Economics | March 2 2013

Company profits: Cost cutting is the new "black"

Corporate Profit Season

- **Each profit reporting season CommSec tracks all the earnings results of ASX 200 companies to obtain a comprehensive picture of the aggregate health of Corporate Australia. And it's clear that the company profit-reporting season wasn't as bad as feared. Companies under promised and over delivered – an old strategy that continues to work.**
- **CommSec has assessed the results of the 138 companies that reported interim earnings (the six months to December 2012) and the 29 companies reporting annual results for 2012. Almost 86 per cent of interim reporting companies reported a profit – the best result since the 2009/10 financial year. Excluding heavyweight companies (BHP Billiton, Commonwealth Bank and Telstra) aggregate profits were up 17 per cent on a year ago. More companies lifted interim dividends than those that cut or maintained dividends.**

Cost cutting is the new "black"

- If the recent profit-reporting season could be summed up in two words it would "cost cutting". In response to lower commodity prices, mining and energy companies turned their attention to cost control over the past six months. Similarly non-resource companies were prompted by cautious consumer and business spending to also focus on cost issues.
- Clearly companies should always aim both to maximise revenues and minimise costs on an on-going basis. But unfortunately cost control generally doesn't get the attention it deserves until the environment becomes more challenging and revenues come under pressure.
- But while the focus on costs had been overdue for a number of companies, essentially the new strategy worked. That is, profits were maintained or even rose over the past six months. Still, bottom-line profits were also supported by surprisingly resilient revenues.
- Companies have taken delight in talking about "challenging" or "tough" operating conditions over the past year. And while businesses have had to work harder to secure revenues, the hard work has generally paid off.

The interim profit numbers

- Of course the only way to assess whether the recent profit-reporting season was a success or failure is to add up the numbers. And that's what we've done. It's certainly not a case of comparing results to the expectations of analysts because companies are routinely successful in managing expectations. In the latest reporting season companies did provide weak guidance and then they turned around and either met or beat expectations. It may be an old strategy but it still largely works.
- So to the numbers. CommSec has assessed the results of 138 companies from the ASX 200 index that reported earnings for the six months to December 2012. In aggregate, revenue grew by 1.4 per cent to $296 billion while expenses grew by 5.8 per cent to $226.6 billion, leading to an 11.2 per cent fall in net profit to $25.7 billion. But average earnings per share rose by 1.6 per cent. Cash holdings fell by 23.8 per cent to $47.4 billion (around double profits) with a number of companies using some of the proceeds to lift dividends. Dividends rose by 1.9 per cent.
- However the results tend to be distorted by a small number of large companies. To get a better sense of underlying profitability, results for BHP Billiton, Commonwealth Bank and Telstra were removed from the sample. The results for the remaining companies show aggregate revenues rising by 4.7 per cent, offsetting a 3.9 per cent

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lift in expenses or costs. Aggregate profits were up by 17.1 per cent. And while cash levels fell by 7.0 per cent, dividends lifted by 0.4 per cent.

- Beneath the surface, the results were mixed. In terms of profits, the majority of companies were in the black. Overall 118 of the 138 companies (85.5 per cent) produced a profit. But only 75 companies (54.3 per cent) lifted profits over the six month period.
- And the outcomes were even more mixed when it came to cash holdings and dividends. Of the 138 companies, 64 lifted cash holdings from end-December 2011 to end-December 2012 with the remainder trimming cash levels.
- Interestingly more companies lifted interim dividends (59 companies) than those that cut them (25 companies). And 28 companies left dividends unchanged while 29 didn't produce a dividend at all.
- Sure investors may have been surprised by the results, but these are the actual published results, rather than a survey of earnings expectations.

The full year profit results

- So how did companies fare? CommSec have assessed the results of 29 of the ASX 200 companies that reported profits for the year to December. In aggregate, profits totalled $7.3 billion, down 48.7 per cent on a year earlier. But importantly all but four of the companies (86 per cent) made money over the period.
- Aggregate sales fell by 4.1 per cent to $146 billion while the cost of sales or expenses was up by 2.6 per cent to $118.8 billion.
- Earnings per share fell by 7.9 per cent while dividends and cash holdings also fell. Interim dividends were down in aggregate by 11.9 per cent. But 9 companies lifted dividends while only 7 cut payments. And cash holdings fell by 2.4 per cent to $30.2 billion, but the cash on hand was over four times the size of the reduced level of profits.
- But as was the case for the interim results, there is value in taking heavyweight, Rio Tinto, out of the sample to get a better sense of underlying results. Excluding Rio Tinto, aggregate revenue rose by 3.7 per cent, outpacing a 2.2 per cent lift in expenses. As a result, aggregate earnings actually rose by 38 per cent to $10.3 billion. And while the value of cash holdings rose 7.9 per cent to $22.9 billion, final dividend payments fell by 15.9 per cent.

Outlook

- In August 2012, when we were wrapping up the 2011/12 profit reporting season we stated the following: *"So while CommSec expects share prices to rise over 2012/13, the gains are likely to be concentrated in the second half of the year. By end 2012, the ASX 200/ All Ordinaries indexes are seen at 4,400 points with 4,650 points expected by June 2013. Investors will continue to focus on total returns generated from shares, giving equal weight to dividend payments by companies."*
- As proved to be the case over the latter part of 2012 and early 2013, we were too cautious, under-estimating the speed of recovery. And clearly this is a trap that most analysts fell into.
- The risk at present is that will again prove to be too conservative. Currently we expect the All Ordinaries/ ASX 200 to reach 5,300 points by the end of the year. Certainly if confidence levels continue to rebuild and investors switch funds from cash to equities, property and other "riskier assets", then the 5,300 level will be quickly exceeded.
- But all the world's problems haven't been solved overnight. And equities can no longer be viewed as "cheap." We expect industry price-earnings ratios to exceed "normal" or longer-term "average" levels as cash gets put back to work, before share prices experience a correction or consolidation as earnings catch up.
- So the sharemarket is expected to continue its upward trend, but with plenty of bumps along the way.
- It is also important to note that plenty of Australian industries are experiencing structural change. And this will have implications not only for individual companies but the broader economy. Retailers face the online challenge. The high Australian dollar is causing numerous industries to re-assess strategy, such as retail and manufacturers. Resource companies need to ensure that they are productive, efficient and competitive while at the same time investing and expanding to meet buyers' needs.
- Property companies face downward pressure on rents as retailers strike a balance between 'bricks & mortar' stores and online sites. Banks have to keep costs low and explore for other revenue sources as businesses and consumers reduce reliance on debt funding.
- One thing is clear – 2013 has already proved exceedingly 'interesting' and interest levels will only build over the year.

