Bowler Metcalf Limited

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Headline Earnings + 31% Dividends Declared + 18%

CONDENSED PROVISIONAL REPORT OF AUDITED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2015

CONDENSED STATEMENT OF FINANCIAL POSITION

R mil	30 June 15	% Change	30 June 14
Non-current Assets	**405.2**		196.6
Property, plant & equipment	122.4		173.0
Investment properties	6.7		-
Investment in associates	270.4		-
Deferred tax	0.8		7.7
Intangible assets	4.9		15.9
Current Assets	**365.4**		356.9
Inventories	56.9		100.2
Trade and other receivables	103.1		95.1
Prepayments	19.2		24.2
Cash and cash equivalents	139.6		126.2
Loan	-		9.5
Related party loan	46.5		-
Taxation	0.1		1.7
Total Assets	**770.6**	+ 39	553.5
Total Equity	**667.7**	+ 45	459.9
Non-current liabilities	**53.4**		15.0
Deferred Tax	53.4		13.2
Borrowings	-		1.8
Current Liabilities	**49.5**		78.6
Trade and other payables	45.1		62.4
Borrowings	1.2		13.8
Taxation	3.2		2.4
Total Equity & Liabilities	**770.6**		553.5

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

R mil	30 June 15	% Change	30 June 14
Continuing operations			
Revenue	498.0	+ 18	423.3
Other income	2.6		7.2
Operating costs	(408.3)		(364.1)
Associated company loss	(4.3)		-
Profit from operations	**88.0**	+ 33	66.4
Net interest	13.1		9.2
Net profit before tax	**101.1**		75.6
Taxation	(29.1)		(20.0)
Total profit - continuing operations	**72.0**	+ 29	55.6
Discontinued operations			
Net profit before tax	12.2		4.9
Profit on disposal of subsidiary	194.1		-
Taxation	(43.0)		(0.3)
Total profit - discontinued operations	**163.3**		4.6
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT	**235.3**	+ 291	60.2
Earnings & diluted earnings per share (c)	**285.28**	+ 289	73.26
- continuing operations	87.28		67.71
- discontinued operations	198.00		5.55

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings	Treasury Shares	Share Based Payments	Total Equity
30 June 13	21.5	436.9	(35.0)	1.0	424.4
Comprehensive Income	-	60.2	-	-	60.2
Dividends	-	(28.2)	-	-	(28.2)
Disposals	-	-	3.4	-	3.4
Other	-	0.7	-	(0.6)	0.1
30 June 14	21.5	469.6	(31.6)	0.4	459.9
Comprehensive Income	-	235.3	-	-	235.3
Dividends	-	(28.8)	-	-	(28.8)
Disposals	-	-	1.4	-	1.4
Other	-	0.3	-	(0.4)	(0.1)
30 June 15	**21.5**	**676.4**	**(30.2)**	**-**	**667.7**

HEADLINE EARNINGS (R mil)

	30 June 15	% Change	30 June 14
Earnings attributable to parent:			
Continuing operations	72.0		55.6
Disposal of assets	-		1.2
- gross	-		1.5
- tax	-		(0.3)
Headline earnings - continuing operations	72.0	+ 27	56.8
Discontinued operations	163.3		4.6
Disposal of assets	(154.3)		0.1
- gross	(194.1)		0.2
- tax	39.8		(0.1)
Headline earnings - discontinued operations	9.0	+ 91	4.7
Headline earnings (R'mil)	**81.0**	+ 32	61.5

HEADLINE EARNINGS PER SHARE (HEPS)

	30 June 15	% Change	30 June 14
Earnings attributable to parent:			
Continuing operations	87.28		67.71
Disposal of assets - net	0.05		1.43
HEPS - continuing operations (cents)	87.33		69.14
Discontinued operations	198.00		5.55
Disposal of assets - net	(187.11)		0.18
HEPS - discontinued operations	10.89		5.73
Basic & diluted headline earnings (c)	**98.22**	+ 31	74.87

