

IAS Results Presentation

18 months to 30 June 2007

Highlights

- Revenue of R5.2 billion for the 18 months
- Headline earnings of 52.5c for the 18 months
- Acquisition of 60% of Brenner Mills and 100% of Caravelle Carpets
- Joint venture with Futuris to manufacture tufted carpeting in East London
- New compounding plant for gumboot division
- Capex for new automotive models completed
- State of the art dyehouse automation system installed for Glodina
- New showrooms for Jordan shoes completed
- Two Mossop factories consolidated onto one site
- Hosaf PET expansion project announced

Income Statement

	30 June 2007 18 months Rm	31 Dec 2005 12 months Rm
Revenue	5,242.2	2,975.1
EBITDA	404.1	267.7
Operating profit	338.5	225.5
EPS	53.3	46.2
HEPS	52.5	45.7
Dividend	17	12
Tax rate	18.2%	18.5%

Balance Sheet

	30 June 2007 Rm	31 Dec 2005 Rm
Assets		
Property, plant and equipment	709.1	529.5
Other non-current assets*	206.0	166.7
Inventory	789.8	535.3
Accounts receivable	684.8	516.8
Total assets	2,389.7	1,748.3
Equity and liabilities		
Equity	1,191.1	1,055.2
Non-current liabilities	114.5	118.8
Accounts payable	580.0	371.0
Other current liabilities	504.1	203.3
Total equity and liabilities	2,389.7	1,748.3

* Goodwill, pension fund surplus, deferred tax

Financial Structure

	30 June 2007	31 Dec 2005
	Rm	Rm
Net interest bearing debt	516.6	233.1
Interest bearing debt/equity	43.4%	22.1%
Interest cover	5.9	11.6
Current ratio	1.36	1.8

Income Statement

	30 June 2007 12 months Rm	30 June 2006 12 months Rm
Revenue	3,673.5	3,127.5
EBITDA	282.1	275.3
Operating profit (2006 excl.pension surplus R20m)	239.5	227.7
EPS	36.2	50.0
HEPS	35.5	48.9
HEPS (2006 excluding pension fund surplus)	35.5	37.1
Dividend declared	17	12
Tax rate	19.7%	18.20%
NAV per share	274.5	252.1



**AUTOMOTIVE
TRIM**



**FOAM
CONVERTING**



**AUTOMOTIVE
LEATHERS**



Industrial Division

- New “C” class Mercedes and new Toyota Corolla introduced during June '07
- Acquisition of Caravelle Carpets
- Futuris JV is now fully operational
- Consolidated PE and East London sites under one roof in East London IDZ
- New leather processing technology at FAL
- Domestic production figures (NAAMSA)



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UNIFRAX

RIETER

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LEATHERS**

Feltex

<u>Domestic Production</u>								
	2003	2004	2005	2006	2007	2008	2009	2010
Cars								
Local Sales	176,340	200,264	210,976	215,311	190,000	205,000	230,000	270,000
Exports	114,909	100,699	113,899	119,171	110,000	130,000	155,000	180,000
Light Commercials								
Local Sales	102,007	123,467	146,933	159,469	180,000	200,000	220,000	230,000
Exports	11,283	9,360	25,589	60,149	75,000	80,000	85,000	90,000
Medium & Heavy Commercials								
Total	17,426	21,912	27,830	33,619	37,150	40,700	45,750	48,800
	421,965	455,702	525,227	587,719	592,150	655,700	735,750	818,800

Industrial Footwear



- Turnover up 14,7% and operating profit up by 8%
- Safety footwear demand is steady
- Gumboots demand is still very strong
 - new machine to be installed in December
 - Compounding plant to manufacture raw materials
- Total sales 12.8% increase

12 months to June 06	2.56 million pairs
12 months to June 07	2.89 million pairs
- Forecast growth in pairs of approximately 10% in 2008
- Mossop improvement in results from
 - Cost cutting (consolidated in one plant)
 - Cheaper hides (Bull Brand)

- Turnover up 17,5% and operating profit up by 27%
- Tons sold 79,400 (June '06 80,500)
- Global PET consumption has increased by 7.5% in 2007 and SA growth of 10%
- North American margins were at their lowest level in a decade during 2006.
Closure of older technology capacity 350000T (9% of total demand in America)
- International margins are starting to improve
Forecast consumption increment for '08 and '09 more than capacity increment
- Hosaf has a low capital cost per ton
- Plan to increase PET capacity significantly – dominant supplier on the African continent
- Fibre margins will remain under pressure

