

Appendix 4D
Half-year Report
For the six months to 31 December 2010

Results for announcement to the market

Financial Results	Movement	December 2010 \$
Revenue from ordinary activities	Down by \$8,028,824 (17%) to	38,115,088
Profit from ordinary activities after tax attributable to members	Down by \$4,401,563 (16%) to	23,249,754
Net Profit for the period attributable to members	Down by \$4,401,563 (16%) to	23,249,754

Dividends	Amount per Ordinary Security	Franked amount per security
2011 interim dividend	3.0 cents	100%

Record date for determining entitlements to the 2011 interim dividend	1 February 2011
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Net Tangible Asset Backing	December 2010	December 2009
Net tangible asset backing per ordinary security	150.0¢	144.0¢

Other explanatory notes

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.

WESTOZ INVESTMENT COMPANY LIMITED

A.B.N. 99 113 332 942

HALF YEAR FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

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CORPORATE DIRECTORY

REGISTERED OFFICE

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PERTH WA 6000

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Website: www.westozfunds.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

Terry Budge

Non Executive Director

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Your Directors submit their report for the half-year ended 31 December 2010.

1. DIRECTORS

The names of the Directors of the Company in office during the financial period and until the date of this report are as follows: -

Peter Diamond
Philip Rees
Jay Hughes
Terry Budge

2. REVIEW AND RESULTS OF OPERATIONS

Highlights of the Company's operations during the six months ended 31 December 2010 are as follows:

- A net profit after tax of \$23,249,754 was recorded for the period. This included 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 2010;
- An interim dividend of \$3,596,097 (3.0 cents per share) has been provided for at 31 December 2010;
- Net tangible asset backing per share at 31 December 2010 was \$1.50 per share. This figure makes allowance for all future income tax on unrealised investment gains. The figure before allowance for future income tax on unrealised gains was \$1.633 per share;
- 781,774 additional shares were issued during the six month period. The shares were issued following exercise of options at \$1.00 per share; and
- 1,927,921 shares were acquired and cancelled under a share buyback as announced on 18 November 2009.

Following the completion of the half-year to 31 December 2010, the Directors remain confident that the Company's objectives will be met over its investment horizon.

3. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No material matters have occurred since 31 December 2010.

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 Westoz Investment Company Limited's Directors' report for the half year ended 31 December 2010.

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

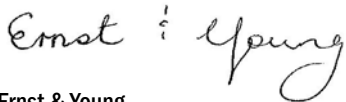


**Peter Diamond
Chairman**

3 February 2011

Auditor's Independence Declaration to the Directors of Westoz Investment Company Limited

In relation to our review of the financial report of Westoz Investment Company Limited for the half-year ended 31 December 2010, 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 'F Drummond'.

F Drummond
Partner

3 February 2011

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	31/12/2010 \$	31/12/2009 \$
Revenue from continuing operations			
Interest revenue		661,442	597,444
Dividend revenue		2,541,318	1,964,511
Other revenue		-	18,991
Total revenue		3,202,760	2,580,946
Changes in the fair value of investments designated as at fair value through profit or loss upon initial recognition	3	34,912,328	43,562,966
EXPENSES			
Managers fees		5,180,912	7,240,324
Directors fees		27,500	27,500
Professional Fees		30,247	18,797
ASX Fees		43,090	32,031
Other expenses		29,235	36,740
Total expenses		5,310,984	7,355,392
PROFIT BEFORE INCOME TAX EXPENSE		32,804,105	38,788,520
Income tax expense		(9,554,351)	(11,137,206)
NET PROFIT FOR THE PERIOD		23,249,754	27,651,317
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		23,249,754	27,651,317
Earnings per share			
- Basic (cents)		19.3	22.5
- Diluted (cents)		19.1	22.2

**STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2010**

	Note	31/12/2010	30/06/2010
		\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents		33,897,092	27,341,999
Other Current Assets		366,685	406,501
		<u>34,263,777</u>	<u>27,748,500</u>
TOTAL CURRENT ASSETS			
NON CURRENT ASSETS			
Investments in financial assets designated at fair value through profit or loss:			
- Listed Equities		174,115,956	156,389,405
		<u>174,115,956</u>	<u>156,389,405</u>
TOTAL NON CURRENT ASSETS			
		<u>208,379,734</u>	<u>184,137,905</u>
TOTAL ASSETS			
CURRENT LIABILITIES			
Trade and Other Payables		4,729,450	605,432
Unsettled Trades		888,508	-
Income Tax Payable		3,446,716	2,819,053
Dividend Payable		3,596,097	9,076,272
		<u>12,660,771</u>	<u>12,500,757</u>
TOTAL CURRENT LIABILITIES			
NON -CURRENT LIABILITIES			
Deferred Tax Liabilities		15,920,718	10,232,130
		<u>15,920,718</u>	<u>10,232,130</u>
TOTAL NON-CURRENT LIABILITIES			
		<u>28,581,490</u>	<u>22,732,887</u>
TOTAL LIABILITIES			
		<u>179,798,244</u>	<u>161,405,018</u>
NET ASSETS			
EQUITY			
Contributed Equity	4	128,909,835	130,152,652
Retained Earnings		50,888,409	31,252,366
		<u>179,798,244</u>	<u>161,405,018</u>
TOTAL EQUITY			

**CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Note	31/12/2010 \$	31/12/2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		661,442	597,444
Dividends received		2,541,318	1,964,511
Payments to suppliers and employees (inclusive of GST)		(1,147,150)	(873,760)
Income tax paid		(3,218,100)	(671,831)
		<hr/>	
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		(1,182,489)	1,016,364
		<hr/>	
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments designated as at fair value through profit and loss		45,074,766	20,170,955
Payments for purchases of investments designated as at fair value through profit and loss		(27,000,481)	(39,871,158)
		<hr/>	
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		18,074,285	(19,700,203)
		<hr/>	
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on issue of ordinary shares		781,774	-
Repurchase of ordinary shares		(2,024,590)	(186,237)
Dividend paid		(9,093,887)	-
		<hr/>	
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(10,336,703)	(186,237)
		<hr/>	
NET INCREASE/(DECREASE) IN CASH HELD		6,555,093	(18,870,076)
		<hr/>	
Cash and cash equivalents at the beginning of the period		27,341,999	46,729,750
		<hr/>	
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7	33,897,092	27,859,674
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**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010**

	Contributed Equity	Retained Earnings	Total Equity
	\$	\$	\$
At 1 July 2010	130,152,651	31,252,366	161,405,017
Profit for the period	-	23,249,754	23,249,754
Total Comprehensive income/(loss) for the period		23,249,754	23,249,754
Transactions with owners in their capacity as owners:			
Share Capital Issued	781,774	-	781,774
Share Buyback	(2,024,590)	-	(2,024,590)
Issue Costs	-	-	-
Dividend for the period	-	(3,613,712)	(3,613,712)
At 31 December 2010	128,909,835	50,888,408	179,798,244

	Contributed Equity	Retained Earnings	Total Equity
	\$	\$	\$
At 1 July 2009	132,153,169	20,117,378	152,270,547
Profit for the period	-	27,651,317	27,651,317
Total Comprehensive income/(loss) for the period		27,651,317	27,651,317
Transactions with owners in their capacity as owners:			
Share Capital Issued	55,013	-	55,013
Share Buyback	(61,756)	-	(61,756)
Issue Costs	(179,584)	-	(179,584)
Dividend for the period	-	(3,068,140)	(3,068,140)
At 31 December 2009	131,966,842	44,700,555	176,667,397

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2010****1. BASIS OF PREPARATION AND ACCOUNTING POLICIES****Basis of preparation**

This general purpose condensed financial report for the half-year ended 31 December 2010 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 2010 and considered together with any public announcements made by Westoz Investment Company Limited during the half-year ended 31 December 2010.

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

The accounting policies and methods of computation are consistent with those of the most recent annual financial report.

Accounting standards and interpretations that are applicable to the next annual financial statements of the Company are not expected to result in changes to accounting policies.

Comparative Figures

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

2. SEGMENT INFORMATION

For management purposes, the Company is organised into one main business segment, which invests in equity securities on the Australian Securities Exchange. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

3. CHANGES IN FAIR VALUE OF INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2010 \$	31/12/2009 \$
Net realised gain on disposal of investments		
- listed equities	15,950,343	4,822,880
Net unrealised gain on investments		
- listed equities	18,961,986	38,740,086
	34,912,328	43,562,966

The primary reason for the change in fair values was movement in market prices for listed investments held in the investment portfolio. Fair value at 31 December 2010 was determined by quoted market price (level 1).

4. CONTRIBUTED EQUITY

	31/12/2010 \$		31/12/2009 \$	
Ordinary Shares				
(a) 119,870,813 fully paid ordinary shares		128,909,836		131,966,841
(b) Movements in ordinary shares on issue	Number of Shares	\$	Number of Shares	\$
Beginning of the financial period				
Issued during the period	121,016,960	130,152,651	122,724,384	132,153,169
- Option exercise at \$1.00 per share	781,774	781,774	55,013	55,013
- Share buyback	(1,927,921)	(2,024,590)	(53,800)	(61,756)
Share Issue Costs	-	-	-	(179,584)
	119,870,813	128,909,835	122,725,597	131,966,842

(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 at 31 December 2010 (2009: Nil).

6. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent financial periods.

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:

	31/12/2010	31/12/2009
	\$	
Cash at Bank and in hand	33,897,092	27,859,674

8. RELATED PARTY DISCLOSURES

The Directors of Westoz Investment Company Limited during the period were Mr Peter Diamond, Mr Philip Rees, Mr Jay Hughes and Mr Terry Budge. During the half-year ended 31 December 2010, a director's fee of \$27,500 (2009: \$27,500) was paid to Mr Terry Budge.

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 \$978,412 (2009: \$987,824) was charged in the period for these services. An accrual was made for payment of a performance fee in the current period of \$4,202,500 (2009: \$6,252,500).

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 \$181,194 (2009: \$188,754) 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 Westoz Investment Company 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 2010 and of the performance for the half-year ended on that date 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

3 February 2011

To the members of Westoz Investment Company Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Westoz Investment Company Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 2010 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 Westoz Investment Company 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.

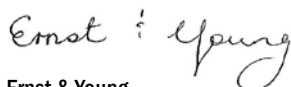
Independence

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, a copy of which is included in the Directors' Report.

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 Westoz Investment Company 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 2010 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



F Drummond
Partner

3 February 2011