

Westoz Investment Company Limited

Investor Presentation

February 2017



WESTOZ
INVESTMENT COMPANY LIMITED

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Westoz Investment Company Limited Overview

- WIC is a specialist listed investment company
- Its portfolio is managed by Westoz Funds Management Pty Ltd
- The investment focus is to generate a consistent positive return over the medium term on its portfolio of assets
- The portfolio is focused on small to mid cap listed companies, generally with a connection to Western Australia
- It holds a concentrated portfolio of securities which may from time to time consist of large levels of cash
- It aims to benefit shareholders from share price appreciation based on growth in underlying asset values and dividend payouts

Company Details, 31 January 2017

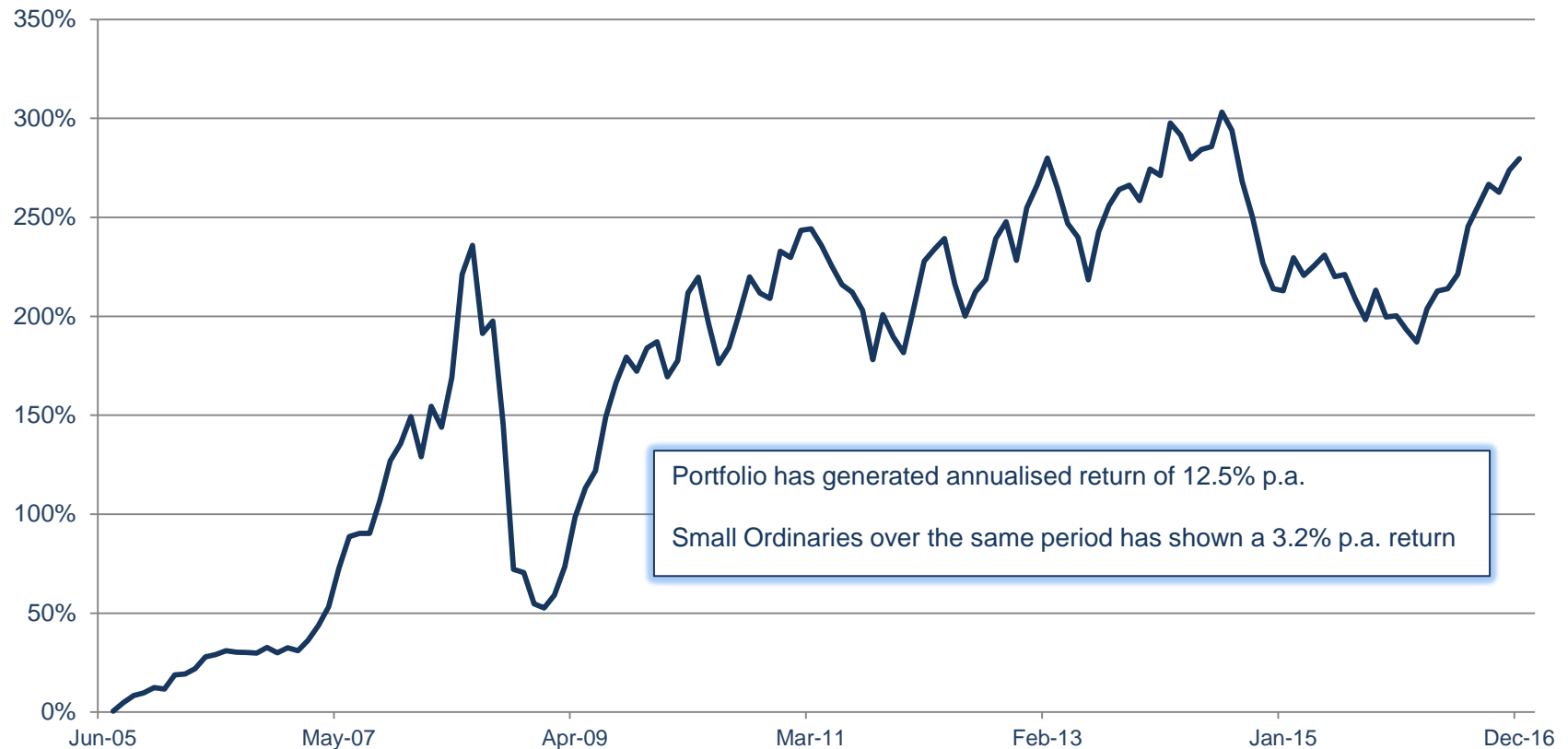
Last Price (cum div)	\$1.05
Net Assets Per Share (includes tax provisions)	\$1.094
Shares on issue	129.2m
Options (\$1.05 strike, Aug 2017 expiry)	12.9m
Market Cap	\$136m
Net Asset Value	\$141m

