



**DJERRIWARRH
INVESTMENTS
LIMITED**

ABN 38 006 862 693

**APPENDIX 4D STATEMENT
FOR THE HALF-YEAR ENDING 31 DECEMBER 2014**

CONTENTS

- Results for announcement to the market
- Media Release
- Appendix 4D Accounts
- Independent Auditors' Review Report

This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2014 Annual Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 December 2014 with the previous corresponding period being the half-year ended 31 December 2013. The results have been reviewed by the Company's auditors.

Results for announcement to the market

- Profit for the half-year (including unrealised gains or losses on open option positions) was \$19.8 million, 10.7% down from \$22.2 million in the previous corresponding period.
- Net Operating Result for the half-year was \$21.7 million, 5.1% down from \$22.8 million in the previous corresponding period. In the opinion of Directors, this is a better measure of the Company's performance in deriving on-going investment, trading and options income from the Company's portfolios.
- Revenue from operating activities was \$19.7 million, 7.6% down from \$21.3 million in the previous corresponding period. This excludes capital gains on investments. The corresponding period's revenue included \$1.6 million of demerger dividends from the Brambles/Recall and Amcor/Orora demergers.
- The interim dividend of 10 cents per share fully franked, unchanged from the previous interim period, will be paid on 17 February 2015 to ordinary shareholders on the register on 2 February 2015.
- The final dividend for the 2014 financial year was 16 cents per share, fully franked, and it was paid to shareholders on 22 August 2014.
- The Company's Dividend Reinvestment Plan remains suspended.
- Net tangible assets per share before any provision for deferred tax on the unrealised gains on the long-term investment portfolio as at 31 December 2014 were \$3.56 (before allowing for the interim dividend), down from \$3.76 (also before allowing for the interim dividend) at the end of the previous corresponding period.

MEDIA RELEASE – HALF YEAR RESULT TO 31 DECEMBER 2014

The recent turbulence in commodity and oil markets has seen falls of 8.4% in the materials sector and 17.8% in the energy sector over the six months to 31 December 2014. In stark contrast, over the same period health care is up 24.6% and telecommunications services is up 18.1%. This has presented an interesting and challenging investment environment.

Profit and Dividend

Profit for the half year to 31 December 2014 was \$19.8 million, compared with \$22.2 million over the corresponding period last year. The profit figure last year included demerger dividends of \$1.6 million received from Amcor and Brambles.

Income from option writing was \$0.9 million ahead of the corresponding period last year as call option coverage over the portfolio was kept on average at close to 40% of the portfolio. Increased market volatility also assisted the Company's option activity.

Djerriwarrh's interim dividend has been maintained at 10 cents per share fully franked.

Portfolio

Djerriwarrh seeks to provide an enhanced level of franking credits through its investment activities. For those investors who can take full advantage of the franking credits, this adds significantly to investor returns. Djerriwarrh's portfolio return including franking for the six months to 31 December 2014 was 0.4% whereas the S&P/ASX 200 Accumulation Index return including franking was 3.3% (franking added 1.7% to Djerriwarrh's return and 0.8% to the Index). Over the year the portfolio return was 4.4% whereas the Index was 7.2%. Djerriwarrh's subdued short term portfolio returns have largely reflected an overweight position in some energy stocks including Oil Search, Santos and Woodside Petroleum and the impact of the fall in both oil and iron ore prices on BHP Billiton.

Over five years Djerriwarrh's return including franking was 8.1% per annum whereas on a comparable basis the Index return was 8.4% per annum

The Company participated in the Telstra off-market buy back. Other major sales were mainly as a result of the exercise of call options in companies which enjoyed strong share prices appreciation over the period. This included Telstra, Woodside Petroleum (before the oil price decline), Transurban, Suncorp, CSL and Amcor. These sales generated taxable realised gains of \$29.0 million which are available for distribution in the future.

The largest purchases during the period were in the Commonwealth Bank, the replenishment of some of the Telstra holding, CSL, Cover-More Group (which is new to the portfolio) and Seek.

