Rule 4.3A

Appendix 4E

Final Report 30 June 2010

CARLTON INVESTMENTS LIMITED	ABN 000 020 262

1. Financial Reporting Period

The current financial reporting period is for the year ended 30 June 2010 with the previous corresponding period being the year ended 30 June 2009

2. Results for announcement to the market

			$000
Dividends and distributions received	Down	1.5%	24,794
Interest received	Down	52.1%	1,519
Revenue before realised gains on disposal and impairment of equity investments	Down	7.3%	26,317
Net profit after tax and before realised gains on disposal and impairment of equity investments	Down	5.3%	25,165
Realised gains after tax on disposal of equity investments	Down *	85.3%	865
Profit for the year	Down *	18.4%	26,030
Total income tax expense	Down *	78.8%	743
* After restatement of comparatives on early adoption of new Accounting Standards			

3. Dividends	Amount per security	Franked amount per security
Final dividends - Ordinary - Preference	40.0 cents 7.0 cents	40.0cents 7.0 cents
Year ended 30 June 2009 - Ordinary - Preference	40.0 cents 7.0 cents	40.0 cents 7.0 cents
Date final dividends payable	15 SEPTEMBER 2010	
Record date for determining entitlements to final dividends	1 SEPTEMBER 2010	
The dividend reinvestment plan continues to be suspended		

4.: Refer to the attached Annual Report for details of the following:-

Income statement, statement of comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows and notes thereon;
Dividends paid and payable;
Net tangible asset backing

5. Entities over which control has been gained or lost during the period:- Nil

6. Details of associates and joint ventures:- Nil

7. The Report is based on financial statements that have been audited. A copy of the audit report is included in the attached Annual Report.

CARLTON INVESTMENTS LIMITED

(A publicly listed company limited by shares, incorporated and domiciled in Australia)

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2010

DIRECTORS

ALAN G RYDGE (CHAIRMAN)
GRAEME L HERRING AM
ANTHONY J CLARK AM

GROUP SECRETARY

KEITH N ALLEN

AUDITORS

KPMG

BANKERS

NATIONAL AUSTRALIA BANK LIMITED

REGISTERED OFFICE

STATE THEATRE BUILDING, 49 MARKET STREET, SYDNEY. N.S.W. 2000
TELEPHONE: (02) 9373 6732
FACSIMILE: (02) 9373 6539
EMAIL: carlton_investments@ahl.com.au

SHARE REGISTRAR

COMPUTERSHARE REGISTRY SERVICES PTY LTD, LEVEL 3, 60 CARRINGTON STREET, SYDNEY. N.S.W. 1115
TELEPHONE: 1300 855 080
FACSIMILE: (02) 8235 8150

HOME STOCK EXCHANGE

THE COMPANY IS LISTED ON THE AUSTRALIAN SECURITIES EXCHANGE (SYDNEY) LIMITED
STOCK EXCHANGE CODE CIN

CONTROLLED ENTITIES

CARLTON HOTEL LIMITED
(ACN 000 010 266)

ENEBER INVESTMENT COMPANY LIMITED
(ACN 000 014 540)

THE MANLY HOTELS PTY LIMITED
(ACN 000 004 473)

ANNUAL GENERAL MEETING

THE 2010 ANNUAL GENERAL MEETING WILL BE HELD IN THE REEL ROOM, STATE THEATRE BUILDING, 49 MARKET STREET, SYDNEY, NSW ON 20 OCTOBER, 2010 AT 10.00 A.M.

CHAIRMAN'S REPORT TO SHAREHOLDERS

I have pleasure in presenting the Company's and its controlled entities' consolidated results for the year ended 30 June 2010.

Consolidated entity's operations and results

Revenue before realised gains on disposal of equity investments of $26,317,000 compared to $28,384,000 earned during the year ended 30 June 2009. Dividends and distributions received from companies and trusts amounted to $24,794,000 compared to $25,176,000 whilst Interest income of $1,519,000 compared to $3,173,000. As in the previous year the reduction in dividends and distributions received generally resulted from lower profits being earned during the year by entities in which the consolidated entity has invested whilst the reduction in interest received was due to a lower level of funds on deposit resulting from the higher than normal level of acquisitions of equity investments during the year together with lower rates of interest being available.

Administration expenses of $613,000, compared to $599,000 in 2009. This represented a management expense ratio (MER) of 0.13% which compares very favourably to the MERs of other Listed Investment Companies.

I draw your attention to Note 2(e) to the financial statements commencing on page 21 of the Annual Report in which details are provided on the affect on the consolidated entity's financial statements of changes in accounting policies resulting from the adoption of Australian Accounting Standards AASB 101 and AASB 9. The Consolidated entity has adopted Accounting Standard AASB 9: *Financial Statements* as at 7 December 2009, being the earliest allowable date for adoption. Prior to that date realised gains or losses on disposal of investments were accounted for through the Income Statement. Gains or losses realised after 7 December 2009 are now required to be recognised through the Statement of Comprehensive Income. The new Standard does not require an impairment charge to be included in the Income Statement for investments still held by the consolidated entity at the date of adoption whereas the previous Standard required such a charge to be made if there was evidence that an investment may be impaired. The new Standard contains no impairment provisions. The early adoption of this Standard has resulted in several comparative figures being restated.

Profit as reported in the income statement for the year ended 30 June 2010 was $26,030,000 compared to $31,938,000 on a restated basis for 2009. The profit for the 2009 year included net gains on disposal of investments of $5,925,000 whereas the 2010 year only recorded a net gain of $865,000.

Earnings per ordinary share

Basic earnings were $0.98 per ordinary share for the year to 30 June 2010 compared to $1.20 per share for 2009 on a restated basis.

Dividends

On 18 August 2010 the directors declared a final fully franked ordinary dividend of 40 cents per share payable on 15 September 2010. Total dividends payable in respect of the ordinary shares for the year ended 30 June 2010 amount to 67 cents per share, the same as paid in respect of the previous year.

A final preference dividend of 7 cents per share fully franked is also payable on 15 September 2010.

The record date for both the ordinary and preference final dividends is 1 September 2010.

The Dividend Reinvestment and Bonus Share Plans continue to be suspended.

Net tangible asset backing

The net tangible asset backing for each issued ordinary share at 30 June 2010 was $20.00 (2009: $16.82) based on the market value of the investment portfolio. Although the Board has no present intention of disposing of any of the consolidated entity's equity investments, if notional selling costs were applied and capital gains tax charged on unrealised gains, the net tangible asset backing at 30 June 2010 would have been $17.60 (2009: $15.19).

CHAIRMAN'S REPORT TO SHAREHOLDERS (CONT.)

On Market Share Buy-Back

No ordinary shares were bought back during the year by the Company under the on market buy back facility available to it. Since the end of the financial year the Company has bought back 15,690 ordinary shares at a cost of $16.50 per share.

