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

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 13 of this Pre-listing Statement shall apply, *mutatis mutandis*, throughout this Pre-listing Statement.

This Pre-listing Statement, prepared and issued in accordance with the Listings Requirements, relates to the Listing and Private Placement to Eligible Investors by way of subscription for between 60,000,000 (representing 20% of Cartrack's issued Share capital once issued) and 141,000,000 (representing 47% of Cartrack's issued Share capital once issued) Shares. The proceeds received by Cartrack pursuant to the Private Placement will be applied for the full and final settlement of the Aggregate Repurchase Price owing by Cartrack to Onecell pursuant to the Buyback Agreement. Accordingly, no proceeds will remain with the Group.

The Offer, as set out in this Pre-listing Statement, is open for acceptance by Eligible Investors only. The Board reserves the right, at any time during the Offer, at their sole and absolute discretion, in compliance with the Listings Requirements, to amend, deviate from or modify the Offer in the manner deemed fit or to postpone, discontinue or terminate the Offer.

There is no minimum capital requirement to be realised by the Offer. The minimum subscription that must be realised by the Company is that which enables it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the minimum free-float and shareholder spread requirements, as prescribed by the Listings Requirements and acceptable to the JSE.

The Offer Price will be between R10.00 and R15.00 per Offer Share. The Offer Price may however be outside of the Offer Price Range, which Offer Price will be determined by the Bookrunner pursuant to the bookbuild process that will be undertaken in connection with the Offer and will be communicated to Applicants.

Opening date of the Offer (09h00)	Monday, 24 November 2014
Closing date of the Offer (12h00)	Friday, 5 December 2014
Successful applicants advised of allocations (12h00)	Monday, 8 December 2014
Offer Price and results of the Offer announced on SENS	Monday, 8 December 2014
Last date for Successful Applicants to make payment for their allocated Shares (12h00)	Wednesday, 10 December 2014
Shares listed on the JSE (09h00)	Thursday, 11 December 2014
Accounts at CSDPs and brokers credited with the shares on	Thursday, 11 December 2014

All dates and times referred to in this Pre-listing Statement are times in South Africa. The dates and times in this Pre-listing Statement are subject to change and any such changes will be released on SENS.

For a single addressee acting as principal, offers can only be made at an aggregate subscription price of not less than R1,000,000.

Investing in the Offer Shares involves risks, as set out in the "Risk Factors" commencing on page 40 of this Pre-listing Statement.

This Pre-listing Statement is not an invitation to the public to purchase or subscribe for Shares and is issued in terms of the Listings Requirements for the purpose of providing information on Cartrack in relation to the Offer and the Listing.

Investment Bank, Bookrunner and Sponsor
Investec Bank Limited

Legal Advisor
ENSafrica.com

Communication Advisor
aprio strategic communications

Auditors
Grant Thornton

Independent Reporting Accountants
Grant Thornton

Transfer Secretaries
Computershare

Date of issue: 21 November 2014

As the Offer is not an offer to the public as contemplated under the Companies Act, a copy of this Pre-listing Statement is not required to be registered with the Commission in terms of the Companies Act.

An abridged version of this Pre-listing Statement will be released on SENS on Friday, 21 November 2014 and published in the press on Monday, 24 November 2014.

This Pre-listing Statement is only available in English and copies hereof may be obtained during normal business hours from 24 November 2014 until 12 December 2014 from the Company and the Bookrunner, at their respective physical addresses which appear in the "Corporate Information and Advisors" section set out on page 1 of this Pre-listing Statement.

The Offer Shares will be delivered in dematerialised form, and traded on the JSE as Dematerialised Shares only. Accordingly, no physical documents of title will be issued to Successful Applicants and, should such Shareholder elect to receive Certificated Shares, such Shareholder will have to materialise their Dematerialised Shares. Holders of Certificated Shares will be required to dematerialise their Certificated Shares should they wish to trade their shares on the JSE in accordance with the Companies Act and the Listings Requirements.

The JSE has, subject to the Shareholder spread obligations in terms of the Listings Requirements being obtained, granted Cartrack the Listing of up to 300,000,000 Shares in the "Support Services" sector of the Main Board of the JSE, under the abbreviated name "Cartrack", share code "CTK" and ISIN ZAE000198305. At the Last Practicable Date, Cartrack will have authorised share capital of 1,000,000,000 no par value shares, and issued share capital of 300,000,000 fully paid no par value Shares.

In order to facilitate the Listing, Onecell and the Company have entered into the Subscription Agreement and the Buyback Agreement. The salient terms, and the manner in which the aforesaid agreements and the Private Placement have been / will be implemented, are as follows:

- in terms of the Subscription Agreement on 10 November 2014, Onecell subscribed for the Relevant Shares. The aggregate subscription price for the Relevant Shares subscribed for by Onecell under the Subscription Agreement is R300.00 and, against payment by Onecell of the aggregate subscription price to the Company, on 10 November 2014, the Company issued the Relevant Shares to Onecell. Pursuant to the aforesaid issuance the Company's issued share capital increased from 142 Shares to 300,000,000 Shares (100% of which is held by OneCell as at the Last Practicable Date);
- pursuant to the applications made by Applicants for Offer Shares, the Bookrunner will recommend to Onecell the number of Buyback Shares that Onecell should make available for the Company to buyback under the Buyback Agreement and the Company shall buyback that number of Shares that is acceptable to Onecell;
- on the Buyback Date:
  - o the Company will repurchase the Buyback Shares from Onecell; and
  - o cancel such Shares as issued shares and, as a result, the authorised share capital of the Company available to be issued will increase (and the issued share capital of the Company will decrease) by the number of Buyback Shares which are so repurchased;
- the aggregate number of Shares that will be allocated to Successful Applicants will be a number equal to the number of Buyback Shares that the Company repurchases from Onecell under the Buyback Agreement and, consequently, following the issuance of the Offer Shares to Successful Applicants on the Listing Date the Company's entire issued share capital will increase to 300,000,000 Shares (of which Onecell will own between 53% and 80% depending on the number of Buyback Shares that the Company repurchases from Onecell under the Buyback Agreement); and
- the Company will only make payment of the Aggregate Repurchase Price to Onecell after the issuance of Offer Shares to Successful Applicants on the Listing Date and, accordingly, thereafter an amount equal to the proceeds (estimated to be between R600 million and R2,115 million) received by the Company from the Private Placement will be paid by the Company to Onecell in order to discharge the Aggregate Repurchase Price.

All Shares rank *pari passu* in all respects, including eligibility for dividends, and have no convertibility or redemption provisions attaching to them. Accordingly, no Share has any special rights to distributions, capital or profits of the Company and there are no Shares held in treasury. Fractions of Shares will not be issued.

All of the Company's classes of shares are of no par value and, accordingly, the Company does not have a share premium account. The total value of the share capital account as at the Last Practicable Date is R442.00.

The Board, whose names are provided on page 31 of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information contained herein and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all the information required in terms of the Listings Requirements.

The reporting accountants, whose reports are contained in this Pre-listing Statement, have given their consent and have not withdrawn their consent to the inclusion of their reports in the form and context in which they appear herein.

Each of the Investment Bank, Bookrunner, Sponsor, Legal Advisor, Auditors, Independent Reporting Accountants, Communication Advisor and Transfer Secretaries whose names are included in the "Corporate Information and Advisors" section of this Pre-listing Statement, have consented in writing to act in the capacities stated herein and to their names being included in this Pre-listing Statement and have not withdrawn their consents prior to the publication of this Pre-listing Statement.

CORPORATE INFORMATION AND ADVISORS

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
Cartrack Corner
11 Keyes Road
Rosebank
Johannesburg
2196
(PO Box 4709, Rivonia, 2128)

Investment Bank, Bookrunner and Sponsor
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Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Transfer Secretary
Computershare Investor Services Proprietary Limited
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Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

Legal Advisor
Edward Nathan Sonnenbergs Incorporated
150 West Street
Sandton
2196
(PO Box 783347, Sandton, 2146)

Communications advisor
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32a Jellicoe Avenue
Oxford Corner
Rosebank
2196
(PO Box 2436, Northcliff, 2115)

Place of incorporation: South Africa
Date of incorporation: 10 October 2005

Registered office of Cartrack
Cartrack Holdings Limited
Unit 7 Boskruin Business Park
Bosbok Road
Randpark Ridge
Ex. 75
2169
(PO Box 4709, Rivonia, 2128)

Registered office of Onecell
Onecell Holdings Proprietary Limited
Unit 7 Boskruin Business Park
Bosbok Road
Randpark Ridge
Ex. 75
2169
(PO Box 4709, Rivonia, 2128)

Independent reporting accountants and auditors
Grant Thornton Chartered Accountants (SA)
(Practice number 903485)
137 Daisy street
Sandown
2196
(Private Bag X28, Benmore, 2010)

Company's bankers
First National Bank
a division of FirstRand Bank Limited
(Registration number 1929/001225/06)
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(PO Box 1153, Johannesburg 2000)

The Standard Bank of South Africa Limited
(Registration number 1962/000738/06)
9th Floor
Standard Bank Centre
5 Simmonds Street
Johannesburg
Gauteng
2001
South Africa

Nedbank Limited
(Registration number 1951/000009/06)
135 Rivonia Road
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Sandton, 2196
(PO Box 1144, Johannesburg, 2000)

Mercantile Bank Limited
(Registration number 1965/006706/06)
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(PO Box 782699, Sandton, 2146)

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INFORMATION RELATING TO THE OFFER

Last Practicable Date

Unless the context clearly indicates otherwise, all information provided in this Pre-listing Statement is provided as at the Last Practicable Date, being 14 November 2014.

Special note relating to the Offer

This Pre-listing Statement constitutes a Private Placement to Eligible Investors in South Africa only and certain other jurisdictions to whom the Private Placement will specifically be addressed, and is only addressed to persons to whom it may lawfully be made. The distribution of this Pre-listing Statement and the Private Placement in jurisdictions other than South Africa may be restricted by law and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Persons into whose possession this Pre-listing Statement comes must inform themselves about and observe any such restrictions. This Pre-listing Statement does not constitute a Private Placement in any jurisdiction in which such Private Placement would be unlawful.

To the extent that this Pre-listing Statement is provided to persons outside of South Africa, the following is noted:

United Kingdom:

This Pre-listing Statement does not contain an offer of transferable securities to the public within the meaning of section 85 of the FSMA and will not be a prospectus for the purposes of the Prospectus Rules made under section 73A of FSMA. Accordingly this document has not been prepared in accordance with the Prospectus Rules, nor has it been approved by the FCA pursuant to section 85 of FSMA and a copy has not been and will not be delivered to the FCA under regulation 3.2 of the Prospectus Rules. No application has been made, or is being made, for any of the Shares to be admitted to the official list of the UKLA or to trading on any market of the London Stock Exchange plc or any other recognised investment exchange in the United Kingdom.

No Shares will be offered pursuant to the Offer in a Relevant Member State, except that offers of Shares to the public may be made under an exemption under the Prospectus Directive, if such an exemption is implemented in that Relevant Member State, and provided that no such offer of Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State.

This Pre-listing Statement is only addressed to and directed at Eligible Investors and, where addressed to and directed to persons in the United Kingdom, to persons who are also those: (i) who have professional experience in matters relating to investments falling within Article 19(5) of the FPO; or (ii) who are high net worth entities as described in Article 49(2) of the FPO; or (iii) to whom it may otherwise be lawful to distribute it (each such persons being referred to as a "Relevant Person"). Any investment or investment activity to which this document relates is only available to Relevant Persons and will be engaged in only with Relevant Persons. Any person in the EEA or the UK who receives this document will be deemed to have represented and agreed that it is a Relevant Person. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Eligible Investors or persons in the UK and other member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. The Company will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA or the UK who is not a Relevant Person should not act or rely on this Pre-listing Statement or any of its contents. Failure to comply with this restriction may constitute a violation of applicable securities laws.

Neither this document nor any part or copy of it may be taken or transmitted, directly or indirectly, into the United States, Australia, Canada or Japan, or distributed directly or indirectly in the United States, Australia, Canada or Japan or to any resident thereof. Any failure to comply with the above restrictions may constitute a violation of United States, Australian, Canadian or Japanese securities laws. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. The Shares have not been and will not be registered under the securities laws of the United States, Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold within United States, Canada, Australia or Japan. This document does not constitute an offer of securities to the public in the United States, the United Kingdom or in any other jurisdiction.

United States:

The securities offered hereby have not been registered under the Securities Act, or the securities law of any states and, where offered or sold in the United States, are being offered and sold in reliance on exemptions from the registration requirements of the Securities Act and from exemption from registration under applicable state securities laws. This Pre-listing Statement will not be distributed to, nor will an offer, solicitation or sale be made to, any persons in the United States unless the Company has reasonable grounds to believe, and does believe, immediately prior to making the offer, solicitation or sale, that the offer or sale is exempt from the applicable registration provisions, including offers or sales to persons who are Accredited Investors and that either alone or together with one or more of their professional advisors (if any) have such knowledge and experience in financial and business matters that such persons are capable of evaluating the risks and merits of purchasing the securities, and that such persons are able to bear the entire economic risk of that investment (the "Exemption"). By accepting receipt of this Pre-listing Statement, each recipient in the United States is deemed to confirm, represent and warrant that they fall within the Exemption. The securities may not be sold, transferred or otherwise disposed of for value in the United States except pursuant to registration, exemption there from or operation of law. The securities have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy or this Pre-listing Statement. Any representation to the contrary is unlawful.

General

This Pre-listing Statement and the Offer do not constitute an offer into or from any Affected Jurisdiction, to the extent that this Pre-listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. It shall be the responsibility of any persons resident in a jurisdiction outside of South Africa to inform themselves about and observe any applicable legal requirements in the relevant jurisdiction.

Disclaimer

The release, publication or distribution of this Pre-listing Statement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdiction into which this Pre-listing Statement is released, published or distributed should inform themselves about and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. This Pre-listing Statement does not constitute an offer to sell or issue, or the solicitation of an offer to purchase or to subscribe for Shares or other securities or a solicitation of any vote in any jurisdiction in which such offer or solicitation would be unlawful.

FORWARD LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause the Group's actual results to differ materially from those projected in the forward-looking statements made in this Pre-listing Statement. Any statements about the Group's expectations, beliefs, plans, objectives, assumptions, future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will", "will likely result", "are expected to", "will continue", "believe", "is anticipated", "estimated", "intends", "expects", "plans", "seek", "projection", and "outlook". These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety with reference to the factors discussed throughout this Pre-listing Statement, including the Risk Factors set out on page 40 of this Pre-listing Statement.

By their nature, forward-looking statements are inherently predictive and/or speculative. New factors will emerge in the future, and it is not possible for the Group to predict such factors. Such factors, as well as the Risk Factors set out on page 40 of this Pre-listing Statement, could cause actual results, performance or outcomes to differ materially from those expressed in the forward-looking statements made in this Pre-listing Statement by the Group or on behalf of the Group. No undue reliance should be placed on any of these forward-looking statements. Furthermore, any forward-looking statement speaks only as at the date on which it is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. In addition, the Company cannot assess the effect of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

SALIENT FEATURES

This summary contains the salient features of Cartrack and the Offer set out in this Pre-listing Statement, which should be read in its entirety for a complete understanding thereof.

1. VISION AND MISSION

Cartrack's vision is to achieve global industry leadership in the Telematics industry including Fleet Management, Stolen Vehicle Recovery and Insurance Telematics.

Cartrack's mission is to provide its clients and partners with real-time actionable business intelligence based on advanced technology, first rate information systems, leading service and reliability.

2. NATURE OF BUSINESS, OPERATING GEOGRAPHIES AND PROSPECTS

2.1. Introduction to the Group

Since being founded in South Africa in 2001, Cartrack has evolved into a leading provider of Fleet Management, Stolen Vehicle Recovery and Insurance Telematics. The business incorporates global asset tracking, monitoring and recovery services together with the provision of Fleet Management information systems from a platform of innovative Telematics technologies. Cartrack's research and development activities are performed in-house which underpins Cartrack's ability to rapidly adapt to market requirements while mitigating against any royalty or licensing constraints.

Whilst its principal operations are situated in South Africa, Cartrack has embarked on an expansion drive into the rest of Africa, Europe and Asia. Cartrack is committed to growing its client base through replicating and leveraging off its South African offering through a combination of direct investment, partnering with local operators as well as targeted value accretive acquisitions that meet the Company´s investment parameters.

Initially, Cartrack focused on Stolen Vehicle Recovery services, which led to the Cartrack system being developed and implemented for the Sub-Saharan African market where vehicle theft was, and remains, amongst the highest in the world. The Cartrack system was engineered to provide a simple and robust alternative to existing Stolen Vehicle Recovery systems. As a consequence, Cartrack's research and development and management teams have accumulated vast experience in the fields of data management, GSM, radio frequency and satellite technology. Cartrack has an audited 94% Stolen Vehicle Recovery success rate which is achieved through the high reliability standards of in-vehicle units, specialised installation techniques, miniaturisation and an in-house team of rapid response recovery agents. To demonstrate the confidence in its systems, Cartrack currently offers a cash back recovery warranty to its customers in the event of non-recovery of their stolen vehicles.

In 2007, with the rapid development and convergence of telecommunication services, Cartrack expanded the scope of its offering to include full Telematics services, in particular Fleet Management. Data Management information, such as fuel consumption and driver behavior, amongst others, is designed to maximise operational efficiencies to improve fuel economy, reduce labour costs, extend fleet vehicle life cycles and optimise customer service. Cartrack´s information delivery model facilitates the adoption of these product offerings to customers without them requiring advanced infrastructure and equipment. Cartrack's user-friendly and cost-effective web-based Fleet Management portal provides a comprehensive set of features ensuring the optimisation of both fleet and human resources without the client needing to incur any upfront IT costs.

To expand its integrated service offering, Cartrack is providing driver risk assessment offerings in the field of Insurance Telematics.

2.2. Key investment highlights

Commitment by founding shareholder and depth and experience of management

Cartrack has a well-established and experienced senior management team led by the Company's founder (being Isaias J. Calisto, Company Global Chief Executive Officer). To augment the ongoing commitment to the Company, Cartrack's founder will, through Onecell's shareholding in the Company, retain a controlling interest in Cartrack post the Listing. Furthermore, Onecell has entered into an agreement in terms of which Onecell has undertaken (for the Initial Lock-up Period) not to directly or indirectly dispose of any of its Shares. Furthermore, Onecell has agreed that for the Further Lock Up Period it will not directly or indirectly dispose of any of its Shares which would result in it owning less than 51% of the Company's issued share capital. Onecell's shareholding may reduce below 51% during the Lock Up Periods as a result of any corporate actions notwithstanding the fact that Onecell will not directly or indirectly dispose of any shares as set out above.

Most members of the management team have in excess of 10 years of experience in the Telematics industry with each of the Executive Directors having in excess of 16 years of individual experience. The senior management team is equipped with specialist operational experience, deep industry knowledge and a high level of technical expertise. Cartrack has a flat management structure thereby facilitating quick decision making and shortened response times.

The founder of the Company will continue to have significant hands on involvement in the growth of the Company, in particular, leading the Company's international expansion. Post Listing, the founder of the Company will, through Onecell's shareholding in the Company, retain a majority interest in Cartrack thereby supplementing his ongoing alignment with prospective and existing Shareholders.

Proven track record of profitability and strong financial metrics

Cartrack has a proven track record since inception and in particular over the past 7 year period. The track record is demonstrated by Cartrack having achieved an average compound annual growth rate for the 2012 to 2014 financial year reporting period in revenue and net profit after tax of 19% and 21% respectively. Revenue is generated through product sales and subscription fees from over 386,000 units worldwide of which approximately 305,000 are currently in South Africa (31 August 2014).

Cartrack achieves amongst the leading gross profit, EBITDA and PBT margins relative to its South African listed peers, being 81.4%, 33.7% and 32.2% respectively. The quality of earnings is enhanced through a high level of annuity income from a diverse customer base with a low level of revenue concentration of approximately 0.7% of sales with any single end user.

Cartrack believes that its strong margins provide the Company with flexibility in the event of a competitive pricing scenario.

History of strong cash flow generation and cash conversion with low financial leverage and strong dividends

Cartrack's EBITDA margins and PBT margins, coupled with low capital expenditure requirements, has ensured high levels of cash conversion which has consistently been approximately 90% over the last 2 year period. The strong cash flow generation and conversion, provides the Company with the requisite platform to fund expansion, as well as the ability and flexibility to return cash to shareholders in the form of dividends.

In line with Cartrack's strong levels of cash conversion, Cartrack intends to maintain a dividend payout ratio in excess of 70% post Listing depending on the Group's capital requirements for its growth strategy. Cartrack's capital discipline is demonstrated by its working capital efficiency, which is effectively managed through its receivables that are historically, on average, lower than 1 month of turnover for the Group.

Furthermore, Cartrack does not have any material long-term third party debt on its balance sheet providing it with the ability to leverage off value enhancing initiatives and capital structure enhancement.

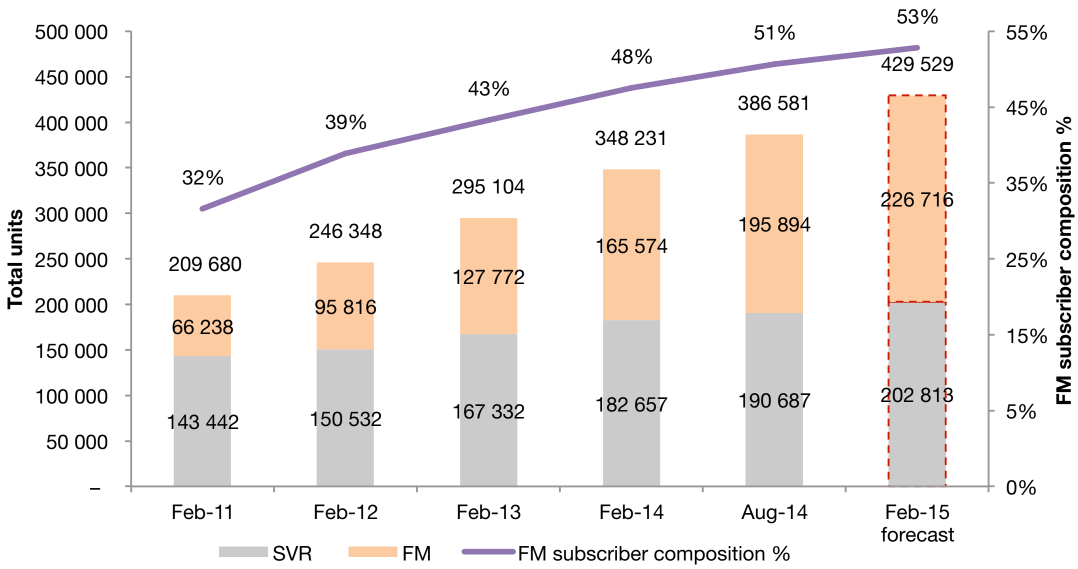
Platform for growth

Cartrack has a combination of well established businesses, both locally and internationally, and a growing footprint in selected African, Asian and European countries. The Company is well-positioned to take advantage of the vastly underdeveloped Telematics market in these territories, given Cartrack's successful track record in organic expansion.

Cartrack and its experienced management team have the necessary skillset and experience to rapidly deploy in foreign markets and to transform start up platforms into financially and operationally self-sufficient businesses. This core competency has allowed the Company to enter high growth markets and quickly unlock value through the expansion drive. In this context the Company has established a presence in 18 countries with further countries having been identified for future growth, in particular in Asia.

Pivotal to Cartrack's expansion strategy, is a well-defined and tested expansion model with low initial set-up costs, a hands-on approach from management, driven by senior management.

Cartrack's historic and forecast unit growth is illustrated below:



Whilst the Stolen Vehicle Recovery continues to deliver stable growth as a core Cartrack offering, Fleet Management has, since 2011, produced consistently strong growth in subscriptions in excess of 29% annually.

In the three and a half year period ending 31 August 2014, the Cartrack subscriber base has seen an 84% increase. This growth comprises of a 196% increase in Fleet Management units and a 33% increase in Stolen Vehicle Recovery units. Off the back of this growth, as at 31 August 2014, Fleet Management accounts for more than 50% of Cartrack's subscriber composition.

The above graph illustrates Cartrack's ability to leverage off its established infrastructure in both achieving consistent unit growth while managing the increased client base from a service as well as an operational perspective.

Favourable industry dynamics

Demand for Telematics services is driven by the size of the global vehicle fleets (including both commercial and passenger vehicles). With the size of the global vehicle fleet currently estimated at 1.1 billion vehicles and forecasted to grow to 2.3 billion vehicles by the year 2035, Cartrack is favorably positioned in a burgeoning industry.

The uptake in Telematics is forecast to be even more pronounced with the global commercial telematic subscriptions in 2019 to treble from current 2014 levels.

The Fleet Management industry is mindful of the need to reduce costs, enhance efficiencies and margins and improve driver behavior and road safety. Increased access to data through reduction in costs and increased download speeds, coupled with the growth in the use of mobile devices, provides real-time tools and platforms to quickly and easily analyse and monitor fleet performance. Actionable data intelligence is rapidly evolving as a result of the ease of accessibility and the market demand is expected to rapidly increase.

Constantly adapting to cater to these trends, Cartrack's research and development team continuously develops innovative products to meet management's objectives of expanding through territorial growth, increased market share and product diversification.

The growth in demand for Stolen Vehicle Recovery products is currently enhanced by vehicle insurance requirements and a reduction in the cost of Stolen Vehicle Recovery products and services. This is augmented by the increasing sophistication of Insurance Telematics services and products.

2.3. Competitive strengths

Cartrack is uniquely positioned through its:

i. Scalable approach

Cartrack's success is attributable to its innovative and integrated approach in the provision of Fleet Management, Stolen Vehicle Recovery and Insurance Telematics products. This is achieved through a strong technology platform and innovation through Cartrack's in-house research and development department, which allows Cartrack's business model to meet the needs of various categories of clients across numerous geographic locations.

Cartrack has positioned itself to cater for the mainstream Telematics market and does not intend to position itself in low volume niche markets. This approach has allowed Cartrack to achieve economies of scale across its business with a focus on footprint growth without compromising on service delivery, reliability and margin generation whilst delivering quality homogenous products and services.

ii. Low fixed infrastructure cost and maximum reach

Cartrack maximises its geographical reach within each territory by utilising mobile certified installation teams, thereby creating a large footprint for Cartrack's expansive branch network.

Infrastructure requirements are minimised by utilising cloud-based computing services which are managed centrally by a team of technology specialists.

iii. Audited 94% recovery success rate and warranty

In South Africa, Cartrack boasts an audited Stolen Vehicle Recovery success rate of 94%. Demonstrating its confidence in, and dedication to, the functioning of its technology platform, Cartrack currently provides a warranty to Stolen Vehicle Recovery customers of up to R150,000 for any of its client's monitored vehicles which are not recovered in the case of theft subject to certain terms and conditions.

iv. Focus and investment in technology

A key pillar underpinning Cartrack's performance is the dedicated technical team that it has developed since inception. The team has a proven track record in research and development and rapid turnaround time on new technologies. One of the key reasons for Cartrack's advanced tracking system is the incorporation of specific tracking technologies over and above conventional GPS systems. Cartrack's research and development team is focused on enhancing product offerings through continuous innovation, thereby ensuring adaptability and rapid deployment globally.

v. International footprint and expansion provides increasing economies of scale

Cartrack has an international business footprint with operations in Africa, Asia and Europe. Geographic diversification and expansion provides Cartrack with the ability to benefit from growth and income diversification. Cartrack currently has a presence in 18 countries and has a further roll out plan, with the Asian market being viewed as a prominent focus for the Group. Currently there are several Asian countries being evaluated to expand Cartrack's regional footprint in Asia.

As Cartrack continues to grow its presence in its well established markets, it targets increasing economies of scale which would result in an immediate increase in profitability. New markets are targeted to be profitable within three years of establishment as Cartrack implements its expansion strategy.

Cartrack's international expansion efforts are evidenced through 24% of revenue having been earned in foreign countries for the 6 months ending 31 August 2014 in comparison to 9% for the 12 months ending 29 February 2012.

2.4. **Strategy and growth prospects**

The functional strategy of Cartrack is to build a global brand off a platform of innovative and leading technologies, strong leadership, optimised organisational dynamics and sophisticated marketing techniques. This strategy is supported through an established sales infrastructure and management team whilst operational excellence is achieved through a skilled staff complement.

Within the context of Cartrack's strategy, opportunities identified for business growth, include:

– **International growth**

Globally, the awareness of the benefits of Telematics coupled with decreasing data and Telematics charges has facilitated increased usage of Telematics services. Cartrack plans to follow this global trend.

– **Low cost business model**

Cartrack's ability to leverage off its low cost business model and pass related savings to clients has enabled it to capture market share through price competitiveness and service excellence in all the territories in which it operates.

– **Technological advancement**

The advancement of Telematics technology in terms of functionality, miniaturisation and power management allows Cartrack to introduce innovative new technologies and increase market penetration of existing Telematics services. In addition, cost reductions and increases in product features both drive and meet increased customer demand.

– **Industry and organic growth**

The rapid convergence of mobile technology, and the benefits of real-time communication, provide numerous new market opportunities and expedite cost reductions which promote the adoption of Telematics offerings.

