

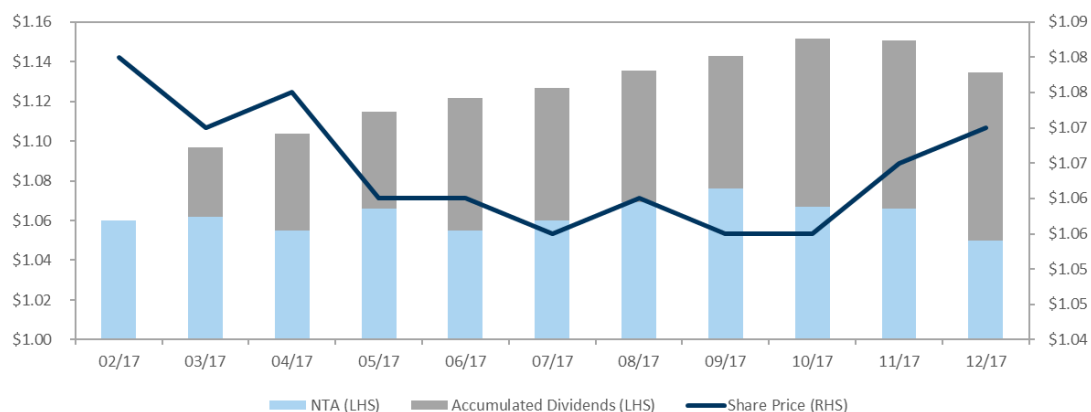
RESULTS ANNOUNCEMENT FOR THE 6 MONTHS ENDED 31 DECEMBER 2017

INTRODUCTION:

The Directors of Eildon Capital Limited (ASX: EDC) are pleased to report a half year net profit after tax of \$1.3 million (prior corresponding period \$2.6 million). The net tangible assets of the company as at 31 December 2017 were \$1.05 per share. Eildon Capital has also paid out 3.575 cents per share in fully franked dividends in the half year period to 31 December 2017.

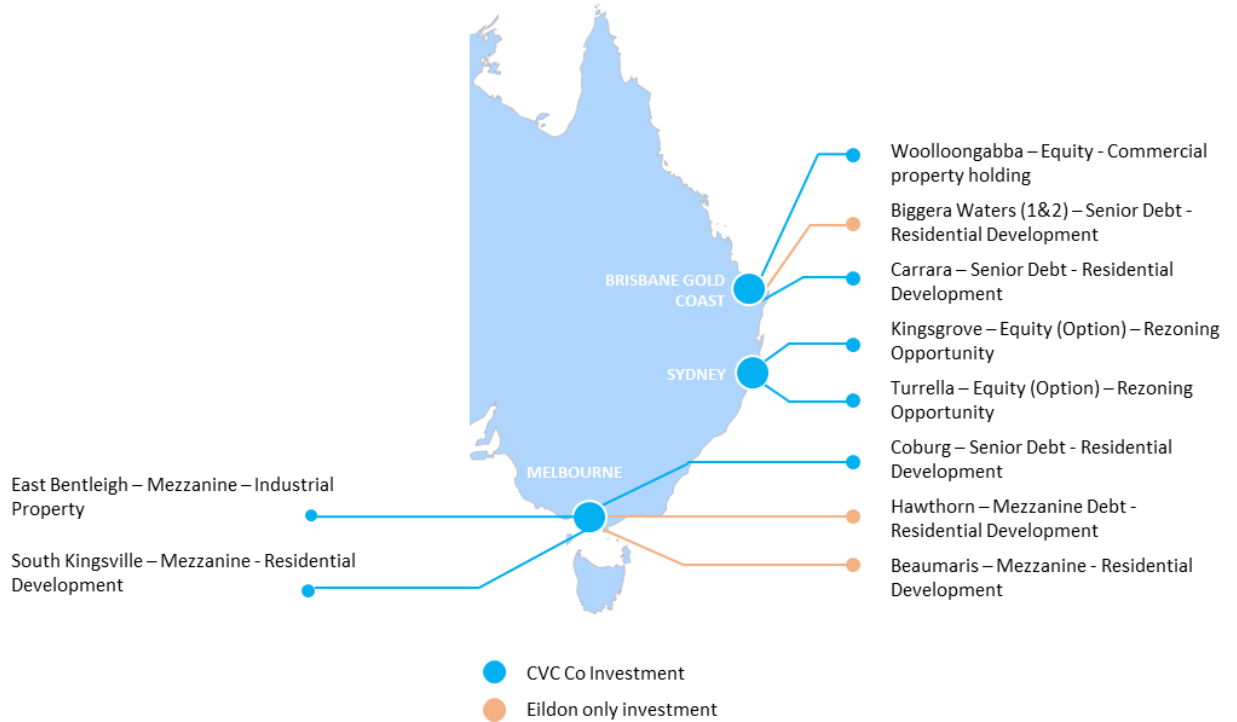
Since the time the company was listed on the ASX in February 2017, Eildon Capital has delivered shareholders total returns of 11.3% per annum without considering the benefit of franking credits.

