

WAM ACTIVE LIMITED
ABN 49 126 420 719
APPENDIX 4D
HALF YEAR REPORT
For the half year ended 31 December 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET
All comparisons to the half year ended 31 December 2011

	\$	up/down	% mvmt
Revenue from ordinary activities	2,106,293	up	1,597.0%
Profit from operating activities before income tax expense	1,418,201	up	766.9%
Net profit from operating activities after income tax expense	1,109,373	up	2,584.9%

Dividend Information	Cents per share	Franked amount per share	Tax rate for franking
2013 Interim dividend cents per share	4.75c	4.75c	30%
2012 Final dividend cents per share	4.5c	4.5c	30%

Interim dividend dates

Ex dividend date	8 April 2013
Record Date	12 April 2013
Payment Date	19 April 2013

Dividend Reinvestment Plan

The Dividend Reinvestment Plan is in operation and the recommended fully franked interim dividend of 4.75 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be at a 2.5% discount to the price (calculated as the weighted average market price of shares sold on the ASX on the books closing date (i.e. record date) for the relevant dividend and the 3 trading days preceding that date).

	31 Dec 12	31 Dec 11
Net tangible asset backing (after tax) cents per share	\$1.08	\$1.08

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Moore Stephens Sydney. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2012 Annual Financial Report.

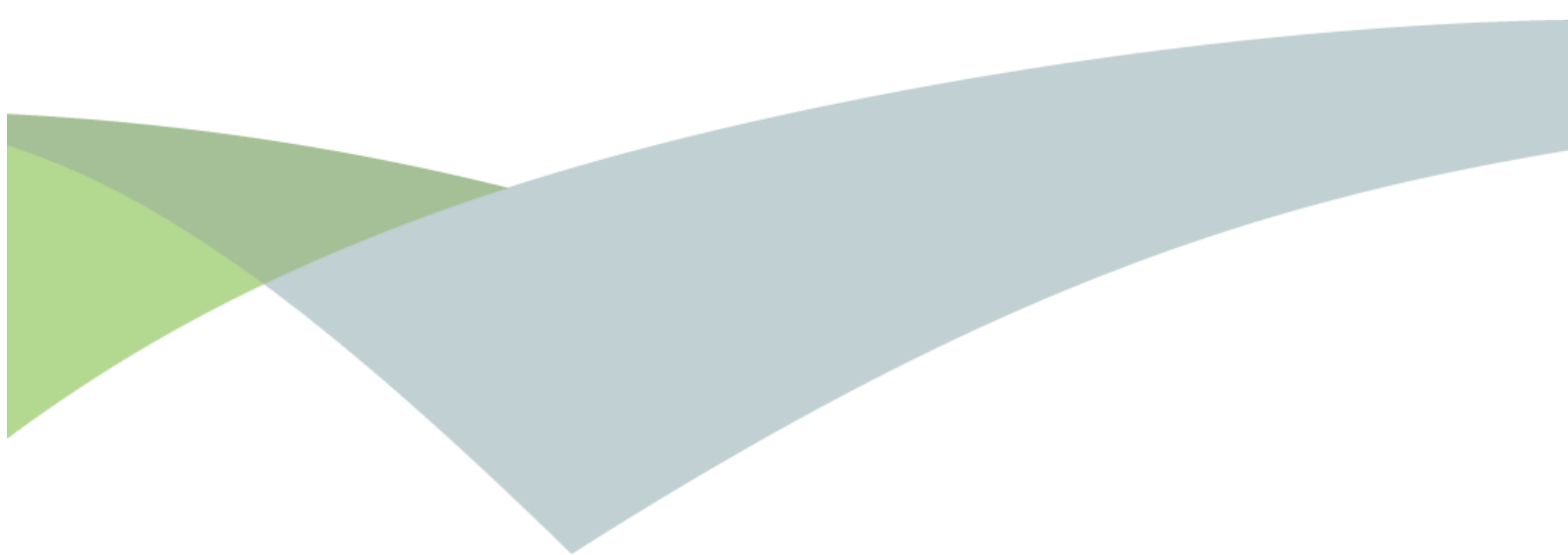


WAM Active Limited

ABN 49 126 420 719

Financial Report

for the half year ending 31 December 2012



Company Particulars

WAM Active Limited is a Listed Investment Company and is a reporting entity. It is primarily an investor in equities listed on the Australian securities market.