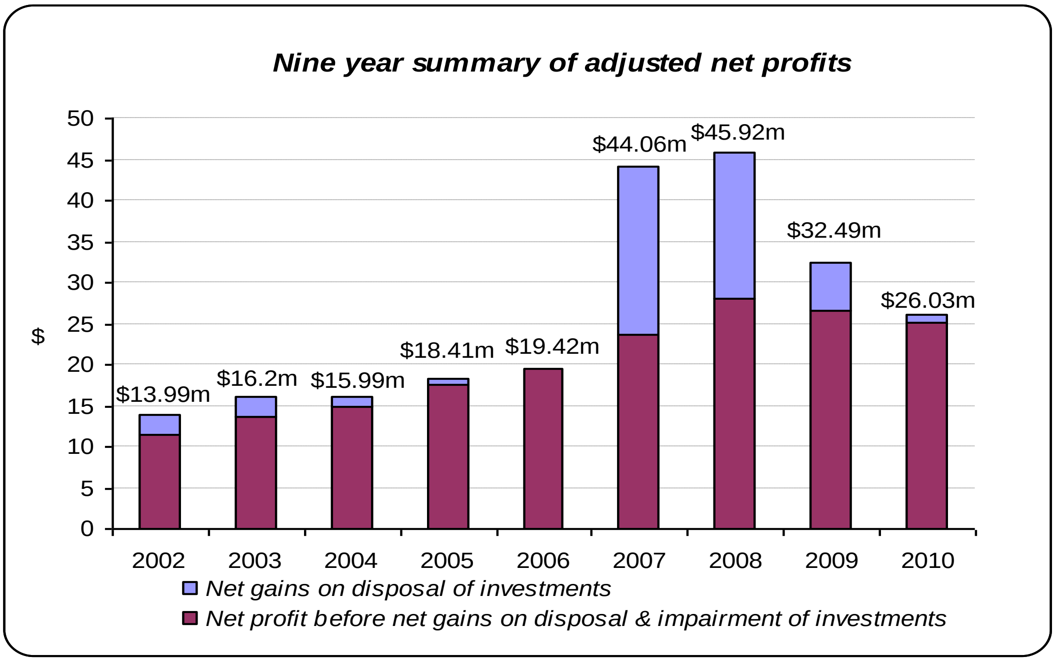
Investments

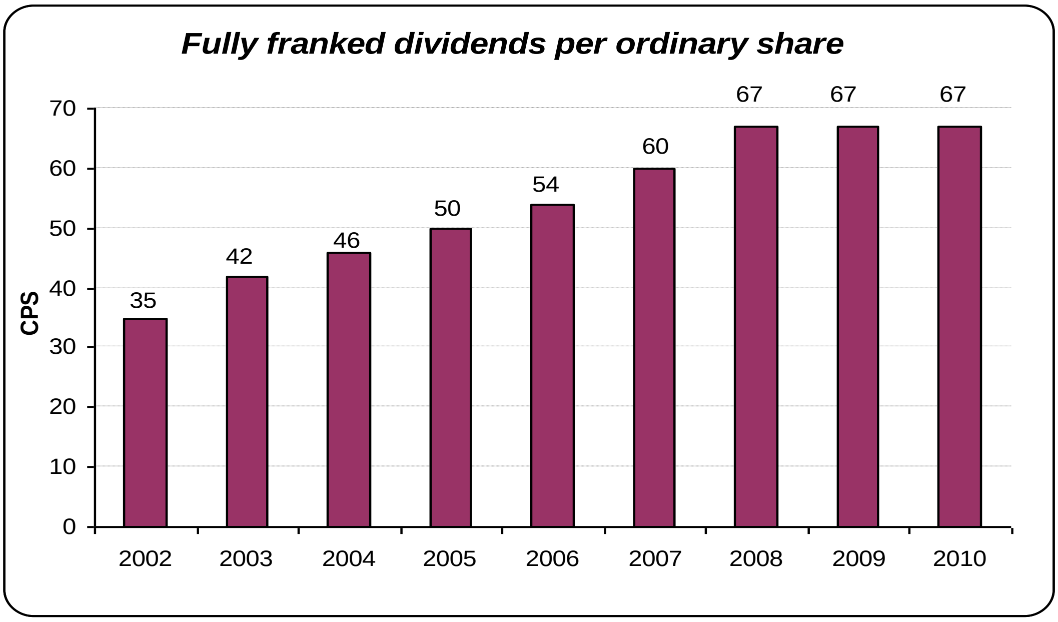
The value of the equity investment portfolio based on the market value as at 30 June 2010 increased during the year from $400,904,000 to $503,075,000, an increase of 25.5%. Short term cash deposits at 30 June 2010 amounted to $21,700,000 compared to $44,750,000 at 30 June 2009 and represented 4.1% of the total fair value of the portfolio of equity investments and deposits. The decrease in short term deposits resulted from decisions taken by the Board to invest, whilst the market was depressed, in equities that had the qualities of potential long term growth and high dividend yields. The consolidated entity is still well placed with the level of funds on deposit to take advantage of investment opportunities as and when they arise. Subsequent to 30 June new investments totalling $481,000 have been acquired.

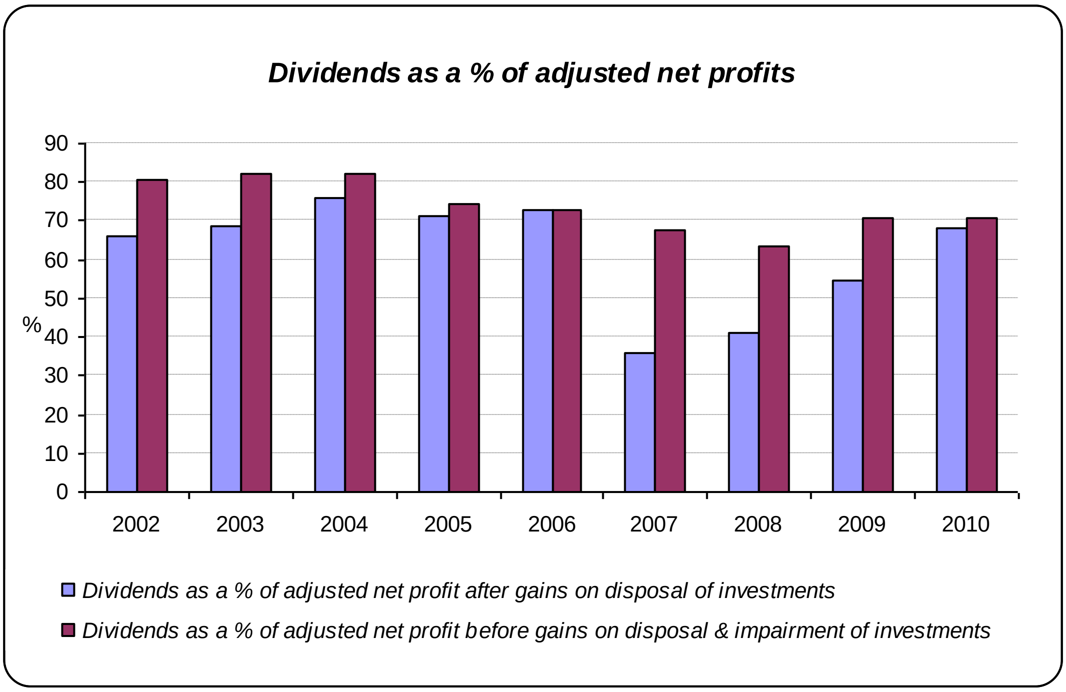
The consolidated entity's equity investment portfolio is reviewed on a regular basis by the Board. Additional investments are made in stocks that meet the criteria of providing both high levels of income through franked dividends and long term capital growth. The cost of shares purchased during the 2010 financial year totalled $27,685,000 (2009: $15,337,000) and included the Amalgamated Holdings rights issue, Amcor, ANZ Bank, APA, Bank of Queensland, Commonwealth Bank, CC Amatil, Cromwell Group, CSR, MAp Group, National Australia Bank, Telstra and Westpac. In addition Amalgamated Holdings shares to the value of $4,203,000 were also acquired through that company's dividend reinvestment plan. Investments disposed of during the year included CC Hellenic, Eircom and Babcock & Brown Infrastructure.

The consolidated entity continues to hold its equity investments for the long term and does not act as a share trader nor does it invest in speculative stocks.

A G RYDGE - CHAIRMAN


Nine year summary of adjusted net profits
$
$13.99m
$16.2m
$15.99m
$18.41m
$19.42m
$44.06m
$45.92m
$32.49m
$26.03m
2002
2003
2004
2005
2006
2007
2008
2009
2010
Net gains on disposal of investments
Net profit before net gains on disposal & impairment of investments


Fully franked dividends per ordinary share
CPS
35
42
46
50
54
60
67
67
67
2002
2003
2004
2005
2006
2007
2008
2009
2010


Dividends as a % of adjusted net profits
%
2002
2003
2004
2005
2006
2007
2008
2009
2010
Dividends as a % of adjusted net profit after gains on disposal of investments
Dividends as a % of adjusted net profit before gains on disposal & impairment of investments

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010

The directors present their report together with the financial report of Carlton Investments Limited ("the Company") and of the consolidated entity, being the Company and its controlled entities, for the year ended 30 June 2010 and the auditor's report thereon.

DIRECTORS

The directors of the Company in office at any time during or since the end of the financial year are:

Mr. Alan G Rydge
Chairman of Directors since 1980. Non executive director.
Broad experience as a director of various listed and private entities, formerly Deputy Chairman of Australia Post.
Director (since 1978) and Chairman (since 1980) of Amalgamated Holdings Limited. Also a director of Enbeear Pty Limited, Alphoeb Pty Limited and Aygeear Pty Limited.

Mr. Graeme L Herring AM
Bachelor of Commerce (Melbourne), Diploma of Education (Melbourne).
Independent Non Executive Director since 1988.
Chairman of the Audit Committee.
Broad experience as a director of listed companies and previously practised as a Chartered Accountant. He retired as a partner of Peat Marwick Mitchell & Co. in 1983.
Other directorships include Louis Vuitton Australia Pty Limited. Retired as a director of WIN Corporation Pty Limited on 15 July 2010. Former directorships were Amalgamated Holdings Limited (1984-2004) and Australian Pharmaceutical Industries Limited (1984-2004).

Mr. Anthony J Clark AM, FCA, FAICD.
Fellow of the Institute of Chartered Accountants in Australia and Fellow of the Australian Institute of Company Directors.
Independent Non Executive Director since 2000.
Chairman of the Nominations and Remuneration Committee.
Broad experience as a director of listed companies and previously practised as a Chartered Accountant. He retired as a partner of KPMG in 1998.
Other directorships include Amalgamated Holdings Limited (since 1998) and Ramsay Health Care Limited (since 1998) and former Deputy Chairman of Tourism Australia (1996-2006).

COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER

Mr Keith Allen was appointed Company Secretary and Chief Financial Officer in July 2000. He practised as a Chartered Accountant for over 30 years prior to his retirement as a partner of KPMG in 1997.

OFFICERS WHO WERE PREVIOUSLY PARTNERS OF THE AUDIT FIRM

Each of Messrs Herring, Clark and Allen were previously partners of the current audit firm, KPMG or its antecedent firms, at a time when the audit firm undertook an audit of the Company.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) held and number of meetings attended by each of the directors of the Company during the financial year are:

Name of Director	Directors' Meetings	Audit Committee	Nominations and Remuneration Committee
No. of meetings held:	10	2	1
No. of meetings attended:			
Mr A G Rydge	10	2	1
Mr G L Herring	10	2	1
Mr A J Clark	10	2	1

CORPORATE GOVERNANCE STATEMENT

This statement outlines the main Corporate Governance practices that have been adopted by the Board which, unless otherwise stated, comply with the ASX Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council. The appropriateness of the adopted practices is subject to continuous review by the Board. Companies listed on the Australian Securities Exchange are required under the ASX Listing Rules to detail in their annual reports the principles and recommendations with which they have not complied and provide reasons as to why they have not done so.

The eight ASX Corporate Governance Principles and the Company’s approach to them are as follows;-

1. Lay solid foundations for management and oversight

The Company has a Board of three non executive directors and only two employees, namely a company secretary/chief financial officer and an office administrator. Due to the lack of complexity in the Company’s operations no director acts as chief executive officer. In accordance with Board policy the company secretary/chief financial officer is primarily and directly responsible to the directors for the general and overall management of the Company.

The terms and conditions relating to the appointment and retirement of all directors are determined on a case by case basis within the requirements of the Corporations Act 2001 and the ASX Listing Rules. The Company provides directors and senior management on appointment a letter setting out key terms and conditions relative to their appointment so that they clearly understand their corporate expectations.

Under the Company’s Constitution directors are subject to re-election by shareholders by rotation every three years.

Details regarding the current directors are included on page 5 of the Annual Report.

