



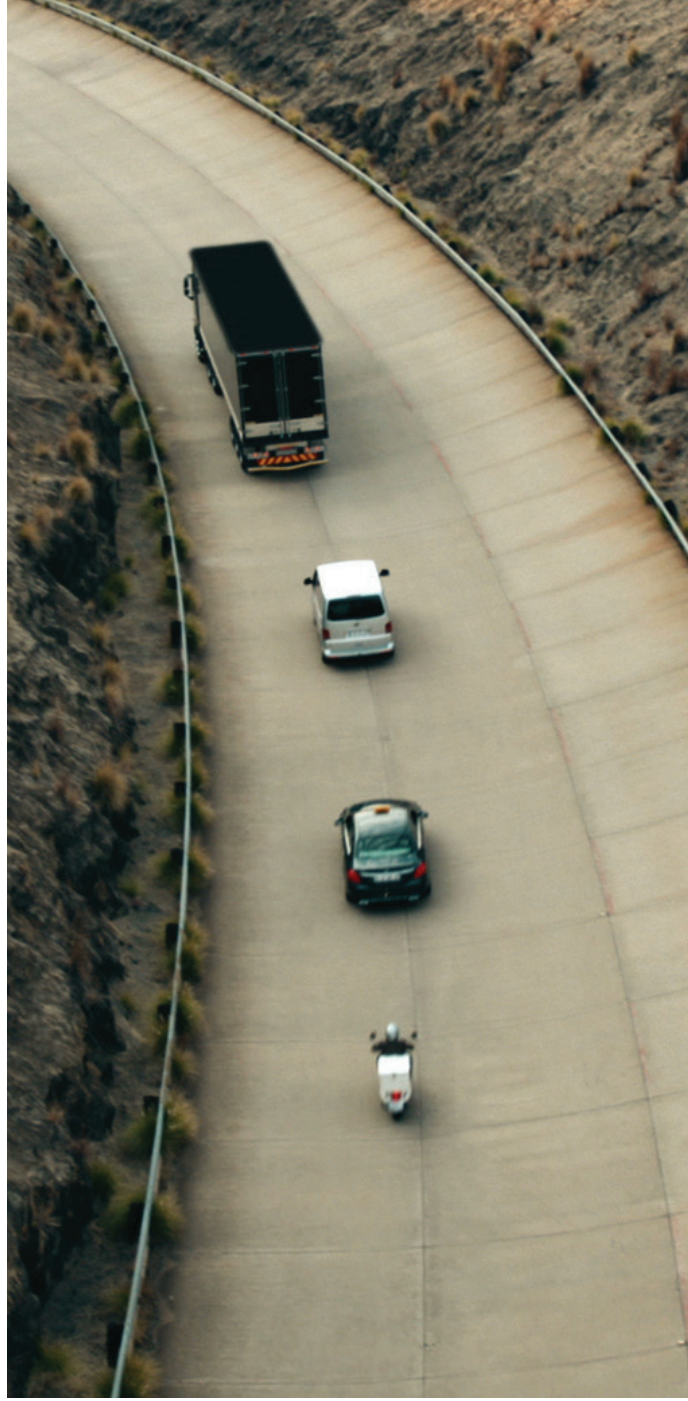
UNAUDITED CONDENSED
CONSOLIDATED INTERIM
FINANCIAL RESULTS
2017



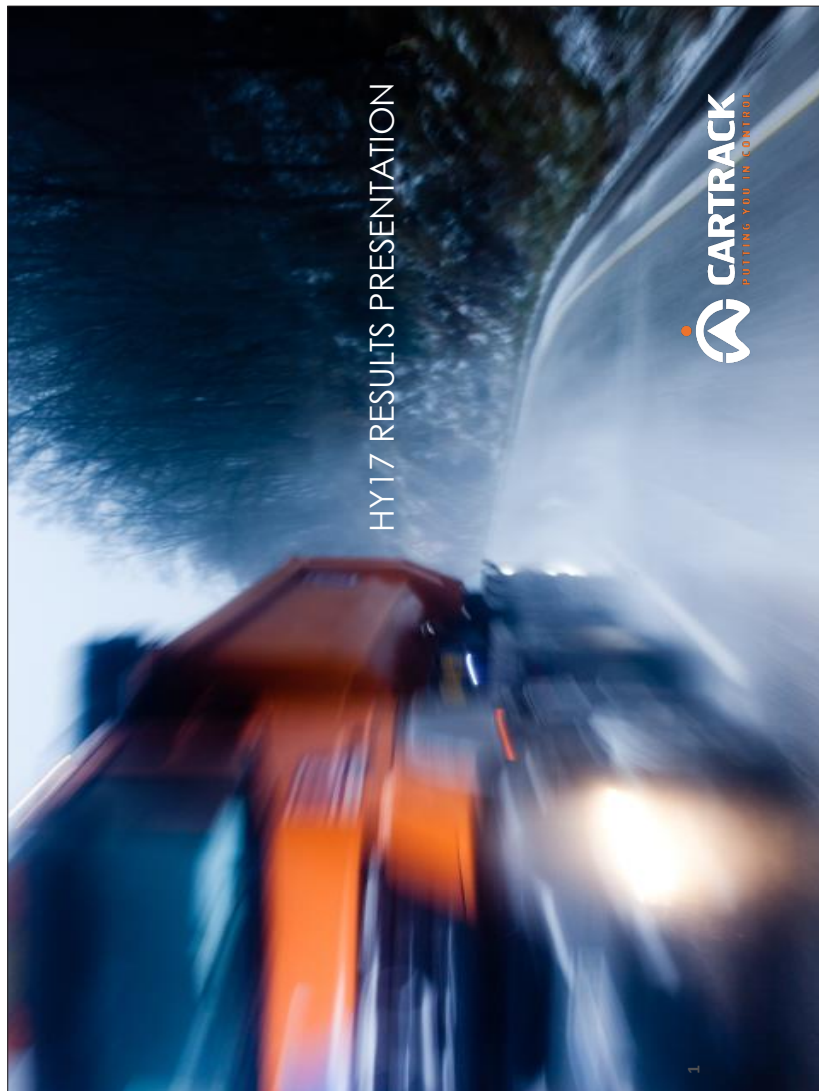
CARTRACK
PUTTING YOU IN CONTROL

FLEET MANAGEMENT | STOLEN VEHICLE RECOVERY | INSURANCE TELEMATICS

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS 2017



NOTES





ABOUT CARTRACK

A leading global telematics company	Consistent growth in profitability
Represented in 24 countries	Resilient , annuity-based business
> 551 000 subscribers	High cash generator
Proven, scalable technology platform	Diversified & balanced subscriber base

NOTES



BUSINESS TRENDS

- Global growth – universal needs with low penetration
- Government regulatory requirements for road safety, road planning, pollution levies, toll fees, general tax collection and driver regulations
- Insurance telematics
- Consolidation within industry
- OEM partnerships for in-field hardware maintenance and service support
- OEM partnerships to use our software-as-a-service platform
- Autonomous cars
- Stronger SVR demand in high crime countries
- Data analytics and value-added products and services
- Barriers to entry increasing due to high demand for rentals, leaps in technology development and requirement for substantial recovery infrastructure

Our platform for growth



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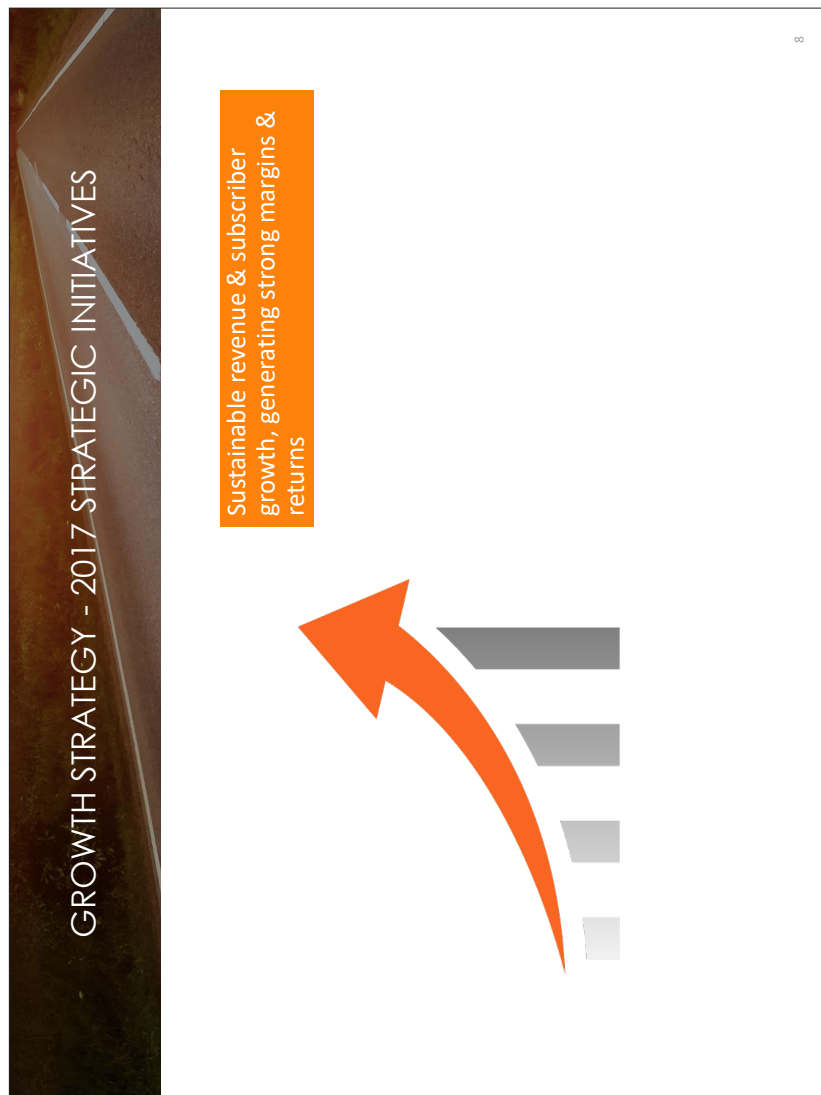


OUR STRATEGY – DRIVING SHAREHOLDER VALUE



Low penetration in high growth market

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GROWTH STRATEGY - 2017 STRATEGIC INITIATIVES

