

**BOWLER METCALF LIMITED**

(Registration number 1972/005921/06)
 Share code: BCF ISIN number: ZAE000030797
 ("Bowler Metcalf" or "the Company")

**CONDENSED UNAUDITED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED
 31 DECEMBER 2017 AND DIVIDEND DECLARATION**

HEPS + 54%**Interim Dividends 20.48c per share****CONDENSED STATEMENT OF FINANCIAL POSITION**

	R mil 31/12/17	%	R mil 30/06/17
		Change	
Non-current Assets	156.8	(61)	401.2
Property, plant & equipment	145.8		147.7
Investment properties	5.5		5.7
Investment in associates	-		162.3
Related party loan	-		79.9
Deferred tax	0.7		0.8
Intangible assets	4.8		4.8
Current Assets	358.6	-	357.3
Inventories	74.7		82.4
Trade and other receivables	101.6		110.6
Prepayments	20.0		12.3
Cash and cash equivalents	159.2		152.0
Taxation	3.1		-
Assets held for sale	255.2		-
Investment in associate	175.4		-
Related party loan	79.8		-
Total Assets	770.6	2	758.5
Total Equity	692.4	5	661.2
Non-current liabilities	44.3	11	39.8
Deferred Tax	44.3		39.8
Current Liabilities	33.9	(41)	57.5
Trade and other payables	33.7		54.5
Taxation	0.2		3.0
Total Equity & Liabilities	770.6	2	758.5

CONDENSED STATEMENT OF CHANGES IN EQUITY (R mil)

	Share Capital	Retained Earnings	Treasury Shares	Total Equity
30 Jun 16	21.5	707.6	(30.1)	699.0
Purchase of treasury shares	-	-	(5.5)	(5.5)
Comprehensive loss	-	(1.1)	-	(1.1)
Dividends	-	(31.2)	-	(31.2)
30 Jun 17	21.5	675.3	(35.6)	661.2
Comprehensive Income	-	50.1	-	50.1
Dividends	-	(18.9)	-	(18.9)
Cancellation of issued share Capital/treasury shares	(5.5)	-	5.5	-
31 Dec 17	16.0	706.5	(30.1)	692.4

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

	31/12/17 R mil	% Change	31/12/16 R mil
<i>Continuing operations</i>			
Revenue	283.8	(3)	291.7
Other income	0.4		0.5
Operating costs	(152.7)		(166.6)
Depreciation	(9.8)		(12.6)
Rent & property finance	(3.6)		(1.3)
Staffing costs	(72.8)		(66.7)
Profit from operations	45.3	1	45.0
Net finance income	6.7		6.0
- income	6.7		6.0
Net profit before tax	52.0	2	51.0
Taxation (charge) / credit	(15.5)		(14.2)
<i>Profit for the period from continuing operations</i>	36.5	(1)	36.8
<i>Discontinued operations</i>			
Share of profit/(loss) of associate	13.0		(20.1)
Impairment of investment in associate	-		(72.3)
Net finance income from associate	4.8		3.6
Net profit / (loss) before tax	17.8	120	(88.8)
Taxation (charge) / credit	(4.3)		15.2
<i>Profit / (loss) for the period from discontinued operations</i>	13.6	118	(73.6)
Attributable to equity holders of parent	50.1	236	(36.8)

Earnings / (Losses) & diluted earnings / (losses) per share (c)			CPS		CPS
- Continuing operations			44.5	-	44.4
- Discontinued operations			16.5		(88.9)
			61.0	237	(44.4)

NOTES TO THE CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	R mil	R mil
Related party transactions		
SoftBev (Pty) Ltd (associate)		
- finance income	4.8	3.6
Quality Beverages 2000 (Pty) Ltd (other related party)		
- revenue	20.7	29.1
- rental income	2.6	2.3

CONDENSED STATEMENT OF CASH FLOWS

Operating Activities	17.9	4.3
Profit / (Loss) before tax	69.8	(37.8)
Non-cash items	(3.3)	104.9
Working capital changes	(8.6)	(29.6)
Taxation paid	(21.1)	(18.0)
Dividends paid	(18.9)	(15.2)
Investing Activities	(10.7)	(50.9)
Property plant and equipment - additions	(7.6)	(27.6)
Property plant and equipment - disposals	0.1	-
Movement in advance payments	(3.3)	-
Repayment / (Advance) on related party loans	0.1	(23.3)
Net increase / (decrease) for the period	7.2	(46.6)
Opening balance	152.0	158.2
Closing balance	159.2	111.6
Comprising:		
Cash & cash equivalents	159.2	111.6
Net cash flows from discontinued operations included in above cash flow		
Operating Activities	0.6	2.7
Investing Activities	0.1	(23.3)
	0.7	(20.6)

