

Appendix 4D

31 December 2011 Half Yearly Report

CARLTON INVESTMENTS LIMITED ABN 000 020 262

1. Financial Reporting Period

The current financial reporting period is for the half year to 31 December 2011 with the previous corresponding period being the half year to 31 December 2010.

2. Results for announcement to the market

				\$000's
Revenue				
Dividends and distributions received	Up	9.2%	to	17,686
Interest received	Up	43.7%	to	951
Operating revenue	Up	10.4%	to	<u>18,637</u>
Profit				
Profit before income tax expense	Up	10.2%	to	18,243
Income tax expense	Up	2.4%	to	(337)
Net profit	Up	10.4%	to	<u>17,906</u>
Dividends		Amount per security		Franked amount per security
Interim dividend - Ordinary		32.0 cents		32.0 cents
- Preference		7.0 cents		7.0 cents
Half year ended 31 December 2010 - Ordinary		30.0 cents		30.0 cents
- Preference		7.0 cents		7.0 cents
Date of payment of interim dividends			22 March 2012	
Record date for determining entitlements to the interim dividends			7 March 2012	

3. Net tangible asset backing: Refer page 13

4. Entities over which control has been gained or lost during the period: None

5 & 6. Details of dividend payments and dividend reinvestment plans: Refer to note 9 of the attached condensed consolidated financial statements.

7. Details of associates and joint ventures: None

The Auditor's Review Report is attached.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED INCOME STATEMENT FOR THE HALF-YEAR ENDED
31 DECEMBER 2011**

	Note	Half year to 31 December 2011 \$000	Half year to 31 December 2010 \$000
Dividends and distributions received	3	17,686	16,195
Interest income		951	662
Sundry income		-	31
		<hr/>	<hr/>
Operating revenue		18,637	16,888
Administration expenses	4	(394)	(338)
		<hr/>	<hr/>
Profit before income tax expense		18,243	16,550
Income tax expense	6	(337)	(329)
		<hr/>	<hr/>
Net profit for the half year		17,906	16,221
		<hr/>	<hr/>
Basic and diluted earnings per ordinary share	5	\$0.68	\$0.61

The income statement is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 8 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR
ENDED 31 DECEMBER 2011**

	Half year to 31 December 2011 \$000	Half year to 31 December 2010 \$000
Net profit for the half year	<u>17,906</u>	<u>16,221</u>
Other Comprehensive Income		
(Decrease)/increase in fair value of investments	(37,572)	47,005
Decrease/(increase) in deferred tax liability on change in fair value of investments	8,942	(12,718)
Total other comprehensive (loss)/income	<u>(28,630)</u>	<u>34,287</u>
Total comprehensive (loss)/income for the half year ended 31 December 2011	<u>(10,724)</u>	<u>50,508</u>

The statement of comprehensive income is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 8 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR
ENDED 31 DECEMBER 2011**

**Half year to 31
December 2011**

	Share capital \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
Equity as at 30 June 2011	20,903	186,862	284,388	492,153
On Market share buy-back	(311)	-	-	(311)
	20,592	186,862	284,388	491,842
Dividends paid	-	-	(12,731)	(12,731)
	20,592	186,862	271,657	479,111
Profit for the half year	-	-	17,906	17,906
Other comprehensive income:				
Decrease in fair value of investments	-	(37,572)	-	(37,572)
Decrease in deferred tax liability on change in fair value of investments	-	8,942	-	8,942
Other comprehensive loss	-	(28,630)	-	(28,630)
Total comprehensive loss	-	(28,630)	17,906	(10,724)
Total equity as at 31 December 2011	20,592	158,232	289,563	468,387

The statement of changes in equity is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 8 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR
ENDED 31 DECEMBER 2011**

Half year to 31
December 2010

	Share capital \$000	Revaluation reserve \$000	Retained earnings \$000	Total \$000
Equity as at 30 June 2010	21,162	172,721	273,655	467,538
On Market share buy-back	(259)	-	-	(259)
	20,903	172,721	273,655	467,279
Dividends paid	-	-	(10,610)	(10,610)
	20,903	172,721	263,045	456,669
Profit for the half year	-	-	16,221	16,221
Other comprehensive income:				
Increase in fair value of investments	-	47,005	-	47,005
Increase in deferred tax liability on change in fair value of investments	-	(12,718)	-	(12,718)
Other comprehensive income	-	34,287	-	34,287
Total comprehensive income	-	34,287	16,221	50,508
Total equity as at 31 December 2010	20,903	207,008	279,266	507,177