The primary responsibility of the Board is to develop the overall strategy of the Company and to preside over the management of the Company to protect and enhance shareholders’ interests. The Board’s role is to ensure the Company meets its obligations and responsibilities in all areas affecting shareholders, the market and the community generally. The Board’s roles and responsibilities which include strategic direction of the Company, governance and operating performance, are set out in its Charter which is reviewed on a regular basis. Copies of the Charter are available on request from the company secretary. The policies and procedures detailed in this Statement have been instituted by the Board to ensure that the Board’s roles and responsibilities are achieved. The Board is assisted in the execution of its responsibilities by the Audit Committee and Nomination and Remuneration Committee both of which are chaired by independent non-executive Directors.

Meetings of the Board are generally held at least ten times a year. In any month where a meeting does not take place the company secretary prepares a detailed report for the Board’s information and consideration.

The Company employs a staff of only two persons, being the company secretary/ chief financial officer and the office administrator. The last performance evaluation of these employees and review of their remuneration after having reference to performance and market rates was carried out in May 2010. As part of the annual performance review the Committee seeks input from the engagement partner of the external auditor on the adequacy of the company secretary/chief financial officer’s administration of the company.

The company secretary/chief financial officer is responsible to the Board for the implementation of the strategy and management of the Company. He manages the Company’s operations in accordance with the strategy, business plans and policies approved by the Board to achieve agreed goals. He acts as public officer for taxation matters and is responsible for the company’s continuous disclosure requirements of the ASX.

2. Structure the Board to add value

The Board’s policy is that of the three directors comprising the Board, two must be independent non-executive directors not having a major shareholding in the Company, not having been a principal or employee of a professional advisor or consultant to the Company within the previous three years, has not been employed in an executive capacity by the Company and is free of any business or other relationship that could materially interfere with the exercise of their unfettered and independent judgement. Both Mr Herring and Mr Clark are independent non-executive directors having served on the Board since 1988 and 2000 respectively. Due to the nature of the Company's activities it is not considered that either Mr Herring's or Mr Clark's length of service as a director could, or could reasonably be perceived to, materially interfere with their ability to act in the best interests of the Company. The Chairman, Mr A G Rydge, due to his related interests in the Company, is not considered to be independent, however, the remaining members of the Board do not consider that this in any way diminishes the efficient organisation and conduct of the Board's function.

Each of the directors has the mix of skills for which the Board is looking to achieve in membership of the Board; namely, a broad experience as a director of public listed companies and involvement in the finance and investment sectors.

The Company has a Nominations and Remuneration Committee comprising the three current non executive directors. The Committee, whose roles and responsibilities are set out in its Charter which is reviewed on a regular basis for appropriateness, is chaired by an independent non-executive director. In accordance with the Charter it evaluates by discussion the Board's and each individual director's performance on an annual basis, assesses the necessary and desirable competencies of Board members and reviews succession plans taking into consideration the range of skills, experience and expertise of the current members. The last such review was performed in May 2010. Each director is required to notify the Board of any change in circumstances that could impair their position as a director.

Fees paid to the non executive directors (there are no executive directors) are set each year by the Committee and, after reference to current market rates, are based on the nature of each director's performance and responsibilities. In accordance with the Corporations Act total fees for all directors are within the maximum amount of fees that have been approved by the shareholders at general meetings to be paid to the directors.

Directors do not receive any form of remuneration or retirement benefits other than by way of directors' fees and the 9% Superannuation Guarantee levy where the director has not reached the age of 70. They do not receive any options over shares in the Company. Details of directors' remuneration are set out on page 12 of the annual report. The Chairman meets with each director and officer to discuss matters affecting Board and management effectiveness as and when they arise. Each director also may at any stage raise appropriate matters with the Chairman.

Subject to prior discussions in a Board meeting, each director is entitled to seek independent professional advice at the Company's expense provided such advice is essential for the execution of the director's obligations. A copy of the advice received by the director is made available to all other members of the Board.

3. Promote ethical and responsible decision making

The Company through its Code of Ethics and Business Conduct recognises the importance of the Company's directors and employees conforming to the highest standards of ethical and responsible decision making. All directors and employees are made aware that they are expected to act in their business dealings for the Company in accordance with the Law and high standards of propriety. The Code covers areas such as the Company's and the Board's policy on diversity and its responsibilities towards employees and shareholders, dealings with third parties, conflicts of interest, safeguarding assets, financial reports and accounting records and insider information and trading in the Company's shares. Directors and employees must keep the Board advised on an ongoing basis of any interest that could potentially conflict with those of the Company.

The Company has a Trading Policy that specifies the periods of the year where trading in its shares by key management personnel are prohibited.

A copy of the Code and the Trading Policy are available on request from the company secretary.

4. Safeguard integrity in financial reporting

The Company, in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, has an Audit Committee whose roles and responsibilities are set out in its Charter. The Charter is reviewed annually for appropriateness. A copy of the Charter can be obtained on request from the company secretary. The Committee acts as an independent and objective body to monitor the Company's financial reporting processes, corporate risk assessment, systems of internal controls and the results of the external audit (including a review of the independence of the external auditor). The Committee consists of the three non-executive Board members and is chaired by an independent non-executive director. Committee members receive comprehensive regular reports on the Company's affairs from the company secretary/chief financial officer and have unrestricted access to Company records and information. The Committee requires the company secretary/chief financial officer to provide it with a declaration under Section 295(A) of the Corporations Act each half year and annually whether, in his opinion, the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and whether they are in accordance with the relevant accounting standards. He is also required to state whether, in his opinion, the integrity of the financial statements has been founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and whether the Company's risk management and internal compliance and control systems are operating efficiently and effectively in all material respects.

The engagement partner of the external auditor meets with the Audit Committee each six months when finalising the half year and annual results to discuss whether the audit has highlighted any departures from the Company's Policies, Procedures and Controls Manual and whether there are any significant issues that have arisen during the audit. The engagement partner has been requested to raise with the Board at any other time any pertinent issues that should be addressed by the Board. The Committee also meets with the external auditor to review the auditor's performance and to discuss the proposed audit plan and fees. The Committee, after reviewing the auditor's performance, has the responsibility for determining whether a recommendation be made to the Board that there should be a change of external auditor. It is responsible for ensuring that there is a rotation of audit engagement partner in accordance with legislation currently in force.

The Committee reviews the appropriateness of any significant non-audit service proposed to be provided by the external auditor before giving its approval.

5. Make timely and balanced disclosure

The company secretary/chief financial officer has, in accordance with the Company's written Continuous Disclosure Policy, been nominated as the person with primary responsibility for the Company's communications with the ASX and is required to be fully conversant with the ASX Continuous Disclosure Listing Rules as they affect the Company. He is responsible for ensuring that communications are made in a timely manner, are factual and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions. Members of the Board, in accordance the Board Charter, meet with the company secretary/chief financial officer on a six monthly basis to review the Company's ongoing compliance with the continuous disclosure requirements. Each member of the Board has a responsibility to advise the company secretary/chief financial officer of any relevant disclosure matters of which they become aware.

6. Respect the rights of shareholders

It is Company policy to maintain full and informative communications with all shareholders. This is achieved by way of detailed reports to shareholders on the half year and annual results, net tangible asset backing details disclosed monthly to the market and through the Chairman's address at general meetings. Copies of these documents, together with any other announcements made to the ASX are available from the websites of the ASX and various brokers. Copies of documents covering Corporate Governance matters such as the Board and committee charters, risk management policy, communications, code of conduct, continuous disclosure policy, etc. are available to shareholders on request from the company secretary. The company does not maintain a website as all information concerning the Company is readily available as noted above.

The engagement partner from the external auditor attends the annual general meetings and is available to answer shareholders' questions at that meeting.

7. *Recognise and manage risk*

The Company has a detailed Policies, Procedures and Controls manual that sets out the roles of the Board and management in recognising risks associated with the consolidated entity's operations and the safeguards instituted to control those risks. It is the Audit Committee's responsibility to review the risk management policies and to ensure that they are both appropriate for the Company's operations and are being adhered to. The Company does not have an internal audit function due to the lack of complexity in its operations. The company secretary/chief financial officer reports to the Audit Committee and Board as at each half year and financial year end whether, in his opinion, the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the risk management and internal compliance and control system is operating efficiently and effectively in all material respects. The Audit Committee meets with the engagement partner of the external auditor at least every six months to satisfy its members that appropriate risk management policies have been adopted and that a sound system of internal controls exists. These requirements have been undertaken as at 30 June 2010.

A copy of the Company's risk management policy is available on request from the company secretary.

8. *Remunerate fairly and responsibly*

As detailed under 2 above the Company has a combined Nomination and Remuneration Committee that has as one of its responsibilities the determination of appropriate remuneration policies for Board members and employees. The Committee has a Charter that sets out its role and responsibilities, composition, structure and membership requirements. The membership of the Committee consists of the three non executive directors and is chaired by an independent chairman.

Compliance with ASX Corporate Governance Principles and Recommendations

The Company complies to the extent appropriate for an organisation of its size with the ASX Corporate Governance Principles and Recommendations with the exception of Recommendation 2.2 as the Chairman is not considered to be an independent director.

PRINCIPAL ACTIVITIES

The principal activity of the consolidated entity is the acquisition and long term holding of shares and units in entities listed on the Australian Securities Exchange. There have been no significant changes in the activity of the consolidated entity during the year under review.

STATE OF AFFAIRS

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in subsequent financial years.

RESULTS AND REVIEW OF OPERATIONS

The consolidated profit for the year attributable to the members of Carlton Investments Limited was:

	2010	2009
	$000	$000 Restated
Revenue before realised gains on disposal of equity investments	**26,317**	28,384
Administration expenses	**(613)**	(599)
Profit before income tax expense, realised gains on disposal and impairment of equity investments	**25,704**	27,785
Income tax expense	**(539)**	(1,208)
Profit before gains on disposal and impairment of equity investments	**25,165**	26,577
Gains on disposal of equity investments	**1,069**	8,465
Unrealised impairment write down of equity investments transferred from revaluation reserve	**-**	(798)
	1,069	7,667
Income tax expense	**(204)**	(2,306)
	865	5,361
Profit for the year	**26,030**	31,938

Dividends and distributions received during the year reduced by 1.5% to $24,794,000 compared to $25,176,000 earned during the previous year. Interest income was $1,519,000 compared to $3,173,000 as a result of a lower level of funds on deposit and a lower weighted average rate of interest available during the year.

