



Interim Report to Shareholders

Dear Shareholder

This report is to advise you of the Interim Dividend and also to bring you up to date with the Company's results and actions.

Interim Dividend

On the 26th March 2015 we will pay an Interim Dividend of \$670,908.75 (25 cents per share) fully franked at the Company Tax Rate of 30% on 2,683,635 Ordinary Shares to Shareholders registered on the 20th March 2015.

Trading Results

As at the 30th November 2014 (which is 6 months into our Financial Year), trading profit before tax was \$ 1,177,143 and trading results in subsequent months have been in line with expectations.

Share Buying and Selling

I indicated at the AGM that the previous arrangement with Shadforth's had ceased and that we were in discussions with another stockbroking firm, which unfortunately did not eventuate in an arrangement.

I also indicated that if we were unable to make an arrangement with an external provider that we would, and we now have, put an internal mechanism in place to facilitate trading. This is web based and if you go to www.kdltd.com.au or google Kemp & Denning Limited, you will be able to access the site which provides you with a facility to sell and buy. In basic terms Shareholders who wish to sell their shares or a portion, apply to be listed, provide contact details and can indicate the number of shares and the price they will sell for. Anybody wishing to buy Shares can apply to be listed as a buyer and will, upon request be provided with the list of sellers and contact details. It is then a matter of the buyer making contact with a listed seller or a seller making contact with a listed buyer, to negotiate an agreement. Share Transfer forms are on the website. This process does not preclude direct arrangements between parties who may not be on the web based list.

We have included on the website Annual Reports, all advices to Shareholders such as Dividend Advice, AGM Minutes and any other information which may be relevant to enable both buyers and sellers to make an assessment.

Whilst much work has been done over the past period to improve profitability, and we are confident of that because we will get the basics in place to maintain that trend, and to examine all aspects of the business, we recognise that there is much more to do and the CEO together with the management team and staff are getting on with it.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ray Brown', written in a cursive style.

Ray Brown
Chairman
27th February 2015