

REPORT TO SHAREHOLDERS ON HALF YEAR RESULTS TO 31 DECEMBER 2015

The Company's Appendix 4D and financial report for the half-year ended 31 December 2015 were lodged with the Australian Securities Exchange (ASX) on 24 February 2016 and are available to be downloaded from the Company's website or the ASX website.

HIGHLIGHTS

- Interim dividend of 46 cents per ordinary share reflects an increase of 3 cents per share (7.0%) compared to that paid in 2015.
- Profit for the half year was \$23,955,000, a 17.9% increase on the \$20,316,000 result for the previous corresponding half-year.
- Included in the profit for the half year were special dividends totalling \$2,465,000, which comprised mostly of a special dividend paid by Event Hospitality and Entertainment (formerly known as Amalgamated Holdings). Before taking into account the special dividend received from Event Hospitality and Entertainment, the profit for the half year increased by 6.0%.

GROUP'S OPERATIONS AND RESULTS

The consolidated net profit for the half year to 31 December 2015 attributable to the members of Carlton Investments Limited was:

	31 December 2015	31 December 2014
	\$000	\$000
Profit before income tax	24,291	20,614
Income tax expense thereon	(336)	(298)
Net profit for the half year	23,955	20,316

REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2015 increased by \$3,639,000 or 17.9% compared to the previous corresponding half year. Dividends and distributions received of \$24,485,000 increased by \$3,808,000 or 18.4%. Included in these dividends and distributions were special dividends totalling \$2,465,000. Most of this amount was a special dividend paid by Event Hospitality and Entertainment (formerly known as Amalgamated Holdings). Special dividends received in the previous corresponding period totalled only \$279,000. Dividends and distributions received, before special dividends, increased by \$1,622,000 or 7.9% compared to the previous half year to 31 December 2014.



REVIEW OF OPERATIONS (cont.)

Interest income decreased by \$169,000 compared to the previous corresponding half year, to \$236,000. Average funds held on term deposit decreased by approximately \$7.2 million and the weighted average effective interest rate on term deposits decreased by 0.7%.

NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2015 prior to payment of the interim dividends and before provision for tax on unrealised capital gains was \$38.66 (30 June 2015: \$34.51). The net tangible asset backing per share after provision for tax on unrealised capital gains was \$31.54 at 31 December 2015 (30 June 2015: \$28.66). The relevant figures as at 31 January 2016 were \$36.06 before provision for capital gains tax and \$29.62 after providing for capital gains tax.

INTERIM DIVIDENDS

The Directors have today declared an interim dividend of 46.0 cents per Ordinary Share, fully franked, payable on 21 March 2016. This is an increase of 3 cents per ordinary share (7.0%) compared to the 43 cents per share paid in respect of the previous year. An interim dividend of 7.0 cents per Preference Share, fully franked, will be paid on the same date. The Record Date for the interim dividends is 4 March 2016.

ON MARKET SHARE BUY BACK

During the half year, the Directors resolved to extend the period of the On Market Share Buy Back to 28 November 2016. There were no ordinary shares bought back during the half year ended 31 December 2015.

INVESTMENTS

During the half year investments (over \$500,000) were made in the Commonwealth Bank, Origin Energy, Santos and Westpac. All these acquisitions resulted from entitlement offers made by these companies. The cost of shares purchased during the half year to 31 December 2015 totalled \$7,099,000.

The twenty largest investments, at quoted market values, as at 31 December 2015 were:

	\$000's		\$000's
Event Hospitality & Entertainment	506,749	Gowing Bros	14,997
National Australia Bank	66,344	BHP Billiton	14,296
Westpac Bank	59,791	Bendigo & Adelaide Bank	13,350
Commonwealth Bank	49,024	Amcor	11,466
AGL	29,010	James Hardie	10,925
ANZ Bank	28,050	Orica	8,397
Wesfarmers	25,358	APA Group	7,870
Telstra	24,312	Lend Lease	7,058
Bank of Queensland	19,842	Origin Energy	5,356
Perpetual	18,763	Rio Tinto	4,844
			<u>925,802</u>
Total market value of shares and units in listed entities as at 31 December 2015			<u>1,003,610</u>

There were no disposals of investments during the half year to 31 December 2015.



INVESTMENTS (cont.)

The market value of the investment portfolio in listed entities increased by 11.5% after adjustment for acquisitions and capital returns during the six months ended 31 December 2015. This compares to a decrease of 3.0% in the S&P/ASX 200 Index over the same period. On a total portfolio return basis (measured by the movement in NTA per share assuming dividends are reinvested), the return for the six months was 14.0% compared to a decrease in the S&P/ASX 200 Accumulation Index of 0.5%. The increase in the Group's portfolio market value again largely related to the Group's investment in Event Hospitality and Entertainment (formerly known as Amalgamated Holdings) whose share price continued to increase significantly during the half year.

Since 31 December 2015, market values of shares and units in listed entities have experienced weakness and volatility, with the S&P/ASX 200 Index falling by 6.0% in the period to the market close on 23 February 2016. The Group's investment portfolio has experienced slightly higher market weakness, with an estimated fall in value of 8.4% to market close on 23 February 2016.

AG RYDGE
CHAIRMAN
24 February 2016