The Consolidated entity has adopted Accounting Standard AASB 9: *Financial Statements* as at 7 December 2009, being the earliest allowable date for adoption. Prior to that date realised gains or losses on disposal of investments were accounted for through the Income Statement. They are now required to be recognised through the Statement of Comprehensive Income. The new Standard does not require an impairment charge to be included in the Income Statement for investments still held by the consolidated entity at the date of adoption whereas the previous Standard required such a charge to be made if there was evidence that an investment may be impaired. The new Standard contains no impairment provisions. The early adoption of this Standard has resulted in several comparative figures being restated.

Gains on disposal of investments before tax expense recognised in the income statement during the year amounted to $1,069,000 compared to $8,465,000 realised during the year ended 30 June 2009. The level of such gains fluctuates each year as it is dependent on takeovers, schemes of arrangement, demergers, etc relating to equities in which the consolidated entity holds investments

Administration expenses of $613,000 increased by $14,000 or 0.02%. These expenses represent a Management Expense Ratio of 0.13% based on the fair value of average total assets as at 30 June 2009 and 2010.

DIVIDENDS

- Paid during the year in respect of the prior financial year:

(i) As proposed in last year's report, a final ordinary dividend of 40 cents per share, fully franked, amounting to $10,611,000 was paid on 15 September 2009.

(ii) As proposed in last year's report, a final preference dividend of 7 cents per share, fully franked, amounting to $6,000 was paid on 15 September 2009.

- In respect of the current financial year:

		$000
(i)	An interim ordinary dividend of 27 cents per share, fully franked was declared and paid on 18 March 2010.	7,162
(ii)	A final ordinary dividend of 40 cents per ordinary share in respect of the year ended 30 June 2010 has been proposed. The dividend will be fully franked.	10,611
(iii)	An interim preference dividend of 7 cents per share, fully franked, was paid on 18 March 2010.	6
(iv)	A final preference dividend of 7 cents per share, fully franked, has been proposed.	6
Total dividends paid or payable in respect of the year ended 30 June 2010		17,785

LIKELY DEVELOPMENTS

The consolidated entity will continue to pursue its policy of holding equity investments on a long term basis and reinvesting dividends and other income in entities listed on the Australian Securities Exchange, together with accepting takeover offers which would prove to be of advantage to the consolidated entity.

REMUNERATION REPORT - Audited

Remuneration policies

The Company has a Board of three directors and employs a staff of only two persons, one of whom is the company secretary / chief financial officer. The Board reviews the performance of the company secretary / chief financial officer and the office administrator and determines their remuneration after having reference to current market rates. Directors' fees for the non-executive directors (there are no executive directors) are recommended to the Board each year by the Nominations and Remuneration Committee and, after reference to current market rates, are based on the nature of each director's work and responsibilities. Directors do not receive additional fees for Committee participation. These fees are within the maximum amount of $250,000 fees that were approved by the shareholders at the 2005 annual general meeting to be paid to the directors. Performance evaluation and remuneration reviews are carried out as at 1 July each year. No director or the company secretary / chief financial officer has a service agreement.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2010 (CONT.)

REMUNERATION REPORT (cont.)

Directors and the company secretary / chief financial officer do not receive any bonuses, non-cash benefits or options over shares in the Company. Their only remuneration is by way of fees and salary respectively, together with the 9% Superannuation Guarantee levy which is paid to a post employment defined contribution plan where the officer has not reached the age of 70.

Directors' and officer's remuneration

	Short Term Base Emolument		Post Employment Superannuation Contributions		Total	
	$	$	**$**	$	**$**	$
	2010	2009	**2010**	2009	**2010**	2009
Directors						
Mr A G Rydge	**59,630**	55,960	**5,370**	5,040	**65,000**	61,000
Mr G L Herring	**55,000**	51,000	**-**	-	**55,000**	51,000
Mr A J Clark	**55,000**	46,800	**-**	4,200	**55,000**	51,000
	169,630	153,760	**5,370**	9,240	**175,000**	163,000
Company Secretary						
Mr K N Allen	**122,000**	116,500	**11,000**	10,500	**133,000**	127,000

End of Remuneration Report

DIRECTORS' INTERESTS

The relevant interest of each director in the share capital of the consolidated entity, as notified by the directors to the Australian Securities Exchange in accordance with section 205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Shares held in Carlton Investments Limited					
	Held Directly		Other Relevant Interests		Aggregate Relevant Interests	
	Ordinary Shares		Ordinary Shares		Ordinary Shares	
	2010	2009	**2010**	2009	**2010**	2009
Mr A G Rydge	**660,322**	660,322	**14,836,602**	14,836,602	**15,496,924**	15,496,924
Mr G L Herring	**9,460**	9,460	**-**	-	**9,460**	9,460
Mr A J Clark	**4,900**	4,900	**-**	-	**4,900**	4,900

None of the directors or entities in which the directors have a beneficial interest hold preference shares.

Mr Rydge and Mr Clark also have a non-beneficial interest in **630,169** (2009: 630,169) ordinary shares and **37,941** (2009: 37,941) preference shares by virtue of their directorships of Amalgamated Holdings Limited.

No options were granted over unissued ordinary shares in the Company to any officer of the Company during or since the end of the financial year and at the date of this report there are no unissued ordinary shares under option.

INDEMNIFICATION OF OFFICERS

The Company has agreed to indemnify the current directors and company secretary of the Company and its controlled entities for all liabilities to another person (other than the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreements stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

No premium has been paid, or agreed to be paid, for insurance against a current or former officer's or auditor's liability for legal costs.

NON-AUDIT SERVICES

During the year KPMG, the Company's auditor, has performed certain other services in addition to its statutory duties. The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the audit committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the audit committee to ensure they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

	CONSOLIDATED		THE COMPANY	
	2010	2009	**2010**	2009
	$	$	**$**	$
Details of amounts paid to KPMG for audit and non-audit services provided during the year are:				
Statutory Audit				
- Audit and review of financial reports	**66,000**	69,300	**66,000**	69,300
Services other than statutory audit				
- Taxation compliance services	**19,480**	42,500	**19,480**	42,500
	85,480	111,800	**85,480**	111,800

LEAD AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under Section 307C of the Corporations Act is included on page 33.

PARENT ENTITY (THE COMPANY) FINANCIAL STATEMENTS

The Company has elected to apply Class Order CO 10/654 and has presented both parent company and group financial statements in the financial report.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors at Sydney on Sydney 18 August 2010

A G RYDGE
Director

G L HERRING AM
Director

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	CONSOLIDATED 2010 $000	CONSOLIDATED 2009 $000 Restated	THE COMPANY 2010 $000	THE COMPANY 2009 $000 Restated
Dividends and distributions received	4	**24,794**	25,176	**24,003**	8,003
Interest income		**1,519**	3,173	**1**	5
Management fees received from controlled entities		**-**	-	**980**	883
Sundry income		**4**	35	**-**	-
Total revenue before realised gains on disposal of investments		**26,317**	28,384	**24,984**	8,891
Administration expenses	5	**(613)**	(599)	**(610)**	(596)
Profit before income tax expense and realised gains on disposal and impairment write downs of investments		**25,704**	27,785	**24,374**	8,295
Income tax expense *	8	**(539)**	(1,208)	**(111)**	(87)
Net profit before realised gains on disposal and impairment write downs of investments		**25,165**	26,577	**24,263**	8,208
Gains on disposal of investments		**1,069**	8,465	-	-
Unrealised impairment write downs of equity investments transferred from revaluation reserve		**-**	(798)	**-**	-
		1,069	7,667	**-**	-
Income tax expense thereon *	8	**(204)**	(2,306)	**-**	-
		865	5,361	**-**	-
Profit for the year		**26,030**	31,938	**24,263**	8,208
* Total income tax expense thereon	8	**(743)**	(3,514)	**(111)**	(87)
Basic and diluted earnings per ordinary share after realised gains on disposal of equity investments	7	**$0.98**	$1.20		

The income statements are to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010

	Note	CONSOLIDATED 2010 $000	CONSOLIDATED 2009 $000 Restated	THE COMPANY 2010 $000	THE COMPANY 2009 $000
Net profit		**26,030**	31,938	**24,263**	8,208
Other comprehensive income					
Increase/(decrease) in fair value of investments		**73,093**	(85,867)	**-**	-
Increase/(decrease) in deferred tax liability on change in fair value of investments		**(19,931)**	20,933	**-**	-
Net gains on disposal of investments prior to 7 December 2009		**(1,548)**	(8,595)	**-**	-
Impairment write downs net of tax transferred to income statement		**-**	559	**-**	-
Total other comprehensive income/(expense)		**51,614**	(72,970)	**-**	-
Total comprehensive income/(expense) for the year ended 30 June 2010		**77,644**	(41,032)	**24,263**	8,208

The statements of comprehensive income are to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Year to 30 June 2010

	Share capital $000	Revaluation Reserve $000	Retained earnings $000	Total $000
Equity as at 30 June 2009 (as previously reported)	**21,162**	**141,842**	**244,675**	**407,679**
Adoption of AASB 9	**-**	**(20,735)**	**20,735**	**-**
Revised equity as at 30 June 2009	**21,162**	**121,107**	**265,410**	**407,679**
Dividends paid	**-**	**-**	**(17,785)**	**(17,785)**
	21,162	**121,107**	**247,625**	**389,894**
Profit for the year	**-**	**-**	**26,030**	**26,030**
Other comprehensive income:-				
Net gain on disposal of investments	**-**	**(1,548)**	**-**	**(1,548)**
Increase in fair value of investments	**-**	**73,093**	**-**	**73,093**
Increase in deferred tax liability on change in fair value of investments	**-**	**(19,931)**	**-**	**(19,931)**
Other comprehensive income	**-**	**51,614**	**-**	**51,614**
Total comprehensive income	**-**	**51,614**	**26,030**	**77,644**
Total equity as at 30 June 2010	**21,162**	**172,721**	**273,655**	**467,538**

