Silver Chef Limited
ABN 28 011 045 828

Appendix 4D
Half Year Announcement
31 December 2012

Lodged with the ASX under Listing Rule 4.2A

Contents

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Appendix 4D
ASX Preliminary Half Year Announcement
31 December 2012

Results for Announcement to the Market

Results for announcement to the market	**six months ended 31-Dec-2012 $000's**	**six months ended 31-Dec-2011 $000's**	**Movement $000's**	**Movement %**
2.1 Revenue from ordinary activities	53,576	39,234	14,342	36.56%
2.2/2.3 Net profit after income tax	5,917	4,212	1,705	40.48%

2.4 Dividends

Final dividend

The Directors declared a fully franked final dividend of 14.5 cents per share for the year ended 30 June 2012 which was paid on 28 September 2012.

Interim dividend

The Directors have declared a fully franked interim dividend of 14.0 cents per share (2012: 9.5 cents) payable on 28 March 2013.

2.5 Record date for payment of dividend

The record date for the payment of the dividend will be to shareholders registered as at 7.00pm 14 March 2013.

2.6 Commentary on Results for the Half-year

Please refer to the accompanying interim financial statements.

	31-Dec-2012	**31-Dec-2011**
3.0 Net tangible assets per share	174.8 cents	139.1 cents

4. Details of entities over which control has been gained or lost during the period – Not applicable.

5. The 2012 final dividend of $3.898 million was paid on 28 September 2012.

6. Details of any dividend reinvestment plans in operation – The dividend reinvestment plan has been suspended for the interim dividend.

7. Details of Associates – Not applicable.

8. Foreign entities – accounting standards

IFRS have been used in the preparation of the financial statements of all entities.

9. Review Status

This report is based on financial statements that have been reviewed. A copy of the Auditor's Independence Declaration is attached to the accompanying Directors' Report. A copy of the independent auditor's review report is attached to the accompanying consolidated interim Financial Statements.

By order of the Board

Don Mackenzie
Company Secretary

25 February 2013

SILVER CHEF LIMITED AND CONTROLLED ENTITIES

ABN 28 011 045 828

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED

31 December 2012

The Directors present their report together with the condensed consolidated half-year financial report of Silver Chef Limited ("the Company") and its controlled entities for the half-year ended 31 December 2012 and the independent auditor's review report thereon.

Directors

The Directors of the Company at any time during or since the end of the half-year are:

Name	Position	Period of appointment
Allan English	Non-Executive Chairman	Appointed 31 July 1990
Andrew Kemp	Non-Executive Director	Appointed 24 February 2005
Bede King	Non-Executive Director	Appointed 7 March 2005
Sophie Mitchell	Non-Executive Director	Appointed 14 September 2011
Karen Penrose	Non-Executive Director	Appointed 14 September 2011

Result of Operations

The consolidated profit for the half-year after providing for income tax was $5.917 million (2011: $4.212 million).

The 2012 final dividend of $3.898 million was paid on 28 September 2012.

Review of Operations

The Company's pretax profit from operations for the six months to December 2012 was $8.394 million. This compared to the result for the previous corresponding half-year of $5.939 million.

Rental revenue grew from $39.133 million for the six months ended 31 December 2011 to $53.436 million for the half-year under review.

The business model's strong recurring annuity style income stream contributed significantly to the rental revenue increase and profit performance.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the half-year ended 31 December 2012.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors

Allan English
Chairman
25 February 2013

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Silver Chef Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

(a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Simon Crane
Partner

Brisbane
25 February 2013

Silver Chef Limited
Consolidated statement of comprehensive income
For the six months ended 31 December 2012

