



# Bowler Metcalf Limited

REG NO : 1972/005921/06

ALPHA CODE : BCF

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**Earnings****+ 7%****Dividend****+ 9%****CONDENSED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2012**

R mil	31/12/12	31/12/11	% Change	30/06/12
<b>STATEMENT OF FINANCIAL POSITION</b>				
<b>Non-current Assets</b>	214.6	193.4		225.8
Property, plant & equipment	183.7	162.2		195.4
Deferred tax	5.5	4.5		5.0
Intangible assets	15.9	15.9		15.9
Loan	9.5	9.5		9.5
Investments	-	1.3		-
<b>Current Assets</b>	358.7	362.5		308.9
Inventories	81.8	67.0		70.8
Trade and other receivables	145.0	157.4		109.3
Prepayments	13.0	41.5		2.4
Cash and cash equivalents	65.4	92.5		47.6
Other financial assets	48.4	-		75.2
Taxation	5.1	4.1		3.6
<b>Total Assets</b>	<b>573.3</b>	<b>555.9</b>	<b>+ 3</b>	<b>534.7</b>
<b>Total Equity</b>	<b>456.8</b>	<b>421.5</b>	<b>+ 8</b>	<b>434.2</b>
<b>Non-current liabilities</b>	<b>27.2</b>	<b>29.0</b>		<b>28.4</b>
Deferred Tax	14.6	14.6		15.8
Borrowings - variable interest	3.1	4.9		3.1
Borrowings - fixed interest	9.5	9.5		9.5
<b>Current Liabilities</b>	<b>89.3</b>	<b>105.4</b>		<b>72.1</b>
Trade and other payables	84.4	83.4		63.1
Bank overdrafts	1.9	18.2		4.6
Borrowings - interest bearing	2.7	2.6		4.1
Taxation	0.3	1.2		0.3
<b>Total Equity &amp; Liabilities</b>	<b>573.3</b>	<b>555.9</b>		<b>534.7</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>				
Revenue	331.1	327.5	+ 1	645.8
Other income	1.8	3.2		7.1
Operating costs	(197.8)	(206.2)		(409.6)
Depreciation	(19.3)	(15.9)		(35.5)
Impairments	-	-		(1.1)
Rent & property finance	(2.6)	(2.3)		(4.3)
Staffing costs	(67.5)	(60.1)		(124.2)
<b>Profit from operations</b>	<b>45.8</b>	<b>46.2</b>		<b>78.2</b>
Net finance income	5.1	0.3		2.8
- income	6.3	1.4		5.0
- costs	(1.2)	(1.1)		(2.2)
<b>Net profit before tax</b>	<b>50.9</b>	<b>46.5</b>	<b>+ 9</b>	<b>81.0</b>
Income tax expense	(13.8)	(12.8)		(21.8)
<b>Total profit and comprehensive income</b>	<b>37.1</b>	<b>33.7</b>		<b>59.2</b>
Attributable to non-controlling interests	(2.1)	(0.9)		(1.0)
<b>Attributable to parent</b>	<b>35.0</b>	<b>32.8</b>	<b>+ 7</b>	<b>58.2</b>
<b>Earnings &amp; diluted earnings per share (c)</b>	<b>43.00</b>	<b>40.30</b>	<b>+ 7</b>	<b>71.72</b>
<b>HEADLINE EARNINGS</b>				
Earnings attributable to parent	35.0	32.8		58.2
Impairments	-	-		-
Profit on disposal of plant & equipment	-	-		(0.1)
profit	-	-		(0.2)
tax and outside interests	-	-		0.1
Profit on disposal of plant & equipment	-	-		(1.0)
profit	-	-		(1.0)
tax and outside interests	-	-		-
<b>Headline earnings</b>	<b>35.0</b>	<b>32.8</b>	<b>+ 7</b>	<b>57.1</b>
Earnings per share(c)	43.00	40.30		71.72
Disposal of plant and equipment (c)	-	-		(0.16)
Disposal of investment (c)	-	-		(1.24)
<b>Basic &amp; diluted headline earnings (c)</b>	<b>43.00</b>	<b>40.30</b>	<b>+ 7</b>	<b>70.32</b>
<b>ADDITIONAL INFORMATION</b>				
Dividend/share paid (c)	20.00	20.00	+ 0	36.00
Ordinary dividend proposed (c)	17.50	16.00	+ 9	36.00
Dividend cover (times)	2.46	2.52		2.30
Weighted shares in issue (mil)	81.32	81.331		81.172
Capital expenditure (Rmil)	7.40	40.50		63.70
Capital commitments (Rmil)	13.70	6.00		2.00
Current ratio	4.02	3.44		4.28
Return on equity (%)	15.85	14.68		13.84
Closing share price (cents)	760	875		778