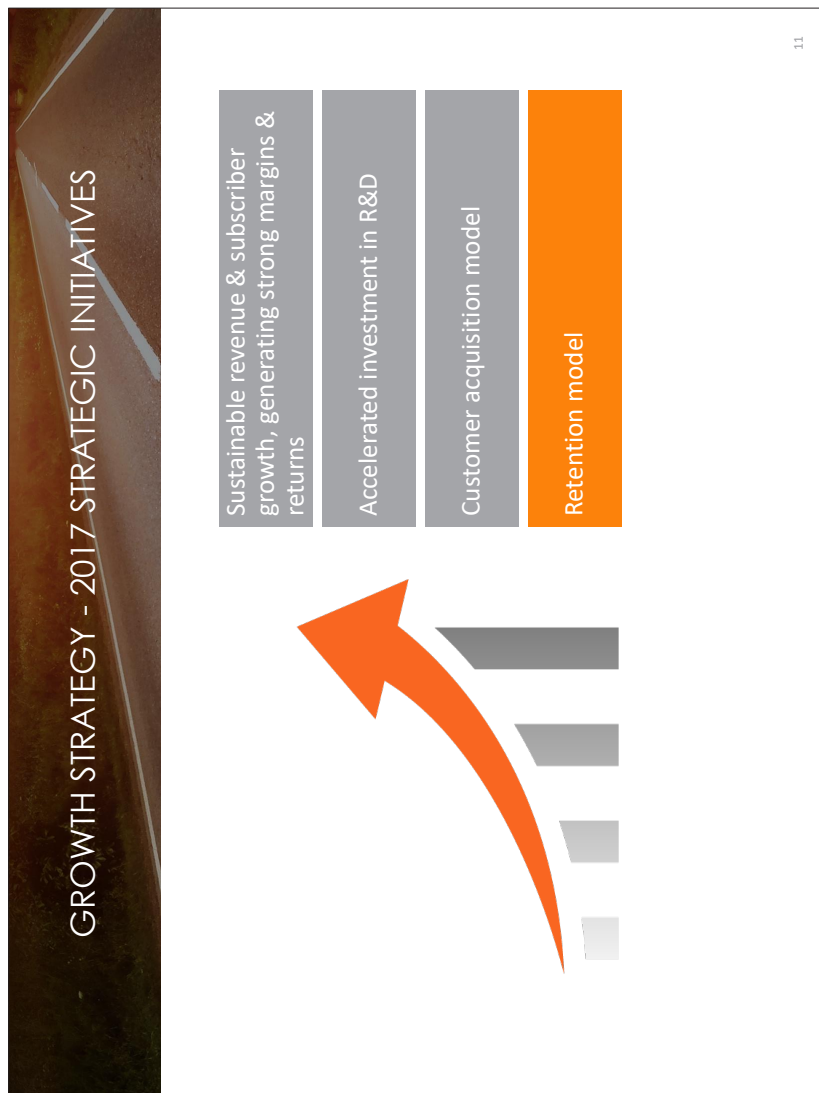


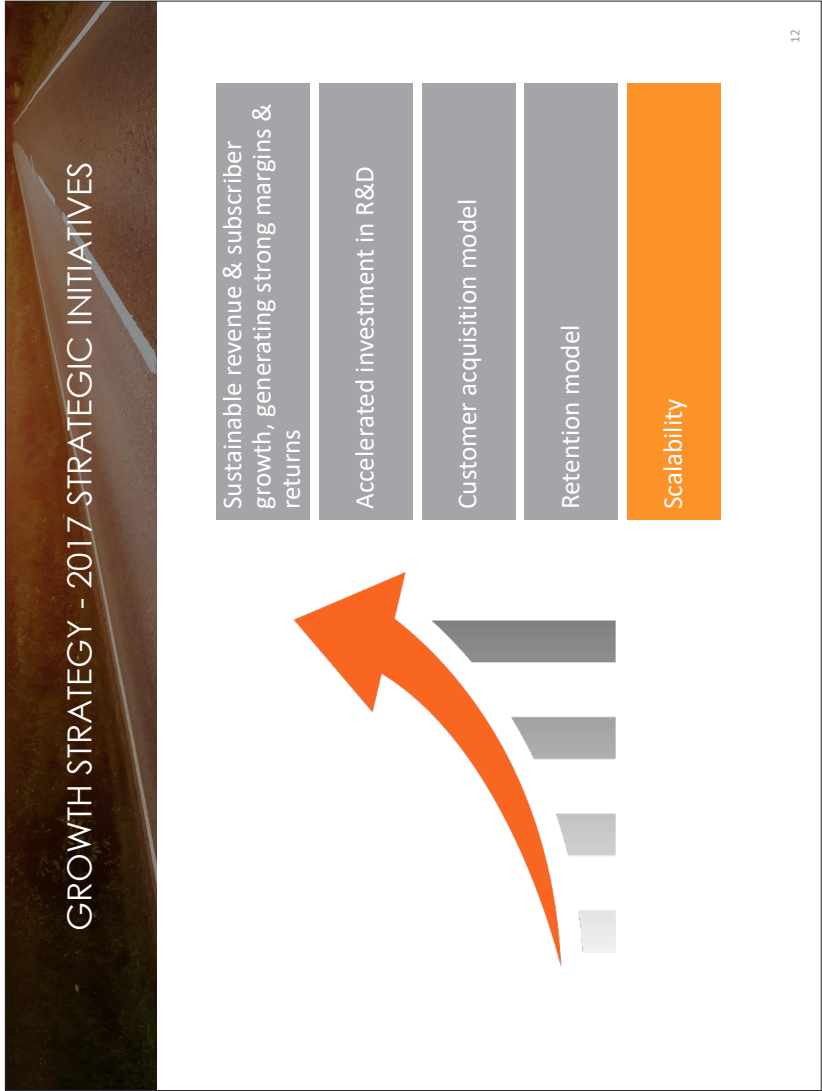
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SOUTH AFRICA – A SOLID PERFORMER



HY 17 PERFORMANCE

- Revenue +16%
- Subscribers +18%
- Operating profit +14%

OUTLOOK AND INITIATIVES

- Continued strong subscriber growth and market penetration
- Low penetration in SA market
- Launching low LSM telematics offering

South Africa	H1 2017 Actual	H1 2017 constant currency	H1 2016 Actual	% change Actual	% change constant currency
Revenue	413 154	413 154	357 328	16%	16%
Cost of sales	-80 092	-67 835	-66 419	21%	2%
Gross profit	333 062	345 319	290 909	14%	19%
Other income	2 238	2 238	1 819	23%	23%
Net operating foreign exchange gain	-501	-501	-357	40%	40%
Operating expenses	-189 424	-189 425	-164 498	15%	15%
Operating profit	145 375	157 631	127 873	14%	23%

AFRICA-OTHER – OPERATIONALLY SOUND



HY 17 PERFORMANCE

- Revenue -7%
- Subscribers +4%
- Operating profit -35%

OUTLOOK AND INITIATIVES

- Maintain strong performance in local currency despite headwinds
- Improve penetration and collections

Africa-Other	H1 2017 Actual	H1 2017 constant currency	H1 2016 Actual	% change Actual	% change constant currency
Revenue	56 972	65 863	61 556	-7%	7%
Cost of sales	-10 214	-11 064	-8 662	18%	28%
Gross profit	46 758	54 799	53 394	-12%	3%
Other income	157	213	41	283%	420%
Net operating foreign exchange gain	-1 415	-1 514	1 100	-229%	-238%
Operating expenses	-27 136	-29 880	-25 704	6%	16%
Operating profit	18 364	23 618	28 331	-35%	-17%

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EUROPE – STRONG GROWTH IN COMPETITIVE ENVIRONMENT



HY 17 PERFORMANCE

- Revenue +41%
- Subscribers +23%
- Operating profit -26%

OUTLOOK AND INITIATIVES

- Targeted investment in distribution channels
- Strong subscriber growth

Europe	H1 2017 Actual	H1 2017 constant currency	H1 2016 Actual	% change Actual	% change constant currency
Revenue	55 063	45 906	39 147	41%	17%
Cost of sales	-11 303	-7 712	-7 791	45%	-1%
Gross profit	43 760	38 194	31 356	40%	22%
Other income	63	63	1 620	-96%	-96%
Net operating foreign exchange gain	47	39	-115	-141%	-134%
Operating expenses	-34 102	-28 878	-19 610	74%	47%
Operating profit	9 768	9 418	13 251	-26%	-29%

NOTES

ASIA PACIFIC & ME – BUSINESS CASE PROVEN



HY 17 PERFORMANCE

- Revenue +147%
- Subscribers +203%
- Operating loss -24%

OUTLOOK AND INITIATIVES

- Further investment in operating capacity
- Strong growth in greenfields projects
- Positive profitability in line with business case, as evidenced in Singapore

ASIA PACIFIC & ME	H1 2017 Actual	H1 2017 constant currency	H1 2016 Actual	% change Actual	% change constant currency
Revenue	28 959	24 040	11 720	147%	105%
Cost of sales	-7 102	-4 481	-1 516	368%	196%
Gross profit	21 857	19 559	10 204	114%	92%
Other income	594	509	41	1349%	1141%
Net operating foreign exchange gain	-193	105	-18	972%	-683%
Operating expenses	-26 457	-22 407	-15 761	68%	42%
Operating profit	-4 199	-2 234	-5 533	-24%	-60%

NOTES

UNITED STATES – REGULATIONS SPUR DEMAND



OUTLOOK AND INITIATIVES

- Offices opened in California and executive team in place
- Estimated **3.1 million vehicles** still require ELD telematics (Driscoll & Associates 2016) to comply with regulations
- Sales to commence in November 2016
- The Group will benefit from operating in a highly technology driven society

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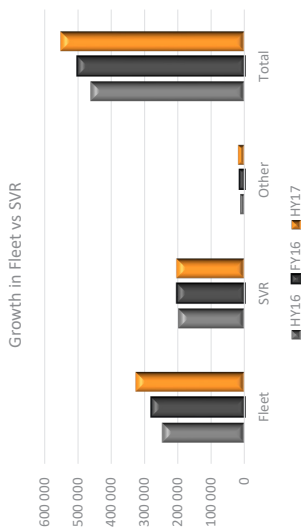
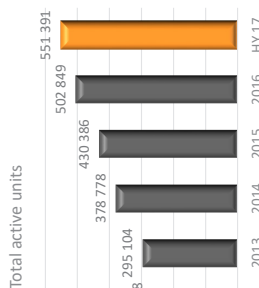
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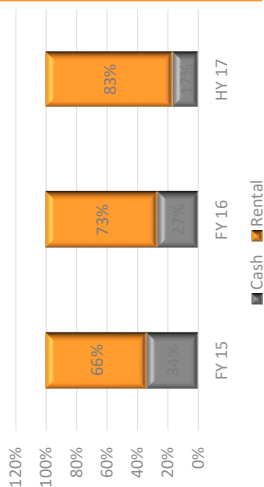
SALIENT FEATURES

- 19% subscriber growth
- 18% revenue growth
- 80% gross profit margin
- 30% operating profit margin
- 12% increase in EBITDA
- 6% increase in EPS
- R212 million cash generated from operating activities
- Investment in operating capacity and distribution channels
- Currency impacts (R19 million) excluding which EPS increased by 16%