	Note	31-Dec-12 $000's	31-Dec-11 $000's
Revenue		53,576	39,234
Expenses from ordinary activities		(39,434)	(28,212)
Finance costs		(3,242)	(2,418)
Change in fair value of derivative financial instruments		287	(396)
Change in fair value of investment properties		(72)	26
Loss on sale of plant and equipment		(2,721)	(2,295)
Profit before income tax		**8,394**	**5,939**
Income tax expense		(2,477)	(1,727)
Profit attributable to members of the Company		**5,917**	**4,212**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation reserve – foreign operations		(31)	(19)
Total comprehensive income attributable to members of the Company		**5,886**	**4,193**
Earnings per share			
Basic earnings per share (cents)	10	21.89	18.17
Diluted earnings per share (cents)	10	21.81	18.02

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

Silver Chef Limited
Consolidated statement of changes in equity
For the six months ended 31 December 2012

	Number of shares on issue 000's	Share capital $000's	Retained earnings $000's	Transla-tion reserve $000's	Total equity $000's
Balance **at 1 July 2011**	23,157	21,157	9,954	-	31,111
Total comprehensive income for the half-year					
Profit for the period	-	-	4,212	-	4,212
Foreign currency translation reserve	-	-	-	(19)	(19)
Total comprehensive income for the period	-	-	4,212	(19)	4,193
Transactions with owners recorded directly in equity					
Dividends to equity holders	-	-	(2,553)	-	(2,553)
Shares issued under employee share scheme	25	71	-	-	71
Shares issued on exercise of options	25	72	-	-	72
Total contributions by and distributions to owners of the Company	50	143	(2,553)	-	(2,410)
Balance at 31 December 2011	**23,207**	**21,300**	**11,613**	**(19)**	**32,894**
Balance **at 1 January 2012**	23,207	21,300	11,613	(19)	32,894
Total comprehensive income for the half-year					
Profit for the period	-	-	4,779	-	4,779
Foreign currency translation reserve	-	-	-	(16)	(16)
Total comprehensive income for the period	-	-	4,779	(16)	4,763
Transactions with owners recorded directly in equity					
Dividends to equity holders	-	-	(2,210)	-	(2,210)
Share issue costs	-	(351)	-	-	(351)
Shares issued under rights issue	3,581	10,025	-	-	10,025
Shares issued on exercise of options	61	95	-	-	95
Total contributions by and distributions to owners of the Company	3,642	9,769	(2,210)	-	7,559
Balance at 30 June 2012	**26,849**	**31,069**	**14,182**	**(35)**	**45,216**
Balance **at 1 July 2012**	26,849	31,069	14,182	(35)	45,216
Total comprehensive income for the half-year					
Profit for the period	-	-	5,917	-	5,917
Foreign currency translation reserve	-	-	-	(31)	(31)
Total comprehensive income for the period	-	-	5,917	(31)	5,886
Transactions with owners recorded directly in equity					
Dividends to equity holders	-	-	(3,898)	-	(3,898)
Shares issued under dividend reinvestment plan	338	1,295	-	-	1,295
Share issue costs	-	(67)	-	-	(67)
Shares issued under employee share scheme	22	87	-	-	87
Shares issued on exercise of options	14	23	-	-	23
Total contributions by and distributions to owners of the Company	374	1,338	(3,898)	-	(2,560)
Balance at 31 December 2012	**27,223**	**32,407**	**16,201**	**(66)**	**48,542**

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

Silver Chef Limited
Consolidated statement of financial position
As at 31 December 2012

	Note	31-Dec-12 $000's	30-Jun-12 $000's
ASSETS			
Current assets			
Cash and cash equivalents		4,518	680
Trade and other receivables		3,351	2,598
Properties held for sale		1,385	2,199
Other assets		665	404
Total current assets		**9,919**	**5,881**
Non-current assets			
Property, plant and equipment	8	160,764	132,367
Intangibles		961	830
Deferred tax assets		3,858	3,121
Total non-current assets		**165,583**	**136,318**
Total assets		**175,502**	**142,199**
LIABILITIES			
Current liabilities			
Trade and other payables		33,437	27,057
Loans and borrowings	9	1,124	1,779
Current tax payable		1,625	1,272
Derivative financial instruments		221	508
Employee benefits		750	713
Total current liabilities		**37,157**	**31,329**
Non-current liabilities			
Loans and borrowings	9	89,207	65,167
Other provisions		80	-
Employee benefits		516	487
Total non-current liabilities		**89,803**	**65,654**
Total liabilities		**126,960**	**96,983**
Net assets		**48,542**	**45,216**
EQUITY			
Share capital	11	32,407	31,069
Retained earnings		16,201	14,182
Foreign currency translation reserve		(66)	(35)
Total equity		**48,542**	**45,216**

