

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2018

Appendix 4D

Details of Reporting Period

Current: Half-year ended 31 December 2018
 Previous corresponding: Half-year ended 31 December 2017

Results for announcement to the market			
	\$	Movement	% Movement
Total investment income (Revenue from ordinary activities)	814,283	▲	50%
Net profit from ordinary activities after tax attributable to members	223,899	▼	-112%
Total comprehensive loss for the period attributable to members	(4,145,970)	▼	-146%

Details of dividends			
	Cents per share	Franked amount per share	Tax rate for franking
2019 Interim dividend (cents per share)	1.0	1.0	27.5%

Details of dividends reinvestment plan

N/A

Net Tangible Assets per share (cents)		
	31 December 2018	31 December 2017
Net Tangible Assets (per share) backing before tax	134.80	154.95
Net Tangible Assets (per share) backing after tax	128.47	140.55

Control gained or lost over entities during the period

The Company did not gain or lose control over any entities during the period.

Details of associates and joint venture entities

The Company did not have any interest in any associates or joint venture entities during current period.

Independent auditor review report

This report is based on the interim financial report which has been subject to an independent review by the Company's Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A.

RYDER CAPITAL

ABN 74 606 695 854

Interim Financial Report

For the half-year ended 31 December 2018

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2018

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Ryder Capital Limited
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Corporate Directory

Directors	Peter Constable (Chairman) David Bottomley Ray Kellerman
Company Secretary	David Bottomley
Registered Office	Level 25 88 Phillip Street Sydney NSW 2000
Contact Details	P: (02) 8211 2777 F: (02) 8211 0555 W: www.rydercapital.com.au
Share Registry	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 P: 1300 554 474 W: www.linkmarketservices.com.au
Auditor	Pitcher Partners Level 22, MLC Centre 19 Martin Place Sydney NSW 2000 P: (02) 9221 2099
Stock Exchange Listings	Ryder Capital Limited securities are listed on the Australian Stock Exchange under the following exchange codes: Shares RYD Options RYDOA

Ryder Capital Limited Half Yearly Report Half-year ended 31 December 2018

Director's Report

Your directors present their report on Ryder Capital Limited ("Company") for the period ended 31 December 2018. The following persons were directors of the Company from registration date and up to the date of this report:

Peter Constable - Chairman
David Bottomley - Director and Company Secretary
Ray Kellerman - Non-Executive Director

Principal activity

The principal activity of the Company during the period was investing in a concentrated portfolio of ASX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term capital growth in excess of its benchmark (RBA Cash rate plus 4.25% p.a.).

Review of Operations

Ryder Capital Limited (Ryder or Company) generated a statutory profit after tax of \$223,899 and a total comprehensive after tax loss of \$4,145,970 for the six months to 31 December 2018 (1H FY2019).

The Board is pleased to announce a 1 cent per share fully franked dividend has been declared, with an ex-date of 8 March 2019 and payable date of 25 March 2019.

As with previous reports, we consider the most consistent and transparent measure of the Company's performance to be the movement in Net Tangible Assets (NTA) per share (pre-tax), adjusted for Ryder Initial Options (RYDO) exercised (undiluted pre-tax NTA) - on this measure, performance for the six-month period was negative 7.40%.

Performance for the period has been conservatively stated due to the Company's largest investment exposure (12.4% at 31 December 2018) in Updater Inc. (Updater) being carried at \$A0.995 per CDI which is the last traded ASX price (8 October 2018). This compares to the last transacted price of A\$1.25 per CDI (relating to the Updater buyback which was completed on 16 October 2018). Directors have determined that until Updater conducts a material capital raising at arm's length with a third party (with or without a contingent buyback) the investment will be carried at this lower value of \$A0.995 per CDI.

2018 was a challenging year for almost all asset classes. Using undiluted pre-tax NTA, the Company's return for the twelve months to 31 December 2018 was (3.7%). While disappointing in a short-term nominal context, this compares favourably to other long only equity index returns - please refer to the performance table on page 4 of this report.

