

**BALANCE SHEETS**  
**At 31 December 2007**

	Audited 31/12/07 R 000	Audited 31/12/06 R 000
<b>ASSETS</b>		
<b>Non-current assets</b>	316 724	511 673
Property, plant and equipment	152 206	229 248
Intangible assets	146 255	274 887
Investments in joint ventures and associates	2 003	2 178
Available-for-sale financial assets	900	-
Non-current receivables	-	366
Deferred income tax assets	15 360	4 994
<b>Current assets</b>	323 751	403 601
Inventories	159 508	176 656
Trade and other receivables	140 808	212 888
Derivative financial instruments	38	-
Financial assets at fair value through profit or loss	4 050	-
Current income tax assets	3 485	5 675
Cash and cash equivalents	15 862	8 382
Non-current assets held for sale	69 415	-
<b>Total assets</b>	<b>709 890</b>	<b>915 274</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>	416 803	350 231
Share capital	6 972	5 472
Share premium	396 996	221 066
Treasury shares	(7 634)	(10 282)
Foreign currency translation reserve	( 915)	5 370
Other reserves	245	12 563
Retained earnings	21 139	116 042
Reserves directly associated with non-current assets held for sale	5 210	-
<b>Total equity</b>	422 013	350 231
<b>Non-current liabilities</b>	113 685	295 652
Borrowings	76 765	221 764
Deferred income tax liabilities	34 088	73 322
Provisions	2 832	566
<b>Current liabilities</b>	163 386	269 391
Trade and other payables	126 356	156 463
Current income tax liabilities	9 277	6 857
Derivative financial instruments	12	466
Borrowings	22 768	93 842
Provisions	4 973	11 763
Liabilities directly associated with non-current assets classified as held for sale	10 806	-
<b>Total equity and liabilities</b>	<b>709 890</b>	<b>915 274</b>
<b>Additional information</b>		
Net asset value per share (cents)	306	349
Tangible net asset value per share (cents)	207	109

## INCOME STATEMENTS

For the year ended 31 December 2007

	<b>Audited</b> <b>31/12/07</b> <b>R 000</b>	<b>Audited</b> <b>31/12/06</b> <b>R 000</b>
<b>Continuing operations</b>		
<b>Revenue</b>	840 070	535 968
Cost of sales	(629 414)	(385 073)
<b>Gross profit</b>	<u>210 656</u>	<u>150 895</u>
Other operating income	19 825	76 318
Marketing and selling expenses	(35 722)	(30 262)
Administrative expenses	(126 576)	(77 278)
Other operating expenses	(101 722)	(64 040)
<b>Operating (loss)/profit</b>	<u>(33 539)</u>	<u>55 633</u>
Finance income	24 012	9 812
Finance costs	(53 563)	(24 482)
Share of profit from joint ventures	1 325	1 939
<b>(Loss)/profit before tax</b>	<u>(61 765)</u>	<u>42 902</u>
Tax	13 165	785
<b>(Loss)/profit for the year from continuing operations</b>	<u>(48 600)</u>	<u>43 687</u>
<b>Discontinued operations</b>		
Profit for the year from discontinued operations	509 352	13 032
<b>Profit for the year</b>	<u>460 752</u>	<u>56 719</u>
<b>Attributable to equity holders of the Company</b>		
	<u>460 752</u>	<u>56 719</u>
<b>(Loss)/earnings per share (cents) - continuing</b>		
- basic	(40.1)	46.9
- diluted	(38.7)	43.9
<b>Earnings per share (cents) - discontinued</b>		
- basic	420.2	14.0
- diluted	405.9	13.1
<b>Dividends per share (cents)</b>		
Cash	3.5	7.5
Special	410.0	-