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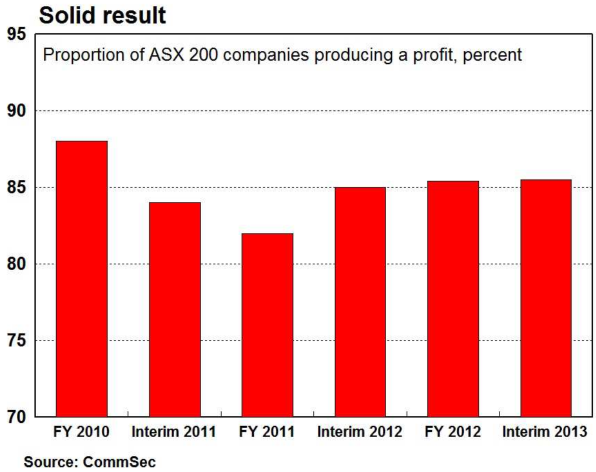
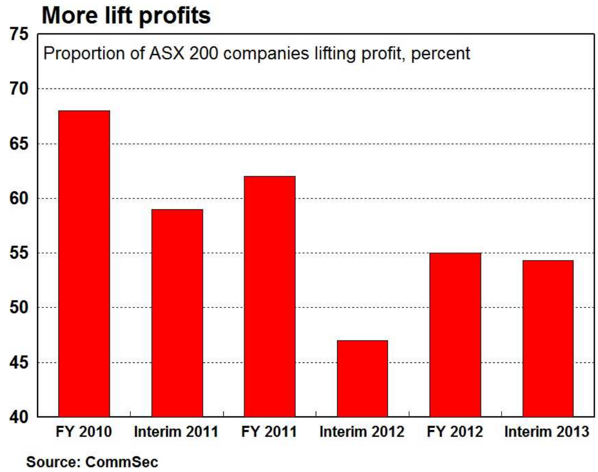
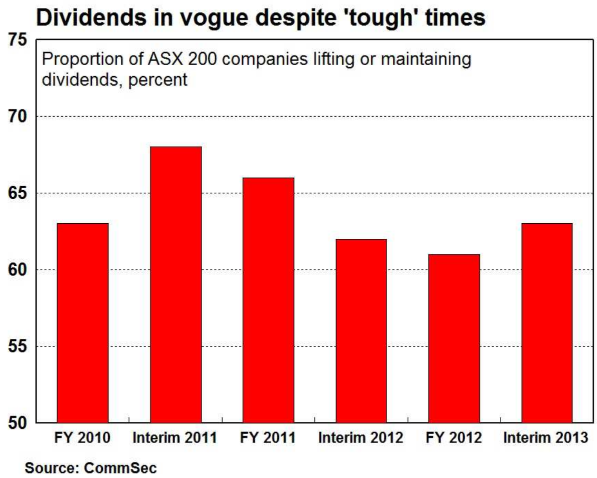
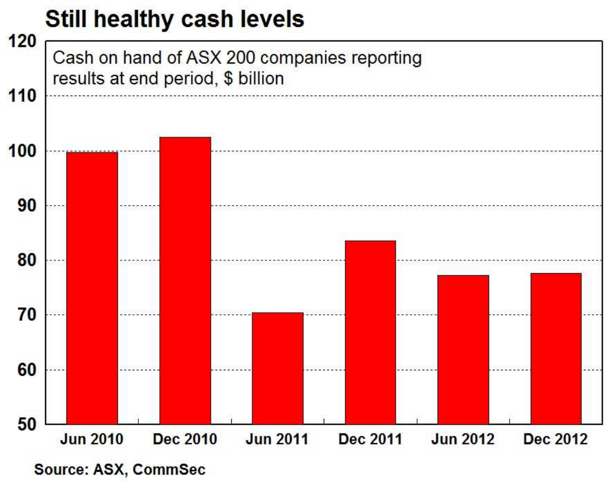
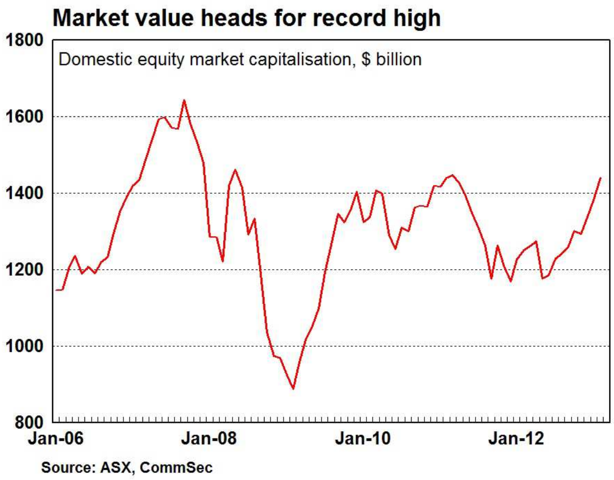
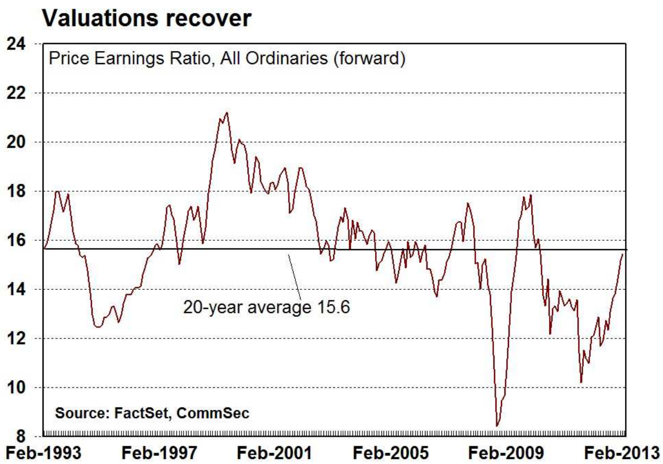

Solid result
Proportion of ASX 200 companies producing a profit, percent
95
90
85
80
75
70
FY 2010
Interim 2011
FY 2011
Interim 2012
FY 2012
Interim 2013
Source: CommSec


More lift profits
Proportion of ASX 200 companies lifting profit, percent
75
70
65
60
55
50
45
40
FY 2010
Interim 2011
FY 2011
Interim 2012
FY 2012
Interim 2013
Source: CommSec


Dividends in vogue despite 'tough' times
Proportion of ASX 200 companies lifting or maintaining dividends, percent
75
70
65
60
55
50
FY 2010
Interim 2011
FY 2011
Interim 2012
FY 2012
Interim 2013
Source: CommSec