Directors: G. Wilson (Chairman)
M. Kidman
J. Abernethy

Secretary: K. Thorley

Investment Manager: MAM Pty Limited
Level 11, 139 Macquarie Street
Sydney NSW 2000

Auditors: Moore Stephens Sydney

Country of Incorporation: Australia

Registered Office: Level 11, 139 Macquarie Street
Sydney NSW 2000

Contact Details: Postal Address: GPO Box 4658, Sydney NSW 2001

Telephone: (02) 9247 6755

Fax: (02) 9247 6855

Email: info@wamfunds.com.au

Website: www.wamfunds.com.au

Share Registrar: Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000
Telephone: (02) 9290 9600
Fax: (02) 9279 0664

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

Australian Securities Exchange: WAM Active Ordinary Shares (WAA)
WAM Active Options (WAAO) \$1.08 expiry 12 December 2013

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

The Directors present their report together with the financial report of WAM Active Limited ("the Company") for the half year ended 31 December 2012.

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report:

- Geoffrey Wilson (Chairman – Non-Independent)
- Matthew Kidman (Non-Executive Director – Non-Independent)
- John Abernethy (Non-Executive Director – Independent)
- Ronald Walker (Non-Executive Director – Non-Independent) (resigned 17 September 2012)

Principal Activity

The principal activity of the Company is making investments in listed companies. No change in this activity took place during the period or is likely in the future.

Investment Objectives

The Company's investment objectives are to deliver a rising stream of fully franked dividends and to preserve capital in both the short term and long term.

Operating and Financial Review

Investment operations over the half year resulted in an operating profit before tax of \$1,418,201 (2011: operating loss before tax of \$212,670) and operating profit after tax of \$1,109,373 (2011: operating loss after tax of \$44,644). The increase in profit is a reflection of the investment portfolio returning 10.4% compared to 0.3% in the previous corresponding period.

Under Accounting Standards, realised gains and losses and dividend income are added to or reduced by changes in the market value of the Company's investments. This can lead to large variations in reported profits. We believe a more appropriate measure of the results is the change in Net Tangible Asset (NTA), adjusted for dividends. The pre tax NTA, adjusted for dividends, increased 7.1% for the 6 months to 31 December 2012. The share price, adjusted for dividends rose 12.7% for the 6 months to 31 December 2012.

Net Tangible Asset backing for each ordinary share as at 31 December 2012 (calculated on market value less realisation costs and all applicable taxes and before provision for dividend) amounted to \$1.08 per share (2011: \$1.08). Net Tangible Assets after tax on realised gains but before tax on unrealised gains was \$1.10 per share (2011: \$1.09). This is after the payment of 9.0 cents in fully franked dividends over the 12 month period.

On 4 May 2012, the Board announced a 1 for 1 bonus issue of options to acquire ordinary shares in the capital of the Company. The options were allotted to shareholders on 25 June 2012. The options have an exercise price of \$1.08 per share and can be exercised at any time on or before 12 December 2013. The options are currently trading on the ASX under the code WAAO.

As at 31 December 2012, a total of 3,283,164 options have been exercised for a total consideration of \$3,545,817 with a remaining balance of outstanding options being 13,026,781.

A fully franked dividend of 4.5 cents per share was paid in the period to 31 December 2012 and an interim dividend of 4.75 cents per share fully franked has been declared by the Board and will be paid on 19 April 2013.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

DIRECTORS' REPORT TO SHAREHOLDERS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Auditors' Independence Declaration

A copy of the Auditors' Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 3.

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

A handwritten signature in black ink, consisting of a large, stylized initial 'G' followed by a horizontal line extending to the right.

Geoffrey Wilson
Chairman

Dated at Sydney this 21st day of February 2013

Level 7, 20 Hunter Street
Sydney NSW 2000

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**Auditor's Independence Declaration
to the Directors of WAM Active Limited**

As lead auditor for the review of WAM Active Limited for the half-year ended 31 December 2012, 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.