**CASH FLOW STATEMENTS**  
**For the year ended 31 December 2007**

	<b>31/12/07</b>	<b>31/12/06</b>
	<b>R 000</b>	<b>R 000</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	36 017	40 777
Finance income received	25 382	-
Finance costs paid	(59 535)	(19 498)
Dividend received	1 500	2 526
Dividends paid	(4 832)	(7 179)
Tax paid	(6 205)	(8 509)
	<u>(7 673)</u>	<u>8 117</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(22 666)	(32 240)
Proceeds from disposal of property, plant and equipment	35 865	9 998
Increase in intangible assets	(21 195)	(20 173)
Proceeds from disposal of financial assets	65 600	-
Proceeds from disposal of subsidiaries	74 419	-
Acquisition of subsidiaries and operations, net of cash	(8 240)	(54 371)
Decrease/(increase) in non-current receivables	43	( 366)
Additional investments of subsidiaries	(21 895)	-
	<u>101 931</u>	<u>(97 152)</u>
<b>Cash flows from financing activities</b>		
Net (settlement of)/proceeds from non-current borrowings	(141 107)	25 786
Net proceeds on disposal of treasury shares	252	1 062
Shares issued	87 430	24 233
	<u>(53 425)</u>	<u>51 081</u>
<b>Net cash inflow / (outflow) for the year</b>	40 833	(37 954)
<b>Forex translation adjustments on cash and cash equivalents</b>	( 453)	1 204
<b>Cash and cash equivalents at the beginning of the year</b>	(37 990)	(1 240)
<b>Cash and cash equivalents at the end of the year</b>	<u>2 390</u>	<u>(37 990)</u>

**STATEMENTS OF CHANGES IN EQUITY**

For the year ended 31 December 2007

	Share capital R 000	Share premium R 000	Treasury shares R 000	Foreign currency translation reserve R 000	Other reserves R 000	Retained earnings R 000	Total R 000
<b>GROUP</b>							
<b>Balance at 1 January 2006</b>	4 826	97 886	(20 692)	-	7 564	75 443	165 027
Gains on cash flow hedges, net of tax					95		95
Profit for the year						56 719	56 719
Employee share option scheme:							
- Value of services provided					4 904		4 904
Creation of foreign currency translation reserve				5 370			5 370
Movement of treasury shares			483			579	1 062
Shares issued	1 053	123 277					124 330
Cancellation of treasury shares	( 407)	( 97)	9 927			(9 520)	( 97)
Dividends paid						(7 179)	(7 179)
<b>Balance at 31 December 2006</b>	5 472	221 066	(10 282)	5 370	12 563	116 042	350 231
Gains on cash flow hedges, net of tax					345		345
Fair value adjustments					(2 309)		(2 309)
Profit for the year						460 752	460 752
Employee share option scheme:							
- Value of services provided					4 059		4 059
- Transfer to retained earnings					(16 393)	16 393	-
Realised on disposal of subsidiaries				1 857	1 980		3 837
Utilisation of foreign currency translation reserve				(2 932)			(2 932)
Movement of treasury shares			2 648			(2 396)	252
Shares issued	1 500	175 930					177 430
Dividends paid						(569 652)	(569 652)
<b>Balance at 31 December 2007</b>	6 972	396 996	(7 634)	4 295	245	21 139	422 013

## NOTES

For the year ended 31 December 2007

### 1 Accounting policies and basis of presentation

The consolidated financial statements for the year ended 31 December 2007 are prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 - *Interim Financial Reporting* and in compliance with the Listing Requirements of the JSE Limited. These are the group's abridged consolidated financial statements for the year for which annual financial statements are prepared in terms of IFRS.

The principle accounting policies used in preparing the audited results for the year ended 31 December 2007 are consistent with those applied in the annual financial statements for the year ended 31 December 2006 in terms of IFRS.

In the 2007 balance sheet and income statement, CI OmniBridge, the Datatrak business, Tripmaster Corporation and the OEM plastics businesses are presented in terms of IFRS 5 - *Non-current Assets Held for Sale and Discontinued Operations*. The income statement comparatives for 2006 have been restated.

### 2 Significant acquisitions and disposals

#### i) Datatrak business

During 2007, the group acquired a 100% interest in the fleet management business of Siemens VDO. The business consisted of the following divisions:

Datatrak United Kingdom (effective date 1 June 2007)

A vehicle tracking, fleet management and vehicle telematics business based in the United Kingdom and One-Stop-Shop, a specialised vehicle fitment business that focuses on non-standard solutions for commercial vehicles, including the installation of fleet management products.