Bull Brand



SPEKENAM

GANTS

BRENNER MILLS
THE HOME OF SHAYA



BRENNCO



MAGIC
RICE

MABELA
MEAL



Simply the Best
CUP FINAL



OLYMPIC



BRONX

Anton Fabi
MILANO



JORDAN

keds



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Since 1935
SPERRY
TOP-SIDER

GLODINA
BLACK LABEL
Thick, Soft, Thirsty
ALL COTTON
ONLY ORIGINAL WITH THIS LABEL
Made in South Africa

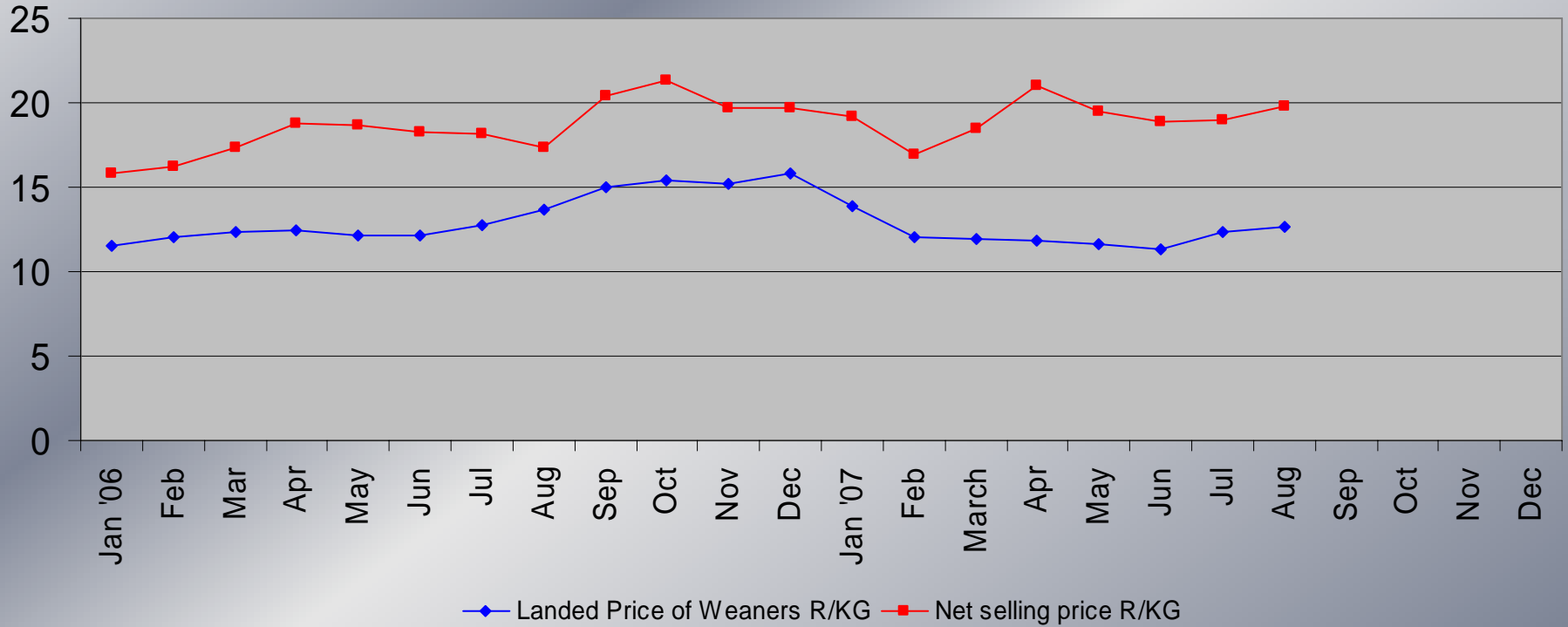
