

Dicker Data Limited

ABN: 95 000 969 362

Appendix 4D and
Interim Financial Report
Half-year ended 31 DECEMBER 2011

Results for announcement to the market

Dicker Data Limited

ABN 95 000 969 362

Reporting period:

Half-year ended 31 December 2011

Previous Corresponding Period:

Half-year ended 31 December 2010

Results

	Movement			Dec-11 (in 000's)
Revenues from ordinary activities	Up	47.5%	to	\$221,737
Net profit before tax	Up	299.6%	to	\$5,229
Net profit after tax attributable to members	Up	297.5%	to	\$3,669

Dividends

	Amount Per Security	Franked Amount
Current period		
Final Dividend 2011	\$ 0.0200	100%
Interim Dividend 2012	\$ 0.0093	100%

Brief explanation of the figures reported above

Refer to the attached Interim Financial Report and Directors' Report for commentary on half-year results.

Net tangible assets per security

	Current period	Previous Period
Net tangible assets per security	\$ 0.13	\$ 0.13

Compliance Statement

This report is based on financial statements which have been reviewed by the auditor, copies of which are attached.

Signed:



David Dicker

CEO

Dated: 22 February 2012

Director's Report

Your directors submit the financial report of the company for the half-year ended 31 December 2011.

Directors

The names of the directors who held office during or since the end of the half-year:

David John Dicker
Fiona Tudor Brown
Mary Stojcevski
Chris Price
Michael Demetre

The Directors were in office from the beginning of the half-year until the date of this report, unless otherwise stated.

Principal activities

The principal activities of the company during the half-year were wholesale distribution of computer hardware and related products. No significant change occurred in the nature of these activities for the half-year.

Review of operations

The directors of the company are pleased to present Dicker Data's half-yearly results to shareholders. The first half of the 2012 financial year marks another record 6 months in the company's history. The company not only delivered the highest revenue for any six months since inception but also tripled net profit before tax compared to the previous corresponding period.

A review of the operations of the company for the half year and the results of those operations are as follows:

Total revenue for the half year was \$221.7m (2010 - \$150.3 m), a significant increase of 47.5%.

This was a very pleasing result for the first half of the 2012 financial year. The significant revenue increase is primarily attributable to our increased capacity with the move to a larger purpose built warehouse in November 2010. The benefit of the additional capacity was for the whole of the current reporting period when compared to the same period last year.

Net profit before tax amounted to \$5.2m an increase of 299.6% for the half year (2010: \$1.3m). Total comprehensive income after tax attributable to members for the half year was \$3.7m (2010: \$0.9m).

This is an exceptional outcome as a result of a focused strategy on our core business for the whole of the reporting period. The increase in sales and profit also reflects our focus on maintaining a strong vendor mix and our effort in improving our margins across our vendor groups. Without the costs and distraction associated with relocating premises and the public listing, which was experienced in the comparative period last year, there was a more dedicated focus on increasing revenues and margins and consequently profit. The directors and the company's management are committed to continue with this successful strategy in the future.

Significant changes in the state of affairs

Exercise of Options

During the reporting period Newport Capital Pty Ltd exercised all the options held at the strike price of \$0.20c per share. In August 2011 the company received a total sum of \$300,000 being payment for the 1,500,000 options exercised and issued 1,500,000 ordinary shares to Newport Capital Pty Ltd. Newport Capital continues its role as corporate advisers to Dicker Data Ltd.

New Banking Relationship

In December 2011 the company entered into new banking arrangements with St George Bank for its working capital funding and transactional banking. Under the terms agreed the total funding facility limit available is \$56.8m, an increase of approximately \$25m from our previous facility. The new facility includes debtor financing, asset financing and other working capital facilities. The increase in funding will enable the company to adequately fund the projected growth of revenues and inventory and provide greater flexibility in day to day management of working capital.

There were no other significant changes in the state of affairs of the company during the half-year.

Dividends

During the reporting period the following fully franked dividends were declared:

Date	Amount per share	Type	Total
12.09.2011	2.00 cents	Final 2011	\$2,530,000
22.12.2011	0.93 cents	Interim 2012	\$1,176,450

On 22nd December 2011 the board adopted a new dividend policy that provides for dividends to be paid on a quarterly basis with the objective being to pay out up to 100% of underlying after tax profits from operations. Dividends are to be declared in the last month of each calendar quarter. In determining the amount of the dividends the board will take into account historical earnings, free cashflow from trading, projected capital expenditure requirements and trading forecasts. The first dividend under the new policy was declared on 22 December 2011 and paid 12 January 2012.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is attached to this financial report.