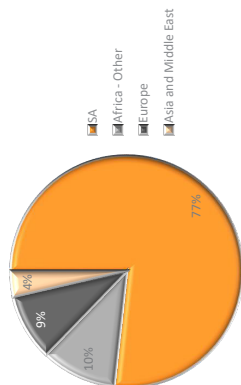
ROBUST SUBSCRIBER GROWTH

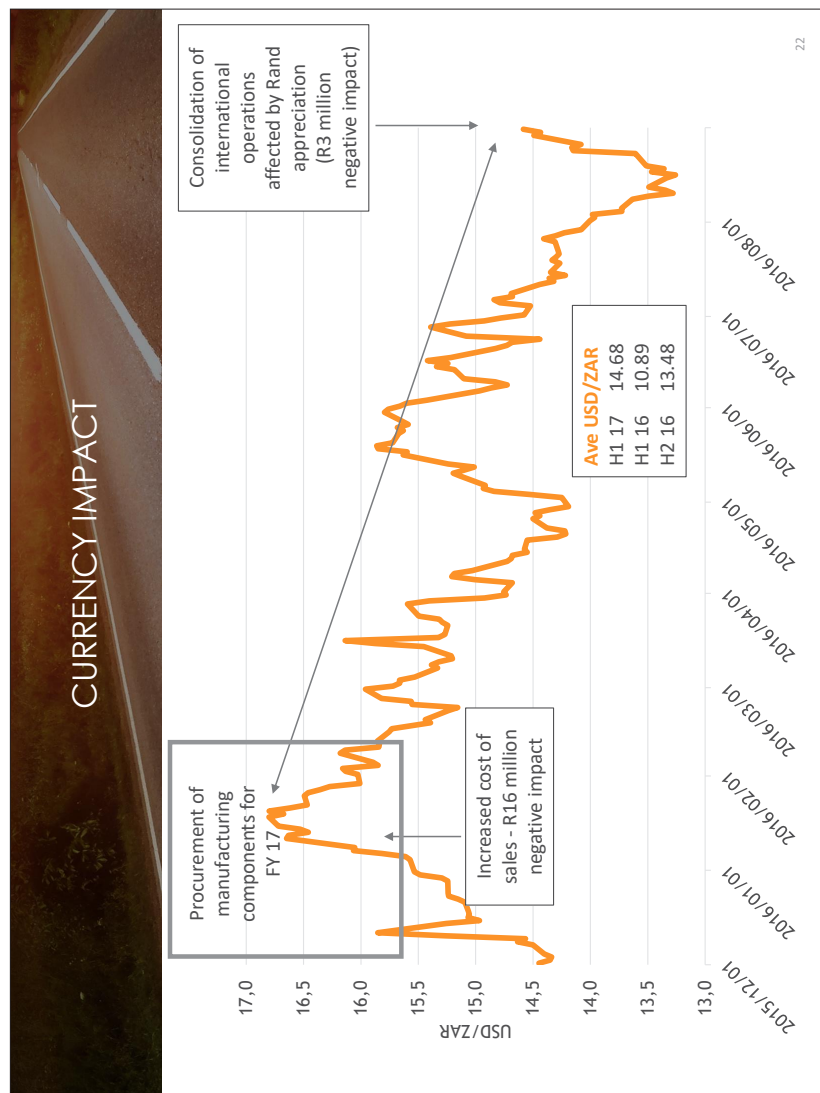


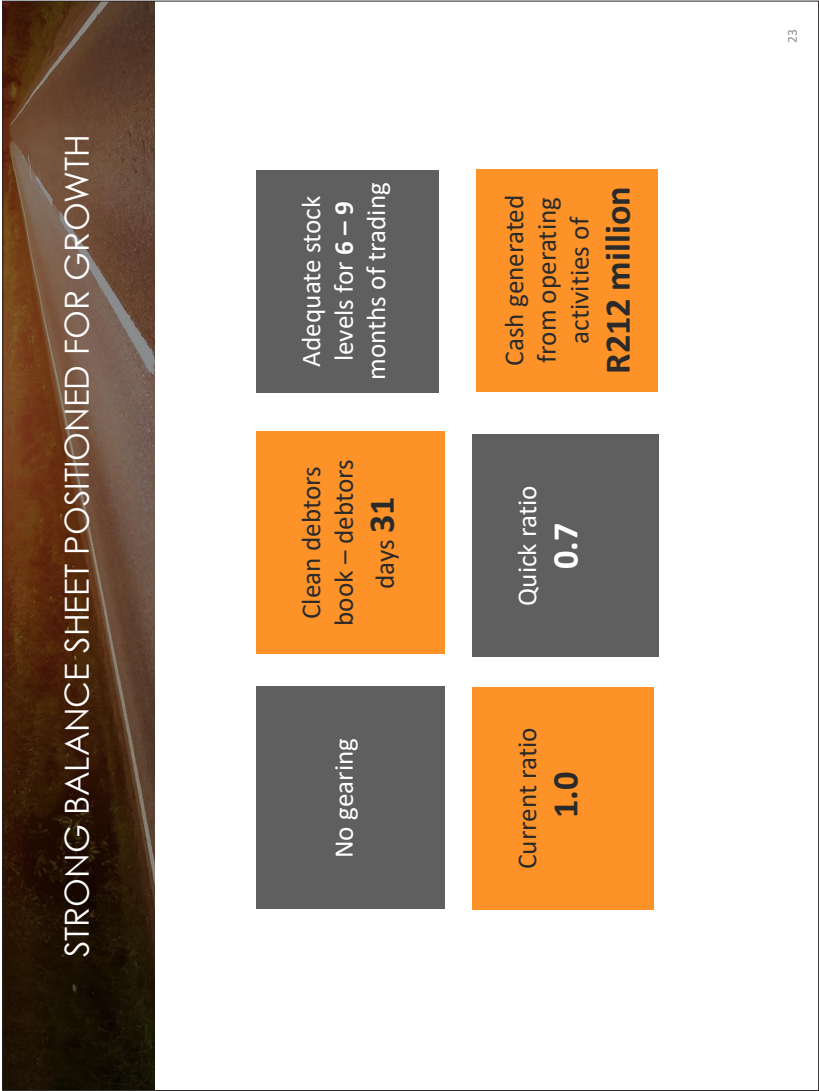
New sales – cash vs rental

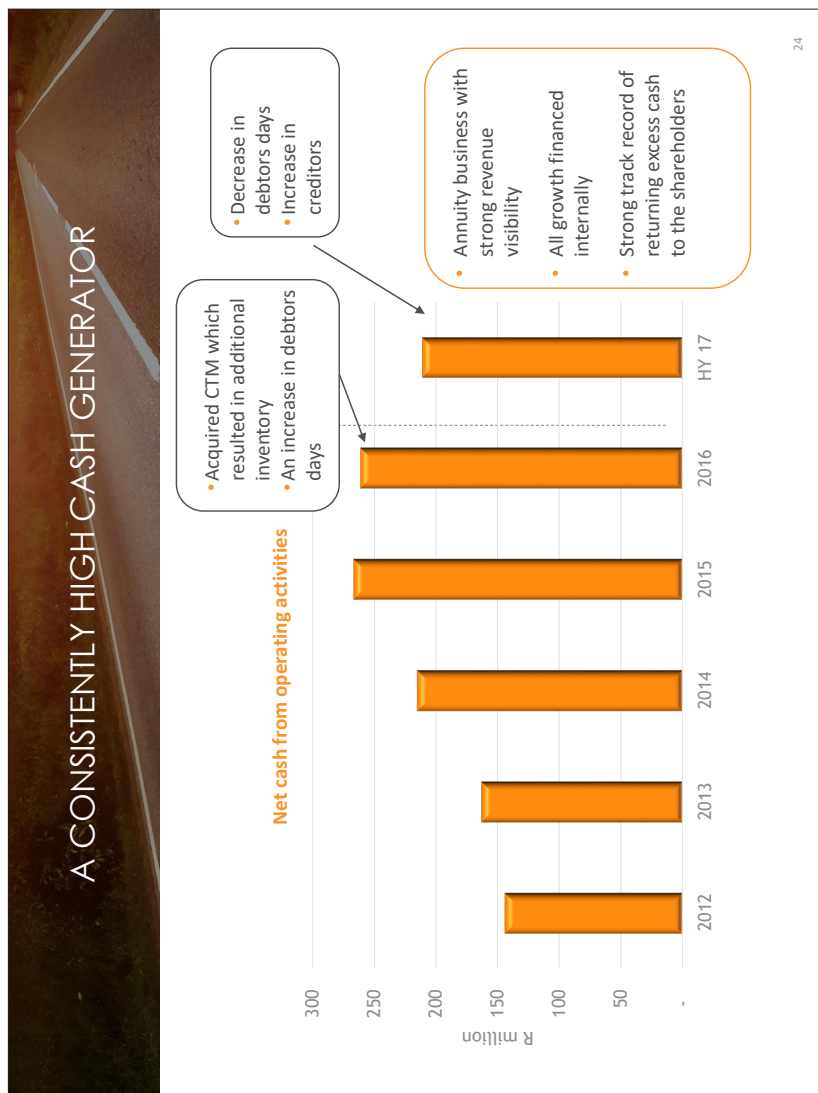


Subscriber base by geography

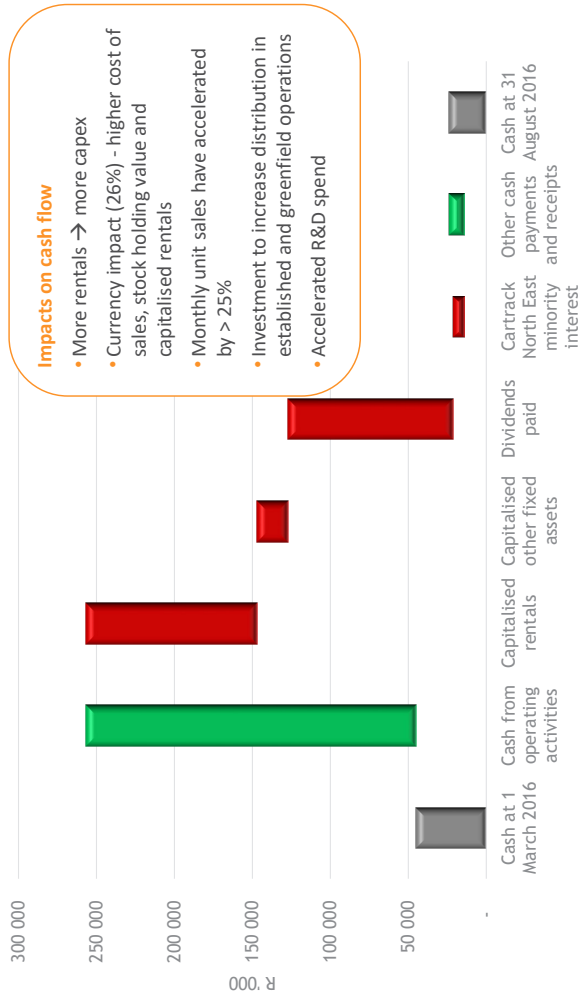






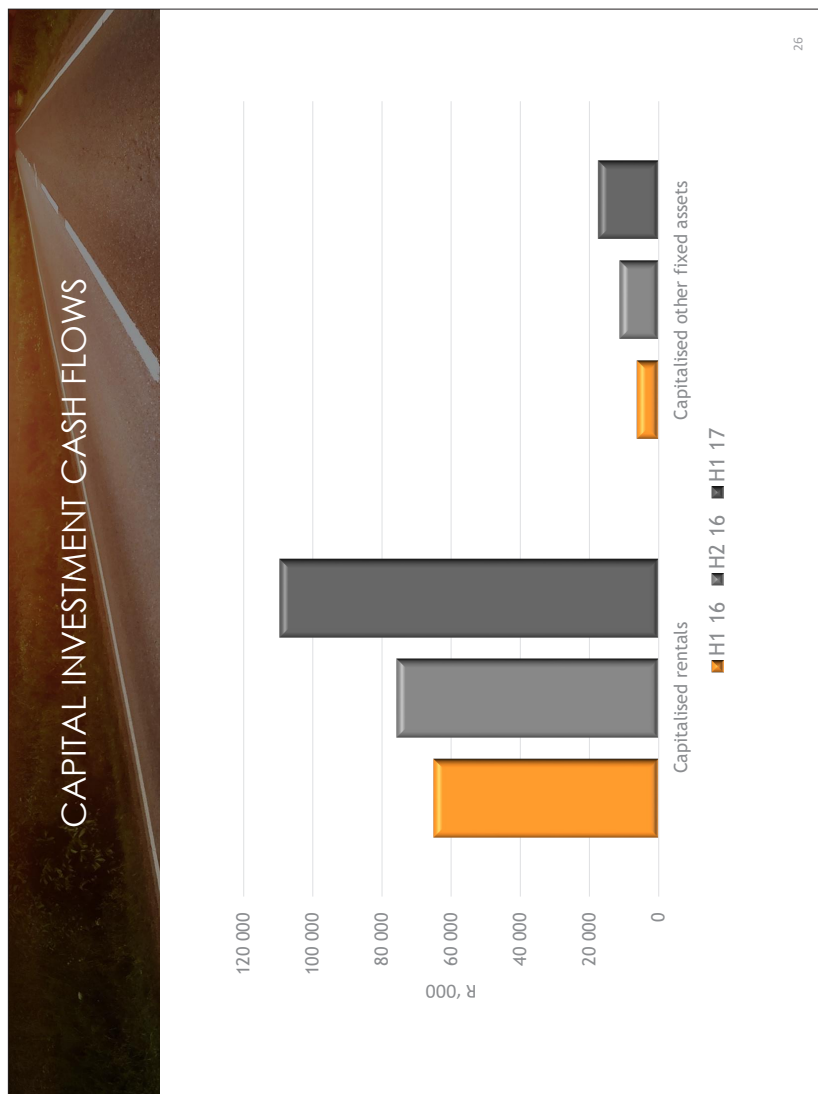


CASH GENERATION AND UTILISATION

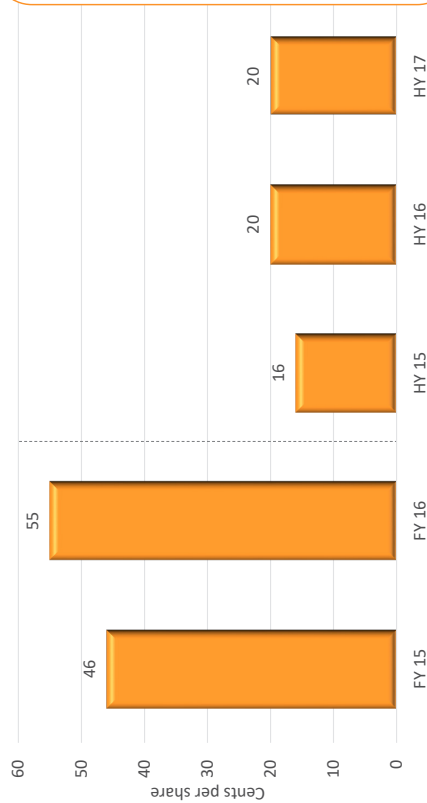


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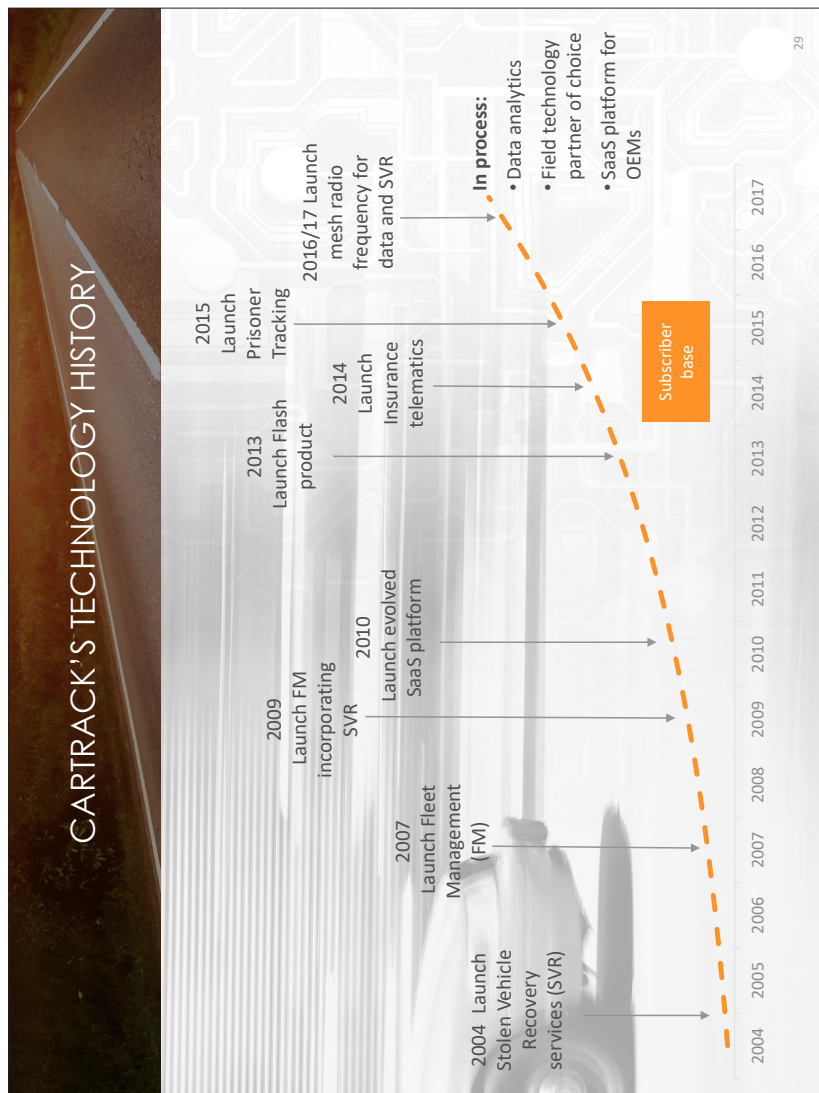



DIVIDEND POLICY AND DIVIDENDS



- H1 17 dividend cover of 1.25 times HEPS, against target of 1.25 - 1.55 times
- The revised dividend policy to be effective for FY17 - dividend cover of 1.25 - 2.5 times HEPS
- Management's expectations are that the final dividend cover for FY17 will be between 1.75 and 2.5 times HEPS.







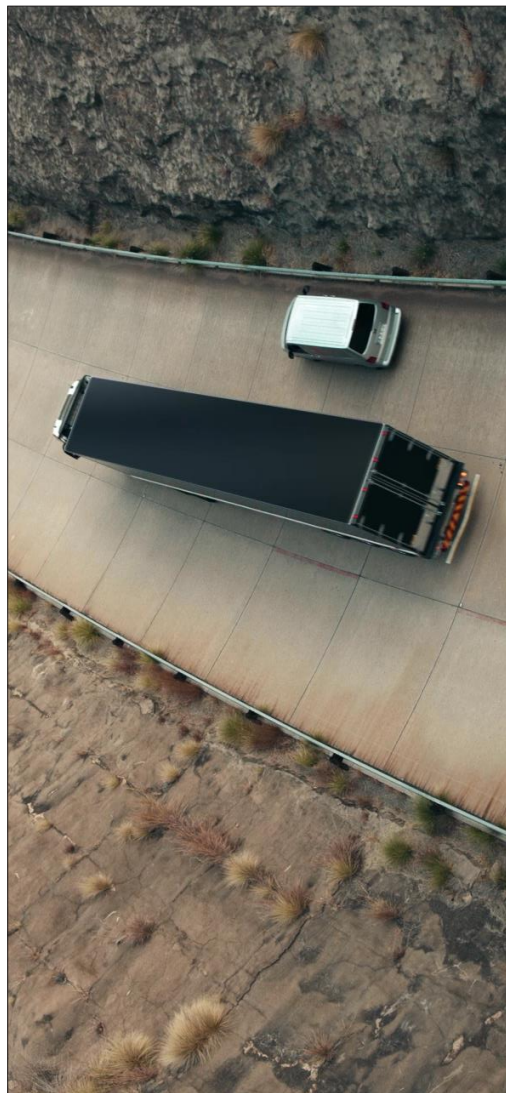
A ROBUST OUTLOOK

Well positioned for growth and strong operating results

- Monthly sales significantly higher than before – stronger demand book
- Accelerated investment in technology and software platforms
- Investment in expert data analytics capability
- Focus on positioning the business as an intrinsic technology partner