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Year to 30 June 2009

	Share capital $000	Revaluation Reserve $000	Retained earnings $000	Total $000
Equity as at 30 June 2008 (as previously reported)	21,440	199,623	245,719	466,782
Adoption of AASB 9	-	(4,987)	4,987	-
Revised equity as at 30 June 2008	21,440	194,636	250,706	466,782
On Market share buy-back	(278)	-	-	(278)
	21,162	194,636	250,706	466,504
Dividends paid	-	-	(17,793)	(17,793)
	21,162	194,636	232,913	448,711
Profit for the year	-	-	31,938	31,938
Other comprehensive income:-				
Impairment write down	-	-	559	559
Net gains on disposal of investments	-	(8,595)	-	(8,595)
Decrease in fair value of investments	-	(85,867)	-	(85,867)
Decrease in deferred tax liability on change in fair value of investments	-	20,933	-	20,933
Other comprehensive income	-	(73,529)	559	(72,970)
Total comprehensive income	-	(73,529)	32,497	(41,032)
Total equity as at 30 June 2009	21,162	121,107	265,410	407,679

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

Year to 30 June 2010

	Share capital $000	Retained earnings $000	Total $000
Equity as at 30 June 2009 (as previously reported)	**21,162**	**100,399**	**121,561**
Dividends paid	**-**	**(17,785)**	**(17,785)**
	21,162	**82,614**	**103,776**
Profit for the year	**-**	**24,263**	**24,263**
Total comprehensive income	**-**	**24,263**	**24,263**
Total equity as at 30 June 2010	**21,162**	**106,877**	**128,039**

Year to 30 June 2009

	Share capital $000	Retained earnings $000	Total $000
Equity as at 30 June 2008 (as previously reported)	21,440	109,984	131,424
On Market share buy-back	(278)	-	(278)
	21,162	109,984	131,146
Dividends paid	-	(17,793)	(17,793)
	21,162	92,191	113,353
Profit for the year	-	8,208	8,208
Total comprehensive income	-	8,208	8,208
Total equity as at 30 June 2009	21,162	100,399	121,561

The statements of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	CONSOLIDATED **2010 $000**	CONSOLIDATED 2009 $000 Restated	THE COMPANY **2010 $000**	THE COMPANY 2009 $000
CURRENT ASSETS					
Cash	19(i)	**931**	1,070	**226**	205
Receivables	9	**3,633**	3,451	**-**	-
Investments–term deposits	10	**21,700**	44,750	**-**	-
TOTAL CURRENT ASSETS		**26,264**	49,271	**226**	205
NON CURRENT ASSETS					
Receivables	9	**-**	-	**122,485**	116,004
Investments – equities	10	**503,075**	400,904	**5,475**	5,475
TOTAL NON CURRENT ASSETS		**503,075**	400,904	**127,960**	121,479
TOTAL ASSETS		**529,339**	450,175	**128,186**	121,684
CURRENT LIABILITIES					
Payables	11	**48**	45	**47**	45
Current tax liabilities	8	**97**	718	**100**	78
TOTAL CURRENT LIABILITIES		**145**	763	**147**	123
NON CURRENT LIABILITIES					
Deferred tax liabilities	8	**61,656**	41,733	**-**	-
TOTAL LIABILITIES		**61,801**	42,496	**147**	123
NET ASSETS		**467,538**	407,679	**128,039**	121,561
EQUITY					
Share capital	12	**21,162**	21,162	**21,162**	21,162
Revaluation reserve		**172,721**	121,107	**-**	-
Retained profits		**273,655**	265,410	**106,877**	100,399
TOTAL EQUITY		**467,538**	407,679	**128,039**	121,561

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	CONSOLIDATED 2010 $000	CONSOLIDATED 2009 $000	THE COMPANY 2010 $000	THE COMPANY 2009 $000
CASH FLOWS FROM OPERATING ACTIVITIES					
Dividends received		**20,108**	26,246	**-**	-
Interest received		**1,517**	3,385	**2**	5
Sundry income		**4**	35	**-**	-
Distributions received from trusts		**305**	353		-
Cash paid for operating expenses		**(609)**	(583)	**(609)**	(575)
Income tax paid		**(1,372)**	(3,669)	**(89)**	(210)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	19(ii)	**19,953**	25,767	**(696)**	(780)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investments and return of capital		**2,378**	-	**-**	-
Payments for acquisition of investments		**(27,685)**	(15,337)	**-**	-
Repayment of term deposits		**23,000**	7,750	**-**	-
NET CASH USED IN INVESTING ACTIVITIES		**(2,307)**	(7,587)	**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES					
On Market share buy-back		**-**	(278)	**-**	(278)
Dividends paid	13	**(17,785)**	(17,793)	**(17,785)**	(17,793)
Borrowings repaid by controlled entities		**-**	-	**18,502**	18,906
NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES		**(17,785)**	(18,071)	**717**	835
NET (DECREASE)/INCREASE IN CASH HELD		**(139)**	109	**21**	55
CASH AT BEGINNING OF FINANCIAL YEAR		**1,070**	961	**205**	150
CASH AT END OF FINANCIAL YEAR	19(i)	**931**	1,070	**226**	205

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 21 to 31.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

1. REPORTING ENTITY
Carlton Investments Limited (The Company) is a company domiciled in Australia. The address of the Company's registered office is State Theatre Building, 49 Market Street, Sydney, NSW. The consolidated financial report of the Company for the year ended 30 June 2010 comprises the Company and its subsidiaries (together referred to as the "consolidated entity"). The report was authorised for issue by the directors on 18 August 2010. The consolidated entity operates predominately in the acquisition and long term holding of shares and units in entities listed on the Australian Securities Exchange and solely within Australia.

2. BASIS OF PREPARATION
(a) Statement of compliance
The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report of the consolidated entity and the financial report of the Company also comply with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation
The financial report has been prepared on the historical cost basis except that investments in equities listed on the Australian Securities Exchange have been stated at their market value.

(c) Functional and presentation currency
The financial report is presented in Australian dollars which is the Company's functional currency. The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(d) Use of estimates and judgements
The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. A deferred tax liability has been recognised, in accordance with the requirements of Accounting Standards, in respect of Capital Gains Tax calculated on the unrealised gain applicable to the listed equity investments. The Company intends to hold these investments for the long term and not to dispose of them. Accordingly the deferred tax liability may not be realised at the amount disclosed in the financial statements and may also be affected by subsequent changes in tax legislation in regard to capital gains.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Changes in accounting policies
The accounting policies adopted by the consolidated entity are consistent with those adopted during the previous corresponding half year and financial year with the exception of the following:

AASB 101 (revised): *Presentation of Financial Statements*
The consolidated entity has applied the revised AASB 101: *Presentation of Financial Statements* which became effective as of 1 January 2009. As a result, the consolidated entity presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

AASB 9: *Financial Instruments*
The consolidated entity has elected to early adopt AASB 9: *Financial Instruments.* As allowed by the transitional provisions of AASB 9, the consolidated entity has chosen to apply the standard retrospectively and to restate the comparative period. The date of initial application (the date on which the Company has assessed its existing financial assets) of 7 December 2009, has been chosen because this is the earliest allowable date under the standard. The impact of the changes resulting from adoption on the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Financial Position have been reflected in this report and are in accordance with the transitional provisions of the standard.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

AASB 9 includes requirements for the classification and measurement of financial assets. These requirements change the approach for classification and measurement compared to the previous accounting policy under AASB 139: *Financial Instruments: Recognition and Measurement*.

Under AASB 139, the consolidated entity classified its investments in equity instruments as available for sale. Movements in the fair value of available for sale financial instruments and the resulting tax effect were recognised in equity in the asset revaluation reserve. When a decrease in the fair value of any individual asset was considered significant or prolonged an impairment charge was recognised in profit or loss. A subsequent increase in the value of an impaired available for sale financial asset was not recognised in profit or loss, but instead recognised in the asset revaluation reserve.

Under the transitional provisions of AASB 9, the previous accounting policy continues to be applied to available for sale financial assets that were sold prior to the date of initial application, being 7 December 2009. Certain available for sale assets were disposed of in the current and prior periods. The adoption of AASB 9 did not impact the impairment charges or realised gains or losses recognised in net profit or loss in the current or prior period for these assets.

As allowed under the transition provisions of AASB 9, the consolidated entity has elected to classify its investments in equity instruments still held as of 7 December 2009 as at fair value through other comprehensive income. Under this new classification, all changes in fair value of equity investments are recognised within other comprehensive income within the revaluation reserve, including gains or losses on disposal. This designation is irrevocable for as long as the Company holds the asset. Dividends received on these investments are recognised in the income statement as part of net profit. AASB 9 does not require an assessment of impairment for financial assets carried at fair value. The adoption of AASB 9 does not change the carrying values of the Company’s investments, nor the amount of total comprehensive income.

Consistent with the decision to adopt this change in accounting policy as from 1 July 2008, the consolidated entity recognised adjustments to retained earnings and asset revaluation reserve balances of $4,987,000 as of 1 July 2008 and $20,735,000 as of 30 June 2009 to reverse impairments of equity instruments held at 7 December 2009 (and related tax impact) that were previously recognised in net profit. It has also restated the prior period net profit to reverse the impairment charge and related tax effect for all equity instruments still held at 7 December 2009.

(f) Parent entity (the Company) financial statements
The Company has elected to apply Class Order CO 10/654 and has presented both parent company and group financial statements in the financial report.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition
Revenues from dividends and trust distributions are recognised when the right to receive payment is established. Interest income comprising interest on short term deposits is recognised as it accrues.

