

Invicta Holdings Limited
Registration number 1966/002182/06
Share code: IVT | ISIN: ZAE00029773
Preference share code: IVTP | ISIN: ZAE000173399
("Invicta" or the "Company" or the "Group")

UNAUDITED CONDENSED CONSOLIDATED RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

Financial highlights

Revenue
R5,28 billion
Increased 5%

Operating profit before
foreign exchange movements
R403 million
Decreased 11%

Profit attributable to ordinary
shareholders before specific taxation
expense*
R209 million
Decreased 20%

Headline earnings per share before
specific taxation expense*
189 cents
Decreased 17%

Headline earnings per share after
specific taxation expense*
2 cents
Decreased 99%

*Pro forma

Revenue
(R billion)

SEP 2016	4,7
SEP 2017**	5,0
SEP 2018	5,3

Segment operating profit before
foreign exchange movements
(R million)

SEP 2016	ESG	CEG
	241	219
SEP 2017	ESG	CEG
	202	218
SEP 2018	ESG	CEG
	208	187

Earnings per share
(cents)

SEP 2016*	Operations	
	242	
SEP 2017**	Operations	
	244	
SEP 2018	Operations	Specific taxation expenses
	8	187

Profit before taxation
(R million)

SEP 2016*	367
SEP 2017**	400
SEP 2018	368

Net interest - bearing debt: equity
(%)

SEP 2016	34
SEP 2017	29
SEP 2018	30

Ordinary dividends paid
(cents)

SEP 2016	72
SEP 2017	69
SEP 2018	50

*Restated

** Re-presented

Executive review of our performance

Overview of the period

The Invicta Group has managed to grow revenue in a tough environment by a commendable 5%.

As world economic and currency volatility continues to dominate, the Group continues to consolidate and strengthen its operations in the key market sectors in which it operates.

Group performance

Operational overview

Operations comprise:

- ESG (Engineering Solutions Group) - distributor of engineering products (e.g. bearings, belts, tools, electric motors, hydraulics etc.), technical services and solutions.
- CEG (Capital Equipment Group) - distributor of agricultural machinery, construction and earthmoving machinery, forklifts and related spare parts, including Kian Ann Engineering, which is based in Singapore.

Revenue has grown by a commendable 5% to R5,28 billion and operating profit before foreign exchange costs declined by 11% to R403 million for reasons detailed below.

Shareholders are referred to a SENS announcement on 27 September 2018, wherein shareholders were advised that settlement had been reached with the South African Revenue Service ("SARS"), in terms of which Invicta would pay a total amount of R750 million in respect of a taxation dispute, over the course of four years. This resulted in Invicta raising an additional specific taxation expense of R200 million during the current financial year, which fell into the period under review, resulting in the settlement amount being fully provided for at 30 September 2018.

Despite the additional specific taxation expense, the Group still managed to post a profit for the period of R58 million. Excluding this specific taxation expense, the headline earnings would have been R202 million, 17% lower than the comparative period, which is reflective of the challenging domestic environment.

Cash and cash equivalents at the end of the reporting period were healthy at R1 billion, up 99% from the comparative period.

Cash generated by operations of R91 million was R20 million down on the comparative period.

Pro forma financial information

The pro forma financial information below has been prepared for illustrative purposes only to provide information on how the specific taxation expense has impacted the financial results of the Group. Because of its nature, the pro forma financial

information may not be a fair reflection of the Group's results of operation, financial position, changes in equity or cash flows.

The underlying information used in the preparation of the pro forma financial information has been prepared using the accounting policies that comply with International Financial Reporting Standards. These are consistent with those applied in the unaudited condensed consolidated results for the period ended 30 September 2018.

No other adjustments have been made to the pro forma financial information.

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements.