Shareholders

Euroz Limited	26%
Geoffrey Brown	7%
Wilson Asset Management	7%
Total number of shareholders	1,663

Historic Portfolio Return

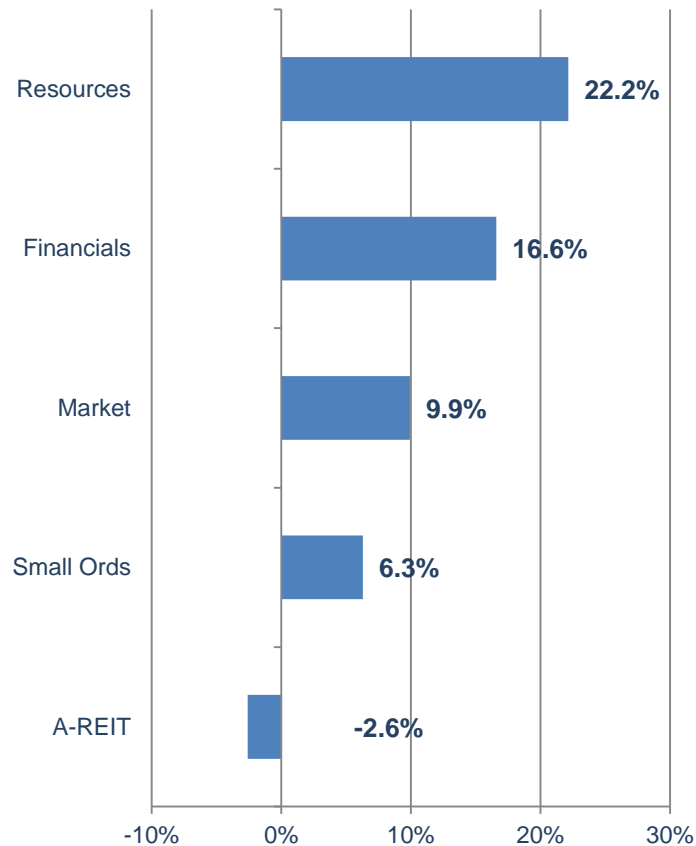
Portfolio Performance Since Inception*



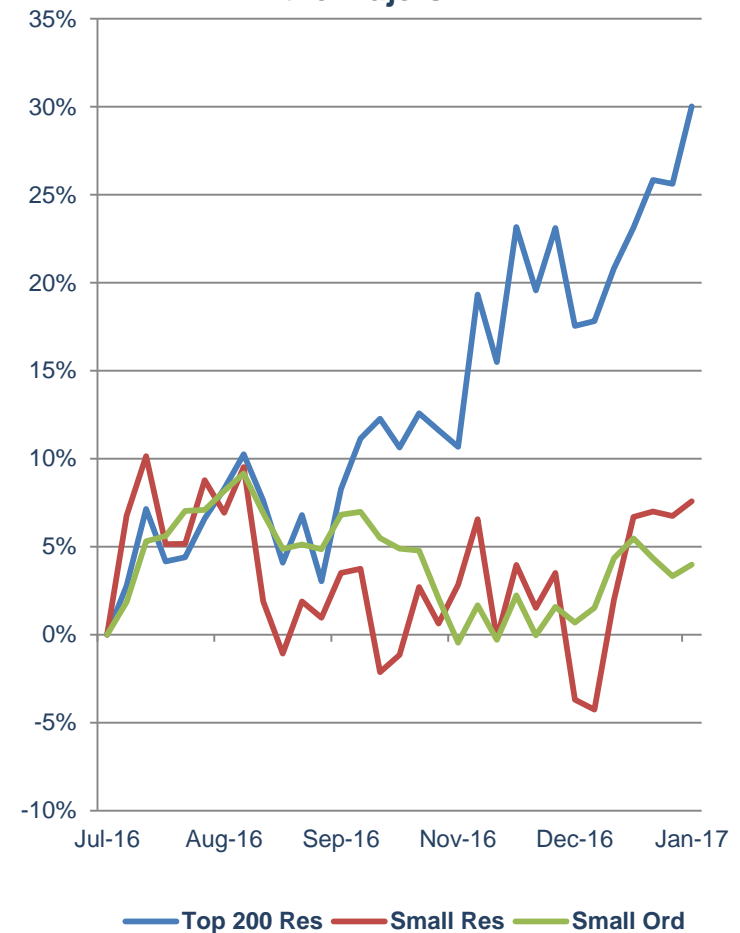
*Inception date 30 June 2005. Portfolio performance is shown before allowance for fees and taxes. Past performance is not a reliable indicator of future performance.

