DELTA CORPORATION LIMITED

UNAUDITED ABRIDGED FINANCIAL INFORMATION FOR THE HALF YEAR ENDED 30 SEPTEMBER 2012

SALIENT FEATURES

Revenue
Increased by 18% to $299,6 million

Operating income
Grew by 41% to $57,1 million

EBITDA
Up by 39% to $70,4 million

Earnings per share
Increased by 41% to 3,50 cents

Attributable income
Increased by 42% to $42,0 million

Interim Dividend per share up 41%
Interim dividend declared per share - 1,17 cents

Investment activities
To mantain and expand operations - $36,6 million

Net borrowings
Net funding - $20,9 million

GROUP STATEMENT OF FINANCIAL POSITION

	UNAUDITED As at 30 September 2012 US$ '000	UNAUDITED As at 30 September 2011 US$ '000	AUDITED As at 31 March 2012 US$ '000
ASSETS			
Non-current assets			
Property, plant and equipment	**288 854**	248 432	268 470
Investments, loans and trademarks	**28 850**	23 239	28 133
	317 704	271 671	296 603
Current assets			
Inventories	**83 502**	63 768	77 620
Trade and other receivables	**46 390**	44 126	37 345
Cash and cash equivalents	**58 876**	13 098	55 578
	188 768	120 992	170 543
TOTAL ASSETS	**506 472**	392 663	467 146
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	**12 024**	11 849	11 927
Share premium	**20 331**	17 795	19 553
Share option reserve	**4 603**	2 960	3 553
Dividend proposed	**14 845**	9 835	14 901
Retained earnings	**242 118**	183 880	214 006
Equity attributed to equity holders of the parent	**293 921**	226 319	263 940
Non-controlling interests	**5 589**	4 463	5 129
Shareholders' equity	**299 510**	230 782	269 069
Non-current liabilities			
Long term borrowings	**61 137**	-	60 000
Deferred tax liabilities	**27 208**	22 911	27 247
	88 345	22 911	87 247
Current liabilities			
Short- term borrowings	**18 627**	39 977	21 381
Trade and other payables	**99 990**	98 993	89 449
	118 617	138 970	110 830
TOTAL EQUITY AND LIABILITIES	**506 472**	392 663	467 146
Net asset value per share (cents)	**24,51**	19,13	22,25

GROUP STATEMENT OF COMPREHENSIVE INCOME

	UNAUDITED Half year ended 30 September 2012 US$ '000	UNAUDITED Half year ended 30 September 2011 US$ '000	AUDITED Year ended 31 March 2012 US$ '000
Revenue	**299 612**	254 816	554 767
Operating income	**57 058**	40 372	98 288
Finance costs	**(3 496)**	(1 003)	(4 727)
Finance income	**2 930**	246	2 077
Gain on acquisition of associate	-	-	1 930
Share of profit of associates	**657**	574	1 725
Profit before tax	**57 149**	40 189	99 293
Income tax expense	**(14 508)**	(9 904)	(24 087)
Profit for the period/year	**42 641**	30 285	75 206
Other comprehensive income for the period/year	-	-	-
Total comprehensive income for the period/year	**42 641**	30 285	75 206
Profit for the year attributable to:			
Owners of the parent	**42 018**	29 492	73 747
Non- controlling interests	**623**	793	1 459
	42 641	30 285	75 206
Weighted average shares in issue (millions)	**1 199,0**	1 183,2	1 186,0
Earnings per share (cents)			
Attributable earnings basis	**3,50**	2,49	6,22
Fully diluted basis	**3,42**	2,41	6,03

GROUP STATEMENT OF CASH FLOWS

	UNAUDITED Half year ended 30 September 2012 US$ '000	UNAUDITED Half year ended 30 September 2011 US$ '000	AUDITED Year ended 31 March 2012 US$ '000
Cash flow from operating activities			
Operating income	**57 058**	40 372	98 288
Depreciation	**13 375**	10 147	20 372
Other non- cash items	**3 663**	3 351	13 597
Increase in working capital	**(6 432)**	(1 651)	(10 866)
Cash generated from operations	**67 664**	52 218	121 391
Net financing expense	**(566)**	(757)	(2 650)
Income taxation paid	**(12 501)**	(11 304)	(28 552)
Net cash flow from operating activities	**54 597**	40 157	90 189
Cash flow from investing activities			
Maintaining operations	**(7 906)**	(11 079)	(21 544)
Expanding operations	**(28 670)**	(23 313)	(52 208)
Decrease/ (Increase) in investments, loans and trademarks	**79**	(1 938)	(3 752)
Proceeds from disposal of property, plant and equipment	**65**	151	367
Net cash flow utilised in investing activities	**(36 432)**	(36 179)	(77 137)
Cash flow from financing activities			
Dividends paid in cash	**(14 125)**	(11 913)	(21 748)
Increase in shareholder funding	**875**	73	1 909
(Decrease)/ Increase in borrowings	**(1 617)**	15 802	57 206
Net cash flow generated from financing activities	**(14 867)**	3 962	37 367
Net increase in cash and cash equivalents	**3 298**	7 939	50 419
Cash and cash equivalents at beginning of period/ year	**55 578**	5 159	5 159
Cash and cash equivalents at end of period/ year	**58 876**	13 098	55 578
Cash flow per share (cents)	**5,56**	3,57	10,04

