

**UNAUDITED CONDENSED
INTERIM GROUP RESULTS FOR THE
SIX MONTHS TO 31 DECEMBER 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

REVENUE UP 27% ■ HEADLINE EARNINGS PER SHARE UP 50% ■ DIVIDEND PER SHARE 52,0 CENTS

INTRODUCTION

Transpaco's performance, reflecting a 50,4% increase in headline earnings per share (HEPS), exceeded expectations despite a continued challenging economic environment.

The group's margins, while remaining under pressure improved as raw material prices stabilised during the period. Controlled expenses, increased volumes in certain operations and the inclusion of East Rand Plastics for five months all contributed to Transpaco's pleasing results.

All Transpaco operations impacted favourably on group profits with several outperforming the previous year.

East Rand Plastics, acquired by Transpaco effective 1 August 2015, is trading well and is expected to continue making a positive contribution to group profits.

FINANCIAL RESULTS

Group	December 2015	December 2014	% Increase
Turnover (R'm)	912,5	716,2	27,4
Operating profit (R'm)	89,3	56,8	57,2
Headline earnings (R'm)	62,8	40,8	54,1
Earnings per share (cents)	190,4	126,8	50,2
Headline earnings per share (cents)	190,6	126,7	50,4
Diluted headline earnings per share (cents)	190,3	124,7	52,6

Headline earning per share for the twelve calendar months ended 31 December 2015 increased 61% to 307,2 cents (December 2014: 191,4 cents)

The group's net interest-bearing debt-to-equity (gearing) position is 17,6% (December 2014: net cash positive).

The variation in gearing and net interest paid is attributable to funds utilised to acquire East Rand Plastics and additional working capital requirements.

Net asset value per share increased by 14,0% to 1 503 cents (December 2014: 1 319 cents).

PROSPECTS

The group will continue its proven business strategy, targeting organic growth while maintaining strict financial control and at the same time identifying and pursuing appropriate acquisitions.

DIVIDEND

The board has declared an interim gross cash dividend out of income reserves of 52,0 cents per share (December 2014: 34,0 cents per share) for the six-month period ended 31 December 2015. After applying the dividend withholding tax of 15%, a net interim dividend of 44,20000 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 9975/11271/6.

The salient dates for the dividend are as follows:

Last date to trade shares <i>cum</i> dividend	Friday, 11 March 2016
Shares trade <i>ex</i> dividend	Monday, 14 March 2016
Record date	Friday, 18 March 2016
Payment date	Tuesday, 22 March 2016

Share certificates may not be dematerialised or rematerialised between Monday, 14 March 2016 and Friday, 18 March 2016, both days inclusive.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The group's unaudited interim financial results have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), its interpretations issued by the IFRS Interpretations Committee, the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and comply with the JSE Listings Requirements and the Companies Act of South Africa. The 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 2015. The group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The group's unaudited interim financial statements comply with IAS 34 – Interim Financial Reporting ("IAS 34"). The interim report should be read in conjunction with the Transpaco 2015 annual report.

BUSINESS COMBINATION

On 1 August 2015, the group acquired the East Rand Plastics division of Astrapak Manufacturing (Pty) Limited, a wholly owned subsidiary of Astrapak Limited. East Rand Plastics operates as a manufacturer of polyethylene flexible packaging materials and is predominantly active in the production of refuse bags and bin liners.

The information disclosed in the annual report for the period ended 30 June 2015 has not changed to date and remains provisional. For more detail refer to the Transpaco 2015 annual report, note 10.

From the date of acquisition to 31 December 2015, the East Rand Plastics business contributed R82,6 million to group revenue and R5,8 million to profits after tax.

