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ASX Market Announcements
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RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Ariadne Australia Limited (Ariadne or the Company) today released its results for the six months to 31 December 2013, reporting a consolidated Net Profit After Tax attributable to members of \$2,091,000 (2012: \$1,704,000) – a 23% increase over that for the prior corresponding period.

An additional contribution of \$3,077,000 (2012: \$2,026,000) after minority interests was reported through the Statement of Comprehensive Income, predominantly arising as a result of unrealised gains on the investment portfolio and also foreign currency gains. The accounting treatment of mark-to-market gains on the investment portfolio is such that they are not included in the reported net profit. Net profit for the reporting period, including comprehensive income attributable to the members, is \$5,168,000 (2012: \$3,730,000), an increase of 39%.

The net profit result reflects the following:

- A 14% fall in contribution from the Car Park division due to the weak Brisbane CBD market impacting on two Ariadne leased car parks. The trading result of Secure Parking Pty Ltd (Secure) was in line with that of the previous corresponding period.
- A substantially improved trading performance from the Property division.

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- A lower contribution from trading activities in the Investment division.

Net operating cash flow of \$3,240,000 (2012: \$1,769,000) was up compared to the corresponding period, due to the improved trading of the Property division and proceeds from the sale of assets held for trading.

Net tangible assets per share are 35.3 cents, a 15% increase on that of 31 December 2012 of 30.9 cents. The Ariadne balance sheet remains strong, with a Shareholders Funds to Total Assets ratio of 91.8%. Cash held of \$12,107,000 equates to 6.0 cents per share. Debt of \$5,500,000 has reduced by 11% since 30 June 2013.

Car Parking

The net profit from the Company's Car Parking operations for the six months was \$2,425,000 (2012: \$2,820,000). The result includes a contribution from Ariadne's 50% share in Secure of \$2,037,000 (2012: \$2,050,000). Secure achieved a satisfactory result in challenging conditions along the eastern seaboard as the weak retail trading environment and high commercial CBD vacancy rates continued into the current financial year. In New Zealand modest growth led to a lift in profitability and Secure now operates the Auckland International Airport and the Wellington Airport car parks. In the United Kingdom a number of new car park management contracts were entered into in key cities and Secure received its first appointment to provide traffic management services to a number of National Health Services hospitals. New technology products and active yield management enabled Secure to maintain its strong market position, and it is well placed to leverage off any market recovery. The use by customers of the online pre-booking system, Secure-a-



Spot, is achieving encouraging growth rates for both business and individual customers. The Customer Care Centre has now expanded to over 125 car parks and has been upgraded to enhance service levels and query response times.

The two Ariadne leased car parks located in the Brisbane CBD reported lower contribution levels primarily as a result of the continued poor retail trading environment and the high office vacancy rate.

Investment

The Investment division recorded a net profit for the half-year of \$1,795,000 (2012: \$2,272,000).

During the period Ariadne added to its strategic portfolio. Ariadne and its associates acquired a substantial shareholding in Hillgrove Resources Ltd, an ASX-listed copper producer that has begun a turn-around in its operations with increasing copper production and a prime focus on free cash flow generation.

The strategic portfolio performed well both from dividend income received as well as recording strong mark-to-market gains during the period, contributing \$2,383,000 to comprehensive income.

The Company continues to be pleased with its investment in ClearView Wealth Ltd (ClearView), the ASX-listed specialist life insurance and wealth management business.

ClearView has demonstrated its second year of significant growth in in-force premium

underscoring the market demand for its innovative risk products. The outlook for life insurance and wealth management is positive.

Ariadne maintains a prudent approach to cash management which is reflected by the substantial cash balance and low level of debt.

Property

The Property division reported net profit for the half year of \$498,000 (2012: \$640,000 loss). The StayMint accommodation properties all traded well; in particular the Melbourne site, entering its third year of operations, continues to strengthen its market position and is delivering improved returns.

Orams Marine Village (Orams), the Auckland, New Zealand based marine centre comprising a cluster of marine businesses, a 310-berth dry boat stack, fuel and ancillary services, servicing the international and domestic marine industry, traded broadly in line with the previous year. This was a good outcome as operations were adversely impacted by closure of the marina berthage centre for four months due to a redevelopment program. This was completed late November. The reconfiguration will improve utilisation capacity and lift on-water refit capability servicing vessels up to 95 metres. Dry boat stack occupancy is in the 97 – 100% range.

The marinas in Batemans Bay and Port Macquarie continue to show improved trading results. The Batemans Bay Marina is now held in a Joint Venture and redevelopment of this facility is expected to commence March 2014.

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Dividends

The Directors declared a partially franked final dividend of 0.5 cents per share in relation to the 30 June 2013 financial year with payment made on 4 October 2013.

A partially franked interim dividend of \$1,022,000 which represents 0.5 cents per share has been declared in relation to the 30 June 2014 financial year; no liability is recognised in the 31 December 2013 Financial Statements as this dividend was declared after the balance sheet date.

Outlook

Ariadne continues to manage its operations and investments with the objective of optimising returns and improving cash flows. While market conditions remain unpredictable, there are some signs of modest optimism and confidence returning to the domestic economy. The outlook for Ariadne's operating businesses is positive. The trading and investment portfolios have performed well with further upside potential over the medium term. The experienced investment team continues to evaluate new investment opportunities.

MURRAY BOYTE
Chief Executive Officer

For further information please contact:
Mr Murray Boyte
Chief Executive Officer
Ariadne Australia Limited
Ph: 07 3225 4866