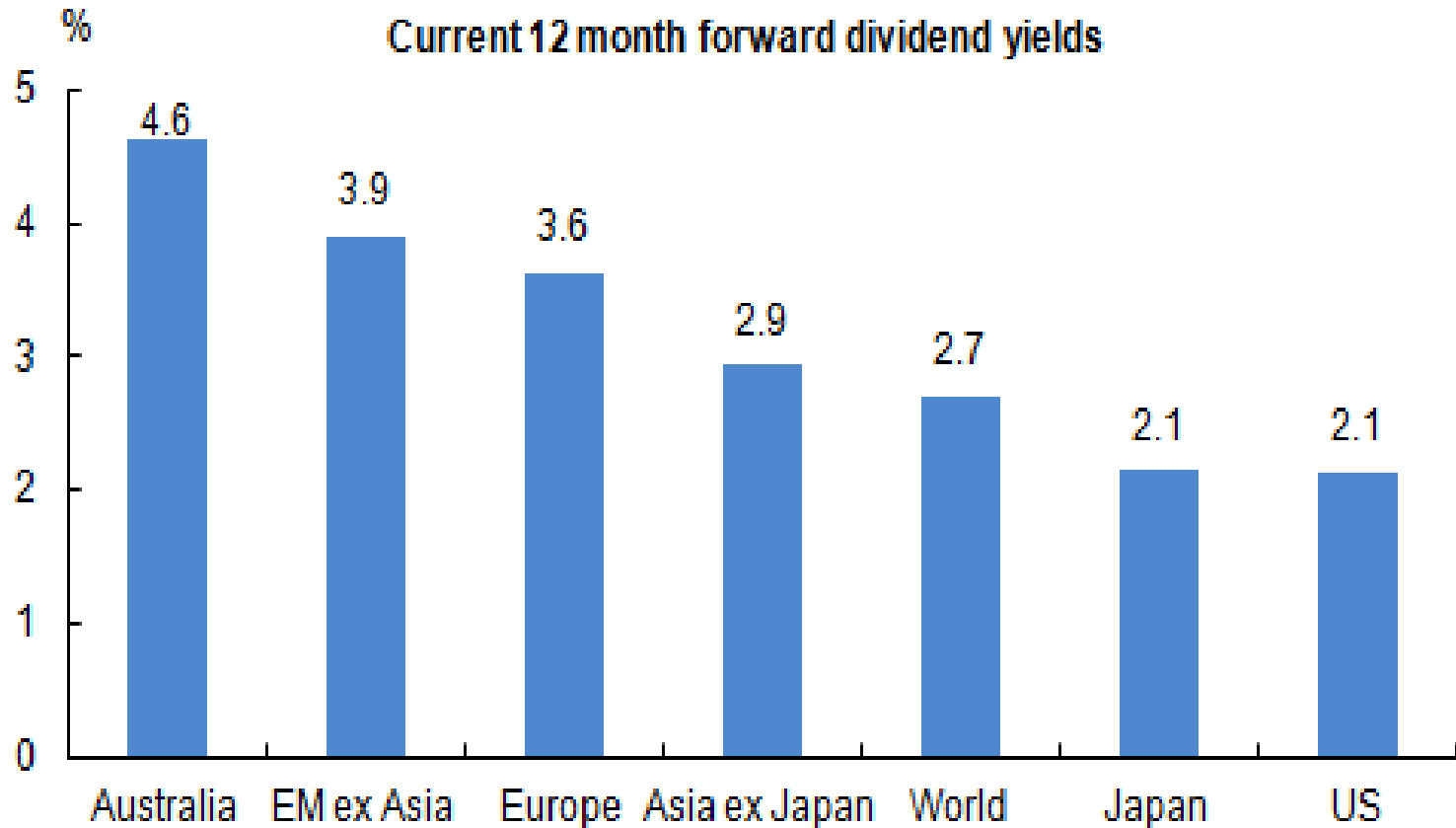
[www.argoinvestments.com.au](http://www.argoinvestments.com.au)