ADDITIONAL INFORMATION

	30 June 15	% Change	30 June 14
Ordinary dividend/share paid (c)	35.00		34.20
Ordinary dividend/share proposed (c)	41.40	+ 18	35.00
Basic dividend cover (times)	2.10		2.10
Weighted shares in issue (mil)	82.481		82.179
Capital expenditure (Rmil)	32.92	+ 14	28.97
Capital commitments (Rmil)	6.74	- 4	6.99

CONDENSED SEGMENTAL ANALYSIS

R mil	Plastic Packaging	Beverages	Property	Unallocated/ Eliminations	Total
2015					
Continuing Operations					
Revenue	493.9	-	4.1	-	498.0
Intersegment revenue	-	-	16.0	(16.0)	-
Loss of associate	-	(4.3)	-	-	(4.3)
Other income	4.7	-	-	(2.1)	2.6
Expenses	(418.8)	-	(5.5)	16.0	(408.3)
Operating income	79.8	(4.3)	14.6	(2.1)	88.0
Net finance income	12.7	-	0.4	-	13.1
Taxation	(24.9)	-	(4.2)	-	(29.1)
Profit for the year - continuing operations	67.6	(4.3)	10.8	(2.1)	72.0
Discontinued Operations					
Disposal of subsidiary	-	194.1	-	-	194.1
Profit - discontinued ops	-	12.2	-	-	12.2
Taxation	-	(43.0)	-	-	(43.0)
Profit for the year - discontinued operations	-	163.3	-	-	163.3
Attributable to parent	67.6	159.0	10.8	(2.1)	235.3
Total assets	464.4	270.7	69.4	(33.6)	770.9
Total liabilities	96.0	39.8	7.0	(40.0)	102.8
2014					
Continuing Operations					
Revenue	419.3	-	4.0	-	423.3
Intersegment revenue	-	-	15.8	(15.8)	-
Other income	5.1	-	-	2.1	7.2
Expenses	(374.9)	-	(5.0)	15.8	(364.1)
Operating income	49.5	-	14.8	2.1	66.4
Net finance income	9.5	-	0.1	(0.4)	9.2
Taxation	(15.8)	-	(4.2)	-	(20.0)
Profit for the year - continuing operations	43.2	-	10.7	1.7	55.6
Discontinued Operations					
Profit - discontinued ops	-	4.9	-	-	4.9
Taxation	-	(0.3)	-	-	(0.3)
Profit for the year - discontinued	-	4.6	-	-	4.6
Attributable to parent	43.2	4.6	10.7	1.7	60.2
Total assets	398.9	148.2	104.1	(97.7)	553.5
Total liabilities	114.8	88.7	5.0	(114.8)	93.7

CONDENSED STATEMENT OF CASH FLOWS

	30 June 15	% Change	30 June 14
Operating Activities	**42.0**		44.6
Profit before tax	307.7		80.6
Non-cash items	(164.6)		28.6
Working capital changes	(44.3)		(14.1)
Taxation paid	(28.2)		(22.3)
Dividends paid	(28.6)		(28.2)
Investing Activities	**(17.2)**		8.8
Property plant and equipment	(27.7)		(42.5)
Disposal of subsidiary	4.8		-
Loan repayments	5.7		-
Transfer from income funds	-		51.3
Financing Activities	**(11.4)**		(1.5)
Borrowings	(12.9)		(4.9)
Treasury shares - disposals	1.5		3.4
Net Cash Flow	**13.4**		51.9
Opening balance	126.2		74.3
Closing balance	**139.6**		126.2
Comprising:			
Cash & cash equivalents	139.6		126.2