Still healthy cash levels
Cash on hand of ASX 200 companies reporting results at end period, $ billion
120
110
100
90
80
70
60
50
Jun 2010
Dec 2010
Jun 2011
Dec 2011
Jun 2012
Dec 2012
Source: ASX, CommSec


Market value heads for record high
Domestic equity market capitalisation, $ billion
1800
1600
1400
1200
1000
800
Jan-06
Jan-08
Jan-10
Jan-12
Source: ASX, CommSec


Valuations recover
Price Earnings Ratio, All Ordinaries (forward)
24
22
20
18
16
14
12
10
8
20-year average 15.6
Source: FactSet, CommSec
Feb-1993
Feb-1997
Feb-2001
Feb-2005
Feb-2009
Feb-2013

HALF YEAR TO DECEMBER 2012

			SALES			COST OF SALES			PROFIT			EPS		Interim Dividend		Cash Balance	
			2012	2011	%	2012	2011	%	2012	2011	%	2012	2011	2012	2011	2012	2011
			$M	$M		$M	$M		$M	$M		cents	cents	cents	cents		
TOL	Toll Holdings Ltd	Air Freight & Logistics - 20301010	4546.1	4436.8	2.5	4297.7	4196.3	2.4	195.5	160.9	21.5	26.7	22.1	12.5	11.5	539.8	569.1
VAH	Virgin Aus Hldg Ltd	Airlines - 20302010	2108.1	2006.4	5.1	2059.4	1907.0	8.0	23.0	51.8	-55.6	1.0	2.3	0.0	0.0	685.1	851.4
QAN	Qantas Airways	Airlines - 20302010	8242.0	8048.0	2.4	7997.0	7911.0	1.1	111.0	42.0	164.3	4.9	1.9	0.0	0.0	3058.0	3398.0
AIX	Australian Infrastr.	Airport Services - 20305010	229.5	78.0	194.3	73.4	9.9	644.2	175.5	68.8	155.0	28.3	11.1	5.5	5.0	113.9	54.9
IIN	iiNet Limited	Alternative Carriers - 50101010	473.6	365.3	29.6	428.1	344.4	24.3	31.9	14.4	121.8	19.8	9.6	8.0	7.0	22.3	6.6
BBG	Billabong	Apparel, Accessories & Luxury Goods - 25203010	702.3	764.3	-8.1	335.4	360.2	-6.9	-536.6	16.1	-3433.8	-108.8	5.1	0.0	3.0	133.3	189.3
PPT	Perpetual Limited	Asset Management & Custody Banks - 40203010	190.6	205.4	-7.2	144.3	154.3	-6.5	27.3	22.9	19.2	71.4	57.3	50.0	50.0	180.3	122.6
IFL	IOOF Holdings Ltd	Asset Management & Custody Banks - 40203010	332.8	316.4	5.2	287.8	257.2	11.9	33.6	46.1	-27.1	14.3	19.9	19.5	19.0	96.2	87.7
PTM	Platinum Asset	Asset Management & Custody Banks - 40203010	107.8	115.4	-6.6	19.4	20.2	-3.9	62.4	67.2	-7.0	11.1	12.0	8.0	8.0	16.1	21.2
FWD	Fleetwood Corp	Automobile Manufacturers - 25102010	148.6	194.3	-23.5	127.4	146.4	-13.0	5.1	26.9	-80.9	8.6	46.1	30.0	33.0	9.0	14.1
CSL	CSL Limited*	Biotechnology - 35201010	2482.3	2324.0	6.8	1188.9	1252.9	-5.1	626.9	504.3	24.3	124.7	96.3	50.0	37.6	756.7	1171.4
SRX	Sirtex Medical Limited	Biotechnology - 35201010	46.0	36.8	25.1	8.5	7.3	15.4	7.8	6.1	27.6	14.0	10.9	0.0	0.0	19.0	39.7
MSB	Mesoblast Limited	Biotechnology - 35201010	14.7	18.6	-21.0	42.5	36.6	16.2	-27.8	-44.1	37.0	-9.7	-15.5	0.0	0.0	178.7	206.7
SXL	Sthn Cross Media	Broadcasting - 25401020	327.7	362.6	-9.6	223.5	239.3	-6.6	45.2	84.3	-46.3	6.4	13.3	4.5	5.0	83.8	78.2
GWA	GWA Group Ltd	Building Products - 20102010	289.9	315.0	-8.0	185.8	198.9	-6.6	15.7	19.9	-21.1	5.2	4.4	6.0	9.0	32.3	30.5
TAH	TABCORP Holdings Ltd	Casinos & Gaming - 25301010	1034.9	1013.8	2.1	855.1	844.0	1.3	72.9	189.3	-61.5	12.9	13.4	11.0	13.0	135.8	151.4
CWN	Crown Limited	Casinos & Gaming - 25301010	1510.5	1494.7	1.1	1319.3	1188.8	11.0	180.8	274.4	-34.1	24.8	36.6	18.0	18.0	205.9	188.7
TTS	Tatts Group Ltd	Casinos & Gaming - 25301010	1545.7	1333.7	15.9	1297.3	1119.2	15.9	128.3	166.9	-23.1	9.3	12.6	8.0	11.0	374.1	276.5
EGP	Echo Entertainment	Casinos & Gaming - 25301010	912.6	876.2	4.2	778.6	747.0	4.2	66.5	70.2	-5.3	8.1	9.8	4.0	4.0	199.5	109.9
PDN	Paladin Energy Ltd	Coal & Consumable Fuels - 10102050	195.5	173.4	12.7	-172.6	-146.4	-17.9	-193.5	-120.2	-61.0	-23.1	-14.9	0.0	0.0	104.7	112.1