(b) Income Tax
Income tax expense comprises current and deferred tax. Current or deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantially enacted at the reported date, and any adjustment to tax payable in respect of previous years.

Deferred tax, being predominantly capital gains tax, is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets, using tax rates enacted or substantially enacted at balance sheet date. Deferred tax assets are reviewed at each reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

(c) Investments
Short term deposits with major financial institutions form part of the consolidated entity's investment portfolio and are carried at cost.

Investments in controlled entities are carried at their cost of acquisition.

Listed equity investments are carried at their market value. Market value is determined by reference to the quoted bid price at the reporting date. Any change in market value is recognised directly in equity. Where equity investments are disposed of any cumulative gain or loss previously recognised in equity is now recognised in the statement of comprehensive income in accordance with AASBs101 and 9.

All investments are classified as level 1 investments as their fair values are dictated by unadjusted quoted prices in an active market.

(d) Transactions eliminated on consolidation
The balances and effects of transactions between controlled entities included in the consolidated accounts have been eliminated.

(e) Earnings per share
The consolidated entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings EPS is the same as basic EPS as there are no dilutive potential ordinary shares on issue by the Company.

		CONSOLIDATED		THE COMPANY	
	Note	**2010**	2009	**2010**	2009
		$000	$000	**$000**	$000
4. DIVIDENDS AND DISTRIBUTIONS RECEIVED					
Dividends received:					
Controlled entities		**-**	-	**24,003**	8,003
Listed entities		**24,573**	24,852	**-**	-
Distributions from trusts		**221**	324	**-**	-
		24,794	25,176	**24,003**	8,003
5. ADMINISTRATION EXPENSES					
Rent of premises		**33**	33	**33**	33
Directors' fees and employee benefits		**326**	310	**326**	310
Auditor's remuneration	6	**85**	112	**85**	112
Other		**169**	144	**166**	141
		613	599	**610**	596

Rent of premises
Rent is paid to an entity which is controlled by a listed public company of which two of the Company's directors are also directors. Rent is paid monthly at commercial rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	CONSOLIDATED		THE COMPANY	
	2010	2009	**2010**	2009
	$	$	**$**	$
6. AUDITOR'S REMUNERATION				
Amounts received or due and receivable for:				
Audit services: KPMG				
Audit and review of financial reports	**66,000**	69,300	**66,000**	69,300
Other services: KPMG				
Taxation services - Compliance	**19,480**	42,500	**19,480**	42,500
	85,480	111,800	**85,480**	111,800

7. EARNINGS PER SHARE

		Restated
Basic and diluted earnings per ordinary share after gains on disposal of equity investments and impairment write downs	**$0.98**	$1.20
	$000	$000
Reconciliation of earnings used in the calculation of earnings per share:		
Net profit after gains and impairments	**26,030**	31,938
Less: preference share dividends appropriated	**(12)**	(12)
Net profit after gains and impairments applicable to ordinary shareholders	**26,018**	31,926

	Number	Number
Weighted average number of shares used in the calculation of basic and diluted earnings per share	**26,527,467**	26,539,672

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	CONSOLIDATED 2010 $000	CONSOLIDATED 2009 $000 Restated	THE COMPANY 2010 $000	THE COMPANY 2009 $000
8. INCOME TAX					
Income tax expense					
Prima facie income tax expense calculated at 30% (2009: 30%)		**8,032**	10,636	**7,312**	2,488
Increase/(decrease) in income tax expense due to:					
Imputation gross up on dividends received		**3,020**	3,224	**3,086**	1,029
Franking credits on dividends received		**(10,065)**	(10,746)	**(10,287)**	(3,430)
Difference between book and tax gains on disposal of equity investments		**(121)**	-	**-**	-
Other		**(123)**	400	**-**	-
Income tax expense		**743**	3,514	**111**	87
Income tax expense in the income statement comprises:					
Current income tax expense		**751**	3,603	**111**	87
Deferred income tax expense		**(8)**	(89)	**-**	-
		743	3,514	**111**	87
Current tax liability					
Balance at beginning of year		**718**	3,092	**78**	201
Income tax paid		**(1,372)**	(3,669)	**(89)**	(210)
Current year's income tax		**764**	1,321	**111**	87
Over/(under) provision in previous year		**(13)**	(26)	**-**	-
Balance at end of year		**97**	718	**100**	78
Deferred tax liability					
Balance at beginning of year		**41,733**	62,755	**-**	-
Origination and reversal of timing differences		**(8)**	(89)	**-**	-
Increase /(decrease) in deferred tax liability on change in market value of investments recognised directly in equity		**19,931**	(20,933)	**-**	-
Balance at end of year		**61,656**	41,733	**-**	-
Represented by:					
Capital gains tax on write up of investments to market value		**61,512**	41,580	**-**	-
Temporary differences on timing of recognition of dividend and interest income		**144**	153	**-**	-
		61,656	41,733	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	CONSOLIDATED 2010 $000	2009 $000	THE COMPANY 2010 $000	2009 $000
9. RECEIVABLES					
Current					
Dividends and interest receivable		**3,633**	3,451	**-**	-
		3,633	3,451	**-**	-

The credit risk exposure is the carrying amount of the receivable. The consolidated entity's exposure to credit risk related to receivables is discussed in Note 18.

	Note	CONSOLIDATED 2010 $000	2009 $000	THE COMPANY 2010 $000	2009 $000
Non Current					
Amounts receivable from controlled entities	15(b)	**-**	-	**122,485**	116,004
10. INVESTMENTS					
Current					
Term deposits		**21,700**	44,750	**-**	-

Term deposits are placed with major financial institutions and at 30 June 2010 had maturity periods of between 12 to 159 days with interest rates of between 5.10% and 6.80% (2009: 3.60% and 4.29%). The weighted average effective interest rate on term deposits for the year ended 30 June 2010 was 4.83% (2009: 6.27%). Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Credit risk on term deposits is minimised as deposits are only made with major Australian financial institutions with acceptable credit ratings determined by a recognised rating agency.

	CONSOLIDATED 2010 $000	2009 $000	THE COMPANY 2010 $000	2009 $000
Non Current				
Shares in controlled entities- at cost	**-**	-	**5,475**	5,475
Shares and units held in listed equities - at fair value	**503,075**	400,904	**-**	-
	503,075	400,904	**5,475**	5,475

Equity investments held by the consolidated entity are not directly exposed to interest or currency risk.

Individually material investment in a listed equity that is neither a subsidiary nor an interest in an entity accounted for using the equity method is:

Name	Principal Activities	Ownership **2010** **%**	2009 %	Carrying Amount **2010** **$000**	2009 $000	Dividends Received **2010** **$000**	2009 $000
Amalgamated Holdings Limited	Entertainment, hospitality, tourism and leisure	**19.9**	19.9	**175,484**	107,212	**9,439**	7,480

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	CONSOLIDATED		THE COMPANY	
	2010	2009	**2010**	2009
	$000	$000	**$000**	$000
11. PAYABLES				
Current				
Other creditors and accruals	**48**	45	**47**	45

The consolidated entity's exposure to liquidity risk related to creditors is disclosed in Note 18.

12. SHARE CAPITAL AND RESERVES				
Issued and paid up capital				
26,527,467 (2009: 26,527,467) ordinary shares fully paid	**20,996**	20,996	**20,996**	20,996
82,978 (2009: 82,978) 7% cumulative preference shares fully paid	**166**	166	**166**	166
	21,162	21,162	**21,162**	21,162
Movements in ordinary share capital				
Balance at the beginning of the financial year	**20,996**	21,274	**20,996**	21,274
On Market share buy back – **Nil** (2009: 20,868) shares	**-**	(278)	**-**	(278)
Balance at the end of the financial year	**20,996**	20,996	**20,996**	20,996

On 14 November 2001 the Company announced an On Market Buy Back of up to 2,500,000 of the Company's ordinary shares. This Buy-Back has been extended until 28 November 2010. During the year ended 30 June 2010, no ordinary shares were bought back (2009: 20,868). At 30 June 2010 the cumulative number of shares bought back since 14 November 2001 is 753,820 at a cost of $9,850,000 (2009: 753,820 at a cost of $9,850,000).

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after preference shareholders and creditors and are fully entitled to any proceeds of liquidation.

Holders of preference shares are entitled to receive a fixed cumulative preferential dividend at the rate of 7% per annum. In the event of a winding up of the Company, preference shareholders are entitled to the capital and all arrears of dividends up to the date of the commencement of the winding up paid off in priority to any payment of capital on the ordinary shares. Holders of preference shares may attend and speak at general meetings but do not have a right to vote except where at the date of the meeting any dividend or part of a dividend is in arrears or on matters which directly or indirectly affect the rights attaching to the preference shares. The preference shares when issued were not classified as redeemable.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

Revaluation reserve
The revaluation reserve comprises the cumulative net change in the fair value of investments classified as fair value through equity until the investments are disposed of.

13. DIVIDENDS
The following dividends were declared and paid by the Company:

	Cents per share	Total amount $000	Franked/ unfranked	Date of payment
2009				
Final - ordinary	40.0	10,611	Franked	15 September 2009
Final - preference	7.0	6	Franked	15 September 2009
		10,617		
2010				
Interim - ordinary	27.0	7,162	Franked	18 March 2010
Interim - preference	7.0	6	Franked	18 March 2010
		7,168		
Total		17,785		

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Subsequent events
Since the end of the financial year, the directors have declared the following dividends.

Final - ordinary	40.0	10,611	Franked	15 September 2010
Final - preference	7.0	6	Franked	15 September 2010
Total		10,617		

The financial effect of these dividends has not been brought to account in the financial statements for the year ended 30 June 2010 and will be recognised in subsequent financial reports.

	2010 $000	2009 $000
Dividend franking account		
30% franking credits available to shareholders of Carlton Investments Limited for subsequent financial years	**17,743**	14,968

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for franking credits that will arise from the payment of the current tax liability.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance date but not recognised as a liability is to reduce it by **$4,550,000** (2009: $4,550,000).