FM Europe (effective date 1 July 2007)

A division of Datatrak United Kingdom, based in Donaueschingen, Germany. Responsible for the sale and distribution of the products through the ex Siemens VDO network and other independent distributors in Europe and holds the worldwide (excluding the United States of America and sub-Saharan Africa) distribution rights for the FM products that are developed and manufactured by the Group and for which Control Instruments owns the IP.

Details of the net assets acquired are as follows:

	31/12/07	
	R 000	
Purchase consideration:		
Paid	91 130	
Direct costs relating to the acquisition	7 110	
Total purchase consideration	<u>98 240</u>	
Less: Fair value of net assets acquired	<u>(113 780)</u>	
Excess of acquirer's interest in the fair value of the acquiree over cost	<u>(15 540)</u>	
		<b>Acquiree's</b>
	<b>Fair</b>	<b>carrying</b>
	<b>value</b>	<b>amount</b>
	<b>R 000</b>	<b>R 000</b>
The assets and liabilities arising from the acquisition are as follows:		
Property, plant and equipment	13 156	8 728
Intangible assets	75 673	-
Available-for-sale financial assets	6 912	6 912
Deferred income tax assets	4 059	-
Inventories	29 336	31 436
Trade and other receivables	29 094	28 115
Trade and other payables	(21 061)	(22 367)
Provisions	(23 389)	(9 480)
	<u>113 780</u>	<u>43 344</u>
	<b>R 000</b>	
Purchase consideration	98 240	
Consideration settled in shares issued (15 000 000 shares issued at R6.00 each)	<u>(90 000)</u>	
Cash outflow on acquisition	<u>8 240</u>	

The excess of acquirer's interest in the fair value of the acquiree over cost is included in other income in the income statement.

**NOTES****For the year ended 31 December 2007****ii) Disposal of subsidiaries and operations****Fleet management operations**

With effect from 1 October 2007 the Group sold its fleet and vehicle management operations to TeliMatrix Limited ("TeliMatrix") in return for 50% of the shares in TeliMatrix, i.e. 320 000 000 shares. Control Instruments unbundled 278 873 508 of these shares to Control Instruments shareholders registered in the books of Control Instruments on 16 November 2007. Shareholders received two TeliMatrix shares for every one share they held in Control Instruments. TeliMatrix was valued by an independent expert, giving a value of R2.05 per TeliMatrix share.

	<b>Fair value R 000</b>
Details of the net assets disposed and related cash flows are as follows:	
Property, plant and equipment	38 039
Goodwill	2 338
Intangible assets	103 625
Available-for-sale financial assets	4 932
Deferred income tax assets	2 331
Inventories	37 172
Trade and other receivables	80 629
Cash and cash equivalents	16 573
Borrowings	(23 207)
Deferred income tax liabilities	(6 291)
Trade and other payables	(49 427)
Current income tax liabilities	(14 622)
Provisions	(24 983)
Related party loans	(102 355)
Related party short-term loans	(1 538)
	<u>63 216</u>
Value of shares	(655 556)
Profit on disposal of businesses	577 136
Costs directly attributable to the profit on disposal of businesses	11 367
Reserve realised on the disposal of subsidiaries	3 837
	<u>-</u>
Repayment of related party loans	102 355
Costs directly attributable to the profit on disposal of businesses	(11 363)
Cash and cash equivalents in businesses disposed	(16 573)
Net cash inflow from disposal	<u>74 419</u>

## NOTES

For the year ended 31 December 2007

### 3 Segment results

#### Primary reporting format - business segments

At 31 December 2007, the Group is organised on a worldwide basis into the following business segments:

- *OEM*: Automotive engineering services and the development and manufacturing of electronic products for the international OEM market
- *Aftermarket*: The supply of branded products to the sub-Saharan Africa automotive aftermarket
- *Fleet management*: Design, development, sale and distribution of fleet management products and systems

The segment information for the year ended 31 December 2007 is as follows:

