CARTRACK

PUTTING YOU IN CONTROL

RESULTS PRESENTATION 2015

With
more than
430 000
subscribers
worldwide and
a highly scalable
technology platform,
Cartrack is a global
leader and highly respected
company in its field.


FLEET MANAGEMENT • STOLEN VEHICLE RECOVERY • INSURANCE TELEMATICS
A global leader and highly respected company in optimisation of fleets and workforces
May 2015
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Cartrack at a glance

- A leading global provider of Telematics solutions for mobile asset tracking and related data management and geared for the digital era using "Software-as-a-service" as the delivery model
- A trusted leader in the stolen vehicle and recovery industry with an audited recovery rate of 93% FY15
- 430 386 active subscribers as at FY15 and offices in 21 countries
- Significant competitive differentiators
- Strong financial history with no gearing and solid cash flows
- Experienced and stable management team


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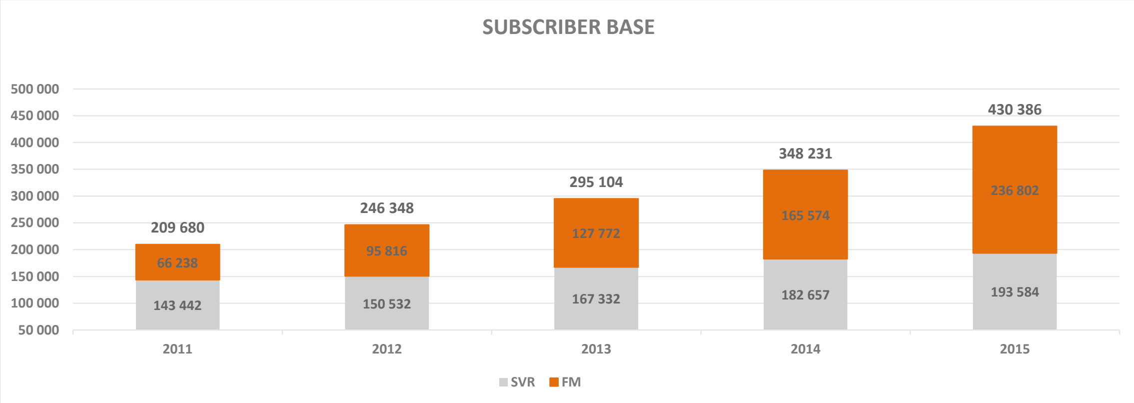
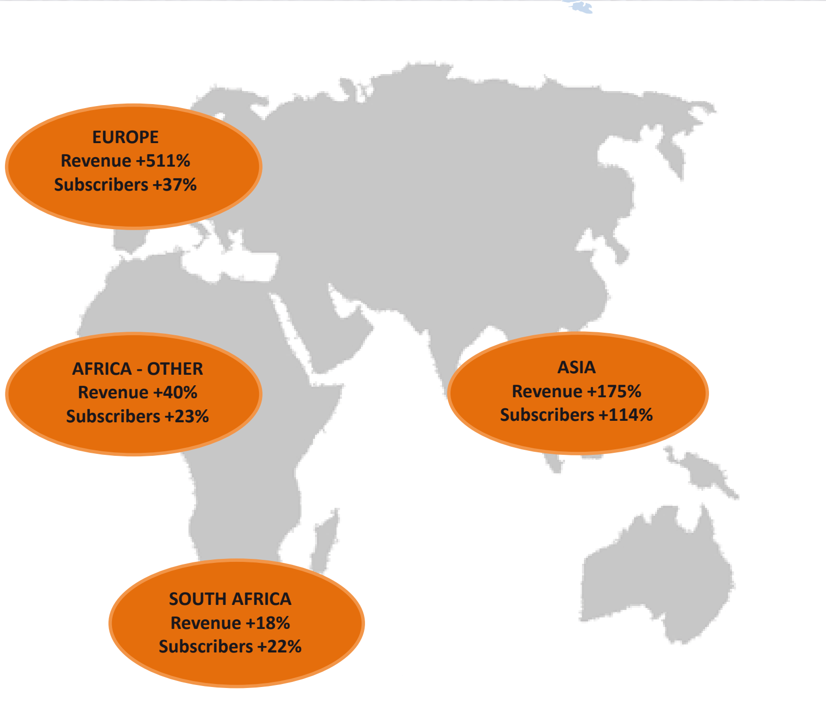
Operational overview

Subscriber growth

- Growth FY15/FY14 - + 23.5%
- Growth FY15/FY11 - +105.3%
- Fleet Management Growth FY15/FY14 - + 43.0%
- Fleet Management Growth FY15/FY11 - +257.5%
- SVR Growth FY15/FY14 - + 6.0%
- SVR Growth FY15/FY11 - + 35.0%



Platform for growth



- Increase in demand for big data using Software-as-a-Service (SaaS) to optimise both fleets and workforce
- Increase in demand for safety and security by governments, business and individuals due to the increase in crime rates, the need to improve road safety and the need to decrease pollution
- Strong increase in vehicle populations
- Large and underpenetrated markets

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Strategy overview

Well defined strategy

Global Brand

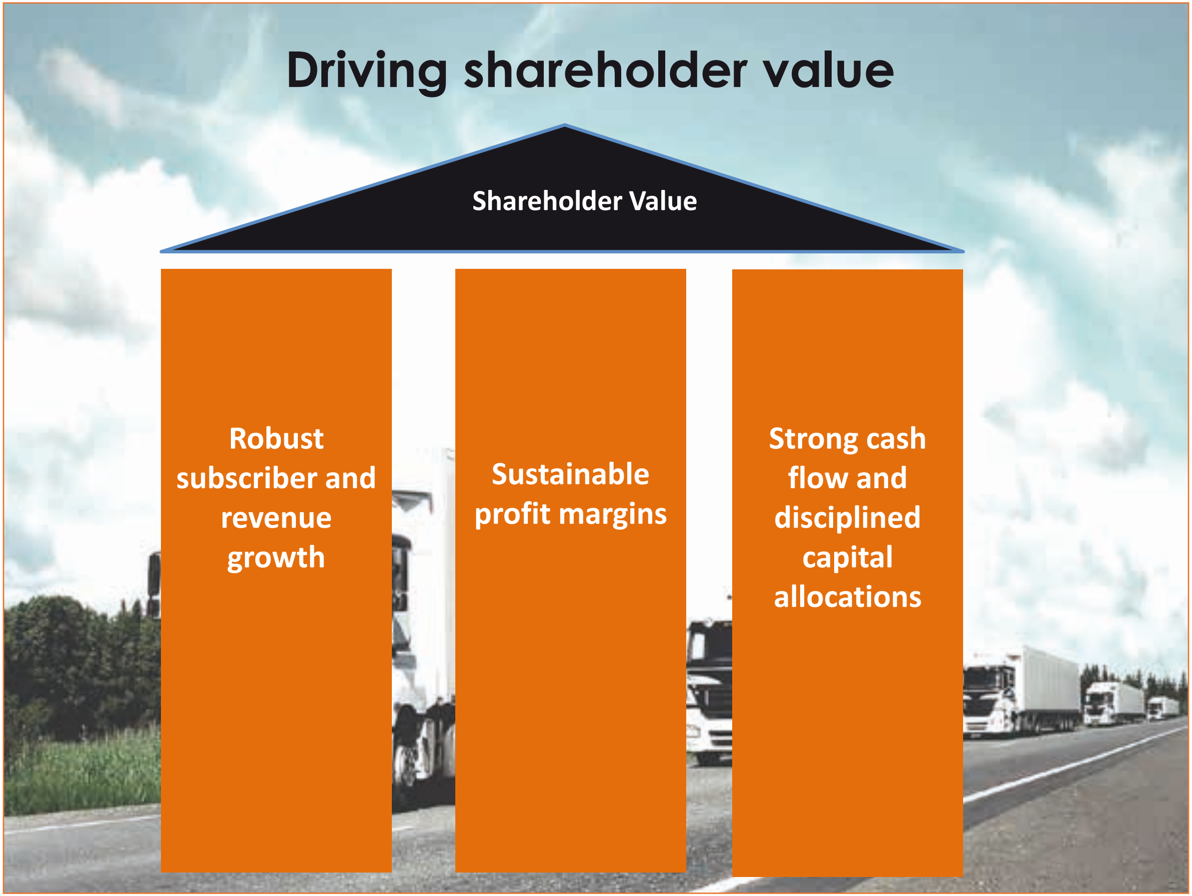
- Strengthen brand awareness and market share in existing markets
- Build brand and trust in new markets

