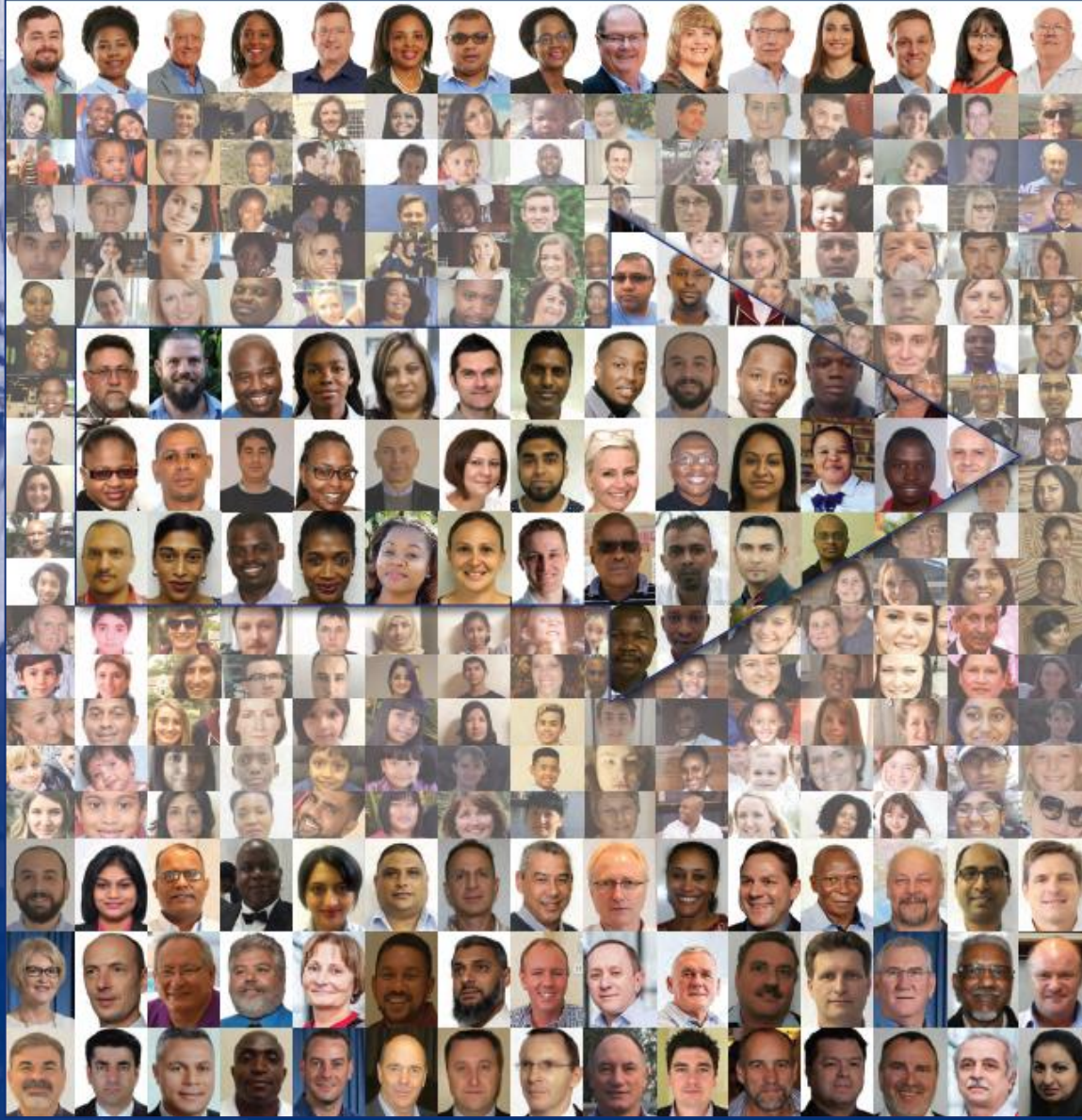


METAIR

INVESTMENTS LIMITED

automotive | industrial | retail

METAIR SITE VISIT – TURKEY 2017



This presentation has been prepared to provide investors with supplementary disclosure relating to the strategy, financial and operational information of previously published annual and interim results.

In addition, Metair wished to update margin guidance for the Automotive Component Vertical.

The supplementary information covers the following areas:

- ✓ General strategic path disclosure, including impact and Metair response to disruptive technology
- ✓ Geographic revenues and margins
- ✓ Geographic volumes
- ✓ Local currency operating profit for Mutlu and Rombat
- ✓ Invested capital by business vertical
- ✓ Last twelve month (“LTM”) financial and operational analyses

As such, this information should be read with and understood within the context of Metair’s annual integrated report, as well as previously released annual and interim results presentations

- Opening observation – Who is Metair?
- Disruptive Technology - Metair Electric Vehicle (EV) adaptability
- Enhancement of Metair strategy
- Financial & Operational supplementary disclosures
- Prospects
- Q & A

OPENING OBSERVATION

WHO IS METAIR

Metair Investments Limited is a 70-year old listed company on the Johannesburg Securities Exchange (JSE) who is invested in 11 companies in South Africa and 5 International operations covering two distinct business verticals.

The Energy Vertical operates locally and internationally while the Automotive Components Vertical operates in South Africa only.

OPENING OBSERVATION

WHO IS METAIR

In the Energy Vertical our product offering range from lead acid batteries to Li-ion energy solutions for the automotive, retail, standby, mining, utilities, telecommunications and OEM industry.

In the Automotive Components Vertical our product offering ranges from Wire Harnesses (engine room main, instrument cluster & panel, etc.), Heat Exchange products (radiators, pipes & hoses, condensers, evaporator cores, HVAC units, etc.), Lighting products (headlights, taillights, signal lights, etc.), Plastic products (door panels, center consoles, chromed parts, etc.), Suspension parts (coil springs, leaf springs, stabilizer bars, shock absorbers, etc.) and Brake systems (brake shoes, disks, drums, etc.) for the OEM and Aftermarket industries.

ENHANCED METAIR GLOBALISATION STRATEGY

COMPANY DESIGN

Metair's strategy for our Energy Storage Vertical is to become the world leader in the supply of energy source products used in control and energy solutions across the full spectrum of mobility options and to nurture our Automotive Components Vertical with participation in selected growth opportunities.

2 Strong Businesses with Key Markets

Automotive Components Vertical

- Parts sold to OEM's used in the assembly of new vehicles
- Spare parts and generic aftermarket products used in the auto aftermarket and for imported vehicles
- Key market is **South Africa**

Energy Storage Vertical

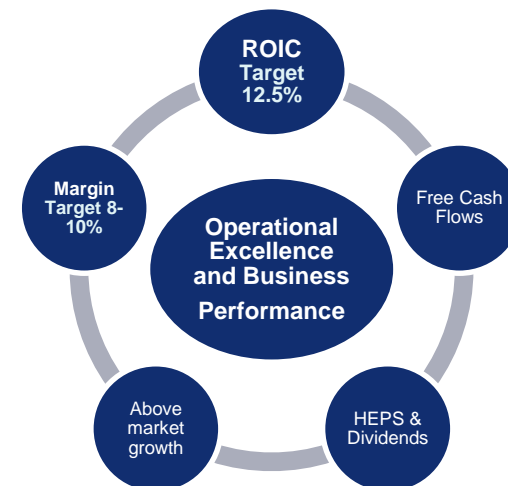
- Energy Vertical moving towards being world leader in Mobility Energy supply
- Manufacture of batteries for use in the automotive, telecoms, utility, mining and materials/products handling sectors
- Automotive batteries are supplied to all major OEMs
- Annuity income generated from vehicles sold as they require replacement parts
- Key markets are **South Africa, Sub-Saharan Africa, Romania, Slovakia, Russia, Turkey, Hungary, UK, Germany, Kenya, China**

Metair Business Strategy

3 X 5 Strategy: Energy Storage Vertical






- Targeting 10% of world mobility battery supply of the 500 million batteries
- Company believes 50 million battery target for group companies will equate to relevance in the market
- 5-year target to achieve world leader position in mobility energy supply
- Targeting leading technology application like Lithium Ion across all product range in electrical and all systems in all forms of mobility

Creating sustainable long-term shareholder value



OPENING OBSERVATION

INVESTEE COMPANIES

Logo	Company	Ownership	Key business area and products	IP in product development	Manufacturing partnerships	Key OE relationships
	Mutlu Akü	100.0%	Batteries, solar systems, backup systems, standby systems, charging systems	✓		
	First National Battery	100.0%	Batteries, solar systems, backup systems, standby systems, charging systems, Battery Centre franchise	✓		
	Rombat	99.4%	Batteries, solar systems, backup systems, standby systems	✓		
	Supreme Spring	100.0%	Coil springs, leaf springs, stabiliser bars, torsion bars	✓		
	ATE	100.0%	Brake pads, brake discs, brake shoes, hydraulics and other braking components	✓		
	Lumotech	100.0%	Headlights, tail lights, reflectors, plastic injection mouldings, commercial lighting including streetlights and warehouse lights	✓	✓	
	Tenneco Automotive	25.1%	Shock absorbers, struts, track control arms		✓	
	Hesto Harnesses	74.9%	Wiring harnesses, instrument cluster/combination meters		✓	
	Valeo SA	49.0%	Front end modules		✓	
	Smiths Plastics	100.0%	Plastic injection moulding		✓	
	Automould	100.0%	Plastic injection moulding		✓	
	Smiths Manufacturing	75.0%	Air-conditioning and climate control systems, air cleaners, radiators, wiper systems, engine control units, washer systems, charge air coolers, reserve tanks		✓	
	Unitrade	100.0%	Automotive cable, automotive wire	✓		
	Dynamic Battery Services	100.0%	National and international distribution of key battery group products			
	Associated Battery Manufacturers (East Africa)	25.0%	Automotive and solar batteries			
	Moll GmbH & Co. KG	25.1%	International distribution of key battery group products	✓		

OPENING OBSERVATION

WHO IS METAIR

Metair continues to operate in an exciting and very dynamic environment. We remain well positioned to take advantage of changing technological trends, especially in our energy storage vertical where market conditions and dynamics are subject to technology shifts in the mobility space, particularly the possible accelerated mass introduction of Electric Vehicles (EV's).

METAIR ELECTRIC VEHICLE ADAPTABILITY DISRUPTIVE TECHNOLOGIES



METAIR AS A VISIONARY – Metair group companies built two EV's in 2012.

METAIR MINDSET

- To accept the EV challenge and possibility of a 100% EV production scenario sometime in the future.
- To plan the group's path to real EV relevance and EV proof the business.

