BELL EQUIPMENT LTD

2008 Final Results Announcement

&

Business Review

March 2009

Prepared for the Challenging Year ahead.

BELL

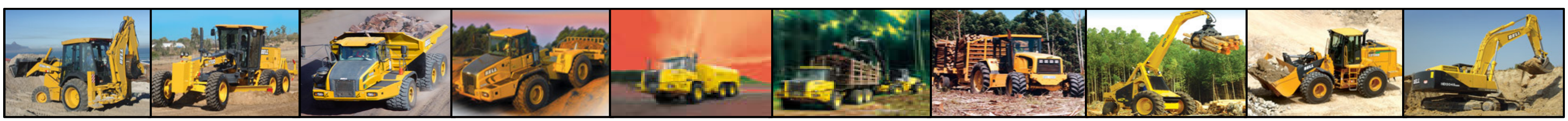
Agenda

- Synopsis 2008
- Financial Results 2008
- Understanding ***BELL EQUIPMENT***
- Market View 2009-2010
- Strategy
- Cash Flow Initiatives
- Cost Reduction Initiatives
- Key Risk Analysis
- Questions

Synopsis - 2008

- Challenging markets – Credit crisis Impact
- European Market slows from 2Q
- Dramatic slowdown in Domestic Market 4Q
- High Inventory Overrun
  - Supplier Shortages – Earlier in Year
  - Forecasting Challenges
  - Product Mix problems
- ***BELL*** makes market share gains
- BBBEE verification gives BESSA level 5 status
- Production rates cut 3Q
- Right sizing begins 4Q

Financial Results 2008



Prepared for the Challenging Year ahead.

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Financial Summary 2008

Revenue R5,46 billion

Operating Profit R589 million

Profit After Tax R361 million

Earnings per Share 367c

Fully diluted EPS 367c

NAV per Share 1864c

Condensed Income Statement

R 'million	For the year ended 31 Dec 2008	31 Dec 2007
Revenue	5 458.3	4 625.0
Cost of sales	4 036.6	3 647.8
Gross Profit	1 421.7	977.2
Net operating expenses	(832.6)	(482.9)
Profit from operating activities	589.1	494.3
Net interest paid	(74.6)	(19.7)
Profit before tax	514.5	474.6
Taxation	(153.8)	(109.7)
Profit after tax	360.7	364.9
Earnings per share (basic) (cents)	367c	385c

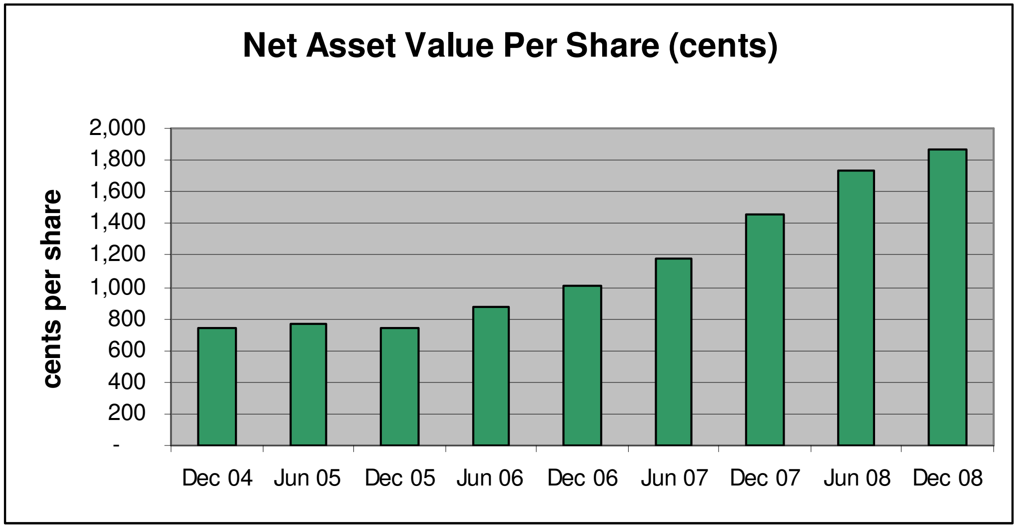
Condensed Balance Sheet

Financial Results 2008

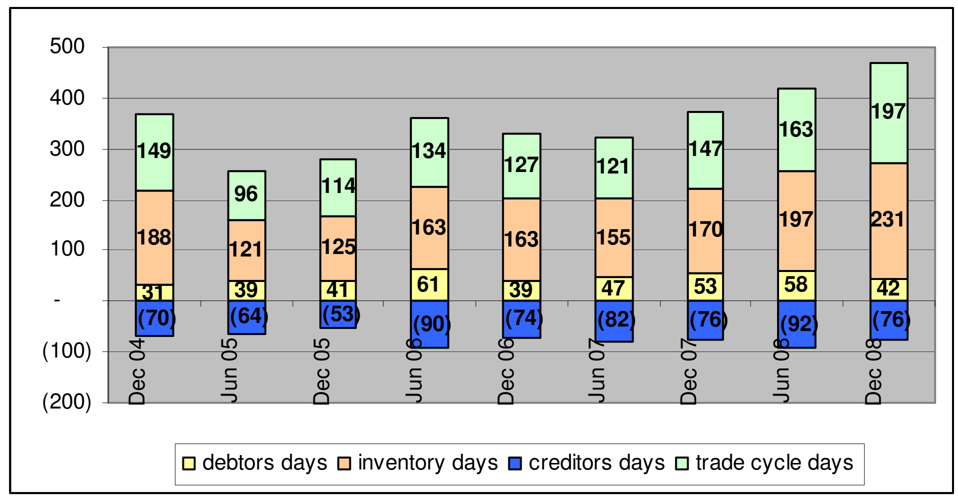
R 'million	at 31 Dec 2008	at 31 Dec 2007
ASSETS		
Non-current assets	**665.8**	**473.6**
Property, plant and equipment	563.1	435.0
Other non-current assets	102.7	38.6
Current assets	**3 257.0**	**2 408.1**
Inventory	2 546.5	1 698.8
Trade and other receivables	627.9	662.9
Other current assets	82.6	46.4
Total assets	**3 922.8**	**2 881.7**
EQUITY AND LIABILITIES		
Capital and reserves	**1 769.6**	**1 380.9**
Non current liabilities	**273.9**	**214.8**
Current liabilities	**1 879.3**	**1 286.0**
Trade and other payables	839.5	759.0
Short term interest-bearing debt	704.6	368.1
Other current liabilities	335.2	158.9
	3 922.8	**2 881.7**
Number of shares in issue ('000)	**94 950**	**94 858**

