

## **FINANCIAL MAIL**

### **Diamonds & Dogs**

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#### **Diamond BSI**

As the noose begins to bite into the wattles of the mainstream economy, thrill-seekers may start to sniff around the small caps in search of minnows that can still grow despite macro gloom and lamentation. BSI, with a turnover of R1,4bn, is no longer a true minnow but a long way from a whale. It is charging up the piscine league table into the realms of the rainbow trout. The company flogs steel into Southern Africa from its operations in SA, Zambia and the DRC, and is enjoying a period of impressive organic growth.

While industry volumes as a whole grew 4% in 2007, BSI's local operations increased tonnage by 37%, and export markets offer even higher growth potential. The group has taken out the minorities in its subsidiaries and established its regional presence during the period. It is now consolidating its local operations into a single facility in Meyerton. Supply shortages are a concern but the demand side remains healthy, and the group will look at acquisitions that expand its product range or geographical reach. This may not be the most glamorous business, but as long as it continues to grow, shareholders won't be complaining.

#### **Dog BioScience Brands**

"What's in a name?" asked young Juliet Capulet. "That which we call a rose by any other name would smell as sweet." This is clearly not a theory subscribed to by the management of BioScience Brands, which decided there was such an almighty pong lurking around the name of Wellco Holdings that it had better be changed instanter. So it's farewell to "Not Very" Wellco and, in recognition of the acquisition of BioHarmony and MuscleScience, and the company's peculiar addiction to the random mid-word capital letter, the ugly duckling is reborn as BioScience.

Beyond the cosmetic change, the company has embarked on a comprehensive restructuring in an effort to save the business. It has raised R44,5m, reached a settlement with creditors and is in the process of relaunching its Herbology and KGB brands. After its shareholders' meeting in August, the company is hoping to lift the suspension of its shares. If all goes to plan, that will mark a new start. All now depends on the performance of the new acquisitions and the success of the company's re launch. There are only so many name changes one can do.