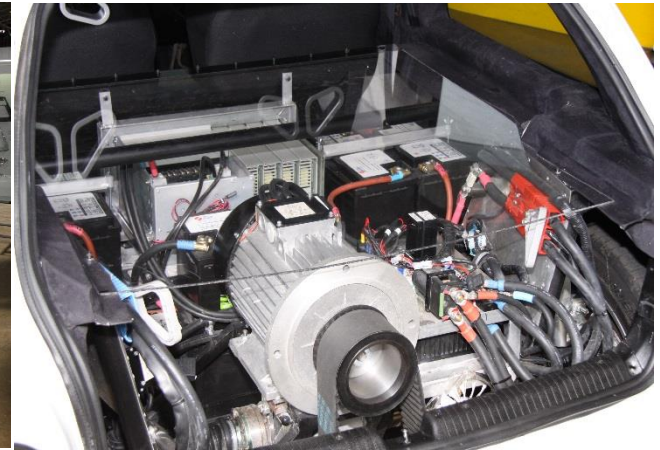
METAIR ACTION

- To enhance our strategy in order to facilitate a smooth and sustainable transition to EV reality.

METAIR ELECTRIC VEHICLE ADAPTABILITY

2012: IN-HOUSE PRODUCTION OF TWO EV'S

Design of Metair EV
from first principles:



Retrofit internal
combustion engine with
electric motor and
battery power source:



Is our current product range required in EV's?

WHAT IS OUR CURRENT PRODUCT RANGE?

- Wiring harnesses - Copper
- Lighting – Plastics
- Heat exchange products – Aluminium
- Plastic products - Plastics
- Ride control products – Steel & composites
- Energy storage batteries – Lead, Li-ion

GAIN IMPORTANCE & RELEVANCE

PRODUCTS	RELEVANCE	INCREASE
Wiring harnesses	Gain	80% increase in copper
Lighting	Gain	Increase in aesthetics
Heat exchange products	Gain/Loss	20% increase in aluminium
Plastic products	Gain	EV >20% heavier
Ride control products	Gain	Increase in comfort
Energy storage batteries	Gain	Increase in electrical demand

Is our current product range required in EV's?

YES most definitely

BUT when?

- EV's >20% heavier than ICE-V
- 70% of the carbon footprint is in the production of the vehicle
- More commodities in EV's require more conversion energy – carbon footprint is larger than ICE-V
- Lifecycle carbon footprint of EV's that is charged by electricity grid, powered by fossil fuels, are higher than ICE-V
- First disruption will come from elimination of diesel derivatives from the export models in next vehicle launches

- Hybrid vehicles will increase in importance and share the diesel derivative elimination with petrol derivatives
- Start/Stop battery storage solutions are the gateway technology in the pathway to full EV technology

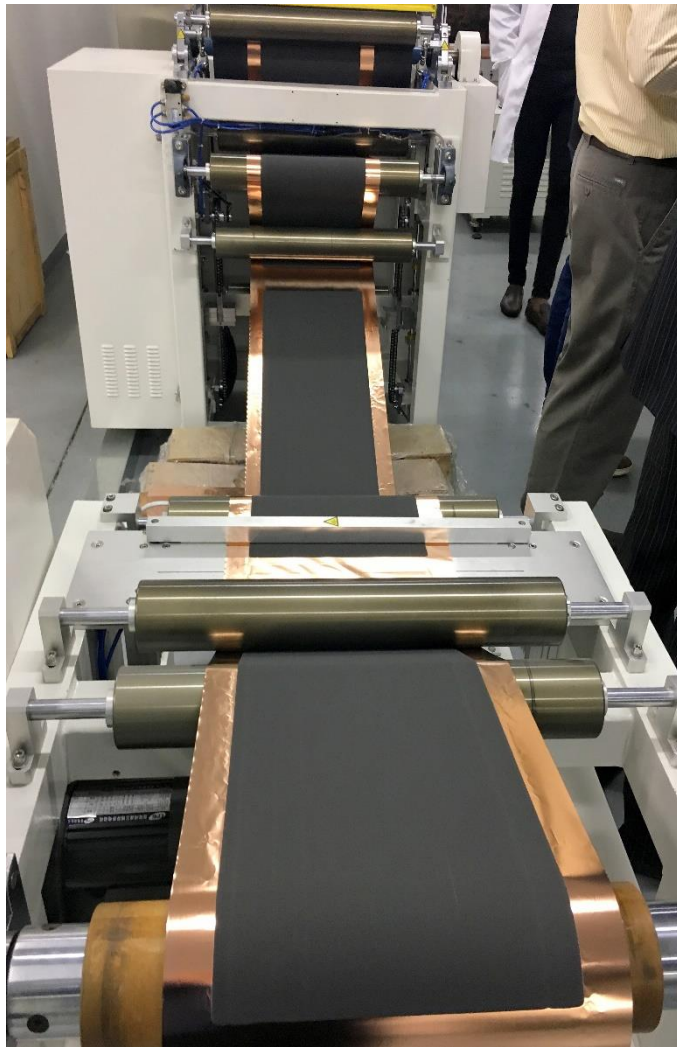
ENERGY STORAGE ADVANCEMENT



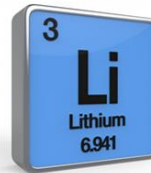
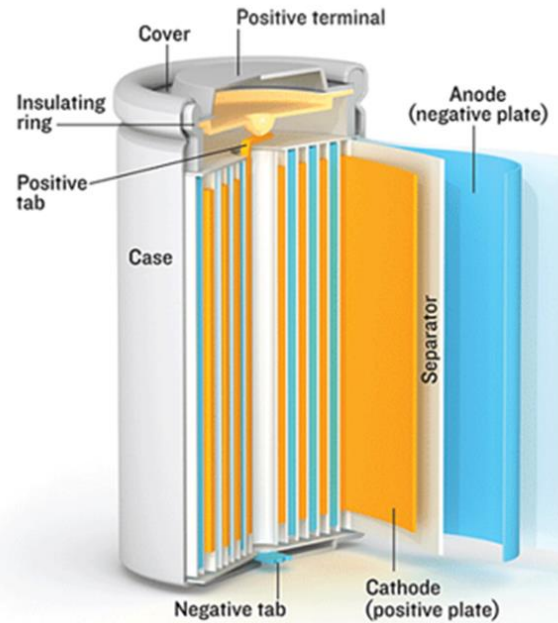
METAIR LAUNCHES PROGRAMME TO DELIVER LOCALLY PRODUCED LITHIUM-ION STORAGE SOLUTIONS IN SA, TURKEY AND ROMANIA

- Programme aims to balance the use of locally available commodities with internationally recognised chemistry solutions
- Partnership approach with academia and industry agencies on production and certification
- R3 million UWC funding over three years to support prototype lithium-ion production and to train a local post-doctoral fellow at the Argonne National Laboratory in the USA
- Aligned with Metair's strategy to be a leading market player in energy solutions for the full mobility spectrum
- Production will focus on mining cap lamp cells, 12 volts lithium ion automotive batteries, 48V lithium ion battery for Energy Storage application and Solar panel recharge.