**COMMENT**

Despite tough trading conditions, the directors are pleased to announce a modest improvement over the corresponding period of the previous year.

Group revenue has increased by 1%, and attributable income and headline earnings by 7%. Maintaining an approximate cover of 2.5 times, a dividend of 17.5 cps has been declared, being an increase of 9% on the previous year.

As announced on 25 January 2013, Bowler Metcalf has acquired the remaining minority interest in the Quality Beverages group, comprising filling and property elements, conditional upon shareholder approval by the end of March 2013.

**Plastic Operations**

The plastics business has experienced tough market conditions during this trading period with an uncharacteristic slowing of activity levels toward the end of the period.

**Filling Operations**

The filling operations have shown a satisfactory growth of 5% in turnover during this period. The production facility in Johannesburg, commissioned at the end of 2011, is running well, although not yet contributing positively to the bottom-line.

**Prospects**

Both the plastic and filling operations remain focussed on their core business strategies in these challenging times. Material price volatility, on the back of oil price and exchange rate fluctuations, is continuing to be experienced in the plastic operation.

**BASIS OF PREPARATION**

The condensed unaudited 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 AC500 standards as issued by the Accounting Practices Board and in the manner required by the Companies Act and the JSE Limited's Listings Requirements.

**REGISTERED AUDITOR**

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

**SPONSORS**

Arcay Moela Sponsors (Pty) Ltd  
3 Anerley Road  
Parktown, 2193

**TRANSFER SECRETARIES**

Computershare Investor Services (Pty) Ltd  
P.O. Box 61051, Marshalltown, 2107

R mil	Share Capital	Retained Earnings	Treasury Shares	Share Based Payments	Non-controlling Interests	Total Equity
<b>STATEMENT OF CHANGES IN EQUITY</b>						
30 Jun 11	21.50	405.80	(34.10)	1.40	13.00	407.60
Comprehensive Income	-	32.80	-	-	0.90	33.70
Dividends	-	(16.60)	-	-	(0.30)	(16.90)
Other	-	0.40	(3.00)	(0.30)	-	(2.90)
31 Dec 11	21.5	422.4	(37.1)	1.1	13.6	421.5
Comprehensive Income	-	25.4	-	-	0.1	25.5
Dividends	-	(13.0)	-	-	-	(13.0)
Other	-	-	0.1	0.1	-	0.2
30 Jun 12	21.5	434.8	(37.0)	1.2	13.7	434.2
Comprehensive Income	-	35.0	-	-	2.1	37.1
Dividends	-	(16.3)	1.7	0.1	-	(14.5)
Other	-	-	-	-	-	-
31 Dec 12	21.5	453.5	(35.3)	1.3	15.8	456.8