WHC	Whitehaven Coal	Coal & Consumable Fuels - 10102050	280.8	340.4	-17.5	268.8	233.2	15.3	-47.0	19.9	-336.5	-4.8	4.0	0.0	50.0	83.2	103.5
JBH	JB Hi-Fi Limited	Computer & Electronics Retail - 25504020	1816.2	1774.7	2.3	1452.4	1397.8	3.9	82.1	79.6	3.0	83.0	80.7	50.0	49.0	54.3	58.7
DCG	Decmil Group Limited	Construction & Engineering - 20103010	332.9	210.9	57.9	274.3	176.3	55.6	44.1	13.0	238.4	26.3	10.2	4.0	2.5	96.3	107.7
ASL	Ausdrill Limited	Construction & Engineering - 20103010	580.2	511.7	13.4	518.8	433.2	19.8	47.6	54.4	-12.5	15.7	18.1	6.5	6.5	82.2	81.3
MND	Monadelphous Group	Construction & Engineering - 20103010	1291.1	883.4	46.2	1149.3	773.7	48.6	79.1	57.5	37.5	88.6	65.4	62.0	50.0	189.3	181.6
NWH	NRW Holdings Limited	Construction & Engineering - 20103010	810.7	610.4	32.8	741.3	545.6	35.9	48.6	45.3	7.2	17.8	16.2	8.0	8.0	210.4	140.0
UGL	UGL Limited	Construction & Engineering - 20103010	1887.4	2212.3	-14.7	1883.1	2134.2	-11.8	27.9	55.5	-49.6	15.6	33.3	34.0	34.0	167.6	176.0
CDD	Cardano Ltd	Construction & Engineering - 20103010	599.9	445.5	34.7	544.1	393.5	38.3	40.1	36.1	11.1	28.9	32.7	18.0	18.0	86.7	80.4
BLD	Boral Limited	Construction Materials - 15102010	2773.8	2432.7	14.0	2605.8	2169.1	20.1	-25.3	152.7	-116.6	-4.1	20.6	5.0	7.5	186.0	205.7
FBU	Fletcher Building+	Construction Materials - 15102010	4380.0	4944.0	-11.4	3286.0	3371.0	-2.5	146.0	144.0	1.4	21.3	21.2	17.0	17.0	163.0	182.0
BKN	Bradken Limited	Constructn&Farm Machinery&Heavy Trucks - 20106010	680.5	683.2	-0.4	537.0	547.5	-1.9	46.7	43.0	8.5	27.6	26.2	20.0	19.5	98.9	101.9
FXL	FlexiGroup Limited	Consumer Finance - 40202010	136.2	118.0	15.4	33.7	29.2	15.1	30.3	27.5	10.0	10.7	10.1	7.0	6.0	83.9	63.2
CPU	Computershare Ltd	Data Processing&Outsourced Services - 45102020	976.9	774.4	26.1	895.0	644.8	38.8	94.6	111.5	-15.2	17.0	20.1	14.0	14.0	442.4	441.4
TWE	Treasury Wine Estate	Distillers & Vintners - 30201020	850.7	863.1	-1.4	606.3	584.3	3.8	52.3	40.0	30.7	8.1	6.2	6.0	6.0	21.9	36.2
PBG	Pacific Brands	Distributors - 25501010	639.2	684.7	-6.7	330.3	366.6	-9.9	38.9	-362.2	110.7	4.3	-39.3	2.5	2.0	167.6	141.1
BRG	Breville Group Limited	Distributors - 25501010	264.4	233.6	13.2	164.3	143.1	14.8	31.7	29.4	7.8	24.4	22.6	14.0	12.5	51.9	53.1
CBA	Commonwealth Bank.	Diversified Banks - 40101010	22918.0	23867.0	-4.0	4792.0	4682.0	2.3	3661.0	3624.0	1.0	228.6	230.8	164.0	137.0	-2056.0	9765.0
BHP	BHP Billiton Limited*	Diversified Metals & Mining - 15104020	32204.0	37480.0	-14.1	27309.0	21986.0	24.2	4238.0	10045.0	-57.8	79.6	188.7	57.0	55.0	5086.0	3616.0
AZJ	Aurizon Holdings	Diversified Metals & Mining - 15104020	1877.5	1715.8	9.4	1366.3	1223.3	11.7	175.7	196.0	-10.4	7.4	8.0	4.1	3.7	16.2	98.8
IMD	Imdex Limited	Diversified Metals & Mining - 15104020	127.6	138.6	-7.9	104.7	103.9	0.8	16.6	22.7	-26.9	7.9	11.1	2.5	3.3	10.0	20.3
WSA	Western Areas NL	Diversified Metals & Mining - 15104020	159.0	149.1	6.6	130.0	95.7	35.8	2.1	24.1	-91.2	1.1	13.4	2.0	5.0	85.8	160.9
DML	Discovery Metals Ltd	Diversified Metals & Mining - 15104020	0.1	0.3	-63.1	12.9	6.5	97.5	-14.6	-7.0	-109.2	-3.0	-1.6	0.0	0.0	48.4	60.3
IGO	Independence Group	Diversified Metals & Mining - 15104020	122.4	105.6	15.9	99.7	273.5	-63.6	16.5	-144.6	111.4	7.1	-70.6	1.0	2.0	102.1	262.2
LYC	Lynas Corporation	Diversified Metals & Mining - 15104020	2.4	2.9	-15.7	56.9	41.6	36.9	-56.6	-38.5	-47.0	-3.2	-2.2	0.0	0.0	226.2	215.5
LLC	Lend Lease Group	Diversified Real Estate Activities - 40403010	6250.0	5788.4	8.0	5533.6	5122.7	8.0	302.8	219.4	38.0	55.2	40.3	21.8	22.0	985.7	1251.2