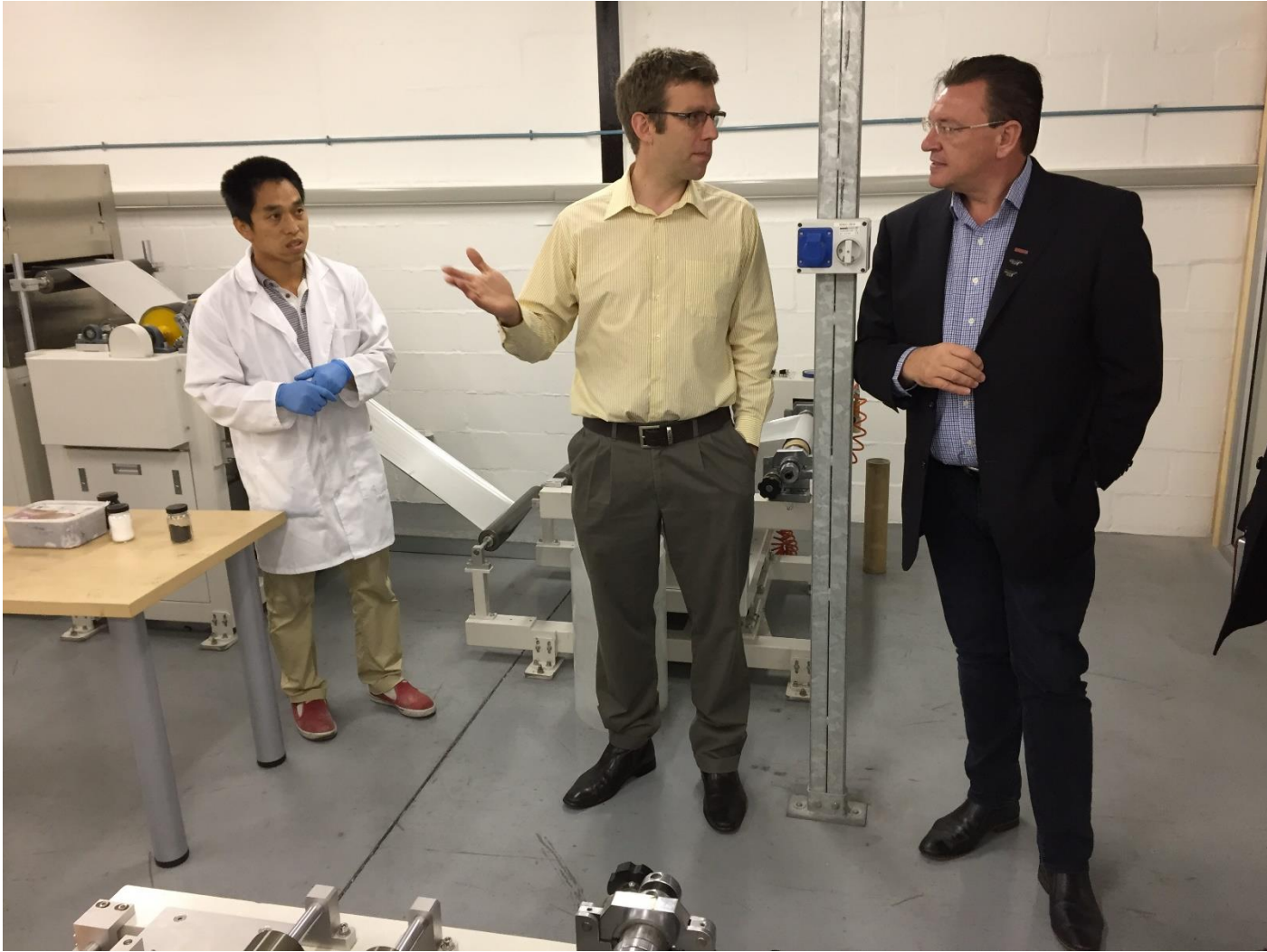
LITHIUM ION BATTERY – ELECTRODE MANUFACTURE AT ESIL, UWC, CAPE TOWN



18650 Cell Type

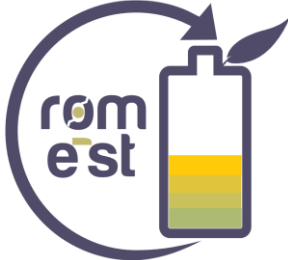


LITHIUM ION BATTERY – ELECTRODE MANUFACTURE AT ESIL, UWC, CAPE TOWN



LITHIUM ION BATTERY – MIB COLLABORATION

ROMBAT



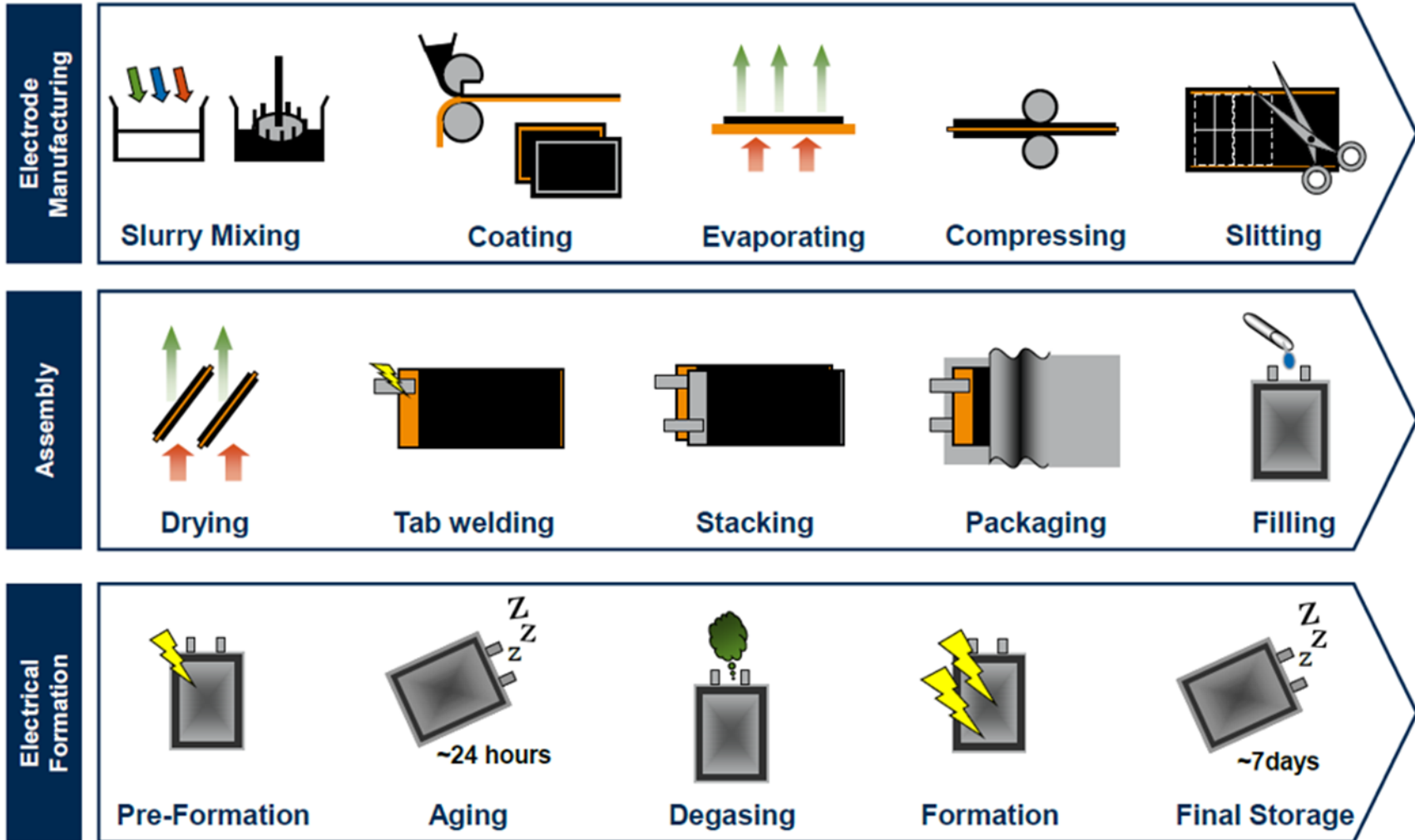
MULU



FIRST NATIONAL battery
WORLD CLASS BATTERY MANUFACTURER



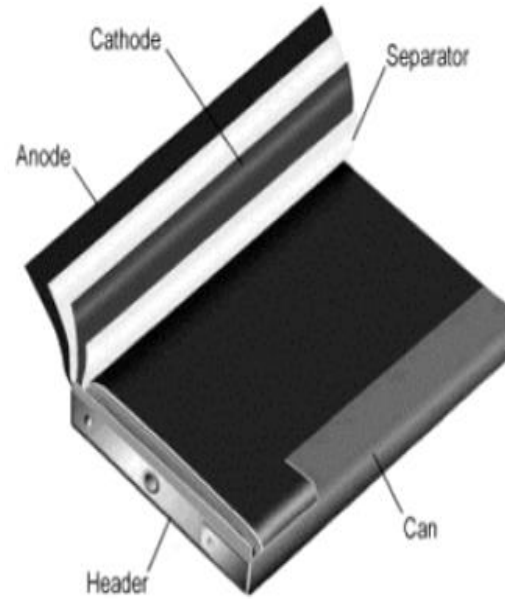
LITHIUM ION BATTERY – PRODUCTION STEPS



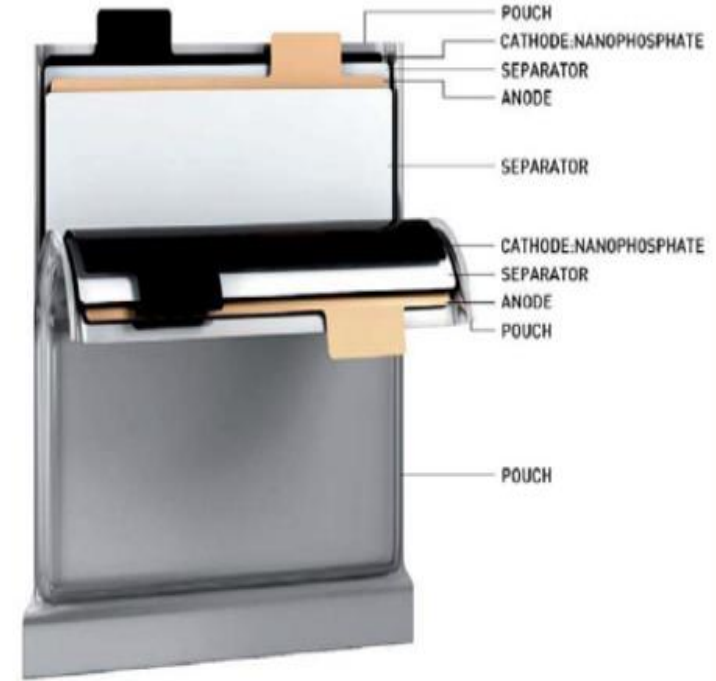
LITHIUM ION BATTERY – CELL DESIGN TYPES



Cylindrical Cell



Prismatic Cell



Pouch Cell (Stacked)

Source: M + W Group, 2015

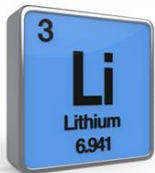
12V LITHIUM ION BATTERY DEVELOPMENT





The Chemical Company

Lithium-ion Battery Cathode Materials



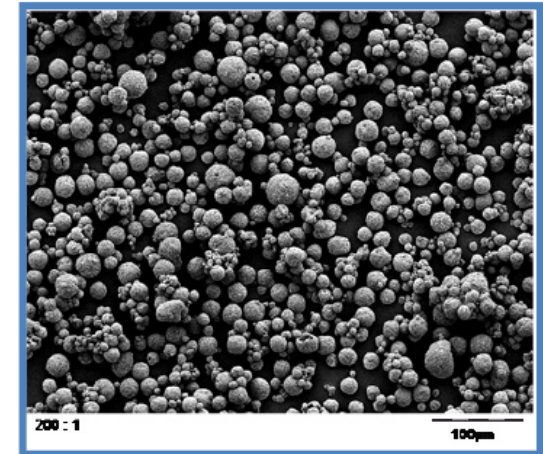
HED™ LFP-400

Lithium Iron Phosphate Cathode Materials

BASF offers a portfolio of application specific cathode materials to support **high energy density**, **safety**, and **improved efficiency** for lithium-ion batteries.

Sample Analysis	
Composition	LiFePO ₄ (carbon coated)
1 st discharge capacity* (0.1C)	156 +/- 2 mAh/g
Discharge Capacity* 10C	96 +/- 6 mAh/g
D50	9-11 μm
Tap density	~ 1 g/cm ³
Carbon content	3.6 +/- 0.2 wt %
BET surface	23 +/- 3 m ² /g

*half-cell data, uncalendared



LITHIUM ION BATTERY – PRIMEMOTORS COLLABORATION

Metair's first vehicle converted from Internal Combustion Engine to a full electric vehicle. The EV was produced in cooperation with Primemotors in Romania and fitted with in-house Lithium Ion battery technology. The EV conversion showcases Metair's understanding and adaptation of disruptive technology.