The Company does not short (sell) market risk, specific securities or market volatility which can result in nominal short-term negative performance when markets experience high levels of downside price volatility such as that witnessed in the last quarter of the calendar year. The Company has a long only buy and hold strategy at its core.

The Company's pre-tax net assets rose strongly to \$77,578,247 (from \$57,406,933 at 30 June 2018) reflecting the exercise of 22,511,173 RYDO during the period. The Company's NTA per share value was enhanced by the ongoing operation of the Company's share buyback where 2,375,297 units were purchased on market at an average price of \$1.1936 for a total outlay of \$2,835,079 during the period. The Company's closing issued capital of 60,333,321 shares increased from 40,197,445 giving Ryder a market capitalisation of \$73.0m at 31 December 2018 up from \$50.3m (30 June 2018).

Shareholders that participated in the Company's Initial Public Offer were entitled to one RYDO for every ordinary share subscribed for which when exercised would result in the issuance of a Ryder Secondary Option (RYDOA). Each RYDOA has a \$1.50 strike price and a December 10, 2021 expiry date. The Company had 26,732,673 RYDO exercised and consequently issued 26,732,673 RYDOA and all unexercised RYDO options lapsed.

The Company made a statutory profit before tax of \$138,386 and after providing for a tax benefit of \$85,513 made an after-tax profit of \$223,899 in 1H FY2019. Statutory profit as reported and referred to above ignores unrealised gains or losses on the Company's portfolio. In prior periods we have reviewed the Company's performance with reference to the movement in pre-tax Net Asset Value (NAV) adjusted for tax paid and equity distributions, however with the large changes in issued capital this measure for the period is of little relevance.

The Manager's performance (as measured by the performance of the Company's portfolio less all operating costs before tax) underperformed the Company's set performance benchmark for the period. The Manager continues to outperform the Company's performance benchmarks over the more relevant, albeit short term time periods of 3 year's and since inception. Accordingly, there is no accrual of performance fees in the accounts. Furthermore, the Manager must make up any underperformance before any future accrual of performance fees.

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Director's Report (continued)

Review of Operations (continued)

Despite short term negative absolute and benchmark relative performance, Directors remain confident that in the absence of continued downside equity market price volatility and returns, the Manager is likely to generate performance consistent with the Company's longer term objectives.

All performance numbers are reported after all management and performance fees and all other Company expenses but before tax. We highlight this point in order to differentiate ourselves from some of our peers who elect to report gross returns (that exclude management fees, performance fees and operating costs) as opposed to net pre-tax returns which we consider to be the more appropriate performance measure for shareholders to evaluate.

Set out below is the Company's performance, with reference to the Company's benchmark and three relevant ASX Equities Indices across short and medium term timeframes including Inception to Date (ITD). We highlight the Company's pre-tax undiluted performance which over all time frames exceeds the most comparable ASX equity index to that of the Company's investment strategy - the ASX Small Ords Accumulation Index. Since inception the Manager has outperformed all comparable ASX equity indices in both positive and negative markets providing superior risk adjusted returns to the Company and shareholders.

	3 Months (%)	6 Months (%)	1 Year (%)	3 Years (% p.a)	Since Inception ⁽²⁾ (%)	Since Inception ⁽²⁾ (% p.a)
Gross Portfolio Performance	-7.47	-6.39	-1.30	18.85	72.52	18.12
Pre-tax Undiluted NTA Return ⁽³⁾	-7.93	-7.40	-3.72	13.76	50.50	13.30
Pre-tax NTA Return⁽¹⁾	-11.24	-12.67	-11.19	10.75	38.84	10.54
Performance Benchmark (RBA Cash Rate +4.25%)	1.42	2.86	5.75	5.83	20.51	5.86
ASX All Ords Accumulation Index	-9.74	-9.23	-7.42	2.23	12.87	3.79
ASX Small Ords Accumulation Index	-13.70	-12.75	-8.67	7.45	38.11	10.44
ASX200 Accumulation Index	-9.04	-8.85	-6.90	2.16	12.44	3.67

1. Unaudited investment performance less all costs of operating Ryder Capital Ltd including investment management and performance fees and ignoring the dilutionary impact of unexercised outstanding RYDOA options.
2. Inception Date is 22 September 2015
3. Pre-tax NTA return adjusted for exercised 26.7m RYDO options.

