

**REVIEWED CONDENSED  
CONSOLIDATED RESULTS FOR  
THE YEAR ENDED 30 JUNE 2015  
AND DIVIDEND ANNOUNCEMENT**



Reg. No. 1951/000799/06 | ISIN: ZAE000007480 | Share Code: TPC

A leading manufacturer, recycler and distributor  
of plastic and paper packaging products

**GROUP TURNOVER UP 9% ■ HEADLINE EARNINGS PER SHARE UP 16% ■ TOTAL DIVIDEND PER SHARE 108 CENTS**

**INTRODUCTION**

The significant increase in headline earnings for the year to June 2015 is indicative of Transpaco's resilience in still challenging times. After enduring a debilitating industry-wide strike during July and August 2014, Transpaco clawed back approximately R10 million of lost earnings and surpassed the previous year's headline earnings performance by a gratifying 16,9%.

The group continued its strong performance, with good turnover growth and a meaningful increase in headline earnings per share (HEPS) as above.

Turnover of R1,36 billion was attributable to a combination of volume growth and price increases. Effective marketing and sales strategies remain key drivers of maintaining this momentum.

Transpaco's performance was further strengthened by controlled operating costs, which increased by 6,4% year-on-year against a 8,7% increase in turnover. This was achieved by improved manufacturing, distribution and administration efficiencies.

Well-managed working capital resulted in net interest received and a strong net cash positive position being maintained.

Notwithstanding that margins remained under pressure from higher input costs - notably energy and raw materials - the group operating margin increased to 8,1% (June 2014: 7,8%).

**FINANCIAL RESULTS**

Group operating profit increased by 12,6% to R110,1 million (June 2014: R97,8 million) on turnover of R1 356,0 million, up 8,7% (June 2014: R1 247,4 million).

Transpaco's total comprehensive income improved by 13,8 % to R79,3 million (June 2014: R69,7 million) and earnings per share (EPS) by 13,3% to 245,3 cents (June 2014: 216,5 cents).

Headline earnings grew by 16,9% to R78,7 million (June 2014: R67,3 million) and HEPS by 16,3% to 243,3 cents (June 2014: 209,2 cents).

The weighted average number of shares in issue in calculating EPS and HEPS was 32 323 000, compared to 32 164 000 in the previous year.

Diluted HEPS increased 18,2% to 242,8 cents (June 2014: 205,5 cents).

Cash generated from operations increased to R144,8 million (June 2014: R121,0 million). Cash and cash equivalents at year-end were R153,6 million (June 2014: R91,3 million). Transpaco's net interest-bearing debt-to-equity position remains cash positive.

Net asset value per share increased by 11,0% to 1 387 cents (June 2014: 1 249 cents).

**DIRECTORATE**

Archie Aaron has served with distinction on the Transpaco board since 1977 and as chairman for the past twelve years. His dedication, commitment and contribution to Transpaco has been instrumental in the group's success.

In relinquishing the role of chairman but remaining on the board Archie has paved the way for Derek Thomas, appointed as Chairman effective 1 July 2015, to bring a youthful vitality as well as his sound business skills and leadership qualities to Transpaco.

**PROSPECTS**

The acquisition of East Rand Plastics, South Africa's premier refuse bag manufacturer, took effect from 1 August 2015. The business will be incorporated into Transpaco for an eleven-month period in the following financial year and is expected to be earnings enhancing into the future.

While a challenging trading environment prevails, management will remain focused on sound business and financial fundamentals in order to achieve Transpaco's organic growth ambitions.

Expansion opportunities including acquisitions continue to be pursued.

**TRANSFORMATION**

Transpaco's sixth independent accreditation process in respect of Black Economic Empowerment reflected a Level 4 value added contributor. Consequently Transpaco customers can attribute 125% of their purchases from Transpaco to preferential procurement.

