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**Fox Invest Limited**

ACN 108 069 003

**Appendix 4D Half-Year Report**

**For The Period Ended 31 December 2007**

(previous corresponding period being  
the half-year ended 31 December 2006)

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Fox Invest Limited  
ACN 108 069 003  
Half-Year Ended 31 December 2007

## Results for Announcement to the Market

	<b>\$'000</b>	<b>% Change</b>
Revenue from ordinary activities	<b>1,689</b>	<b>-27.8</b>
Profit from ordinary activities after tax attributable to members	<b>1,076</b>	<b>-21.2</b>
Net profit attributable to members	<b>1,076</b>	<b>-21.2</b>

<b>Dividends Per Share</b>	<b>Cents per share</b>	<b>% Franked</b>
Final 30 June 2007 (paid November 2007)	<b>12.00</b>	<b>35.78</b>
There is no proposed interim dividend for the half-year ended 31 December 2007		

### **Brief Explanation of results**

The Board of Fox Invest Limited reports a net profit after tax of \$1,075,837 for the half-year ended 31 December 2007, a decrease of 27.8% over the previous corresponding period. This is to be expected due to the downturn in equity markets; however the Company is a long-term investor and continues to manage its portfolio on that basis.

Based on the weighted average number of shares on issue, the profit result equates to after tax earnings of 5.48 cents per share, a decrease of 30.3% on the previous corresponding period's result.

Net tangible assets per security, after tax, were \$1.2552 as at 31 December 2007, compared with \$1.2116 as at 31 December 2006.

The board has not recommended the payment of an interim dividend.

On the 2 July 2007 Fox Invest Limited announced it intended to proceed with an on market buy-back of up to 1,700,000 of its shares. At the Company's annual general meeting, shareholders resolved to extend the period of the on market buy-back to 22 November 2008, covering up to 20% of the ordinary shares. At the date of this report, 948,162 shares have been purchased under the buy-back plan.

This Preliminary Final Report for Fox Invest Limited is based on accounts that have been audited and are not subject to disputes or qualifications.



## **Fox Invest Limited**

Financial Statements and Review Report  
For the period ended 31 December 2007

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## Directors' report

Your directors present their report on the company for the half-year ended 31 December 2007.

### Directors

The names of directors in office at any time during or since the end of the year are:

- Peter John Spann (Appointed 20/02/04)
- John James Fries (Appointed 21/02/07)
- Martin Geoffrey Krawitz (Appointed 20/02/04)
- Howard Graham Woolcott (Appointed 31/01/08)

Directors have been in office since the start of the financial year to the date of this report except for:

- Martin Geoffrey Krawitz (Resigned 31/01/08)
- Howard Graham Woolcott (Appointed 31/01/08)

### Review and Results of Operations

The net profit for the company for the half-year ended 31 December 2007 after providing for income tax amounted to \$1,075,837 (2006: \$1,364,579).

During the period the company received dividends and distributions totalling \$602,172 (2006: \$309,695) which represents 35.7% (2006: 13.2%) of total revenue.

At 31 December 2007 the company had established a diversified investment portfolio in accordance with the company's investment mandate. The composition of the portfolio at 31 December 2007 was:-

	Mandate	31 December 2007	31 December 2006
Growth shares	up to 80%	34%	26%
Income shares	up to 80%	65%	45%
Cash	up to 40%	1%	29%

### **Net Tangible Assets per Share (NTA)**

At 31 December 2007 the NTA after tax was \$1.26 per share (2006: \$1.21 per share).

### **Dividend re-investment Plan (DRP)**

The DRP raised \$610,888 (after tax) of new capital for investment during the half-year and resulted in the allotment of 548,568 shares at \$1.1132.

### **On Market Share Buy-Back**

On 23 November 2007 the Shareholders resolved by ordinary resolution to extend the period of the On Market Share Buy-Back to 22 November 2008, covering up to 20% of the ordinary shares. During the period 1 July 2007 to 31 December 2007, 933,162 shares were bought back at a cost of \$1,016,282.

### Auditors' Independence Declaration

A copy of the independence declaration provided by the company's auditors in relation to the review of the 31 December 2007 financial report is presented on page 10 and forms part of this Directors' Report.

## Directors' report (continued)

Signed in accordance with a resolution of the Board of Directors:

A handwritten signature in black ink, appearing to read 'Peter Spann', written in a cursive style.

