STRONG RELIABLE MACHINES • STRONG RELIABLE SUPPORT

UNAUDITED INTERIM RESULTS
FOR THE PERIOD ENDED 30 JUNE 2018
AND CASH DIVIDEND DECLARATION

BELL EQUIPMENT LIMITED

Unaudited results for the six month period ended 30 June 2018

Leon Goosen – CEO
Karen van Haght – CFO

AGENDA - 3 SEPTEMBER 2018

Group overview

Financial results

Operational feedback
- SA Sales
- SA Manufacturing and Logistics
- Europe
- Rest of Africa
- North America

Looking ahead

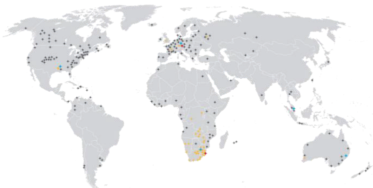
BELL EQUIPMENT LIMITED

GROUP OVERVIEW

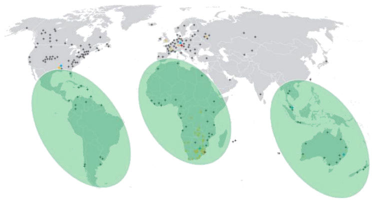
GROUP OVERVIEW

Our vision is to be the leading global ADT specialist and a leader in the capital equipment and industrial goods sector, developing and supplying leading quality brands into the construction, mining, forestry, agriculture and industrial sectors in a number of chosen markets

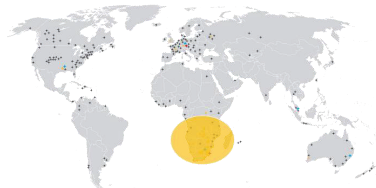
Leading global ADT manufacturer focusing on vehicle efficiency, ease of operation and providing the lowest cost per ton.



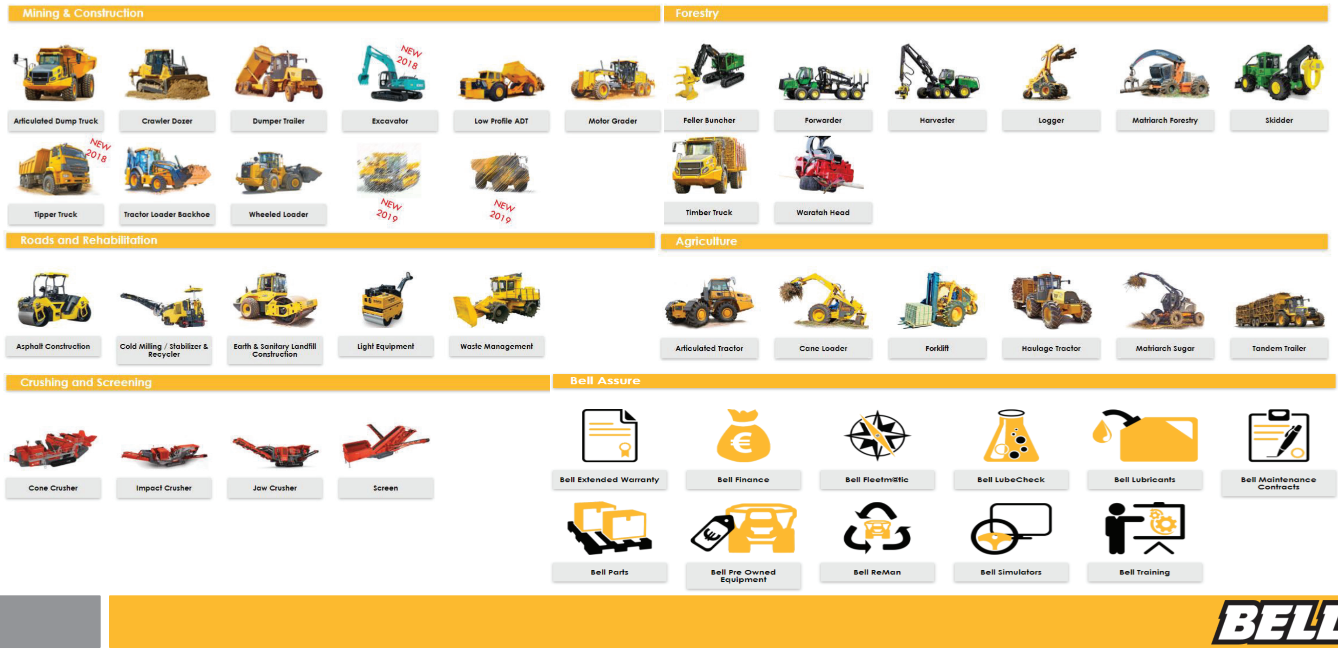
Lowest cost per ton solution for whole stalk cane and medium scale timber handling.



Preferred distributor of a comprehensive range of material handling equipment throughout sub Saharan Africa.



PRODUCT OFFERING



GLOBAL REACH

Manufacturing plants in SA and Germany

Products sold in 80 countries

Supporting more than 120 dealer and subsidiary locations worldwide

SA Sales

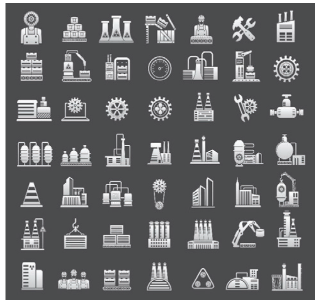
SA Manufacturing and Logistics

Rest of Africa

Europe

North America

MULTIPLE INDUSTRIES



STRATEGIC PRIORITIES

Global ADT specialist

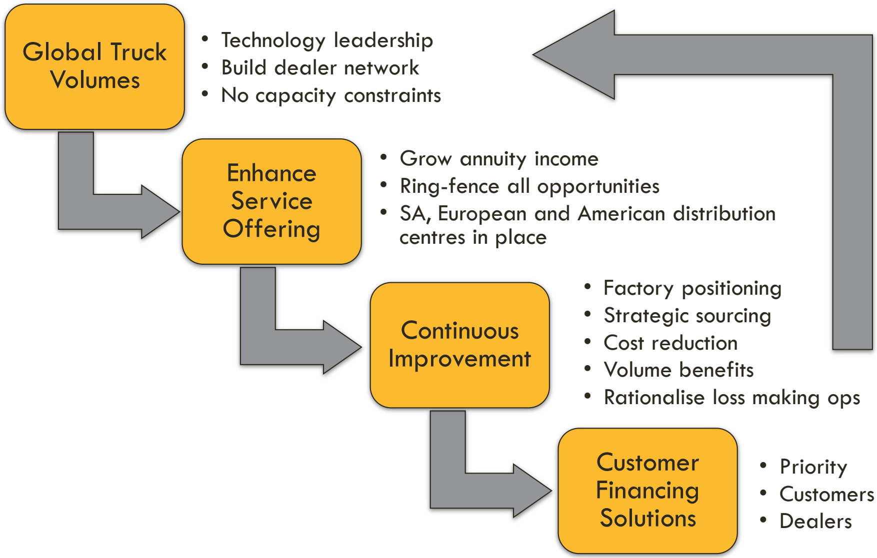
R&D investment and expand *BELL* Truck range

Invest in inventory for rapid market response

Manufacture and procure closer to major markets

Consolidate alliance product offering

Enhance aftermarket and product support offering – annuity revenue stream



BELL EQUIPMENT LIMITED

FINANCIAL RESULTS

PERIOD HIGHLIGHTS – JUNE 2018 vs JUNE 2017

Up	Revenue	Up 6% to R3,7 bn
Similar	Profit from operating activities	Similar at R199,1 m
Up	Profit for the period	Up 11% to R133,1 m
Up	HEPS	Up 10% to 131 cps
Up	NAV	Up 11% to 3 363 cents
Unchanged	Interim dividend	Unchanged at 20 cps