* USD; + NZD; ++ GBP

HALF YEAR TO DECEMBER 2012

			SALES			COST OF SALES			PROFIT			EPS		Interim Dividend		Cash Balance	
			2012	2011	%	2012	2011	%	2012	2011	%	2012	2011	2012	2011	2012	2011
			$M	$M		$M	$M		$M	$M		cents	cents	cents	cents		
DXS	Dexus Property Group	Diversified REITs - 40402010	415.4	353.1	17.6	166.9	182.6	-8.6	267.0	146.7	82.0	5.7	3.0	2.9	2.7	55.4	77.0
SGP	Stockland	Diversified REITs - 40402010	791.9	963.1	-17.8	306.7	371.4	-17.4	-147.1	307.6	-147.8	-6.7	13.3	12.0	12.0	165.3	135.6
MGR	Mirvac Group	Diversified REITs - 40402010	718.8	813.2	-11.6	750.6	662.4	13.3	55.2	176.6	-68.7	1.6	5.2	4.2	2.0	68.6	44.1
CHC	Charter Hall Group	Diversified REITs - 40402010	81.1	70.4	15.2	51.8	47.7	8.7	29.1	20.5	42.0	10.0	6.6	9.8	9.1	25.5	24.9
ABP	Abacus Property Grp.	Diversified REITs - 40402010	170.5	132.4	28.8	142.6	130.6	9.2	24.8	-0.2	11261.3	5.4	0.6	8.3	8.3	48.5	66.5
MIN	Mineral Resources.	Diversified Support Services - 20201070	498.1	403.5	23.5	408.3	284.5	43.5	63.0	80.5	-21.7	34.1	44.4	16.0	16.0	24.6	145.2
BXB	Brambles Limited*	Diversified Support Services - 20201070	2889.7	2783.0	3.8	2473.0	2421.6	2.1	302.5	239.5	26.3	19.6	16.2	13.5	13.0	145.0	174.2
TSE	Transfield Services	Diversified Support Services - 20201070	1748.0	1514.2	15.4	1679.1	1438.8	16.7	-247.0	32.8	-853.6	-48.0	6.0	3.0	5.0	135.4	100.0
DOW	Downer EDI Limited	Diversified Support Services - 20201070	4368.7	3616.7	20.8	4202.8	3455.8	21.6	94.0	84.9	10.8	21.0	18.7	10.0	0.0	214.9	296.7
CAB	Cabcharge Australia	Diversified Support Services - 20201070	99.8	98.6	1.2	63.4	69.0	-8.1	33.3	25.9	28.5	27.7	21.5	18.0	17.0	36.3	51.2
NVT	Navitas Limited	Education Services - 25302010	355.4	341.8	4.0	306.9	295.5	3.8	35.1	35.4	-0.8	9.3	9.4	9.3	9.4	52.2	32.2
TPI	Transpacific Indust.	Environmental & Facilities Services - 20201050	1164.4	1121.4	3.8	1108.0	1113.0	-0.4	42.0	16.5	154.5	2.0	0.7	0.0	0.0	30.9	62.8
WOW	Woolworths Limited	Food Retail - 30101030	30121.0	28732.3	4.8	22025.6	21185.2	4.0	1154.8	966.9	19.4	93.6	79.4	62.0	59.0	2274.9	937.7
APA	APA Group	Gas Utilities - 55102010	624.7	530.5	17.8	396.2	439.5	-9.8	209.2	66.0	216.9	29.7	10.4	17.0	17.0	114.7	365.0
ENV	Envestra Limited	Gas Utilities - 55102010	273.7	243.9	12.2	71.3	69.7	2.3	59.1	40.7	45.2	3.7	2.7	3.0	2.9	1.8	1.3
TRS	The Reject Shop	General Merchandise Stores - 25503020	330.7	294.9	12.1	177.4	161.7	9.7	20.1	16.6	21.2	76.9	63.5	24.0	24.0	2.4	9.0
HVN	Harvey Norman	General Merchandise Stores - 25503020	676.9	806.9	-16.1	488.7	601.9	-18.8	82.7	130.8	-36.8	7.7	12.1	4.5	5.0	174.8	87.7
RRL	Regis Resources	Gold - 15104030	181.0	84.3	114.7	81.6	41.7	95.4	66.1	38.2	72.9	14.3	8.8	0.0	0.0	7.7	34.4
RSG	Resolute Mining	Gold - 15104030	334.1	293.0	14.0	157.3	126.2	24.7	102.2	49.3	107.4	15.2	10.9	0.0	0.0	6.0	48.9
NCM	Newcrest Mining	Gold - 15104030	1805.0	2342.0	-22.9	1221.0	1356.0	-10.0	320.0	659.0	-51.4	41.8	86.1	12.0	12.0	97.0	242.0
NST	Northern Star Resources Ltd	Gold - 15104030	70.1	55.6	26.2	26.1	22.2	17.8	22.3	12.5	78.2	5.3	3.7	1.0	0.0	50.8	37.9
MML	Medusa Mining Ltd*	Gold - 15104030	52.4	40.9	28.0	18.2	10.7	70.4	28.6	24.0	19.2	0.2	0.1	0.0	5.0	8.8	38.0
SBM	St Barbara Limited	Gold - 15104030	229.6	176.7	29.9	133.5	75.0	77.9	2.5	46.5	-94.7	1.6	13.1	0.0	0.0	66.4	109.9
SAR	Saracen Mineral	Gold - 15104030	97.7	94.4	3.4	60.0	46.4	29.3	-22.9	9.6	-337.0	-3.8	1.8	0.0	0.0	7.2	55.8
TRY	Troy Resources Limited	Gold - 15104030	108.9	88.4	23.2	76.1	62.0	22.7	13.5	10.7	27.1	15.0	12.1	0.0	0.0	41.5	33.5
PRU	Perseus Mining Ltd	Gold - 15104030	147.2	1.0	14443.4	91.0	-3.8	2490.0	32.5	13.7	137.4	6.2	3.1	0.0	0.0	39.7	131.5
KCN	Kingsgate Consolid.	Gold - 15104030	161.7	146.7	10.3	119.5	95.0	25.8	8.1	33.8	-76.0	5.3	24.1	5.0	10.0	41.5	26.2
SLR	Silver Lake Resource	Gold - 15104030	85.6	67.6	26.6	56.4	41.6	35.7	5.1	17.2	-70.2	2.3	9.4	0.0	0.0	20.7	93.4
EVN	Evolution Mining Limited	Gold - 15104030	321.6	154.6	108.0	240.7	116.1	107.3	39.3	-18.5	313.0	5.8	-5.2	0.0	0.0	49.2	141.8
COH	Cochlear Limited	Health Care Equipment - 35101010	391.7	387.5	1.1	104.8	100.3	4.5	77.7	-20.4	480.9	136.6	-35.9	125.0	120.0	69.8	68.5
RMD	ResMed Inc.*	Health Care Equipment - 35101010	716.3	647.5	10.6	274.9	263.7	4.2	149.2	113.4	31.6	1.0	0.8	0.2	0.2	958.3	809.5
RHC	Ramsay Health Care	Health Care Facilities - 35102020	2075.7	1985.0	4.6	1839.0	1762.2	4.4	138.4	125.7	10.2	64.8	58.1	29.0	25.5	267.8	173.4
PRY	Primary Health Care	Health Care Services - 35102015	720.7	686.2	5.0	186.1	166.8	11.6	69.5	46.3	50.1	13.8	9.3	6.5	5.0	18.1	10.4
SHL	Sonic Healthcare	Health Care Services - 35102015	1697.3	1641.9	3.4	1495.0	1451.2	3.0	150.6	143.0	5.4	38.3	36.7	25.0	24.0	182.9	121.7
ANN	Ansell Limited	Health Care Supplies - 35101020	627.9	597.7	5.1	368.7	348.4	5.8	62.1	71.0	-12.5	42.0	49.3	1.4	0.7	16.0	15.0
TCL	Transurban Group	Highways & Railtracks - 20305020	585.2	570.7	2.5	244.4	253.2	-3.5	80.9	93.2	-13.2	5.5	6.4	15.5	14.5	229.9	318.1
QUB	Qube Logistics Hldg	Highways & Railtracks - 20305020	526.2	345.8	52.2	465.4	360.8	29.0	36.5	8.9	308.7	3.8	1.2	2.2	2.0	46.8	142.2
FLT	Flight Centre	Hotels, Resorts & Cruise Lines - 25301020	1019.5	954.1	6.9	754.9	837.0	-9.8	91.8	81.6	12.6	91.7	81.6	46.0	41.0	773.4	1032.5
GUD	G.U.D. Holdings	Household Appliances - 25201040	311.8	311.1	0.2	192.3	128.3	49.9	18.2	23.0	-21.0	25.6	33.1	36.0	30.0	22.1	24.8
SKE	Skilled Group Limited	Human Resource & Employment Services - 20202010	971.7	932.9	4.2	933.9	903.6	3.4	28.2	25.6	10.2	12.1	11.0	7.0	5.0	2.3	11.2
MMS	McMillan Shakespeare Limited	Human Resource & Employment Services - 20202010	161.5	143.5	12.6	119.0	107.8	10.4	29.7	24.9	19.4	39.9	36.3	24.0	22.0	54.1	34.6
SEK	Seek Limited	Human Resource & Employment Services - 20202010	277.9	209.4	32.7	196.0	141.8	38.3	67.5	60.6	11.5	20.0	18.0	10.0	8.3	96.6	92.7

