



Chairman's Report

2009 – The first 6 months:

The 'Good News' coming out of the second quarter of 2009 is that globally our Gross Profit was higher than the first quarter of 2009 despite a reduction in our Total Sales.

This improvement was in large part due to our operations in the UK having increased their Gross Profit by almost 20% when compared with the 1st quarter of 2009, on slightly lower Total Sales. Lithuania and the Netherlands posted increased Gross Profits in this quarter and it is worth noting that both Canada and Germany had increased profit ratios in the 2nd quarter as compared to the first of 2009.

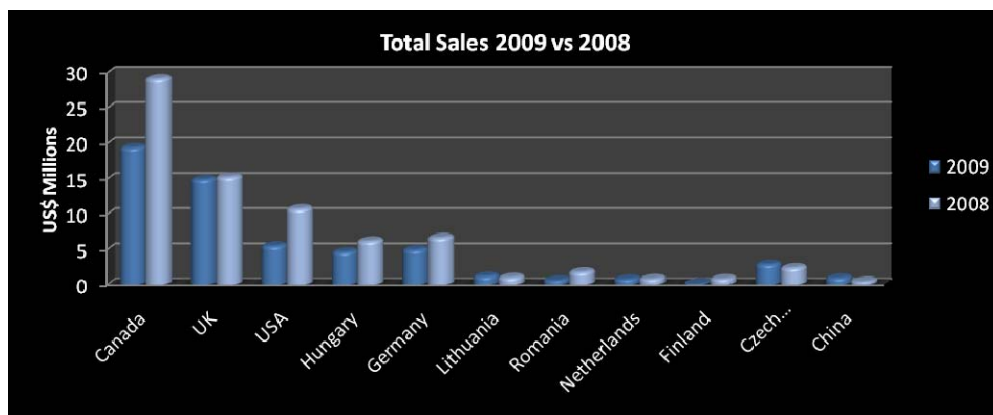
2009 YTD All figures US\$	Total Sales		Total Gross Profit		Total Shipments	
	1st Quarter 2009	2nd Quarter 2009	1st Quarter 2009	2nd Quarter 2009	1st Quarter 2009	2nd Quarter 2009
Canada	11,367,870	8,080,573	1,603,459	1,493,343	3,566	3193
UK	7,558,363	7,395,836	1,385,015	1,737,457	2,348	2605
USA	3,054,329	2,473,000	681,123	463,780	1,660	1519
Hungary	2,423,946	2,259,777	411,487	343,561	1,239	1377
Germany	2,378,541	2,597,564	366,849	492,994	743	820
Lithuania	466,559	769,195	105,365	174,250	51	46
Romania	347,283	331,084	77,674	75,163	230	198
Netherlands	591,850	233,481	111,079	148,720	296	329
Finland	199,625	-2,143	49,045	22,155	145	18
Czech Republic	2,320,439	600,910	130,800	111,081	241	167
China	680,264	322,684	91,824	69,413	238	305
	31,389,069	25,061,962	5,013,721	5,131,917	10,757	10,577

While reduced business volumes are never easy to accept for any reason, some comfort can be taken from the statistical comparison of the first half of 2009 vs 2007. In 2007, our Total Sales were slightly more than 66 million dollars compared to only 56 million in the first half of this year yet our gross profits are virtually the same thus confirming that our efforts to exercise improved control of our operations are creating the desired results in very difficult times..