Distribution

- Tested expansion model with prudent organic growth
- Global diversification: non SA revenue of total revenue up from 17% FY14 to 26% FY15
- Conservative allocation of funds into new geographies
- Increased sales capabilities in existing and new markets
- New offices opened in Indonesia, Malaysia, Hong Kong, Thailand, UAE and Philippines using Singapore as a Regional HQ

Quality Service

- Staying ahead of technological trends to enhance customer experience
- Continuous improvements of our internal systems and software to allow our staff to make quicker and more informed decisions
- Awarded the prisoner tracking tender by the Singapore government highlighting trust and reliability in our systems and service
- Launched the Drive Vision (in cab camera) product and service
- Released an upgraded and miniaturised FM unit with ancillary Stolen Vehicle Recovery features


Driving shareholder value
Shareholder Value
Robust subscriber and revenue growth
Sustainable profit margins
Strong cash flow and disciplined capital allocations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Salient features of the 2015 annual results
P 10 I Strictly private and confidentia

Change in Accountancy Policy

Accounting Practice Compliance

- We have made one change in the accounting policy in FY15. This policy change relates to the capitalisation and depreciation of costs of acquisition of rental contracts, whereby:
  - such capitalisation is reclassified to Property, plant and equipment. Previously accounted for as prepayments.
  - all acquisition costs directly related to vehicle tracking contracts, (duration 36 months) are now capitalised to capital rental units. This also conforms to the policies commonly adopted by our industry peers.

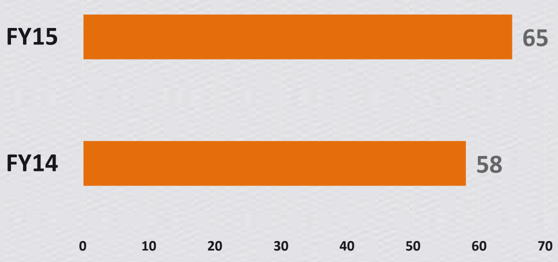
- The numbers for the prior two financial years are restated. This results in these numbers reflecting one year's full capitalisation for each of the three financial years, but only one year's amortisation for 2013; two for 2014 and three for 2015 (acquisition costs are depreciated over a thirty-six-month period). The effect is that profit growth in 2015 is negatively impacted by the additional year of depreciation. However, going forward, comparisons year-on-year will be on a fully comparable basis.

Impact on earnings per share

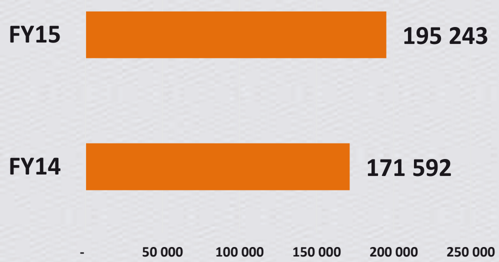
These factors had a negative impact on FY15/FY14 growth:

- Change in accounting policy (3 years' depreciation in FY15, while only 2 years' depreciation in FY14)
- Substantial investment in the SA business segment during the FY15 in preparation for future local growth
- Once off listing costs

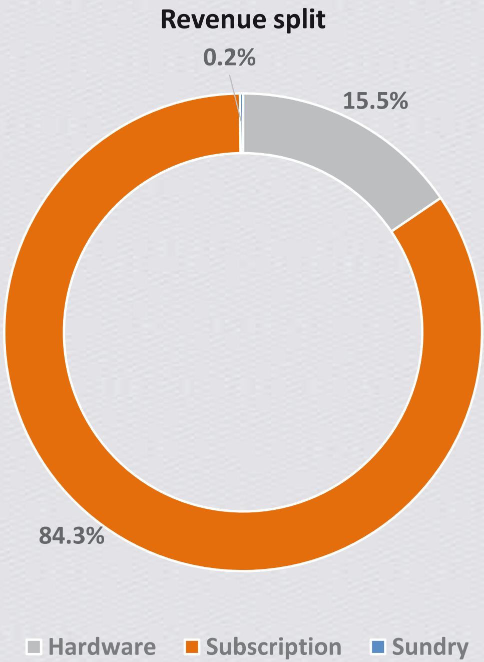
EPS



Headline Earnings '000



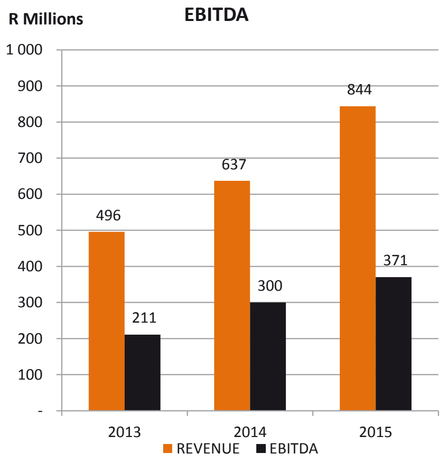
Revenue split FY15

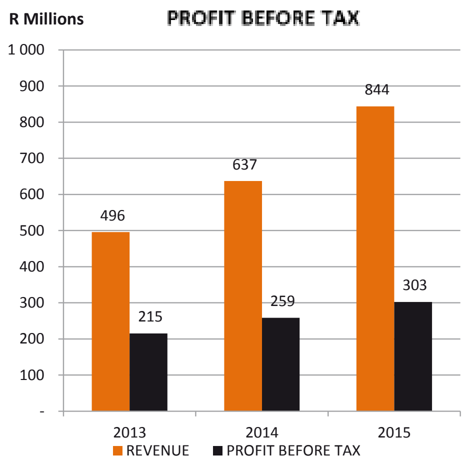


We forecast annuity revenue to be over 90% of total revenue in FY16

Growth FY15/FY14

- Revenue - +32.4%
- EBITDA - +23.4%
- Profit Before Tax - +17.0%
- Subscriber base - +23.5%





