



**BKI INVESTMENT
COMPANY LIMITED**

Half Year Presentation

January - February 2013

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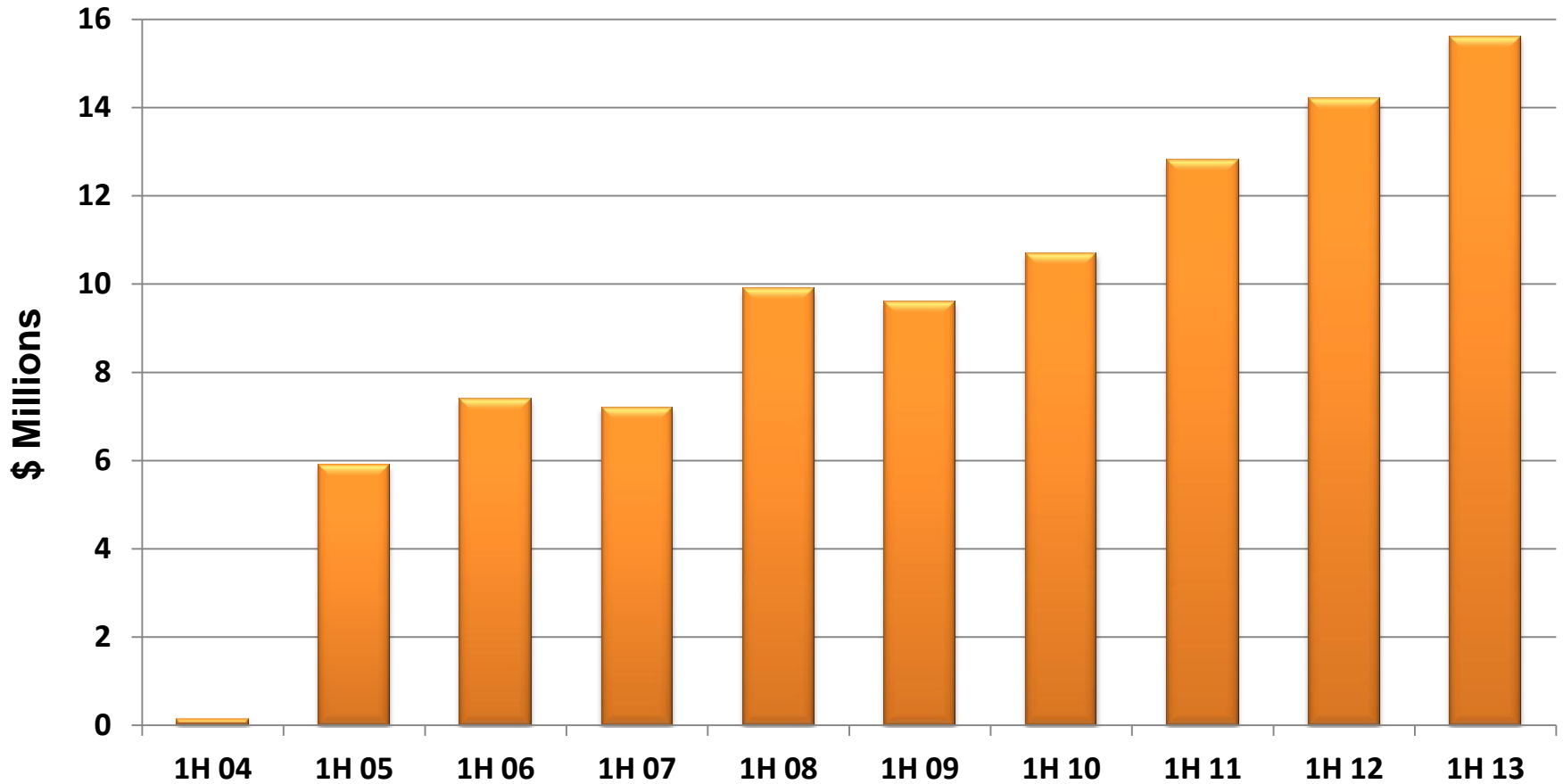
BKI Result Highlights

	1H 2013	1H 2012	Growth
Ordinary Dividend Income	\$15.6m	\$14.3m	8.6%
Net Operating Result*	\$15.4m	\$14.2m	8.8%
Earnings Per Share*	3.56cps	3.33cps	6.9%
Ordinary Dividend Per Share	3.25cps	3.20cps	1.2%
Special Dividend Per Share	0.50cps	-	n/a
Total Interim Dividends	3.75cps	3.20cps	17.2%

