

GROUP CONDENSED CONSOLIDATED REVIEWED RESULTS FOR THE YEAR ENDED 31 MARCH 2011 AND DIVIDEND DECLARATION

GROUP CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2011 (Reviewed) R'000	Year ended 31 March 2010 (Audited) R'000
Revenue	142 810	139 906
Turnover	140 732	138 136
Cost of sales	(77 410)	(69 696)
Gross profit	63 322	68 440
Operating cost excluding depreciation and amortisation	(27 574)	(28 862)
EBITDA	35 748	39 578
Depreciation and amortisation	(3 279)	(2 397)
Operating profit	32 469	37 181
Finance income	1 435	1 396
Finance expenses	(962)	(1 431)
Profit before taxation	32 942	37 146
Taxation	(9 598)	(10 329)
Profit	23 344	26 817
Other comprehensive income	-	-
Total comprehensive income	23 344	26 817
Attributable to:		
Ordinary shareholders of Amecor	21 360	23 266
Non-controlling interest	1 984	3 551
Profit and total comprehensive income for the year	23 344	26 817
Earnings per share (cents)	3 28,3	30,8
Diluted earnings per share (cents)	3 28,3	30,8

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	31 March 2011 (Reviewed) R'000	31 March 2010 (Audited) R'000
ASSETS		
Non-current assets	85 939	79 796
Property, plant and equipment	16 811	13 972
Intangible assets	14 756	11 521
Goodwill	54 034	54 034
Deferred tax asset	338	269
Current assets	87 636	88 540
Inventories	22 325	19 624
Trade and other receivables	27 450	39 072
Taxation	2 837	2 951
Cash and cash equivalents	35 024	26 893
Total assets	173 575	168 336
EQUITY AND LIABILITIES		
Issued capital	72 560	72 610
Retained earnings	62 915	47 576
Equity attributable to Amecor shareholders	135 475	120 186
Non-controlling interest	16 007	15 097
Total equity	151 482	135 283
Non-current liabilities	6 551	9 942
Interest bearing borrowings	3 143	7 114
Deferred tax liability	3 408	2 828
Current liabilities	15 542	23 111
Trade and other payables	12 895	18 060
Bank overdraft	-	48
Short-term portion of interest bearing borrowings	2 647	3 266
Taxation	-	1 737
Total equity and liabilities	173 575	168 336
Net asset value per share (cents)	200,5	179,0
Net number of shares in issue (000's)	75 553	75 565

GROUP CONDENSED STATEMENT OF CASH FLOWS

	Year ended 31 March 2011 (Reviewed) R'000	Year ended 31 March 2010 (Audited) R'000
Net inflow from operating activities	21 924	25 061
Cash generated from operations	39 256	40 984
Net finance (expense)/income	473	(35)
Taxation paid	(10 710)	(8 174)
Dividends paid	(7 095)	(7 714)
Net outflow from investing activities	(9 105)	(12 980)
Net outflow from financing activities	(4 640)	(1 947)
Net movement in cash balances	8 179	10 134
Cash and cash equivalents at beginning of the year	26 845	16 711
Cash and cash equivalents at the end of the period	35 024	26 845

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Issued capital (share capital and share premium) R'000	Attributable to ordinary shareholders of Amecor R'000	Non- controlling interest R'000	Total equity R'000
Balance at 1 April 2009	71 904	30 550	13 020	115 474
Issue of shares in respect of share option	986	-	-	986
Dividends paid	-	(6 240)	(1 474)	(7 714)
Total comprehensive income	-	23 266	3 551	26 817
Treasury share purchase	(280)	-	-	(280)
Total changes	706	17 026	2 077	19 809
Balance at 1 April 2010	72 610	47 576	15 097	135 283
Dividends paid	-	(6 021)	(1 074)	(7 095)
Total comprehensive income	-	21 360	1 984	23 344
Treasury share purchase	(50)	-	-	(50)
Total changes	(50)	15 339	910	16 199
Balance at 31 March 2011	72 560	62 915	16 007	151 482

MANAGEMENT COMMENTARY

General review

Amecor and its subsidiaries (collectively "the Amecor Group" or "the Group") is a South African Group of companies specialising in the design, manufacture and distribution of leading brands within the electronic security, alternative energy, and power optimisation industries. ("FSK") specialises in the manufacture of electronic security devices which include