Segmental growth

	2015	2014	% change
Revenue			
South Africa	627 174 799	530 962 678	18.1
Africa – Other	124 279 954	88 595 185	40.3
Europe	80 422 114	13 162 200	511.0
Asia & ME	11 823 676	4 300 229	175.0
Total	**843 700 543**	**637 020 292**	**32.4**
Profit Before Tax			
South Africa	236 985 044	218 554 972	8.4
Africa – Other	56 776 144	37 906 227	49.8
Europe	15 836 286	1 029 208	1438.7
Asia & ME	(7 078 835)	1 166 908	n/a
Total	**302 518 639**	**258 657 315**	**17.0**
EBITDA			
South Africa	294 877 819	258 391 168	14.1
Africa – Other	55 987 856	38 167 331	46.7
Europe	26 232 289	2 531 254	936.3
Asia & ME	(6 590 226)	1 166 908	n/a
Total	**370 507 738**	**300 256 661**	**23.4**

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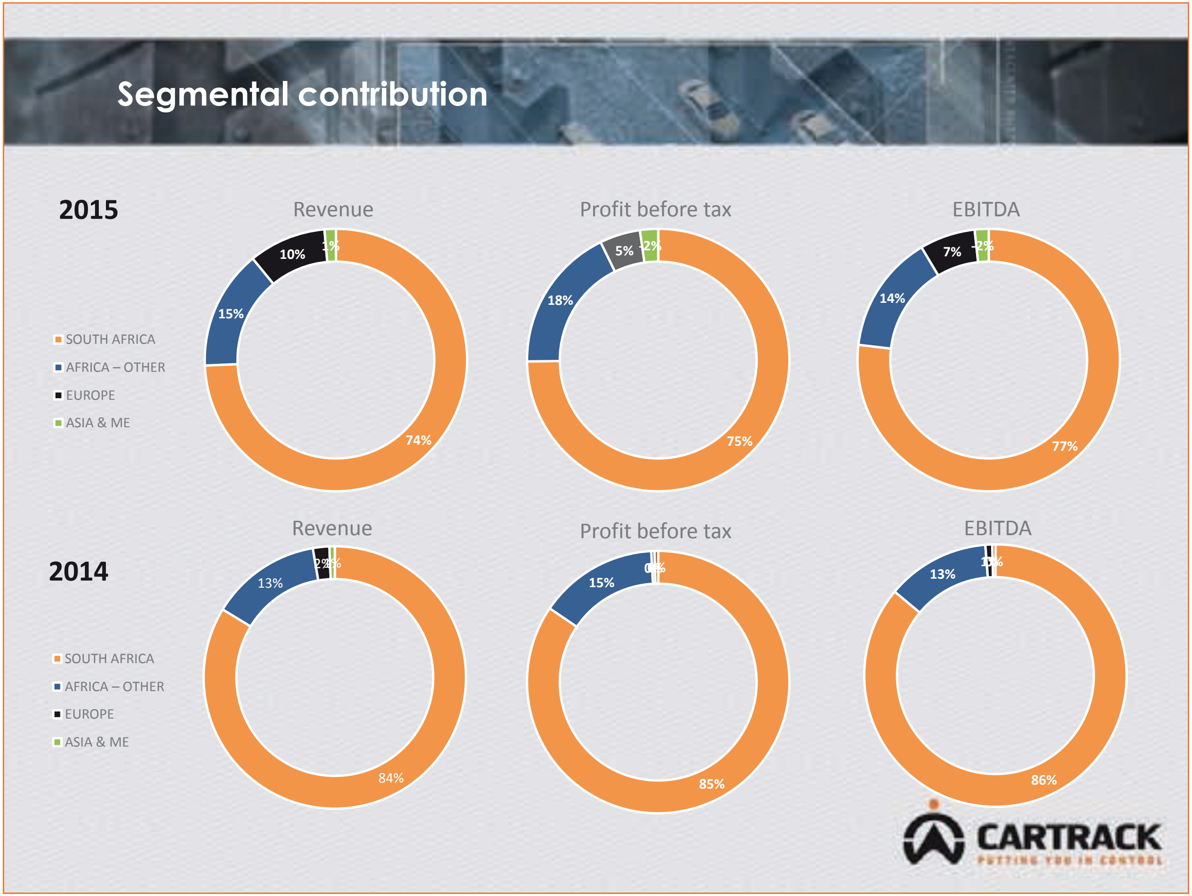
Segmental contribution
2015
Revenue
Profit before tax
EBITDA
SOUTH AFRICA
AFRICA – OTHER
EUROPE
ASIA & ME
10%
1%
15%
74%
5%
2%
18%
75%
7%
2%
14%
77%
2014
Revenue
Profit before tax
EBITDA
SOUTH AFRICA
AFRICA – OTHER
EUROPE
ASIA & ME
13%
84%
15%
85%
13%
86%
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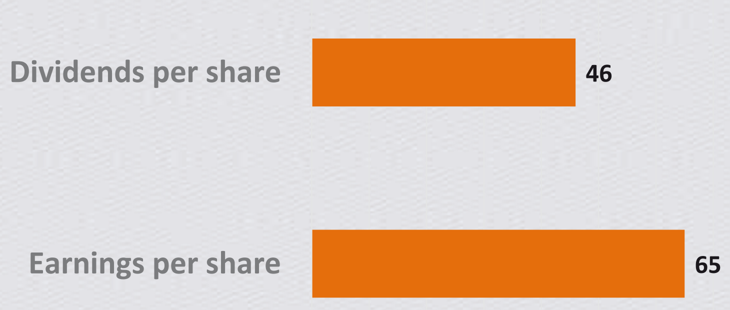
Earnings and dividends in respect of FY15

- Dividends in respect of FY15 - R138 million
- Final dividend of 30 cents per share, bringing total dividend for FY15 to 46 cents per share
- Annual dividend cover of 1.4 times
- Strong cash flow generation with debtor book at 23 days

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Outlook

Outlook for 2016

Strong profit growth and commensurate dividend growth expected for 2016

- Sustainable subscriber and revenue growth anticipated to be consistent with recent history
- Global share of revenue and profit to increase
- New operations will only achieve breakeven in the medium term
- Capital allocation discipline will be maintained into the new geographies
- Cartrack's expansion strategy is based on a well-defined and tested expansion model - low initial set-up costs and a hands-on approach from management
- Expected good uptake in new technology and service offerings that will be released in FY16
- Ability to leverage should the opportunity arise – no material external funding
- High growth to continue
  - Telematics industry currently evolving at a faster rate and extending to more services
  - Cartrack is well positioned through its proven technology and service, scalable platform, low cost base and increasing footprint to take advantage of market demands

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Industry comparison

BEST IN CLASS RETURNS
POSITIONED FOR SUCCESS

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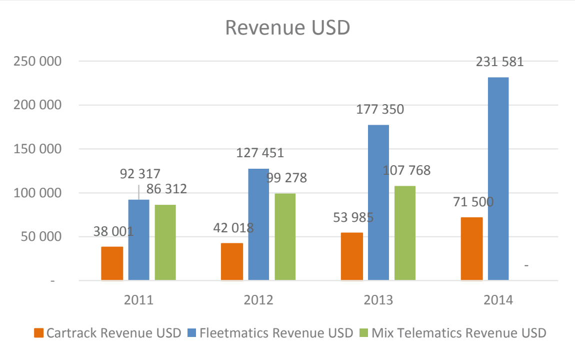
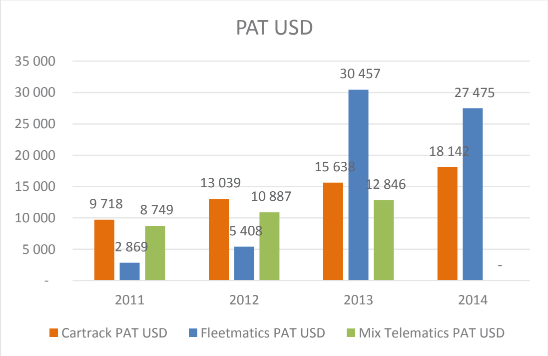
Comparison in USD** in relation to calendar years