The effect of the specific taxation expense on our condensed consolidated statement of profit or loss and other comprehensive income is as follows:

Re-presented		30 Sep	30	
Sep		%	2018	
2017		Note	Change	R '000
R '000				
Profit before taxation		1	(8)	368 416
231				400
Current taxation		2		(110 322)
688)				(84
Profit for the period, before specific taxation expense			(18)	258 094
543				315
Profit attributable to non-controlling interest		1		(7 956)
487)				(12
Profit attributable to preference shareholders		1		(41 426)
405)				(42

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Profit attributable to owners of the Company, before specific

taxation expense		(20)	208 712	260
651				
Specific taxation expense	3		(200 000)	
-				
Profit attributable to owners of the Company	1	(97)	8 712	260
651				
Shares in issue ('000)			106 953	106
953				
Headline earnings per share, before specific taxation expense (cents)		(17)	189	
227				
Specific taxation expense (cents)			(187)	
-				
Headline earnings per share, after specific taxation expense (cents)	4	(99)	2	
227				

Notes:

1. As per the condensed consolidated statement of profit or loss and other comprehensive income for the period ended
30 September 2018.
2. Current taxation expense excluding the specific taxation expense.
3. Being the specific taxation expense as explained in this announcement.
4. Per share calculation is based on adjusted profit.

Discontinued operations

Last year, the BSG division (consisting of the MacNeil and Tiletoria group of companies) was sold, effective 30 September 2017.

Shareholders are referred to a SENS announcement in this regard dated 10 October 2017, wherein it was noted that the purchase consideration was subject to a potential further maximum adjustment of R84 million (60% of which will be attributable to Invicta), up or down, based on the EBITDA of BSG for the financial year ending 30 September 2018. Invicta has

not had any formal communication from BSG in this regard. Shareholders will be advised of the outcome of this when it has been finalised.

MacNeil Plastics is no longer accounted for as held for sale and has consequently been reconsolidated into the statement of profit and loss for all periods. However, in terms of IFRS, in the statement of financial position, the assets and liabilities are reflected as held for sale in the comparative periods. The relevant amounts are not material - net asset value in the comparative period was R64 million.

ESG

The Engineering Solutions Group (ESG) has had a strong half year against the back drop of a still relatively uncertain industrial and mining sector. Revenue grew by a more than respectable 13% to R2,56 billion as the acquisition of Fenner gained traction and the core consumables business performed strongly.

Operating profit before foreign exchange movements grew by 3% to R208 million due to a lower gross profit as a result of currency and market related pricing pressures.

The consolidation of the central warehouse and logistics hub continues to take central focus with inventory efficiencies set to come through by year end. As world demand for commodities and industrial product has increased, lead times from suppliers have moved out substantially, resulting in larger stock holdings to compensate for this, which has offset efficiencies achieved through the BMG World facility in Johannesburg. This is, however, getting the attention of management and a plan to reduce inventories is in place.

The acquisition of the Forge Industrial Group (comprising Toolquip and Allied, F & H Machine Tools and Belt Brokers), with

effect from 3 September 2018, is in the process of being bedded down and all integration expenditure is expected to be concluded by the financial year end. Contribution to revenue from these businesses is expected to be R400 million per annum.

CEG

CEG struggled to maintain the strong performance levels achieved in the prior comparative period with revenue declining by 1,5% to R2,52 billion.

Operating profit before foreign exchange movements declined by 14% to R187,2 million, mainly as a result of poor conditions in the domestic capital equipment sector, particularly with low demand for large kW tractors and combine harvesters in the agricultural sector and low expenditure on infrastructure, which affected the earthmoving and construction machinery divisions. It is also worth remembering that CEG relinquished the New Holland agricultural machinery agency with effect from 1 June 2017. As a result the comparative period's revenue includes related revenue from New Holland products for two months. Overheads increased abnormally due to increased provisions being raised in CEG on used agricultural equipment stock as well as on implementing increased debtor provisioning.

CEG continued to hold strong cash balances throughout the period, which has helped it further contribute to the Group's interest income.

Kian Ann continues to perform well and has again performed above the prior period at both the revenue and operating profit level, as the world market and world economic activity tracks ahead of South Africa.

Strategic focus and prospects

The Group's strategic focus remains unchanged: maximizing current operations, ensuring good cashflows and all the

while
seeking suitable acquisitions.

The management and board of Invicta have taken a decision to shelve the delisting of Invicta and simultaneous inward listing of Invicta Global Holdings Plc ("Invicta Global") on the Johannesburg Stock Exchange, whereby Invicta Global would have acquired all of the ordinary and preference shares in Invicta, in return for the issue of the equivalent (i.e. one for one) number of ordinary and preference shares in Invicta Global.