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

Silver Chef Limited
Consolidated cash flow statement
For the six months ended 31 December 2012

	31-Dec-12 $000's	31-Dec-11 $000's
Cash flows from operating activities		
Receipts from customers	66,170	48,536
Payments to suppliers and employees	(24,722)	(17,985)
Finance costs	(3,100)	(2,339)
Interest received	80	37
GST recovered	1,117	346
Income taxes paid	(2,862)	(2,873)
Net cash flows from operating activities	**36,683**	**25,722**
Cash flows from investing activities		
Payments for plant and equipment	(65,905)	(48,381)
Payments for software development	(250)	(373)
Proceeds from sale of plant and equipment	11,753	8,986
Proceeds from sale of properties	730	356
Net cash flows used in investing activities	**(53,672)**	**(39,412)**
Cash flows from financing activities		
Proceeds from borrowings	51,277	19,000
Repayment of borrowings	(26,718)	(515)
Proceeds from issue of ordinary shares	777	63
Transaction costs paid in relation to issue of shares	(67)	-
Transaction costs paid in relation to loans and borrowings	(862)	-
Repayment of finance leases	(208)	-
Dividends paid	(3,372)	(2,553)
Net cash flows from financing activities	**20,827**	**15,995**
Net increase in cash held	3,838	2,305
Cash and cash equivalents at 1 July	680	1,523
Cash and cash equivalents at 31 December	**4,518**	**3,828**

The consolidated cash flow statement is to be read in conjunction with the attached notes.

1 Reporting entity

Silver Chef Limited (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is a for profit entity and is primarily involved in the long term rental of commercial equipment.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with AASB 134 *Interim Financial Reporting,* IAS 34 *Interim Financial Reporting* and the Corporations Act 2001. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 June 2012.

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 February 2013.

3 Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 30 June 2012.

Presentation of transactions recognised in other comprehensive income

From 1 July 2012 the Group applied amendments to AASB 134 *Interim Financial Reporting* outlined in AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income*. The change only relates to the disclosures and has had no impact on consolidated earnings per share or net income. The changes have been applied retrospectively and require the Group to separately present those items of other comprehensive income that may be reclassified to profit or loss in the future from those that will never be reclassified to profit or loss.

4 Current asset-current liability deficiency

At half-year end there existed a deficiency of current assets to current liabilities, which is summarised below.

	31-Dec-12 $000's	30-Jun-12 $000's
Current assets	9,919	5,881
Current liabilities	(37,157)	(31,329)
	(27,238)	**(25,448)**

Included in the consolidated current liabilities at 31 December 2012 is an amount of $25.622 million of customer security bonds (30 June 2012 $21.638 million). The security bonds are an important part of the Group's business model and in commercial terms, perform as follows:

- The bonds are taken as a cash deposit from the customer at the inception of the contract;
- The bonds are used by the Group as security over any defaults, excessive repatriation costs or asset impairments;
- The Group retains control over the bonds and they form a part of the Group's operating cash flows;
- Bond refunds will occur in two instances, when the customer returns the asset at the completion of the contract, after deducting any amounts for arrears and repatriation expenses or, when the customer purchases the asset from the Group, after deducting any amounts for arrears. In the majority of cases, the customer will purchase the asset and their bond will be refunded once the Group has received payment for the asset, making the transaction net cash flow positive.