The statement of changes in equity is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 8 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

	Note	31 December 2011 \$000	30 June 2011 \$000
CURRENT ASSETS			
Cash		1,262	1,118
Receivables		584	4,112
Investments—term deposits	7	38,000	30,950
TOTAL CURRENT ASSETS		39,846	36,180
NON CURRENT ASSETS			
Investments	7	486,375	522,695
TOTAL NON CURRENT ASSETS		486,375	522,695
TOTAL ASSETS		526,221	558,875
CURRENT LIABILITIES			
Payables		38	39
Current tax liabilities		272	77
TOTAL CURRENT LIABILITIES		310	116
NON CURRENT LIABILITIES			
Deferred tax liabilities		57,524	66,606
TOTAL NON CURRENT LIABILITIES		57,524	66,606
TOTAL LIABILITIES		57,834	66,722
NET ASSETS		468,387	492,153
EQUITY			
Issued capital	8	20,592	20,903
Reserves		158,232	186,862
Retained earnings		289,563	284,388
TOTAL EQUITY		468,387	492,153

The statement of financial position is to be read in conjunction with the notes to the condensed consolidated interim financial statements set out on pages 8 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Half year to 31 December 2011 \$000	Half year to 31 December 2010 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	21,165	19,168
Interest received	842	914
Sundry income	-	30
Distributions from property trusts	158	190
Cash paid for operating expenses	(396)	(353)
Income tax paid	(585)	(904)
Income tax refunds	303	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	21,487	19,045
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital returns and disposal of investments	3,684	767
Payments for acquisitions of investments	(4,935)	(481)
Net increase in term deposits	(7,050)	(8,450)
NET CASH USED IN INVESTING ACTIVITIES	(8,301)	(8,164)
CASH FLOWS FROM FINANCING ACTIVITIES		
Shares bought back	(311)	(259)
Dividends paid	(12,731)	(10,610)
NET CASH USED IN FINANCING ACTIVITIES	(13,042)	(10,869)
NET INCREASE IN CASH HELD	144	12
CASH AT BEGINNING OF FINANCIAL PERIOD	1,118	931
CASH AT END OF FINANCIAL PERIOD	1,262	943

The statement of cash flows is to be read in conjunction with the notes to the condensed consolidated financial statements set out on pages 8 to 11.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

1. REPORTING ENTITY

Carlton Investments Limited is a company domiciled in Australia. The consolidated financial report of the Company for the half year ended 31 December 2011 comprises the Company and its subsidiaries (together referred to as the consolidated entity). The consolidated entity operates predominately in the acquisition and long term holding of shares and units in entities listed on the Australian Securities Exchange.

The report was authorised for issue by the directors on 23 February 2012.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated 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 financial report does not include all of the information required for a full annual financial report and is to be read in conjunction with the most recent annual financial report prepared as at 30 June 2011. This report must also be read in conjunction with any public announcements made by the Company during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

(b) Basis of Preparation

The financial report is presented in Australian dollars (the Company's functional currency) on the historical cost basis except that investments in equities listed on the Australian Securities Exchange have been stated at their fair value. The balances and effects of transactions between controlled entities included in the consolidated accounts have been eliminated.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Revisions to accounting estimates are recognised in the period when the estimate is revised and in any future reporting periods affected.

The accounting policies adopted by the consolidated entity are consistent with those adopted during the previous corresponding half year and financial year.

(c) Revenue Recognition

Revenues from dividends and trust distributions are recognised when the right to receive payment is established. Interest income is recognised as it accrues.

(d) Income Tax

Income tax expense in the income statement comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax liability is the expected tax payable on the taxable income for the half year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax, being predominantly capital gains tax, is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets, using tax rates enacted or substantially enacted at balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

(e) **Investments**

Short term deposits with major financial institutions form part of the consolidated entity's investment portfolio and are carried at cost.

Listed equity investments are carried at their market value. Market value is determined by reference to the current quoted market price at the reporting date. Any change in market value is recognised directly in equity. Where equity investments are disposed of any cumulative gain or loss is recognised in the statement of comprehensive income in accordance with AASBs 101 and 9.