- FSK Electronics SA (Pty) Limited ("FSK") specialises in the manufacture of electronic security devices which include remote monitoring and electronically controlled security applications;
- Sabre Radio Networks (Pty) Limited ("Sabre") offers a network subscription for data transmission and signaled response;
- Power Development Services (Pty) Limited ("PDS") supplies and installs power generating equipment including generators and UPS equipment; and
- Amecor PowerStar (Pty) Limited has exclusive distribution rights with respect to power optimisation units which enable cost savings and power conservation.

Financial review

Tough trading conditions were experienced throughout the period under review; the Group achieved earnings per share of 28,3 cents (F2010: 30,8 cents). The reduction in earnings is primarily attributable to profit margins being under pressure to remain competitive in the alternative power markets, and bad debts being provided for in the amount of almost R1,6 million (F2010: R0).

Turnover and profit before tax for the period under review was reported as:

- R140,7 million (F2010: R138,1 million); and
- R32,9 million (F2010: R37,1 million) respectively.

The analysis of turnover and total comprehensive income on a segmental basis is detailed herein. Tighter margins in the alternative power supply markets have contributed to reduced profits in the year under review.

Cash generated from operations contributed R39,3 million (F2010: R41,0 million) to total cash and cash equivalents recorded at R35,0 million (F2010: R26,8 million) after capital and development expenditure of R9,4 million (F2010: R13,0 million) was incurred in the period under review, being for the following:

- New product development – R4,3 million; and
- Fixed assets acquired – R5,1 million.

The Group has budgeted a further R5 million for product development and approximately R2 million for the installation of an additional surface mount production line in FSK in the following financial year.

Both trade receivables and payables reduced in the year under review due to tighter control of working capital. Borrowings also reduced as a result of settling the bond over the Amecor House.

Net asset value per share increased by 12,0% to 200,5 cents (F2010: 179,0 cents) and tangible net asset value per share increased by 18,6% to 109,5 cents (F2010: 92,3 cents).

1.1 Basis of preparation

These condensed consolidated reviewed results have been prepared in accordance with the Framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards and containing information required by the International Accounting Standards 34 – Interim Financial Reporting, AC 500 standards, the Listings Requirements of the JSE Limited and in the manner required by the Companies Act. These condensed consolidated reviewed financial statements do not include all of the information required for full financial statements and should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2010. The Group envisages posting the 2011 annual reports towards the end of August 2011.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies have been applied consistently by Group companies and have been applied consistently to all periods presented in these condensed consolidated reviewed financial statements.

2. Review of results

Mazars has signed an unqualified review opinion on these condensed consolidated financial statements, as required by the JSE Limited. These financial statements have been approved by the board and condensed for the purposes of this report. The auditors review opinion is available for inspection at Amecor's registered office.

3. Earnings per share ("EPS")

EPS is based on the Group's profit for the year ended 31 March 2011, divided by the weighted average number of shares in issue during the year.

	Profit attributable to equity holders of Amecor (Reviewed) R'000	Weighted average number of shares in issue (net of treasury shares of 2,4 million) 000's	Earnings per share Cents
F2011			
Earnings	21 360	75 553	28,3
Diluted earnings	21 360	75 553	28,3
Headline earnings reconciliation			
Basic earnings	21 360		
Less: profit on sale of property, plant and equipment	(248)		
Tax effect of adjustment	69		
Headline earnings	21 181	75 553	28,0
Diluted headline earnings	21 181	75 553	28,0
F2010			
Earnings	23 266	75 562	30,8
Diluted earnings	23 266	75 562	30,8
Headline earnings reconciliation			
Headline earnings	23 266	75 562	30,8
Diluted headline earnings	23 266	75 562	30,8

4. Property, plant and equipment

R'000	At 31 March 2010	Current depreciation	Additions	Disposals	At 31 March 2011
Land	1 999	-	500	-	2 499
Buildings	8 952	(434)	1 280	-	9 798
Plant and equipment	972	(704)	1 595	(58)	1 805
Leasehold improvements	12	(5)	13	-	20
Motor vehicles	1 012	(545)	695	(55)	1 107
Furniture and fittings	335	(118)	407	-	624
Office equipment	330	(90)	300	-	540
Computer equipment and software	360	(300)	358	-	418
	13 972	(2 196)	5 148	(113)	16 811

5. Segmental analysis

The Group's operating segments and segmental information presented in the condensed consolidated reviewed results for the year ended 31 March 2011 represents the Group's management and internal reporting structure. Intersegment transactions are concluded at arm's length terms and conditions.