Satisfactory results given difficult trading conditions particularly in SA Sales

Exchange rate volatility and Rand weakness at end of period impacted SA factory result

Rest of Africa now profitable

Inventory and gearing under control

INCOME STATEMENT

Rm	Unaudited six months ended 30 June 2018	Unaudited six months ended 30 June 2017 Restated [1]	% change	Unaudited twelve months ended 31 December 2017 Restated [1]
Revenue	3 729,7	3 505,5	6	6 873,5
Cost of sales	(3 090,0)	(2 861,3)	8	(5 526,8)
Gross profit	639,7	644,2	(0,7)	1 346,7
Gross profit margin	17,2%	18,4%	(7)	19,6%
Other operating income	75,8	65,6	16	137,5
Expenses	(516,4)	(510,2)	1	(1 080,7)
Profit from operating activities	199,1	199,6	-	403,5
Net interest expense	(15,2)	(1,3)	>1000	(0,1)
Profit before taxation	183,9	198,3	(7)	403,4
Taxation	(50,8)	(78,7)	(35)	(131,3)
Profit for the period/year	**133,1**	**119,6**	**11**	**272,1**

[1] Group adopted IFRS 15 Revenue from Contracts with Customers on 1 Jan 2018 – see note 11 in the Unaudited Interim Results for the period ended 30 June 2018 for details

STATEMENT OF COMPREHENSIVE INCOME

Rm	Unaudited six months 30 June 2018	Unaudited six months 30 June 2017	Audited twelve months 31 December 2017
Profit for the period / year	133,1	119,6	272,1
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange gains/(losses) arising during the period / year	108,1	9,4	(22,4)
Exchange gains/(losses) on translating foreign operations	105,3	8,5	(23,8)
Exchange gains on foreign reserves	2,8	0,9	1,4
Items that may not be reclassified subsequently to profit or loss:	-	-	(3,1)
Surplus arising on revaluation of properties	-	-	0,3
Taxation relating to surplus arising on revaluation of properties	-	-	(3,4)
Other comprehensive income (loss) for the period / year, net of taxation	108,1	9,4	(25,5)
Total comprehensive income for the period / year	**241,2**	**129,0**	**246,6**
Total comprehensive income attributable to:			
- Owners of Bell Equipment Limited	234,2	122,9	234,8
- Non-controlling interest	7,0	6,1	11,8

EXCHANGE GAINS/(LOSSES)

Net exchange loss in half year 2018 mainly due to the Rand weakening in June 2018 and revaluation of foreign payables for imports

BALANCE SHEET - ASSETS

Rm	Unaudited 30 June 2018	Unaudited 30 June 2017	% change	Audited 31 December 2017
Non-current assets	**1 250,8**	**1 102,3**	**13**	**1 111,4**
Property plant and equipment	793,9	767,9		691,4
Intangible assets	256,9	215,6		224,8
Investments	0,6	0,6		0,6
Interest-bearing long-term receivables	105,4	28,7		92,7
Deferred taxation	94,0	89,5		101,9
Current assets	**4 768,4**	**3 969,2**	**20**	**4 246,2**
Inventory	3 311,0	2 458,7		3 047,1
Trade and other receivables	1 047,5	1 127,9		778,6
Current portion of interest-bearing long-term debt	112,1	48,6		96,1
Prepayments	32,8	62,5		51,9
Other financial and taxation assets	31,5	5,0		22,3
Cash and bank balances	233,5	266,5		250,2
Classified as Assets Held for Sale	55,5	-		-
Total assets	**6 074,7**	**5 071,5**	**20**	**5 357,6**

BALANCE SHEET - EQUITY & LIABILITIES

Rm	Unaudited 30 June 2018	Unaudited 30 June 2017	% change	Audited 31 December 2017
Capital and reserves	**3 205,9**	**2 889,9**	**11**	**2 988,6**
Non-current liabilities	**404,0**	**389,4**	**4**	**351,8**
Current liabilities	**2 464,8**	**1 792,2**	**38**	**2 017,2**
Trade and other payables	1 431,7	1 183,5		1 094,7
Current portion of interest-bearing liabilities	312,1	84,1		215,4
Current portion of repurchased obligations and deferred leasing income	1,2	3,0		0,8
Current portion of deferred income	114,0	98,3		94,2
Current portion of provisions and lease escalation	70,3	79,3		60,8
Refund liabilities	12,7	-		-
Other financial and tax liabilities	11,6	43,2		45,9
Bank overdraft and borrowings	511,2	300,8		505,4
Total equities and liabilities	**6 074,7**	**5 071,5**	**20**	**5 357,6**

NOTES ON INVENTORY

Rm Inventory (including inventory classified as held for sale)	Unaudited 30 June 2018	Unaudited 30 June 2017	% change	Unaudited 31 December 2017
Finished goods – Manufactured (new)	660,5	394,8	67	847,0
Finished goods – Branded (new)	412,8	133,1	210	190,6
Finished goods – Used	256,6	144,1	78	211,1
Spares & components	1 420,2	1 291,7	10	1 436,3
Work in progress	601,5	495,0	22	362,1
Total	3 351,6	2 458,7	36	3 047,1

Rest of Africa R105m

Europe R572m

SA distribution R1123m

SA factory R1551,6m

CASH FLOW STATEMENT

Rm	Unaudited 30 June 2018	Unaudited 30 June 2017	% change	Audited 31 December 2017
Cash operating profit before working capital changes	374,1	346,4		665,1
Cash utilised in working capital	(238,9)	(101,6)		(533,4)
Cash generated from operations	**135,2**	**244,8**	**(45)**	**131,7**
Net interest paid	(29,1)	(13,4)		(29,6)
Taxation paid	(79,6)	(21,3)		(112,3)
Net cash generated from (utilised in) operating activities	**26,5**	**210,1**	**(87)**	**(10,2)**
Net cash utilised in investing activities	**(175,9)**	**(64,7)**	**172**	**(137,2)**
Net cash generated from financing activities	**126,8**	**82,4**	**54**	**154,4**
Net cash (ouflow)/inflow	(22,6)	227,8		7,0
Net bank overdrafts and borrowings on call at beginning of period	(255,1)	(262,1)		(262,1)
Net bank overdrafts and borrowings on call at end of period	**(277,7)**	**(34,3)**	**>700**	**(255,1)**

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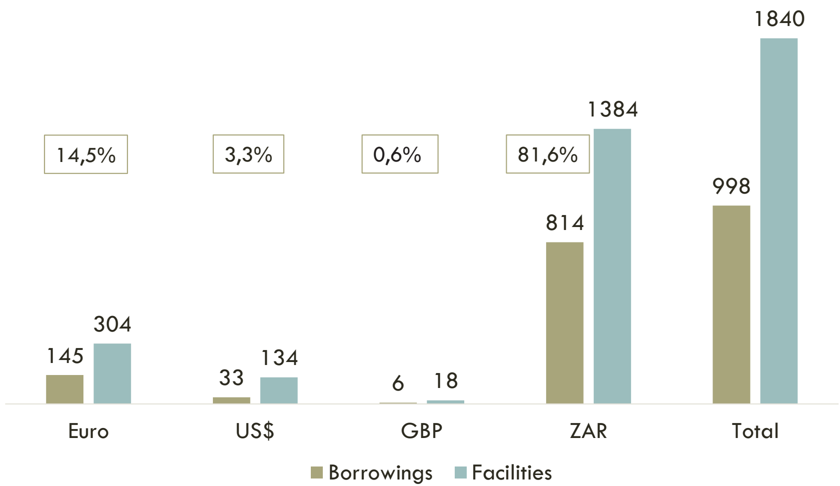
NET DEBT AND FINANCE COST