NAV & Working Capital days

Financial Results 2008



Growth of R4.08 per share over the 2008 financial year



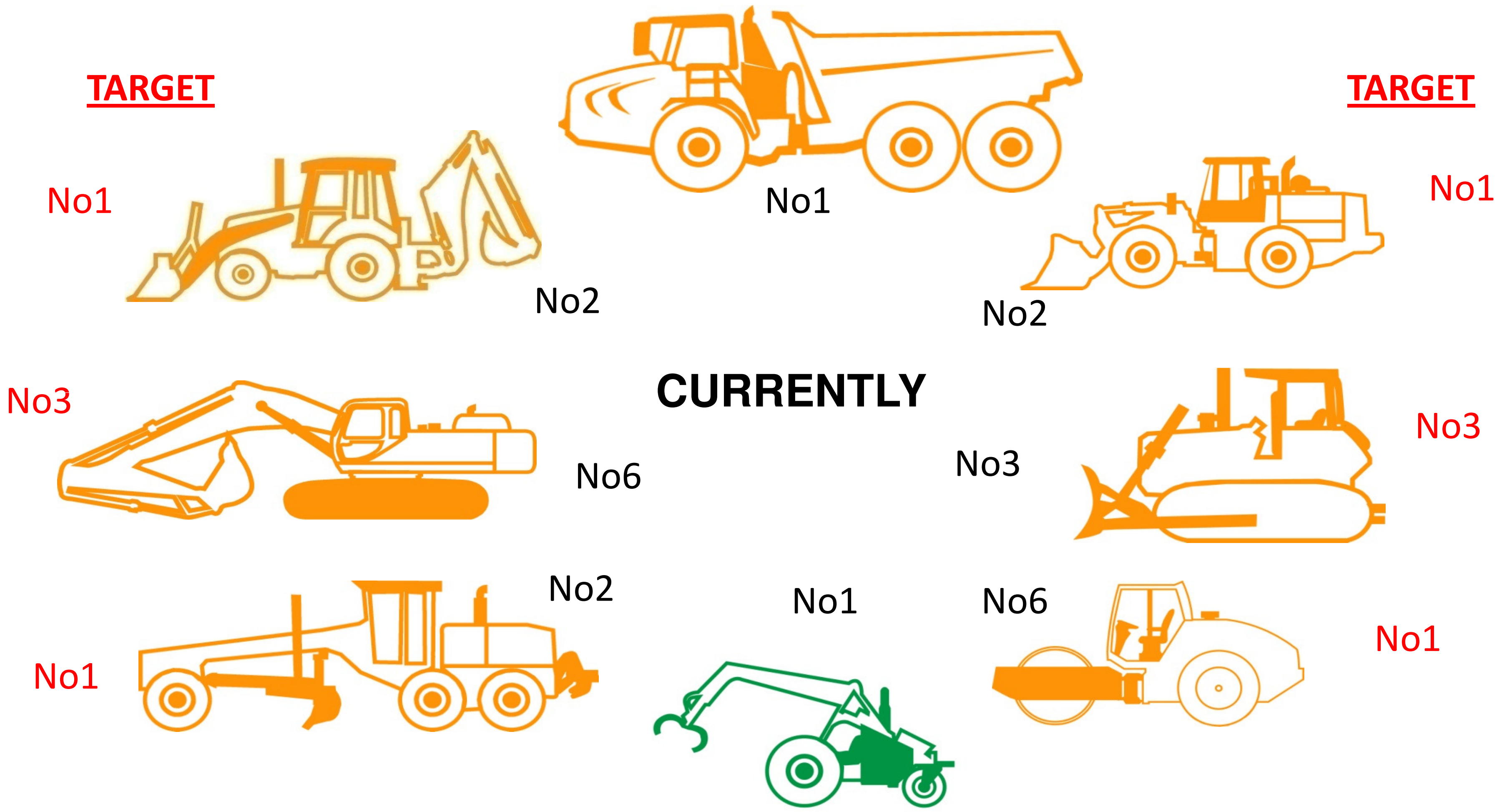
Prepared for the Challenging Year ahead.

Our Products

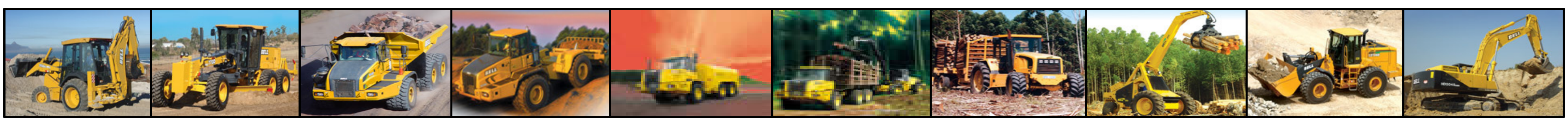
- **Articulated Trucks**
  - Designed and built in Richards Bay
  - Built in Germany and distributed in Europe
- **Front End Loaders**
  - Deere licenses Bell assembly in R/Bay
- **Tractor Loader Backhoes**
  - Deere licenses Bell built in R/Bay
- **Sugar and Forestry machines**
  - Designed and built in Richards Bay
- **Branded Machines**
  - Imported: Graders Bulldozers Excavators
  - Imported: Compaction & Road building
- **BELL ASSURE**
  - **Parts**
  - **Service**
  - **Finance**
  - **Training**

Global Network +120 Outlets

Products and RSA Market Position



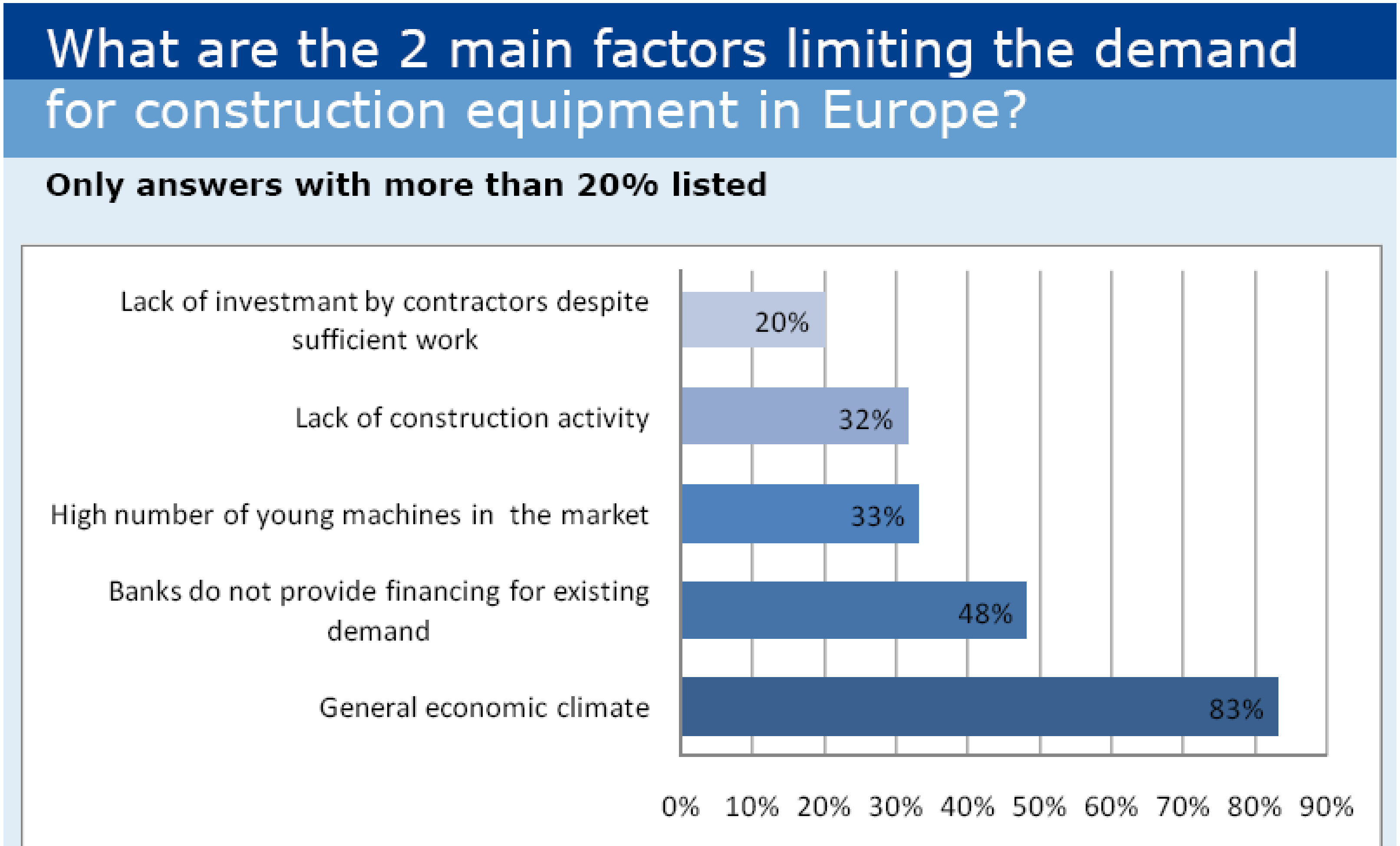
Market View



Prepared for the Challenging Year ahead.