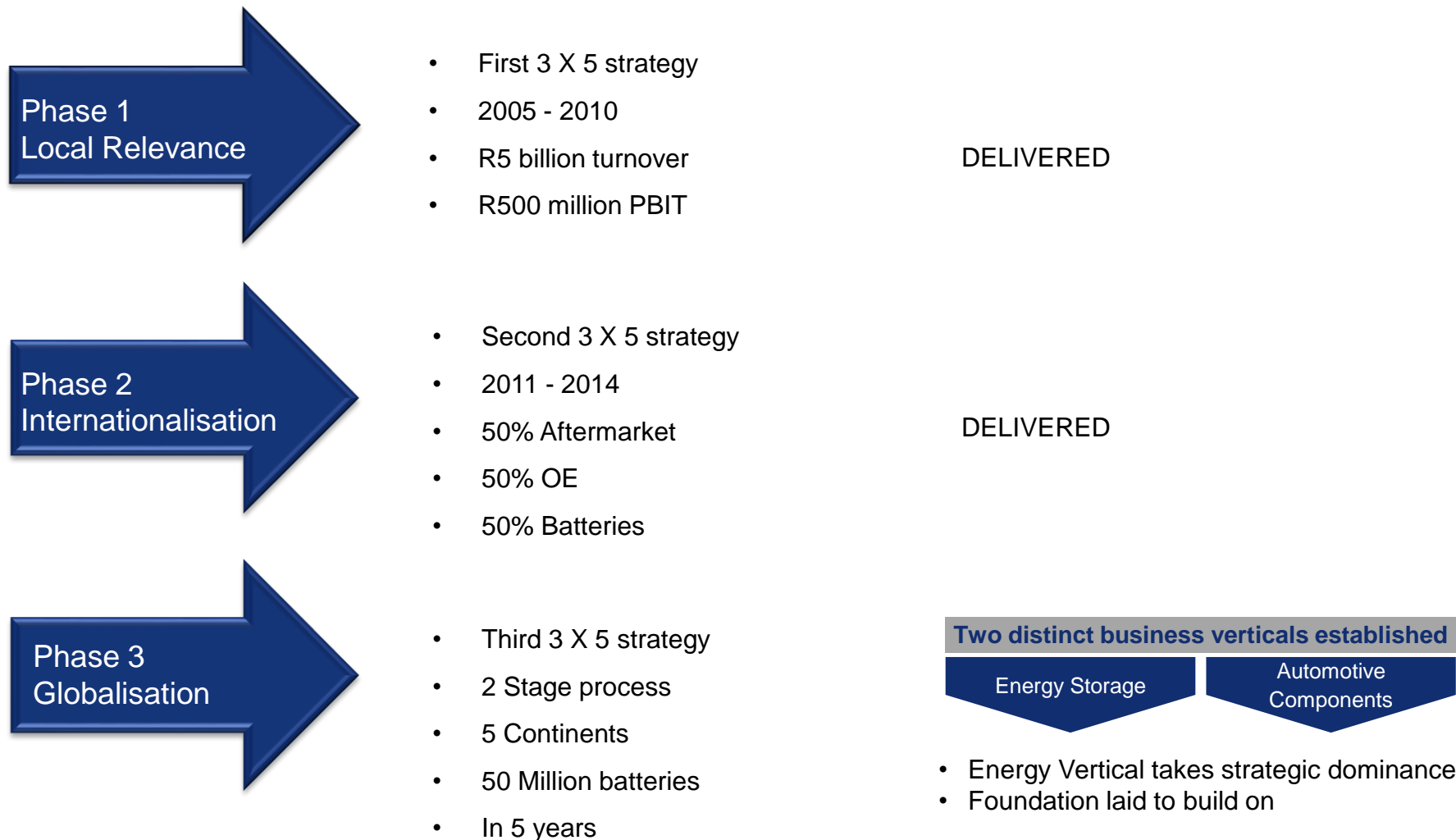
ENHANCEMENT OF METAIR STRATEGY

MOBILITY SOLUTION & MARKET DEVELOPMENT INFLUENCE



ENHANCED METAIR GLOBALISATION STRATEGY

HOW DO WE DELIVER ON THE STRATEGY



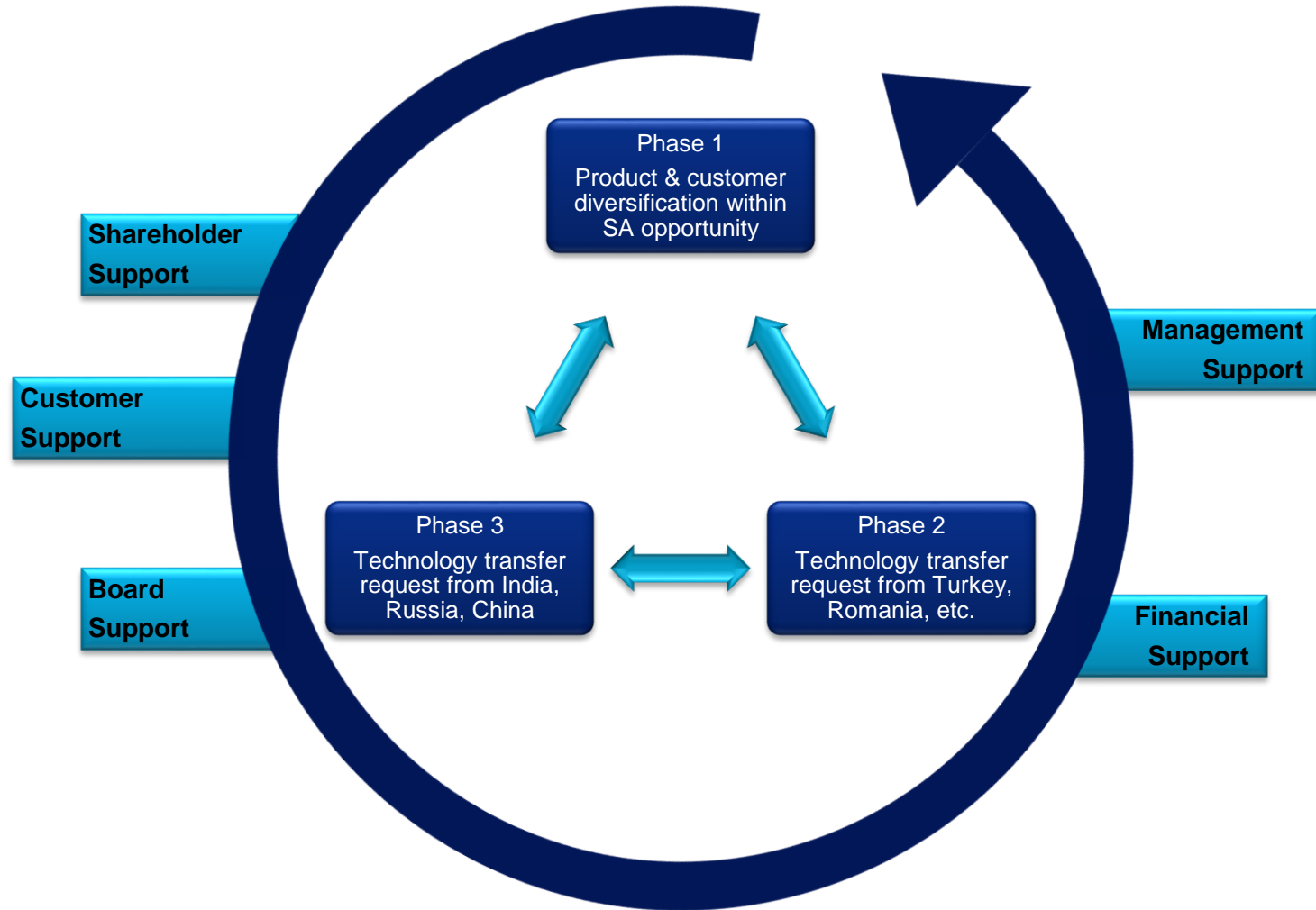
ENHANCED METAIR GLOBALISATION STRATEGY

MAIN DRIVERS BEHIND GLOBAL STRATEGY

- Intellectual property in Start Stop Technology
- Successful industrialization of Start Stop Technology
- Global carbon emission reduction drive
- Reduction of all types of pollution coming from mobility options
- Customer need for alternative suppliers
- Requests for technology transfer
- Global energy solution focus
- Continuous increase in energy demand in mobility
- Accelerated introduction of electric vehicles

