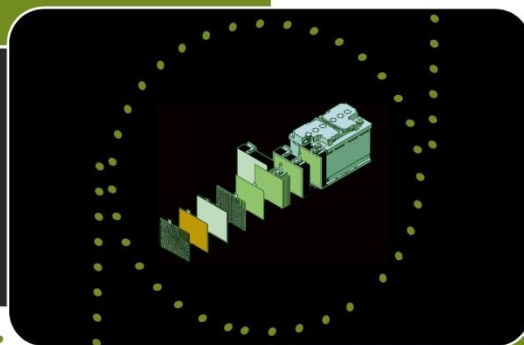


METAIR

INVESTMENTS LIMITED

automotive | industrial | retail



INTERIM RESULTS
6-MONTHS ENDING 30 JUNE 2012
STRATEGIC & OPERATIONAL UPDATE
20TH AUGUST 2012

AGENDA

- Interim Results / Vision & Strategy
- Rombat Acquisition
- Start/Stop Battery Development & Commercialisation Program
- Metair Re-branding





RESULTS

METAIR TRADING CHARACTERISTICS FOR THE PERIOD

- Continued delivery on our strategy
- First overseas acquisition in the form of Rombat in Romania
- Return to normality in First National Battery after the fire in same comparative previous period
- Launch of Start/Stop battery technology in the local OE (Original Equipment) market
- Re branding of Metair Investments Limited
- Start of major overseas capital investment



METAIR TRADING CHARACTERISTICS FOR THE PERIOD

- Healthy local OEM (Original Equipment Manufacturer) demand
- Improved local aftermarket sales
- Non-automotive demand growth
- Doubling of aftermarket exports sales
- Entrance of overseas competitive low cost producers in local market
- Exchange rate fluctuations (devaluation compared to previous period)





VISION & STRATEGY

VISION



“To generate value for all our stakeholders by managing and controlling businesses that through manufacturing and/or logistical excellence, deliver quality, cost-competitive products to our customers in a sustainable manner.”

STRATEGY

- Continue to target balance in the business
- Nurture Original Equipment (OE) business and expand Original Equipment Manufacturer (OEM) customer base
- Focus intently on cost
- Secure and grow aftermarket product range
- Pursue the acquisition of a complementary business to leverage off our technologies, efficiencies and product range in the aftermarket and non-automotive business





FINANCIAL REVIEW

FINANCIAL HIGHLIGHTS

ITEM	2012	2011
	R'000	R'000
↑ Revenue	2 589 466	2 051 834
↑ EBITDA excluding PPE fire effect	396 971	330 392
↑ Operating Profit	325 415	307 757
↑ Operating Profit excluding PPE fire effect	325 415	279 387
↓ Operating Income Margin excluding PPE fire effect	12,6	13,6
↑ Profit After Tax	233 084	232 587
↓ Attributable Profit to Ordinary Shareholders	202 438	207 985
↓ Earnings Per Share	143	147
↑ Headline Earnings Per Share	143	128
↓ Net Cash including borrowings	(17 976)	245 283

REVENUE GROWTH

Strategic Influence

- Exchange rate influences (Not from strategy)
- Product diversification (From strategy)
- Customer diversification (From strategy)
- Aftermarket growth (From strategy)
- Acquisitions (From strategy)



REVENUE GROWTH

Strategic Influence

- Exchange rate influences (Not from strategy) + R100 million
- Product diversification (Strategic) + R70 million
- Customer diversification (Strategic) + R100 million
- Acquisitions (Strategic) + R147 million



