



# Chairman's Report

## Second Quarter 2007 Financial and Operational Review

The first half of 2007 has produced a better than 18% growth in Gross Profits over 2006. While the Board is very pleased with these positive results, they are mindful that Total Sales and Growth Profit declined in the second quarter and every effort needs to be made to ensure this trend does not continue.

2007 YTD US\$	Total Sales		Total Gross Profit		Total Shipments	
	1st Quarter 2007	2nd Quarter 2007	1st Quarter 2007	2nd Quarter 2007	1st Quarter 2007	2nd Quarter 2007
Canada	9,591,961	10,552,214	1,445,038	1,407,523	3598	3769
UK	8,591,382	6,544,424	1,221,705	1,142,449	1765	2216
USA	4,420,908	3,826,039	957,568	824,560	1974	2122
Hungary	2,631,439	2,432,576	435,628	422,352	1216	1858
Lithuania	801,441	588,147	116,853	137,475	216	265
Romania	643,988	984,892	96,637	152,664	242	347
Netherlands	308,248	298,551	34,344	54,399	110	146
China	146,438	475,135	20,185	38,279	87	120
Czech Republic	104,184	144,492	10,828	30,385	31	29
Finland	99,041	418,378	32,510	109,905	45	128
	<b>27,339,029</b>	<b>26,264,848</b>	<b>4,371,297</b>	<b>4,319,991</b>	<b>9,284</b>	<b>11,000</b>

Romania, China, Czech Republic and Finland all enjoyed increases in both Total Sales and Gross Profit in the second quarter which are very encouraging signs and every effort will be made to continue these efforts in the months ahead.

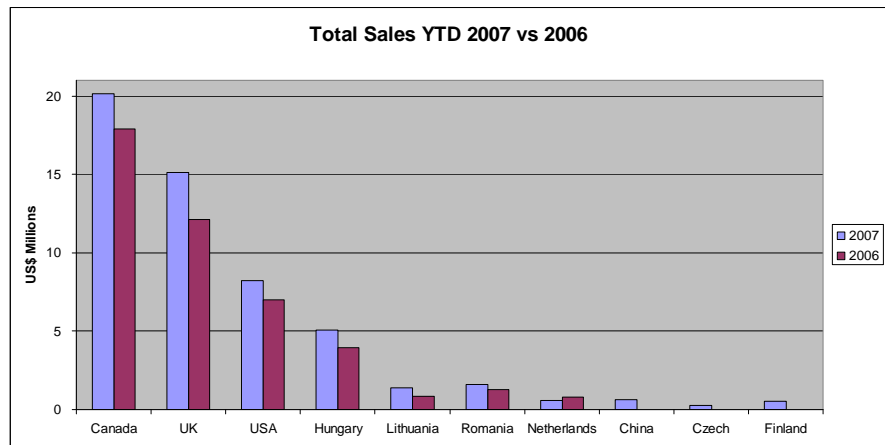
The positive results from the Netherlands are also encouraging as we continue to deal with the re-alignment of this branch's activities.

## 2007 – 2<sup>nd</sup> Quarter Review

The declines in Total Sales and Gross Profit in the second quarter are disappointing, however, we do realize that each quarter presents different circumstances and quarter to quarter comparisons do not always tell the full story. The YTD comparisons are certainly more positive and are consistent with the overall annual budget targets set out by the Board. The continued efforts of everyone should certainly ensure that these targets are met or surpassed.