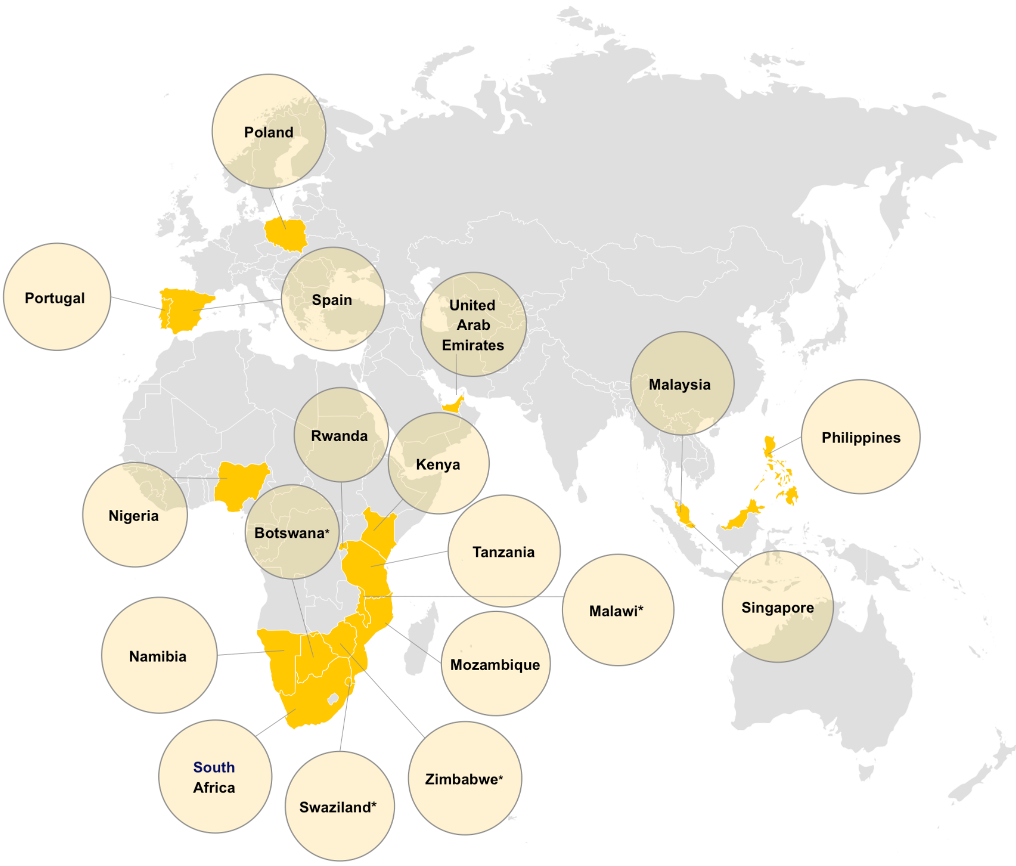
– **Data demand and availability**

The growth in global demand for mobile and intelligent data has been facilitated by the introduction of high capacity data infrastructure and affordable data costs. Underpinned by data availability, the demand for actionable information has increased. This trend is evident in Telematics and the concomitant result has been increased market penetration.

Cartrack plans to take advantage of these opportunities by leveraging off its existing infrastructure, research and development and management experience. Cartrack targets Telematics market needs in each territory through competitive price point positioning, thereby ensuring a considerable value proposition for clients.

3. **BUSINESS OVERVIEW**

Cartrack's current geographic presence as at the 31st of August 2014, is illustrated as follows:



* indicates countries in which Cartrack currently has a presence through Franchise Agreements.

The high level breakdown per country as at 31 August 2014:

Country	Ownership %	Operations commencement	Stolen Vehicle Recovery units	Fleet Management units	Total
South Africa	100%	May 2004	167,742	137,406	305,148
Mozambique	50%	December 2005	17,845	5,337	23,182
Portugal	100%	December 2008	11	21,187	21,198
Poland	91%	March 2010	5	9,411	9,416
Kenya	85%	December 2010	1,560	4,154	5,714
Tanzania	60%	November 2011	317	2,886	3,203
Namibia	100%	July 2007	206	2,654	2,860
Singapore	100%	October 2012	–	2,773	2,773
Nigeria	99.99%	March 2014	92	2,423	2,515
Spain	100%	April 2011	32	1,665	1,697
Rwanda	60%	June 2013	–	124	124
United Arab Emirates[1]	100%[2]	October 2014	–	–	–
Philippines[1]	100%	October 2014	–	–	–
Malaysia[1]	100%	October 2014	–	–	–
Sub total			187,810	190,020	377,830
Franchising agreements[3]			2,877	5,874	8,751
Total[4]			**190,687**	**195,894**	**386,581**

Note:
1 The United Arab Emirates, Philippine and Malaysian operations have the infrastructure and employees to facilitate future growth
2 Supplementary details surrounding the effective ownership arrangements of the operations in the United Arab Emirates are set out in Annexure 13
3 Franchising agreements relate to existing agreements in Zimbabwe, Botswana, Swaziland and Malawi
4 As at 31 October 2014, Cartrack recorded a total client base of 401 948 units

Significant features of the Group include:

- forecasted FY2015 annual turnover of R847,680,112 and profit before tax of R284,514,178, up 33% and 19% respectively;
- audited FY2014 annual turnover of R637,020,292 and profit before tax of R239,689,702;
- net profit margins of 26,4% for FY2014 and 24,0% forecasted for FY2015;
- 74% of Group turnover is recurring annuity revenue with a client base of 386,581 units (31 August 2014), with 429,529 units forecasted for 28 February 2015;
- 24% of Group turnover is earned in foreign currencies;
- ownership of an advanced technology platform and substantial research and development capabilities;
- all intellectual property relating to its mainstream products and services have been developed in-house and there are no associated royalties payable;
- presence in 18 countries with extensive global expansion plans; and
- audited recovery success rate of 94% for clients' vehicles stolen in South Africa.

As at 31 August 2014, Cartrack employs approximately 1,197 permanent staff.

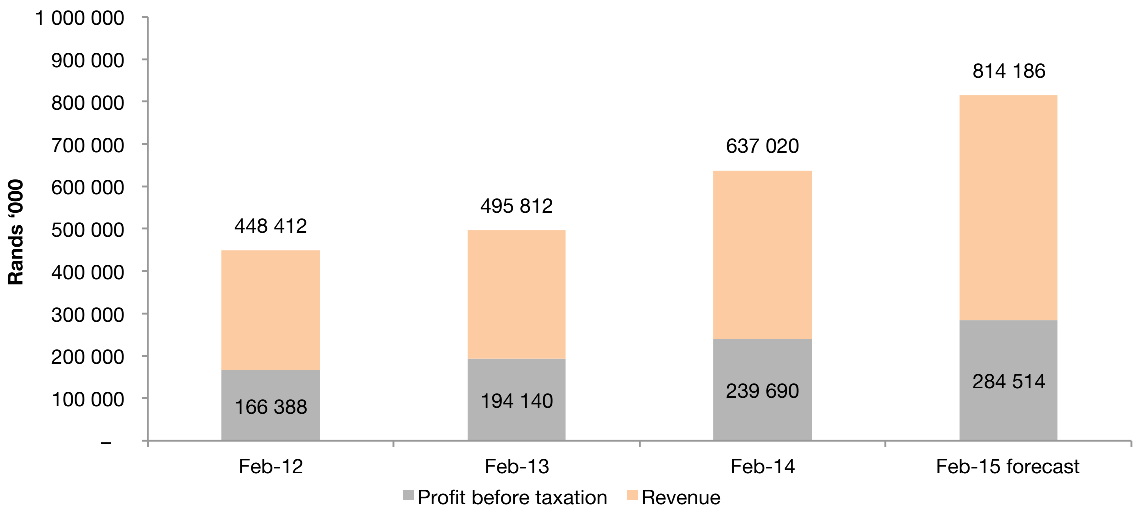
The Company's primary clients span various industries and include individuals, corporate fleet owners, motor dealerships and insurance companies.

4. SELECTED FINANCIAL DATA

Cartrack has continuously delivered strong financial performance and reviewed forecast financials show continued profit growth.

Figures in Rand '000	Reviewed FY2012	Audited FY2013	Audited FY2014	Reviewed forecast FY2015
Revenue	448,412	495,812	637,020	847,680
Cost of Sales	(100,229)	(97,019)	(128,579)	(148,038)
Gross profit	**348,183**	**398,793**	**508,441**	**699,642**
Other income	6,780	7,490	11,946	6,153
Operating expenses	(192,750)	(216,629)	(281,229)	(423,372)
Operating profit	**162,213**	**189,654**	**239,159**	**282,423**
Net investment revenue and finance costs	4,175	4,486	531	2,091
Profit before taxation	**166,388**	**194,140**	**239,690**	**284,514**
Taxation	(51,716)	(56,452)	(71,682)	(80,822)
Profit for the year	**114,672**	**137,689**	**168,008**	**203,692**
Profit attributable to owners of the parent	**103,846**	**121,046**	**155,072**	**188,369**
Profit before taxation margin	37%	39%	38%	34%
Net profit margin	26%	28%	26%	24%

The graphical interpretation of Cartrack's financial data indicates the magnitude of the growth and the consistency of the growth achieved.



Cartrack's quality of earnings is further enhanced through its increasing international diversification of revenue with 24% of revenue having been earned in foreign countries for the 6 months ending 31 August 2014 in comparison to 9% for the 12 months ending 29 February 2012.

5. RATIONALE FOR LISTING

The main purposes of the Offer and the Listing are to:

- enhance the profile and build the Cartrack brand;
- provide a platform and funding for future expansion and diversification;
- enable Cartrack to access capital markets, if required;
- enable Cartrack to retain and attract key staff by affording them the opportunity to participate in the equity and future growth of the business; and
- allow institutions the opportunity to participate directly in Cartrack's equity.

6. THE OFFER

The Offer comprises an offer by the Company for the Private Placement by way of a subscription for the Offer Shares. The Offer will follow a bookbuild process of between 60,000,000 to 141,000,000 ordinary shares, priced between R10.00 and R15.00 per Offer Share. The Offer Shares will comprise between 20% and 47% of the Issuer's Shares in issue. The Bookrunner may, however, determine that the Offer will comprise a higher or lower number of Offer Shares.

The Offer Price will be determined by the Bookrunner after the completion of the bookbuild, which is currently scheduled to be on 5 December 2014. Once determined, the Offer Price will be communicated to the Applicants.

7. ELIGIBILITY TO PARTICIPATE IN THE OFFER

The Offer is being made to Eligible Investors only, namely:

(i) selected institutional and other investors in South Africa to whom the Offer is specifically addressed; and

(ii) selected institutional investors in other jurisdictions (other than Canada, Australia, Japan or any other jurisdiction where the dissemination of this Pre-listing Statement or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction) to whom the Offer is specifically addressed provided that such institutional investors are: (a) Eligible Investors (as contemplated on page 3) if the Offer is made in the EEA; (b) Relevant Persons (as contemplated on page 3) if the Offer is made in the United Kingdom; and (c) fall within the Exemption contemplated on page 3 if the Offer is made in the United States.

For a single addressee acting as principal, applications can only be made at an aggregate subscription price of not less than R1,000,000.

8. THE USE OF PROCEEDS

The proceeds from the Private Placement for the Offer Shares are estimated to be between R600 million and R2,115 million. The entire proceeds from the Private Placement will be used to settle the Aggregate Repurchase Price.

9. RISK FACTORS

The section of this Pre-listing Statement entitled "Risk Factors" commencing on page 40 describes certain risk factors that should be considered together with other information contained in this Pre-listing Statement before subscribing for any Offer Shares. Although information has been provided in this Pre-listing Statement in relation to the Offer Shares, Eligible Investors and Applicants should seek advice from an independent financial advisor as to the appropriate value of the Offer Shares.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 13 of this Pre-listing Statement apply to the following important dates and times relating to the Offer and the Listing:

Abridged Pre-Listing Statement released on SENS	Friday, 21 November 2014
Opening date of the Private Placing (09h00)	Monday, 24 November 2014
Abridged Pre-Listing Statement published in the South African press	Monday, 24 November 2014
Closing date of the Private Placing (12h00)	Friday, 5 December 2014
Successful applicants advised of allocations by	Monday, 8 December 2014
Results of the Private Placing and publication of the final Offer Price and number of Offer Shares released on SENS	Monday, 8 December 2014
Results of the Private Placing and publication of the final Offer Price and number of Offer Shares published in the press on	Tuesday, 9 December 2014
Listing Date (09h00)	Thursday, 11 December 2014
Accounts at CSDP or broker updated and debited in respect of Dematerialised Shareholders	Thursday, 11 December 2014

Notes:

1. The above dates and times are subject to amendment. Any such material amendment or other material amendments to this Pre-listing Statement will be released on SENS and published in the South African press.
2. All dates and times shown in this Pre-Listing Statement are South African dates and times.

DEFINITIONS, GLOSSARY AND INTERPRETATION

In this Pre-listing Statement, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender include the other genders and references to a person include juristic persons and associations of persons and *vice versa*:

"Accredited Investors"	persons who are accredited investors as defined in Rule 501 promulgated under the Securities Act;
"Affected Jurisdiction"	a jurisdiction where the dissemination of this Pre-listing Statement or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction;
"Aggregate Repurchase Price"	the aggregate repurchase price owing by the Company to Onecell in terms of the Buyback Agreement, being an amount equal to the proceeds (estimated to be between R600 million and R2,115 million) received by the Company from the Private Placement;
"Applicants"	Eligible Investors who have applied for Offer Shares;
"Board" or "Directors"	the board of Directors of the Company, presently comprising the persons specified in the "Directors and Management" section commencing on page 31;
"Bookrunner", "Investec", "Investment Bank" or "Sponsor"	the Corporate Finance division of Investec Bank Limited (registration number: 1969/004763/06), a public company duly registered and incorporated in terms of the company laws of South Africa and its subsidiaries;
"Business Day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"Buyback Agreement"	the Share buyback agreement entered into between the Company and Onecell dated 24 October 2014, the salient terms of which are set out in Annexure 14;
"Buyback Date"	the date upon which Successful Applicants are notified of the number of Shares which they have been allocated in terms of the Offer, or as soon as is reasonably possible thereafter, but prior to the Listing Date;
"Buyback Shares"	that number of Shares to be repurchased by the Company from Onecell in terms of the Buyback Agreement which will (following: such repurchase; the implementation of the Subscription Agreement; and the issuance of Shares pursuant to this Pre-listing Statement) result in Onecell holding a percentage of the Company's issued share capital (recommended by the Bookrunner and acceptable to Onecell) which is between 53% (fifty three percent) and 80% (eighty percent) of the Company's entire issued share capital;
"CAN"	Controller Area Network;
"Cartrack" or "Cartrack Holdings" or "Company" or "Group" or the "Issuer"	Cartrack Holdings Limited, a public company incorporated in South Africa under registration number 2005/036316/06, its subsidiaries as set out in Annexure 12, CT Mozambique and Combined Telematics;
"Cartrack South Africa" or "CT South Africa" or "Cartrack Pty"	Cartrack Proprietary Limited, a private company incorporated in South Africa under registration number 2001/006063/07;
"Cartrack Technologies"	Cartrack Technologies Proprietary Limited (previously named OneCell Technologies Proprietary Limited), a company incorporated in South Africa under registration number 2001/027237/07;
"Cash conversion ratio"	cash generated from operations divided by EBITDA;
"CGT"	capital gains tax, as per the Income Tax Act;
"Closing Date"	the closing date of the Offer, expected to be 12:00 on 5 December 2014, but which may be amended by way of an announcement in the press and on SENS;
"Common Monetary Area"	collectively, South Africa, Namibia and the Kingdoms of Lesotho and Swaziland;
"Communication Advisor"	Aprio Strategic Communications Proprietary Limited, a company incorporated in South Africa under registration number 2009/114093/23;
"Companies Act"	the South African Companies Act, 2008 (Act 71 of 2008), as amended and substituted from time to time;
"Company Secretary"	the company secretary of the Group;

"CSDP"	a Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by a shareholder for purposes of, and in regard to, dematerialisation of shares evidenced by physical documents of title into the STRATE system;
"CT Holdings UK"	Cartrack Investment UK Limited, a company incorporated in England under registration number 08528652;
"CT Kenya"	Retriever Limited, a company incorporated in Kenya under registration number CPR/2010/23065;
"CT Malaysia"	Cartrack Malaysia SDN. BHD., a company incorporated in Malaysia under registration number 1087078D;
"CT Mozambique"	Cartrack Limitada, a company incorporated in Mozambique under registration number 100195674;
"CT Mpumalanga"	Cartrack North East Proprietary Limited, a company incorporated in South Africa under registration number 2009/000972/07;
"CT Namibia"	Cartrack Namibia Proprietary Limited, a company incorporated in Namibia under registration number 2007/0430;
"CT Nigeria"	Cartrack Engineering Technologies Limited, a company incorporated in Nigeria under registration number RC 1170454;
"CT Philippines"	Cartrack Technologies PHL. INC, a company incorporated in the Philippines under registration number CS201403229;
"CT Poland"	Cartrack Polska.SP.ZO.O., a company incorporated in Poland under registration number KRS0000326841;
"CT Portugal"	Cartrack Sistema de Controlo e Identificacao de Veiculos,SA, a company incorporated in Portugal under registration number 007387772;
"CT Rwanda"	Retriever Rwanda Limited, a company incorporated in Rwanda under registration number 102894083;
"CT Security"	Plexique Proprietary Limited, a company incorporated in South Africa under registration number 2005/016773/07;
"CT Singapore"	Cartrack Technologies South East Asia PTE LTD., a company incorporated in Singapore under registration number 201206280Z;
"CT Singapore HQ"	Cartrack Technologies Asia PTE LTD, a company incorporated in Singapore under registration number 201129934D;
"CT Spain"	Cartrack Espana, S.L., a company incorporated in Spain under registration number B86009784;
"CT Tanzania"	Cartrack Tanzania Limited, a company incorporated in Tanzania under registration number 42374;
"CT UAE"	Cartrack Technologies LLC, a company incorporated in the United Arab Emirates under registration number 1142197;
"Data Management"	the collection, storage and analysis of Telematics related data;
"Dematerialised Shares"	Shares that have been dematerialised, the process whereby physical share certificates are replaced with electronic records evidencing ownership of Shares, as contemplated in the Financial Markets Act;
"DTA"	double taxation agreement;
"EBITDA"	earnings before interest, tax, depreciation and amortisation;
"EEA"	European Economic Area;

"Eligible Investors"	persons to whom the Offer will be made, being selected institutional and other investors in South Africa and selected institutional investors in other jurisdictions other than Australia, Canada, Japan or any other jurisdiction where the dissemination of this Pre-listing Statement or the making of the Offer may be illegal or fails to conform to the laws of such jurisdiction and provided further that such investors in jurisdictions other than South Africa: (a) are persons in member states of the EEA within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended by the 2010 PD Amending Directive (Directive 2010/73/EU)) if the Offer is made in the EEA; (b) are Relevant Persons (as contemplated on page 3) if the Offer is made in the United Kingdom; and (c) fall within the Exemption contemplated on page 3 if the Offer is made in the United States), to whom the Offer will specifically be addressed;
"Exchange Control Regulations"	the Exchange Control Regulations of South Africa, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended;
"FCA"	United Kingdom Financial Conduct Authority;
"Financial Markets Act"	the South African Financial Markets Act, 19 of 2012;
"Fleet Management" or "FM"	range of functions relating to monitoring the location, movements, status and behavior of a vehicle or fleet of vehicles;
"FPO"	Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended;
"Franchise Agreements"	contracts in place for the countries of Zimbabwe, Botswana, Swaziland and Malawi in terms of which Cartrack has granted an entity (selected by Cartrack) in such country a licence/franchise to, *inter alia*, conduct the business of Stolen Vehicle Recovery and Fleet Management under the Cartrack brand in the such country;
"Franchised countries" or "Franchising countries"	Zimbabwe, Botswana, Swaziland and Malawi;
"FSMA"	United Kingdom Financial Services and Markets Act 2000;
"Further Lock Up Period"	a period of 12 months from the date on which the Initial Lock Up Period expires;
"IFRS"	International Financial Reporting Standards as adopted by the International Accounting Standards Board from time to time;
"Income Tax Act"	The South African Income Tax Act, 58 of 1962, as amended;
"Independent Reporting Accountants and Auditors"	Grant Thornton, registration number 1994/001166/21, the independent reporting accountants and auditors for the purposes of the Offer and Listing;
"Initial Lock Up Period"	a period of 12 months from the Listing Date;
"Insurance Telematics"	the usage of Telematics to monitor driving behavior and habits to assess and profile driver risk for insurance purposes;
"ITC Auto Dealers Guide"	Guide issued by the Transunion Credit Bureau indicating the current retail and trade vehicle valuations based on sales information from various sources;
"JSE"	JSE Limited, a public company incorporated in South Africa under registration number 2005/022939/06, licensed as an exchange under the Financial Markets Act;
"King Code"	the South African Code of Corporate Practices and Conduct as set out in the third King Report on Corporate Governance;
"Last Practicable Date"	14 November 2014, being the last date, prior to the finalisation of this Pre-listing Statement, on which information could be included into this Pre-listing Statement;
"Legal Advisor"	Edward Nathan Sonnenbergs Incorporated (registration number 2006/018200/21), the legal advisors to the Issuer for the Listing;
"Listing Date"	11 December 2014, being the date on which the Shares are listed on the JSE;
"Listings Requirements"	the Listings Requirements of the JSE;
"LTIA"	the South African Long-Term Insurance Act. 52 of 1998;

"MEA"	Middle East and Africa;
"OEM"	Original equipment manufacturer;
"Offer"	subscription by way of Private Placement for shares in Cartrack;
"Offer" or "Private Placement"	the private placement of the Offer Shares at the Offer Price to Eligible Investors;
"Offer Price"	the price per Share at which the Offer Shares are subscribed for pursuant to the Offer, which may be outside the Offer Price Range;
"Offer Price Range"	the price range within which the Offer Shares are to be offered for sale pursuant to the Offer, being between R10.00 and R15.00 per Offer Share;
"Offer Shares"	Between 60,000,000 and 141,000,000 Shares to be issued by the Issuer pursuant to the subscription by way of Private Placement, or such higher or lower number as may be agreed by the Bookrunner;
"Onecell Holdings", "Onecell" or "Controlling Shareholder"	Onecell Holdings Proprietary Limited incorporated in South Africa under registration number 2005/036503/07;
"Onecell Manufacturing"	Onecell Manufacturing Proprietary Limited incorporated in South Africa under registration number 2002/014712/07;
"Operating Profit"	profit from operations, before interest and tax;
"PBT"	Net profit before tax;
"PFIC"	passive foreign investment company;
"Pre-listing Statement"	this entire document and all annexures thereto;
"Prospectus Directive"	Directive 2003/71/EC, as amended by the 2010 Prospectus Directive Amending Directive (Directive 2010/73/EU);
"Purple Rain Properties"	of Purple Rain Properties No 444 (Proprietary) Limited, a company incorporated in South Africa under registration number 2003/026079/07;
"R&D"	research and development;
"Rand", "R" and "cents"	the lawful currency of South Africa;
"Relevant Shares"	299,999,858 Shares;
"Relevant Member State"	each member state of the EEA which has implemented the Prospectus Directive;
"RF"	radio frequency, which is used to describe the use of wireless communication over this medium;
"SAPS"	the South African Police Service;
"SARB"	the South African Reserve Bank;
"SARS"	the South African Revenue Service;
"Securities Act"	United States Securities Act of 1933, as amended;
"Securities Transfer Tax Act"	the South African Securities Transfer Tax Act, 25 of 2007, as amended;
"Securities Transfer Tax" or "STT"	securities transfer tax levied in terms of the Securities Transfer Tax Act;
"SENS"	the Stock Exchange News Service of the JSE;

“Settlement Date”	11 December 2014, being the date of implementation of the Offer when the Offer Shares will be issued by the Company to Successful Applicants against payment of the Offer Price;
“Shareholder”	the holder of Shares;
“Shares” or “Ordinary Shares”	ordinary shares of no par value in the Issuer’s share capital;
“South Africa”	the Republic of South Africa;
“Stolen Vehicle Recovery” or “SVR”	the determination of a vehicle’s location upon the occurrence of theft or another pre-determined metric and the associated software and recovery services which complement the requirements surrounding the recovery thereof;
“Subscription Agreement”	the subscription agreement entered into between the Company and Onecell dated 24 October 2014, the salient terms of which are set out in Annexure 14;
“Successful Applicants”	Applicants whose applications for Offer Shares have been approved by the Bookrunner;
“Telematics”	the branch of information technology which deals with the long-distance transmission of computerised information which includes Fleet Management, Stolen Vehicle Recovery and Insurance Telematics markets;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited incorporated in South Africa under registration number 2004/003647/07;
“UKLA”	the United Kingdom Listing Authority;
“United States”	the United States of America; and
“Vehicles”	Vehicles include cars, buses, motorbikes, trailers and trucks.

RATIONALE FOR THE OFFER AND USE OF PROCEEDS

The main purposes of the Offer and the Listing are to:

- enhance the profile and build the Cartrack brand;
- provide a platform and funding for future expansion and diversification;
- enable Cartrack to access capital markets, if required;
- enable Cartrack to retain and attract key staff by affording them the opportunity to participate in the equity and future growth of the business; and
- allow institutions the opportunity to participate directly in Cartrack's equity.

The proceeds from the Private Placement for the Offer Shares are estimated to be between R600 million and R2,115 million. The entire proceeds from the Private Placement will be used to settle the Aggregate Repurchase Price.

BUSINESS

1. VISION AND MISSION

Cartrack's vision is to achieve global industry leadership in the Telematics industry including Fleet Management, Stolen Vehicle Recovery and Insurance Telematics.

Cartrack's mission is to provide its clients and partners with real-time actionable business intelligence based on advanced technology, first rate information systems, leading service and reliability.

2. CARTRACK INTRODUCTION AND HISTORY

Since being founded in South Africa in 2001, Cartrack has evolved into a leading provider of Fleet Management, Stolen Vehicle Recovery and Insurance Telematics. The business incorporates global asset tracking, monitoring and recovery services together with the provision of Fleet Management information systems from a platform of innovative Telematics technologies. Cartrack's research and development activities are performed in-house which underpins Cartrack's ability to rapidly adapt to market requirements while mitigating against any royalty or licensing constraints.

Whilst its principal operations are situated in South Africa, Cartrack has embarked on an expansion drive into the rest of Africa, Europe and Asia. Cartrack is committed to growing its client base through replicating and leveraging off its South African offering through a combination of direct investment, partnering with local operators as well as targeted value accretive acquisitions that meet the Company´s investment parameters.

Initially, Cartrack focused on Stolen Vehicle Recovery services, which led to the Cartrack system being developed and implemented for the Sub-Saharan African market where vehicle theft was, and remains, amongst the highest in the world. The Cartrack system was engineered to provide a simple and robust alternative to existing Stolen Vehicle Recovery systems. As a consequence, Cartrack's research and development and management teams have accumulated vast experience in the fields of data management, GSM, radio frequency and satellite technology. Cartrack has an audited 94% Stolen Vehicle Recovery success rate which is achieved through the high reliability standards of in-vehicle units, specialised installation techniques, miniaturisation and an in-house team of rapid response recovery agents. To demonstrate the confidence in its systems, Cartrack currently offers a cash back recovery warranty to its customers in the event of non-recovery of their stolen vehicles.

In 2007, with the rapid development and convergence of telecommunication services, Cartrack expanded the scope of its offering to include full Telematics services, in particular Fleet Management. Data Management information such as fuel consumption and driver behavior, amongst others, is designed to maximise operational efficiencies to improve fuel economy, reduce labour costs, extend fleet vehicle life cycles and optimise customer service. Cartrack´s information delivery model facilitates the adoption of these product offerings to customers without them requiring advanced infrastructure and equipment. Cartrack's user-friendly and cost-effective web-based Fleet Management portal provides a comprehensive set of features ensuring the optimisation of both fleet and human resources without the client needing to incur any upfront IT costs.

To expand its integrated service offering, Cartrack is providing driver risk assessment offerings in the field of Insurance Telematics.

Significant features of the Group include the following:

- forecasted FY2015 annual turnover of R847,680,112 and profit before tax of R284,514,178, up 33% and 19% respectively;
- audited FY2014 annual turnover of R637,020,292 and profit before tax of R239,689,702;
- net profit margins of 26,4% for FY2014 and 24,0% forecasted for FY2015;
- 74% of Group turnover is recurring annuity revenue with a client base of 386,581 units (31 August 2014), with 429,529 units forecasted for 28 February 2015;
- 24% of Group turnover is earned in foreign currencies;
- ownership of an advanced technology platform and substantial research and development capabilities;
- all intellectual property relating to its mainstream products and services have been developed in-house and there are no associated royalties payable;
- presence in 18 countries with extensive global expansion plans; and
- audited recovery success rate of 94% for clients' vehicles stolen in South Africa.

As at 31 August 2014, Cartrack employs approximately 1,197 permanent staff.

The Company's primary clients span various industries and include individuals, corporate fleet owners, motor dealerships and insurance companies.

3. OPERATIONS

Cartrack broadly segments the Telematics market into Stolen Vehicle Recovery, asset management offerings (which includes Fleet Management) and Insurance Telematics. Given the reduction in the cost structure, the market has experienced a convergence in offerings due to the ability to offer complementary services off of the same hardware platforms.

Cartrack provides a variety of Telematics features in combinations depending on the demands for services by the clients.

3.1. OFFERINGS

3.1.1. Fleet Management

Fleet Management provides clients with the platform to effectively generate detailed and insightful information about their asset base in an endeavour to facilitate informed decisions on how to best optimise asset efficiency and productivity. The information generated can be delivered in real time, allowing timely effective decisions to be made.

Cartrack´s information delivery model facilitates the adoption of its product offerings to customers without requiring advanced infrastructure and equipment. Cartrack's user-friendly and cost-effective web-based Fleet Management portal provides a comprehensive set of features ensuring the optimisation of both fleet and human resources without the client needing to incur any upfront IT costs.

Fleet Management benefits businesses with any sized vehicle fleet to achieve optimal asset efficiency through maximising fuel economy, minimising labour costs, extending fleet vehicle life cycle, optimising customer service, and ultimately enhancing business productivity and profitability in a simplified and streamlined offering.

