

HIGHLIGHTS

- **Headline earnings per share increased by 28%***;
- **Tangible net asset value per share increased by 56%;**
- **Strong balance sheet with R136 million cash on hand and gearing of only 14%; and**
- **Export turnover exceeding R100 million.**

* Compared to the pro forma financial results (as defined below#)

CONSOLIDATED INCOME STATEMENTS

Year ended 31 December

	2008 R'000	2007 R'000
Revenue	648 188	314 222
Cost of goods sold	(462 165)	(235 476)
Gross profit	186 023	78 746
Other income	3 798	452
Operating expenses	(89 486)	(32 891)
Profit from operations	100 335	46 307
Interest received	7 982	1 706
Interest paid	(6 081)	(2 281)
Profit before taxation	102 236	45 732
Taxation	(28 600)	(16 753)
Profit for the year attributable to the equity holders of the parent	73 636	28 979
Number of shares in issue ('000)	448 912	480 000
Weighted average number of shares in issue ('000)	472 369	364 438
Basic and headline earnings per share (cents)	15,6	8,0
Distribution per share (cents)	3,0	7,8

CONSOLIDATED BALANCE SHEETS

as at 31 December

	2008 R'000	2007 R'000 Restated*
ASSETS		
Non-current assets	210 676	196 244
Property, plant and equipment	15 041	12 968
Intangible assets	194 305	181 739
Deferred taxation	1 330	1 537
Current assets	386 061	239 636
Inventories	91 365	73 795
Trade and other receivables	153 427	116 341
Taxation prepaid	5 693	28
Bank and call deposits	135 576	49 472
Total assets	596 737	435 880
EQUITY AND LIABILITIES		
Capital and reserves	316 079	265 073
Share capital	4	5
Share premium	167 200	189 829
Accumulated profits	148 875	75 239
Non-current liabilities	87 342	65 556
Interest bearing liabilities	82 843	1 009
Deferred taxation	2 424	4 909
Other financial liabilities	2 075	59 638
Current liabilities	193 316	105 251
Trade and other payables	88 472	76 518
Current portion of:		
– interest bearing liabilities	14 956	1 533
– other financial liabilities	79 887	15 408
Taxation payable	10 001	11 792
Total equity and liabilities	596 737	435 880
Number of shares in issue ('000)	448 912	480 000
Net asset value per share (cents)	70,4	55,2
Tangible net asset value per share (cents)	27,1	17,4

* Certain prior year numbers have been restated or reclassified as a result of the finalisation of an acquisition fair values in terms of IFRS3. The restatement had no impact on the prior year profit. Deferred tax liabilities increased by R6 million and Intangible assets by R6 million with a re-allocation between goodwill, brand names and customer lists (all shown as intangible assets).

CONSOLIDATED CASH FLOW STATEMENTS

Year ended 31 December

	2008 R'000	2007 R'000
Cash flows from operating activities	33 793	39 899
Cash generated by operations	65 245	55 853
Interest received	7 982	1 706
Interest paid	(1 100)	(2 281)
Taxation paid	(38 334)	(15 379)
Cash flows from investing activities	(5 369)	(104 204)
Additions to property, plant and equipment	(5 433)	(1 427)
Acquisition of business	–	(104 570)
Proceeds on disposal of:		
– property, plant and equipment	64	109
– listed investment	–	1 684
Cash flows from financing activities	57 680	82 937
Shareholders' loans repaid	–	(5 686)
Net interest bearing liabilities raised/(repaid)	95 257	(1 569)
Net payment of other financial liabilities	(14 947)	–
Net proceeds/(payment) from shares issued/(buyback)	(22 630)	117 692
Dividend paid	–	(27 500)
Increase/(decrease) in cash and cash equivalents	86 104	18 632
Cash and cash equivalents at beginning of year	49 472	30 840
Cash and cash equivalents at end of year	135 576	49 472

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	Share capital R'000	Share premium R'000	Accumulated profits R'000	Total R'000
Balances at 31 December 2006	–	2 142	73 760	75 902
Share capitalisation	4	(4)	–	–
Issue of shares	1	189 999	–	190 000
Listing expenses	–	(2 308)	–	(2 308)
Profit for the year	–	–	28 979	28 979
Dividend paid	–	–	(27 500)	(27 500)
Balances at 31 December 2007	5	189 829	75 239	265 073
Share buyback and expenses	(1)	(22 629)	–	(22 630)
Profit for the year	–	–	73 636	73 636
Balances at 31 December 2008	4	167 200	148 875	316 079