	Half year to 31 December 2011 \$000	Half year to 31 December 2010 \$000
3. REVENUES FROM INVESTMENT ACTIVITIES		
Dividends received	17,535	15,982
Distributions from trusts	151	213
Interest received or due and receivable from other parties	951	662
Sundry	-	31
	18,637	16,888
4. ADMINISTRATION EXPENSES		
Administration expenses include:		
Directors' fees and employee benefits	222	172
Auditor's remuneration	26	19
Other expenses	146	147
	394	338
5. EARNINGS PER SHARE		
Basic and diluted earnings per ordinary share (cents per share)	\$0.68	\$0.61
RECONCILIATION OF EARNINGS USED IN THE CALCULATION OF EARNINGS PER SHARE		
Net profit for the half year	17,906	16,221
Less: preference share dividend appropriated	(6)	(6)
Earnings used in the calculation of basic and diluted earnings per ordinary share	17,900	16,215
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	26,507,477	26,513,738

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011**

	Half year to 31 December 2011 \$000	Half year to 31 December 2010 \$000
6. INCOME TAX		
Income tax expense		
Prima facie income tax expense calculated at 30% (2010: 30%) on profit before tax	5,473	4,965
Increase/(decrease) in income tax expense due to:		
Imputation gross up on dividends received	2,626	2,365
Franking credits on dividends received	(8,754)	(7,883)
Difference in timing of recognition of dividend income for accounting and tax	1,040	915
Other	<u>(48)</u>	<u>(33)</u>
Income tax expense	<u>337</u>	<u>329</u>
	31 December 2011 \$000	30 June 2011 \$000

7. INVESTMENTS

Current

Term deposits	<u>38,000</u>	<u>30,950</u>
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Term deposits are placed with major listed financial institutions and have maturity periods of between 9 to 111 days from 31 December 2011 and at that date are paying interest at rates between 5.56% and 6.00%. The weighted average effective interest rate on term deposits during the half year ended 31 December 2011 was 5.94% (2010: 5.82 %). Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Credit risk on term deposits is minimised as deposits are only placed with major Australian financial institutions with acceptable credit ratings determined by a recognised rating agency. There is no exposure to currency risk.

Non Current

Shares and units in listed entities – at fair value	<u>486,375</u>	<u>522,695</u>
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Shares and units in listed entities are valued continuously at fair value, which is the quoted market price. During the half year period investments were acquired for consideration of \$4,935,000 (2010: \$481,000). Proceeds from disposal of investments in the half year period totalled \$3,684,000 (2010: \$767,000), resulting in a realised gain, based on original cost values, of \$2,506,000 (2010: \$107,000).

Shares and units held by the consolidated entity are not directly exposed to interest or currency risk.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 December 2011 \$000	30 June 2011 \$000
8. ISSUED CAPITAL		
Issued and Paid Up Capital		
26,492,040 (30 June 2011: 26,511,777) ordinary shares fully paid	20,426	20,737
82,978 (30 June 2011: 82,978) 7% cumulative preference shares fully paid	<u>166</u>	<u>166</u>
	20,592	20,903
Movements in Ordinary Issued Capital		
Balance at the beginning of the financial period	20,737	20,996
On market buy-back 19,737 ordinary shares (2011:15,690 ordinary shares)	(311)	(259)
Balance at end of the financial period	<u>20,426</u>	<u>20,737</u>

On 14 November 2011 the Company announced an On Market Buy Back of up to 2,500,000 of the Company's ordinary shares. This Buy-Back has been extended until 28 November 2012. During the half year ended 31 December 2011, 19,737 ordinary shares were bought back (year to 30 June 2011: 15,690 shares).

9. DIVIDENDS

Dividends recognised in the current half year by the Company are:

	Cents per share	Total amount \$000	Franked/ unfranked	Date of payment
2011 final dividend				
Ordinary	48.0	12,725	Franked	21 September 2011
Preference	7.0	<u>6</u>	Franked	21 September 2011
Total		<u>12,731</u>		

Since the end of the financial period the directors have declared the following interim dividends.

Ordinary	32.0	8,477	Franked	22 March 2012
Preference	7.0	<u>6</u>	Franked	22 March 2012
Total		<u>8,483</u>		

The financial effect of the interim dividends, which has not been brought to account in the financial statements for the half year ended 31 December 2011, will be recognised in the 30 June 2012 Annual Report.

The Dividend Reinvestment and Bonus Share Plans continue to be suspended.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION FOR THE HALF YEAR ENDED 31 DECEMBER 2011

- 1 In the opinion of the Directors of Carlton Investments Limited ("the Company"):
- (a) the financial statements and notes set out on pages 2 to 11 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations and cash flows, for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Sydney 23 February 2012

Signed in accordance with a resolution of the Directors:


A. G. RYDGE

:DIRECTORS


G. L. HERRING

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2011

The Directors present their report together with the consolidated financial report of Carlton Investments Limited and its controlled entities for the half year ended 31 December 2011 and the auditor's review report thereon.

