

CONDENSED CONSOLIDATED AUDITED RESULTS

FOR THE YEAR ENDED 31 MARCH 2016
AND DIVIDEND DECLARATION

- ★ Group revenue up 17% to R131.3 million
- ★ EBITDA up 110% to R47.0 million
- ★ EBITDA margin of 35.8%, up 15% on normalised prior-year EBITDA margin
- ★ HEPS up 309% to 40.4 cents per share, the highest since listing on the JSE in 2005
- ★ Cash generated from operations of R42.1 million
- ★ 90% cash conversion ratio (cash generated from operations : EBITDA)
- ★ Final dividend up 131% to 18.5 cents per share
- ★ Full-year dividend up 93% to 28.0 cents per share

COMMENTARY

GROUP OVERVIEW

Amecor is the leading provider of security network technology in southern Africa with a growing presence in Africa. The two core businesses, Sabre Radio Networks ("Sabre") and FSK Electronics SA ("FSK"), complement one another in expanding annuity revenue from data networking services.

Sabre is the largest security network provider in southern Africa. It has a comprehensive network footprint of security communication equipment enabling users, such as security companies, to route signals and data to their control centres.

FSK is one of the leading designers and manufacturers of sophisticated data networking equipment primarily used in the security industry, to provide signal transmission networks to security companies.

Keith Vieira, Chief Executive Officer of Amecor, commented:

"Amecor's strong results for the year ended 31 March 2016 reflects our leading position in the security industry with the largest data networking platform in South Africa.

Our focus on the core business over the year has enabled the continued growth of our annuity revenue and record headline earnings since listing in 2005.

We are confident that our annuity subscriber base will continue to show healthy growth through new product innovation and a superior service offering in southern Africa and further afield in our select African markets."

OPERATIONAL REVIEW

Amecor delivered record headline earnings per share ("HEPS") for the year ended 31 March 2016 of 40.4 cents, entrenching its position as the leading provider of security network technology with an increasing annuity base of customers utilising the Group's network infrastructure.

Sabre's product and service initiatives continued to expand its annuity billing footprint. The launch of the new range of security products developed by FSK in January 2016 is helping drive annuity billings. Management is confident that the new security panels together with new product offerings will continue to yield strong annuity revenue growth for the financial year ending 31 March 2017 and ensure our industry leadership in this sector of the market. Continued emphasis on GSM (Global System for Mobile

Communications) technology should further augment the Group's annuity billing.

Sabre is rolling out its data transmission technology services into select markets in Africa. Revenue generation from the African region outside South Africa is expected to show incremental growth for the 2017 financial year as the development gains momentum.

FSK has commenced with the manufacture and distribution of the new range of security products, which include control panels, home automation and integrated security solutions for residential and commercial use. These products have been designed to make Amecor more competitive and meet the requirements of our select African markets and will further augment the Group's annuity revenue.

Amecor continues to invest in the expansion of products and new distribution capacity for FSK, underpinned by unique technology, which is expected to enhance the positive momentum of the Group in the 2017 financial year.

The return on investment in infrastructure and distribution is expected to improve from the second half of the 2017 financial year as new products and distribution platforms gain momentum.

The board of directors of the Company ("the board") are extremely pleased with the performance of Amecor given the backdrop of difficult economic conditions.

FINANCIAL REVIEW

Results summary

Group revenue for the year ended 31 March 2016 increased by 17% to R131.3 million from the previous year as the core data networking business continues to gain momentum.

Earnings before interest, tax, depreciation and amortisation ("EBITDA") increased by 110% to R47.0 million. After excluding once-off impairments and provisions in the prior year the EBITDA increased 34% from R35 million, highlighting the Group's solid annuity business platform.

HEPS increased by 309% to 40.4 cents for the year ended 31 March 2016 (F2015: (19.3) cents), or by a pleasing 63% (F2015: 24.8 cents) after excluding once-off impairments and provisions in the prior year.

