CONTROL INSTRUMENTS GROUP LIMITED

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

OVERVIEW

The past three years have seen enormous change in the Control Instruments Group. During 2007 the Group completed the implementation of the strategic plan that was initiated at the end of 2004. The last two legs to complete the plan dominated management's time in 2007.

These two legs were:

i) The acquisition of SiemensVDO's fleet and vehicle management business, which included reacquiring the worldwide distribution rights for CI OmniBridge's fleet and vehicle management products ("Datatrak business").

   The Group's relationship with SiemensVDO goes back more than forty years, with SiemensVDO distributing CI OmniBridge's fleet and vehicle management products throughout the world for the past twelve years. Changes within the structure at Siemens created an opportunity for the Group to buy the Datatrak business.

ii) The TeliMatrix transaction, which involved the sale of the Group's fleet and vehicle management businesses (CI OmniBridge and the Datatrak business) to TeliMatrix Limited ("TeliMatrix"); the listing of TeliMatrix on the JSE; and the distribution of TeliMatrix shares to Control Instruments shareholders.

Selling the Group's fleet and vehicle management businesses to TeliMatrix and unbundling the majority of the shares received in TeliMatrix to Control Instruments shareholders, gave shareholders a direct interest in a company comprising Matrix Vehicle Tracking with its strong local annuity revenue stream and Control Instruments' highly profitable worldwide fleet and vehicle management businesses. The transaction also enabled the Group to significantly reduce its debt.

Overall, the board is satisfied that the strategic plan was well executed. Over the three years, the Group was able to take advantage of low interest rates and favourable stock market conditions to fund its internal growth and significant acquisitions. It was also able to complete the implementation of the strategic plan before the current adverse conditions arose in global financial markets.

The acquisitions gave rise to some complexities and problems were encountered in certain of the business units. Once identified, corrective action was taken where necessary.

RESULTS

The significant changes to the Group and the number of acquisitions and disposals made over the past three years, coupled with the increasing number of IFRS requirements has resulted in financial statements that are neither simple to read nor easy to understand. In these circumstances, management and the board use EBITDA (earnings before interest, tax, depreciation and amortisation), cash generation and the payment of dividends, as their primary measures of business performance as these are not distorted by items such as impairment and negative goodwill.

A detailed segmental analysis of the Group's results is included in the financial statements below.

Discontinued operations

Discontinued operations include the fleet and vehicle management businesses sold to TeliMatrix with effect from 1 October 2007; as well as Tripmaster and the OEM plastics businesses, both of which are in the process of being sold.

These operations made an after tax profit for the year of R509.4 million. This includes impairment of intangible assets of R61.5 million and the profit of R577.1 million on the sale of the fleet and vehicle management businesses.

As part of the TeliMatrix transaction, Control Instruments acquired the remaining 49% of the shares in Tripmaster Corporation ("Tripmaster") with effect from 1 July 2007.

Tripmaster did not perform in line with expectations in the year under review. This was mainly due to the delayed introduction of new products, which were being developed by CI OmniBridge, specifically for the North American market. As a result of this Tripmaster was not sold to TeliMatrix along with the other fleet and vehicle management businesses as originally intended. Tripmaster has subsequently been restructured and the new products have been introduced. The Group is currently negotiating with TeliMatrix regarding the sale of Tripmaster.

The OEM plastics businesses, which were acquired in 2006 as part of the Port Elizabeth based Sagercy business, encountered a number of problems during 2007 that were not anticipated and required considerable resources to resolve.

As it is unlikely that these businesses will meet the Group's minimum operating performance criteria in the medium-term they are in the process of being sold to Smiths Plastics (Proprietary) Limited, a subsidiary of Metair Investments Limited. This has resulted in impairment charges of R48.6 million and the Group is investigating steps to recover the value lost. Competition Board approval for the sale was received at the beginning of March 2008 and the effective date of the transaction is expected to be on or about 17 March 2008.

Continuing operations

Continuing operations represent Control Instruments going forward. They comprise CI Automotive, which supplies branded products to the sub-Saharan Africa automotive aftermarket; and Pi Shurlok, a supplier of automotive electronics and engineering services to the international OEM market.

The continuing operations increased revenue by 57% in 2007 to R840.1 million, compared with R536.0 million in the previous year. EBITDA of R20.0 million for the year represents a decrease of 8% compared with the previous year.

Aftermarket - CI Automotive

CI Automotive owns and represents a number of well known high quality automotive brands, including Gabriel (shock absorbers); Echlin (automotive electronics); VDO (instrumentation and vehicle electronic components); Mag Brakes (airbrakes and components); Truck-lite (automotive lighting) and Warn (winches and off-road products). With its extensive basket of products CI Automotive is able to compete effectively for shelf space in the southern African Automotive Parts Aftermarket.