# Market outlook

# Estimated 12 month forward dividend yields

as at 31 March, 2014

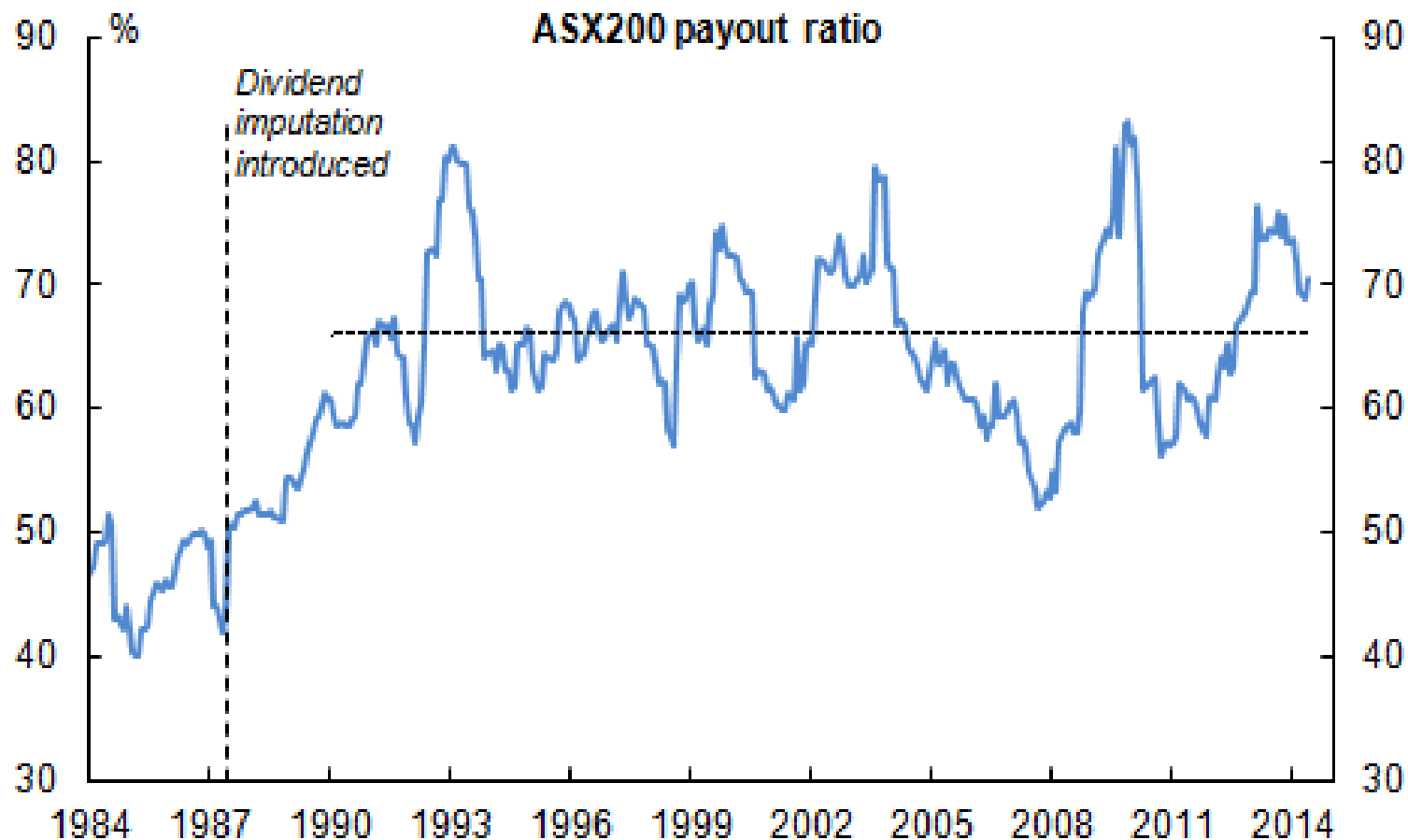


Source: Datastream, IBES, Deutsche Bank

[www.argoinvestments.com.au](http://www.argoinvestments.com.au)



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



Source: Datastream, IBES, Deutsche Bank

[www.argoinvestments.com.au](http://www.argoinvestments.com.au)

