



**HUDSON INVESTMENT GROUP LIMITED
ACN 004 683 729
HALF YEAR REPORT**

Incorporating

**APPENDIX 4D ASX HALF-YEAR INFORMATION
30 June 2014**

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

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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 31 December 2013 and any public announcements made by Hudson Investment Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

CORPORATE DIRECTORY

Hudson Investment Group Limited

ACN 004 683 729
ABN 25 004 683 729

Registered and Corporate Office

Level 2
Hudson House
131 Macquarie Street
Sydney NSW 2000
Telephone: +61 2 9251 7177
Fax: +61 2 9251 7500
Website: www.higl.com.au

Auditors

K.S. Black & Co
Level 6
350 Kent Street
Sydney NSW 2000
Telephone: +61 2 8839 3000

Lawyers

Piper Alderman
Level 23, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Telephone: +61 2 9253 9999

Bankers

St George Bank Limited
Level 14, 182 George St
Sydney NSW 2200
Telephone: +61 2 9236 2230

Australia & New Zealand Banking Group Limited
Level 16, 20 Martin Place
Sydney NSW 2000
Telephone: +61 2 9216 2200

Commonwealth Bank of Australia
Corporate Financial Services
Business & Private Banking
Level 9, Darling Park 1
201 Sussex Street
Sydney NSW 2000
Telephone: +61 2 9118 7031

Board of Directors

John W Farey (Executive Chairman)
Juliana Tan
John J Foley

Company Secretaries

Julian Rockett

Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Telephone: 1300 850 505 (within Australia)

ASX Code – HGL

Hudson Investment Group Limited shares are listed on the Australian Securities Exchange.

This financial report covers the Consolidated Entity consisting of Hudson Investment Group Limited and its controlled entities.

Hudson Investment Group Limited is a company limited by shares, incorporated and domiciled in Australia.

HALF-YEAR ENDED 30 June 2014

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				\$'000
Revenue from ordinary activities	Up	1.4%	to	6,827
Profit from ordinary activities after tax	Down	1628.5%	to	(10,998)
Net Profit for the period attributable to members	Down	1628.5%	to	(10,998)

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	\$Nil	N/A
Interim dividend	\$Nil	N/A

No dividends or distributions were declared or paid during the reporting period.

The decrease in the net profit from the previous corresponding period takes into account the change in the fair value of investment portfolio and doubtful debt provision.

REVIEW OF OPERATIONS

This review of operations covers the period to 30 June 2014.

Hudson Investment Group Limited (**Hudson**) (ASX: HGL) is a listed Australian company specialising in investments in commercial and industrial properties in Australia, businesses that manufacture and market attapulgite sorbent materials for a variety of applications, investments in listed exploration companies and exploration of coal tenements. The business operations of the Company consist of:

Car Park The Car Park at 131 Macquarie Street is 100% owned by Hudson Property Trust (a wholly owned entity of the Company), continues to generate consistent income.

The car park is managed by Secure Parking Pty Ltd.

Warnervale On a 44.5 hectare site, a factory and office complex on 6 hectares of land along Sparks Road/Mountain Road Warnervale on the NSW Central Coast is leased to Bunnings Group Limited, (100% owned by Western Farmers Limited) and to Better Concrete Products Pty Ltd. The company is currently reviewing various options to develop the surplus industrial land.

Hudson House Naming Rights Building and Rooftop Signage includes Hudson House and the Hudson rooftop sign at the Company's head office at 131 Macquarie Street Sydney NSW.

Other Investments

Hudson Marketing Pty Limited

Hudson Marketing Pty Limited is the largest Australian-owned manufacturer and marketer of attapulgite based products which are used in a wide range of industries. It operates an attapulgite processing plant in Geraldton, Western Australia. Its products are distributed throughout Australia, New Zealand and Asia.

Hudson Marketing Pty Limited:

- Owns and distributes leading all natural cat litter brands as “Chandler®”, “Fussy Cat®” and “Cat’s Choice. ®”
- Owns and distributes spill absorbent “Spillfixer®” for industrial and automotive use
- Customises specialty industrial products and solutions for industrial applications which includes high performance filtration media for jet fuel refining and oil clarification, carriers for crop nutrients and crop protection products and functional filters in various industrial products; and
- Provides a dedicated and experienced technical and customer service team

Bundaberg Coal Pty Limited (100% owned by the Company)

The Company's coal tenement EPC 1275 in Queensland has been sold on deferred terms.