December Half Market Movements

Dec Half Sector Returns

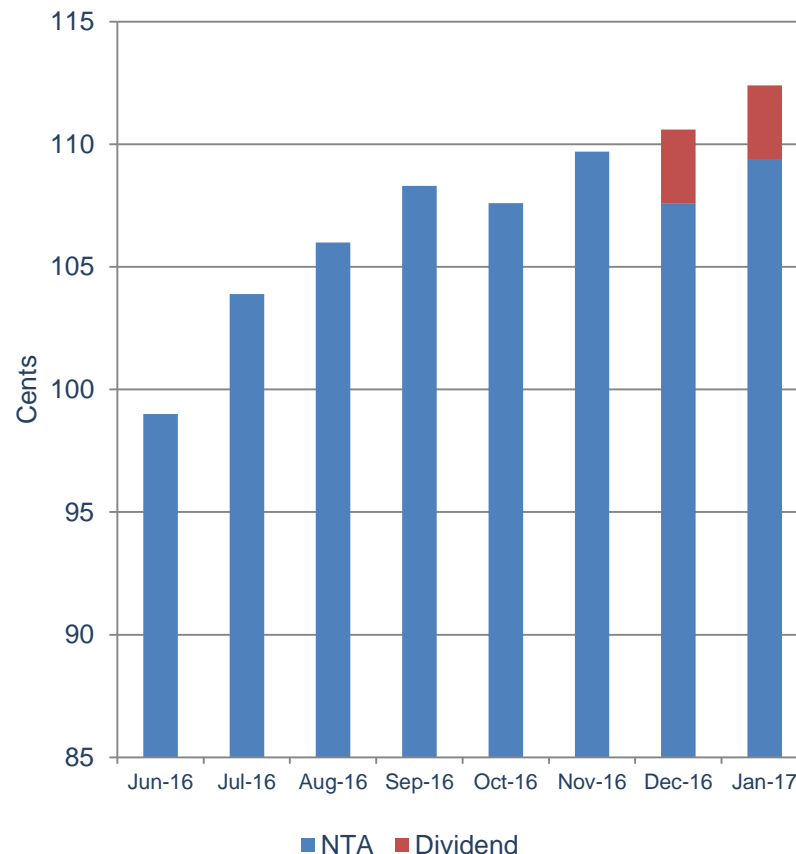


Resources performance was from the majors...



- Portfolio performance (pre fees and taxes) up 18.1% in December half;
- Estimated and unaudited net profit after tax of \$15.0 mil (11.6 cents per share)
- Liability at 31 December recognised for payment of 3.0 cent per share dividend (\$3.9 mil);
- On a per share basis, net assets (after allowance for all fees and taxes, but before the dividend provision) rose from 99.0 cents to 110.6 cents.
- Net tangible assets include net deferred tax assets of \$4.2 mil or 3.2 cents per share
- January update shows continued strong performance, portfolio up 3.4%, NTA per share to \$1.094