Rm	Unaudited 30 June 2018	Unaudited 30 June 2017	% change	Audited 31 December 2017
Net debt - close	765	270	183	584
Net debt - average	674	343	97	500
Interest paid for period/year	41,0	21,9	87	43,4
Gearing % (net debt)	23,9	9,3	157	19,5
Interest cover (times) (underlying EBIT)	4,85	9,11	(47)	9,31
Net debt to EBITDA (times, annualised)	1,4	0,5	180	1,0

Interest expense increased in 2018 and interest cover reduced, due to increased borrowings during period

Gearing up from 19,5% to 23,9% at period end

BORROWING CURRENCY PROFILE - RM



Majority of borrowings still short term

Mainly to fund Richards Bay factory

Increase in Euro funding for German capex

R114m in Zimbabwe – forex shortages and delays remitting

Started process to review borrowings profile to optimise structure, alignment with group strategy and pricing

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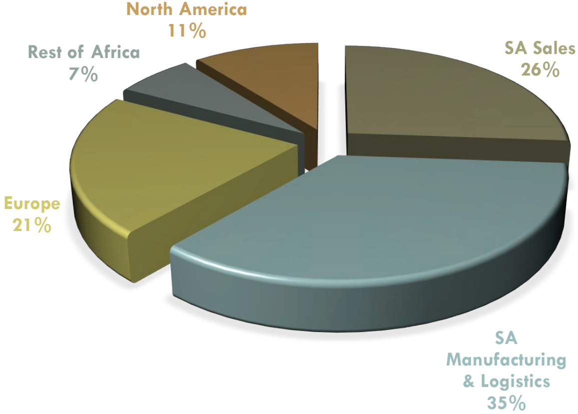
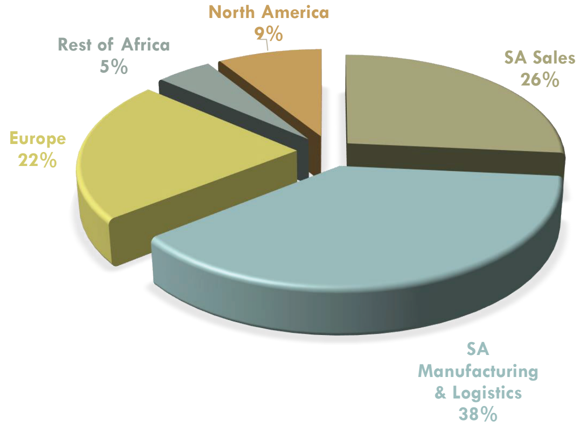
CAPEX

Additions mainly comprise:	Rm
German factory	93
▪ Kindel property purchase	56
▪ Bin plant construction	37
Capitalised product development costs	20
Factory and Distribution operations	31
Total	144
Committed in respect of completion of German construction	182