The report is signed in accordance with a resolution of the Board of Directors:



David Dicker
CEO
Sydney: 22 February 2012



Chartered Accountants
& Business Advisers

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

To the directors of Dicker Data Limited

I declare to the best of my knowledge and belief, in relation to the review for the financial half-year ended 31 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- no contraventions of any applicable code of professional conduct in relation to the review.

PKF

Arthur Milner
Partner

Sydney : 22 February 2012

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Statement of comprehensive income

For the half year ended 31 December, 2011

	31-Dec-11 \$	31-Dec-10 \$
REVENUE		
Sale of goods	220,785,402	149,918,029
<i>Other revenue:</i>		
Interest received	2,199	6,556
Discounts received	262,676	282,589
Recoveries	574,229	3,292
Other revenue	112,516	79,284
	221,737,022	150,289,750
EXPENSES		
Changes in inventories	(297,734)	7,140,202
Consumables used	(205,200,107)	(148,501,936)
Employee benefits expense	(6,173,907)	(4,227,216)
Depreciation and amortisation expenses	(319,937)	(264,429)
Finance costs	(1,473,393)	(998,310)
Impairment of Property Plant & Equipment	-	(350,000)
Other expenses	(3,042,526)	(1,779,264)
	(216,507,605)	(148,980,953)
Profit before income tax expense	5,229,418	1,308,797
Income tax expense	(1,560,794)	(385,898)
Profit for the period	3,668,624	922,899
Profit attributable to members of the company	3,668,624	922,899
Other comprehensive income, net of tax	-	-
Total Comprehensive Income for the period	3,668,624	922,899
Total comprehensive income attributable to members of the company	3,668,624	922,899
Earnings per share		
- basic earnings per share	0.0290	0.0077
- diluted earnings per share	0.0287	0.0077

The statement of comprehensive income is to be read in conjunction with the attached notes.

Statement of financial position

As at 31 December, 2011

	31-Dec-11 \$	30-Jun-11 \$
ASSETS		
Current Assets		
Cash and cash equivalents	1,033,008	600
Trade and other receivables	49,441,884	63,554,061
Other financial assets	1	1
Inventories	39,802,896	40,100,630
Total Current Assets	90,277,789	103,655,292
Non-Current Assets		
Property, plant and equipment	16,550,134	16,635,516
Deferred tax assets	761,536	797,795
Total Non-Current Assets	17,311,670	17,433,310
TOTAL ASSETS	107,589,459	121,088,602
LIABILITIES		
Current Liabilities		
Trade and other payables	44,372,107	72,830,833
Borrowings	42,953,119	27,618,137
Current tax liabilities	1,315,384	1,224,230
Short-term provisions	504,351	414,351
Total Current Liabilities	89,144,961	102,087,552
Non-Current Liabilities		
Borrowings	790,944	964,183
Deferred tax liabilities	580,706	1,226,194
Long-term provisions	58,222	58,222
Total Non-Current Liabilities	1,429,872	2,248,598
TOTAL LIABILITIES	90,574,833	104,336,150
NET ASSETS	17,014,626	16,752,452
EQUITY		
Issued capital	844,057	539,895
Reserves	369,935	374,097
Retained profits	15,800,634	15,838,460
TOTAL EQUITY	17,014,626	16,752,452

The statement of financial position is to be read in conjunction with the attached notes.

Statement of changes in equity

For the half year ended 31 December, 2011

	Class 'A'	Class 'B'	Ordinary	Retained Earnings	Share Option Reserve	Capital Profits Reserve	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2010	4,999	4,999	-	13,811,417	-	369,422	14,190,837
Share capital restructure	(4,999)	(4,999)	9,998				-
Profit attributable to members of the company				922,899			922,899
Subtotal	-	-	9,998	14,734,316	-	369,422	15,113,736
Dividend Paid				(2,855,000)			(2,855,000)
Balance at 31 December 2010	-	-	9,998	11,879,316	-	369,422	12,258,736
Balance at 1 July 2011	-	-	539,895	15,838,460	4,675	369,422	16,752,452
Shares issued			300,000				300,000
Share option exercised			4,162		(4,162)		-
Profit attributable to members of the company				3,668,624			3,668,624
Subtotal	-	-	844,057	19,507,084	513	369,422	20,721,076
Dividend Paid				(3,706,450)			(3,706,450)
Balance at 31 December 2011	-	-	844,057	15,800,634	513	369,422	17,014,626

The statement of changes in equity is to be read in conjunction with the attached notes.

