



AMALGAMATED ELECTRONIC CORPORATION LTD

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AMALGAMATED ELECTRONIC CORPORATION LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 1997/010036/06)
Share code: AER ISIN: ZAE000070587
("Amecor" or "the Company")

GROUP CONDENSED CONSOLIDATED REVIEWED RESULTS

FOR THE YEAR ENDED 31 MARCH 2013, DIVIDEND DECLARATION AND CHANGES TO THE BOARD

GROUP CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Revenue	319 463	218 474
Turnover	317 012	214 982
Cost of sales	(201 426)	(126 329)
Gross profit	115 586	88 653
Operating cost excluding depreciation and amortisation	(72 871)	(51 805)
EBITDA	42 715	36 848
Depreciation and amortisation	(4 872)	(3 554)
Operating profit	37 843	33 294
Finance income	2 451	1 857
Finance expense	(6 212)	(3 190)
Profit before taxation	34 082	31 961
Taxation	(8 822)	(10 616)
Profit	25 260	21 345
Other comprehensive income	-	-
Total comprehensive income	25 260	21 345
Attributable to:		
Ordinary shareholders of Amecor	23 234	18 632
Non-controlling interest	2 026	2 713
Profit and total comprehensive income for the year	25 260	21 345
Earnings per share (cents)	31.3	25.0
Diluted earnings per share (cents)	31.3	25.0

Declaration date
Friday, 21 June 2013
Last day to trade cum dividend
Friday, 5 July 2013
Trading ex dividend commences
Monday, 8 July 2013
Record date
Friday, 12 July 2013
Payment date
Monday, 15 July 2013

Share certificates may not be dematerialised or rematerialised between Monday, 8 July 2013 and Friday, 12 July 2013, both dates inclusive. The certificated register will be closed for this period.

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 and alternative energy industries.

Financial review

Turnover increased by R102,0 million to R317,0 million (F2012: R215,0 million). The increase on last year resulted primarily from the Secequip transaction and a growth in annuity income in Sabre Radio Networks. EBITDA increased by 15.9% to R42,7 million (F2012: R36,8 million). The production and sales element of the Group faced challenges in the current economic conditions, resulting in reduction in margins to remain competitive in the challenging market. The Group, as a whole, experienced an increase in operating costs as a direct result of electricity rate hikes, higher salaries and wages, and increasing fuel prices.

Finance income increased by R0,6 million from R1,8 million in F2012 to R2,5 million, while finance costs rose to R6,2 million (F2012: R3,2 million). Both were attributable to the bond issued by Amecor in the amount of R60,0 million as R8,5 million remains in treasury, attracting interest income. Quarterly interest payments are processed at an interest rate of 3-month JIBAR + 5%.

The tax charge for the year was R8,8 million (F2012: R10,6 million), representing an effective tax rate of 25.9% (F2012: 33.2%).

Income attributable to Amecor shareholders increased from R18,6 million to R23,2 million and earnings per share was up 6.3 cents to 31.3 cents (F2012: 25.0 cents).

In line with the increased turnover, primarily attributable to the acquisition of the Secequip business, working capital increased during the year.

Cash and cash equivalents within the Group at the end of the period under review was R66,9 million (F2012: R59,6 million).

The income attributable to non-controlling shareholders decreased during the year.

Cash generated from operations increased from R30,0 million (F2012) to R36,7 million in the year under review.

Property, plant and equipment increased to R23,7 million (F2012: R22,5 million) due to the commencement of development of the property adjoining the existing premises and the replacement of several vehicles. A further R5,6 million was invested in research and development.

The Group's cash and cash equivalents increased by R7,3 million to R66,9 million (F2012: R59,6 million) along with total interest bearing debt of R59,3 million (F2012: R59,0 million) representing a Group net debt to equity ratio of less than 1% (F2012: less than 1%). The Company issued a corporate bond through its Private Placement Programme in November 2011 raising R60,0 million. Quarterly interest payments are payable at an interest rate of 3-month JIBAR + 5% and the capital component falls due in 2016.

NOTES TO THE CONDENSED CONSOLIDATED REVIEWED FINANCIAL STATEMENTS

1. Significant accounting policies

Amecor is a company domiciled in South Africa. These condensed consolidated reviewed annual financial statements of the Amecor Group for the year ended 31 March 2013 comprise condensed consolidated reviewed annual financial statements of Amecor and its subsidiaries.