**DIVIDEND**

The board has declared a final gross cash dividend out of income reserves of 74,0 cents per share, resulting in total dividends of 108,0 cents per share for the year ended 30 June 2015 (June 2014: 93,0 cents per share), an increase of 16,1%. After applying the dividend withholding tax of 15% a net final dividend of 62,90000 cents per share will be paid to those shareholders who are not exempt from the dividends tax. The issued shares at the date of declaration is 33 317 482 ordinary shares. The Income Tax reference number is 9975/112/71/6.

The salient dates for the dividend are as follows:

|                                               |                           |
|-----------------------------------------------|---------------------------|
| Last date to trade shares <i>cum</i> dividend | Friday, 11 September 2015 |
| Shares trade <i>ex</i> dividend               | Monday, 14 September 2015 |
| Record date                                   | Friday, 18 September 2015 |
| Payment date                                  | Monday, 21 September 2015 |

Share certificates may not be dematerialised or rematerialised between Monday, 14 September 2015 and Friday, 18 September 2015, both days inclusive.

**BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The group's annual financial results have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) issued by the International Standards Board (IASB), its interpretations issued by the IFRS Interpretations Committee, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act. The principal accounting policies are consistent in all material

respects with those applied in the preparation of the group's annual financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations effective as of 1 July 2014. The group has not early-adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual financial statements for the year ended 30 June 2015. The presentation and disclosure complies with International Accounting Standard (IAS) 34.

**REVIEW BY INDEPENDENT AUDITORS**

The group's auditors Ernst & Young Inc. have reviewed the condensed consolidated financial information for the year. The unmodified review report is available for inspection at Transpaco's registered office. The review was performed in accordance with ISRE 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the group's external auditors.

**APPROVAL AND PREPARATION**

These condensed consolidated financial results have been prepared under the direction and supervision of the Financial Director, L Weinberg CA(SA).

**ON BEHALF OF THE BOARD**

|                                                  |                                              |                                                |
|--------------------------------------------------|----------------------------------------------|------------------------------------------------|
| <b>D Thomas</b><br><i>Non-executive Chairman</i> | <b>PN Abelheim</b><br><i>Chief Executive</i> | <b>L Weinberg</b><br><i>Financial Director</i> |
|--------------------------------------------------|----------------------------------------------|------------------------------------------------|

**DIRECTORS**

D Thomas (Chairman)\*; PN Abelheim (Chief Executive); L Weinberg (Financial Director); A J Aaron\*\*; HA Botha\*\*; SR Bouzagliou; SJ Jacobson\*; SP van der Linde (Lead Independent Director)\*\* \*non-executive \*\* independent non-executive

|                             |                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------|
| <b>Date</b>                 | 19 August 2015                                                                   |
| <b>Auditors</b>             | Ernst & Young Incorporated                                                       |
| <b>Transpaco Limited</b>    | Registration number: 1951/000799/06<br>Share code: TPC<br>ISIN: ZAE000007480     |
| <b>Company secretary</b>    | HJ van Niekerk                                                                   |
| <b>Sponsor</b>              | Investec Bank Limited                                                            |
| <b>Registered Office</b>    | 331 6 <sup>th</sup> Street Wynberg Sandton                                       |
| <b>Transfer Secretaries</b> | Computershare Investor Services (Pty) Limited<br>70 Marshall Street Johannesburg |
| <b>Website</b>              | www.transpaco.co.za                                                              |