EDC Share Performance, NTA and Distribution

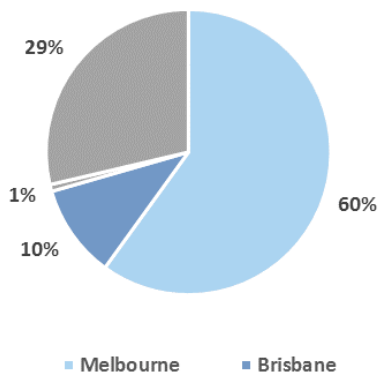


COMMENTARY:

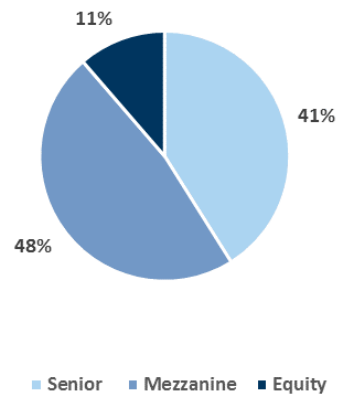
As at 31 December 2017, the Company had an investment portfolio totalling \$31.1 million. The investment portfolio comprises seven loans, one equity investment and two property options.



Investment Portfolio by location



Investment Portfolio by Type



Loan Portfolio

The loan investments comprise a combination of both senior and mezzanine positions, with a weighted average loan to value ratio of below 60% and a weighted average forecast return in excess of 15% per annum.

Projects	State	Region	Year Acquired	Details	Peak LVR	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Loan Facilities																
Hawthorn	Vic	East Melbourne		Mezzanine Loan Facility	75%											
Coburg	Vic	North Melbourne		Senior Loan Facility	56%											
Biggera Waters	Qld	Gold Coast		Senior Loan Facility	56%											
Biggera Waters	Qld	Gold Coast		Senior Loan Facility	56%											
Beumaris	Vic	South East Melbourne		Mezzanine Loan Facility	75%											
Carrara	Qld	Gold Coast		Senior Loan Facility	73%											

Equity Transactions

Eildon Capital also holds a 35% interest in a commercial property located in Woolloongabba, Queensland. The property is subject to a long-term lease to an ASX listed entity and also benefits from planning approval for a substantial retail and residential development.

