



28 February 2017

## **Armidale Investment Corporation Limited**

### **31 December 2016 Interim Results**

Armidale Investment Corporation Limited (ASX:AIK) today reported its 31 December 2016 interim results, which mark the first reporting period that the Company has reported as a non-investment entity and consolidated its results with its controlled entities.

**As a result of the change during the reporting period, the results presented include:**

- **investment entity accounting from 1 July 2016 to 31 October 2016; plus**
- **the consolidated earnings from controlled entities from 1 November 2016 to 31 December 2016.**

To enable users to gain a further understanding of the Company and its controlled entities, unaudited pro-forma six month interim results will be disclosed in our upcoming investor presentation (due to be released by 7 March 2017). The financial information presented in the pro-forma interim results will be based on the assumption that the Company had consolidated its controlled entities from 1 July 2016.

Profit after tax, attributable to members of the Consolidated Entity for the half year ended 31 December 2016 was \$1,088,646 (2015: \$15,038). The Consolidated Entity's net asset position as at the end of the reporting period was \$146,416,630 (30 June 2016: \$88,693,056).

The investment objective of the Company is to grow its earnings per share from investing in complementary entities and growing existing businesses that specialise in equipment finance broking, finance aggregation and commercial leases for essential business assets. As previously announced to the market, the Company intends to continue on the path of acquiring part or all of equipment finance broking entities where there is seen to be a strategic, cultural and commercial fit and are committed to a broker accumulation strategy. AIK does not intend to do any more than 3-5 such acquisitions over the next 18 months, subject to available funding.

#### ***Acquisitions***

As announced on 17 February 2017, Platform (a 60% owned Subsidiary of AIK) executed a Terms Sheet to purchase 80% of an Equipment Finance Broker for total consideration of \$6.4 million. The AIK contribution to this purchase is expected to be approximately \$4 million and is supported by a cash contribution by existing Platform minority equity holders in order to purchase new Platform shares to fund the acquisition. The acquisition and contributions from minority equity holders is not expected to be dilutive to the Company's equity interest in Platform.

The consideration will be approximately \$4.6 million in cash and \$1.8 million in AIK scrip. The agreed multiple is approximately 4 times normalised EBITDA (estimated to be \$2 million) for the calendar year ended 31 December 2016. The transaction is expected to be completed by 31 March 2017 and is contingent on matters such as due diligence, an audit of the target entity, ACCC approval and approval from Bendigo Bank.

#### ***Change of Company name***

At a Board meeting of the Directors of the Company held in January 2017, it was agreed that there should be a change of the Company name which will be put to shareholders in an Extraordinary General Meeting (EGM) to be held on 13 April 2017. It is proposed that the Company changes its name from Armidale Investment Corporation Limited to Consolidated Operations Group Limited and the ASX code would be changed from ASX:AIK to ASX:COG.