



# Annual General Meeting Update

10 November 2014

**WESTOZ**  
INVESTMENT COMPANY LIMITED

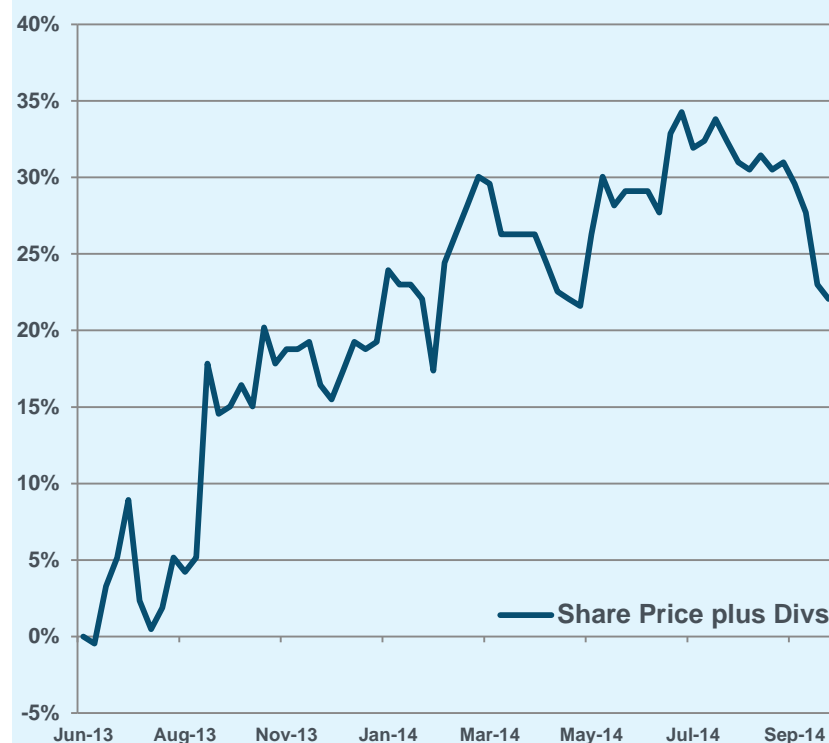
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WIC is a specialist investment company focused on generating a positive return for investors through exposure to a concentrated investment portfolio of small to mid cap West Australian focused companies.

## 2014 Financial Year

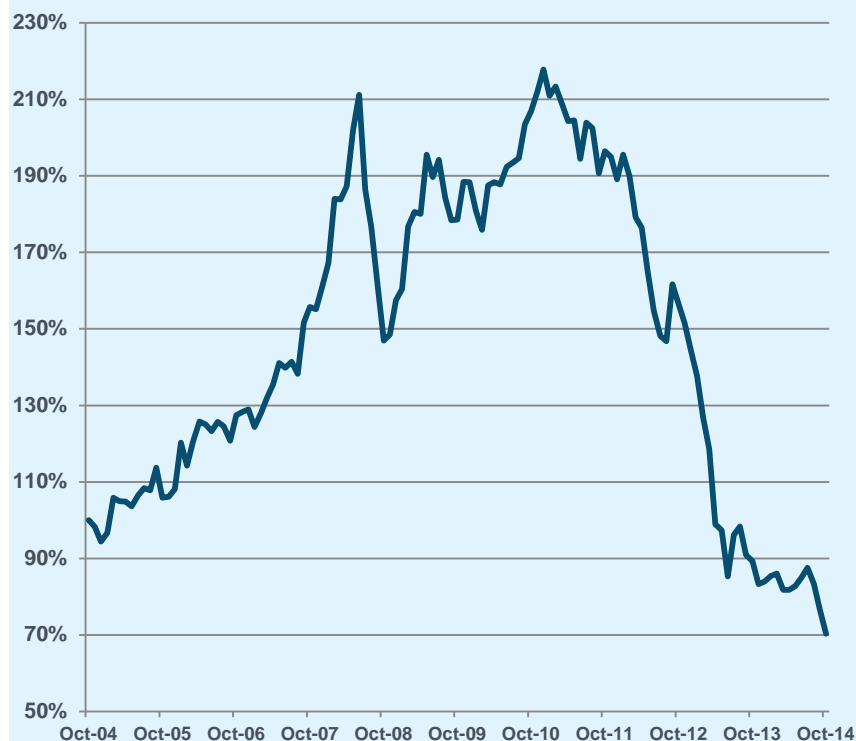
- Financial 2014 was a strong one for equity markets; the broad market index rose 17.6%
- Our investment portfolio showed a return of 21.2% over the period (before allowance for fees and taxes)
- This resulted in a net profit after tax of \$21.2 million for the 2014 financial year (16.6 cents per share)
- We met our targeted dividend payment of 9.0 cents per share (fully franked) for the year
- Return for shareholders in terms of price appreciation and dividend payments was strong, being up 34% over the twelve months to 30 June 2014
- Bonus options issued in July 2014

## Shareholder Return\* since 1 July 2013



\*Shareholder return shown as a percentage change from a base price at 1 July 2013. Shareholder return includes dividend payments.