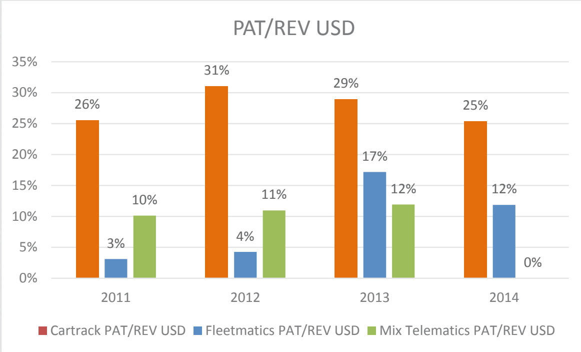
**ZAR 11.80 = USD 1.00

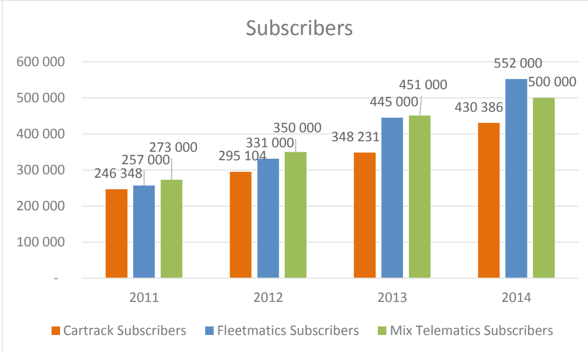


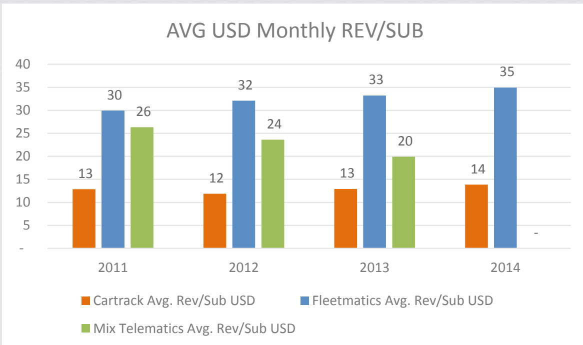


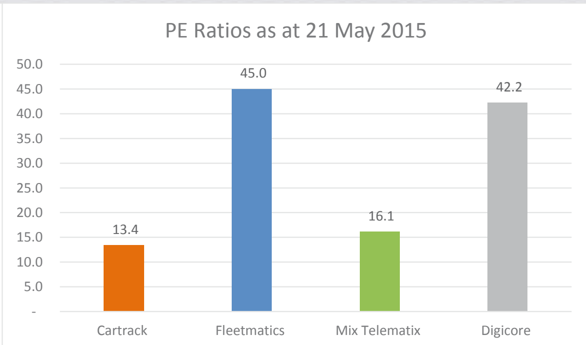
Source: Fleetmatics – published results
Mix Telematics – published results

Comparison in USD** in relation to calendar years









Source: Bloomberg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NOTES

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CARTRACK HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2005/036316/06)
Share code: CTK ISIN: ZAE000198305
("**Cartrack**" or "**the company**")

AUDITED CONDENSED FINANCIAL RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2015 AND CASH DIVIDEND DECLARATION ANNOUNCEMENT

Salient features

Figures in Rand	2015	2014	% change
Revenue	**843 700 543**	637 020 292	32
Subscription Revenue (% of total revenue)	**84**	74	
Operating Profit	**298 910 031**	258 126 363	16
Operating Profit margin %	**35%**	41%	
EBITDA	**370 507 738**	300 256 661	23
EBITDA margin %	**44**	47	
Headline earnings	**194 504 879**	167 406 648	16
Headline earnings per share (cents) #	**65**	58	12
Final dividend declared	**90 000 000**		
cents per share	**30**		
Net cash from operating activities	**265 948 790**	214 445 741	24

Computed on the basis of weighted average number of shares in issue

Key highlights

- Revenue growth of 32% with the proportion of revenue attributable to regions outside of South Africa increasing from 17% in 2014 to 26% in 2015
- Headline earnings growth of 16% to R194 504 879
- EBITDA up 23%
- Final dividend declared for the year of 30 cents per share
- Strong cash flow generation and cash conversion
- Cartrack was awarded a prisoner tracking tender by the Singapore government
- The company launched the Drive Vision (in cab camera) product and service
- New offices were opened in Indonesia, Malaysia, Hong Kong, Thailand, UAE and the Philippines
- The high vehicle recovery rate was maintained – the South African audited rate was 93% (2014: 94%), with a record number of vehicles recovered, valued at some R450 million.

Consolidated Statement of Financial Position
as at 28 February 2015

Figures in Rand	2015	Restated 2014	Restated 2013
Assets			
Non-Current Assets			
Property, plant and equipment	**150 530 171**	104 489 706	67 895 641
Goodwill	**144 269 346**	99 433 144	82 255 688
Deferred tax	**8 910 024**	5 047 768	4 869 468
	303 709 541	208 970 618	155 020 797
Current Assets			
Inventories	**62 532 373**	32 740 048	21 435 807
Loans to related parties	**5 262 651**	35 040 191	130 178 048
Current tax receivable	**449 025**	351 665	163 140
Trade and other receivables	**68 177 211**	45 080 451	11 111 183
Cash and cash equivalents	**110 047 934**	41 656 645	12 825 828
	246 469 194	154 869 000	175 714 006
Total Assets	**550 178 735**	363 839 618	330 734 803
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	**42 487 600**	42 487 300	100
Reserves	**32 317 272**	21 003 526	11 451 638
Retained income	**300 414 544**	157 306 237	204 587 246
	375 219 416	220 797 063	216 038 984
Non-controlling interest	**24 081 808**	33 712 854	32 079 534
	399 301 224	254 509 917	248 118 518

Consolidated Statement of Financial Position continued
as at 28 February 2015

Figures in Rand	2015	Restated 2014	Restated 2013
Liabilities			
Non-Current Liabilities			
Finance lease obligation	**5 618 255**	4 169 494	3 481 516
Deferred tax	**235 692**	1 351	2 011
	5 853 947	4 170 845	3 483 527
Current Liabilities			
Loans from related parties	**1 235 487**	737 623	–
Current tax payable	**36 321 297**	27 142 914	15 088 725
Finance lease obligation	**6 218 117**	3 526 932	3 530 721
Trade and other payables	**101 134 758**	73 751 387	51 576 332
Dividend payable	**–**	–	8 936 980
Bank overdraft	**113 905**	–	–
	145 023 564	105 158 856	79 132 758
Total Liabilities	**150 877 511**	109 329 701	82 616 285
Total Equity and Liabilities	**550 178 735**	363 839 618	330 734 803

