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25 February 2015

Australian Stock Exchange
Company Announcements Platform
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Announcement of Results to the Market

The directors of Chalmers Limited announce the group consolidated results for the financial half year ended 31 December 2014. The following is provided as a brief outline:

- ◆ Revenue from continuing operations was relatively flat – decreasing by 0.5% to \$31.2M.
- ◆ Profit before tax of \$166K is substantially below the preceding December half's result of \$1,233K.
- ◆ Profit after tax of \$85K is down by 90%.
- ◆ The major factors underlying the December 2014 half-year performance were:
 - (a) under-utilised of leased warehouse space due to major sub-tenant exit;
 - (b) operating loss in the Tanks business acquired June 2014 due to longer-than-expected site refurbishment, and;
 - (c) soft empty container park volumes due mainly to slow start to grain seasons.
- ◆ No interim dividend has been declared.

Appendix 4D – Half Year Information is attached

Yours faithfully,
J P FEDORKO
COMPANY SECRETARY

CHALMERS LIMITED

ABN 34 004 471 032

Appendix 4D - Half year information - 31 December 2014

Lodged with the ASX under Listing Rule 4.2A.

This information should be read in conjunction with the 30 June 2014 Annual Report.

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(All disclosures required by ASX marked by their corresponding ASX item number)

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Chalmers Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CHALMERS LIMITED**For the half year ended 31 December 2014**

(Previous corresponding period: Half year ended 31 December 2013)

Results for Announcement to the Market

2.1 Revenue from ordinary activities	DOWN 0.5% to \$31.190M
2.2 Profit/(loss) from ordinary activities after tax attributable to members	DOWN 90% to \$0.085M
2.3 Net profit/(loss) for the period attributable to members	DOWN 90% to \$0.085M

2.4 Dividends/distributions	Amount per security	Franked amount per security
Final dividend (<i>prior year</i>)	2.5 cents	2.5 cents
Interim dividend	Nil cents	Nil cents

Interim dividend payable:**N/A****2.5 Record date** for determining entitlements to the interim dividend: **N/A****2.6 Explanations of Revenue**

Refer to "Review of Operations" per Directors' Report

2.7 Explanation of Profit/(loss) from ordinary activities after tax

Refer to "Review of Operations" per Directors' Report

2.8 Explanation of Net Profit/(loss)

Refer to "Review of Operations" per Directors' Report

2.9 Explanation of Dividends

Refer to "Review of Operations" per Directors' Report

Part B**CHALMERS LIMITED****Directors' Report**

For the half year ended 31 December 2014

Your directors present their report on the consolidated entity consisting of Chalmers Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2014.

Directors

The following persons were directors of Chalmers Limited during the whole of the half year and up to the date of this report.

AJ Murrowood	(Non-executive Chairman)
JP Carew	(Managing Director)
GW Chalmers	
GD Mulligan	(Non-executive)
JK Wilson	(Non-executive)

Consolidated Results

	2014	Half year	2013
	\$		\$
Profit from continuing operations after income tax expense	85,378		826,456

Review of Operations

Profit before tax for the half-year ended December 2014 of \$166,132 was earned on revenue of \$31.2M. A comparison with the December 2013 half-year shows profit reducing by over \$1M on revenue that remained relatively flat.

Costs rose by \$911k to \$31M over the previous corresponding half-year due largely to the following:

- Property costs represented some two-thirds of the increase reflecting increasing Port of Brisbane rentals and the take-up of an additional lease for the Tanks business which commenced mid-June 2014.
- Higher depreciation expense reflected new equipment acquired mid-year and the acquisition of leasehold improvements at the new Tanks site.
- Employee Benefits rose with a higher staff compliment in the Transport business reflecting additional company vehicles. This was somewhat offset by a decrease in sub-contracting costs.
- Vehicle and Equipment expenses also rose with the expanded Transport fleet, increased repairs and maintenance and two complete engine rebuilds. Some offset was obtained with reduced accident costs.
- Reduced import/export box turnovers and lower food quality upgrades resulted in lower material costs.

