

ARGO INVESTMENTS LIMITED
ABN 35 007 519 520

MANAGING DIRECTOR'S ADDRESS

DELIVERED BY MR. ROB PATTERSON AT THE FIFTY SEVENTH ANNUAL GENERAL MEETING OF THE COMPANY HELD AT THE ADELAIDE CONVENTION CENTRE ON THURSDAY 30 OCTOBER, 2003 AT 10AM.

Investment Portfolio

During the year ended 30 June, 2003, the major investment purchases were:-

	\$M
AMP Limited (including 8.62% reset preference shares)	23.2
Insurance Australia Group Ltd.	12.0
Macquarie Airports	6.6
Telstra Corporation Ltd.	6.0

We also added to many of our other existing holdings.

New holdings introduced to the portfolio were AMP Ltd. reset preference shares, Insurance Australia Group Ltd., ION Ltd., Macquarie Communications Infrastructure Group, Salmat Ltd. and Southern Cross Fliers Trust.

Since balance date, we have spent about \$30 million on investment purchases, including \$6 million on a number of new reset preference share issues and convertible notes. Other larger purchases have been in National Australia Bank Ltd., Qantas Airways Ltd. and Macquarie Infrastructure Group.

Major takeovers which occurred during the year were:-

	\$M
Goodman Fielder Ltd.	10.7
MIM Holdings Ltd.	7.3

Other holdings which were taken over are Asia Pacific Specialty Chemicals Ltd., BRL Hardy Ltd., Cranswick Premium Wines Ltd., Nautronix Ltd., Snack Foods Ltd. and George Weston Foods Ltd.

Major sales which occurred during the year were:-

	\$M
AMP Diversified Property Trust	7.6
Spotless Group Ltd.	4.6
Colonial First State Property Trust Group	4.2

Since balance date, we have accepted cash takeover offers for Bristile Ltd., Melcann Ltd., Peter Lehmann Wines Ltd. and United Energy Ltd. We have also made further sales in Spotless Group Ltd.

Our twenty largest investments based on market values as at 30 September, 2003 were:-

	Market Value
	\$M
Macquarie Bank Ltd.	131.6
Milton Corporation Ltd.	110.5
National Australia Bank Ltd.	95.5
Wesfarmers Ltd.	65.8
Australia and New Zealand Banking Group Ltd.	64.7
Westpac Banking Corporation	58.0
Australian United Investment Co. Ltd.	56.7
Telstra Corporation Ltd.	50.7
St. George Bank Ltd.	49.3
BHP Billiton Ltd.	46.5
Commonwealth Bank of Australia	43.0
Foster's Group Ltd.	32.1
Amcor Ltd.	30.9
AMP Ltd.	30.5
Insurance Australia Group Ltd.	22.8
Australian Gas Light Company	21.5
Coles Myer Ltd.	21.3
James Hardie Industries Ltd.	20.6
Woolworths Ltd.	20.0
Rinker Group Ltd.	18.6

These twenty investments total almost \$1 billion and represent about 60% of the total value of the portfolio.

Strengthened Management Team

I am pleased to advise shareholders that Christopher Hall, 38 years of age joined our management team on 7 October, 2003 as an Investment Executive in our Adelaide office. Chris has had fifteen years experience working in the Australian investment market.

This appointment will further strengthen our ability to monitor and research the existing investments within our diversified investment portfolio and to select new, successful investments.

Conclusion

It is difficult to find investments offering attractive long term value in the current sharemarket environment, however, I remain confident that with our experienced Board and Management Team, Argo will continue to serve its shareholders well.