



# Bowler Metcalf Limited

REG NO : 1972/005921/06

ALPHA CODE : BCF

ISIN CODE : ZAE000030800

**Headline Earnings + 15% Dividends Proposed + 18%**

## CONDENSED UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

R mil	31/12/09	31/12/08	% Change	30/06/09
<b>FINANCIAL POSITION</b>				
Property, plant & equipment	163.4	187.6		164.2
Deferred tax	3.9	3.3		3.9
Goodwill	15.9	15.1		15.9
Investments	1.5	3.3		2.3
Current Assets	235.9	196.4		201.3
<b>Total Assets</b>	<b>420.6</b>	<b>405.7</b>	<b>+ 4</b>	<b>387.6</b>
<b>Total Equity</b>	<b>319.2</b>	<b>280.4</b>	<b>+ 14</b>	<b>302.3</b>
Deferred Tax	17.3	18.8		17.8
Long Term Liabilities	5.1	5.9		5.6
Current Liabilities	79.0	100.6		61.9
<b>Total Equity &amp; Liabilities</b>	<b>420.6</b>	<b>405.7</b>		<b>387.6</b>
<b>COMPREHENSIVE INCOME</b>				
Revenue	242.8	241.4	+ 1	458.0
Other income	0.1	8.2		34.8
Operating costs	-181.0	-193.1		-348.8
Depreciation	-16.7	-16.0		-31.3
Impairments	-2.8	-3.0		-9.2
Net interest	0.4	-2.1		-3.3
<b>Net profit before tax</b>	<b>42.8</b>	<b>35.4</b>	<b>+ 21</b>	<b>100.2</b>
Income tax expense	-14.0	-10.6		-27.7
<b>Total comprehensive income</b>	<b>28.8</b>	<b>24.8</b>		<b>72.5</b>
Attributable to minorities	-0.7	-		-0.2
<b>Attributable to parent</b>	<b>28.1</b>	<b>24.8</b>	<b>+ 13</b>	<b>72.3</b>
<b>EARNINGS PER SHARE</b>				
Earnings & diluted earnings (c)	34.92	29.37	+ 19	86.33
Disposal of assets	-	-		-24.64
Impairments	2.80	3.55		11.03
<b>Headline earnings (c)</b>	<b>37.72</b>	<b>32.92</b>	<b>+ 15</b>	<b>72.72</b>
<b>ADDITIONAL INFORMATION</b>				
Div/share paid (c)	14.90	9.30	+ 60	20.30
Div proposed (c)	13.00	11.00	+ 18	25.90
Dividend cover (times)	2.90	2.67		3.33
Weighted shares in issue (mil)	80.345	84.454		87.693
Capital expenditure (Rmil)	17.84	26.92		38.20

### COMMENT

In a somewhat gloomy economic environment, the 15% increase in headline earnings per share to 37.7 cents is considered satisfactory. The smaller percentage rise in revenue (to R243 million) was largely attributable to a decrease in the unit selling price, brought about by a further softening in the raw material price. It is improbable that this trend will persist. The results include certain impairments which the directors consider prudent and takes into account the weighted number of shares in issue, pursuant to the purchase of treasury shares made by the group up to the end of the period under review. The Group is currently in a strong cash position.

### Plastic Operations

The stronger rand and global polymer oversupply served to keep the raw material prices at a stable level, allowing the entire industry to retain reasonable operating margins. The new management team at Bowler Plastics was able to further contain operating costs, which contributed significantly to the bottom-line. The division is currently undertaking the construction of a further 4500m<sup>2</sup> factory in Philippi to house expansion planned in the injection moulding field. The PET division has recently achieved ISO accreditation.

### Filling Operations

Quality Beverages underwent a significant cost reduction campaign and marketing initiative, and was well positioned for this half year. These, coupled with highly favourable weather conditions and a well established brand identity, resulted in very pleasing results for the half year, with bottom-line rising to R2million from a loss for the corresponding period. Revenue rose by 11% to R126 million. While the Gauteng/Mpumalanga operation remains problematic, the initiatives put in place there have resulted in significant turnaround and an insignificant loss was recorded.

