CAXTON\&CTP
publishers \& printers


INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

|  | Unaudited six months to 31 December | Unaudited six months to 31 December | $\begin{array}{r}\text { Audited } \\ \text { for the year } \\ \text { to } 30 \text { June }\end{array}$ |
| :---: | :---: | :---: | :---: |
|  | 2016 | 2015 | 2016 |
| CASH FLOW FROM OPERATING ACTVVITIES | (203189) | (118361) | 399291 |
| Cash generated by operations | 386737 | 410774 | 758050 |
| Changes in working capital | (338 023) | (260 475) | (111 053) |
| Cash generated by operating activities Less: Taxation paid | $\begin{aligned} & 48714 \\ & (42755) \end{aligned}$ | $\begin{aligned} & 150299 \\ & (65644) \\ & (650 \end{aligned}$ | $\begin{aligned} & 646997 \\ & (109445) \\ & \hline \end{aligned}$ |
| Net interest received | 27201 | 22112 | 48428 |
| Dividends received | 44023 | 37637 | 79265 |
| Net cash inflow from from operating activities Dividends paid | $\begin{array}{r} 77183 \\ (280 \end{array}$ | $\begin{aligned} & 144404 \\ & (262765) \end{aligned}$ | $\begin{gathered} 665245 \\ (2659545 \end{gathered}$ |
| CASH FLOW FROM INVESTING ACTIVTITES | (271 390) | (166970) | (368764) |
| Property, plant and equipment |  |  |  |
| - additions to maintain and expand operations <br> - proceeds from disposals | $\begin{gathered} 1612211 \\ 8148 \end{gathered}$ | $\begin{gathered} 176921) \\ 6348 \end{gathered}$ | $(353043)$ 12334 |
|  | (153 073) | (170 573) | [3407091 |
| Investments |  |  |  |
| - subsidiary and business acquired (net of cash acquired) | (104 047) | - | (19 198) |
| - Associates, other investments and loans (net of taxation) | (14270) | 3603 | (8857) |
|  | (118317) | 3603 | (28055) |
| CASH FLOWS FROM FINANCING ACTVVITIES | (13724) | (1087) | (753) |
| Minority interest acquired |  |  | (1867) |
| Shares issued | - | - | 6000 |
| Own shares acquired | (13724) | (1087) | (4886) |
| Net (decrease)/increase in cash and cash equivalents | (488 303) | [286418) | 297 |
| Cash acquired | (380) |  |  |
| Cash and cash equivalents ot the beginning of the year | 2030186 | 2000412 | 2000412 |
| Cash and cash equivalents at the end of the period | 1541503 | 1713994 | 2030186 |
| Fair value adjustment of preference shares and other investments | (12237) | (17 297) | (11861) |
| Fair value of cash and cash equivalents at the end of the period | 1529266 | 1696697 | 2018325 |

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSTION

| R'000 | Unaudited 31 December 2016 | Unaudited 31 December 2015 | $\begin{aligned} & \text { Audited } \\ & 30 \text { June } \end{aligned}$ $2016$ |
| :---: | :---: | :---: | :---: |
| ASSETS |  |  |  |
| Non-current assets | 3155723 | 2858748 | 3046987 |
| Property, plant and equipment | 2634749 | 2515827 | 2594389 |
| Goodwill | 64700 |  |  |
| Interest in associates | 286558 | 251109 | 272157 |
| Other investments | 92854 | 24611 | 86155 |
| Listed | 8128 | 34 | 34 |
| Unlisted | 84726 | 24577 | 86121 |
| Deferred taxation | - | - | 19299 |
| Loans to directiors | 76862 | 67201 | 74987 |
| Current assets | 3964288 | 3813434 | 4002578 |
| Inventories | 881456 | 795886 | 806229 |
| Accounts receivable | 1553566 | 1307129 | 1160063 |
| Taxation |  | 13722 | 17961 |
| Bank and cash resources | 419337 | 591829 | 908020 |
| Listed bank preference shares | 59929 | 54868 | 60305 |
| Unlisted bank preference shares | 1050000 | 1050000 | 1050000 |
| Total assets | 7120011 | 6672182 | 7049565 |
| EQUITY AND LABBLITIES |  |  |  |
| Equity | 5554332 | 5277964 | 5579393 |
| Equity atributable to owners of the parent | 5493257 | 5215156 | 5522685 |
| Preference shareholders | 100 | 100 | 100 |
| Non-controlling interest | 60975 | 62708 | 56608 |
| Non-current liabilities |  |  |  |
| Deferred taxation | 353097 | 306784 | 354636 |
| Current liabilities | 1212582 | 1087434 | 1115536 |
| Accounts payable | 1005152 | 858870 | 883677 |
| Provisions | 187529 | 228564 | 226505 |
| Taxation | 19901 | - | 5354 |
| Total equity and liabilities | 7120011 | 6672182 | 7049565 |
| Net tangible asset value per share (cents) | 1399 | 1326 | 1406 |
| Directors' valuation of unlisted investments and associated companies | 371284 | 275686 | 358278 |
| Capital expenditure | 161221 | 176921 | 353043 |
| Capital expenditure committed | 112500 | 18000 | 90000 |

