

- Revenue declined by 17,3%;
- HEPS declined by 74,5%;
- Cash resources of R147 million; and
- Gearing (net of cash) of only 5,0%

Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 Jun 2009 R'000	Unaudited Six months ended 30 Jun 2008 R'000	Audited Year ended 31 Dec 2008 R'000
Revenue	213 679	258 452	648 188
Cost of goods sold	(169 483)	(193 119)	(462 165)
Gross profit	44 196	65 334	186 023
Other income	721	525	3 798
Operating expenses	(32 046)	(30 359)	(89 486)
Profit from operations	12 871	35 499	100 335
Interest received	6 802	2 364	7 982
Interest paid	(9 925)	(2 622)	(6 081)
Profit before taxation	9 748	35 241	102 236
Taxation	(3 771)	(10 624)	(28 600)
Profit attributable to the equity holders of the parent	5 977	24 617	73 636
Other comprehensive income	–	–	–
Total comprehensive income attributable to the equity holders of the parent	5 977	24 617	73 636
Number of shares in issue ('000)	448 912	469 004	448 912
Weighted average number of shares in issue ('000)	448 912	479 641	472 369
Earnings per share (cents)	1,3	5,1	15,6
Headline earnings per share (cents)	1,3	5,1	15,6

Consolidated Statement of Financial Position

	Unaudited As at 30 Jun 2009 R'000	Unaudited As at 30 Jun 2008 R'000	Audited As at 31 Dec 2008 R'000
ASSETS			
Non-current assets	208 478	194 721	210 676
Property, plant and equipment	13 754	15 432	15 041
Intangible assets	193 184	176 223	194 305
Deferred taxation	1 540	3 066	1 330
Current assets	342 081	249 498	386 061
Inventories	87 247	99 808	91 365
Trade and other receivables	101 593	118 033	153 427
Taxation prepaid	6 540	1 101	5 693
Bank and call deposits	146 701	30 556	135 576
Total assets	550 559	444 219	596 737
EQUITY AND LIABILITIES			
Capital and reserves	308 597	279 309	316 079
Share capital and share premium	153 745	179 453	167 204
Accumulated profits	154 852	99 856	148 875
Non-current liabilities	79 690	63 830	87 342
Interest bearing liabilities	76 025	763	82 843
Deferred taxation	1 522	–	2 424
Other financial liabilities	2 143	63 067	2 075
Current liabilities	162 272	101 080	193 316
Trade and other payables	76 853	95 419	88 472
Current portion of:			
– interest bearing liabilities	16 791	686	14 956
– other financial liabilities	67 233	–	79 887
Taxation payable	1 395	4 975	10 001
Total equity and liabilities	550 559	444 219	596 737
Number of shares in issue ('000)	448 912	469 004	448 912
Net asset value per share (cents)	68,7	59,6	70,4
Tangible net asset value per share (cents)	25,7	21,3	27,1

Consolidated Cash Flow Statement

	Unaudited Six months ended 30 Jun 2009 R'000	Unaudited Six months ended 30 Jun 2008 R'000	Audited Year ended 31 Dec 2008 R'000
Cash flows from operating activities	42 779	8 870	33 793
Cash generated by operations	60 239	28 564	65 245
Interest received	6 802	2 364	7 982
Interest paid	(9 925)	(2 622)	(1 100)
Taxation paid	(14 337)	(19 436)	(38 334)
Cash flows from investing activities	(628)	(4 333)	(5 369)
Additions to property, plant and equipment	(628)	(4 333)	(5 369)
Cash flows from financing activities	(31 026)	(23 453)	57 680
Net interest bearing liabilities (repaid)/raised	(4 982)	(1 093)	95 257
Net repayment of other financial liabilities	(12 585)	(11 979)	(14 947)
Capital distribution to shareholders	(13 459)	–	–
Share buy back and expenses	–	(10 381)	(22 630)
Increase/(decrease) in cash resources	11 125	(18 916)	86 104
Cash resources at beginning of period	135 576	49 472	49 472
Cash resources at end of period	146 701	30 556	135 576

Consolidated Statement of Changes in Equity

	Share capital R'000	Share premium R'000	Accumulated profits R'000	Total R'000
Balances as at 31 December 2007	5	189 829	75 239	265 073
Share buy back and expenses	–	(10 381)	–	(10 381)
Total comprehensive income for the six month period to 30 June 2008	–	–	24 617	24 617
Balances as at 30 June 2008	5	179 448	99 856	279 309
Share buy back and expenses	(1)	(12 248)	–	(12 249)
Total comprehensive income for the six month period to 31 December 2008	–	–	49 019	49 019
Balances as at 31 December 2008	4	167 200	148 875	316 079
Capital distribution to shareholders	–	(13 459)	–	(13 459)
Total comprehensive income for the six month period to 30 June 2009	–	–	5 977	5 977
Balances as at 30 June 2009	4	153 741	154 852	308 597