As a result of these benefits, the uptake and penetration rates of Fleet Management in the commercial vehicle sector are increasing. Cartrack is well positioned to take advantage of this global trend through its Fleet Management offering incorporating:

• Web-based platform	A platform which allows for data received from units to be manipulated and presented to end users in the form of easy to interpret and functional information. This web based platform is compatible with units not installed by Cartrack which facilitates the incorporation of OEM designed and installed units;
• CAN Bus	CAN Bus refers to the multiplexed wiring system of a vehicle which allows Cartrack to monitor vehicle information including RPM, odometer readings, fuel consumption, water temperature, oil temperature and pressure amongst other system readings;
• Driver ID	Vehicles are fitted with a driver ID tag detector which only allows the vehicle to be started if the authorised driver ID for that vehicle has been presented. Vehicle behavior information is subsequently associated with the relevant driver and vehicle;
• Geofence creation	Vehicles can be limited to travel within a predefined perimeter or radius with an alert being generated for any breaches;
• GPS position and history	The location of the unit and the relevant vehicle is tracked in real time and the history of all routes travelled may be retrieved;
• Logbook	Feature designed to enable trips to be classified and reported as being either for business or private travel for the purposes of travel tax claims. The reports generated conform to the requirements by tax authorities;
• Management reports	Reports can be generated per vehicle or per consolidated fleet indicating the mileage travelled, fuel usage, driver behavior and any other information which may be collected using the CAN Bus;
• Mi Fleet	A web-based software application for consolidating Fleet Management data, including operating costs, into a single user friendly database. The application provides fleet managers with analytical and Fleet Management tools;
• Routing	The client can set and manage predefined routes for their vehicles and be notified in real time in the event of any deviations; and
• Vehicle sensory capabilities and alerts	Any movement of the vehicles can be sensed and reports and alerts generated in respect of harsh acceleration and braking, exceeding speed limits, excessive idling and harsh cornering.

3.1.2. Stolen Vehicle Recovery

Globally, the risk of car theft remains and in South Africa alone, over the past 10 year period, 876,458 vehicles and motorcycles have been reported stolen, which equates to approximately 10% of the total current registered vehicles in South Africa.

‘000	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Theft of motor vehicles and motorcycles	88	84	86	86	80	76	72	64	59	58	57
Carjacking	14	12	13	14	14	15	14	11	10	10	11
Truck hijacking	1	1	1	1	1	1	1	1	1	1	1

Cartrack's Stolen Vehicle Recovery offering caters to an observable market need for an effective solution by enabling vehicle owners and insurance companies to manage the risk of car theft. The decreasing car theft statistics contrasted to the increased occurrence of violent crimes are indicative of the deterrent factor attributable to the success of the market's Stolen Vehicle Recovery services.

Cartrack's Stolen Vehicle Recovery offerings include:

• 24-hour/365 day assistance	Vehicle tracking control centre operating 24 hours a day, 365 days a year with real-time tracking;
• Dedicated technical teams	Technical installation teams that undergo rigorous specialised training to ensure high quality fitments and well concealed tracking units;
• Focused armed ground and air recovery teams	Recovery teams are dedicated exclusively to Cartrack. They consist of highly trained recovery personnel that focus on the safety of the client and the tracking and recovery of the client's vehicle. These teams' track record is demonstrated through Cartrack's audited 94% Stolen Vehicle recovery success rate;
• Specialised recovery technologies	Recovery teams that are equipped with specialised tracking equipment for both GSM and radio frequency technologies to recover client's vehicles;
• International repatriation	Strong international recovery capabilities together with the ability to facilitate the return of a client's vehicles across international borders; and
• Early theft alert	An alert signal being automatically sent to the control room for a response when a vehicle is started in a set of circumstances which could indicate that a theft is in progress.

Given the convergence of offerings, the Fleet Management options set out in 3.1.1 may be combined with any Stolen Vehicle Recovery package.

3.1.3. Other offerings

In addition to the Stolen Vehicle Recovery and Fleet Management offerings, Cartrack provides further offerings, including:

• Insurance telematics	The provision to the insurance industry of selected data to evaluate the risk profile of consenting clients;
• Fleet Sat	A satellite-based tracking system which provides global monitoring independently of cellular networks and the associated GSM coverage i.e. when vehicles travel outside of GSM network coverage;
• Drive Vision	A dual camera system which faces inwards towards the drivers cabin as well as outwards towards the road ahead which records video in the event of harsh braking, acceleration, sharp turning and speeding. Videos are reviewed by a data centre, reported on and may be viewed by a client via web-access;
• Trailer Track	Designed for installation into trailers used in the transport and logistics industry, which incorporates specialised fitment techniques and power supply methods;
• Bike Track	Bike and scooter Fleet Management product providing the same offerings available for vehicles, with special battery management features;
• Taxi Track	Specialised fitment techniques and early strip warning features are used to provide the high risk taxi industry with amongst the most viable Stolen Vehicle Recovery service;
• Asset Track	A self-powered product with a long-life battery designed as a self-contained tracking unit which provides positioning at predetermined intervals and that can be conveniently attached to most assets;
• Communicator	A messaging and navigation device which provides a task management solution for sending and receiving text instructions or tasks to and from mobile staff via a centralised point;
• Happy Button	A button that alerts a Cartrack agent to contact the client to provide a range of value-add services when pressed. These services include lawyer SOS, medical and emergency services, AA Roadside Assist, accommodation advice and directions; and
• Accident detection	An emergency alert signal which is automatically sent to the Cartrack control room in the case of an accident being detected and the provision of roadside and medical assistance. The tracking unit is designed to intelligently detect an accident by means of a specialised impact sensing technology.

3.1.4. Key features of Cartrack's products offerings:

- **Accurate vehicle positioning**

  Tracking systems are dependent on the communication between the Telematics provider and the unit in the vehicle. In this context, to perform this task, the Cartrack system employs the GSM network, which Cartrack regards as the most extensive and reliable communication network currently available to the vehicle tracking industry.

  Advanced use of the GSM technology enables recovery teams to accurately locate a stolen vehicle and allows the client to track the movement of their vehicles through the web. The GPS satellite technology employed in the comprehensive Fleet Management packages provides the user with accurate positioning and monitoring of the vehicle fleet.

- **Cross-border coverage and recovery**

  Cartrack units are equipped with international roaming capabilities which can be tracked beyond South African borders where roaming arrangements exist. Secondary radio homing beacons enable air and ground response teams to locate vehicles in areas where GSM coverage may be sparse. The use of helicopters and fixed-wing aircraft, where necessary, enhance Cartrack's rapid and far-reaching tracking capability. The comprehensive and growing network of Cartrack operations internationally facilitates the recovery of vehicles across borders.

- **Effective installation services and concealment**

  The design of the Cartrack unit makes it extremely compact, thus facilitating its effective concealment. Installations are carried out by trained Cartrack technicians with electronic connections being kept at a minimum so as not to interfere with the vehicle's electronics. Tracking devices are transferable from one vehicle to another by Cartrack technicians.

  Fitment centres with qualified mobile technicians and quality control inspectors provide a high quality fitment service throughout the countries of operation.

- **Free 24-hour unit testing service**

  Cartrack provides its clients with a free, 24-hour unit testing service which allows clients to contact the Cartrack control centre for a test to be carried out.

- **Power monitoring**

  The Cartrack system uses the vehicle's battery as its main source of power. In the event of the battery power being disconnected, the unit switches to an internal backup battery. Power failure conditions are continually monitored to further facilitate recoveries.

- **Unit and installation warranty**

  Cartrack offers a one year warranty on both the unit and the installation and guarantees that all installations do not void the vehicle manufacturer's warranty. Cartrack products and installations are accredited by the insurance and motor industries.

- **Value added products and services**

  Cartrack focuses on providing a value added service across a broad spectrum of Telematics offerings with a strong focus on client satisfaction and retention.

- **Web-based portal**

  Cartrack offers a web-based portal to allow clients ease of access to analytical tools for multiple Fleet Management and other Telematics services.

3.2. MARKETING AND SALES

Cartrack's growth has predominantly been organic through an active sales force with limited marketing campaigns. Cartrack has purposefully increased its spend and focus across all channels to create market awareness and education, thereby positioning itself as a leading Telematics provider and enhancing its growth in relevant markets.

In this context, Cartrack has set the following key marketing objectives:

- to create and build a brand awareness for Cartrack as a global brand allowing growth in its brand equity and customer loyalty;
- to be differentiated from competitors across as many fronts as possible; and
- to increase engagement with customers.

Cartrack believes that the above objectives would result in increased unit subscriptions and create long term affinity with clients.

Cartrack actively markets its products and service offerings through:

i. a sales team in each region which actively pursue new sales and clients and have annual targets with appropriate incentive bonuses;

ii. a high presence in all media driven by regular press releases;

iii. active social media activity in addition to digital marketing initiatives to draw consumers to Cartrack's website as well as inbound telesales channels;

iv. advertisement campaigns through television and radio channels;

v. appropriate sport sponsorships;

vi. community programs including the car seats for kids programme and the sponsorship of a rapid rescue vehicle intervention unit;

vii. direct outbound tele-marketing through its in-house call centre; and

viii. regularly bringing new products and services to market through continuous innovation.

3.3. EMPLOYEES AND STAFF

As at 31 August 2014, Cartrack employed 1,197 permanent members of staff.

All staff are financially incentivised through a number of different bonus schemes, including:

- a "balanced scorecard approach" for professional staff where employees are evaluated on key performance metrics including profit, sales and customer service; and
- for executive management, incentives are based on the achievement of pre-set profit and strategic targets, as approved by the remuneration committee at the beginning of each financial year.

Cartrack has very low levels of unionised staff (approximately 2% of South Africa's employees).

In line with Cartrack's aim to retain and attract key staff by affording them the opportunity to participate in the equity and future growth of the business Cartrack plans, subject to the requisite JSE and shareholder approvals being obtained therefor, implementing a long-term share incentive plan for the benefit of certain of its key employees which will align the interests of the employees with those of the Cartrack's shareholders as well as retain and incentivise key skills to achieve the targets set by Cartrack. It is anticipated that:

(a) through the establishment of a trust, the long-term share incentive plan will provide qualifying employees with an opportunity to become beneficiaries of the trust and to participate in the economic benefit of Cartrack; and

(b) the long-term share incentive plan will be a conditional performance based share plan in that the shares that will be earned will only be transferred at the end of the period and will dependent on the achievement of specific performance targets

3.4. CALL CENTRES AND IT INFRASTRUCTURE

Cartrack has a number of specialist call centres to service its clients' needs in addition to performing marketing functions.

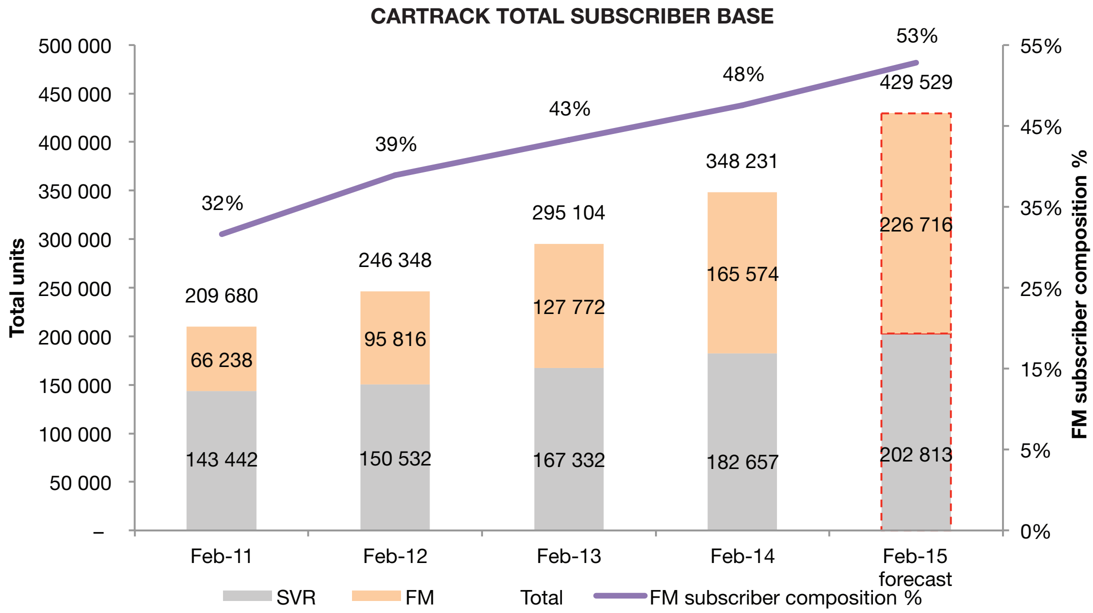
Client support	
Emergency control room	• Receiving all emergency calls and alerts and managing responses thereto;
	• Management of ground and air response teams;
	• South Africa functions as a backup centre to other countries' control rooms for performing global recoveries; and
	• Conducts all liaisons and relationships with the police, emergency services, international repatriations of vehicles and criminal investigations.
Fleet Management support	• Handling of Fleet Management service related requests and client assistance together with monitoring the functioning of all units.
Marketing and customer care	
Telesales	• Management of inbound sales calls and client acquisitions.
Direct marketing	• Outward bound sales campaigns.
Customer care	• Handles all general client queries and complaints.

The Cartrack Telematics proprietary platform has a proven track record with highly sophisticated functionality, flexibility and uptimes exceeding 99.8%. This in-house developed platform allows for the reliable collection of intelligent and actionable data from the telematic units installed in vehicles.

Cartrack currently has five data center sites providing coverage and high speed access to all customers. All system and client data is backed up and fail safes are in place to ensure appropriate uptimes with suitable disaster recovery capabilities. The locations of the data centers are in the Netherlands, United Kingdom, Singapore and two in South Africa.

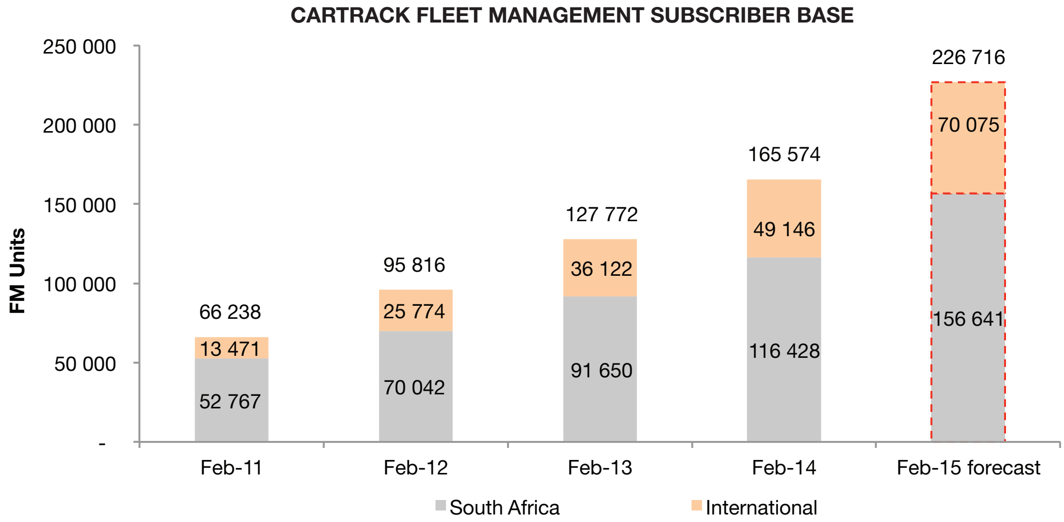
3.5. UNIT GROWTH

Utilising the key features described in 3.1.4, Cartrack has consistently shown net unit growth over both its Stolen Vehicle Recovery and Fleet Management offerings.

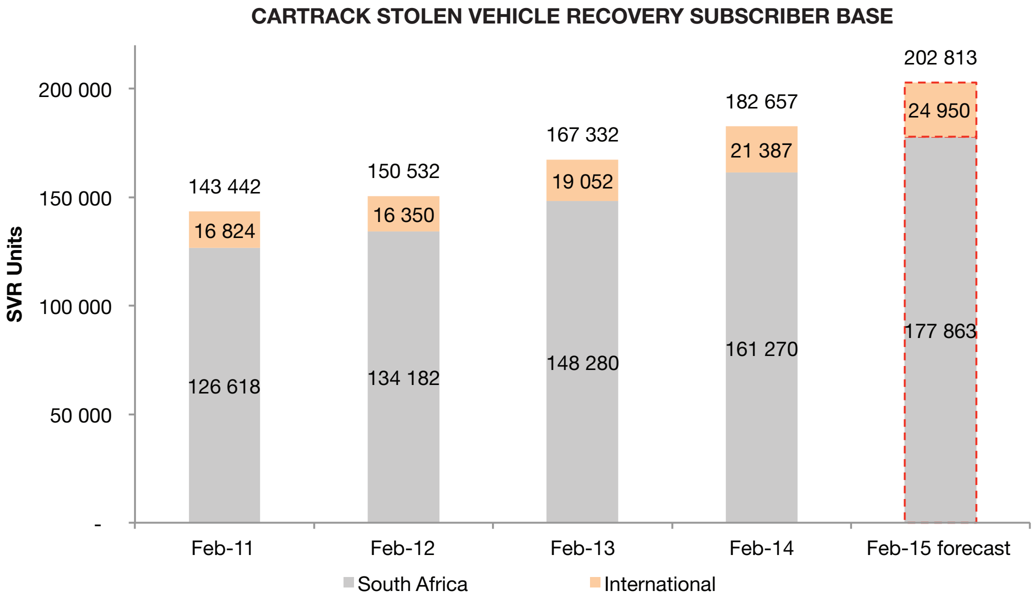


Cartrack's international growth strategy has provided a diversification of revenue across geographic locations and service offerings as well as consistent growth opportunities.

Whilst the Stolen Vehicle Recovery continues to deliver stable growth as a core Cartrack offering, Fleet Management has, since 2011, produced strong growth in subscriptions of over 29% annually. As at 31 August 2014, Fleet Management accounts for more than 50% of Cartrack's subscriber composition. Cartrack management targets for Fleet Management composition to reach 75% over the next four year period while still achieving stable subscriber growth with Stolen Vehicle Recovery offerings.



Cartrack has achieved consistent annual growth in excess of 29% since 2011 in Fleet Management subscriptions as the value added element of the Fleet Management offerings are well received and Cartrack's market penetration and geographic reach increases.



In line with the international expansion plans, Cartrack has focused its international marketing efforts on Fleet Management services due to the greater demand for these products in associated geographic locations as a result of the lower perceived risk of car theft internationally.

3.5.1. South Africa

South Africa currently represents the majority of Cartrack's client base with 305,148 units as at 31 August 2014. The 4 year unit history is set out below:

	Feb 2011	Feb 2012	Feb 2013	Feb 2014	Aug 2014	Feb 2015 forecast
Growth rate	**–**	**14%**	**17%**	**16%**	**20%***	**20%**
Total units	**179,385**	**204,224**	**239,930**	**277,698**	**305,148**	**334,504**
SVR	126,618	134,182	148,280	161,270	167,742	177,863
FM	52,767	70,042	91,650	116,428	137,406	156,641

* Growth rate has been annualised to account for 6 month period

Cartrack's national reach is provided through installation centers, branches and mobile installers.

3.5.2. International

Cartrack is focused on developing its international presence in countries where vehicle density rates are increasing and where Cartrack is capable of being price competitive whilst maintaining consistent levels of quality and service across the Group.

Based on Cartrack's experience, the challenge of entering a new territory is heavily weighted towards the first two years, where challenges such as suitable staffing and brand awareness need to be overcome. Cartrack is now ramping up growth through leveraging off its existing infrastructure from its more established markets.

The international growth path has been segmented into the Middle East and Africa (excluding South Africa), Asia and Europe.

3.5.2.1. Middle East and Africa

MEA countries outside of South Africa currently account for approximately 14% of Cartrack's units under subscription. Cartrack views its African expansion as a natural organic progression, utilising the knowledge and skillset which has been attained through its experience in the South African market.

In this segment, Cartrack has a presence in Mozambique, Kenya, Tanzania, Namibia, Nigeria, Rwanda, Zimbabwe, Swaziland, Malawi, Botswana and the UAE.

	Feb 2011	Feb 2012	Feb 2013	Feb 2014	Aug 2014	Feb 2015 forecast
Growth rate	**–**	**18%**	**22%**	**24%**	**21%***	**30%**
Total units	**23,325**	**27,630**	**33,757**	**41,898**	**46,349**	**54,494**
SVR	14,285	14,163	16,717	18,747	20,020	21,773
FM	5,016	8,407	11,094	15,396	17,578	23,261
Franchising countries	4,024	5,060	5,946	7,755	8,751	9,460

* Growth rate has been annualised to account for 6 month period

3.5.2.2. Europe

Cartrack has embarked on expanding its European operations with its current footprint of Poland, Portugal and Spain, accounting for approximately 8% of Cartrack's units under subscription.

The number of Fleet Management systems in Europe is forecasted to grow to 6.40 million by 2017 from the 3.05 million recorded in 2013. This complements Cartrack's commitment to increase its Fleet Management presence and market penetration in Europe.

Securing a foothold in the European market affords Cartrack the opportunity to participate at the forefront of the international Telematics market.

	Feb 2011	Feb 2012	Feb 2013	Feb 2014	Aug 2014	Feb 2015 forecast
Growth rate	**–**	**108%**	**46%**	**27%**	**41%***	**34%**
Total units	**6,970**	**14,494**	**21,205**	**26,868**	**32,311**	**35,870**
SVR	18	52	53	46	48	37
FM	6,952	14,442	21,152	26,822	32,263	35,833

* Growth rate has been annualised to account for 6 month period

3.5.2.3. Asia

In 2012, Cartrack established a presence in Singapore in an endeavour to position it as the operating hub for Cartrack's Asian growth ambitions. Cartrack has invested in a senior team with the necessary expertise to manage the South East Asian region from Singapore.

	Feb 2012	Feb 2013	Feb 2014	Aug 2014	Feb 2015 forecast
Growth rate	**–**	**–**	**733%**	**114%***	**164%**
Total units	**–**	**212**	**1,767**	**2,773**	**4,661**
SVR	–	–	–	–	–
FM	–	212	1,767	2,773	4,661

* Growth rate has been annualised to account for 6 month period

Asia's increasingly large population, reliable GSM coverage and data availability all support Cartrack's focus on Asia as a key market for future growth. Furthermore, the Asia-Pacific region is forecasted to experience the highest growth rate in Telematics penetration due to an increasing number of vehicles being deployed on the roads and government regulations mandating GPS tracking devices in certain countries.

Currently there are several Asian countries being evaluated to be part of Cartrack's footprint expansion in Asia.

4. FOUNDING SHAREHOLDER COMMITMENT

Cartrack has a well-established and experienced senior management team led by the Company's founder (being Isaias J. Calisto, Company Global Chief Executive Officer). Most members of the management team have in excess of 10 years of experience in the Telematics industry with each of the Executive Directors having in excess of 16 years of individual experience. The key management have been together for 6 or more years out of the 10 year history of Cartrack. The senior management team is equipped with specialist operational experience, deep industry knowledge and a high level of technical expertise. Cartrack has a flat management structure thereby facilitating quick decision making and shortened response times.

Cartrack's management team's experience has enabled it to anticipate and respond effectively to industry trends and competitive dynamics, better understand its customer base and build strong industry relationships.

To augment the ongoing commitment to the Company, Onecell (being a company controlled by the founder of the Company) will retain a controlling interest in the Company post the Listing. Furthermore, Onecell has entered into an agreement in terms of which Onecell has undertaken (for the Initial Lock-up Period) not to directly or indirectly dispose of any of its shares. Further, Onecell has agreed that for the Further Lock Up Period it will not directly or indirectly dispose of any of its Shares which would result in it owing less than 51% of the Company's issued share capital. Onecell's shareholding may reduce below 51% during the Lock Up Periods as a result of any corporate actions notwithstanding the fact that Onecell will not directly or indirectly dispose of any shares as set out above.

The fact that Onecell will retain a controlling interest in the Company post the Listing aligns management's objectives with those of Cartrack's other shareholders.

5. COMPETITIVE STRENGTHS

Cartrack is uniquely positioned to achieve its strategy through its:

(i) Scalable approach

(ii) Audited 94% Stolen Vehicle Recovery success rate and warranty

(iii) Low fixed infrastructure cost and maximum reach

(iv) Focus and investment in technology

(v) International footprint and expansion

5.1. Scalable approach

Cartrack's success is attributable to its innovative and integrated approach in the provision of Fleet Management, Stolen Vehicle Recovery and Insurance Telematics products. This is achieved through a strong technology platform and innovation through Cartrack's in-house research and development department, which allows Cartrack's business model to meet the needs of various categories of clients across numerous geographic locations.

Cartrack has positioned itself to cater for the mainstream Telematics market and does not intend to position itself in low volume niche markets. This approach has allowed Cartrack to achieve economies of scale across its business with a focus on growing its footprint without compromising on service delivery, reliability and margin generation. This is also achieved whilst delivering quality homogenous products and services.

5.2. Audited 94% Stolen Vehicle Recovery success rate and warranty

In South Africa, Cartrack boasts an audited Stolen Vehicle Recovery success rate of 94%. Demonstrating its confidence in, and dedication to the functioning of its technology platform, Cartrack currently provides a warranty to Stolen Vehicle Recovery customers of up to R150,000. As far as it is aware, Cartrack is currently the only Stolen Vehicle Recovery company in South Africa to advertise its audited recovery success rate in the public media.

Cartrack's recovery success rate is considered by management to be achieved through the high reliability standards of in-vehicle units, specialised installation techniques, miniaturisation and an in-house team of rapid response recovery agents.

In the event of a loss without recovery, in an endeavour to demonstrate the confidence in its systems, Cartrack currently undertakes to pay the client a lump sum *in lieu* of the book value of the vehicle, which is the average of the trade and retail value of the vehicle as per the ITC Auto Dealers Guide, as at the month of the theft, limited to a maximum amount of R150 000. This warranty only applies to Cartrack products that include the Stolen Vehicle Recovery service and is subject to certain terms and conditions.

5.3. Low fixed infrastructure cost and maximum reach

Cartrack maximises its geographical reach within each territory by utilising mobile certified installation teams, thereby creating a large footprint for Cartrack's expansive branch network.

Infrastructure requirements are minimised by utilising cloud-based computing services which are managed centrally by a team of technology specialists.

5.4. Focus and investment in technology

A key pillar underpinning Cartrack's performance is the dedicated technical team that it has developed since inception. Cartrack's research and development is a key element to its success and is a differentiator that allows Cartrack to successfully expand globally. All research and development activities are performed in-house.

Design and research activities are performed with technical management regularly reviewing development projects and market opportunities. Cartrack has a technology development team which researches technologies for continual re-engineering of existing products as well the development of new products. Cartrack's research and development activities are performed in-house which underpins Cartrack's ability to rapidly adapt to market requirements while mitigating against any royalty or licensing constraints.

Market research and trends are constantly monitored in order to capitalise upon market opportunities through the rollout of new appropriate offerings that meet the Company's investment parameters and through existing technologies. New product and software releases are thoroughly tested and undergo stringent quality control processes prior to release with the final approval for all products being at a senior management and director level.

5.5. International footprint and expansion

Cartrack has an international business footprint with operations in Africa, Asia and Europe. This geographic diversification and expansion affords Cartrack with the ability to benefit from growth and income diversification. Cartrack currently has a presence in 18 countries and has further international growth plans with the Asian market as a prominent focus for the Group.

As Cartrack expands into new geographic locations, Cartrack foresees increasing economies of scale through leveraging off its existing infrastructure and operating expertise.

Cartrack maximises its geographic reach and minimises its fixed infrastructure requirements through having certified installation technicians drive out to the premises of the clients for the installation and by employing a centrally controlled cloud-based I.T. model. To provide leading service in terms of installations, customer support and vehicle recovery, Cartrack has established a comprehensive branch network throughout the key areas in which it operates.

Cartrack's client base segmented per country and offering type as at 31 August 2014 is set out in the table below:

Country	SVR units	FM units	Total
South Africa	167,742	137,406	305,148
Mozambique	17,845	5,337	23,182
Portugal	11	21,187	21,198
Poland	5	9,411	9,416
Kenya	1,560	4,154	5,714
Tanzania	317	2,886	3,203
Namibia	206	2,654	2,860
Singapore	–	2,773	2,773
Nigeria	92	2,423	2,515
Spain	32	1,665	1,697
Rwanda	–	124	124
United Arab Emirates	–	–	–
Philippines	–	–	–
Malaysia	–	–	–
Sub total	**187,810**	**190,020**	**377,830**
Franchising Countries	**2,877**	**5,874**	**8,751**
Total	**190,687**	**195,894**	**386,581**

6. FAVOURABLE INDUSTRY DYNAMICS

6.1. Telematics market

Demand for Telematics services is driven by the size of the global vehicle fleet (including both commercial and passenger vehicles). The size of the global vehicle fleet is currently estimated at 1.1 billion vehicles and is forecasted to grow to 2.3 billion vehicles by the year 2035.

The recorded numbers of vehicles would increase as countries experience population growth coupled with increasing vehicle densities. Cartrack's expansion strategy into emerging markets is designed to place it in a prime position to capitalise on such favorable industry growth dynamics.

	Number of vehicles			
	Historic	Historic	Forecast[1]	Forecasted CAGR %
	2007	2014	2018	2014 - 2018
MEA[2]				
South Africa	5,503,740	9,020,820	10,082,083	2.8%
Namibia[3]	111,835	167,705	211,939	6.0%
Kenya	744,827	1,258,266	1,667,421	7.3%
Tanzania[2]	82,136	754,580	3,189,857	43.4%
Nigeria	626,091	1,296,131	1,789,681	8.4%
Mozambique	212,947	528,004	880,080	13.6%
United Arab Emirates	401,880	795,175	985,716	5.5%
Europe				
Portugal	5,727,100	5,730,437	5,685,700	-0.2%
Poland	17,021,354	24,449,722	30,413,337	5.6%
Spain	26,961,799	28,925,396	31,659,937	2.3%
Asia				
Singapore	671,496	735,408	827,876	3.0%
Philippines	2,821,279	2,881,397	2,798,023	-0.7%
Malaysia	8,353,185	12,320,925	15,262,442	5.5%
Franchising countries	1,577,135	1,967,152	2,251,228	3.4%
Total	**70,816,804**	**90,377,189**	**107,705,320**	**4.4%**

Notes:
[1] Source: BMO
[2] Reliable vehicle statistics data for Rwanda unavailable
[3] Only passenger vehicles included due to limited data availability

As evidenced above, the majority of key markets in which Cartrack operates represent regions which are currently experiencing healthy vehicle growth and have forecast growth potential in the future. Cartrack forecasts Telematics demand growth to be in excess of the vehicle growth forecasts due to the increased market penetration resulting from decreased product pricing as well the realisation by the market of the benefits associated with adopting Fleet Management and Stolen Vehicle Recovery offerings.