Outlook

The outlook for growth in the US appears positive. However economic conditions elsewhere look less certain. This has negatively impacted commodity markets which are important to Australia's economy. In addition uncertainty about the timing of higher interest rates in the US and poor financial conditions in Europe have led to an increase in market volatility. We expect this uncertainty to continue at least in the short term.

A volatile market can present attractive opportunities to pursue option activity, including buy and write strategies for Djerriwarrh. However we will be very selective given many of the quality companies that are potentially attractive from a yield perspective are also trading at relatively high prices given the current low interest rate outlook in Australia.

Please direct any enquiries to:

Ross Barker
Managing Director
(03) 9225 2101

Geoff Driver
General Manager
(03) 9225 2102

15 January 2015

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions (above \$3 million)	Cost (\$'000)
Commonwealth Bank of Australia	15,426
Telstra Corporation	10,956
CSL	6,029
Cover-More Group	4,004
Seek	3,094

Disposals (above \$3 million)	Proceeds (\$'000)
Telstra Corporation (a)	32,694
Woodside Petroleum	8,202
Transurban Group	7,688
Suncorp Group	6,647
CSL	5,932
Ancor	5,327
APA Group	5,183
AMP	3,810
Toll Holdings	3,417
Caltex Australia	3,396
Oil Search	3,152

(a) Includes \$8.9m from sale of shares tendered into the off-market share buyback.

All sales other than Telstra buy-back and APA Group are as a result of the exercise of call options

TOP 20 INVESTMENTS AS AT 31 DECEMBER 2014

Includes investments held in both the Investment and Trading Portfolios

Valued at closing prices at 31 December 2014		
	Total Value \$ million	% of Portfolio
1 * BHP Billiton	73.2	9.0%
2 * Commonwealth Bank of Australia	71.0	8.7%
3 * Westpac Banking Corporation	65.8	8.0%
4 * National Australia Bank	52.9	6.5%
5 * Australia & New Zealand Banking Group	52.5	6.4%
6 * Telstra Corporation	37.6	4.6%
7 * Oil Search	31.0	3.8%
8 * Wesfarmers	29.0	3.6%
9 * Rio Tinto	25.0	3.1%
10 * Woodside Petroleum	23.8	2.9%
11 * Brambles	19.9	2.4%
12 * AMP	19.1	2.3%
13 * Woolworths	18.8	2.3%
14 * QBE Insurance Group	15.6	1.9%
15 * AGL Energy	15.0	1.8%
16 * Origin Energy	14.4	1.8%
17 * Santos	13.0	1.6%
18 * Transurban Group	11.9	1.5%
19 Mirrabooka Investments	11.7	1.4%
20 * Coca-Cola Amatil	11.3	1.4%
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As % of Total Portfolio Value (excludes Cash)	75.0%	