SEGMENTAL ANALYSIS - REVENUE

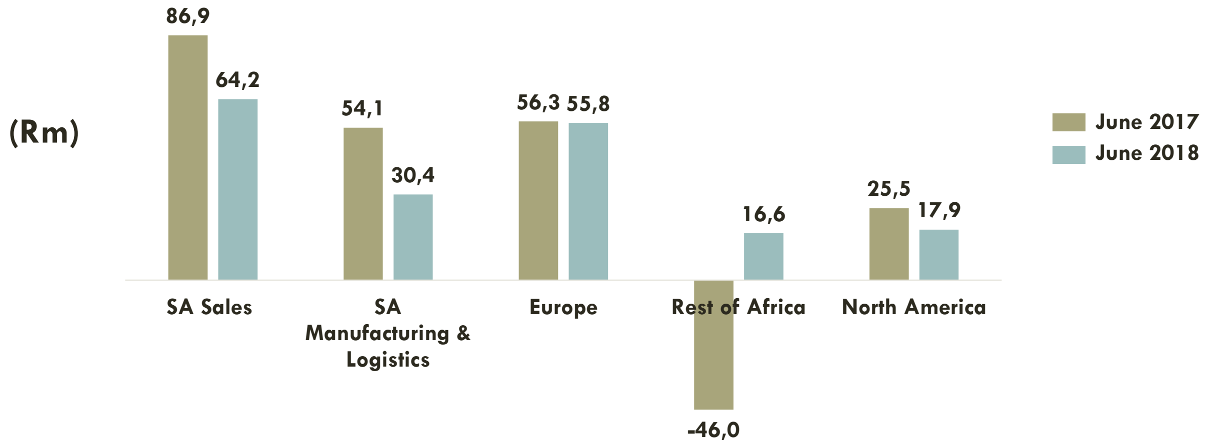


2017 - Total revenue: R3,5 bn

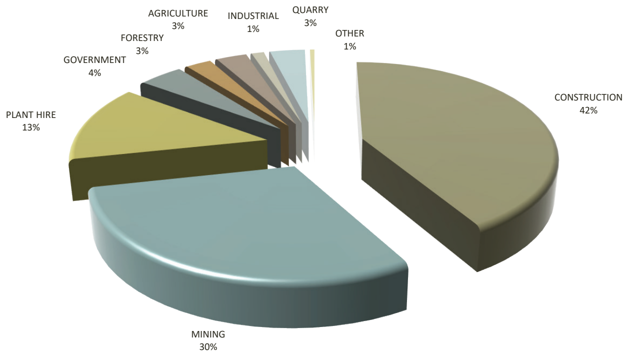


2018 - Total revenue: R3,7 bn

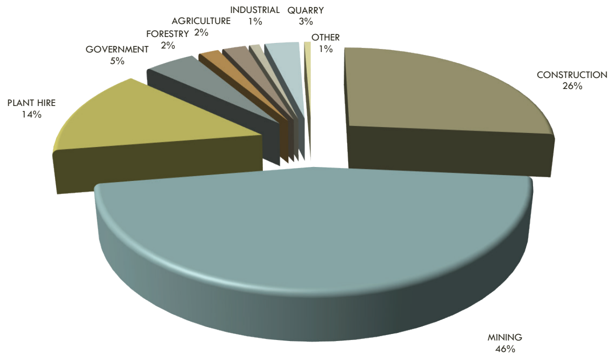
SEGMENTAL ANALYSIS - OPERATING PROFIT



INDUSTRY SALES 2017 - 2018

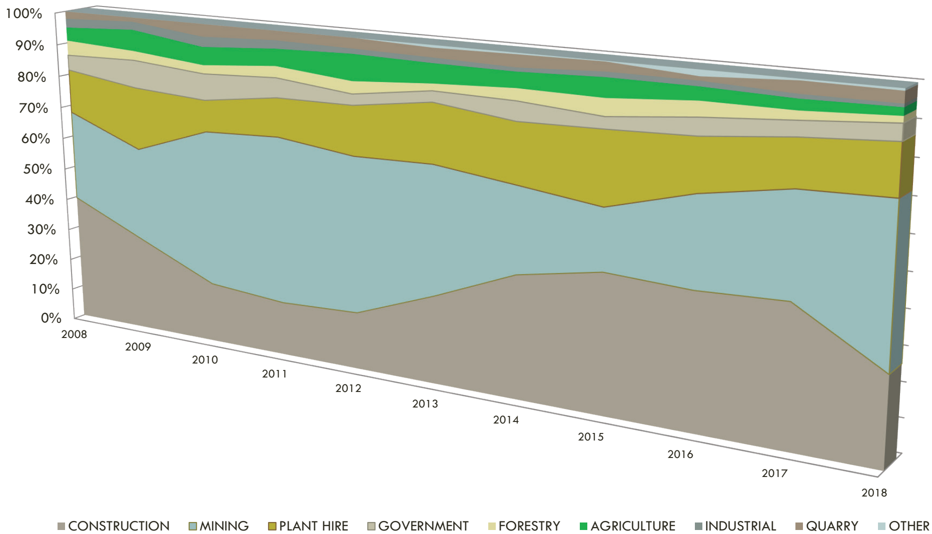


2017 UNIT TURNOVER



2018 YTD UNIT TURNOVER

INDUSTRY SALES HISTORY



BELL EQUIPMENT LIMITED

OPERATIONAL FEEDBACK

OPERATIONAL REVIEW – SA SALES

Good start to the year but trading conditions weakened with policy uncertainty

Construction sector concerns and exposure

Mining stable but low investment & prospects

Strong ZAR against USD/EURO impacting sales margins

New products introduced performing well and full product and service line positions for growth

Finance solutions a priority

OPERATIONAL REVIEW – SA MANUFACTURING & LOGISTICS

Good volume growth – driving efficiencies

Sufficient capacity for future growth & good safety record

Continued investment in new product development

Dealer development – growing footprint

Component supplier and supply chain pressure

Weakening ZAR in June caused large forex losses

Further enhancement of BBBEE of SA entities being explored

OPERATIONAL REVIEW – EUROPE

On target performance with good volume growth

Trading conditions good with positive outlook

Dealer appointments performing well

Investment in German logistics centre supports aftermarket growth

German plant investment making progress

Product range expansion well accepted

Brexit

OPERATIONAL REVIEW – REST OF AFRICA

Losses arrested and recorded small profit

Trading conditions still tough with signs of recovery in certain commodity driven markets

DRC operation in process of being converted to independent dealer group

Strong ZAR against USD/EURO impacting sales margins

Recovery in Zimbabwe marred by foreign currency shortages

Dealer development – growing footprint

OPERATIONAL REVIEW – NORTH AMERICA

Supply delivery constraints in first half of 2018 to be caught up by year end

Trading conditions good; positive outlook for USA and Canada with margins supported by USD recovery against Euro

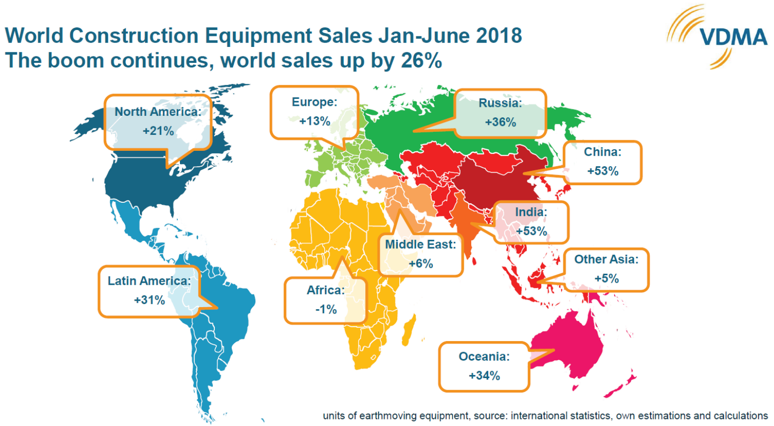
Dealer appointments and sales are strong

Investment in USA logistics centre supports aftermarket growth

Product range expansion well accepted

LOOKING AHEAD

LOOKING AHEAD - INDICATORS



LOOKING AHEAD - INDICATORS

LOOKING AHEAD 2ND HALF 2018

Global mining and construction activities will positively impact ***BELL*** equipment demand

Well positioned with full product line and support offerings to rapidly respond to Southern African local economic stimulus when certainty and investment returns

North America, Europe and South East Asia are currently attractive growth markets

Increased production and aftermarket working capital allocation for Northern Hemisphere growth opportunity also supported by investment in logistics and production facilities in Northern Hemisphere

DRC operation in process of being converted to independent dealer group

Further enhancement of BBBEE of SA entities being explored

Global geographic and industry diversification mitigates cyclicality and SA concentration risk

Our strategy is working

BELL EQUIPMENT LIMITED

Leon Goosen
CEO
Tel: 035 907 9374
leong@bell.co.za

Karen van Haght
CFO
Tel: 035 907 9129
karenv@bell.co.za

Vanessa Rech
Keyter Rech Investor Solutions
Tel: 087 351 3814
vrech@kris.co.za

BELL

NOTES

NOTES

Highlights

		Unaudited 30 June 2018	Unaudited 30 June 2017 Restated	% Change
Revenue	R billion	**3,7**	3,5	↑ 6
NPAT	R million	**133,1**	119,6	↑ 11
HEPS	cents	**131**	119	↑ 10
Interim dividend	cents	**20**	20	–

Commentary

Ongoing economic growth and increased demand for equipment in the major global markets of Europe, the Americas and South East Asia have delivered stable 2018 half year results for Bell Equipment Limited.

This is despite the South African market underperforming, mainly due to the country's political landscape failing to boost business confidence and drive infrastructure development. Investor appetite for the mining industry has remained under pressure because of uncertainty surrounding the Mining Charter while general caution is likely to continue in the run up to the 2019 national elections.

Volatility in exchange rates has also put margins under pressure. No immediate respite is expected as trade threats, Brexit and political instability in Europe continue to influence emerging markets.

Positive management interventions have enabled the group to contain losses in its African markets outside South Africa during this period. During the next six months the group expects to finalise a transaction to sell assets of its Democratic Republic of Congo operation as it migrates to a dealer model in order to position itself to better serve this market.

The E-series range of trucks has been well accepted in all global regions and the Bell product continues to lead the market in terms of providing the lowest fuel burn, lowest cost per tonne of material moved and in providing leading innovative features for onsite safety and vehicle protection.

In Europe new product introductions are settling in well and will give Bell access to a wider customer and industry base. These include a range of 4x4 quarry trucks, the new B20E LGP (Low Ground Pressure) truck, a narrowed B20E truck as well as the B33L Low Profile truck for underground mining applications.

The Americas offer good promise for the next few years as mining, aggregates and construction, the main applications for Bell ADTs, all continue to show good growth.

In Southern Africa the strategic partnership with Japanese excavator specialist, Kobelco, continues to grow from strength-to-strength with tremendous interest and uptake from the market. To further bolster the traditional size classes, three mini excavator models were introduced in March to develop new opportunities in the light construction, demolition and light forestry applications, and thereby tapping into an expanded customer segment.

Following an exclusive distribution agreement with Russian heavy-duty tipper manufacturer, Kamaz, the first trucks have been delivered to customers and with promising feedback received, Bell is investigating applications of the product as it explores this highly competitive market.

South East Asia is another focus market going forward. In Indonesia the market adoption of the Bell product through an established dealer network has been extremely positive, with mining conditions and operations very similar to Africa where Bell trucks are born, bred and tested.

We are progressing with investigations towards introducing BBBEE ownership partners at our South African manufacturing operations and to build on the ownership profile at our sales distribution operation to further improve our empowerment credentials.

OUTLOOK

We are enjoying strong global increase in demand for all types of heavy equipment. This has however led to pressure on upstream suppliers to meet increased volume requirements. The group is mindful of the challenge this may pose to our manufacturing and sales operations in the coming months.