This decision was taken given the current domestic and international micro and macro-economic climate, including *inter alia*, the uncertainty around Brexit, unstable global trade and market volatility. The board feels that it is in the best interests of the company and its shareholders to shelve the above process until conditions have improved. This will, however, not stop the Group from its global growth strategy and it will continue to expand its operations internationally.

The Group remains resolute in its efforts to produce results above market benchmarks and its competitors. Trading conditions in South Africa are expected to remain challenging for the next 12 months until after the general election in May next year.

The businesses that make up the Group have strong fundamentals and enjoy significant competitive advantage. Management will continue to consolidate the strengths of the current businesses that make Invicta one of the leading suppliers of industrial consumable products, capital equipment and spare parts in southern Africa and South East Asia.

Any forward looking statement in this announcement has not been reviewed nor reported on by the Company's auditors.

Changes to the board and board committees

The board is pleased to announce that Mr. LR Sherrell has been appointed to the audit committee on a temporary

basis with effect from 16 November 2018. The board is in the process of appointing a new independent non-executive director to serve on the audit committee, which will bring its composition back in line with the recommendations of King IV. Ms. R Naidoo resigned effective 25 September 2018 as an independent non-executive director.

Dividend policy

The board further advises that it has declared an ordinary dividend of 50 cents per share, consistent with the prior dividend payment. The normal dividend policy of a dividend cover ratio of 3.5 times at interim results, adjusted to 2.75 times at year-end, is expected to resume by year-end, contingent upon Group cashflows.

Appreciation

The board is cognizant of the challenging economic and operational environments in which the Group operates and wishes to thank all management and staff once again for the dedication and perseverance in getting the job done.

The board is confident that, with the strengths the Group possesses and the strategic decisions that the board will take, the Group will continue to deliver sustainable value to all stakeholders.

Condensed consolidated statement of profit or loss and other comprehensive income

	Unaudited six months ended	Year ended	Re-presented	Year
Re-presented				
Mar	30 Sep	30 Sep	31	
2018	%	2018	2017	
	change	R '000	R '000	

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R'000				
Revenue	5	5 284 191	5 040 650	9 994
103				
Gross profit	1	1 554 970	1 464 017	3 041
222				
Operating profit before foreign exchange movements	(11)	403 268	452 680	947
897				
Net foreign exchange (cost)/profit	(3 111)		5 072	(71
421)				
Operating profit	(13)	400 157	457 752	876
476				
Interest received and dividends received from financial				
investments		74 476	409 287	824
588				
Interest paid		(110 407)	(468 997)	(947
769)				
Share of profits of associates		4 190	2 189	13
593				
Profit before taxation	(8)	368 416	400 231	766
888				
Taxation		(310 322)	(84 688)	(535
623)				
Profit for the period		58 094	315 543	231
265				
Other comprehensive income				
Items that will be reclassified subsequently to profit or				
loss:				
Exchange differences on translating capitalised loans		(515)	3 578	(2
923)				
Exchange differences on translating foreign operations		181 122	65 403	(69
058)				
Total comprehensive income for the period		238 701	384 524	159

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284

Profit attributable to:

Owners of the Company	8 712	260 651	126
215			
Non-controlling interest	7 956	12 487	20
993			
Preference shareholders	41 426	42 405	84
057			
	58 094	315 543	231
265			

Total comprehensive income attributable to:

Owners of the Company	184 150	327 260	55
833			
Non-controlling interest	13 125	14 859	19
394			
Preference shareholders	41 426	42 405	84
057			
	238 701	384 524	159
284			
Earnings per share (cents)	(97)	8	244
118			
Diluted earnings per share (cents)	(97)	8	244
118			

* Re-presented - refer to page 11 for further detail.

Condensed consolidated headline earnings and
earnings per share

Unaudited six months ended

Audited

year

ended

30 Sep

30 Sep

31

Mar

	Invicta SENS 161118	%	2018	2017
2018		change	R '000	R '000
R '000				
Determination of headline earnings				
Attributable earnings			8 712	260 651
215				126
- Impairment of investment in associate(s)			1 588	-
-				
- Gain from bargain purchase price recognised			(3 639)	-
-				
- Profit on disposal of investments			-	(24 439)
440)				(24
- Profit on disposal of other assets			(649)	(278)
(326)				
- Net profit on disposal of property, plant and equipment			(5 238)	(2 163)
335)				(13
- Impairment of goodwill			-	-
767				4
- Reversal of impairment of loans			-	(297)
-				
Total adjustments before taxation and non-controlling				
interest			(7 938)	(27 177)
334)				(33
Taxation			1 290	9 251
532				11
Total adjustments			(6 648)	(17 926)
802)				(21
Headline earnings			2 064	242 725
413				104
Headline earnings per share (cents)			(99)	2
98				227
Weighted average ('000)			106 953	106 953
953				106