## Small Resources vs Small Ordinaries\*

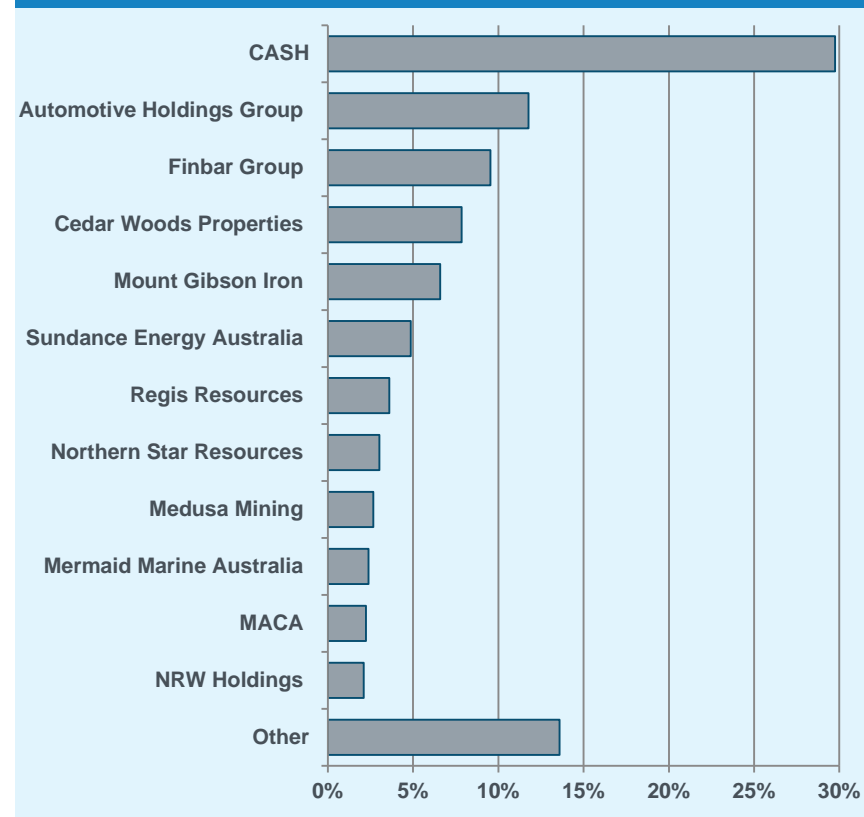


\*Chart shows Small Resources Accumulation Index value divided by Small Ordinaries Accumulation Index value, set to base level at October 2004. Source: ASX and IRESS

- Tough environment for West Australian related equities
- Resource stocks in eye of storm as global growth expectations outside of US are revised down
- Consequently, resource sector underperformance reaching extreme levels
- Vast majority of commodity prices now trading well into marginal cost curves and below incentive prices required for new projects
- Australian dollar finally cracked but largely ignored in resource stock price moves
- Consequently we are seeing value emerge in domestic based producers

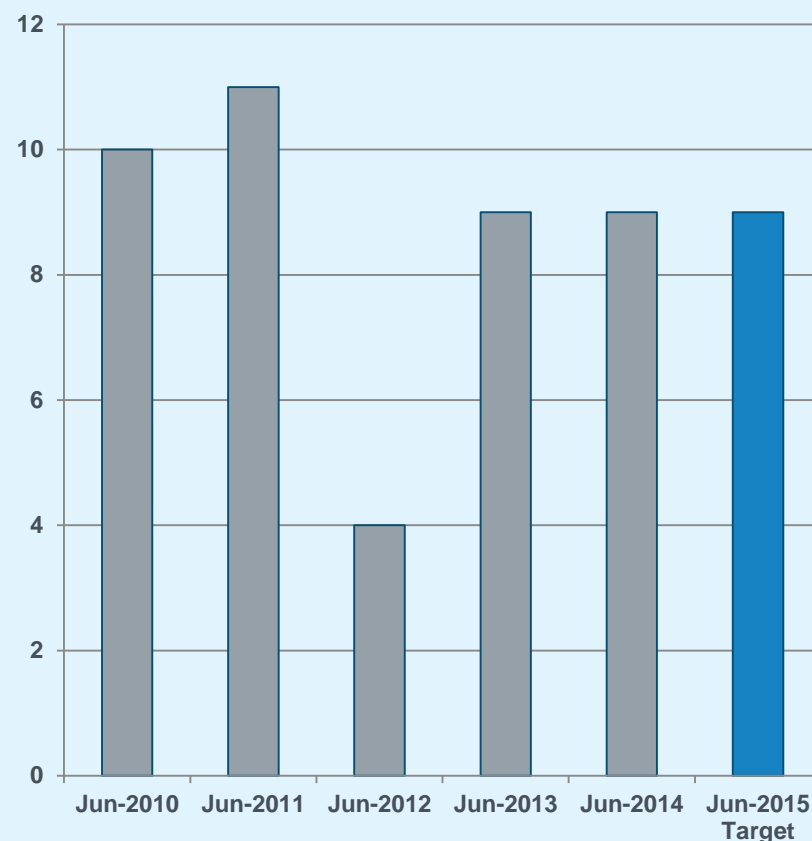
- The start to the 2015 financial year has been challenging, investor sentiment towards resource related equities at decade lows
- Portfolio defensively positioned with large cash holding and largest positions in non-resource related industrials
- In the four months to the end of October, the portfolio return (before fees and taxes) is -9.3%
- Net Assets per Share \$1.21 at the end of October
- Aquila position disposed of in July