Outlook

As bottom up stock pickers we are not overly obsessive about short term market volatility and direction, or for that matter macro themes. However, we do use market volatility to selectively enter and exit investments and as a guide to determine appropriate cash weightings - as such we have given some thought to the recent market volatility and what lies ahead.

Our high level observation is markets have become overly complacent, getting ahead of themselves in terms of expectations for continued low volatility, double digit earnings growth and a measured pace of US led credit tightening by the Federal Reserve. Compounding these adjustments to expectations has been the impact of mutual fund flow driven Exchange Traded Fund behaviour which at its extreme can become somewhat self-fulfilling as declining prices promote re-allocation away from equities/certain sectors and in turn further selling.

Global GDP has weakened more recently due to a number of widely reported factors, however we note that in a historical context we are far from being able to forecast with any certainty an impending recession. As such we see markets muddling along with the potential for heightened volatility providing excellent opportunities for stock picking.

We currently hold approximately 27.8% of the portfolio in cash (as at 31 January 2019), putting the Company in a strong position to capitalise on future investment opportunities as and when they present.

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Director's Report (continued)

Dividends

On 5 August 2018, the Directors declared a fully franked dividend of 2.00 cents per share which amounted to \$1,001,068 and was paid on 19 October 2018.

An interim dividend of 1.00 cent per share fully franked has been declared by the Board and will be paid on 25 March 2019.

Rounding of amounts to nearest dollar

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

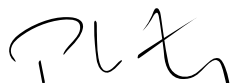
Comparative period

The current reporting period is the half-year ended 31 December 2018. For the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2017. For the Statement of Financial Position, the previous corresponding date is 30 June 2018.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Signed in accordance with a resolution of the directors.



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 21 February 2019

**Ryder Capital Limited
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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RYDER CAPITAL LIMITED
ABN 74 606 695 854**

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*;
and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ryder Capital Limited.

SCOTT WHIDDETT
Partner

PITCHER PARTNERS
Sydney

21 February 2019

Ryder Capital Limited
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Statement of Profit or Loss and Other Comprehensive Income			
	Note	Half-year ended 31 December 2018	Half-year ended 31 December 2017
Investment Income		\$	\$
Interest income		120,727	38,326
Dividend income net of franking credits		672,696	392,745
Net realised gain on net financial assets at fair value through profit or loss		1,035	43,063
Net unrealised gain on net financial liabilities at fair value through profit or loss		-	70,116
Other income		19,825	(48)
Total investment income		814,283	544,202
Expenses		\$	\$
Management fees		(456,599)	(336,719)
Directors' fees		(15,000)	(15,323)
Performance fees		-	(2,763,365)
Other operating expenses		(204,298)	(164,517)
Total expenses		(675,897)	(3,279,924)
Profit / (loss) for the period before income tax expense		138,386	(2,735,722)
Income tax benefit		85,513	874,354
Profit / (loss) for the period		223,899	(1,861,368)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Movement in fair value of long term equity investments, net of tax	6	(4,369,869)	10,791,682
Total comprehensive income/(loss) for the year		(4,145,970)	8,930,314
Basic earnings / (loss) per share	4	0.48 cents	(5.11) cents
Diluted earnings / (loss) per share	4	0.48 cents	(5.11) cents

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Statements which follow.