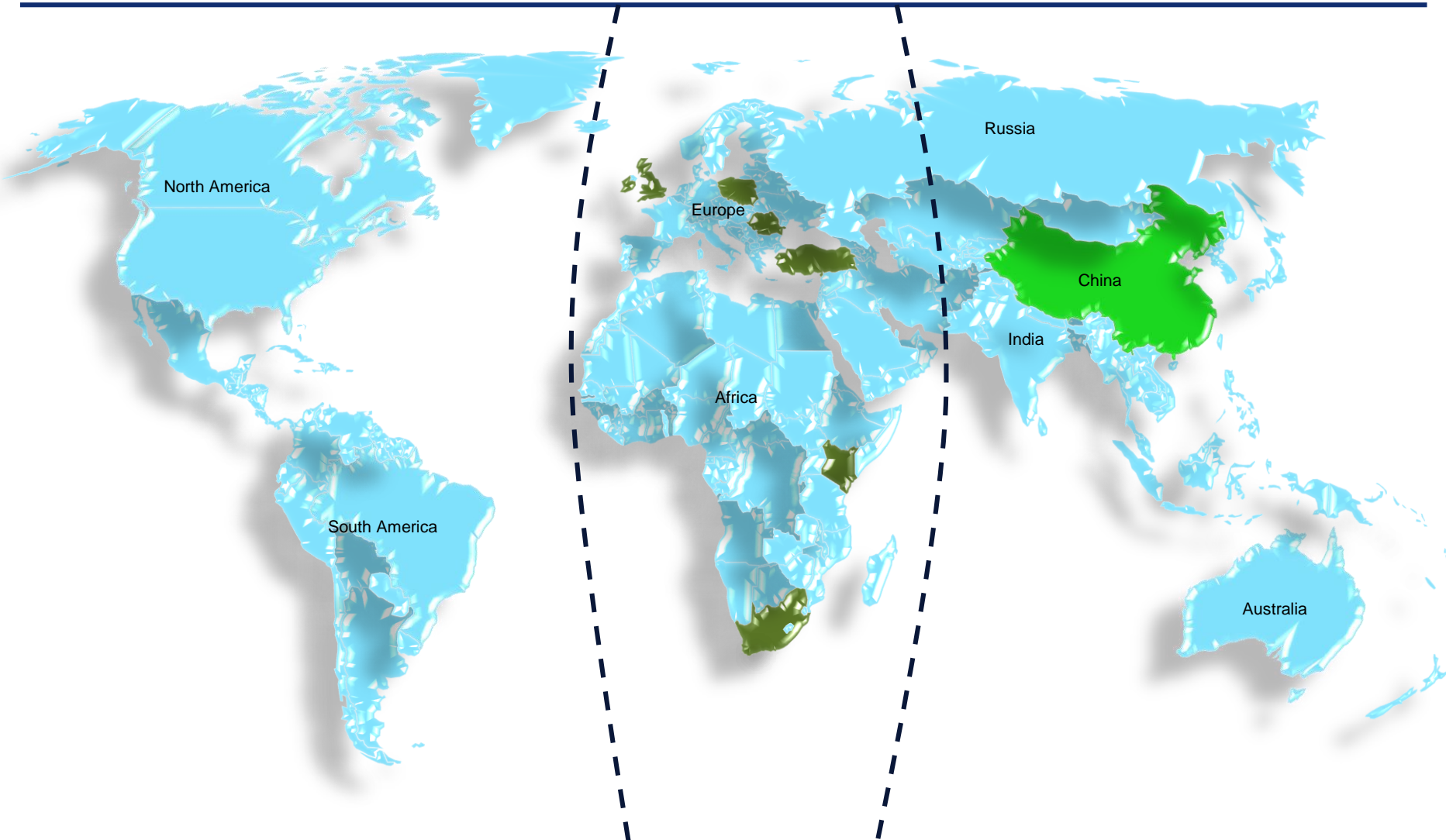
ENHANCED METAIR GLOBALISATION STRATEGY

MAIN DRIVERS BEHIND GLOBAL STRATEGY



ENHANCED METAIR GLOBALISATION STRATEGY

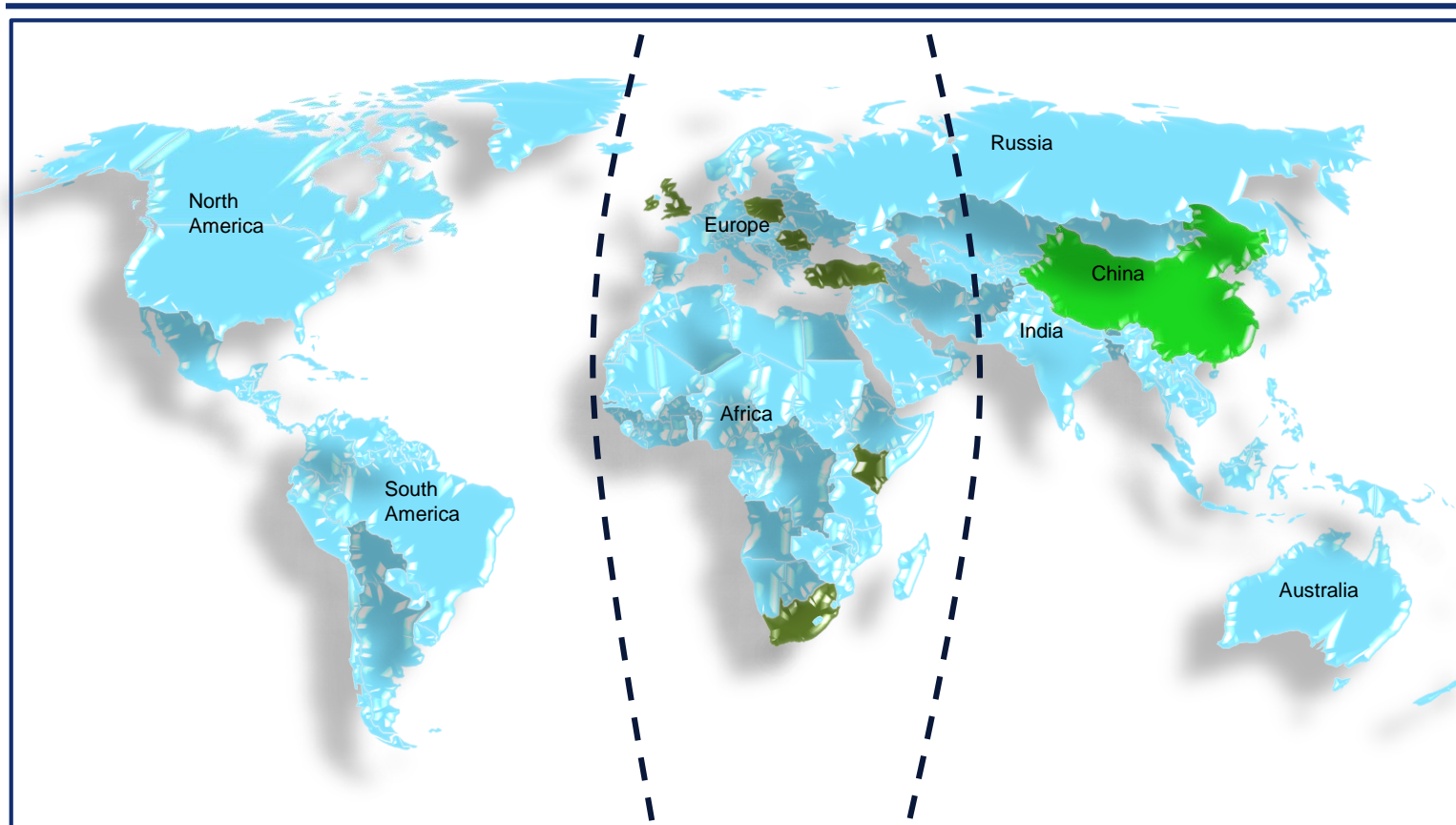
CURRENT LOCATIONS: DUE TO REQUEST FOR TA'S



“In order to maximise the span between the front and the back end of the technology spectrum Metair and our partners want to over-lay our energy solution offering across the full mobility spectrum in both developed and emerging market economies”

ENHANCED METAIR GLOBALISATION STRATEGY

MOBILITY SPECTRUM



Global Mobility Parc ('000)

E-Bike	210 526
2-Wheeler	134 500
3-Wheeler	3 069
4-Wheeler	1 369 748
Trucks	234 615
Electric Vehicles	1 326



ENHANCED METAIR GLOBALISATION STRATEGY

MARKETS: DEVELOPED AND EMERGING

Plan A



Plan B

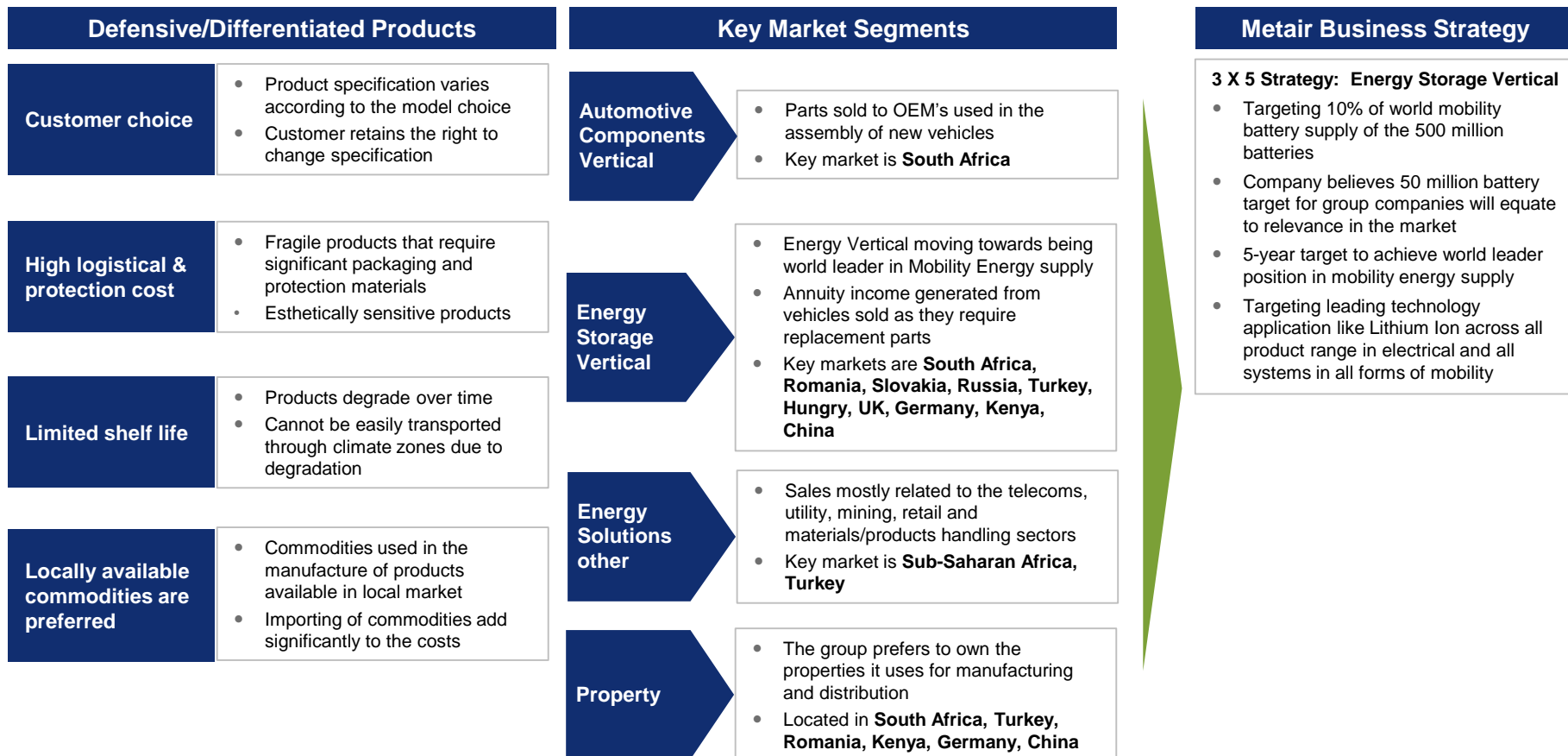


Overland Silk Road	---
Maritime Silk Road	---

ENHANCED METAIR GLOBALISATION STRATEGY

COMPANY DESIGN

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ENHANCED METAIR GLOBALISATION STRATEGY

ACCESS TO EXPERTS



DR RAINER WAGNER
MOLL Batterien
Chemistry/Electrochemistry,
Electrochemical PhD



DR DENİZ ŞEKER
Mutlu
R & D Director
Mechanical Engineering



DR MUHSİN MAZMAN
Mutlu
New Technologies & Laboratory Manager
Chemistry



DR SUAT YILDIRMAZ
Mutlu
Senior BMS Engineer
Electrical – Electronics Engineering



DR CSAPO MARTINESCU ERNEST ELOD
Rombat
PhD. Philosophiae Doctor
Technical Science , Electrical machines, apparatus and
electrical drives



DR LOUIS DENNER
MIB
BSc, BSc Hons, MSc and PhD



DR FRANK GÜTHLEIN
MOLL Batterien
PhD on Inorganic Catalysis



DR BORIS STEINER
MOLL Batterien
Degree in Physics, PhD in Engineering
Sciences

ENHANCED METAIR GLOBALISATION STRATEGY

ACCESS TO EXPERTS



	Name	Major
1.	Dr Sun Yanxian	Electrochemistry
2.	Dr Liu Xia	Condensed Matter Physics
3.	Dr Zhang Hongtao	Materials Science and Engineering
4.	Dr Chang Linrong	Chemistry
5.	Dr Deng Jiyang	Materials Science
6.	Dr Li Hongtao	Polymer Chemistry and Physics
7.	Dr Ren Ning	Electrochemistry
8.	Dr Ke ke	Materials Science

BACKGROUND ON CHAOWEI POWER HOLDINGS LTD

超威® 超威動力控股有限公司
CHILWEE **CHAOWEI POWER HOLDINGS LIMITED**



- Listed on the Hong Kong Stock Exchange
- Acquired a stake in Moll in 2013
- Group's manufacturing and management headquarters is located at Changxing County, Zhejiang Province, China
- Largest producer of lead-acid e-bike batteries in China
- Annual production capacity in excess of 140 million batteries
- Produces approximately 300 000 Lithium-ion pouch type cells per annum
- Its major production facilities are located in close proximity to markets and regions in 7 provinces of China with the strongest demand for lead-acid motive batteries

- Manufactures and sells lead-acid and Li-ion batteries and other related products for the use in
 - Electric bikes
 - Electric vehicles
 - Special-purpose electric vehicles
 - Storage batteries
- Innovative Product Technology / Leading Industry Development
 - Leading player in China
 - Growing market demand
 - Advanced technology
 - Leading environmental friendly process
 - Extensive distribution network
 - Diversified product portfolio

FINANCIAL & OPERATIONAL SUPPLEMENTARY DISCLOSURES



FINANCIAL HIGHLIGHTS

METAIR'S RECENT HISTORY HAS BEEN INFLUENCED BY A NUMBER OF SPECIFIC EVENTS WHICH ARE UNLIKELY TO RECUR IN THE SHORT TO MEDIUM TERM