European Markets

European Market View



Source: CECE Business Barometer February 2009

Prepared for the Challenging Year ahead.

European Markets

European Market View

CECE Business Barometer

Summary for Feb 2009

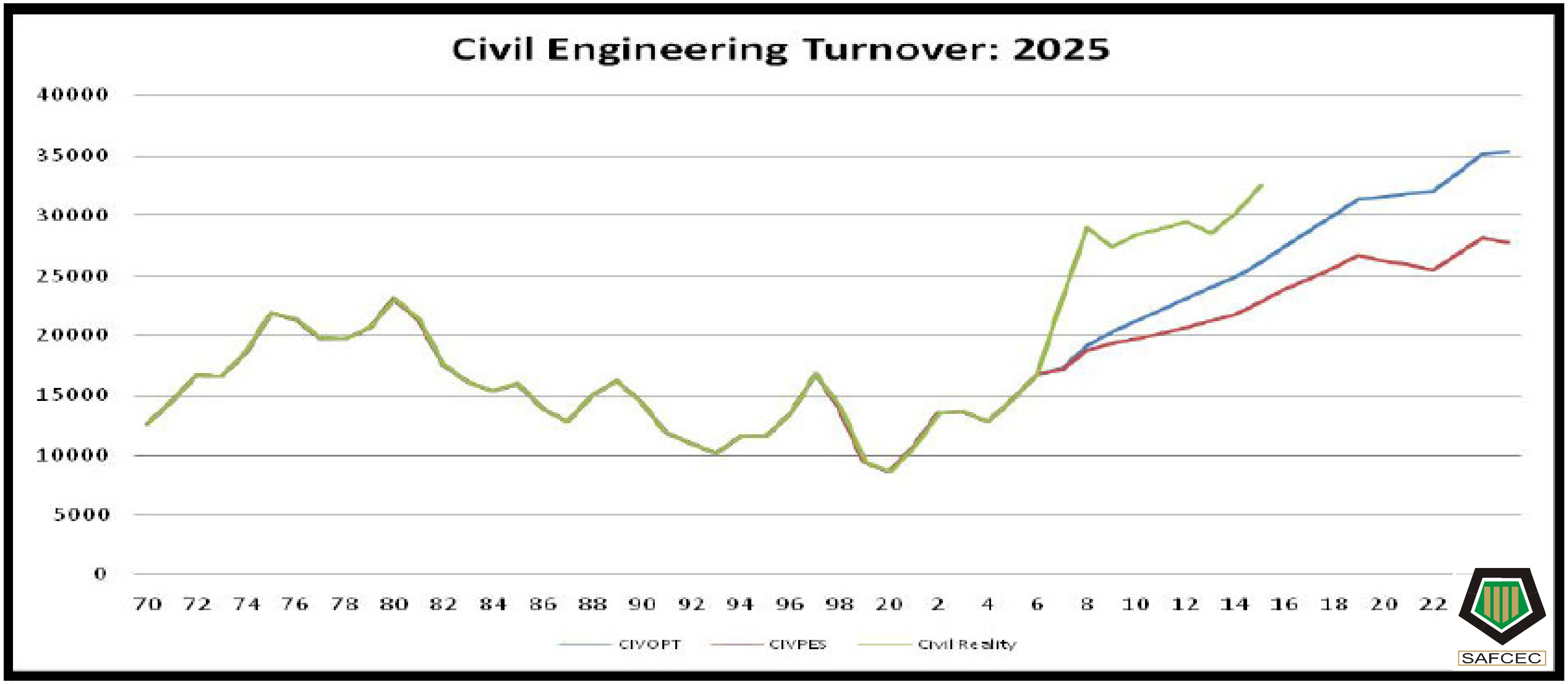
- **Sales in Europe Past Month:**
  - 60% of all companies sold in minimum 30% less than last year
  - Earthmoving equipment with biggest decreases, for road and concrete equipment less drastic
- **Incoming Orders Past Month**: No change in trend!
  - From Europe 2/3 of companies report decreases > 30%, 22% of all companies even decreases > 60%
  - Non-European orders: 48% report decrease > 30%
  - Earthmoving equipment hit harder than other products
- **Expectations for the next 6 months**:
  - 40% of all companies expect sales to be down more than 20%,
  - Most negative expectations for UK & Ireland , Spain & Portugal, Italy, Russia and Turkey
  - Stable sales expected in Latin-America, Middle-East and for non-earthmoving equipment also in China
  - Main reasons for low European demand: general economic climate and the lack of financing
- **Workforce:** After having reduced heavily the temporary workers, now 50% of all companies reduce permanent workers.
- **Expectations to Politics:**
  - Quick start of infrastrucure projects to stimulate demand for equipment
  - Stabilisation of the bank financing conditions
  - Tax allowances for equipment purchases