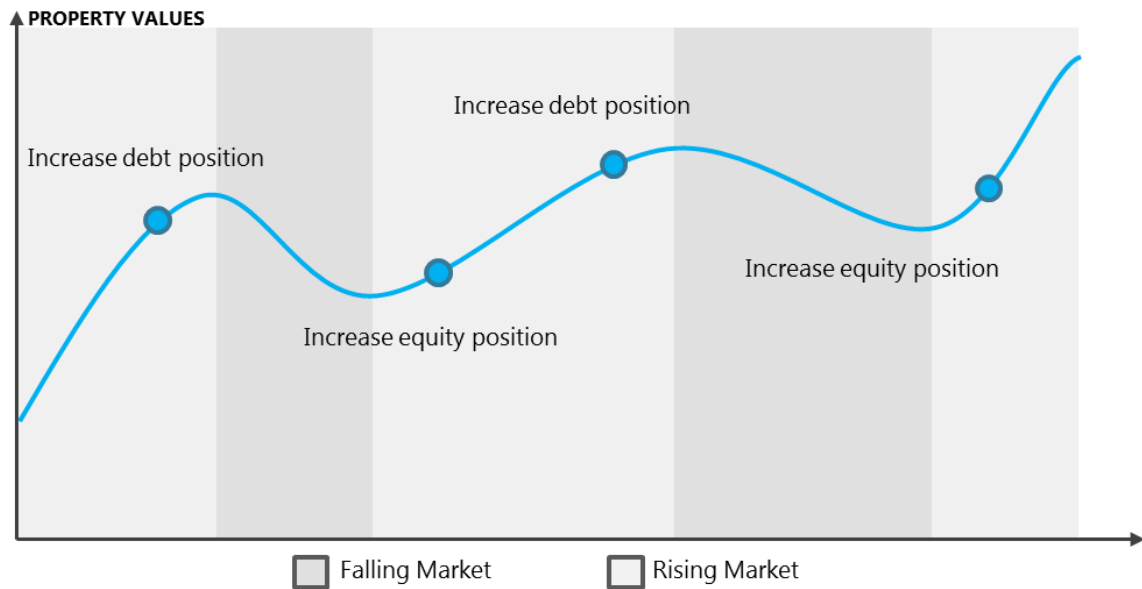
The portfolio is complemented by two option investments over industrial properties in Sydney. These investments are in joint venture with property partners who are progressing planning outcomes which if successful will add significant value to the underlying properties.

Projects	State	Style	Location	Acquired	Details	Dwelling Yield	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Kingsgrove	NSW	Option	South West Sydney	2017	Planning	500											
Turrella	NSW	Option	South West Sydney	2017	Priority Precinct	1,000											
Woolloongabba	QLD	Core Plus	Brisbane Central	2016	Development Approval	710											

OUTLOOK:

The directors are focused on generating recurrent income streams and capital appreciation through investment in the property sector. This will be achieved through investment in real estate through either debt or equity positions. The investment portfolio will continue to be structured to focus on opportunities in the residential, commercial, industrial and retail sectors. The target total return on investments across the portfolio is 14% per annum.

Eildon Capital invests in either debt or equity to take full advantage of changing market cycles. It increases debt exposure as the market approaches its peak, providing sufficient headroom to ensure capital protection in a contracting market. As markets turn, it increases equity exposure in property assets to capture value increase.



Eildon Capital continues to experience very strong deal flow and this is anticipated to continue given current capital market conditions.

The completion of the recent \$16.6 million capital raising has provided the company with additional funds to continue to participate in those opportunities that meet its investment criteria.

CAPITAL MANAGEMENT

During the period Eildon Capital commenced a capital raising which was completed on 17 January 2018 raising \$16.6 million at \$1.05 per share. The capital raising provides the company with additional funds to deploy into further investment opportunities.

The Directors continue to target the payment of quarterly dividends reflecting a yield of >6% per annum fully franked.

The Directors paid dividends totalling 1.78752 cents per share fully franked on both 24 July 2017 and 24 October 2017. The December quarterly dividend of 1.925 cents was paid on 5 February 2018.

The anticipated dividend payment calendar for the next 12 months is as follows:

Quarter	Payment
March 2018	24 April 2018
June 2018	24 July 2018
September 2018	24 October 2018
December 2018	24 January 2019

Mark Avery
Director
21 February 2018

Appendix 4D

Half-Yearly Report Results for announcement to the market

Eildon Capital Limited		
ABN	Half-Year ended (‘Reporting Period’)	Previous Half-Year ended (‘Corresponding period’)
11 059 092 198	31 December 2017	31 December 2016

Results

Income from ordinary activities	down	44.7%	to	2,349,689
Profit before tax	down	49.1%	to	1,891,845
Profit after tax attributable to members	down	49.1%	to	1,324,291
Net profit attributable to members	down	49.1%	to	1,324,291

The preliminary half-yearly report is based on accounts which have been reviewed.