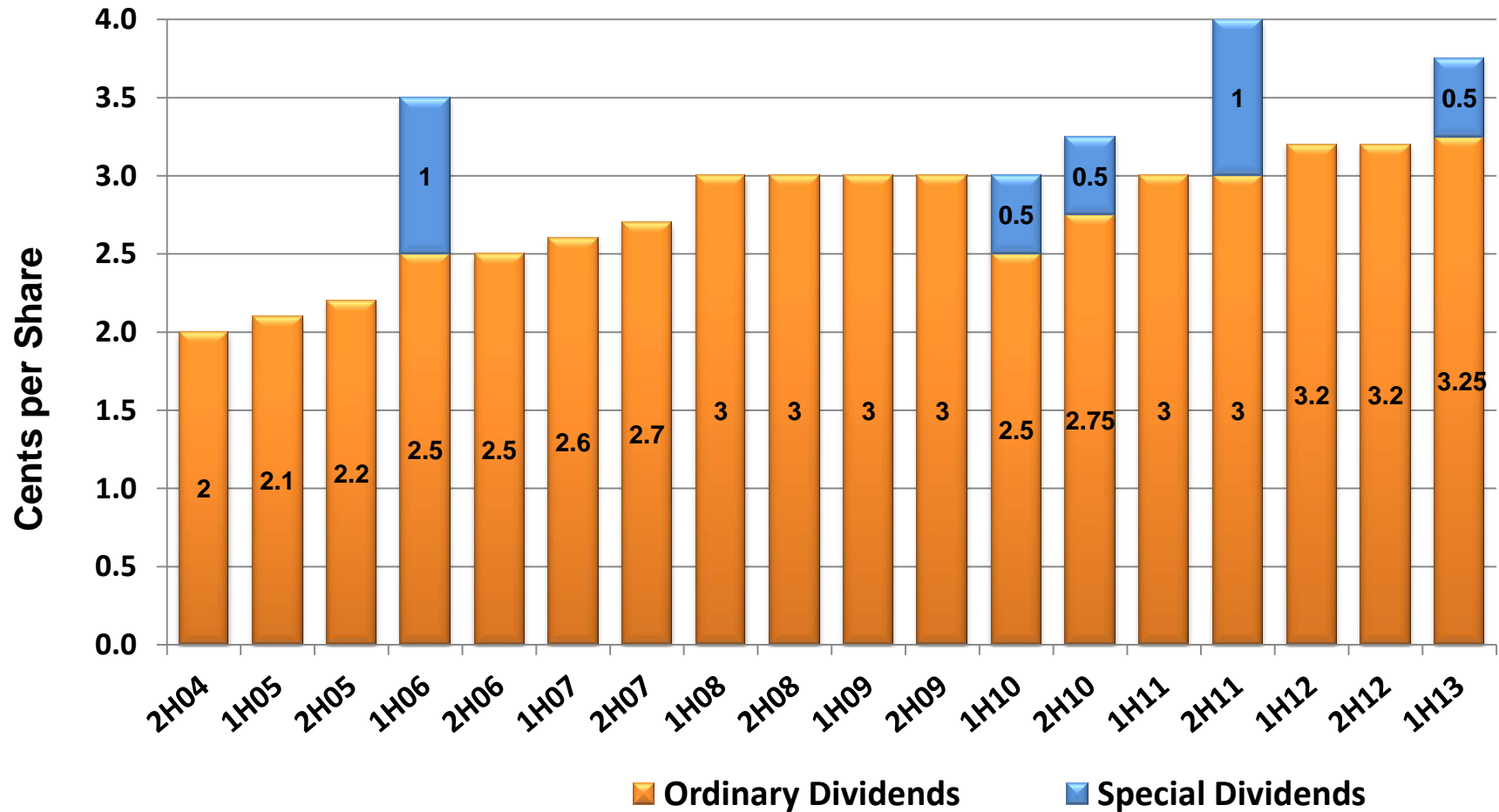
- Management Expense Ratio (MER) maintained at 0.18%
- 12 month Total Shareholder Returns - outperformance of 5.8%**

* Excluding Special Dividends. **BKI's Total Shareholder Returns (including the reinvestment of dividends) for the year to 31 December 2012 was 25.5% compared to the S&P/ASX 300 Accumulation Index which returned 19.7% over the same period. Past performance is not indicative of future performance.

