



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 2014

	R mil 31-12-14	R mil 31-12-13	% Change	R mil 30-06-14
STATEMENT OF FINANCIAL POSITION				
Non-current Assets	149.8	208.6		196.6
Property, plant & equipment	133.0	176.9		173.0
Deferred tax	0.9	6.3		7.7
Intangible assets	15.9	15.9		15.9
Loan	-	9.5		-
Investments	-	-		-
Current Assets	241.0	336.5		356.9
Inventories	59.4	86.5		100.2
Trade and other receivables	63.7	135.9		95.1
Prepayments	3.9	11.4		24.2
Cash and cash equivalents	114.0	49.6		126.2
Other financial assets	-	51.3		-
Loan	-	-		9.5
Taxation	-	1.8		1.7
Assets of disposal group held for sale	187.0	-		-
Total Assets	577.8	545.1	+ 6	553.5
Total Equity	479.2	444.3	+ 8	459.9
Non-current liabilities	13.1	25.7		15.0
Deferred Tax	13.1	11.8		13.2
Borrowings	-	13.9		1.8
Current Liabilities	31.3	75.1		78.6
Trade and other payables	28.7	66.7		62.4
Bank overdrafts	-	-		-
Borrowings	1.1	7.0		13.8
Taxation	1.5	1.4		2.4
Liabilities of disposal group held for sale	54.2	-		-
Total Equity & Liabilities	577.8	545.1		553.5
Prepayments are comprised of:				
- advance payments - capital	2.1	10.5		20.6
- advance payments - expenses	1.8	0.8		3.6
STATEMENT OF COMPREHENSIVE INCOME				
	R mil 31-12-14	* R mil 31-12-13	% Change	
Continuing operations				
Revenue	240.8	211.0	+ 14	
Other income	1.5	1.6		
Operating costs	(140.2)	(112.8)		
Depreciation	(10.3)	(11.7)		
Rent & property finance	(1.0)	(1.0)		
Staffing costs	(53.4)	(53.2)		
Profit from operations	37.4	33.9	+ 10	
Net finance income	6.0	4.4		
- income	6.0	4.6		
- costs	-	(0.2)		
Net profit before tax	43.4	38.3	+ 13	
Income tax expense	(12.5)	(10.1)		
Profit for the period from continuing operations	30.9	28.2	+ 10	
Discontinued operations				
Profit for the period from discontinued operations	# 2.2	1.7		
Attributable to equity holders of parent	33.1	29.9	+ 11	
Earnings & diluted earnings per share (c)				
- Continuing operations	37.48	34.16		
- Discontinued operations	2.67	2.06		
	40.24	36.22	+ 11	
HEADLINE EARNINGS				
Earnings attributable to parent	33.10	29.90		
Profit on disposal of plant & equipment	0.10	-		
- profit	0.20	-		
- tax and outside interests	(0.10)	-		
	33.20	29.90	+ 11	
Basic & diluted headline earnings (c)				
Earnings per share (c)	40.24	36.22		
Disposal of plant and equipment (c)	0.14	-		
	37.72	34.16		
- Continuing operations	37.72	34.16		
- Discontinued operations	2.67	2.06		

STATEMENT OF CHANGES IN EQUITY (R mil)

	Share Capital	Retained Earnings	Treasury Shares	Share Based Payments	Non- controlling Interests	Total Equity
30 Jun 13	21.5	436.9	(35.0)	1.0	-	424.4
Comprehensive Income	-	29.9	-	-	-	29.9
Dividends	-	(13.0)	-	-	-	(13.0)
Disposals	-	-	3.0	-	-	3.0
31 Dec 13	21.5	453.8	(32.0)	1.0	-	444.3
Comprehensive Income	-	30.3	-	-	-	30.3
Dividends	-	(15.20)	-	-	-	(15.2)
Disposals	-	-	0.40	-	-	0.4
Other	-	0.70	-	(0.60)	-	0.1
30 Jun 14	21.5	469.6	(31.6)	0.4	-	459.9
Comprehensive Income	-	33.1	-	-	-	33.1
Dividends	-	(13.7)	-	-	-	(13.7)
Other	-	-	-	(0.1)	-	(0.1)
31 Dec 14	21.5	489.0	(31.6)	0.3	-	479.2