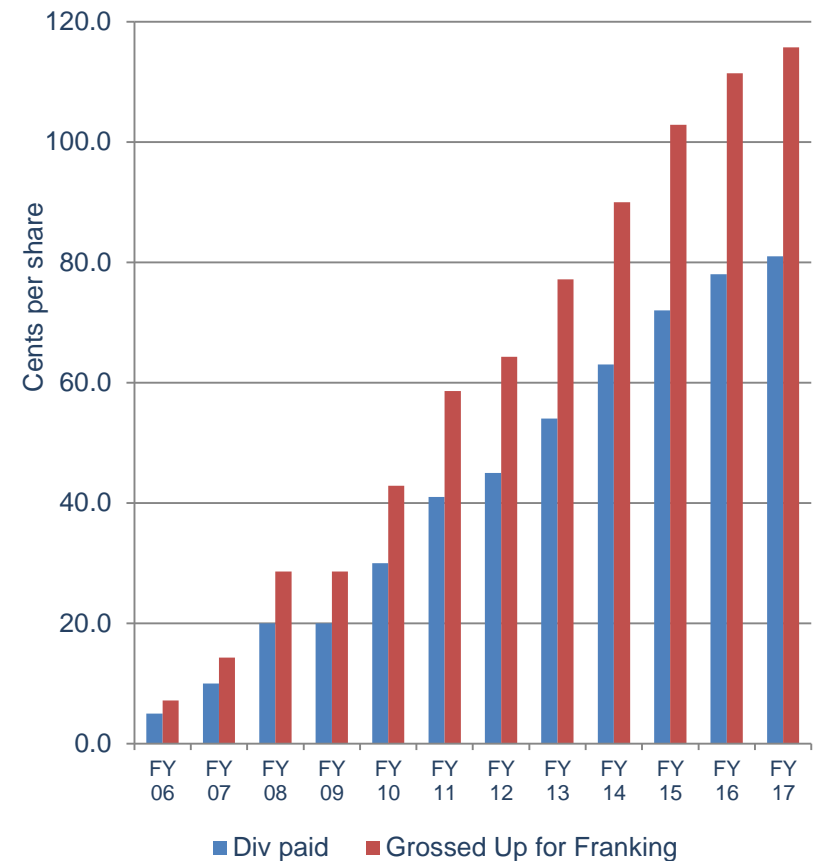
Monthly NTA and Dividends



- Board's intention is to pay a consistent stream of dividends to investors*
- Since inception in 2005, Westoz has paid \$98 mil in fully franked dividends
- FY2017 guidance remains in place:
 - 3.0 cent interim dividend confirmed, payable 20 February
 - Target 3.0 cent final remains
- Profit Reserve has grown from the 30 June 2016 figure of \$18 mil