DIRECTORS

The Directors of the Company during or since the end of the half year are:

Name	Period of directorship
Mr Alan G Rydge - Chairman	Chairman of Directors since 1980. Non Executive Director
Mr Graeme L Herring AM – Chairman of the Audit Committee	Independent Non Executive Director since 1988
Mr Anthony J Clark AM – Lead Independent Director and Chairman of the Nominations and Remuneration Committee	Independent Non Executive Director since 2000

CONSOLIDATED OPERATING PROFIT

The consolidated net profit for the half year to 31 December 2011 attributable to the members of Carlton Investments Limited was:

	31 December 2011 \$000	31 December 2010 \$000
Profit before income tax	18,243	16,550
Income tax expense thereon	(337)	(329)
Net profit for the half year	17,906	16,221

REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2011 increased by \$1,685,000 or 10.4% compared to the previous corresponding half year. Dividends and distributions received of \$17,686,000 increased by \$1,491,000 or 9.2%. A major contributor to the increased dividends was a special dividend of \$1,231,000 received from Amalgamated Holdings Limited.

During the half year period funds invested in term deposits increased by \$7,050,000, with a resulting increase in interest income of \$289,000.

NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2011 prior to payment of the interim dividends detailed in note 9 and before provision for tax on unrealised capital gains was \$19.84 (30 June 2011: \$21.07). The net tangible asset backing per share at 31 December 2011 after provision for tax on unrealised capital gains was \$17.67 (30 June 2011: \$18.56).

INTERIM DIVIDENDS

The Directors have today declared an interim dividend of 32.0 cents per Ordinary Share, fully franked, payable on 22 March 2012. This is an increase of 2 cents per ordinary share compared to the 30 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 7 March 2012.

CARLTON INVESTMENTS LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (cont) FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

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 2012. 19,737 ordinary shares were bought back during the half year ended 31 December 2011.

INVESTMENTS

During the half-year investments were made in Telstra, Australia & New Zealand Banking Group (ANZ), Commonwealth Bank of Australia, National Australia Bank, Westpac, Bluescope Steel, Cromwell Property Group, Perpetual, The Trust Company and Coca Cola Amatil.

The twenty largest investments, at quoted market values, as at 31 December 2011 were:

	\$000's		\$000's
Amalgamated Holdings	173,945	Gowings	9,189
National Australia Bank	45,811	Origin	7,300
Westpac Bank	35,987	Amcor	6,151
Commonwealth Bank	25,004	Bendigo Adelaide Bank	6,069
BHP Billiton	24,392	Santos	5,845
Wesfarmers	18,550	Rio Tinto	5,502
ANZ Bank	18,456	Bank of Queensland	5,476
AGL	15,993	Perpetual	5,359
Orica	13,132	Coca Cola Amatil	5,257
Telstra	10,044	James Hardie	4,265
			<u>441,727</u>
Total shares and units in listed entities as at 31 December 2011			<u>486,375</u>

During the half year the Group's investment in Foster's was disposed of, as a result of the takeover by SAB Miller, for consideration of \$3,421,000.

With continuing global economic uncertainty and equity market volatility, the market value of the investment portfolio in listed entities decreased by 7.2% after adjustment for acquisitions and disposals during the six months ended 31 December 2011. This compares to a decrease of 11.8% in the All Ordinaries Index over the same period.

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

The lead auditor's independence declaration is attached and forms part of the directors' report for the half year ended 31 December 2011.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, amounts in this report and the financial report have been rounded off to the nearest one thousand dollars unless otherwise indicated.

This report is made in accordance with a Resolution of the Board of Directors and is signed for and on behalf of the Directors on 23 February 2012.



A.G. RYDGE
Chairman of Directors
23 February 2012



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Carlton Investments Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'David Sinclair', written over a faint, illegible stamp or background.

David Sinclair
Partner

Sydney

23 February 2012



Independent auditor's review report to the members of Carlton Investments Limited

We have reviewed the accompanying half-year financial report of Carlton Investments Limited, which comprises the consolidated statement of financial position as at 31 December 2011, consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 9 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end 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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its 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 auditor of Carlton Investments 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 enquiries, 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*.



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 Carlton Investments Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

David Sinclair
Partner

Sydney

23 February 2012