CONTROL INSTRUMENTS

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

PRESENTATION
MARCH 2011

Agenda

- 2010
- Control Instruments today
  - CI Automotive – Aftermarket business
  - Pi Shurlok – OEM business
- Results for the year ended 31 December 2010
  - Aftermarket
  - OEM
- Future

2010

- Return to profitability – R2.2 million profit after tax for the year
- Record performance by the Aftermarket business
  - EBITDA = R53.2 million
- Proprietary OpenECU™ technology continues to win new international business
- R25.5 million invested in product development and capex
  - A total of R45.7 million invested over two years
- Continued to make good progress

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Control Instruments today

- Emerging from
  - Collapse of the automotive industry
  - A period of major re-organisation and consolidation
- Focused on the automotive industry
  - Aftermarket business – CI Automotive
    - Sub-Saharan Africa – rapidly growing vehicle parc
  - OEM business – Pi Shurlok
    - Vehicles transitioning rapidly from mechanical to electronic systems
    - Opportunities in high growth niches in worldwide automotive market

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CI Automotive today

- Powerhouse premium brand aftermarket business
- Range of premium branded products distributed in aftermarket in sub-Saharan Africa
- Owns the brands or has exclusive distribution rights
- Comprehensive basket of products ensures WD shelf space
- Strong relationships with customers at all levels
- Tangible results coming through from work done over past three years
  - Product rationalisation
  - Improved efficiencies
  - Strong, capable management teams

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CI Automotive – Premium brands

Gabriel	Shock absorbers and gaslifts
VDO	Instrumentation, analogue, digital and CAN technology
AUTOCOM	Suspension and steering components
SHURLOK	Vehicle security systems
MAG brakes	Airbrake components and industrial fittings
ACSA-MAG	Auto-electrical components; vehicle lighting and reflective products
ECHLIN	Ignition, fuel, cooling and switches
WARN	Off-road winches and accessories

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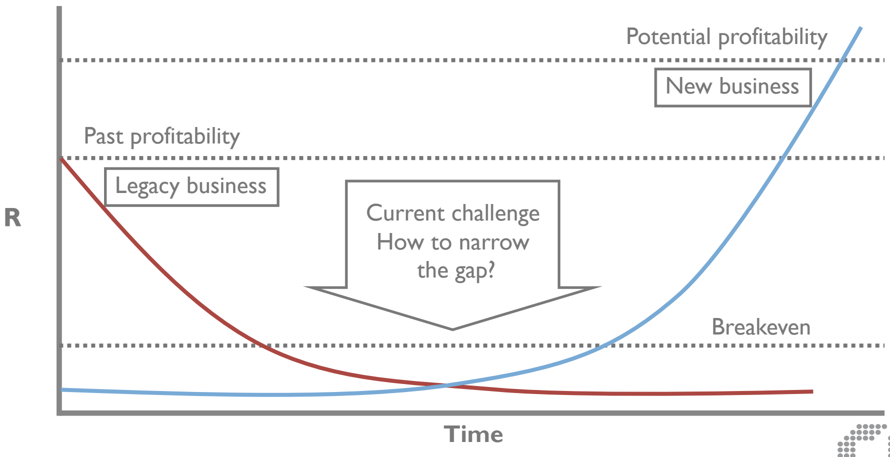
Pi Shurlok five years ago

- Shurlok (Pietermaritzburg, South Africa)
  - Limited design and development capabilities
  - Primarily manufacturing electronic products on contract for South African based OEMs
  - Focus on South Africa-specific vehicles, e.g. Citi Golf and Toyota Tazz
- Pi Technology (Cambridge, UK and Detroit, USA)
  - Engineering consulting services
  - No products
  - No manufacturing

Pi Shurlok today

- Created a new Tier I automotive electronic supply business
  - This is a significant achievement
- Unique offering built around proprietary OpenECU™ technology
- Full service offering from design through manufacture
  - World competitive, world marketable
  - Winning business in the most competitive markets in the world
  - Significant production programs with blue chip customers
- Other new business coming on stream includes infotainment systems and instrument clusters
- Legacy engineering consultancy and contract manufacturing business being replaced by new OpenECU™ product programs and related services

