Bowler Metcalf Limited

REG NO : 1972/005921/06 ALPHA CODE : BCF ISIN CODE : ZAE000030797

AUDITED SUMMARISED CONSOLIDATED RESULTS FOR THE YEAR ENDED 30 JUNE 2013

R mil	30-06-13	% Change	30-06-12
STATEMENT OF FINANCIAL POSITION			
Non-current Assets	**212.7**		225.8
Property , plant & equipment	**181.0**		195.4
Deferred tax	**6.3**		5.0
Intangible assets	**15.9**		15.9
Loan	**9.5**		9.5
Current Assets	**301.2**		287.6
Inventories	**78.9**		70.8
Trade and other receivables	**90.3**		88.0
Prepayments	**7.1**		2.4
Cash and cash equivalents	**74.3**		47.6
Other financial assets	**50.0**		75.2
Taxation	**0.6**		3.6
Total Assets	**513.9**	+ 0	513.4
Total Equity	**424.4**	- 2	434.2
Non-current liabilities	**30.4**		28.4
Deferred Tax	**12.7**		15.8
Borrowings	**17.7**		12.6
Current Liabilities	**59.1**		50.8
Trade and other payables	**50.0**		41.8
Bank overdrafts	**-**		4.6
Borrowings	**6.8**		4.1
Taxation	**2.3**		0.3
Total Equity & Liabilities	**513.9**		513.4
STATEMENT OF COMPREHENSIVE INCOME			
Revenue	**650.4**	+ 1	645.8
Other income	**3.2**		7.1
Operating costs	**(545.1)**		(538.1)
Depreciation	**(38.6)**		(35.5)
Impairments	**-**		(1.1)
Profit from operations	**69.9**		78.2
Net interest	**8.5**		2.8
Net profit before tax	**78.4**	- 3	81.0
Taxation	**(20.9)**		(21.8)
Total profit and comprehensive income	**57.5**		59.2
Attributable to non-controlling interests	**(2.6)**		(1.0)
Attributable to parent	**54.9**	- 6	58.2
Earnings & diluted earnings per share (c)	**67.35**	- 6	71.72
HEADLINE EARNINGS `			
Earnings attributable to parent	**54.9**		58.2
Profit on disposal of plant & equipment	**0.1**		(0.1)
loss/(profit)	**0.2**		(0.2)
tax and outside interests	**(0.1)**		0.1
Disposal of investment	**-**		(1.0)
loss/(profit)	**-**		(1.0)
tax and outside interests	**-**		-
Headline earnings	**55.0**	- 4	57.1
Earnings per share(c)	**67.35**		71.72
Disposal of plant and equipment (c)	**0.15**		(0.16)
Disposal of investment (c)	**-**		(1.24)
Basic & diluted headline earnings (c)	**67.50**	- 4	70.32
ADDITIONAL INFORMATION			
Ordinary dividend/share paid (c)	**37.50**	+ 4	36.00
Ordinary dividend/share proposed (c)	**33.30**	+ 6	31.40
Special dividend/share proposed (c)	**-**		4.60
Basic dividend cover (times)	**2.03**		2.30
Weighted shares in issue (mil)	**81.458**		81.172
Capital expenditure (Rmil)	**24.81**		93.85
Capital commitments (Rmil)	**5.15**		2.00

R mil

STATEMENT OF CHANGES IN EQUITY

	Share Capital	Retained Earnings	Treasury Shares	Share Based Payments	Non-controlling Interests	Total Equity
30 June 11	21.5	405.8	(34.1)	1.4	13.0	407.6
Comprehensive Income	-	58.2	-	-	1.0	59.2
Dividends	-	(29.6)	-	-	(0.3)	(29.9)
Purchases	-	-	(13.8)	-	-	(13.8)
Sales	-	-	10.9	-	-	10.9
Other	-	0.4	-	(0.2)	-	0.2
30 June 12	21.5	434.8	(37.0)	1.2	13.7	434.2
Comprehensive Income	**-**	**54.9**	**-**	**-**	**2.6**	**57.5**
Acquisition of minority interests	**-**	**(22.6)**			**(16.3)**	**(38.9)**
Dividends	**-**	**(30.6)**	**-**	**-**	**-**	**(30.6)**
Purchases	**-**	**-**	**-**	**-**	**-**	**-**
Sales	**-**	**-**	**2.0**	**-**	**-**	**2.0**
Other	**-**	**0.4**	**-**	**(0.2)**	**-**	**0.2**
30 June 13	**21.5**	**436.9**	**(35.0)**	**1.0**	**(0.0)**	**424.4**

