

**UNAUDITED INTERIM GROUP RESULTS FOR
THE 6 MONTHS ENDED 31 DECEMBER 2011
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

NET PROFIT AFTER TAX UP 10%* ■ DILUTED HEADLINE EARNINGS PER SHARE UP 7%* ■ DIVIDEND PER SHARE UP 7%*

* Continuing operations

STATEMENT OF COMPREHENSIVE INCOME

R'000	Note	Unaudited 6 months Dec 2011	% Change	Unaudited 6 months Dec 2010	Audited 12 months June 2011
CONTINUING OPERATIONS					
Revenue		553 684		457 226	907 909
Turnover		552 785	21,2	456 154	906 058
Cost of sales		(346 802)		(277 651)	(549 436)
Profit before operating costs and depreciation		205 983	15,4	178 503	356 622
Operating costs		(129 926)		(106 044)	(225 206)
Depreciation		(12 759)		(11 706)	(24 006)
Operating profit		63 298	4,2	60 753	107 410
Finance costs relating to financial instruments		(1 543)		(2 760)	(4 677)
Interest received		899		1 072	1 851
Profit before taxation		62 654	6,1	59 065	104 584
Taxation		(17 333)		(17 960)	(31 683)
Profit after taxation from continuing operations		45 321	10,3	41 105	72 901
DISCONTINUED OPERATIONS					
Loss after taxation from discontinued operations	1	(2 809)		(1 014)	(8 812)
Profit after taxation		42 512	6,0	40 091	64 089
Other comprehensive income		-		-	-
Total comprehensive income		42 512	6,0	40 091	64 089
Weighted average ranking number of shares in issue ('000)		31 691		28 200	29 606
Diluted weighted average ranking number of shares in issue ('000)		32 577		32 070	32 397
Continuing operations					
Earnings per share (cents)		143,0	(1,9)	145,8	246,2
Fully diluted earnings per share (cents)		139,1	8,5	128,2	225,0
Headline earnings per share (cents)		141,0	(3,1)	145,5	243,7
Fully diluted headline earnings per share (cents)		137,2	7,2	127,9	222,7
Continuing and discontinued operations					
Earnings per share (cents)		134,1	(5,6)	142,2	216,5
Fully diluted earnings per share (cents)		130,5	4,1	125,3	198,0
Headline earnings per share (cents)		132,3	(7,0)	141,9	214,0
Fully diluted headline earnings per share (cents)		128,7	2,9	125,1	195,7
Dividend per share (cents)*		31,0	6,9	29,0	72,0
*Dividend declared after the period					
Reconciliation of headline earnings (R'000)					
Continuing operations					
Basic earnings		45 321		41 105	72 901
Negative goodwill		-		-	(191)
Profit on disposal of property, plant and equipment		(628)		(77)	(551)
Headline earnings		44 693		41 028	72 159
Continuing and discontinued operations					
Basic earnings		42 512		40 091	64 089
Negative goodwill		-		-	(191)
Profit on disposal of property, plant and equipment		(590)		(77)	(551)
Headline earnings		41 922		40 014	63 347

STATEMENT OF CASH FLOWS

R'000	Unaudited 6 months Dec 2011	Unaudited 6 months Dec 2010	Audited 12 months June 2011
Cash flow from operating activities			
Cash (utilised)/generated from operations	(8 127)	35 225	129 070
Dividends paid	(13 627)	(10 715)	(19 906)
Finance costs from continuing operations	(1 543)	(2 760)	(4 677)
Finance costs from discontinued operations	-	(12)	(34)
Interest received from continuing operations	899	1 072	1 851
Interest received from discontinued operations	133	-	-
Taxation paid	(12 377)	(8 468)	(15 288)
Net cash (outflow)/inflow from operating activities	(34 642)	14 342	91 016
Cash flow from investing activities			
Proceeds on disposal of property, plant and equipment	10 025	155	1 543
Expansion and replacement of property, plant and equipment	(29 948)	(10 296)	(31 979)
Acquisition of new business	-	(26 038)	(43 107)
Net cash outflow from investing activities	(19 923)	(36 179)	(73 543)
Cash flow from financing activities			
Decrease in interest-bearing borrowings	(8 716)	(9 186)	(11 479)
Decrease in current portion of interest-bearing borrowings	(2 762)	(1 738)	(2 668)
Decrease in preference share liability	-	(1 013)	(343)
Net movement in treasury shares	-	165	790
Net cash outflow from financing activities	(11 478)	(11 772)	(13 700)
Net movement in cash for the period	(66 043)	(33 609)	3 773
Cash and cash equivalents at the beginning of the period	80 493	76 720	76 720
Cash and cash equivalents at the end of the period	14 450	43 111	80 493

