Tuesday, 10 February 2015

Results Commentary – half year ended 31 December 2014

Contango MicroCap Limited (ASX: CTN) announces its financial results for the half-year ended 31 December 2014 as approved by the Board. These are attached in the ASX Appendix 4D and the financial statements at the end of this briefing note.

KEY POINTS

- The Net Tangible Assets (NTA) fell 5.5% in the period inclusive of the 4.6 cents per share dividend payment. The 31 December 2014 NTA was $1.076. The 30 June 2014 NTA value was $1.138. Over the corresponding period the ASX Emerging Markets Accumulation Index fell by 7.0%

- The Company posted an after-tax loss of $4.1m for the half year (2013: profit of $27.0m)

- CTN continues to have a strong balance sheet with Net Assets of $171.3m at 31 December 2014 and is well positioned to participate in the benefits of microcap company growth

- The Company share price rose 6.3% in the period, significantly outperforming all relevant ASX indices including:
  - ASX All Ordinaries Accumulation Index +2.3%
  - ASX Small Ordinaries Accumulation Index -2.5%
  - ASX Emerging Companies Accumulation Index -7.0%

  The share price discount to NTA was 2.8% at 31 December 2014

- The Company has declared a FY15 Interim Dividend of 4.0 cents per share (cps)
  - The same cps as FY14
  - Dividend will trade Ex-Dividend on 13 February 2015
  - Dividend will be 50% Franked (2013: 25%)

- Dividends paid to shareholders during the half year were 4.6 cps
  - Since declaring its first dividend in December 2004 CTN has declared a total of 83.6 cps in dividends to shareholders amounting to a total payout of over $93m

- The underlying investment portfolio has provided a compound return of 15.8% per annum since inception – substantially outperforming all relevant indices

- CTN retains full ownership of Contango Group Pty Ltd (CGPL) - the parent company of the Company's investment managers. CGPL manages approximately $750m in investment portfolios for clients and delivered a profit of $280,000 for CTN for the half-year

- On 23 December 2014 CTN listed a Convertible Note, raising $26.5m. The notes trade under the ASX code "CTNG"

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