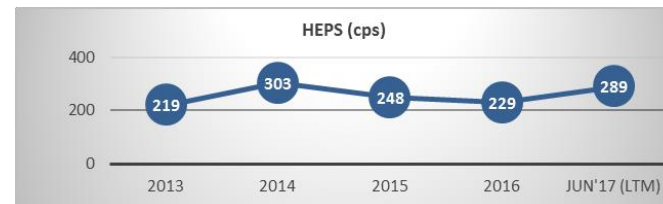
June'17
(LTM)

Revenue
R9 bn

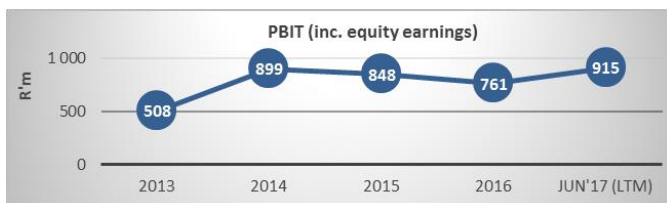


June'17
(LTM)

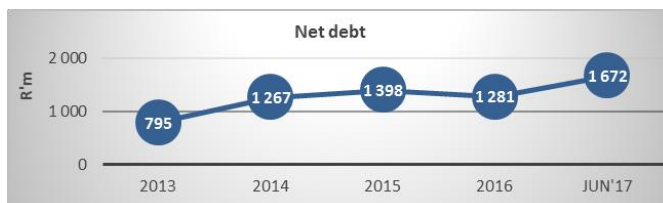
HEPS
289 cps



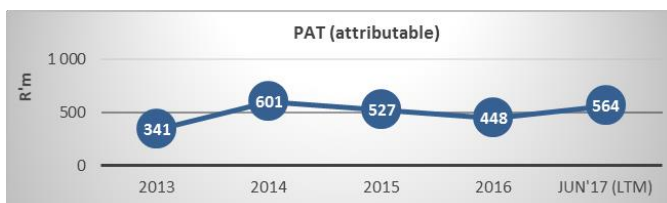
PBIT
R915 m



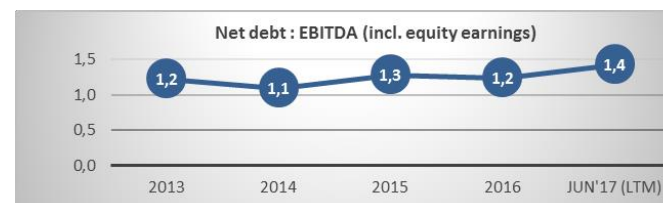
Net debt
R1.2 bn



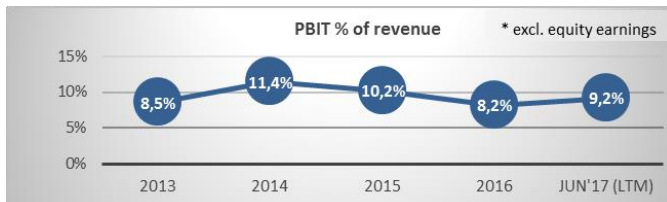
PAT
R564 m



Net Debt:
EBITDA
1.0



PBIT %
9.2%

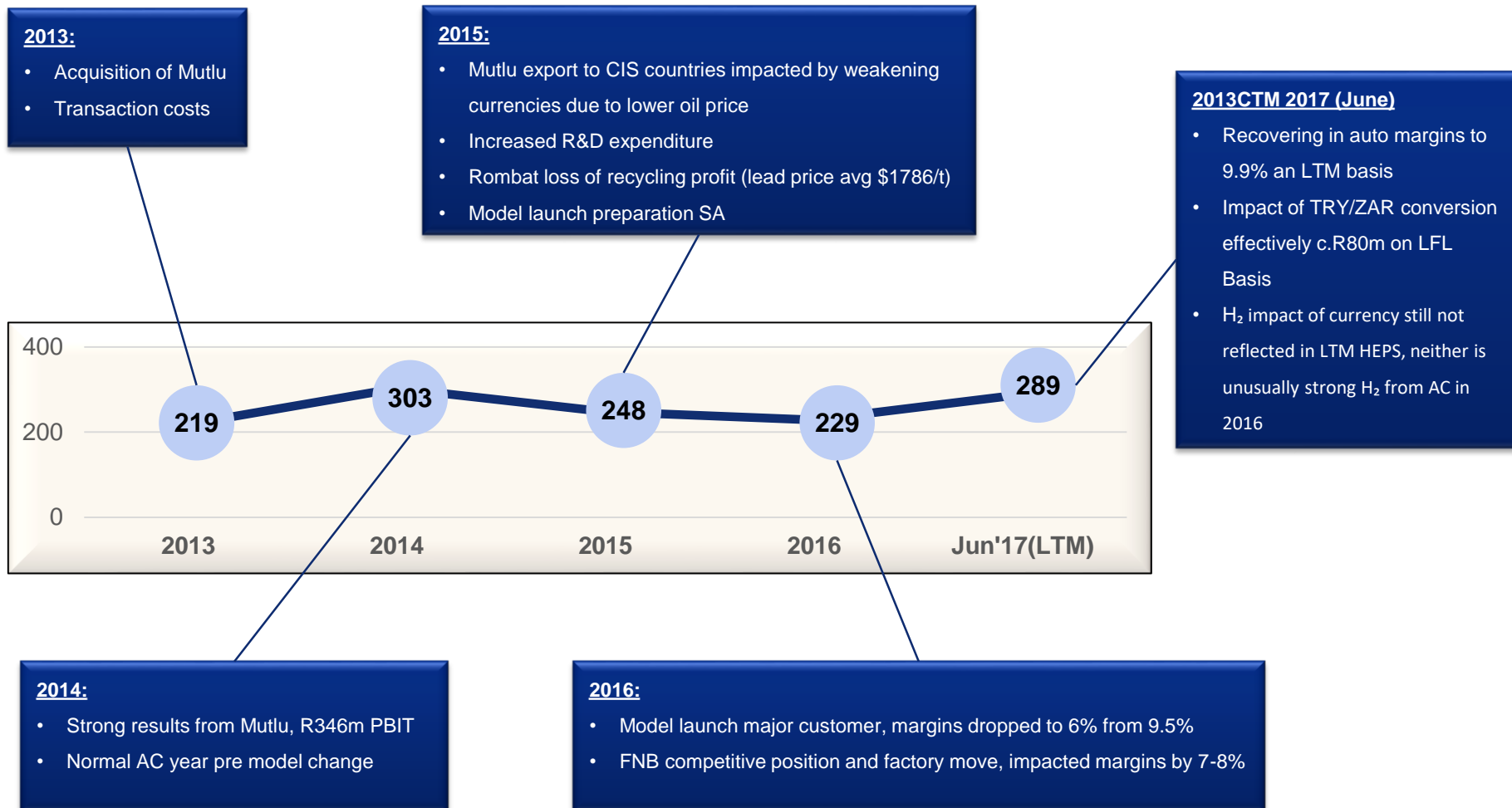


Free cash
flow
R297 m



FINANCIAL HIGHLIGHTS

METAIR'S RECENT HISTORY HAS BEEN INFLUENCED BY A NUMBER OF SPECIFIC EVENTS WHICH ARE UNLIKELY TO RECUR IN THE SHORT TO MEDIUM TERM



ENERGY STORAGE VERTICAL AT A GLANCE – LTM JUNE '17

ENERGY STORAGE

REVENUE

R5.7 BILLION

57% Contribution

OPERATING PROFIT

R550 MILLION

57% Contribution

3.3K EMPLOYEES

6 COUNTRIES (incl. Associates)

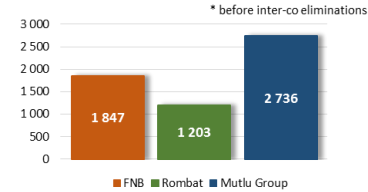
7 MANUFACTURING SITES AND 3 RECYCLING FACILITIES

R&D CENTRES IN GERMANY AND TURKEY

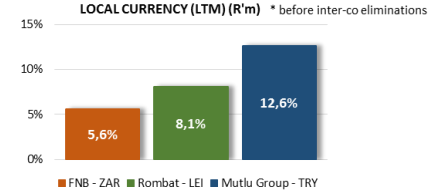
PBIT MARGIN: 9.4%

ROIC: 14.7%

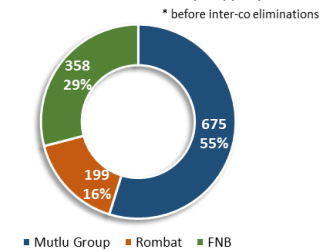
GEOGRAPHICAL - REVENUE (LTM) (R'm)



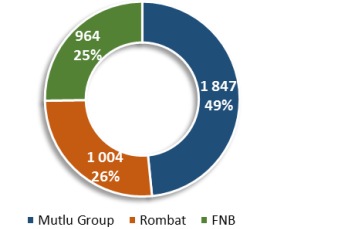
GEOGRAPHICAL - PBIT MARGIN IN LOCAL CURRENCY (LTM) (R'm)



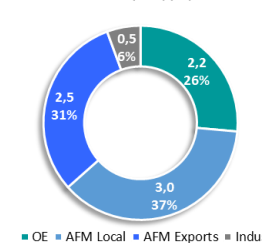
OE REVENUE BY OPERATION (LTM) (R'm)



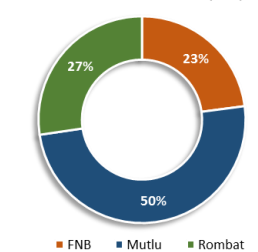
AFTERMARKET REVENUE BY OPERATION (LTM) (R'm)



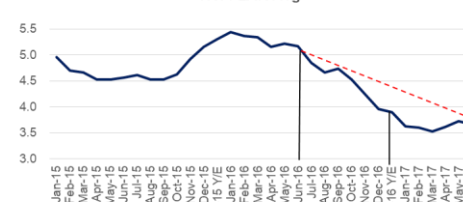
VOLUMES (LTM) (t'm)



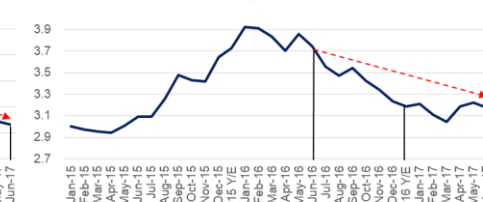
MWH PER COMPANY JUNE '17 (LTM)