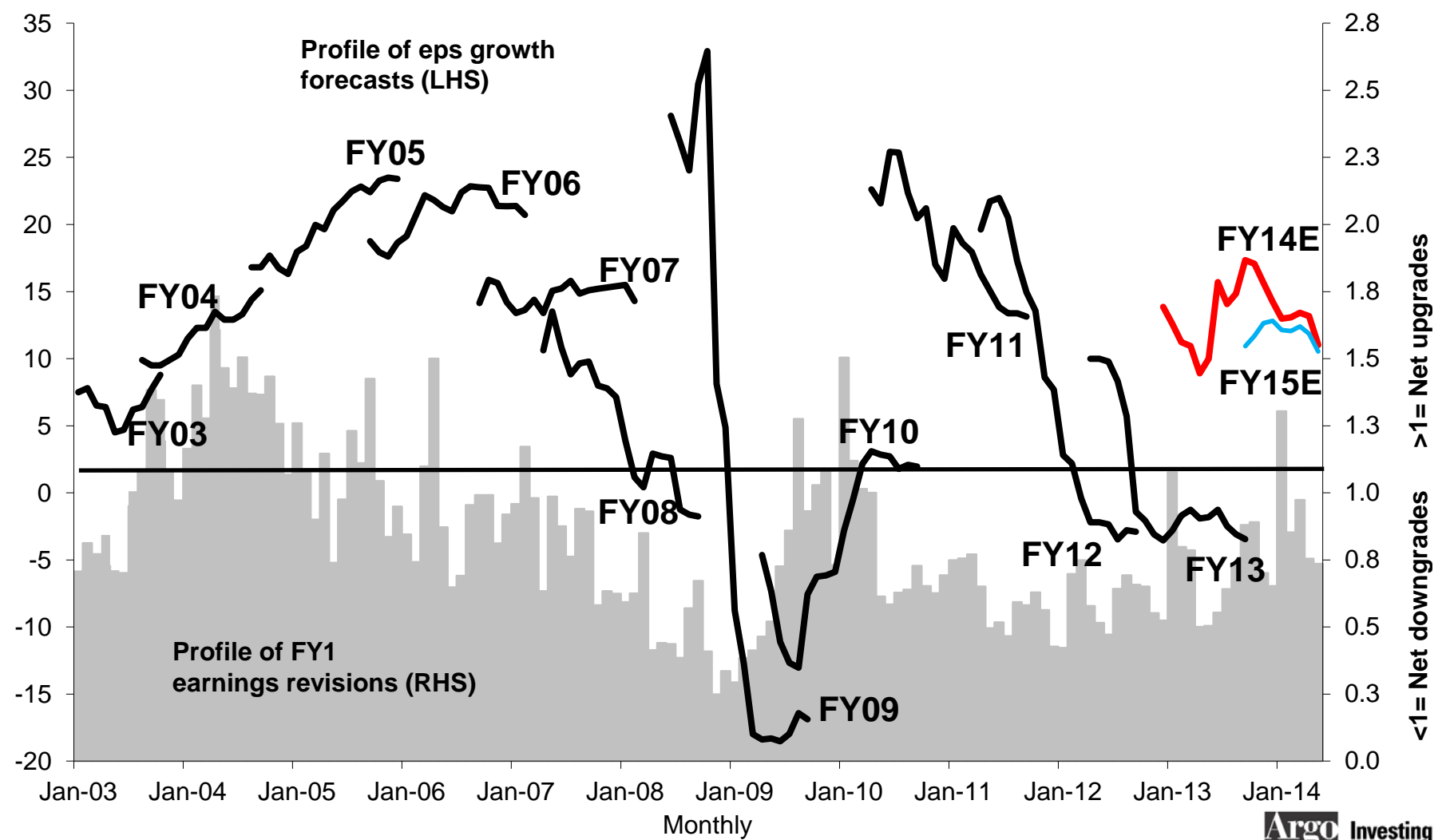


# Earnings revision downgrade cycle abating

Forecast EPS growth for year shown (%)

Australian market EPSg profile

FY1 Earnings revisions (x)



Source: Macquarie Group





[www.argoinvestments.com.au](http://www.argoinvestments.com.au)