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## Members Diary

|                        |            |
|------------------------|------------|
| Financial Year End     | 30 June    |
| Annual General Meeting | 30 October |

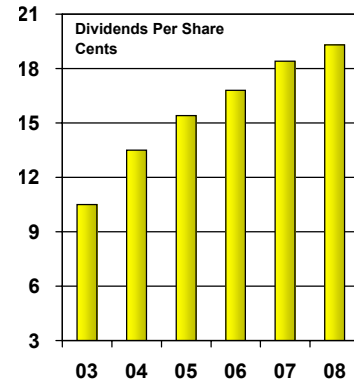
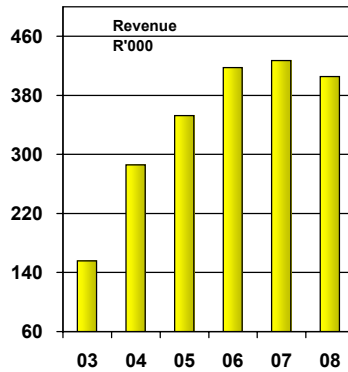
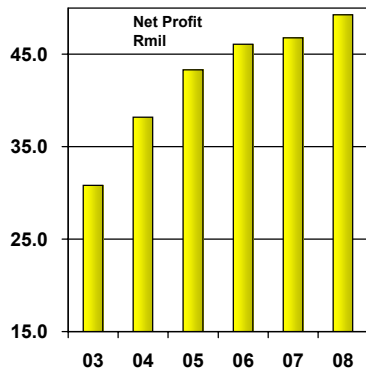
| Reports                         | Date Published |
|---------------------------------|----------------|
| Interim for half year           | February       |
| Preliminary profit announcement | September      |
| Annual Report                   | October        |

| Dividends | Date of Declaration | Date of payment |
|-----------|---------------------|-----------------|
| Interim   | March               | April           |
| Final     | September           | October         |

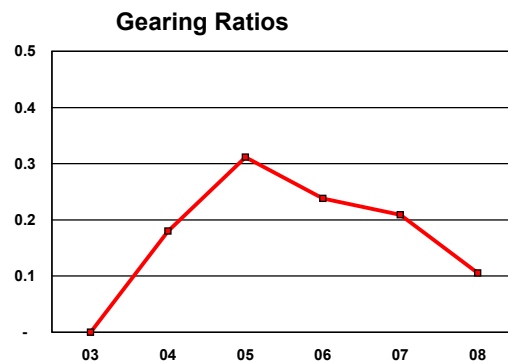
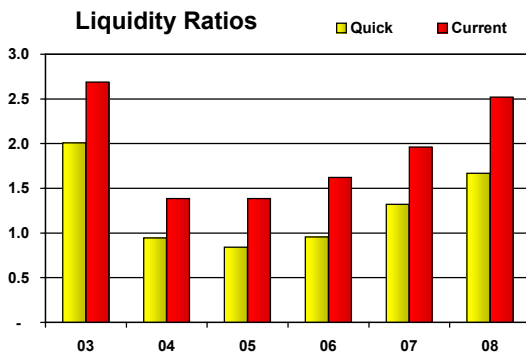
# FINANCIAL HIGHLIGHTS

Years ending 30 June

| TRADING                           | 2008    | 2007    | 2006    | 2005    | 2004    | 2003    | 2002    |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Revenue (R'000)                   | 405,684 | 427,150 | 417,820 | 352,482 | 286,029 | 155,911 | 125,247 |
| Net profit (R'000)                | 49,264  | 46,764  | 46,074  | 43,333  | 38,201  | 30,812  | 24,201  |
| Growth - net profit (%)           | 5.3     | 1.5     | 6.3     | 13.4    | 24.4    | 27.3    | 34.7    |
| Operating profit (R'000)          | 72,618  | 74,676  | 72,704  | 73,338  | 59,533  | 42,239  | 32,356  |
| Return on capital employed (%)    | 16.4    | 16.7    | 20.0    | 22.6    | 24.2    | 26.4    | 26.4    |
| Return on shareholders equity (%) | 17.9    | 19.2    | 22.9    | 25.6    | 27.8    | 28.3    | 27.9    |
| Compound growth in net profit     |         |         |         |         |         |         |         |
| - over 5 years (%)                | 12.6    | 14.1    | 20.7    | 25.3    | 28.0    | 25.3    | 26.2    |
| - over 10 years (%)               | 18.6    | 20.0    | 20.1    | 26.3    | 24.8    | 25.0    | 28.0    |



| BALANCE SHEET               | 2008    | 2007    | 2006    | 2005    | 2004    | 2003    | 2002    |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|
| Shareholders equity (R'000) | 275,732 | 243,482 | 201,315 | 169,475 | 137,658 | 109,030 | 86,730  |
| Capital employed (R'000)    | 301,305 | 280,132 | 229,828 | 191,643 | 158,583 | 116,536 | 91,626  |
| Total assets (R'000)        | 357,703 | 372,153 | 318,946 | 284,827 | 225,206 | 136,510 | 115,609 |
| Current ratio               | 2.5     | 2.0     | 1.6     | 1.4     | 1.4     | 2.7     | 1.7     |
| Quick ratio                 | 1.7     | 1.3     | 1.0     | 0.8     | 0.9     | 2.0     | 1.1     |
| Gearing ratio               | 0.1     | 0.2     | 0.2     | 0.3     | 0.2     | -       | 0.1     |



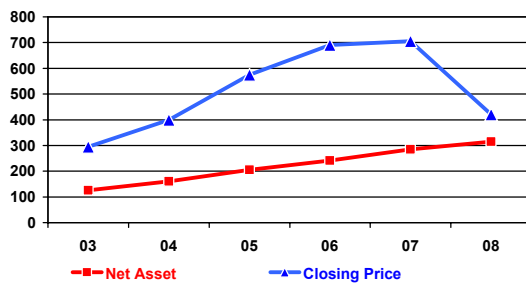
# FINANCIAL HIGHLIGHTS - continued

Years ending 30 June

| SHARE FACTS                               | 2008     | 2007   | 2006     | 2005     | 2004     | 2003     | 2002     |
|-------------------------------------------|----------|--------|----------|----------|----------|----------|----------|
| Headline earnings per share (cents)       | 55.4     | 53.25  | 53.6     | 50.6     | 44.2     | 35.5     | 27.9     |
| Net asset value per share (cents)         | 314.4    | 285.3  | 241.8    | 205.5    | 160.0    | 125.5    | 99.8     |
| Dividend per share                        | 19.3     | 18.4   | 16.8     | 15.4     | 13.5     | 10.5     | 8.4      |
| Dividend cover (times)                    | 2.9      | 3.3    | 3.2      | 3.3      | 3.3      | 3.4      | 3.3      |
| Compound growth in eps                    |          |        |          |          |          |          |          |
| - over 5 years (%)                        | 12.1     | 16.3   | 21.0     | 25.7     | 28.0     | 25.0     | 26.2     |
| - over 10 years (%)                       | 18.3     | 21.1   | 19.9     | 22.2     | 23.0     | 23.2     | 26.1     |
| Share price (cents)                       | 420.0    | 705    | 690.0    | 575.0    | 400.0    | 295.0    | 225.0    |
| Price earnings ratio                      | 7.6      | 11.9   | 12.9     | 11.4     | 9.1      | 8.3      | 8.1      |
| Shares traded (000's)                     | 14,327.5 | 16,263 | 11,344.0 | 6,032.0  | 5,202.0  | 5,747.0  | 9,562.0  |
| Weighted number of shares in issue ('000) | 87,693.0 | 87,537 | 86,794.0 | 86,794.0 | 86,763.0 | 86,861.0 | 86,861.0 |

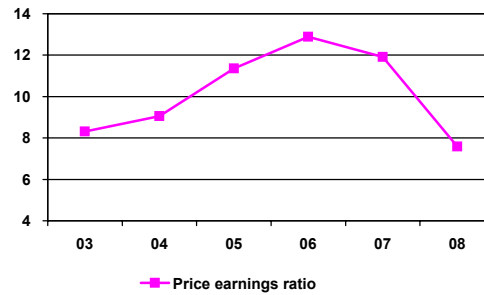
## Value

The difference between the net asset value per share and the closing JSE price per share



## Price Earnings Ratio

Share price divided by earnings per share



| TERM                 | DEFINITIONS                                                               |
|----------------------|---------------------------------------------------------------------------|
| Capital Employed     | Capital, reserves and non-current liabilities                             |
| Shareholders Equity  | Capital and reserves                                                      |
| Operating Profit     | Profit before tax and interest                                            |
| Current Ratio        | Current assets to current liabilities                                     |
| Quick Ratio          | Current assets, excluding inventories, to current liabilities             |
| Dividends per Share  | Interim paid and final proposed for the year                              |
| Gearing Ratio        | Interest bearing debt to shareholders equity                              |
| Price Earnings Ratio | Share price divided by adjusted headline earnings per share               |
| Value                | The difference between the net assets value per share and the share price |
| Net Asset Value      | Total assets less current and non-current liabilities                     |

## SHAREHOLDER PROFILE

| Size of Holding      | 30 June 2008  |              |              | 30 June 2007  |              |              |
|----------------------|---------------|--------------|--------------|---------------|--------------|--------------|
|                      | No of Holders | % of Holders | % of Capital | No of Holders | % of Holders | % of Capital |
| <b>Shareholdings</b> |               |              |              |               |              |              |
| 1 - 5 000            | 507           | 45.9         | 1.0          | 562           | 44.7         | 1.1          |
| 5 001 - 10 000       | 170           | 15.4         | 1.2          | 210           | 16.7         | 1.5          |
| 10 001 - 50 000      | 275           | 24.9         | 6.5          | 318           | 25.3         | 7.5          |
| 50 001 - 100 000     | 64            | 5.8          | 4.7          | 69            | 5.5          | 5.1          |
| 100 001 and above    | 88            | 8.1          | 86.6         | 99            | 8.0          | 84.7         |
| <b>Total</b>         | <b>1,104</b>  | <b>100.0</b> | <b>100.0</b> | <b>1,258</b>  | <b>100.0</b> | <b>100.0</b> |

| <b>Spread</b>          |              |              |              |              |              |              |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Public - South African | 1,088        | 98.6         | 64.1         | 1,241        | 98.6         | 62.9         |
| Public - Non Residents | 11           | 1.0          | 0.2          | 13           | 1.0          | 0.4          |
| Directors              | 5            | 0.4          | 35.7         | 4            | 0.4          | 36.7         |
| <b>Total</b>           | <b>1,104</b> | <b>100.0</b> | <b>100.0</b> | <b>1,258</b> | <b>100.0</b> | <b>100.0</b> |

| <b>Status</b>  |              |              |              |              |             |              |
|----------------|--------------|--------------|--------------|--------------|-------------|--------------|
| Dematerialised | 927          | 84.0         | 97.7         | 1,076        | 85.5        | 97.6         |
| Certificated   | 177          | 16.0         | 2.3          | 182          | 13.6        | 2.4          |
| <b>Total</b>   | <b>1,104</b> | <b>100.0</b> | <b>100.0</b> | <b>1,258</b> | <b>99.1</b> | <b>100.0</b> |

| <b>Other Large Investors</b> |  |  |       |  |  |      |
|------------------------------|--|--|-------|--|--|------|
| FNT Allan Gray               |  |  | 3.04  |  |  | 3.04 |
| Eskom Pension Fund           |  |  | 0.00  |  |  | 2.91 |
| Sanlam                       |  |  | 0.27  |  |  | 3.66 |
| Standard Bank                |  |  | 11.65 |  |  | 2.27 |
| Past directors               |  |  | 5.63  |  |  | 8.16 |

There are no nominees with beneficial holdings of greater than 5% of the number of issued shares

### Overview

The FMCG market is less susceptible to the negative trend caused by high interest, rising inflation and credit restrictions. As a result, a 5.3% growth in attributable income to R49,3m was achieved, despite the poor performance by Quality Beverages, which took 10.3% off the bottom line. After adjusting for the discontinuation of the Amcos operation, group revenue increased by 8% to R406m. Cash generated increased by R8,2m, notwithstanding a share buyback spend of R16,1m, capital purchases of R30m and a R2,5m increase in paid dividends. Net asset value per share increased to 315 cents and, on the estimated market value of properties, this figure would rise to 457 cents.

During the year, the group repurchased 3.9m shares representing 4,4% of issued capital, at an average price of 412 cents in terms of the mandate given to the directors. Dividends paid per share have been increased by 18.6% to 19,45 cents for the year, giving a 4.6% yield on year end share price. Our BEE ownership plans have been adversely effected by the share price drop and these are being re-evaluated.

The financial statements have been prepared in accordance with International Financial Reporting Standards (specifically IFRS (7)). It is my belief that in their drive to change accounting practices, the initiators may have lost sight of the fact that many of their conventions are outside of the scope of knowledge of the ordinary investor.