- Reap benefits from current investment in distribution in 2018
- More value added services to existing customer base
- Double digit normalised EPS targeted for 2017

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NOTES



International Offices

Angola
Botswana
Hong Kong
Indonesia
Kenya
Malaysia
Malawi
Mozambique
Namibia
New Zealand
Nigeria
Philippines

Poland
Portugal
Rwanda
Singapore
South Africa
Spain
Swaziland
Thailand
Tanzania
UAE
USA
Zimbabwe



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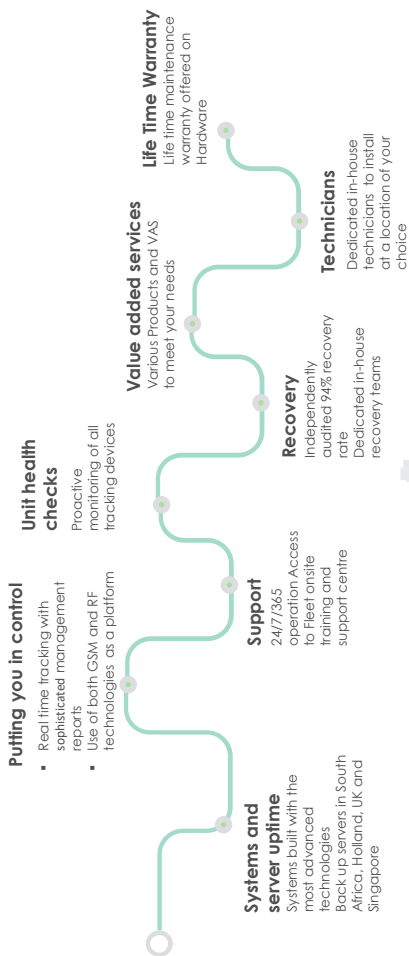
CARTRACK AT A GLANCE

- A **leading global provider** of Fleet Management, Stolen Vehicle Recovery and Insurance Telematics
- A diversified subscriber base with **551 391** active subscribers as at HY 17 and offices in **24** countries
- Amongst the **top** telematics companies globally
- A leader in a very large and underpenetrated global market
- A trusted leader in the stolen vehicle and recovery industry with an audited **recovery rate of 94%**
- Recovered in excess of **20 000** stolen vehicles since inception
- **Strong visibility of earnings due to** the annuity based business model
- A **benchmark and consistent leader** in the global Telematics industry