The Transport component of Chalmers includes the road transport and warehousing & distribution operations in both Melbourne and Brisbane. Performance in this sector saw revenue increase by \$525K or 2.4% but profit before tax decline by \$351K to \$165K. A key factor in this profit erosion was the under-utilisation of leased warehouse space due to the premature exit of a major sub-tenant. It is anticipated this vacant space will be taken up by a new sub-tenant shortly. This factor significantly eroded the solid gains made by the remainder of the operation, particularly in the Melbourne business.

The Container segment's performance saw revenue decrease by \$609K to \$9.2M – some 6.2% down on the prior December period. Profit before tax also declined by \$654K leading to a loss of \$397K. Two key factors contributed to this under-performance:

- The new Tanks business acquired in June 2014 generated a loss for the period. As expected, significant work was required to bring the facility up to acceptable quality and operational standards needed to first stabilise then grow the business. This project has taken longer than originally anticipated to complete although recent signs for a return to profitability are encouraging.
- Empty container park volumes declined in both locations compared with the corresponding prior half with reduced industry business activity - particularly in Queensland – being a factor.

CHALMERS LIMITED**Directors' Report (continued)**

For the half year ended 31 December 2014

Review of Operations (continued)

Earnings per share of 1.12 cents compare with the prior December half-year of 10.85. An interim dividend has not been declared by directors (2013 interim dividend – 2.5 cents).

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is attached as part of this report.

Signed at Yarraville this 24th day of February 2015,
in accordance with a resolution of the directors.

.....Chairman
AJ Murrowood

.....Director
JP Carew



Grant Thornton

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Auditor's Independence Declaration To The Directors of Chalmers Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Chalmers Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 24 February 2015

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CHALMERS LIMITED

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2014

	Half year	
	2014	2013
	\$	\$
Revenue from continuing operations	31,189,540	31,344,521
Other Income	-	65,252
Employee benefits expense	(12,989,096)	(12,658,430)
Property expense	(4,876,914)	(4,268,999)
Vehicle and equipment expense	(4,440,475)	(4,232,828)
Other expenses	(2,616,991)	(2,761,476)
Subcontractor expense	(2,419,377)	(2,609,627)
Depreciation and amortisation expense	(1,935,139)	(1,618,545)
Material expense	(1,422,296)	(1,691,695)
Finance costs	(321,929)	(335,368)
Net loss on disposal of non-current assets	(1,191)	-
Profit from continuing operations before income tax expense	166,132	1,232,805
Income tax expense	(80,754)	(406,349)
Profit for the half year	85,378	826,456
Total comprehensive income for the half year attributable to owners of the parent entity	85,378	826,456
Basic earnings per share (cents per share)	1.12	10.85
Diluted earnings per share (cents per share)	1.12	10.85

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Statement of Financial Position

As at 31 December 2014

	Notes	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		1,521,435	1,854,071
Trade and other receivables		9,677,256	10,047,877
Inventories		630,303	686,577
Current tax assets		27,709	82,179
		<u>11,856,703</u>	<u>12,670,704</u>
NON-CURRENT ASSETS			
Property, plant & equipment		40,652,206	40,315,973
Intangible assets		243,132	301,293
		<u>40,895,338</u>	<u>40,617,266</u>
<u>TOTAL ASSETS</u>		<u>52,752,041</u>	<u>53,287,970</u>
CURRENT LIABILITIES			
Trade and other payables		3,862,012	4,011,250
Borrowings		3,080,289	3,107,136
Provisions		2,878,284	2,691,613
		<u>9,820,585</u>	<u>9,809,999</u>
NON-CURRENT LIABILITIES			
Borrowings		8,760,876	9,136,054
Deferred tax liabilities		21,082	68,632
Provisions		238,260	257,075
		<u>9,020,218</u>	<u>9,461,761</u>
<u>TOTAL LIABILITIES</u>		<u>18,840,803</u>	<u>19,271,760</u>
<u>NET ASSETS</u>		<u>33,911,238</u>	<u>34,016,210</u>
EQUITY			
Contributed equity		8,225,847	8,225,847
Retained Profits		25,685,391	25,790,363
<u>TOTAL EQUITY</u>		<u>33,911,238</u>	<u>34,016,210</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CHALMERS LIMITED**Statement of Changes in Equity**