* Indicates that options were outstanding against part or all of the holding

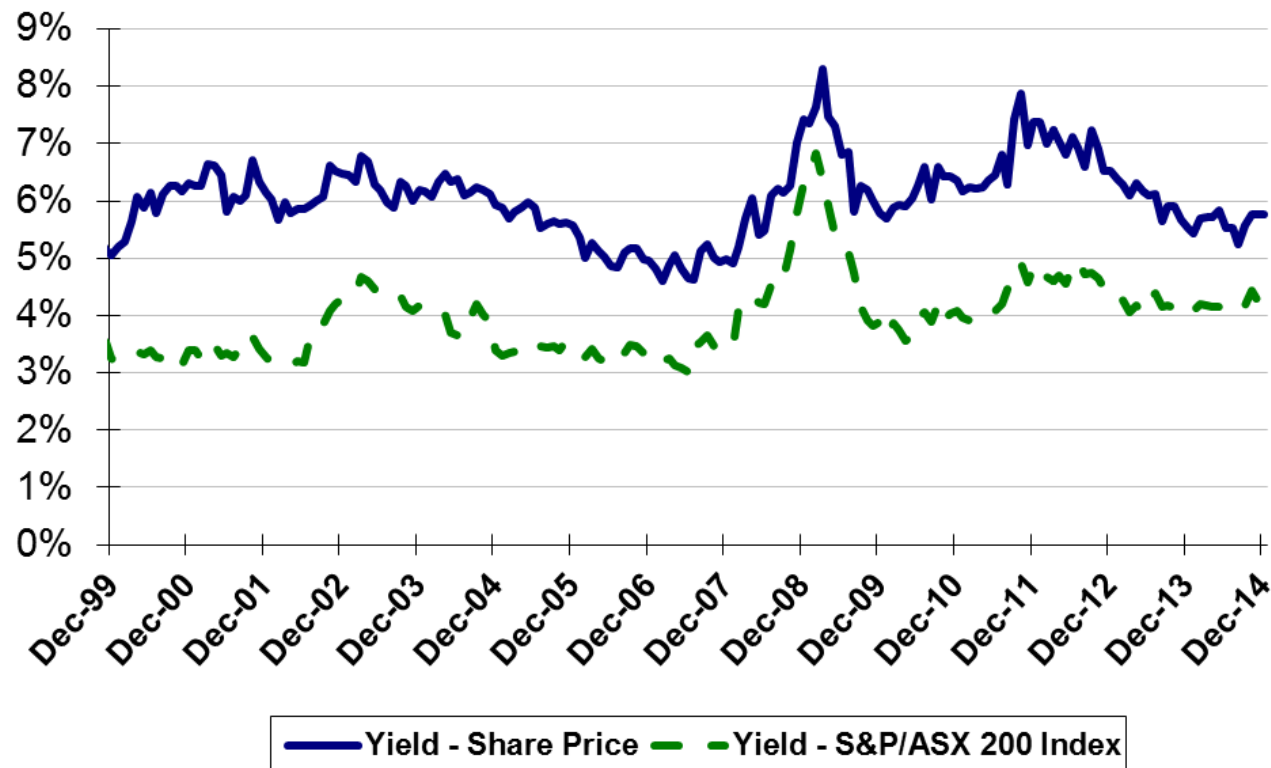
PORTFOLIO PERFORMANCE TO 31 DECEMBER 2014

		ANNUALISED RETURNS			
PERFORMANCE MEASURES	6 MONTHS	1 YEAR	3 YEARS	5 YEARS	10 YEARS
<i>PORTFOLIO RETURN - NET ASSET BACKING INCLUDING DIVIDENDS REINVESTED</i>	-1.4%	1.4%	12.1%	4.9%	6.7%
S&P/ASX 200 ACCUMULATION INDEX	2.5%	5.6%	15.1%	6.8%	7.6%

<i>NET ASSET BACKING GROSS RETURN INCLUDING DIVIDENDS REINVESTED*</i>		0.4%	4.4%	15.6%	8.1%	9.8%
S&P/ASX 200 GROSS ACCUMULATION INDEX*		3.3%	7.2%	17.0%	8.4%	9.0%

*Incorporates the benefit of franking credits for those who can fully utilise them

Djerriwarrh Share Price Yield vs. Market Yield



The chart above highlights the relative dividend yield on Djerriwarrh shares (which is fully franked) in comparison to the dividend yield on the S&P/ASX 200 Index (which is currently only 80% franked) since the Company was listed.



DJERRIWARRH INVESTMENTS LIMITED

ABN 38 006 862 693

HALF-YEAR REPORT 31 DECEMBER 2014

COMPANY PARTICULARS

Djerriwarrh Investments Limited (DJW)

ABN 38 006 862 693

DJW is a Listed Investment Company. As such it is an investor in equities and similar securities on the stock market primarily in Australia.