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NOTES

OUR PROMISE TO CUSTOMERS



OUR CUSTOMERS' CHALLENGES



High Fuel Costs



Wasteful
Vehicle Idling



Timecard
Falsification



Excessive
Overtime



Excessive
Maintenance Costs



Excessive Mileage



Poor Driver
Behaviour



Unproductive
Drivers



Unauthorised
Vehicle Use



Vehicle Theft

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WHAT WE OFFER CUSTOMERS



Increased fleet
productivity



Increased workforce
efficiency



Reduced
operational costs



Increased customer
service

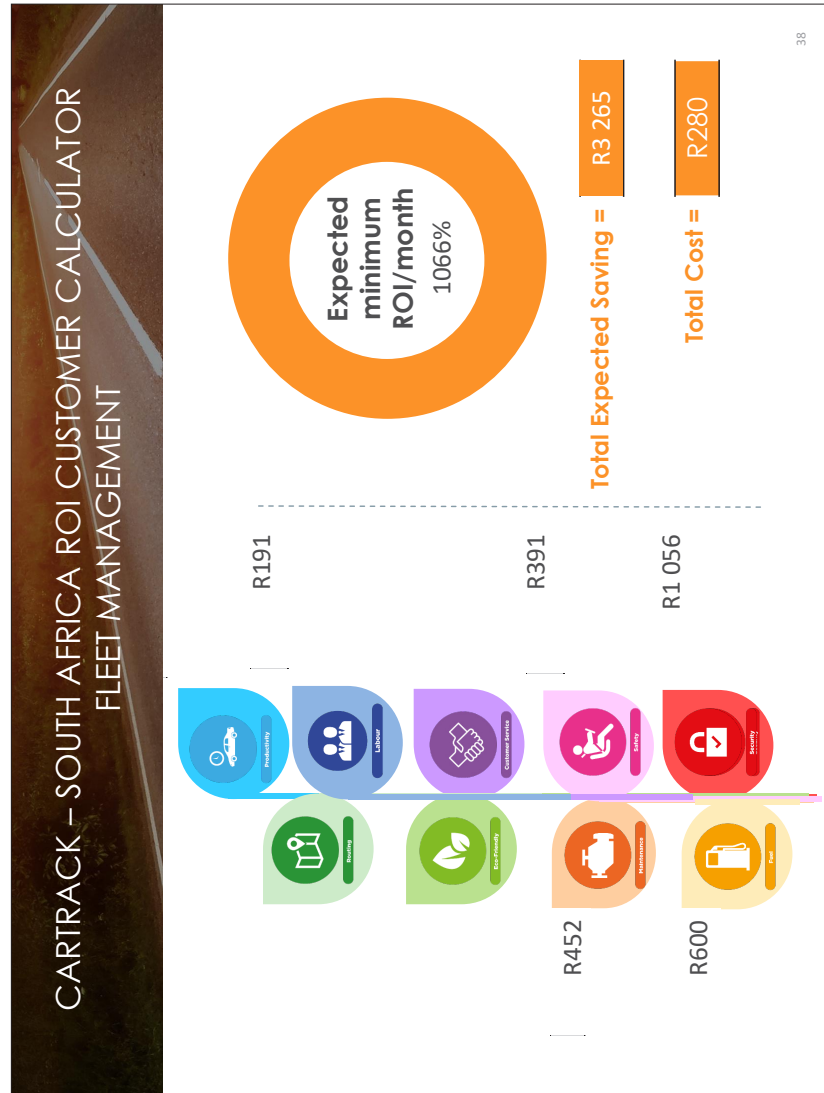


Increased safety
and security



Increased revenue





KEY SECURITY SERVICES AND FEATURES

Advanced Filment Techniques

Ground & Air Recovery Response

Instant Positioning via Control Room

Free 24-Hour Unit Testing Service

Lifetime Warranty

De-Installation & Re-Installation Service

Strip Warning

Ignition Sensor

Remote Immobilisation

Wireless Panic Button

Early Theft Alert

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40 CARTRACK Unaudited condensed consolidated interim financial results 2017

WHAT WE OFFER INVESTORS

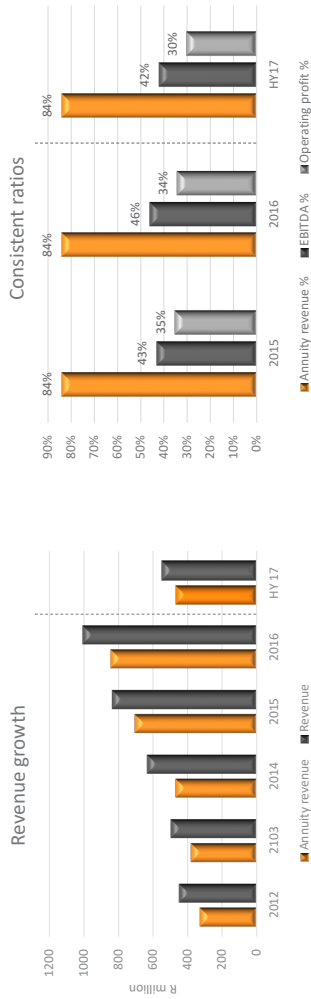


- Globally, a high growth industry
- Proven and scalable technology platform
- A large and diversified subscriber base
- Experienced management
- Annuity-based earnings model



- Strong recurring earnings profile
- A proven track record of profitability
- Strong financial metrics
- Strong cash generation & cash conversion
- Low gearing

A HIGHLY SUSTAINABLE AND PREDICTABLE MODEL

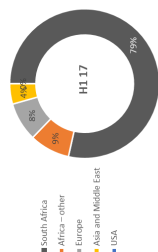


- Diversified base – present in 24 countries, fleet management as well as SVR product offerings
- Secure annuity-based model – 84% of revenue
- Longevity and predictability - average customer lifecycle approximately 60 months
- Scale – few companies globally have a subscriber base > 551 000 contracts
- High profit margins

SEGMENTAL GROWTH

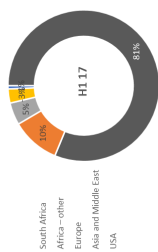
Revenue

South Africa	357 328	413 154	16%
Africa – other	61 556	56 972	(7)%
Europe	39 147	55 063	41%
Asia and Middle East	11 720	28 959	147%
USA	-	-	-
Total	469 751	554 148	18%



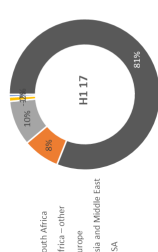
Profit before tax

South Africa	126 563	144 668	14%
Africa – other	30 341	19 171	(37)%
Europe	13240	9 630	(27)%
Asia and Middle East	(5 547)	(4 183)	25%
USA	-	(1 217)	-
Total	164 597	168 069	2%



EBITDA

South Africa	165 171	194 167	18%
Africa – other	29 335	19 591	(33)%
Europe	20 734	24 268	17%
Asia and Middle East	(4 913)	(1 068)	78%
USA	-	(1 217)	-
Total	210 327	235 723	12%



UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS 2017





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IBC	Corporate information

SALIENT FEATURES

Robust subscriber
growth of

19%

to 551 391 units

Revenue up

18%

to R554 million

Continued strong
investment
in international
operating capacity

EBITDA of
R236 million, up

12%

EBITDA
margin of

43%

Basic earnings per
share ('EPS') of
39 cents, up

6%

Headline
earnings per share
(‘HEPS’) and
normalised EPS
of 38 cents, up

3%

Dividend
per share of

20 cents

Cash generated from
operating activities of

R212
million

Currency
fluctuations had a

R19
million
negative impact on
operating profit

COMMENTARY

Group profile

Cartrack is a leading global provider of fleet management ('Fleet'), stolen vehicle recovery ('SVR') and insurance telematics services, with a focus on technology development to enhance customer experience. Cartrack already has an extensive footprint in Africa, Europe, Asia and the Middle East. More recently, it commenced operations in the United States of America ('USA') and New Zealand, expanding its presence to 24 countries. With a base of more than 551 000 active subscribers, the Group ranks among the largest telematics companies globally.

Cartrack is a service-centric organisation focusing on in-house design, development and installation of telematics technology and data analytics. It provides fleet-, mobile asset- and workforce management solutions, underpinned by real-time actionable business intelligence, delivered as Software-as-a-Service ('SaaS'), as well as the tracking and recovery of stolen vehicles.

Cartrack's technology is widely accepted by motor manufacturers and insurers. Its customer telematics web interface provides a comprehensive set of features ensuring the optimisation of both fleet and human resources. As an expansion of its integrated service offering, Cartrack also provides driver risk assessment offerings in the insurance telematics field.

In addition, Cartrack specialises in vehicle tracking and recovery. An industry leading audited recovery rate of 94% in South Africa (as at 29 February 2016) reflects the superior quality of its technology and services. The technology and infrastructure required for the recovery of stolen vehicles is a key barrier to entry for competitors looking to enter the telematics industry in any high crime region.

Cartrack's vision is to achieve global industry leadership in the telematics industry, including Fleet, SVR and insurance telematics services, by ensuring that it is the technology of choice to manage both fleets and workforces. Its mission is to provide its customers and partners with real-time actionable business intelligence, based on advanced technology and reliable data.

Group performance

Cartrack operates in developed and emerging markets across five continents.

Economic and fiscal challenges have been particularly severe in Africa, compounded by a material weakening in local currencies. The consequences thereof are reflected in the Africa-Other (Africa excluding South Africa) segment which has impacted the Group. Despite these challenges, the Africa-Other segment remains operationally sound, highly profitable and cash generative in local currency terms. However, significant currency fluctuations have had a severe impact on consolidated results reported in Rand.

The Group continues to invest in operating capacity, aimed at future revenue growth. Sales margins do, however, remain under slight pressure as competition grows for a share in the largely untapped telematics market.

If the Africa-Other segment is excluded from the consolidated figures, both subscriber growth and revenue growth are over 21% while operating profit growth is at 10%. These interim results are in line with Cartrack's investment strategy for growth. The order book is substantially stronger than in previous years.

Within this context the Group has nevertheless delivered strong subscriber and revenue growth, with a 6% increase in EPS.

The Group's global subscriber base grew from more than 462 000 to over 551 000 contracts, representing 19% growth period on period. Fleet subscribers grew by 78 000 while SVR subscribers grew by 11 000. Most Fleet subscribers in South Africa and the Africa-Other segment elect to include the SVR technology bundled with the Cartrack Fleet services. The bundling of SVR and Fleet services is essential in high crime territories. Subscriber growth was achieved in all segments in line with expectations, except in the Africa-Other segment where growth was 4%. Historically subscribers remain on Cartrack's books for an average of 60 months.

The Group achieved revenue growth of 18% to R554 million (H1 2016 – R470 million), with all operating segments contributing positively in local currency terms. The appreciation of the Rand since 1 March 2016 resulted in a decrease in consolidated revenue of R17 million. Average revenue per unit ('ARPU') has decreased by less than 1% to R1 051 (H1 2016 – R1 052) period on period for the six months ended 31 August 2016.

Gross profit margin has decreased to 80% (H1 2016 – 82%). The primary causes of this margin decline were the negative impact arising on the consolidation of international revenues at the recently appreciated Rand exchange rate, compounded by the slight downward pricing pressures experienced in most of the channels to market and the increased costs of hardware sales as a result of components being procured early in the first half of the calendar year when the Rand was weak. In the context of continued investment in operating capacity in emerging market subsidiaries and increased provisions for doubtful debts, particularly in Africa, operating profit margin decreased to 30% (H1 2016 – 35%). The cash generating ability of the Group is reflected in the EBITDA margin which remained high at 43% (H1 2016 – 45%). The overall results emphasise the resilience of the recurring subscriber revenue model.

Operating expenses increased as Europe, the USA, Asia and the Middle East continued to build the operational capacity required to generate the revenues projected for these regions. This investment has already yielded positive results in Europe and Asia where the revenue pipeline is strengthening, resulting in encouraging revenue growth. Over time their operating cost base will stabilise, while increased revenues will contribute positively to operating margins.

Cartrack's telematics database continues to grow in volume and granularity. The value of this data to markets is yet to be realised and represents a further revenue opportunity that is receiving continued executive attention.

Overall, strong sales performance was offset by the consolidation impact of an appreciating Rand, investment in operating capacity and an increase in provisions for doubtful debts, primarily in Africa. Operating profit increased by 3% to R168 million (H1 2016 – R164 million), while headline earnings and HEPS increased to R115 million (H1 2016 – R112 million) and 38c (H1 2016 – 37c), respectively.