### Bowler Plastics

Against the backdrop of a 35% raw material price rise, debilitating power outages and over competitive pricing, all evidenced by the poor financial performances of the plastics packaging market in general, Bowler Plastics performed solidly. Depreciation charges increased by R1,6m to R23m and it is estimated that the cost of power cuts were R0,55m. The 7% increase in operating profit was hard fought, and the industry has forced through some long overdue price increases towards the end of the period. It is inevitable that as raw material prices rise, percentage profit margins should fall. However, excellent cost controls left the operating margin percentages unchanged, which augers well for the future.

Effective 1 July 2008, the entire issued share capital of Gad-Tek (Pty) Ltd and related party claims were purchased. Gad-Tek was a competitor of the company and operates out of Pinetown in KZN. Working capital requirements will be approximately R8m. The business has a revenue of approximately R20m and it is anticipated that it will make a modest profit in the year to June 2009. This purchase affords Bowler Plastics the long needed opportunity of having a presence in the KZN area by way of an accelerated entry, and it is believed that the growth in this area will be very beneficial.

A commitment of R15m has been made for a new laminated tube line, which will be installed in October 2008. This is a new manufacturing process for the company and it is believed it will fill a gap currently in the South African market.

### Quality Beverages

In stark contrast to the "sparkling results" of 2007, Quality Beverages had an 89% decrease in attributable income to R653k. Revenue was R35m short of budget and R5,4m below the 2007 figure, as the company was severely hit by the publicized nationwide shortage of carbon dioxide, an essential ingredient in the bottling of cooldrink. This was the second occasion that the suppliers of CO<sub>2</sub> have been unable to meet our requirements and alternative arrangements have been made for the 2008/9 summer. A write-off of R920k was also required on an imported line of fruit juices which proved to be unsuccessful, despite initial positive market feedback.

The planned expansion of Quality Beverages into the lucrative Gauteng and Mpumalanga area was deferred because of the uncertainty regarding CO<sub>2</sub>. The equipment to the value of R12m that has been ordered will be delayed, pending a decision on the best alternatives for the future. The problems of 2007/8 aside, this company operated well and remains entrenched as the pre-eminent second tier supplier in the country.

**Properties**

Attributable income from property holdings remained static, mainly as a result of a slightly lower rental being paid by Amcos for the Midrand factory in terms of the sale agreement to Beige. At the date of this report the nature of group properties remains unchanged but the future of the Midrand property is to be reviewed in the coming months. Suitable property will be sought for the planned expansion of Bowler Plastics in KZN in the future.

**Prospects**

The prospects of each manufacturing branch has been dealt with previously. In general terms, I believe that 2009 will see less radical input price hikes and a generally weaker rand, which is beneficial to the packaging sector. The recent tough trading conditions should result in an increased market polarization, as the weaker players are eliminated. The industry would welcome the day when all manufacturers start to price their product above the reinvestment level as this would accelerate the upturn. Overall, I am confident that the group is well positioned to deliver improved results in the 2009 year.

**Corporate Governance*****Board of Directors:***

Full details of the directorate, inclusive of remuneration and shareholdings are as set out. The executive directors meet on a weekly basis to effect management and the full board meets five times per annum. The directors retire in rotation, have no long-term contracts, are not automatically reappointed and do not participate in any share incentive scheme. A remuneration committee approves remuneration of all directors and senior management. All directors have access to the services of the company secretary and, at the company's expense, legal and financial advisors.

In June 2008, an audit committee was appointed to assume responsibilities in terms of the Corporate Laws Amendment Act, King Code II and the JSE in respect of the 2009 financial year.

***Internal controls and audit:***

The directors are responsible for and ensure that the group maintains adequate accounting records and internal controls to reasonably assure the integrity of the financial information including the accountability of assets. The Board is responsible for the total process of risk management. All of the above processes are continuously monitored and directors and employees are required to maintain the highest ethical standards, ensuring that the businesses practices are conducted in a manner which, in all reasonable circumstances, is beyond reproach. Nothing has come to the attention of the directors or the company's advisors, or audit committee, to indicate any material breakdown in the above controls during the period under review.

***King Code:***

All the key principles underlying the requirements of the King II Code of Practices and Conduct, have been reviewed throughout the reporting period, and where practical, implemented.

***Social responsibility:***

Health and safety conditions comply with industry standards and the minimization of industrial pollution is entrenched in the manufacturing process. Since 1987, the group has had a successful policy of work enrichment through share participation. It is the intention to accelerate this process in the future. The group is committed to a work environment free of discrimination of any kind and to maintain a high level of worker education and training, thus facilitating the consequent affirmative action. The group has maintained its progress in meeting its employment equity goals and the latest workforce profile as submitted to the Department of Labour, is summarized hereunder. Any further details required are available at the registered office of the company.

**Corporate Governance - continued**

**Employment Equity**

The workforce profiles submitted to the Department of Labour in September are summarised hereunder.

|                           | Male    |                  |       | Female  |                  |       |
|---------------------------|---------|------------------|-------|---------|------------------|-------|
|                           | African | Coloured & Asian | White | African | Coloured & Asian | White |
| <b>Employment</b>         |         |                  |       |         |                  |       |
| <b>30 September 2007</b>  |         |                  |       |         |                  |       |
| Management                | 9       | 33               | 31    | 2       | 28               | 10    |
| Skilled & other           | 140     | 221              | 11    | 20      | 132              | 3     |
| Total by number           | 149     | 254              | 42    | 22      | 160              | 13    |
| Percent of total          | 23%     | 40%              | 7%    | 3%      | 25%              | 2%    |
| <b>30 September 2006</b>  |         |                  |       |         |                  |       |
| Management                | 9       | 33               | 32    | 3       | 25               | 12    |
| Skilled & other           | 119     | 184              | 7     | 14      | 111              | 2     |
| Total by number           | 128     | 217              | 39    | 17      | 136              | 14    |
| Percent of total          | 23%     | 39%              | 7%    | 3%      | 25%              | 3%    |
| <b>Skills development</b> |         |                  |       |         |                  |       |
| <b>30 September 2007</b>  |         |                  |       |         |                  |       |
| Management                | -       | 20               | 3     | 2       | 15               | 2     |
| Skilled & other           | 27      | 67               | 2     | -       | 25               | 2     |
| Total by number           | 27      | 87               | 5     | 2       | 40               | 4     |
| Percent of total          | 18%     | 34%              | 12%   | 9%      | 25%              | 31%   |
| <b>30 September 2006</b>  |         |                  |       |         |                  |       |
| Management                | -       | 15               | 4     | 2       | 11               | 1     |
| Skilled & other           | 3       | 53               | 1     | -       | 19               | -     |
| Total by number           | 3       | 68               | 5     | 2       | 30               | 1     |
| Percent of total          | 3%      | 62%              | 5%    | 2%      | 28%              | 1%    |

**Appreciation**

For the 2009 year, I will be moving to the position of Non-Executive Chairman. To all of my loyal, competent and devoted staff, many of whom have been with me for more than thirty years, I offer my heartfelt appreciation. They are the glue that holds together this fine company, which enable us to offer the exemplary service sought by everyone in our market place. To our customers, who we would have prosper with ourselves, thank you for showing the confidence. And finally, to my fellow directors who have provided logic, guidance and lively debate, I thank you for your input.



**H.W. SASS**  
**Executive Chairman**

## INDEPENDENT AUDITORS' REPORT

To the members of Bowler Metcalf Limited

We have audited the annual financial statements and group annual financial statements of Bowler Metcalf Limited, which comprise the directors' report, the balance sheet and the consolidated balance sheet as at 30 June 2008, the income statement and the consolidated income statement, the statement of changes in equity and the consolidated statement of changes in equity and cash flow statement and the consolidated cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 9 to 27.

### Directors' Responsibility for Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company and of the group as of 30 June 2008, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa.



**MAZARS MOORES ROWLAND**  
Registered Auditor

15 September 2008  
Cape Town

Partner: Yolandie Ferreira  
Chartered Accountant (SA)

## DIRECTORS STATEMENT

The Annual Financial Statements set out on pages 9 to 28 were approved by the Board of Directors on 15 September 2008 and are signed on their behalf by:



**H W SASS**  
Chairman

Ottery  
15 September 2008



**M BRAIN**  
Managing Director



# DIRECTORS REPORT

## The Members

### Bowler Metcalf Limited

Your directors have the pleasure in submitting their annual report which forms part of the group annual financial statements for the year ended 30 June 2008.

### General Review of Business Operations and results

The group carries on the business of manufacturing plastics, plastic mouldings and carbonated softdrinks. There were no major changes in the nature of the business of the company and of its subsidiaries during the year. The results of the business and operations of the company and of its subsidiaries during the year and its state of affairs and financial position are set out in the attached group financial statements and do not, in our opinion, require any further comment or elucidation.

During the year the company disposed of its interest in Amcos Cosmetics International (Pty) Ltd.

On 1 July 2008 the group acquired 100% of the issued shares and related party claims of Gad-Tek (Pty) Ltd, a KZN based plastic convertor, for two rand. Subsequently, R4.67m of creditor claims were acquired for R2.33m. Directors have estimated carrying and fair values of assets, liabilities and contingent liabilities on the basis of available information at the effective date, as the acquired company had not yet implemented IFRS and appraisals and determinations in terms thereof are not yet complete. It is therefore also not practicable to disclose carrying amounts in terms of IFRS. Due to the nature of available information, directors are unable to accurately determine the value of goodwill at this stage. Accurate determination of assets, liabilities, contingent liabilities and goodwill is dependant on the implementation of IFRS by the acquired company. To date no significant costs have been incurred in respect of this acquisition.

The unaudited estimated carrying and fair values of the other assets and liabilities at the effective date are:

|             | Carrying<br>Values<br>R'000 | Fair<br>Values<br>R'000 |
|-------------|-----------------------------|-------------------------|
| Assets      | 12,053                      | 9,462                   |
| Liabilities | 13,037                      | 10,694                  |

There are no other material facts or circumstances which have occurred in the company or its subsidiaries between the balance sheet date and the date of this report.

### Share Capital

During the year Bowler Plastics (Pty) Ltd, a subsidiary, began acquiring the company's shares on the open market to hold in a treasury capacity (refer note 11). There has been no change to the authorised share capital during the year.

### Dividends

Interim dividends of 10.0 cents per share (2007: 9.1c) were paid to shareholders on 7 April 2008 and a final dividend of 9.3 cents per share (2007: 9.3c) has been declared in terms of the notice included in this report.

### Property, Plant and Equipment

There has been no change in the nature of the property, plant and equipment of the group and the policy relating to the use thereof remains the same.

### Unlisted Subsidiary Companies

| Incorporated in South Africa            | Number of shares held |     | Shares at Carrying Value |            | Interest<br>Rate p.a.<br>% | Unsecured Group Loans |            |
|-----------------------------------------|-----------------------|-----|--------------------------|------------|----------------------------|-----------------------|------------|
|                                         | %                     | No  | 2008<br>R                | 2007<br>R  |                            | 2008<br>R             | 2007<br>R  |
| <b>Subsidiaries - directly held</b>     |                       |     |                          |            |                            |                       |            |
| Bowler Plastics (Pty) Ltd               | 100                   | 100 | 5,663,476                | 5,663,476  | nil                        | 81,837,294            | 81,784,276 |
| Plus Plastik (Pty) Ltd                  | 100                   | 300 | 300                      | 300        | nil                        | -                     | -          |
| Hazra Properties Two (Pty) Ltd          | 100                   | 300 | 300                      | 300        | nil                        | -                     | -          |
| Bowler Properties Two (Pty) Ltd         | 100                   | 100 | 100                      | 100        | nil                        | -                     | -          |
| Amcos Cosmetics International (Pty) Ltd |                       |     | -                        | 80         | nil                        | -                     | -          |
| Quality Beverages 2000 (Pty) Ltd        | 74.9                  | 734 | 19,462,275               | 19,462,275 | 13                         | -                     | -          |
| Loans to subsidiaries                   |                       |     |                          |            |                            | 81,837,294            | 81,784,276 |
| <b>Subsidiaries - indirectly held</b>   |                       |     |                          |            |                            |                       |            |
| Bowler PET Jhb (Pty) Ltd                | 100                   |     | -                        | -          |                            |                       |            |
| Postal Presents (Pty) Ltd               | 74.9                  |     | -                        | -          |                            |                       |            |
| Quality Softdrinks (Pty) Ltd            | 74.9                  |     | -                        | -          |                            |                       |            |
| Shares at carrying value                |                       |     | 25,126,451               | 25,126,531 |                            |                       |            |
| <b>Share Trust</b>                      |                       |     |                          |            |                            |                       |            |
| The Bowler Metcalf Share Trust          |                       |     |                          |            |                            | -                     | 40,470     |

Aggregate profit after tax attributable to Bowler Metcalf Limited's interest in all its subsidiaries is R49 264 614(2007: R46 763 826).

### Borrowing limitations

The borrowing powers of the group are not limited by its articles of association.

## DIRECTORS REPORT (continued)

### Preparation of Annual Financial Statements

The Directors are required by the Companies Act to prepare annual financial statements, which fairly present the affairs of the group as at the end of the financial year, and of income or loss for that year, in conformity with International Financial Reporting Standards and the Companies Act in South Africa.