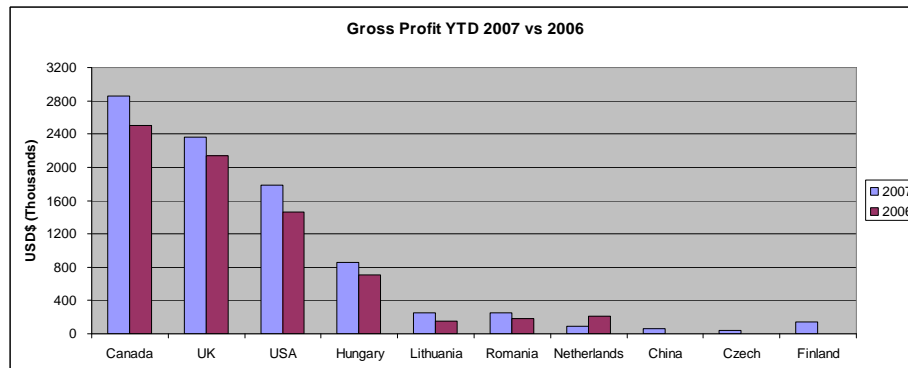
### Sales YTD (USD in Millions)

	2007	2006
Canada	20.144	17.889
UK	15.136	12.114
USA	8.247	6.980
Hungary	5.064	3.978
Lithuania	1.390	0.878
Romania	1.629	1.285
Netherlands	0.607	0.804
China	0.622	
Czech	0.249	
Finland	0.517	
<b>Total</b>	<b>53.604</b>	<b>43.928</b>



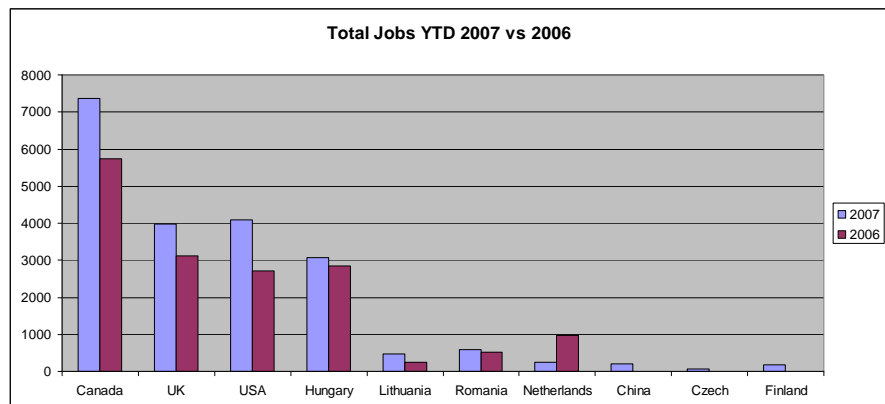
### Gross Profit YTD (USD in Thousands)

	2007	2006
Canada	2853	2500
UK	2364	2137
USA	1782	1468
Hungary	858	708
Lithuania	254	150
Romania	249	186
Netherlands	89	210
China	58	
Czech	41	
Finland	142	
<b>Total</b>	<b>8691</b>	<b>7358</b>



### Jobs YTD

	2007	2006
Canada	7367	5751
UK	3981	3110
USA	4096	2712
Hungary	3074	2843
Lithuania	481	252
Romania	589	525
Netherlands	256	983
China	207	
Czech	60	
Finland	173	
<b>Total</b>	<b>20284</b>	<b>16176</b>



Back in 2001, a decision was made to brand all of our various activities/interests under the common trade name Bellville Rodair and since that time we have enjoyed great success in developing a common name and culture for our various undertakings in divergent parts of the world.

During the last few months the Board has been working toward the financial consolidation of these interests and we are now pleased to announce the formation of **BELLVILLE RODAIR GLOBAL LIMITED** which will be the holding company for all our activities outside of Canada and the United Kingdom.

Coincident with the formation of Bellville Rodair Global Limited, we are also pleased to announce the expansion of our Board of the Directors and the appointment of the following new members to the Board of Directors:

Abigail Haran	Finance Director - Europe
Chris Matthews	Vice President Finance – North America
Claus Palm	Manager Information Services
Susanne Oud	Operations Director - Europe

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**Pat Cullen**  
**Chairman**



**Terry Walpole**  
**Global CEO**