	Invicta SENS 161118	108 495	108 495	108
At the end of the period ('000)				
495				
Headline earnings per share (cents)	(99)	2	227	
98				
Earnings per share (cents)	(97)	8	244	
118				
Dividends per share* (cents)		50	69	
119				
- Interim	(28)	50	69	
69				
- Final	-	-	-	
50				

* In accordance with IAS 10 (Events After The Reporting Period), the final interim dividend of 50 cents per share proposed by the directors has not been reflected in the final results as it had not been declared at the end of the period.

Condensed consolidated statement of financial position

	Unaudited six months ended			
		year		
Audited				
ended				
Mar	30 Sep	30 Sep	31	
2018	2018	2017		
R '000	R '000	R '000		
ASSETS				
Non-current assets	3 106 728	8 582 259	2 928	
453				
Property, plant and equipment	1 879 999	1 728 490	1 720	
797				
Financial investments and investment in associates	120 765	2 193 603	119	
184				

	Invicta SENS 161118			
Goodwill and other intangible assets	834 528	765 999	835	
624				
Financial assets, finance lease and long-term receivables	54 272	3 718 675	52	
979				
Deferred taxation	217 164	175 492	199	
869				
Current assets	8 634 878	7 775 658	7 228	
414				
Inventories	4 464 861	3 960 585	3 917	
689				
Trade and other receivables	2 262 473	2 089 355	1 620	
016				
Current portion of financial investments, finance leases and long-				
term receivables	678 371	875 421	648	
138				
Taxation prepaid	8 948	13 985	25	
236				
Bank and cash balances	1 220 225	836 312	1 017	
335				
Assets classified as held for sale	-	173 519	157	
978				
Total assets	11 741 606	16 531 436	10 314	
845				
EQUITY AND LIABILITIES				
Capital and reserves	5 253 570	5 425 915	5 089	
771				
Equity attributable to the equity holders	5 141 986	5 342 435	4 990	
298				
Non-controlling interest	111 584	83 480	99	
473				
Non-current liabilities	1 949 454	7 198 334	1 685	
318				
Long-term borrowings and financial liabilities	1 895 252	7 159 719	1 647	
231				

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Deferred taxation	54 202	38 615	38
087			
Current liabilities	4 538 582	3 797 313	3 422
064			
Trade, other payables and provisions	2 451 117	2 244 064	1 862
731			
Share appreciation rights liability	21	4 357	
851			
Taxation liabilities	800 246	195 722	583
170			
Shareholders for dividends	41 489	41 485	48
995			
Current portion of long-term borrowings	1 094 288	1 012 910	755
900			
Bank overdrafts	151 421	298 775	170
417			
Liabilities associated with assets held for sale	-	109 874	117
692			
Total liabilities	6 488 036	11 105 521	5 225
074			
Total equity and liabilities	11 741 606	16 531 436	10 314
845			

Condensed consolidated statement of changes in equity

Unaudited six months ended

Audited

year

ended

30 Sep

30 Sep

31

Mar

2018

2017

2018

R'000

R'000

R'000

Share capital, share premium and preference share capital

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Share capital	5 424	5 424	5
424			
Share premium	2 653 152	2 653 151	2 653
151			
Treasury shares - Balance at the beginning of the period	(68 057)	(68 057)	(68
057)			
Treasury shares - Movement for the period	(18 650)	-	
-			
Treasury shares - Balance at the end of the period	(49 407)	(68 057)	(68
057)			
Preference shares	750 000	750 000	750
000			
Balance at the beginning of the period	1 635 776	1 730 052	1 730
052			
Other comprehensive income	50 139	303 055	210
272			
Other reserve movements	757	(42 259)	(42
269)			
Ordinary and preference dividends paid	(94 995)	(143 769)	(262
279)			
Balance at the end of the period	1 591 677	1 847 079	1 635
776			
Other reserves			
Balance at the beginning of the period	14 004	45 457	45
457			
Share appreciation rights issued	1 899	677	2
031			
Non-controlling interest arising on acquisitions and purchases of			
non-controlling interests	-	-	(5
976)			
Other reserve movements	(200)	42 095	42
874			
Other comprehensive income-translation of foreign operations	175 438	66 609	(70
382)			
Balance at the end of the period	191 140	154 838	14