| STATEMENT OF COMPREHENSIVE INCOME                                 |                                    |             |                                    |
|-------------------------------------------------------------------|------------------------------------|-------------|------------------------------------|
| R'000                                                             | Reviewed<br>12 months<br>June 2015 | %<br>Change | Reviewed<br>12 months<br>June 2014 |
| <b>Revenue</b>                                                    | <b>1 358 739</b>                   |             | 1 248 997                          |
| <b>Turnover</b>                                                   | <b>1 356 025</b>                   | 8,7         | 1 247 386                          |
| Cost of sales                                                     | (891 763)                          |             | (816 179)                          |
| <b>Profit before operating costs and depreciation</b>             | <b>464 262</b>                     | 7,7         | 431 207                            |
| Operating costs                                                   | (319 148)                          |             | (300 060)                          |
| Depreciation                                                      | (34 967)                           |             | (33 303)                           |
| <b>Operating profit</b>                                           | <b>110 147</b>                     | 12,6        | 97 844                             |
| Finance income                                                    | 2 714                              |             | 1 611                              |
| Finance costs                                                     | (2 480)                            |             | (2 635)                            |
| <b>Profit before taxation</b>                                     | <b>110 381</b>                     | 14,0        | 96 820                             |
| Taxation                                                          | (31 095)                           |             | (27 169)                           |
| <b>Profit for the year</b>                                        | <b>79 286</b>                      |             | 69 651                             |
| Other comprehensive income                                        | -                                  |             | -                                  |
| <b>Total comprehensive income</b>                                 | <b>79 286</b>                      | 13,8        | 69 651                             |
| Weighted average ranking number of shares in issue ('000)         | <b>32 323</b>                      |             | 32 164                             |
| Diluted weighted average ranking number of shares in issue ('000) | <b>32 388</b>                      |             | 32 748                             |
| Earnings per share (cents)                                        | <b>245,3</b>                       | 13,3        | 216,5                              |
| Diluted earnings per share (cents)                                | <b>244,8</b>                       | 15,1        | 212,7                              |
| Headline earnings per share (cents)                               | <b>243,3</b>                       | 16,3        | 209,2                              |
| Diluted headline earnings per share (cents)                       | <b>242,8</b>                       | 18,2        | 205,5                              |
| Dividend per share (cents)*                                       | <b>108,0</b>                       | 16,1        | 93,0                               |
| Reconciliation of headline earnings (R'000)                       |                                    |             |                                    |
| Basic earnings                                                    | <b>79 286</b>                      |             | 69 651                             |
| Profit on disposal of property, plant and equipment               | (636)                              |             | (2 354)                            |
| <b>Headline earnings</b>                                          | <b>78 650</b>                      | 16,9        | 67 297                             |

\* Includes interim dividend of 34 cents (June 2014 - 39 cents) and a dividend declared after the period of 74 cents (June 2014 - 54 cents)

| CONSOLIDATED STATEMENT OF CHANGES IN EQUITY |                  |                  |                   |                          |                |
|---------------------------------------------|------------------|------------------|-------------------|--------------------------|----------------|
| R'000                                       | Share<br>Capital | Share<br>Premium | Other<br>Reserves | Distributable<br>Reserve | Total          |
| Balance at 30 June 2013                     | 320              | 11 019           | 3 358             | 346 238                  | 360 935        |
| Profit for the year                         | -                | -                | -                 | 69 651                   | 69 651         |
| Other comprehensive income                  | -                | -                | -                 | -                        | -              |
| Total comprehensive income                  | -                | -                | -                 | 69 651                   | 69 651         |
| Share-based payments                        | -                | -                | 498               | -                        | 498            |
| Dividend paid                               | -                | -                | -                 | (29 919)                 | (29 919)       |
| Inflow of treasury shares                   | 2                | -                | -                 | 1 016                    | 1 018          |
| Balance at 30 June 2014                     | 322              | 11 019           | 3 856             | 386 986                  | 402 183        |
| Profit for the year                         | -                | -                | -                 | 79 286                   | 79 286         |
| Other comprehensive income                  | -                | -                | -                 | -                        | -              |
| Total comprehensive income                  | -                | -                | -                 | 79 286                   | 79 286         |
| Share-based payments                        | -                | -                | 149               | -                        | 149            |
| Dividend paid                               | -                | -                | -                 | (28 534)                 | (28 534)       |
| Inflow of treasury shares                   | 6                | -                | -                 | 2 086                    | 2 092          |
| <b>Balance at 30 June 2015</b>              | <b>328</b>       | <b>11 019</b>    | <b>4 005</b>      | <b>439 824</b>           | <b>455 176</b> |