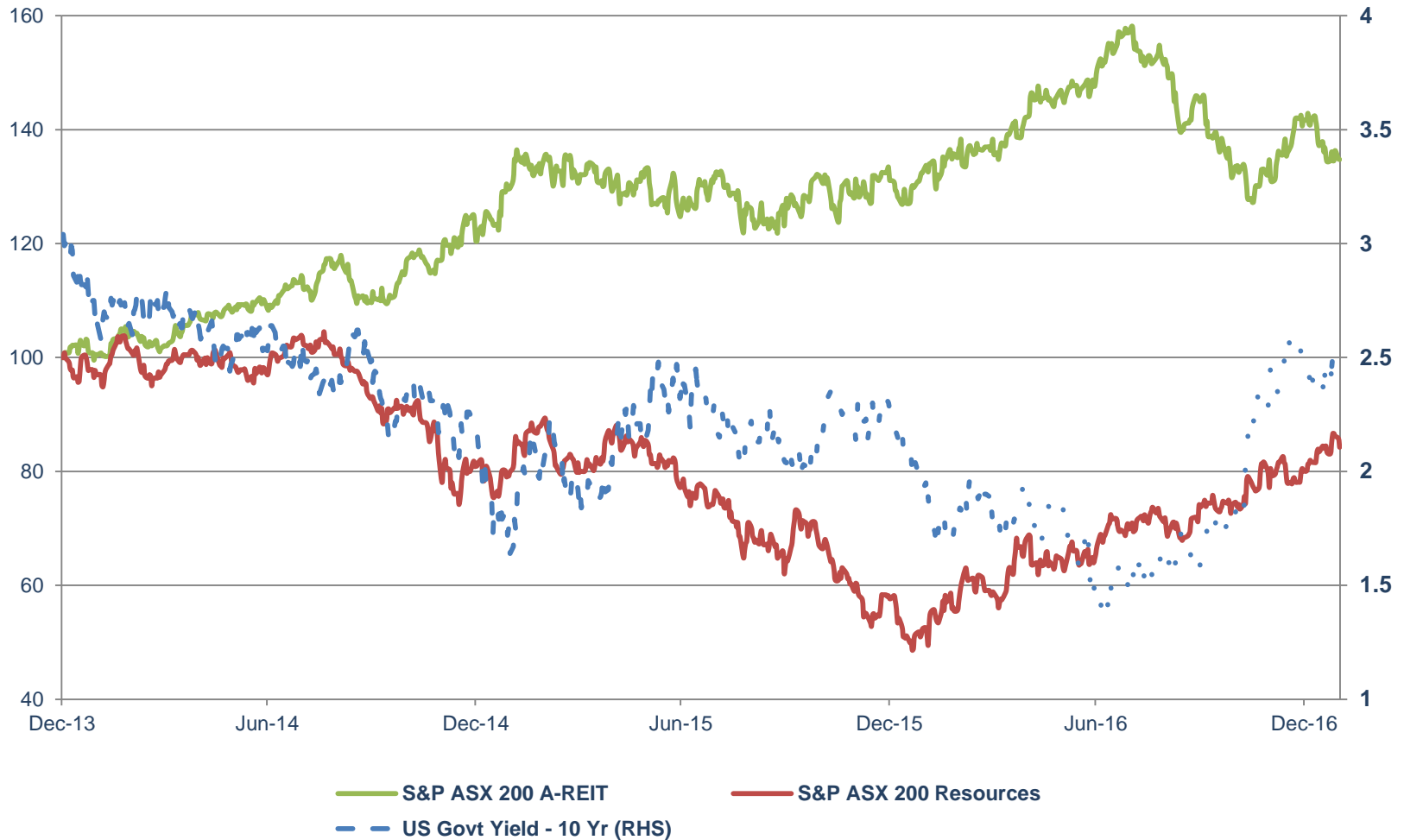
* The dividend amount is set after considering the level of realised net profits after tax, retained earnings and availability of franking credits.

WIC Cumulative Dividends Paid (per share)