Consumer Division

Bull Brand Foods

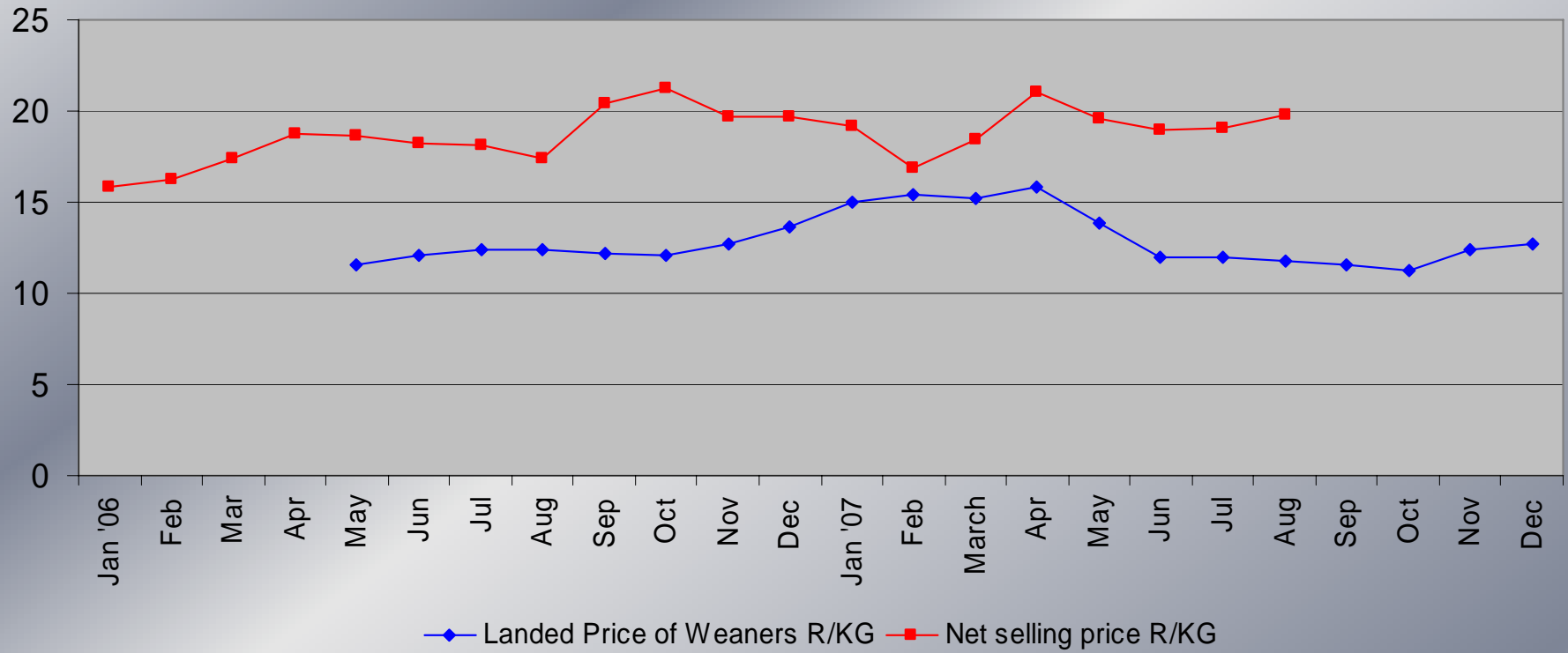
- Drop in margins
 - High cost of weaners (6 month old cattle)
 - High cost of maize
- Farming performance remains goods
 - Standing days, mortalities, morbidities
- Cost saving initiatives
 - Backgrounding of cattle (preconditioning)
- Drive for value added products
 - Biltong plant
 - Increase cannery sales
 - Master butchers