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Statement of Financial Position			
	Note	As at 31 December 2018	As at 30 June 2018
Assets		\$	\$
<i>Current assets</i>			
Cash and cash equivalents		23,844,809	11,572,347
Receivables		36,055	39,564
Current tax asset		28,201	28,201
Total current assets		23,909,065	11,640,112
<i>Non-current assets</i>			
Long-term equity investments	3	57,539,741	54,342,809
Deferred tax asset		508,051	515,930
Total non-current assets		58,047,792	54,858,739
Total assets		81,956,857	66,498,851
Liabilities			
<i>Current liabilities</i>			
Payables		96,308	3,040,321
Current tax liability		421,048	-
Total current liabilities		517,356	3,040,321
<i>Non-current liabilities</i>			
Deferred tax liability		3,861,254	6,051,597
Total non-current liabilities		3,861,254	6,051,597
Total liabilities		4,378,610	9,091,918
Net assets		77,578,247	57,406,933
Equity			
Issued capital	5	66,223,080	40,904,728
Retained losses	6	(2,969,865)	(2,836,231)
Capital profits reserve	6	4,157,821	3,384,226
Asset revaluation reserve	6	10,167,211	15,954,210
Total equity		77,578,247	57,406,933

The above Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Statements which follow.

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Statement of Changes in Equity							
	Note	Issued capital	Retained earnings/ (losses)	Profits reserve	Capital profit reserve	Asset revaluation reserve	Total equity
		\$	\$	\$	\$	\$	\$
Balance at 30 June 2017		36,594,817	(772,600)	121,720	1,944,229	4,773,152	42,661,318
Loss for the period		-	(1,861,368)	-	-	-	(1,861,368)
Net revaluation of investments		-	-	-	-	10,791,682	10,791,682
Total comprehensive income for the year		-	(1,861,368)	-	-	10,791,682	8,930,314
Other							
Transfer of realised gains on sale of investments, net of tax	6	-	-	-	2,756,031	(2,756,031)	-
		-	-	-	2,756,031	(2,756,031)	-
Transactions with owners in their capacity as owners							
Shares and options issued during the period	5	-	-	-	-	-	-
Shares acquired under buy-back during the period	5	(537,085)	-	-	-	-	(537,085)
Transactions costs on shares acquired under buy-back	5	(1,109)	-	-	-	-	(1,109)
Income tax on transactions costs	5	305	-	-	-	-	305
		(537,889)	-	-	-	-	(537,889)
Balance at 31 December 2017		36,056,928	(2,633,968)	121,720	4,700,260	12,808,803	51,053,743
Balance at 30 June 2018		40,904,728	(2,836,231)	-	3,384,226	15,954,210	57,406,933
Profit for the period		-	223,899	-	-	-	223,899
Net revaluation of investments		-	-	-	-	(4,369,869)	(4,369,869)
Total comprehensive income for the year		-	223,899	-	-	(4,369,869)	(4,145,970)
Other							
Transfer of realised gains on sale of investments, net of tax	6	-	-	-	1,417,130	(1,417,130)	-
Transfer to profit reserve	6	(357,533)	357,533	-	-	-	-
		(357,533)	357,533	-	1,417,130	(1,417,130)	-
Transactions with owners in their capacity as owners							
Dividend paid	5	-	-	(357,533)	(643,535)	-	(1,001,068)
Shares and options issued during the period	5	28,138,966	-	-	-	-	28,138,966
Shares acquired under buy-back during the period	5	(2,816,426)	-	-	-	-	(2,816,426)
Transactions costs on shares acquired under buy-back	5	(5,777)	-	-	-	-	(5,777)
Income tax on transactions costs	5	1,589	-	-	-	-	1,589
		25,318,352	-	(357,533)	(643,535)	-	24,317,284
Balance at 31 December 2018		66,223,080	(2,969,865)	-	4,157,821	10,167,211	77,578,247