This declaration is in respect of WAM Active Limited during the period.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney this 21st day of February 2013.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	December 2012 \$	December 2011 \$
Proceeds from sale of investments		29,217,433	30,581,785
Cost of investments sold		(30,152,031)	(31,536,590)
Realised loss on financial assets		(934,598)	(954,805)
Unrealised gains on financial assets		862,685	315,766
Other revenue from ordinary activities	2	2,178,206	763,155
Performance fees		(318,779)	-
Management fees		(103,207)	(90,887)
Directors fees		(26,897)	(35,500)
Custody fees		(21,393)	(25,668)
ASX listing and chess fees		(29,853)	(27,539)
Share registry fees		(18,625)	(12,531)
Brokerage expense on share purchases		(110,331)	(83,146)
Other expenses from ordinary activities		(59,007)	(61,515)
Profit/(loss) before income tax		1,418,201	(212,670)
Income tax expense/(benefit)		308,828	(168,026)
Profit/(loss) attributable to members of the Company	6	1,109,373	(44,644)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
Total comprehensive income/(loss) for the period		1,109,373	(44,644)
Basic earnings per share		6.15 cents	(0.27) cents
Diluted earnings per share		6.09 cents	(0.27) cents

The accompanying notes form part of these financial statements

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Notes	December 2012 \$	June 2012 \$
Assets			
Cash and cash equivalents		4,906,577	9,569,918
Trade and other receivables		268,899	836,698
Financial assets		17,146,212	8,826,054
Deferred tax assets		243,830	293,181
Total Assets		22,565,518	19,525,851
Liabilities			
Trade and other payables		691,816	1,367,861
Financial liabilities		-	502,082
Deferred tax liabilities		513,379	253,902
Total Liabilities		1,205,195	2,123,845
Net Assets		21,360,323	17,402,006
Equity			
Issued capital	4	19,924,838	16,195,624
Reserves	5	1,560,258	1,331,155
Retained earnings	6	(124,773)	(124,773)
Total Equity		21,360,323	17,402,006

The accompanying notes form part of these financial statements

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	December 2012 \$	December 2011 \$
Total Equity as at 1 July		17,402,006	18,131,297
Profit/(loss) for the half year attributable to members of the Company	6	1,109,373	(44,644)
Total other comprehensive income for the period		-	-
Shares issued via DRP	4(b)	183,398	107,057
Shares issued via exercise of options	4(b)	3,544,736	-
Unallotted option monies received	4(b)	1,080	-
		<u>22,240,593</u>	<u>18,193,710</u>
Dividends paid	3(a)	<u>(880,270)</u>	<u>(642,666)</u>
Total Equity as at 31 December attributable to members of the Company		<u>21,360,323</u>	<u>17,551,044</u>

The accompanying notes form part of these financial statements

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	December 2012 \$	December 2011 \$
Cash Flows from Operating Activities		
Dividends received	1,902,567	457,538
Interest received	224,374	293,996
Other investment income received	120,057	73,581
Net GST received from the ATO	29,276	46,879
Management fees (inclusive of GST)	(99,757)	(65,974)
Performance fees (inclusive of GST)	(125,542)	(320,726)
Brokerage expense on share purchases (inclusive of GST)	(118,158)	(89,230)
Payments for administration expenses (inclusive of GST)	(223,411)	(161,478)
GST on brokerage expense on share sales	(5,600)	(4,950)
Income tax paid	-	(23,419)
Net Cash provided by Operating Activities	1,703,806	206,217
Cash Flows from Investing Activities		
Proceeds from sale of investments	29,734,935	29,910,455
Payments for purchases of investments	(38,951,026)	(31,130,490)
Net Cash used in Investing Activities	(9,216,091)	(1,220,035)
Cash Flows from Financing Activities		
Proceeds from option exercise	3,545,816	-
Dividends paid – net of reinvestment	(696,872)	(535,609)
Net Cash provided by/(used in) Financing Activities	2,848,944	(535,609)
Net decrease in cash and cash equivalents held	(4,663,341)	(1,549,427)
Cash and cash equivalents at the beginning of the half year	9,569,918	10,732,711
Cash and cash equivalents at the end of the half year	4,906,577	9,183,284

The accompanying notes form part of these financial statements

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

1. Statement of Significant Accounting Policies

Basis of Preparation

The half year financial statements are a general purpose financial statement prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report was authorised for issue on 21st February 2013 by the Board of Directors.

It is recommended that the half year financial report be read in conjunction with the Annual Financial Report for the year ended 30 June 2012 and any public announcements made by WAM Active Limited ("the Company") during the half year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical cost with the exception of financial assets and certain other financial assets and liabilities which have been measured at fair value.

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

The accounting policies have been consistently applied by the Company and are consistent with those applied in the 30 June 2012 Annual Financial Report.

Details of Reporting Period

The current reporting period is the half year ended 31 December 2012. For the Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half year ended 31 December 2011. For the Statement of Financial Position, the previous corresponding date is 30 June 2012.