TRY / ZAR Avg



LEI / ZAR AVG



AUTOMOTIVE COMPONENTS

REVENUE

R4.4 BILLION

43% Contribution

OPERATING PROFIT

R423 MILLION

43% Contribution

4.5K EMPLOYEES

8 MANUFACTURING SITES IN SOUTH AFRICA

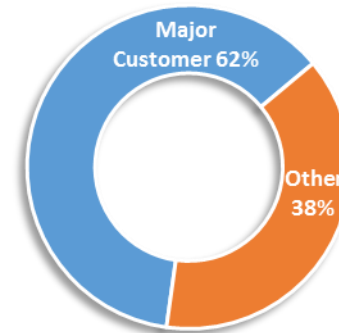
2 ASSOCIATES IN EASTERN CAPE

**LOCAL CONTENT MANUFACTURER AND
SUPPLIER OF AUTOMOTIVE COMPONENTS
FOR SA OEMs and AFM**

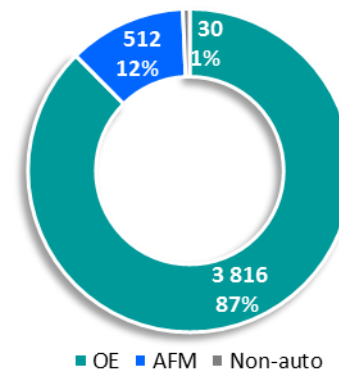
PBIT MARGIN: 9.9%

ROIC: 28.0%

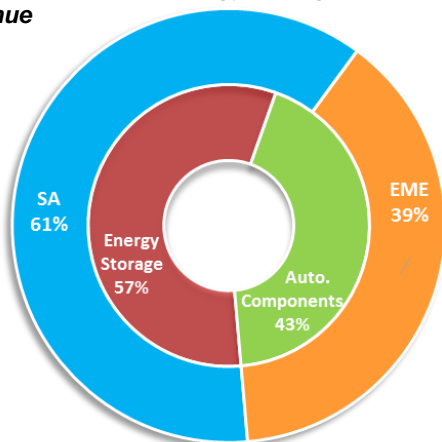
MAJOR CUSTOMERS (LTM)



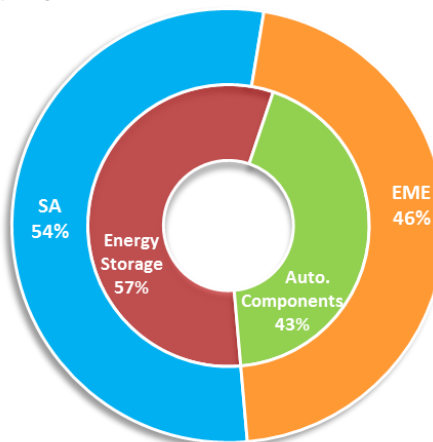
AUTOMOTIVE COMPONENTS REVENUE (LTM) (R'm)



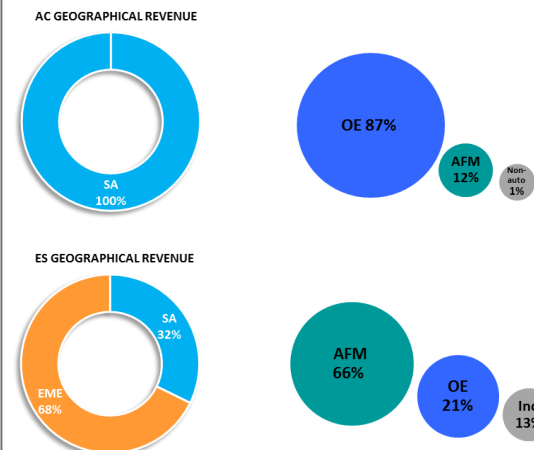
1) South African revenue base remains the largest contributor at 61%, Energy Storage is 57% of total revenue



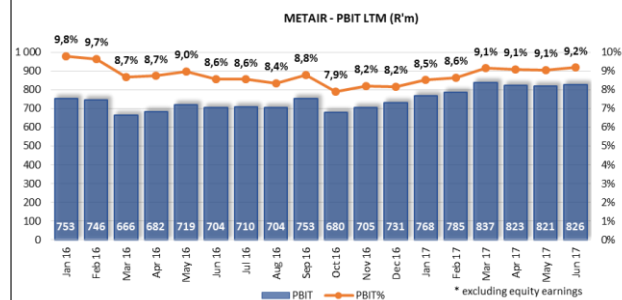
2) Similar trend for PBIT, but foreign earnings slightly higher



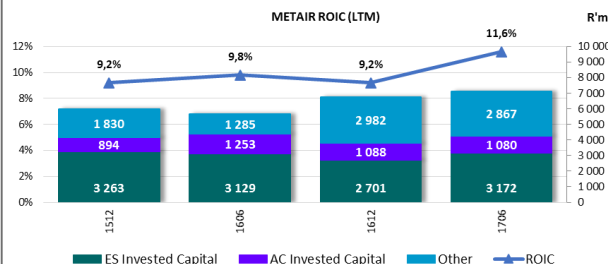
3) Vertical revenue by geography & segment overview – source of revenue



4) Group consolidated PBIT shows improving trend, with margins largely flat with strong recovery in Auto Components offset by softer Energy Storage margins

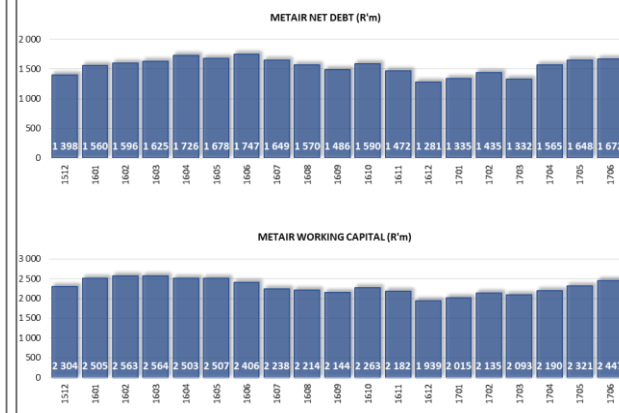


5) ROIC & invested capital

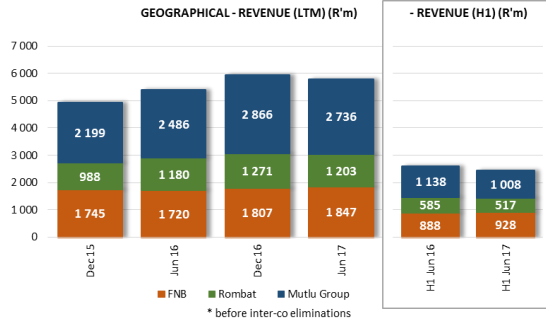


* calculated according to Metair policy, as disclosed in the integrated report"

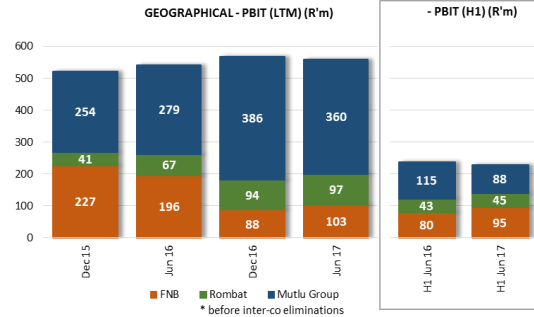
6) Net debt and cash generation is significantly impacted by working capital investment



1) Mutlu contributed > 45% of total vertical revenue

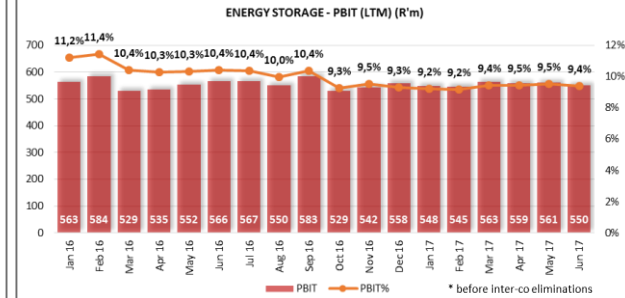


2) And contributed > 60% of vertical PBIT. The graphs show the 2015 impact of Mutlu loss of CIS country exports and subsequent strong recovery on sale of spare capacity and improved volumes

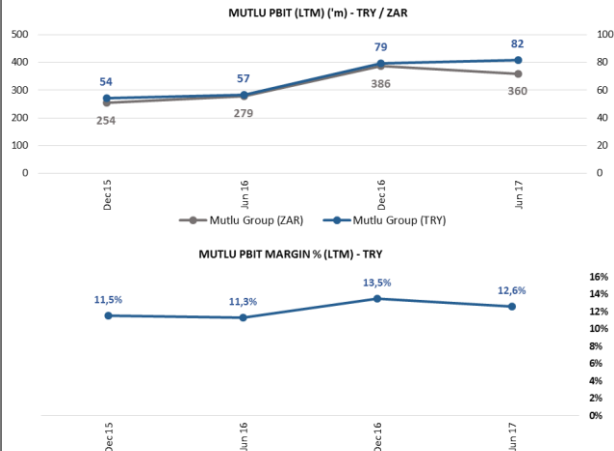


2016 shows the FNB competitive position and factory move, impacted margins by 7-8%

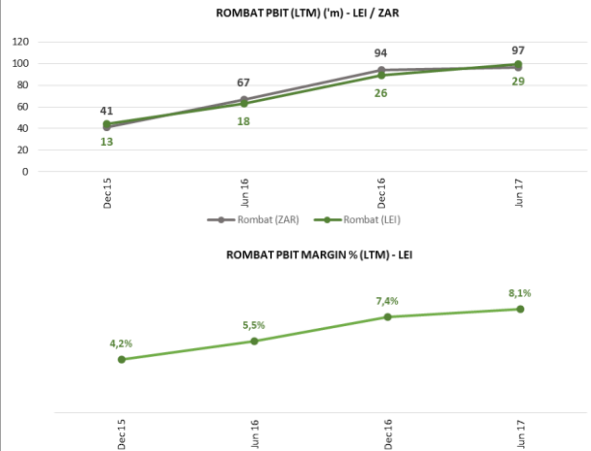
3) Energy storage vertical PBIT largely flat over the past 18 months despite TRY currency depreciation against the ZAR, much higher lead input cost and margin loss at FNB in 2016



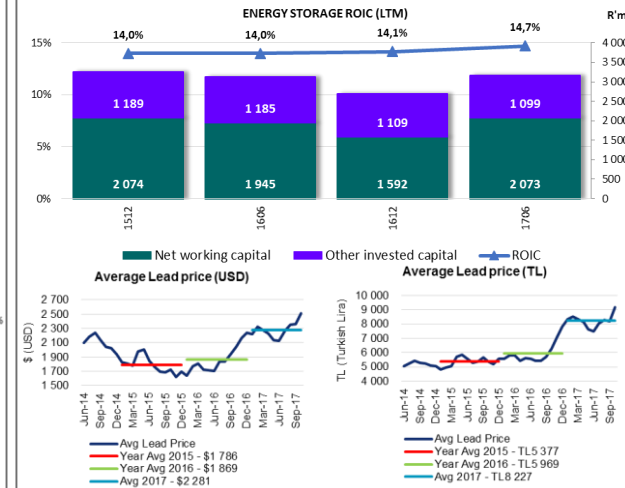
4) Mutlu local currency PBIT vs ZAR TRY devaluation since acquisition +25%