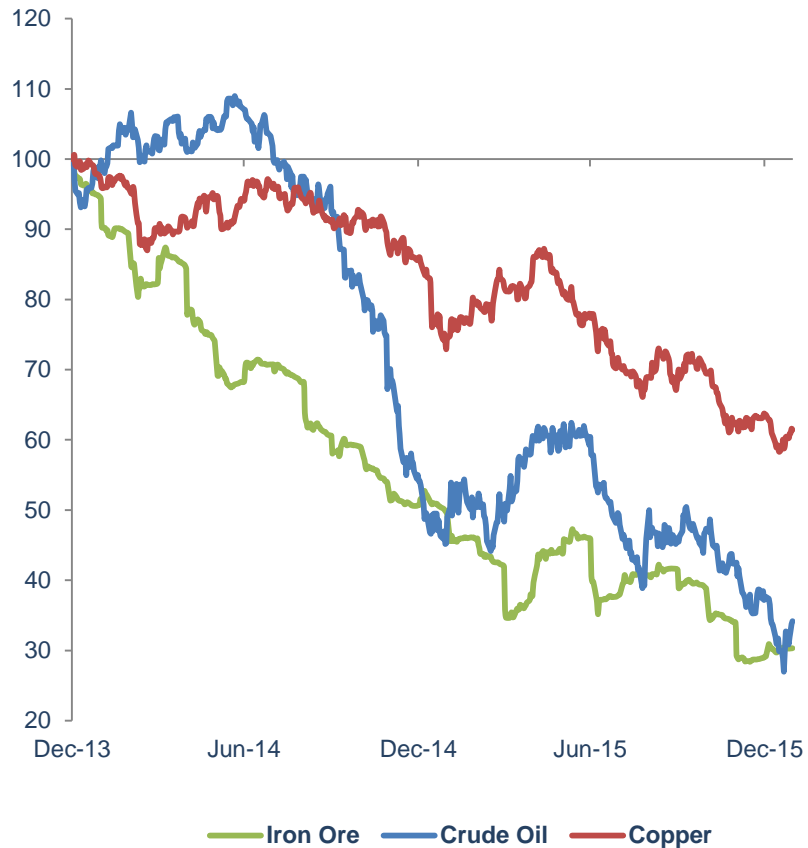


- Improving economic outlook driving cyclical rotation
- Rising expectations for inflation and rates
- Market and economy benefitting from strong commodity prices
- Conditions for many West Australian listed companies improving
- Sector by sector turnarounds but no buy-in to WA economic rebound
- Contradiction between market stability and political uncertainty