Net Operating Result

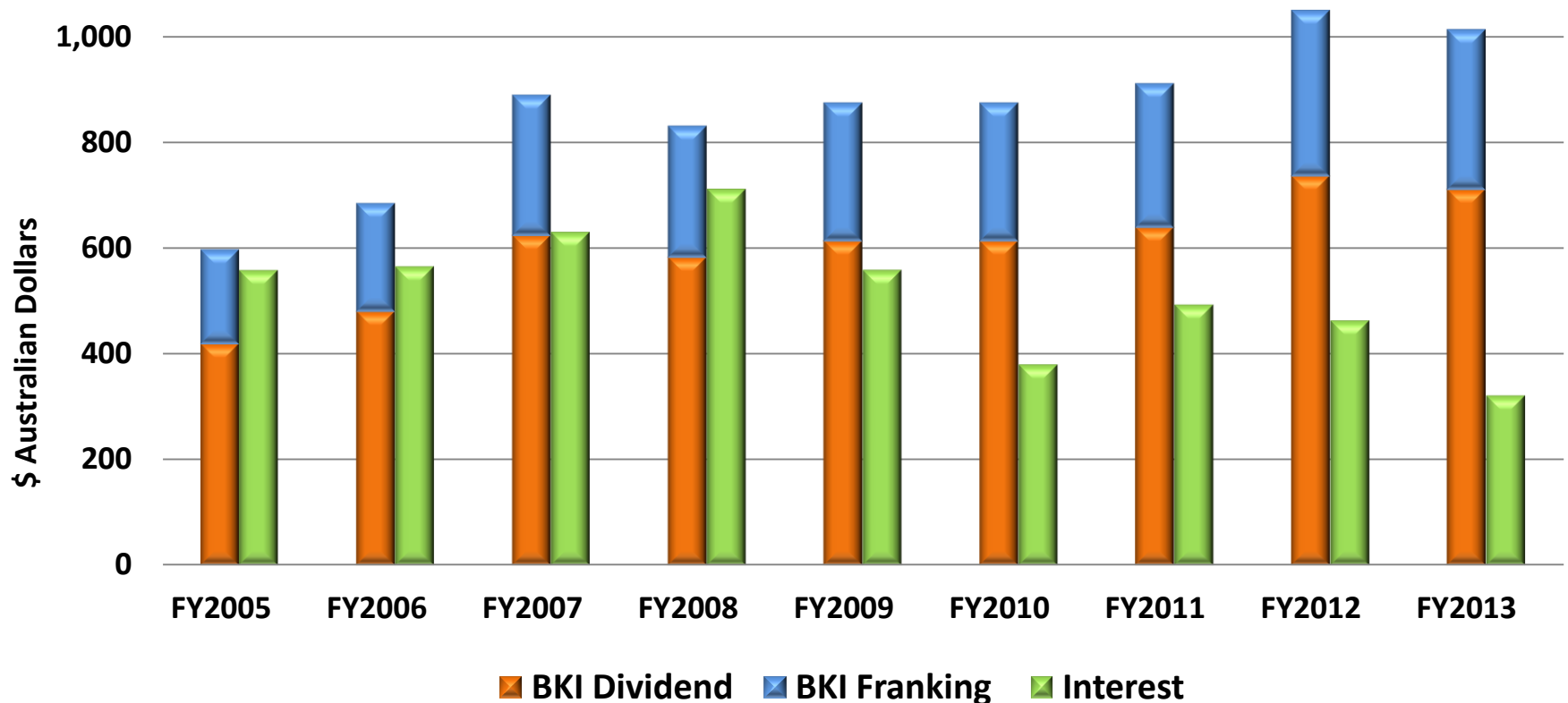


Dividends Paid



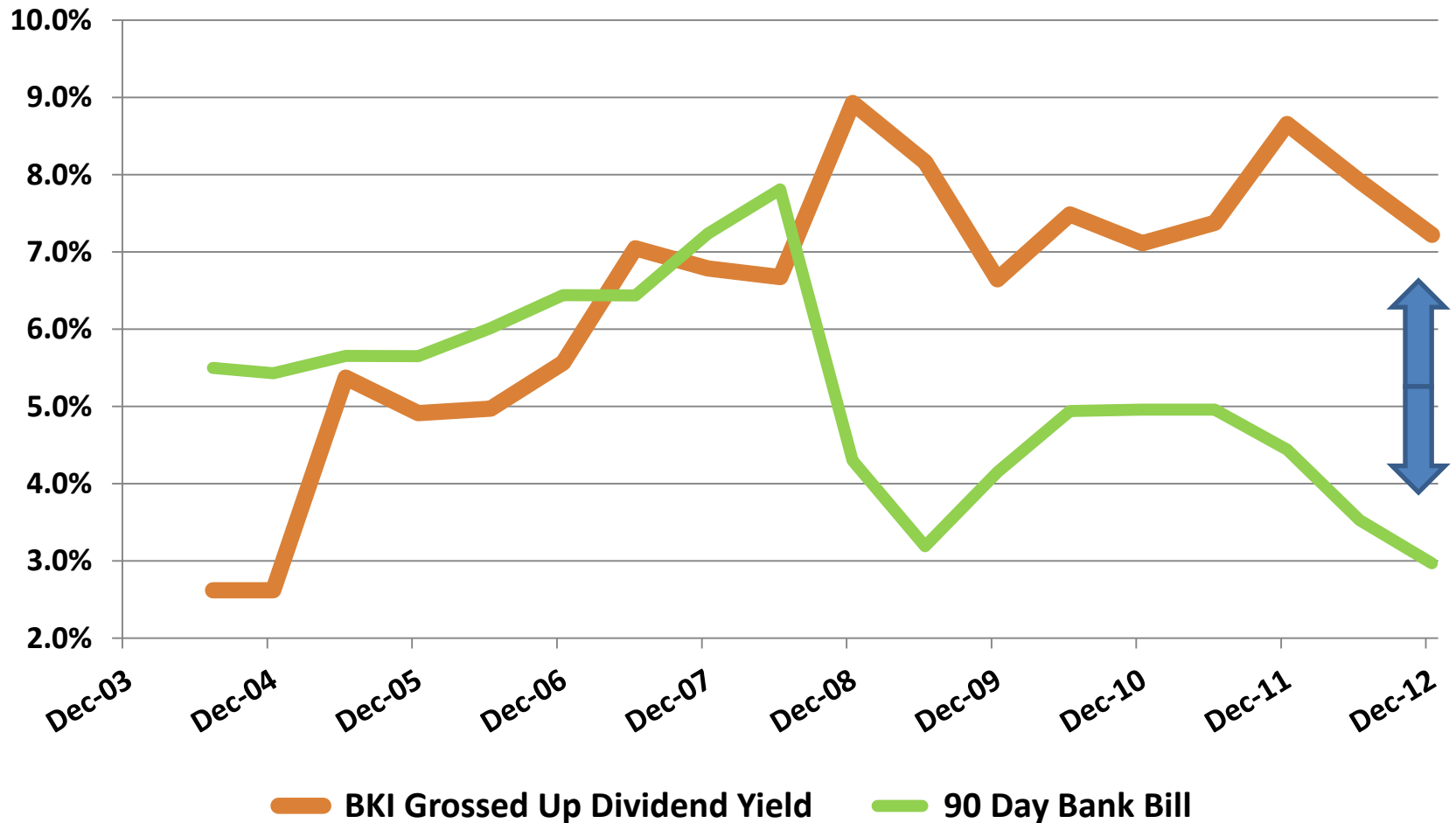
Dividends and Franking Credits received from a \$10,000 Investment in 2004

- BKI Historical Dividend V's Bank Quarterly Interest
- Highlights the opportunity of a fully franked dividend in a falling interest rate environment