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

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Statement of Cash Flows			
	Note	Half-year ended 31 December 2018	Half-year ended 31 December 2017
Cash flows from operating activities		\$	\$
Interest received		103,543	37,517
Dividends received		672,696	392,745
Other income received		19,825	-
Management fees paid		(437,450)	(320,595)
Performance fees paid		(2,953,362)	(1,035,193)
Directors' fees paid		(20,607)	(26,486)
Other operating expenses paid		(183,605)	(167,549)
Income tax paid		(16,777)	-
Net cash used in operating activities		(2,815,737)	(1,119,561)
Cash flows from investing activities			
Proceeds from sale of investments		2,837,833	7,485,052
Payments for purchase of investments		(12,065,329)	(8,653,743)
Net cash used in investing activities		(9,227,496)	(1,168,691)
Cash flows from financing activities			
Proceeds from issue of shares		28,138,966	-
Payments for share buy-back		(2,822,203)	(538,194)
Distributions paid		(1,001,068)	-
Net cash used by financing activities		24,315,695	(538,194)
Impact of exchange rate changes on cash and cash equivalents		-	(48)
Net increase/(decrease) in cash held		12,272,462	(2,826,494)
Cash and cash equivalents at beginning of the financial year		11,572,347	6,522,357
Cash and cash equivalents at end of the period		23,844,809	3,695,863

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements which follow.

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Notes to the Financial Statements

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ryder Capital Limited ("the Company") is a publicly listed company, incorporated and domiciled in Australia. The Company was incorporated with the Australian Securities and Investments Commission ("ASIC") on 26 June 2015. The registered office and principal place of business of the Company is Level 25, 88 Phillip Street, Sydney NSW 2000. The Company's principal activity is investing in a concentrated portfolio of ASX and NZX listed micro and small capitalisation securities, bonds and cash consistent with the Company's permitted investments and stated investment objective of achieving long term growth in capital and income.

These condensed interim financial statements are for the half-year ended 31 December 2018, and were authorised for issue by the Directors on 21 February 2019.

A summary of the material accounting policies adopted by the Company in the preparation of the financial statements is set out below:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These condensed interim financial statements for the period ended 31 December 2018 have been prepared in accordance with accounting standard AASB 134 Interim Financial Reporting and the Corporations Act 2001 in Australia.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standard.

These condensed interim financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the 30 June 2018 annual financial report and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The condensed interim financial statements are prepared based on an accruals concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the half-year. It is prepared on the basis of fair value measurement of assets and liabilities except otherwise stated.

The accounting policies applied in these condensed interim financial statements are the same as those applied to the Company's financial statements for the year ended 30 June 2018.

(b) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published by the AASB that are not mandatory for the interim period ending 31 December 2018 and have not been early adopted by the Company. The directors have considered these standards and interpretations and have concluded that they will not have a material impact on the financial report of the Company.

(c) Rounding amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the directors' report and in the financial report have been rounded to the nearest dollar (where indicated).

(d) Details of reporting period

The current reporting period is the half-year ended 31 December 2018. For the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2017. For the Statement of Financial Position, the previous corresponding date is 30 June 2018.

3. FAIR VALUE MEASUREMENT

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Long term equity investments
- Financial liabilities held for trading
- Financial assets held for trading

Fair value hierarchy

AASB 13: Fair value measurement requires disclosure of fair value measurements by level of the fair value hierarchy:

- Level 1 - measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability; and
- Level 3 - measurements based on unobservable inputs from the asset or liability.

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Notes to the Financial Statements

3. FAIR VALUE MEASUREMENT (CONTINUED)

Fair value hierarchy (continued)

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets and liabilities have been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise derivative financial instruments.

(a) Recognised fair value measurements

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2018 and 30 June 2018:

	Level 1	Level 2	Level 3	Total
As at 31 December 2018	\$	\$	\$	\$
Financial assets				
Rights	-	-	-	-
<i>Long-term equity investments</i>				
Listed investments	47,918,446	-	9,621,295	57,539,741
Total financial assets	47,918,446		9,621,295	57,539,741
Total financial assets	47,918,446	-	9,621,295	57,539,741
Financial liabilities				
<i>Held for trading liabilities</i>				
Forward contracts	-	-	-	-
Total financial liabilities	-	-	-	-
	Level 1	Level 2	Level 3	Total
As at 30 June 2018	\$	\$	\$	\$
Financial assets				
Options	-	-	-	-
<i>Long-term equity investments</i>				
Listed investments	54,342,809	-	-	54,342,809
Total financial assets	54,342,809		-	54,342,809
Total financial assets	54,342,809	-	-	54,342,809
Financial liabilities				
<i>Held for trading liabilities</i>				
Forward contracts	-	-	-	-
Total financial liabilities	-	-	-	-

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Notes to the Financial Statements

(b) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following table presents the transfers between levels at the end of the reporting period.