SEGMENTAL ANALYSIS

	Plastic	Filling	Property	Unallocated	Total
Revenue					
2012	294.9	350.8	0.1	-	645.8
- total revenue	382.7	350.8	18.2	-	751.7
- intersegment	(87.8)	-	(18.1)	-	(105.9)
2013	**275.2**	**374.9**	**0.3**	**-**	**650.4**
- total revenue	369.6	374.9	18.4	-	762.9
- intersegment	(94.4)	-	(18.1)	-	(112.5)
Attributable Profits					
2012	47.4	1.5	9.3	-	58.2
2013	**42.2**	**3.5**	**9.3**	**(0.1)**	**54.9**
Total Assets					
2012	357.5	134.8	93.2	(72.1)	513.4
- total assets	320.0	134.6	42.9	15.9	513.4
- intersegment	37.5	0.2	50.3	(88.0)	-
2013	**368.5**	**135.7**	**97.0**	**(87.3)**	**513.9**
- total assets	319.9	135.2	42.9	15.9	513.9
- intersegment	48.6	0.5	54.1	(103.2)	-

STATEMENT OF CASH FLOWS	30-06-13	30-06-12
Operating Activities	**60.1**	67.1
Profit before tax	**78.4**	81.0
Non-cash items	**36.6**	35.6
Working capital changes	**(4.1)**	4.6
Taxation paid	**(20.2)**	(24.2)
Dividends paid	**(30.6)**	(29.9)
Investing Activities	**3.9**	(146.1)
Property plant and equipment	**(27.1)**	(63.7)
Loans	**-**	(9.5)
Transfer to/from income funds	**31.0**	(75.2)
Disposal of investment	**-**	2.3
Financing Activities	**(32.7)**	5.9
Borrowings	**(3.5)**	8.8
Borrowings - fixed interest	**-**	-
Acquisition - minority interest	**(31.2)**	-
Treasury shares - acquisitions	**-**	(13.8)
Treasury shares - disposals	**2.0**	10.9
Net Cash Flow	**31.3**	(73.1)
Opening balance	**43.0**	116.1
Closing balance	**74.3**	43.0
Comprising:		
Cash & cash equivalents	**74.3**	47.6
Bank Overdrafts	**-**	(4.6)

CEO'S COMMENTARY

Our founder and chairman, Horst Sass, died peacefully on the 1st of June 2013 after a short and determined fight against cancer. Consequently there have been several changes to the Board and Board Committees during the year. We are fortunate to have a well balanced and hard working team of non-executive directors.

In a year of mixed performances, the two key operating segments of the Group have returned a 0.7% growth in turnover and a 5.7% drop in profits resulting in a 4% drop in headline earnings per share.

During the review period, as approved at a shareholders meeting on 27 March 2013 and upon the terms and conditions contained in the notice to that meeting, Bowler Metcalf acquired the remaining 25,1% of shares in Quality Beverages 2000 (Pty) Ltd. The recognition of this transaction has contributed to the decrease in net assets, while the recognition of the related restraint of trade agreement and the timing of the transaction, as regards the minority share of current earnings, has dented earnings in the filling segment.

The filling operation has increased its influence on the top-line, while not yet contributing meaningfully to the earnings as a result of the Gauteng beverages strategy. The depressed activity levels of the plastic's division is a direct reflection of the difficult trading conditions in South Africa, even though the performance of the units has been satisfactory under the circumstances. The strategy of "vertical integration" followed over the past few years is assisting a process of readjustment to a changing market in the core plastics business.

Plastics Operations

Good support from the filling division contained volume losses in the plastics operation to 6,7%.

The cosmetic and toiletries industry, which forms the core of the plastics operations, continued with a subdued performance, pressurised by a combination of low consumer spend and volume losses due to imported finished goods.

On the back of a weakening rand, unrecoverable material price increases have strained earnings while downstream import replacements take longer to respond. The 11.1% earnings margin to revenue underscores our business approach to niche market development as opposed to the commodity business which has seen falling margins.