The directors consider that in preparing the financial statements, the group has consistently used appropriate accounting policies supported by reasonable and prudent judgements and estimates. All applicable accounting standards have been followed.

### Directors' Responsibility in Relation to Financial statements

The directors are required by the Companies Act in South Africa to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 30 June 2009 and, in the light of this review and the current financial position, they are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

### Directors and Secretary

Details of the present board of directors and the secretary appear on the inside front cover of this report. Mr EG Tindale was appointed as a non-executive independent director during the year. There were no other changes during the year under review.

### Directors' Interest in Shares

The directors' beneficial and non-beneficial interests in the company's issued share capital at 30 June 2008 were as follows:

| Director's holdings ('000)    | 30 June 2008 |               |               |             | 30 June 2007  |             |
|-------------------------------|--------------|---------------|---------------|-------------|---------------|-------------|
|                               | Direct       | Indirect      | Total         | %           | Total         | %           |
| HW Sass (Executive Chairman)  | 2,737        | 16,262        | 18,999        | 21.5        | 18,999        | 21.5        |
| M Brain (Managing)            | 546          | 10,427        | 10,973        | 12.4        | 11,831        | 13.4        |
| MS Parker (Executive)         | -            | 1,500         | 1,500         | 1.7         | 1,500         | 1.7         |
| BJ Frost (Non-Executive)      | -            | 100           | 100           | 0.1         | 100           | 0.1         |
| E Tindale (Non-Executive)     | 195          | 1,304         | 1,499         | 1.7         | -             | -           |
|                               | <u>3,478</u> | <u>29,593</u> | <u>33,071</u> | <u>37.4</u> | <u>32,430</u> | <u>36.7</u> |
| <b>Shares in issue ('000)</b> |              |               | <u>88,428</u> |             | <u>88,428</u> |             |

There have been no material changes in these holdings up to the date of this report.

## Secretarial Certification

In accordance with section 268G(d) of the Companies Act, it is hereby certified that the company has lodged with the Registrar of Companies all such returns that are required of a public company in terms of the Act and that such returns are true, correct and up to date.

L.V. Rowles  
Company Secretary  
15 September 2008

# BALANCE SHEETS

At 30 June 2008

|                                                                                            | Notes | GROUP          |               | COMPANY        |               |
|--------------------------------------------------------------------------------------------|-------|----------------|---------------|----------------|---------------|
|                                                                                            |       | 2008<br>R'000  | 2007<br>R'000 | 2008<br>R'000  | 2007<br>R'000 |
| <b>Assets</b>                                                                              |       |                |               |                |               |
| <b>Non-current assets</b>                                                                  |       | <b>190,170</b> | 187,842       | <b>25,126</b>  | 25,167        |
| Property, plant and equipment                                                              | 3     | 172,219        | 175,800       | -              | -             |
| Intangible assets                                                                          | 4     | 11,059         | 11,566        | -              | -             |
| Investments                                                                                | 5     | 6,285          | -             | -              | 40            |
| Investment in subsidiaries                                                                 | 6     | -              | -             | 25,126         | 25,127        |
| Deferred taxation                                                                          | 13    | 607            | 476           | -              | -             |
| <b>Current assets</b>                                                                      |       | <b>167,533</b> | 168,227       | <b>81,837</b>  | 81,784        |
| Inventories                                                                                | 7     | 56,705         | 54,898        | -              | -             |
| Trade and other receivables                                                                | 8     | 102,557        | 105,303       | -              | -             |
| Cash and cash equivalents                                                                  | 9     | 6,017          | 8,003         | -              | -             |
| Loans to group companies                                                                   | 6     | -              | -             | 81,837         | 81,784        |
| Taxation                                                                                   |       | 2,254          | 23            | -              | -             |
| <b>Non-current assets classified as held for sale</b>                                      | 10    | -              | 16,084        | -              | -             |
| <b>Total assets</b>                                                                        |       | <b>357,703</b> | 372,153       | <b>106,963</b> | 106,951       |
| <b>Equity and Liabilities</b>                                                              |       |                |               |                |               |
| <b>Equity attributable to:</b>                                                             |       |                |               |                |               |
| Parent company equity holders                                                              |       | 275,732        | 243,482       | 106,963        | 106,951       |
| Stated capital                                                                             | 11    | 21,565         | 21,525        | 21,565         | 21,565        |
| Retained earnings                                                                          |       | 254,167        | 221,957       | 85,398         | 85,386        |
| Treasury shares                                                                            | 11    | -16,168        | -             | -              | -             |
| Minority Interest                                                                          |       | 6,105          | 4,802         | -              | -             |
| <b>Total equity</b>                                                                        |       | <b>265,669</b> | 248,284       | -              | -             |
| <b>Non-current liabilities</b>                                                             |       | <b>25,573</b>  | 36,650        | -              | -             |
| Borrowings - interest bearing                                                              | 12    | 7,656          | 17,814        | -              | -             |
| Deferred taxation                                                                          | 13    | 17,917         | 18,836        | -              | -             |
| <b>Current liabilities</b>                                                                 |       | <b>66,461</b>  | 85,785        | -              | -             |
| Trade and other payables                                                                   | 14    | 43,081         | 51,329        | -              | -             |
| Bank overdrafts                                                                            | 9     | 11,439         | 21,660        | -              | -             |
| Borrowings - interest bearing                                                              | 12    | 9,913          | 11,429        | -              | -             |
| Taxation                                                                                   |       | 2,028          | 1,367         | -              | -             |
| <b>Liabilities directly associated with non-current assets classified as held for sale</b> | 10    | -              | 1,434         | -              | -             |
| <b>Total equity and liabilities</b>                                                        |       | <b>357,703</b> | 372,153       | <b>106,963</b> | 106,951       |

# INCOME STATEMENTS

For the year ended 30 June 2008

|                                                                                                                                                                           | Notes | GROUP         |               | COMPANY       |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|---------------|---------------|---------------|---------------|
|                                                                                                                                                                           |       | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>Revenue</b>                                                                                                                                                            | 1     | 405,684       | 427,150       | -             | -             |
| Other operating income                                                                                                                                                    |       | 4,348         | 2,131         | 17,079        | 15,144        |
| Raw materials and other operating costs                                                                                                                                   |       | (223,555)     | (238,226)     | -             | -             |
| Staffing costs                                                                                                                                                            |       | (62,939)      | (66,827)      | -             | -             |
| Rental and property finance                                                                                                                                               |       | (1,776)       | (447)         | -             | -             |
| Depreciation                                                                                                                                                              |       | (33,199)      | (32,871)      | -             | -             |
| Maintenance                                                                                                                                                               |       | (7,798)       | (7,703)       | -             | -             |
| Transport                                                                                                                                                                 |       | (8,147)       | (8,531)       | -             | -             |
| Profit from operations                                                                                                                                                    |       | 72,618        | 74,676        | 17,079        | 15,144        |
| Net finance income/(costs)                                                                                                                                                | 16    | (3,115)       | (5,975)       | -             | -             |
| - income                                                                                                                                                                  |       | 1,630         | 611           | -             | -             |
| - costs                                                                                                                                                                   |       | (4,745)       | (6,586)       | -             | -             |
| <b>Profit before tax</b>                                                                                                                                                  | 17    | 69,503        | 68,701        | 17,079        | 15,144        |
| Income tax expense                                                                                                                                                        | 18    | (20,022)      | (21,322)      | -             | -             |
| <b>Profit for the year</b>                                                                                                                                                |       | 49,481        | 47,379        | 17,079        | 15,144        |
| <b>Attributable to:</b>                                                                                                                                                   |       |               |               |               |               |
| Equity holders of the parent                                                                                                                                              |       | 49,264        | 46,764        |               |               |
| Minority interest                                                                                                                                                         |       | 217           | 615           |               |               |
|                                                                                                                                                                           |       | 49,481        | 47,379        |               |               |
| <b>Weighted number of shares in issue</b>                                                                                                                                 | 11    | 87,693,009    | 87,537,400    |               |               |
| <b>Earnings per share (cents)</b>                                                                                                                                         |       |               |               |               |               |
| The calculation of earnings per share is based on net profit for the year and the weighted number of shares in issue during the period, net of tax and minority interest. |       |               |               |               |               |
| - earnings                                                                                                                                                                |       | 56.18         | 53.42         |               |               |
| - loss (profit) on disposal of assets                                                                                                                                     |       | 0.01          | (0.17)        |               |               |
| - profit on disposal of subsidiary                                                                                                                                        |       | (0.79)        | -             |               |               |
| <b>Headline earnings per share (cents)</b>                                                                                                                                | 19    | 55.40         | 53.25         |               |               |
| <b>Dividends paid per share (cents)</b>                                                                                                                                   |       | 19.45         | 17.10         |               |               |
| <b>Dividends proposed per share (cents)</b>                                                                                                                               |       | 19.30         | 18.40         |               |               |

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

| R'000                                   | Attributable to equity holders of the parent |                   |          | Minority Interest | Treasury Shares | Total Equity |
|-----------------------------------------|----------------------------------------------|-------------------|----------|-------------------|-----------------|--------------|
|                                         | Stated Capital                               | Retained Earnings | Total    |                   |                 |              |
| <b>GROUP</b>                            |                                              |                   |          |                   |                 |              |
| Balance at 1 July 2006                  | 11,025                                       | 190,291           | 201,316  | 8,568             | -               | 209,884      |
| Share issue                             | 10,500                                       |                   | 10,500   |                   |                 | 10,500       |
| Reduction in interest                   |                                              |                   | -        | (4,381)           |                 | (4,381)      |
| Net profit for the year to 30 June 2007 |                                              | 46,764            | 46,764   | 615               |                 | 47,379       |
| Dividends paid                          |                                              | (15,098)          | (15,098) | -                 |                 | (15,098)     |
| Balance at 30 June 2007                 | 21,525                                       | 221,957           | 243,482  | 4,802             | -               | 248,284      |
| Disposal of subsidiary                  |                                              |                   |          | 1,663             |                 | 1,663        |
| Treasury shares                         | 40                                           |                   | 40       |                   | (16,168)        | (16,128)     |
| Net profit for the year to 30 June 2008 |                                              | 49,264            | 49,264   | 217               |                 | 49,481       |
| Dividends paid                          |                                              | (17,054)          | (17,054) | (577)             |                 | (17,631)     |
| Balance at 30 June 2008                 | 21,565                                       | 254,167           | 275,732  | 6,105             | (16,168)        | 265,669      |
| <b>COMPANY</b>                          |                                              |                   |          |                   |                 |              |
| Balance at 1 July 2006                  | 11,065                                       | 85,363            | 96,428   |                   |                 |              |
| Share issue                             | 10,500                                       | -                 | 10,500   |                   |                 |              |
| Net profit for the year to 30 June 2007 |                                              | 15,144            | 15,144   |                   |                 |              |
| Dividends paid                          |                                              | (15,121)          | (15,121) |                   |                 |              |
| Balance at 30 June 2007                 | 21,565                                       | 85,386            | 106,951  |                   |                 |              |
| Net profit for the year to 30 June 2008 |                                              | 17,079            | 17,079   |                   |                 |              |
| Share issue                             | -                                            |                   | -        |                   |                 |              |
| Dividends paid                          |                                              | (17,067)          | (17,067) |                   |                 |              |
| Balance at 30 June 2008                 | 21,565                                       | 85,398            | 106,963  |                   |                 |              |

# CASH FLOW STATEMENTS

For the year ended 30 June 2008

|                                                       | Notes | GROUP           |                 | COMPANY       |               |
|-------------------------------------------------------|-------|-----------------|-----------------|---------------|---------------|
|                                                       |       | 2008<br>R'000   | 2007<br>R'000   | 2008<br>R'000 | 2007<br>R'000 |
| <b>Cash flows arising from operating activities</b>   |       | <b>66,307</b>   | <b>42,441</b>   | <b>(41)</b>   | <b>-</b>      |
| Cash receipts from customers                          |       | 443,434         | 407,467         |               |               |
| Cash paid to suppliers and employees                  |       | (333,919)       | (310,862)       |               |               |
| Cash generated by operations                          | 22.1  | 109,515         | 96,605          | (53)          | (23)          |
| Dividends received                                    | 22.2  | -               | -               | 17,079        | 15,144        |
| Interest received                                     |       | 1,630           | 611             | -             | -             |
| Interest paid                                         |       | (4,745)         | (6,586)         | -             | -             |
| Taxation paid                                         | 22.3  | (22,462)        | (33,091)        | -             | -             |
|                                                       |       | <b>83,938</b>   | <b>57,539</b>   | <b>17,026</b> | <b>15,121</b> |
| Dividends paid                                        |       | (17,631)        | (15,098)        | (17,067)      | (15,121)      |
| <b>Cash flows arising from investing activities</b>   |       | <b>(30,364)</b> | <b>(39,534)</b> | <b>-</b>      | <b>-</b>      |
| Property, plant and equipment                         |       |                 |                 |               |               |
| - proceeds on disposal                                | 22.4  | 259             | 671             | -             | -             |
| - additions                                           | 22.5  | (29,909)        | (40,205)        | -             | -             |
| Reduction (increase) in investments                   |       | 237             | -               | -             | -             |
| Disposal of subsidiary                                | 22.6  | (951)           | -               | -             | -             |
| <b>Cash flows arising from financing activities</b>   |       | <b>(27,708)</b> | <b>12,601</b>   | <b>-</b>      | <b>-</b>      |
| Borrowings                                            |       | (11,580)        | 12,601          | -             | -             |
| Re-purchase of shares                                 |       | (16,128)        | -               | -             | -             |
| <b>Net increase/(decrease) for the year</b>           |       | <b>8,235</b>    | <b>15,508</b>   | <b>(41)</b>   | <b>-</b>      |
| Balance at beginning of period                        |       | (13,657)        | (29,165)        | -             | -             |
| <b>Cash and cash equivalents at end of the year</b>   |       | <b>(5,422)</b>  | <b>(13,657)</b> | <b>(41)</b>   | <b>-</b>      |
| <b>Cash and cash equivalents comprise:</b>            |       |                 |                 |               |               |
| Bank accounts and cash on hand                        |       | 6,017           | 8,003           | -             | -             |
| Bank overdrafts                                       |       | (11,439)        | (21,660)        | -             | -             |
| <b>Cash and cash equivalents at end of the period</b> |       | <b>(5,422)</b>  | <b>(13,657)</b> | <b>-</b>      | <b>-</b>      |

## 1 Accounting policies

The financial statements are prepared in accordance with International Financial Reporting Standards, using a combination of historical cost and fair value bases and incorporate the following principal accounting policies, applied on a basis consistent with that of the previous reporting period.