STATEMENT OF CASH FLOWS

	R mil 31-12-14	* R mil 31-12-13	% Change
Operating Activities	14.9	(9.3)	
Profit before tax	46.4	41.0	
Non-cash items	15.7	17.9	
Working capital changes	(19.8)	(41.0)	
Taxation paid	(13.7)	(14.2)	
Dividends paid	(13.7)	(13.0)	
Investing Activities	(23.9)	(15.8)	
Property plant and equipment	(23.9)	(14.5)	
Loans	-	-	
Transfer from/(to) income funds	-	(1.3)	
Disposal of investment	-	-	
Financing Activities	(3.5)	0.4	
Borrowings	(3.5)	(2.6)	
Acquisition - minority interest	-	-	
Treasury shares - acquisitions	-	-	
Treasury shares - disposals	-	3.0	
Net Cash Flow	(12.5)	(24.7)	
Opening balance	126.2	74.3	
Closing balance	113.7	49.6	
Comprising:			
Cash & cash equivalents	114.7	49.6	
Bank Overdrafts	(1.0)	-	
Net cash flows from discontinued operations	(19.5)	14.7	
Operating Activities	(19.5)	14.7	
Investing Activities	1.3	5.3	
Financing Activities	9.5	-7.6	
	(8.7)	12.4	
# Profit for the period from discontinued operations			
Revenue	240.4	213.8	+ 12
Other income	0.1	2.4	
Expenses	(237.5)	(213.5)	
Pre-tax profit	3.0	2.7	
Income tax expense	(0.8)	(1.00)	
Profit for the period	2.2	1.7	+ 29
ADDITIONAL INFORMATION			
Dividend/share paid (c)	16.60	15.80	+ 5
Ordinary dividend proposed (c)	18.40	18.40	+ 0
Dividend cover (times)	2.19	1.97	
Weighted shares in issue (mil)	82.45	82.37	
Capital commitments (Rmil)	20.50	11.50	
Current ratio	7.70	4.48	
Return on equity (%)	13.81	13.46	
Closing share price (cents)	840	740	

Restatement due to the requirements of IFRS 5, with specific reference to discontinued operations and disposal groups held for re-sale.



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SEGMENTAL ANALYSIS	Plastic Packaging	Discontinued Beverages	Property	Un-allocated	Total
Revenue					
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)
Jan-Jun 14	150.4	209.0	0.1	-	359.5
- total revenue	210.4	209.0	10.0	-	429.4
- intersegment	(60.0)	-	(9.9)	-	(69.9)
Jul-Dec 14	178.4	240.4	0.1	-	418.9
- total revenue	238.7	240.4	10.1	-	489.2
- intersegment	(60.3)	-	(10.0)	-	(70.3)
Operating Profit					
Jul-Dec 13	26.4	4.5	7.5	-	38.4
Jan-Jun 14	21.3	4.3	7.3	4.0	36.9
Jul-Dec 14	30.0	4.8	7.6	(0.1)	42.3
Attributable Profit					
Jul-Dec 13	23.1	1.7	5.3	(0.2)	29.9
Jan-Jun 14	18.2	2.9	5.4	3.8	30.3
Jul-Dec 14	25.6	2.2	5.4	(0.1)	33.1
Total Assets					
31 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)	-
30 Jun 14	398.9	148.2	104.1	(97.7)	553.5
- total assets	349.0	148.2	40.4	15.9	553.5
- intersegment	49.9	-	63.7	(113.6)	-
Jul-Dec 14	388.8	187.0	107.9	(105.9)	577.8
- total assets	356.8	187.0	38.7	(4.7)	577.8
- intersegment	32.0	-	69.2	(101.2)	-
Capital Expenditure					
Jul-Dec 13	9.0	5.4	0.1	-	14.5
Jan-Jun 14	9.5	4.9	0.1	-	14.5
Jul-Dec 14	22.2	1.3	0.4	-	23.9