* USD; + NZD; ++ GBP

HALF YEAR TO DECEMBER 2012

			SALES			COST OF SALES			PROFIT			EPS		Interim Dividend		Cash Balance	
			2012	2011	%	2012	2011	%	2012	2011	%	2012	2011	2012	2011	2012	2011
			$M	$M		$M	$M		$M	$M		cents	cents	cents	cents		
WES	Wesfarmers Limited	Hypermarkets & Super Centers - 30101040	30614.0	29674.0	3.2	28714.0	27993.0	2.6	1285.0	1176.0	9.3	111.4	102.0	77.0	70.0	1355.0	1782.0
EWC	Energy World Corporation*	IndependentPowerProducers&EnergyTrader- 55105010	66.3	77.8	-14.8	31.5	37.9	-17.0	10.5	10.9	-3.7	0.6	0.6	0.0	0.0	119.9	183.3
GMG	Goodman Group	Industrial REITs - 40402020	507.9	467.3	8.7	264.9	286.6	-7.6	154.6	200.0	-22.7	1.3	-4.2	0.0	0.0	378.1	310.8
BWP	BWP Trust	Industrial REITs - 40402020	54.0	49.4	9.3	16.6	14.9	11.8	47.9	22.2	116.2	9.2	6.2	7.0	6.6	10.0	10.4
ORG	Origin Energy	Integrated Oil & Gas - 10102010	7379.0	6499.0	13.5	6884.0	5877.0	17.1	524.0	794.0	-34.0	48.0	73.8	25.0	25.0	292.0	837.0
MTU	M2 Telecommunications Grou	Integrated Telecommunication Services - 50101020	305.2	185.4	64.6	189.4	130.6	45.0	24.4	16.7	46.3	15.7	13.5	10.0	9.0	29.6	16.7
TLS	Telstra Corporation.	Integrated Telecommunication Services - 50101020	12711.0	12501.0	1.7	7725.0	7751.0	-0.3	1623.0	1479.0	9.7	12.9	11.8	14.0	14.0	2585.0	3945.0
TEL	Telecom Corporation	Integrated Telecommunication Services - 50101020	2135.0	2358.0	-9.5	1888.0	2123.0	-11.1	163.0	1006.0	-83.8	9.0	52.0	8.0	7.0	311.0	320.0
WTF	Wotif.com Holdings	Internet Retail - 25502020	73.2	74.0	-1.0	34.4	32.9	4.5	27.5	28.8	-4.6	13.0	13.6	11.5	11.5	150.9	154.1
CRZ	Carsales.Com Ltd	Internet Software & Services - 45101010	102.8	88.0	16.8	49.5	41.1	20.4	37.6	33.1	13.6	16.0	14.1	12.7	11.3	41.1	40.9
SMX	SMS Management.	IT Consulting & Other Services - 45102010	146.1	169.5	-13.8	128.4	148.3	-13.4	12.9	16.0	-19.5	18.8	22.3	13.5	13.5	29.3	14.9
AAD	Ardent Leisure Group	Leisure Facilities - 25301030	222.4	200.3	11.1	199.5	180.1	10.8	21.4	19.2	11.4	5.8	6.0	6.6	6.5	8.8	12.2
MRM	Mermaid Marine	Marine - 20303010	222.0	192.9	15.1	177.0	156.2	13.3	32.5	27.6	17.6	14.6	12.8	5.5	5.0	37.4	52.5
NWS	News Corp	Movies & Entertainment - 25401030	17561.0	16934.0	3.7	10717.0	10336.0	3.7	4614.0	1795.0	157.0	2.0	0.7	0.1	0.1	7806.0	9626.0
DUE	Duet Group	Multi-Utilities - 55103010	642.9	600.7	7.0	581.7	577.6	0.7	-45.9	40.0	-214.7	-1.3	8.5	8.3	8.0	169.8	327.0
AGK	AGL Energy Limited	Multi-Utilities - 55103010	4970.2	3615.3	37.5	4215.1	3360.5	25.4	364.7	117.0	211.7	66.5	24.5	30.0	29.0	654.7	200.3
CPA	Commonwealth Prop	Office REITs - 40402040	158.6	166.3	-4.6	114.9	114.7	0.2	55.3	135.9	-59.3	2.4	5.6	3.2	2.9	5.5	8.2
IOF	Investa Office Fund	Office REITs - 40402040	97.8	161.0	-39.3	42.7	32.9	29.8	53.7	172.3	-68.8	8.7	26.2	8.8	7.8	15.1	24.3
WOR	WorleyParsons Ltd	Oil & Gas Equipment & Services - 10101020	4413.4	3300.4	33.7	4199.0	3090.9	35.9	165.9	164.4	0.9	63.0	61.8	41.5	40.0	433.7	247.3
AWE	AWE Limited	Oil & Gas Exploration & Production - 10102020	146.0	158.6	-7.9	99.2	102.7	-3.3	13.2	29.7	-55.5	2.5	5.6	0.0	5.0	39.6	166.5
BPT	Beach Energy Limited	Oil & Gas Exploration & Production - 10102020	342.9	294.3	16.5	235.5	203.6	15.7	43.7	56.1	-22.1	3.5	5.1	0.8	0.8	342.7	58.6
BRU	Buru Energy Limited	Oil & Gas Exploration & Production - 10102020	3.9	1.1	242.5	3.5	1.0	240.3	-7.9	-5.2	-52.0	-3.0	-2.5	0.0	0.0	41.6	29.7
SXY	Senex Energy Limited	Oil & Gas Exploration & Production - 10102020	77.3	25.1	208.5	36.6	14.1	160.5	23.4	2.0	1097.2	2.1	0.2	0.0	0.0	149.6	90.6
DLS	Drillsearch Energy Limited	Oil & Gas Exploration & Production - 10102020	25.4	4.6	447.9	13.3	3.6	265.8	-3.4	-1.3	-168.1	-1.4	-0.4	0.0	0.0	63.3	33.7