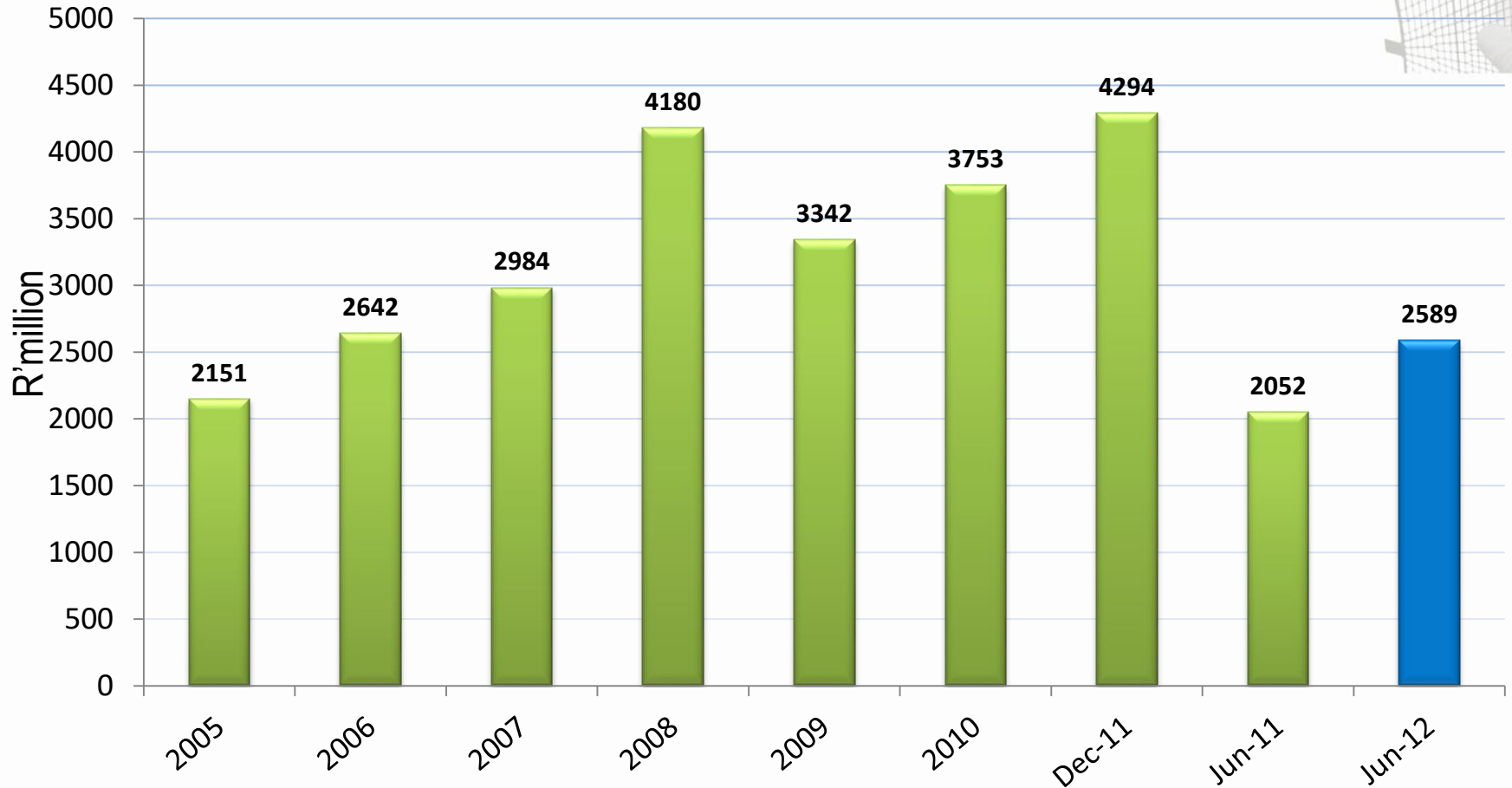
REVENUE GROWTH

Strategic Influence

- Acquisitions + R147 million
 - Customer diversification + R39 million
 - Aftermarket diversification + R108 million
 - Local R31 million
 - Export R77 million