Impact of foreign exchange rate changes on financial performance¹

There has been considerable exchange rate volatility in Cartrack's operating currencies, and these fluctuations have had a noteworthy impact on the consolidated Group results. Operating profit would have been R19 million higher on the assumption of a constant currency basis consistent with H1 2016, which would have resulted in period on period comparative growth in operating profit of 14%. The constant currency HEPS would have increased to 43 cents, or by 15% period on period. The segment impact is shown in the segment report included in the unaudited condensed interim financial statements.

¹ This pro forma information is the responsibility of the directors of Cartrack.

The purpose of this pro forma information is to provide insight into the impact of foreign exchange movements on the statement of comprehensive income and related earnings information, and is for illustrative purposes only. Due to its nature, it may not fairly present Cartrack's financial position, changes in equity, results of operations or cash flows.

The impact is computed as a combination of the following two calculations:

- Components included in cost of sales are largely procured in US Dollars. The impact of currency fluctuations on cost of sales for the period to 31 August 2016 was recomputed by applying the average exchange rates applicable to the corresponding 31 August 2015 cost of sales, being those rates applicable at the dates of stock procurement. On this basis, the cost of sales for the period to 31 August 2016 would have decreased by 26%; and
- All other actual 31 August 2016 line items were recalculated at the average exchange rates applied for the period ended 31 August 2015.

Segment performance

South Africa

The South African segment achieved robust results for the six months ended 31 August 2016. Revenue grew by 16% period on period to R413 million, largely as a result of strong subscriber base growth. South Africa has achieved record sales in three consecutive months, validating the investment in operating capacity reported at 31 August 2015.

Sales margins are under slight pressure as competition intensifies for a share of the growing telematics market. However, strong subscriber base growth and a largely fixed infrastructure cost base protect profit margins. Subscribers are increasingly moving towards Fleet products combined with SVR, as opposed to just SVR products, as their understanding of the benefits of diverse telematics data increases. The vast volume of telematics data accumulated to date is an inherently valuable asset for analytical and marketing purposes and represents a future revenue opportunity to be exploited.

South African consumers have been under strain for some time and continue to suffer the impact of low economic growth, higher inflation and a series of interest rate hikes. As a result, Cartrack's arrears debtors' book grew in the six months to 31 August 2016. For this reason, Cartrack recorded write-offs and additional provisions for doubtful debts amounting to R4 million. This increased the debtors' coverage ratio, ensuring that potential payment defaults remain adequately provided for. Nevertheless, operating costs increased at a lower rate than revenue growth.

The gross profit margin and profit before tax margin have been maintained at 81% and 35% respectively, despite the abovementioned pricing and cost pressures. Profit before tax grew by 14% to R145 million.

Africa-Other

Africa continues to experience significant economic headwinds. Severe currency devaluations and poor economic performance have resulted in both corporates and individuals experiencing cash flow constraints. As a result, despite increased revenues in local currency terms, segmental revenue decreased by 7% to R57 million. Profit before tax decreased by 37% to R19 million. In light of these increasingly difficult economic conditions, the quality of the debtors' book has again been thoroughly reviewed. An additional R4 million has accordingly been provided for doubtful debts.

New sales in the first six months of this financial year were encouraging. This was partially offset by cancellations as a result of cash flow constraints experienced by customers. Nevertheless, the subscriber base grew by 4% and ARPU was up 3% in local currencies. Profitability was impacted by higher cost of sales due to weaker local currencies, local inflationary impact on salaries, prudent bad debt provisions and the investment in sales capacity. Cartrack is satisfied that the local operations have weathered these testing times well.

Mozambique, in particular, has experienced severe economic and fiscal challenges. Many Mozambican businesses have either closed or scaled down their operations. Market research and forecasts do, however, indicate that the long-term outlook for a turnaround remains positive. Mozambique remains the largest subsidiary in the Africa-Other segment, contributing more than 50% of revenues and profit for the segment. Despite the challenging conditions, the subscriber base grew by 1% and Cartrack Mozambique remains operationally sound, highly profitable in local currency terms and well positioned for an economic turnaround. However, the significant deterioration in local currency severely impacted on consolidated results reported in Rand.

The trading environment in the Africa-Other segment is likely to remain challenging in the medium term. Under these conditions Cartrack will focus on maintaining strong local currency performance. This will be achieved through robust sales efforts and customer retention practices, tougher debtors' management and greater discipline regarding operating costs. At this time Cartrack is convinced that the operating capacity exists within all of the subsidiaries to remain profitable in the foreseeable future.

Europe

Europe has performed well, bearing testament to Cartrack's telematics value proposition. Revenue has increased by 41% to R55 million largely as a result of strong subscriber growth. Profit before tax has decreased by 27% to R10 million due to a strategic investment in operating capacity which commenced in the second half of the 2016 financial year. Cartrack is confident that the increased investment in capacity will positively impact operating profit margins in the next financial year.

Asia-Pacific and Middle East

Cartrack's greenfield operations in Asia and the Middle East are growing in line with our investment case for the region. Revenue has grown by 147% to R29 million period on period. This is largely due to a 203% growth in subscriber base, as well as a full period of revenue for contracts initiated during the second half of the 2016 financial year.

Singapore has performed particularly well. The subscriber base has grown by 163% period on period, generating revenue of R23 million and profit before tax of R7 million for the Group. Singapore is also at the forefront of Cartrack's technology developments as it services a technology driven and data dependant society. Additionally, Singapore tests Cartrack's ability to operate in countries with exceptionally high cost structures. Cartrack Singapore started operations in the 2015 financial year, supporting Cartrack's view that most greenfield investments should turn a profit within three years, and that they should show a positive return on investment within four years. Cartrack Singapore's strong operational presence and its proximity to other subsidiaries in the region, lead us to believe that our other subsidiaries in this segment should develop similarly over a similar timeframe.

The other subsidiaries in this segment have grown their revenues and subscribers in line with expectations and continue to extend their operating capacities.

The loss before tax for the segment has decreased from R6 million to R4 million.

United States of America ('USA')

Cartrack has recently established an operational base in California and has incurred limited start-up operational costs. An executive management team is in place, and operations are planned to commence in November 2016. The focus of this operation will be primarily on Fleet, combining all the key metrics for electronic driver logging devices required by law to be installed in long haul vehicles in the USA. Product development for this market has largely been completed. The USA is a demanding market with healthy competition. However, Cartrack is confident that its value proposition will greatly benefit US companies, yielding tangible benefits from a compliance and profitability perspective.

Managing our balance sheet

Working capital management and cash generation are key business objectives for the Group and, as a consequence of subdued global economic conditions, continue to receive particular attention.

Inventory management remains a key focus for the Group. Inventory days have improved from 173 days to 144 days. Subsidiaries continue to carry buffer stock sufficient to satisfy sales forecasts and to provide for adequate lead-times associated with global distribution and unforeseen component shortages or obsolescence.

Both quick and current ratios have decreased to 1.0 (2016 – 1.4) and 0.7 (2016 – 0.9), respectively. This is mainly as a result of the acquisition of the remaining minority interest in Cartrack North East (Pty) Ltd, the deployment of expansionary capital in Europe, Asia and the Middle East as well as start-up costs incurred in the USA.

Debtors' days (after provision for bad debts) have improved from 33 days to 31 days since 29 February 2016. A focus on credit management, improved collections processes and prudent provisioning practices will continue to improve this key metric of operating effectiveness.

As a result, Cartrack continues to be highly cash generative with a strong and positive cash flow forecast to year-end and beyond.

Acquisitions

In July 2016, the Group acquired the remaining 24.5% minority interest in Cartrack North East (Pty) Ltd for a cash consideration of R7 million. This acquisition will further contribute to economies of scale, standardisation, integration and operational simplification within the Group.

Outlook⁽²⁾

The telematics industry is growing strongly globally. Industry penetration is relatively low in all markets. The application of telematics data continues to find traction in a broader range of asset classes and industries.

Having commenced business as a specialist SVR service provider, Cartrack evolved to incorporate the more data intensive and analytical fleet and insurance telematics technologies. Moving forward, accelerated investment will be made in software and data analytical skills to extend and enhance our service offerings to our customer. Cartrack will continue to position itself as a strong technology partner for businesses requiring actionable data.

The focus on hardware and software design, functionality and application, as well as new market development will position Cartrack for continued growth in the future.

For the South African segment, Cartrack expects continued strong performance based on customer growth and expansion of its technological offerings.

Cartrack continues to closely monitor operations across Africa in order to improve penetration, collection times and collection rates. Cartrack is confident that this segment is well positioned to weather the current challenges it faces and to grow once trading conditions stabilise.

Cartrack has invested heavily in the operating capacity of its European operations. Cartrack expects this region to show an improved return on that investment over the next 18 months, firstly in subscriber growth followed by revenue growth and significant improvement in operating profit margins. A new in-house sales workflow management system has been implemented in this segment on a pilot basis. The system will be implemented globally once its benefits are confirmed.

Cartrack's subsidiaries in Asia and the Middle East will continue to show significant subscriber and revenue growth while reducing operating losses over time. In line with the business case for this region, Cartrack expects that subsidiaries will show a positive return on investment.

Cartrack USA will receive much support and investment in operating capacity over the next 18 months. Subscriber growth is expected to be gradual as the brand is established in that market. However, Cartrack is confident that its value proposition will be quickly accepted resulting in positive operating margin contribution in the medium term.

² Any forecast information included in this section has not been reviewed or reported on by Cartrack's auditor in accordance with 8.40(a) of the JSE Listings Requirements. The directors take sole responsibility for the statements.

Despite challenging and changing global economic conditions, and expected prolonged African challenges, Cartrack is well positioned for organic growth and strong operating results. Under these conditions Cartrack will, in addition to the outward growth initiatives, focus internally to optimise profit margins.

Further consolidation within the global telematics industry is evident from the number of mergers and acquisitions reported recently. Cartrack will remain vigilant to such industry developments. Opportunities that may arise to provide economies of scale as well as improved subscriber value will be considered on their merits.

Under the current prevailing economic circumstances and exchange rate levels in the regions in which Cartrack operates, Cartrack is well positioned to deliver double digit normalised EPS for the year ending 28 February 2017.

In summary, the Group will invest heavily in research and development, data analytical skills and distribution channels to expand and grow the subscriber base significantly. The increased sales are expected to generate a greater number of rental contracts which will require funding. The Group will continue to be highly cash generative going forward, but will require the retention of funding necessary to enable Cartrack to invest for accelerated growth.

Consequently, management has re-evaluated the dividend policy, presently being a targeted cover of between 1.25 and 1.55 times HEPS. The revised dividend policy provides for a cover of between 1.25 and 2.5 times HEPS, to be effective for FY17. Management's expectations are that the final dividend cover for FY17 will be between 1.75 and 2.5 times HEPS.

Basics of accounting

The interim consolidated financial statements are prepared in accordance with the requirements of the Listings Requirements of the JSE Limited for interim reports, and the requirements of the Companies Act applicable to interim financial statements. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ('IFRS') and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the condensed financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, apart from the improvements made to the accounting standards and interpretations.

Restatement

Group practice is to invoice subscriptions in advance and to defer recognising such subscriptions in revenue to the subsequent reporting period(s) to which they relate. During the February 2016 year-end it was identified that this practice had not been correctly applied in all circumstances. The 29 February 2016 results showed the impact of correcting this error for the 2014 and 2015 financial year ends. The 31 August 2015 results have been restated for this same reason.

Dividend declaration

Ordinary shareholders are advised that the board of directors has declared an interim gross cash dividend of 20 cents per ordinary share (17 cents net of dividend withholding tax) for the six months ended 31 August 2016 ('the cash dividend'). The cash dividend will be paid out of profits of the company.