| STATEMENT OF FINANCIAL POSITION                |                                    |                                    |
|------------------------------------------------|------------------------------------|------------------------------------|
| R'000                                          | Reviewed<br>12 months<br>June 2015 | Reviewed<br>12 months<br>June 2014 |
| <b>ASSETS</b>                                  |                                    |                                    |
| <b>Non-current assets</b>                      | <b>205 680</b>                     | 213 606                            |
| Property, plant and equipment                  | <b>199 813</b>                     | 207 163                            |
| Intangibles                                    | <b>482</b>                         | 482                                |
| Goodwill                                       | <b>3 204</b>                       | 3 204                              |
| Deferred taxation                              | <b>2 181</b>                       | 2 757                              |
| <b>Current assets</b>                          | <b>523 763</b>                     | 441 404                            |
| Inventories                                    | <b>164 428</b>                     | 161 835                            |
| Trade and other receivables                    | <b>202 635</b>                     | 183 757                            |
| Short-term receivables                         | -                                  | 642                                |
| Taxation receivable                            | <b>3 100</b>                       | 3 904                              |
| Cash and cash equivalents                      | <b>153 600</b>                     | 91 266                             |
| <b>TOTAL ASSETS</b>                            | <b>729 443</b>                     | 655 010                            |
| <b>EQUITY AND LIABILITIES</b>                  |                                    |                                    |
| <b>Capital and reserves</b>                    | <b>455 176</b>                     | 402 183                            |
| Issued share capital                           | <b>328</b>                         | 322                                |
| Share premium                                  | <b>11 019</b>                      | 11 019                             |
| Other reserves                                 | <b>4 005</b>                       | 3 856                              |
| Distributable reserve                          | <b>439 824</b>                     | 386 986                            |
| <b>Non-current liabilities</b>                 | <b>50 424</b>                      | 49 222                             |
| Interest-bearing borrowings                    | <b>18 598</b>                      | 21 539                             |
| Deferred income                                | <b>7 639</b>                       | 5 230                              |
| Deferred taxation                              | <b>24 187</b>                      | 22 453                             |
| <b>Current liabilities</b>                     | <b>223 843</b>                     | 203 605                            |
| Trade payables and accruals                    | <b>187 847</b>                     | 172 988                            |
| Provisions                                     | <b>23 379</b>                      | 19 225                             |
| Current portion of interest-bearing borrowings | <b>11 484</b>                      | 10 632                             |
| Deferred income                                | <b>1 131</b>                       | 689                                |
| Taxation payable                               | <b>2</b>                           | 71                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>            | <b>729 443</b>                     | 655 010                            |
| <b>Number of shares in issue ('000)</b>        |                                    |                                    |
| Number of shares (net of treasury shares)      | <b>32 337</b>                      | 32 017                             |
| Net movement in treasury shares                | <b>484</b>                         | 180                                |
| Ranking number of shares                       | <b>32 821</b>                      | 32 197                             |
| <b>Salient features</b>                        |                                    |                                    |
| Net asset value per share (cents)              | <b>1 387</b>                       | 1 249                              |
| Operating margin %                             | <b>8,1</b>                         | 7,8                                |
| Net interest-bearing debt: equity ratio %      | <b>Net cash positive</b>           | Net cash positive                  |

| CAPITAL COMMITMENTS                           |                                    |                                    |
|-----------------------------------------------|------------------------------------|------------------------------------|
| R'000                                         | Reviewed<br>12 months<br>June 2015 | Reviewed<br>12 months<br>June 2014 |
| Capital expenditure authorised and contracted |                                    |                                    |
| Property, plant and equipment                 | <b>12 417</b>                      | 10 059                             |