Segment reporting

	Unaudited Six months ended 30 Jun 2009 R'000	Unaudited Six months ended 30 Jun 2008 R'000	Audited Year ended 31 Dec 2008 R'000
Revenue	213 679	258 452	648 188
– Refrigeration	106 971	125 413	310 064
– Baking Systems	106 708	133 039	338 124
Segment profit from operations	12 871	35 499	100 335
– Refrigeration	6 979	15 460	47 414
– Baking Systems	6 716	21 064	56 145
– Unallocated corporate expenses	(824)	(1 025)	(3 224)
Net interest (paid)/received	(3 123)	(258)	1 901
Profit before taxation	9 748	35 241	102 236

COMMENTARY

TRADING ENVIRONMENT

The group operates as a major supplier of refrigerated and baking equipment to the perishable foods industry encompassing the retail, wholesale and manufacturing segments. Trading is primarily with the food retailers in South Africa and to a lesser extent, Africa.

The global economic downturn and the crisis in the world's banking sector have had a profound effect on the group's trading environment through the delay of capital projects and/or the unavailability of finance to facilitate expansion by our customer base. The group experienced a significant decline in demand with revenue some 17% below the revenue reported for the six months to 30 June 2008 ("prior period").

As the SA food chains remain our most significant client base it is encouraging to see that they are still reporting reasonable results and all are in a sound financial position. This should allow for continued capital expenditure on new as well as replacement equipment. Aside from supplying new stores, the very large base of both refrigeration and baking equipment that is already installed in food retailers does require periodic replacement.

FINANCIAL RESULTS

When analysing the results it should be recognised that the group has historically been seasonal with the second half of the year ended 31 December 2008, generating approximately 60% of revenue and 65% of operating profit.

Group turnover declined by approximately 17% and headline earnings per share by 74,5% compared to the prior period. Operating profit margin declined in line with the lower manufacturing volumes as the majority of the group's overhead is fixed. Expenses were well controlled and remain an area of focus. The businesses have taken measures to protect margin through variable expense control, efficiency improvements and product re-engineering.

Notwithstanding the disappointing trading result the group generated operating profit of R13 million and cash on hand increased from R136 million as at 31 December 2008 to R147 million. The increase in cash is attributed primarily to a reduction in trade receivables in line with the lower sales levels, and improved working capital management.

Group gearing net of cash decreased to 5,0% from 13,9% at 31 December 2008.

REVIEW OF OPERATIONS

Refrigeration businesses

The businesses significantly underperformed against budget due to a 15% decline in sales compared to the prior period. The resultant lower production volumes led to a decline in operating margins.

Export sales initiatives into Africa continue in co-operation with the baking business and have yielded some promising results, albeit still small in relation to overall group sales.

Baking business

The baking business also had a disappointing trading performance with revenue decreasing by 20%, which has resulted in a substantially decreased operating margin.

The export department also experienced a decline in sales with export sales declining to 30% of total sales (prior period 35% of total sales). The business however remains committed to the export market and continues to invest in staff and resource to ensure its penetration into more territories.

PROSPECTS

The first half of the year has traditionally always been a difficult trading period for the group. This year the effects of the global economic meltdown have had a material effect on the business and looking forward the current uncertainty makes forecasting the performance for the next six months very difficult. Trading conditions seem to have stabilised and the group has had some improvement in the level of its order books and accordingly the Board anticipates an improved performance for the second half of the financial year, provided that this statement has not been reviewed or reported on by the group's auditors.

The group has low gearing and a strong balance sheet and is actively looking in the market for growth and acquisition opportunities.

DIVIDENDS

Universal has adopted an annual distribution policy.

BASIS OF PREPARATION

The unaudited interim results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and comply with IAS34 – *Interim Financial Reporting*, the Listings Requirements of the JSE Limited and the requirements of the Companies Act of South Africa. The accounting policies used are consistent with those applied to the audited financial statements for the year ended 31 December 2008. The group's interim results have not been audited or reviewed by the group's auditors.

CAPITAL COMMITMENTS

The group has capital commitments of R7,5 million for plant and equipment, which will be financed from banking facilities and internal cash flow.

APPRECIATION

The Board extends its thanks to management, employees and the non-executive directors for their ongoing efforts.

By order of the Board

G Khan
Chairman

D Paynter
Chief Executive Officer

5 August 2009

CORPORATE INFORMATION

Executive directors: D Paynter (CEO), I Morgan (CFO), J Martin, R Wilkes

Non-executive directors: G Khan (Chairman), C Brayshaw, W Brett, I Essa (alternate to G Khan), A Levy

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Company Secretary: Probity Business Services (Pty) Limited

Transfer Secretaries: Link Market Services (Pty) Limited

Auditors: PKF (Jhb) Inc

Sponsor:

JAVACAPITAL

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