A restructuring exercise has commenced to better utilise and direct resources in pursuit of continuous improvement and the most effective alignment of group structures to the evolving group strategy. Key objectives are to better satisfy market requirements while being optimised for efficient manufacturing, to develop a dedicated and effective global sourcing service to the manufacturing and aftermarket teams to counter the continuous pressure on margins and to implement a more coordinated approach to product quality and on time delivery to enhance overall business performance.

The group will continue its ongoing focus on its aftermarket and product support offering in all regions. The expansion of the Bell Eisenach-Kindel facility in Germany is underway with completion of Phase 2 scheduled for the second quarter of 2019. This will facilitate better flexibility and quicker responsiveness to customers to support the group's market growth in the Northern Hemisphere.

Our American Logistics Centre (ALC), located in North Carolina, will start trading in quarter 4 of this year, and is ideally positioned to service the expanding dealer network and rapidly growing truck population in the North American region.

Condensed consolidated statement of financial position

AS AT 30 JUNE 2018

	Unaudited 30 June 2018 R'000	Unaudited 30 June 2017 R'000	Audited 31 December 2017 R'000
ASSETS			
Non-current assets	**1 250 793**	1 102 314	1 111 406
Property, plant and equipment	**793 860**	767 947	691 429
Intangible assets	**256 878**	215 584	224 766
Investments	**624**	584	574
Interest-bearing long-term receivables	**105 396**	28 736	92 774
Deferred taxation	**94 035**	89 463	101 863
Current assets	**4 768 400**	3 969 145	4 246 208
Inventory	**3 311 032**	2 458 719	3 047 119
Trade and other receivables	**1 047 447**	1 127 844	778 555
Current portion of interest-bearing long-term receivables	**112 093**	48 610	96 053
Prepayments	**32 748**	62 514	51 912
Other financial assets	**12 501**	1 300	13 139
Current taxation assets	**19 073**	3 664	9 179
Cash and bank balances (note 13)	**233 506**	266 494	250 251
Assets classified as held for sale (note 12)	**55 562**	–	–
Total assets	**6 074 755**	5 071 459	5 357 614
EQUITY AND LIABILITIES			
Capital and reserves	**3 205 862**	2 889 849	2 988 602
Stated capital (note 5)	**232 499**	232 244	232 244
Non-distributable reserves	**638 003**	565 176	530 281
Retained earnings	**2 316 495**	2 086 332	2 214 236
Attributable to owners of Bell Equipment Limited	**3 186 997**	2 883 752	2 976 761
Non-controlling interest	**18 865**	6 097	11 841
Non-current liabilities	**404 088**	389 372	351 819
Interest-bearing liabilities	**174 695**	151 107	113 183
Repurchase obligations and deferred leasing income	**519**	1 394	1 243
Deferred income	**111 689**	102 575	106 568
Long-term provisions and lease escalation	**40 455**	45 750	42 074
Deferred taxation	**76 730**	88 546	88 751
Current liabilities	**2 464 805**	1 792 238	2 017 193
Trade and other payables	**1 431 697**	1 183 513	1 094 742
Current portion of interest-bearing liabilities	**312 083**	84 150	215 414
Current portion of repurchase obligations and deferred leasing income	**1 246**	3 011	746
Current portion of deferred income	**114 021**	98 253	94 171
Current portion of provisions and lease escalation	**70 363**	79 298	60 825
Refund liabilities	**12 666**	–	–
Other financial liabilities	**24**	1 143	20 272
Current taxation liabilities	**11 515**	42 057	25 675
Bank overdrafts and borrowings on call	**511 190**	300 813	505 348
Total equity and liabilities	**6 074 755**	5 071 459	5 357 614

Condensed consolidated statement of profit or loss

FOR THE PERIOD ENDED 30 JUNE 2018

		Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 Restated* R'000	Unaudited 12 months ended 31 December 2017 Restated* R'000
Revenue		**3 729 718**	3 505 496	6 873 471
Cost of sales		**(3 090 006)**	(2 861 329)	(5 526 784)
Gross profit		**639 712**	644 167	1 346 687
Other operating income		**75 792**	65 587	137 477
Expenses		**(516 443)**	(510 168)	(1 080 707)
Profit from operating activities (note 2)		**199 061**	199 586	403 457
Net interest expense (note 3)		**(15 162)**	(1 282)	(99)
Profit before taxation		**183 899**	198 304	403 358
Taxation		**(50 788)**	(78 685)	(131 308)
Profit for the period/year		**133 111**	119 619	272 050
Profit for the period/year attributable to:				
– Owners of Bell Equipment Limited		**126 087**	113 522	260 209
– Non-controlling interest		**7 024**	6 097	11 841
Earnings per share (basic) (note 4)	(cents)	**132**	119	273
Earnings per share (diluted) (note 4)	(cents)	**132**	119	273

** Refer to restatements of prior periods in note 11.*

Condensed consolidated statement of comprehensive income

FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
Profit for the period/year	**133 111**	119 619	272 050
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange gains/(losses) arising during the period/year	**108 132**	9 388	(22 311)
Exchange gains/(losses) on translating foreign operations	**105 351**	8 490	(23 744)
Exchange gains on foreign reserves	**2 781**	898	1 433
Items that may not be reclassified subsequently to profit or loss:	**–**	–	(3 124)
Surplus arising on revaluation of properties	**–**	–	258
Taxation relating to surplus arising on revaluation of properties	**–**	–	(3 382)
Other comprehensive income (loss) for the period/year, net of taxation	**108 132**	9 388	(25 435)
Total comprehensive income for the period/year	**241 243**	129 007	246 615
Total comprehensive income attributable to:			
– Owners of Bell Equipment Limited	**234 219**	122 910	234 774
– Non-controlling interest	**7 024**	6 097	11 841

Condensed consolidated statement of cash flows

FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
Cash operating profit before working capital changes	**374 146**	346 369	665 069
Cash utilised in working capital	**(238 971)**	(101 615)	(533 369)
Cash generated from operations	**135 175**	244 754	131 700
Net interest paid	**(29 077)**	(13 434)	(29 635)
Taxation paid	**(79 576)**	(21 264)	(112 262)
Net cash generated from (utilised in) operating activities	**26 522**	210 056	(10 197)
Purchase of property, plant and equipment and intangible assets	**(158 932)**	(64 613)	(135 842)
Proceeds on disposal of property, plant and equipment and intangible assets	**1 721**	769	7 975
Increase in interest-bearing long-term receivables	**(18 716)**	(807)	(9 303)
Net cash utilised in investing activities	**(175 927)**	(64 651)	(137 170)
Net interest-bearing liabilities raised	**150 391**	82 264	173 320
Proceeds from share options exercised	**255**	105	105
Dividends paid	**(23 828)**	–	(19 062)
Net cash generated from financing activities	**126 818**	82 369	154 363
Net cash (outflow)/inflow	**(22 587)**	227 774	6 996
Net bank overdrafts and borrowings on call at beginning of the period/year	**(255 097)**	(262 093)	(262 093)
Net bank overdrafts and borrowings on call at end of the period/year	**(277 684)**	(34 319)	(255 097)
Comprising:			
Cash and bank balances (note 13)	**233 506**	266 494	250 251
Bank overdrafts and borrowings on call	**(511 190)**	(300 813)	(505 348)
Net bank overdrafts and borrowings on call at end of the period/year	**(277 684)**	(34 319)	(255 097)