For the half year ended 31 December 2014

	Attributable to owners of Chalmers Limited			Non-controlling interest	Total equity
	Contributed equity	Retained earnings	Total		
	\$	\$	\$	\$	\$
<u>Half Year ended December 2014</u>					
Balance at 1 July 2014	8,225,847	25,790,363	34,016,210	-	34,016,210
Net profit for the half year	-	85,378	85,378	-	85,378
Total comprehensive income for the half year	-	85,378	85,378	-	85,378
Transactions with owners in their capacity as owners:					
Dividend provided for or paid	-	(190,350)	(190,350)	-	(190,350)
Balance at 31 December 2014	<u>8,225,847</u>	<u>25,685,391</u>	<u>33,911,238</u>	<u>-</u>	<u>33,991,238</u>
<u>Half Year ended December 2013</u>					
Balance at 1 July 2013	8,225,847	25,468,274	33,694,121	-	33,694,121
Net profit for the half year	-	826,456	826,456	-	826,456
Total comprehensive income for the half year	-	826,456	826,456	-	826,456
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	-	(380,700)	(380,700)	-	(380,700)
Balance at 31 December 2013	<u>8,225,847</u>	<u>25,914,030</u>	<u>34,139,877</u>	<u>-</u>	<u>34,139,877</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Statement of Cash Flows

For the half year ended 31 December 2014

	2014 \$	Half-year 2013 \$
<u>Cash flows from operating activities</u>		
Receipts from customers (inc GST)	34,579,593	34,450,914
Payments to suppliers and employees (inc GST)	(31,737,689)	(30,354,709)
	<u>2,841,904</u>	<u>4,096,205</u>
Interest received	15,412	85,663
Finance costs paid	(324,391)	(335,336)
Income taxes paid	(73,833)	(683,109)
	<u>2,459,092</u>	<u>3,163,423</u>
Net cash inflow from operating activities		
<u>Cash flows from investing activities</u>		
Payments for property, plant and equipment	(950,780)	(610,163)
Proceeds from sale of property, plant and equipment	7,461	542,400
	<u>(943,319)</u>	<u>(67,763)</u>
Net cash inflow/(outflow) from investing activities		
<u>Cash flows from financing activities</u>		
Repayment of borrowings	(1,658,059)	(1,445,147)
Dividends paid	(190,350)	(380,700)
	<u>(1,848,409)</u>	<u>(1,825,847)</u>
Net cash outflow from financing activities		
Net increase/(decrease) in cash and cash equivalents	<u>(332,636)</u>	<u>1,269,813</u>
Cash and cash equivalents at the beginning of the half year	<u>1,854,071</u>	<u>3,342,475</u>
Cash and cash equivalents at the end of the half year	<u><u>1,521,435</u></u>	<u><u>4,612,288</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CHALMERS LIMITED

Notes to the Financial Statements

For the half year ended 31 December 2014

1. BASIS OF PREPARATION OF HALF YEAR REPORT

These general purpose financial statements for the interim half year reporting period ended 31 December 2014 have been prepared in accordance with Accounting Standard AASB 134 *"Interim Financial Reporting"* and the Corporations Act 2001.

These interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, these statements are to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Chalmers Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. SEGMENT INFORMATION

AASB 8 *"Operating Segments"* requires operating segments to be identified on the basis of internal reports about components of a company that are regularly reviewed by the chief operating decision makers, being the board of Chalmers Limited, in order to allocate resources to, and assess the performance of each segment.

Transport consists of road transport, predominantly import/export FCL containers and the interface with logistics/warehousing/hubbing services.

Containers represent the empty container park operations concerned with handling, storage, repairs, upgrades, pretrips and so on of empty containers on behalf of shipping and leasing company customers.

Property represents the capital investment Chalmers has in freeholds located in Melbourne. The property segment charges rental on a conservative commercial arms-length basis to each of the divisional occupants.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, being the board of Chalmers Limited.

Segment results include profit on sale of assets.