Consolidated Statement of Comprehensive Income

for the year ended 28 February 2015

Figures in Rand	2015	Restated 2014	Restated 2013
Revenue	**843 700 543**	637 020 292	495 811 748
Cost of sales	**(174 991 528)**	(123 425 601)	(91 624 419)
Gross profit	**668 709 015**	513 594 691	404 187 329
Other income	**7 284 614**	11 946 375	7 489 829
Operating expenses	**(377 083 598)**	(267 414 703)	(200 753 557)
Operating profit	**298 910 031**	258 126 363	210 923 601
Investment revenue	**4 532 683**	1 742 023	4 778 721
Finance costs	**(924 075)**	(1 211 071)	(292 263)
Profit before taxation	**302 518 639**	258 657 315	215 410 059
Taxation	**(88 441 756)**	(74 130 054)	(61 553 584)
Profit for the year	**214 076 883**	184 527 261	153 856 475
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	**(7 291 984)**	18 339 903	(7 902 438)
Other comprehensive income for the year net of taxation	**(7 291 984)**	18 339 903	(7 902 438)
Total comprehensive income for the year	**206 784 899**	202 867 164	145 954 037
Total comprehensive income attributable to:			
Equity holders of the parent	**190 488 352**	181 144 005	129 311 082
Non-controlling interest	**16 296 547**	21 723 159	16 642 955
	206 784 899	202 867 164	145 954 037

Consolidated Statement of Comprehensive Income continued

for the year ended 28 February 2015

Figures in Rand	2015	Restated 2014	Restated 2013
Profit attributable to:			
Equity holders of the parent	**195 242 597**	171 592 117	137 213 520
Non-controlling interest	**18 834 286**	12 935 144	16 642 955
	214 076 883	184 527 261	153 856 475
Earnings per Share – cents	**65**	59	65
Headline Earnings per Share – cents	**65**	58	65

Consolidated Statement of Changes in Equity
for the year ended 28 February 2015

Figures in Rand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Retained income	Total attributable to equity holders of the group/ company	Non–controlling interest	Total equity
Opening balance as previously reported Adjustments	100	–	100	11 451 638	188 419 815	199 871 553	32 079 534	231 951 087
Change in accounting policy	–	–	–	–	16 167 434	16 167 434	–	16 167 434
Balance at 01 March 2013 as restated	**100**	**–**	**100**	**11 451 638**	**204 587 246**	**216 038 984**	**32 079 534**	**248 118 518**
Profit for the year	–	–	–	–	171 592 117	171 592 117	12 935 144	184 527 261
Other comprehensive income	–	–	–	9 551 888	–	9 551 888	8 788 015	18 339 903
Total comprehensive income for the year	**–**	**–**	**–**	**9 551 888**	**171 592 117**	**181 144 005**	**21 723 159**	**202 867 164**
Issue of shares	42	42 487 158	42 487 200	–	–	42 487 200	–	42 487 200
Acquisition of subsidiaries	–	–	–	–	(2 831 301)	(2 831 301)	3 083 588	252 287
Dividends	–	–	–	–	(184 909 000)	(184 909 000)	(11 819 012)	(196 728 012)
Increase in interest in subsidiaries	–	–	–	–	(31 132 825)	(31 132 825)	(11 354 415)	(42 487 240)
Total contributions by and distributions to owners of company recognised directly in equity	**42**	**42 487 158**	**42 487 200**	**–**	**(218 873 126)**	**(176 385 926)**	**(20 089 839)**	**(196 475 765)**

Consolidated Statement of Changes in Equity continued

for the year ended 28 February 2015

Figures in Rand	Share capital	Share premium	Total share capital	Foreign currency translation reserve	Retained income	Total attributable to equity holders of the group/ company	Non–controlling interest	Total equity
Balance at 01 March 2014	**142**	**42 487 158**	**42 487 300**	**21 003 526**	**157 306 237**	**220 797 063**	**33 712 854**	**254 509 917**
Profit for the year	–	–	–	–	195 242 597	195 242 597	18 834 286	214 076 883
Other comprehensive income	–	–	–	(4 703 543)	–	(4 703 543)	(2 588 441)	(7 291 984)
Total comprehensive income for the year	**–**	**–**	**–**	**(4 703 543)**	**195 242 597**	**190 539 054**	**16 245 845**	**206 784 899**
Foreign currency translation movements within equity	–	–	–	16 017 289	–	16 017 289	(16 017 289)	–
Acquisition of subsidiaries with NCI portion	–	–	–	–	–	–	1 837 843	1 837 843
Share issue	42 487 458	(42 487 158)	300	–	–	300	–	300
Dividends	–	–	–	–	(48 000 000)	(48 000 000)	(10 831 735)	(58 831 735)
Increase in interest in subsidiaries	–	–	–	–	(4 134 290)	(4 134 290)	(865 710)	(5 000 000)
Total contributions by and distributions to owners of company recognised directly in equity	**42 487 458**	**(42 487 158)**	**300**	**16 017 289**	**(52 134 290)**	**(36 116 701)**	**(25 876 891)**	**(61 993 592)**
Balance at 28 February 2015	**42 487 600**	**–**	**42 487 600**	**32 317 272**	**300 414 544**	**375 219 416**	**24 081 808**	**399 301 224**
Note(s)	12	12	12					

Consolidated Statement of Cash Flows

for the year ended 28 February 2015

Figures in Rand	Note(s)	2015	Restated 2014	Restated 2013
Cash flows from operating activities				
Cash generated from operations	20	343 831 659	276 325 668	224 670 591
Interest income		4 532 683	1 742 023	4 778 721
Finance costs	18	(924 075)	(1 211 071)	(292 263)
Tax paid	21	(81 491 477)	(62 410 879)	(66 197 357)
Net cash from operating activities		**265 948 790**	**214 445 741**	**162 959 692**
Cash flows from investing activities				
Purchase of property, plant and equipment	4	(118 698 020)	(80 469 435)	(56 926 553)
Proceeds of property, plant and equipment		4 650 724	3 170 180	2 133 862
Acquisitions of subsidiaries	22	(53 428 030)	2 366 846	–
Acquisition of increase in control of subsidiary		(5 000 000)	–	–
Net cash from investing activities		**(173 475 326)**	**(74 932 409)**	**(54 792 691)**
Cash flows from financing activities				
Proceeds on share issue	12	300	–	–
Finance lease receipts		4 139 946	684 189	3 263 338
Dividends paid		(58 831 735)	(205 664 992)	(23 983 833)
Repayment from related parties		497 864	–	(124 037 009)
Proceeds from related parties		29 777 540	95 875 480	–
Net cash from financing activities		**(24 416 085)**	**(109 105 323)**	**(144 757 504)**
Total cash movement for the year		**68 057 379**	**30 408 009**	**(36 590 503)**
Cash at the beginning of the year		41 656 645	12 825 828	49 341 361
Effect of exchange rate movement on cash balances		220 005	(1 577 192)	74 970
Total cash at end of the year	11	**109 934 029**	**41 656 645**	**12 825 828**

Presentation of Consolidated Financial Statements

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the requirements of the South African Companies Act No 71 of 2008.

The financial statements are presented in South African Rand (ZAR), the functional currency of the group and are prepared on the historical cost basis, except where indicated.

These accounting policies are consistent with the previous period, except for the changes set out in note 2 Changes in accounting policy.