Ecofix Pty Ltd (100% owned by the Company)

Ecofix Pty Ltd is a manufacturer of specialty adsorbent products using innovative technologies for a wide variety of waste water treatment applications. Ecofix is currently negotiating distribution agreements with various parties.

Hudson Resources Limited

The Company has 30.1 million shares in Hudson Resources Limited, which has interests in other ASX listed companies involved in resource projects including:

- 9.2 million shares in Tiaro Coal Limited (**ASX: TCM**). This company is conducting exploration activities on its coking thermal coal tenements in South East Queensland.
- 40 million shares in Sovereign Gold Company Limited (**ASX: SOC**). This company has tenements prospective for gold in New South Wales.
- Other investment assets of Hudson Resources include properties totalling 14.51 hectares at Geraldton WA.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity consisting of Hudson Investment Group Limited (**Company**) (ASX: HGL) and the entities it controls for the period ended 30 June 2014 and the Auditor's Review Report thereon.

Principal activities The principal continuing activities of the Company during the reporting period were as follows:

- Investment and development of commercial and industrial properties in Australia
- Process and distribute attapulgitite based products
- Strategic investment in listed and unlisted shares and businesses
- Operation of corporate financial services

There was no change to the nature of these activities during the reporting period.

Financial performance The consolidated entity recorded a net loss after tax for the six months ended 30 June 2014 of \$10.9 million (2013: Profit \$0.72 million). The loss was due to changes in the fair value of investments and doubtful debt provisions. Total shareholders funds as at 30 June 2014 are \$12.1 million.

Review of operations Information on the operations and financial position of the consolidated entity and its business strategies and prospects are set out in the Review of Operations on pages 3 to 4 of this report.

Dividends The Directors of the Company do not recommend that any amount be paid by way of dividend. The Company has not paid or declared any amount by way of dividend since the commencement of the financial year.

Litigation On 8 June 2007 the Company obtained a settlement in its favour in an action concerning an entitlement deed between the company and Australian Hardboards Limited prepared by Atanaskovic Hartnell, the Company's former solicitors.

On 6 June 2007 the Company commenced action against Atanaskovic Hartnell claiming the shortfall between the amount of its claimed \$10 million entitlement and the settlement amount of \$6.1 million. The matter was initially heard in February 2012, and the claim made by the Company was dismissed in February 2013.

In April 2014, the Company's appeal was heard and in August 2014, the Court of Appeal dismissed the appeal and awarded costs against the Company.

The Company is currently reviewing its position.

Directors

The following persons were directors of the Company during the whole of the period and up to the date of this report, unless otherwise stated:

John W Farey	Executive Chairman	
Juliana Tan	Executive Director	
Peter J Meers	Non-Executive Director	Retired 26 August 2014
John J Foley	Non-Executive Director	Appointed 6 August 2014

Rounding

The amounts contained in the half year financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

Subsequent Events

In April 2014, the Company's appeal in respect of the Atanaskovic Hartnell matter was heard and in August 2014, the Court of Appeal dismissed the appeal and awarded costs against the Company.

At the date of this report there are no other matters or circumstances other than those already disclosed which have arisen since 30 June 2014 that have significantly affected or may significantly affect:

- the operations, in financial half-year subsequent to 30 June 2014, of the Group;
- the results of those operations; or
- the state of affairs, in financial half-year subsequent to 30 June 2014, of the Group.

Likely Developments

The Company intends to identify and pursue further business opportunities offering additional prospects for growth in the longer term.

Auditor's Independence Declaration

A copy of the independence declaration by the auditor K.S. Black and Co. under section 307C is included on page 7 of this half year financial report.

Signed in accordance with a resolution of the Directors:



John W Farey
Executive Chairman



Juliana Tan
Director

Sydney
29 August 2014

Level 6, 350 Kent Street
Sydney NSW 2000

87-91 Lyons Road
Drummoyne NSW 2047

K.S. Black & Co.