HEADLINE EARNINGS

	R mil 31/12/17	% Change	R mil 31/12/16
Continuing operations			
Profit for the period from continuing operations	36.5		36.8
Profit on disposal of plant & equipment	(0.1)		-
Profit	(0.1)		-
Tax	-		-
Headline earnings - continuing operations	36.4	(1)	36.8
Discontinued operations			
Profit / (Loss) for the period from discontinued operations	13.6		(73.6)
Impairment of investment in associate	-		56.1
Loss	-		72.3
Tax	-		(16.2)
Impairment within equity accounted profits	-		13.4
Loss	-		13.4
Tax	-		-
Headline earnings / (loss) - discontinued operations	13.6	432	(4.1)
Headline earnings - attributable to holders of the parent	50.0	53	32.7

BASIC & DILUTED HEADLINE EARNINGS PER SHARE (c)

	CPS		CPS
Continuing operations			
Earnings per share (c)	44.5		44.4
Profit on disposal of plant & equipment (c)	(0.1)		-
Basic & diluted headline earnings per share-continuing operations (c)	44.4	-	44.4
Discontinued operations			
Earnings / (Loss) per share (c)	16.5		(88.9)
Impairment of investment in associate per share (c)	-		83.9
Basic & diluted headline earnings (loss) per share-discontinued operations (c)	16.5		(4.9)
Basic & diluted headline earnings per share - attributable to holders of the parent (c)	60.9	54	39.5

ADDITIONAL INFORMATION

Dividend / share paid (c)	23.10	26	18.40
Ordinary dividend proposed (c)	20.48	6	19.32
Dividend cover (times)	2.97		2.04
Weighted shares in issue (mil)	82.00		82.80
Capital commitments (Rmil)	10.8		1.70
Closing share price (cents)	750		880

CONDENSED SEGMENTAL ANALYSIS

(Rmil)	Plastic Packaging	Discontinued Beverages	Property Investment	Holding & Investment	Unallocated/ Eliminations	Total
Revenue						
Jul-Dec 16	289.4	-	2.4	-	-	291.7
- total revenue	289.4	-	11.4	-	-	300.7
- intersegment	-	-	(9.0)	-	-	(9.0)
Jul-Dec 17	281.2	-	2.6	-	-	283.8
- total revenue	281.2	-	12.1	-	-	293.3
- intersegment	-	-	(9.5)	-	-	(9.5)
Operating Profit						
Jul-Dec 16	37.5	(92.4)	8.5	-	(1.0)	(47.4)
- continuing operations	37.5	-	8.5	-	(1.0)	45.0
- discontinued operations	-	(92.4)	-	-	-	(92.4)
Jul-Dec 17	38.2	13.0	8.5	(0.4)	(1.0)	58.3
- continuing operations	38.2	-	8.5	(0.4)	(1.0)	45.3
- discontinued operations	-	13.0	-	-	-	13.0
Attributable Profit						
Jul-Dec 16	34.1	(76.3)	6.2	0.3	(1.0)	(36.8)
- continuing operations	31.7	-	6.2	-	(1.0)	36.8
- discontinued operations	2.4	(76.3)	-	0.3	-	(73.6)
Jul-Dec 17	29.1	10.1	6.1	5.8	(1.0)	50.1
- continuing operations	29.1	-	6.1	2.3	(1.0)	36.5
- discontinued operations	-	10.1	-	3.5	-	13.6
Total Assets						
		Held for Sale				
30 Jun 17	587.3	242.2	87.4	4.9	(162.6)	759.3
- total assets	479.3	162.3	32.8	-	-	674.5
- intersegment	108.0	79.9	54.6	4.9	(162.6)	84.8
31 Dec 17	596.4	255.2	92.9	148.9	(322.8)	770.6
- total assets	330.6	175.4	35.9	144.0	-	685.9
- intersegment	265.8	79.8	57.0	4.9	(322.8)	84.6
Capital Expenditure						
Jul-Dec 16	27.6	-	-	-	-	27.6
Jul-Dec 17	7.3	-	0.3	-	-	7.6

CEO'S COMMENTARY

Amidst the backdrop of deafening noise levels orchestrated by some of our political, auditing and business elitarians in this reported period, the Bowler business was burdened with changeable weather, PET (Polyethylene terephthalate) material Force Majeure shortages, material price escalations and mixed consumer market performances in a strained consumer environment. In this context, the return to profitability by SoftBev is extremely rewarding. Although the packaging business battered down the hatches in an uncharacteristically fickle period towards the year end, the group managed to post a 54% growth in HEPS to 61c on a profit after tax of R50mil. Treasury shares bought towards the end of the previous financial year, were written back in this period against issued share capital (refer below).