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	UNAUDITED Half year ended 30 September 2012 US$ '000	UNAUDITED Half year ended 30 September 2011 US$ '000	AUDITED Year ended 31 March 2012 US$ '000
Shareholders' equity at the beginning period/year	**269 069**	211 617	211 617
Share capital issued of the parent	**875**	73	1 909
Recognition of share based payments	**1 050**	720	2 085
Total comprehensive income for the period/year	**42 018**	29 492	73 747
Dividends paid:			
- Prior period/year final	**(14 125)**	(11 816)	(11 816)
- current period/year interim	-	-	(9 835)
Earnings attributable to non- controlling shareholders	**623**	793	1 459
Dividend paid to non- controlling shareholders	-	(97)	(97)
Shareholders' equity at the end of the period/year	**299 510**	230 782	269 069
Attributable to:			
Owners of the parent	**293 921**	226 319	263 940
Non-controlling interests	**5 589**	4 463	5 129
	299 510	230 782	269 069

SUPPLEMENTARY INFORMATION

	UNAUDITED Half year ended 30 September 2012 US$ '000	UNAUDITED Half year ended 30 September 2011 US$ '000	AUDITED Year ended 31 March 2012 US$ '000
1. Revenue			
Gross sales	**348 836**	301 265	653 938
Less VAT and discounts	**(49 224)**	(46 449)	(99 171)
Revenue	**299 612**	254 816	554 767
Less excise	**(39 340)**	(36 332)	(74 860)
Net Sales	**260 272**	218 484	479 907
2. Depreciation of property, plant and equipment	**13 375**	10 147	20 372
3. Taxation			
Current income tax expense	**13 308**	9 804	19 651
Deferred tax - Arising during current year	**1 200**	100	4 436
	14 508	9 904	24 087
4. Commitments for capital expenditure			
Contracts and orders placed	**22 000**	8 008	16 544
Authorised by directors but not contracted	**21 000**	36 340	63 456
	43 000	44 348	80 000

The capital expenditure is to be financed out of the Group's own resources and existing facilities.

5. Currency of reporting
The financial statements reflect United States Dollars. This is the functional currency of the Group.

6. Accounting policies
Accounting policies are consistent with those used in the previous year with no significant impact arising from new and revised International Financial Reporting Standards applicable for the period ended 30 September 2012.

DELTA CORPORATION LIMITED

THE FUTURE IS IN OUR BRANDS

COMMENTARY

INTRODUCTION

I am pleased to report to you a very strong set of results for the first half. Our brands continue to be received well in the market and operational efficiency is improving. Investment in the business is ongoing.

VOLUME AND OPERATIONS REPORT

Lager volumes grew by 9% compared to last year. Premium brands continued to lead the growth supported by focused brand investments. To buttress this growth and remove supply constraints, a new bottling line was commissioned in October 2012 in time to make a contribution to the festive season demand.

Sparkling beverages are up 11% on last year with the premium convenience packages leading the growth. A new PET bottling line is under installation in Bulawayo for commissioning by the end of November.

Sorghum beer volumes are 8% down on last year. The sluggish performance was particularly noticeable in the traditionally vibrant cotton growing areas.

FINANCIAL RESULTS

Revenue grew by 18% as a result of higher volumes on lagers and sparkling beverages, price corrections on the sorghum business and increased contribution of our premium brands.

Operating income grew by 41% while the operating margin improved from 18,5% last year to 22% spurred by the favourable mix of premium products and operational efficiency.

Cash generated from operations was $67,7 million an increase of $15,4 million over last year. Net debt has remained within plan at $20,9 million. Capital expenditure amounted to $36,6 million, notable projects being the lager beer packaging line in Harare and the installation of a PET line at the re-opened Bon Accord soft drinks facility in Bulawayo.

DIRECTORATE

Mr G J van den Houten retired from Board on 27 July 2012 and was replaced by Mr J A Kirby on the same date.

DIVIDEND

The Board has declared an interim dividend of US1,17cents per share to be paid to shareholders on 12 December 2012.

FUTURE PROSPECTS

The increased capacity in the sparkling and lager beverage businesses will place us in a position to fully avail our product range during the forthcoming festive period and beyond. The challenges being experienced with water and electricity will be managed in order to deliver our targeted results in the remainder of the year.

The nation appears to be headed for the delivery of a new constitution, a referendum and general elections. This may have an impact on the business environment.

DELTA CORPORATION LIMITED

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