Source: CECE Business Barometer February 2009

Civil Infrastructure Spending – Southern Africa

Domestic Market View

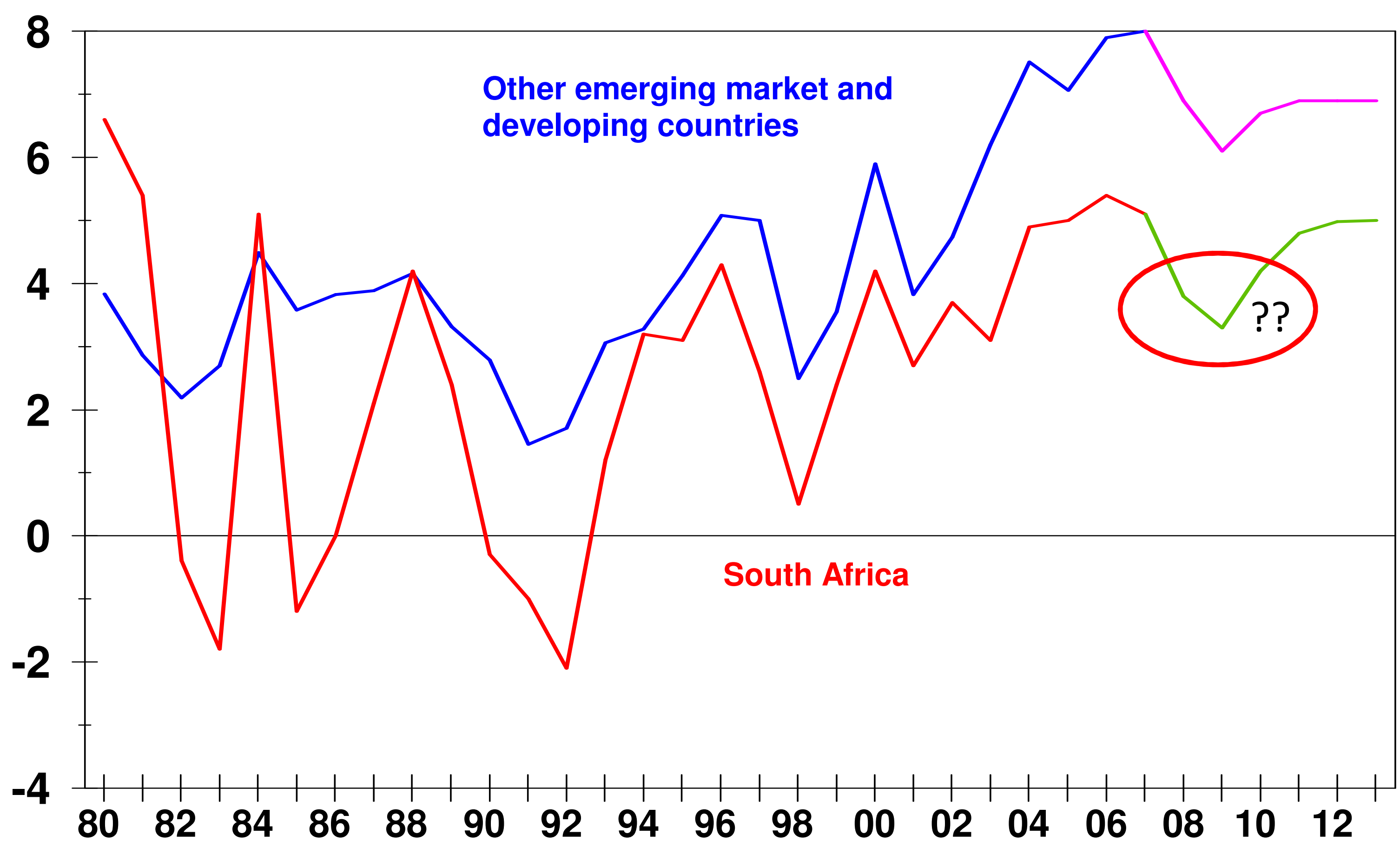
Feb 2009 *Civil Engineering Turnover: Reality, Optimistic and Pessimistic*



Prepared for the Challenging Year ahead.

Turning Point ?

Domestic Market View

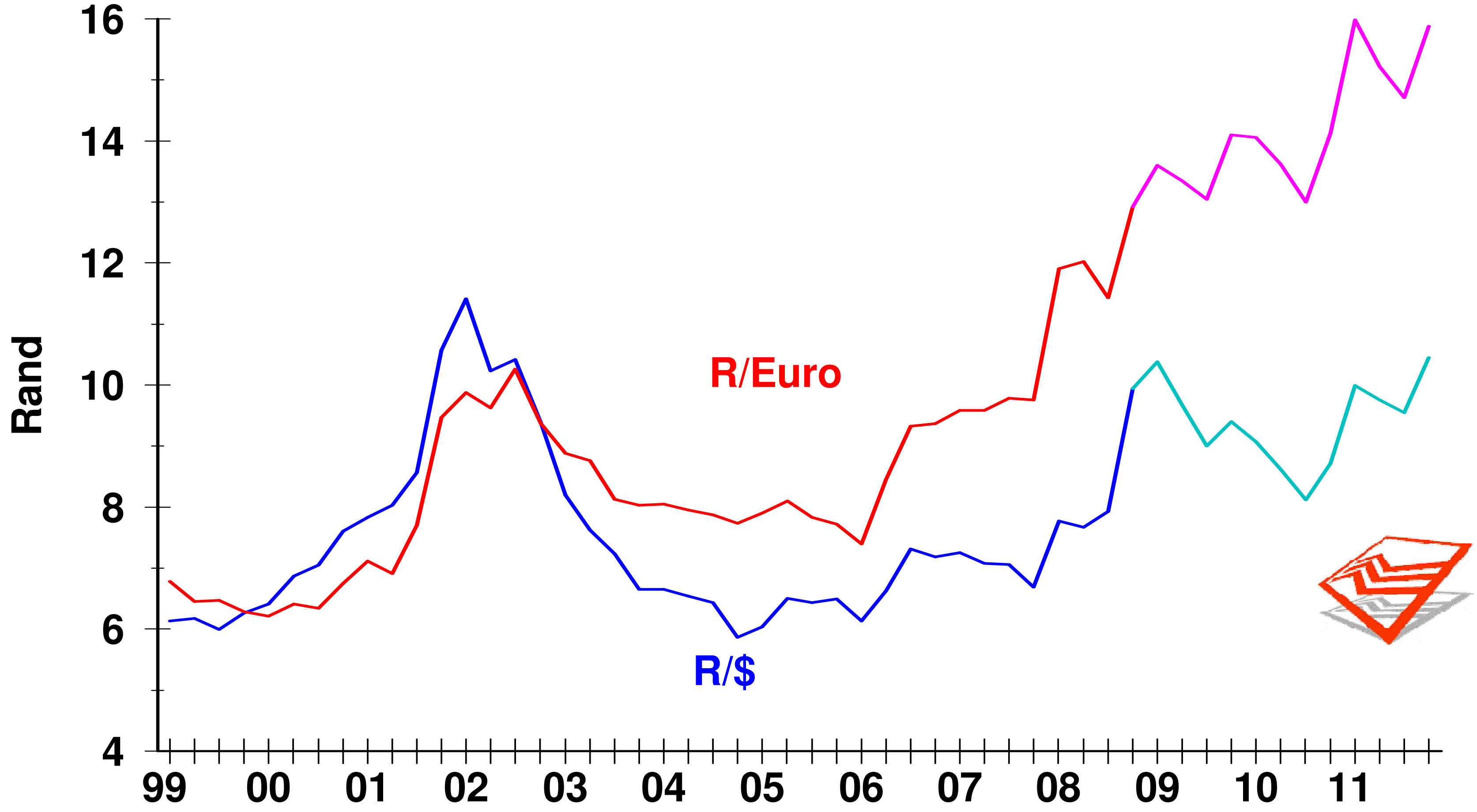


Source :IMF

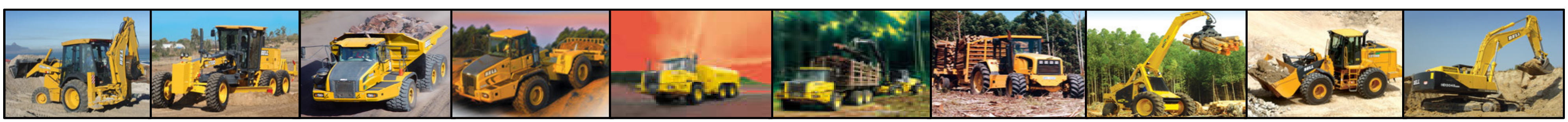
BELL

Currency Weakness – positive for ***BELL***

Domestic Market View



Strategy



Sustainable Business Strategy

Best in Class Features
Fuel Efficiency
Innovative Design
Economy of Scale
Currency benefit