SEGMENT REPORTING

	Refrigeration R'000	Baking** R'000	Corporate R'000	Total R'000
Turnover				
– 2008	310 064	338 124	–	648 188
– 2007	284 483	29 739	–	314 222
Profit from operations				
– 2008	47 414	56 145	(3 224)	100 335
– 2007	43 945	2 514	(152)	46 307
Capital commitments				
– 2008	3 800	–	–	3 800
– 2007	–	–	–	–

** Includes only six weeks of trading in December 2007.

COMMENTARY

The board is pleased to report a year of strong results for Universal in this our first full trading year as a listed entity. Despite a more challenging operating environment than anticipated at the time of our listing we have achieved basic and headline earnings per share of 15,6 cents compared to 15,4 cents per share as forecast in the prospectus.

TRADING ENVIRONMENT

The group operates as a major supplier of refrigerated and baking plant, equipment and utensils to the perishable foods industry encompassing the retail, wholesale and manufacturing segments. Trading is primarily exposed to the SA economy and food retailers in particular.

Food retailers and their suppliers continue to invest in new locations as well as in the refurbishment and upgrading of existing facilities. These retailers are still reporting excellent turnover growth and increased profitability which, coupled with strong balance sheets, bodes well for continued investment in new and existing stores.

The group has a significant installed base of products that has a limited life estimated between six and eight years. The replacement of these products already makes up a large portion of the group's turnover.

FINANCIAL RESULTS

When analysing the financial results it should be taken into consideration that:

- the acquisition of the business of Macadams International only became effective 15 November 2007 and accordingly the 31 December 2007 reporting period includes Macadams for a six week period;
- the raising of R120 million following the private placement and subsequent listing of the group on the JSE, effective 29 November 2007.

Accordingly comparison to the 2007 results is not meaningful.

To facilitate a more meaningful analysis the operational review contains turnover and operating income for the baking systems business as per its management accounts for the year ended 31 December 2007 (referred to as the "pro forma" results). As the pro forma results form a more appropriate basis for comparison, all references to Macadams for the prior period refer to these pro forma results.

The group achieved turnover of R648 million and profit after tax of R74 million, increasing basic and headline earnings per share to 15,6 cents, an increase of 28% on the 2007 pro forma 12,2 cents per share. The group generated cash from operations of R65 million and our balance sheet remains strong with cash on hand of R136 million (2007: R49 million) and net gearing of 14% (2007: 11%).

REVIEW OF OPERATIONS

Refrigeration businesses

The refrigeration businesses increased sales by 9% to R310 million. The unit experienced minimal volume growth and performed below budget with operating margins under pressure.

The businesses delivered operating income of R47 million (2007: R44 million) but experienced a slight decline in operating margin. The decline in operating margin is attributed to a combination of sales mix and cost inflation. The businesses were unable to pass on cost increases on raw materials, in particular on steel related items where prices increased by up to 80% on certain steel products. Labour costs also increased above expectation as an existing steel industry bargaining council agreement was renegotiated at increased wage rates.

Colcab, the Cape Town based operation, relocated to a new purpose built 17 000m² factory. Colcab's results reflect the benefits gained in efficiency and process improvements and we are confident that these benefits will become even more apparent as volumes increase over the longer term.

For the year under review the businesses invested some R4 million in new plant and equipment. The flexibility in our manufacturing capability will be further enhanced through the continued upgrading of plant and equipment in the future.

International trends indicate that the environmental impact of refrigeration products will be under closer scrutiny. The refrigeration division has access to international technology agreements in this regard and is working closely with our customer base to ensure that it is able to offer customised solutions of an international standard to meet these more intense requirements.

Baking systems business

The baking systems business had an excellent year increasing sales over the pro forma comparable period by 26% to R338 million (2007 pro forma: R269 million) and achieving operating income of R56 million (2007 pro forma: R41 million).

The business benefited from volume growth in both its existing core range of products as well as from new product ranges. As a result of the additional volumes requiring limited investment in resources and overhead, improved operating margins were achieved compared to the prior year.

The foodservice division will continue to leverage the preferred supplier status that Macadams enjoys with the majority of local baking equipment customers.