Pi Shurlok – future potential



This graph is for indicative purposes only

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Pi Shurlok – future potential

- Current challenge – how to narrow the gap?
  - Legacy business is dropping off faster than anticipated
    - Global meltdown in automotive industry
    - South African product line rationalisation
    - Current MIDP encouraging one platform strategy by OEMs
  - New business coming on stream as anticipated

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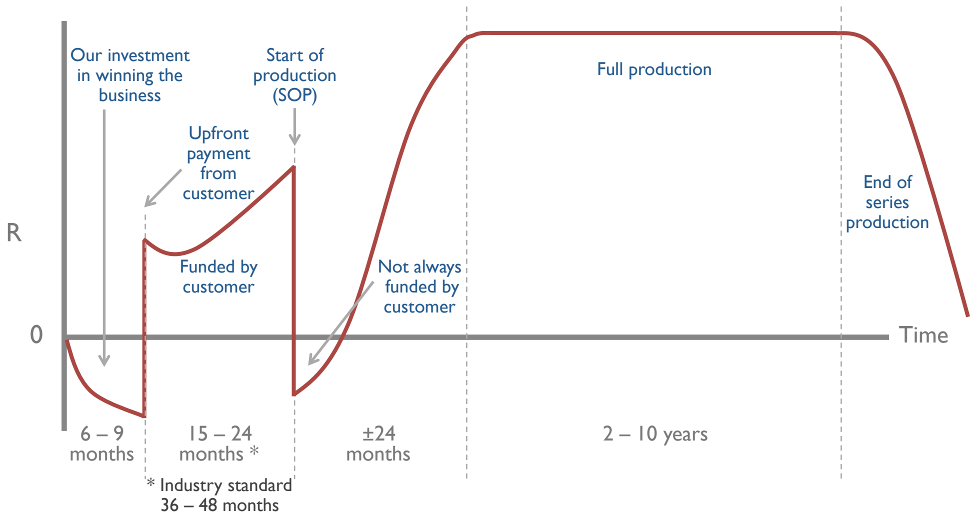
Pi Shurlok – typical production program cash flow profile



This graph is not to scale and is for indicative purposes only

Results

Income statement - highlights

- Gross profit margin
  - 2009: 26.3%
  - 2010: 27.2%
- Normalised EBITDA increased 32.1%
- Marginal decrease in total expenses
- R2.2 million profit after tax
  - 2008: (R75.7) million
  - 2009: (R22.3) million
- Earnings per share (cents)
  - 2009: (12.3)
  - 2010: 1.6

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Income statement for the year ended 31 December 2010

	GROUP	
	2010 Audited R 000	2009 Audited R 000
CONTINUING OPERATIONS		
Revenue	906 123	840 404
Cost of sales	(659 239)	(618 989)
Gross profit	246 884	221 415
Other operating income	10 173	6 735
Marketing and selling expenses	(40 365)	(31 767)
Administrative expenses	(78 996)	(94 210)
Other operating expenses	(124 957)	(120 164)
Operating profit/(loss)	12 739	(17 991)
Finance income	-	303
Finance costs	(11 295)	(14 151)
Share of profit from joint ventures	415	148
Profit/(loss) before taxation	1 859	(31 691)
Taxation	355	14 803
Profit/(loss) for the year from continuing operations	2 214	(16 888)
Earnings/(loss) per share (cents) - continuing operations		
Basic	1.6	(12.3)
Diluted	1.6	(12.3)

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Normalised EBITDA reconciliation to profit/(loss) for the year from continuing operations

	GROUP	
	2010	2009
	Audited	Audited
	R 000	R 000
Normalised EBITDA	42 973	32 521
Depreciation and amortisation	(29 771)	(30 886)
Impairment of intangible assets and property, plant and equipment	(222)	(288)
Write-down of inventories	-	(14 551)
Restructuring costs	-	(2 264)
Loss on disposal and scrapping of property, plant and equipment	(3)	(2 523)
Share based payments expense	(238)	-
Operating profit/(loss)	12 739	(17 991)
Net finance costs	(11 295)	(13 848)
Share of profit from joint ventures	415	148
Profit/(loss) before taxation	1 859	(31 691)
Taxation	355	14 803
Profit/(loss) for the year	2 214	(16 888)