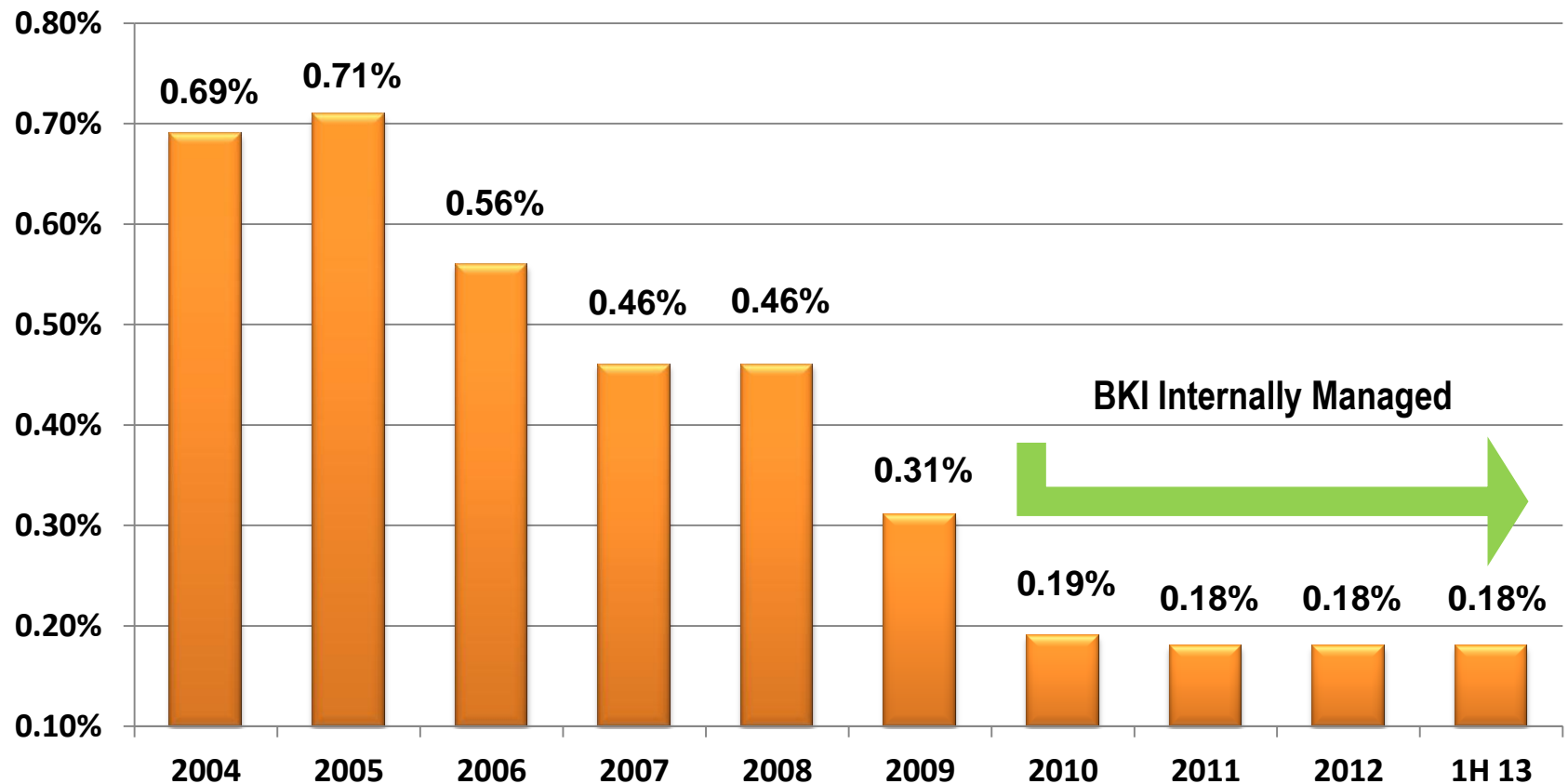


BKI Grossed Up Dividend Yield

Assumes a tax rate of 30%



Management Expense Ratio



BKI Performance

as at 31 December 2012

BKI Performance

as at 31 December 2012

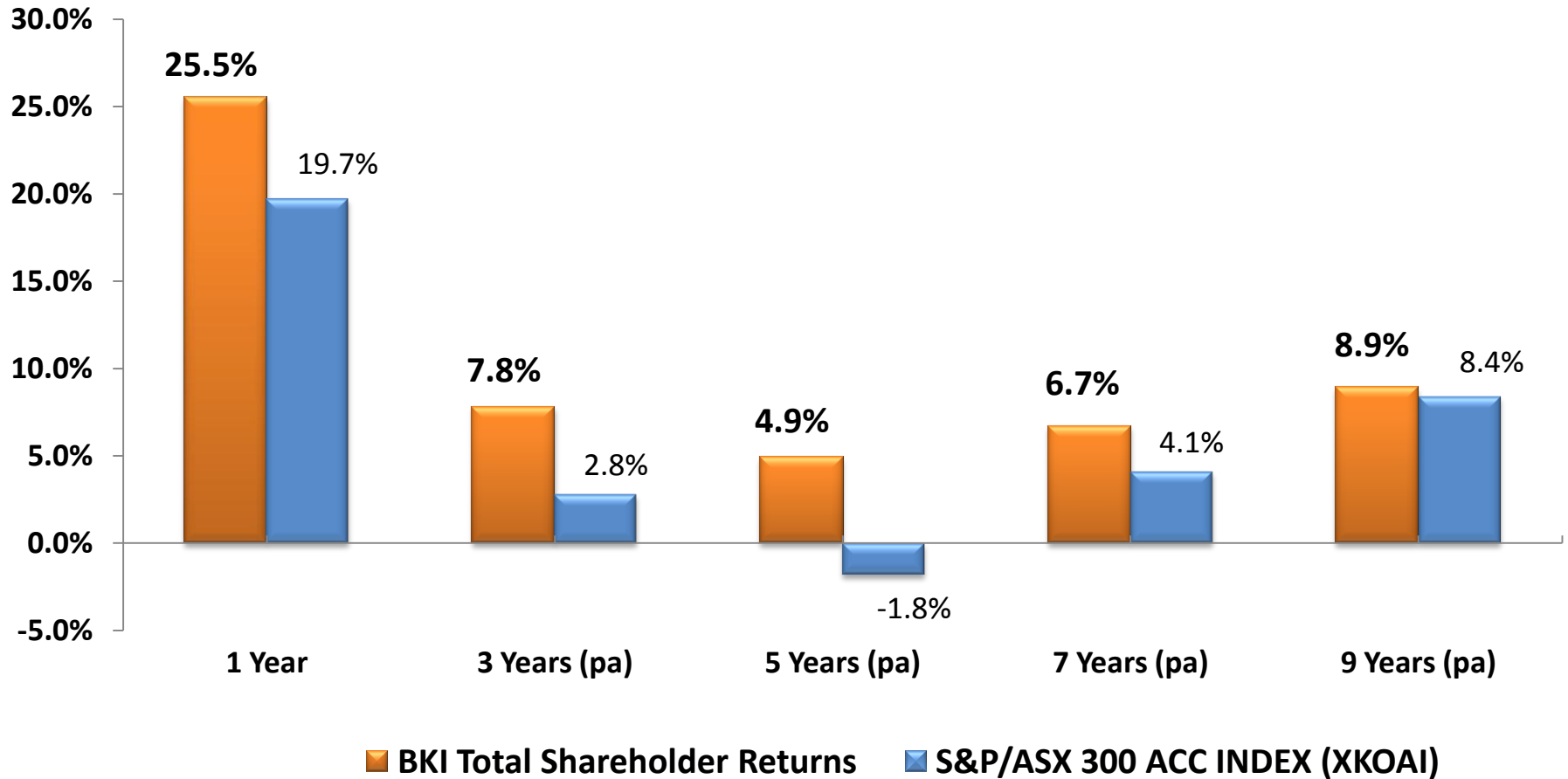
	1 Year	3 Years	5 Years	7 Years	9 Years
		(pa)	(pa)	(pa)	(pa)
S&P/ASX 300 ACC INDEX (XKOA)	19.7%	2.8%	-1.8%	4.1%	8.4%
BKI Total Shareholder Returns	25.5%	7.8%	4.9%	6.7%	8.9%
BKI Share Price Outperformance V's XKOA	5.8%	5.0%	6.7%	2.6%	0.5%
BKI Portfolio Performance	15.3%	4.8%	2.3%	5.4%	8.5%
BKI Portfolio Outperformance V's XKOA	-4.4%	2.0%	4.1%	1.3%	0.1%

