




INVESTMENT UPDATE

AS AT 31 DECEMBER 2016

SNAPSHOT

| | | |
|---|---|------------------|
|  | NET TANGIBLE ASSETS PER SHARE | \$1.10 |
|  | NET PROFIT AFTER TAX | \$2.6m |
|  | INTERIM DIVIDEND PER SHARE FULLY FRANKED | 3.5 cents |



EILDON CAPITAL LIMITED
ACN 059 092 198

EILDON CAPITAL LIMITED

Eildon Capital Limited (ASX: EDC) commenced trading on the ASX on 28 February 2017, following a significantly oversubscribed \$10 million capital raising.

The directors declared an interim 3.5 cents per share fully franked dividend payable on 22 March 2017. Directors are targeting a 5% per annum fully franked dividend (based initially on \$1.10 net asset backing), paid quarterly. The next dividend is targeted to be paid in April in relation to the 31 March quarter and is anticipated to be 1.375 cents per share fully franked.

DELIVERING SHAREHOLDER RETURNS

Eildon Capital Limited is pleased to report a half year net profit after tax of \$2.6 million (31 December 2015: \$0.8 million) whilst net tangible assets per share have increased by 11.5 cents since 30 June 2016 to \$1.10 per share.

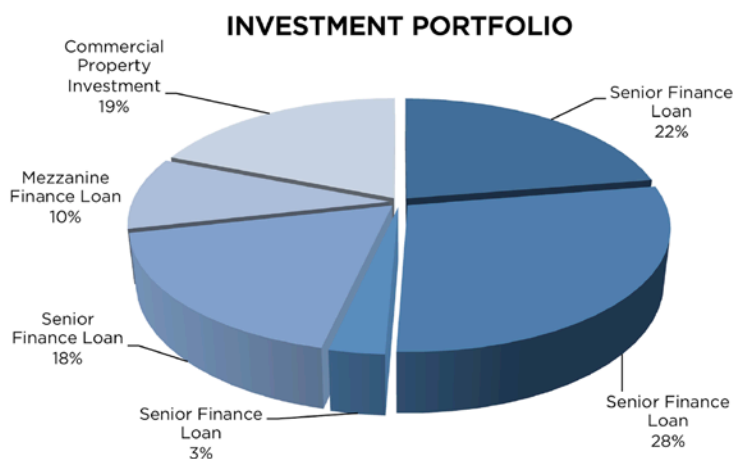
The weighted average forecast investment returns of the current Eildon property portfolio is 21% per annum which accords with the investment strategy. It is now the focus of the company to deploy the proceeds of the capital raising, with a number of investments under due diligence and one close to being finalised.

DURING THE HALF YEAR TO 31 DECEMBER 2016:

- Interest income generated from property loans was \$1.5 million; and
- The sale of Green's Foods Holdings generated a profit of \$1.9 million.

INVESTMENT UPDATE

At 31 December 2016 the investment portfolio comprised five separate loans and an equity interest in a commercial property in Brisbane.



INVESTMENT UPDATE (CONT.)

Since the September 2016 update the significant events that have occurred include:

LOAN PORTFOLIO

- On 31 October 2016 a loan facility of \$4 million was repaid. The interest paid over the life of the loan generated an annualised return of 20.7%.
- In November a 16 month second mortgage loan of \$1.65 million was provided in relation to a 20 unit development in a south-east bay side suburb in Melbourne.
- A 9 month joint land and construction loan of \$7.68 million to finance a residential development site in Brisbane was finalised, and partially drawn.



COMMERCIAL PROPERTY INVESTMENT

- A 35% interest in a commercial property in Brisbane was acquired.

The acquisition is a joint venture between Eildon Capital Limited, CVC Limited and a third party developer. The acquisition is underpinned by an 8 year lease to an ASX listed entity, and a development approval for a mixed use residential apartment development comprising 710 apartments and an additional 732sqm of retail space on the ground floor. Investment thesis is that the commercial rent will underpin a yield in excess of 6% per annum on the property, with a significant development upside opportunity in the next 5 - 7 years.



PIPELINE

LOAN FACILITY

- A \$3.0 million mezzanine loan facility for a term of 18 months to fund a development project located in Hawthorn, Victoria for the construction of 72 apartments and 2 retail units.
- A \$4.0 million loan facility for a term of 27 months for the refinance of a 4.35 hectare industrial complex in East Bentleigh, Victoria that is undertaking a rezoning of the property from Industrial to Commercial, allowing for a range of commercial, retail and residential uses.



KEY DATES

QUARTERLY DIVIDEND

3.5 cents per share fully franked to be paid on 22 March, 2017.

ANTICIPATED DIVIDENDS PAYMENT CALENDAR

| QUARTER | PAYMENT DATE |
|-----------------|------------------|
| March, 2017 | 24 April, 2017 |
| June, 2017 | 24 July, 2017 |
| September, 2017 | 24 October, 2017 |
| December, 2017 | 24 January, 2018 |