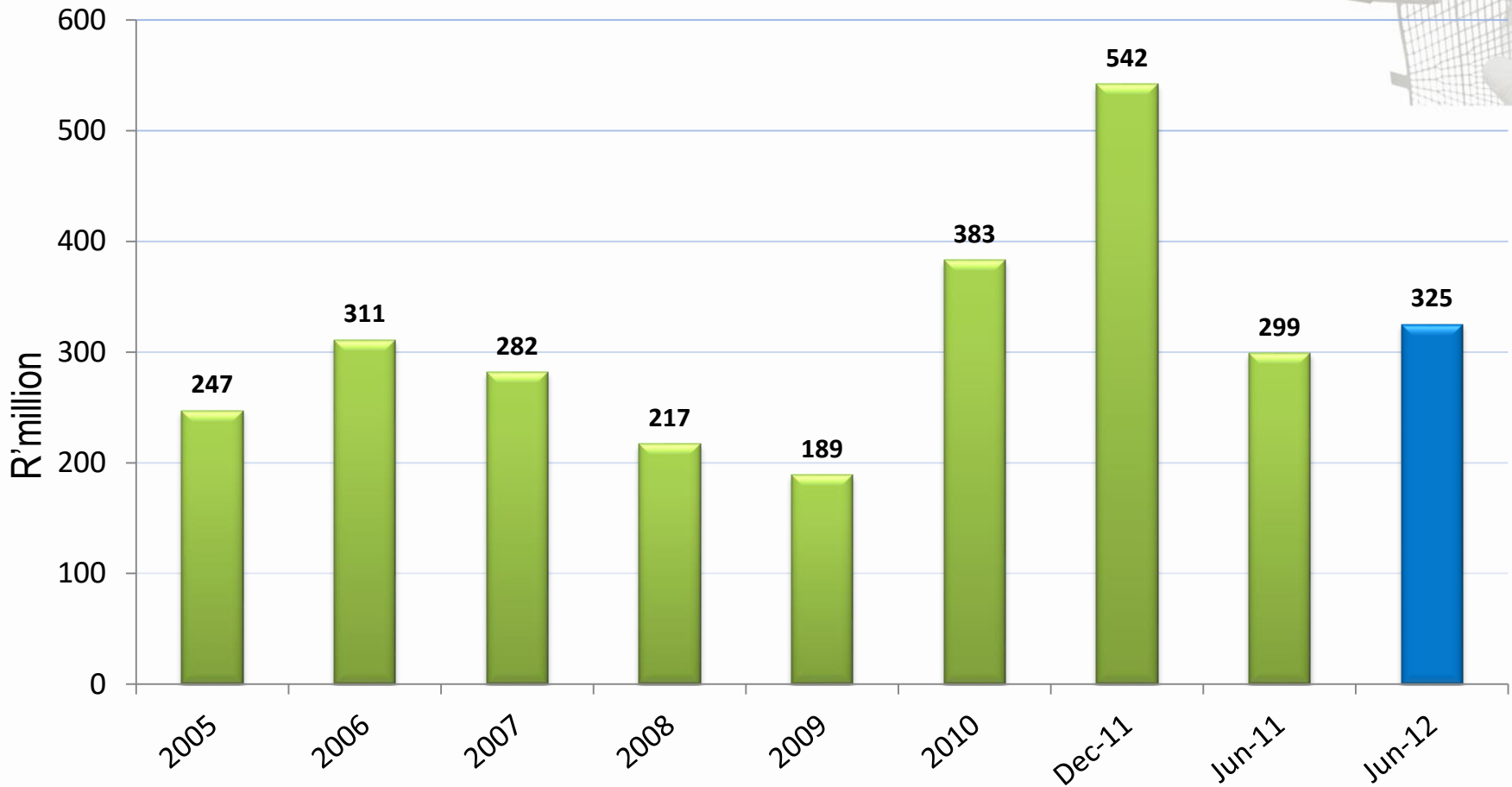


GROUP REVENUE

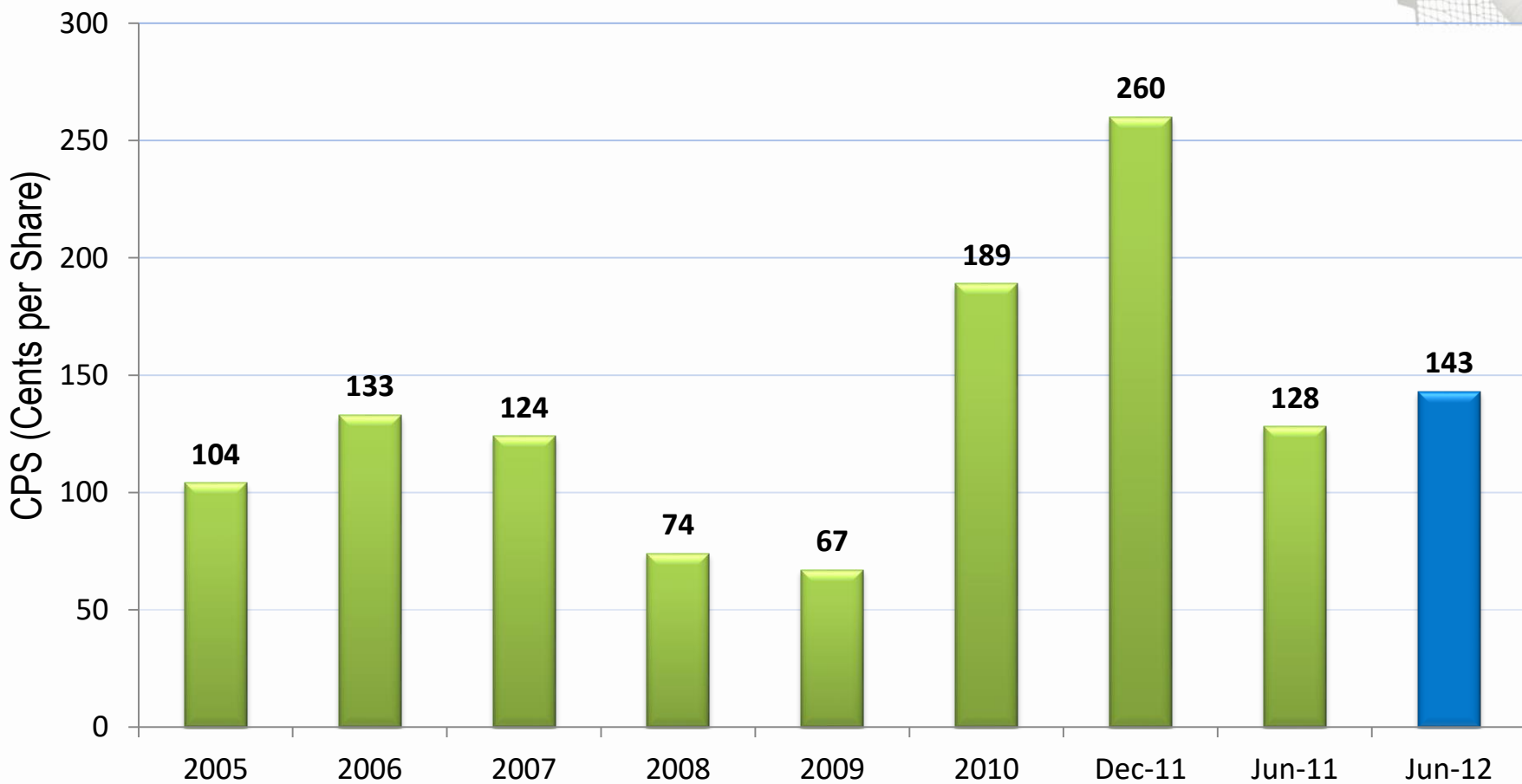


OPERATING PROFIT

(Excluding impact of fire and impairment)



HEADLINE EARNINGS PER SHARE (HEPS)