| STATEMENT OF CASH FLOWS                                    |                                    |                                    |
|------------------------------------------------------------|------------------------------------|------------------------------------|
|                                                            | Reviewed<br>12 months<br>June 2015 | Reviewed<br>12 months<br>June 2014 |
| <b>Cash flow from operating activities</b>                 |                                    |                                    |
| Cash generated from operations                             | <b>144 772</b>                     | 120 977                            |
| Dividends paid                                             | <b>(28 534)</b>                    | (29 919)                           |
| Finance income                                             | <b>2 714</b>                       | 1 611                              |
| Finance costs                                              | <b>(2 480)</b>                     | (2 635)                            |
| Taxation paid                                              | <b>(28 050)</b>                    | (29 271)                           |
| <b>Net cash inflow from operating activities</b>           | <b>88 422</b>                      | 60 763                             |
| <b>Cash flow used in investing activities</b>              |                                    |                                    |
| Proceeds on disposal of property, plant and equipment      | <b>1 290</b>                       | 4 083                              |
| Expansion and replacement of property, plant and equipment | <b>(28 023)</b>                    | (46 907)                           |
| Proceeds from long-term receivables                        | -                                  | 642                                |
| Proceeds from short-term receivables                       | <b>642</b>                         | 1 666                              |
| <b>Net cash outflow from investing activities</b>          | <b>(26 091)</b>                    | (40 516)                           |
| <b>Cash flow used in financing activities</b>              |                                    |                                    |
| Proceeds from treasury shares                              | <b>2 092</b>                       | 1 018                              |
| Proceeds from borrowings                                   | <b>8 192</b>                       | -                                  |
| Repayment of borrowings                                    | <b>(10 281)</b>                    | (13 685)                           |
| <b>Net cash inflow/(outflow) from financing activities</b> | <b>3</b>                           | (12 667)                           |
| Net movement in cash for the year                          | <b>62 334</b>                      | 7 580                              |
| Cash and cash equivalents at the beginning of the year     | <b>91 266</b>                      | 83 686                             |
| <b>Cash and cash equivalents at the end of the year</b>    | <b>153 600</b>                     | 91 266                             |

| SEGMENTAL ANALYSIS                  |                     |                                |                                     |                  |
|-------------------------------------|---------------------|--------------------------------|-------------------------------------|------------------|
| R'000                               | Plastic<br>Products | Paper<br>and Board<br>Products | Properties<br>and Group<br>Services | Total<br>Group   |
| <b>Turnover – 2015</b>              | <b>898 623</b>      | <b>457 402</b>                 | -                                   | <b>1 356 025</b> |
| Turnover to all customers           | 977 689             | 479 931                        | -                                   | 1 457 620        |
| Less turnover to internal customers | 79 066              | 22 529                         | -                                   | 101 595          |
| <b>Turnover – 2014</b>              | <b>818 215</b>      | <b>429 171</b>                 | -                                   | <b>1 247 386</b> |
| Turnover to all customers           | 879 406             | 452 993                        | -                                   | 1 332 399        |
| Less turnover to internal customers | 61 191              | 23 822                         | -                                   | 85 013           |
| <b>Operating profit – 2015</b>      | <b>54 810</b>       | <b>51 191</b>                  | <b>4 146</b>                        | <b>110 147</b>   |
| Operating profit – 2014             | 46 113              | 46 121                         | 5 610                               | 97 844           |
| <b>Profit before tax – 2015</b>     | <b>54 054</b>       | <b>50 146</b>                  | <b>6 181</b>                        | <b>110 381</b>   |
| Profit before tax – 2014            | 45 125              | 45 229                         | 6 466                               | 96 820           |
| <b>Capital expenditure – 2015</b>   | <b>14 880</b>       | <b>12 783</b>                  | <b>360</b>                          | <b>28 023</b>    |
| Capital expenditure – 2014          | 41 645              | 4 715                          | 547                                 | 46 907           |
| <b>Assets – 2015</b>                | <b>408 648</b>      | <b>182 698</b>                 | <b>138 097</b>                      | <b>729 443</b>   |
| Assets – 2014                       | 396 058             | 165 093                        | 93 859                              | 655 010          |
| <b>Liabilities – 2015</b>           | <b>160 827</b>      | <b>95 210</b>                  | <b>18 230</b>                       | <b>274 267</b>   |
| Liabilities – 2014                  | 154 979             | 82 317                         | 15 531                              | 252 827          |