Investment Portfolio 31 October 2014



- Our target is to pay a consistent stream of dividends to investors
- Dividend payments will be set after considering our level of realised net profits after tax, retained earnings and availability of franking credits
- Franking account at 30 June 2014 covers fully franked dividends of approximately 18 cents per share
- 9.0 cent per share dividend target remains in place for the current financial year. It is anticipated that this will be paid in equal amounts (4.5 cents each) in Feb 2015 and August 2015
- DRP to be amended to allow for on market acquisition of shares

Recent Dividend History(cents per share)



Shareholder returns will be driven by three factors:

## 1. Portfolio Performance

- Key driver that generates dividend capacity and growth in net assets

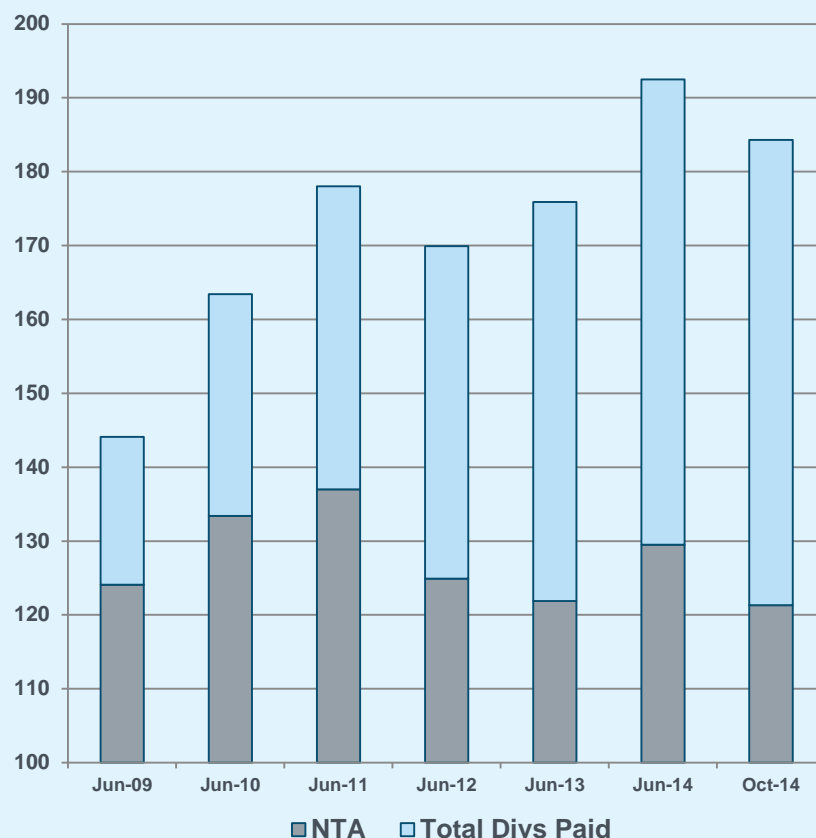
## 2. Dividend Payout

- Intention to pay a consistent stream of dividends
- Dividend payments are set after considering realised net profits after tax, retained earnings and franking credits.
- Targeting 9.0 cent div in current year (circa 8.0% yield at current market price)

## 3. Market Price

- Determined with reference to level of net assets per share
- Price to NTA gap has closed (6% discount at end Oct) currently sub 10%
- Continuation of investment performance and dividends will minimise gap overtime
- Continued focus on marketing

Net Assets\* and Dividends since Listing



\* Net Assets shown are on a per share basis and are calculated after all fees and taxes, including tax on unrealised gains.





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