**SEGMENTAL ANALYSIS**

	Plastic	Filling	Property	Unallocated	Total
<b>Revenue</b>					
Jul-Dec 11	146.2	181.3	-	-	327.5
- total revenue	187.7	181.3	9.0	-	378.0
- intersegment	(41.5)	-	(9.0)	-	(50.5)
Jan-Jun 12	148.7	169.5	0.1	-	318.3
- total revenue	195.0	169.5	9.2	-	373.7
- intersegment	(46.3)	-	(9.1)	-	(55.4)
<b>Jul-Dec 12</b>	<b>140.9</b>	<b>190.0</b>	<b>0.2</b>	<b>-</b>	<b>331.1</b>
- total revenue	188.5	190.0	9.3	-	387.8
- intersegment	(47.6)	-	(9.1)	-	(56.7)
<b>Attributable Profits</b>					
Jul-Dec 11	26.3	1.9	4.6	-	32.8
Jan-Jun 12	21.1	(0.4)	4.7	-	25.4
<b>Jul-Dec 12</b>	<b>25.0</b>	<b>5.6</b>	<b>4.4</b>	<b>-</b>	<b>35.0</b>
<b>Total Assets</b>					
31 Dec 11	317.0	179.6	43.3	16.0	555.9
- total assets	338.0	180.8	91.1	16.0	625.9
- intersegment	(21.0)	(1.2)	(47.8)	-	(70.0)
30 Jun 12	342.8	133.1	42.9	15.9	534.7
- total assets	378.8	134.8	93.2	15.9	622.7
- intersegment	(36.0)	(1.7)	(50.3)	-	(88.0)
<b>31 Dec 12</b>	<b>343.8</b>	<b>167.9</b>	<b>44.7</b>	<b>16.9</b>	<b>573.3</b>
- total assets	380.1	168.1	94.8	16.9	659.9
- intersegment	(36.3)	(0.2)	(50.1)	-	(86.6)

	31/12/12	31/12/11	% Change	30/06/12
<b>STATEMENT OF CASH FLOWS</b>				
<b>Operating Activities</b>	<b>0.9</b>	<b>2.1</b>		<b>67.1</b>
Profit before tax	50.9	46.5		81.0
Non-cash items	19.3	16.0		35.6
Working capital changes	(36.1)	(28.0)		4.6
Taxation paid	(16.9)	(15.5)		(24.2)
Dividends paid	(16.3)	(16.9)		(29.9)
<b>Investing Activities</b>	<b>19.3</b>	<b>(50.0)</b>		<b>(146.1)</b>
Property plant and equipment	(7.4)	(40.5)		(63.7)
Loans	-	(9.5)		(9.5)
Transfer from/(to) income funds	26.7	-		(75.2)
Disposal of investment	-	-		2.3
<b>Financing Activities</b>	<b>0.3</b>	<b>6.1</b>		<b>5.9</b>
Borrowings - variable interest	(1.4)	9.0		(0.7)
Borrowings - fixed interest	-	-		9.5
Treasury shares - acquisitions	-	(2.9)		(13.8)
Treasury shares - disposals	1.7	-		10.9
<b>Net Cash Flow</b>	<b>20.5</b>	<b>(41.8)</b>		<b>(73.1)</b>
Opening balance	43.0	116.1		116.1
<b>Closing balance</b>	<b>63.5</b>	<b>74.3</b>	<b>+ 48</b>	<b>43.0</b>
Comprising:				
Cash & cash equivalents	65.4	92.5	+ 37	47.6
Bank Overdrafts	(1.9)	(18.2)		(4.6)

This interim 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 interim report. This has necessitated a correction to revenue, sundry income and operating costs in the statement of comprehensive income and segmental analysis for the comparative interim period to 31 December 2011.

**CASH DIVIDEND DECLARATION**

An interim gross cash dividend of 17.5 cents per share ("cps") (2011: 16.0 cps) has been declared for the six months ended 31 December 2012 and is payable to shareholders on Monday, 15 April 2013. The last day to trade will be Friday, 5 April 2013. "Ex" dividend trading begins on Monday, 8 April 2013 and the record date will be Friday, 12 April. Share certificates may not be dematerialised or re-materialised between Monday, 8 April 2013 and Friday, 12 April 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 17.5 cps. Dividend Withholding Tax (DWT) is 15%. There are Secondary Tax on Companies (STC) credits of R1,345,529 available for set off against the DWT, equivalent to 1.52 cps. The net local cash dividend to shareholders liable for DWT will therefore be 15.103 cps. The 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.

H.W. SASS (Non-Exec Chairman)  
P.F. SASS (Chief Executive Officer)  
Cape Town, 13 March 2013

Prepared by: LV Rowles CA(SA)