Directors: John Paterson, Chairman
Ross E. Barker, Managing Director
Kathryn J. Fagg
Graham B. Goldsmith
Andrew F. Guy
Graham J. Kraehe AO
Bruce B. Teele
Alice J. M. Williams

Company

Secretaries: Simon M. Pordage
Andrew J. B. Porter

Auditor: PricewaterhouseCoopers, Chartered Accountants

Country of incorporation: Australia

Registered office: Level 21
101 Collins Street
Melbourne, Victoria 3000

Contact Details: Mail Address: Level 21, 101 Collins Street, Melbourne, Victoria 3000
Telephone: (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@djerrri.com.au
Internet address: www.djerri.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone: 1800 780 784 (toll free)

Share Registrar: Computershare Investor Services Pty Limited
Mail Address: GPO Box 2975, Melbourne, Victoria 3001
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067
DJW Shareholder enquiry line: 1300 653 915
+613 9415 4190 (from overseas)
Facsimile: (03) 9473 2500
Internet: www.investorcentre.com/contact

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar as above.

Securities Exchange

Code: DJW Ordinary shares

DIRECTORS' REPORT

This report in relation to the half-year to 31 December 2014 is presented by the Directors of Djerriwarrh Investments Limited ('the Company') in accordance with a resolution of Directors.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

J. Paterson (appointed July 2002)
R.E. Barker (appointed May 1988)
P.C. Barnett (appointed October 2007, retired October 2014)
K.J. Fagg (appointed May 2014)
G.B. Goldsmith (appointed April 2013)
A.F. Guy (appointed December 1989)
G.J. Kraehe AO (appointed July 2002)
B.B. Teele (appointed November 1989)
A.J.M. Williams (appointed May 2010)

Company operations and results

Overview

The Company offers its shareholders a medium for generating income from a diversified portfolio of equity and similar securities, predominantly in entities listed on the Australian Securities Exchange. There have been no changes in the nature of the Company's activities during the period. Its major objective is to provide attractive returns to its shareholders through dividends and capital growth. A high proportion of profits are paid out as dividends, which to date, have all been fully franked.

Performance Indicators and Outcomes

The profit of the Company for the half-year to 31 December 2014, which includes the unrealised gains or losses on open option positions in the options written portfolio and non-equity investments, was \$19.8 million, down from \$22.2 million at the previous corresponding period.

Djerriwarrh's Net Operating Result for the half-year was \$21.7 million, down from \$22.8 million or 5.1% over the corresponding period last year. This operating result is made up primarily of dividends received from the investment portfolio, option income and revenue from the trading portfolio, and is reflective of the Company's investment activities. Revenue in the previous corresponding period included \$1.6 million of demerger dividends from the Brambles/Recall and Amcor/Orora demergers.

The portfolio return for the 6 months (measured by change in net asset backing per share plus dividends reinvested) was -1.4% compared to the return of the S&P/ASX 200 Accumulation Index for the same period which was 2.5%. Djerriwarrh's return is after management expenses and taxation whilst the index returns do not include these charges.

The Board has declared a fully franked interim dividend of 10 cents per share.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 12.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'J. Paterson', with a long horizontal flourish extending to the right.

J. Paterson
Chairman
Melbourne

15 January 2015



Auditor's Independence Declaration

As lead auditor for the review of Djerriwarrh Investments Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in purple ink, appearing to read 'Charles Christie'.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
15 January 2015

PricewaterhouseCoopers, ABN 52 780 433 757

Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Half-year 2014 \$'000	Half-year 2013 \$'000
Dividends and distributions		19,057	20,477
Revenue from deposits and bank bills		660	869
Total revenue		19,717	21,346
Net gains on trading portfolio		348	212
Income from options written portfolio		8,091	7,235
Income from operating activities	3	28,156	28,793
Finance costs		(2,448)	(2,601)
Administration expenses		(1,967)	(1,815)
Share of net profit from Associate		100	52
Operating result before income tax expense		23,841	24,429
Income tax expense*		(2,166)	(1,590)
Net operating result for the half-year		21,675	22,839
Net unrealised losses on open options positions		(2,692)	(1,000)
Deferred tax on net unrealised losses on open options positions*		808	300
Net gains on puttable instruments and non-equity investments		26	75
Tax expense on net gains losses on puttable instruments and non-equity investments *		(8)	(23)
		(1,866)	(648)
Profit for the half-year		19,809	22,191
		Cents	Cents
Basic earnings per share	8	9.06	10.15
		\$'000	\$'000
* Total Tax Expense		1,366	1,313