Customer security bonds are classified as current as the Group does not have the unconditional right to defer repayment of the bonds for a period greater than 12 months in the majority of cases. In practice, not all customer security bonds are refunded within 12 months.

4 Current asset-current liability deficiency (continued)

The ageing of customer security bonds at reporting date is as follows:

Age in months	31-Dec-12 $000's	30-Jun-12 $000's
0 – 6	9,747	6,760
6 – 12	6,089	6,955
12 – 18	4,242	2,830
18 – 24	1,940	2,496
> 24	3,604	2,597
Total	**25,622**	**21,638**

At 31 December 2012 approximately 38% (30 June 2012: 37%) of bonds have been held for a period greater than 12 months.

The balance of the bond liability is affected by movements in the rental asset base. Any decrease in the bond liability will usually be timed with the disposal of rental assets. Since listing in 2005, bond liabilities have been on average, 19% of the WDV of the Group's rental assets.

Another factor affecting the current ratio imbalance is the Group's cash management practices. The Group holds enough cash on hand to cover short term working capital requirements. The majority of the cash requirements are covered by the reliable, daily cash receipts from rental payments and other cash receipts which results in the Group not needing to hold large cash balances. Any excess cash is either deployed in purchasing rental assets, returned to shareholders as dividend payments or used to pay down debt. This practice is supported by the debt facility with the CBA, with the Group being able to draw down extra funds as required. At 31 December 2012, the Group had available undrawn facilities of $51.450 million.

After considering the above and other available current information, the directors believe there are reasonable grounds that the Group will be able to pay its debts as and when they fall due and the preparation of the financial report on a going concern basis is appropriate.

5 Estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2012.

6 Risk management

The Group's risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2012.

7 Operating segments

The principal activities of the Group comprised of the following operating segments. There were no changes in the nature of the principal activities during the period.

- Hospitality - operations comprise providing equipment rental finance predominantly to the hospitality industry.
- GoGetta - operations comprise providing equipment rental finance to other industries.

7 Operating segments (continued)

31 December 2012	Hospitality $'000	GoGetta $'000	Total $'000
Revenue			
External	35,265	17,093	52,358
Segment result			
Reportable segment profit before tax	13,101	4,844	17,945
Segment assets	118,881	58,863	177,744

31 December 2011	Hospitality $'000	GoGetta $'000	Total $'000
Revenue			
External	27,927	10,468	38,395
Segment result			
Reportable segment profit before tax	10,823	2,884	13,707
30 June 2012			
Segment assets	101,942	45,746	147,688

Reconciliation of reportable segment revenues and profits	31-Dec-12 $'000	31-Dec-11 $'000
Revenue		
Total revenue for reportable segments	52,358	38,395
Other revenue	1,218	839
Consolidated revenue	**53,576**	**39,234**
Profit or loss		
Total profit for reportable segments	17,945	13,707
Other profit or loss	(9,551)	(7,768)
Consolidated profit before income tax	**8,394**	**5,939**

Geographical information

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers and segment assets are based on the geographical location of the assets.

	31 December 2012 $000's		31 December 2011 $000's	
	Revenue	Non-current assets	Revenue	Non-current assets
Australia	51,829	158,536	39,216	121,488
New Zealand	529	2,579	18	218

8 Property plant and equipment

	31-Dec-12 $000's	30-Jun-12 $000's
Plant and equipment		
At cost	4,676	4,364
Less accumulated depreciation	(1,640)	(1,242)
Total	**3,036**	**3,122**

8 Property plant and equipment (cont'd)

Movements during the period	6 months ended 31-Dec-12	12 months ended 30-Jun-12
Plant and equipment		
Balance at the beginning of the period	3,122	966
Additions	313	2,577
Depreciation expense	(398)	(348)
Disposals	(1)	(73)
Balance at the end of the period	**3,036**	**3,122**