### *Property, plant and equipment*

- Property, plant and equipment is brought into account at historical cost, including directly attributable expenditure, and subsequently reflected at cost less accumulated depreciation and accumulated impairments. Repairs and maintenance is charged against the income statement as they are incurred.
- Depreciation is calculated on the straight line basis at rates which will reduce the cost of the assets to estimated residual values over their expected useful lives at the following rates:

|                                          |           |
|------------------------------------------|-----------|
| Plant and machinery                      | 10% - 15% |
| Motor vehicles                           | 20%       |
| Office equipment, furniture and fittings | 10%       |
| Moulds                                   | 10% - 20% |
| Computers                                | 33.3%     |
| Industrial buildings                     | 5%        |
| Land                                     | 0%        |
- Where a part of an item of property, plant and equipment is significant in relation to the cost of the item, that part is depreciated separately and is recognised as an expense in the income statement.
- Residual values, useful lives and depreciation methods are reviewed and adjusted, if necessary, on an annual basis. These changes are accounted for as a change of estimate.
- Impairment losses and any subsequent reversals are recognised in the income statement.

### *Borrowing costs*

Finance charges incurred on the acquisition of property plant and equipment are not included in the cost of such assets. Finance charges are written off in the income statement as they become due.

### *Inventories*

Inventories are valued at the lower of cost and net realisable value. Cost is determined either on the first-in-first-out or weighted average basis. All damaged or substandard materials and obsolete, redundant or slow moving inventories are written down to their estimated net realisable values. The cost of raw materials, consumable stores and spares is the delivered landed cost, while the cost of work in progress and finished goods includes both direct costs and production overheads.

### *Deferred taxation*

Deferred taxation is provided on the balance sheet method, recognising all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which they can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or where in their initial recognition, neither the accounting or tax profit is affected at the time of the transaction. Deferred tax is calculated at the tax rate expected to apply when the asset is realised or the liability settled. Deferred tax arising on estimated losses is raised where future profitability is foreseen.

### *Foreign currencies*

Transactions in foreign currencies are initially recorded at the rates of exchange ruling at transaction date. Foreign currency monetary items are translated at the rates of exchange ruling at balance sheet date. Exchange differences arising on the settlement of monetary items at rates different from those initially recorded are dealt with in the income statement in the period in which they arise.

### *Revenue*

Revenue represents the net value of merchandise sold, after returns, trade discounts and value added tax receivable and from sales to third parties, initially recorded upon delivery.

**1 Accounting policies - continued***Retirement Benefits*

The group operates a provident and pension fund to which substantially all salaried staff belong. The fund is a defined contributory plan and does not require to be actuarially valued. Current contributions to the pension and provident funds are charged against income as they are incurred. The fund is governed by the Pension Funds Act.

*Basis of consolidation*

The consolidated financial statements include the financial statements of the company and its subsidiaries. Subsidiaries are all those entities where the group has control over the operating and financial policies of such entities. The financial results of the subsidiaries are included from the effective dates of acquisition up to the effective dates of disposal. All inter - group balances and transactions have been eliminated on consolidation.

*Goodwill*

The difference between the fair value of the consideration paid and the group's interest in the net fair value of the identifiable assets and liabilities of subsidiaries at the date of acquisition is charged to goodwill arising on consolidation. Goodwill is periodically reviewed for impairment and where carrying amounts are less than recoverable amounts, the impairment loss is recognised in the income statement and is not reversible. Recoverable amounts are determined by discounting future cash flows of the cash generating unit concerned at suitable discount rates.

On disposal of a subsidiary, any goodwill forming part of that entity is included in the determination of the gain or loss arising therefrom.

Goodwill from business combinations arising on or after 31 March 2004 are not amortised, whilst that arising before that date was amortised up to 30 June 2004, but not thereafter.

*Government Grants*

Government grants are recognised when received and recorded in the income statement at the proceeds received net of any related costs, not as revenue but as other income.

*Financial instruments*

Financial Assets and liabilities are recognised on the group's balance sheet as and when arising.

1. Trade receivables and payables are initially recorded at fair value, subsequently at amortised cost.
2. Interest-bearing bank loans and overdrafts are recorded at the proceeds received and finance charges thereon accounted for on an accrual basis.
3. Loans and borrowings are initially recorded at fair value and subsequently at amortised cost. Where there are no terms of repayment or interest charges, the loans are recorded at cost.
4. Equity instruments are recorded at the proceeds received, net of direct issue costs.
5. Investments in subsidiaries are carried at cost.
6. Listed investments are initially and subsequently recorded at fair value, increases to which are recognised directly in the equity statement, impairments through the income statement, until the time of disposal.
7. Treasury shares are initially recorded at cost and deducted from equity.
8. Cash and cash equivalents are initially and subsequently recorded at fair values.

*Segment report*

The primary format of the segment report is on the basis of the business segments of the group. No secondary format has yet been identified. All the entities within the group are registered in and operating from South Africa.

*Impairment of assets*

At balance sheet date, where the recoverable amounts, being the greater of net fair value and value in use, are less than the carrying amounts, the asset is impaired to that lower amount. This impairment loss is, upon recognition, charged to the income statement, or against treated as a revaluation reduction for revalued assets.

**2 International reporting standards**

International reporting standards in issue at the date of this report but not early adopted.

Commencement date for periods beginning on or after 1 January 2009

IFRS 8            Operating Segments  
IAS1 revised    Presentation of Financial Statements

All other statements issued and not yet effective are not expected to have an effect on the financial statements of the group.



# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                         | GROUP                     |                                      |                  | COMPANY                   |                                      |                  |
|-----------------------------------------|---------------------------|--------------------------------------|------------------|---------------------------|--------------------------------------|------------------|
|                                         | Cost<br>R'000             | Accumulated<br>Depreciation<br>R'000 | Balance<br>R'000 | Cost<br>R'000             | Accumulated<br>Depreciation<br>R'000 | Balance<br>R'000 |
| <b>3 Property, plant and equipment</b>  |                           |                                      |                  |                           |                                      |                  |
| <b>30 June 2008</b>                     |                           |                                      |                  |                           |                                      |                  |
| Land and buildings                      | 76,274                    | 19,773                               | 56,501           | -                         | -                                    | -                |
| Plant, equipment and other              | 275,355                   | 159,637                              | 115,718          | -                         | -                                    | -                |
|                                         | <b>351,629</b>            | <b>179,410</b>                       | <b>172,219</b>   | -                         | -                                    | -                |
| <b>30 June 2007</b>                     |                           |                                      |                  |                           |                                      |                  |
| Land and buildings                      | 76,197                    | 16,790                               | 59,407           | -                         | -                                    | -                |
| Plant, equipment and other              | 252,742                   | 136,349                              | 116,393          | -                         | -                                    | -                |
|                                         | <b>328,939</b>            | <b>153,139</b>                       | <b>175,800</b>   | -                         | -                                    | -                |
| <b>Reconciliation of net book value</b> |                           |                                      |                  |                           |                                      |                  |
|                                         | Land & Buildings<br>R'000 | Plant, equip<br>& other<br>R'000     | Total<br>R'000   | Land & Buildings<br>R'000 | Plant, equip<br>& other<br>R'000     | Total<br>R'000   |
| <b>30 June 2008</b>                     |                           |                                      |                  |                           |                                      |                  |
| Net balance at beginning of year        | 59,407                    | 116,393                              | 175,800          | -                         | -                                    | -                |
| Additions                               | 77                        | 29,832                               | 29,909           | -                         | -                                    | -                |
|                                         | <b>59,484</b>             | <b>146,225</b>                       | <b>205,709</b>   | -                         | -                                    | -                |
| Depreciation                            | (2,983)                   | (30,216)                             | (33,199)         | -                         | -                                    | -                |
| Disposals                               | -                         | (291)                                | (291)            | -                         | -                                    | -                |
|                                         | <b>56,501</b>             | <b>115,718</b>                       | <b>172,219</b>   | -                         | -                                    | -                |
| <b>30 June 2007</b>                     |                           |                                      |                  |                           |                                      |                  |
| Net balance at beginning of year        | 61,666                    | 119,676                              | 181,342          | -                         | -                                    | -                |
| Additions                               | 713                       | 39,492                               | 40,205           | -                         | -                                    | -                |
|                                         | <b>62,379</b>             | <b>159,168</b>                       | <b>221,547</b>   | -                         | -                                    | -                |
| Depreciation                            | (2,972)                   | (29,899)                             | (32,871)         | -                         | -                                    | -                |
| Disposals                               | -                         | (520)                                | (520)            | -                         | -                                    | -                |
| Classified as held for sale             |                           | (12,356)                             | (12,356)         |                           |                                      |                  |
|                                         | <b>59,407</b>             | <b>116,393</b>                       | <b>175,800</b>   | -                         | -                                    | -                |

Certain property, plant and equipment with a carrying value of R31 090 (2007: R35 437 260) is encumbered (see note 12)

|                                                                                                           | GROUP         |               | COMPANY       |               |
|-----------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                                           | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>Land and Buildings</b>                                                                                 |               |               |               |               |
| Freehold land and buildings consist of:                                                                   |               |               |               |               |
| <b>3.1</b> erven 3308 and 3808 of Ottery, Harris Drive, Ottery, Cape.<br>(mortgaged in terms of note 12), |               |               |               |               |
| - Land at cost December 1994                                                                              | 1,580         | 1,580         |               |               |
| - Buildings erected in 1995                                                                               | 7,340         | 7,340         |               |               |
| - Additions in 1998                                                                                       | 430           | 430           |               |               |
| - Additions in 2006                                                                                       | 1             | 1             |               |               |
| <b>3.2</b> erf 3309 of Ottery, Harris Drive, Ottery, Cape.                                                |               |               |               |               |
| - Land and buildings acquired in September 2002                                                           | 1,262         | 1,262         |               |               |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                                                                                                                                                                   | GROUP          |               | COMPANY       |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|
|                                                                                                                                                                                   | 2008<br>R'000  | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>3 Property, plant and equipment - continued</b>                                                                                                                                |                |               |               |               |
| <b>Land and Buildings - continued</b>                                                                                                                                             |                |               |               |               |
| <b>3.3</b> erf 4396 of Ottery, Clifford Street, Ottery, Cape                                                                                                                      |                |               |               |               |
| - Land at cost October 2003                                                                                                                                                       | 1,504          | 1,504         |               |               |
| - Buildings erected in 2004                                                                                                                                                       | 6,393          | 6,393         |               |               |
| <b>3.4</b> erf 723 Spartan, Loper Ave, Spartan, Isando                                                                                                                            |                |               |               |               |
| (mortgaged in terms of note 12),                                                                                                                                                  |                |               |               |               |
| - Land at cost June 1994                                                                                                                                                          | 1,416          | 1,416         |               |               |
| - Buildings erected in 1995                                                                                                                                                       | 6,061          | 6,061         |               |               |
| - Additions 2001                                                                                                                                                                  | 2,616          | 2,616         |               |               |
| - Additions 2002                                                                                                                                                                  | 36             | 36            |               |               |
| <b>3.5</b> portion 1 of farm 1460, City of Cape Town                                                                                                                              |                |               |               |               |
| - Land at cost February 2000                                                                                                                                                      | 3,792          | 3,792         |               |               |
| - Buildings erected 2001                                                                                                                                                          | 7,955          | 7,955         |               |               |
| - Additions 2004                                                                                                                                                                  | 78             | 78            |               |               |
| - Additions 2007                                                                                                                                                                  | 3,960          | 3,960         |               |               |
| <b>3.6</b> Stands 84, 85, 86 & 87 Allandale ext9,                                                                                                                                 |                |               |               |               |
| Midrand, Johannesburg                                                                                                                                                             |                |               |               |               |
| - Land at cost 2004                                                                                                                                                               | 3,968          | 3,968         |               |               |
| - Land at cost 2006                                                                                                                                                               | 1,203          | 1,203         |               |               |
| - Buildings completed 2006                                                                                                                                                        | 15,079         | 15,079        |               |               |
| <b>3.7</b> erf 166802 of Epping, Benbow Ave, Epping, Cape Town                                                                                                                    |                |               |               |               |
| (mortgaged in terms of note 12),                                                                                                                                                  |                |               |               |               |
| - Land and buildings acquired in November 2003                                                                                                                                    | 5,541          | 5,541         |               |               |
| - Improvements 2003                                                                                                                                                               | 5,311          | 5,311         |               |               |
| - Improvements 2006                                                                                                                                                               | 158            | 158           |               |               |
| - Improvements 2007                                                                                                                                                               | 513            | 513           |               |               |
| - Improvements 2008                                                                                                                                                               | 77             |               |               |               |
|                                                                                                                                                                                   | <b>76,274</b>  | <b>76,197</b> |               |               |
| Directors' valuation                                                                                                                                                              | <b>162,055</b> | 137,000       |               |               |
| Valuations have been computed on the expected future rental stream, based on current market related rentals, net of costs and discounted at a fair market related rate of return. |                |               |               |               |
| <b>4 Intangible Assets</b>                                                                                                                                                        |                |               |               |               |
| Goodwill on acquisition of subsidiaries at carrying values                                                                                                                        |                |               |               |               |
| - balance at beginning of year                                                                                                                                                    | 11,566         | 5,448         |               |               |
| - disposal of Amcos Cosmetics International (Pty) Ltd                                                                                                                             | (507)          |               |               |               |
| - additional interest in the Quality Beverages 2000 (Pty) Ltd Group                                                                                                               |                | 6,118         |               |               |
| Cost of investment                                                                                                                                                                |                | 10,500        |               |               |
| Less net value of acquisition                                                                                                                                                     |                | (4,382)       |               |               |
| - balance at the end of the year                                                                                                                                                  | <b>11,059</b>  | <b>11,566</b> |               |               |
| Goodwill comprises                                                                                                                                                                |                |               |               |               |
| - Quality Beverages 2000 (Pty) Ltd Group                                                                                                                                          | 11,059         | 11,059        |               |               |
| - Amcos Cosmetics International (Pty) Ltd                                                                                                                                         | -              | 507           |               |               |
|                                                                                                                                                                                   | <b>11,059</b>  | <b>11,566</b> |               |               |