Share code	CTK
ISIN	ZAE000198305
Company registration number	2005/036316/06
Company tax reference number	9108121162
Dividend number	5
Gross cash dividend per share	20 cents
Issued share capital as at declaration date	300 000 000
Declaration date	Thursday, 27 October 2016
Last date to trade cum dividend	Tuesday, 6 December 2016
Shares commence trading ex dividend	Wednesday, 7 December 2016
Record date	Friday, 9 December 2016
Dividend payment date	Monday, 12 December 2016

Share certificates may not be dematerialised or rematerialised between Wednesday, 7 December 2016 and Friday, 9 December 2016, both days inclusive.

Tax implications

The cash dividend is likely to have tax implications for both resident and non-resident shareholders. Shareholders are therefore encouraged to consult their professional tax advisers should they be in any doubt as to the appropriate action to take.

In terms of the Income Tax Act, the cash dividend will, unless exempt, be subject to dividend withholding tax ('DWT'). South African resident shareholders that are liable for DWT, will be subject to DWT at a rate of 15% of the cash dividend and this amount will be withheld from the cash dividend. Non-resident shareholders may be subject to DWT at a rate of less than 15% depending on their country of residence and the applicability of any double tax treaty between South Africa and their country of residence.

On behalf of the board

David Brown
Chairman

Johannesburg

27 October 2016

Sponsor
Investec Bank Limited

Zak Calisto
Global Chief Executive Officer

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 August 2016

Figures in Rand thousand	Note(s)	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated unaudited six months ended 31 August 2015
ASSETS				
Non-current assets				
Property, plant and equipment		258 146	207 534	176 869
Goodwill		151 615	156 011	146 085
Deferred tax		43 287	34 517	25 693
		453 048	398 062	348 647
Current assets				
Inventories		86 705	88 318	91 932
Loans to related parties		1 823	1 624	5 347
Trade and other receivables	7	130 956	128 655	94 746
Current tax receivable		2 576	5 500	4 847
Cash and cash equivalents		56 615	45 181	67 044
		278 675	269 278	263 916
Total assets		731 723	667 340	612 563
EQUITY AND LIABILITIES				
Equity				
Share capital		42 488	42 488	42 488
Reserves		8 145	26 314	37 385
Retained income		379 271	375 306	304 767
Equity attributable to equity holders of parent		429 904	444 108	384 640
Non-controlling interest		17 945	16 387	20 215
		447 849	460 495	404 855
Liabilities				
Non-current liabilities				
Finance lease obligation		11 645	7 789	6 392
Deferred tax		2 423	1 040	908
		14 068	8 829	7 300
Current liabilities				
Trade and other payables		174 680	159 085	156 044
Loans from related parties		1 228	1 478	1 113
Finance lease obligation		10 848	6 604	5 988
Current tax payable		44 321	26 652	36 712
Share-based payment liability		6 028	4 010	–
Bank overdraft		32 701	187	551
		269 806	198 016	200 408
Total liabilities		283 874	206 845	207 708
Total equity and liabilities		731 723	667 340	612 563

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 August 2016

Figures in Rand thousand	Note(s)	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated unaudited six months ended 31 August 2015
Revenue	8	554 148	1 005 481	469 751
Cost of sales		(108 711)	(186 749)	(84 388)
Gross profit		445 437	818 732	385 363
Other income*		3 052	6 062	3 521
Operating expenses*	13	(280 398)	(479 988)	(224 962)
Operating profit		168 091	344 806	163 922
Investment revenue		2 095	6 256	4 638
Non-operating foreign exchange gains		—	15 667	—
Finance costs		(2 117)	(4 463)	(3 963)
Profit before taxation		168 069	362 266	164 597
Taxation	9	(48 704)	(102 779)	(46 732)
Profit for the six months		119 365	259 487	117 865
OTHER COMPREHENSIVE INCOME:				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		(19 397)	3 399	3 913
Other comprehensive income for the six months net of taxation		(19 397)	3 399	3 913
Total comprehensive income for the six months		99 968	262 886	121 778
Profit attributable to:				
Owners of the parent		115 100	239 674	109 135
Non-controlling interest		4 265	19 813	8 730
		119 365	259 487	117 865
Total comprehensive income attributable to:				
Owners of the parent		96 931	245 842	113 917
Non-controlling interest		3 037	17 044	7 861
		99 968	262 886	121 778
EARNINGS PER SHARE				
Basic earnings per share (cents)	10	39	80	36

* Bad debts recovered, previously included in other income, have been included in operating expenses (August 2016: R3 079 530; February 2016: R6 029 026; August 2015: R2 421 005). This presentation fairly presents the financial performance of the Group.

UNAUDITED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 August 2016

Figures in Rand thousand	Share capital	Foreign currency translation reserve	Treasury shares
Opening balance as previously reported	42 488	37 451	–
Adjustments			
Prior period error – Note 2	–	(66)	–
Balance at 1 September 2015 restated	42 488	37 385	–
Profit 1 September 2015 to 29 February 2016	–	–	–
Other comprehensive income 1 September 2015 to 29 February 2016	–	1 034	–
Total comprehensive income for six months	–	1 034	–
Purchase of own treasury shares for Share Incentive Scheme (Treasury shares)	–	–	(12 105)
Dividends	–	–	–
Total contributions by and distributions to owners of company recognised directly in equity	–	–	(12 105)
Balance at 1 March 2016	42 488	38 419	(12 105)
Profit 1 March 2016 to 31 August 2016	–	–	–
Other comprehensive income 1 March 2016 to 31 August 2016	–	(18 169)	–
Total comprehensive income for the period	–	(18 169)	–
Dividends	–	–	–
Changes in ownership interest – control not lost	–	–	–
Total contributions by and distributions to owners of company recognised directly in equity	–	–	–
Balance at 31 August 2016	42 488	20 250	(12 105)

Total reserves	Retained income	Total attributable to equity holders of the Group	Non-controlling interest	Total equity
37 451	319 151	399 090	31 255	430 345
(66)	(14 384)	(14 450)	(11 040)	(25 490)
37 385	304 767	384 640	20 215	404 855
–	130 539	130 539	11 082	141 621
1 034	–	1 034	(1 548)	(514)
1 034	130 539	131 573	9 534	141 107
(12 105)	–	(12 105)	–	(12 105)
–	(60 000)	(60 000)	(13 362)	(73 362)
(12 105)	(60 000)	(72 105)	(13 362)	(85 467)
26 314	375 306	444 108	16 387	460 495
–	115 100	115 100	4 265	119 365
(18 169)	–	(18 169)	(1 228)	(19 397)
(18 169)	115 100	96 931	3 037	99 968
–	(105 000)	(105 000)	(614)	(105 614)
–	(6 135)	(6 135)	(865)	(7 000)
–	(111 135)	(111 135)	(1 479)	(112 614)
8 145	379 271	429 904	17 945	447 849

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 August 2016

Figures in Rand thousand	Note(s)	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated unaudited six months ended 31 August 2015
Cash flows from operating activities		211 569	261 386	115 330
Cash flows from investing activities		(126 906)	(154 308)	(70 670)
Cash flows from financing activities		(103 190)	(173 867)	(89 674)
Total cash movement for the period		(18 527)	(66 789)	(45 014)
Cash at the beginning of the period		44 994	109 933	109 933
Effect of exchange rate movement on cash balances		(2 553)	1 850	1 574
Total cash at end of the period net of bank overdraft		23 914	44 994	66 493

ACCOUNTING POLICIES

1. PRESENTATION OF GROUP FINANCIAL STATEMENTS

The interim unaudited condensed consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act applicable to interim financial statements. The Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ('IFRS') and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated financial statements from which the condensed financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, apart from the improvements made to the accounting standards and interpretations.

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

2. CORRECTION OF ACCOUNTING ERROR

Group practice is to invoice subscriptions in advance and to defer recognising such subscriptions in revenue to the subsequent reporting period(s) to which they relate. During the February 2016 year-end it was identified that this practice had not been correctly applied in all circumstances. The 29 February 2016 results showed the impact of correcting this error for the 2014 and 2015 financial year ends. The 31 August 2015 results have been restated for this same reason.

The aggregate effect of the correction of accounting error on the consolidated interim financial statements is as follows:

Figures in Rand thousand	31 August 2015
Consolidated Statement of Financial Position	
Asset	
Deferred tax asset net of liability	
Previously stated	10 820
Adjustment	13 965
	24 785
Trade and other receivables	
Previously stated	79 843
Adjustment	14 903
	94 746

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. CORRECTION OF ACCOUNTING ERROR (continued)

Figures in Rand thousand	31 August 2015
Liabilities	
Trade and other payables	
Previously stated	(106 545)
Adjustment	(49 499)
	(156 044)
Income tax asset net of liability	
Previously stated	(27 006)
Adjustment	(4 859)
	(31 865)
Retained earnings closing	
Previously stated	(319 151)
Adjustment	14 384
	(304 767)
Foreign currency translation reserve	
Previously stated	(37 451)
Adjustment	66
	(37 385)
Non-controlling interest	
Previously stated	(31 255)
Adjustment	11 040
	(20 215)
2014 Opening retained earnings	
Previously stated	(204 587)
Adjustment	10 524
	(194 063)
2014 Non-controlling interest	
Previously stated	(32 080)
Adjustment	(6 110)
	(38 190)
2014 Opening foreign currency translation reserve	
Previously stated	(11 452)
Adjustment	(77)
	(11 529)

2. CORRECTION OF ACCOUNTING ERROR (continued)

Consolidated Statement of Comprehensive Income

Figures in Rand thousand	31 August 2015
Revenue	
Previously stated	469 728
Adjustment	23
	469 751
Taxation	
Previously stated	(46 757)
Adjustment	25
	(46 732)
Profit attributable to:	
Owners of the parent	109 135
Previously stated	108 737
Adjustment	398
Non-controlling interest	8 730
Previously stated	9 080
Adjustment	(350)
	117 865
Basic earnings per share (cents)	
Previously stated	36.25
Adjustment	0.13
	36.38
Headline earnings per share (cents)	
Previously stated	37.25
Adjustment	0.13
	37.38

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. SEGMENT REPORTING

The group is organised into geographical business units and has five reportable segments. The group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment information is evaluated based on revenue and profit or loss and is measured consistently with consolidated financial statements.

Segment report –	South Africa	Africa-Other
31 August 2016		
Revenue	413 154	56 972
Intersegment elimination of revenue	157 200	–
Revenue before segment elimination	570 354	56 972
Profit before taxation includes the following items	144 668	19 171
Investment revenue	1 264	807
Finance costs	(1 971)	–
Net foreign exchange (loss)/gain**	(501)	(1 415)
Depreciation	(48 792)	(1 227)
Total tangible assets	368 032	80 562
Total liabilities	(190 312)	(41 825)
Goodwill		
Equity		
29 February 2016		
Revenue	748 600	139 198
Intersegment elimination of revenue	195 551	271
Revenue before segment elimination	944 151	139 469
Profit before taxation includes the following items	274 711	60 110
Investment revenue	2 987	3 268
Finance costs	(4 360)	(10)
Net foreign exchange gain/(loss)**	2 830	3 891
Depreciation	(79 692)	(2 317)
Total tangible assets	188 102	79 049
Total liabilities	(84 377)	(54 544)
Goodwill		
Equity		
31 August 2015		
Revenue	357 328	61 556
Intersegment elimination of revenue	19 507	–
Revenue before segment elimination	376 835	61 556
Profit before taxation includes the following items	126 564	30 340
Investment revenue	2 388	2 250
Finance costs	(3 698)	(240)
Net foreign exchange gain/(loss)**	465	1 996
Depreciation	(37 298)	(1 004)
Total tangible assets	307 653	90 242
Total liabilities	(124 823)	(55 824)
Goodwill		
Equity		

** This amount includes both operating and non-operating net foreign exchange (loss)/gain, as applicable.

Please refer to annexure 1 for a constant currency comparison of the financial performance of these segments.