1. Notes

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with prior years, except for the change in accounting policy described below.

IAS 16 Property, plant and equipment and IAS 8 Accounting policies, changes in accounting estimates and errors

During the year, the group changed its accounting policy with respect to the treatment of capital rental units. The capital rental units meet the definition of property, plant and equipment in terms of IAS 16, and thus has been reclassified to property, plant and equipment as capital rental units. These were previously accounted for as a prepayment asset. Acquisition costs which are directly related to vehicle tracking contracts are now being capitalised to capital rental units and depreciated over the period of the contracts. The typical duration of a rental contract is 36 months. These costs were previously expensed when incurred. This policy was adopted as management believes it will provide more relevant information and will more closely match acquisition costs to revenue generation.

The aggregate effect of the changes in accounting policy on the consolidated financial statements for the year ended 28 February 2014 is as follows:

	2015	2014	2013
Net Deferred tax (liability)/asset			
Previously stated	–	(3 689 341)	(1 134 885)
Adjustment	–	8 735 758	6 002 342
	–	**5 046 417**	**4 867 457**
Property, Plant and Equipment			
Previously stated	–	31 308 379	21 506 282
Adjustment	–	73 181 327	46 389 359
	–	**104 489 706**	**67 895 641**
Retained earnings			
Previously stated	–	(124 619 058)	(188 419 815)
Adjustment	–	(32 687 179)	(16 167 431)
	–	**(157 306 237)**	**(204 587 246)**
Net income tax asset/(liability)			
Previously stated	–	(10 505 882)	(3 821 502)
Adjustment	–	(16 285 367)	(11 104 083)
	–	**(26 791 249)**	**(14 925 585)**
Prepayment – Long term portion			
Previously stated	–	14 607 994	9 775 743
Adjustment	–	(14 607 994)	(9 775 743)
	–	**–**	**–**
Prepayment – Short term portion			
Previously stated	–	18 336 545	11 661 190
Adjustment	–	(18 336 545)	(11 661 190)
	–	**–**	**–**

	2015	2014	2013
Profit or Loss			
Cost of sales			
Previously stated	–	128 578 810	97 018 648
Adjustment	–	(5 153 209)	(5 394 229)
	–	**123 425 601**	**91 624 419**
Operating expenses			
Previously stated	–	281 229 107	216 628 498
Adjustment	–	(13 814 404)	(15 874 941)
	–	**267 414 703**	**200 753 557**
Tax			
Previously stated	–	71 682 188	56 451 843
Adjustment	–	2 447 866	5 101 741
	–	**74 130 054**	**61 553 584**

2. Earnings per share

Basic	–	0.58	0.63
Headline	–	0.56	0.63

3. Goodwill

	SA	Africa - Other	Europe	Asia	Total
Balance 1 March 2012	1 499 495	86 895 385	–	–	88 394 880
Translation adjustments	–	(6 131 192)	–	–	(6 131 192)
28 February 2013	1 499 495	80 756 193	–	–	88 394 880
Additions	–	1 762 813	–	899 179	2 661 992
Translation adjustments	–	14 399 869	–	115 595	14 515 464
28 February 2014	1 499 495	96 918 875	–	1 014 774	99 433 144
Additions	–	382 620	45 040 694	471 357	45 894 671
Translation adjustments	–	1 954 610	3 390 466	377 387	(1 058 469)
Total	**1 499 495**	**99 256 105**	**41 650 228**	**1 863 518**	**144 269 346**

Goodwill is allocated to identified cash generating units ('CGU's) within their operating segments. A summary of goodwill is presented in the table above:

The recoverable amount of all CGU's is determined based on value-in use calculations which use pre-tax cash flow projections based on approved financial budgets for the forthcoming financial year plus estimates covering a further four-year period. Five years is considered a reasonable period for management to exercise its insight and make properly considered projections with respect to the cash generation capability of a CGU. Cash flow projections are based on macro and micro economic factors, present and expected, in the environment in which a CGU operates. At the end of the projected five year period a terminal value is included, which together with the annual projected cash generated by a CGU, is then discounted to present value using rates that reflects the risks related to the relevant CGU. A growth rate of between 5% and 10% was applied depending on the operating environment of each CGU. The discount rate use for the value in use calculations was 20% calculated on pre-tax cash flow projections.

Goodwill sensitivity

The calculation of the CGU's discounted net present value requires extensive use of estimates and assumptions about discount rates and forecasted cashflows. To assess the margins for variations in projections that can be incurred without necessarily resulting in the impairment of goodwill, the discounted rate applied of 20% was reduced by between 3% and 5% which still left headroom above the recorded goodwill value.

4. Share capital

	2015	2014	2013
Authorised			
1 000 000 000 ordinary shares of no par value	1 000 000 000	–	–
1 000 ordinary shares of R1 each at par value	–	1 000	1 000
	1 000 000 000	**1 000**	**1 000**

Cartrack Holdings Limited converted its par value shares and issued no par value shares in November due to the anticipation of its listing on the JSE. A nominal value was paid for this. The company was listed on the JSE on 19 December 2014.

	2015	2014	2013
Reconciliation of number of shares issued:			
Reported as at 01 March 2014	142	100	100
Issue of par value shares – ordinary shares	–	42	–
Issue of no par value	299 999 858	–	–
	300 000 000	**142**	**100**

700 000 000 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed in anticipation of the listing. This authority remains in force until the next annual general meeting.

	2015	2014	2013
Issued			
142 Ordinary shares of par value	–	142	100
300 000 000 Ordinary shares of no par value	42 487 600	–	–
Share premium	–	42 487 158	–
	42 487 600	**42 487 300**	**100**

5. Basic earnings per share

	2015	2014	2013
Basic earnings per share – cents			
Continuing earnings per share based	65	59	65

The calculation of basic earnings per ordinary share is based on the profits attributable to equity holders of the parent and a weighted average number of shares in issue as per the table below.

The 300 000 000 shares in issue,weighted accordingly, was treated as a share split for accounting purposes. This provides the user with more comparable and relevant information.

There are no dilutive instruments and therefore diluted earnings per share is the same as basic earnings per share.

	2015	2014	2013
Weighted - average number of ordinary shares (basic)			
Issued ordinary shares at 1 March	300 000 000	211 267 605	211 267 605
Effect of shares issued in April 2013	–	78 278 990	–
	300 000 000	**289 546 595**	**211 267 605**
Profit – attributable to ordinary shareholders basic			
Profit for the year, attributable to the equity holders of parent	195 242 597	171 592 117	3 520

6. Headline earnings per share

	2015	2014	2013
Headline earnings per share	0.65	0.58	0.65

The calculation of headline earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares in issue after adjustments for headline earnings.

	2015	2014	2013
Weighted – average number of ordinary shares			
Weighted average number of ordinary shares (basic)	300 000 000	289 546 595	211 267 605
Profit attributable to ordinary shareholders			
Profit for the period attributable to the equity holders of the parent	195 242 597	171 592 117	137 213 520
Adjusted for:			
Discount on bargain purchase	–	(3 352 930)	–
Gains on disposal of assets	(737 718)	(832 539)	(526 972)
	194 504 879	**167 406 648**	**136 686 548**

7. Segment reporting

The group is organised into geographical business units and has four 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 performance is evaluated based on profit or loss and is measured consistently with the consolidated financial statements.