2007 was a year of integration and consolidation for CI Automotive. Gabriel (the aftermarket shock absorber business acquired in September 2006), was integrated into CI Automotive and all CI Automotive's Johannesburg operations were consolidated in a new office and warehouse facility that has an eventual capacity of 20 000m^2. The consolidation will improve efficiencies and reduce operating, distribution and handling costs. It has also created an infrastructure that can incorporate additional products relatively easily.

CI Automotive's revenue increased 55% to R467.4 million during the year compared with R301.1 million in the previous year. EBITDA increased 106% from R21.4 million in 2006 to R44.1 million in the year under review. A profit of R13.6 million was made on the sale of buildings during the year.

OEM - Pi Shurlok

Pi Shurlok was acutely affected by the turmoil in the international automotive OEM market. The worldwide impact of cancelled orders, delayed new model launches locally and significant downward price pressure from the OEMs continued throughout the year. The consulting arm of the business acquired from Pi Technology experienced a considerable drop off in its business in the middle of the year, mainly due to problems experienced by some of its major customers. This lost business has subsequently been replaced and the customer base significantly expanded, particularly in the USA.

Surplus engineering resources in the United Kingdom and South Africa, which arose when Pi Technology was merged with CI Shurlok, were rationalised during the year albeit at a cost.

The acquisition of Pi Technology provided Pi Shurlok with an engineering presence in the United States, the United Kingdom and Germany. This was previously a major shortcoming in the Group's offering to its OEM customers, all of whom now carry out the bulk of their product development work at their international engineering centres and no longer in South Africa. Pi Technology also provided Pi Shurlok with its own Intellectual Property in the high growth areas of engine management systems, emission controls and adaptive suspension technology.

During 2007 the newly combined Pi Shurlok won its first contract, against international competition, to design and manufacture an engine management system for the South African based operation of a major international OEM. The product went into production in the fourth quarter of 2007 at Pi Shurlok's manufacturing facilities in Pietermaritzburg, South Africa.

OEM revenue increased 43% to R395.9 million in the current year compared with R277.6 million in the prior year. The OEM business made an EBITDA loss of R15.8 million in 2007, compared with a positive contribution at EBITDA level of R26.1 million in 2006.

General

Net borrowings were reduced from R307.2 million to R83.7 million. In December 2007 the Group entered into a five year trade receivables securitisation funding programme in respect of R64.0 million of this debt. The debtors' securitisation gives the Group access to cash at attractive fixed interest rates in a flexible environment.

SHARES IN ISSUE

The number of shares in issue increased from 109.4 million to 139.4 million at the end of 2007.

Vendor placement and issue of shares for cash

On 30 May 2007, in terms of the agreement with SiemensVDO, the Group settled the final consideration in respect of the Datatrak business using a vendor placement in terms of which Control Instruments placed 15.0 million Control Instruments ordinary shares, with a par value of 5 (five) cents each at a price of R6.00 per share, with third parties.

On 30 May 2007 the directors also authorised the issue of 15.0 million ordinary shares, with a par value of five cents each, at a price of R6.00 per share under the general authority granted to directors to issue shares for cash.

Share repurchase

Subsequent to the year-end, the Group has repurchased 16.7 million shares at an average price of R1.33 and a total value of R22.2 million. This is equivalent to 12.0% of the issued share capital at the time of the granting of the general authority. These shares are being held as treasury shares (in a subsidiary and The Control Instruments Share Incentive Scheme).

Subject to current and future cash requirements, the prevailing share price and shareholder approval, the board will continue to authorise the acquisition of additional shares in the business.

PROSPECTS

The completion of the strategic plan has put the Group is in a strong position to cope with the current unstable global and local economic environments. Additional work still needs to be done to rationalise the cost base and although debt has been significantly reduced, we aim to continue to strengthen the balance sheet.

Control Instruments has strong brands, a diversified base of blue chip local and global customers, an international engineering presence and a world-class manufacturing capability. However we operate in niche sectors of global markets and, as the past twelve months have reminded us, are therefore subject to local and international disruptions that are not under our control.

DIVIDEND

In line with our stated objectives to return value to shareholders, a final dividend of 4.5 cents per share has been declared for the year ended 31 December 2007 (2006: nil).

In terms of the requirements of Strate, the last day to trade cum dividend is Friday, 4 April 2008; the shares trade ex dividend on Monday, 7 April 2008; the record date is Friday, 11 April 2008 and the payment date will be Monday, 14 April 2008. Share certificates may not be dematerialised or rematerialised between Monday, 7 April 2008 and Friday, 11 April 2008, both days inclusive.

AUDITOR'S REPORT

PricewaterhouseCoopers Inc. have audited the results for the year and their unqualified audit reports on the 31 December 2007 annual financial statements and the abridged financial statements are available on request at the Company's registered office.

On behalf of the board

JPS O'Leary Chairman	R Friedman CEO and Group Managing Director

17 March 2008