CEO'S COMMENTARY

In a disturbed period characterised by industry wide labour unrests, forex uncertainties, raw materials peak pricing and load shedding, the Group has produced a very pleasing 14% revenue growth on the previous comparative period. Equally gratifying, this growth has reflected in the earnings increase of 13% and 11% in HEPS. Overall the operational costs showed a marginal increase which was offset by the economies of scale in both businesses.

As the strategies of both the plastics packaging and beverages business's require significant capital commitments, the directors have left the interim dividend unchanged.

Plastic Packaging

Activity levels have been consistently high for the six months. The focussed teams have successfully managed external pressures to contain operational costs while maintaining customary high service levels. The impact of unrelenting peak raw material costs, while lagging considerably behind the oil and exchange rate improvements, have been contained through the focus on high value added business and good manufacturing disciplines. These costs have softened in the next period, providing relief for both converter and customers.

Two significant projects were successfully industrialised in this period, while others have shifted into the second half of the year. The relevance of a business model such as Bowler's has been reconfirmed by the high activity levels experienced on the projects front of the business. Current capital expenditure commitments are R20.5 mil. The business is progressing well in its restructuring to prepare for the changes in its customer profile from 2016.

Beverages

Quality Beverages continued its brand focus with an aggressive volume growth of 12% in the Western Cape off a strong base. Margin pressures remain tough as various competitors have explored unsustainable tactics to derail this progress. Top and bottom end growth have been equally solid.

Although the Gauteng operation has shown some good growth of 12%, margins remained significantly below that of the Western Cape, while the costs from the low economies of scale have had a significant negative impact on the overall Beverages' performance. Due to the pending SoftBev strategy, the approach on Gauteng remained unchanged in this period.

Beverages Disposal

Further to the detailed cautionary issued on 26th September 2014, the complex restructuring of the Bowler Group through the disposal of the beverages segment in return of a strategic shareholding in a larger beverages group ("SoftBev"), has progressed towards finality. The unconditional approval by the Competition Commission and completion of all the definitive legal agreements have paved the way for the final JSE submission of the Circular for shareholders approval to be obtained at a general meeting envisaged to be held at the end of April 2015.

Judging from the overwhelming support from customers for a strong, nationally represented carbonated beverages company, the South African landscape in this industry is set to change significantly.

The synergies and endorsements have opened opportunities requiring focussed and experienced business minds to explore. With the structuring of SoftBev the wheels have been put well into motion.

The beverages disposal has been accounted for as a discontinued 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 SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and 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 most recently issued annual financial statements, which should be read in conjunction with this condensed report.

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 and disposal groups held for re-sale.

CHANGES TO THE BOARD

There were no changes to the Board during the period.

TREASURY SHARES

There were no disposals of treasury shares during the period.

CASH DIVIDEND DECLARATION

An interim gross cash dividend of 18.4 cents per share ("cps") (2013: 18.4 cps) has been declared for the six months ended 31 December 2014 and is payable to shareholders on Tuesday, 28 April 2015. The last day to trade will be Friday, 17 April 2015. "Ex" dividend trading begins on Monday, 20 April 2015 and the record date will be Friday, 24 April 2015. Share certificates may not be dematerialised or re-materialised between Monday, 20 April 2015 and Friday, 24 April 2015, 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, 31 March 2015

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

REGISTERED AUDITOR

Mazars - Partner Jaco Cronje - Registered Auditor
Mazars House, Rialto Road,
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SPONSORS

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TRANSFER SECRETARIES

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COMPANY TAX NUMBER

9775130710