Plastic Packaging - Bowler Plastics

The long proven and well-diversified portfolio of products and customers of Bowler Plastics was not able to buffer the down buying behaviours of consumers at year end. Certain niche products were affected by significant volume losses in a generally lack lustre period. The business experienced a 3% revenue drop against the record performance of the prior year. The PET material shortage negatively contributed to both costs and sales in peak time during which stocks reached prices at 74% premiums.

Within this context Bowler Plastics returned a profit after tax of R29 mil. In comparing these results to the previous interim period, the transfer of cash investments into the holding company and their related returns needs to be considered. Previously these returns were held in the Plastics Packaging segment, but are now held in the Holding and Investments segment.

Beverages - SoftBev

The capricious weather in Gauteng and KZN over the festive season affected consumer purchases strongly. The Western Cape region performed well. The business interventions of the prior period assisted the national business to recover margins on reasonable volumes. Operating costs were well managed even with the PET resin shortages and resulting additional costs. The business delivered to Bowler a R13mil profit - a respectable turnaround from the losses of prior year.

Outlook

The plastics packaging business will continue trading in a likely subdued consumer environment. The project activity is showing encouraging signs of revitalised activity on the back of positive business sentiment.

During the reporting period Bowler Metcalf accepted an Expression of Interest (EOI) which was subject to confidentiality, exclusivity and certain suspensive conditions for the disposal of its share in the SoftBev business. This acceptance was in line with the long stated objective of exit from the beverages business to pursue packaging business growth. Accordingly, the operations of SoftBev have been classified as discontinued and the assets and liabilities classified as held for sale. The detailed cautionary of 09 Feb 2018 informed shareholders of disposal negotiations currently underway.

An interim dividend of 20.48c has been declared.

BASIS OF PREPARATION

The condensed unaudited consolidated results have been prepared in accordance with and containing information required by 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. The condensed report has been prepared using accounting policies and methods of computation that are in terms of IFRS and which are consistent with those of the previous annual financial statements. The condensed report has not been audited or reviewed by the auditors.

ACQUISITIONS AND DISPOSALS

There have been no additions or disposals during the period under review.

CHANGES TO THE BOARD

MA Olds retired from the Board at the AGM held 19 November 2017. No further changes have been made to the Board during the reporting period.

ISSUE AND RE-PURCHASE OF TREASURY SHARES

Although there had been no issue or re-purchase of treasury shares, Bowler Plastics (Pty) Ltd, subsidiary to the Company, issued a dividend in specie to the Company by means of 803 958 treasury shares, which have subsequently been cancelled.

CASH DIVIDEND DECLARATION

An interim gross cash dividend, as defined by the Income Tax Act, of 20.48 cents per share ("cps") (2016: 19.32 cps) has been declared for the six months ended 31 December 2017 and is payable to shareholders on Monday, 26 March 2018. The last day to trade will be Tuesday, 20 March 2018. "Ex" dividend trading begins on Wednesday, 21 March 2018 and the record date will be Friday, 23 March 2018. Share certificates may not be dematerialised or re-materialised between Wednesday, 21 March 2018 and Friday, 23 March 2018, 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 20.48 cps. Dividend Withholding Tax (DWT) is 20%. The net local cash dividend to shareholders liable for DWT will therefore be 16.384 cps.

The number of shares in issue at the date of declaration is 81 995 105 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.

BJ FROST (Non-Exec Chairman)
PF SASS (Chief Executive Officer)
CAPE TOWN 28 February 2018

Company Tax No: 9775130710
Prepared by: CA Bothma (Professional Accountant (SA))

REGISTERED AUDITOR

Mazars - Partner Yolandie Ferreira (Registered Auditor) Computershare Investor Services (Pty) Ltd
Mazars House. Rialto Road.
Grand Moorings Precinct. Century City. 7441

TRANSFER SECRETARIES

PO Box 61051. Marshalltown. 2107

SPONSOR

Arbor Capital Sponsors Proprietary Limited
20 Stirrup Lane, Woodmead Office Park,
C/o Woodmead Drive and Van Reenens Avenue,
Woodmead