In the last quarter of the period under review, encouraging signs of a rebound in the downstream industries is evident. The exchange rate (with regards to combatting import finished goods), supportive government participation and firm commitments to South African manufacturing basis by international corporations is driving investments at our customer base. This will benefit both the industry and the plastics converting industries.

The operation is continuing its focus on innovative technologies, efficiency and cost improvements as well as expansion of its customer base in different market sectors. Early fruits of this labour as is evident in the year under review. The difficult trading period has brought customer and supplier significantly closer and the resultant partnership developments are exciting.

Filling Operations

An aggressive marketing strategy has resulted in pleasing growth of 6,9% in revenue for the business.

In the Cape region, a combination of improved efficiencies and peak season stock and logistics planning have supported a volume growth of 13%, as the brand continues its expansion in the region.

The Gauteng region depressed the overall performance of the business by failing to gain brand support on the basis of the Cape model. A business review, restructure and launch of a specific Gauteng CSD brand, toward the end of the review period is showing signs of gaining momentum. This part of the business is closely monitored for its continued future in the Group.

The business is well positioned to benefit from the strength and growth of the middle income band consumers in South Africa and it suitably complements the Group's current profile.

Prospects

Recent trading updates by the major supermarket chains point to the continuing slowdown in the FMCG market. The customers of the packaging operation are the major supplier of products to this market and the intense competition is pressurising prices and margins. Encouragingly, the growth in Sub-Saharan markets is gaining momentum.

Despite the challenges in the plastic operation and the Johannesburg filling operation, the management team is motivated and focussed to capitalise on the current market dynamics which look positive for the company profile.

BASIS OF PREPARATION AND AUDIT REPORT

The condensed consolidated results have been prepared in accordance with the Framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards, containing information required by the IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and in the manner required by the Companies Act and the JSE Limited's Listing Requirements.

The accounting treatment of the acquisition of the minority interest is:
- the balance of the purchase price has been recognised as a liability.
- the full amount of the earn-out agreement has been recognised as a liability, at fair value.
- the excess of purchase price over the carrying amount of minority interest has been deducted from retained earnings
- restraint of trade obligation has been recognised as a termination benefit, at the present value of the amount payable, at the date at which the contractual liability arose.
- earnings attributable to minorities has been recognised to the date on which the contract was concluded.

Comparative figures for trade receivables and trade payables have been reduced by R21.3 mil to correct a consolidation elimination error in 2012 and only impacts the statement of financial position. There is no impact on Group earnings. Three column reporting is not required as the position in 2011 is correct.

The unqualified audit report of the company's auditors, Mazars, is available for inspection at the company's registered office.

This summarised report has been prepared using the same accounting policies and methods of computation as used in the most recently issued annual financial statements, which should be read in conjunction with this summarised report.

CHANGES TO THE BOARD

SJ Gillett	Appointed November 2012 - Non-executive independent
MA Olds	Appointed November 2012 - Executive
HW Sass	Deceased June 2013 - Non-executive Chairman
BJ Frost	Appointed chairman June 2013 - Non-executive independent

TREASURY SHARES

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

CASH DIVIDEND DECLARATION

A final gross cash dividend of 15.8 cents per share ("cps") for the year ended 30 June 2013 (2012: final 15.4 cps and special 4.6 cps) has been declared and is payable to shareholders on Monday, 21 October 2013. The last day to trade will be Friday, 11 October 2013. "Ex" dividend trading begins on Monday, 14 October 2013 and the record date will be Friday, 18 October 2013. Share certificates may not be dematerialised or re-materialised between Monday, 14 October 2013 and Friday, 18 October 2013, 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 15.8 cps. Dividend Withholding Tax (DWT) is 15%. There are no Secondary Tax on Companies (STC) credits available for set off against the DWT. The net local cash dividend to shareholders liable for DWT will therefore be 13.430 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.

B.J. FROST (Non-Exec Chairman)
P.F. Sass (Chief Executive Officer)
Cape Town, 11 September 2013

Prepared by: LV Rowles CA(SA)

REGISTERED AUDITOR
Mazars - Partner Jaco Cronje - Registered Auditor
Mazars House, Rialto Road,
Grand Moorings Precinct, Century City, 7441

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54 Maxwell Dr, Woodmead, 2157

TRANSFER SECRETARIES
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COMPANY TAX NUMBER
9775130710