Annual impairment tests, based on expected future earnings and discounted at a fair rates of return, indicate that the goodwill arising on the acquisition of subsidiaries is not impaired at the year end.

Expected future earnings are based on short to mid term operating budgets approved by management. A pre-tax discount rate of 12% was used.

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                                                                                                                                                                                                                                               | GROUP          |               | COMPANY       |               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------|---------------|---------------|
|                                                                                                                                                                                                                                                               | 2008<br>R'000  | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>5 Investments</b>                                                                                                                                                                                                                                          |                |               |               |               |
| The Bowler Metcalf Share Trust                                                                                                                                                                                                                                | -              | -             | -             | 40            |
| Beige Holdings Limited                                                                                                                                                                                                                                        |                |               |               |               |
| 25 139 281 Ordinary shares                                                                                                                                                                                                                                    | 6,285          | -             | -             | -             |
|                                                                                                                                                                                                                                                               | <b>6,285</b>   | -             | -             | 40            |
| <b>6 Subsidiary investments and loans</b>                                                                                                                                                                                                                     |                |               |               |               |
| Refer to the directors report on page 9 for details of investments and loans                                                                                                                                                                                  |                |               |               |               |
| Loan to subsidiary - at cost                                                                                                                                                                                                                                  |                |               | 81,837        | 81,784        |
| Loans are unsecured, interest free and stated at cost as there are no fixed dates of repayment.                                                                                                                                                               |                |               |               |               |
| Investment in subsidiaries - at cost                                                                                                                                                                                                                          |                |               | 25,126        | 25,127        |
| Fair values, based on the underlying net asset values, approximate carrying values of the loans and investments                                                                                                                                               |                |               |               |               |
| <b>7 Inventories</b>                                                                                                                                                                                                                                          |                |               |               |               |
| Finished goods                                                                                                                                                                                                                                                | 22,269         | 18,592        |               |               |
| Work in progress                                                                                                                                                                                                                                              | 2,949          | 3,560         |               |               |
| Consumable stores                                                                                                                                                                                                                                             | 8,389          | 11,186        |               |               |
| Raw materials                                                                                                                                                                                                                                                 | 23,098         | 21,560        |               |               |
|                                                                                                                                                                                                                                                               | <b>56,705</b>  | 54,898        |               |               |
| <b>8 Trade and other receivables</b>                                                                                                                                                                                                                          |                |               |               |               |
| Trade receivables                                                                                                                                                                                                                                             | 67,553         | 94,748        |               |               |
| Loans - related parties                                                                                                                                                                                                                                       | 4,178          |               |               |               |
| Loans - other                                                                                                                                                                                                                                                 | 17,331         | -             |               |               |
| Other receivables                                                                                                                                                                                                                                             | 13,495         | 10,555        |               |               |
|                                                                                                                                                                                                                                                               | <b>102,557</b> | 105,303       |               |               |
| <b>8.1 Analysis of trade receivables</b>                                                                                                                                                                                                                      |                |               |               |               |
| Neither past due nor impaired                                                                                                                                                                                                                                 | 66,470         | 75,057        |               |               |
| Past due but not impaired >60 days                                                                                                                                                                                                                            | 809            | 639           |               |               |
| Past due but not impaired >90 days                                                                                                                                                                                                                            | 1,140          | 2,380         |               |               |
| Classified as held for sale                                                                                                                                                                                                                                   | -              | 18,138        |               |               |
|                                                                                                                                                                                                                                                               | <b>68,419</b>  | 96,214        |               |               |
| Allowances                                                                                                                                                                                                                                                    | (866)          | (1,466)       |               |               |
| Unimpaired trade receivables                                                                                                                                                                                                                                  | <b>67,553</b>  | 94,748        |               |               |
| <b>Allowances</b>                                                                                                                                                                                                                                             |                |               |               |               |
| Balance at beginning of year                                                                                                                                                                                                                                  | 1,466          | 1,066         |               |               |
| Allowances                                                                                                                                                                                                                                                    | -              | 400           |               |               |
| Reversals                                                                                                                                                                                                                                                     | (600)          | -             |               |               |
| Balance at end of year                                                                                                                                                                                                                                        | <b>866</b>     | 1,466         |               |               |
| Provision for allowances is against specific customers based on individual circumstances and where there is no likelihood of recovering against personal sureties, where held. Provision is made for doubtful debts as to the ageing of past due receivables. |                |               |               |               |
| <b>8.2 Loans</b>                                                                                                                                                                                                                                              |                |               |               |               |
| PPT Consulting                                                                                                                                                                                                                                                | 54             | -             | -             | -             |
| Beige Holdings Ltd                                                                                                                                                                                                                                            | 17,277         | -             | -             | -             |
|                                                                                                                                                                                                                                                               | <b>17,331</b>  | -             | -             | -             |
| Carrying values approximate fair value.                                                                                                                                                                                                                       |                |               |               |               |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                                                                                                                                                                                           | GROUP         |               | COMPANY       |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                                                                                                                                           | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>8 Trade receivables - continued</b>                                                                                                                                                                    |               |               |               |               |
| <b>8.3 Loans to related parties</b>                                                                                                                                                                       |               |               |               |               |
| Loans comprise loans to a director and to a director related entity, the carrying values approximate fair values.                                                                                         |               |               |               |               |
| <b>9 Cash resources</b>                                                                                                                                                                                   |               |               |               |               |
| <b>Cash and cash equivalents</b>                                                                                                                                                                          |               |               |               |               |
| Bank accounts and cash on hand                                                                                                                                                                            | 6,017         | 8,003         | -             | -             |
| <b>Bank overdrafts</b>                                                                                                                                                                                    |               |               |               |               |
| Total facilities                                                                                                                                                                                          | 55,000        | 55,960        |               |               |
| Utilised                                                                                                                                                                                                  | 11,439        | 21,660        | -             | -             |
| Unutilised facility                                                                                                                                                                                       | 43,561        | 34,300        | -             | -             |
| <b>10 Non-current assets held for sale</b>                                                                                                                                                                |               |               |               |               |
| The non-current assets and related liabilities of subsidiary, Amcos Cosmetics International (Pty) Ltd, are classified as being held for sale following the disposal of the company effective 1 July 2007. |               |               |               |               |
| <b>Non-current assets classified as held for sale</b>                                                                                                                                                     |               |               |               |               |
| Property, plant and equipment                                                                                                                                                                             | -             | 12,356        |               |               |
| Deferred taxation                                                                                                                                                                                         | -             | 3,728         |               |               |
|                                                                                                                                                                                                           | -             | 16,084        |               |               |
| <b>Liabilities directly associated with non-current assets classified as held for sale</b>                                                                                                                |               |               |               |               |
| Interest bearing borrowings                                                                                                                                                                               | -             | 77            |               |               |
| Related party borrowings                                                                                                                                                                                  | -             | 1,357         |               |               |
|                                                                                                                                                                                                           | -             | 1,434         |               |               |
| <b>11 Stated capital</b>                                                                                                                                                                                  |               |               |               |               |
| <b>11.1 Authorised</b>                                                                                                                                                                                    |               |               |               |               |
| 189 850 000 Ordinary shares of no par value                                                                                                                                                               |               |               |               |               |
| <i>Issued</i>                                                                                                                                                                                             | 21,565        | 21,565        | 21,565        | 21,565        |
| <i>The Bowler Metcalf Share Trust</i>                                                                                                                                                                     | -             | (40)          | -             | -             |
|                                                                                                                                                                                                           | 21,565        | 21,525        | 21,565        | 21,565        |
| Until the forthcoming annual general meeting:<br>- the unissued shares are under the control of the directors<br>- the directors have a general authority to repurchase shares                            |               |               |               |               |
| <b>11.2 Treasury shares</b>                                                                                                                                                                               | (16,168)      | -             |               |               |
| <b>11.3 Number of shares</b>                                                                                                                                                                              |               |               |               |               |
| Balance at beginning of year                                                                                                                                                                              | 88,293,564    | 86,793,564    | 88,428,066    | 88,428,066    |
| Share issue                                                                                                                                                                                               | -             | 1,500,000     |               |               |
| Treasury shares acquired                                                                                                                                                                                  | -3,788,776    | -             | -             | -             |
| Balance at end of year                                                                                                                                                                                    | 84,504,788    | 88,293,564    | 88,428,066    | 88,428,066    |
| Comprising:                                                                                                                                                                                               |               |               |               |               |
| Issued shares                                                                                                                                                                                             | 88,428,066    | 88,428,066    | 88,428,066    | 88,428,066    |
| Treasury shares                                                                                                                                                                                           | 3,923,278     | 134,502       | -             | -             |
| <b>11.4 Weighted number of shares</b>                                                                                                                                                                     |               |               |               |               |
| Balance at beginning of year                                                                                                                                                                              | 88,293,564    | 86,793,564    |               |               |
| Share issue - weighted                                                                                                                                                                                    | -             | 743,836       |               |               |
| Treasury shares - weighted                                                                                                                                                                                | (600,555)     | -             |               |               |
| Weighted number of shares in issue during the year                                                                                                                                                        | 87,693,009    | 87,537,400    |               |               |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