MAD	Maverick Drilling and Explorati	Oil & Gas Exploration & Production - 10102020	9.3	10.5	-11.8	8.2	5.5	49.4	1.0	3.9	-73.6	0.3	1.1	0.0	0.0	55.6	8.9
CGF	Challenger Limited	Other Diversified Financial Services - 40201020	810.9	666.2	21.7	356.9	360.1	-0.9	222.0	20.0	1010.0	41.8	4.0	9.5	7.5	978.4	1292.6
GFF	Goodman Fielder.	Packaged Foods & Meats - 30202030	1080.6	1135.1	-4.8	689.0	726.9	-5.2	51.0	21.5	137.2	2.6	1.4	0.0	0.0	358.3	161.7
AMC	Amcor Limited	Paper Packaging - 15103020	6034.9	6085.3	-0.8	5014.2	5056.7	-0.8	250.0	215.6	16.0	19.8	16.8	19.5	19.0	285.3	237.6
ACR	Acrux Limited	Pharmaceuticals - 35202010	5.1	4.7	8.8	2.6	3.0	-13.3	2.1	5.1	-57.9	0.0	0.0	0.0	0.0	19.0	28.2
IAG	Insurance Australia	Property & Casualty Insurance - 40301040	4593.0	4045.0	13.5	3880.0	4113.0	-5.7	643.0	151.0	325.8	22.3	7.0	11.0	5.0	1428.0	1396.0
SUL	Super Retail Group Limited	Property & Casualty Insurance - 40301040	1038.4	759.8	36.7	952.1	706.1	34.8	86.3	53.7	60.7	29.7	22.0	17.0	13.0	98.7	47.0
SUN	Suncorp Group Ltd	Property & Casualty Insurance - 40301040	8223.0	8107.0	1.4	7358.0	7601.0	-3.2	574.0	389.0	47.6	44.9	30.5	25.0	20.0	595.0	1231.0
SWM	Seven West Media Ltd	Publishing - 25401040	978.0	1012.2	-3.4	732.3	714.2	2.5	-109.3	163.0	-167.1	-11.4	24.5	6.0	19.0	231.9	97.1
FXJ	Fairfax Media Ltd	Publishing - 25401040	1098.8	1182.8	-7.1	892.4	972.8	-8.3	386.3	96.7	299.7	16.4	4.1	1.0	2.0	477.6	358.4
AIO	Asciano Limited	Railroads - 20304010	1870.6	1704.1	9.8	1356.9	1275.4	6.4	199.9	114.8	74.1	20.4	11.7	5.3	3.5	117.8	255.5
FKP	FKP Property Group	Real Estate Development - 40403030	159.7	97.9	63.1	97.9	50.5	93.9	-39.7	15.4	-357.8	-9.4	7.5	0.0	0.5	16.9	15.3
BEN	Bendigo and Adelaide	Regional Banks - 40101015	1747.8	1885.0	-7.3	1461.8	1746.3	-16.3	189.4	57.9	227.1	45.9	14.5	30.0	30.0	390.1	360.0
SAI	SAI Global Limited	Research & Consulting Services - 20202020	238.3	223.8	6.5	213.6	194.4	9.9	18.6	21.8	-14.5	9.0	10.8	6.8	6.8	42.3	53.7
FDC	Federation Centres	Retail REITs - 40402060	258.8	48.2	437.1	143.5	-51.9	376.6	115.9	-100.1	215.8	8.2	-7.5	6.6	0.0	106.7	141.0
CQR	Charter Hall Retail	Retail REITs - 40402060	84.2	77.6	8.5	68.5	75.0	-8.7	15.8	-15.7	200.6	5.1	-5.2	13.3	13.0	21.2	12.7
CFX	CFS Retail Property	Retail REITs - 40402060	370.1	370.4	-0.1	244.9	283.1	-13.5	126.6	201.7	-37.2	4.5	7.1	6.8	6.5	12.9	7.4
ASX	ASX Limited	Specialised Finance - 40201040	387.6	410.5	-5.6	144.3	160.8	-10.3	171.1	175.6	-2.6	97.7	100.2	87.9	85.1	3097.3	2528.6
FMG	Fortescue Metals Grp	Steel - 15104050	3301.0	3357.0	-1.7	2454.0	1931.0	27.1	453.0	830.0	-45.4	15.4	25.7	0.0	4.0	2041.0	2343.0
BSL	BlueScope Steel Ltd	Steel - 15104050	3818.4	4535.8	-15.8	3804.8	5044.9	-24.6	-5.3	-523.7	99.0	-2.2	-159.4	0.0	0.0	192.1	183.5
GBG	Gindalbie Metals Ltd	Steel - 15104050	0.0	0.0	na	-4.3	-3.8	-13.1	-18.8	-13.6	-38.0	-1.3	-1.2	0.0	0.0	54.3	264.4
AGO	Atlas Iron Limited	Steel - 15104050	288.3	341.4	-15.6	262.0	199.1	31.5	-254.7	6.1	-4289.5	-28.3	0.7	0.0	3.0	419.8	399.5
SGM	Sims Metal Mgmt Ltd	Steel - 15104050	3433.5	4586.9	-25.1	3663.5	5234.4	-30.0	-295.5	-633.2	53.3	144.5	307.2	0.0	10.0	71.2	121.4
ARI	Arrium Limited	Steel - 15104050	3322.5	3546.9	-6.3	2809.4	2999.8	-6.3	-445.4	-70.7	-530.0	-33.2	-5.5	2.0	3.0	325.7	187.4
MGX	Mount Gibson Iron	Steel - 15104050	422.0	388.1	8.8	349.7	182.4	91.7	37.1	129.9	-71.4	3.4	12.0	2.0	2.0	90.7	79.4
SVW	Seven Group Holdings	Trading Companies & Distributors - 20107010	2820.0	2003.7	40.7	2460.3	1800.4	36.7	258.0	61.8	317.4	79.0	11.0	20.0	18.0	431.7	157.2
EHL	Emeco Holdings	Trading Companies & Distributors - 20107010	246.7	273.2	-9.7	117.7	140.0	-15.9	22.6	31.9	-29.0	3.7	4.6	2.5	2.5	16.1	73.1