Global Business

Product and Geographic Diversity – Reduces risk of dependence on any one region

Competitive Products

Agri Construction Mining

Focused on medium
To long term growth
Sectors

Strong Partners

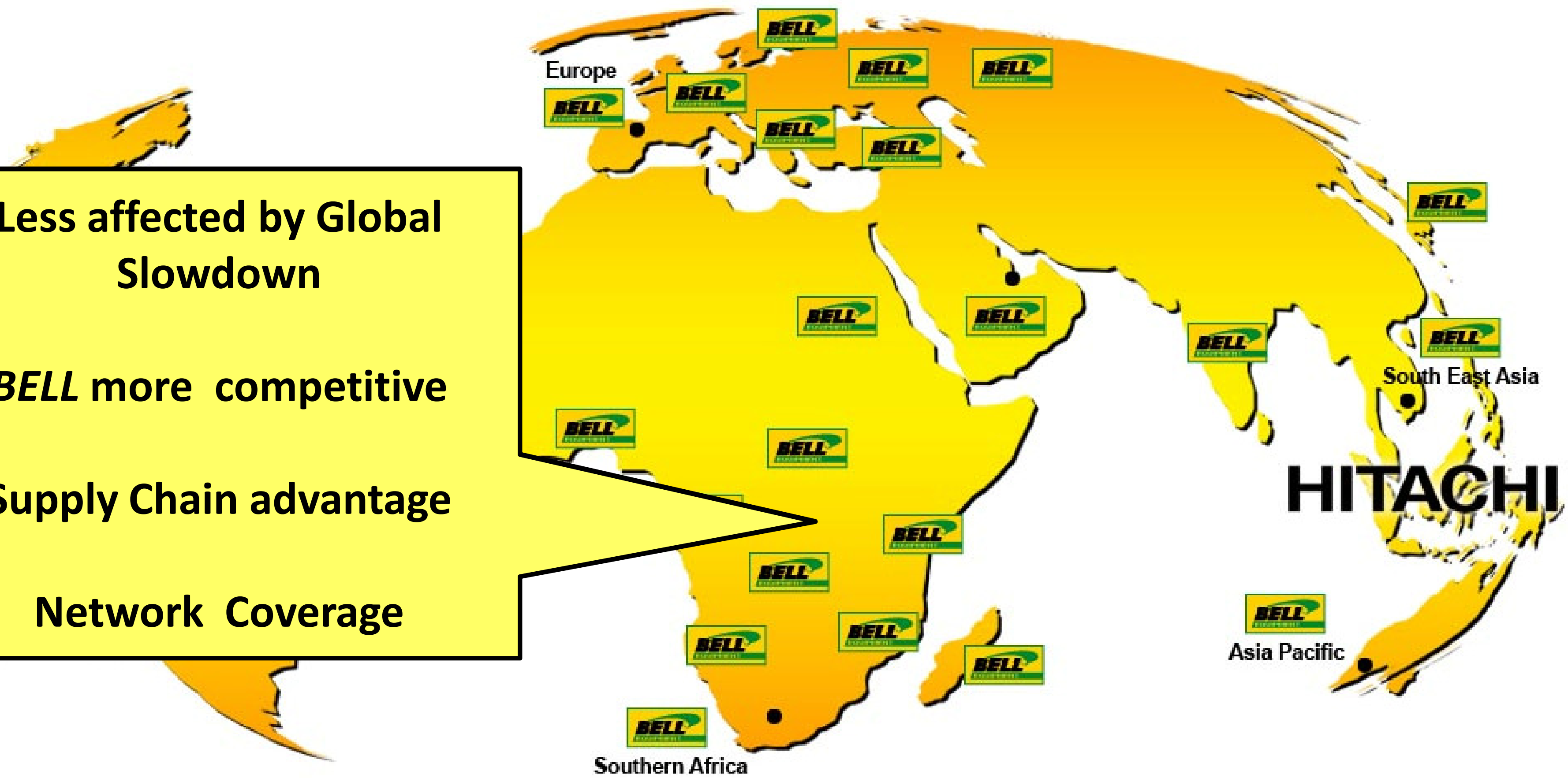
Optimal BBBEE Position

Deere, Hitachi
and Liebherr in Europe

Max Points
Customers Benefit

Prepared for the Challenging Year ahead.

Focused on Short Term Africa Advantage



Less affected by Global Slowdown

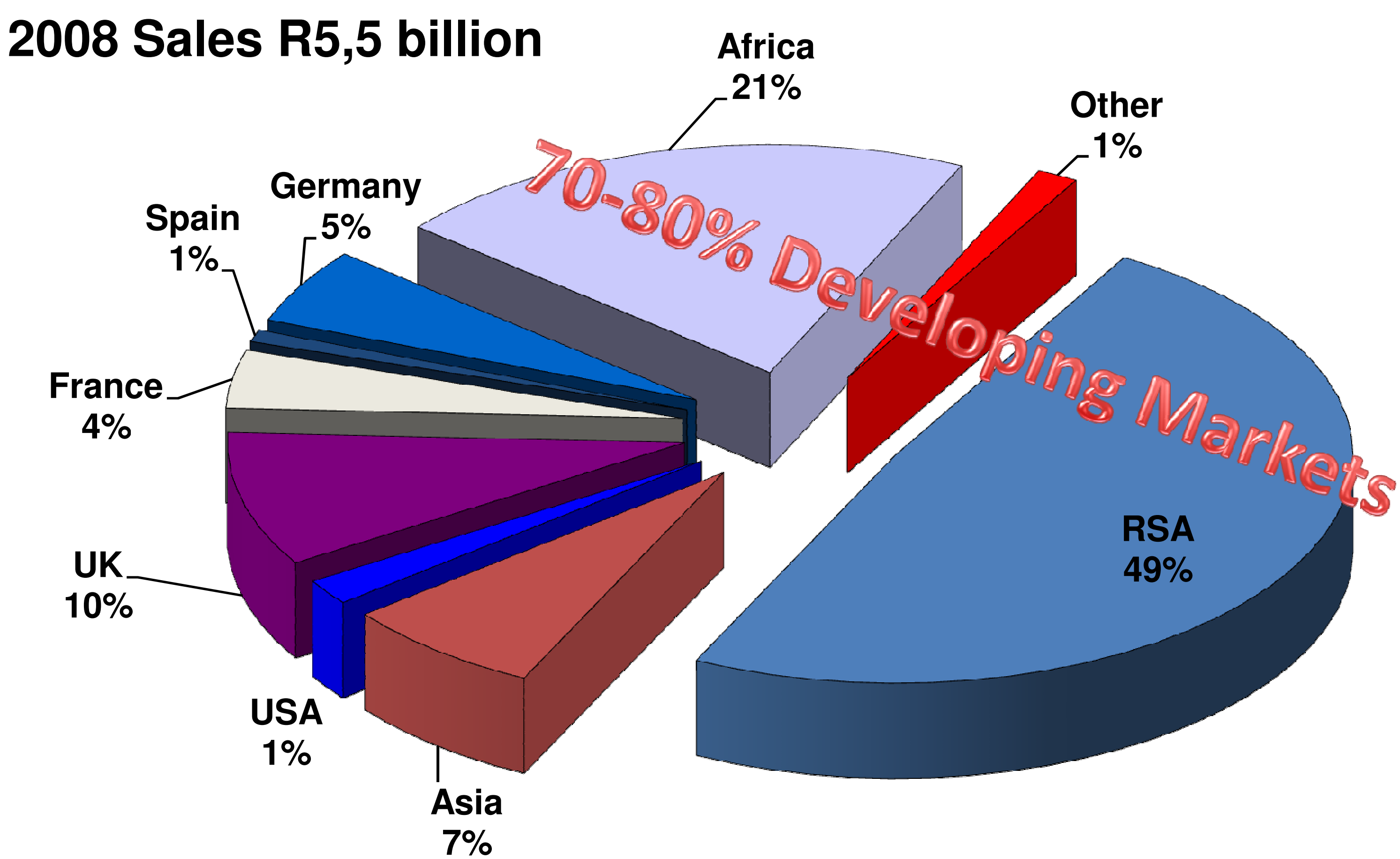
***BELL* more competitive**

Supply Chain advantage

Network Coverage

Prepared for the Challenging Year ahead.