Condensed consolidated statement of changes in equity

FOR THE PERIOD ENDED 30 JUNE 2018

	Attributable to owners of Bell Equipment Limited					
	Stated capital R'000	Non-distributable reserves R'000	Retained earnings R'000	Total R'000	Non-controlling interest R'000	Total capital and reserves R'000
Balance at 31 December 2016 – audited	232 139	553 298	1 972 810	2 758 247	–	2 758 247
Increase in equity-settled employee benefits reserve	–	291	–	291	–	291
BBBEE share-based payment charge	–	2 199	–	2 199	–	2 199
Total comprehensive income for the period	–	9 388	113 522	122 910	6 097	129 007
Share options exercised	105	–	–	105	–	105
Balance at 30 June 2017 – unaudited	232 244	565 176	2 086 332	2 883 752	6 097	2 889 849
Total comprehensive (loss) income for the period	–	(34 823)	146 687	111 864	5 744	117 608
Transfer between reserves	–	(172)	172	–	–	–
Transfer to retained earnings relating to expired share options	–	(107)	107	–	–	–
Increase in equity-settled employee benefits reserve	–	207	–	207	–	207
Dividends paid	–	–	(19 062)	(19 062)	–	(19 062)
Balance at 31 December 2017 – audited	232 244	530 281	2 214 236	2 976 761	11 841	2 988 602
Decrease in equity-settled employee benefits reserve	**–**	**(410)**	**–**	**(410)**	**–**	**(410)**
Total comprehensive income for the period	**–**	**108 132**	**126 087**	**234 219**	**7 024**	**241 243**
Share options exercised	**255**	**–**	**–**	**255**	**–**	**255**
Dividends paid	**–**	**–**	**(23 828)**	**(23 828)**	**–**	**(23 828)**
Balance at 30 June 2018 – unaudited	**232 499**	**638 003**	**2 316 495**	**3 186 997**	**18 865**	**3 205 862**

Abbreviated notes to the unaudited interim results

FOR THE PERIOD ENDED 30 JUNE 2018

1. BASIS OF PREPARATION

The accounting policies and methods of computation applied in the preparation of these condensed consolidated financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual consolidated financial statements, except for the adoption of new accounting standards.

The group has adopted all of the new accounting standards relevant to its operations and effective for annual reporting periods beginning 1 January 2018, including IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. The adoption of these new accounting standards has not had any significant impact on the results in the condensed consolidated financial statements or the disclosures herein, but resulted merely in the reclassification of certain transactions in previously published results as disclosed in note 11.

The condensed consolidated interim financial statements are prepared in accordance with the requirements of the JSE Limited's Listings Requirements for interim reports and the requirements of the Companies Act in South Africa. The Listings Requirements require interim reports to be prepared in accordance with and containing the information required by IAS 34: Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council. The preparation of this interim report was supervised by the Group Finance Director, KJ van Haght CA (SA).

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
2. PROFIT FROM OPERATING ACTIVITIES			
Profit from operating activities is arrived at after taking into account:			
Income			
Currency exchange gains	**196 656**	90 298	156 361
Decrease in provision for doubtful debts	**–**	9 581	81 423
Import duty rebates	**48 155**	37 031	84 612
Net surplus on disposal of property, plant and equipment and intangible assets	**1 402**	442	3 038
Expenditure			
Amortisation of intangible assets	**12 453**	18 053	33 240
Amounts written off as uncollectible	**913**	10 995	13 618
Auditors' remuneration – audit and other services	**5 209**	3 169	9 739
Consulting fees	**9 685**	14 044	27 844
Currency exchange losses	**227 643**	89 818	157 426
Depreciation of property, plant and equipment	**66 179**	76 632	152 902
Increase in provision for doubtful debts	**14 836**	–	–
Operating lease charges	**56 893**	56 873	116 456
Research expenses (excluding staff costs)	**20 889**	20 968	46 298
Staff costs (including directors' remuneration)	**623 278**	598 831	1 272 171

Abbreviated notes to the unaudited interim results

FOR THE PERIOD ENDED 30 JUNE 2018

		Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
3. NET INTEREST EXPENSE				
Interest expense		**41 002**	21 917	43 350
Interest income (restated)* (unaudited)		**(25 840)**	(20 635)	(43 251)
Net interest expense		**15 162**	1 282	99

** Refer to restatements of prior periods in note 11.*

		Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
4. EARNINGS PER SHARE				
Basic earnings per share is arrived at as follows:				
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	**126 087**	113 522	260 209
Weighted average number of ordinary shares in issue during the period	('000)	**95 316**	95 307	95 307
Earnings per share (basic)	(cents)	**132**	119	273
Diluted earnings per share is arrived at as follows:				
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	**126 087**	113 522	260 209
Fully converted weighted average number of shares*	('000)	**95 746**	95 479	95 454
Earnings per share (diluted)	(cents)	**132**	119	273

** The number of shares has been adjusted for the effect of the dilutive potential ordinary shares relating to the unexercised options in the group's share option scheme.*

4. EARNINGS PER SHARE (CONTINUED)

		Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
Headline earnings per share is arrived at as follows:				
Profit for the period attributable to owners of Bell Equipment Limited	(R'000)	**126 087**	113 522	260 209
Net surplus on disposal of property, plant and equipment and intangible assets	(R'000)	**(1 402)**	(442)	(3 038)
Taxation effect of net surplus on disposal of property, plant and equipment and intangible assets	(R'000)	**393**	124	237
Impairment loss recognised on revaluation of buildings	(R'000)	**–**	–	2 597
Taxation effect of impairment loss recognised on revaluation of buildings	(R'000)	**–**	–	(909)
Reversal of impairment loss in respect of property, plant and equipment rental assets	(R'000)	**–**	–	(1 942)
Headline earnings	(R'000)	**125 078**	113 204	257 154
Weighted average number of ordinary shares in issue during the period	('000)	**95 316**	95 307	95 307
Headline earnings per share (basic)	(cents)	**131**	119	270
Diluted headline earnings per share is arrived at as follows:				
Headline earnings calculated above	(R'000)	**125 078**	113 204	257 154
Fully converted weighted average number of shares	('000)	**95 746**	95 479	95 454
Headline earnings per share (diluted)	(cents)	**131**	119	269
Net asset value per share is arrived at as follows:				
Total capital and reserves	(R'000)	**3 205 862**	2 889 849	2 988 602
Number of shares in issue	('000)	**95 329**	95 307	95 307
Net asset value per share	(cents)	**3 363**	3 032	3 136

Abbreviated notes to the unaudited interim results

FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
5. STATED CAPITAL			
Authorised			
100 000 000 (June 2017: 100 000 000) ordinary shares of no par value			
Issued			
95 329 385 (June 2017: 95 306 885) ordinary shares of no par value	**232 499**	232 244	232 244
The increase in share capital relates to 22 500 (June 2017: 10 000) share options exercised at an average share price of R11,34 per share.			
6. CAPITAL EXPENDITURE COMMITMENTS			
Contracted	**164 678**	14	60 089
Authorised, but not contracted	**50 027**	81 944	282 774
Total capital expenditure commitments	**214 705**	81 958	342 863

This capital expenditure is to be financed from internal resources and long-term facilities.

7. ABBREVIATED SEGMENTAL ANALYSIS

Information regarding the group's reportable segments is presented below.

Information reported to the group's chief operating decision maker for purposes of resource allocation and assessment of segment performance is focused on geographical areas.

Each reportable segment derives its revenues from the sale of goods (machines and parts) and related services and rental income. The accounting policies of the reportable segments are the same as the group's accounting policies.