Statement of cash flows

For the half year ended 31 December, 2011

	31-Dec-11	31-Dec-10
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	256,423,253	160,840,060
Interest received	2,199	6,556
Payments to suppliers and employees (inclusive of GST)	(266,422,735)	(155,417,273)
Interest and finance costs paid	(1,473,393)	(998,310)
Income tax paid	(2,078,868)	(1,367,030)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	(13,549,544)	3,064,003
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property plant and equipment	(399,106)	(1,788,656)
Proceeds from sale of property plant and equipment	2,044,900	-
NET CASH FROM (USED IN) INVESTING ACTIVITIES	1,645,794	(1,788,656)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issue	300,000	-
Proceeds/(Repayment) from borrowings	14,269,881	(138,589)
Payment of dividends	(2,525,584)	(1,156,758)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	12,044,297	(1,295,347)
NET CASH FLOWS	140,547	(20,000)
Cash at beginning of financial half year	600	20,600
CASH END OF FINANCIAL HALF YEAR	141,147	600

The statement of cash flows is to be read in conjunction with the attached notes.

Notes to the financial statements

For the half-year ended 31 December 2011

1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard AASB134: 'Interim Financial Reporting' and the *Corporations Act 2001*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the changes noted below.

Changes in Accounting Policy

As disclosed in the Annual Financial Report for year ended 30 June 2011 Dicker Data has made a change to its accounting policy regarding the measurement of Property, Plant and Equipment, specifically in relation to Land and Buildings. The company has elected to measure its Land and Buildings using the cost model permitted under AASB116 Property, Plant and Equipment.

The aggregate effect of the change in accounting policy on the Half-Year Interim Report is presented below. As the company has retrospectively applied a change in accounting policy the change to the Comprehensive Income Statement for the comparative period ending 31 December 2010 is detailed below.

	31 December 2010 Reported	Adjustments	31 December 2010 Restated
<i>Other Comprehensive Income net of Tax</i>			
Net gain (loss) on revaluation of land and buildings	(180,835)	180,835	0
Total Comprehensive Income for the period	742,064	180,835	922,899

2. CASH AND CASH EQUIVALENTS

	31 Dec 2011	30 Jun 2011
Cash on hand	\$ 600	\$ 600
Cash at Bank	1,032,408	-
Total cash and cash equivalents	1,033,008	600

Reconciliation to cash and cash equivalents at the end of the financial half-year:

The above figures are reconciled to cash and cash equivalents at the end of the financial half-year as shown in the statement of cash flows as follows:

	31 Dec 2011	30 Jun 2011
Cash and cash equivalents	\$ 1,033,008	\$ 600
Bank overdraft	(891,861)	-
Balance as per statement of cash flows	141,147	600

3. DIVIDENDS

During the reporting period the following fully franked dividends were declared:

Date	Amount per share	Type	Total
12.09.2011	2.00 cents	Final 2011	\$2,530,000
22.12.2011	0.93 cents	Interim 2012	\$1,176,450

On 22nd December 2011 the board had adopted a new dividend policy that provides for dividends to be paid on a quarterly basis with the aim to pay out up to 100% of underlying after tax profits from operations. Dividends are to be declared in the last month of each calendar quarter. In determining the amount of the dividends the board will take into account historical earnings, free cashflow from trading, projected capital expenditure requirements and trading forecasts. The first dividend under the new policy was declared on 22 December 2011 and paid 12 January 2012.

4. SHARE CAPITAL

During the reporting period Newport Capital Pty Ltd exercised all the options held at the strike price of \$0.20c per share. In August 2011 the company received a total sum of \$300,000 being payment for the 1,500,000 options exercised and issued 1,500,000 ordinary shares to Newport Capital Pty Ltd. Following the issue of shares to Newport Capital Pty Ltd total issued capital is 126,500,000 ordinary shares.

5. SEGMENT REPORTING

The company operates in one segment being wholesale distribution of computer and related products throughout Australia.

6. CONTINGENT LIABILITIES

The company had disclosed in its Annual Report that it had received a Statement of Claim for preference payments. The claim was in relation to payments received from a debtor that had since gone into liquidation. Whilst the claim was highly defensible based on legal advice sought, in an effort to avoid incurring further costs and inconvenience of trial a confidential settlement was agreed on and a confidential Deed of Settlement was entered into on 11 August 2011. The settlement amount was paid on 12th September, 2011.

7. EVENTS SUBSEQUENT TO REPORTING DATE

No material events have occurred subsequent to reporting date.

Director's declaration

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the entity's financial position as at 31 December 2011 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



David Dicker
CEO

Sydney: 22 February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DICKER DATA LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dicker Data Limited, which comprises the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dicker Data Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dicker Data Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PKF



Arthur Milner
Partner
Sydney : 22 February 2012

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