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004				
Attributable to equity shareholders	5 141 986	5 342 435	4 990	
298				
Non-controlling interest				
Balance at the beginning of the period	99 473	152 084	152	
084				
Other comprehensive income	13 125	14 859	19	
394				
Transfer from non-distributable and other reserve movements	2	-		
-				
Non-controlling interest arising on acquisitions and purchases of non-controlling interests	-	(1 092)	10	
232				
Disposal of subsidiary	-	(81 932)	(81	
567)				
Ordinary and preference dividends paid (670)	(1 016)	(439)		
Balance at the end of the period	111 584	83 480	99	
473				

Condensed consolidated statement of cash flows

Unaudited six months ended

Audited

year

ended

30 Sep 30 Sep 31

Mar

2018 2017

2018

R '000 R '000

R '000

Cash flows from operating activities

Cash generated from operations

91 125 111 141 427

531

	Invicta SENS 161118			
Finance costs 487)	(110 407)	(468 328)	(977	
Dividends paid to Group shareholders and non-controlling interest 547)	(103 516)	(152 316)	(263	
Taxation paid 206)	(79 578)	(57 187)	(163	
Interest and dividends received 799	74 476	409 287	841	
Net cash outflow from operating activities 910)	(127 900)	(157 403)	(134	
Cash flows from investing activities				
Proceeds on sale of property, plant and equipment and other				
intangible assets 265	47 283	15 869	51	
Additions to property, plant and equipment 938)	(100 471)	(130 442)	(258	
Additions to intangible assets 617)	(2 095)	(6 879)	(26	
Acquisition of subsidiaries and associates 484)	(171 782)	-	(99	
Disposal of subsidiary -	-	174 505		
Dividend received from associate -	4 479	-	-	
Proceeds on sale of subsidiaries 776	-	-	-	503
Net decrease/(increase) in long-term receivables and finance				
lease receivables 924)	6 175	(236 516)	(421	
Net decrease/(increase) in financial investments 731)	4	(104 081)	(212	
Net (increase)/decrease in current portion of financial				

	Invicta SENS 161118			
investments and long-term and finance lease receivables 109	(30 336)	(124 174)	103	
Net cash outflow from investing activities 544)	(246 743)	(411 718)	(361	
Cash flows from financing activities				
Increase in long-term borrowings 594	221 140	320 542	844	
Net cash outflow on financial transaction 129)	-	-	(5	
Non-controlling interest arising on issue of shares 201	-	-	12	
Increase/ (decrease) in current portion of long-term borrowings and financial liabilities 183)	343 848	77 854	(172	
Acquisition of non-controlling interest 453)	-	(1 275)	(6	
Net cash inflow from financing activities 030	564 988	397 121	673	
Net increase/(decrease) in cash and cash equivalents 576	190 345	(172 000)	176	
Cash and cash equivalents at the beginning of the period 081	858 102	701 081	701	
Effect of foreign exchange rate movement on cash balance 555)	20 357	6 590	(19	
Cash and cash equivalents at the end of the period 102	1 068 804	535 671	858	
Cash and cash equivalents				
Bank and cash balances 335	1 220 225	836 312	1 017	
Bank overdrafts 417)	(151 421)	(298 775)	(170	
Cash and cash equivalents 918	1 068 804	537 537	846	

	Invicta SENS 161118	-	(1 866)	11
Cash and cash equivalents classified as available for sale				
184				
Total 102	1 068 804		535 671	858

Other information

	Unaudited six months ended		
Audited	30 Sep	30 Sep	31
ended			year
Mar			
2018	2018	2017	
Net interest-bearing debt:equity ratio (excluding long-term debt secured by investments and loans) (%)	30%	29%	
27%			
Depreciation and amortisation (R'000)	69 137	60 839	141
137			
Net asset value per share (cents)	4 842	4 924	4
691			
Tangible net asset value per share (cents)	4 073	4 218	3
921			
Capital expenditure (R'000)	100 471	130 442	258
938			
Capital commitment (R'000)	49 407	148 621	20
568			