APPROVAL AND PREPARATION

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

ON BEHALF OF THE BOARD

DJJ Thomas <i>Non-executive Chairman</i>	PN Abelheim <i>Chief Executive</i>	L Weinberg <i>Financial Director</i>
--	--	--

DIRECTORS

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

Date	17 February 2016
Auditors	Ernst & Young Incorporated
Transpaco Limited	Registration number: 1951/000799/06 Share code: TPC ISIN: ZAE000007480
Company secretary	HJ van Niekerk
Sponsor	Investec Bank Limited
Registered Office	331 6 th Street, Wynberg, Sandton
Transfer Secretaries	Computershare Investor Services Pty Ltd 70 Marshall Street, Johannesburg
Website	www.transpaco.co.za

STATEMENTS OF COMPREHENSIVE INCOME

R'000	Unaudited 6 months Dec 2015	% change	Unaudited 6 months Dec 2014	Audited 12 months June 2015
Revenue	913 817		717 484	1 358 739
Turnover	912 532	27,4	716 178	1 356 025
Cost of sales	(586 777)		(476 431)	(891 763)
Profit before operating costs and depreciation	325 755	35,9	239 747	464 262
Operating costs	(215 899)		(165 784)	(319 148)
Depreciation	(20 530)		(17 121)	(34 967)
Operating profit	89 326	57,2	56 842	110 147
Finance income	1 285		1 306	2 714
Finance costs	(3 218)		(1 267)	(2 480)
Profit before taxation	87 393	53,6	56 881	110 381
Taxation	(24 593)		(16 043)	(31 095)
Profit for the period	62 800	53,8	40 838	79 286
Other comprehensive income	–		–	–
Total comprehensive income	62 800	53,8	40 838	79 286
Weighted average ranking number of shares in issue ('000)	32 978		32 198	32 323
Diluted weighted average ranking number of shares in issue ('000)	33 022		32 707	32 388
Earnings per share (cents)	190,4	50,2	126,8	245,3
Diluted earnings per share (cents)	190,2	52,3	124,9	244,8
Headline earnings per share (cents)	190,6	50,4	126,7	243,3
Diluted headline earnings per share (cents)	190,3	52,6	124,7	242,8
Dividend per share (cents)*	52,0	52,9	34,0	108,0
Reconciliation of headline earnings (R'000)				
Basic earnings	62 800		40 838	79 286
Loss/(Profit) on disposal of property, plant and equipment	48		(47)	(636)
Headline earnings	62 848	54,1	40 791	78 650

*Dividend declared after the period

STATEMENTS OF FINANCIAL POSITION

R'000	Unaudited 6 months Dec 2015	Unaudited 6 months Dec 2014	Audited 12 months June 2015
ASSETS			
Non-current assets	304 501	203 368	205 680
Property, plant and equipment	266 288	198 396	199 813
Intangibles	482	482	482
Goodwill	35 704	3 204	3 204
Deferred taxation	2 027	1 286	2 181
Current assets	529 067	445 765	523 763
Inventories	176 686	139 108	164 428
Trade and other receivables	333 187	247 581	202 635
Taxation receivable	3 634	3 502	3 100
Cash and cash equivalents	15 560	55 574	153 600
TOTAL ASSETS	833 568	649 133	729 443
EQUITY AND LIABILITIES			
Capital and reserves	493 620	425 753	455 176
Issued share capital	328	323	328
Share premium	11 019	11 019	11 019
Other reserves	4 005	4 004	4 005
Distributable reserve	478 268	410 407	439 824
Non-current liabilities	118 947	46 795	50 424
Interest-bearing borrowings	82 815	16 926	18 598
Deferred income	7 648	5 163	7 639
Deferred taxation	28 484	24 706	24 187
Current liabilities	221 001	176 585	223 843
Trade payables and accruals	172 055	146 539	187 847
Provisions	28 338	19 260	23 379
Current portion of interest-bearing borrowings	19 379	10 186	11 484
Deferred income	870	504	1 131
Taxation payable	359	96	2
TOTAL EQUITY AND LIABILITIES	833 568	649 133	729 443
Number of shares in issue('000)			
Number of shares (net of treasury shares)	32 821	32 197	32 337
Net movement in treasury shares	20	89	484
Ranking number of shares	32 841	32 286	32 821
Salient features			
Net asset value per share (cents)	1 503	1 319	1 387
Operating margin %	9,8	7,9	8,1
Net interest-bearing debt: equity ratio %	17,6	Net cash positive	Net cash positive