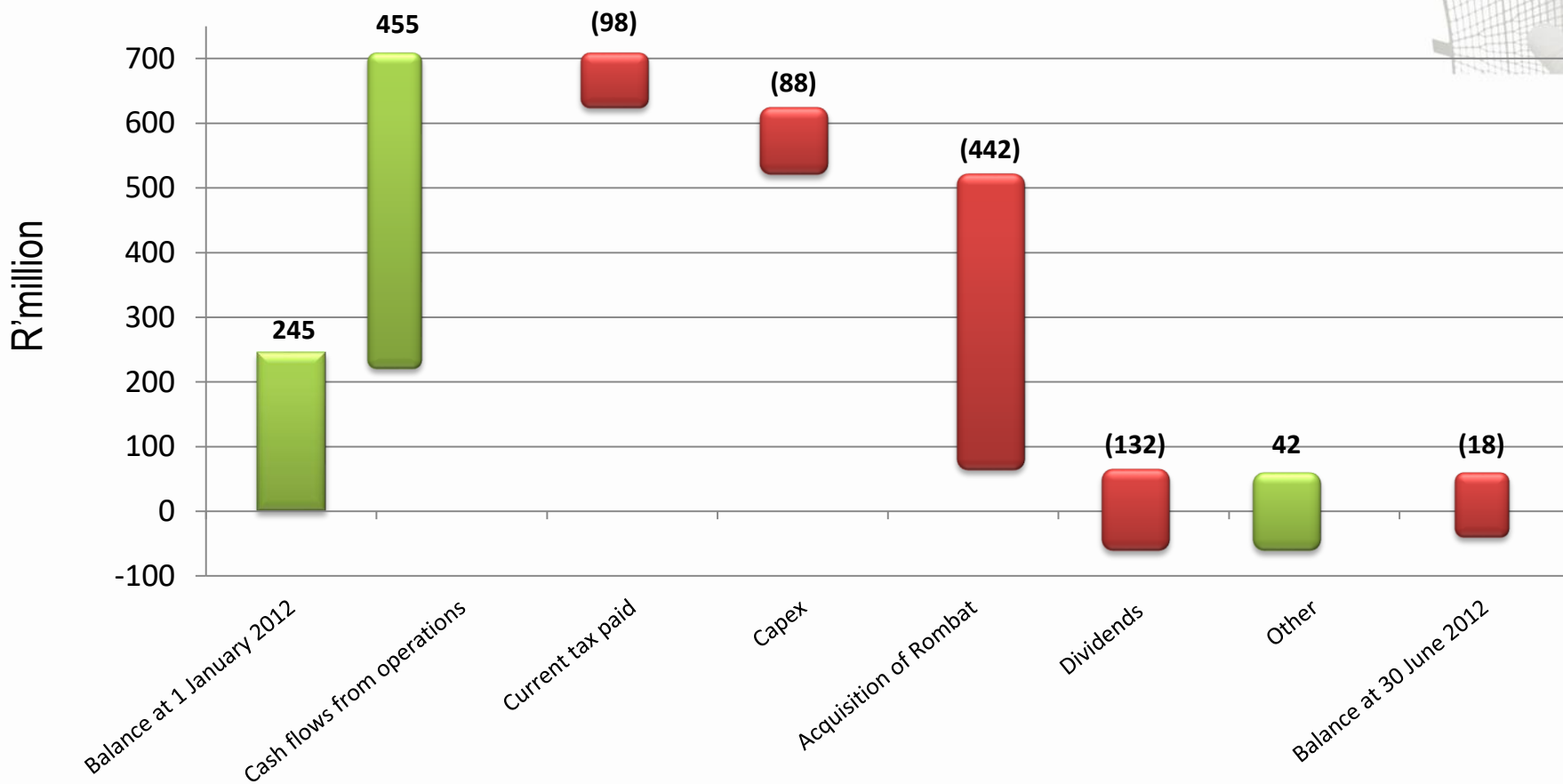
SEGMENTAL REPORTING

R'000	Revenue			Profit before interest and tax		
	Six months ended 30 June		Year ended December	Six months ended 30 June		Year ended December
	2012	2011	2011	2012	2011	2011
Local						
Original equipment	1 608 915	1 285 011	2 697 984	176 348	149 998	276 631
After market	519 491	433 776	893 159	84 326	91 486	194 157
Non-auto	244 798	206 134	441 385	32 684	34 993	58 956
	2 373 204	1 924 921	4 032 528	293 358	276 477	529 744
Direct exports						
Original equipment	50 500	45 789	86 201	9 373	(3 631)	(7 941)
After market	149 508	65 622	139 060	14 325	9 727	20 698
Non-auto	16 254	15 502	36 363	1 116	431	2 782
	216 262	126 913	261 624	24 814	6 527	15 539
Property rental	31 833	30 436	60 873	29 106	29 991	59 980
Reconciling items *	(31 833)	(30 436)	(60 873)	(8 731)	3 497	(9 701)
Total	2 589 466	2 051 834	4 294 152	338 547	316 492	595 562
Net interest income				(1 085)	1 423	6 438
Profit before tax				337 462	317 915	602 000

RECONCILIATION OF EBITDA TO PROFIT



MOVEMENT IN NET CASH



WORKING CAPITAL

R'million

ITEM	June 2012	June 2011	Dec 2011	Dec 2010
Inventory	763	608	694	607
Trade & receivables	758	552	519	397
Trade & payables	(718)	(551)	(533)	(503)
Total	803	609	680	501

DAYS

Inventory	53	54	59	59
Trade & receivables	53	49	44	39
Trade & payables	(50)	(49)	(45)	(49)
Total	56	54	58	49