PROFIT ON DISPOSAL OF SUBSIDIARY

	30 June 15	30 June 14
Consideration	274.8	-
Costs	(3.1)	-
Goodwill derecognised on disposal	(11.1)	-
Net assets disposed of	(66.5)	-
	194.1	-
Net assets disposed of comprise:		
Current assets	126.2	-
Inventories	41.0	-
Trade and other receivables	83.8	-
Cash and cash equivalents	0.6	-
Taxation	0.8	-
Non-current assets	54.2	-
Property, plant and equipment	48.5	-
Deferred taxation	5.7	-
Current liabilities	(112.6)	-
Trade and other payables	(60.0)	-
Borrowings	(47.2)	-
Bank overdraft	(5.4)	-
Non-current liabilities	(1.3)	-
Borrowings	(0.2)	-
Deferred taxation	(1.1)	-
	66.5	-
Net cashflow on disposal		
Net overdraft disposed of	4.8	-

On 20 May 2015 the company ratified a sale agreement disposing of the beverages segment, comprising Quality Beverages 2000 Proprietary Limited and its operating subsidiaries, Quality Beverages Jhb Proprietary Limited and Quality Softdrinks Proprietary Limited, resulting in a substantial gain. The effective date of the disposal was 31 May 2015, on which date control passed to the acquirer. The sale consideration was settled through the issue of shares in SoftBev Proprietary Limited.

CEO'S COMMENTARY

The year under review has been a watershed one for the Group. We undertook corporate action which resulted from the reassessment of our strategy of vertical integration into the beverage industry. This resulted in a shift from full ownership of the integrated beverage facility to a minority holding in a much expanded beverage company called SoftBev Proprietary Limited.

The traditional business of rigid plastic packaging has emerged as a beneficiary of both the sustained financial pressures that the plastic packaging industry has been forced to bear over the last two reporting periods and also by the measures that were undertaken to prosper within those constraints. These pressures have caused the demise/realignment of certain competitors and the Group was able to benefit under these conditions. In a "less than buoyant" market this prosperity manifested in an 18% revenue growth to R498 million and a concomitant growth in earnings of 30% to R72 million. Dividends per share were increased by 18% on a dividend cover of 2.1 times.

Corporate Action – SoftBev

Corporate action was undertaken during the year whereby Shoreline Sales and Distribution Proprietary Limited (brands Coee, Reboost) and Quality Beverages (brands Jive and Dixie) were merged into SoftBev. SoftBev immediately became the largest wholly South African owned non-alcoholic beverage company, with production facilities in Durban, Cape Town and Gauteng. As a result of the merger, Bowler Metcalf owns 43% of SoftBev. International technological advances in production methods had assured the inevitability of Bowler Plastics relinquishing all bottle manufacturing requirements to Quality Beverages if they were to remain competitive in the market. Pursuant with the merging conditions, Bowler Metcalf had an obligation to convert the Quality Beverages Cape Town factory to in-house bottle blowing and this will be successfully implemented by Q2 2016 with performance conditions attached. No material negative consequences are anticipated at this stage.

Subsequent to the formalisation of the merger SoftBev successfully negotiated with both Capri-Sonne and PepsiCo to produce and market their products in South Africa. Capri-Sonne are the purveyors of a drink pouch aimed at the children's market, sold in 200 ml sachets with an integrated straw. They are operational in 42 countries. SoftBev were selected by PepsiCo to be the sole bottlers of Pepsi Cola, Mirinda, Mountain Dew and 7Up in South Africa for the next five years. It is believed that these global brands should have a similar penetration into the South African market as in other countries of the world, but the challenge to deliver on this potential this is not taken lightly.

Continued Operations – Bowler Plastics

The rises of 18% in revenue and 30% in earnings respectively for Bowler Plastics fairly reflects the dual benefits that we have gained in a transition from a discontinued business exit and new business growth. We have witnessed a significant growth in our customer base over the last eighteen months and have partnered with those customers who value technical innovation, quality of production and consistency of supply above price alone. We have been fortunate to be awarded long term contracts at a value exceeding R360 million which provides us with the impetus to maintain and accelerate out technical offering. We are currently industrialising several new processes which will be bought in to play in three of our manufacturing plants. Capital expenditure of R55 million has been earmarked for these technological and capacity upgrades.