	December 2012 \$	December 2011 \$
2. Other Revenue		
Australian sourced dividends	1,886,343	440,127
Interest	176,575	271,573
Trust distributions	114,623	54,734
Underwriting fees	665	(3,279)
	<hr/> 2,178,206 <hr/>	<hr/> 763,155 <hr/>

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	December 2012 \$	December 2011 \$
3. Dividends		
a) Ordinary dividends paid during the period		
Final Dividend FY2012: 4.5 cents per share fully franked at 30% tax rate paid on 19 October 2012 (Final dividend FY2011: 4.0 cents per share fully franked).	<u>880,270</u>	<u>642,666</u>
b) Dividends not recognised during the period		
Since the end of the period the Directors have declared an interim fully franked dividend 4.75 cents per share payable on 19 April 2013 (Interim dividend FY2012: 4.5 cents per share fully franked)	<u>970,619</u>	<u>727,930</u>
	December 2012 \$	June 2012 \$
4. Issued Capital		
(a) Paid-up Capital		
19,767,646 ordinary shares fully paid (2011: 16,309,945)	<u>19,924,838</u>	<u>16,195,624</u>
(b) Movement in Issued Capital		
Balance at the beginning of the reporting period	16,195,624	15,948,854
175,537 ordinary shares issued on 19 October 2012 under a dividend reinvestment plan	183,398	-
3,282,164 ordinary shares issued from the exercise of options allotted July 2012 to December 2012 exercise price \$1.08	3,544,736	-
Options exercised at \$1.08, not yet allotted at December 2012	1,080	-
109,560 ordinary shares issued on 30 September 2011 under a dividend reinvestment plan	-	107,057
133,732 ordinary shares issued on 24 April 2012 under a dividend reinvestment plan	-	139,713
At reporting date	<u>19,924,838</u>	<u>16,195,624</u>

(c) Options

At 30 June 2012, the Company had 16,309,945 options on issue to acquire fully paid ordinary shares, exercisable at \$1.08 per option. During the half year, 3,283,164 options were exercised. 13,026,781 options remain unexercised and are due to expire on 12 December 2013.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	December 2012 \$	June 2012 \$
5. Reserves		
Profits Reserve		
Balance at the beginning of the reporting period	1,331,155	2,009,070
Transfer from retained earnings	1,109,373	692,681
Final dividend FY2012 paid (refer Note 3a)	(880,270)	(642,666)
Interim dividend FY2012 paid (refer Note 3b)	-	(727,930)
At reporting date	<u>1,560,258</u>	<u>1,331,155</u>

	December 2012 \$	June 2012 \$
6. Retained Earnings		
Balance at the beginning of the reporting period	(124,773)	173,373
Profit for the period attributable to members of the Company	1,109,373	394,535
Transfer to profits reserve	(1,109,373)	(692,681)
At reporting date	<u>(124,773)</u>	<u>(124,773)</u>

7. Segment Reporting

The Company currently operates only in the investment industry within Australia. It has no reportable business or geographic segments.

8. Contingent Liabilities

There are no outstanding contingent liabilities as at 31 December 2012 (June 2012: nil)

9. Capital Commitments

There are no outstanding capital commitments as at 31 December 2012 (June 2012: nil).

10. Events Subsequent to Reporting Date

Since the end of the half year, the Directors declared a interim dividend of 4.75 cents per share fully franked to be paid on 19 April 2013.

No other matters have arisen since the end of the period which significantly affected or may significantly affect the operations of the Company, the results of the operations, or the state of affairs of the Company in future financial years.

WAM ACTIVE LIMITED

A.B.N. 49 126 420 719

DIRECTOR'S DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2012

The Directors of WAM Active Limited declare that:

1. The financial statements and notes, as set out on pages 4 to 10, are in accordance with the *Corporations Act 2001*, including:
 - a) Complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - b) Giving a true and fair view of the financial position of the Company as at 31 December 2012 and of its performance for the half year ended on that date.
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.

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



Geoffrey Wilson
Chairman

Dated at Sydney this 21st day of February 2013

Level 7, 20 Hunter Street
Sydney NSW 2000

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF WAM ACTIVE LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of WAM Active Limited (the company), which comprises the statement of financial position as at 31 December 2012, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other 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 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* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due 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 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 half-year 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 2012 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 WAM Active 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 the financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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 applicable 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 WAM Active 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 2012 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*.



Moore Stephens Sydney
Chartered Accountants



Scott Whiddett
Partner

Dated in Sydney, this 21st day of February 2013.



WILSON
ASSET MANAGEMENT

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