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| R'000 | Unaudited 31 December 2016 | Unaudited 31 December 2015 | Audited 30 June 2016 |
| :---: | :---: | :---: | :---: |
| Balance at beginning of the year | 5579393 | 5296760 | 5296760 |
| Total comprehensive profit for the period | 269035 | 245056 | 549340 |
| Shares issued | - | - | 6000 |
| Own shares acquired | (13724) | (1087) | (4886) |
| Dividends paid - ordinary and preference shareholders | (280 372) | (262 765) | (265 954) |
| Minority interest acquired | - | - | (1867) |
| Balance at end of the year | 5554332 | 5277964 | 5579393 |

Note:
Busines
Business combinations
The group acquired the
Flip File Peyy Itd was ows: - Soptember 2016 and the net assets of Boland Flip File (Pyy) LId was acquired with an effective date of 1 September 2
Printers were acquired with an effective date of 30 September 2016 .
The acquired businesses contributed revenue of R68.7 million and a net profit after tax of R7. 8 million. Had these businesses been acquired for the full reporting period the revenue would have been R75.2 million
and the net profit after tax would be $R 9.9$ million


| R'000 | Acquirees fair value |
| :---: | :---: |
| Goodwill | 6470 |
| Property, plant and equipment | 28679 |
| Inventory | 16764 |
| Accounts receivable | 23650 |
| Accounts payable Cash acquired | ${ }^{(29} \mathbf{3 6 6 0}{ }_{(380)}$ |
| Fair value of net assets acquired | 104047 |
| Total cash purchase consideration | 104047 |

[^0]
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 divisional performance

## Publishing, printing and distribution








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 Packaging and Stationery


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 Cominer

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[^0]:    These business combinations are accounted for in these results.
    Commentary
    Basis of preparation
    The unauditiod inerim financial statements for the six months ended 31 December 2016 have been prepared
    in accordance with International Financial Reporting Stondards (IFRS) as issued by the International
    
     The accounting policies applied in preparing these interim financial statements are consistent with those
    presented inthe annual financial statements for the year ended 30 June 2016. These entinerim financial
    statements have not been reviewed or reported on by the Caxton Group auditors, Grant Thornton.
    Earnings
    A hallmark of the Caxton group is that it is able to generate consistent earnings, notwithstanding the very
    difficult conditions. This is a reflection of its nofriilss management approach, its conservative budgeting and
     The group has produced a solid set of results. This is testament to the errou's's resilience as well as the benefits
    of the diversification of its business through occquisitions that have taken place over the last few years.
     Revenue grew $5.8 \%$ to $\mathrm{R3}, 493$ billion, helped by acquisitions, increased demand from government for
    educational text books and a significant turnover increase from our fexible packaging operation This educational text books and a signiticant turnover increase rrom our tlexible packaging operation. This
    was partiolly yffst ty reduced turnover in the newspoper and magazine divisions. .here sududud local
    advertisising demand and continued deeline in magazine circulation and adverising revenues were evident. Raw material input costs benefited from a more stable exchange rate environment that allowed divisions
    to stabilise pricing and margins, although in in some markets this was mitigated by contined compefitor
    pressures. Staff costs and other operating costs continued to be well managed, increasing by $2.5 \%$ and ${ }_{2}^{\text {pressures. Staff costis }} 2.2 \%$ respectively.
     Net income from associates increased to R12. 2 million as a result of an improvement in profits from the
    group's prining associates. This was partially offfest by 0 osses incurred by our investment in the fibre to the