Revenue Base – Changing



Focused Opportunities 2009

- ***BELL*** business is 80% from Developing markets
- Market Share – core Products
- New full line - Bomag Compaction Machines
- Sugar and Forestry projects
- Infrastructure projects
- Limited mining opportunities
- ***BELL*** Assure (Lifetime Revenue Stream)
    - Parts
    - Service
    - Finance
    - Fleetm@tic

RSA Infrastructure Spend

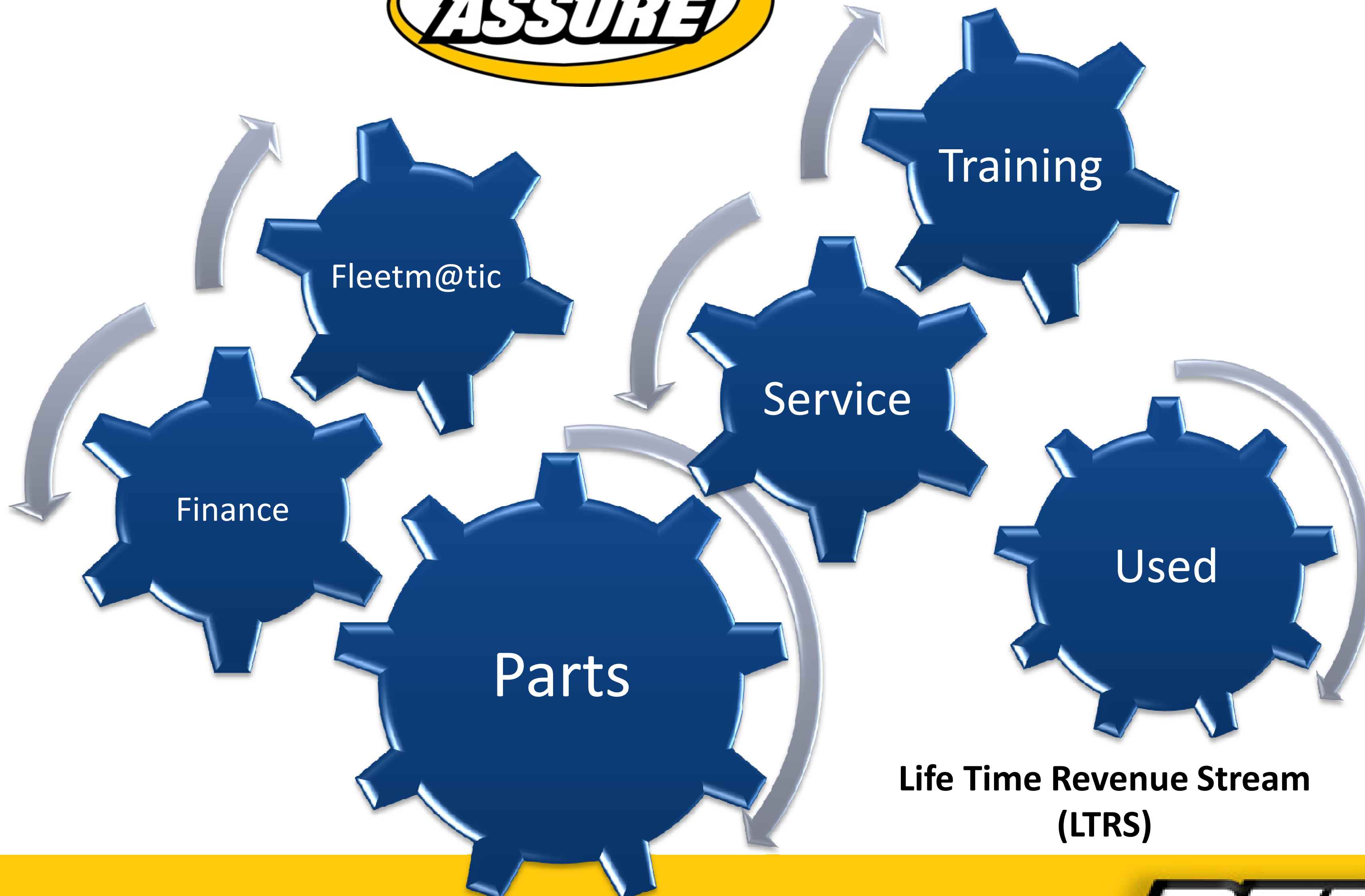
As a proportion of GDP, South Africa rates as the country spending the most on infrastructure, some 24% of domestic output, outspending country's substantially larger in nominal GDP-size like the US and China.

TABLE 2

Rank by infrastructure spend	Rank by GDP	Country	GDP ($bn) in 2007	% of World economy	Stimulus package ($bn)	% of GDP	Infrastructure ($bn)	% of GDP
1	4	China	3,280	6.0	586	0.18	97.9	3.0
2	1	US	13,807	25.3	825	0.06	76.9	0.6
3	**30**	**SA**	**283**	**0.5**	**69**	**0.24**	**69.0**	**24.4**
4	10	Brazil	1,313	2.4	42.2	0.03	42.2	3.2
5	3	Germany	3,320	6.1	65	0.02	23.4	0.7
6	13	Mexico	1,022	1.9	22.8	0.02	22.6	2.2
7	25	Saudi Arabia	381	0.7	126.7	0.33	18.1	4.8
8	24	Taiwan	383	0.7	25.7	0.07	16.6	4.3
9	8	Spain	1,439	2.6	14.3	0.01	12.0	0.8
10	6	France	2,593	4.8	33	0.01	5.0	0.2

