

CONTROL INSTRUMENTS GROUP LIMITED

ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

PRESS RELEASE



REVENUE STARTING TO REFLECT MASSIVE GROWTH IN CONTROL INSTRUMENTS

R420 million spent on acquisitions over the past two years has dramatically changed the shape of Control Instruments, giving it two internationalised businesses - Fleet and Vehicle Management and Automotive Components and Products - both with critical mass.

Richard Friedman, Group MD said he believed the benefits of the acquisitions would outweigh any short-term disruptions to the businesses. "The rapid growth has presented unique challenges, but I am happy with the Group's performance under the circumstances."

He added that the massive changes that had taken place in Group had put it in a strong position to unlock value for benefit of shareholders and the company's board is reviewing a number of options around this.

Control Instruments responded to fundamental changes, driven by globalisation, in its local and international markets and over the past two years has been focusing on growing the businesses and becoming a global player in its chosen niche markets.

Group revenue increase 95% to R772 million. Operating profit increased 171% to R81 million. Earnings per share increased 105% to 60.8 cents. Net asset value per share increased 67% from R2.09 to R3.49.

On a normalised basis, operating profit increased 57% to R57 million. Earnings per share decreased 4% to 40.3 cents. The company said normalised earnings exclude the negative goodwill of R60 million that was raised on the acquisition of Gabriel because it is a non-recurring adjustment made in terms of IFRS, amortisation on intangible assets raised on the acquisitions of R13 million and restructuring expenses that relate directly to the acquisitions of approximately R7 million.

Friedman said he only expects to feel the full financial and operational benefits of the acquisitions during 2007 and thereafter, when a full twelve months of all the acquisitions will be applicable and the levels of working capital, expenses and other efficiencies in the larger Group are brought in line with the Group's norms.

240% growth in staff to 1 950 employees over two years is indicative of the larger Group. It now has international offices in Cambridge, UK; Dallas and Detroit in the USA and Rodgau in Germany. In addition to the Group's flagship design and manufacturing facilities in Pietermaritzburg, it now has plants in Port Elizabeth, Cape Town and Johannesburg.

Fleet management sales of onboard computers (OBCs) increased 38% to 31 500 units sold during 2006, with the largest increase coming from the international markets. The sale of 1 200 units through the newly acquired Tripmaster was announced at the end of 2006. Friedman said the Group is looking for opportunities to expand its fleet management business internationally.

Automotive components and products sold into the sub-Saharan aftermarket and the international OEM market have expanded. A comprehensive basket of high quality branded replacement parts is being sold into a rapidly growing market place. Demand for replacement parts typically lags new vehicle sales by two to three years.

Pi Technology has given Control Instruments a significant "front end" into the specialised niche OEM markets in the UK, Germany and the USA. First orders have been received and the potential for sustainable and meaningful export opportunities has been established.

Control Instruments is currently trading under cautionary.

ENDS

19 March 2007

NOTES TO EDITORS

Control Instruments develops, manufactures and distributes products and services into niche sectors of the worldwide automotive industry. Its activities are focused on Fleet and Vehicle Management and Automotive Products and Components.

The Group's overall aim is to increase its critical mass and globalise its operations in its selected niche markets.

Fleet and Vehicle Management

Control Instruments designs and manufactures a comprehensive range of fleet and asset management products that are sold worldwide under the SiemensVDO FM and Tripmaster TM brand names.

These products are focused into the commercial vehicle market, but also have applications in specialised vertical market segments, such as materials handling; emergency vehicle operations; and safety critical applications.

Vehicles and other assets are linked to their operators through Control Instruments' FM-Web application software and its associated 24x7x365 Bureau Service. Relevant and pertinent information is directed to the desktop, PDA or mobile telephone of an operator on a real-time basis in easily usable format.

Automotive Products and Components

Control Instruments distributes an extensive range of high quality, branded automotive aftermarket products throughout sub-Saharan Africa. Its focus is on long-term relationships with world-class suppliers and wholesale and retail outlets in sub-Saharan Africa. The business offers a significant basket of products - well known brand names include, ACSA-MAG, Airtex, Autocom, Britax, Echlin, Gabriel, Hermetite, MAG Brakes, PH, Siemens VDO, Trucklite, VDO, VDO Dayton and Warn Winch.

Product design facilities are in South Africa, UK and the USA. World-class engineering and manufacturing facilities, based in South Africa, enable the Group to compete globally. Products manufactured include; electronic products, plastic products, shock absorbers, ignition components and cooling products.