	Level 1	Level 2	Level 3
As at 31 December 2018	\$	\$	\$
Transfer between levels 1 and 3 Listed investments	(9,621,295)	-	9,621,295
As at 30 June 2018	\$	\$	\$
Transfer between levels 1 and 3 Listed investments	-	-	-

At the end of the current reporting period, management have transferred the Company's investments in listed equities from level 1 to level 3 on the fair value hierarchy on the basis that security of Updater Inc. (ASX: UPD) was removed from official list of ASX Limited on the 10 October 2018. There were no other transfers between levels in the fair value hierarchy at the end of the reporting period.

(c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2018 by class of financial instrument.

	Listed investments	Total
Opening balance - 31 December 2017	\$	\$
Transfer into/(out) from level 3	-	-
Purchases	-	-
Sales	-	-
Unrealised gains/(losses) recognised in the statement of comprehensive income	-	-
Closing balance - 30 June 2018	-	-
Transfer into/(out) from level 3	4,725,355	4,725,355
Purchases	-	-
Sales	-	-
Unrealised gains/(losses) recognised in the statement of comprehensive income	4,895,940	4,895,940
Closing balance - 31 December 2018	9,621,295	9,621,295

(i) Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements.

Description	Fair value	Unobservable inputs	Range of inputs (probability-weighted average)	Relationship of unobservable inputs to fair value
As at 31 December 2018	\$			
Updater Inc.	(9,621,295)	Last trade price	N/A	N/A

Updater Inc. (Updater) an unlisted Delaware incorporated company is carried at a value of \$A0.995 per Chess Depository Interest (CDI) which is the last traded ASX price (8 October 2018) for Updater CDIs. This value compares to the last transacted price of A\$1.25 per CDI relating to the Updater buyback which was completed on 16 October 2018. Directors have determined that until Updater conducts a material capital raising at arm's length with a third party (with or without a contingent buyback) the investment will be carried at this lower value of \$A0.995 per CDI.

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Notes to the Financial Statements

(ii) Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

(d) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

	Half-year ended 31 December 2018	Half-year ended 31 December 2017
	\$	\$
Basic earnings/(loss) per share	0.48 cents	(5.11) cents
Diluted earnings/(loss) per share	0.48 cents	(5.11) cents
Earnings/(loss) used in calculating basic earnings/(losses) per share	223,899	(1,861,368)
Earnings/(loss) used in calculating diluted earnings/(losses) per share	223,899	(1,861,368)
Weighted average number of ordinary shares used in the calculation of basic earnings/(losses) per share	46,726,154	36,447,394
Weighted average number of shares used in the calculation of diluted earnings/(losses) per share	46,726,154	36,447,394

The weighted average number of shares used as a denominator in calculating basic and diluted earnings per share is based on the weighted average number of shares 1 July 2018 to 31 December 2018.

5. ISSUED CAPITAL

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Capital risk management

The Company's policy is to maintain a strong capital base so as to maintain investor and market confidence. The overall strategy remains unchanged. To achieve this, the Board of Directors monitor the monthly NTA results, investment performance and share price movements. The Board is focused on maximising returns to shareholders with capital management a key objective of the Company. The Company is not subject to any externally imposed capital requirements.

Options

22,511,173 ordinary shares in the Company and 22,511,173 secondary options were issued during the half-year following the exercise of the same number of initial options at an exercise price of \$1.25 per option. The initial options expired on 10 December 2018. The company has 26,732,673 secondary options on issue exercisable at \$1.50 on or before 10 December 2021.