Source - Business Day, Empowerdex, Brait

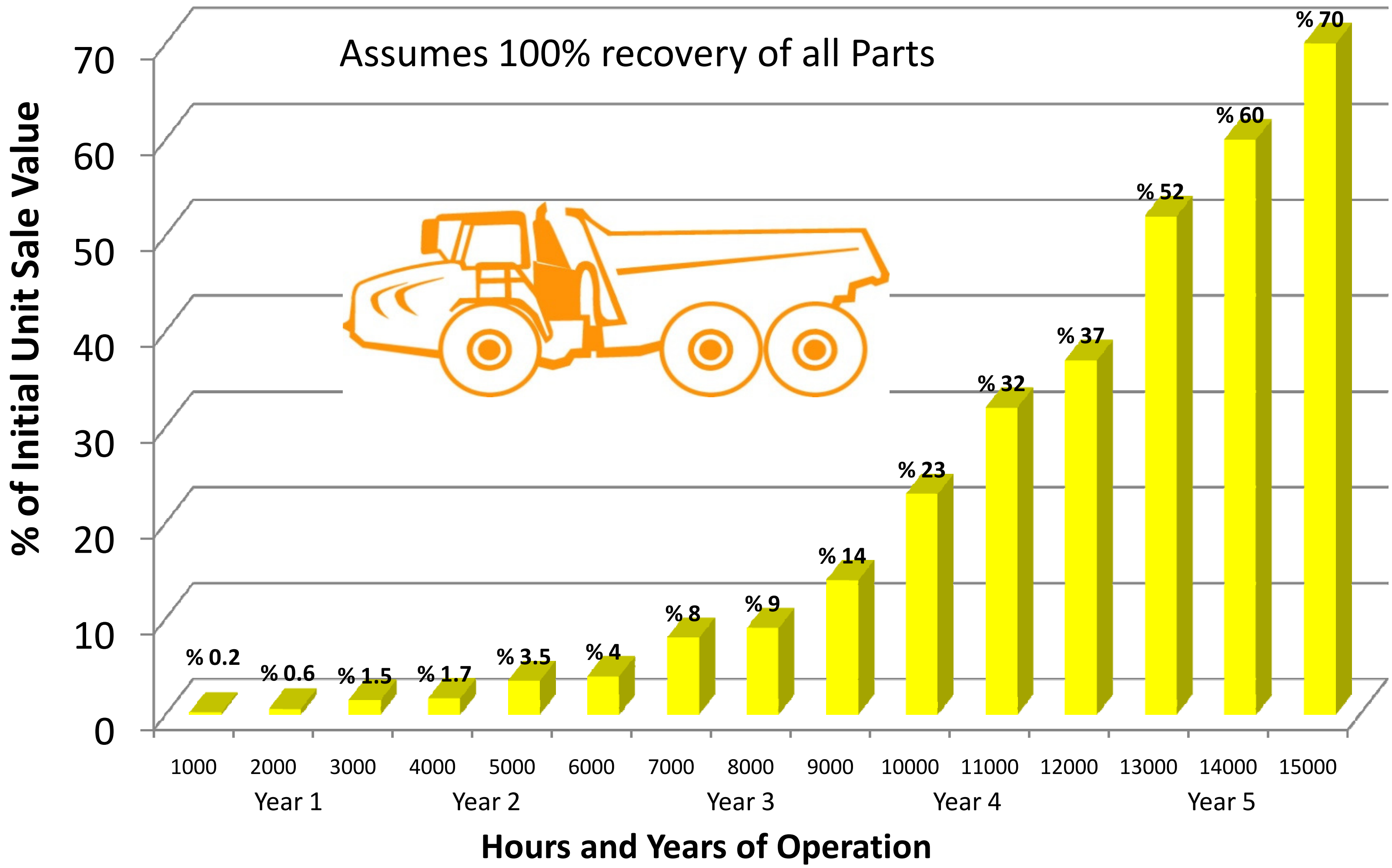
Annuity Income



Life Time Revenue Stream (LTRS)

Prepared for the Challenging Year ahead.

Estimated Lifetime Parts Stream



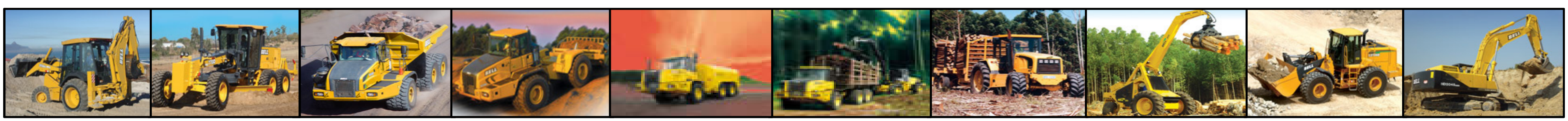
Prepared for the Challenging Year ahead.

Jetpark - Global Parts Centre

Total Cost of +R220 million
Completion this Month
R60-70 Million worth of Parts per month

Prepared for the Challenging Year ahead.

Cash Flow Initiatives



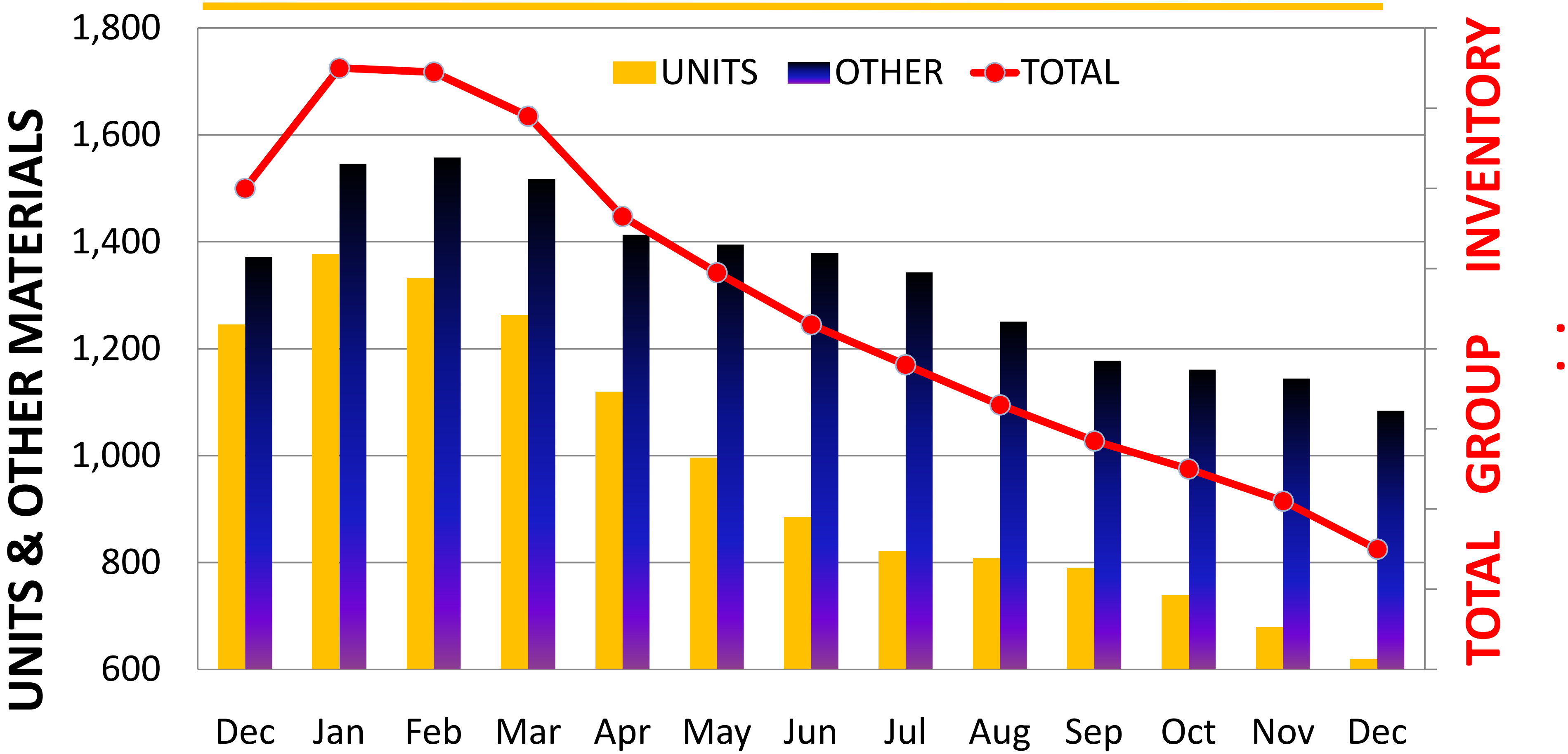
Prepared for the Challenging Year ahead.