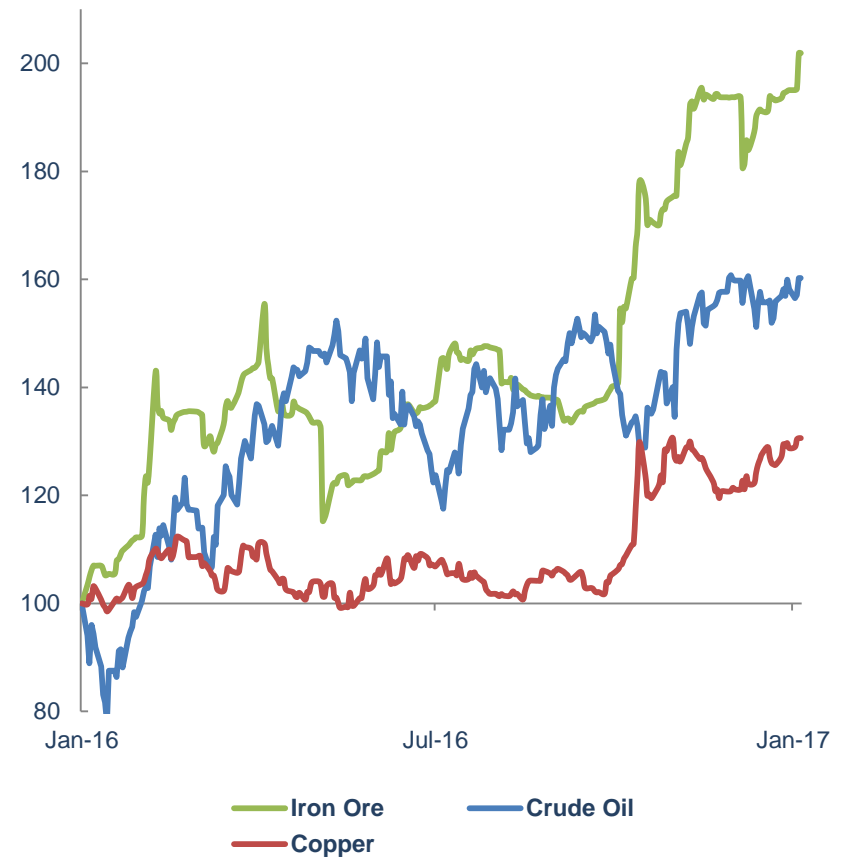
Reflation trade in action



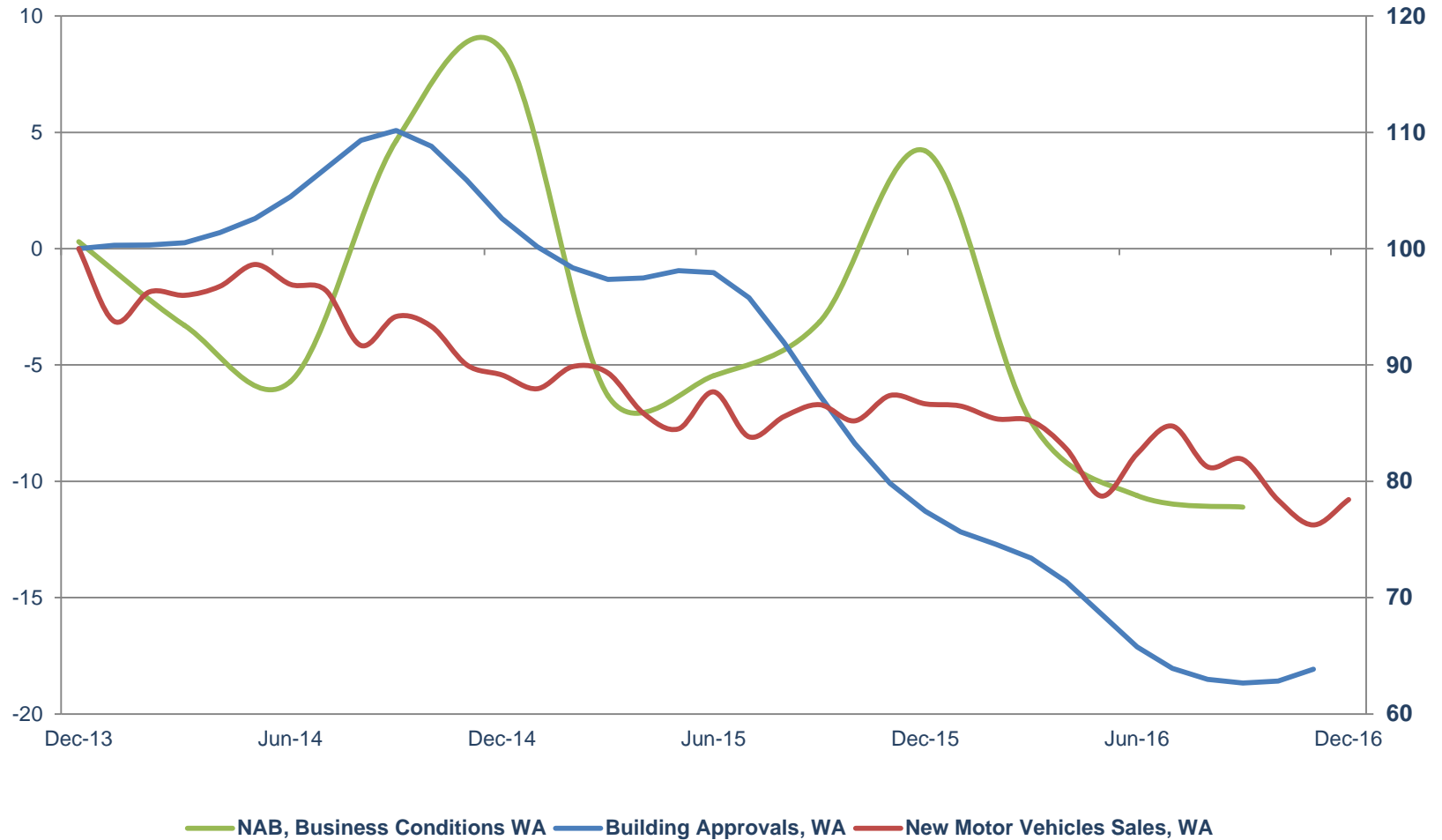
Commodity Prices U\$ Indexed, Feb 2016



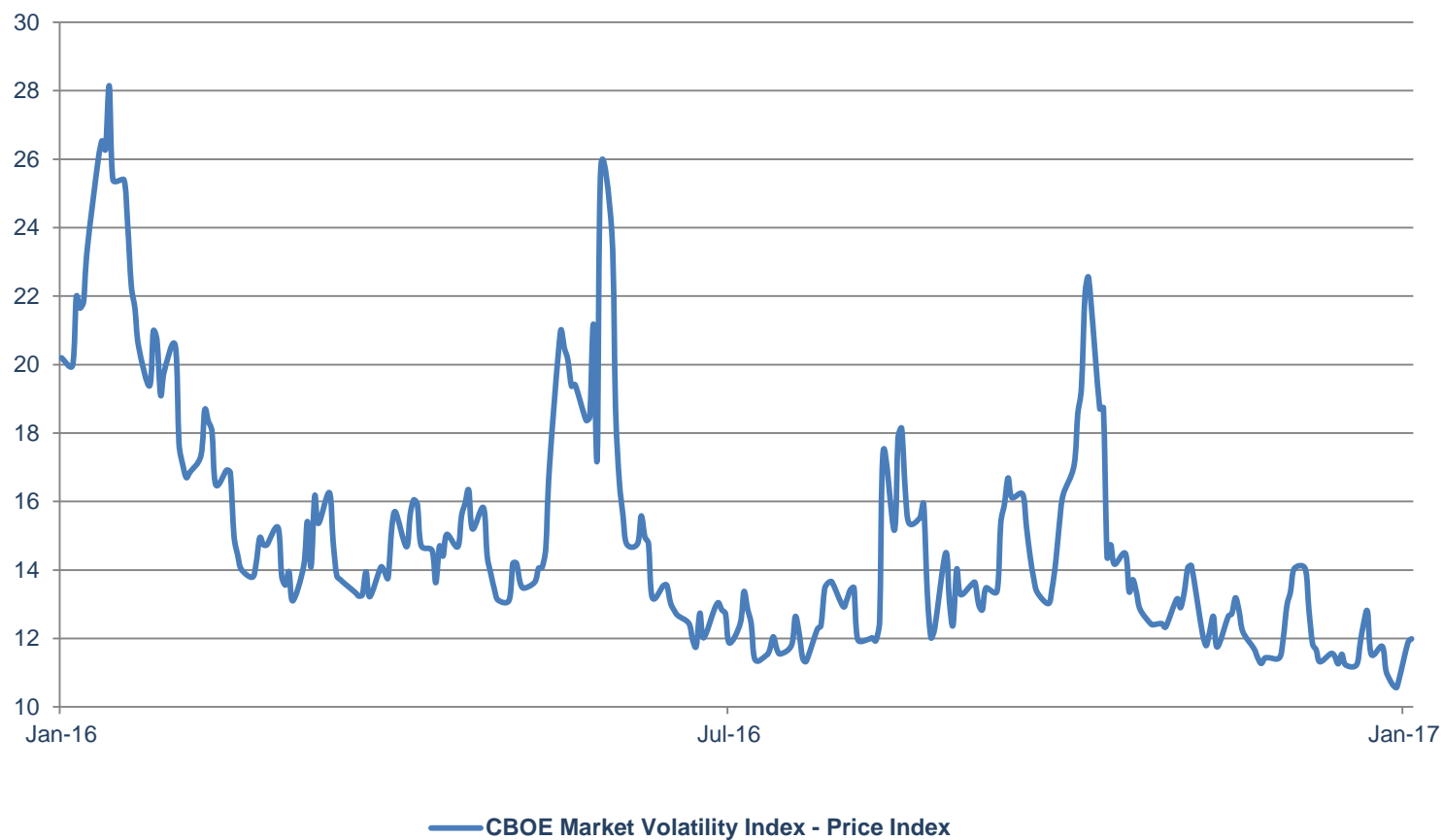
Commodity Prices U\$ Indexed, Feb 2017



West Australia Economic Indicators



Over Confidence?



January Portfolio	
Mount Gibson Iron Limited	10%
Cedar Woods Properties Limited	9%
Finbar Group Limited	5%
NRW Holdings Limited	5%
Beach Energy Limited	5%
Austal Limited	5%
IMF Bentham Limited	5%
Sandfire Resources NL	5%
Australian Finance Group Ltd	4%
Independence Group NL	4%
Western Areas Limited	4%
Programmed Maintenance Services Limited	3%
Australis Oil & Gas Limited	3%
Other	16%
Cash	17%

- Cash position reduced over December half but recently increased, now 17%
- Increased resources exposure through investment and relative performance
- Increased positions in :
 - NRW Holdings
 - Austal Limited
 - Australian Finance Group
- ASG sold into bid over the period, Automotive Holdings and Credit Corp opportunistically exited

Thank you

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