Director  
Peter John Spann

Dated this 27<sup>th</sup> day of February 2008

## Income statement

### For the half year ended 31 December 2007

	<b>31.12.2007</b>	<b>31.12.2006</b>
	<b>\$</b>	<b>\$</b>
Revenue from ordinary activities	1,688,663	2,341,090
Management & administration fees	(223,070)	(253,745)
Other expenses from ordinary activities	(105,949)	(91,643)
Directors remuneration expense	(51,453)	(32,286)
<b>Profit from ordinary activities before income tax</b>	<b>1,308,191</b>	<b>1,963,416</b>
Income tax expense relating to ordinary activities	232,354	598,837
<b>Net profit from ordinary activities after related income tax expense</b>	<b>1,075,837</b>	<b>1,364,579</b>
<b>Overall Operations:</b>		
Basic earnings per share (cents per share)	5.48	7.87
Diluted earnings per share (cents per share)	5.48	7.61

The accompanying notes form part of these financial statements

## Balance sheet

### As at 31 December 2007

	Note	31.12.2007 \$	30.6.2007 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		334,300	6,622,091
Trade and other receivables		2,381	128,294
Financial assets		27,314,534	24,073,599
Current tax assets		4,959	4,959
Other current assets		5,999	11,647
<b>TOTAL CURRENT ASSETS</b>		<b>27,662,173</b>	<b>30,840,590</b>
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets		345,222	261,388
<b>TOTAL NON-CURRENT ASSETS</b>		<b>345,222</b>	<b>261,388</b>
<b>TOTAL ASSETS</b>		<b>28,007,395</b>	<b>31,101,978</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		337,388	2,833,374
<b>TOTAL CURRENT LIABILITIES</b>		<b>337,388</b>	<b>2,833,374</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		2,546,483	2,230,294
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,546,483</b>	<b>2,230,294</b>
<b>TOTAL LIABILITIES</b>		<b>2,883,871</b>	<b>5,063,668</b>
<b>NET ASSETS</b>		<b>25,123,524</b>	<b>26,038,310</b>
<b>EQUITY</b>			
Issued capital	2	19,975,735	19,620,679
Reserves		87,398	84,058
Retained earnings		5,060,391	6,333,573
<b>TOTAL EQUITY</b>		<b>25,123,524</b>	<b>26,038,310</b>

The accompanying notes form part of these financial statements

## Statement of changes in equity

### For the half year ended 31 December 2007

	Note	Share Capital Ordinary \$	Retained Earnings \$	Options Reserve \$	Total \$
<b>Balance at 1.7.2006</b>		16,696,914	3,906,923	73,632	20,677,469
Shares issued during the period		-	-	-	-
Share based payments for directors		-	-	7,086	7,086
Profit attributable to members		-	1,364,579	-	1,364,579
<b>Sub-total</b>		16,696,914	5,271,502	80,718	22,049,134
Dividends paid or provided for		-	(1,040,383)	-	(1,040,383)
<b>Balance at 31.12.2006</b>		16,696,914	4,231,119	80,718	21,008,751
<b>Balance at 1.7.2007</b>		19,620,679	6,333,573	84,058	26,038,310
Shares issued during the period		1,372,979	-	-	1,372,979
Costs for share issue		(1,641)	-	-	(1,641)
Shares bought back		(1,016,282)	-	-	(1,016,282)
Share based payments for directors		-	-	3,340	3,340
Profit attributable to members		-	1,075,837	-	1,075,837
<b>Sub-total</b>		19,975,735	7,409,410	87,398	27,472,543
Dividends paid or provided for		-	(2,349,019)	-	(2,349,019)
<b>Balance at 31.12.2007</b>	<b>2</b>	19,975,735	5,060,391	87,398	25,123,524

