



National Tyre Services Limited

Trading Update for the 1st Quarter ended 30 June 2019

1. Nature of Business

The Company continued with its business of retailing and retreading of tyres, wheel alignment, wheel balancing and related services from its thirteen branches.

2. Trading Environment

The trading environment was characterised by continued shortages of foreign currency, steep increases in year-on-year inflation and reduced aggregate demand as businesses and consumers adjusted to the challenging environment. Productivity was negatively affected by power outages.

3. Volume Performance

- 3.1 The volume of tyres sold in the first quarter decreased by 51% compared to the previous quarter ended 30 June 2018.
- 3.2 Under the retreading line volumes decreased by 10% compared to the previous quarter ended 30 June 2018.
- 3.3 In the services lines the decrease in volumes compared to the previous quarter ended 30 June 2018 was 36%.
- 3.4 Year to date revenue for the quarter to 30 June 2019 was ZWL 8.6 million which was 42% above budget and 133% above the previous quarter ended 30 June 2018.
- 3.5 The Company remains profitable and positive cash flows were generated by the business in the quarter under review.
- 3.6 We assume the trading environment will remain the same in the short-term.

By Order of the Board

A handwritten signature in black ink, appearing to be "S. N. Mandimika".

S. N. Mandimika

Company Secretary

30 August 2019