Cartrack's Telematics target market is evaluated according to the entire vehicle population of a country coupled with the potential Telematic market penetration. Penetration rates for Cartrack related service offerings may fluctuate as a result of:

- insurance incentive policies regarding Telematics device installation;
- vehicle owner's risk perception regarding car theft;
- vehicle owner's perception on the value proposition of Fleet Management services;
- the value of the asset not justifying the financial cost of the Telematics service; and
- alternative systems that have limited functionalities and adequately satisfy a vehicle owner's needs.

As the cost of Telematics services reduces, the market penetration rates are expected to increase allowing for further growth opportunities in each of the relevant markets.

6.2. Market position and presence

	Vehicles as at 2014	Cartrack units as at 31 August 2014	Vehicle coverage percentage
MEA			
South Africa	9,020,820	305,148	3.4%
Namibia	167,705	2,860	1.7%
Kenya	1,258,266	5,714	0.5%
Tanzania	754,580	3,203	0.4%
Nigeria	1,296,131	2,515	0.2%
Mozambique	528,004	23,182	4.4%
United Arab Emirates	795,175	–	0.0%
Europe			
Portugal	5,730,437	21,198	0.4%
Poland	24,449,722	9,416	0.0%
Spain	28,925,396	1,697	0.0%
Asia			
Singapore	735,408	2,773	0.4%
Philippines	2,881,397	-	0.0%
Malaysia	12,320,925	-	0.0%
Franchising countries	1,967,152	8,751	0.4%
Total	**90,831,118**	**386,581**	**0.4%**

Cartrack's current vehicle coverage percentages demonstrate the potential for growth in the various regions which Cartrack plans to harness through its strategy of increasing market share through organic growth and increased marketing efforts.

As a result of competitive influences and volume growth following increasing market penetration, product and service prices are reducing. This reduction is being countered by Cartrack as the cost of electronic and telecommunication components see a corresponding reduction with resulting retained margins. In this context, there is an expected increase in the potential target market for Telematics offerings, allowing lower valued assets to be monitored feasibly from a cost perspective as well as enabling subscription fees to be reduced for price sensitive vehicle owners.

In addition, organisations are increasingly adopting Fleet Management systems as they realise the benefits of productivity increases and cost savings. Further demand increase has resulted from incentive programmes and compulsory Telematics requirements implemented by the insurance industry.

A study by Markets and Markets revealed that in 2013 the global Fleet Management market was valued at US$10.9 billion and is forecast to reach US$30.5 billion by 2018. The report forecasts that the Asia-Pacific region will experience the highest growth rate due to an increasing number of vehicles being deployed on the roads and government regulations mandating GPS tracking devices in certain countries, leading to Fleet Management opportunities.

In order to capitalise on the market growth and penetration, retail pricing across product ranges is constantly monitored to be competitive. Cartrack is able to compete on price, where necessary, by virtue of having cost-engineered its products over time and managing operating costs successfully, as evidenced by its 37.5% operating profit margin for the year ended 28 February 2014.

Product offerings are typically homogenous across competitors and differentiation is provided through the reliability of the product, quality of service and price. Cartrack believes that its audited Stolen Vehicle Recovery success rate of 94% is a testament to the reliability and accuracy of its systems, the quality of its engineering and the efficiency of its operational services.

Specific core service aspects of Cartrack's integrated offerings include:

- proactive testing of units to ensure non-functioning units are diagnosed and repaired promptly;
- installations performed at the highest standards with the objective of not interfering with the vehicle operation and battery life;
- proven track record in Stolen Vehicle Recovery, demonstrated by the audited 94% recovery success rate and confidence in the systems by currently offering a recovery warranty of up to R150 000, subject to certain terms and conditions;
- 99.8% system uptime;
- web portal functionality and vehicle monitoring service;
- call centre efficiency and recovery processes; and
- top quality service provision by ground recovery teams, the core of which are in-house.

7. POSITIONED FOR CONTINUED GROWTH

The functional strategy of Cartrack is to build a global brand off a platform of innovative and leading technologies, supported by sophisticated, targeted and pro-active marketing techniques. This strategy is supported through an established sales infrastructure and management team which facilitates operational excellence while being supported by a skilled staff complement.

7.1. International growth

- Cartrack's business model for the establishment of its international operations has been clearly identified. Cartrack endeavours to maintain low initial set up costs and profitability is designed to be achievable at a relatively early stage with low trading volumes. In Cartrack's experience, the time frame to reach breakeven historically averages three years from the date of establishment.
- Excluding Franchised countries, Cartrack currently has 9 countries with a client base of below 5,000 units. Being in their early stages, these operations have solid growth potential both through organic growth and market share gains whilst leveraging off Cartrack's established South African infrastructure and expertise.
- Cartrack currently has Franchise Agreements in a further 4 African countries being Botswana, Malawi, Swaziland and Zimbabwe, which afford Cartrack the optionality to increase its geographic reach and scope in the future.

7.2. Low cost business model

- With the general global trend towards increased deployment of Telematics, the Company is continually leveraging off its low cost business model in an endeavour to pursue low risk and high growth organic and expansion strategies in existing and new countries. While competition is strong in certain countries, the Cartrack business model provides for low cost technology and low operational costs, in an attempt to position Cartrack in the lower cost quartile in such markets.
- Cartrack targets the mainstream Telematics user and does not intend to position itself in low volume niche markets. This approach has allowed Cartrack to achieve economies of scale across its business with a focus on margin generation.
- Projects to streamline the deployment of mobile installers across all geographic regions, to upgrade systems to better manage the high volume of messages coming into the emergency control centre and to upgrade financial systems are currently underway. These efforts are expected to reap both financial and client service standard benefits.

7.3. Technological advancement

As further improvements in terms of unit functionality, miniaturisation and power management become available, new opportunities are realised. Additionally, growth opportunities arise as the cost versus benefit of the offering becomes more attractive to prospective clients and as more sophisticated requirements are provided from a standard suite of offerings.

Cartrack has a track record of providing useful innovative technology to meet the market's changing needs, examples of this include:

7.3.1. Safety on the roads

The number of deaths and injuries on the roads is a major social and economic issue being estimated to cost South Africa approximately R300 billion a year on road fatalities (representing approximately 8% of South Africa's GDP) and illustrates the importance of improving driver habits and monitoring commercial vehicles.

Comprehensive driver behavior monitoring and measurement tools are provided through the Telematics units, which are easily integrated into the CAN systems of a vehicle to extract significant amounts of vehicle data used to engineer improved driver behavior. Deployment of in-vehicle cameras to monitor activity on-road and within a vehicle provides considerable driver performance benefits and invaluable information in the event of an accident.

7.3.2. Navigation and task management applications

Cartrack offers real-time connectivity services through mobile devices to manage the deployment of people and vehicles and the tasks which they are required to perform. Applications of such services include taxis, security companies and logistics businesses.

7.3.3. Prisoner tracking

Cartrack has successfully designed and implemented a system to monitor the tracking of prisoners subject to house arrest. In addition, a government tender for prisoner tracking has been awarded to Cartrack in a first world country which takes pride in its national security. The system has been fully implemented in one country and Cartrack is currently in talks with further jurisdictions.

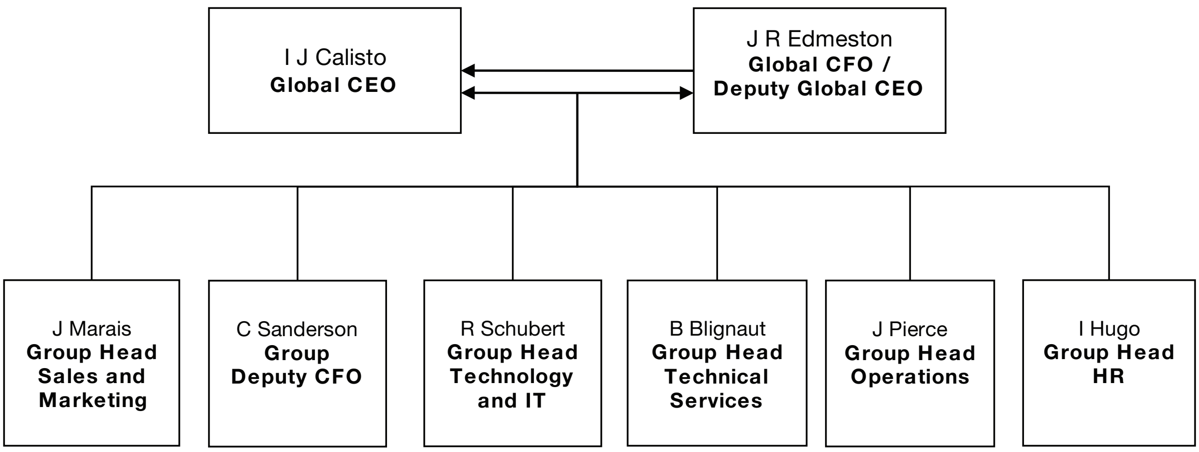
7.4. Industry and organic growth

The reduction in data costs, rapid growth in mobile technology and the benefits of real-time connectivity continues to provide numerous market opportunities which facilitate the increased adoption of Telematics offerings.

In conjunction with the industry growth illustrated in paragraph 5.5, Cartrack seeks to grow organically off its current geographically diverse platform through its established sales channels and marketing efforts.

Cartrack's strengths of a high customer service ethic and reliable technology offering currently provides the requisite platform to build brand identity and awareness. Market awareness of Cartrack has significantly increased over recent years, which provides a clear indication of the opportunity for expansion which is currently being addressed by an extensive marketing campaign across TV, radio and digital media channels.

8. MANAGEMENT ORGANOGRAM



DIRECTORS AND MANAGEMENT

1. DIRECTORS AND MANAGEMENT

1.1. Board of Directors

Name, age	Business address	Function/Occupation	Date of appointment as director
Isaias Jose Calisto, 48	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Global Chief Executive Officer	1 July 2008
John Richard Edmeston, 60	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Global Chief Financial Officer and Deputy Global Chief Executive Officer	2 July 2014
David Brown, 59	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Independent Chairman	13 October 2014
Thebe Ikalafeng, 48	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Independent Non-executive Director	13 October 2014
Kim White, 38	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Independent Non-executive Director	13 October 2014

Notes:
All directors are South African citizens

The audit committee of Cartrack has considered and satisfied itself as to the appropriateness of the expertise and experience of the Global Chief Financial Officer. In terms of the Listings Requirements, all Directors will retire at the first annual general meeting of Cartrack but will make themselves available for re-election by the Shareholders.

All Directors have a clear understanding of their fiduciary duties as Directors of Cartrack. The Board will at all times exercise due care and diligence in the performance of its duties in accordance with the highest possible standards.

The Company Secretary will support the Directors in maintaining the regulatory compliance of Cartrack. The Board has considered and satisfied itself as to the competence, qualifications and experience of the Company Secretary and believes that the Company Secretary will be able to provide the Board with the requisite support for its efficient functioning and discharge of its duties. In accordance with the recommendations of the King Code, the Company Secretary is not a Director of Cartrack and will maintain an arms-length relationship. The Company Secretary will be subject to an annual evaluation by the Board.

Short *curriculum vitaes* of the Directors, Company Secretary and senior management are set out below. Further particulars of the Company's Directors are set out on page 31 and 32 of this Pre-listing Statement.

1.2. Executive Directors

Isaias Jose Calisto is the founder of Cartrack and Global Chief Executive Officer. Isaias has an impressive entrepreneurial history with over 20 years of experience in the Telematics industry. Having founded and operated a number of businesses under Onecell, Isaias has a wide range of technical and operational knowledge relating to the Telematics and electronics sector. Isaias has taken it upon himself to spearhead the international growth strategy for Cartrack ensuring that consistency relating to the Cartrack culture, operating philosophy, technology, methods, procedures and service standards for each region.

John Edmeston is the Global Chief Financial Officer and Deputy Global Chief Executive Officer of Cartrack and is a qualified Chartered Accountant. John joined the Company in 2008 after having left Altech Netstar as their managing director following nine years of service. John has extensive insight into the industry as a result of his experience and passion. John is a member of the South African Institute of Chartered Accountants (SAICA).

1.3. Independent Non-executive Directors

David J Brown holds a BComm degree from the University of South Africa and an MBA from the University of Cape Town. In addition, he attended the Management Development Programme at the School of Business Leadership, and the Advanced Management Programme at Harvard Business School in the USA. He spent 30 years with the Standard Bank group, where he held various senior positions including Managing Director of Stanbic Bank Botswana, Managing

Director of Stanbic Bank Zambia, Managing Director of Stannic Asset Finance and Managing Director of Standard Bank Commercial Banking Division. He was appointed CEO of Mercantile Bank and Mercantile Holdings Limited (a JSE listed company) in 2004 and stepped down as CEO in 2013.

Thebe Ikalafeng holds BSc (Business Administration) and MBA degrees from Marquette University in the USA and has completed executive development courses in Finance at Wits and Harvard Business School. A chartered marketer (CM(SA)), he has held various marketing positions in the USA and Africa. He is the founder and Managing Director of Brand Leadership Group, the founder and chairman of Brand Africa and a member of the Vega School of Brand Communications advisory council.

Kim White is a qualified Chartered Accountant and Registered Auditor. Kim has over 15 years of experience within the accounting and auditing sector servicing a wide variety of industries. She holds a Postgraduate Certificate in Advanced Taxation and a Postgraduate Certificate in International Taxation as well as being a Certified Financial Planner and a Master Tax Practitioner (SA). Kim is a registered member of The South African Institute of Chartered Accountants (SAICA), a member of The South African Institute of Tax Professionals (SAIT) and is registered with The Regulatory Board of Auditors (IRBA).

1.4. Company Secretary

Anname de Villiers holds a B.Proc. and LLB degree as well as a Postgraduate Diploma in Corporate Law. She is an Admitted Attorney in South Africa and specialises in regulatory compliance and corporate governance with specific emphasis on the application of the Companies Act, JSE Rules and Listings Requirements and related global best practices. She has held various positions in the financial services industry including acting as company secretary for two JSE listed entities.

1.5. Senior management

Name, age	Position	Description	Address	Date appointed
Juan Marais, 46	Head of Group Sales and Marketing	Responsible for the effective management of various sales channels and strategic marketing	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 May 2004
Craig Sanderson, 40	Deputy Chief Financial Officer	Responsible for the management and financial reporting functions	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 June 2013
Richard Schubert, 41	Head of Group Technology and I.T.	Responsible for the development and implementation of all IT infrastructures as well as appropriate technology and system developments	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 February 2007
Barend Blignaut, 38	Head of Technical Services	Responsible for all aspects of installations, quality control and technical training	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 August 2008
Jerry Pierce, 45	Head of Operations	Responsible for the emergency control room as well as all aspects relating to vehicle recovery	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 June 2003
Irma Hugo, 44	Head of Human Resources	Responsible for all human capital aspects of the Company	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 January 2010

Notes:
All members of senior management are South African citizens

2. APPOINTMENT, QUALIFICATION, REMUNERATION AND BORROWING POWERS OF DIRECTORS

Set out in Annexure 15 to this Pre-listing Statement are extracts of the relevant provisions of the MOI regarding:

- the qualification, appointment, terms of office and remuneration of Directors;
- the borrowing powers exercisable by the Directors. The borrowing powers may be varied by an amendment to the MOI; and
- retirement of Directors by rotation.

The Directors' borrowing powers have never been exceeded.

Save as set out in the Memoranda of Incorporation of the Company and its subsidiaries and save as required pursuant to the relevant exchange control restrictions which apply to the Company and its subsidiaries, there are no exchange control or other restrictions applicable to the Directors' borrowing powers.

The total remuneration and benefits paid and payable to each Director of the Company for the year ended 28 February 2014 is set out below:

Directors' remuneration for the year ended 28 February 2014

Director	Salaries (R'000)	Bonus (R'000)	13th Cheque (R'000)	Travel allowance (R'000)	Pension fund contri-butions (R'000)	Medical aid contri-butions (R'000)	Other Benefits (R'000)	Total (R'000)
Executive Directors:								
Isaias Calisto	1 072	102	–	88	–	–	–	1 262
John Edmeston	1 653	1 115	–	96	–	–	–	2 865
Luiz Madeira*	–	–	–	–	–	–	–	–
Craig Sanderson*	720	47	–	–	–	–	–	767
Juan Marais*	1 363	114	–	120	–	–	–	1 597
Total remuneration Executive Directors	**4 808**	**1 378**	**–**	**304**	**–**	**–**	**–**	**6 491**
Non–executive Directors:								
David J Brown	–	–	–	–	–	–	–	–
Thebe Ikalafeng	–	–	–	–	–	–	–	–
Kim White	–	–	–	–	–	–	–	–
Total remuneration								
Non–executive Directors	–	–	–	–	–	–	–	–
Total	**4 808**	**1 378**	**–**	**304**	**–**	**–**	**–**	**6 491**

Notes:

* Luiz Madeira resigned as a director of Cartrack on 13 October 2014.
Craig Sanderson resigned as a director of Cartrack on 13 October 2014. Craig will remain employed at Cartrack Pty as deputy Chief Financial Officer.
Juan Marais resigned as a director of Cartrack on 13 October 2014. Juan will remain employed at Cartrack Pty as Head of Group Sales and Marketing.

None of the Directors of the Company receive any remuneration or benefits from the Company's subsidiaries and fellow subsidiaries, associates or joint ventures of the Group. No awards or options have been granted to the Directors to acquire Shares during the last financial year of the Company.

The benefits and amounts disclosed above include the total remuneration and benefits received or receivable from Onecell, Cartrack as well as any Cartrack associates, joint ventures and entities that provide management or advisory services to Cartrack.

Further information on applicable restraints and termination payments is set out in paragraph 5 below.

No fees have been paid or accrued to third parties *in lieu* of Directors' fees in the years ended 28 February 2012, 2013 and 2014.

There will be no variation in remuneration receivable by any of the Directors as a consequence of the Listing.

The proposed remuneration payable to the Issuer's Non-executive Directors for the year ending 28 February 2015 is set out below:

Proposed annual remuneration for Non-executive Directors for the year ending 28 February 2015

Director	Fees (R'000)	Audit and Risk Committee (R'000)	Remuneration and Nomination Committee (R'000)	Social and Ethics Committee (R'000)	Total (R'000)
David J Brown	213	52	21	33	319
Thebe Ikalafeng	95	61	33	–	189
Kim White	95	52	21	–	168
Total	**403**	**165**	**75**	**33**	**676**

Notes:

Director's fees have been calculated on a pro-rata basis for service for four months of the year

Proposed total remuneration and benefits payable to each Executive Director for the year ending 28 February 2015

	Salaries (R'000)	Bonus (R'000)	13th Cheque (R'000)	Travel allowance (R'000)	Pension fund contri-butions (R'000)	Medical aid contri-butions (R'000)	Other benefits (R'000)	Total (R'000)
Executive Directors:								
Isaias Calisto	2,357	–	160	48	–	–	–	2,565
John Edmeston	1,758	1,143	147	96	–	–	–	3,144
Total	**4,115**	**1,143**	**307**	**144**	**–**	**–**	**–**	**5,708**

3. **DIRECTORS' INTERESTS**

As at 28 February 2014 the Directors, including their associates, held, directly or indirectly, the following number of Cartrack Ordinary Shares:

Director	Total indirect shareholding	Total percentage interest	Total indirect shareholding after the Offer(1)	Total percentage interest after the Offer(1)	Total indirect shareholding after the Offer(2)	Total percentage interest after the Offer(2)
I J Calisto	266,423,358	88.8%	213,138,686	71.0%	141,204,380	47.1%
J Marais3	33,576,642	11.2%	26,861,314	9.0%	17,795,620	5.9%
Total	300,000,000	100%	240,000,000	80%	159,000,000	53.0%

Notes:

1. Based on subscription of 60,000,000 Shares (representing 20% of Cartrack's issued Share capital)
2. Based on subscription of 141,000,000 Shares (representing 47% of Cartrack's issued Share capital)
3. Juan Marais resigned as a director of Cartrack on 13 October 2014
4. Based on the assumption that neither of these Directors subscribe for shares on Listing

As at the Last Practicable Date, no change in the above shareholding has occurred.

The Directors had no direct or indirect interest in the promotion of the Issuer during the three year period preceding the Last Practicable Date.

None of the Directors, or any company in which such Director is beneficially interested or of which he/she is a director, or any partnership or association of which he/she is a member, has received or agreed to receive any sums within the last three year period to induce him/her to become or otherwise to qualify him/her as a Director, or otherwise for services rendered by the Director or any of the aforementioned companies in connection with the promotion or formation of the Issuer.

4. **DIRECTORS' INTERESTS IN TRANSACTIONS**

All relevant particulars regarding the nature and extent of any material beneficial interests, whether direct or indirect, of directors of the group, including a director who has resigned during the last 18 months, in transactions that were effected by Cartrack have been disclosed in the Related Party note contained in the financial statements attached as Annexure 2. The interest of the relevant Directors may be seen as per their other Directorships as set out in Annexure 16.

Save as disclosed in this Pre-listing Statement and the related party transactions set out in the "Additional Information" section of this Pre-listing Statement, none of the Directors have had any material interest, direct or indirect, in any transaction entered into by the Group, which remains in any respect outstanding or unperformed.

5. RESTRAINT OF TRADE AND NOTICE PERIODS

It has been agreed with all senior management and Executive Directors, for the benefit of the Group, that they will not for a period of 12 months following the termination of their employment for any reason be employed by or otherwise involved in a competitor of the relevant company within the Group employing such person.

The Executive Directors are employed by Cartrack. All members of senior management are employed by Cartrack Pty, save for Richard Schubert who is employed by Cartrack Technologies.

The Executive Directors are required to provide 3 months' notice of their intention to terminate their employment. All members of senior management are required to provide 1 months' notice of their intention to terminate their employment.

6. LISTING BONUS AND PAYMENTS

No bonuses or similar payments of any nature will be payable to Directors or other employees and service providers as a result of the Listing.

7. DIRECTORS' DECLARATION

None of the Directors or members of the senior management team:

- have been declared bankrupt or insolvent, or have entered into an individual voluntary compromise arrangement to surrender their estate;
- are or were a Directors with an executive function of any company at the time of, or within 12 months preceding the Last Practicable Date, any company under business rescue or that has adopted a resolution proposing business rescue or made application to be put under business rescue or any notices in terms of section 129(7) of the Companies Act, or any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any compromise or arrangement with its creditors generally or with any class of its creditors;
- are or have been a partner in a partnership at a time of, or within 12 months preceding the Last Practicable Date, any compulsory liquidation, administration or voluntary arrangements of such partnership;
- are or have been a partner in a partnership at the time of, or within 12 months preceding the Last Practicable Date, a receivership of any assets of such partnership;
- have had any of their assets subject to receivership;
- is or has been publicly criticised by any statutory or regulatory authorities, including recognised professional bodies or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- are or have been convicted of any offence involving dishonesty;
- have been removed from an office of trust on the grounds of misconduct involving dishonesty; and/or
- have been declared delinquent or placed under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984, as amended, or was disqualified by a court to act as a director in terms of section 219 of the Companies Act.

1. **CORPORATE GOVERNANCE**

1.1. Commitment and approach

The Directors accept full responsibility for the application of the principles necessary to ensure that effective corporate governance and ethics are practiced consistently throughout the Group. In discharging this responsibility, the Board endorses the King Code in both letter and spirit, providing effective leadership, integrity and judgment in directing the business of the Company to create and maintain value.

The Directors have pro-actively taken steps to ensure that the Company is fully compliant with the King Code recommendations considered mandatory by the JSE and the Board is of the opinion that the Issuer is compliant with such recommendations in all material respects. The Board will continuously review and assess the assimilation and entrenchment of governance best practices in the Group. A full analysis of the steps taken by the Company to comply with the King Code is available on the Company's website (www.cartrack.co.za).

1.2. Board practices

The Board of Directors currently consists of 2 Executive Directors and 3 independent Non-executive Directors. The Board is responsible for directing, governing and controlling the Company's business by, *inter alia*, developing and approving the Company's strategy, financial budget, risk framework and supporting policies and procedures. Members of the Board are appointed by the Shareholders and evaluated collectively and individually by the Board on an annual basis.

The Company's Executive Directors are involved in the day-to-day management of the Company and business activities of the Group in accordance with the framework of authority delegated to them by the Board. The performance of each Executive Director is evaluated annually by the Board against agreed performance criteria.

The Board meets four times during the financial year, excluding any ad hoc meetings held to consider special business.

The Board has delegated certain of its functions to Board committees but remain ultimately responsible and accountable for these functions.

1.3. Committees

1.3.1. Audit and Risk Committee

Thebe Ikalafeng, an Independent Non-executive Director, chairs the Audit and Risk Committee, and its other members are Kim White and David Brown, both of whom are Independent Non-executive Directors. The Audit and Risk Committee is responsible for performing the functions required of it in terms of section 94(7) of the Companies Act. These functions include nominating and appointing the Group's auditors and ensuring that such auditors are independent of the Group; determining the fees to be paid to the auditor and the auditor's terms of engagement; ensuring that the appointment of the auditor complies with the provisions of the Companies Act and any other relevant legislation; determining policies with regard to non-audit services provided by the external auditor; dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related matters.

The non-statutory functions of this committee are to assist the Board in fulfilling its responsibilities by reviewing the effectiveness of internal control systems in the Group with reference to the findings of external auditors, reviewing the annual financial statements and interim reports of the Group as well as other public communications of a financial nature, considering accounting issues, ensuring that all key areas of risks have been properly identified and that the Group mitigates such risks, reviewing audit recommendations and ensuring that the Group complies with relevant legislation and sound corporate governance principles. In addition, and if required, the Audit and Risk Committee will review any significant cases of fraud, misconduct or conflicts of interests.

The Company's external auditors have unrestricted access to the Audit and Risk Committee and may, with the approval of the chairperson of the Audit and Risk Committee (which approval may not be unreasonably withheld), attend its meetings.

The Audit and Risk Committee annually reviews the appropriateness of the expertise and experience of Cartrack's Global Chief Financial Officer, John Edmeston, and reports on whether or not it is satisfied therewith. The Audit and Risk Committee has determined that it is satisfied with the appropriateness of John Edmeston's current expertise and experience as Cartrack's Global Chief Financial Officer. In addition, the Audit and Risk Committee reviews and reports on the expertise, resources and experience of the Company's finance function.

The Audit and Risk Committee meets twice during a financial year and at least once a year with the external auditors without the presence of management, excluding any ad hoc meetings held to consider special business.

1.3.2. Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises David Brown, Kim White and Thebe Ikalafeng (who chairs the committee), all of which are Independent Non-executive Directors. The Chief Executive Officer and other executives may attend meetings of the Remuneration and Nomination Committee by invitation but do not participate in discussions regarding their own remuneration and benefits and do not have a vote.

The Remuneration and Nomination Committee is responsible for reviewing the Group's board structures, the size and composition of the various boards within the Group and to make recommendations in respect of these matters as well as an appropriate split between Executive and Non-executive Directors and Independent Directors. This committee also assists in identification and nomination of new Directors for approval by the Board. It considers and approves the classification of Directors as independent, oversees induction and training of Directors and conducts annual performance reviews of the performance and effectiveness of the Board and various Board committees. The Remuneration and Nomination Committee is also responsible for ensuring the proper and effective functioning of the Group's Boards and assists the Chairman in this regard.

The Remuneration and Nomination Committee further has the responsibility and authority to consider and make recommendations to the Board on, *inter alia*, the remuneration policy of the Company, the payment of performance bonuses, Director and Executive Director remuneration, short, medium and long-term incentive schemes and employee-retention schemes.

The Remuneration and Nomination Committee uses external market surveys and benchmarks to determine Executive Directors' remuneration and benefits as well as Non-executive Directors' base fees and attendance fees. Cartrack's remuneration philosophy is to structure packages in such a way that long- and short-term incentives are aimed at achieving business objectives and the delivery of Shareholder value.

The Remuneration and Nomination Committee meets at least twice during a financial year.

1.3.3. Social and Ethics Committee

The current Social and Ethics Committee will be reconstituted as a Board committee to be chaired by David Brown, the Chairman of the Board, with the other members being John Edmeston (Cartrack's Global Chief Financial Officer) and at least 1 representative from senior management, still to be identified.

The Social and Ethics Committee will meet at least twice during the financial year and will assume the following statutory responsibilities as set out in Regulation 43 of the Companies Regulations, 2011:

- Social and economic development;
- Good corporate citizenship;
- The environment, health and public safety;
- Consumer relationships; and
- Labour and employment.

This committee will table a report to Shareholders at the Company's annual general meeting.

1.4. Internal Control Systems

To meet the Company's responsibility to discharge its governance responsibilities and provide reliable financial and operational information, the Company maintains systems of internal controls and risk management. The controls are designed to encompass financial, operational, compliance and sustainability issues, providing reasonable assurance that transactions are concluded in accordance with delegated authority and are properly processed and recorded, that assets are adequately protected against material losses, unauthorised acquisition, use or disposal, and that policies and procedures are consistently applied.

These systems include a documented organisational structure and division of responsibility, clarity of accountability, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people. The Company does not have an independent internal audit function.

The Company monitors the operation of the internal control systems in order to determine if there are deficiencies and corrective actions are taken to address control deficiencies as they are identified. The Board of Directors, operating through the Audit and Risk Committee, is responsible for the review of the effectiveness of the system of internal controls and risk management.

There are inherent limitations to the effectiveness of any system of internal controls, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal controls system can provide only reasonable assurance.

1.5. Company Secretarial Function

The Company Secretary maintains, as far as is possible, an arms-length relationship with the Board and Directors in order to properly discharge her duties as gatekeeper of good governance. The Board supports and empowers the Company Secretary in her duties, as set out in section 88 of the Companies Act and in the King Code:

- to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers;
- to ensure that the Directors are aware and kept abreast of all laws and regulatory requirements relevant to, or affecting the Company;
- to report to the Board, any failure on the part of the Company or a Director to comply with Company's MOI or the Companies Act;
- to certify in the Company's Annual Financial Statements whether the Company has filed all returns and notices required in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date;
- ensure that a copy of the Company's Annual Financial Statements is sent, in accordance with this Companies Act, to every person who is entitled to it;

- to carry out the functions of a person designated by the Company in its filed annual return to ensure the Company's compliance with its transparency, accountability and integrity requirements set out in sections 23 to 34 of the Companies Act, and the enhanced accountability and transparency requirements set out in Chapter 3 of the Companies Act, to the extent applicable;
- to ensure that the terms of reference of the Board and its Committees are reviewed and amended as required;
- to circulate timely notices of meetings and supporting documentation in accordance with an agreed annual Board plan;
- to ensure that minutes of all Shareholders' meetings, Directors' meetings and the meetings of any committee of the Directors are properly recorded in accordance with the provisions of the Companies Act;
- to assist in the induction, ongoing training and education of Directors; and
- to assist in the annual evaluation of the Board, Directors, Board committees and Chairman.