Segment information

Unaudited six months ended 30 September

	Group,		
	financing	Total	
	Engineering	Capital	and other
			continuing Discontinued

Total operations R'000 2018	Invicta SENS 161118				
	Solutions R'000	Equipment R'000	operations R'000	operations R'000	Operations R'000
Segment revenue 5 284 191	2 563 725	2 516 832	203 634	5 284 191	-
Segment operating profit before foreign exchange movements 403 268	207 776	187 191	8 301	403 268	-
Segment assets 11 741 606	3 713 028	4 461 911	3 566 667	11 741 606	-
Segment liabilities 6 488 036	1 132 662	1 746 003	3 609 371	6 488 036	-
2017					
Segment revenue* 5 773 356	2 270 321	2 555 507	214 822	5 040 650	732 706
Segment operating profit before foreign exchange movements* 446 205	202 414	217 998	7 829	428 241	17 964
Segment assets 16 531 436	2 889 938	4 417 641	9 050 338	16 357 917	173 519
Segment liabilities 11 105 521	754 546	1 809 263	8 431 838	10 995 647	109 874
			Year ended	31 March	
2018					
Segment revenue* 10 743 537	4 558 638	5 073 506	361 959	9 994 103	749 434
Segment operating profit before foreign exchange movements* 960 173	478 700	451 746	17 451	947 897	12 276

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Segment assets	3 135 526	3 846 958	3 174 383	10 156 867		157 978
10 314 845						
Segment liabilities	814 839	1 437 370	2 855 173	5 107 382		117 692
5 225 074						

* Re-presented - refer to page 12 for further detail.

Notes to the financial information

Basis of preparation

The Group's condensed consolidated interim financial statements (results) are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, the requirements of the Companies Act applicable to condensed financial statements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and contain information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the results are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the Group's previous consolidated annual financial statements. All accounting policies effective for the 2019 financial year onwards were applied in the preparation of the Group results.

Prepared by

These unaudited condensed consolidated results have been prepared under the supervision of Ms. Nazlee Rajmohamed CA(SA), the Group Financial Director.

Events after the reporting date

There were no events to report on after the reporting period to the date of this report.

Reconciliation of profit before taxation to cash generated from operations

Unaudited six months ended Audited

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	30 Sep	30 Sep	31 Mar
	2018	2017	2018
	R '000	R '000	R '000
Profit before taxation	368 416	399 085	767 650
Adjusted for:			
Depreciation and amortisation	69 137	69 770	141 137
Impairment of assets	-	(279)	4 767
Net profit on disposal of assets	5 706	(24 865)	(37 707)
Loss on realisation of financial transaction	-	-	20 002
Finance costs	110 407	468 328	977 487
Interest and dividend received	(74 476)	(409 287)	(841 799)
Net share of profits of associate	(4 190)	(2 189)	(13 657)
Other non-cash items	7 607	(409)	(4 957)
Cash generated before movements in working capital	482 607	500 154	1 012 923
Working capital changes	(391 482)	(389 013)	(585 392)
Increase in inventories	(297 418)	(283 737)	(266 303)
Increase in trade and other receivables	(521 147)	(275 782)	(146 943)

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Increase/(decrease) in trade and other payables and provisions	427 083	170 506	(172 146)
Cash generated from operations	91 125	111 141	427 531

Re-presentation of discontinued operations

The MacNeil Plastics business ("the business") was classified and accounted for as held for sale for the reporting periods ended 30 September 2017 and 31 March 2018. The sale of the business is subsequently no longer viewed as highly probable and as a result the business has not been classified as a disposal company held for sale for the reporting period ended 30 September 2018.