### R mil

#### CHANGES IN EQUITY

	Share Capital	Retained Earnings	Treasury Shares	Share based Payments	Minorities	Total Equity
June 08	21.5	254.2	-16.1	-	6.1	265.7
Com. Income	-	24.8	-	-	-	24.8
Divs/Other	-	-7.9	-2.2	-	-	-10.1
December 08	21.5	271.1	-18.3	-	6.1	280.4
Com. Income	-	47.5	-	-	0.2	47.7
Divs/Other	-	-10.1	-16.2	0.5	-	-25.8
June 09	21.5	308.5	-34.5	0.5	6.3	302.3
Com. Income	-	28.1	-	0.3	0.7	29.1
Divs/Other	-	-12.2	-	-	-	-12.2
December 09	21.5	324.4	-34.5	0.8	7.0	319.2

#### SEGMENTAL ANALYSIS

	Plastic	Filling	Property	Unallocated	Eliminated	Total
<b>Revenue</b>						
Jul-Dec 08	152.8	113.1	6.0	-	-30.5	241.4
Jan-Jun 09	322.7	214.5	12.2	-	-91.4	458.0
<b>Jun-Dec 09</b>	<b>143.5</b>	<b>125.5</b>	<b>5.9</b>	<b>-</b>	<b>-32.1</b>	<b>242.8</b>
<b>Profits</b>						
Jul-Dec 08	24.8	-0.1	3.1	-3.0	-	24.8
Jan-Jun 09	45.3	0.8	25.3	0.9	-	72.3
<b>Jun-Dec 09</b>	<b>24.1</b>	<b>2.0</b>	<b>2.8</b>	<b>-0.8</b>	<b>-</b>	<b>28.1</b>
<b>Tot. Assets</b>						
Dec 08	291.7	112.0	65.6	15.1	-78.7	405.7
Jun 09	280.6	90.8	70.8	15.9	-70.5	387.6
<b>Dec 09</b>	<b>283.9</b>	<b>134.7</b>	<b>72.5</b>	<b>15.9</b>	<b>-86.4</b>	<b>420.6</b>

#### CASH FLOW

	31/12/09	31/12/08	30/06/09
Operating Activities	40.2	7.8	55.0
Investing Activities	-19.8	-26.9	5.5
Financing Activities	-4.2	-12.9	-31.7
<b>Net Cash Flow</b>	<b>16.2</b>	<b>-32.0</b>	<b>28.8</b>
Opening balance	23.4	-5.4	-5.4
<b>Closing balance</b>	<b>39.6</b>	<b>-37.4</b>	<b>23.4</b>

#### Prospects

Despite troubled economic times, the directors remain quietly confident that the Group is well positioned to prosper in the current economic situation and more so, from any upturn. As previously stated, the FMCG market is less vulnerable to the vagaries of the economy and we believe that a satisfactory second half will also be achieved.

#### BASIS OF PREPARATION

The Financial statements are prepared in accordance with IFRS and the Companies Act in South Africa, the condensed financial statements with IAS 34. Accounting policies are consistent with the previous reporting period.

#### DIVIDEND DECLARATION

A final dividend of 13.0c per share has been declared (2008: 11.0c) and is payable to shareholders on Monday, 19 April 2010. The last day to trade will be Friday, 9 April 2010. "Ex" dividend trading begins on Monday, 12 April 2010 and the record date will be Friday, 16 April 2010. Share certificates may not be dematerialised or re-materialised between Monday, 12 April 2010 and Friday, 16 April 2010, both days inclusive.

H.W. SASS (Non-Exec Chairman)

M. BRAIN (Managing & Financial Director)  
Cape Town, 4 March 2010

#### AUDITORS

Mazars Moores Rowland  
Registered Auditor  
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#### SPONSORS

Arcay Moela  
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Parktown, 2193

#### TRANSFER SECRETARIES

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P.O. Box 61051, Marshalltown, 2108