	Transport \$	Containers \$	Property \$	Total \$
Half-year ended 31 December 2014				
Total segment revenue	21,968,308	9,205,820	727,856	31,901,984
External revenue	21,968,308	9,205,820	-	31,174,128
Segment results	165,001	(396,551)	382,270	150,720

CHALMERS LIMITED
Notes to the Financial Statements
For the half year ended 31 December 2014

2. SEGMENT INFORMATION (continued)

	Transport \$	Containers \$	Property \$	Total \$
Half-year ended 31 December 2013				
Total segment revenue	21,443,778	9,815,080	752,750	32,011,608
External revenue	21,443,778	9,815,080	-	31,258,858
Segment results	516,382	257,182	373,578	1,147,142

No information is disclosed for segment assets as no measure of segment assets is regularly provided to the board.

	2014 \$	Half-year 2013 \$
Reconciliation of adjusted segment revenue to revenue from continuing operations:		
Total segment revenue	31,901,984	32,011,608
Inter-segment eliminations	(727,856)	(752,750)
Interest revenue	15,412	85,663
Total revenue from continuing operations	31,189,540	31,344,521

Reconciliation of adjusted segment results to profit from continuing operations before income tax is provided as follows:

Total segment results	150,720	1,147,142
Interest revenue	15,412	85,663
Profit from continuing operations before income tax expense	166,132	1,232,805

CHALMERS LIMITED

Notes to the Financial Statements

For the half year ended 31 December 2014

	Half-year	
2014		2013
\$		\$

3. DIVIDENDS

Ordinary shares

Dividends provided for or paid during the half year

190,350	380,700
<u> </u>	<u> </u>

Dividends not recognised at the end of the half year

Since the end of the half year directors have agreed not to pay an interim dividend out of retained profits at 31 December 2014.

4. CONTINGENCIES

Contingent Assets and Liabilities

Since the last annual reporting date, there has been no significant change of any contingent assets or contingent liabilities.

5. EVENTS OCCURRING AFTER THE REPORTING DATE

At the date of this report, there is no matter or circumstance which has arisen since 31 December 2014 that has significantly affected the state of affairs of the consolidated entity.

CHALMERS LIMITED


Directors' Declaration

For the half year ended 31 December 2014

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 10 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Chalmers Limited will be able to pay its debts as and when they become due and payable.

Signed at Yarraville this 24th day of February 2015,
in accordance with a resolution of the Board of Directors.


.....Chairman
AJ Murrowood


.....Director
JP Carew

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Independent Auditor's Review Report To the Members of Chalmers Limited

We have reviewed the accompanying half-year financial report of Chalmers Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2014, and the 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, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the 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 half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Chalmers Limited consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations

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Regulations 2001. As the auditor of Chalmers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for 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.

Independence

In conducting our review, we 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 half-year financial report of Chalmers Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Eric W Passaris

Eric Passaris
Partner - Audit & Assurance

Melbourne, 24 February 2015

CHALMERS LIMITED

Supplementary Appendix 4D information

Part C

3 NTA Backing

	31 Dec 2014	31 Dec 2013
Net tangible asset backing per ordinary share (Current: 7,614,000 shares – Prior: 7,614,000 shares)	\$4.42	\$4.45

4 Controlled entities acquired or disposed of

Acquired	N/A
----------	-----

Disposed of	N/A
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5 Additional dividend/distributions information

Details of dividends/distributions declared or paid during or subsequent to the half-year ended 31 December 2014 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security	Foreign sourced dividend amount per security
18 September 2014	2 October 2014	Final	2.5 cents	\$190,350	2.5 cents	-
N/A	N/A	Interim	Nil cents	\$Nil	Nil cents	-

6 Dividend/distribution reinvestment plans

At 31 December 2014 there was no dividend reinvestment plan in operation for Chalmers Limited.

7 Associates and Joint Venture entities

Name	Ownership interest		Aggregate share of profits/(losses), Where material		Contribution to net profit, where material	
	2014 %	2013 %	2014 \$	2013 \$	2014 \$	2013 \$
N/A						

8 Foreign Accounting standards

N/A

9 Audit Alert

N/A

This report is based on ⁺accounts to which one of the following applies.

☐

The ⁺accounts have been audited.



The ⁺accounts have been subject to review.

☐

The ⁺accounts are in the process of being audited or subject to review.

☐

The ⁺accounts have *not* yet been audited or reviewed.

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

N/A

If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A

By electronic lodgement

.....
Company Secretary - JP Fedorko

25 February 2015