The Company Secretary maintains a direct channel of communication with the Chairman and the Global Chief Executive Officer.

DIVIDEND POLICY

Following the Listing, the Directors intend to declare a dividend, on at least an annual basis and to adopt a dividend cover of between 1.25 and 1.55 times headline earnings per share. The Directors believe this approach is compatible with the Company's growth opportunities and ambitions and will regularly review the dividend policy considering prevailing debts, if any, owing to third parties at the time, the requirements reflected in the Company's business plans, monies required for expansion and other growth opportunities.

It is the intention to split the total annual dividend as follows:

i) one-third to be declared at the interim;

ii) two-thirds as a final dividend.

However, there is no assurance that a dividend will be paid in respect of any financial period, and any future dividends will be dependent on, *inter alia*, the factors outlined above.

In accordance with the MOI, all unclaimed dividends shall be held in trust until lawfully claimed by such shareholder, or until such shareholder's claim to such money has prescribed in terms of the applicable laws of prescription. An unclaimed dividend shall, when claimed, be paid without interest. The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends, to any one of the Company's bankers from time to time. Dividends shall be paid to Shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later. There is no fixed date on which entitlement to dividends arises and the date of payment will be determined by the Board at the time of declaration, subject to the Listings Requirements. There are no current arrangements under which future dividends are waived or agreed to be waived. Relevant extracts of the MOI relating to dividends are set out in Annexure 15 to this Pre-listing Statement.

The Directors believe this approach is compatible with the Company's growth opportunities and ambitions and will regularly review the dividend policy.

RISK FACTORS

You should carefully consider the risk factors described herein and all other information contained in this Pre-listing Statement before you decide to invest in the Shares. If any of the following risk factors, as well as other risks and uncertainties that are not currently known to the Group or that it currently believes are not material, actually occur, the Group's business, financial condition and results of operations could be materially and adversely affected. Accordingly the trading price of the Shares could decline, and you may lose part or all of your investment.

1. BUSINESS-SPECIFIC RISKS

1.1. Expansion in existing and into new territories

The growth of the Group is dependent on the expansion and unit growth in existing and new territories. As part of its growth strategy, the Group is currently evaluating a number of geographic locations for expansion, but its ability to successfully do so whilst maintaining the Cartrack culture is dependent on a number of factors, including the availability of staffing and the reception from the local markets.

1.2. Technology risk

Cartrack's offerings are highly dependent upon technology in relation to both hardware and software. The Company constantly monitors market research and trends in order to capitalise upon meaningful market opportunities. However, should a new competing technology be introduced that replicates or replaces Cartrack's Telematics offerings at a significantly lower price it could adversely affect the Group's sales and profitability.

1.3. Credit risk

Cartrack assumes credit risk through two avenues. These include corporate clients who have specified repayment terms for a number of vehicles as well as retail clients who elect to repay the installation and hardware costs over a set number of months. Credit checks and credit limits are performed and enforced as appropriate to mitigate such risk. However, bad debts do occur and failure to collect debts could adversely affect the Group's sales and profitability.

1.4. Lack of long-term contracts with customers

Approximately 60% of client contracts are termed cash contracts, the installation and hardware costs being paid upfront and the contract term being monthly. Contracts whereby the installation and hardware costs are paid off over a set period of time are such that retail clients have an average term of 36 months while corporate terms range from 18 to 24 months. Certain specific and customised service contracts, typically of a one year renewable duration, are entered into with some large corporate clients. Following the completion of the term, contracts become monthly at which time the call centre attempts to extend the contract term. In the event of lack of extensions of contracts, the Group's subscription base could diminish over time, which may result in decreased unit sales and subscription revenues.

1.5. Dependence on mobile networks

Cartrack is reliant upon the GSM technology for its units. In the event that units are outside of the relevant network range or if the cellular network experiences downtime, Cartrack is unable to communicate and track the units at that moment until connection is re-established.

In the event that a vehicle is stolen and no connection can be made, the likelihood of recovery is drastically reduced and Cartrack may suffer reputational damage in addition to the financial costs relating to the warranty which is provided.

1.6. Loss of, or inability to retain or recruit, senior management and key personnel

The Group operates in environments where there are a nation-wide scarcity of Telematics-specific skills. The success of the Group is based, in part, on the operational and strategic contributions of its executive officers and other key personnel, who have extensive experience in the Telematics industry.

In the event that the Group is unable to retain, or suffers a prolonged interruption of, the services of such individuals, the business operations of the Group may be disrupted and the Group's prospects and financial condition may suffer material adverse effects.

In addition, the Group faces a challenge to internally develop and train, or otherwise recruit, adequately experienced and skilled personnel to ensure long-term competitiveness. Failure to do so may adversely affect the growth prospects of the Group.

1.7. Information systems

The Group is highly dependent on reliable, effective and efficient information and technology systems to process sales transactions as well as support client queries and recovery processes. The Group's information technology is managed internally and precautionary measures are taken in relation to data storage recovery and back-up, system implementation, and system resumption. Should Cartrack fail to adequately manage the systems and should they be affected by viruses, unauthorised access, system failure, loss of data or similar disruptions, the Group may suffer material adverse effects on its operations, business, sales and revenues.

1.8. Competition risk

Cartrack does not hold any research and development patents due to the products and processes which have been developed generally not meeting the South African patent requirements as a result of the cohesiveness and homogeneity of other market offerings. In this context, the barriers to entry to the telematics market are low. However, the capital required to provide a comparable range of offerings and level of service including the installation network, call centres, in-house recovery teams and the recovery warranty does create significant financial and human capital requirements for any new market entrants.

In the event that the industry experiences the entry of several new market entrants, the unit growth prospects for the Group may be disrupted and the Group's prospects and financial condition may suffer adverse effects.

1.9. Original equipment manufacturer risk

Certain vehicle manufacturers have developed their own telematics products or have partnered with Telematics companies in order to offer preinstalled telematic units with immediate subscription options following any associated vehicle sales.

In the event that vehicle manufacturers choose to provide their own solutions or to associate solely with alternate Telematics companies, the Group may suffer adverse effects on its sales and revenues.

2. SYSTEMIC RISKS

2.1. Exchange rate, interest rate and inflation fluctuations

While the Company is generally able to take steps to manage currency risk of any possible exchange rate fluctuation liabilities, sudden changes in the exchange rate may affect the costs of materials and electronics imported, directly and indirectly. Cartrack is naturally hedged to a certain extent due to having foreign exchange revenue as well as foreign exchange input costs.

Given that payment for the Offer Shares will be made in Rands and that all dividend payments will be made in Rands, the Company's non-South African Shareholders are exposed to currency exchange rate fluctuations.

Such changes may adversely affect the Group's profitability and growth. Furthermore, higher inflation rates may curb the Group's profitability where such increased inflation rates are not associated with increased productivity.

2.2. Increased trade restrictions

Given the relatively high level of imports, the introduction of additional quotas, import duties or other trade restrictions could increase the cost of the supply of products to the Group, and may require the Group to consider alternative supply sources, disrupting operations and significantly adversely affecting the profitability of the Group.

2.3. Increased exchange control restrictions

South African exchange control restrictions could hinder the Company's ability to make foreign investments and procure foreign-denominated finance.

2.4. Sovereign risk

Actions by governments or political events in countries in and outside of South Africa where the Group currently operates, and/or seeks to expand into, could have an adverse effect on its business. These may include:

- political and economic instability;
- civil unrest, acts of terrorism, kidnapping, war or other armed conflict;
- unexpected and frequent changes in governmental policies, legal and regulatory environments;
- seizure, expropriation, nationalisation, requisition of property, exchange controls or other limitations on international currency movements and investment restrictions imposed by governments in the countries outside of South Africa in which the Group operates;
- restrictions on repatriation of income or capital;
- sanctions and embargoes imposed by other governments or international bodies that may affect the Group's ability to do business in the affected country;
- governmental and business corruption issues;
- volatility in interest rates and foreign currency exchange rates; and
- high inflation.

2.5. Governing law

Shareholders' rights will be governed by South African law, which differs in material respects from the rights of Shareholders under the laws of other jurisdictions.

3. RELATED TO THE OFFER

3.1. Stock price volatility

The market price of the Shares may fluctuate due to a number of factors outside of the control of the Group, including: changes in general market conditions, the general performance of the JSE, the general state of the economy, prevailing market sentiment regarding the Shares or similar securities, speculation regarding the Shares or the Group's prospects, sales of the Shares, regulatory changes affecting the Group's operating environment and the performance of competitors or similar listed companies. In addition, variation in the operating results and business prospects of the Group from time to time could result in declines in the price of the Group's shares.

3.2. Dividends

The Group's ability to pay dividends to the holders of Shares is dependent on the satisfaction of the solvency and liquidity requirements of the Companies Act and the availability of distributable earnings, or other free cash flow. The Board reserves the right to change the dividend policy from time to time.

3.3. Liquidity risk

There can be no assurance that an active market for trade in the Shares will develop after the Listing. In the event that an active trading market in respect of the Shares fails to develop, the liquidity of the Shares will be adversely affected, which may result in decreases in the market price of the Shares. The Offer Price and the Offer Price Range may not be indicative of the market price at which the Shares will trade after the Listing.

SHARE CAPITAL

1. SHARE CAPITAL

The Issuer's authorised and issued share capital on the Listing Date, is expected to be as follows:

	(R)
Authorised share capital:	
1 000 000 000 ordinary no par value shares	Nil
Issued share capital:	
300 000 000 ordinary no par value shares	42,487,600
Total	**42,487,600**

The Issuer's authorised and issued share capital prior to the issue of Shares and amendment to the MOI on 10 November 2014 is set out below:

	(R)
Authorised share capital:	
1000 ordinary shares of R 1.00 each	1 000
Issued share capital:	
142 ordinary shares of R 1.00 each	142
Share premium	42,487,158
Total	**42,487,300**

On incorporation, the authorised share capital of the Company was R1 000 comprising 1 000 Shares with a par value of 100 cents each. The issued capital was R100.00 comprising 100 ordinary shares of 100 cents each.

On 18 March 2013 Cartrack issued 42 ordinary shares to Onecell for a total consideration of R42,487,158.00 (equating to R1,011,599.00 per share). Securities issued were issued to all securities holders in proportion to their holdings. The proceeds of the issue were utilised to fund the acquisition of the minority interests as detailed in Annexure 13.

The premiums on issues were determined with reference to the estimated market value of the Company and appetite of the respective applicant at the time of the respective issuance.

The issued share capital was R42,487,300 comprising 142 ordinary Shares of 100 cents each and share premium of R42,487,158.

On 27 October 2014, *inter alia*, three special resolutions were passed to (i) convert the 142 ordinary par value shares (100% of which are owned by Onecell) into 142 no par value shares (100% of which are owned by Onecell), (ii) increase the authorised share capital to 1 000 000 000 Shares, and (iii) to adopt a new MOI in compliance with the conversion of the Company from a private company to a public company. Premiums to par value were initially credited to the share premium account. Subsequent to the conversion of all authorised and issued ordinary shares to no par value, the share capital and share premium accounts have been aggregated as stated capital.

On 24 October 2014, *inter alia*, special resolutions were passed authorising:

- by way of a specific authority, as contemplated in section 48 of the Companies Act, the repurchase contemplated in the Buyback Agreement;
- the Board, as contemplated in section 41(3) of the Companies Act, to issue the shares as contemplated in the Subscription Agreement; and
- the Company to provide financial assistance, as contemplated by section 44 of the Companies Act, to the extent that such financial assistance arises pursuant to the Subscription Agreement and/or the Buyback Agreement.

On 5 November 2014, *inter alia*, shareholder resolutions were passed:

- authorising the Board to issue Shares to persons contemplated in section 41(1) of the Companies Act and in excess of 30% of the aggregate voting rights of the Shares as contemplated in section 41(3) of the Companies Act;
- authorising, by way of general authority contemplated in section 48 of the Companies Act, the repurchase by the Company of Shares, subject to the Listings Requirements;
- authorising the Company, by way of general authority, to provide financial assistance, as contemplated by section 44 of the Companies Act;
- authorising the Company, by way of general authority, to provide financial assistance, as contemplated by section 45 of the Companies Act
- approving the remuneration to be paid to the Directors in accordance with section 66(9) of the Companies Act;
- authorising the Board, by way of general authority, to issue equity securities (including Shares) for cash, subject to the provisions of the MOI of the Company and the Listings Requirements, which authority shall endure to the first annual general meeting of the Company post Listing; and
- placing the authorised but unissued Shares under the control of the Board.

Save as set out in this Pre-listing Statement, there have been no consolidations, subdivisions or repurchases of Shares in the three year period preceding the Last Practicable Date.

As at the Last Practicable Date, the Issuer had no other classes of securities listed on any stock exchanges and neither the Issuer nor any of its subsidiaries hold any shares as treasury shares.

All of the authorised and issued Shares (including those placed in terms of the Offer) are of the same class and rank *pari passu* in every respect, including eligibility for dividends, and have no convertibility or redemption provisions attaching to them.

Accordingly, no Share has any special rights to dividends, capital or profits of the Company. All of the Shares are fully paid-up and freely transferable. The entire issued share capital of Cartrack will be listed on the JSE.

In accordance with the provisions of the MOI, no rights, privileges or conditions for the time being attached to any class of Shares nor any interests of that class of Shares may (unless otherwise provided by the terms of issue of the Shares of that class) whether or not the Company is being wound up, be varied in any manner adverse to the Shareholders of that class of Shares, nor may any variations be made to the rights, privileges or conditions of any class of Shares, such that the interests of another class of Shares is adversely affected, unless the consent in writing of the Shareholders of not less than 75% (seventy-five percent) of the issued Shares of that adversely affected class has been obtained, or a special resolution has been passed by the Shareholders of that adversely affected class of Shares with the support of not less than 75% (seventy-five percent) of the voting rights exercised on the special resolution at a separate meeting of the Holders of that class. At any general meeting, Shareholder votes shall be taken on a poll and every Shareholder present in person or by proxy (or if a legal entity, duly represented by an authorised representative) will, on a poll, shall have the number of votes determined in accordance with the voting rights associated with the Shares in question, as set out in further detail in Annexure 15 to this Pre-listing Statement.

2. CONTROLLING SHAREHOLDER

The Controlling Shareholder of Cartrack before the Offer is Onecell which owns 100% of Shares in issue. Onecell will remain the controlling shareholder after the Offer. Additionally, there has been no change in the Controlling Shareholder of Cartrack during the previous five year period. Following the Listing the Company will remain a subsidiary of Onecell who will hold between 53 and 80 percent of the issued ordinary Shares of Cartrack.

3. MAJOR SHAREHOLDERS

At the Last Practicable Date, the only shareholder, other than a director, who directly or indirectly beneficially holds 5% or more of the issued share capital in the Company is Juan Marais.

	Total indirect shareholding	Total percentage interest
J Marais	33,576,642	11.2%

Note:

Juan Marais resigned as a director of Cartrack on 13 October 2014 and will remain as Head of Group Sales and Marketing.

The Company will have a public shareholding that will hold a minimum of 20% of the Shares from the day of Listing.

4. UNISSUED SHARES

As provided for in the MOI of Cartrack, the Board shall not have the power to issue authorised Shares or Securities convertible into Shares (other than capitalisation Shares or offers of cash payment *in lieu* of awarding a capitalisation Share in accordance with section 47 of the Companies Act) without the approval of the JSE (where necessary) and the prior approval set out below:

As regards the issue of –

(i) Shares contemplated in sections 41(1) and (3) of the Companies Act or as contemplated in Listings Requirement 5.50, the Directors shall not have the power to allot or issue same without the prior approval of a Special Resolution;

(ii) Shares, other than those contemplated in clause 9.2.1 and/or 9.5 of the MOI, and other Securities convertible into Shares, including options in respect of such Shares or Securities thereof, the Directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution.

The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2) of the Companies Act, provided that no special privileges (including, without limitation, attending and voting at general Meetings and the appointment of Directors) may be granted to secured and unsecured debt instruments as contemplated in section 43(3) of the Companies Act.

The Board is authorised to allot and issue up to 45,000,000 authorised but unissued ordinary no par value shares in the share capital of Cartrack subject to the provisions of sections 41 of the Companies Act, and subject to the Listings Requirements.

The Board shall have the power to issue debt instruments which are not convertible into Shares.

5. REPURCHASE OF SECURITIES

The Board is authorised as a general authority, to repurchase securities issued by the Company on such terms and conditions as may be determined by them subject to any relevant provisions of the MOI, the Companies Act and the Listings Requirements.

6. LOCK-UP UNDERTAKINGS

Onecell has entered into an agreement in terms of which Onecell has undertaken (for the Initial Lock-up Period) not to directly or indirectly dispose of any of its Shares. Further, Onecell has agreed that for the Further Lock Up Period it will not directly or indirectly dispose of any of its Shares which would result in it owing less than 51% of the Company's issued share capital.

The lock-ups referred to in the preceding paragraphs shall not preclude any person who is issued Offer Shares in connection with the Offer from trading in, and transferring, any such Shares.

7. PREFERENTIAL RIGHTS IN RESPECT OF SHARES AND VOTING RIGHTS

There are no preferential, conversion or exchange rights or options attaching to the Shares or the securities of its subsidiaries. There are no contracts or arrangements or proposed contracts or arrangements, whereby any option or preferential right of any kind was or is proposed to be given to any person to subscribe for any of the Cartrack Shares or any securities of its subsidiaries.

Relevant extracts of the MOI relating to voting rights are set out in Annexure 15 to this Pre-listing Statement.

PARTICULARS OF THE OFFER

1. PURPOSE OF THE OFFER AND LISTING

The main purposes of the Offer and the Listing are to:

- enhance the profile and general public awareness of Cartrack;
- provide a platform and currency for future expansion and diversification;
- enable Cartrack to access capital markets, if required, to fund future expansion;
- enable Cartrack to attract and retain key staff by affording them the opportunity to participate in the equity and future growth of the business; and
- afford institutions the opportunity to participate directly in Cartrack's equity.

2. THE OFFER

The Offer comprises an offer by the Company for the Private Placement by way of a subscription for the Offer Shares. The Offer will follow a bookbuild process of between 60,000,000 to 141,000,000 ordinary shares, priced between R10.00 and R15.00 per Offer Share. The Offer Shares will comprise between 20% and 47% of the Issuer's Shares in issue. The Bookrunner may, however, determine that the Offer will comprise a higher or lower number of Offer Shares. Fractions of Shares will not be issued.

Successful Applicants will, in all circumstances, upon Listing, receive Shares in dematerialised form and, accordingly, no physical Documents of Title will be issued or delivered to Successful Applicants. The Offer is subject to the attainment of a public shareholding in accordance with the Listings Requirements. The Listings Requirements provide that, the public shareholders (as defined in the Listings Requirements) must hold a minimum of 20% of each class of equity securities to ensure reasonable liquidity. The Offer Shares maximum exceed this requirement minimum.

The Offer is an offer to Eligible Investors only. The Offer is not an invitation to the general public to purchase the Offer Shares.

The Offer is conditional on the minimum subscription that must be realised by the Company in order to enable it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the minimum free-float and shareholder spread requirements, as prescribed by the Listings Requirements and acceptable to the JSE being realised and the Listing of all of the Shares on the JSE, failing which the Offer and any acceptance thereof shall not take effect and no person shall have any claim whatsoever against the Issuer, the Bookrunner or any other person as a result of the failure of any such condition.

All Shares (including the Offer Shares) that are in issue as at the date of this Pre-listing Statement will rank *pari passu* in all respects, including eligibility for dividends, and have no convertibility or redemption provisions attaching to them.

3. TIME AND DATE OF THE OPENING AND CLOSING OF THE OFFER

The Offer opens at 09:00 on 24 November 2014 and is expected to close at 12:00 on 5 December 2014. Indications of interest for the purposes of the bookbuilding process, referred to in "Offer Price", will be received up until 12:00 on 5 December 2014. Indications of interest for the Offer can be submitted up until 12:00 on Closing Date. Any changes to these dates and times will be announced on SENS.

4. OFFER PRICE

It is estimated that the price for the Offer Shares will be between R10.00 and R15.00 per Offer Share. The Offer Price may, however, be outside of the Offer Price Range. The Offer Price will be exclusive of Securities Transfer Tax (which Securities Transfer Tax is payable by each Successful Applicant in respect of the Offer Shares purchased by it) and is payable in full, in Rand, without deduction or set-off.

The Bookrunner is seeking indications of interest from Eligible Investors to acquire the Offer Shares as part of a bookbuilding process. Eligible Investors will only be allowed to apply for and acquire, as principals, Offer Shares for an amount of not less than R1 000 000. Following this bookbuilding process, the Offer Price will be determined by the Bookrunner either prior to or on the Closing Date and will be announced on SENS on 8 December 2014 and in the South African press on 9 December 2014. Any change to these dates and times will be announced on SENS.

Among the factors which may be considered by the Bookrunner in determining the Offer Price are:

- the Issuer's historical and expected results;
- an assessment of the investment markets' valuation of comparable companies;
- prevailing market conditions;
- demand for the Offer Shares and the prices at which investors bid to acquire the Offer Shares during the bookbuilding process; and
- the desire to establish an orderly after-market in the Shares.

Prior to the Offer, there has been no public market for the Offer Shares and no assurances can be given that an active trading market will develop or that the Offer Shares will trade above the Offer Price.

5. PARTICIPATION IN THE OFFER

An Eligible Investor wishing to participate in the Offer should contact the Bookrunner prior to the Offer being closed, expected to be on closing date. Indications of interest for the Offer need to be submitted by 12:00 on 5 December 2014. Such cut off time is as specified in the "Indicative Timetable" section on page 12. Any material change thereto will be released on SENS.

6. THE USE OF PROCEEDS

The proceeds from the Private Placement for the Offer Shares are estimated to be between R600 million and R2,115 million. The entire proceeds from the Private Placement will be used to settle the Aggregate Repurchase Price.

7. PREFERENTIAL PARTICIPATION

Neither Cartrack nor any of its subsidiaries are party to any contract or arrangement (or proposed contract or arrangement) whereby an option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any Offer Shares.

8. REPRESENTATION

Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to the Issuer and the Bookrunner that such person was in possession of a copy of this Pre-listing Statement at that time. Any person applying for or accepting an offer of Offer Shares on behalf of another person shall be deemed to have represented and warranted to the Issuer and the Bookrunner that such person: (a) is a person contemplated in section 96(1)(a) or 96(1)(b) of the Companies Act; (b) is an Eligible Investor; (c) is duly authorised to do so; (d) and the purchaser for whom such person is acting as an agent is duly authorised to do so in accordance with all relevant laws and is a person contemplated in section 96(1)(a) or 96(1)(b) of the Companies Act; and (e) such person guarantees the payment of the Offer Price and that a copy of this Pre-listing Statement was in the possession of the purchaser for whom it is acting as an agent.

9. ALLOCATION

The basis of allocation of the Offer Shares will be determined by the Bookrunner in its sole discretion. Factors to be considered by the Bookrunner in allocating shares include achieving the JSE minimum free-float and promoting liquidity, tradability and an orderly after-market in the Offer Shares. As a result of indications of interest in excess of the number of Offer Shares available being received, Applicants may receive no, or fewer, Offer Shares than the number of Offer Shares applied for. Any dealing in Offer Shares prior to delivery of the Offer Shares is at the risk of the Applicant.

10. APPLICATION, PAYMENT AND DELIVERY OF OFFER SHARES

Applicants who wish to apply for Offer Shares should contact the Bookrunner prior to the Closing Date, to provide indications of interest.

Successful Applicants will be advised of their allocations of Offer Shares by 12:00 on Monday, 8 December 2014.

Each Successful Applicant must, as soon as possible after the Bookrunner has notified it of an allocation of Offer Shares, forward to:

- its CSDP, all information required by the Applicant's CSDP and instruct its CSDP to pay, against delivery of the Applicant's allocation of Offer Shares, the aggregate price for such Offer Shares to the account designated by the Company. Such information and instructions must be confirmed to the Applicant's CSDP no later than 12:00 on Monday, 8 December 2014. After the aggregate price in respect of all of the Offer Shares has been paid by each of the Successful Applicants into the aforesaid account designated by the Company then the entire proceeds (estimated to be between R600 million and R2,115 million) from the Private Placement will be released by the Issuer into a bank account nominated by Onecell in order settle the Aggregate Repurchase Price; and
- the Bookrunner, details of its CSDP, the name of the account holder and number of Shares and such other information as is required by the Bookrunner's CSDP in order to effect delivery of the relevant Offer Shares. Such information must be confirmed to the Bookrunner no later than 12:00 on Monday, 8 December 2014.

By no later than 12:00 on Wednesday, 10 December 2014, each Successful Applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Offer Shares on the Settlement Date, in accordance with each Applicant's agreement with its CSDP.

On the Settlement Date, which is expected to be Thursday, 11 December 2014, the Successful Applicant's allocation of Offer Shares will be credited to the Applicant's CSDP or broker against payment during the JSE's settlement runs which occur throughout the day.

11. LISTING CONDITION

The Offer is, unless the JSE otherwise permits, subject to the attainment of a public shareholding of at least 20% of the Shares in issue on the day of Listing in addition to ensuring reasonable liquidity as per the JSE requirements.

No other conditions precedent to the Listing exist.

12. EXCHANGE CONTROL REGULATIONS

Currency and shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations of the South African Reserve Bank as described more fully under "Exchange Control" commencing on page 51 of this Pre-listing Statement. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Offer Shares.

13. DEMATERIALISATION OF THE OFFER SHARES

The Offer Shares will be issued to Successful Applicants in dematerialised form only. Accordingly, all Successful Applicants must appoint a CSDP under terms of the Financial Markets Act, directly or through a broker, to receive and hold the Dematerialised Shares on their behalf. Dematerialised shares are shares that have been dematerialised (the process whereby physical share certificates are replaced with electronic records evidencing ownership of shares and are "uncertificated securities" as defined in section 1 of the Companies Act. Should a shareholder require a physical share certificate for its Offer Shares following the Listing it should contact its CSDP to obtain one. It is noted that there are risks associated with holding shares in certificated form, including the risk of loss or tainted scrip, which are no longer covered by the JSE Guarantee Fund. All shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to dematerialise their Offer Shares should they wish to trade them on the JSE.

Each Successful Applicant's duly appointed CSDP or broker will receive the Dematerialised Shares on its behalf against payment of the Offer Price by the Applicant's CSDP, which is expected to occur on 11 December 2014, during the STRATE settlement runs.

14. LISTING OF OFFER SHARES ON THE JSE

The JSE has approved the Listing of all the Shares in the "Support Services" sector of the JSE lists under the abbreviated name "Cartrack", JSE share code "CTK" and ISIN: ZAE000198305, subject to the attainment of a spread of shareholders acceptable to the JSE. Should such condition(s) be fulfilled, the Listing is expected to be effective from the commencement of business on 11 December 2014.

15. APPLICABLE LAW

The Offer, applications, allocations and acceptances will be exclusively governed by the laws of South Africa and each Applicant will be deemed, by applying for Offer Shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Offer.

TAXATION

The following summary describes certain tax consequences of the purchase, ownership and disposition of the Shares. It is not a complete description of all the possible tax consequences of such purchase, ownership or disposition. This summary is based on the laws as of and as applied in practice on the Last Practicable Date and is subject to changes to those laws and practices subsequent to the date of this Pre-listing Statement. In the case of persons who are non-residents of South Africa for income tax purposes, it should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of tax residence. Investors should consult their own advisors as to the tax consequences of the subscription for, purchase, ownership and disposal of Shares in light of their particular circumstances, including, in particular, the effect of any state, regional, local or other tax laws.

Any information herein is not intended nor does it constitute financial, tax, legal, investment, or other advice. Consultation should be sought with a tax and/or legal advisor in connection therewith.

SOUTH AFRICAN TAXATION

Residence-based system of taxation

Residents of South Africa are taxed on their world-wide income and capital gains, whereas non-residents are taxed only on income and certain capital gains sourced in South Africa or deemed to be from a source in South Africa.

Individuals

An individual will be a resident of South Africa for tax purposes if:

- such individual is "ordinarily resident" in South Africa. This expression is not defined in the Income Tax Act, and therefore its meaning is determined according to guidelines established by the courts. Generally, a person's ordinary residence will be "the country to which he would naturally and as a matter of course return from his wanderings, as contrasted with other lands it might be called his usual or principal residence and it would be described more aptly than other countries as his real home"; or
- the requirements of the physical presence test are met. This is basically determined with reference to the number of days spent by the individual in South Africa during a five-year period.

Legal persons (company, close corporation and trust)

As regards legal persons (and for these purposes, a trust is deemed to be a person), a resident is defined in the Income Tax Act as any person which is incorporated, established or formed in South Africa or which has its place of effective management in South Africa.

General proviso regarding treaty resident persons

The Income Tax Act excludes from the definition of "resident" any person (legal or natural) that is deemed to be exclusively resident in another country in terms of an agreement for the avoidance of double taxation to which South Africa and that other country are parties.

Dividends

Currently, any amounts distributed by a South African resident company to its shareholders, including amounts distributed by a company to acquire, cancel or redeem its own shares, are generally considered to be dividends, except to the extent that the distribution results in a reduction of the "contributed tax capital" of the company, in which case the distribution will be regarded as a return of capital made by the company. Another exclusion to a dividend is where the amount distributed constitutes the acquisition by the company of its own securities by way of a general repurchase as contemplated in specific sections and paragraphs of the JSE Limited Listings Requirements. Subject to what is stated below, dividends are generally exempt from income tax and returns of capital are subject to capital gains tax in terms of special rules.

Dividends tax

Dividends paid by South African resident companies are subject to dividends tax at the rate of 15 percent on the amount of any dividend paid. The dividends tax applies to both resident and non-resident shareholders. The core principle of the dividends tax is that liability rests on the "beneficial owner" of the dividend or, if a resident company declares and pays a dividend in specie, on that company. Subject to certain rules in respect of the Shares, the obligation to withhold dividends tax arises on the date upon which the dividend is paid.