BELL Focus going Forward

Cash is King Culture !

- Manage Inventory
  - Production Cuts and cancelled Materials
  - Targeting Sales – reducing Inventories
- Manage Receivables
  - Tougher Credit Control
  - Lower risk higher security
- Sales & Operations Review now Weekly
  - Reduced commitment on component Suppliers
  - Quicker response to Market demand
  - Reduction Plan will be met

Inventory Plan – Dec 2008 to Dec 2009



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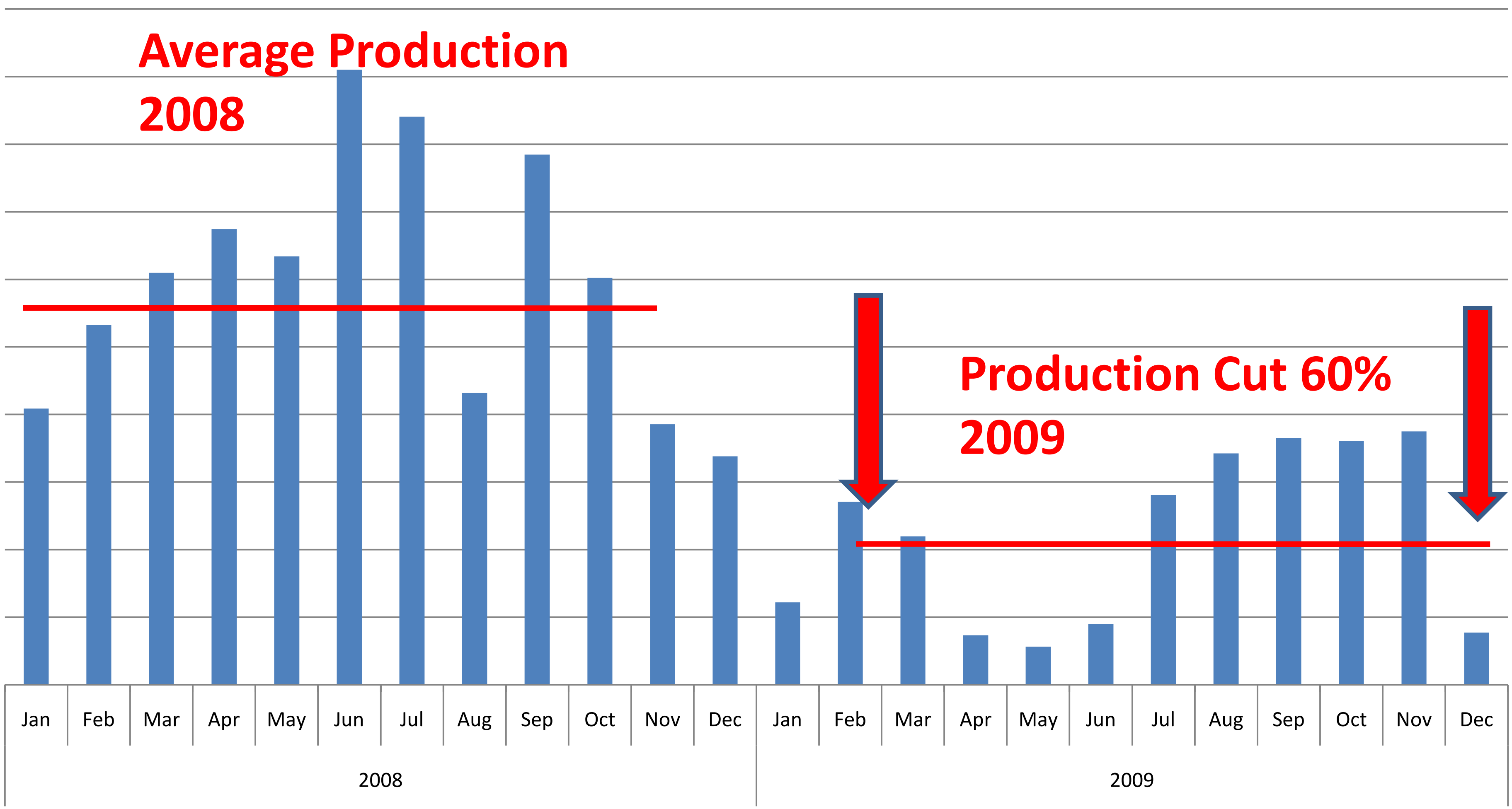
BELL Factories - Production Adjusted



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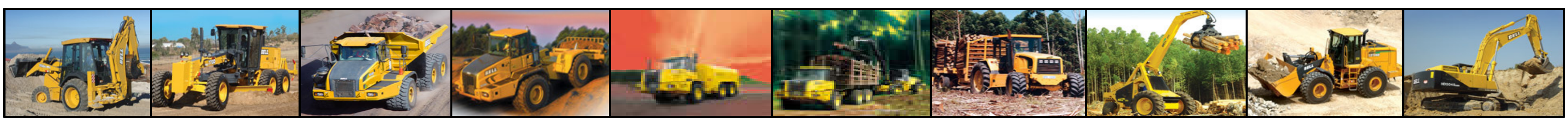
Cost Reduction Initiatives



Prepared for the Challenging Year ahead.

Cost Reduction Actions - Completed

- Capex Reduction
    - Freeze on Capex extended to June
    - Capex budget 2009 revised down 40%
- Reduced Expenses
    - Travel and Exhibitions
    - Rental of Properties
    - Factory Expenses
    - Marketing and Vehicle leases
    - Capex and Opex freeze
    - 800 Contract workers released
    - Budget reworked – R200m cost reduction
    - Factories on Short-time
- Interest Costs
    - Reduced Borrowings by year end
    - Expected interest rate reduction 3-3,5%

Further Cost Reduction - Opportunities

- Restructure distribution Operations
- Refocus Manufacturing Operations - localisation
- Deploy resources to LTRS opportunities
- Process efficiency
- Capex Review – next stage
- Expense review
- Head count reductions
- Travel and Transport
- Exhibitions

Potential Assistance

- Government Support
  - Distressed Industry Programme (Presidency has identified Capital Equipment as priority
  - Working with The dti, NUMSA, SEIFSA and others
  - Skills development
- Development Finance Institutions
  - Bridging Finance
  - Supplier Finance
  - Customer Finance

Current Outlook

- Global markets continue to deteriorate
- Margin pressure during de-stocking period
- ***BELL*** strategy fundamentally sound
- ***BELL*** products remain globally competitive
- Continued investment in R&D
- Effective steps taken to Reduce Inventories
- Operating Costs aligned to current market
- Expect some attrition in Competitor landscape
- Well positioned for Growth when markets turn!

Key Risk Analysis

• Liquidity	Additional facilities in place & Cash forecasting
• Excess Inventory	Weekly SOP & Production curtailed
• Major Market changes	Sales forecasting and monitoring
• Bad Debt	Credit management
• Skills availability	Retention and development & succession plans
• Quality	Robust Process for continuous improvement
• Delinquent Supplier	Monitoring and alternatives
• Physical	Insurance and regular assessment
• Injuries	Safety priority, training and audits

Concluding ....

The Bell Group faces difficult Global markets

BELL will:

- Survive the current global contagion and emerge leaner and meaner
- Continue to Strengthen its Distribution channels
- Benefit from planned Infrastructure spend in Southern Africa
- Invest in its People and Products
- Grow the Global machine park and Annuity income associated
- Lead in Technology of its Core Products

Thank You!

QUESTIONS ?