



Bowler Metcalf Limited

REG NO : 1972/005921/06

ALPHA CODE : BCF

ISIN CODE : ZAE000030797

CONDENSED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	R mil 31-12-13	R mil 31-12-12	% Change	R mil 30-06-13
STATEMENT OF FINANCIAL POSITION				
Non-current Assets	208.6	214.6		212.7
Property, plant & equipment	176.9	183.7		181.0
Deferred tax	6.3	5.5		6.3
Intangible assets	15.9	15.9		15.9
Loan	9.5	9.5		9.5
Investments	-	-		-
Current Assets	336.5	358.7		301.2
Inventories	86.5	81.8		78.9
Trade and other receivables	135.9	145.0		90.3
Prepayments	11.4	13.0		7.1
Cash and cash equivalents	49.6	65.4		74.3
Other financial assets	51.3	48.4		50.0
Taxation	1.8	5.1		0.6
Total Assets	545.1	573.3	- 5	513.9
Total Equity	444.3	456.8	- 3	424.4
Non-current liabilities	25.7	27.2		30.4
Deferred Tax	11.8	14.6		12.7
Borrowings	13.9	12.6		17.7
Current Liabilities	75.1	89.3		59.1
Trade and other payables	66.7	84.4		50.0
Bank overdrafts	-	1.9		-
Borrowings	7.0	2.7		6.8
Taxation	1.4	0.3		2.3
Total Equity & Liabilities	545.1	573.3		513.9
STATEMENT OF COMPREHENSIVE INCOME				
Revenue	366.9	331.1	+ 11	650.4
Other income	2.8	1.8		3.2
Operating costs	(235.7)	(197.8)		(404.7)
Depreciation	(17.8)	(19.3)		(38.6)
Impairments	-	-		-
Rent & property finance	(3.5)	(2.6)		(5.1)
Staffing costs	(74.3)	(67.5)		(135.3)
Profit from operations	38.4	45.8		69.9
Net finance income	2.6	5.1		8.5
- income	3.7	6.3		10.6
- costs	(1.1)	(1.2)		(2.1)
Net profit before tax	41.0	50.9	- 19	78.4
Income tax expense	(11.1)	(13.8)		(20.9)
Total profit and comprehensive income	29.9	37.1		57.5
Attributable to non-controlling interests	-	(2.1)		(2.6)
Attributable to parent	29.9	35.0	- 14	54.9
Earnings & diluted earnings per share (c)	36.22	43.00	- 16	67.35
HEADLINE EARNINGS				
Earnings attributable to parent	29.9	35.0		54.9
Impairments	-	-		-
Profit on disposal of plant & equipment	-	-		0.1
profit	-	-		0.2
tax and outside interests	-	-		(0.1)
Headline earnings	29.9	35.0	- 14	55.0
Earnings per share(c)	36.22	43.00		67.35
Disposal of plant and equipment (c)	-	-		0.15
Basic & diluted headline earnings (c)	36.22	43.00	- 16	67.50

STATEMENT OF CHANGES IN EQUITY (R mil)

	Share Capital	Retained Earnings	Treasury Shares	Share Based Payments	Non- controlling Interests	Total Equity
30 Jun 12	21.5	434.8	(37.0)	1.2	13.7	434.2
Comprehen- sive Income	-	34.9	-	-	2.1	37.0
Dividends	-	(16.3)	-	-	-	(16.3)
Other	-	-	1.7	0.1	-	1.8
31 Dec 12	21.5	453.4	(35.3)	1.3	15.8	456.7
Comprehen- sive Income	-	20.0	-	-	0.5	20.5
Acquisition - minorities	-	(22.6)	-	-	(16.3)	(38.9)
Dividends	-	(14.3)	-	-	-	(14.3)
Other	-	0.4	0.3	(0.3)	-	0.4
30 Jun 13	21.5	436.9	(35.0)	1.0	-	424.4
Comprehen- sive Income	-	29.9	-	-	-	29.9
Dividends	-	(13.0)	-	-	-	(13.0)
Other	-	-	3.0	-	-	3.0
31 Dec 13	21.5	453.8	(32.0)	1.0	-	444.3

STATEMENT OF CASH FLOWS

	31-12-13	31-12-12	% Change	30-06-13
Operating Activities	(9.3)	0.9		60.1
Profit before tax	41.0	50.9		78.4
Non-cash items	17.9	19.3		36.6
Working capital changes	(41.0)	(36.1)		(4.1)
Taxation paid	(14.2)	(16.9)		(20.2)
Dividends paid	(13.0)	(16.3)		(30.6)
Investing Activities	(15.8)	19.3		3.9
Property plant and equipment	(14.5)	(7.4)		(27.1)
Loans	-	-		-
Transfer from/(to) income funds	(1.3)	26.7		31.0
Disposal of investment	-	-		-
Financing Activities	0.4	0.3		(32.7)
Borrowings	(2.6)	(1.4)		(3.5)
Acquisition - minority interest	-	-		(31.2)
Treasury shares - acquisitions	-	-		-
Treasury shares - disposals	3.0	1.7		2.0
Net Cash Flow	(24.7)	20.5		31.3
Opening balance	74.3	43.0		43.0
Closing balance	49.6	63.5	- 33	74.3
Comprising:				
Cash & cash equivalents	49.6	65.4	- 33	74.3
Bank Overdrafts	-	(1.9)		-
ADDITIONAL INFORMATION				
Dividend/share paid (c)	15.80	20.00	- 21	37.50
Ordinary dividend proposed (c)	18.40	17.50	+ 5	33.30
Dividend cover (times)	1.97	2.46		2.03
Weighted shares in issue (mil)	82.37	81.32		81.458
Capital commitments (Rmil)	11.50	13.70		5.15
Current ratio	4.48	4.02		5.10
Return on equity (%)	13.46	15.85		12.94
Closing share price (cents)	740	760		780



