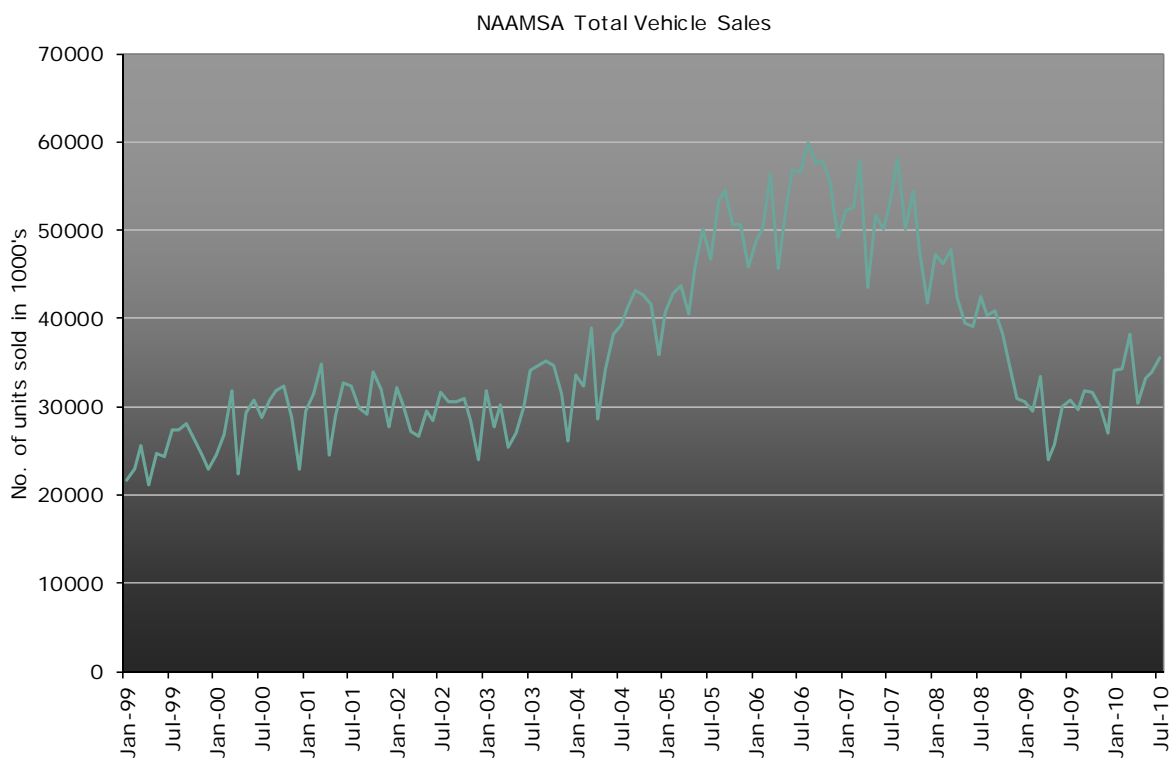


July vehicle sales continue positive momentum: 4 August 2010

Jihad Jhaveri: Equity Analyst - Kagiso Asset Management

“New vehicle sales for July continued their positive year-on-year trend seen over the past few months. The passenger vehicle category accelerated strongly year-on-year while commercial vehicle sales slowed down.

However, due to the base effects the growth rates are less meaningful than the actual level of car sales. From the chart below we can see that vehicle sales are still 41% lower than their 2006 peak. Companies that have restructured for lower production levels will be benefiting from the year-on-year increases in car sales, whilst those with cost structures geared up for 2007 type levels, including some of the motor manufacturers, are still feeling the pain.



SOURCE: NAAMSA