Bull Brand Foods

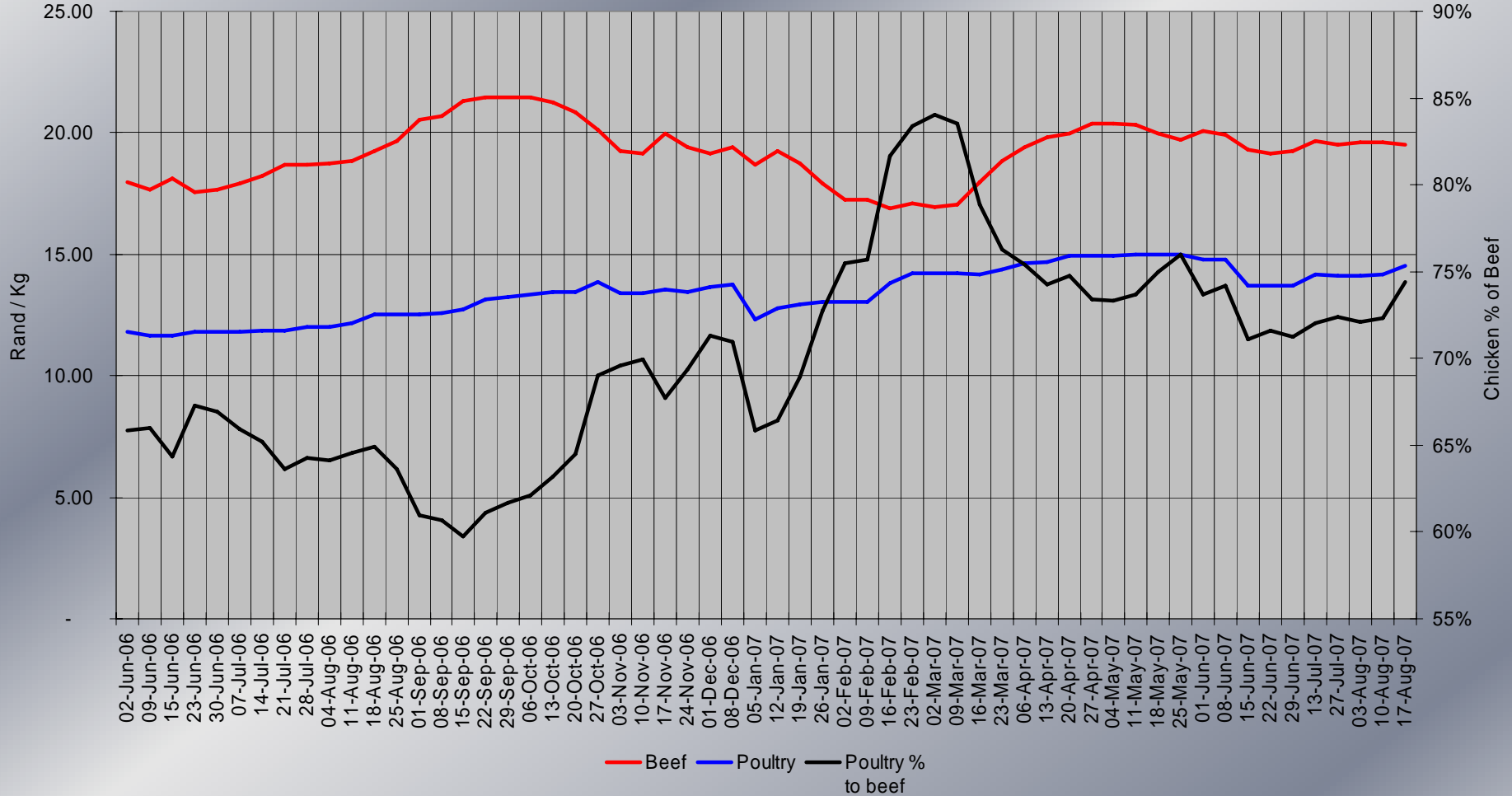


Bull Brand Foods



Bull Brand Foods

Chicken vs Beef prices



Jordan

- Turnover up 11% and operating profit up by 69%
- Increase pressure from retailers for price points
- Strength of the brands
- China not as cheap as it used to be
 - Offer far more variety
 - Inferior raw materials sometimes used
 - Local manufacture for long runs (core lines)
- New brand Steve Madden
- New focus on ladies division

OLYMPIC

BRONX
SHOES FOR WHITEHEAD

BRONX

Anton Fabi
MILANO

JORDAN

JORDAN

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**Onitsuka
Tiger**

asics

STEVE
MADDEN

Since 1935
SPERRY
TOP-SIDER

Glodina



- Turnover up 8,7% and operating profit up by 21%
- Investment of R23m over 18 months to maintain competitiveness
- Hospitality remains a major focus area
- Excellent overall performance
- Glodina remains an excellent example in a textile industry that is full of restructuring and closures.
- New dyehouse automation system

Brenner Mills

BRENNER MILLS
THE HOME OF SHAYA

- Consolidated with effect from 1 May 2007
- Improved staff morale because of solid financial backing
- Benefited from better purchasing in a rising market (6 weeks forward)
- Better prices for “chop” which is opposite to Bull Brand extra feed cost
- Cost saving on expenses, interest and raw material prices
- Bull Brand product distributed through their Spaza shop distribution network
- Maize prices expected to remain strong



Corporate Action

- Caravelle carpets
 - Purchase price R15m
 - Good operating profits during the period under review
- Joint venture with Futuris
 - Plant now fully operational
 - Expect a small operating profit in the first year
 - Supply Mercedes in East London
- Brenner Mills
 - Purchase price R18m for 60% of the business
 - Deal completed 1 May 2007
 - Good operating profits for 2 months

Prospects

- Focus on cash flow to drive debt equity below 40%
- Automotive division to benefit from increased build in second 6 months
- No major increase in Hosaf until 2009/2010 financial year
- Industrial footwear volumes up approximately 10%
- Bull Brand should recover quite strongly
- Maize prices are expected to rise and Brenner should benefit
- Jordan and Glodina should generate good returns
- Tax rate 25% with Hosaf tax query still to be resolved
- Property development in Wellington starting 2008/2009 financial year
- Continue to search for acquisitions with good synergies at the right price

Thank You