

## REPORT TO SHAREHOLDERS ON HALF YEAR RESULTS TO 31 DECEMBER 2013

The Company's Appendix 4D and financial report for the half-year ended 31 December 2013 were lodged with the Australian Securities Exchange (ASX) on 18 February 2014 and are available to be downloaded from the Company's website or the ASX website.

### HIGHLIGHTS

- Interim dividend of 37 cents per ordinary share reflects an increase of 3 cents per share (8.8%) compared to that paid in 2013.
- Profit for the half year was \$19,531,000, a 10.7% increase on the \$17,647,000 result for the previous corresponding half-year.

### GROUP'S OPERATIONS AND RESULTS

The consolidated net profit for the half year to 31 December 2013 attributable to the members of Carlton Investments Limited was:

	<b>31 December 2013</b>	31 December 2012
	<b>\$000</b>	\$000
Profit before income tax	<b>19,842</b>	17,978
Income tax expense thereon	<b>(311)</b>	(331)
Net profit for the half year	<b>19,531</b>	17,647

### REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2013 increased by \$1,884,000 or 10.7% compared to the previous corresponding half year. Dividends and distributions received of \$19,626,000 increased by \$2,096,000 or 12.0%. Dividends and distributions received included special dividends totalling \$394,000 compared to \$76,000 in the previous corresponding period.

Interest income decreased by \$215,000 compared to the previous corresponding half year, to \$599,000. Average funds held on term deposit decreased by approximately \$2 million and the weighted average effective interest rate on term deposits decreased to 3.98% compared to 5.06% for the previous half year.

### NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2013 prior to payment of the interim dividends and before provision for tax on unrealised capital gains was \$28.70 (30 June 2013: \$26.23). The net tangible asset backing per share at 31 December 2013 after provision for tax on unrealised capital gains was \$24.45 (30 June 2013: \$22.50).



## INTERIM DIVIDENDS

The Directors have declared an interim dividend of 37.0 cents per Ordinary Share, fully franked, payable on 20 March 2014. This is an increase of 3 cents per ordinary share compared to the 34 cents per share paid in respect of the previous year. An interim dividend of 7.0 cents per Preference Share, fully franked, will be paid on the same date. The Record Date for the interim dividends is 5 March 2014.

## ON MARKET SHARE BUY BACK

During the half year, the Directors resolved to extend the period of the On Market Share Buy Back to 28 November 2014. There were no ordinary shares bought back during the half year ended 31 December 2013.

## INVESTMENTS

During the half year investments (over \$500,000) were made in AGL Energy, APA Group, Bank of Queensland, Bendigo and Adelaide Bank, National Australia Bank, Origin Energy, Santos, Telstra Corporation and WAM Capital. The cost of shares purchased during the half year to 31 December 2013 totalled \$8,799,000. Shares in Orora, with a market value of \$1,041,000, were also received following the demerger of that business from Amcor during the half year.

The twenty largest investments, at quoted market values, as at 31 December 2013 were:

	\$000's		\$000's
Amalgamated Holdings	251,219	Bank of Queensland	15,518
National Australia Bank	69,315	Bendigo & Adelaide Bank	13,118
Westpac Bank	57,063	Orica	12,927
Commonwealth Bank	42,736	Gowing Bros	11,112
ANZ Bank	30,444	Origin Energy	9,612
Wesfarmers	27,311	Amcor	9,001
BHP Billiton	26,921	Santos	8,990
Telstra	21,313	James Hardie	8,092
AGL	20,097	Rio Tinto	6,221
Perpetual	19,411	Lend Lease	5,514
			<u>665,935</u>
			<u>728,924</u>

Total shares and units in listed entities as at 31 December 2013

There were no disposals of equity investments during the half year to 31 December 2013, however a capital return totalling \$314,000 was received from Wesfarmers.

The market value of the investment portfolio in listed entities increased by 9.3% after adjustment for acquisitions, capital returns and disposals during the six months ended 31 December 2013. This compares to an increase of 12.1% in the All Ordinaries Index over the same period.

**AG RYDGE  
CHAIRMAN**

18 February 2014