

Seardel H1 diluted HEPS unchanged at 0.1c

Seardel Investment Corporation (SER) on Monday, 19 November 2012, reported unchanged diluted headline earnings per share of 0.1 cents for the six months ended September 2012.

The Group's revenue at R1.2 billion was 0.7% down on the prior period.

The prevailing economic environment for local manufacturers remained challenging and revenue from the group's manufacturing operations was down 11% to R835 million. However, this shortfall was offset by a 37% increase, to R364 million, in revenue from the group's non-manufacturing operations.

The shift in revenue away from the lower margin manufacturing segments as well as improved margins in the Apparel manufacturing business saw gross margins improve from 19.0% to 21.3%, it said.

It noted that the government incentives recognised during the period are R7 million below those recognised in the comparative period. Incentives are recognised based on the level of qualifying expenditure incurred during any particular period and we anticipate that for the full year, the total incentives will be in line with those recognised in the prior year.

The prior period numbers include once-off income of some R14 million relating to property rates refunds; and net interest costs are some R7 million greater than in the prior period due to the increased debt incurred relating to the property development ahead of the full benefit of increased rentals, the company said.

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