5) Rombat currency impact much less, with good PBIT and margin improvement



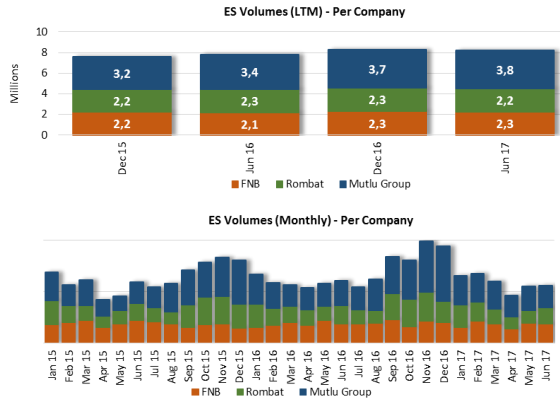
6) ROIC & LME prices



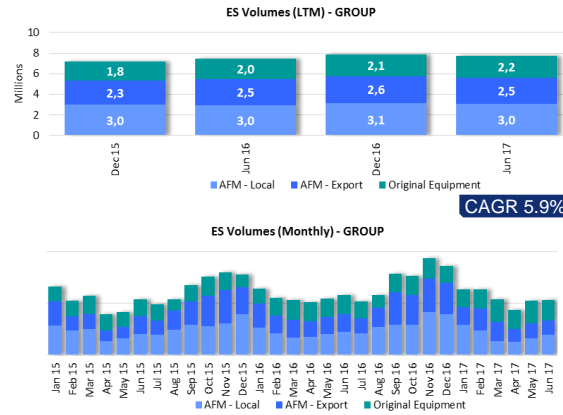
ENERGY STORAGE VOLUMES

(* rounded)

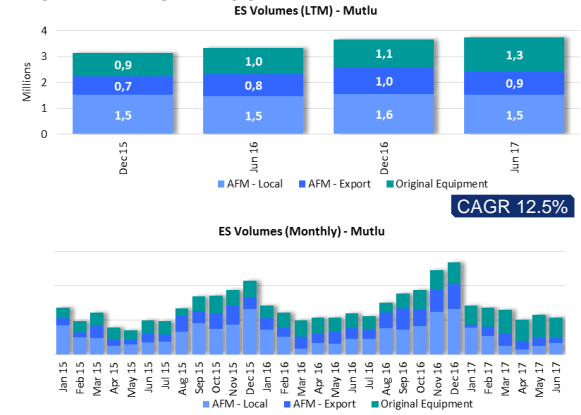
1) Total volumes by operation



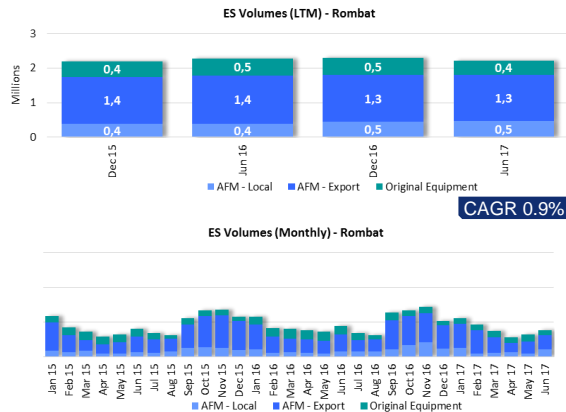
2) Energy Storage auto volumes has grown significantly from 2015 volumes of 7.2m to 7.8m



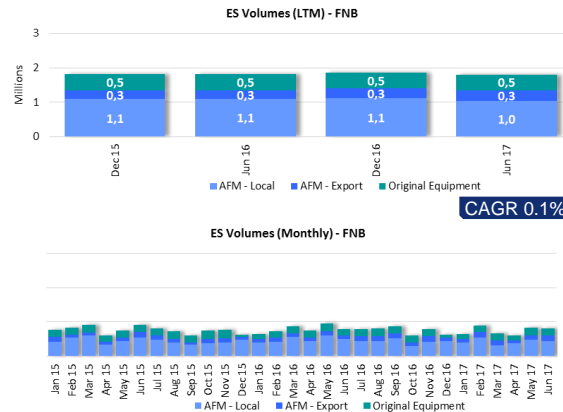
3) Mutlu auto volumes have grown well due to increased OEM volumes (market share and production volume growth) and a growing AM despite 1H'17 pricing pressures



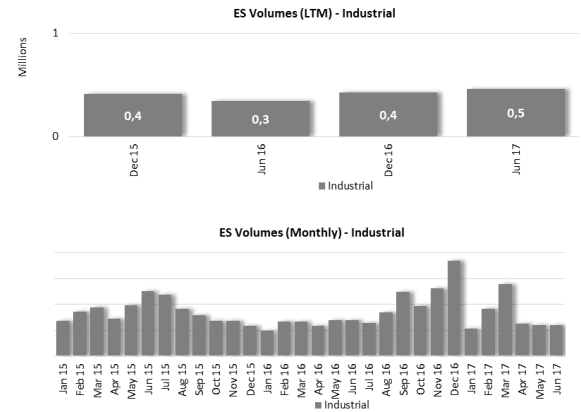
4) Delayed timing of PSA exports in Rombat contributed to lower OEM exports (model launch related), focus on quality of volumes



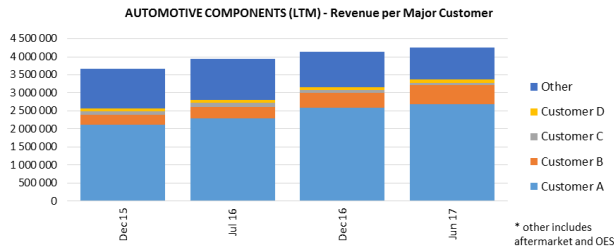
5) Local pricing conditions and price corrections in SA impacted on AM sales, focus on quality of volumes



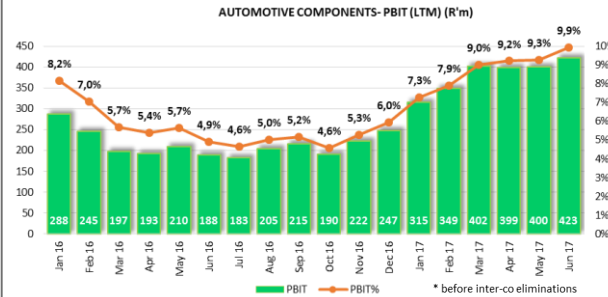
6) Industrial sales at FNB and Mutlu improved after loss of Telecomms contracts in FY16



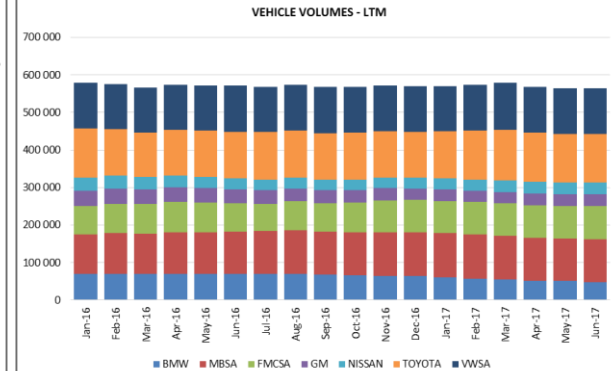
1) Direct revenue by major OEM customers



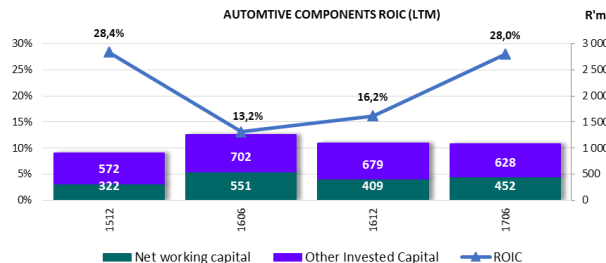
2) Auto Components vertical PBIT & Margin shows a strong recovery after model launch 1H'17. Medium term PBIT guidance updated to 7-9%



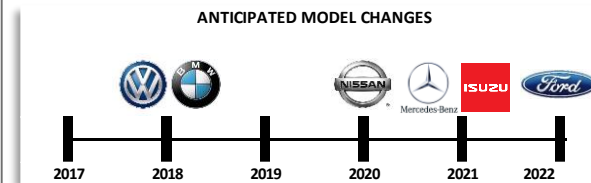
3) SA vehicle production volumes (NAAMSA) remains largely flat, with lower domestic sales offset by record exports. We think there is opportunity to grow to 650k – 700k units in the medium term



4) ROIC has recovered to pre-model launch levels. Working capital investment relatively low compared to Energy Storage



5) Anticipated model changes in the next 5 years do not include our major customer



6) 2020 APDP review

The new APDP automotive production support program likely to be announced soon:

- More focused on BBBEE levels, good for Metair as Metair and most of its subsidiaries are level 4 or better
- Increased focus on local content, which benefits SA industry.
- We think at this point the APDP support (from a OEM perspective) may be slightly less if the OEMs don't increase local content and improve BEE scores.

PROSPECTS



The prospects statement, as contained in the Integrated Annual Report of Metair for 2016, indicated that the group will only feel the real effect of the Turkish Lira devaluation in 2017 as the currency settles at a lower level.

The good improvement in first half results should support a sustained performance for the full year, when compared to 2016, as we face the full year impact of the Turkish Lira devaluation.

PROSPECTS

AUTOMOTIVE COMPONENTS VERTICAL



Automotive
Components Vertical

This business vertical managed to renew most of the business associated with the new model launch in support of the next business cycle linked to new model launches.

The major challenges to the next five- to seven-year cycle in South Africa relates to the production volume and margins outlook for newly secured business.

The margins achieved for the period are higher than the guidance provided previously of between 6% and 8%, as well as the targeted 8% for full year 2017 as mentioned during our 2016 year-end presentation.

Guidance Update

However, new model launches are always associated with lower margins, and therefore the company maintains its guidance that the achievement of targeted production volumes and efficiencies associated with the new technology and continued stabilisation of manufacturing processes should result in sustainable medium term PBIT margins on new business of between **7% and 9%**.

PROSPECTS

ENERGY STORAGE VERTICAL



Energy Storage
Vertical

The second half of the year traditionally benefits from seasonal demand brought about by the winter period associated with the market served by Rombat and Mutlu in Europe and the Middle East.

In the South African market we expect moderately improved trading conditions.

Strong seasonal demand in our winter markets supported by achievement of some geo-political stability in Turkey could support a continued good local currency performance in the second half in-country. The challenge continues to be the devaluation of the Turkish Lira as it affects the Rand translated results.

Q & A



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