

In the early part of the year the company completed the process of a Stock Split of nine shares for every one held, with the intention of bringing increased liquidity and trading to our stock. The Stock Split became effective on November 14, 2008.

In the area of production, efficiencies in our plant operations resulted in a reduction in our cost of sales ratio and consequently an improvement in our gross profit percentage by 4.4 points to 45.7%.

In the middle of the year, the company changed its distribution arrangements moving from a small number of distributors to a single distributor. This new arrangement took effect on April 1, 2009. Under this arrangement there is also a commitment for combined increased and shared marketing efforts and costs on the part of both manufacturer and distributor. We are of the opinion that this agreement was beneficial in maintaining levels of sales during the year in an otherwise declining retail sector and will continue to do so.

In terms of investment activities, net finance income increased to \$36.6 million from \$21.1 million, an increase of 73.4%. This was the result of higher interest rates which prevailed for most of the year combined with improved collections and better treasury management.

We are aware that the challenges experienced in 2009 will continue for some time. However, we look forward to the new year with eagerness, confident in the belief that our current strategies are optimal in the circumstances and with proper execution on the part of management and staff, who we once again thank for their outstanding efforts and performance during the year, will allow us to succeed in positioning the company for the years ahead.



John Bell
CHAIRMAN