Segment Report – 2015	South Africa	Africa – Other	Europe	Asia	Total
Revenue	627 174 799	124 279 954	80 422 114	11 823 676	843 700 543
Intersegment elimination of revenue	34 973 730	–	–	–	34 973 730
Revenue before segment elimination	662 148 529	124 279 954	80 422 114	11 823 676	878 674 273
Profit before taxation includes the following items	236 985 044	56 766 144	15 836 286	(7 078 835)	302 518 638
Investment revenue	1 616 804	2 915 839	22	18	4 532 683
Finance costs	694 136	210 124	7 373	12 442	924 075
Depreciation	58 815 444	1 917 427	10 388 652	476 186	71 597 708
Total tangible assets	278 139 609	77 605 529	36 605 106	14 137 207	406 487 451
Total liabilities	(108 039 132)	(25 042 409)	(13 097 400)	(5 276 632)	(151 455 573)
Goodwill					144 269 346
Equity					**399 301 224**

Segment Report – 2014	South Africa	Africa – Other	Europe	Asia	Total
Revenue	530 962 678	88 595 185	13 162 200	4 300 229	637 020 292
Intersegment elimination of revenue	12 724 121	–	–	–	12 724 121
Revenue before segment elimination	543 686 799	88 595 185	13 162 200	4 300 229	649 744 413
Profit before taxation includes the following items	218 554 972	37 906 227	1 029 208	1 166 908	258 657 315
Investment revenue	249 931	1 390 430	101 662	–	1 742 023
Finance costs	598 219	328 685	284 166	–	1 211 071
Depreciation	39 487 907	1 322 849	1 319 542	–	42 130 298
Total tangible assets	(193 597 669)	(55 683 009)	(6 950 881)	(3 619 730)	(259 851 289)
Total liabilities	77 576 340	20 432 120	4 022 408	2 743 648	104 774 516
Goodwill					99 433 144
Equity					**254 509 917**

8. Directors' interests in shares

The directors' interest in shares are set out below:

Shareholders	%	Number of shares
IJ Calisto	68.00	203 980 424
J Marais	12.00	36 019 576
	80.00	**240 000 000**

The register of interests of directors and others in shares of the company is available to the shareholders on request.

Introduction

Cartrack is a leading global provider of Telematics solutions for mobile asset tracking and related data management, using "Software-as-a-service" as the delivery model. Its primary focus is the provision of Fleet Management and Insurance Telematics solutions using intelligent data as a business enhancing tool, and Stolen Vehicle Recovery services in high crime regions. Cartrack currently provides services to a wide range of clients and industries, with over 430 000 active subscribers and offices established in 21 different countries.

Financial performance

Cartrack produced a strong set of results in 2015. Headline earnings increased by 16% to R194 504 879 million on the back of a 32% growth in revenue to R843.7 million. The company declared a final dividend of 30 cents per share, on the back of reported headline earnings per share of 65 cents, which represents a dividend cover of over 2 times. The results for 2015 primarily reflect Cartrack's focus on revenue growth and the establishment and integration of new international operations.

Net additions to Cartrack's subscriber base of 82 155 units generated a revenue growth of 32.4%. The latter constitutes 84% of total revenue. Revenue from non-South African operations increased from 17% of total revenue in 2014 to 26% in 2015.

Gross profit margins reduced slightly from 81% to 79% primarily as a result of the competitive influences in South Africa prompting marginally reduced pricing structures in order to increase market share. The impact relating to the deterioration of the Rand on the cost of goods manufactured has not been material and component procurement processes are expected to minimise the associated impact for the year ahead.

Cartrack's operating profit increased by 16% despite a reduction of 6% in operating profit margin. This margin reduction is attributable primarily to somewhat lower trading margins in the entities acquired in Africa and Europe during the year, plus the set-up costs associated with the newly established Asian operations which are yet to break even; the once-off listing costs also impacted on margins.

As expected, the associated start-up costs for the new operations opened during the year have adversely impacted Cartrack's consolidated profits during the period. Cartrack has managed to curtail this impact to a minimum through the Group's low cost start-up business model and the ability to leverage off the Group's scalable infrastructure. In line with prior experiences, Cartrack believes that the timeframe required to reach a breakeven point for newly established operations averages three years from the date of establishment. These new operating entities contributed expected losses of R4.9 million for the year. The profitability of the operations in new geographies are anticipated to improve in the short to medium term as these businesses gain traction in their respective markets. Typically, operating margins are expected to increase as each new entity increases its critical mass of subscribers.

Working capital control and cash generation are key financial management objectives. Cartrack's current ratio of 1.7 and the quick ratio of 1.3 are both very healthy. Interest bearing debt comprises only 3% of equity and relates to financed motor vehicles. Cash generated from operating activities increased by 19% to R329 million. Continuous control over working capital and relatively low fixed asset infrastructure requirements ensures a high rate of conversion to cash from operating activities. Cash requirements for start-up operations in accordance with the global expansion plans, are well provided for through the high cash generation abilities of the more established entities.

Difficult economic conditions generally experienced over the past year by consumers in South Africa, Cartrack's most significant operation by far, did result in an increase in payment defaults. However, through maintaining tight credit control procedures the debtor's book remains healthy and the average debtor's days outstanding at year end 2015 was less than one month of sales.

Inventory levels are managed by a centralised procurement department in accordance with supplier lead times, best-price negotiations and Cartrack's growth strategies. As such, inventory levels will vary from time to time. Inventory value doubled over the year due to the acquisitions and global expansion; a strategic increase in stock levels to cover lengthening supplier lead times; and to take advantage of volume price negotiations.

Dividends

A final cash dividend of 30 cents per share has been declared. This final dividend, together with the interim dividend of R48 million, brings the total dividends in respect of 2015 to R138 million payable to equity holders of the Group.

Achievement of PLS projections

We are pleased to report that our profits for 2015 exceed those forecast in terms of the PLS. The accounting policy change implemented subsequent to the date of publication of the PLS is described below and more fully in the notes to the AFS. We are satisfied that we have substantially achieved both the milestones and financial results reflected in the PLS.

Operational review

The year was characterised by a strong continued focus on sales growth in all countries of operation and an expansion drive through Africa, Europe, Middle East and Asia.

In the reporting period, Cartrack invested significantly in improving the performance and features of its platform-based system, in the skills and capacity of staff, the efficiency of Cartrack's distribution and the company's brand equity. All these factors are key to both organic and new market growth and Cartrack is well positioned to take advantage of its scalable annuity based business model.

Cartrack achieved a growth rate in its subscriber base of 24% and a revenue growth of 32%, despite difficult trading conditions in some of the Sub-Saharan African states in which it conducts business. In the four-year period ending February 2015, the Cartrack subscriber base increased by 105%. This growth comprises of a 196% increase in Fleet Management subscribers and a 35% increase in Stolen Vehicle Recovery subscribers. Off the back of this growth, as at February 2015, Fleet Management accounts for more than 50% of Cartrack's subscriber composition.

Cartrack has continued to grow in Stolen Vehicle Recovery (SVR) services even though the relative contribution of these services increasingly reflects a smaller share of the total business, due to stronger growth in the Fleet Management Services. This SVR growth was supported primarily by Cartrack's ability to recover stolen vehicles in conjunction with a strong marketing campaign in South Africa, emphasising Cartrack's leading recovery rate and unique R150 000 recovery warranty. The recovery continues to be successful in increasing the interest and demand for Cartrack systems in both the retail and corporate markets. Growth in Insurance Telematics, combining driver behaviour elements with vehicle recovery, is a new trend in the market for which the company is well positioned.