SEGMENTAL ANALYSIS

R'000	Plastic Products	Paper and Board Products	Properties and Group Services	Total Continuing Operations	Dis- continued Operations	Total
Turnover - 2011						
Revenue to external customers	351 075	201 710	-	552 785	11 128	563 913
Revenue to internal customers	370 933	210 917	-	581 850	11 133	592 983
Less revenue to internal customers	19 858	9 207	-	29 065	5	29 070
Turnover - 2010						
Revenue to external customers	318 686	137 468	-	456 154	28 051	484 205
Revenue to internal customers	334 636	146 188	-	480 824	28 051	508 875
Less revenue to internal customers	15 950	8 720	-	24 670	-	24 670
Operating profit - 2011						
Operating profit - 2011	40 783	20 717	1 798	63 298	(4 034)	59 264
Operating profit - 2010	43 472	16 755	526	60 753	(1 393)	59 360

STATEMENT OF FINANCIAL POSITION

R'000	Unaudited 6 months Dec 2011	Audited 6 months Dec 2010	Audited 12 months June 2011
ASSETS			
Non-current assets			
Property, plant and equipment	171 008	163 150	167 862
Intangibles	164 160	151 829	159 231
Goodwill	482	482	482
Unlisted investments	3 204	3 204	3 204
Deferred taxation	33	33	33
Current assets	3 129	7 602	4 912
Inventories	329 942	350 146	319 815
Trade and other receivables	90 662	93 682	89 422
Taxation receivable	223 858	196 080	148 729
Cash at bank and in hand	972	781	1 171
Assets classified as held for sale	14 450	59 603	80 493
TOTAL ASSETS	2 765	-	-
EQUITY AND LIABILITIES			
Capital and reserves			
Issued share capital	303 944	256 598	274 480
Share premium	317	283	317
Other reserves	11 019	-	11 019
Preference shareholder's interest	1 783	533	1 204
Distributable reserve	-	9 273	-
Non-current liabilities	290 825	246 509	261 940
Preference share liability	36 287	46 476	43 766
Interest-bearing borrowings	-	1 109	-
Deferred taxation	17 178	28 187	25 894
Current liabilities	19 109	17 180	17 872
Trade payables and accruals	163 484	210 222	169 431
Provisions	127 872	158 464	128 805
Current portion of interest-bearing borrowings	13 546	11 162	16 443
Taxation payable	17 676	20 548	20 438
Bank overdraft	4 390	3 556	3 745
TOTAL EQUITY AND LIABILITIES	-	16 492	-
Number of shares in issue ('000)	503 715	513 296	487 677
(Net of treasury shares)	31 691	28 192	29 865
Net movement in treasury shares	-	73	1 826
Ranking number of shares	31 691	28 265	31 691
Salient features			
Net asset value per share (cents)	959	875	866
Operating margin %	10,5	12,3	10,0
Net interest-bearing debt: equity ratio %	7	3	Net cash positive
Net interest cover (x)	116,0	34,9	33,3

STATEMENT OF CHANGES IN EQUITY

R'000	Issued Share Capital	Share Premium	Preference Share- holder's Interest	Other Reserves	Distributable Reserve	Total
Balance at 30 June 2010 (audited)	282	-	9 273	469	216 969	226 993
Total comprehensive income	-	-	-	-	64 089	64 089
Share-based payments	-	-	-	735	-	735
Dividend paid	-	-	-	-	(19 906)	(19 906)
Shares issued	33	11 019	(9 273)	-	-	1 779
Net movement in treasury shares	2	-	-	-	788	790
Balance at 30 June 2011 (audited)	317	11 019	-	1 204	261 940	274 480
Total comprehensive income	-	-	-	-	42 512	42 512
Share-based payments	-	-	-	579	-	579
Dividend paid	-	-	-	-	(13 627)	(13 627)
Balance at 31 December 2011 (unaudited)	317	11 019	-	1 783	290 825	303 944

LOSS ON DISCONTINUED OPERATIONS

Note 1: The results of the discontinued operations included in the statement of comprehensive income are set out below. The comparative loss and cash flows from the discontinued operations have been re-presented to include the operations classified as discontinued in the current period.

R'000	Unaudited 6 months Dec 2011	Unaudited 6 months Dec 2010	Audited 12 months June 2011
Turnover	11 128	28 051	47 931
Expenses	(15 029)	(29 456)	(60 165)
Loss before tax from discontinued operations	(3 901)	(1 405)	(12 234)
Taxation	1 092	391	3 422
Loss after tax from discontinued operations	(2 809)	(1 014)	(8 812)
Earnings per share (cents)	(8,9)	(3,6)	(29,8)
Fully diluted earnings per share (cents)	(8,6)	(3,2)	(27,2)
Headline earnings per share (cents)	(8,7)	(3,6)	(29,8)
Fully diluted headline earnings per share (cents)	(8,5)	(3,2)	(27,2)
Cash flows from discontinued operations			
Net cash flows from operating activities	(9 017)	1 299	1 794
Net cash flows from investing activities	7 292	(183)	(775)
Net cash flows from financing activities	-	(103)	(201)
Net cash flows	(1 725)	1 013	818

CAPITAL COMMITMENTS

R'000	Unaudited 6 months Dec 2011	Unaudited 6 months Dec 2010	Audited 12 months June 2011
Capital expenditure authorised and contracted			
Plant and equipment	27 982	4 746	24 178

COMMENTARY

INTRODUCTION

Transpaco continued to deliver growth with pleasing results for the six months to 31 December 2011 ("the period"). The acquisition of Disaki Cores and Tubes (Pty) Ltd ("Disaki") contributed positively to these results.