**BKI Portfolio
Returns are
measured
after
all operating
expenses,
provision and
payment of
income and
capital gains
tax.**

Source: BKI Investment Company Limited, IRESS. Portfolio Returns are measured by change in pre tax NTA and are after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends. Total Shareholder Returns include reinvestment of dividends. Past performance is not indicative of future performance.

Total Shareholder Returns

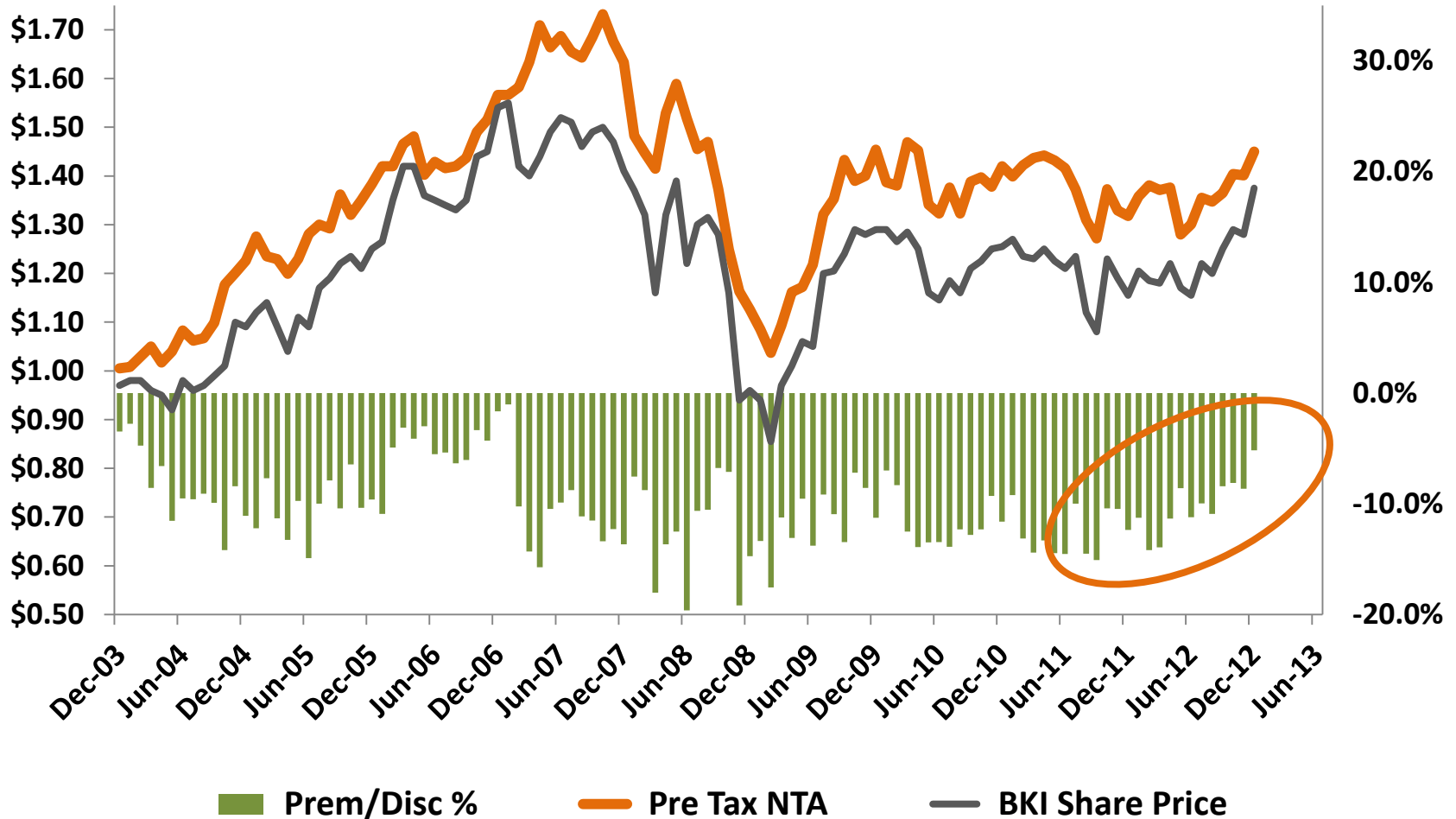
as at 31 December 2012



Source: BKI Investment Company Limited, IRESS. Total Shareholder Returns include reinvestment of dividends. Past performance is not indicative of future performance.