Chartered Accountants

ABN 57 446 398 808

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

TO THE DIRECTORS OF HUDSON INVESTMENT GROUP LIMITED

In connection with the review of Hudson Investment Group Limited for the half year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Hudson Investment Group Limited and the entities it controlled during the half year ended 30 June 2014.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney, 29 August 2014



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scheme approved
under Professional
Standards Legislation

Phone 02 8839 3000 Fax 02 8839 3055

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**Chartered
Accountants**

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF HUDSON INVESTMENT GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Hudson Investment Group Limited (the company) and Hudson Investment Group Limited and Controlled Entities (the consolidated entity) which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flow for the half year ended on that date, notes comprising a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001 (as applicable) and for such internal control as the directors determine is necessary to enable the preparation of the half-year 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 half-year 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 procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company and consolidated entity's financial position as at 30 June 2014, and of their performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001 (as applicable). As the auditor of Hudson Investment Group 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 enquires, 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 have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Hudson Investment Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Level 6, 350 Kent Street
Sydney NSW 2000

87-91 Lyons Road
Drummoyne NSW 2047

K.S. Black & Co.

Chartered Accountants

ABN 57 446 398 808

20 Grose Street
North Parramatta NSW 2151

PO Box 2210
North Parramatta NSW 1750

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF HUDSON INVESTMENT GROUP LIMITED (Cont'd)

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 Hudson Investment Group Limited and Hudson Investment Group Limited and Controlled Entities is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

KS Black & Co
Chartered Accountants



Faizal Ajmat
Partner

Sydney, 29 August 2014



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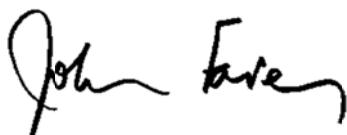
**Chartered
Accountants**

DECLARATION BY DIRECTORS

The Directors of the Company declare that:

1. The financial statements and notes, set out on pages 11 to 18, are in accordance with the *Corporations Act 2001*, and:
 - i give a true and fair view of the financial position of the consolidated entity as at 30 June 2014 and of its performance for the half-year ended on that date; and
 - ii comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
2. 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:



John W Farey
Executive Chairman



Juliana Tan
Director

Sydney
29 August, 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 June 2014

	Notes	Consolidated	
		30-Jun-14 \$'000	30-Jun-13 \$'000
Revenue	2	6,827	6,730
Operating Expenses		(3,250)	(3,096)
Other income and expenses	2	(5,048)	(126)
Administration expenses		(2,243)	(2,191)
Finance expenses	2	(8,448)	(1,602)
Share of profit of equity accounted investee		1,164	1,005
PROFIT FROM OPERATIONS BEFORE INCOME TAX EXPENSE		(10,998)	720
Income tax (expense)/credit		-	-
PROFIT/(LOSS) AFTER TAX		(10,998)	720
Other Comprehensive Income		-	-
Other comprehensive income before income tax		-	-
Income tax expenses		-	-
Other comprehensive income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(10,998)	720
Comprehensive income attributable to outside equity interest		-	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY		(10,998)	720
		Cents	Cents
Basic (loss)/earnings per share		(4.27)	0.28
Diluted earnings/(loss) per share		(4.27)	0.28

This Statement is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2014

		Consolidated	
		30-Jun-14	31-Dec-13
	Notes	\$'000	\$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	125	444
Trade and other receivables		6,463	8,598
Financial assets		636	3,928
Inventories		3,133	3,388
Other current assets		260	158
TOTAL CURRENT ASSETS		10,617	16,516
NON-CURRENT ASSETS			
Receivables		1,762	3,082
Property, plant and equipment		2,702	2,730
Investment properties		32,470	32,098
Financial assets		5,603	7,219
Other non-current assets		-	-
TOTAL NON-CURRENT ASSETS		42,537	45,129
TOTAL ASSETS		53,154	61,645
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		879	2,222
Financial liabilities		1,030	849
Employee benefits provision		407	406
Other liabilities		438	261
Provisions		-	-
TOTAL CURRENT LIABILITIES		2,754	3,738
NON-CURRENT LIABILITIES			
Trade and other Payables		13,781	10,241
Financial liabilities		20,189	20,221
Deferred tax liability		490	490
Other liabilities		3,434	3,458
Provisions		365	358
TOTAL NON-CURRENT LIABILITIES		38,259	34,768
TOTAL LIABILITIES		41,013	38,506
NET ASSETS		12,141	23,139
EQUITY			
Issued Capital	4	52,040	52,040
Reserves		5,627	5,627
Accumulated losses		(45,526)	(34,528)
Total equity attributable to equity holders of the parent entity		12,141	23,139
Minority interest		-	-
TOTAL EQUITY		12,141	23,139

This Statement is to be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 30 June 2014

