



Armidale Investment

C O R P O R A T I O N

ASX Company Announcements

23 February 2015

The Manager
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

ARMIDALE INVESTMENT CORPORATION LIMITED (ASX: AIK) ("AIK or The Company")

CHAIRMAN LETTER RELATING TO HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

Dear Shareholders

It gives me pleasure to issue the half year accounts for the six month period ending 31 December 2014.

It is a solid result with interest income from the leasing entity, Hal Data Services Pty Ltd ("Hal"), continuing to increase as further loans are advanced to finance the expanding lease business.

In the period there was no Loan Note repayment made by Hal as all surplus cash was invested in equipment for leases.

The origination of new leasing business is running at over double the monthly total in the FY2014 financial year. The external sources of finance continue to expand in both number of sources and overall quantum. A tier one bank has recently been added to the panel of funders and management are continuing to work on several other primary sources of funding.

We expect that the diversity of funding and the expansion of the direct sales team and new channels to market will continue to result in increasing lease origination. Lease origination is the primary driver for the cash forecast model that underpins the carrying value of the Hal investment.

The directors have adopted a conservative view on the holding value of the Hal investment and have held it at the FY2014 level. The usual annual external valuation will be conducted for the purpose of assessing the investment value prior to the end of the FY2015 year.

The Riverwise Pty Ltd ("Riverwise") business has performed well during the period with the core activities continuing to perform well. A number of small acquisitions are being considered. As with Hal, the holding value of the Riverwise investment is being held at the FY2014 level pending the annual external valuation for the purpose of the FY2015 year end.



Armida Investment
CORPORATION

AIK is continuing to look for other businesses to invest in, both as expansions to the existing core businesses and as separate stand alone investments like the shareholding taken in the Reading Room Inc earlier in the year. We look forward to announcing these further developments as and when they progress.

Yours sincerely

Bruce Hatchman

Chairman