Furthermore, HEPS upside is expected in the financial year ending 31 March 2017 as the annuity networking business capitalises on its leading position in security network technology.

The Amecor corporate bond of R27.5 million at 31 March 2016 which was issued in 2011 through a private placement programme is due to mature during November 2016.

Group statement of cash flows

The strong cash conversion and generation of the Group is once again highlighted, with cash of R42.1 million being generated from operations for the year ended 31 March 2016 for a 90% free cash conversion ratio when compared to the EBITDA of R47.0 million.

This strong free cash flow and free cash flow conversion ratio is expected to continue to underpin healthy dividend distributions going forward.

The Group remains highly cash-generative with cash and cash equivalents at 31 March 2016 amounting to R32.2 million.

Group statement of financial position

Amecor's financial position continues to be both solvent and liquid, with interest-bearing debt:equity at 25% at 31 March 2016 (57% at 31 March 2015).

The return on equity and return on assets for the year ended 31 March 2016 was 26.1% and 17.8% respectively, illustrating the Group's ability to generate healthy returns.

Investment in new plant and equipment of approximately R5 million to R7 million is anticipated in the medium term which will enhance the Company's competitiveness and entrench its leadership position.

Statement of profit or loss and other comprehensive income

Earnings per share ("EPS") and HEPS for the year ended 31 March 2016 amounted to 40.0 and 40.4 cents respectively, reflecting a 158% and 309% increase from the previous corresponding year.

More relevant is the continuing HEPS, after excluding once-off impairments, that increased 63% to 40.4 cents on the previous corresponding period (F2015: 24.8 cents).

Significant accounting policies

These condensed consolidated audited financial statements of Amecor for the year ended 31 March 2016 comprise those of the Company and its subsidiaries.

These condensed consolidated audited financial statements for the year ended 31 March 2016 have been prepared under the supervision of the Chief Financial Officer, Mr Dean Colley, and are extracted from audited information. The underlying Group financial statements have been audited by the Company's auditors, Grant Thornton. The audited underlying Group financial statements and the unqualified audit report are available for inspection at Amecor's registered office.

The auditor's report does not necessarily report on all the information contained in this report. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the Company financial information from the Company's registered office.

Basis of preparation

The accounting policies applied in the preparation of these condensed consolidated audited financial statements, which are based on reasonable judgments and estimates, are in accordance with International Financial Reporting Standards ("IFRS") and are consistent with those applied in the financial statements for the year ended 31 March 2015. These condensed consolidated audited financial statements as set out in this report have been prepared in terms of IAS 34 Interim Financial Reporting, the Companies Act, 2008 (Act 71 of 2008), as amended, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Listings Requirements of the JSE Limited.

The directors take full responsibility for the preparation of the provisional report and the financial information has been correctly extracted from the underlying financial statements.

CHANGE IN DIRECTORS

Danna Booyens Strydom was appointed as a independent non-executive director on 29 June 2015.

CHANGE OF COMPANY SECRETARY

In compliance with paragraph 3.59 of the JSE Listings Requirements, with effect from 7 September 2015, Acorim

COMMENTARY (continued)

Proprietary Limited was appointed as Company Secretary of Amecor, replacing Ms Kerry Colley.

OUTLOOK

Amecor is confident that its entrenched position as the leading provider of security network technology supported by the new range of products will continue to yield healthy returns in the 2017 financial year. Currency weakness will, however, place pressure on FSK's margins in the foreseeable future but any margin erosion is expected to be offset by higher annuity revenue from Sabre.

Further product expansion is expected in the second half of the 2017 financial year, which will continue to place Amecor in a competitive and market-leading position.

Excellent free cash flow generation is expected to continue and will be utilised in value-enhancing growth initiatives or returned to shareholders through share buy-backs and dividend distributions.

Amecor continues to evaluate potential synergistic acquisitions in select markets with a bias towards enhancing its annuity income.