	31-Dec-12 $000's	30-Jun-12 $000's
Rental assets		
At cost	229,826	189,843
Less accumulated depreciation	(70,302)	(59,126)
Less provision for impairment	(1,796)	(1,471)
Total	**157,728**	**129,246**

Movements during the period	6 months ended 31-Dec-12	12 months ended 30-Jun-12
Rental assets		
Balance at the beginning of the period	129,246	94,784
Additions	65,592	92,991
Depreciation expense	(22,283)	(34,136)
Disposals	(13,978)	(23,162)
Impairment loss [1]	(849)	(1,231)
Balance at the end of the period	**157,728**	**129,246**
Total property plant and equipment	**160,764**	**132,367**

[1] Impairment of rental assets: assessments are made monthly on the recoverable amount of returned rental assets and assets on contracts which have defaulted. As a result, impairment losses of $849,000 (2011: $307,000) were recognised throughout the half year.

9 Loans and borrowings

	31-Dec-12 $000's	30-Jun-12 $000's
Current		
Secured:		
Finance lease liabilities	477	414
Secured bank loans	647	1,365
	1,124	**1,777**
Non-current		
Secured:		
Finance lease liabilities	1,592	1,863
Secured bank loans[1]	58,300	63,304
Unsecured:		
Corporate loan notes[2]	29,315	-
	89,207	**65,167**

9 Loans and borrowings (continued)

[1] The facility provided by CBA at reporting date expires on 30 October 2014 and has an approved limit of $110.0 million, excluding the property and other transactional facilities.

[2] The corporate loan notes are senior, unsecured, unsubordinated notes with a face value of $30.0 million at a fixed coupon rate of 8.5% per annum and a maturity date of 14 September 2018. Interest on the corporate loan notes are payable on a six monthly basis.

10 Earnings per share

Details of basic and diluted EPS reported separately in accordance with AASB 133: *Earnings per Share* is as follows:

	31-Dec-12 000's	31-Dec-11 000's
Basic earnings per share		
Profit for the period	$5,917	$4,212
	$5,917	**$4,212**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares	27,034	23,186
Weighted average number of ordinary shares (basic) at 31 December	**27,034**	**23,186**
Diluted earnings per share		
Profit for the period	$5,917	$4,212
	$5,917	**$4,212**
Weighted average number of ordinary shares		
Weighted average number of ordinary shares (basic)	27,034	23,186
Effect of employee share option plan	97	125
Weighted average number of ordinary shares (diluted) at 31 December	**27,131**	**23,311**

11 Share capital

Issuance of ordinary shares

As part of the Employee Share Scheme, 21,837 ordinary shares were issued to employees at $3.98 per share. In addition 14,000 ordinary shares were issued as a result of the exercise of options. Options were exercised at an average price of $1.60. A total of 338,171 shares were also issued as part of the dividend reinvestment plan at $3.83.

Dividends
The following dividends were declared and paid by the Company:

For the six months ended 31 December	2012 $000's	2011 $000's
2011 Final dividend - 11 cents fully franked paid 30 September 2011	-	2,553
2012 Final dividend - 14.5 cents fully franked paid 28 September 2012	3,898	-
	3,898	2,553

12 Subsequent events

A dividend of 14.0 cents per share, 100% fully franked has been declared by the Directors. The dividend has not been provided for in the 31 December 2012 financial report.

Silver Chef Limited
Directors' Declaration

In the opinion of the directors of Silver Chef Limited ("the Company"):

1. the financial statements and notes set out on pages 5 to 13, are in accordance with the Corporations Act 2001 including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the six month period ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. 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 the directors:

Allan English
Chairman

Dated at Brisbane this 25th day of February 2013

KPMG

Independent auditor's review report to the members of Silver Chef Limited

We have reviewed the accompanying half-year financial report of Silver Chef Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2012, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year's end or from time to time during the half-year period.

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 internal 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the half-year period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Silver Chef 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 Silver Chef Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Simon Crane
Partner

Brisbane
25 February 2013