A company is obliged to withhold tax on any dividend paid unless certain statutory exemptions are applicable, for example, when the beneficial owner of the share in respect of which the dividend is paid is a South African resident company. Different exemptions apply in respect of dividends and dividends in specie, and certain administrative requirements will need to be met in order for an exemption to be applicable. Where a DTA provides for full or partial relief from the dividends tax, such relief is also subject to compliance with certain administrative requirements (the beneficial owner of the dividend must complete, sign and file a declaration in the prescribed form with the CSDP or broker). The United States-South Africa DTA will only reduce the 15 percent withholding tax rate to 5 percent if the beneficial owner of the share in respect of which the dividend is paid is a company that directly holds at least 10 percent of the voting stock of the company paying the dividends and the other requirements of the treaty are satisfied.

In other words, the exclusions or exemptions depend on the nature or classification of the "beneficial owner", who is defined as the person entitled to the benefit of the dividend attaching to the share. The exemption or non-exemption from the dividends tax must be determined as at the date of payment or deemed payment of the dividend.

Disposal of Shares

Profits derived from the disposal of South African shares held as long-term investments are generally regarded as profits of a capital nature and are not subject to South African income tax. The onus of proof of a capital intent is on the taxpayer. In general, the determination of whether or not shares are held as capital assets is a question of fact and depends primarily upon the intention with which the shares were acquired and held. Where a shareholder owned the Shares for a continuous period of at least three years immediately before the disposal and the Shares constituted equity shares, certain "safe harbour" provisions under section 9C of the Income Tax Act may apply. If applicable, these safe harbour provisions will deem certain amounts (excluding dividends) received by or accruing to the shareholder, as a result of the disposal of those Shares, as being of a capital nature and therefore subject to capital gains tax. If the safe harbour provisions do not apply, the capital or revenue nature of the proceeds of the disposal will be determined by applying the normal principles.

Capital Gains Tax

Upon a disposal of Shares, a South African Shareholder will generally realise a capital gain or capital loss for South African tax purposes equal to the difference, if any, between the proceeds from the disposal and the South African shareholder's base cost in the Shares. In general, the base cost of the Shares will be the subscription price of the Shares (in the event that the holder of the Shares subscribed for same), or the purchase price paid by the South African Shareholder in respect of the acquisition of the Shares from third parties plus certain acquisition and selling costs.

Distributions from contributed tax capital generally represent a return of capital to the Shareholder, and are subject to Capital Gains Tax to the extent that the distribution exceeds the shareholder's base cost in the Shares. The application of special rules to the taxpayer's circumstances determines how the distribution must be treated for capital gains tax purposes.

Capital losses may only be set-off against other capital gains realised in the same or any subsequent tax year. In the case of South African Shareholders who are natural persons, an amount of R30 000 (or R300 000 in the year of death), is deducted from any Capital Gain or Capital Loss realised in any tax year. A prescribed portion (either 33.3 percent for individuals and special trusts or 66.6 percent for companies and trusts) of a net capital gain realised by a South African Shareholder will be included in normal taxable income.

Non-resident Shareholders are exempt from capital gains tax on any gain made to the extent that the Shares that they hold are not attributable to a permanent establishment of that non-resident in South Africa and are not held, directly or indirectly, in an immovable property company (sometimes referred to as a "property-rich company"). The Company is not a property-rich company.

Income tax

If the Shares are not held as capital assets but rather for a speculative purpose (e.g., as trading stock), South African residents will be subject to income tax on the disposal of the Shares. Non-residents will only be subject to South African income tax on the disposal of the Shares if it is determined that the proceeds of the disposal constitute income derived from a South African source or deemed to be from a South African source and the DTA, if any, concluded between South Africa and their country of residence does not grant relief from South African tax (the United States-South Africa DTA generally grants such relief unless the gain is attributable to a permanent establishment in South Africa).

Securities Transfer Tax

Securities Transfer Tax is a tax levied on every transfer of a security at the rate of 0.25 percent of the taxable amount. In respect of the transfer of listed securities, generally the taxable amount is the consideration for which the security is acquired or, where no consideration is declared or the consideration declared is less than the lowest price of the security, the closing price of that security. The tax applies to the transfer of beneficial ownership in a share in a company which is incorporated, established or formed in South Africa, or in a company which is not incorporated, established or formed in South Africa but which is listed in South Africa. The tax is triggered by a transfer of beneficial ownership, including the cancellation or redemption of a share. There is no Securities Transfer Tax payable upon the issue of a share by a company, a cancellation or redemption of a share where the issuing company is being wound up, liquidated or deregistered, or any event that does not result in a change in beneficial ownership. Therefore, Securities Transfer Tax will not be payable if investors subscribe for Offer Shares, but Securities Transfer Tax will be payable if investors acquire the Offer Shares from a third party. The Successful Applicants will be issued the Offer Shares by the Issuer pursuant to a subscription; accordingly, Securities Transfer Tax will not be payable by the Successful Applicants as a result of such issuance.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a description of certain United States federal income tax consequences to the United States Holders described below of purchasing, owning and disposing of Offer Shares, but it does not purport to be a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire Offer Shares. This discussion applies only to a United States Holder that owns Offer Shares as capital assets for United States federal income tax purposes. In addition, it does not describe all of the tax consequences that may be relevant in light of the United States Holder's particular circumstances, including alternative minimum tax consequences, the potential application of the Medicare contribution tax, and tax consequences applicable to United States Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities that use a mark-to-market method of tax accounting;
- persons holding Offer Shares as part of a hedging transaction, straddle, wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the Offer Shares;
- persons whose functional currency for United States federal income tax purposes is not the United States dollar;
- entities classified as partnerships for United States federal income tax purposes;
- tax-exempt entities, including "individual retirement accounts" or "Roth IRAs";
- persons that own or are deemed to own ten percent or more of the Company's voting stock; or
- persons holding Offer Shares in connection with a trade or business conducted outside of the United States.

If an entity that is classified as a partnership for United States federal income tax purposes owns Offer Shares, the United States federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships owning Offer Shares and partners in such partnerships should consult their tax advisors.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations and the Income Tax Treaty between the United States and South Africa (the "Treaty"), all as of the date hereof, any of which is subject to change possibly with retroactive effect.

A United States Holder is a beneficial owner of Offer Shares that is, for United States federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to United States federal income taxation regardless of its source.

United States Holders should consult their own tax advisors concerning the United States federal, state, local and non-United States tax consequences of purchasing, owning and disposing of Offer Shares in their particular circumstances.

Taxation of distributions

Subject to the passive foreign investment company rules described below, distributions paid on Offer Shares, including any South African taxes withheld, other than certain pro rata distributions of ordinary shares, will be treated as foreign-source dividend income to the extent paid out of the Company's current or accumulated earnings and profits (as determined under United States federal income tax principles). Because the Company does not calculate its earnings and profits under United States federal income tax principles, it is expected that distributions generally will be reported to United States Holders as dividends. The amount of a dividend a United States Holder will be required to include in income will equal the United States dollar value of the Rand dividend, calculated by reference to the exchange rate in effect on the date the dividend is received by the holder, regardless of whether the dividend is converted into United States dollars on the date of receipt. If a United States Holder converts Rand after the date of receipt, the United States Holder may realise foreign currency gain or loss, which will be United States-source ordinary income or loss.

Corporate United States Holders will not be entitled to claim the dividends received deduction with respect to dividends paid by the Company. Subject to applicable limitations, dividends paid to certain non-corporate United States Holders may be eligible for taxation as "qualified dividend income" and therefore may be taxable at tax rates lower than the rates applicable to ordinary income, provided that the Company is not a passive foreign investment company. Non-corporate United States Holders should consult their tax advisors regarding the availability of the reduced tax rates on dividends in their particular circumstances.

South African taxes withheld from dividends on Offer Shares (at a rate not exceeding the rate provided by the Treaty) generally will be creditable against a United States Holder's United States federal income tax liability, subject to applicable restrictions and limitations. Dividends will generally constitute passive-category income for purposes of the foreign tax credit rules. Instead of claiming a credit, a United States Holder may elect to deduct South African taxes in computing its taxable income, subject to generally applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year.

Sale, redemption or other disposition of Offer Shares

Subject to the passive foreign investment company rules described below, a United States Holder will generally recognise capital gain or loss on the sale, redemption, or other disposition of Offer Shares, which will be long-term capital gain or loss if the United States Holder has held such Offer Shares for more than one year. The amount of the United States Holder's gain or loss will be equal to the difference between the amount realised on the sale or other disposition and such United States Holder's tax basis in the Offer Share, each as determined in United States dollars. Any gain or loss will generally be United States-source gain or loss for foreign tax credit purposes.

Passive Foreign Investment Company Rules

In general, a non-United States corporation will be considered a PFIC for any taxable year in which: (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. For purposes of the above calculations, a non-United States corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as if it directly held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes dividends, interest, rents, royalties and capital gains. Exceptions exist for certain income derived in the conduct of certain active businesses, including income derived in the active conduct of an insurance business by certain bona fide non-United States insurance companies.

While there is an exception for income earned in the active conduct of an insurance business by bona fide non- United States insurance companies (the "active insurance exception"), there is substantial uncertainty as to the extent to which the Company and its subsidiaries can benefit from that exception. Under the active insurance exception, passive income does not include income derived in the active conduct of an insurance business by a corporation that is predominantly engaged in an insurance business and that would be subject to tax as an insurance company if it were a United States corporation. More than 90% of the assets reflected on the consolidated balance sheet of the Company are financial assets that are held under multi-manager investment contracts in connection with "linked policies" issued by registered long-term insurers under the LTIA. These "linked policies" are retirement investment products that a regulated South African insurer may offer in accordance with the LTIA, the return on which matches the performance of the assets underlying them. The Company and its subsidiaries' net income with respect to these policies and assets is limited to management fees. While "linked policies" are retirement investment products that conform to the regulatory requirements of South Africa applicable to insurers, they are not designed to conform to United States insurance regulatory requirements. Absent further guidance, it is unclear how to apply the PFIC rules and the active insurance exception to non-United States insurance companies offering products that, while conforming to the regulatory requirements applicable to insurance companies in the jurisdictions in which they operate, do not conform to those applicable to United States insurance companies. It is therefore unclear whether the Company and its subsidiaries could benefit from the active insurance exception or whether the assets held in connection with "linked policies" are appropriately treated as assets of the

Company and its subsidiaries for PFIC purposes. Accordingly, the Company and certain of its subsidiaries may be determined to be PFICs for any taxable year. Potential purchasers should consult their own tax advisors with respect to the PFIC status of the Company and its subsidiaries.

If the Company were a PFIC for any year during which a United States Holder held Offer Shares, it generally would continue to be treated as a PFIC with respect to that United States Holder for all succeeding years during which the United States Holder held Offer Shares, even if the Company ceased to meet the threshold requirements for PFIC status.

Generally, if the Company were a PFIC for any taxable year during which a United States Holder held Offer Shares, gain recognised by a United States Holder on a sale or other disposition (including certain pledges) of the Offer Shares would be allocated rateably over the United States Holder's holding period for the Offer Shares. The amounts allocated to the taxable year of the sale or other disposition and to any taxable year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the resulting tax liability for each such taxable year. Further, to the extent that any distribution received by a United States Holder on its Offer Shares exceeds 125% of the average of the annual distributions on the Offer Shares received during the preceding three years or the United States Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain from a sale or other disposition of the Offer Shares.

Under attribution rules, if the Company were a PFIC and any of its subsidiaries or other entities in which it owns equity interests were also a PFIC (a "Lower-tier PFIC"), a United States Holder would be deemed to own its proportionate share of the Lower-tier PFIC shares and would be subject to United States federal income tax according to the rules described in the above paragraph on (i) certain distributions by a Lower-tier PFIC and (ii) a disposition of shares of a Lower-tier PFIC, in each case as if the United States Holder held such shares directly, even though the United States Holder had not received the proceeds of those distributions or dispositions. Appropriate adjustments would be made to the tax basis of the United States Holder's Offer Shares to reflect these income inclusions.

Alternatively, if the Company were a PFIC and if the Offer Shares were "regularly traded" on a "qualified exchange", a United States Holder could make a mark-to-market election that would result in tax treatment different from the tax treatment for PFICs described above. The Offer Shares would be treated as "regularly traded" in any calendar year in which more than *a de minimis* quantity of the Offer Shares were traded on a qualified exchange on at least 15 days during each calendar quarter. The Internal Revenue Service has not identified non-United States exchanges that are "qualified" for this purpose. If a United States Holder makes the mark-to-market election, the United States Holder generally will recognise as ordinary income any excess of the fair market value of the Offer Shares at the end of each taxable year over their adjusted tax basis, and will recognise an ordinary loss in respect of any excess of the adjusted tax basis of the Offer Shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). If a United States Holder makes the election, the United States Holder's tax basis in the Offer Shares will be adjusted to reflect these income or loss amounts. In addition, if a United States Holder makes the election, any gain recognised on the sale or other disposition of Shares in a taxable year during which the Company is a PFIC will be treated as ordinary income and any loss will be treated as an ordinary loss (but only to the extent of the net amount of income previously included as a result of the mark-to-market election). United States Holders should consult their tax advisors regarding the availability and advisability of making a mark-to-market election in their particular circumstances. In particular, United States Holders should consider carefully the impact of a mark-to-market election with respect to their Offer Shares given that the Company could have Lower-tier PFICs for which a mark-to-market election would not be available.

A timely election to treat the Company as a "qualified electing fund" under section 1295 of the Code would result in an alternative treatment. United States Holders should be aware, however, that the Company does not intend to satisfy record-keeping and other requirements that would permit United States Holders to make "qualified electing fund" elections.

If the Company were a PFIC for the taxable year in which it paid a dividend or for the prior taxable year, the reduced tax rate discussed above with respect to certain dividends paid to certain non-corporate United States Holders would not apply with respect to the Company and any Lower-tier PFIC.

If the Company were a PFIC for any taxable year during which a United States Holder owned any Offer Shares, the United States Holder would generally be required to file IRS Form 8621 with its annual United States federal income tax return.

United States Holders should consult their own tax advisors regarding the PFIC status of the Company and its subsidiaries, and the United States federal income tax consequences that apply to an investment in a PFIC.

Information reporting and backup withholding

Payments of dividends and sales proceeds that are made within the United States or through certain United States -related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless: (i) the United States Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the United States Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

The amount of any backup withholding from a payment to a United States Holder will be allowed as a credit against the holder's United States federal income tax liability and may entitle such United States Holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

EXCHANGE CONTROL

The following summary describes certain exchange control consequences of acquiring and disposing of Shares. Investors should consult their own advisors as to the exchange control consequences of acquiring and disposing of Shares.

Exchange Controls and other limitations affecting shareholders

Currency is not freely transferable from South Africa to any jurisdiction falling outside the geographical borders of South Africa, other than jurisdictions falling within the Common Monetary Area, and must be dealt with in terms of the South African Exchange Control Regulations as described below. The Exchange Control Regulations also regulate the acquisition by former residents and non-residents of Offer Shares.

Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an application to be made in response to the Offer.

The following summary is intended as a guide and is therefore not comprehensive. If investors are in any doubt regarding Exchange Control Regulations, they should consult their professional advisors.

Emigrants from the Common Monetary Area

- A former resident of the Common Monetary Area who has emigrated from South Africa may use emigrant blocked funds to acquire Offer Shares in terms of this Pre-listing Statement.
- All payments in respect of subscriptions for or purchases of Offer Shares by an emigrant using blocked funds must be made through an authorised dealer in foreign exchange controlling the blocked assets.
- Share certificates issued in respect of Offer Shares (subsequent to the transfer of the Offer Shares it being recorded that the Offer Shares will be transferred in dematerialised form) and acquired with emigrant blocked funds in terms of this Pre-listing Statement will be credited to their blocked share accounts at the CSDP controlling their blocked portfolios.
- Shares subsequently re-materialised and issued in certificated form will be endorsed “Non-Resident” by the authorised dealer in foreign exchange through whom the payment was made.
- If applicable, refund monies payable in respect of unsuccessful applications or partly successful applications for Offer Shares, as the case may be, in terms of this Pre-listing Statement, emanating from emigrant blocked accounts, will be returned to the authorised dealer in foreign exchange through whom the payments were made, for credit to such applicants’ blocked accounts.

The CSDP or broker through whom the Company’s shareholders have dematerialised their Shares is responsible for ensuring adherence to the Exchange Control Regulations.

Applicants resident outside the Common Monetary Area

- A person who is not resident in the Common Monetary Area, including an emigrant not using emigrant blocked funds, should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable a sale to be made in terms of the private placing.
- In the case of a dematerialised ordinary shareholder, all Offer Shares issued will be credited directly to the ordinary shareholder’s non-resident share account held by his duly appointed CSDP. The CSDP or broker through whom the Company’s shareholders have dematerialised their shares will ensure that they adhere to the Exchange Control Regulations.
- Applicants who are residents outside the Common Monetary Area should note that, where shares are subsequently re-materialised and issued in certificated form, such share certificates will be endorsed “Non-Resident” in terms of the Exchange Control Regulations.

Investments in South African companies

A non-resident investor may invest freely in ordinary shares in a South African company, provided that such transactions are concluded at arm’s length, at fair market-related prices and are financed in an approved manner. In this regard, such financing must be in the form of the introduction of foreign currency, Rand from a Non-Resident account or in terms of approved local borrowings that comply with Exchange Control Regulations. The creation of any loan account between a resident and a non-resident would require prior exchange control approval.

Acquisitions of shares or assets of South African companies by non-South African purchasers are generally subject to review by SARB.

Any foreign investor may also sell shares in a South African company and transfer the proceeds out of South Africa without restriction, provided that such transactions are concluded at arm’s length and at market related prices.

Dividends

Dividends declared to non-resident shareholders are, to the extent that the share certificates were endorsed “Non-Resident”, not subject to approval by the SARB and are freely transferable to non-resident shareholders by publicly listed companies. The transfer of funds abroad in respect of the declaration of a dividend in specie or special dividend by a publicly listed company requires prior SARB approval.

Interest

Permission is required from the SARB or an authorised dealer in foreign exchange for interest payments to be made on foreign loans unless the interest payments were approved upfront by the authorised dealer in foreign exchange when the approval was obtained from the SARB in respect of the foreign loan.

Voting rights

There are no limitations imposed by South African law or by the MOI on the rights of non-South African shareholders to vote for the Shares.

ADDITIONAL INFORMATION

1. INFORMATION ON SUBSIDIARIES

Details of the Issuer's subsidiaries are set out in Annexure 12 to this Pre-listing Statement.

2. PRINCIPAL IMMOVABLE PROPERTY OWNED OR LEASED

No principal immovable property is owned by Cartrack as at the Last Practicable Date.

The Directors have the following interests in the principal immovable property of the Company being leased:

IJ Calisto and LMA Madeira are Directors of Purple Rain. Onecell owns 100% of Purple Rain Properties and, prior to Listing, 100% of Cartrack, and are associates in term of the Listings Requirements. Purple Rain Properties leases such premises (from which premises both Cartrack and Cartrack Technologies conducts its business) to both Cartrack and Cartrack Technologies. These lease agreements were concluded at market related terms and rates (as reviewed by the Independent Directors of the Group), and with the consent of the Directors and shareholders of Onecell.

Situation	Area m^2	Tenure
Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	4,191	5 years

The remaining lease agreements are not deemed to be material.

3. MATERIAL ACQUISITIONS

The Group has not made any material acquisitions of assets in the three years preceding the Last Practicable Date.

4. PROPERTY ACQUIRED OR TO BE ACQUIRED

The Group has not acquired any immovable property in the three years preceding the Last Practicable Date and the Group has no intention or option, as at the Last Practicable Date, to acquire any immovable property.

5. DISPOSAL OF PROPERTY

There have been no material disposals of property by Cartrack during the past three years as at the date of this Pre-listing Statement.

6. INTEREST OF ADVISORS AND PROMOTERS AND AMOUNTS PAID OR PAYABLE TO PROMOTERS

None of the Advisors, as set out in the "Corporate Information and Advisors" section on page 1 of this Pre-listing Statement, holds any Shares or has agreed to acquire any Shares.

Other than as disclosed in "Additional Information – Expenses" below, the Company has not, during the preceding three year period, paid any amount (whether in cash or in securities), nor given any benefit to any promoters or any partnership, syndicate or other association of which the promoter was a member.

Other than as disclosed in "Additional Information – Expenses" below, no promoters have any material beneficial interest in the Company's promotion.

7. MATERIAL CONTRACTS

The details and summaries of the material contracts in respect of the Group are set out in Annexure 13.

8. MATERIAL CHANGES

There have been no material changes to the Group's financial or trading position between the financial year ended 28 February 2014 and the Last Practicable Date.

Furthermore, there have been no material changes in the business or trading objects of Cartrack in the past 5 year period.

9. MATERIAL CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

The Group has no material contracted capital commitments.

Capital expenditure will be financed from available cash resources, funds generated from operations and available borrowing facilities. Management is not aware of any other contingencies, lease payment liabilities or capital commitments at the time of this Pre-listing Statement of a material nature.

10. MATERIAL LOANS RECEIVABLE

As at the Last Practicable Date neither Cartrack nor any of its subsidiaries had any material loans receivable from third parties.

No loans have been made or security furnished by Cartrack to or for the benefit of any director or manager as at the Last Practicable Date.

11. LOAN CAPITAL AND MATERIAL LOANS

Cartrack does not have any material borrowings as at 28 February 2014 nor is there any outstanding loan capital as at the Last Practicable Date.

No debentures have ever been issued or agreed to be issued by Cartrack or any of its subsidiaries.

No loans in Cartrack carry any conversion or redemption rights.

12. MATERIAL INTER-COMPANY BALANCES

The group does not have any material inter-company balances as at 28 February 2014 and the Last Practicable Date.

13. NO MATERIAL CHANGE

There has been no material change in the nature of the business of the Issuer and its subsidiaries between 28 February 2014 and the Last Practicable Date. Furthermore, save as disclosed in this Pre-listing Statement, no material fact or circumstance has occurred between 28 February 2014 and the Last Practicable Date.

14. CONTINGENT LIABILITIES

As at the Last Practicable Date, the Group has no material contingent liabilities.

15. LEASE PAYMENTS

Cartrack has various operating and finance lease agreements for its premises, motor vehicles and equipment but none are material obligations as at the Last Practicable Date.

As set out in the notes to Annexure 2, the finance lease obligations as at 28 February 2014 are as follows:

	R
Minimum lease payments due	
– within one year	4,003,616
– in second to fifth year inclusive	4,387,144
	8,390,760
Less future finance charges	(694,334)
Present value of minimum lease payments	**7,696,426**

16. WORKING CAPITAL STATEMENT

The Directors of the Group are of the opinion that in the ordinary course of business the working capital available to the Group is sufficient for their present requirements, that is, for at least 12 months following the Last Practicable Date.

17. LITIGATION STATEMENT

Cartrack is not aware of any legal proceedings pending or threatened that are likely to have a material effect on its financial condition, results of operations or cash flows. Furthermore, no legal or arbitration proceedings have been instituted that may have or have had in the last 12 months a material effect on the Group's financial position, nor is Cartrack aware of any such proceedings that are pending or threatened.

18. RELATED PARTY TRANSACTIONS

In terms of a manufacturing and supply agreement (the "**Manufacturing and Supply Agreement**") dated 18 August 2014 between the Company and Onecell Manufacturing (being a wholly-owned subsidiary of Onecell which falls outside of the Group), Onecell Manufacturing procures electronic componentry and the manufacture of hardware related to the tracking units and other related products, for the Company. Onecell Manufacturing's mark-up on the sale of any products to the Company is limited to 10% (ten percent) of the overall total combined cost of the services provided by Onecell Manufacturing. Manufacturing must be in accordance with ISO 9000 quality standards and carries a 1 (one) year manufacturing warranty. All product and firmware design is provided by the Company and shall (together with any other intellectual property of the Company) remain the property of the Company. As such, Onecell Manufacturing shall have no responsibility for design faults and does not warrant that any firmware designed or supplied to it for incorporation into the products manufactured in terms of the Manufacturing and Supply Agreement is fit for any purpose whatsoever. In addition, the aforesaid manufacturing warranty does not apply to abnormal use of, incorrect application of or incorrect installation or maintenance of the products manufactured under the Manufacturing and Supply Agreement or any negligence on the part of any person other than Onecell Manufacturing. Payment for the services shall be made within 30 days of receipt by the Company of a statement from Onecell Manufacturing. On 25 October 2014 the Company, Onecell and Onecell Manufacturing entered into a sale of shares agreement in terms of which Onecell sells its 100% share in Onecell Manfacturing's issued share capital to the Company for a purchase price of R100. In order to coincide with the financial year end of the Company, the effective date of the sale of shares shall be 1 March 2015, from which date the Manufacturing and Supply Agreement will become an inter-Group arrangement. Onecell Manufacturing intends to change its name to Cartrack Manufacturing. Onecell Manufacturing provides the same services to Onecell (Pty) Ltd on similar terms and conditions as those set out in the Manufacturing and Supply Agreement.

This acquisition is not material and the financial effects of this transaction when effective on 1 March 2015 are not significant.

Other than that which is set out in this section 18 and section 2 of the "Additional Information" section of this Pre-listing Statement, all related party transactions are set out in the notes to the Annual Financial Statements in Annexure 2; the material contracts summary in Annexure 13 and the Onecell subscription and buyback summary in Annexure 14.

19. EXPENSES

The Company has not incurred any preliminary expenses (within the meaning of the Listings Requirements and the Companies Act) over the last three financial years.

The table below sets out the total estimated expenses of the Offer and the Listing, and the parties responsible for the payment thereof:

Expenses of the Offer and Listing (excluding Value-Added Tax)	**(R'000)**
Financial Advisor, Bookrunner and Sponsor – Investec	13,250
Legal Advisor – ENSAfrica	2,000
Independent reporting accountants and auditors – Grant Thornton	500
Public relations advisor– Aprio	300
Printing, publishing and distribution costs	170
JSE listing and documentation fees	400
Transfer secretary – Computershare	30
Other[1]	150
Total estimated expenses and fees	**16,800**
Fees borne by	
Cartrack	3,550
Onecell [2, 3]	13,250

Notes:

1. Comprises various smaller cost items including travel, web design and related ad hoc costs
2. Based on an Offer Price at the mid-point of the Offer Price Range with a subscription for 60,000,000 shares
3. These costs will be settled by Onecell with no portion of this amount being funded or paid for by Cartrack or any of its subsidiaries

20. COMMISSIONS PAID OR PAYABLE TO BOOKRUNNER

No consideration has been paid or is payable by Cartrack to any person (including any commissions so paid or payable to the Company's holding Company, promoter, director or officer) for purchasing or agreeing to apply to purchase, or agreeing to procure subscribers for any of the Offer Shares. No commissions, discounts, brokerage or other special terms were granted by Cartrack in connection with the issue of any securities, stock or debentures in Cartrack's capital other than fees agreed to the Bookrunner.

21. REGISTRATION OF PRE-LISTING STATEMENT

As the Offer is not an offer to the public as contemplated under the Companies Act, a copy of this Pre-listing Statement is not required to be registered with the Commission in terms of the Companies Act.

22. CONSENTS

Each of the Legal Advisors, public relations advisor, independent reporting accountants and auditors and Investec (in its capacity as Investment Bank, Bookrunner, and Sponsor) named in this Pre-listing Statement have consented in writing to act in the capacities stated and to their names being stated in this Pre-listing Statement, and no such consent has been withdrawn prior to the issue of this Pre-listing Statement.

23. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no Government protection or investment encouragement law affecting the business of Cartrack.

24. INDEPENDENT REPORTING ACCOUNTANTS AND AUDITORS

The Issuer's historical consolidated financial statements included in this Pre-listing Statement for the years ended 29 February 2013 and 2014 have been audited with the financial statements for the year ended 29 February 2012 and the 6 month period ended 31 August 2014 having been reviewed by Grant Thornton, as stated in their audit report included in this Pre-listing Statement.

25. DIRECTORS' RESPONSIBILITY STATEMENT

The Issuer's board of Directors, whose names are given under "Management and Corporate Governance Directors and Management" commencing on page 31, collectively and individually, accept full responsibility for the accuracy of the information contained herein and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law and the Listings Requirements.

26. STATEMENT OF ADJUSTMENTS

No adjustments have been made to previously reported historical financial information used in preparing the report of historical financial information contained in Annexure 2.

27. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at Cartrack's registered office and the sponsors' offices set out in the "Corporate Information" section during normal business hours (Saturdays, Sundays and official South African public holidays excepted) from the date of issue of this Pre-listing Statement until Friday, 12 December 2014:

- the Memorandum of Incorporation of the Company and the Company's subsidiaries;
- a signed copy of this Pre-listing Statement;
- Cartrack's consolidated annual financial statements for the years ended 29 February 2012, 2013 and 2014;
- Cartrack's reviewed consolidated financial statements for the 6 months ended 31 August 2014;
- the report of the independent reporting accountants and auditors, dated 14 November 2014, which are included as Annexures 4, 5, 6, 8 and 10 to this Pre-listing Statement;
- the written consents of the Legal Advisor, Investment Bank, Bookrunner and sponsor, the auditors and Public Relations advisor;
- service contracts of the Directors of the Company; and
- copies of the material contracts referred to in the "Material Contracts", as well as the independent expert's report prepared in respect of the share buy-back contemplated in the share buyback agreement set out in Annexure 14;

SIGNED IN JOHANNESBURG ON 14 NOVEMBER 2014 BY OR ON BEHALF OF THE DIRECTORS OF CARTRACK

Isaias Calisto

Global Chief Executive Officer

John Edmeston

Global Chief Financial Officer

GENERAL REVIEW OF THE FINANCIAL PERFORMANCE OF CARTRACK HOLDINGS LIMITED FOR THE PERIODS ENDED 28 FEBRUARY 2014 AND 31 AUGUST 2014

1. BUSINESS OVERVIEW

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

Both South Africa and Mozambique, representing Cartrack's two largest operating geographies, experienced continued growth in the Stolen Vehicle Recovery services sector. This growth was supported primarily through insurance channels in conjunction to Cartrack's marked effort in emphasising its leading recovery rate and unique R150,000 recovery warranty. The recovery warranty has been marketed through various media channels and in particular, through a television campaign which ran throughout 2014. Cartrack believes that this campaign has increased the interest in both the retail and corporate markets. Growth in insurance telematics, combining driver behavior elements with vehicle recovery, has also been seen, although this has been at a slower than expected uptake rate.