The results of the business previously presented in discontinued operations have been re-presented in accordance with IFRS 5 (par 36) and the impact on the reported financial results has been disclosed below:

Condensed consolidated statement of profit or loss and other comprehensive income

	As previously reported	Re-presented	
		amount	As re-presented
30 September 2017	R '000	R '000	R '000
Revenue	4 856 553	184 097	5 040 650
Gross profit	1 433 392	30 625	1 464 017
Operating profit before foreign exchange movement	450 864	1 816	452 680
Net foreign exchange profit	5 072	-	5 072

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Operating profit	455 936	1 816	457 752
Interest received and dividends received from financial investments	409 287	-	409 287
Interest paid	(468 327)	(670)	(468 997)
Share of profit/(losses) of associates	2 189	-	2 189
Profit before taxation	399 085	1 146	400 231
Taxation	(85 280)	592	(84 688)
Profit for the period	313 805	1 738	315 543
Discontinued operations			
Profit for the period from discontinued operations	1 738	-	-
Profit for the period	315 543	1 738	315 543
Earnings per share from continuing operations (cents)	242	2	244
	As previously reported	Re-presented amount	As re-presented
31 March 2018	R '000	R '000	R '000
Revenue	9 639 807	354 296	9 994 103
Gross profit	2 979 073	62 149	3 041 222
Operating profit before foreign exchange movement	940 275	7 622	947 897

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Net foreign exchange profit	(71 421)	-	(71 421)
Operating profit	868 854	7 622	876 476
Interest received and dividends received from financial investments	824 563	25	824 588
Interest paid	(947 091)	(678)	(947 769)
Share of profit/(losses) of associates	13 593	-	13 593
Profit before taxation	759 919	6 969	766 888
Taxation	(536 351)	728	(535 623)
Profit for the period	223 568	7 697	231 265
Discontinued operations			
Profit for the period from discontinued operations	7 697	-	-
Profit for the period	231 265	7 697	231 265
Earnings per share from continuing operations (cents)	111	7	118
Segment information			
	As previously reported	Re-presented amount	As re-presented
30 September 2017	R '000	R '000	R '000

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Segment revenue	30 725	184 097	214 822
Group, financing and other operations	30 725	184 097	214 822
Discontinued operations	916 803	(184 097)	732 706
Total operations	5 773 356	-	5 773 356
Segment operating profit before foreign exchange movements			
Group, financing and other operations	6 013	1 816	7 829
Discontinued operations	19 780	(1 816)	17 964
Total operations	446 205	-	446 205
	As previously reported	Re-presented amount	As re-presented
31 March 2018	R '000	R '000	R '000
Segment revenue			
Group, financing and other operations	7 663	354 296	361 959
Discontinued operations	1 103 730	(354 296)	749 434
Total operations	10 743 537	-	10 743 537
Segment operating profit before foreign exchange movements			
Group, financing and other operations	9 829	7 622	17 451
Discontinued operations	19 898	(7 622)	12 276

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Total operations	960 173	-	960 173

Acquisitions of subsidiaries and businesses

The significant acquisition undertaken in the current reporting period was the acquisition of the Forge Industrial Group (comprising Toolquip and Allied, F&H Machine Tools and Belt Brokers) which was effective 3 September 2018. A summary of the financial impact of the acquisitions is disclosed below:

	Unaudited six months ended	Audited
		year ended
	30 Sep	30 Sep
	2018	2017
	R '000	R '000
		R '000
Fair value of net assets acquired:		
Non-current assets	17 589	-
Current assets	239 829	-
Non-current liabilities	(1 289)	-
Current liabilities	(64 322)	-
Net tangible asset value	191 807	-
Fair value of net assets acquired	191 807	-
Bank and cash	(16 386)	-
		187

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Net fair value of net assets acquired	175 421	-	46 972	
Cash outflow on acquisitions	171 782	-	99 484	
Fair value of net assets acquired	(175 421)	-	(46 972)	
Total goodwill	-	-	52 512	
Total gain from bargain purchase price	(3 639)	-	-	

Fair value disclosure

The following is an analysis of the financial instruments that are measured subsequent to initial recognition at fair value.

They are grouped into levels 1 to 3 based on the extent to which the fair value is observable.