| Notes                                                                                                                                                                                                                                                                 | GROUP         |               | COMPANY       |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                                                                                                                                                                                                       | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>12 Borrowings - interest bearing</b>                                                                                                                                                                                                                               |               |               |               |               |
| <b>12.1</b> Definite period loan repayable at interest rates linked to banker acceptance rates, secured over fixed property (see note 3.1 & 3.4)                                                                                                                      | -             | -             |               |               |
| <b>12.2</b> Mortgage bond over land and buildings in favour of ABSA Bank Ltd, repayable in monthly instalments of R115 207(2007: R109 214) inclusive of interest at a rate of 13.6% pa (2007: 11.1%), terminating in December 2013 (see note 3.7).                    | 5,423         | 6,039         |               |               |
| - current portion                                                                                                                                                                                                                                                     | (757)         | (662)         |               |               |
|                                                                                                                                                                                                                                                                       | <b>4,666</b>  | <b>5,377</b>  |               |               |
| <b>12.3</b> Instalment sale agreements secured over assets in favour of Wesbank, repayable in monthly instalments of R104 600 (2007: R447 342), inclusive of interest at rates between 13.0% and 14.0% (2007: 9.0% and 10.0%), terminating between April and May 2008 | 1,481         | 5,150         |               |               |
| - current portion                                                                                                                                                                                                                                                     | (1,302)       | (3,685)       |               |               |
|                                                                                                                                                                                                                                                                       | <b>179</b>    | <b>1,465</b>  |               |               |
| <b>12.4</b> Instalment sale agreements secured over assets in favour of Wesbank, repayable in monthly instalments of R721 439, inclusive of interest at a fixed rate of 11.0%, terminating between September 2009 and October 2009                                    | 10,665        | 17,960        |               |               |
| - current portion                                                                                                                                                                                                                                                     | (7,854)       | (6,988)       |               |               |
|                                                                                                                                                                                                                                                                       | <b>2,811</b>  | <b>10,972</b> |               |               |
| <b>12.5</b> Instalment sale agreements secured over assets in favour of Nedbank, repayable in monthly instalments of R14 328, inclusive of interest at rates between 10.5 and 17.0%, terminating between January 2008 and April 2009.                                 | -             | 171           |               |               |
| - current portion                                                                                                                                                                                                                                                     | -             | (94)          |               |               |
|                                                                                                                                                                                                                                                                       | -             | <b>77</b>     |               |               |
| Total interest bearing borrowings                                                                                                                                                                                                                                     | <b>7,656</b>  | <b>17,891</b> |               |               |
| Directly associated with non-current assets classified as held for sale                                                                                                                                                                                               |               | (77)          |               |               |
| Total non-current                                                                                                                                                                                                                                                     | <b>7,656</b>  | <b>17,814</b> |               |               |
| Total current                                                                                                                                                                                                                                                         | <b>9,913</b>  | <b>11,429</b> |               |               |
| <b>13 Deferred taxation</b>                                                                                                                                                                                                                                           |               |               |               |               |
| Balance at beginning of year                                                                                                                                                                                                                                          | <b>18,360</b> | 15,258        | -             | -             |
| Movements during year                                                                                                                                                                                                                                                 |               |               |               |               |
| - rate adjustment                                                                                                                                                                                                                                                     | (633)         | -             | -             | -             |
| - current year provision                                                                                                                                                                                                                                              | (417)         | (626)         | -             | -             |
| - classified as held for sale                                                                                                                                                                                                                                         | -             | 3,728         | -             | -             |
| Balance at end of the year                                                                                                                                                                                                                                            | <b>17,310</b> | <b>18,360</b> | -             | -             |
| Balance at end of the year comprises:                                                                                                                                                                                                                                 |               |               |               |               |
| - Capital allowances                                                                                                                                                                                                                                                  | <b>18,845</b> | 19,681        | -             | -             |
| - Accruals                                                                                                                                                                                                                                                            | (1,474)       | (941)         | -             | -             |
| - Assessed losses                                                                                                                                                                                                                                                     | (61)          | (380)         | -             | -             |
|                                                                                                                                                                                                                                                                       | <b>17,310</b> | <b>18,360</b> | -             | -             |
| Consisting of:                                                                                                                                                                                                                                                        |               |               |               |               |
| - liabilities                                                                                                                                                                                                                                                         | <b>17,917</b> | 18,836        | -             | -             |
| - assets                                                                                                                                                                                                                                                              | <b>607</b>    | 476           | -             | -             |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                                                                                            | GROUP         |                  | COMPANY       |               |
|------------------------------------------------------------------------------------------------------------|---------------|------------------|---------------|---------------|
|                                                                                                            | 2008<br>R'000 | 2007<br>R'000    | 2008<br>R'000 | 2007<br>R'000 |
| <b>14 Trade and other payables</b>                                                                         |               |                  |               |               |
| Trade payables                                                                                             | 25,998        | 36,048           | -             | -             |
| Other payables                                                                                             | 17,083        | 15,281           | -             | -             |
|                                                                                                            | <b>43,081</b> | <b>51,329</b>    | <b>-</b>      | <b>-</b>      |
| <b>15 Borrowings - related parties</b>                                                                     |               |                  |               |               |
| Loans are unsecured, interest free and stated at cost as there are no fixed dates of repayment.            |               |                  |               |               |
| Related parties                                                                                            |               | Repayment Period |               |               |
| A & M Theron Family Trust                                                                                  | -             | No fixed date    | 1,357         |               |
| Directly associated with non-current assets classified as held for sale                                    | -             |                  | -1,357        |               |
|                                                                                                            | <b>-</b>      |                  | <b>-</b>      |               |
| A Theron is a director of Amcos Cosmetics International (Pty) Ltd and a trustee of A&M Theron Family Trust |               |                  |               |               |
| <b>16 Finance income and costs</b>                                                                         |               |                  |               |               |
| <b>Interest received</b>                                                                                   |               |                  |               |               |
| Financial institutions - banks                                                                             | 1,472         | 199              |               |               |
| Other                                                                                                      | 158           | 412              |               |               |
|                                                                                                            | <b>1,630</b>  | <b>611</b>       |               |               |
| <b>Interest paid</b>                                                                                       |               |                  |               |               |
| Financial institutions - banks                                                                             | 2,111         | 3,009            |               |               |
| Financial institutions - mortgages                                                                         | 733           | 686              |               |               |
| Financial institutions - asset finance                                                                     | 1,844         | 2,422            |               |               |
| Other                                                                                                      | 57            | 469              |               |               |
|                                                                                                            | <b>4,745</b>  | <b>6,586</b>     |               |               |
| <b>17 Profit before tax</b>                                                                                |               |                  |               |               |
| Profit before tax is arrived at after taking into account the following items:                             |               |                  |               |               |
| <b>Income</b>                                                                                              |               |                  |               |               |
| Dividends                                                                                                  | -             | -                | 17,079        | 15,144        |
| Surplus on disposal of subsidiary                                                                          | 694           | -                | -             | -             |
| Surplus on disposal of fixed assets                                                                        | -             | 151              | -             | -             |
| Foreign exchange gains                                                                                     | 980           | 11               | -             | -             |
| Government grants                                                                                          | 1,436         | 1,829            | -             | -             |
|                                                                                                            |               |                  |               |               |
| <b>Expenses</b>                                                                                            |               |                  |               |               |
| Auditors' remuneration                                                                                     | 1,170         | 1,195            | -             | -             |
| Depreciation                                                                                               | 33,199        | 32,871           | -             | -             |
| Directors' emoluments                                                                                      | 2,419         | 2,157            | -             | -             |
| Foreign exchange losses                                                                                    | 134           | 451              | -             | -             |
| Leasing charges                                                                                            |               |                  |               |               |
| - operating leases on land and buildings                                                                   | 1,916         | 446              | -             | -             |
| - financial leases on plant & equip                                                                        | 1             | 27               | -             | -             |
| Loss on disposal of fixed assets                                                                           | 32            | -                | -             | -             |
| Retirement funding                                                                                         | 2,266         | 1,984            | -             | -             |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                               | GROUP                    |                     | COMPANY           |                |                 |                      |              |              |
|-----------------------------------------------|--------------------------|---------------------|-------------------|----------------|-----------------|----------------------|--------------|--------------|
|                                               | 2008<br>R'000            | 2007<br>R'000       | 2008<br>R'000     | 2007<br>R'000  |                 |                      |              |              |
| <b>18 Taxation</b>                            |                          |                     |                   |                |                 |                      |              |              |
| Current taxation                              | 19,322                   | 20,057              | -                 | -              |                 |                      |              |              |
| Prior period taxation                         | (1)                      | 124                 | -                 | -              |                 |                      |              |              |
| Deferred taxation - current                   | (417)                    | (626)               | -                 | -              |                 |                      |              |              |
| Deferred taxation - rate change               | (633)                    | -                   | -                 | -              |                 |                      |              |              |
| Secondary tax on companies                    | 1,751                    | 1,767               | -                 | -              |                 |                      |              |              |
|                                               | <b>20,022</b>            | <b>21,322</b>       | <b>-</b>          | <b>-</b>       |                 |                      |              |              |
| Reconciliation of rate of taxation            |                          |                     |                   |                |                 |                      |              |              |
| SA normal tax rate                            | 28.0%                    | 29.0%               | 28.0%             | 29.0%          |                 |                      |              |              |
| Adjusted for:                                 |                          |                     |                   |                |                 |                      |              |              |
| Disallowable expenses/exempt income           | (0.8)                    | (0.7)               | -                 | -              |                 |                      |              |              |
| Prior periods                                 | -                        | 0.1                 | -                 | -              |                 |                      |              |              |
| Rate adjustment                               | (0.9)                    | -                   | -                 | -              |                 |                      |              |              |
| Secondary tax on companies                    | 2.5                      | 2.6                 | -                 | -              |                 |                      |              |              |
| Net (decrease)/increase                       | <b>0.8</b>               | <b>2.0</b>          | <b>-</b>          | <b>-</b>       |                 |                      |              |              |
| Effective tax rate                            | <b>28.8%</b>             | <b>31.0%</b>        | <b>28.0%</b>      | <b>29.0%</b>   |                 |                      |              |              |
| <b>19 Reconciliation of headline earnings</b> |                          |                     |                   |                |                 |                      |              |              |
| Attributable to equity holders of the parent  |                          |                     |                   |                |                 |                      |              |              |
| - earnings                                    | 49,264                   | 46,764              | -                 | -              |                 |                      |              |              |
| Adjustments net of tax and minority interest  |                          |                     |                   |                |                 |                      |              |              |
| - loss (profit) on disposal of assets - net   | 9                        | (151)               | -                 | -              |                 |                      |              |              |
| gross                                         | 32                       | (212)               | -                 | -              |                 |                      |              |              |
| tax and minorities                            | (23)                     | 61                  | -                 | -              |                 |                      |              |              |
| - profit on disposal of subsidiary - net      | (694)                    | -                   | -                 | -              |                 |                      |              |              |
| gross                                         | (694)                    | -                   | -                 | -              |                 |                      |              |              |
| tax and minorities                            | -                        | -                   | -                 | -              |                 |                      |              |              |
| <b>Headline earnings</b>                      | <b>48,579</b>            | <b>46,613</b>       | <b>-</b>          | <b>-</b>       |                 |                      |              |              |
| <b>20 Depreciation</b>                        |                          |                     |                   |                |                 |                      |              |              |
| Land and buildings                            | 2,983                    | 2,972               | -                 | -              |                 |                      |              |              |
| Plant, equipment and other                    | 30,216                   | 29,899              | -                 | -              |                 |                      |              |              |
|                                               | <b>33,199</b>            | <b>32,871</b>       | <b>-</b>          | <b>-</b>       |                 |                      |              |              |
| <b>21 Directors' emoluments</b>               |                          |                     |                   |                |                 |                      |              |              |
| <b>R'000</b>                                  | <b>Fees for services</b> | <b>Basic salary</b> | <b>Allowances</b> | <b>Bonuses</b> | <b>Benefits</b> | <b>Share options</b> | <b>Total</b> | <b>R'000</b> |
| <b>30 June 2008</b>                           |                          |                     |                   |                |                 |                      |              |              |
| <i>Executive</i>                              |                          |                     |                   |                |                 |                      |              |              |
| M Brain                                       | -                        | 962                 | 68                | -              | 29              | -                    | 1,059        |              |
| HW Sass                                       | -                        | 349                 | 68                | -              | 21              | -                    | 438          |              |
| MS Parker                                     | -                        | 806                 | -                 | -              | -               | -                    | 806          |              |
| <i>Non-Executive</i>                          |                          |                     |                   |                |                 |                      |              |              |
| BJ Frost                                      | 116                      | -                   | -                 | -              | -               | -                    | 116          |              |
| EG Tindale                                    | -                        | -                   | -                 | -              | -               | -                    | -            |              |
|                                               | 116                      | 2,117               | 136               | -              | 50              | -                    | 2,419        |              |
| Paid by subsidiaries                          | (116)                    | (2,117)             | (136)             | -              | (50)            | -                    | (2,419)      |              |
| Paid by company                               | -                        | -                   | -                 | -              | -               | -                    | -            |              |
| <b>30 June 2007</b>                           |                          |                     |                   |                |                 |                      |              |              |
| <i>Executive</i>                              |                          |                     |                   |                |                 |                      |              |              |
| M Brain                                       | -                        | 800                 | 69                | -              | 27              | -                    | 896          |              |
| HW Sass                                       | -                        | 329                 | 68                | -              | 20              | -                    | 417          |              |
| MS Parker                                     | -                        | 744                 | -                 | -              | -               | -                    | 744          |              |
| <i>Non-Executive</i>                          |                          |                     |                   |                |                 |                      |              |              |
| BJ Frost                                      | 100                      | -                   | -                 | -              | -               | -                    | 100          |              |
|                                               | 100                      | 1,873               | 137               | -              | 47              | -                    | 2,157        |              |
| Paid by subsidiary                            | (100)                    | (1,873)             | (137)             | -              | (47)            | -                    | (2,157)      |              |
| Paid by company                               | -                        | -                   | -                 | -              | -               | -                    | -            |              |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                                                     | GROUP         |               | COMPANY       |               |
|---------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                     | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>22 Cash Flow</b>                                                 |               |               |               |               |
| <b>22.1 Cash generated by operations</b>                            |               |               |               |               |
| Profit before tax                                                   | 69,503        | 68,701        | 17,079        | 15,144        |
| Non cash items                                                      | 32,537        | 32,720        | -             | -             |
| - depreciation                                                      | 33,199        | 32,871        | -             | -             |
| - loss (surplus) on disposal of subsidiary                          | (694)         |               | -             | -             |
| - loss (surplus) on disposal of fixed assets                        | 32            | (151)         | -             | -             |
| Adjustments for items shown separately                              | 3,115         | 5,975         | (17,079)      | (15,144)      |
| Interest paid                                                       | 4,745         | 6,586         | -             | -             |
| Dividends received                                                  | -             | -             | (17,079)      | (15,144)      |
| Interest received                                                   | (1,630)       | (611)         | -             | -             |
| Working capital changes                                             | 4,360         | (10,791)      | (53)          | (23)          |
| Inventories                                                         | (12,435)      | (1,260)       | -             | -             |
| Trade and other receivables                                         | 15,706        | (30,238)      | -             | -             |
| Group company loans                                                 |               |               | (53)          | (23)          |
| Trade and other payables                                            | 1,089         | 20,707        | -             | -             |
|                                                                     | 109,515       | 96,605        | (53)          | (23)          |
| <b>22.2 Reconciliation of dividends received</b>                    |               |               |               |               |
| Accrued to the income statement                                     |               |               | 17,079        | 15,144        |
| Non cash dividend received                                          |               |               | -             | -             |
| Dividends received                                                  |               |               | 17,079        | 15,144        |
| <b>22.3 Reconciliation of taxation paid</b>                         |               |               |               |               |
| Charged to the income statement                                     | (20,022)      | (21,322)      |               |               |
| Adjustment for deferred taxation                                    | (1,050)       | (626)         |               |               |
| Movement in taxation liability                                      | (1,390)       | (11,143)      |               |               |
| Payments made                                                       | (22,462)      | (33,091)      |               |               |
| <b>22.4 Proceeds on disposal of property, plant &amp; equipment</b> |               |               |               |               |
| Book value of assets disposed of                                    | 291           | 520           |               |               |
| Profit (loss) on disposal                                           | (32)          | 151           |               |               |
| Proceeds received                                                   | 259           | 671           |               |               |
| <b>22.5 Additions to property, plant and equipment</b>              |               |               |               |               |
| To expand operations                                                |               |               |               |               |
| - Land and buildings                                                | 77            | 713           |               |               |
| - Plant, equipment and other                                        | 29,832        | 39,492        |               |               |
|                                                                     | 29,909        | 40,205        |               |               |
| <b>22.6 Net outflow on disposal of subsidiary</b>                   |               |               |               |               |
| Carrying value of assets and liabilities                            |               |               |               |               |
| Classified as held for sale                                         |               |               |               |               |
| non-current assets                                                  | 16,084        |               |               |               |
| non-current liabilities                                             | (1,434)       |               |               |               |
| Current assets (excl cash)                                          | 31,631        |               |               |               |
| Current liabilities                                                 | (9,610)       |               |               |               |
| Minority interest                                                   | 1,663         |               |               |               |
| Goodwill                                                            | 507           |               |               |               |
| Profit (loss) on disposal                                           | 694           |               |               |               |
|                                                                     | 39,535        | -             |               |               |
| Consideration received                                              |               |               |               |               |
| Equity in Beige Holdings Ltd                                        |               |               |               |               |
| - 26 089 792 ordinary shares                                        | (6,522)       |               |               |               |
| Loan receivable                                                     | (33,964)      |               |               |               |
| Net cash outflow                                                    | (951)         | -             |               |               |



# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|  | GROUP         |               | COMPANY       |               |
|--|---------------|---------------|---------------|---------------|
|  | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |

## 23 Financial Instruments

### 23.1 Credit Risk

The group has no identifiable or abnormal concentrations of credit risk, either to specific customers, any industry or sector. The carrying amounts of financial assets in the financial statements represent the group's maximum exposure to credit risk.

The group only deposits cash surpluses with major banks of high standing.

Extensive credit evaluations are performed on all prospective customers and on an ongoing basis for existing customers. Personal sureties are sought for smaller or newly established customers.

The group considers all concentration of credit risk to be adequately provided for at the balance sheet date.

### 23.2 Equity Price Risk

Equity investments are classified and held as available for sale. Market prices are monitored by management on an ongoing basis. There has been no significant movement in these prices since acquisition and group profit has consequently not been affected.

### 23.3 Fair Value

The carrying amounts of liquid resources, trade receivables and trade payables approximate their fair value at the balance sheet date.

### 23.4 Foreign Exchange Risk

Foreign exchange risk arises on the acquisition of plant and machinery from abroad. Hedging instruments are used to reduce exposure to currency fluctuations. As capital orders are normally long term in nature and are paid for over the period of manufacture, risk exposure is averaged over the longer period.

|                            | Foreign Value<br>'000 | 2008<br>Rate | Rand Value<br>R'000 | Foreign Value<br>'000 | 2007<br>Rate | Rand Value<br>R'000 |
|----------------------------|-----------------------|--------------|---------------------|-----------------------|--------------|---------------------|
| <b>Foreign Commitments</b> |                       |              |                     |                       |              |                     |
| Plant and equipment        | \$571                 | 7.9638       | 4,547               | \$23                  | 8.0435       | 185                 |
| Plant and equipment        | € 731                 | 12.6186      | 9,224               | € 831                 | 9.8026       | 8,146               |
| Plant and equipment        | CHF 993               | 0.1272       | 7,807               | -                     | -            | -                   |
| Plant and equipment        |                       |              |                     | ¥91,976               | 17.36        | 5,297               |
|                            |                       |              | <b>21,578</b>       |                       |              | <b>13,628</b>       |

|                                                                                                                          | GROUP          |                |
|--------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                          | 2008<br>R'000  | 2007<br>R'000  |
| <b>23.5 Interest Rate Risk</b>                                                                                           |                |                |
| Borrowings are secured at the best prevailing rates, the movement of which is monitored and managed on an ongoing basis. |                |                |
| Variable-rate interest bearing assets                                                                                    | 6,017          | 8,003          |
| Variable-rate interest bearing liabilities                                                                               | (18,343)       | (33,020)       |
| Net assets (liabilities)                                                                                                 | <b>-24,360</b> | <b>-25,017</b> |
| Estimated interest rate change                                                                                           | 0.5%           | 0.5%           |
| Net after tax profit sensitivity                                                                                         | <b>(88)</b>    | <b>(90)</b>    |

### 23.6 Liquidity Risk

The group manages its liquidity risk by monitoring cash flows and ensuring that adequate liquid funds are available.

#### Payable within the next 12 months

|                            |        |        |
|----------------------------|--------|--------|
| Mortgage bonds             | 1,382  | 1,311  |
| Instalment sale agreements | 7,714  | 10,033 |
| Trade and other payables   | 43,081 | 51,329 |
| Related party loans        | -      | 1,357  |

#### Payable thereafter

|                            |       |        |
|----------------------------|-------|--------|
| Mortgage bonds             | 6,221 | 7,208  |
| Instalment sale agreements | 2,943 | 12,770 |

#### No fixed date of repayment

|                 |        |        |
|-----------------|--------|--------|
| Bank overdrafts | 11,439 | 21,660 |
|-----------------|--------|--------|

|                                    |               |                |
|------------------------------------|---------------|----------------|
| <b>Total financial liabilities</b> | <b>72,780</b> | <b>105,668</b> |
|------------------------------------|---------------|----------------|

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                             | GROUP          |               | COMPANY       |               |
|---------------------------------------------|----------------|---------------|---------------|---------------|
|                                             | 2008<br>R'000  | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>23 Financial Instruments - continued</b> |                |               |               |               |
| <b>23.7 Financial Asset Categories</b>      |                |               |               |               |
| <b>Loans and Receivables</b>                |                |               |               |               |
| Trade and other receivables                 | 102,557        | 105,303       | -             | -             |
| Cash and cash equivalents                   | 6,017          | 8,003         | -             | -             |
| Loans to group companies                    |                |               | 81,837        | 81,784        |
|                                             | <b>108,574</b> | 113,306       | <b>81,837</b> | 81,784        |
| <b>Available for sale</b>                   |                |               |               |               |
| Investments                                 | 6,285          | -             | -             | 40            |
|                                             | <b>114,859</b> | 113,306       | <b>81,837</b> | 81,824        |

## 24 Segmental Report

| Primary Format - Business Segments<br>R'000 | Plastic<br>Operations | Filling<br>Operations | Property<br>Investment | Disposal<br>Group | Unallocated<br>and<br>eliminations | Total     |
|---------------------------------------------|-----------------------|-----------------------|------------------------|-------------------|------------------------------------|-----------|
|                                             |                       |                       |                        |                   |                                    |           |
| <b>30 June 2008</b>                         |                       |                       |                        |                   |                                    |           |
| Revenue                                     | 262,197               | 179,436               | 11,599                 | -                 | (47,548)                           | 405,684   |
| Other income                                | 2,451                 | 1,203                 | -                      | -                 | 694                                | 4,348     |
| Costs (excl. depreciation)                  | (182,034)             | (167,499)             | (2,229)                | -                 | 47,548                             | (304,214) |
| Depreciation                                | (23,030)              | (7,186)               | (2,983)                | -                 | -                                  | (33,199)  |
|                                             | 59,584                | 5,954                 | 6,387                  | -                 | 694                                | 72,619    |
| Net Finance Income/(Expenses)               | 2,611                 | (4,613)               | (1,114)                | -                 | -                                  | (3,116)   |
| Net income before tax                       | 62,195                | 1,341                 | 5,273                  | -                 | 694                                | 69,503    |
| Taxation                                    | (18,055)              | (474)                 | (1,493)                | -                 | -                                  | (20,022)  |
| Net income for the year                     | 44,140                | 867                   | 3,780                  | -                 | 694                                | 49,481    |
| <b>Attributable to:</b>                     |                       |                       |                        |                   |                                    |           |
| Equity holders of the parent                | 44,140                | 649                   | 3,781                  | -                 | 694                                | 49,264    |
| Minority interest                           | -                     | 218                   | (1)                    | -                 | -                                  | 217       |
|                                             | 44,140                | 867                   | 3,780                  | -                 | 694                                | 49,481    |
| Total Assets                                | 229,797               | 87,733                | 64,407                 | -                 | (24,234)                           | 357,703   |
| Total Liabilities                           | 133,887               | 63,415                | 36,989                 | -                 | (142,257)                          | 92,034    |
| Capital Expenditure                         | 25,090                | 4,743                 | 76                     | -                 | -                                  | 29,909    |
| <b>30 June 2007</b>                         |                       |                       |                        |                   |                                    |           |
| Revenue                                     | 244,753               | 183,958               | 11,986                 | 50,254            | (63,801)                           | 427,150   |
| Other income                                | 1,849                 | 282                   | -                      | -                 | -                                  | 2,131     |
| Costs (excl. depreciation)                  | (167,619)             | (162,956)             | (1,998)                | (52,962)          | 63,801                             | (321,734) |
| Depreciation                                | (21,402)              | (6,782)               | (2,972)                | (1,715)           | -                                  | (32,871)  |
|                                             | 57,581                | 14,502                | 7,016                  | (4,423)           | -                                  | 74,676    |
| Net Finance Income/(Expenses)               | 3,544                 | (3,755)               | (1,025)                | (4,739)           | -                                  | (5,975)   |
| Net income before tax                       | 61,125                | 10,747                | 5,991                  | (9,162)           | -                                  | 68,701    |
| Taxation                                    | (19,100)              | (3,136)               | (1,737)                | 2,651             | -                                  | (21,322)  |
| Net income after tax                        | 42,025                | 7,611                 | 4,254                  | (6,511)           | -                                  | 47,379    |
| <b>Attributable to:</b>                     |                       |                       |                        |                   |                                    |           |
| Equity holders of the parent                | 42,025                | 5,701                 | 4,247                  | (5,209)           | -                                  | 46,764    |
| Minority interest                           | -                     | 1,910                 | 7                      | (1,302)           | -                                  | 615       |
|                                             | 42,025                | 7,611                 | 4,254                  | (6,511)           | -                                  | 47,379    |
| Total Assets                                | 234,169               | 85,575                | 62,391                 | 48,666            | (58,648)                           | 372,153   |
| Total Liabilities                           | 146,050               | 59,827                | 38,752                 | 56,983            | (177,743)                          | 123,869   |
| Capital Expenditure                         | 33,331                | 5,544                 | 713                    | 617               | -                                  | 40,205    |