Discontinued operations – Quality Beverages

In the Western Cape, volume growth of 7% was recorded to the end of May. Prior to the SoftBev merger, the Gauteng operation was unable to operate profitably, despite growing revenue by 15%. Under the SoftBev banner, and post-merger, it is believed that Gauteng will show the greatest growth.

Prospects

The current state of the rigid plastic packaging landscape bodes well for Bowler Metcalf. The execution of this opportunity falls squarely on my management team, who have already displayed resilience, determination and ability. I have no reason to believe that they would not continue so to do.

While SoftBev is now an associated company and will be reported as such, Bowler Metcalf is intimately involved in the strategy and leadership of this exciting opportunity. The incumbent executive team of SoftBev have demonstrated extremely strong professionalism, expertise and, in particular, urgency in managing massive changes in the dynamics of their business in a very short space of time. I have every reason to believe that they are very well placed to continue the success story of SoftBev.

BASIS OF PREPARATION AND AUDIT REPORT

The condensed consolidated results have been prepared in accordance with the Framework concepts, the measurement and recognition requirements of International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee. They contain the information required by IAS 34 Interim Financial Reporting and have been prepared in the manner required by the Companies Act and the Johannesburg Stock Exchange Listings Requirements.

This condensed report has been prepared using the same accounting policies and methods of computation as used in the audited annual financial statements from which the condensed report is extracted, and should be read in conjunction with the annual financial statements.

Comparative figures in the statement of comprehensive income have been restated in line with the requirements of IFRS 5, with specific reference to discontinued operations.

This results announcement, itself not audited, is extracted from the audited Annual Financial Statements (AFS). The AFS, together with the unqualified audit report of the company's auditors, Mazars, is available for inspection at the company's registered office. The auditor's report does not necessarily report on all of the information contained in this condensed report. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the company's registered office. The directors take full responsibility for this report extracted from the underlying audited AFS.

CHANGES TO THE BOARD

There were no changes to the Board during the year.

TREASURY SHARES

Disposals of treasury shares were in respect of the exercise of share options.

CASH DIVIDEND DECLARATION

A final gross cash dividend, as defined by the Income Tax Act, of 23.0 cents per share ("cps") for the year ended 30 June 2015 (2014: 16.6 cps) has been declared and is payable to shareholders on Monday, 2 November 2015. The last day to trade will be Friday, 23 October 2015, "Ex" dividend trading begins on Monday, 26 October 2015 and the record date will be Friday, 30 October 2015. Share certificates may not be dematerialised or re-materialised between Monday, 26 October 2015 and Friday, 30 October 2015, both days inclusive. Directors confirm that the solvency and liquidity test is satisfied at the date of this report. The test will be performed again at the payment date.

This dividend will be made from income reserves. The gross dividend is 23.0 cps. Dividend Withholding Tax (DWT) is 15%. The net local cash dividend to shareholders liable for DWT will therefore be 19.550 cps.

Number of shares in issue at the date of declaration is 88 428 066 shares.

Unless otherwise requested in writing, individual dividend cheques of less than R50 will not be paid but retained in the company's unclaimed dividend account. Accumulated unpaid dividends in excess of R200 may be claimed in writing from the Transfer Secretaries.

ANNUAL REPORT

The company is preparing the Annual Report and will announce details of the Annual General Meeting in due course.

B.J. Frost (Non-Exec Chairman)
P.F. Sass (Chief Executive Officer)
Cape Town
29 September 2015

Prepared by: LV Rowles CA(SA)

REGISTERED AUDITOR	SPONSOR	TRANSFER SECRETARY	COMPANY TAX NUMBER
Mazars - Partner Jaco Cronje - Registered Auditor	Arbor Capital Sponsors (Pty) Ltd	Computershare Investor Services (Pty) Ltd	9775130710
Mazars House, Rialto Road,	Ground floor, Woodmead North Office Park	P.O. Box 61051, Marshalltown, 2108	
Grand Moorings Precinct, Century City, 7441	54 Maxwell Dr, Woodmead, 2157		