	Revenue R'000	Operating profit (loss) R'000	Assets R'000	Liabilities R'000
June 2018				
South African sales operation	**1 654 320**	**64 222**	**1 709 049**	**1 543 990**
South African manufacturing and logistics operation	**2 362 598**	**30 381**	**3 974 605**	**2 329 674**
European operation	**1 257 303**	**55 841**	**1 339 603**	**844 796**
Rest of Africa operation	**297 435**	**16 552**	**416 263**	**362 029**
North American operation	**555 656**	**17 893**	**167 061**	**92 642**
All other operations	**–**	**(2 460)**	**2 097 197**	**84 077**
Inter-segmental eliminations*	**(2 397 594)**	**16 632**	**(3 629 023)**	**(2 388 315)**
Total – unaudited	**3 729 718**	**199 061**	**6 074 755**	**2 868 893**

7. ABBREVIATED SEGMENTAL ANALYSIS (CONTINUED)

	Revenue R'000	Operating profit (loss) R'000	Assets R'000	Liabilities R'000
June 2017				
South African sales operation (restated)**	1 508 866	86 932	1 449 502	1 325 434
South African manufacturing and logistics operation (restated)**	2 037 734	54 053	3 501 927	1 856 690
European operation (restated)**	1 235 312	56 333	1 161 118	741 213
Rest of Africa operation (restated)**	379 271	(46 009)	501 085	455 195
North American operation (restated)**	610 874	25 456	181 888	111 961
All other operations	–	(26 526)	1 277 479	69 214
Inter-segmental eliminations* (restated)**	(2 266 561)	49 347	(3 001 540)	(2 378 097)
Total – unaudited (restated)**	3 505 496	199 586	5 071 459	2 181 610
December 2017				
South African sales operation (restated)**	2 956 949	157 356	1 516 718	1 369 180
South African manufacturing and logistics operation (restated)**	4 479 587	195 949	3 408 012	1 795 870
European operation (restated)**	2 325 297	84 913	1 010 515	587 383
Rest of Africa operation (restated)**	619 510	(70 000)	421 968	405 072
North American operation (restated)**	1 151 175	49 980	233 896	170 066
All other operations	–	(83 267)	2 040 945	113 310
Inter-segmental eliminations* (restated)**	(4 659 047)	68 526	(3 274 440)	(2 071 869)
Total – unaudited (restated)**	6 873 471	403 457	5 357 614	2 369 012

* *Inter-segmental eliminations above relate to the following:*

i) Revenue – the elimination of intra-group sales transactions, mainly sales from the South African manufacturing and logistics operation, to the distribution operations.

ii) Operating profit (loss) – the elimination of profit (loss) on intra-group transactions, mainly sales transactions from the South African manufacturing and logistics operation to the distribution operations, where the inventory has not yet been on-sold by the distribution operations to a third party at period end.

iii) Assets and liabilities – the intra-group transactions result in intra-group receivables and payables balances and furthermore intra-group loans are in place between certain group operations. These are eliminated on consolidation.

** *The segment information has been adjusted for the restatements as disclosed in note 11.*

Abbreviated notes to the unaudited interim results

FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
8. CONTINGENT LIABILITIES			
8.1 The group has assisted customers with the financing of equipment purchased through a financing venture with WesBank, a division of FirstRand Bank Limited.			
In respect of the different categories of financing provided by WesBank, the group carries certain credit risks. These are considered to be financial guarantee contracts.			
The group is liable for all credit risk and therefore the full balance due to WesBank by default customers with regard to Bell-backed deals and a portion of the credit risk and a portion of the balance due to WesBank by default customers with regard to Bell-shared risk deals. In terms of the Bell-shared risk deals the group's exposure is calculated as a percentage of the net selling price of the equipment.			
At period end the group's credit risk exposure to WesBank under Bell-backed deals for which the group carries all the credit risk totalled	**256 841**	140 158	176 091
At period end the group's credit risk exposure to WesBank under Bell-shared risk deals for which the group carries a portion of the credit risk totalled	**2 628**	2 424	1 872
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liabilities	**263 829**	241 383	228 782
	(4 360)	(98 801)	(50 819)
Less: provision for non-recovery	**(2 032)**	(2 635)	(1 549)
Net contingent liability	**–**	–	–

There is no interest rate saving to customers with regards to Bell-backed deals and therefore no fair value at initial recognition. Subsequent to initial recognition, where customers are in arrears with WesBank and there is a shortfall between the estimated realisation values of the equipment and the balances due by the customers to WesBank, an assessment of any additional security is done and a provision for any residual credit risk is made on a deal-by-deal basis. A provision for credit risk is also raised on a portfolio basis using historical rates of defaults and losses.

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
8. CONTINGENT LIABILITIES (CONTINUED)			
8.1 The group has entered into similar shared risk arrangements with various other institutions. These arrangements are first-loss undertakings and the group's exposure remains fixed until the capital is repaid. These are considered to be financial guarantee contracts.			
At period end the group's credit risk exposure to these financial institutions totalled	**1 191**	3 843	6 123
In the event of default, the equipment financed would be recovered and it is estimated that on re-sale the equipment would presently realise the following towards the above liabilities	**9 415**	7 685	7 935
	(8 224)	(3 842)	(1 812)
Less: provision for non-recovery	**–**	(117)	–
Net contingent liability	**–**	–	–
Where customers are in arrears with these financial institutions and there is a shortfall between the estimated realisation values of the equipment and the balances due by the customers to these financial institutions, an assessment of any additional security is done and a provision for any residual credit risk is made on a deal-by-deal basis. A provision for credit risk is also raised on a portfolio basis using historical rates of defaults and losses.			
8.2 The residual values of certain equipment sold to financial institutions have been guaranteed by the group. The group's exposure is limited to the difference between the group's guaranteed amount and the financial institution's predetermined estimate.			
In the event of a residual value shortfall on this equipment, the group would be exposed to a maximum amount of	**46 113**	22 941	41 952
Net contingent liability	**46 113**	22 941	41 952

The transactions described in note 8.2 above relate to sales transactions to financial institutions which lease the equipment to customers for an agreed lease term. In certain cases, the group has a remarketing agreement with the institution for the disposal of the equipment returned after the lease term, but in all instances the group's risk is limited to the residual value risk described above.

Abbreviated notes to the unaudited interim results

FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
9. RELATED PARTY TRANSACTIONS			
Information regarding significant transactions with related parties is presented below. Transactions are carried out on an arm's-length basis.			
Shareholders			
John Deere Construction and Forestry Company			
– sales	**10 680**	10 103	22 101
– purchases	**317 816**	362 393	594 738
– amounts owing to	**220 300**	170 412	136 858
– amounts owing by	**7 043**	3 527	5 144
Enterprises over which directors and shareholders are able to exercise significant influence and/or in which directors and shareholders have a beneficial interest			
Ario Properties Limited			
– property purchase commitment	**–**	–	51 537

10. FINANCIAL INSTRUMENTS

Categories of financial instruments included in the condensed consolidated statement of financial position:

- Loans and receivables at amortised cost comprising interest-bearing long-term receivables, trade and other receivables and cash and bank balances. The directors consider that the carrying amount of loans and receivables at amortised cost approximates their fair value.
- Financial liabilities at amortised cost comprising interest-bearing liabilities, trade and other payables and bank overdrafts and borrowings on call. The directors consider that the carrying amount of financial liabilities at amortised cost approximates their fair value.
- Financial assets and liabilities carried at fair value through profit or loss include forward foreign exchange contracts and fair value is determined based on a Level 2 fair value measurement. Level 2 fair value measurements are those derived from inputs other than quoted prices. The fair value of these contracts is based on observable forward exchange rates at period end from an independent provider of financial market data.
- Available for sale financial asset comprising an unlisted equity investment.