# NOTES TO THE FINANCIAL STATEMENTS - continued

At 30 June 2008

|                                                                                                                                                                                                                      | GROUP         |               | COMPANY       |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                                                                                                                                                      | 2008<br>R'000 | 2007<br>R'000 | 2008<br>R'000 | 2007<br>R'000 |
| <b>25 Commitments</b>                                                                                                                                                                                                |               |               |               |               |
| <b>Capital</b>                                                                                                                                                                                                       |               |               |               |               |
| Plant                                                                                                                                                                                                                | 22,188        | 14,210        |               |               |
| The expenditure will be financed from cash generated from normal business operations and loan finance.                                                                                                               |               |               |               |               |
| <b>Leases</b>                                                                                                                                                                                                        |               |               |               |               |
| Operating leases on property, plant and equipment                                                                                                                                                                    | 7             | 50            |               |               |
| Due within one year                                                                                                                                                                                                  | 7             | 44            |               |               |
| Due between one and five years                                                                                                                                                                                       | -             | 6             |               |               |
| Financial leases on property, plant and equipment                                                                                                                                                                    | 96            | 5,668         |               |               |
| Due within one year                                                                                                                                                                                                  | 96            | 3,931         |               |               |
| Due between one and five years                                                                                                                                                                                       | -             | 1,737         |               |               |
|                                                                                                                                                                                                                      | 103           | 5,718         |               |               |
| <b>26 Contingent Liabilities</b>                                                                                                                                                                                     |               |               |               |               |
| Bank guarantees issued                                                                                                                                                                                               | 177           | 177           | 137           | 137           |
| Secondary Tax on Companies<br>Liability arising in the event of the company declaring its outstanding retained income by way of dividends.                                                                           |               |               | 9,489         | 10,141        |
| The company has ceded to ABSA Bank Ltd all rights to title and interest in loans to Postal Presents (Pty) Ltd and stood surety for R4 000 000 (see note 12.2) as cover for mortgage finance.                         |               |               |               |               |
| The company has guaranteed the overdraft facilities of its subsidiaries in the amount of R1 500 000.                                                                                                                 |               |               |               |               |
| As security for vehicle and asset finance to Quality Beverages 2000 (Pty) Ltd, ABSA Bank hold a reversionary cession of debtors and a general notarial bond over inventory and movable assets.                       |               |               |               |               |
| The company has stood surety for R800 000 to First National Bank for facilities granted to subsidiaries                                                                                                              |               |               |               |               |
| The directors do not believe these contingent liabilities are likely to materialise into full liabilities.                                                                                                           |               |               |               |               |
| <b>27 Change in accounting estimate</b>                                                                                                                                                                              |               |               |               |               |
| The review of the useful life of property plant and equipment resulted in a change of accounting estimate for certain plant and machinery and moulds. This change has been applied prospectively with the effect of: |               |               |               |               |
| Increasing in the depreciation expense                                                                                                                                                                               | -             | 3,051         |               |               |
| Decreasing the deferred tax expense                                                                                                                                                                                  | -             | 885           |               |               |
| There were no significant changes to accounting estimates during the year                                                                                                                                            |               |               |               |               |

## **DECLARATION OF ORDINARY DIVIDEND**

Notice is hereby given that a final dividend of 9.3 cents per share has been declared payable to shareholders on Monday, 20 October 2008.

The last day to trade "cum" the dividend will be Friday, 10 October 2008. "Ex" dividend trading begins on Monday, 13 October 2008 and the record date will be Friday, 17 October 2008.

Share certificates may not be dematerialised or re-materialised from Monday, 13 October 2008 to Friday, 17 October 2008, both days inclusive.

*By order of the Board*

**L V ROWLES**  
*Secretary*

Ottery  
15 September 2008

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the eighteenth Annual General Meeting of shareholders of the company will be held at the company's head office, Harris Drive, Ottery, Cape at 09h00 on Friday, 21 November 2008 for the purposes of considering and passing, with or without modification, the resolutions set out below, and to transact any other business as may be transacted at an annual general meeting:

**1 Ordinary Resolution Number One (Approval of Annual Financial Statements)**

"Resolved that the Annual Financial Statements of the company for the year ended 30 June 2008, be and are hereby approved."

**2 Ordinary Resolution Number Two (Approval of directors emoluments)**

"Resolved that the directors emoluments as reflected in the Annual Financial Statements of the company for the year ended 30 June 2008, be and are hereby approved."

**3 Ordinary Resolution Number Three (Re-election of Director)**

"Resolved that Mr HW Sass, who retires as a director in terms of the company's articles of association, but being eligible, and who offers himself for re-election, be and is hereby re-elected as director of the company."

**4 Ordinary Resolution Number Four (Re-election of Director)**

"Resolved that Mr BJ Frost, who retires as a director in terms of the company's articles of association, but being eligible, and who offers himself for re-election, be and is hereby re-elected as director of the company."

**5 Ordinary Resolution Number Five (Unissued shares under control of Directors)**

"Resolved that the authorised but unissued ordinary shares in the share capital of the company, be and are hereby placed under the control and authority of the Directors, to allot and issue, at such prices and to such persons and on such terms, as they deem fit."

**6 Special Resolution Number One (General authority to repurchase shares)**

"Resolved that the Company hereby approves, as a general approval contemplated in sections 85(2) and 85(3) of the Companies Act, 1973 as amended ("the Act"), the acquisition by the Company from time to time of the issued ordinary shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company from time to time may determine, but subject to the articles of association of the Company, the provisions of the Act and the Listings Requirements from time to time of the JSE Securities Exchange South Africa ("JSE"), and:

- 6.1 any such acquisition of ordinary shares shall be implemented on the open market of the JSE on terms determined by the board of directors of the Company;
- 6.2 this general authority shall only be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution Number One;
- 6.3 a paid press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition pursuant to which the 3% (three percent) threshold is reached, which announcement shall contain full details of such acquisitions;
- 6.4 acquisitions of ordinary shares in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued ordinary share capital from the date of the grant of this general authority;
- 6.5 in determining the price at which the Company's shares are acquired by the Company in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the weighted average of the market price at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of the repurchase of such ordinary shares by the Company;
- 6.6 the consolidated assets of the Company, valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company;
- 6.7 the Company shall have adequate capital; and
- 6.8 the working capital of the Company will be adequate for the Company's next year's operations."

**6 Special Resolution Number One (continued)**

**Statement by the board of directors of the Company**

Pursuant to and in terms of the Listings Requirements of the JSE, the directors of the Company hereby state that:

- a. the intention of the directors of the Company is to utilise the authority if at some future date the cash resources of the Company are in excess of its requirements. In this regard the directors will take account of, *inter alia*, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company and will ensure that any such utilisation is in the interests of shareholders;
- b. the method by which the Company intends to re-purchase its shares, the maximum number of shares to be re-purchased and the date on which such re-purchase will take place, has not yet been determined; and
- c. after considering the effect of a maximum permitted re-purchase of shares, the company is, at the date of this notice convening the fifteenth annual general meeting of the Company, unable to fully comply with paragraph 5.133 (c) (referred to below) of the Listings Requirements of the JSE, however, at the time that the contemplated re-purchase is to take place, the directors of the Company will ensure that:

the Company will be able to repay its debts;

the consolidated assets of the Company, valued in accordance with International Financial Reporting Standards, will be in excess of consolidated liabilities of the Company;

the issued capital of the Company will be adequate for the purposes of the business of the Company and its subsidiaries for the next twelve months; and

the working capital available to the Company and its subsidiaries will be sufficient for the Company's requirements for the next twelve months.

**7 Ordinary Resolution Number Six (Director's authority to negotiate and sign)**

"Resolved that any one of the directors of the Company be and are hereby authorised to negotiate on behalf of the Company and sign all such documents and do all such things as may be necessary for or incidental to the registration or implementation of the resolutions set out in this notice convening the annual general meeting at which this Ordinary Resolution Number Six is considered."

**8 Ordinary Resolution Number Seven (Reappointment of auditors)**

On the recommendation of the audit committee, "It is resolved that Mazars Moores Rowland be and are hereby reappointed as auditors until the conclusion of the next annual general meeting of the company."

**Proxies**

A proxy, who need not be a Bowler Metcalf shareholder, may be appointed to attend, speak and vote at the annual general meeting in the place of a shareholder who is entitled to attend and vote at the annual general meeting and who is not in a position to attend the annual general meeting.

A proxy may only be appointed by a Bowler Metcalf shareholder who falls within one of the following categories:

- a certificated shareholder; or
- CSDP nominee companies, stockbrokers' nominee companies and dematerialised shareholders who have elected "own name" registration.

A form of proxy is attached for the convenience of such a shareholder. The form of proxy should be completed and returned so as to reach the transfer secretaries, Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg (P O Box 61051, Marshalltown, 2107, 2000) by 09h00 on Thursday, 20 November 2008. [If a form of proxy is not received by such date, it may be handed to the chairman of the general meeting not later than ten minutes before the commencement of the annual general meeting.]

**Dematerialised shareholders other than dematerialised shareholders with "own name" registration** who are unable to attend the annual general meeting and wish to be represented thereat must provide their CSDP or stockbroker with their voting instruction in terms of the safe custody agreement entered into between themselves and the CSDP or stockbroker in the manner and time stipulated therein.

**Dematerialised shareholders other than dematerialised shareholders with "own name" registration** who wish to attend the general meeting must instruct their CSDP or stockbroker to issue them with the necessary authority to attend.

*By order of the board*

**L V ROWLES**  
Secretary

Ottery  
15 September 2008

**BOWLER METCALF LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number 1972/005921/06)  
Share Code: BCF ISIN: ZAE000030797)  
("Bowler Metcalf" or "the Company")

**FORM OF PROXY**

**FOR USE BY CERTIFICATED AND OWN NAME DEMATERIALISED SHAREHOLDERS AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD AT 09:00 ON FRIDAY, 21 NOVEMBER 2008 AT THE COMPANY'S HEAD OFFICE, HARRIS DRIVE, OTTERY, CAPE TOWN.**

**Note:** Dematerialised shareholders without own name registration must **not** use this form. Dematerialised shareholders without own name registration who wish to vote by way of proxy at the general meeting, must provide their CSDP or broker with their voting instructions **by the cut-off time and date advised by the CSDP or broker for instructions of this nature** as specified in the custody agreement entered into between such shareholder and their CSDP or broker, in order for such CSDP or broker to vote in accordance with such instructions at the general meeting.

I/We \_\_\_\_\_

of \_\_\_\_\_

being the registered holder/s of  ordinary shares in Bowler Metcalf, appoint (see note 1):

1. \_\_\_\_\_ of \_\_\_\_\_ or, failing him/her,

2. \_\_\_\_\_ of \_\_\_\_\_ or, failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to act for me/us on my/our behalf at the general meeting which will be held at 09:00 on Friday, 21 November 2008 for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof; and to vote for or against the said resolutions or abstain from voting in respect of the ordinary shares registered in my/our name/s, in accordance with the following instructions (see note 2):

|                                                                                  | For | Against | Abstain |
|----------------------------------------------------------------------------------|-----|---------|---------|
| Ordinary resolution number one (Approval of Annual Financial Statements)         |     |         |         |
| Ordinary resolution number two (Approval of directors emoluments)                |     |         |         |
| Ordinary resolution number three (re-election of director)                       |     |         |         |
| Ordinary resolution number four (re-election of director)                        |     |         |         |
| Ordinary resolution number five (Unissued shares under the control of Directors) |     |         |         |
| Special resolution number one (General authority to repurchase shares)           |     |         |         |
| Ordinary resolution number six (Directors authority to negotiate and sign)       |     |         |         |
| Ordinary resolution number seven (Reappointment of auditors)                     |     |         |         |

Signed at \_\_\_\_\_ on \_\_\_\_\_

Signature \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxy(ies) (who need not be shareholders of the Company), to attend, speak and vote in his/her stead at the annual general meeting.

Please read the notes on the reverse side hereof.

**Notes:**

- 1 A shareholder may insert the name or names of two alternative proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name appears first on the form of proxy and whose name has not been deleted will be entitled to act as proxy to the exclusion of those whose names follow.
- 2 A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided and the manner in which that shareholder wishes to vote. Failure to comply herewith will be deemed to authorise the proxy to vote at the annual general meeting as he/she deems fit in respect of the shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to so comply will be deemed to authorise the chairman to vote in favour of the special resolutions and ordinary resolution. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy.
- 3 Forms of proxy must be lodged at or posted to the transfer secretaries, Computershare Investor Services 2004 (Proprietary) Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 09:00 on Thursday, 20 November 2008.
- 4 The completion and lodging of this form of proxy will not preclude the shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
- 5 This form of proxy shall be valid for any adjournment of the general meeting as well as for the general meeting to which it relates, unless the contrary is stated therein.
- 6 A vote cast or act done in accordance with the terms of a form of proxy shall be deemed to be valid, notwithstanding:
  - the previous death, insanity, or any other legal disability of the person appointing the proxy; or
  - the revocation of the proxy; or
  - the transfer of a share in respect of which the proxy was given,unless notice as to any of the abovementioned matter shall have been received by the Company at its registered office or by the chairman of the general meeting at the place of the general meeting if not held at the registered office, before the commencement or resumption (if adjourned) of the general meeting at which the vote was cast or the act was done or before the poll on which the vote was cast.
- 7 The authority of a person signing this form of proxy:
  - 7.1 under a power of attorney; or
  - 7.2 on behalf of a company, must be attached to the form of proxy unless the full power of attorney has already been received by the transfer secretaries.
- 8 Where shares are held jointly, all joint holders must sign.
- 9 The chairman of the annual general meeting may accept or reject any form of proxy which is completed and/or received, other than in accordance with these notes and instructions, provided that the chairman is satisfied as to the manner in which the shareholder wishes to vote.