	Notes	Issued Capital \$'000	Capital Profit Reserves \$'000	Accumulated Losses \$'000	Total Equity \$'000
Consolidated					
Balance at 31 December 2012		52,040	5,627	(29,561)	28,106
Loss for the period		-	-	720	720
Movement for the period		-	-	-	-
Balance at 30 June 2013		<u>52,040</u>	<u>5,627</u>	<u>(28,841)</u>	<u>28,826</u>
Balance at 30 June 2013		52,040	5,627	(28,841)	28,826
Profit for the period		-	-	(5,687)	(5,687)
Movement for the period		-	-	-	-
Balance at 31 December 2013	4	<u>52,040</u>	<u>5,627</u>	<u>(34,528)</u>	<u>23,139</u>
Balance at 31 December 2013		52,040	5,627	(34,528)	23,139
Loss for the period		-	-	(10,998)	(10,998)
Movement for the period		-	-	-	-
Balance at 30 June 2014		<u>52,040</u>	<u>5,627</u>	<u>(45,526)</u>	<u>12,141</u>

This Statement is to be read in conjunction with the accompanying notes.

STATEMENT OF CASHFLOW

FOR THE HALF-YEAR ENDED 30 June 2014

	Notes	Consolidated	
		30-Jun-14 \$'000	30-Jun-13 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,114	6,107
Payments to suppliers and employees		(4,440)	(5,630)
Interest received		3	1
Interest paid		(560)	(707)
NET CASH INFLOWS /(OUTFLOWS) FROM OPERATING ACTIVITIES		1,117	(229)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(150)	(380)
Additional investment		(4,502)	(2,095)
Repayment / Advance from other parties		837	1,055
Proceeds from disposal		2,230	1,662
NET CASH (OUTFLOWS)/INFLOWS FROM INVESTING ACTIVITIES		(1,585)	242
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of bank borrowings		(531)	(338)
Proceeds from bank borrowings		680	360
NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES		149	22
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(319)	35
Cash and cash equivalents at the beginning of the reporting period		444	235
CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD	3	125	270

This Statement is to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 30 June 2014

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

a) Reporting Entity

Hudson Investment Group Limited (the "**Company**") is domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 30 June 2014 comprises the Company and its subsidiaries (together referred to as the "**consolidated entity**").

The consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2013 is available upon request from the Company's registered office.

b) Statement of Compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 31 December 2013.

This consolidated interim financial report was approved by your Board of Directors.

c) Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgement made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 31 December 2013.

2. REVENUE AND EXPENSES

Specific Items

Profit before income tax expense includes the following revenues and expenses to which disclosure is relevant in explaining the performance of the entity.

	Consolidated	
	30-Jun-14	30-Jun-13
	\$'000	\$'000
(i) Revenue		
Sale of Goods	3,136	2,821
Rendering of Services	1,029	1,148
Fee Income	2,115	1,818
Rental Income	547	943
	6,827	6,730
(ii) Other Income and expenses		
Profit/(loss) on disposal of investments and property	1,337	(1,498)
Change in fair value of investment properties	371	-
Change in fair value of investments	(8,452)	695
Interest income	847	498
Other income	849	179
	(5,048)	(126)
(iii) Financial Expenses		
Interest paid	(1,047)	(1,137)
Depreciation and amortisation	(179)	(190)
Doubtful debt provision	(7,065)	-
Other	(157)	(275)
	(8,448)	(1,602)

NOTES TO THE FINANCIAL STATEMENTS continued**3. CASH AND CASH EQUIVALENTS**

	Consolidated	
	30-Jun-14	31-Dec-13
	\$'000	\$'000
Cash at bank and on hand	49	368
Cash held in trust accounts	76	76
	125	444

4. ISSUED CAPITAL

	Consolidated		Consolidated	
	Jun-14	Dec-13	Jun-14	Dec-13
	Shares	Shares	\$'000	\$'000
Ordinary shares				
Issued	257,821,022	257,821,022	52,040	52,040
Movements during the period				
Balance at beginning of the period	257,821,022	257,821,022	52,040	52,040
Movement during the period	-	-	-	-
Balance at the end of the period	257,821,022	257,821,022	52,040	52,040

No ordinary shares were issued during the reporting period (2013: Nil)

Ordinary Shares

Ordinary shares entitle the holders to participate in dividends and the proceeds on winding up of the parent entity 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

Option

There are no unissued ordinary shares of the Company under option at the date of the report.

Preference options

No options were granted and issued during this year.