Discount to NTA

as at 31 December 2012



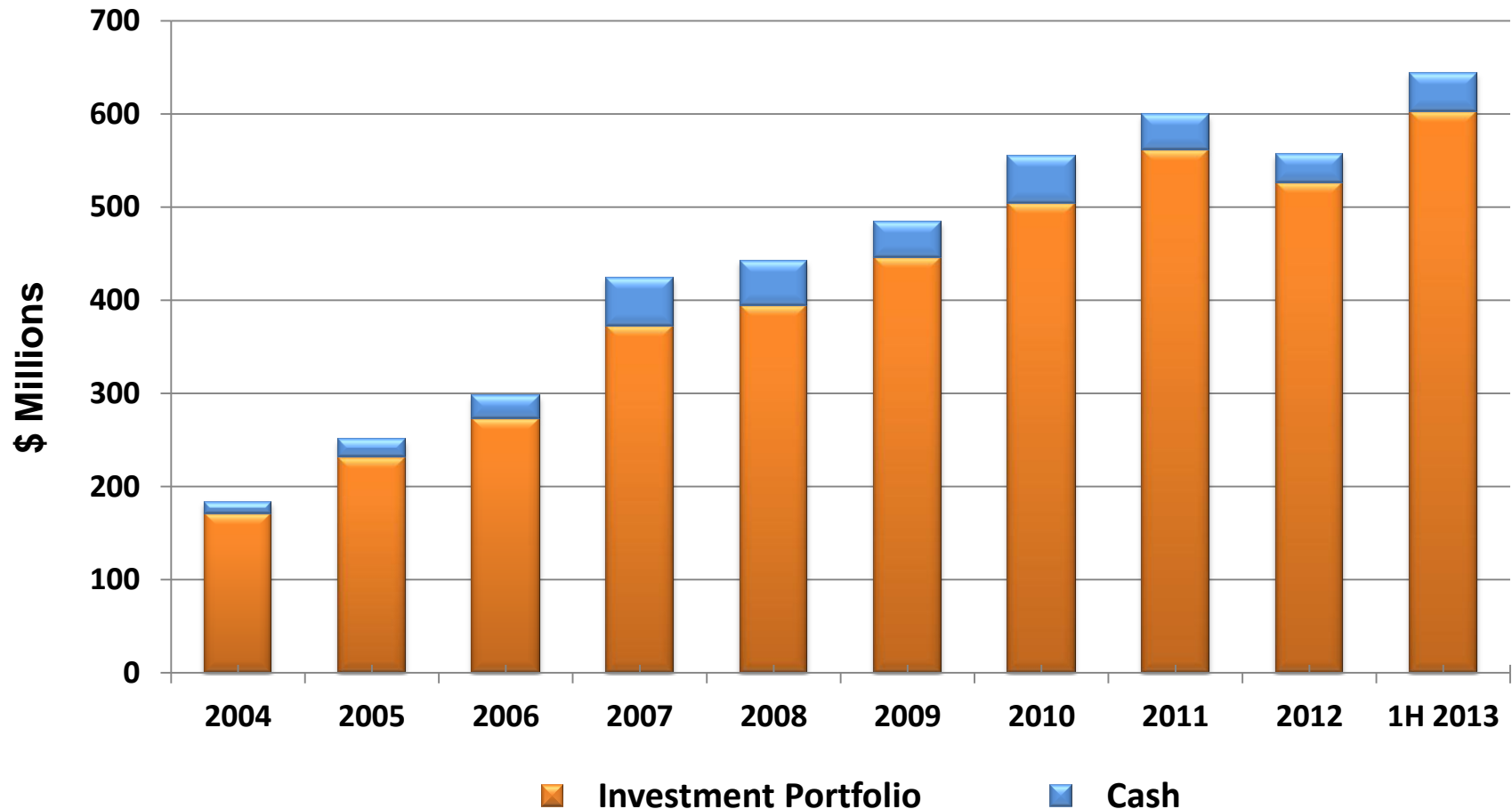
Share Purchase Plan

Completed October 2012

- \$19.1m raised through the Share Purchase Plan (SPP).
- SPP shares were issued at \$1.29. Now trading at \$1.45 (as at 29 January 2012).
- SPP shares entitled to Fully Franked Interim Dividend of 3.25cps and Fully Franked Special Dividend of 0.50cps.
- New shares issued in SPP have seen a capital appreciation of 15.3%* since October 2012.

* Includes the Interim Ordinary and Special Dividends, excludes franking credits.

Portfolio Valuation



Top 20 Shareholdings

Diversification

- BKI's portfolio comprises of dividend paying, well managed companies. Exposure to most sectors of the market.

High Conviction

- Benchmark Unaware – BKI's long term strategy of investing in dividend paying stocks means the portfolio is not aligned with an index.