* USD; + NZD; ++ GBP

FULL YEAR TO DECEMBER 2012

			SALES			COST OF SALES			PROFIT			EPS		Final Dividend		Cash Balance	
			2012	2011	%	2012	2011	%	2012	2011	%	2012	2011	2012	2011	2012	2011
			$M	$M		$M	$M		$M	$M		cents	cents	cents	cents		
ABC	Adelaide Brighton	Construction Materials - 15102010	1176.2	1100.4	6.9	903.3	842.6	7.2	154.1	148.4	3.8	24.2	23.3	9.0	9.0	7.0	11.0
ALZ	Australand Property	Diversified REITs - 40402010	918.8	692.8	32.6	540.8	343.7	57.4	180.0	140.6	28.0	20.1	18.4	11.0	11.0	76.1	93.3
AMP	AMP Limited	Life & Health Insurance - 40301020	4798.0	4219.0	13.7	5872.0	5215.0	12.6	687.0	676.0	1.6	24.7	26.3	12.5	14.0	9171.0	9436.0
AUT	Aurora Oil & Gas*	Oil & Gas Exploration & Production - 10102020	300.1	77.0	289.6	203.9	44.8	355.1	58.8	30.9	90.7	13.6	7.5	0.0	0.0	67.6	70.2
AWC	Alumina Limited*	Aluminum - 15104010	0.1	0.2	-50.0	19.0	17.3	9.8	-62.1	126.6	-149.1	-2.5	5.2	0.0	3.0	10.1	19.0
BLY	Boart Longyear*	Construction & Engineering - 20103010	2011.5	2020.3	-0.4	1499.1	1456.0	3.0	68.2	159.9	-57.4	15.0	35.1	1.0	5.6	89.6	82.3
CCL	Coca-Cola Amatil	Soft Drinks - 30201030	5139.2	4856.1	5.8	4431.4	4199.3	5.5	459.9	591.8	-22.3	60.4	78.1	32.0	30.5	1177.3	664.9
CTX	Caltex Australia	Oil & Gas Refining & Marketing - 10102030	23261.9	22105.2	5.2	21959.5	20904.0	5.0	57.6	-713.2	108.1	21.0	-264.3	23.0	28.0	209.9	1.8
GPT	GPT Group	Diversified REITs - 40402010	993.4	845.5	17.5	419.9	543.1	-22.7	594.5	298.3	99.3	33.6	14.9	5.1	4.9	159.9	42.0
HGG	Henderson Group++	Asset Management & Custody Banks - 40203010	437.8	480.1	-8.8	291.3	320.9	-9.2	99.9	33.9	194.7	9.6	3.6	5.1	4.7	196.9	273.9
ILU	Iluka Resources	Diversified Metals & Mining - 15104020	1150.2	1631.4	-29.5	607.1	842.8	-28.0	363.2	541.8	-33.0	87.1	130.1	10.0	55.0	54.3	320.7
IRE	IRESS Market Tech.	Data Processing&Outsourced Services - 45102020	207.5	204.8	1.3	132.6	123.6	7.3	39.2	41.3	-5.1	30.6	32.6	24.5	24.0	56.0	48.9
IVC	InvoCare Limited	Specialized Consumer Services - 25302020	375.5	327.5	14.7	282.5	245.7	15.0	44.5	36.4	22.2	40.6	25.6	19.0	16.3	6.1	5.9
LEI	Leighton Holdings	Construction & Engineering - 20103010	18951.7	18359.9	3.2	18142.4	18731.0	-3.1	450.1	-229.0	296.6	1.3	-1.0	60.0	60.0	1847.0	1503.2
MBN	Mirabela Nickel Ltd*	Diversified Metals & Mining - 15104020	343.4	303.6	13.1	350.2	331.5	5.6	-452.9	-50.8	-792.2	62.0	10.0	0.0	0.0	143.0	61.2
MDL	Mineral Deposits*	Diversified Metals & Mining - 15104020	26.6	2.4	991.3	10.4	-70.0	114.8	16.3	70.4	-76.9	19.5	85.0	0.0	0.0	50.2	107.2
MQA	Macq Atlas Roads Grp	Highways & Railtracks - 20305020	93.5	91.9	1.7	193.9	309.3	-37.3	-124.4	-289.5	57.0	-25.8	-49.8	0.0	0.0	56.0	56.1
OGC	OceanaGold Corp.	Gold - 15104030	385.4	395.1	-2.4	226.0	216.8	4.3	20.7	44.2	-53.2	8.0	17.0	0.0	0.0	96.5	170.0
OSH	Oil Search Ltd*	Oil & Gas Exploration & Production - 10102020	724.6	732.7	-1.1	209.8	161.1	30.3	175.8	202.5	-13.2	13.2	15.4	2.0	2.0	488.3	1047.5
OZL	OZ Minerals	Diversified Metals & Mining - 15104020	985.7	1115.9	-11.7	574.7	511.4	12.4	152.0	274.5	-44.6	49.5	85.6	20.0	30.0	659.0	886.1
PNA	PanAust Limited	Diversified Metals & Mining - 15104020	712.7	575.7	23.8	407.2	310.8	31.0	142.3	132.1	7.7	24.0	22.5	3.0	0.0	125.0	155.5
QBE	QBE Insurance Group*	Property & Casualty Insurance - 40301040	18434.0	18291.0	0.8	17088.0	16626.0	2.8	761.0	704.0	8.1	65.1	64.9	10.0	25.0	2025.0	1457.0
RIO	Rio Tinto Limited*	Diversified Metals & Mining - 15104020	50967.0	60537.0	-15.8	37536.0	36260.0	3.5	-3004.0	6765.0	-144.4	-161.3	303.5	91.7	84.2	7222.0	9654.0
SKI	Spark Infrastructure	Electric Utilities - 55101010	299.8	290.4	3.2	22.7	72.7	-68.8	173.9	82.6	110.5	13.1	6.2	5.3	5.3	42.0	32.9
STO	Santos Ltd	Oil & Gas Exploration & Production - 10102020	3220.0	2721.0	18.3	2089.0	1737.0	20.3	518.0	751.0	-31.0	54.4	84.8	15.0	15.0	2151.0	3332.0
SYD	SYD Airport	Airport Services - 20305010	1048.5	1025.9	2.2	957.6	1040.5	-8.0	158.1	-279.4	156.6	9.6	-12.9	10.0	10.0	433.7	1124.3
WDC	Westfield Group*	Retail REITs - 40402060	2277.8	4006.0	-43.1	1038.6	2649.2	-60.8	1765.3	1466.2	20.4	12.0	5.4	24.8	24.2	1098.5	190.5
WPL	Woodside Petroleum*	Oil & Gas Exploration & Production - 10102020	6348.0	4802.0	32.2	2618.0	1657.0	58.0	2983.0	1507.0	97.9	366.0	190.0	55.0	50.0	2422.0	41.0
WRT	Westfield Retail Tst*	Retail REITs - 40402060	514.6	480.4	7.1	176.7	164.8	7.2	830.8	973.5	-14.7	27.2	31.9	9.5	8.4	17.1	18.9

* USD; + NZD; ++ GBP