11. PRIOR PERIOD RESTATEMENTS

The group adopted IFRS 15 Revenue from Contracts with Customers on 1 January 2018 for the first time. The group's previously published results have been restated and the adjustments are presented below.

The adjustments only relate to reclassifications of the following transactions within the group's statement of profit or loss:

i) income from extended warranty contracts sold has been reclassified from other operating income to revenue;

ii) warranty expenses relating to standard warranties and extended warranties have been reclassified from other expenses to cost of sales;

iii) income and expenses from transport services relating to the sale of goods, previously included in cost of sales and other expenses on a net basis, have been reclassified to revenue and cost of sales on a gross basis; and

iv) the interest component on extended warranty contracts and service contracts sold, where the contract periods exceed twelve months, has been reclassified from revenue and other operating income to interest income included in net interest expense.

The reclassifications have the following impacts on the Condensed Consolidated Statement of Profit or Loss:

	Unaudited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000
June 2017			
Revenue	3 446 757	58 739	3 505 496
Cost of sales	(2 744 277)	(117 052)	(2 861 329)
Gross profit	702 480	(58 313)	644 167
Other operating income	105 234	(39 647)	65 587
Expenses	(595 030)	84 862	(510 168)
Profit from operating activities	212 684	(13 098)	199 586
Net interest expense	(14 380)	13 098	(1 282)
Profit before taxation	198 304	–	198 304

	Audited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000
December 2017			
Revenue	6 766 586	106 885	6 873 471
Cost of sales	(5 328 636)	(198 148)	(5 526 784)
Gross profit	1 437 950	(91 263)	1 346 687
Other operating income	221 431	(83 954)	137 477
Expenses	(1 226 135)	145 428	(1 080 707)
Profit from operating activities	433 246	(29 789)	403 457
Net interest expense	(29 888)	29 789	(99)
Profit before taxation	403 358	–	403 358

	Unaudited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000

11. PRIOR PERIOD RESTATEMENTS (CONTINUED)

The reclassifications have the following impacts on the Abbreviated Segmental Analysis:

	Unaudited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000
Revenue			
June 2017			
South African sales operation	1 523 387	(14 521)	1 508 866
South African manufacturing and logistics operation	1 987 167	50 567	2 037 734
European operation	1 231 898	3 414	1 235 312
Rest of Africa operation	378 863	408	379 271
North American operation	610 884	(10)	610 874
All other operations	–	–	–
Inter-segmental eliminations	(2 285 442)	18 881	(2 266 561)
Total – unaudited	3 446 757	58 739	3 505 496

	Audited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000
Revenue			
December 2017			
South African sales operation	2 991 387	(34 438)	2 956 949
South African manufacturing and logistics operation	4 376 792	102 795	4 479 587
European operation	2 324 683	614	2 325 297
Rest of Africa operation	618 845	665	619 510
North American operation	1 151 199	(24)	1 151 175
All other operations	–	–	–
Inter-segmental eliminations	(4 696 320)	37 273	(4 659 047)
Total – audited	6 766 586	106 885	6 873 471

11. PRIOR PERIOD RESTATEMENTS (CONTINUED)

	Unaudited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000
Operating profit (loss)			
June 2017			
South African sales operation	87 155	(223)	86 932
South African manufacturing and logistics operation	66 928	(12 875)	54 053
European operation	56 333	–	56 333
Rest of Africa operation	(46 009)	–	(46 009)
North American operation	25 456	–	25 456
All other operations	(26 526)	–	(26 526)
Inter-segmental eliminations	49 347	–	49 347
Total – unaudited	212 684	(13 098)	199 586

	Audited As previously reported R'000	Unaudited Adjustment R'000	Unaudited Restated R'000
Operating profit (loss)			
December 2017			
South African sales operation	159 513	(2 157)	157 356
South African manufacturing and logistics operation	223 581	(27 632)	195 949
European operation	84 913	–	84 913
Rest of Africa operation	(70 000)	–	(70 000)
North American operation	49 980	–	49 980
All other operations	(83 267)	–	(83 267)
Inter-segmental eliminations	68 526	–	68 526
Total – audited	433 246	(29 789)	403 457

Abbreviated notes to the unaudited interim results

FOR THE PERIOD ENDED 30 JUNE 2018

	Unaudited six months ended 30 June 2018 R'000	Unaudited six months ended 30 June 2017 R'000	Audited 12 months ended 31 December 2017 R'000
12. ASSETS HELD FOR SALE			
During the current period management resolved to sell certain assets in the group's operation in the Democratic Republic of the Congo. This disposal group of assets is actively being marketed and the sale is expected to be completed during the next 12 months. No impairment loss was recognised on reclassification of this disposal group of assets held for sale, as the estimated fair value less cost to sell is higher than the carrying amount.			
The assets that are intended to be sold includes the following (at carrying value):			
Inventory	**40 519**	–	–
Trade and other receivables	**13 729**	–	–
Plant, equipment and vehicles	**1 314**	–	–
Total assets	**55 562**	–	–
These assets have been included in the segment results of the Rest of Africa operation as disclosed in note 7.			
13. RESTRICTED ACCESS TO CASH AND BANK BALANCES			
In the group's cash and bank balances are cash and cash equivalents which form part of the operation in Zimbabwe that are not immediately available for use by the group due to foreign currency shortages in Zimbabwe and bank delays in releasing payments for imports.			
The cash and cash equivalents consist of the following cash balances in Zimbabwe:			
Cash and bank balance and cash on call	**114 282**	–	–

14. POST FINANCIAL POSITION EVENTS

No fact or circumstance material to the appreciation of these condensed consolidated interim financial statements has occurred between 30 June 2018 and the date of this report.

15. CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a gross interim cash dividend of 20 cents per ordinary share for the six-month period ended 30 June 2018 payable to ordinary shareholders in accordance with the timetable below.

The interim net dividend is 16 cents per share for ordinary shareholders who are not exempt from dividends tax. The dividend withholding tax rate is 20%.

The dividend has been declared from income reserves.

The company's income tax reference number is 9022169206.

The issued share capital at the declaration date is 95 329 385 ordinary shares.

The salient dates for the dividend will be as follows:

	2018
Last day of trade to receive a dividend	Tuesday, 18 September
Shares commence trading "ex" dividend	Wednesday, 19 September
Record date	Friday, 21 September
Payment date	Tuesday, 25 September

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 September 2018 and Friday, 21 September 2018, both days inclusive.

By order of the board

29 August 2018

Directors

Non-executive

GW Bell (Chairman), JR Barton* (Lead Independent), AJ Bell, DH Lawrance*, HR van der Merwe*, ME Ramathe*, R Naidu*

**Independent*

Appointed: GW Bell was appointed as Chairman and JR Barton was appointed as Lead Independent Director on 1 June 2018.

Executive

L Goosen (Group Chief Executive), A Goordeen (Alternate), KJ van Haght (Group Finance Director)
Retired: GW Bell retired as Group Chief Executive on 31 May 2018.
Appointed: L Goosen was appointed as Group Chief Executive on 1 June 2018.

Company Secretary
D McIlrath

Registered Office
13 – 19 Carbonode Cell Road, Alton, Richards Bay, 3900

Transfer Secretaries
Link Market Services South Africa Proprietary Limited, 19 Ameshoff Street, Johannesburg, 2001

Sponsor
Investec Bank Limited
100 Grayston Drive, Sandown, Sandton, 2196

Release date: 30 August 2018

www.bellir.co.za

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