Strong growth has been achieved in Fleet Management services which are now contributing to an increasing proportion of total new subscribers. For the year, sales of Fleet Management products accounted for 64% of total global sales (2014: 52%). Currently, 45% of Cartrack's total global active subscriber base also incorporate the Stolen Vehicle Recovery service as part of their product selection.

Internationally, Cartrack focused both on driving sales in existing geographies as well as establishing businesses in new countries. New offices were opened in Malaysia, Philippines, Indonesia, Hong Kong and Thailand, using the already well established office in Singapore as the hub. An office has also been set up in the UAE. Initial trading commenced in these countries only at the beginning of the 2016 financial year. In addition, a number of Cartrack licensees in Africa and Europe were acquired during the year, either as wholly owned or majority owned together with a strategic partner.

Cartrack Singapore being awarded the prisoner tracking tender was a highlight, given the high reputation and standards of the Singaporean government. We see this being a great reference and giving significant credibility to Cartrack's presence in the region. Additionally, this award reflects the flexibility and scalability of the company's technology platform and the innovative capabilities of its in-house engineers.

On the technology front, Cartrack released an upgraded and miniaturised Fleet Management unit with ancillary Stolen Vehicle Recovery features. Several additional features were added for existing Fleet Management clients through the release of software updates. Cartrack's product range was supplemented further through an in-vehicle camera system, thereby complementing Cartrack's existing Telematics services and enhancing Cartrack's driver behaviour and safety monitoring capabilities. A miniature wireless and self-powered tracking device was released for multiple applications, including vehicle recovery and other forms of asset tracking and monitoring.

Dealing with the depreciating Rand and its impact on the cost of our production is a factor that the company has to manage. Fortunately, the cost of most electronic componentry has decreased in dollar terms and Cartrack has control over most links in the supply chain. With the company's centralised procurement strategy and the volume of purchases of main components, unit costs of production have been contained.

Outlook

Subscriber and revenue growth in the short to medium term is anticipated to be consistent with that achieved in the past few years. Sustainable growth is expected in all operations. The global expansion will generate a greater share of revenue and profit from operations located outside of SA, although the new Asian/ME operations will only achieve breakeven in the medium term.

Cartrack will maintain a disciplined capital allocation into the new geographies. Pivotal to Cartrack's expansion strategy is a well-defined and tested expansion model with low initial set-up costs and a hands-on approach from management. Furthermore, Cartrack does not have any material third party debt on its balance sheet providing it with the ability to leverage should the opportunity arise.

Strong profit growth and commensurate dividend growth within Cartrack's dividend cover targets of between 1.25 and 1.55 times headline earnings is expected for 2016, supported by the strong cash-generative nature of Cartrack's business.

The Telematics industry throughout the world has advanced considerably from basic location and trip reporting, to a high level of data analytics and business intelligence. Its fields of influence are now extending well beyond just monitoring a vehicle and recovering stolen vehicles to those of performance enhancement, safety and risk management, vehicle diagnostics and related connectivity between consumers, business, drivers and vehicles. This is a dynamic industry to be part of, and, with the recent high growth experienced being projected to continue globally at almost exponential rates, the future augers to be exciting and rewarding. Cartrack is well positioned through its proven technology and service, scalable system platform, low cost base and increasing footprint to take advantage of this trend, using the SaaS delivery model.

On behalf of the board

David Brown
Chairman

Zak Calisto
Global chief executive officer

Johannesburg
24 May 2015

Auditor's report

The accompanying financial information has been extracted from the consolidated financial statements, which have been audited by the group's independent auditors, Grant Thornton Chartered Accountants (SA). An unqualified audit opinion has been issued. The full report is available for inspection at the Company's registered office. Any other information contained herein or reference to future financial performance included in this announcement, has not been reviewed or reported on by the group's auditors.

Basis of accounting

This condensed group financial information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board, Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, IAS 34 "Interim Financial Reporting", the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council, the requirements of the Companies Act of South Africa (Act 71 of 2008) as well as the Listing Requirements of the JSE Limited.

Cartrack has made a change in accounting policy in the year. This policy change relates to the capitalisation and amortisation of costs of acquisition of rental sales and the reclassification of capital rental units from pre-payments to Property, Plant and Equipment in the Balance Sheet. This is fully described in the notes to the financial statements and also conforms to the policies commonly adopted by industry peers.

Apart from the change in policy as noted above all the other accounting policies and their application are consistent with those used by the company in the previous financial year.

Dividend declaration

Ordinary shareholders are advised that the board of directors has declared a final gross cash dividend of 30 cents per ordinary share (25.5 cents net of dividend withholding tax) for the 12 months to 28 February 2015 (the cash dividend). No secondary tax on companies (STC) credits were utilised as part of the ordinary cash dividend declaration. The cash dividend will be paid out of profits of the company.

Timetable

Share code	CTK
ISIN	ZAE000198305
Company registration number	2005/036316/06
Company tax reference number	9108121162
Dividend number	2
Gross cash dividend per share	30 cents
Issued share capital as at declaration date	300 000 000
Declaration date	Monday, 25 May 2015
Last date to trade *cum* dividend	Thursday, 11 June 2015
Shares commence trading *ex* dividend	Friday, 12 June 2015
Record date	Friday, 19 June 2015
Dividend payment date	Monday, 22 June 2015

Share certificates may not be dematerialised or rematerialised between Friday, 12 June 2015 and Friday, 19 June 2015 both dates 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.

By order of the board

Cartrack Holdings Limited
Company secretary

Johannesburg
24 May 2015

Segmental analysis

Figures in Rand	2015	2014	% Change
Revenue			
South Africa	627 174 799	530 962 678	18
Africa – other	124 279 954	88 595 185	40
Europe	80 422 114	13 162 200	511
Asia and ME*	11 823 676	4 300 229	175
Total	**843 700 543**	**637 020 292**	**32**
Operating profit before tax			
South Africa	236 985 044	218 554 972	8
Africa – other	56 776 144	37 906 227	50
Europe	15 836 286	1 029 208	1439
Asia and ME	(7 078 835)	1 166 908	NA
Total	**302 518 639**	**258 657 315**	**17**
EBITDA			
South Africa	294 877 819	258 391 168	14
Africa – other	55 987 856	38 167 331	47
Europe	26 232 289	2 531 254	936
Asia and ME	(6 590 226)	1 166 908	NA
Total	**370 507 738**	**300 256 664**	**23**

*ME – Middle East

The Group is organised into geographical business units and has four reportable operating segments. Each operating segment provides essentially the same or similar products and services to a homogenous target market. The losses incurred in the Asia/MEA segment in 2015 were attributable to the start-up costs of the six new offices opened in the region – trading only commenced early in 2016.

Johannesburg
25 May 2015

Sponsor
Investec Bank Limited

CORPORATE INFORMATION

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David Brown (Independent Chairman)
Thebe Ikalafeng
Kim White

Executive Directors

Isaias Jose Calisto (Global Chief Executive Officer)
John Richard Edmeston (Global Chief Financial Officer)

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