#### Continuing operations

	OEM	Aftermarket	Head Office	Unallocated / Eliminations	TOTAL CONTINUING
Total segment revenue	372 716	467 354	-	-	840 070
Inter-segment revenue	23 166	-	84 951	(108 117)	-
Revenue	<u>395 882</u>	<u>467 354</u>	<u>84 951</u>	<u>(108 117)</u>	<u>840 070</u>
EBITDA	(15 824)	44 085	47 637	(55 876)	20 022
Depreciation	(11 649)	(10 338)	( 65)	-	(22 052)
Amortisation	(14 810)	(4 488)	( 108)	-	(19 406)
Impairment of intangible assets	(7 141)	(4 412)	( 550)	-	(12 103)
Operating (loss)/profit	(49 424)	24 847	46 914	(55 876)	(33 539)
Net finance (costs)/income	(20 694)	(11 431)	2 574	-	(29 551)
Share of profit from joint ventures	1 325	-	-	-	1 325
(Loss)/profit before tax	(68 793)	13 416	49 488	(55 876)	(61 765)
Tax	17 575	(5 199)	789	-	13 165
(Loss)/profit for the year	<u>(51 218)</u>	<u>8 217</u>	<u>50 277</u>	<u>(55 876)</u>	<u>(48 600)</u>

#### Discontinued operations

	Fleet Management	OEM	Unallocated / Eliminations	TOTAL DISCONTINUED
Total segment revenue	224 137	60 277	-	284 414
Inter-segment revenue	-	-	-	-
Revenue	<u>224 137</u>	<u>60 277</u>	<u>-</u>	<u>284 414</u>
EBITDA	12 376	(13 252)	-	( 876)
Excess of acquirer's interest in the fair value of the acquiree over cost	15 540	-	-	15 540
Depreciation	(1 453)	(3 018)	-	(4 471)
Amortisation	(3 179)	(2 530)	-	(5 709)
Impairment of property, plant and equipment	-	(6 456)	-	(6 456)
Impairment of intangible assets	(19 379)	(42 106)	-	(61 485)
Operating profit/(loss)	3 905	(67 362)	-	(63 457)
Net finance (costs)/income	( 967)	(3 635)	-	(4 602)
Profit/(loss) before tax	2 938	(70 997)	-	(68 059)
Tax	(11 374)	11 649	-	275
Loss after tax	(8 436)	(59 348)	-	(67 784)
Profit from sale of discontinued operations	577 136	-	-	577 136
(Loss)/profit for the year	<u>568 700</u>	<u>(59 348)</u>	<u>-</u>	<u>509 352</u>

In 2006 the segment information disclosed was "Fleet Management" and "Automotive components". Following the sale of the Group's fleet management businesses on 1 October 2007, the "Automotive components" segment has been split into "Aftermarket" and "OEM".

**NOTES**

For the year ended 31 December 2007

The segment information for the year ended 31 December 2006 is as follows:

Continuing operations

	OEM	Aftermarket	Head Office	Unallocated / Eliminations	TOTAL CONTINUING
Total segment revenue	234 823	301 145	-	-	535 968
Inter-segment revenue	42 759	-	12 926	(55 685)	-
Revenue	<u>277 582</u>	<u>301 145</u>	<u>12 926</u>	<u>(55 685)</u>	<u>535 968</u>
EBITDA	26 061	21 406	(25 203)	( 568)	21 696
Excess of acquirer's interest in the fair value of the acquiree over cost	-	59 539	-	-	59 539
Depreciation	(9 888)	(4 274)	( 318)	-	(14 480)
Amortisation	(8 239)	(2 474)	( 409)	-	(11 122)
Operating profit/(loss)	7 934	74 197	(25 930)	( 568)	55 633
Net finance (costs)/income	(8 407)	(5 042)	(1 221)	-	(14 670)
Share of profit from joint ventures	1 939	-	-	-	1 939
Profit/(loss) before tax	1 466	69 155	(27 151)	( 568)	42 902
Tax	( 13)	(1 755)	2 553	-	785
Profit/(loss) for the year	<u>1 453</u>	<u>67 400</u>	<u>(24 598)</u>	<u>( 568)</u>	<u>43 687</u>