CAPITAL COMMITMENTS

R'000	Unaudited 6 months Dec 2015	Unaudited 6 months Dec 2014	Audited 12 months June 2015
Capital expenditure authorised and contracted			
Property, plant and equipment	9 741	9 974	12 417

STATEMENTS OF CASH FLOWS

R'000	Unaudited 6 months Dec 2015	Unaudited 6 months Dec 2014	Audited 12 months June 2015
Cash flow from operating activities			
Cash (utilised)/generated from operations	(23 185)	6 283	144 772
Dividends paid	(24 356)	(17 505)	(28 534)
Finance costs	(3 218)	(1 267)	(2 480)
Finance income	1 285	1 306	2 714
Taxation paid	(20 319)	(11 892)	(28 050)
Net cash (outflow)/inflow from operating activities	(69 793)	(23 075)	88 422
Cash flow from investing activities			
Proceeds on disposal of property, plant and equipment	784	330	1 290
Acquisition of business	(109 651)	–	–
Expansion and replacement of property, plant and equipment	(31 492)	(8 619)	(28 023)
Proceeds from short-term receivables	–	642	642
Net cash outflow from investing activities	(140 359)	(7 647)	(26 091)
Cash flow from financing activities			
Proceeds from borrowings	78 637	–	8 192
Repayment of borrowings	(6 525)	(5 059)	(10 281)
Proceeds from share capital	–	–	1
Proceeds from treasury shares	–	89	2 091
Net cash inflow/(outflow) from financing activities	72 112	(4 970)	3
Net movement in cash for the period	(138 040)	(35 692)	62 334
Cash and cash equivalents at the beginning of the period	153 600	91 266	91 266
Cash and cash equivalents at the end of the period	15 560	55 574	153 600

SEGMENTAL ANALYSIS

R'000	Plastic Products	Paper and Board Products	Properties and Group Services	Total
Revenue – December 2015	665 281	247 285	1 251	913 817
Revenue to all customers	682 375	263 236	1 251	946 862
Less revenue to internal customers	17 094	15 951	–	33 045
Revenue – December 2014	484 639	231 594	1 251	717 484
Revenue to all customers	522 552	242 534	1 251	766 337
Less revenue to internal customers	37 913	10 940	–	48 853
Revenue – June 2015	898 727	457 435	2 577	1 358 739
Revenue to all customers	977 793	479 964	2 577	1 460 334
Less revenue to internal customers	79 066	22 529	–	101 595
Operating profit – December 2015	60 168	27 035	2 123	89 326
Operating profit – December 2014	28 676	25 188	2 978	56 842
Operating profit – June 2015	54 810	51 191	4 146	110 147
Profit before tax – December 2015	59 849	26 263	1 281	87 393
Profit before tax – December 2014	28 127	24 758	3 996	56 881
Profit before tax – June 2015	54 054	50 146	6 181	110 381
Capital expenditure – December 2015	22 467	6 321	2 704	31 492
Capital expenditure – December 2014	6 686	1 775	158	8 619
Capital expenditure – June 2015	14 880	12 783	360	28 023
Assets – December 2015	591 058	202 738	39 772	833 568
Assets – December 2014	417 795	175 668	55 670	649 133
Assets – June 2015	408 648	182 698	138 097	729 443
Liabilities – December 2015	226 223	83 931	29 794	339 948
Liabilities – December 2014	136 538	71 452	15 390	223 380
Liabilities – June 2015	160 827	95 210	18 230	274 267