

**ARMIDALE INVESTMENTS CORPORATION LIMITED**  
**ABN 58 100 854 788**

**Appendix 4E Statement**  
**Preliminary Final Statement**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
**YEAR ENDED 30 JUNE 2014**  
**All comparisons to the year ended 30 June 2013**

**2.1 Comparison to prior year**

	<b>2014</b>	<b>2013</b>	<b>Up/Down</b>	<b>Change from Prior Year %</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	
Revenue from ordinary activities	1,949,211	727,812	1,221,399	167.82
Repayments – Hal Loan Note	2,139,569	750,000	1,389,569	185.28
Revaluation of investments	1,439,659	10,315,248	(8,875,589)	(86.04)
Net profit before tax attributable to members	4,032,518	11,105,205	(7,072,687)	(63.69)
<b>Net profit after tax attributable to members</b>	<b>3,654,966</b>	<b>11,105,205</b>	<b>(7,450,239)</b>	<b>(67.09)</b>

**2.2 Dividends (distributions)**

No dividends were declared or paid during the year.

**2.3 NTA Backing**

	<b>2014</b>	<b>2013</b>
Net tangible asset backing per share	\$0.14	\$0.14

**2.4 Summary and comments**

- Profit after tax of \$3.7 million for the year to 30 June 2014 compared to a profit after tax of \$11.1 million for the year ended 30 June 2013.
- Basic earnings per share was a profit of 1.71 cents per share in the year to 30 June 2014 compared to a profit of 6.44 cents per share for the year to 30 June 2013.

**ARMIDALE INVESTMENTS CORPORATION LIMITED**  
**ABN 58 100 854 788**  
**AND ITS CONTROLLED ENTITIES**

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**2.5 Report any factors which have affected the results during the reporting period or which are likely to affect results in the future, including those where the effect could not be quantified**

Hal Data Services Pty Limited and controlled entities (Hal), being a controlled entity of the AIK Group, continued to provide operating cash inflows to the AIK Group through the management of the existing lease book and the recovery of funds from the previously written off lease book through stringent collections activities. In addition, the re-entry into the active operation by Hal of originating leases continued with \$12,062,717 of new leases (at asset cost) written in the 2014 financial year. Funding of these leases was through a combination of loans from AIK, raising of funds through the Hal debenture program and principal and agency funding arrangements with external parties. Hal remains confident that growth on this origination level can be achieved through the 2015 financial year.

The Hal financial results were a loss after tax of \$1,228,707 (2013: profit \$2,449,698). Hal cash flows from operations were \$1,553,905 (2013:\$6,014,773). The difference between the accounting results and the operating cashflow is predominantly due to historic accounting treatment where end of lease term earnings on the existing lease book had been recognised on origination of the leases, thus the related profit having been recognised in prior accounting periods. Hal increased its debt with a net increase in financial liabilities of \$8,128,630. Operating expenses decreased by \$706,066 compared to the prior year, depreciation expense reduced by \$1,920,730 compared to the prior year as the historic lease book runs off and new leases are still increasing. In addition, the method of funding the leases impacts whether or not these assets are recorded in Hal and depreciated. Finance costs have increased for Hal this year as borrowings have increased. An independent valuation of the Company's interests in Hal in June resulted in a \$587,171 decrease in the carrying value of the Hal investment to \$14,728,942 recorded in the AIK accounts.

AIK increased its shareholding in Riverwise Pty Limited during the year from 22.68% to 29.02%. The Riverwise investment was also revalued which resulted in an increase in the carrying value of \$1,348,432 to \$10,288,036.

Riverwise is the sole shareholder of Leading Edge Group (LEG). LEG is an Australian owned company that operates as a telecommunication distributor and buying group. It also owns Telstra Business Centres in Victoria and New South Wales, retail and business to business distribution for Telecom New Zealand and is a significant British Telecom distributor in the United Kingdom. Its buying group members have over 1,100 retail shop-fronts throughout Australia. AIK's key management team continued to provide management services to Riverwise during the year.

**NOTES**

1. This report is based on the financial report which has been audited.
2. All the documents comprise the information required by listing rule 4.3A.



**Andrew Grant**  
**Executive Director**

**Date: 29 August 2014**