14. CAPITAL MANAGEMENT

The Board manages the Company's capital base so as to maintain investors value, market confidence and to sustain future growth of the business. In addition to endeavouring to achieve an increase in the value of capital invested by ordinary shareholders the Board aims to be able to pay dividends which can be increased over future years. The actual level of dividends payable is dependent upon the level of income the Company receives from its investments. Capital management initiatives undertaken include a share purchase plan and on market buy-backs.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

15. RELATED PARTIES
(a) Key management personnel compensation

Directors and the company secretary / chief financial officer do not receive any bonuses, non-cash benefits or the granting of options over shares in the Company. Their only remuneration being by way of fees and salary respectively, together with the 9% Superannuation Guarantee levy, where the officer has not reached the age of 70.

The key management personnel compensation comprised:

	CONSOLIDATED		THE COMPANY	
	2010	2009	**2010**	2009
	$	$	**$**	$
Base Emolument	**291,630**	270,260	**291,630**	270,260
Superannuation	**16,370**	19,740	**16,370**	19,740
	308,000	290,000	**308,000**	290,000

Apart from details disclosed in this note, no director has entered into a material contract with the Company or the consolidated entity since the end of the previous financial year, and there were no material contracts involving directors' interests existing at 30 June 2010.

Equity holdings and transactions

The movement during the reporting period in the number of ordinary shares of the Company held, directly, indirectly or beneficially, by each key management person, their spouses and their personally-related entities is as follows:

	Held at		Purchases		Held at	
	1 July 2009	1 July 2008	**2010**	2009	**30 June 2010**	30 June 2009
Mr A G Rydge	**15,499,988**	15,499,988	**-**	-	**15,499,988**	15,499,988
Mr G L Herring	**9,460**	9,460	**-**	**-**	**9,460**	9,460
Mr A J Clark	**4,900**	4,900	**-**	**-**	**4,900**	4,900

15(b) Other related party transactions
Investments in controlled entities

	Class of Share	Interest Held	
		2010	2009
		%	%
CONTROLLED ENTITIES			
Carlton Hotel Limited	Preference	**100**	100
Carlton Hotel Limited	Ordinary	**100**	100
Eneber Investment Company Limited	Ordinary	**100**	100
The Manly Hotels Pty Limited	Ordinary	**100**	100

Amounts receivable from controlled entities

	THE COMPANY	
	2010	2009
	$000	$000
Inter-Company loans receivable		
Non Current	**122,485**	116,004

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

The amounts due to the Company are non interest bearing and are at call. Receipt of payment is not expected within twelve months and therefore the balance due is disclosed as non-current. Carlton Investments Limited has undertaken not to require repayment of all or part of the amounts owing to it by the controlled entities before 30 June 2014 if repayment would result in the controlled entities not having sufficient funds to pay their other debts as and when they fall due.

Management fees
The Company provided accounting, administrative and other services during the year to its controlled entities for a management fee of **$980,000** (2009: $883,000). The management fee is based upon 4% of the dividend and trust income of the controlled entities.

16. FINANCING FACILITIES
The Company has not negotiated any financing facilities.

17. INVESTMENT TRANSACTIONS
The total number of transactions in securities that occurred during the financial year was **29** (2009: 19). The total brokerage paid on these transactions was **$15,000** (2009: $26,000).

18. FINANCIAL RISK MANAGEMENT
The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Company and consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and consolidated entity's activities. The risks associated with the consolidated entity's assets fall into three categories, namely, credit risk, liquidity risk and market risk. The consolidated entity is not currently materially exposed to interest rate risk as its cash and term deposits are short term and for a fixed interest rate. There is no exposure to currency risk as all financial assets and liabilities are denominated in Australian dollars. As there are no external borrowings there are no risks associated with such liabilities.

Credit risk
Credit risk is the risk of financial loss to the consolidated entity if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the consolidated entity's receivables from investment securities. For the company it arises from receivables due from subsidiaries. This risk is referred to in notes 9 and 10 with respect to term deposits and receivables. None of these assets are considered to be impaired.

Liquidity risk
Liquidity risk is the risk that the consolidated entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another asset.

The only financial liabilities the consolidated entity has are for tax payable from time to time to the Australian Taxation Office and for purchases of investments. Cash flow forecasts are prepared on a monthly basis allowing for dividends and interest to be received, movements in term deposits, investments to be purchased, dividends to be paid and other outgoings. If the level of dividends or interest to be received were to reduce significantly the consolidated entity can reduce its planned acquisition of investments so that adequate liquid funds are available to meet any liabilities. Investments in listed entities could readily be sold on the Australian Securities Exchange to generate required funds.

Market risk
Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

As the consolidated entity invests in equities listed on the Australian Securities Exchange there will always be a market risk as the price of the equities is subject to fluctuation. Total equity represented by share capital, reserves and retained profits would reduce by $17,608,000 and $35,216,000 respectively after tax if the market prices applicable to the Company's listed equity portfolio were to fall by 5% or 10%.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

A major part of the consolidated entity's income consists of dividends received from its investments. The level of these dividends fluctuates depending on the profits earned by the companies in which investments are held. There is a risk that in downturns in the economy the level of these profits will fall and consequently may affect dividends.
The portfolio of listed equity investments is spread over a number of market sectors so as to reduce the market risk of a major fall in a particular sector. Details of investments held and the relevant market sectors are included on page 35 of the Annual Report.

19. NOTES TO THE STATEMENTS OF CASH FLOWS
(i) Reconciliation of cash
For the purposes of the Statements of Cash Flows, cash includes cash on hand and at bank. Cash at the end of the financial year as shown on the Statements of Cash Flows is reconciled to the items in the balance sheet as follows:

	CONSOLIDATED		THE COMPANY	
	2010	2009	**2010**	2009
	$000	$000	**$000**	$000
		Restated		
Cash	**931**	1,070	**226**	205
(ii) Reconciliation of profit after income tax to net cash provided by operating activities				
Profit after income tax	**26,030**	31,938	**24,263**	8,208
Add / (less) items classified as financing and investing activities:				
Gains on disposal of equity investments	**(1,084)**	(5,920)	**-**	-
Dividends credited by controlled entities	**-**	-	**(24,003)**	(8,003)
Dividends received by way of equities	**(4,184)**	-	**-**	-
Impairment of equity investments	**-**	559	**-**	-
Net cash provided by operating activities before changes in assets and liabilities	**20,762**	26,577	**260**	205
Increase/(decrease) in current tax payable	**(621)**	(2,374)	**22**	(123)
Increase/(decrease) in deferred income tax	**(9)**	(90)	**-**	-
Increase in other creditors	**3**	21	**2**	21
Decrease/(increase) in receivables	**(182)**	1,633	**-**	-
(Increase) in loans to controlled entities	**-**	-	**(980)**	(883)
Net cash provided by / (used in) operating activities	**19,953**	25,767	**(696)**	(780)

(iii) Non cash transactions
During the year the Company received dividends totalling **$24,003,000** (2009: $8,003,200) from its controlled entities which were debited to the inter company loan accounts.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Carlton Investments Limited ("the Company"):

   (a) the financial statements and notes set out on pages 14 to 31, and the remuneration disclosures that are contained in the Remuneration Report on pages 11 and 12 of the Directors' Report, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

   (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2;

   (c) the Remuneration report on page 11 and 12 of the Directors' Report complies with Australian Accounting Standard AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001; and

   (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declaration required by Section 295A of the Corporations Act 2001 from the chief financial officer for the year ended 30 June 2010.

Dated at Sydney 18 August 2010.

Signed in accordance with a resolution of the Directors:

A. G. RYDGE

:DIRECTORS

G L HERRING AM

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Carlton Investments Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

John Teer
Partner

Sydney

18 August 2010

Independent auditor's report to the members of Carlton Investments Limited

Report on the financial report

We have audited the accompanying financial report of Carlton Investments Limited (the Company), which comprises the statements of financial position as at 30 June 2010, and income statements and statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 19 and the directors' declaration of the Group comprising the company and the entities it controlled during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Carlton Investments Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Report on the remuneration report

We have audited the Remuneration Report included on pages 11 to 12 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Carlton Investments Limited for the year ended 30 June 2010, complies with Section 300A of the *Corporations Act 2001*.

KPMG

John Teer
Partner

Sydney

18 August 2010

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

SECURITIES EXCHANGE LISTED SHARES AND UNITS AT MARKET VALUE AS AT 30 JUNE 2010

CLASSIFICATION	No of shares or units	$	%
BANKS			
National Australia Bank Ltd	1,939,899	45,141,450	
Westpac Banking Corporation	1,682,879	35,693,864	
Commonwealth Bank of Aust.	477,500	23,225,600	
ANZ Banking Group Ltd	874,498	18,897,902	
Bank of Queensland Ltd	749,177	7,843,883	
Bendigo Adelaide Bank Ltd	752,500	6,147,925	
Westpac SPS II	17,500	1,841,875	
Bendigo Adelaide Bank Prefs	286	24,513	
		138,817,012	**27.59**
MEDIA			
Amalgamated Holdings Ltd	30,786,687	175,484,115	
West Australian Newspapers Ltd	350,000	2,285,500	
Ten Network Holdings Ltd	600,000	963,000	
Seven Group Holdings	100,000	574,000	
Fairfax Media	200,000	262,000	
APN News & Media Ltd	100,000	198,500	
Consolidated Media	48,804	154,709	
		179,921,824	**35.76**
MATERIALS – METALS & MINING			
BHP Billiton Ltd	708,646	26,673,435	
Rio Tinto Ltd	91,245	6,082,392	
Bluescope Steel Ltd	2,021,258	4,224,429	
Sims Group Ltd	100,000	1,707,000	
OneSteel Ltd	368,327	1,093,932	
Newcrest Mining Ltd	6,164	216,294	
Iluka Resources Ltd	43,057	199,784	
		40,197,266	**7.99**
FINANCIALS – DIVERSIFIED FINANCIALS			
Gowing Bros Ltd	4,273,768	10,043,355	
Perpetual Ltd	237,332	6,704,629	
Trust Company of Aust.	678,579	3,745,756	
Choiseul Investments Ltd	426,925	1,899,816	
Suncorp Metway Ltd	200,266	1,608,136	
Aust. United Inv. Co. Ltd	187,500	1,256,250	
Aust. Found. Inv. Co. Ltd	245,167	1,159,640	
WAM Capital Ltd (incl options)	881,000	1,026,365	
Argo Investments Ltd	18,118	105,266	
Whitefield	6,188	18,255	
Challenger FSG	4,339	15,273	
		27,582,741	**5.48**
ENERGY – OIL & GAS			
Origin Energy Ltd	456,024	6,790,197	
Santos Ltd	477,500	5,997,400	
Woodside Petroleum Ltd	50,000	2,091,500	
Caltex Ltd	100,000	944,000	
		15,823,097	**3.15**
FOOD & STAPLES RETAILING			
Wesfarmers Ltd	475,239	13,615,598	
Wesfarmers Ltd Pref	152,682	4,378,919	
Woolworths Ltd	100,000	2,701,000	
		20,695,517	**4.11**
UTILITIES			
AGL Energy Ltd	1,116,042	16,405,817	
APA Group	411,994	1,483,179	
Alinta Energy Group	300,000	15,000	
Prime Infrastructure	3,408	11,110	
		17,915,106	**3.56**
TELECOMMUNICATIONS			
Telstra Corporation Ltd	2,732,200	**8,879,650**	**1.77**