BKI Investment Company Limited				Index
1	NHC	New Hope Corporation	9.5%	0.0%
2	CBA	Commonwealth Bank	9.1%	7.9%
3	NAB	National Australia Bank	8.4%	4.9%
4	BHP	BHP Billiton Limited	7.9%	9.3%
5	WBC	Westpac Banking Corp.	7.0%	6.5%
6	TLS	Telstra Corporation	4.9%	4.4%
7	WES	Wesfarmers Limited	4.4%	3.0%
8	ANZ	ANZ Banking Corporation	3.5%	5.5%
9	WOW	Woolworths Limited	3.4%	3.0%
10	ALQ	ALS Limited	3.2%	0.3%
11	AGK	AGL Energy Limited	2.7%	0.7%
12	WPL	Woodside Corporation	2.1%	2.3%
13	CCL	Coca-Cola Amatil	1.8%	0.8%
14	TPM	TPG Telecom Limited	1.7%	0.2%
15	MTS	Metcash Corporation	1.6%	0.3%
16	ARP	ARB Corporation	1.4%	0.1%
17	APA	APA Group	1.3%	0.4%
18	IVC	Invocare Limited	1.3%	0.1%
19	QBE	QBE Insurance Group	1.2%	1.1%
20	MLT	Milton Corporation	1.1%	0.0%
Cash & Cash Equivalents			6.4%	0.0%
Total			79.6%	50.8%



BKI INVESTMENT
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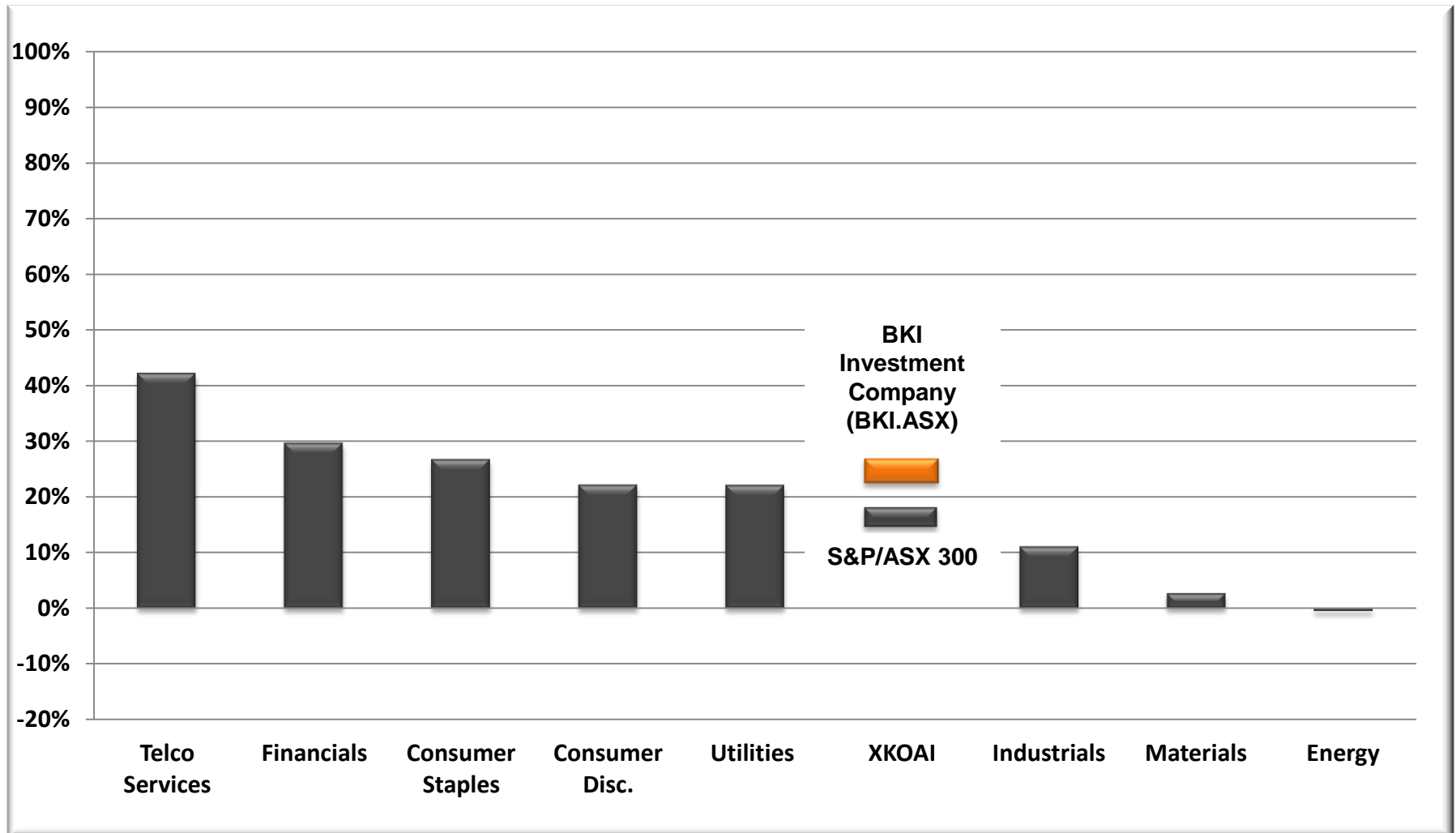
Sector Weightings

Sector	Portfolio Weight 31 Dec 2012	Index Weight 31 Dec 2012
Financials	36.6%	32.6%
Energy	12.2%	7.3%
Consumer Staples	11.3%	7.7%
Materials	9.3%	20.9%
Industrial	7.5%	7.3%
Telecommunications	6.7%	5.1%
Cash	6.4%	
Consumer Discretionary	4.8%	5.6%
Utilities	3.6%	1.9%
Health Care	1.2%	4.6%
Property Trusts	0.4%	6.9%