This Income Statement should be read in conjunction with the accompanying notes

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-Year to 31 December 2014			Half-Year to 31 December 2013		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Net Profit	21,675	(1,866)	19,809	22,839	(648)	22,191
Other Comprehensive Income						
<i>Items that will not be recycled through the Income Statement</i>						
Gains/(losses) for the period on equity securities in the investment portfolio	-	(20,693)	(20,693)	-	74,769	74,769
Deferred tax expense on above	-	6,056	6,056	-	(22,602)	(22,602)
<i>Items that may be recycled through the Income Statement</i>						
Net movement in fair value of swap contracts ³	-	86	86	-	461	461
Total other comprehensive income ¹	-	(14,551)	(14,551)	-	52,628	52,628
Total comprehensive income ²	21,675	(16,417)	5,258	22,839	51,980	74,819

¹ Net capital gains/(losses) not accounted through the Income Statement.

² This is the company's Net Return for the half-year, which includes the Net Operating result plus the net realised and unrealised gains or losses on the Company's investment portfolio and net gains/(losses) on open options positions.

³ It is currently anticipated that the swaps will be held to maturity and consequently that they will not be recycled through the Income Statement.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	31 Dec 2014 \$'000	30 June 2014 \$'000
Current assets			
Cash		46,605	18,354
Receivables		1,046	24,448
Total current assets		47,651	42,802
Non-current assets			
Investment portfolio		823,850	876,944
Deferred tax assets		480	-
Shares in associate		934	864
Total non-current assets		825,264	877,808
Total assets		872,915	920,610
Current liabilities			
Payables		658	1,675
Tax payable		10,541	13,683
Borrowings – bank debt		75,000	75,000
Interest-rate hedging contracts		1,853	1,939
Options written portfolio	4	6,977	5,575
Total current liabilities		95,029	97,872
Non-current liabilities			
Deferred tax liabilities		-	399
Deferred tax liabilities - investment portfolio	5	8,459	23,196
Total non-current liabilities		8,459	23,595
Total liabilities		103,488	121,467
Net Assets		769,427	799,143
Shareholders' equity			
Share Capital	6	634,225	634,225
Revaluation Reserve		79,214	100,901
Realised Capital Gains Reserve		7,425	15,658
Interest-rate Hedging Reserve		(1,853)	(1,939)
Retained Profits		50,416	50,298
Total shareholders' equity		769,427	799,143

This Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Half-Year to 31 December 2014	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Interest- Rate Hedging \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		634,225	100,901	15,658	(1,939)	50,298	799,143
Dividends paid	7	-	-	(15,301)	-	(19,673)	(34,974)
Total transactions with shareholders		-	-	(15,301)	-	(19,673)	(34,974)
Profit for the half-year		-	18	-	-	19,791	19,809
Other Comprehensive Income							
Net losses for the period on equity securities in the investment portfolio		-	(14,637)	-	-	-	(14,637)
Net movement in fair value of swap contracts		-	-	-	86	-	86
Other Comprehensive Income for the half-year		-	(14,637)	-	86	-	(14,551)
Transfer to Realised Capital Gains Reserve of net cumulative gains on investments sold		-	(7,068)	7,068	-	-	-
Total equity at the end of the half-year		634,225	79,214	7,425	(1,853)	50,416	769,427

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014 (2013 COMPARATIVES)