Dividends (distributions)

	Amount per security	Franked amount per security
September 2017 dividend	1.7875 cents	1.7875 cents
June 2017 dividend	1.7875 cents	1.7875 cents
March 2017 dividend	1.375 cents	1.375 cents
Prior year interim dividend	3.5 cents	3.5 cents
<p>Information on dividends:</p> <p>On 21 December 2017 the directors resolved to pay an interim dividend of 1.925 cents per share, fully franked, payable on 5 February 2018.</p> <p>The company does not have a Dividend Reinvestment Plan.</p>		
Ex-Dividend date for the purpose of receiving the dividend	18 January 2018	
Record date for determining entitlements to the dividend	19 January 2018	
Payment Date	5 February 2018	

Commentary

<p>Brief explanation of any of the figures reported above:</p> <p>Please refer to the attached commentary for a detailed review.</p>
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Half Year Financial Report

Eildon Capital Limited
ACN 059 092 198

For the half-year ended 31 December 2017

Company Particulars

REGISTERED OFFICE:

Suite 3118, Level 31
120 Collins Street
MELBOURNE VIC 3000
Tel: (03) 9225 5010

DIRECTORS:

Alexander D H Beard
James R Davies
Mark A Avery
Michelle E Phillips

SECRETARY:

John A Hunter

BANKERS:

Westpac Banking Corporation
Bank of Western Australia Ltd (Bankwest)

AUDITORS:

HLB Mann Judd
Chartered Accountants
Level 19
207 Kent Street
Sydney NSW 2000

SHARE REGISTRY:

Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

Contents

Page

Directors' report	1
FINANCIAL REPORT	
Condensed statement of comprehensive income	2
Condensed statement of financial position	3
Condensed statement of changes in equity	4
Condensed statement of cash flows	5
Notes to the financial statements	6
Directors' declaration	10
Auditors' independence declaration	11
Independent review report	12

Directors' Report

The Directors present their report together with the financial report for Eildon Capital Limited ("the Company") for the half year ended 31 December 2017 and the independent review report thereon.

Directors

The Directors in office throughout the period and to the date of this report are:

Mark Avery (Managing Director)
Alexander Beard
James Davies
Michelle Phillips

Principal activities

The Company is an active property investment company which participates in retail, industrial, residential and commercial opportunities.

Review and results of operations

For the half-year ended 31 December 2017 the Company recorded a profit after tax of \$1,324,291 (2016: \$2,604,284). During the half year the Company generated \$2.3 million of interest income from property loans.

During the period the Company also commenced a capital raising which was completed on 17 January 2018 raising \$16.6 million at \$1.05 per share, providing the Company with additional funds to deploy into further investment opportunities.

Dividends

A fully franked dividend of 1.7875 cents per share amounting to \$540,025 was declared on 30 June 2017 and paid 24 July 2017.

A fully franked dividend of 1.7875 cents per share amounting to \$540,025 was declared on 3 October 2017 and paid 24 October 2017.

Events subsequent to balance date

On 21 December 2017 the directors determined to pay a dividend in respect of the quarter ended 31 December 2017 of 1.925 cents per share, fully franked, payable on 5 February 2018.

On 17 January 2018 the Company issued a total of 10,227,495 ordinary shares at \$1.05 per share.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial periods subsequent to 31 December 2017.

Auditors' independence declaration

A copy of the independence declaration given to the Directors by the auditor for the review undertaken by HLB Mann Judd is included on page 11.

Dated at Sydney this 21st day of February 2018.

This report is made in accordance with a resolution of the Board of Directors.