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SEGMENTAL ANALYSIS

	Plastic	Filling	Property	Un-allocated	Total
Revenue					
Jul-Dec 12	140.9	190.0	0.2	-	331.1
- total revenue	188.5	190.0	9.3	-	387.8
- intersegment	(47.6)	-	(9.1)	-	(56.7)
Jan-Jun 13	134.3	184.9	0.1	-	319.3
- total revenue	181.1	184.9	9.1	-	375.1
- intersegment	(46.8)	-	(9.0)	-	(55.8)
Jul-Dec 13	152.9	213.8	0.1	-	366.8
- total revenue	208.9	213.8	9.9	-	432.6
- intersegment	(56.0)	-	(9.8)	-	(65.8)
Operating Profit					
Jul-Dec 12	27.4	11.8	6.6	-	45.8
Jan-Jun 13	17.6	(0.3)	6.8	-	24.1
Jul-Dec 13	26.4	4.5	7.5	-	38.4
Attributable Profit					
Jul-Dec 12	25.0	5.6	4.4	-	35.0
Jan-Jun 13	17.2	(2.1)	4.9	(0.1)	19.9
Jul-Dec 13	23.1	1.7	5.3	(0.2)	29.9
Total Assets					
31 Dec 12	380.1	168.1	94.8	(69.7)	573.3
- total assets	343.8	167.9	44.7	16.9	573.3
- intersegment	36.3	0.2	50.1	(86.6)	-
30 Jun 13	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)	-
Jul-Dec 13	372.2	188.4	100.2	(115.7)	545.1
- total assets	299.4	188.4	41.4	15.9	545.1
- intersegment	72.8	-	58.8	(131.6)	-
Capital Expenditure					
Jul-Dec 12	1.5	3.5	2.4	-	7.4
Jan-Jun 13	15.3	2.1	-	-	17.4
Jul-Dec 13	9.0	5.4	0.1	-	14.5

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.

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.

COMMENT AND PROSPECTS

The Group revenue at the half-year mark produced a gratifying increase of 11% on the previous comparative period. Earnings were however adversely affected by unavoidable financial pressures which have been brought to bear in the manufacturing industries in South Africa during the period and an unavoidable decrease in earnings of 14% was recorded. Notwithstanding this decrease, the fundamentals of the Group remain robust and the Directors believe that the pressures that have been brought to bear on most companies serving the FMCG market are showing gratifying signs of ameliorating. The Group is actively extracting earnings enhancements from the improvements in market conditions.

Plastic Operations

The marginal decrease in the interim results of the plastic division was in line with both expectations and the overall lack of rewarding buoyancy of the plastic packaging sector of the South African market. Immediate and substantial rises in the raw material pricings resulting from currency devaluation were not recoverable from customers during the period and have had a significant negative impact on the trading results. The effect of the weakening South African currency, while lamentable, is a boon to those companies involved in both plastic packaging and downstream filling. Notwithstanding the normal time lag between currency devaluation and import replacement, we are encouraged by substantial business that has been awarded to our plastics division over the past few months. These new projects are already in various stages of industrialisation, which will necessitate some R45 million capital expenditure to satisfy the requirements for machinery, mould commitments, development costs and downstream equipment, most of which mature by the end of 2014.

Filling Operations

Despite exceedingly strong competition in the Western Cape we were able to record a revenue growth in excess of 10%. Brand loyalty for Jive was significantly enhanced and brand ambassadors such as Vernon Philander have served us well. Growth in traditional markets has been good and we are seeing meaningful penetration coming from new markets. Competition demanded that margins were reduced and advertising spend increased, which dented an otherwise good performance in the Western Cape.

The Gauteng operation remains work in progress, and while we recorded a meaningful 10% growth on the revenue line, operating margins came under increased pressure as we tried to penetrate the market in areas other than the confined label market. We have not achieved the anticipated market penetration with the Dixi brand and Gauteng produced a significant loss which offset the good results of the Western Cape. Our strategies towards profitability in this area are under fine analysis at the present time.

CAUTIONARY

Shareholders are reminded of the cautionary announcement issued by the company on 4 March 2014.

CASH DIVIDEND DECLARATION

An interim gross cash dividend of 18.4 cents per share ("cps") (2012: 17.5 cps) has been declared for the six months ended 31 December 2013 and is payable to shareholders on Monday, 14 April 2014. The last day to trade will be Friday, 4 April 2014. "Ex" dividend trading begins on Monday, 7 April 2014 and the record date will be Friday, 11 April 2014. Share certificates may not be dematerialised or re-materialised between Monday, 7 April 2014 and Friday, 11 April 2014, both days inclusive. Directors confirm that the solvency and liquidity test is satisfied at the date of this report.

This dividend will be made from income reserves. The gross dividend is 18.4 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 15.640 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.

B.J. FROST (Non-Exec Chairman)
P.F. SASS (Chief Executive Officer)
Cape Town, 18 March 2014

Prepared by: L.V. Rowles CA(SA)

REGISTERED AUDITOR

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

SPONSORS

Arcay Moela Sponsors (Pty) Ltd
Ground Flr, One Health Building
54 Maxwell drive, Woodmead, 2157

TRANSFER SECRETARIES

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

COMPANY TAX NUMBER

9775130710