All days calculations based on turnover



ROMBAT ACQUISITION

EUROPEAN MARKET AND ENCAPSULATING AFRICA





ROMBAT ACQUISITION RATIONALE

STRATEGY

- Continue to target balance in the business
- Nurture Original Equipment (OE) business and expand Original Equipment Manufacturer (OEM) customer base
- Focus intently on cost
- Secure and grow aftermarket product range
- **Pursue the acquisition of a complementary business to leverage off our technologies, efficiencies and product range in the aftermarket and non-automotive business**



ROMBAT PPA

Purchase Price Allocation



Recognised amounts of identifiable assets acquired and liabilities assumed:	R'000 Provisional fair Value
Assets	
Trademark and other intangible assets	30 003
Property, plant & equipment	271 186
Inventory	97 368
Trade and other receivables	185 473
Cash and cash equivalents	111 386
	695 416

ROMBAT PPA

Purchase Price Allocation



Recognised amounts of identifiable assets acquired and liabilities assumed:	R'000 Provisional fair Value
Liabilities	
Borrowings	(61 542)
Provisions	(2 363)
Trade payables and other payables	(103 408)
Overdraft	(96 755)
Net deferred tax	(11 594)
	(275 662)
Total identifiable net assets	419 754
Less: Non-controlling interest	(3 008)
Goodwill	32 608
Purchase consideration transferred	449 354

ROMBAT ACQUISITION HEALTH CHECK

- Transfer of Associates In progress
- Transfer of Technology In progress
- Integration Going well
- Change Management In progress
- Start/Stop facility In progress
- Expansion of aftermarket footprint Europe
- Availability of recycled material




START/STOP BATTERY DEVELOPMENT AND COMMERCIALISATION PROGRAM


1930 – 1981	Oldham GW flooded battery mining cap lamp
1981	Introduction of VRLA AGM battery mining cap lamp
1981 – 1984	Extensive field testing and warranty analysis
1984	Introduction design improvements on VRLA AGM battery mining cap lamp
1992	1 000 000 th sales of VRLA AGM battery mining cap lamp
1995	2 000 000 th sales of VRLA AGM battery mining cap lamp
1997	Development of first 12V 100Ah VRLA AGM battery
2003	Introduction of first LED VRLA AGM mining cap lamp
2007	Prototype design for first VRLA AGM battery for Start/Stop vehicle
2008	First commercial production of Start/Stop VRLA battery



START/STOP BATTERY DEVELOPMENT AND COMMERCIALISATION PROGRAM

- 
- 2008 Design and tested to German Automobile & Industry Association Specification (VDA)
- 2009 Improved Start/Stop VRLA battery design
Additional BMW testing
Requested to consider transferring Start/Stop technology to Europe
- 2010 Start/Stop VRLA battery compliant to VDA and BMW testing requirements
Installation of state of the art VRLA production line at FNB
Sign Technical Aid Agreement with Rombat on Start/Stop
Develop relationship with Rombat
- 2011 Install state of the art VRLA formation plant at FNB
Entered into first negotiations with Rombat

START/STOP BATTERY DEVELOPMENT AND COMMERCIALISATION PROGRAM

- 
- 2011
- Further develop of relationship with Rombat
 - Conditional supply approval on Start/Stop batteries for German Supply Council
- 2012
- Automechanica SA Innovative Gold Award to FNB for VRLA Battery
 - Acquire Rombat
 - Supply first Start/Stop VRLA batteries to Rombat for Europe market
 - BMW SA give release to supply Start/Stop batteries to BMW Rosslyn plant
 - First delivery of Start/Stop VRLA batteries to BMW Rosslyn
 - Order state of the art Start/Stop VRLA production line for Rombat
 - Sale of 5 000 000 VRLA batteries to date (Including mining cap lamp)

METAIR RE-BRANDING



MET *a*
i
r **INVESTMENTS LIMITED**

METAIR RE-BRANDING

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T **i**ndustrial
A **r**etail
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METAIR RE-BRANDING – OLD LOGO



METAIR



METAIR RE-BRANDING – NEW LOGO

METAIR
INVESTMENTS LIMITED

automotive | industrial | retail





Q & A

THANK YOU



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DISCLAIMER

The information supplied herewith is believed to be correct but the accuracy thereof at the time of going to print is not guaranteed. The company and its employees cannot accept liability for loss suffered in consequence of reliance on the information provided. Provision of this data does not obviate the need to make further appropriate enquiries and inspections.