Sector Performance

12 Months to 31 December 2012

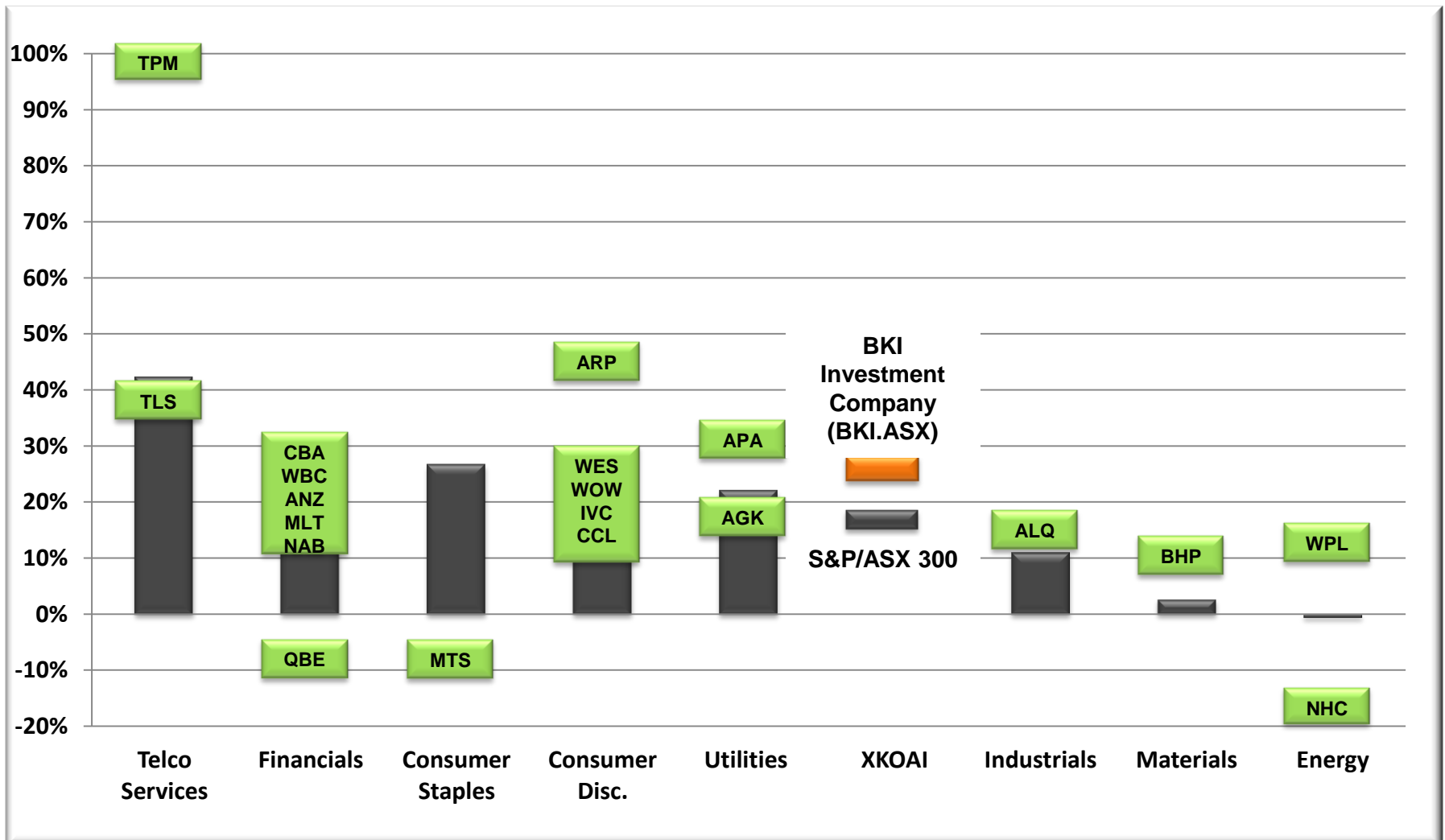
(BKI Top 20 V's S&P/ASX300 Accumulation Indexes)



Sector Performance

12 Months to 31 December 2012

(BKI Top 20 V's S&P/ASX300 Accumulation Indexes)



Benefits of investing in BKI.ASX

- **Performance** - Delivering sound long term returns to shareholders.
- **Low Cost** - Management Expense Ratio of 18bps. No Performance Fees.
- **Dividends** - Predictable fully franked income stream.
- **Franking Credits** - 30% tax rate already paid on dividend income, tax credits passed on directly to shareholders.
- **Diversification** – Exposure to most sectors of the market through well managed, dividend paying companies.
- **Simplicity** – An investment in BKI.ASX provides administration simplicity.
- **Structure** – BKI is a Company with a closed end investment structure.
- **Listed on the ASX** - High levels of Transparency and Compliance, ASX Listing Rules, Continuous Disclosure requirements.



**BKI INVESTMENT
COMPANY LIMITED**

BKI Fact Sheet

www.bkilimited.com.au



BKI Investment Company Limited
Winner 2011
Listed Investment Company Award

ASX Code	BKI.ASX
Listing Date	December 2003
Mandate	Aust Listed Equities
Investment Sectors	Diversified
Benchmark	S&P/ASX 300 Acc Index
Total Assets	\$644m
Debt	Nil
Management Expense Ratio	0.18%
Performance Fee	Nil
Historical Dividend Yield	4.8%
Percentage Franked	100%
Grossed Up Yield	6.8%
Dividend Distribution Frequency	Half Yearly
Dividend Payout Policy	90%-95%
Dividend Reinvestment Plan	Active
Share Purchase Plan	Inactive

Research Coverage	Morningstar
	IRR
	Morgan Stanley Smith Barney
	Bell Potter
	Evans and Partners
	Baillieu Holst
Board Members	Rob Millner
	David Hall
	Alex Payne
	Ian Huntley
Chief Executive Officer	Tom Millner
Company Secretary	Jaime Pinto