Mark Avery
Director



Alexander Beard
Director

Eildon Capital Limited

Condensed Statement of Comprehensive Income For the Half Year Ended 31 December 2017

	Notes	31 Dec 2017 \$	31 Dec 2016 \$
INCOME			
Interest received		2,268,837	1,330,537
Impairment recovery of equity investments		-	678,303
Gain on sale of equity investments		-	1,987,790
Fee income		42,712	237,440
Total income		2,311,549	4,234,070
Share of net profit of associate accounted for using the equity method		38,140	14,545
EXPENSES			
Audit, legal and accountancy		59,518	27,313
Directors fees		30,331	18,699
GST paid		37,400	7,352
Insurance		36,515	4,343
Management and consultancy		260,640	145,102
Loss on sale of equity investments		-	322,203
Other expenses		33,440	3,197
Profit before income tax		1,891,845	3,720,406
Income tax expense		567,554	1,116,122
Profit after income tax		1,324,291	2,604,284
Earnings per share			
Basic and diluted earnings per share (cents)	6	4.25	13.76
Other comprehensive income			
Amounts transferred from other reserves to income on sale		-	(69,006)
Income tax on items taken directly to or from equity		-	20,702
Other comprehensive income for the period, net of tax		-	(48,304)
Total comprehensive income for the period		1,324,291	2,555,980

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

Eildon Capital Limited

Condensed Statement of Financial Position As at 31 December 2017

	Notes	31 Dec 2017 \$	30 June 2017 \$
CURRENT ASSETS			
Cash and cash equivalents		8,266,833	6,150,747
Trade and other receivables		34,235	51,261
Loans and receivables		17,657,357	20,802,203
Total current assets		25,958,425	27,004,211
NON CURRENT ASSETS			
Loans and receivables		9,999,051	3,098,444
Financial assets – “at fair value through profit or loss”	8	140,348	-
Investments accounted for using the equity method		3,289,767	3,360,477
Deferred tax assets		352,341	381,753
Total non current assets		13,781,507	6,840,674
TOTAL ASSETS		39,739,932	33,844,885
 CURRENT LIABILITIES			
Trade and other payables		820,645	576,471
Current tax liabilities		1,339,087	1,441,476
Total current liabilities		2,159,732	2,017,947
TOTAL LIABILITIES		2,159,732	2,017,947
NET ASSETS		37,580,200	31,826,938
 EQUITY			
Contributed equity	4	33,765,155	28,107,339
Retained earnings		(5,483,508)	(5,483,508)
Profit distribution reserve		9,298,553	9,203,107
TOTAL EQUITY		37,580,200	31,826,938

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

Eildon Capital Limited

Condensed Statement of Changes in Equity For the Half Year Ended 31 December 2017

	Contributed equity	Retained earnings	Profit distribution reserve	Other reserves	Total
	\$	\$	\$	\$	\$
At 1 July 2017	28,107,339	(5,483,508)	9,203,107	-	31,826,938
Profit for the period	-	1,324,291	-	-	1,324,291
Total comprehensive income for the period	-	1,324,291	-	-	1,324,291
<i>Transactions with shareholders:</i>					
Shares issued	5,850,264	-	-	-	5,850,264
Transaction cost	(274,926)	-	-	-	(274,926)
Tax on transaction cost	82,478	-	-	-	82,478
Dividend provided or paid	-	(1,228,845)	-	-	(1,228,845)
Transfer (to)/from reserve	-	(95,446)	95,446	-	-
At 31 December 2017	33,765,155	(5,483,508)	9,298,553	-	37,580,200
At 1 July 2016	14,885,446	(5,483,508)	6,650,421	954,594	17,006,953
Profit for the period	-	2,604,284	-	-	2,604,284
Other comprehensive income	-	-	-	(48,304)	(48,304)
Total comprehensive income for the period	-	2,604,284	-	(48,304)	2,555,980
<i>Transactions with shareholders:</i>					
Shares issued	3,603,734	-	-	-	3,603,734
Capital raising transaction cost	(394,277)	-	-	-	(394,277)
Tax on transaction cost	101,783	-	-	-	101,783
Transfer of share based payment on sale of associate	-	-	906,290	(906,290)	-
Transfer (to)/from reserve	-	(2,604,284)	2,604,284	-	-
At 31 December 2016	18,196,686	(5,483,508)	10,160,995	-	22,874,173