The accompanying notes form part of these financial statements

## Statement of cash flows

### For the half year ended 31 December 2007

	Note	<b>31.12.2007</b>	<b>31.12.2006</b>
		<b>\$</b>	<b>\$</b>
Cash flow from operating activities			
Proceeds from trading investments		202,135	11,258,978
Payments for trading investments		(5,108,504)	(7,842,747)
Investment income		731,820	620,985
Payments to suppliers & directors		(126,233)	(64,088)
Payments related to management and investment trading		(223,070)	(277,065)
<b>Net cash provided by / (used in) operating activities</b>		<b>(4,523,851)</b>	<b>3,696,063</b>
Cash flow from financing activities			
Proceeds from the exercising of options		762,313	-
Payment for shares bought back		(1,016,282)	-
Payment of costs relating to share issue		(1,641)	-
Dividends paid		(1,508,330)	(1,039,602)
<b>Net cash provided by financing activities</b>		<b>(1,763,940)</b>	<b>(1,039,602)</b>
Net increase (decrease) in cash held		(6,287,791)	2,656,460
Cash at the beginning of the financial year		6,622,091	3,881,322
<b>Cash at the end of the financial year</b>		<b>334,300</b>	<b>6,537,782</b>

The accompanying notes form part of these financial statements

## Notes to the financial statements

### For the half year ended 31 December 2007

#### 1 Basis of preparation

The half-year financial statements are a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting*, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Fox Invest Limited is a listed public company incorporated and domiciled in Australia.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by Fox Invest Limited during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The accounting policies have been consistently applied and are consistent with those on the June 2007 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

#### Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

	2007	2006	2007	2006
	No. of	No. of	\$	\$
	Shares	Shares	\$	\$
<b>2 Issued capital</b>				
Fully paid ordinary shares				
Opening balance	19,795,439	17,339,800	19,620,679	16,696,914
Options exercised	604,208	-	762,313	-
Dividend reinvestment plan	548,568	-	610,666	-
Share issue costs	-	-	(1,641)	-
Share buy back	(933,162)	-	(1,016,282)	-
Closing balance	20,015,053	17,339,800	19,975,735	16,696,914

#### 3 Segment information

The company operates as an investment company acquiring and selling shares, trust units, options and warrants.

The company currently operates in one geographical segment being Australia.

#### 4 Dividends

a. Distributions paid by the company	2,349,019	1,040,383
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A final dividend of 12.0 cents per share on each ordinary share held as at 25 October 2007 franked to 35.78% was paid on 16 November 2007.

## 5 Subsequent events

Fox Invest Limited operates as a listed investment company. Subsequent to half-year end, Australian equity markets have been subject to a downturn which has had a negative impact on the value of the portfolio. This has been reflected in the *Net Tangible Asset* announcement released to the market on the 7<sup>th</sup> February 2008.

## Directors' declaration

The directors of the company declare that:

1. The financial statements and notes, as set out in pages 3 to 8, are in accordance with the Corporations Act 2001:
  - a. comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations; and
  - b. give a true and fair view of the financial position as at 31 December 2007 and of the performance for the half-year ended on that date of the company.
2. In the directors' opinion 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 Board of Directors:



Director  
Peter John Spann

Dated this 27<sup>th</sup> day of February 2008



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**AUDITOR'S INDEPENDENCE DECLARATION**

**TO THE DIRECTORS OF FOX INVEST LIMITED**

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In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Fox Invest Limited for the half-year ended 31 December 2007, 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.

GRANT THORNTON QUEENSLAND PARTNERSHIP

*Grant Thornton Queensland Partnership*

D J CARROLL *Jan Carroll*  
Partner  
Brisbane

Date: 21 February 2008



## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **TO THE MEMBERS OF FOX INVEST LIMITED**

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ABN 13 131 589 059

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#### **Report on the half-year financial report**

We have reviewed the accompanying half-year financial report of Fox Invest Limited, which comprises the balance sheet as at 31 December 2007, the income statement, statement of changes in equity and statement of cash flows for the half-year ended on that date and other selected explanatory notes.

#### **Directors' responsibility for the half-year financial report**

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards including the Australian Accounting Interpretations and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **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 Engagement ASRE 2410: *Review of an Interim 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 company's financial position as at 31 December 2007 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 Fox Invest 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 complied with the independence requirements of the Australian professional ethical pronouncements and the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Fox Invest Limited on 21 February 2008, would be in the same terms if provided to the directors as at the date of this auditor's review 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 Fox Invest Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the company's financial position as at 31 December 2007 and of its performance for the half-year ended on that date.
- b complying with Australian Accounting Standard AASB 134:*Interim Financial Reporting* and the Corporations Regulations 2001.

GRANT THORNTON QUEENSLAND PARTNERSHIP

*Grant Thornton Queensland Partnership*

*Dan Carroll*

D J CARROLL  
Partner  
Brisbane

Date: 27 February 2008