CLASSIFICATION	No of shares or units	$	%
HOTELS, RESTAURANTS & LEISURE			
Tabcorp Holdings Ltd	307,500	1,943,400	
Crown Ltd	48,804	378,231	
		2,321,631	**0.46**
FOOD, BEVERAGE, TOBACCO			
Coca Cola Amatil Ltd	435,261	5,205,722	
Fosters Brewing Group	633,427	3,572,529	
		8,778,251	**1.74**
INDUSTRIALS – CAPITAL GOODS & COMMERCIAL SERVICES			
Leighton Holdings Ltd	87,500	2,533,125	
Crane Group Ltd	243,760	1,962,268	
CSR Ltd	705,000	1,184,400	
McPherson's Ltd	120,928	302,320	
Brambles Industries Ltd	43,579	236,634	
Spotless Group Ltd	56,802	121,556	
PMP Ltd	100,000	57,000	
		6,397,303	**1.27**
MATERIALS – CHEMICALS			
Orica Ltd	541,764	**13,625,365**	**2.71**
MATERIALS - CONSTRUCTION			
James Hardie Inds. NV	625,362	3,914,766	
Boral Ltd	550,877	2,649,718	
		6,564,484	**1.30**
REAL ESTATE – MANAGEMENT & DEVELOPMENT			
Lend Lease Corporation Ltd	494,978	3,618,289	
Mirvac Ltd	426,575	558,813	
Stockland Trust Group	96,053	357,317	
Cromwell Group	400,000	268,000	
		4,802,419	**0.95**
MATERIALS – CONTAINERS & PACKAGING			
Amcor Ltd	853,133	**5,434,457**	**1.08**
HEALTHCARE			
Ansell Ltd	222,044	2,908,776	
Sigma Pharmaceuticals Ltd	220,000	91,300	
Australian Pharmaceutical Inds Ltd	100,000	39,000	
Novogen Ltd	33,000	5,445	
		3,044,521	**0.62**
TRANSPORTATION			
Macquarie Airports	329,029	885,088	
Intoll Management Ltd	458,851	477,205	
Transurban Ltd	26,833	113,504	
Macquarie Atlas Roads	91,770	85,805	
		1,561,602	**0.32**
MATERIALS – PAPER & FOREST PRODUCTS			
Paperlinx Ltd	721,864	**447,556**	**0.09**
INFORMATION TECHNOLOGY – SOFTWARE & EQUIPMENT			
Computershare Ltd	20,000	**212,200**	**0.04**
INFORMATION TECHNOLOGY – HARDWARE & EQUIPMENT			
Keycorp Ltd	120,000	**52,800**	**0.01**
TOTAL		**503,074,802**	**100.00**

SECURITIES EXCHANGE REQUIREMENTS
FOR THE YEAR ENDED 30 JUNE 2010
DETAILS OF SHAREHOLDINGS
AS AT 9 AUGUST 2010

SHAREHOLDERS
(Ordinary Shares)
VOTING RIGHTS:
1 Vote for each Ordinary Shareholder
POLL: One vote for each fully paid ordinary share held

SHAREHOLDERS
(7% Cumulative Preference Shares)
VOTING RIGHTS:
Restricted - Subject to Article 10

SUBSTANTIAL SHAREHOLDERS - ORDINARY SHARES

ENBEEAR PTY LIMITED	16,127,093*
AMALGAMATED HOLDINGS LIMITED	16,127,093+

** Includes Amalgamated Holdings Limited's and associates' holdings*

+ Includes Enbeear Pty Limited's and associates' holdings

SUBSTANTIAL SHAREHOLDERS - PREFERENCE SHARES

AMALGAMATED HOLDINGS LIMITED	37, 941

DISTRIBUTION OF SHAREHOLDINGS

Category Ordinary	No. of Shareholders	No. of Shares
1 - 1,000	*746*	*384,186*
1,001 - 5,000	*1,328*	*3,113,086*
5,001 – 10,000	*238*	*1,678,697*
10,001 – 100,000	*177*	*3,902,930*
100,001 & Over	*11*	*17,432,878*
	2,500	*26,511,777*

Category Preference	No. of Shareholders	No. of Shares
1 - 1,000	*36*	*10,378*
1,001 - 5,000	*7*	*10,537*
5,001 – 10,000	*2*	*11,756*
10,001 & Over	*2*	*50,307*
	47	*82,978*

Number of Ordinary Shareholders holding less than a marketable parcel *72*

Number of Preference Shareholders holding less than a marketable parcel *24*

TWENTY LARGEST ORDINARY SHAREHOLDERS

	No. of shares held	**% of capital held**
1. Enbeear Pty Limited	13,351,639	50.3
2. Alphoeb Pty Limited	1,384,717	5.2
3. Rydge A G	660,322	2.5
4. Amalgamated Holdings Limited	630,169	2.4
5. Milton Corporation Limited	354,809	1.3
6. T N Phillips Investments Pty Limited	245,000	0.9
7. Storey P R	192,047	0.7
8. Marlen Pty Limited	172,785	0.7
9. Gowing Bros Limited	171,137	0.7
10. Somoke Pty Limited	170,007	0.6
11. Aygeear Pty Limited	100,246	0.4
12. Govett Investments Pty Limited	98,046	0.4
13 Crawley M F	91,294	0.3
14. Tingalpa Hotel Pty Limited	86,164	0.3
15. Phillips J N	83,899	0.3
16. Phillips J N & Aust Executor Trustees	76,698	0.3
17. Darmal Pty Limited	68,000	0.3
18. Pards Pty Limited	63,199	0.2
19. Hargrave C L	60,246	0.2
20. Kells Investments Pty Ltd	60,000	0.2
	18,120,424	68.2

Issued Ordinary Shares 26,527,467

TWENTY LARGEST PREFERENCE SHAREHOLDERS

	No. of shares held	**% of capital held**
1. Amalgamated Holdings Limited	37,941	45.7
2. Morton I E & D L	12,366	14.9
3. Wilcorp No 41 Pty Limited	6,010	7.2
4. Winpar Holdings Limited	5,746	6.9
5. Cameron W R	2,127	2.6
6. Equity Trustees Limited RF Cameron Super Fund A/C	1,700	2.0
7. Neild D R G	1,500	1.8
8. Batoka Pty Limited	1,434	1.7
9. Green A J	1,400	1.7
10. Cameron A D	1,300	1.6
11. Batoka Pty Ltd BRD Unit A/C	1,076	1.3
12. Elkington Dr G B	1,000	1.2
13. Turner A H	834	1.0
14. Fitzharris J M	833	1.0
15. Frood R S	833	1.0
16. Hallworth G T	800	1.0
17. Cameron K V M	750	0.9
18. Tait Gibson Pty Limited	700	0.8
19. Elkington M	585	0.7
20. Crawley D E	534	0.6
	79,469	95.8

Issued Preference Shares 82,978

ORDINARY DIVIDENDS AND SHARE ISSUES DURING THE LAST TEN YEARS

Date	Share issue/Dividend	Issue price/ Dividend rate	Franking %
15/05/2001	In specie special dividend of 1 Amalgamated Holdings Ltd share for each ordinary share held in Carlton Investments Ltd	$1.80	100
17/05/2001	Cash dividend	$0.10	100
14/09/2001	Cash dividend	$0.15	100
21/03/2002	Cash dividend	$0.15	100
06/09/2002	Cash dividend	$0.20	100
20/03/2003	Cash dividend	$0.17	100
01/05/2003	Share Purchase Plan offer (Maximum number of shares – 503)	$9.94	N/A
05/09/2003	Cash dividend	$0.25	100
19/03/2004	Cash dividend	$0.18	100
17/09/2004	Cash dividend	$0.28	100
03/03/2005	Cash dividend	$0.19	100
16/09/2005	Cash dividend	$0.28	100
07/03/2006	Cash dividend	$0.21	100
18/04/2006	Share Purchase Plan offer (Maximum number of shares – 297)	$16.82	N/A
19/09/2006	Cash dividend	$0.33	100
07/03/2007	Cash dividend	$0.24	100
18/04/2007	Share Purchase Plan offer (Maximum number of shares – 246)	$20.30	N/A
19/09/2007	Cash dividend	$0.36	100
07/03/2008	Cash dividend	$0.27	100
24/09/2008	Cash dividend	$0.40	100
18/03/2009	Cash dividend	$0.27	100
15/09/2009	Cash dividend	$0.40	100
18/03/2010	Cash dividend	$0.27	100