Half-Year to 31 December 2013	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Interest- Rate Hedging \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		634,225	53,656	28,227	(2,367)	42,436	756,177
Dividends paid	7	-	-	(21,859)	-	(13,115)	(34,974)
Total transactions with shareholders		-	-	(21,859)	-	(13,115)	(34,974)
Profit for the half-year		-	52	-	-	22,139	22,191
Other Comprehensive Income							
Net gains for the period on equity securities in the investment portfolio		-	52,167	-	-	-	52,167
Net movement in fair value of swap contracts		-	-	-	461	-	461
Other Comprehensive Income for the half-year		-	52,167	-	461	-	52,628
Transfer to Realised Capital Gains Reserve of net cumulative gains on investments sold		-	(6,180)	6,180	-	-	-
Total equity at the end of the half-year		634,225	99,695	12,548	(1,906)	51,460	796,022

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year 2014 \$'000 INFLOWS/ (OUTFLOWS)	Half-year 2013 \$'000 INFLOWS/ (OUTFLOWS)
Cash flows from operating activities		
Sales from trading portfolio	3,313	2,014
Purchases for trading portfolio	(2,846)	-
Interest received	549	1,155
Proceeds from entering into options in options written portfolio	9,332	12,238
Payment to close out options in options written portfolio	(2,531)	(5,700)
Dividends and distributions received	22,168	21,173
	<u>29,985</u>	<u>30,880</u>
Administration expenses	(2,005)	(1,923)
Finance costs paid	(3,013)	(2,671)
Taxes paid	(1,007)	(1,455)
Net cash inflow/(outflow) from operating activities	<u>23,960</u>	<u>24,831</u>
Cash flows from investing activities		
Sales from investment portfolio	126,180	127,136
Purchases for investment portfolio	(73,882)	(142,249)
Tax paid on capital gains	(13,033)	(23,962)
Net cash inflow/(outflow) from investing activities	<u>39,265</u>	<u>(39,075)</u>
Cash flows from financing activities		
Dividends paid	(34,974)	(34,974)
Net cash inflow/(outflow) from financing activities	<u>(34,974)</u>	<u>(34,974)</u>
Net increase/(decrease) in cash held	28,251	(49,218)
Cash at the beginning of the half-year	18,354	91,386
Cash at the end of the half-year	<u>46,605</u>	<u>42,168</u>

This cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2014 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

In the interests of transparency in its reporting, the Company uses the phrase “market value” in place of the AASB terminology “fair value for actively traded securities.”

2. Financial reporting by segments

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

(a) Segment information provided to the Board

The internal reporting provided to the Board for the Company’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in the Company’s Net Tangible Asset announcements to the ASX).

The Board considers the Company’s operating result after tax to be a key measure of the Company’s performance. This amount excludes the impact of unrealised gains/losses on open options and any gains or losses on non-equity investments on the Company’s investment portfolio and reconciles to the Company’s profit before tax as follows:

	Half-year 2014 \$'000	Half-year 2013 \$'000
Net Operating Result after income tax expense	21,675	22,839
Net gains (after tax) on puttable instruments and non-equity investments	18	52
Net losses (after tax) on open options positions	(1,884)	(700)
Profit for the half-year after tax	19,809	22,191
Add : Total Tax Expense	1,366	1,313
Profit for the half-year before tax	21,175	23,504

In addition, the Investment Committee regularly reviews the net asset value per share both before and after provision for deferred tax on the unrealised gains or losses in the Company’s long-term investment portfolio. The relevant amounts as at 31 December 2014 and 31 December 2013 were as follows:

	2014	2013
Net tangible asset backing per share	\$	\$
Before Tax	3.56	3.76
After Tax	3.52	3.64

(b) Other segment information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

The Company is domiciled in Australia and the Company's income is derived predominantly from Australian entities or entities that have a listing on the Australian Securities Exchange. The Company has a diversified portfolio of investments, with no investments comprising more than 10% of the Company's income, including realised income from the options written portfolio (2013: Nil)

