



Armidale Investment

C O R P O R A T I O N

ASX Company Announcements

5 May 2016

The Manager
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Business Update - Hal Group Pty Limited (Hal) lease origination

As previously announced, lease origination for FY2016 was forecast at \$31million. As at 30 April 2016 (10 months) origination was \$25.5million. (30 April 2015 \$18.3million). This is an increase in origination of 39%. Based on the current deal flow and credit approved transactions, we expect to achieve the \$31m forecast. The origination total for the full FY2015 year was \$22.5m.

In May 2016, Hal will again engage an independent expert to value its investments. The discounted cash flow model used to calculate the fair value of Hal in the accounts of AIK is quite sensitive to changes in the discount rate. The current discount rate in the valuation is 21%. It is held at this conservative level pending a number of key outcomes; continued successful origination of new leasing businesses, maintenance of existing funding and commencement of a new tier one bank funding facility. Existing funding channels have been maintained and we are in the process of finalising the documentation for the new tier one bank funding facility. Each 1% reduction in the discount rate results in an approximate \$1.8million increase in the holding value of Hal in the AIK accounts.

For further information please contact:

Andrew Grant
Executive Director
0415 166 090

David Franks
Company Secretary
02 9299 9690