Strong growth has been achieved in Fleet Management products which are now contributing to an increasing proportion of total unit sales. For the interim period ended 31 August 2014, sales of Fleet Management products accounted for 78% of total global sales (70% for the year ended 28 February 2013). Currently, Fleet Management units account for over 50% of Cartrack's total global active subscriber base, having experienced unit growth of over 50% in the past 18 months.

Internationally, Cartrack focused both on driving sales in existing geographies as well as establishing businesses in new countries. For the financial year ended February 2014, 17% of revenue was attributable to operations outside of South Africa (11% in the prior year), for the interim period ended 31 August 2014 the equivalent figure is 24%. For the year ended 28 February 2014, Cartrack established or acquired 4 international operations with this number having risen to 8 for the 6 months ending 31 August 2014. The associated startup costs for these new operations have adversely impacted Cartrack's consolidated profits in these periods. 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 centralised infrastructure. In line with prior experiences, Cartrack believes that the time frame required to reach a breakeven point for newly established operations averages three years from the date of establishment. Operating entities that are not yet at breakeven contributed losses of R4,021,274 for the half year to 31 August 2014 with losses of R1,415,462 during the year ended February 2014 (2013: R Nil).

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 a software update. Cartrack's product range was supplemented further through the conclusion of a reseller agreement with a global supplier for an in-vehicle camera system, thereby complementing Cartrack's existing telematics product range and enhancing Cartrack's driver behavior 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.

2. FINANCIAL PERFORMANCE FOR THE YEAR ENDED 28 FEBRUARY 2014

a. Revenue growth of 28% was achieved due to:

- a 42% increase in the revenue recognised from hardware sales as a result of the active unit subscriber base having increased by 18% to 348,430 units; and
- an increase of 24.5% in the annuity revenue received from subscriptions;

b. Gross profit margins reduced slightly by 0.6% 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;

c. Cartrack's operating profit saw an increase of 26.1% despite a reduction of 0.8% in Cartrack's operating profit margin. This margin reduction can be attributed to total operating costs having increased by 30%, slightly ahead of revenue growth of 28%. This total operating cost increase is largely attributable to the set up costs associated with the newly established international operations which are yet to break even;

d. Profit after tax for the period grew by 22%. 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;

e. Total comprehensive income rose 44% as a result of the increase of 22% as detailed above coupled with exchange rate gains arising from the Rand's deterioration against international currencies.

f. Cash generated from operating activities increased in line with the associated growth in revenue. Continuous control over working capital and relatively low fixed asset infrastructure requirements ensures a high rate of conversion to cash from operating activities. Inventory levels and trade receivables increased as Cartrack increased its international operations. Typically, 3 to 4 months of Inventory is maintained to ensure cost effective procurement and an adequate stock buffer to protect against variations in supply lead times; trade receivables are typically controlled to approximately 1 month's payment terms.

3. FINANCIAL PERFORMANCE FOR THE 6 MONTH PERIOD ENDED 31 AUGUST 2014

The results for the half year ended 31 August 2014 primarily reflects Cartrack's focus on the establishment and integration of new international operations.

a. Revenue increased by 20% compared to the corresponding period of the prior year. Approximately 45% of Cartrack's revenue is typically earned in the first half of the financial year, given the subscription-based business model;

b. Gross profit margins increased slightly, however the operating profit margin reduced to 32.1% (37.5% in the prior full financial year) owing to increased costs being incurred for the establishment of new international operations during the 6 month period. Operating margins are expected to improve as these operations become profitable and the benefits of achieving scale are realised;

c. Profit after tax increased by 17% compared to the corresponding 6 month period of the prior year. Again, this was largely attributable to the newly established or acquired operations which are yet to turn profitable, thereby adversely impacting on Cartrack's net profit after tax.

d. Other comprehensive income growth was impacted by the minor improvement in the performance of the Rand which resulted in a lower level of exchange rate gains as compared to the previous year;

e. Strong cash generation from operations continued in line with the prior year. The acquisition of a number of operating entities resulted in cash outflows of R44 million; working capital has increased primarily as a result of these acquisitions, and it is considered to be within Cartrack's targeted levels.

CONSOLIDATED HISTORICAL FINANCIAL STATEMENTS OF CARTRACK HOLDINGS LIMITED FOR THE YEARS ENDED 29 FEBRUARY 2012, 28 FEBRUARY 2013 AND 28 FEBRUARY 2014

The directors have pleasure in submitting their report on the consolidated financial statements of Cartrack Holdings (Pty) Ltd for the year ended 28 February 2014.

1. NATURE OF BUSINESS

The Cartrack Holdings (Pty) Ltd group was incorporated in South Africa and is engaged in the development of telematics and electronic equipment, fleet management, vehicle tracking, import and export and allied activities.

There have been no material changes to the nature of the company's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these consolidated financial statements.

3. SHARE CAPITAL

During the financial year the company purchased the minority interest in Cartrack Proprietary Limited from the Georgem Trust and Garoca Trust. To fund the acquisition, 42 new shares were issued to Onecell Holdings Proprietary Limited at a premium of R 42,487,158.00.

4. DIVIDENDS

The dividends already declared to the shareholders during the year are as reflected in the attached statement of changes in equity, once the appropriate approval was granted by the board.

5. DIRECTORATE

The directors in office at the date of this report are as follows:

Directors		Changes
I.J. Calisto	Managing Director and Chief Executive Officer	
L.M.A. Madeira		
J. Marais		
C. Sanderson		Appointed 28 February 2014

6. HOLDING COMPANY

The company's holding company is Onecell Holdings (Pty) Ltd which holds 100% (2013: 60%) (2012: 60%) of the company's equity. Onecell Holdings (Pty) Ltd is incorporated in South Africa.

7. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. INTERESTS IN SUBSIDIARIES

Cartrack Holdings (Pty) Ltd has interests in the following subsidiary companies:

Name of Company	Percentage Ownership Held 2014	Percentage Ownership Held 2013	Percentage Ownership Held 2012
Cartrack (Pty) Ltd	100.00 %	95.00 %	95.00 %
Cartrack Tanzania Ltd	60.00 %	- %	- %
Retriever Ltd	85.00 %	- %	- %
Cartrack Namibia (Pty) Ltd	100.00 %	- %	- %

Cartrack (Pty) Ltd has interests in the following subsidiary companies:

Name of Company	Percentage Ownership Held 2014	Percentage Ownership Held 2013	Percentage Ownership Held 2012
Cartrack Limitada	50.00 %	50.00 %	50.00 %
Cartrack Namibia (Pty) Ltd	– %	100.00 %	100.00 %
Cartrack Fleet Management (Pty) Ltd	74.00 %	74.00 %	74.00 %
Cartrack North East (Pty) Ltd	50.50 %	50.50 %	50.50 %
Plexique (Pty) Ltd	100.00 %	100.00 %	100.00 %
Zonke Bonke Telecoms (Pty) Ltd	100.00 %	100.00 %	100.00 %
Combined Telematics Services (Pty) Ltd	100.00 %	100.00 %	100.00 %
Cartrack Technologies Asia Pte. Ltd	100.00 %	– %	– %
Cartrack Polska.SP.ZO.O	100.00 %	– %	– %

CARTRACK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2014

Figures in Rand	Note(s)	Audited 2014	Audited 2013	Reviewed 2012
Assets				
Non-Current Assets				
Property, plant and equipment	3	31 308 379	21 506 282	13 896 746
Goodwill	4	99 433 144	82 255 688	88 394 880
Prepayments	8	14 607 994	9 775 743	8 102 283
		145 349 517	**113 537 713**	**110 393 909**
Current Assets				
Inventories	9	32 740 048	21 435 807	11 881 057
Loans to group companies	5	8 670 763	121 056 390	2 062 579
Other financial assets	6	26 369 428	9 121 658	4 083 416
Current tax receivable		351 665	163 140	76 339
Trade and other receivables	10	31 110 081	14 794 441	9 909 687
Prepayments	8	32 306 923	11 661 190	12 266 897
Cash and cash equivalents	11	41 656 645	12 825 828	49 341 361
		173 205 553	**191 058 454**	**89 621 336**
Total Assets		**318 555 070**	**304 596 167**	**200 015 245**
Equity and Liabilities				
Equity				
Equity Attributable to Equity Holders of Parent				
Share capital	12	42 487 300	100	100
Reserves		21 003 526	11 451 638	15 205 295
Retained income		124 619 059	188 419 815	78 017 693
		188 109 885	199 871 553	93 223 088
Non-controlling interest		33 712 854	32 079 534	32 316 747
		221 822 739	**231 951 087**	**125 539 835**
Liabilities				
Non-Current Liabilities				
Finance lease obligation	14	4 169 494	3 481 516	1 875 605
Deferred tax	7	3 689 341	1 134 885	1 234 429
		8 388 030	**5 175 484**	**2 966 964**
Current Liabilities				
Loans from group companies	5	7 365	–	4 956
Other financial liabilities	13	730 258	–	–
Current tax payable		10 857 547	3 984 642	13 543 811
Finance lease obligation	14	3 526 932	3 530 721	1 873 294
Trade and other payables	15	73 751 394	51 576 336	46 397 860
Dividend payable		–	8 936 980	9 545 455
		88 344 301	**67 469 596**	**71 508 446**
Total Liabilities		**96 732 331**	**72 645 080**	**74 475 410**
Total Equity and Liabilities		**318 555 070**	**304 596 167**	**200 015 245**

CARTRACK HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	Audited 2014	Audited 2013	Reviewed 2012
Revenue	16	637 020 292	495 811 748	448 411 821
Cost of sales	17	(128 578 810)	(97 018 648)	(100 228 563)
Gross profit		**508 441 482**	**398 793 100**	**348 183 258**
Other income		11 946 375	7 489 829	6 779 941
Operating expenses		(281 229 107)	(216 628 497)	(192 750 412)
Operating profit	18	**239 158 750**	**189 654 432**	**162 212 787**
Investment revenue	19	1 742 023	4 778 721	4 601 149
Finance costs	20	(1 211 071)	(292 263)	(425 629)
Profit before taxation		**239 689 702**	**194 140 890**	**166 388 307**
Taxation	21	(71 682 188)	(56 451 843)	(51 716 372)
Profit for the year		**168 007 514**	**137 689 047**	**114 671 935**
Other comprehensive income:				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations		18 339 903	(7 902 438)	32 011 148
Other comprehensive income for the year net of taxation		**18 339 903**	**(7 902 438)**	**32 011 148**
Total comprehensive income for the year		**186 347 417**	**129 786 609**	**146 683 083**
Total comprehensive income attributable to:				
Owners of the parent		164 624 258	117 292 434	119 051 594
Non-controlling interest		21 723 159	12 494 175	27 631 489
		186 347 417	**129 786 609**	**146 683 083**
Profit attributable to:				
Owners of the parent		155 072 370	121 046 092	103 846 299
Non-controlling interest		12 935 144	16 642 955	10 825 636
		168 007 514	**137 689 047**	**114 671 935**

CARTRACK HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

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 2012	**100**	–	**100**	**15 205 295**	**78 017 693**	**93 223 088**	**32 316 747**	**125 539 835**
Profit for the year	–	–	–	–	121 046 092	121 046 092	16 642 955	137 689 047
Other comprehensive income	–	–	–	(3 753 657)	–	(3 753 657)	(4 148 780)	(7 902 437)
Total comprehensive income for the year	–	–	–	(3 753 657)	121 046 092	117 292 435	12 494 175	129 786 610
Dividends	–	–	–	–	(10 643 970)	(10 643 970)	(12 731 388)	(23 375 358)
Total contributions by and distributions to owners of company recognised directly in equity	–	–	–	–	**(10 643 970)**	**(10 643 970)**	**(12 731 388)**	**(23 375 358)**
Balance at 01 March 2013	100	–	100	11 451 638	188 419 815	199 871 553	32 079 534	231 951 087
Profit for the year	–	–	–	–	155 072 370	155 072 370	12 935 144	168 007 514
Other comprehensive income	–	–	–	9 551 888	–	9 551 888	8 788 015	18 339 903
Total comprehensive income for the year	–	–	–	9 551 888	155 072 370	164 624 258	21 723 159	186 347 417
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)
Changes in ownership interest – control not lost	–	–	–	–	(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)**
Balance at 28 February 2014	**142**	**42 487 158**	**42 487 300**	**21 003 526**	**124 619 059**	**188 109 885**	**33 712 854**	**221 822 739**
Note(s)	12	12	12					

CARTRACK HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	Audited 2014	Audited 2013	Reviewed 2012
Cash flows from operating activities				
Cash generated from operations	23	216 040 716	182 691 370	182 662 514
Interest income		1 742 023	4 778 721	4 601 149
Finance costs		(738 958)	(6 264)	(4 409)
Tax paid	24	(62 410 881)	(66 197 357)	(43 104 536)
Net cash from operating activities		**154 632 900**	**121 266 470**	**144 154 718**
Cash flows from investing activities				
Purchase of property, plant and equipment	3	(18 704 971)	(11 961 556)	(9 336 227)
Sale of property, plant and equipment	3	1 690 668	917 017	548 313
Movement in investments (incl subs, JVs & Assoc)		2 883 507	-	(58 378 448)
Advance/(repayment) of loans with group companies		-	-	(3 123 880)
Proceeds from loans from group companies		112 392 992	-	-
Repayment of loans from group companies		-	(118 998 767)	-
Purchase of financial assets		(17 247 770)	(5 038 242)	-
Movement in financial assets		-	-	(4 083 416)
Net cash from investing activities		**81 014 426**	**(135 081 548)**	**(74 373 658)**
Cash flows from financing activities				
Advance/(repayment) of other financial liabilities		730 258	-	-
Finance lease payments		211 276	2 977 339	(2 261 048)
Dividends paid	25	(205 664 992)	(23 983 833)	(55 454 545)
Net cash from financing activities		**(204 723 458)**	**(21 006 494)**	**(57 715 593)**
Total cash movement for the year		**30 923 868**	**(34 821 572)**	**12 065 467**
Cash at the beginning of the year		12 825 828	49 341 361	38 761 029
Effect of exchange rate movement on cash balances		(2 093 051)	(1 693 961)	(1 485 135)
Total cash at end of the year	11	**41 656 645**	**12 825 828**	**49 341 361**

1. BASIS OF PREPARATION

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, 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 for financial instruments at fair value and amortised cost.

The accounting policies adopted are consistent in all material respects with that of the previous year.

1.1 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and all investees which are controlled by the company.

The company has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the company.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the company's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the company has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The company accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal company) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the company assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for company purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

1.1 Consolidation *(continued)*

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the company at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements in conformity with International Financial Reporting Standards, management is required to make estimates and assumptions that affect the application of accounting policies and the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed below:

Trade receivables, Held to maturity investments and Loans and receivables

The company assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that these assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income.

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Buildings	20 - 50 Years
Plant and machinery	5 Years
Furniture and fixtures	5 Years
Motor vehicles	4 Years
Office equipment	5 Years
IT equipment	3 Years
Computer software	3 Years
Leasehold improvements	3 Years
Security equipment	5 Years
Other fixed assets	5 Years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Financial instruments

Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Financial instruments *(continued)*

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Prepayments - sale of rental units

Cartrack provides vehicle recovery services to clients. In the instance where a tracking unit is sold on a rental basis, the prepayment is deferred over the lease period of 36 months and is recognised as cost of sales on a monthly basis.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

1.7 Impairment of assets *(continued)*

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Rental income is recognised as revenue on the straight line basis over the lease term.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

1.10 Revenue *(continued)*

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.11 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.13 Translation of foreign currencies

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

2. NEW STANDARDS AND INTERPRETATIONS

At the date of approval of these consolidated financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's financial statements.

2. NEW STANDARDS AND INTERPRETATIONS *(CONTINUED)*

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2014 or later periods but are not relevant to its operations:

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 01 January 2015.

The group does not envisage the adoption of the standard until such time as it becomes applicable to the group's operations.

It is unlikely that the standard will have a material impact on the company's consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

		Audited 2014			Audited 2013	
Figures in Rand	**Cost/ Valuation**	**Accumulated depreciation**	**Carrying value**	**Cost/ Valuation**	**Accumulated depreciation**	**Carrying value**
Buildings	5 125 611	(81 689)	5 043 922	2 511 812	-	2 511 812
Plant and equipment	1 199 716	(1 043 797)	155 919	828 453	(775 696)	52 757
Furniture and fixtures	3 631 232	(1 505 809)	2 125 423	1 314 264	(1 047 324)	266 940
Motor vehicles	32 889 311	(16 893 280)	15 996 031	30 240 750	(14 689 660)	15 551 090
Office equipment	3 295 737	(1 181 440)	2 114 297	1 869 209	(511 406)	1 357 803
IT equipment	9 200 346	(6 794 726)	2 405 620	6 520 306	(5 175 082)	1 345 224
Computer software	505 038	(213 806)	291 232	41 905	(41 905)	–
Leasehold improvements	722 438	(540 894)	181 544	722 438	(367 361)	355 077
Security equipment	305 799	(237 647)	68 152	258 957	(193 378)	65 579
Other fixed assets	5 070 725	(2 144 486)	2 926 239	–	–	–
Total	**61 945 953**	**(30 637 574)**	**31 308 379**	**44 308 094**	**(22 801 812)**	**21 506 282**

3. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

	Reviewed 2012		
Figures in Rand	**Cost/ Valuation**	**Accumulated depreciation**	**Carrying value**
Buildings	–	–	–
Plant and equipment	811 348	(732 680)	78 668
Furniture and fixtures	1 225 465	(860 313)	365 152
Motor vehicles	25 386 041	(13 800 786)	11 585 255
Office equipment	827 026	(315 582)	511 444
IT equipment	5 003 790	(3 901 584)	1 102 206
Computer software	391 305	(391 301)	4
Leasehold improvements	363 000	(190 234)	172 766
Security equipment	238 557	(157 306)	81 251
Other fixed assets	–	–	–
Total	**34 246 532**	**(20 349 786)**	**13 896 746**

Reconciliation of property, plant and equipment – 2014 (Audited)

Figures in Rand	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Buildings	2 511 812	2 112 197	–	444 130	(24 217)	5 043 922
Plant and equipment	52 757	166 261	–	(2 726)	(60 373)	155 919
Furniture and fixtures	266 940	2 309 283	(24 826)	(2 788)	(423 186)	2 125 423
Motor vehicles	15 551 090	5 840 622	(833 303)	100 220	(4 662 598)	15 996 031
Office equipment	1 357 803	965 037	–	227 752	(436 295)	2 114 297
IT equipment	1 345 224	2 660 753	–	(22 553)	(1 577 804)	2 405 620
Computer software	–	310 415	–	(140)	(19 043)	291 232
Leasehold improvements	355 077	–	–	–	(173 533)	181 544
Security equipment	65 579	46 842	–	–	(44 269)	68 152
Other fixed assets	–	4 293 561	–	(143 144)	(1 224 178)	2 926 239
	21 506 282	**18 704 971**	**(858 129)**	**600 751**	**(8 645 496)**	**31 308 379**

Reconciliation of property, plant and equipment – 2013 (Audited)

Figures in Rand	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Buildings	–	2 511 812	–	–	–	2 511 812
Plant and equipment	78 668	17 104	–	–	(43 015)	52 757
Furniture and fixtures	365 152	88 800	–	–	(187 012)	266 940
Motor vehicles	11 585 255	6 429 952	(231 995)	(41 843)	(2 190 279)	15 551 090
Office equipment	511 444	1 079 877	–	(26 170)	(207 348)	1 357 803
IT equipment	1 102 207	1 439 774	(153 250)	–	(1 043 507)	1 345 224
Computer software	4	–	–	–	(4)	–
Leasehold improvements	172 766	359 437	–	–	(177 126)	355 077
Security equipment	81 251	34 800	(4 800)	–	(45 672)	65 579
	13 896 747	**11 961 556**	**(390 045)**	**(68 013)**	**(3 893 963)**	**21 506 282**

Reconciliation of property, plant and equipment – 2012 (Reviewed)

Figures in Rand	Opening balance	Additions	Disposals	Foreign exchange movements	Depreciation	Total
Plant and machinery	188 354	–	–	–	(109 686)	78 668
Furniture and fixtures	420 858	203 357	(158)	–	(258 905)	365 152
Motor vehicles	9 761 066	7 217 255	(206 983)	(28 366)	(5 157 717)	11 585 255
Office equipment	41 349	563 982	–	(8 347)	(85 540)	511 444
IT equipment	964 605	1 335 383	–	–	(1 197 782)	1 102 206
Computer software	94 232	–	–	–	(94 228)	4
Leasehold improvements	276 784	6 750	–	–	(110 768)	172 766
Security equipment	116 422	9 500	–	–	(44 671)	81 251
	11 863 670	**9 336 227**	**(207 141)**	**(36 713)**	**(7 059 297)**	**13 896 746**

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

4. GOODWILL

Figures in Rand	Audited 2014			Audited 2013		
	Cost/ Valuation	Accumulated depreciation	Carrying value	Cost/ Valuation	Accumulated depreciation	Carrying value
Goodwill	99 433 144	–	99 433 144	82 255 688	–	82 255 688

Cost impairment

	Reviewed 2012		
	Cost/ Valuation	Accumulated depreciation	Carrying value
Goodwill	88 394 880	–	88 394 880

Reconciliation of goodwill – 2014 (Audited)

	Opening balance	Additions	Foreign exchange movements	Total
Goodwill	82 255 688	2 661 992	14 515 464	99 433 144

Reconciliation of goodwill – 2013 (Audited)

	Opening balance	Additions	Foreign exchange movements	Total
Goodwill	88 394 880	(6 139 192)	82 255 688	99 433 144

Reconciliation of goodwill – 2012 (Reviewed)

	Opening balance	Additions	Foreign exchange movements	Total
Goodwill	1 499 495	60 359 158	26 536 227	88 394 880

5. LOANS TO (FROM) GROUP COMPANIES

Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
Holding company			
Onecell Holdings (Pty) Ltd	40	114 400 000	1 000
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Fellow subsidiaries			
Onecell Community Phones (Pty) Ltd	(7 365)	–	–
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Onecell (Pty) Ltd	–	2 452 633	(4 956)
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Onecell Community Services (Pty) Ltd	2 066 319	2 066 319	2 066 319
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Onecell Manufacturing (Pty) Ltd	–	414 734	–
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Bonito Recruitment Services (Pty) Ltd	–	299 216	5 260
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	2 058 954	**5 232 902**	**2 056 623**
Related party			
Cartrack Technologies Asia Pte. Ltd	–	1 423 488	–
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Cartrack Poland	5 655 850	–	–
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Cartrack Engineering Technologies Ltd	943 154	–	–
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
Pro-Fit Fitment Centre (Pty) Ltd	5 400	–	–
This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	6 604 404	**1 423 488**	**-**
Current assets	8 670 763	121 056 390	2 062 579
Current liabilities	(7 365)	–	(4 956)
	8 663 398	**121 056 390**	**2 057 623**

	Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
6.	**OTHER FINANCIAL ASSETS**			
	Loans and receivables			
	Samora Moises Machel Jr.	3 811 434	7 094 208	1 581 332
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	Cartrack Education Fund (Non Profit Company)	2 075 350	2 027 450	754 487
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	Garoca Management Services (Pty) Ltd	20 300 000	–	–
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	Cartrack Mozambique	–	–	1 735 665
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	Onecell Mozambique	–	–	11 932
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	Retriever Rwanda	182 644	–	–
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
		26 369 428	**9 121 658**	**4 083 416**
	Current assets			
	Loans and receivables	26 369 428	9 121 658	4 083 416
7.	**DEFERRED TAX**			
	Deferred tax liability			
	Accelerated capital allowances for tax purposes	(3 689 341)	(1 134 885)	(1 234 429)
	Deferred tax liability	**(3 689 341)**	**(1 134 885)**	**(1 234 429)**
8.	**PREPAYMENTS**			
	Inventory prepaid	13 078 540	–	–
	Prepaid expenses	287 887	–	–
	Capital rental units sold	33 548 490	21 436 933	20 369 180
	Less: Long term portion	(14 607 994)	(9 775 743)	(8 102 283)
		32 306 923	**11 661 190**	**12 266 897**
9.	**INVENTORIES**			
	Completed goods and accessories	31 561 748	20 853 089	11 881 057
	Consumables	1 178 300	582 718	–
		32 740 048	**21 435 807**	**11 881 057**
10.	**TRADE AND OTHER RECEIVABLES**			
	Trade receivables	25 996 936	8 469 272	8 269 297
	Employee costs in advance	525 477	360 499	324 957
	Prepayments (if immaterial)	112 078	153 350	18 997
	Deposits	621 275	279 159	318 899
	VAT	12 430	28 388	134 281
	Sundry debtors	3 841 885	5 503 773	843 256
		31 110 081	**14 794 441**	**9 909 687**
11.	**CASH AND CASH EQUIVALENTS**			
	Cash and cash equivalents consist of:			
	Cash on hand	312 463	134 715	107 136
	Bank balances	23 387 941	11 118 560	21 077 257
	Short-term deposits	17 956 241	1 572 553	28 156 968
		41 656 645	**12 825 828**	**49 341 361**
12.	**SHARE CAPITAL**			
	Authorised			
	1 000 Ordinary shares of R 1.00 each	1 000	1 000	1 000
	Reconciliation of number of shares issued:			
	Reported as at 01 March 2013	100	100	100
	Issue of shares – ordinary shares	42	–	–
		142	**100**	**100**

	Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
13.	**OTHER FINANCIAL LIABILITIES**			
	Held at amortised cost			
	Techvest Investments Pte. Ltd	730 258	–	–
	This loan is unsecured, bears no interest and has no fixed terms of repayment.			
	Current liabilities			
	At amortised cost	730 258	–	–
14.	**FINANCE LEASE OBLIGATION**			
	Minimum lease payments due			
	- within one year	4 003 616	3 925 077	2 099 962
	- in second to fifth year inclusive	4 387 144	3 751 953	1 962 754
		8 390 760	7 677 030	4 062 716
	less: future finance charges	(694 334)	(664 793)	(313 817)
	Present value of minimum lease payments	**7 696 426**	**7 012 237**	**3 748 899**
	Non-current liabilities	4 169 494	3 481 516	1 875 605
	Current liabilities	3 526 932	3 530 721	1 873 294
		7 696 426	**7 012 237**	**3 748 899**

It is company policy to lease certain motor vehicles and equipment under finance leases. The average lease term was 3 years and leases bear interest at prime-linked interest rates.

The company's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 3.

15.	**TRADE AND OTHER PAYABLES**			
	Trade payables	13 059 672	13 670 697	13 170 744
	Amounts received in advance	18 587 792	13 858 791	12 778 395
	VAT	6 036 256	4 425 708	3 419 611
	Dividends withholding tax payable	–	302 285	–
	Payroll accruals	6 500 859	6 125 159	9 606 285
	Accrued expenses	12 558 017	9 044 437	3 268 028
	Sundry creditors	17 008 798	4 149 259	4 154 797
		73 751 394	**51 576 336**	**46 397 860**
16.	**REVENUE**			
	Sale of goods	160 542 425	112 854 190	111 846 847
	Rendering of services	471 657 518	378 730 875	327 382 816
	Royalty income	–	468 891	659 608
	Rental Income	10 500	10 500	–
	Sundry sales	4 809 849	3 747 292	8 522 550
		637 020 292	**495 811 748**	**448 411 821**
17.	**COST OF SALES**			
	Direct costs	128 578 810	97 018 648	100 228 563
18.	**OPERATING PROFIT**			
	Operating profit for the year is stated after accounting for the following:			
	Operating lease charges			
	Premises			
	• Contractual amounts	8 610 302	6 573 445	5 914 905
	Motor vehicles			
	• Contractual amounts	2 685 996	998 639	499 322
	Equipment			
	• Contractual amounts	2 188	–	–
		11 298 486	**7 572 084**	**6 414 227**
	Profit on sale of property, plant and equipment	832 539	526 972	341 172
	Depreciation on property, plant and equipment	8 637 314	3 892 701	7 059 297
	Employee costs	148 347 773	116 343 096	97 483 437

	Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
19.	**INVESTMENT REVENUE**			
	Interest revenue			
	Bank	1 742 023	4 778 721	4 196 381
	South African Revenue Service	–	–	404 768
		1 742 023	**4 778 721**	**4 601 149**
20.	**FINANCE COSTS**			
	Finance leases	472 113	285 999	421 220
	Bank	738 958	6 264	4 409
		1 211 071	**292 263**	**425 629**
21.	**TAXATION**			
	Major components of the tax expense			
	Current			
	Local income tax – current period	69 095 261	56 321 387	47 813 816
	STC	–	230 000	6 500 000
		69 095 261	**56 551 387**	**54 313 816**
	Deferred			
	Originating and reversing temporary differences	2 586 927	(95 553)	(2 597 444)
	Arising from prior period adjustments	–	(3 991)	–
		2 586 927	**(99 544)**	**(2 597 444)**
		71 682 188	**56 451 843**	**51 716 372**
	Reconciliation of the tax expense			
	Reconciliation between accounting profit and tax expense.			
	Accounting profit	239 689 702	194 140 890	166 388 307
	Tax charge	69 095 261	56 321 387	47 813 816
	Deferred tax effect	2 586 927	(95 553)	(2 597 444)
	Deferred tax – prior year adjustment	–	(3 991)	–
	Secondary tax on companies	–	230 000	6 500 000
		71 682 188	**56 451 843**	**51 716 372**
22.	**AUDITORS' REMUNERATION**			
	Fees	792 617	662 144	1 228 839
	Adjustment for previous year	–	–	4 915
		792 617	**662 144**	**1 233 754**
23.	**CASH GENERATED FROM OPERATIONS**			
	Profit before taxation	239 689 702	194 140 890	166 388 307
	Adjustments for:			
	Depreciation and amortisation	8 637 314	3 892 701	7 059 297
	Profit on sale of assets	(832 539)	(526 972)	(341 172)
	Interest received – investment	(1 742 023)	(4 778 721)	(4 601 149)
	Finance costs	1 211 071	292 263	425 629
	Changes in working capital:			
	Inventories	(11 304 241)	(9 554 750)	(3 509 671)
	Trade and other receivables	(16 315 640)	(4 884 754)	11 860 438
	Prepayments	(25 477 984)	(1 067 753)	(1 728 136)
	Trade and other payables	22 175 056	5 178 466	7 108 971
		216 040 716	**182 691 370**	**182 662 514**
24.	**TAX PAID**			
	Balance at beginning of the year	(3 821 502)	(13 467 472)	(2 258 192)
	Current tax for the year recognised in profit or loss	(69 095 261)	(56 551 387)	(54 313 816)
	Balance at end of the year	10 505 882	3 821 502	13 467 472
		(62 410 881)	**(66 197 357)**	**(43 104 536)**

	Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
25.	**DIVIDENDS PAID**			
	Balance at beginning of the year	(8 936 980)	(9 545 455)	–
	Dividends	(196 728 012)	(23 375 358)	(65 000 000)
	Balance at end of the year	–	8 936 980	9 545 455
		(205 664 992)	**(23 983 833)**	**(55 454 545)**

Dividends are from revenue profits.