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2018

Notes to the Financial Statements

	Half-year ended 31 December 2018		Year ended 30 June 2018	
	Units	\$	Units	\$
(a) Movements in ordinary share capital				
Opening balance	40,197,445	40,904,728	36,812,934	36,594,817
Shares issued	(2,375,297)	(2,816,426)	(836,989)	(962,681)
Transactions costs on shares acquired under buy-back	-	(5,777)	-	(1,981)
Income tax on transactions costs	-	1,589	-	-
Shares issued upon the exercise of options	22,511,173	28,138,966	4,221,500	5,276,875
Costs of issued capital, net of tax				(2,302)
Closing balance	60,333,321	66,223,080	40,197,445	40,904,728

(b) Options issued				
Opening balance	32,607,000	-	36,828,500	-
Options issued during the period	(22,511,173)	-	(4,221,500)	-
Options not taken up as at date of expiry	(10,095,827)	-	-	-
Secondary options issued upon exercise of initial options	26,732,673	-	-	-
Closing balance	26,732,673	-	32,607,000	-

	Half-year ended	Half-year ended
	31 December 2018	31 December 2017
	\$	\$
(a) Retained losses		
Balance at the beginning of the period	(2,836,231)	(772,600)
Net earnings/(loss) attributable to members of the Company	223,899	(1,861,368)
Transfer to profit reserve	(357,533)	-
Balance at 31 December 2018	(2,969,865)	(2,633,968)

(b) Profits reserve		
The reserve is made of amounts transferred from current and retained earnings that are preserved for future dividend payments.		
Balance at the beginning of the period	-	121,720
Net earnings/(loss) attributable to members of the Company	357,533	-
Transfer to profit reserve	(357,533)	-
Balance at 31 December 2018	-	121,720

(c) Capital profits reserve		
The reserve records gains or losses arising from disposal of long-term equity investments.		
Balance at the beginning of the period	3,384,226	1,944,229
Realised profit on sale of investments, net of tax	1,417,130	2,756,031
Dividend paid	(643,535)	-
Balance at 31 December 2018	4,157,821	4,700,260

Ryder Capital Limited
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Notes to the Financial Statements

5. ISSUED CAPITAL (CONTINUED)

(d) Asset revaluation reserve

The reserve records revaluations of long-term equity investments.

Balance at the beginning of the period	15,954,210	4,773,152
Movement in fair value of long-term equity investments, net of tax	(4,369,869)	10,791,682
Realised profit on sale of investments, net of tax transferred to capital profits reserve	(1,417,130)	(2,756,031)
Balance at 31 December 2018	10,167,211	12,808,803

7. CONTINGENT LIABILITIES AND COMMITMENTS

As at 31 December 2018, the Company had no contingent liabilities or commitments.

8. SEGMENT INFORMATION

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 3(a) Fair Value Measurement.

9. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the period which significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2018
Directors' Declaration

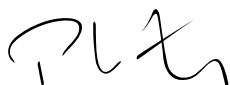
The Directors declare that:

(a) the financial statements and notes set out on pages 7 to 16 are in accordance with the Corporations Act 2001, and:

- i) complying with Australian Accounting Standard AASB134 Interim Financial Reporting and the Corporations Regulations 2001; and
- ii) giving a true and fair view of the financial position of the Company as at 31 December 2018 and of its performance for the financial half-year ended on that date.

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

Signed in accordance with a resolution of the directors of the Company. On behalf of the Directors



Peter Constable
Chairman
Ryder Capital Limited

Sydney, 21 February 2019

Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2018



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF RYDER CAPITAL LIMITED
ABN 74 606 695 854**

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Ryder Capital Limited ("the company") which comprises the statement of financial position as at 31 December 2018, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of Ryder Capital Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the interim financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Ryder Capital Limited
Half Yearly Report
Half-year ended 31 December 2018**



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF RYDER CAPITAL LIMITED
ABN 74 606 695 854**

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Ryder Capital Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the interim ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

A handwritten signature in black ink, appearing to read 'S Whiddett'.

SCOTT WHIDDETT
Partner

21 February 2019

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS
Sydney

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