Discontinued operations

	Fleet Management	OEM	Unallocated / Eliminations	TOTAL DISCONTINUE
Total segment revenue	179 143	57 044	-	236 187
Inter-segment revenue	4 737	733	(5 470)	-
Revenue	<u>183 880</u>	<u>57 777</u>	<u>(5 470)</u>	<u>236 187</u>
EBITDA	39 596	2 551	-	42 147
Depreciation	(3 417)	(2 069)	-	(5 486)
Amortisation	(8 368)	(2 281)	-	(10 649)
Impairment of intangible assets	( 282)	-	-	( 282)
Operating profit/(loss)	27 529	(1 799)	-	25 730
Net finance costs	(2 865)	(1 963)	-	(4 828)
Profit/(loss) before tax	24 664	(3 762)	-	20 902
Tax	(8 408)	538	-	(7 870)
Profit/(loss) for the year	<u>16 256</u>	<u>(3 224)</u>	<u>-</u>	<u>13 032</u>

**4 Non-current assets held for sale**OEM Automotive plastics operations

Control Instruments reached agreement to sell its OEM automotive plastics operations to Smith Plastics (Proprietary) Limited, a subsidiary of Metair Investments Limited, on 9 November 2007. The effective date of the sale will be on or about 17 March 2008. The purchase consideration of R19.5 million plus an adjustment for inventories, debtors and certain creditors will be paid on the effective date.

Impairment charges arose in the OEM segment cash generating units of Ariston and SPE as follows:

**R 000**

Property, plant and equipment	6 456
Goodwill	32 304
Intangible assets	<u>9 802</u>
	<u>48 562</u>

**Tripmaster**

Tripmaster is classified as held for sale, the Group decided to dispose of its investment in Tripmaster and its net assets have been written down to fair value less costs to sell.

Impairment charges were as follows:

**R000**

Goodwill	1 779
Intangible assets	<u>11 368</u>
	<u>13 147</u>

**5 Reconciliation of EPS to Headline EPS (cents)**

**NOTES**

**For the year ended 31 December 2007**  
**2007**

Weighted average number of shares in issue (000)

121 211

	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
(Loss)/earnings for the year per share	(51.0)	420.0	369.0
Profit on sale of subsidiaries	-	(476.1)	(476.1)
Profit on disposal of property, plant and equipment	(9.5)	(2.3)	(11.8)
Excess of acquirer's interest in the fair value of the acquiree over cost	-	(12.8)	(12.8)
Impairment of goodwill	1.9	28.1	30.0
Impairment of other intangible assets	8.1	22.6	30.7
Impairment of property, plant and equipment	-	5.3	5.3
Tax effect	9.3	(4.7)	4.6
Headline loss per share	<u>(41.2)</u>	<u>(19.9)</u>	<u>(61.1)</u>

**2006**

Weighted average number of shares in issue (000)

93 247

	<b>Continuing operations</b>	<b>Discontinued operations</b>	<b>Total</b>
Earnings/(loss) for the year per share	46.0	22.4	68.4
(Profit)/loss on disposal of property, plant and equipment	(1.4)	0.1	(1.3)
Excess of acquirer's interest in the fair value of the acquiree over cost	(63.9)	-	(63.9)
Impairment of available-for-sale financial assets	3.4	-	3.4
Impairment of other intangible assets	-	0.3	0.3
Tax effect	1.0	(8.5)	(7.5)
Headline (loss)/earnings per share	<u>(14.9)</u>	<u>14.3</u>	<u>(0.6)</u>

**6 Restatement of prior year figures**

In 2006 the purchase accounting for the acquisition of the Pi UK business was determined provisionally in terms of IFRS 3 - *Business Combinations*. As a result of all valuations and the purchase consideration now having been finalised the prior year balance sheet has been restated as follows:

	Previously stated R 000	Restatement R 000	Restated balance R 000
Property, plant and equipment	229 748	( 500)	229 248
Goodwill	71 660	2 212	73 872
Intangible assets	209 459	(8 444)	201 015
Deferred income tax liabilities	(81 169)	7 847	(73 322)
Trade and other payables	(154 748)	(1 715)	(156 463)
Retirement benefit obligations	( 600)	600	-

The retirement benefit obligation was reclassified to trade and other payables.