	Year ended 31 March 2011 (Reviewed) R'000	Year ended 31 March 2010 (Audited) R'000
Segment turnover		
Security and related production and sales	45 410	41 983
Network and annuity income	18 968	15 513
Supply and maintenance of alternative power sources	76 354	83 159
Holding and management subsidiary companies	8 668	20 912
Consolidation adjustments	(8 668)	(23 431)
Total turnover	140 732	138 136
Comprehensive income		
Security and related production and sales	10 930	9 305
Network and annuity income	10 457	8 418
Supply and maintenance of alternative power sources	3 718	7 128
Holding and management subsidiary companies	5 145	3 039
Consolidation adjustments	(6 906)	(1 073)
Total comprehensive income	23 344	26 817
Comprehensive income attributable to non-controlling shareholders		
Supply and maintenance of alternative power sources	1 984	3 551
Assets		
Security and related production and sales	48 026	53 847
Network and annuity income	32 527	22 914
Supply and maintenance of alternative power sources	43 848	47 129
Holding and management subsidiary companies	104 698	107 050
Consolidation adjustments	(55 524)	(62 604)
Total assets	173 575	168 336
Liabilities		
Security and related production and sales	(4 895)	(18 947)
Network and annuity income	(1 966)	(352)
Supply and maintenance of alternative power sources	(11 750)	(16 680)
Holding and management subsidiary companies	(54 408)	(55 666)
Consolidation adjustments	50 926	58 592
Total liabilities	(22 093)	(33 053)

6. Related party transactions

The Company and its subsidiaries do have dealings with each other but these are eliminated on consolidation.

R'000	F2011	F2010
Purchases between subsidiary companies	11 348	13 750
Management fees	7 928	9 680
Operating lease rentals	874	619
Other related parties		
Property rental agreements	200	838

7. Dividends

The Directors have elected to pay a single annual dividend in the amount of 8 cents (F2010: 8 cents) per ordinary share. Secondary Tax on Companies payable will total approximately R624 000 (F2011: R624 000). Accordingly the Group's annual dividend, payable on Monday, 25 July 2011, for the year ended 31 March 2011, will be calculated as follows:

	2011	2010
Distributable dividend (R000's)	6 239	6 239
Total number of shares in issue (000's)	77 986	77 986
Dividend payable per share (cents)	8	8

Last day to trade cum dividend Friday, 15 July 2011
Trading ex dividend commences Monday, 18 July 2011
Record date Friday, 22 July 2011
Payment date Monday, 25 July 2011

Share certificates may not be dematerialised or rematerialised between Monday, 18 July 2011 and Friday, 22 July 2011, both dates inclusive. The certificated register will be closed for this period.

8. Directors

- HS Courtney (Non-executive chairman)
- DH Alexander (Chief executive officer)
- KA Colley (Financial director and company secretary)
- M Noge (Independent non-executive director)
- KA Vieira (Operational director)
- CH Boule (Non-executive director)*

All of the above directors are South African and are resident in South Africa.

* Appointed 1 June 2011

On behalf of the board

HS Courtney
Chairman*

Sandton
24 June 2011

DH Alexander
Chief Executive Officer

Auditors

Mazars, 2nd Floor Mazars House, 5 St Davids' Place, Parktown, 2193 (PO Box 6697, Johannesburg, 2000)

Transfer Secretaries

Link Market Services (Proprietary) Limited, 11 Diagonal Street, Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000)

Registered Office

Resource House, 7 Spring Street, Rivonia, 2196 (PO Box 1962, Rivonia, 2128)

Sponsor

Sasfin Capital Limited (A division of Sasfin Limited), 29 Scott Street, Waverly, 2090 (PO Box 95104, Grant Park, 2051)

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