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Condensed statement of cash flows for the year ended 31 December 2010

	GROUP	
	2010	2009
	Audited	Audited
	R 000	R 000
Net cash generated from operating activities	34 484	59 782
Net cash utilised in investing activities	(25 342)	(19 750)
Net cash generated from/(utilised in) financing activities	3 796	(237)
Net cash inflow for the year	12 938	39 795
Forex translation adjustments on cash and cash equivalents	506	569
Cash and cash equivalents at the beginning of the year	28 254	(12 110)
Cash and cash equivalents at the end of the year	41 698	28 254

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Segmental information for the year ended 31 December 2010

Audited	GROUP OEM R 000	 Aftermarket R 000
External revenue	433 188	472 935
Inter-segment revenue	3 478	-
Total segment revenue	436 666	472 935
Normalised EBITDA	7 911	53 153
Depreciation and amortisation	(16 558)	(13 141)
Finance income	770	1 227
Finance costs	(7 215)	(8 890)
Share of profit from joint ventures	415	-
Taxation	4 287	(3 176)
Total assets	292 882	287 981
Investments in joint ventures	980	-

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Aftermarket business

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Aftermarket business - results

- Revenue increased 4.1%
  - 2009: R454.2 million
  - 2010: R472.9 million
  - Does not reflect the significantly improved sales performance
    - A number of under performing product lines discontinued in 2009
- Normalised EBITDA increased 90.6%
  - 2009: R27.9 million
  - 2010: R53.2 million

Aftermarket business - results

	2010 Audited R 000	2009 Audited R 000
External revenue	472 935	454 179
Inter-segment revenue	-	-
Total segment revenue	472 935	454 179
Normalised EBITDA	53 153	27 893
Depreciation and amortisation	(13 141)	(14 688)
Finance income	1 227	6 569
Finance costs	(8 890)	(11 452)
Share of profit from joint ventures	-	-
Taxation	(3 176)	9 362
Total assets	287 981	350 135

OEM business

OEM business - results

- Revenue increased 12.6%
  - 2009: R387.8 million
  - 2010: R436.7 million
- Normalised EBITDA decreased
  - 2009: R15.3 million
  - 2010: R7.9 million

OEM business - results

	R 000 Audited 2010	R 000 Audited 2009
External revenue	**433 188**	386 225
Inter-segment revenue	**3 478**	1 582
Total segment revenue	**436 666**	387 807
Normalised EBITDA	**7 911**	15 251
Depreciation and amortisation	**(16 558)**	(15 914)
Finance income	**770**	4 518
Finance costs	**(7 215)**	(9 582)
Share of profit from joint ventures	**415**	148
Taxation	**4 287**	4 462
Total assets	**292 882**	298 904
Investments in joint ventures	**980**	565

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The future

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The future – Aftermarket business

- Continued focus on brand building and customer relationships
- Continue to increase critical mass
  - Acquire new premium branded product lines
  - Consider business acquisition(s)
- Challenges
  - Constant 'China threat'

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The future – OEM business

- Ensure successful implementation into production of major programs
- Expansion of OpenECU™ platforms
  - Ongoing investment required
- Challenges
  - Keeping up with technology
  - Finding and retaining the right people with the right skills – worldwide

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The future – OEM business

- Focus where
  - Our existing strengths give us competitive advantage
  - We already have contacts
  - We have identified potential opportunities
- Potential opportunities identified
  - MicroCHP (domestic combined heat and power) controllers
  - Incorporating communication interfaces in our products
  - Electric vehicle and hybrid vehicle technology, including battery management
  - New-generation engine controllers

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The future – Group

- Ongoing questions we ask ourselves
  - How do we improve and maximise the value of our
    - Businesses
    - Brands
    - Technology
  - Are we correctly positioned to survive and grow?
  - Can we unlock the underlying value and if yes, how?

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Web sites

- www.ci.co.za
- www.pi-shurlok.com
- www.ci-automotive.com

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