The Company is extremely well positioned strategically and financially for the future.

DIVIDEND DECLARATION

The directors have elected to pay a gross final dividend in the amount of 18.5 cents per share (F2015 final dividend: 8.0 cents per share). 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%. The net amount payable to shareholders who are not exempt from DWT is 15.725 cents per share, while it is 18.5 cents per share to those who are exempt from DWT.

The number of ordinary shares in issue at the date of this declaration is 77 985 337 and will result in a total dividend amount payable of R14.4 million. The Company's income tax number is 9381/483/84/2.

	F2016 Final	F2016 Interim	F2015 Final
Distributable dividend (R'000)	14 427	7 409	6 239
Total number of shares in issue ('000)	77 986	77 986	77 986
Dividend payable per share (cents)	18.5	9.5	8.0

Declaration date	Friday, 27 May 2016
Last day to trade cum dividend	Friday, 17 June 2016
Trading ex dividend commences	Monday, 20 June 2016
Record date	Friday, 24 June 2016
Payment date	Monday, 27 June 2016

Share certificates may not be dematerialised or rematerialised between Monday, 20 June 2016 and Friday, 24 June 2016, both dates inclusive. The certificated register will be closed for this period.

On behalf of the board

KA Vieira Chief Executive Officer	D Colley Chief Financial Officer
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Johannesburg
27 May 2016

FINANCIAL INFORMATION

GROUP PROVISIONAL STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	% Movement	Group	
		Audited 31 March 2016 R'000	Audited 31 March 2015 R'000
Revenue	17	131 280	112 569
Cost of sales		(54 488)	(56 914)
Gross profit	38	76 792	55 655
Other income		19	-
Operating expenses	(10)	(29 841)	(33 285)
Earnings before interest, taxation, depreciation and amortisation ("EBITDA")	110	46 970	22 370
Depreciation and amortisation		(3 653)	(4 560)
Impairment		(500)	(49 982)
Profit/(loss) from operations	233	42 817	(32 172)
Finance income		2 401	1 863
Finance costs		(4 301)	(6 808)
Profit/(loss) before taxation	210	40 917	(37 117)
Taxation		(11 643)	(1 628)
Profit/(loss) from continuing operations	176	29 274	(38 745)
Loss from discontinued operations		-	(10 903)
(Loss) on disposal of subsidiary		-	(14 837)
Profit from discontinued operations		-	3 935
Total comprehensive income/(loss) for the year	159	29 274	(49 648)
Total comprehensive income/(loss) attributable to:			
Equity holders of Amecor at the end of the year		29 274	(51 606)
Non-controlling interest		-	1 958
	159	29 274	(49 648)
Earnings/(loss) per share	(cents)	40.0	(69.5)
Continuing operations		40.0	(52.2)
Discontinued operations		-	(17.3)

GROUP PROVISIONAL STATEMENT OF FINANCIAL POSITION

	Group	
	Audited 31 March 2016 R'000	Audited 31 March 2015 R'000
Assets		
Non-current assets	89 356	80 125
Property, plant and equipment	14 210	14 686
Intangible assets	17 702	14 000
Other financial assets	5 234	–
Goodwill	44 169	44 169
Deferred tax asset	8 041	7 270
Current assets	75 353	107 118
Inventories	12 285	12 354
Trade and other receivables	19 725	12 880
Other financial assets	6 000	36 637
Cash and cash equivalents	32 170	40 736
Taxation	5 173	4 511
Total assets	164 709	187 243
Equity and reserves	112 113	104 430
Equity attributable to Amecor shareholders	112 113	104 430
Non-current liabilities	2 158	2 286
Share-based payment	467	–
Deferred tax liability	1 691	2 286
Current liabilities	50 438	80 527
Trade and other payables	20 834	19 399
Taxation	2 104	1 128
Borrowings	27 500	60 000
Total equity and liabilities	164 709	187 243