3. Income from operating activities	Half-year 2014 \$'000	Half-year 2013 \$'000
Income from operating activities is comprised of the following:		
Dividends & distributions		
• securities held in investment portfolio	18,933	20,292
• securities held in trading portfolio	-	62
	<u>18,933</u>	<u>20,354</u>
Interest income		
• securities held in investment portfolio	124	123
• deposits and income from bank bills	660	869
	<u>784</u>	<u>992</u>
Net gains/(losses) and write downs		
• realised gains from trading portfolio sales	348	10
• realised gains on options written portfolio	8,091	7,235
• unrealised gains in trading portfolio	-	202
	<u>8,439</u>	<u>7,447</u>
Other income	-	-
Income from operating activities	<u>28,156</u>	<u>28,793</u>

4. Current liabilities – options written portfolio

As at balance date there were call options outstanding which potentially required the Company, if they were all exercised, to deliver securities to the value of \$330.2 million (30 June 2014: \$289.4 million). As at balance date there were put options outstanding which potentially required the Company if they were all exercised to purchase \$3.8 million of securities (30 June 2014: \$Nil). The total income for the half-year on the options written portfolio of \$8.1 million (Half-Year to 31 December 2013: \$7.2 million) plus the unrealised loss on the open options position of \$2.7 million (Half-Year to 31 December 2013 : \$1.0 million) was a pre-tax net gain of \$5.4 million (Half-Year to 31 December 2013: \$6.2 million).

5. Deferred tax liabilities/assets – investment portfolio

In accordance with AASB 112 *Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax gains on the unrealised gains in the investment portfolio at current tax rates (30%) totalling \$8.5 million (30 June 2014 : \$23.2 million). As the Directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at this amount.

6. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Paid-up Capital \$'000
01/07/2014	Opening Balance		218,590	634,225
31/12/2014	Balance		218,590	634,225

The Company has a Dividend Reinvestment Plan under which some shareholders elected to have all or part of their dividend payment reinvested in new ordinary shares. The DRP is currently suspended.

7. Dividends

	Half-year 2014 \$'000	Half-year 2013 \$'000
Dividends (fully franked) paid during the period	34,974 (16 cents per share)	34,974 (16 cents per share)

Dividends not recognised at period end

	2014 \$'000
Since the end of the half-year the Directors have declared an interim dividend of 10 cents per share fully franked. The aggregate amount of the proposed interim dividend expected to be paid on 17 February 2015, but not recognised as a liability at the end of the half-year is	21,859

8. Earnings per Share	Half-year 2014	Half-year 2013
	Number	Number
Weighted average number of ordinary shares used as the denominator	218,589,718	218,589,718
Basic earnings per share	\$'000	\$'000
Net profit for half-year	19,809	22,191
	Cents	Cents
Basic earnings per share	9.06	10.15
Net operating result per share	\$'000	\$'000
Net operating result for half-year	21,675	22,839
	Cents	Cents
Net operating result per share	9.92	10.45

As at 31 December 2014, there were no dilutive instruments on issue, and therefore the diluted earnings per share and net operating result per share figure is the same as basic earnings and net operating result per share.

9. Events subsequent to balance date

Since 31 December 2014 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

10. Contingencies

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

11. Associated Entity

The Company owns 25% of Australian Investment Company Services Ltd ("AICS").

AICS provides administration services to the Company and to other Listed Investment Companies in Australia.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; 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.

This declaration is made in accordance with a resolution of the Directors.



J. Paterson
Chairman
Melbourne

15 January 2015



Independent auditor's review report to the members of Djerriwarrh Investments Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Djerriwarrh Investments Limited (the Company), which comprises the balance sheet as at 31 December 2014, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is 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 Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report 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 entity's financial position as at 31 December 2014 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 Djerriwarrh Investments 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*.

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 Djerriwarrh Investments Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;

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b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in dark ink, appearing to read "PricewaterhouseCoopers", written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in dark ink, appearing to read "Charles Christie", written in a cursive style.

Charles Christie
Partner

Melbourne
15 January 2015