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

Eildon Capital Limited

Condensed Statement of Cash Flows For the Half Year Ended 31 December 2017

	31 Dec 2017	31 Dec 2016
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash payments in the course of operations	(375,426)	(180,221)
Cash receipts in the course of operations	42,602	21,340
Interest received	1,796,223	520,967
Dividends received	108,850	-
Income tax paid	(558,053)	-
Payments for equity investments	(140,248)	(3,368,780)
Proceeds on disposal of equity investments	-	6,585,516
Proceeds from loan repaid	7,974,074	5,500,000
Payments for loan provided	(11,257,223)	(5,862,434)
Net cash (used in)/provided by operating activities	(2,409,201)	3,216,388
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,080,051)	-
Proceeds from issue of shares	5,850,264	3,603,734
Payment for share issue transaction cost	(244,926)	(162,743)
Net cash provided by financing activities	4,525,287	3,440,991
Net increase in cash and cash equivalents	2,116,086	6,657,379
Cash at the beginning of the half-year	6,150,747	16,456
CASH AT THE END OF THE HALF-YEAR	8,266,833	6,673,835

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

Eildon Capital Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2017

Note 1: Basis of preparation

The half-year financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2: Segment information

For the period ended 31 December 2017, the Company operated in Australia as an investment company focusing on one segment, making property related investments.

The revenues and results by business segments for the period ended 31 December 2016 are as follows:

	Private Equity and Venture Capital \$	Listed Investments \$	Property \$	Total \$
Half-year ended 31 December 2016:				
Revenues:				
Total revenue for reportable segments	1,936,674	729,418	1,519,453	4,185,545
Unallocated amounts:				
Interest income				48,525
Total revenue				4,234,070
Equity accounted income	-	-	14,545	14,545
Results:				
Total profit for reportable segments	1,936,674	407,216	1,519,453	3,863,343
Share of profit of equity accounted investees	-	-	14,545	14,545
	1,936,674	407,216	1,533,998	3,877,888
Unallocated amounts: corporate expenses				(157,482)
Total profit before tax				3,720,406

Eildon Capital Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2017

Note 3: Subsequent events

On 21 December 2017 the directors determined to pay a dividend in respect of the quarter ended 31 December 2017 of 1.925 cents per share, fully franked, payable on 5 February 2018.

On 17 January 2018 the Company issued a total of 10,227,495 ordinary shares at \$1.05 per share.

Other than as set out above, there are no matters or circumstances that have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial periods subsequent to 31 December 2017.

Note 4: Contributed equity

	31 Dec 2017		31 Dec 2016	
	Number	\$	Number	\$
<i>Fully paid ordinary shares</i>				
Balance at the beginning of the half-year	30,211,208	28,107,339	17,244,172	14,885,446
Issue of shares	5,571,620	5,850,264	3,533,073	3,603,734
Share issue transaction costs	-	(274,926)	-	(394,277)
Income tax on share transaction costs	-	82,478	-	101,783
Balance at the end of the half-year	35,782,828	33,765,155	20,777,245	18,196,686

Note 5: Other reserves

	Market Value Reserve	Share Based Payment Reserve	Total
	\$	\$	\$
Half-year ended 31 December 2016:			
At the beginning of the half-year	48,304	906,290	954,594
Transfer of share based payment on sale of associate	-	(906,290)	(906,290)
Amount transferred from other reserves to income on sale	(69,006)	-	(69,006)
Income tax effect on amount transferred from other reserves to income on sale	20,702	-	20,702
At the end of the half-year	-	-	-