GROUP PROVISIONAL STATEMENT OF CASH FLOWS

	Audited 31 March 2016 R'000	Audited 31 March 2015 R'000
Net inflow from operating activities	14 522	24 140
Cash generated from operations	42 097	47 549
Net finance cost	(1 900)	(4 629)
Taxation paid	(12 696)	(9 492)
Dividends paid	(12 979)	(9 288)
Net inflow/(outflow) from investing activities	18 024	(5 741)
Net outflow from financing activities	(41 112)	(451)
Movement in cash balances	(8 566)	17 948
Cash and cash equivalents at the beginning of the year	40 736	39 888
Cash included in discontinued operations		(17 100)
Cash and cash equivalents at the end of the year	32 170	40 736

STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Total share capital R'000	Accumulated profit/loss R'000	Total attributable to equity holders of the Group R'000	Non-controlling interest R'000	Total equity R'000
Balance at 1 April 2014 as restated	743	69 890	70 633	94 918	165 551	20 553	186 104
(Loss)/profit for the year	-	-	-	(51 606)	(51 606)	1 958	(49 648)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(51 606)	(51 606)	1 958	(49 648)
Purchase of own/treasury shares	-	(227)	(227)	-	(227)	-	(227)
Disposal of subsidiary	-	-	-	-	-	(21 418)	(21 418)
Dividends	-	-	-	(9 288)	(9 288)	(1 093)	(10 381)
Total contributions by and distributions to owners of the Company recognised directly in equity	-	(227)	(227)	(9 288)	(9 515)	(22 511)	(32 026)
Balance at 1 April 2015	743	69 663	70 406	34 024	104 430	-	104 430
Profit for the year	-	-	-	29 274	29 274	-	29 274
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	29 274	29 274	-	29 274
Purchase of own/treasury shares	(33)	(8 579)	(8 612)	-	(8 612)	-	(8 612)
Dividends	-	-	-	(12 979)	(12 979)	-	(12 979)
Total contributions by and distributions to owners of the Company recognised directly in equity	(33)	(8 579)	(8 612)	(12 979)	(21 591)	-	(21 591)
Balance at 31 March 2016	710	61 084	61 794	50 319	112 113	-	112 113

EARNINGS PER SHARE

		Audited 31 March 2016 R'000	Audited 31 March 2015 R'000
Earnings per share ("EPS")			
Earnings/(loss) per share			
Continuing operations			
Earnings/(loss):			
Profit/(loss) attributable to Amecor shareholders		29 274	(38 745)
Shares in issue:			
Weighted average number of shares in issue	('000)	73 280	74 210
Basic earnings/(loss) per share	(cents)	40.0	(52.2)
Diluted earnings/(loss) per share	(cents)	40.0	(52.2)
Discontinued operations			
(Loss)			
(Loss) attributable to Amecor shareholders		-	(12 861)
Shares in issue:			
Weighted average number of shares in issue	('000)	73 280	74 210
Basic (loss) per share	(cents)	-	(17.3)
Diluted (loss) per share	(cents)	-	(17.3)
Total earnings/(loss) per share			
Earnings/(loss):			
Profit/(loss) attributable to Amecor shareholders		29 274	(51 606)
Shares in issue:			
Weighted average number of shares in issue	('000)	73 280	74 210
Basic earnings/(loss) per share	(cents)	40.0	(69.5)
Diluted earnings/(loss) per share	(cents)	40.0	(69.5)

EARNINGS PER SHARE (continued)