These condensed consolidated annual financial statements were authorised for issue by the board of directors on 19 June 2013. The reviewed condensed consolidated financial statements for the year ended 31 March 2013 were prepared by the financial director, Mrs Kerry Colley and have been reviewed by the Company's auditors, Mazars.

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 (IFRS) and contain information required by the International Accounting Standards 34 – Interim Financial Reporting, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and in compliance with the Listings Requirements of the JSE Limited. The review of the reviewed condensed consolidated financial statements has been performed in terms of the requirements of the South African Companies Act, 71 of 2008, as amended. These condensed consolidated reviewed financial statements are prepared on the historical cost basis and do not include all of the information required for full financial statements. This announcement should be read in conjunction with the consolidated annual financial statements for the year ended 31 March 2012.

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 and methods of computation have been applied consistently by Group companies and have been applied consistently to all periods presented in these condensed consolidated reviewed financial statements. The new IFRS and interpretations that became effective for the year under review, have not had an effect on the Group's accounting policies. The comparative figures referred to in the commentary relate to the prior year equivalent period.

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 2013, 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 3,7 million) '000	Earnings per share Cents
F2013			
Earnings	23 234	74 332	31.3
Diluted earnings	23 234	74 332	31.3
Headline earnings reconciliation			
Basic earnings	23 234		
Less: Profit on sale of assets	(285)		
Add back: Taxation on above (28%)	80		
Headline earnings	23 029	74 332	31.0
Diluted headline earnings	23 029	74 332	31.0

	Profit attributable to equity holders of Amecor (Audited) R'000	Weighted average number of shares in issue (net of treasury shares of 2.4 million) '000	Earnings per share Cents
F2012			
Earnings	18 632	74 677	25.0
Diluted earnings	18 632	74 677	25.0
Headline earnings reconciliation			
Basic earnings	18 632		
Less: profit on sale of assets	(115)		
Add back taxation on above (28%)	32		
Headline earnings	18 549	74 677	24.8
Diluted headline earnings	18 549	74 677	24.8

4. Net asset value per share

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Net asset value per share (cents)	246.3	217.8
Net number of shares in issue ('000)	74 332	74 548

5. Segmental analysis

The Group's operating segments and segmental information presented in the condensed consolidated reviewed results for the year ended 31 March 2013 represents the Group's management and internal reporting structure. Inter-segment transactions are concluded at arm's length terms and conditions.

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Segment turnover		
Security and related production and sales	191 010	115 809
Network and annuity income	22 503	20 374
Supply and maintenance of alternative power sources	112 356	88 687
Holding and management subsidiary companies	14 002	16 106
Inter-company sales	(22 859)	(25 994)
Total turnover	317 012	214 982

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Comprehensive income		
Security and related production and sales	8 662	11 137
Network and annuity income	13 453	11 222
Supply and maintenance of alternative power sources	4 119	4 275
Holding and management subsidiary companies	7 345	3 817
Consolidation adjustments	(8 319)	(9 106)
Total comprehensive income	25 260	21 345

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Assets		
Security and related production and sales	132 805	114 159
Network and annuity income	49 840	39 454
Supply and maintenance of alternative power sources	58 614	53 172
Holding and management subsidiary companies	166 103	143 659
Consolidation adjustments	(118 502)	(81 934)
Total assets	288 859	268 510

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Liabilities		
Security and related production and sales	(74 653)	(62 267)
Network and annuity income	(1 189)	(1 033)
Supply and maintenance of alternative power sources	(20 348)	(17 797)
Holding and management subsidiary companies	(111 691)	(90 233)
Consolidation adjustments	102 103	67 389
Total liabilities	(105 778)	(103 939)

6. Related party transactions

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
The Company and its subsidiaries do have dealings with each other but these are eliminated on consolidation.		
Purchases between subsidiary companies	11 983	15 126
Management fees	10 699	10 420
Operating lease	275	578

7. Prospects

Organically the Group expects to see further growth in profits resulting from our annuity earnings division, Sabre Radio Networks. FSK and Secequip currently operate in a growing security market and are ideally positioned to take advantage of increased product demand. Amecor's power division does not expect to see a sudden upturn in profits resulting from our local economy, but are exploring initiatives to expand into neighbouring territories with increased demand for alternative power supplies. Amecor continues to seek meaningful growth through our acquisition programme and maintain year on year growth to the benefit of all stakeholders.