The levels are classified as follows:

Level 1 - fair value is based on quoted prices in active markets for identical financial assets or liabilities

Level 2 - fair value is determined using directly observable inputs other than Level 1 inputs

Level 3 - fair value is determined on inputs not based on observable market data

	Unaudited six months ended 30 September			
	2018	and key inputs	Valuation technique(s)	
			Level 1	Level 2
Financial assets at fair value				Level 3
FirstRand Bank Bonds	587 197	2	587 197	-
Forward exchange contract asset	10 081	1	10 081	-
Financial liabilities at fair value				
Foreign trade payables	1 293 349	3	-	1 293 349

Foreign exchange contract liability	-	1	-	-
Unaudited six months ended 30 September				
	2017	Valuation technique(s) and key inputs	Level 1	Level 2
Level 3				
Financial assets at fair value				
FirstRand Bank Bonds	843 300	2	843 300	-
Forward exchange contract asset	9 955	1	9 955	-
-				
Financial liabilities at fair value				
Foreign trade payables	1 459 366	3	-	1 459 366
Forward exchange contract liability	-	1	-	-
-				
Audited year ended 31 March				
	2018	Valuation technique(s) and key inputs	Level 1	Level 2
Level 3				
Financial assets at fair value				
FirstRand Bank Bonds	588 241	2	588 241	-
Forward exchange contract asset	144	1	144	-
-				
Financial liabilities at fair value				
Foreign trade payables	998 139	3	-	998 139
-				

Foreign exchange contract liability	31 112	1	31 112	-
-				

Valuation technique(s) and key inputs:

1. Discounted contractual stream of payments using the zero swap curve at the valuation date.
2. Expected settlement value.
3. Determined by the spot rate at year-end.

There have been no transfers between the levels during the financial period disclosed.

Preference share cash dividend

Notice is hereby given that the Directors of the Company have declared a gross cash dividend on 12 November 2018 of

478.03767 (06 November 2017: 450.20) per preference share for the period from Tuesday, 5 June 2018 to Monday, 12 November 2018. Dividends are to be paid out of distributable reserves.

- Dividends tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from the DT;
- Accordingly, shareholders who are not exempt from DT will receive a net dividend of 382.43014 cents per preference share;
- Invicta Holdings Limited has 7 500 000 preference shares in issue; and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/6.

The salient dates for the preference share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 4 December 2018
Shares commence trading "ex" dividend	Wednesday, 5 December 2018
Record date	Friday, 7 December 2018
Payment date	Monday, 10 December 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 December 2018 and Friday, 7 December 2018, both days inclusive.

Ordinary share cash dividend

Notice is hereby given that the Directors of the Company have declared a gross cash dividend of 50 cents per ordinary share for the period ended 30 September 2018. Dividends are to be paid out of distributable reserves. Dividend tax (DT) of 20% will be withheld in terms of the Income Tax Act for those shareholders who are not exempt from DT. In accordance with paragraphs 11.17(1)(i) and 11.17(c) of the JSE Listings Requirements, the following additional information is disclosed:

- The gross local dividend amount is 50 cents per ordinary share for shareholders exempt from the Dividend Tax;
- The net local dividend amount is 40 cents per ordinary share for shareholders liable to pay the Dividend Tax;
- Invicta Holdings Limited has 108 494 738 ordinary shares in issue (which includes 1 541 823 treasury shares); and
- Invicta Holdings Limited's income tax reference number is 9400/012/03/06.

The salient dates for the ordinary share cash dividend will be as follows:

Last day of trade to receive a dividend	Tuesday, 4 December 2018
Shares commence trading "ex" dividend	Wednesday, 5 December 2018
Record date	Friday, 7 December 2018
Payment date	Monday, 10 December 2018

Share certificates may not be dematerialised or rematerialised between Wednesday, 5 December 2018 and Friday, 7 December 2018, both days inclusive.

By order of the board

L Dubery
Group company secretary

Cape Town
15 November 2018

Administrative and corporate information

Registered office: Invicta Holdings Limited, 3rd Floor, Pepkor House, 36 Stellenberg Road, Parow Industria, 7493.

Invicta SENS 161118

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Tel: 011 370 5000 www.computershare.com

Sponsor: Deloitte & Touche Sponsor Services Proprietary Limited, Deloitte Place, Building 8, The Woodlands, 20 Woodlands Drive, Woodmead, Johannesburg, 2196

Directors: Dr CH Wiese* (Chairman), A Goldstone (Chief Executive Officer), C Barnard, B Nichles*, GM Pelser, N Rajmohamed, DI Samuels^, LR Sherrell*, AM Sinclair, RA Wally^, Adv JD Wiese*

* Non-executive ^ Independent non-executive

Group company secretary: L Dubery

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