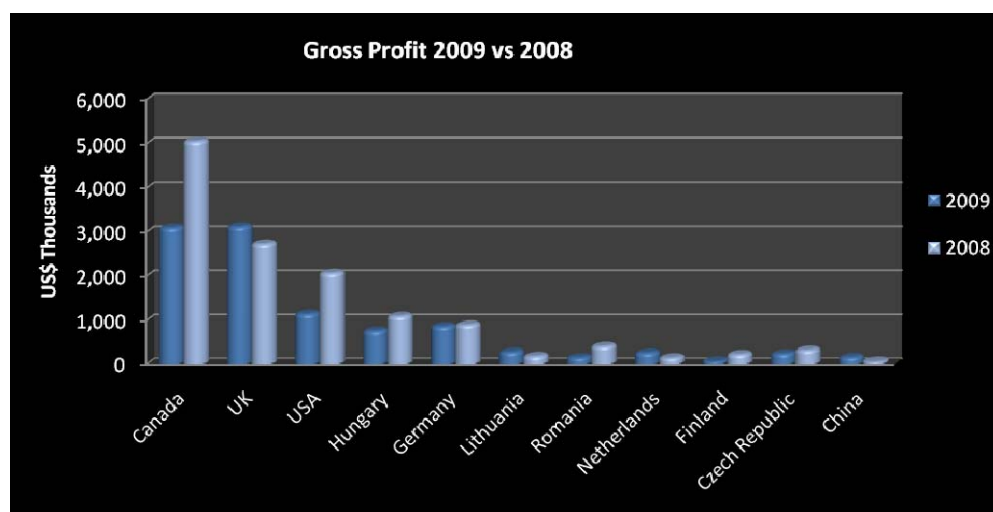
2009 – 1st Half-Year Review

It is no coincidence that our largest changes in performance have taken place in North America. The economies in both countries have taken severe blows since September of 2008 and it is still difficult to know if they have hit bottom. There does appear to be encouraging changes taking place but it will be at least another quarter before we have any real sense of when the trend will reverse.

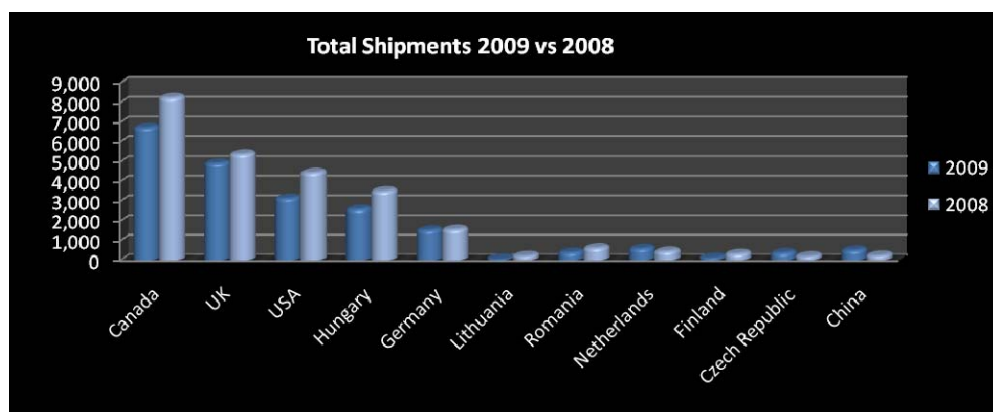
Total Sales US\$	2009	2008
Canada	19,448,443	29,171,346
United Kingdom	14,954,199	15,308,455
USA	5,527,329	10,784,202
Hungary	4,683,723	6,216,939
Germany	4,976,105	6,704,954
Lithuania	1,235,754	1,071,111
Romania	678,367	1,853,109
Netherlands	825,331	888,506
Finland	197,482	882,200
Czech Republic	2,921,349	2,447,130
China	1,002,948	510,094
	56,451,031	75,838,045



Total Gross Profit US\$	2009	2008
Canada	3,096,802	5,056,375
United Kingdom	3,122,473	2,726,499
USA	1,144,903	2,067,204
Hungary	755,048	1,094,064
Germany	859,843	897,531
Lithuania	279,615	183,586
Romania	152,836	415,296
Netherlands	259,799	149,501
Finland	71,201	228,404
Czech Republic	241,881	327,957
China	161,238	65,086
	10,145,639	13,211,503



Total Shipments	2009	2008
Canada	6,759	8,277
United Kingdom	4,953	5,427
USA	3,179	4,481
Hungary	2,616	3,539
Germany	1,563	1,587
Lithuania	97	257
Romania	428	655
Netherlands	625	487
Finland	163	367
Czech Republic	408	237
China	543	275
	21,334	25,589



It is an understatement to say these are unusual times. In fact we doubt if anyone has ever experienced anything like the current upset to the world economy. Like many others, it is our view that a new normal is being established and just what that will mean is yet to be evident. There is no question that the future will take more imagination, greater effort and strong communication skills to survive.

The last few months have seen unprecedented action by us at Bellville Rodair in that we have had to reduce head count, freeze salaries, reduce travel expenses, reduce entertaining expenses and find increased ways to control or reduce costs. We will never return to where we have come from, but we are confident that we are heading to exciting new places, with new opportunities, and that at the end of the tunnel we will emerge stronger and even more successful.

Building Reliability, as an operating philosophy, has served us well and by continuing to embrace Awareness, Imagination, Communication, Accuracy and Enjoyment as core to our every day, we will look back on this period as a challenge that was met appropriately.

Pat Cullen



Chairman

Terry Walpole



Global CEO