Eildon Capital Limited

Notes to the Financial Statements For the Half Year Ended 31 December 2017

Note 6: Earnings per share

	31 Dec 2017 Cents	31 Dec 2016 Cents
Basic and diluted earnings per share	4.25	13.76
	\$	\$
Net profit attributable to shareholders used in calculation of basic and diluted earnings per share	<u>1,324,291</u>	<u>2,604,284</u>
	Number	Number
Weighted average number of shares – Basic and Diluted	<u>31,195,944</u>	<u>18,930,541</u>

Note 7: Dividend

A fully franked dividend of 1.7875 cents per share amounting to \$540,025 was declared on 30 June 2017 and paid 24 July 2017.

A fully franked dividend of 1.7875 cents per share amounting to \$540,025 was declared on 3 October 2017 and paid 24 October 2017.

On 21 December 2017 the directors determined to pay a dividend in respect of the quarter ended 31 December 2017 of 1.925 cents per share, fully franked, payable on 5 February 2018.

Note 8: Fair Value Measurement

The fair values of the financial assets and liabilities of the Company are approximately equal to their carrying values.

Judgements and estimates were made in determining the fair values of the financial instruments and non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments and non-financial assets into three levels prescribed under the accounting standards.

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset that are not based on observable market data.

Eildon Capital Limited
Notes to the Financial Statements
For the Half Year Ended 31 December 2017

Note 8: Fair Value Measurement (Cont.)

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Valuation technique – non market observable inputs (Level 3) \$	Total \$
At 31 December 2017		
<i>“Fair value through profit or loss” investment</i>		
Unlisted investment	140,348	140,348
<i>Loans and receivables</i>		
Secured loan to other corporations	27,656,408	27,656,408
Total financial assets	<u>27,796,756</u>	<u>27,796,756</u>
At 30 June 2017		
<i>Loans and receivables</i>		
Secured loan to other corporations	23,900,647	23,900,647
Total financial assets	<u>23,900,647</u>	<u>23,900,647</u>
	Dec 2017	Dec 2016
Reconciliation of Level 3 fair value movements:	\$	\$
Opening balance at the beginning of the period	23,900,647	13,048,683
Loans repaid	(9,713,095)	(5,500,000)
Loans provided	11,257,223	6,078,536
Interest income	2,211,633	809,569
Purchases	140,348	-
Closing balance at the end of the period	<u>27,796,756</u>	<u>14,436,788</u>

There is no quantitative information for level 3 financial instruments. The fair value has been determined based on the terms of the loan agreement.

Eildon Capital Limited

Directors' Declaration

In the Directors' opinion:

- a) the financial statements and notes, set out on pages 2 to 9, are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the financial position of the Company as at 31 December 2017 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Dated at Sydney this 21st day of February 2018.



Mark Avery
Director



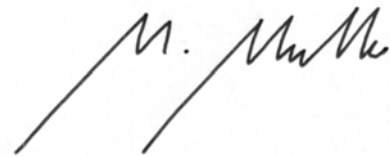
Alexander Beard
Director

**EILDON CAPITAL LIMITED
ACN 059 092 198**

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Eildon Capital Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.



**M D Muller
Partner**

**Sydney NSW
21 February 2018**

**EILDON CAPITAL LIMITED
ACN 059 092 198****INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Eildon Capital Limited

We have reviewed the accompanying half-year financial report of Eildon Capital Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration.

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 gives a true and fair view and 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 company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of the company, 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.

**EILDON CAPITAL LIMITED
ACN 059 092 198**

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Conclusion

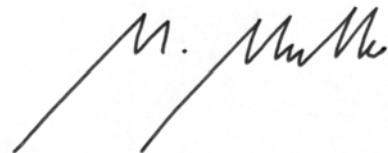
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Eildon Capital Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A handwritten signature in black ink that reads 'HLB Mann Judd'.

**HLB Mann Judd
Chartered Accountants**

**Sydney, NSW
21 February 2018**

A handwritten signature in black ink that reads 'M. Muller'.

**M D Muller
Partner**