5. CONTINGENT ASSETS AND LIABILITIES**Guarantees**

Cross guarantees under Class Order 98/1418 by Hudson Investment Group Limited and its wholly owned controlled entities exist in respect of loans.

Litigation

Please refer to the Directors' Report for details.

There are no material contingent assets and liabilities as at the date of the report other than state above.

6. COMMITMENTS

	Consolidated	
	30-Jun-14	31-Dec-13
	\$'000	\$'000
Lease commitments		
Non-cancellable operating leases - future minimum lease payments		
Within one year	11	10
Later than one year but not later than 5 years	40	8
Later than 5 years	-	-
	51	18

NOTES TO THE FINANCIAL STATEMENTS continued

The Group leases various copiers under non-cancellable operating leases expiring between 1 and 2 years. Nor do they include commitments for any renewal options on leases. Lease conditions do not impose any restrictions on the ability of Hudson Investment Group Limited and its controlled entities from borrowing further funds or paying dividends.

	Consolidated	
	30-Jun-14	31-Dec-13
	\$'000	\$'000
Finance lease - non-cancellable		
Within one year	300	311
Later than one year but not later than 5 years	193	341
Later than 5 years	-	-
Total future minimum lease payments	493	652
Total future finance charges	(58)	(82)
Lease liabilities	435	570
Lease liabilities are represented in the financial statements as follows:		
Current	300	381
Non-current	193	271
	493	652

The Group leases machinery at a carrying value of \$702,000 (2013: \$778,000) by way of finance leases expiring within 2 years. The Group has the option to acquire the machinery on expiry at a nominal value. There are no contingent rentals as part of finance lease arrangements and no restrictions on the ability of Hudson Investment Group Limited and its controlled entities from borrowing further funds (but not able to borrow for machine purchases) or paying dividends.

Exploration Expenditure Commitments

Tenement exploration expenditure	-	350
Tenement lease and rent payment	-	38
	-	388

There is no minimum exploration expenditure commitments and lease payments on the Company's exploration tenements over remaining term of the tenement lease.

7. SEGMENT INFORMATION**Business segments**

The consolidated entity is organised into the following divisions by product and service type:

- **Property investment & development in Australia**
Development of commercial property in eastern Australia for rental. Properties are held in Warnervale, Rouse Hill and Sydney.
- **Mining, Exploration, Processing and Marketing**
Processing and marketing of attapulgitite based products, which is essentially used for pet litter and industrial products.
- **Geographical segments**
All business segments operate principally within Australia.

NOTES TO THE FINANCIAL STATEMENTS continued

	Property investment & development in Australia	Mining, Exploration, Processing & Marketing	Investment Services	Unallocated / eliminated	Consolidated
	\$'000	\$'000		\$'000	\$'000
Primary reporting business segments Half Year 2014					
Total segment revenue	2,405	3,191	2,115	(884)	6,827
Segment result					
Profit from operations before income tax expense	1,501	1,140	(10,325)	(3,314)	(10,998)

8. EVENTS SUBSEQUENT TO BALANCE DATE

At the date of this report there are no other matters or circumstances, other than noted above, which have arisen since 30 June 2014 that have significantly affected or may significantly affect:

- the operations, in the half financial year subsequent to 30 June 2014, of the Group;
- the results of those operations; or
- the state of affairs, in the half financial year subsequent to 30 June 2014, of the Group.

SUPPLEMENTARY APPENDIX 4D INFORMATION**NTA Backing**

	30.06.2014	31.12.2013
Net tangible asset backing per ordinary share	4.69 cents	8.94 cents

Controlled Entities Acquired

No entities have been acquired during the reporting period.

Loss of Control of Entities during the Period

No entities were disposed of during the reporting period.

Subsequent Events

In April 2014, the Company's appeal in respect of the Atanaskovic Hartnell matter was heard and in August 2014, the Court of Appeal dismissed the appeal and awarded costs against the Company.

There have been no other events subsequent to reporting date which affects the results contained in this report or the continuing operations of the Company. Please refer to Note 8 to the financial statements.

Accounting Standards

Australian Accounting Standards have been used in the preparation of this report.

Other Significant Information

All significant information in relation to the financial performance and position of Hudson Investment Group Limited has been disclosed in the attached report.

Returns to Shareholders

No distribution/dividend paid this year. The company does not have a dividend/distribution reinvestment plan.

Associated and Joint Venture Entities

None during the reporting period.

Audit Alert

The Auditor's Review Report is included in the financial statements.