The unanticipated industry-wide national strike during July 2011 had an estimated R3,6 million negative impact on net profit after taxation.

The under-performing PVC and PET businesses were discontinued during the period.

FINANCIAL RESULTS

Transpaco's net profit after tax for continuing operations increased by 10,3% to R45,3 million (December 2010: R41,1 million).

Earnings per share for continuing operations ("EPS") decreased slightly by 1,9% to 143,0 cents (December 2010: 145,8 cents). Headline earnings per share for continuing operations ("HEPS") decreased by 3,1% to 141,0 cents (December 2010: 145,5 cents).

The reduction in EPS and HEPS and the increase in the ranking and weighted average number of shares in issue were respectively the result of:

- the additional 3 300 000 ordinary shares in issue following the conversion by Transpaco's B-BBEE shareholder of its preference shares into ordinary shares ("the B-BBEE share conversion");
 - 173 000 ordinary shares being taken up in terms of the Transpaco Share Option Scheme;
- both of which took place during the latter part of the previous financial year. These additional ordinary shares resulted in an 11,8% dilution.

There are no further convertible preference shares in issue.

Diluted earnings per share for continuing operations increased by 8,5% to 139,1 cents (December 2010: 128,2 cents), while diluted headline earnings per share for continuing operations increased by 7,2% to 137,2 cents (December 2010: 127,9 cents).

The inclusion of turnover from the Disaki acquisition for an additional four months saw turnover for continuing operations up 21,2% to R552,8 million (December 2010: R456,2 million). This resulted in operating profit improving by 4,2% to R63,3 million (December 2010: R60,8 million). The group's operating costs were well managed within expectations and increased in line with operational needs.

Strong cash flows led to a reduction of R1,0 million in net interest paid, while net interest cover improved to 116,0 times (December 2010: 34,9 times). Stringent asset control and the group's profitability resulted in the net interest-bearing debt: equity ratio remaining in the single digits at 7% (December 2010: 3%).

The ranking and weighted number of shares in issue increased significantly due to the B-BBEE share conversion and shares being taken up in terms of the Transpaco Share Option Scheme.

Net asset value per share increased by 9,6% to 959 cents (December 2010: 875 cents).

PROSPECTS

The closure of the PVC and PET operations has allowed Transpaco to redeploy resources into an exciting new venture. The group is in the process of establishing a high volume polypropylene recycling facility, which will complement Transpaco's commitment to recycling.

Transpaco has made substantial investments in new plant and equipment in order to increase capacities and to ensure its competitiveness both locally and against imports.

The group will continue in its endeavors to achieve further organic growth and to pursue appropriate acquisitions.

DIVIDEND

The board has declared an interim cash dividend of 31 cents per share (December 2010: 29 cents per share) for the six-month period ending 31 December 2011 representing a 7% increase on the comparative period.

The salient dates for the dividend are as follows:

Last date to trade shares cum dividend	Thursday, 15 March 2012
Shares trade ex dividend	Friday, 16 March 2012
Record date	Friday, 23 March 2012
Payment date	Monday, 26 March 2012

Share certificates may not be dematerialised or rematerialised between Friday, 16 March 2012, and Friday, 23 March 2012, both days inclusive.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited interim financial results for the period are prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), with presentation and disclosure in terms of IAS 34 - Interim Financial Reporting, and in compliance with the Listings Requirements of the JSE Limited and the South African Companies Act No 71 of 2008.

The accounting policies applied in these unaudited interim financial statements are consistent in all material respects with those applied in the preparation of the group's annual financial statements for the previous year ended 30 June 2011. The group adopted all applicable new and amended standards, which did not have an impact.

ON BEHALF OF THE BOARD

AJ Aaron Non-executive Chairman	PN Abelheim Chief Executive	L Weinberg Financial Director
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DIRECTORS

AJ Aaron (Chairman*); PN Abelheim (Chief Executive); L Weinberg (Financial Director); HA Botha*; SR Bouzaglou; SI Jacobson*; D Thomas*; SP van der Linde*
*non-executive

Date
Auditors
Company Secretary
Sponsor
Registered Office
Transfer Secretaries

22 February 2012
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