8. Changes to the Board

With effect from 19 June 2013 shareholders are advised of the following changes in the Amecor Board structure:

Mr Hugh Stephen Courtney has chosen to step down as Non-Executive Chairman of the Board of directors ("the Board"). Mr Courtney will remain on the Board as a Non-Executive Director and continue to offer his on-going input and support.

Mr Christopher Hardy Boule was appointed as the Independent Non-Executive Chairman to the Board on 19 June 2013. Mr Boule has been an Independent Non-Executive member of the Board for three years, offering much guidance and input on all Company matters.

The Board has full confidence in Mr Boule's ability to lead the Group going forward, and looks forward to his continued contribution.

Directors

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

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

On behalf of the Board

CH Boule
Chairman
Sandton
21 June 2013

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

Transfer Secretaries
Link Market Services Proprietary Limited, 13th Floor, Rennie's House
19 Ameshoff Street, Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Registered Office
Amecor House, 14 Richard Road, Industria North, Florida, 1714
(PO Box 720, Florida Hills, 1714)

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

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	31 March 2013 (Reviewed) R'000	31 March 2012 (Audited) R'000
ASSETS		
Non-current assets	107 356	101 749
Property, plant and equipment	23 719	22 497
Intangible assets	21 769	17 838
Goodwill	59 661	59 661
Deferred tax assets	2 207	1 753
Current assets	181 503	166 761
Inventories	49 384	44 931
Trade receivables and other current assets	60 682	58 870
Taxation	4 557	3 328
Cash and cash equivalents	66 880	59 632
Total assets	288 859	268 510
EQUITY AND LIABILITIES		
Issued capital	70 693	70 843
Retained earnings	92 750	75 506
Non-controlling interest	19 638	18 222
Total equity	183 081	164 571
Non-current liabilities	64 194	62 834
Borrowings	58 221	57 684
Deferred tax liabilities	5 973	5 150
Current liabilities	41 584	41 105
Trade and other payables	39 708	39 831
Taxation	794	-
Short-term portion of borrowings	1 082	1 274
Total equity and liabilities	288 859	268 510

GROUP CONDENSED STATEMENT OF CASH FLOWS

	Year ended 31 March 2013 (Reviewed) R'000	Year ended 31 March 2012 (Audited) R'000
Net inflow from operating activities	17 491	11 325
Cash generated from operations	36 740	29 975
Net finance expense	(3 761)	(1 333)
Taxation paid	(8 888)	(10 778)
Dividends paid	(6 600)	(6 539)
Net outflow from investing activities	(10 438)	(38 168)
Net inflow/(outflow) from financing activities	195	51 451
Net movement in cash balances	7 248	24 608
Cash and cash equivalents at beginning of the year	59 632	35 024
Cash and cash equivalents at the end of the year	66 880	59 632

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 2011	72 560	62 915	16 007	151 482
Dividends paid	-	(6 041)	(498)	(6 539)
Profit for the year in total comprehensive income	-	18 632	2 713	21 345
Treasury share purchase	(1 717)	-	-	(1 717)
Total changes	(1 717)	12 591	2 215	13 089
Balance at 1 April 2012	70 843	75 506	18 222	164 571
Dividends paid	-	(5 990)	(610)	(6 600)
Profit for the year in total comprehensive income	-	23 234	2 026	25 260
Treasury share purchase	(150)	-	-	(150)
Total changes	(150)	17 244	1 416	18 510
Balance at 31 March 2013	70 693	92 750	19 638	183 081

Dividend declaration

The Directors have elected to pay a single annual dividend in the amount of 10.0 cents (F2012: 8.0 cents) per ordinary share in respect of the year ended 31 March 2013. This is a dividend as defined in the Income Tax Act, 1962, and is payable from income reserves. The South African Dividend Withholding Tax (DWT) rate is 15% and no credits in terms of secondary tax on companies have been utilised. Amecor's income tax number is 9381483842.

The net amount payable to shareholders who are not exempt from DWT is 8.5 cents per share, while it is 10.0 cents per share to those who are exempt from DWT.

There are 77 985 337 ordinary shares in issue; the total dividend amount payable is R7,8 million.

	F2013	F2012
Distributable dividend (R'000)	7 799	6 239
Total number of shares in issue ('000)	77 986	77 986
Dividend payable per share (cents)	10.0	8.0