Export sales has always been a significant component of the business, historically fluctuating between 25% and 35%. Macadams remains committed to continue its drive into the export markets, with a strong emphasis on the Africa market, and is looking at investing in more resources to service this existing and growing market.

Marsden, the bakeware division supplying baking tins and pans, had another good year and is investigating investment in additional plant and equipment to increase production capacity to better service its customers.

PROSPECTS

The unprecedented deterioration in the global economic outlook is well documented and being discussed at the highest levels of Government and business throughout the world. It seems certain that in the short term the South African economy will experience low growth. This has resulted in a high level of uncertainty being created in the business community. This uncertainty may have an impact on our business as capital projects could be delayed should the uncertainty continue for any length of time.

Under the current circumstances management finds it very difficult to predict trading levels over the short term but remains confident that the group is well positioned for growth over the medium to long term.

The current uncertainty does however afford an opportunity to grow the group through reasonably priced acquisitions and the group's cash on hand and borrowing capacity leave it well positioned to capitalise on suitable acquisition opportunities.

BORROWINGS

The group raised a term loan facility from Nedbank at the time of the acquisition of Macadams in November 2007. In terms of the facility the group was allowed to draw down on the facility for a period of 12 months and accordingly it was utilised in the current year. The proceeds are reflected in cash on hand and will be utilised to pay the vendor loans due at the end of the current financial year.

CAPITAL COMMITMENTS

The group had no significant outstanding capital commitments as at 31 December 2008.

CONTINGENCIES

In terms of the purchase agreement entered into with the vendor of the Macadams International business, part of the purchase price relates to a contingent portion based on profit after tax targets being met. The profit target for the 2008 year has been met and the amount has been raised as an accrual. The profit target for the 2009 year is R46 million. The company is liable to pay a maximum of R15 million if the profit target is met i.e. a total contingent liability of R15 million (2007: R30 million) exists at year-end.

CHANGES TO CAPITAL STRUCTURE

Universal acquired some 31 million of its own shares that were thereafter cancelled, resulting in the shares in issue decreasing from 480 million to 449 million. Details of the buyback were announced on SENS. Authority to continue with share repurchases will be renewed at the annual general meeting and the board will continue to evaluate this option.

DISTRIBUTION TO SHAREHOLDERS BY WAY OF A CAPITAL REDUCTION

At listing the group adopted a dividend policy of once a year distributing 25% of profits attributable to equity holders. Considering that the group has already spent R23 million buying back its own shares and taking into account the prevailing uncertain economic outlook, the board has decided to increase the dividend cover for the current year.

Accordingly the board has proposed a cash distribution from share premium, in lieu of an ordinary dividend, of 3 cents per share. The distribution requires approval at the annual general meeting.

The relevant dates are:

Approval of distribution at annual general meeting on	28 April 2009
Announcement of results of annual general meeting	28 April 2009
Last day to trade cum the distribution	15 May 2009
Shares will commence trading ex the distribution on	18 May 2009
Record date	22 May 2009
Distribution paid on	25 May 2009

Shares may not be dematerialised or rematerialised between Monday, 18 May and Friday, 22 May 2009.

CHANGES TO DIRECTORATE

Mr Adam Esa has resigned as director of Universal due to other work commitments. The board would like to thank Mr Adam Esa for his contribution. Mr Ishmail Essa has been appointed as an alternate director for Mr Gaff Khan.

BASIS OF PREPARATION

These annual financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS"), the requirements of IAS 34, the listing requirements of the JSE and the Companies Act of South Africa, 1973. The accounting policies used are consistent with those applied in the previous financial year.

AUDIT REPORT

These summarised financial results have been audited by Universal's auditors, PKF (Jhb) Inc, whose unqualified audit report is available for inspection at the company's registered office.

ANNUAL REPORT

Shareholders are advised that the annual report containing the financial statements will be posted on or before 31 March 2009.

APPRECIATION

The board extends its thanks to management, employees and the non-executive directors for their efforts over the past year.

By order of the board

G Khan
Chairman
9 March 2009

D Paynter
Chief Executive Officer

CORPORATE INFORMATION

Executive directors: D Paynter (CEO), I Morgan (CFO)

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

Registration number: 1996/004343/06

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Company Secretary: Probity Business Services (Pty) Limited

Transfer secretaries: Link Market Services South Africa (Pty) Limited

Auditors: PKF (Jhb) Inc

Sponsors: Java Capital (Pty) Limited