		Audited 31 March 2016 R'000	Audited 31 March 2015 R'000
Headline earnings per share ("HEPS")			
Headline earnings/(loss) per share – continuing operations		29 634	(17 045)
Basic earnings/(loss)		29 274	(38 745)
Loss on disposal of property, plant and equipment			48
Impairment – Building			17 431
Impairment – Intangible assets		500	12 659
Taxation on above (28%)		(140)	(8 438)
Shares in issue:			
Weighted average number of shares in issue	('000)	73 280	74 210
Headline earnings/(loss) per share – continuing operations	(cents)	40.4	(23,0)
Diluted headline earnings/(loss) per share	(cents)	40.4	(23,0)
Headline earnings per share – discontinued operation		–	2 710
Basic (loss)/earnings		–	(12 861)
Loss on disposal of subsidiary		–	14 837
Impairment – Intangible assets		–	1 102
(Profit) on disposal of property, plant and equipment		–	(82)
Taxation on above (28%)		–	(286)
Shares in issue:			
Weighted average number of shares in issue	('000)	73 280	74 210
Headline earnings per share	(cents)	–	3,7
Diluted headline earnings per share	(cents)	–	3,7
Total headline earnings/(loss) per share		29 634	(14 337)
Basic earnings/(loss)		29 274	(51 606)
Loss on disposal of subsidiary		–	14 837
(Profit) on disposal of property, plant and equipment		–	(34)
Impairment – Building		–	17 431
Impairment – Intangible assets		500	13 759
Taxation on above (28%)		(140)	(8 724)
Shares in issue:			
Weighted average number of shares in issue	('000)	73 280	74 210
Headline earnings/loss per share	(cents)	40.4	(19.3)
Diluted headline earnings/(loss) per share	(cents)	40.4	(19.3)

NET ASSET VALUE ("NAV") PER SHARE

		Audited 31 March 2016 R'000	Audited 31 March 2015 R'000
Ordinary share capital and reserves	(R'000)	112 113	104 430
Total number of shares in issue net of treasury shares	('000)	70 872	74 210
NAV per share	(cents)	158.2	140.7
Tangible net asset value ("TNAV") per share			
Ordinary share capital and reserves	(R'000)	112 113	104 430
Less: Intangible assets and goodwill	(R'000)	(61 871)	(58 169)
		50 243	46 261
Total number of shares in issue net of treasury shares	('000)	70 872	74 210
TNAV per share	(cents)	70.9	62.3

SEGMENTAL ANALYSIS

	Revenue R'000	EBITDA R'000	Profit /loss attributable to Amecor shareholders R'000	Total assets R'000	Total liabilities R'000
12 months to 31 March 2016					
Security	138 091	50 050	35 027	162 291	(15 769)
Head office and management subsidiary companies	14 836	15 932	12 050	139 414	(160 538)
Intercompany elimination and consolidation	(21 648)	(19 013)	(17 803)	(136 997)	123 711
Continuing operations	131 280	46 970	29 274	164 709	(52 596)

	Revenue R'000	EBITDA R'000	Profit /loss attributable to Amecor shareholders R'000	Total assets R'000	Total liabilities R'000
12 months to 31 March 2016					
Security	115 963	35 181	14 687	134 610	(9 458)
Head Office and management subsidiary companies	15 424	(5 565)	(56 996)	147 679	(170 073)
Intercompany elimination and consolidation	(18 817)	(7 246)	(9 297)	(95 046)	96 715
Continuing operations	112 569	22 370	(51 606)	187 243	(82 816)

CORPORATE INFORMATION

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" or "the Group")

Registered Office

Amecor House, 14 Richard Road, Industria North, 1709
(PO Box 720, Florida Hills, 1716)

Directors

KA Vieira, D Colley, CH Boule (Chairman)*#, JF Evans*#, W Kirsh*, SD Shane*, C Angel* (alternate), PFC Ying*#, J Winer*, D Strydom*# (* Non-executive # Independent)

Company Secretary

Acorim Proprietary Limited

2nd Floor, North Block, Hyde Park Office Towers, Corner 6th Road and Jan Smuts Avenue, Hyde Park, Johannesburg, 2196
(PO Box 41480, Craighall, 2024)

Auditors

Grant Thornton

52 Corlett Drive, Wanderers Office Park, Illovo, 2196
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Transfer Secretaries

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