Europe	Asia Pacific and Middle East	USA	Total
55 063	28 959	—	554 148
719	157	—	158 076
55 782	29 116	—	712 224
9 630	(4 183)	(1 217)	168 069
—	24	—	2 095
(138)	(8)	—	(2 117)
47	(193)	—	(2 062)
(14 500)	(3 113)	—	(67 632)
82 958	46 825	1 731	580 108
(31 875)	(19 617)	(245)	(283 874)
			151 615
			447 849
90 036	27 647	—	1 005 481
841	1 899	—	198 562
90 877	29 546	—	1 204 043
23 477	3 968	—	362 266
—	1	—	6 256
(78)	(15)	—	(4 463)
298	19 780	—	26 799
(18 657)	(1 994)	—	(102 660)
83 273	160 905	—	511 329
(53 355)	(14 569)	—	(206 845)
			156 011
			460 495
39 147	11 720	—	469 751
—	—	—	19 507
39 147	11 720	—	489 258
13 240	(5 547)	—	164 597
—	—	—	4 638
(11)	(14)	—	(3 963)
(115)	(18)	—	2 328
(7 466)	(620)	—	(46 388)
45 181	23 402	—	466 478
(19 064)	(7 997)	—	(207 708)
			146 085
			404 855

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. COMMITMENTS

Mercantile Bank Limited has provided a facility of R40 million (February 2016: R40 million; August 2015: R40 million) to Cartrack Manufacturing Proprietary Limited. Cartrack Proprietary Limited has provided limited suretyship in favour of Mercantile Bank Limited for this facility. At the end of the period, the amount utilised was R32 701 840 (February 2016: R NIL; August 2015: NIL).

Nedbank Limited has provided a facility of R5 million (February 2016: R2.5 million; August 2015: R2.5 million) to Plexique Proprietary Limited. Cartrack Proprietary Limited has provided a limited guarantee for the facility in favour of Nedbank Limited. At the end of the period, the amount utilised was R1 124 398 (February 2016: R1 124 398, August 2015: NIL).

The Private Security Industry Regulatory Authority ('PSIRA') requires the directors of Cartrack North East Proprietary Limited ('the directors') to provide a suretyship for due payment of any amounts due to the PSIRA pursuant to registration with PSIRA in terms of the Private Security Industry Regulation Act, No 56 of 2001. Cartrack Proprietary Limited has provided an indemnity to the directors, limited to an amount of R20 000 (February 2016: R20 000; August 2015: R NIL), which indemnity will be reviewed on an annual basis.

Cartrack Investments UK Limited has provided Cartrack Espana, S.L with a loan in the amount of Euro 1 392 486 (February 2016: Euro 1 392 486; August 2015: Euro 1 392 486) ('the Loan'). Cartrack Technologies Asia Pte. Ltd has provided Cartrack Investments UK Limited with a guarantee for repayment of the loan.

Cartrack Manufacturing Proprietary Limited has forward exchange contracts in the amounts of R26 440 155 which expires on 2 December 2016 and R44 214 000 which expires on 3 April 2017 (February 2016: R5 740 000; August 2015: R NIL).

5. BUSINESS COMBINATIONS

Business combinations occurring during the current six months

Immaterial business combinations occurring during the 31 August 2016 year end

In July 2016, the group acquired the full minority interest of 24.5% in Cartrack North East Proprietary Limited for a cash consideration of R7 million. The new holding in Cartrack North East Proprietary Limited is 100%. The group acquired this company in order to achieve economies of scale, standardisation, integration and operational simplification.

Immaterial business combinations occurring during the February 2016 year end

On 1 March 2015, the group acquired 100% of the shares in Cartrack Manufacturing Proprietary Limited (previously Onecell Manufacturing Proprietary Limited) from Onecell Holdings Proprietary Limited for a cash consideration. The group acquired this company in order to manage and control the procurement and manufacture of its products.

On 1 March 2015, the group acquired 100% of the shares in Cartrack Management Services Proprietary Limited (previously Bonito Recruitment Services Proprietary Limited) from Onecell Holdings Proprietary Limited for a cash consideration. The group acquired this dormant company in order to account separately for group management services and related costs from within the group.

The acquisitions detailed above are immaterial in aggregate.

6. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial assets and liabilities are materially short term in nature and settled in the ordinary course of business with the exception of finance lease agreements. The fair values of these short term financial instruments approximate in all material respects the carrying amounts of the instruments as disclosed in the statement of financial position. Finance lease agreements are variable rate instruments which mature over a period of approximately 60 months. We estimate that the fair value of these agreements materially approximate the carrying amounts of the instruments as disclosed in the statement of financial position.

7. TRADE AND OTHER RECEIVABLES

Figures in Rand thousand	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated Unaudited six months ended 31 August 2015
Trade receivables	133 004	126 272	84 248
Provision for impairment of trade receivables	(21 862)	(19 509)	(13 298)
	111 142	106 763	70 950
Prepayments	11 553	12 031	11 547
Deposits	1 679	4 616	1 568
Sundry debtors	5 423	3 512	2 403
Vat receivable	1 159	1 733	8 278
	130 956	128 655	94 746

The credit quality of trade and other receivables can be assessed by reference to historical information. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, legal handover, financial reorganisation and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The creation and release of allowances for impaired receivables have been included in operating expenses.

8. REVENUE

Figures in Rand thousand	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated Unaudited six months ended 31 August 2015
Sale of hardware	76 881	147 360	69 313
Subscription revenue	467 292	842 095	394 200
Sundry sales	9 975	16 026	6 238
	554 148	1 005 481	469 751

NOTES TO THE UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated Unaudited six months ended 31 August 2015
Figures in Rand thousand			
9. TAXATION			
Major components of the tax expense			
Current			
Local income tax – current period	62 256	114 547	51 522
Local income tax – prior period	–	1 434	–
	62 256	115 981	51 522
Deferred			
Deferred tax	(13 552)	(10 060)	(4 790)
Deferred tax – prior period	–	(3 142)	–
	(13 552)	(13 202)	(4 790)
	48 704	102 779	46 732
10. BASIC EARNINGS PER SHARE			
Basic earnings per share (cents)	39	80	36
The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and the weighted average number of ordinary shares in issue.			
Weighted average number of ordinary shares ('000) at the beginning of the year	300 000	300 000	300 000
Effect of treasury shares	(1 234)	(51)	–
	298 766	299 949	300 000
Basic earnings	115 100	239 674	109 135
11. HEADLINE EARNINGS PER SHARE			
Headline earnings per share (cents)	38	81	37
Reconciliation between basic earnings and headline earnings			
Basic earnings	115 100	239 674	109 135
Adjusted for:			
Reversal of bargain purchase	–	3 279	3 279
Gain on disposal of assets net of tax	(231)	(1 019)	(266)
	114 869	241 934	112 148

	Unaudited six months ended 31 August 2016	Audited 12 months ended 29 February 2016	Restated Unaudited six months ended 31 August 2015
Figures in Rand thousand			
12. NORMALISED EARNINGS PER SHARE			
Normalised earnings per share (cents)	38	75	37
Reconciliation between headline earnings and normalised earnings			
Headline earnings	114 869	241 934	112 148
Net non-operating foreign exchange gain on intercompany financing arrangements	–	(15 667)	–
	114 869	226 267	112 148
13. OPERATING EXPENSE			
Employee related expenses	142 536	272 912	129 812
Loss/(profit) on exchange differences	2 062	(11 332)	(2 328)
Lease related expenses	10 460	23 068	11 818
Depreciation	67 632	102 660	46 388
Motor vehicle expenses	19 337	34 852	15 871
Other operating expenses	38 371	63 857	26 322
	280 398	486 017	227 883

UNAUDITED CONSOLIDATED CONSTANT CURRENCY SEGMENT REPORT¹

Period: Six months to 31 August 2016

(All amounts in R'000's)	South Africa	Africa – Other	Europe	Asia Pacific and Middle East	USA	HI 17 Total	HI 16 Total
Revenue	413 154	65 863	45 906	24 040	–	548 963	469 751
Cost of sales	(67 835)	(11 064)	(7 712)	(4 481)	–	(91 092)	(84 388)
Gross profit	345 319	54 799	38 194	19 559	–	457 871	385 863
Other income	2 238	213	63	509	–	3 023	3 521
Net operating foreign exchange (loss)/gain	(501)	(1 514)	39	105	–	(1 871)	610
Operating expenses	(189 425)	(29 880)	(28 878)	(22 407)	(1 217)	(271 807)	(225 572)
Operating profit	157 631	23 618	9 418	(2 234)	(1 217)	187 216	163 921
Financing cost	(1 971)	–	(113)	(7)	–	(2 091)	(3 963)
Financing revenue	1 264	1 102	–	20	–	2 386	4 638
Net non-operating foreign exchange gain	–	–	–	–	–	–	–
Profit before taxation	156 924	24 720	9 305	(2 221)	(1 217)	187 510	164 597
Taxation	(42 289)	(8 286)	(257)	462	–	(50 370)	46 732
Net profit after taxation	114 635	16 434	9 048	(1 759)	(1 217)	137 140	117 865
Profitability ratios							
Gross profit margin	84%	83%	83%	81%	–	83%	82%
Operating profit margin	38%	36%	21%	(9%)	–	34%	35%
Net profit margin (before tax)	38%	38%	20%	(9%)	–	34%	35%
EBITDA (R'000)	206 423	24 845	21 600	302	(1 217)	251 953	210 327
EBITDA margin	50%	38%	47%	1%	–	46%	45%

¹ This pro forma information is the responsibility of the directors of Cartrack.

The purpose of this pro forma information is to provide insight into the impact of foreign exchange movements on the statement of comprehensive income and related earnings information, and is for illustrative purposes only. Due to its nature, it may not fairly present Cartrack's financial position, changes in equity, results of operations or cash flows.

The impact is computed as a combination of the following two calculations:

- Components included in cost of sales are largely procured in US Dollars. The impact of currency fluctuations on cost of sales for the period to 31 August 2016 was recomputed by applying the average exchange rates applicable to the corresponding 31 August 2015 cost of sales, being those rates applicable at the dates of stock procurement. On this basis, the cost of sales for period to 31 August 2016 would have decreased by 26%, and
- All other actual 31 August 2016 line items were recalculated at the average exchange rates applied for the period ended 31 August 2015.

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CORPORATE INFORMATION

Cartrack Holdings Limited

(Incorporated in the Republic of South Africa)

(Registration number 2005/036316/06)

Share code: CTK

ISIN: ZAE000198305

("Cartarck" or "the Group")

Registered office

Cartrack Holdings Limited

11 Keyes Avenue

Rosebank

2196

(PO Box 4709, Rivonia, 2128)

Directors

Independent Non-executive Directors

David Brown (Independent Chairman)

Thebe Ikalafeng

Kim White

Executive Directors

Isaias Jose Calisto (Global Chief Executive Officer)

John Richard Edmeston (Global Chief Financial Officer)

Company Secretary

Anname de Villiers

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Transfer Secretary

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