26. RELATED PARTIES

Relationships

Holding company	Onecell Holdings (Pty) Ltd
Fellow–subsidiary companies	Onecell Community Phones (Pty) Ltd Onecell Community Services (Pty) Ltd Onecell Technologies (Pty) Ltd Onecell Data Solutions (Pty) Ltd Onecell Namibia (Pty) Ltd Purple Rain Properties No. 444 (Pty) Ltd Onecell (Pty) Ltd Onecell Manufacturing (Pty) Ltd Bonito Recruitment Services (Pty) Ltd
Subsidiary companies	Cartrack (Pty) Ltd Cartrack North East (Pty) Ltd Cartrack Fleet Management (Pty) Ltd Cartrack Namibia (Pty) Ltd Combined Telematics Services (Pty) Ltd Plexique (Pty) Ltd Labohlano Trading 146 (Pty) Ltd Cartrack Technologies Asia Pte. Ltd Cartrack Polska.SP.ZO.O Retriever Ltd Cartrack Tanzania Ltd Cartrack Limitada
Members of key management	I.J. Calisto J.R. Edmeston J. Marais C. Sanderson
Public officer	F. Syed

Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
Related party balances			
Loan accounts – Owing (to) by related parties			
Onecell Holdings (Pty) Ltd	40	114 400 000	1 000
Onecell Community Services (Pty) Ltd	2 058 954	2 066 319	2 056 319
Bonito Recruitment Services (Pty) Ltd	–	299 216	5 260
Onecell Manufacturing (Pty) Ltd	–	414 734	–
Onecell (Pty) Ltd	–	2 452 633	(4 956)
Cartrack Technologies Asia Pte. Ltd	–	1 423 488	–
Cartrack Engineering Technologies Ltd	943 154	–	–
Pro–Fit Fitment Centre (Pty) Ltd	5 400	–	–
Amounts included in Trade receivable (Trade Payable) regarding related parties			
Onecell Holdings (Pty) Ltd	–	–	281
Onecell Technologies (Pty) Ltd	638	354 289	1 793
Onecell (Pty) Ltd	27 615	28 433	32 137
Onecell Manufacturing (Pty) Ltd	7 745	209 578	335 002
Onecell Community Phones (Pty) Ltd	–	130	12 055
Onecell Holdings (Pty) Ltd	(69 975)	(1 908 071)	(434 834)
Onecell Technologies (Pty) Ltd	(1 120 638)	(1 767 664)	(1 227 173)
Onecell (Pty) Ltd	(30 128)	(12 171)	(24 977)
Onecell Manufacturing (Pty) Ltd	(408 906)	(119 899)	(5 218 846)
Onecell Community Phones (Pty) Ltd	(199 593)	(31 696)	(198 195)
Bonito Recruitment Services (Pty) Ltd	(35 158)	(652 080)	–
Onecell Data Solutions (Pty) Ltd	(628 938)	(60 805)	–

	Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
26	**RELATED PARTIES *(CONTINUED)***			
	Related party transactions			
	Sales to related parties			
	Onecell Holdings (Pty) Ltd	(25 234)	(40 504)	(24 764)
	Onecell Technologies (Pty) Ltd	(16 648)	(325 861)	(15 002)
	Onecell (Pty) Ltd	(185 687)	(214 575)	(16 903)
	Onecell Manufacturing (Pty) Ltd	(47 656)	(1 427 223)	(3 872 587)
	Onecell Community Phones (Pty) Ltd	(185 687)	(7 961)	(41 236)
	Bonito Recruitment Services (Pty) Ltd	(4 931)	(652 080)	–
	Onecell Data Solutions (Pty) Ltd	(40 285)	(60 805)	–
	Pro–Fit Fitment Centre (Pty) Ltd	(150 661)	–	–
	Purchases from related parties			
	Onecell Holdings (Pty) Ltd	5 960 224	892 308	1 427 657
	Onecell Technologies (Pty) Ltd	11 708 945	6 986 933	6 798 943
	Onecell (Pty) Ltd	401 022	34 613	564 029
	Onecell Manufacturing (Pty) Ltd	88 240 166	59 838 792	39 755 215
	Onecell Community Phones (Pty) Ltd	–	319 042	1 831 941
	Bonito Recruitment Services (Pty) Ltd	624 369	323 257	–
	Onecell Data Solutions (Pty) Ltd	3 914 445	572 000	–
	Onecell Community Services (Pty) Ltd	1 684 872	–	–
	Pro–Fit Fitment Centre (Pty) Ltd	5 400	–	–
	Rent paid to (received from) related parties			
	Purple Rain Properties No. 444 (Pty) Ltd	2 220 000	1 692 000	1 692 000
	Administration fees paid to (received from) related parties			
	Onecell Holdings (Pty) Ltd	4 446 000	3 640 000	3 640 000

27. DIRECTORS' EMOLUMENTS

Executive

	Emoluments	Total
2014		
In connection with the affairs of the company or its subsidiaries	5 790 631	5 790 631
2013		
In connection with the affairs of the company or its subsidiaries	5 590 775	5 590 775
2012		
In connection with the affairs of the company or its subsidiaries	7 469 229	7 469 229

28. RISK MANAGEMENT

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 5, 13 & 14 cash and cash equivalents disclosed in note 11, and equity as disclosed in the consolidated statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and net–settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

28. RISK MANAGEMENT *(CONTINUED)*

Figures in Rand **At 28 February 2014**	**Less than 1 year**	**Between 1 and 5 years**
• Finance lease obligation	3 526 932	4 169 494
• Trade and other payables	73 751 394	–
• Loans from group companies	7 365	–
• Other loans and payables	730 258	–

Figures in Rand **At 28 February 2013**	**Less than 1 year**	**Between 1 and 5 years**
• Finance lease obligation	3 530 721	3 481 516
• Trade and other payables	51 576 336	–

Figures in Rand **At 29 February 2012**	**Less than 1 year**	**Between 1 and 5 years**
• Finance lease obligation	1 873 294	1 875 605
• Trade and other payables	46 397 862	–
• Other loans and payables	730 258	–

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Credit guarantee insurance is purchased when deemed appropriate.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge foreign exchange fluctuations.

Figures in Rand	**Audited 2014**	**Audited 2013**	**Reviewed 2012**

29. SEGMENTAL REPORTING

South Africa			
Revenue from external customers	530 962 678	441 519 728	406 574 630
Inter–segment revenue	12 724 121	4 760 682	1 435 091
Total revenue	543 686 799	446 280 410	408 009 721
Profit/(loss) after tax	143 463 458	119 139 514	97 408 805
Operating profit	203 309 792	166 529 277	137 950 238
Depreciation	(5 994 924)	(3 240 119)	(6 760 015)
Interest expense	(598 220)	(289 148)	(425 628)
Tax	(59 888 055)	(47 872 002)	(43 168 338)
Profit before depreciation, interest and tax	209 944 657	170 540 783	147 762 786
Profit after tax, before interest and depreciation	150 056 602	122 668 781	104 594 448

Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
29. SEGMENTAL REPORTING *(CONTINUED)*			
Africa – Other			
Revenue from external customers	88 595 185	54 292 020	41 837 191
Inter–segment revenue	–	6 899	–
Total revenue	88 595 185	54 298 919	41 837 191
Profit/(loss) after tax	24 721 622	18 549 534	17 263 134
Operating profit	35 844 065	23 125 156	24 262 549
Depreciation	(1 322 849)	(652 582)	(299 285)
Interest expense	(328 685)	(3 114)	–
Tax	(11 794 133)	(8 579 841)	(8 548 032)
Profit before depreciation, interest and tax	38 167 331	27 785 071	26 110 447
Profit after tax, before interest and depreciation	26 373 198	19 205 231	17 562 415
Europe			
Revenue from external customers	13 162 200	–	–
Inter–segment revenue	–	–	–
Total revenue	13 162 200	–	–
Profit/(loss) after tax	(1 344 514)	–	–
Operating profit/(loss)	(1 162 010)	–	–
Depreciation	(1 319 542)	–	–
Interest expense	(284 166)	–	–
Profit before depreciation, interest and tax	259 194	–	–
Profit after tax, before interest and depreciation	259 194	–	–
Asia			
Revenue from external customers	4 300 229	–	–
Inter–segment revenue	–	–	–
Total revenue	4 300 229		
Profit/(loss) after tax	1 166 908	–	–
Operating profit	1 166 903	–	–
Profit before depreciation, interest and tax	1 166 908	–	–
Profit after tax, before interest and depreciation	1 166 908	–	–
Total of all segments			
Revenue from external customers	637 020 292	495 811 749	448 411 821
Inter–segment revenue	12 724 121	4 767 581	1 435 091
Total revenue	649 744 413	500 579 330	449 846 911
Profit/(loss) after tax	168 007 514	137 689 047	114 671 936
Operating profit	239 158 750	189 654 432	162 212 788
Depreciation	(8 637 315)	(3 892 701)	(7 059 297)
Interest expense	(1 211 071)	(292 262)	(425 629)
Tax	(71 682 188)	(56 451 843)	(51 716 372)
Profit before depreciation, interest and tax	249 538 088	198 325 855	173 873 234
Profit after tax, before interest and depreciation	177 855 900	141 874 012	122 156 862

	Figures in Rand	Audited 2014	Audited 2013	Reviewed 2012
30.	**BASIC EARNINGS PER SHARE**			
	Basic earnings per share			
	Continuing basic earnings per share	1 130 512	1 210 461	1 038 463

The calculation of continuing basic earnings per ordinary share is based on profits attributable to owners of the parent of R155 072 370 (2013: R121 046 092) (2012: R103 846 299) and a weighted average number of shares in issue of 137.17 (2013: 100) (2012: 100).

31.	**HEADLINE EARNINGS PER SHARE**			
	Headline earnings per share	1 099 999	1 205 179	1 034 973
	Reconciliation of the headline profit			
	Profit for the period attributable to owners of the parent	155 072 370	121 046 092	103 846 299
	Adjusted for:			
	Discount on bargain purchase	(3 352 930)	–	–
	Gains on disposal of assets	(832 539)	(528 234)	(348 978)
		150 886 901	**120 517 858**	**103 497 321**

The calculation of headline earnings per ordinary share is based on profits attributable to owners of the parent of R150 886 901 (2013: R120 517 858) (2012: R103 497 322) and a weighted average number of shares in issue of 137.17 (2013: 100) (2012: 100).

32.	**NET ASSET VALUE PER SHARE**			
	Net asset value per share	1 371 363	1 998 716	932 231

The calculation of the net asset value per share is based on the net asset value of R188 109 885 (2013: R199 871 553) (2012: R93 223 088) and a weighted average number of shares in issue of 137.17 (2013: 100) (2012: 100).

33.	**TANGIBLE NET ASSET VALUE PER SHARE**			
	Tangible net asset value per share	646 473	1 176 159	48 282
	Reconciliation of the tangible net asset value			
	Net asset value	188 109 885	199 871 553	93 223 088
	Adjusted for:			
	Goodwill	(99 433 144)	(82 255 688)	(88 394 880)
		88 676 741	**117 615 865**	**4 828 208**

The calculation of the tangible net asset value per share is based on the tangible net asset value of R88 676 741 (2013: R 117 615 865) (2012: R4 828 208) and a weighted average number of shares in issue of 137.17 (2013: 100) (2012: 100).

REVIEWED INTERIM FINANCIAL STATEMENTS OF CARTRACK HOLDINGS LIMITED FOR THE PERIOD ENDED 31 AUGUST 2014

The directors have pleasure in submitting their report on the consolidated financial statements of Cartrack Holdings (Pty) Ltd for the 6 months ended 31 August 2014.

1. NATURE OF BUSINESS

The Cartrack Holdings (Pty) Ltd group was incorporated in South Africa and is engaged in the development of telematics and electronic equipment, fleet management, vehicle tracking, import and export and allied activities.

There have been no material changes to the nature of the company's business from the prior 6 months.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior 6 months.

Full details of the financial position, results of operations and cash flows of the company are set out in these consolidated financial statements.

3. SHARE CAPITAL

There have been no changes to the authorised or issued share capital during the 6 months under review.

4. DIVIDENDS

The dividends already declared to the shareholders during the year are as reflected in the attached statement of changes in equity, once the appropriate approval was granted by the board.

5. DIRECTORATE

The directors in office at the date of this report are as follows:

Directors		
I.J. Calisto	Managing Director and Chief Executive Officer	
C. Sanderson		
J. Marais		
L.M.A. Madeira		Resigned 2 July 2014
J. Edmeston		Appointed 2 July 2014

6. HOLDING COMPANY

The company's holding company is Onecell Holdings (Pty) Ltd which holds 100% of the company's equity. Onecell Holdings (Pty) Ltd is incorporated in South Africa.

7. EVENTS AFTER THE REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. GOING CONCERN

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

9. INTERESTS IN SUBSIDIARIES

The company has interests in the following subsidiary companies:

Name of Company	Percentage Ownership Held 31.08.2014
Cartrack (Pty) Ltd	100.00 %
Cartrack Tanzania Ltd	60.00 %
Retriever Ltd	85.00 %
Retriever Rwanda Ltd	60.00 %
Cartrack Engineering Technologies Ltd	100.00 %
Cartrack Namibia (Pty) Ltd	100.00 %
Cartrack Technologies (Pty) Ltd	100.00 %
Cartrack Technologies Asia Pte. Ltd	100.00 %

The company has interests in the following sub-subsidiary companies:

Name of Company	Percentage Ownership Held 31.08.2014
Cartrack Limitada	50.00 %
Cartrack Fleet Management (Pty) Ltd	74.00 %
Cartrack North East (Pty) Ltd	75.50 %
Plexique (Pty) Ltd	100.00 %
Zonke Bonke Telecoms (Pty) Ltd	100.00 %
Combined Telematics Services (Pty) Ltd	49.00 %
Cartrack Polska.SP.ZO.O	100.00 %
Cartrack Investment UK Ltd	100.00 %
Cartrack Europe SGPS, S.A.	100.00 %
Cartrack Capital SGPS, S.A.	100.00 %
Cartrack Espana, S.L.	100.00 %
Cartrack Malaysia SDN. BHD.	100.00 %
Cartrack Technologies PHL. INC.	51.00 %
Cartrack Technologies South East Asia Pte. Ltd	100.00 %
Cartrack Technologies (China) Ltd	100.00 %
Cartrack - Sistema de Controlo e Identificacao de Veiculos, S.A.	100.00 %
Cartrack Technologies LLC	100.00 %

CARTRACK HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2014

Figures in Rand	Note(s)	31 August 2014
Assets		
Non–Current Assets		
Property, plant and equipment	3	36 780 616
Goodwill	4	142 161 604
		178 942 220
Current Assets		
Inventories	9	52 106 035
Loans to group companies	5	2 596 578
Other financial assets	6	213 255
Current tax receivable		913 660
Trade and other receivables	10	47 730 630
Prepayments	8	43 641 700
Cash and cash equivalents	11	57 278 708
		204 480 566
Total Assets		**383 422 786**
Equity and Liabilities		
Equity		
Equity Attributable to Equity Holders of Parent		
Share capital	12	42 402 480
Reserves		22 480 576
Retained income		155 521 548
		220 404 604
Non–controlling interest		32 367 221
		252 771 825
Liabilities		
Non–Current Liabilities		
Finance lease obligation		9 710 208
Deferred income		196 650
Deferred tax	7	3 616 785
		13 523 643
Current Liabilities		
Other financial liabilities	13	1 586 820
Current tax payable		15 789 436
Trade and other payables	14	86 863 308
Deferred income		3 201 200
Dividend payable		9 619 101
Bank overdraft	11	67 453
		117 127 318
Total Liabilities		**130 650 961**
Total Equity and Liabilities		**383 422 786**

CARTRACK HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Figures in Rand	Note(s)	6 months ended 31 August 2014
Revenue	15	397 646 581
Cost of sales	16	(73 778 144)
Gross profit		**323 868 437**
Other income		3 746 804
Operating expenses		(199 879 727)
Operating profit	17	**127 735 514**
Investment revenue	18	680 884
Finance costs	19	(516 278)
Profit before taxation		**127 900 120**
Taxation	20	(35 964 726)
Profit for the 6 months		**91 935 394**
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange differences on translating foreign operations		3 637 338
Other comprehensive income for the 6 months net of taxation		**3 637 338**
Total comprehensive income for the 6 months		**95 572 732**
Total comprehensive income attributable to:		
Owners of the parent		86 199 004
Non–controlling interest		9 373 728
		95 572 732
Profit attributable to:		
Owners of the parent		84 721 952
Non–controlling interest		7 213 442
		91 935 394

CARTRACK HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

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**	**124 619 059**	**188 109 885**	**33 712 854**	**221 822 739**
Profit for the 6 months	–	–	–	–	84 721 952	84 721 952	7 213 442	91 935 394
Other comprehensive income	–	–	–	1 477 050	–	1 477 050	2 160 286	3 637 336
Total comprehensive income for the 6 months	**–**	**–**	**–**	**1 477 050**	**84 721 952**	**86 199 002**	**9 373 728**	**95 572 730**
Transaction costs	–	(84 820)	(84 820)	–	–	(84 820)	–	(84 820)
Acquisition of subsidiaries	–	–	–	–	(1 685 173)	(1 685 173)	170 606	(1 514 567)
Dividends	–	–	–	–	(48 000 000)	(48 000 000)	(10 024 256)	(58 024 256)
Changes in ownership interest – control not lost	–	–	–	–	(4 134 290)	(4 134 290)	(865 711)	(5 000 001)
Total contributions by and distributions to owners of company recognised directly in equity	**–**	**(84 820)**	**(84 820)**	**–**	**(53 819 463)**	**(53 904 283)**	**(10 719 361)**	**(64 623 644)**
Balance at 31 August 2014	**142**	**42 402 338**	**42 402 480**	**22 480 576**	**155 521 548**	**220 404 604**	**32 367 221**	**252 771 825**
Note(s)	12	12	12					

CARTRACK HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	6 months ended 31 August 2014
Cash flows from operating activities		
Cash generated from operations	22	117 198 328
Interest income		680 884
Finance costs		(267 092)
Tax paid	23	(31 594 832)
Net cash from operating activities		**86 017 288**
Cash flows from investing activities		
Purchase of property, plant and equipment	3	(13 181 940)
Sale of property, plant and equipment	3	1 842 911
Movement in investments (incl subs, JVs & Assoc)		(44 119 778)
Proceeds from loans from group companies		6 249 464
Sale of financial assets		25 973 529
Net cash from investing activities		**(23 235 814)**
Cash flows from financing activities		
Reduction of share premium	12	(84 820)
Advance of other financial liabilities		856 562
Finance lease receipts		1 764 596
Dividends paid	24	(48 405 155)
Net cash from financing activities		**(45 868 817)**
Total cash movement for the 6 months		**16 912 657**
Cash at the beginning of the 6 months		41 656 645
Effect of exchange rate movement on cash balances		(1 358 047)
Total cash at end of the 6 months	11	**57 211 255**

1. BASIS OF PREPARATION

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, 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 for financial instruments at fair value and amortised cost.

The accounting policies adopted are consistent in all material respects with that of the previous year.

1.1 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and all investees which are controlled by the company.

The company has control of an investee when it has power over the investee; it is exposed to or has rights to variable returns from involvement with the investee; and it has the ability to use its power over the investee to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated financial statements of subsidiaries to bring their accounting policies in line with those of the company.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the company's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions which result in changes in ownership levels, where the company has control of the subsidiary both before and after the transaction are regarded as equity transaction and are recognised directly in the statement of changes in equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest.

Business combinations

The company accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Contingent consideration is included in the cost of the combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal company) that are classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the company assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for company purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests arising from a business combination, which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation, are measured either at the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The treatment is not an accounting policy choice but is selected for each individual business combination, and disclosed in the note for business combinations. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the company held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the 6 months. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

1.1 Consolidation *(continued)*

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the company at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the consolidated financial statements in conformity with International Financial Reporting Standards, management is required to make estimates and assumptions that affect the application of accounting policies and the amounts represented in the consolidated financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed below:

Trade receivables, Held to maturity investments and Loans and receivables

The company assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that these assumptions may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income.

Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The useful lives of items of property, plant and equipment have been assessed as follows:

Item	**Average useful life**
Buildings	20 - 50 Years
Plant and machinery	5 Years
Furniture and fixtures	5 Years
Motor vehicles	4 Years
Office equipment	5 Years
IT equipment	3 Years
Computer software	3 Years
Leasehold improvements	3 Years
Security equipment	5 Years
Other fixed assets	5 Years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.4 Financial instruments

Initial recognition and measurement

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.4 Financial instruments *(continued)*

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Prepayments – sale of rental units

Cartrack provides vehicle recovery services to clients. In the instance where a tracking unit is sold on a rental basis, the prepayment is deferred over the lease period of 36 months and is recognised as cost of sales on a monthly basis.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

1.7 Impairment of assets *(continued)*

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment as defined by paragraph 5 of IFRS 8 Operating Segments before aggregation.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

1.10 Revenue *(continued)*

Rental income is recognised as revenue on the straight line basis over the lease term.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Interest is recognised, in profit or loss, using the effective interest rate method.

Royalties are recognised on the accrual basis in accordance with the substance of the relevant agreements. Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.11 Turnover

Turnover comprises of sales to customers and service rendered to customers. Turnover is stated at the invoice amount and is exclusive of value added taxation.

1.12 Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.13 Translation of foreign currencies

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- income and expenses for each item of profit or loss are translated at exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

2. NEW STANDARDS AND INTERPRETATIONS

At the date of approval of these consolidated financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the entity.

Management anticipates that all of the pronouncements will be adopted in the entity's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the entity's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the entity's financial statements.

2.1 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 March 2015 or later periods but are not relevant to its operations:

IFRS 9 Financial Instruments

This new standard is the first phase of a three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. To date, the standard includes chapters for classification, measurement and derecognition of financial assets and liabilities. The following are main changes from IAS 39:

2.1 Standards and interpretations not yet effective *(continued)*

- Financial assets will be categorised as those subsequently measured at fair value or at amortised cost.
- Financial assets at amortised cost are those financial assets where the business model for managing the assets is to hold the assets to collect contractual cash flows (where the contractual cash flows represent payments of principal and interest only). All other financial assets are to be subsequently measured at fair value.
- Under certain circumstances, financial assets may be designated as at fair value.
- For hybrid contracts, where the host contract is an asset within the scope of IFRS 9, then the whole instrument is classified in accordance with IFRS 9, without separation of the embedded derivative. In other circumstances, the provisions of IAS 39 still apply.
- Voluntary reclassification of financial assets is prohibited. Financial assets shall be reclassified if the entity changes its business model for the management of financial assets. In such circumstances, reclassification takes place prospectively from the beginning of the first reporting period after the date of change of the business model.
- Financial liabilities shall not be reclassified.
- Investments in equity instruments may be measured at fair value through other comprehensive income. When such an election is made, it may not subsequently be revoked, and gains or losses accumulated in equity are not recycled to profit or loss on derecognition of the investment. The election may be made per individual investment.
- IFRS 9 does not allow for investments in equity instruments to be measured at cost.
- The classification categories for financial liabilities remains unchanged. However, where a financial liability is designated as at fair value through profit or loss, the change in fair value attributable to changes in the liabilities credit risk shall be presented in other comprehensive income. This excludes situations where such presentation will create or enlarge an accounting mismatch, in which case, the full fair value adjustment shall be recognised in profit or loss.

The effective date of the standard is for years beginning on or after 01 January 2015.

The group does not envisage the adoption of the standard until such time as it becomes applicable to the group's operations.

It is unlikely that the standard will have a material impact on the company's consolidated financial statements.

3. PROPERTY, PLANT AND EQUIPMENT

	31.08.2014		
Figures in Rand	**Cost / Valuation**	**Accumulated depreciation**	**Carrying value**
Buildings	4 624 074	(127 968)	4 496 106
Plant and equipment	1 499 869	(1 385 833)	114 036
Furniture and fixtures	4 830 953	(1 936 344)	2 894 609
Motor vehicles	37 484 118	(19 134 163)	18 349 955
Office equipment	7 625 873	(5 247 802)	2 378 071
IT equipment	12 774 941	(8 945 057)	3 829 884
Computer software	755 336	(303 506)	451 830
Leasehold improvements	722 438	(605 224)	117 214
Security equipment	305 799	(247 395)	58 404
Other fixed assets	6 581 411	(2 490 904)	4 090 507
Total	**77 204 812**	**(40 424 196)**	**36 780 616**

Reconciliation of property, plant and equipment – 31 August 2014

Figures in Rand	**Opening balance**	**Additions**	**Disposals**	**Foreign exchange movements**	**Depreciation**	**Total**
Buildings	5 043 922	157 044	(558 535)	(95 469)	(50 856)	4 496 106
Plant and equipment	134 565	1 600	–	(1 921)	(20 208)	114 036
Furniture and fixtures	2 125 423	1 375 287	(222 184)	(12 162)	(371 755)	2 894 609
Motor vehicles	15 996 031	5 519 340	(308 906)	(9 698)	(2 846 812)	18 349 955
Office equipment	2 114 297	621 545	(11 561)	60 110	(406 320)	2 378 071
IT equipment	2 426 974	2 695 175	(315 617)	(8 571)	(968 077)	3 829 884
Computer software	291 232	227 903	–	888	(68 193)	451 830
Leasehold improvements	181 544	–	–	–	(64 330)	117 214
Security equipment	68 152	–	–	–	(9 748)	58 404
Other fixed assets	2 926 239	2 584 046	–	(124 630)	(1 295 148)	4 090 507
	31 308 379	**13 181 940**	**(1 416 803)**	**(191 453)**	**(6 101 447)**	**36 780 616**

Figures in Rand	31 August 2014

3. PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Assets subject to finance lease (net carrying amount)

The carrying value of assets leased by means of finance lease agreements are as follows:

Motor vehicles	7 346 481

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

4. GOODWILL

	31.08.2014		
	Cost	**Accumulated impairment**	**Carrying value**
Goodwill	142 161 604	–	142 161 604

Reconciliation of goodwill - 31 August 2014

	Opening balance	**Additions**	**Foreign exchange movements**	**Total**
Goodwill	99 433 144	38 253 199	4 475 261	142 161 604

Figures in Rand	31 August 2014

5. LOANS TO (FROM) GROUP COMPANIES

Holding company	
Onecell Holdings (Pty) Ltd	40
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
Fellow subsidiaries	
Onecell Manufacturing (Pty) Ltd	2 294
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
Onecell (Pty) Ltd	51 651
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
Onecell Community Services (Pty) Ltd	2 066 319
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
	2 120 264
Related party	
Pro-Fit Fitment Centre (Pty) Ltd	476 274
This loan is unsecured, bears no interest and has no fixed terms of repayment.	

6. OTHER FINANCIAL ASSETS

Loans and receivables	
S.M. Machel Jr.	139 640
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
Cartrack Education Fund (Non Profit Company)	73 350
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
J. Marais	265
This loan is unsecured, bears no interest and has no fixed terms of repayment.	
	213 255
Current assets	
Loans and receivables	213 255

7. DEFERRED TAX

Deferred tax liability	
Deferred tax	(3 616 785)
Deferred tax liability	(3 616 785)

	Figures in Rand	31 August 2014
8.	**PREPAYMENTS**	
	Inventory prepaid	1 747
	Prepaid expenses	1 345 241
	Capital rental units sold	42 294 711
		43 641 699
9.	**INVENTORIES**	
	Completed goods and accessories	49 993 716
	Consumables	2 112 319
		52 106 035
10.	**TRADE AND OTHER RECEIVABLES**	
	Trade receivables	37 587 275
	Employee costs in advance	401 200
	Prepayments (if immaterial)	108 962
	Deposits	999 407
	VAT	349 935
	Sundry debtors	8 283 851
		47 730 630

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 August 2014, R3 181 229 were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

1 month past due	697 447
2 months past due	438 856
3 months past due	2 044 926

The ageing of amounts past due but not impaired is as follows:

1 month past due	697 447
2 months past due	438 856
3 months past due	2 044 926

11.	**CASH AND CASH EQUIVALENTS**	
	Cash and cash equivalents consist of:	
	Cash on hand	156 922
	Bank balances	37 973 803
	Short–term deposits	19 147 983
	Bank overdraft	(67 453)
		57 211 255
	Current assets	57 278 708
	Current liabilities	(67 453)
		57 211 255
12.	**SHARE CAPITAL**	
	Authorised	
	1 000 Ordinary shares of R 1.00 each	1 000
	Reconciliation of number of shares issued:	
	Reported as at 01 March 2014	142

858 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Issued	
100 Ordinary shares of R 1.00 each	142
Share premium	42 402 338
	42 402 480

	Figures in Rand	31 August 2014
13.	**OTHER FINANCIAL LIABILITIES**	
	Held at amortised cost	
	P. Lim Jit Chong	697 862
	This loan is unsecured, bears no interest and has no fixed terms of repayment.	
	A.H. Nyimbo	888 958
	This loan is unsecured, bears no interest and has no fixed terms of repayment.	
		1 586 820
	Current liabilities	
	At amortised cost	1 586 820
14.	**TRADE AND OTHER PAYABLES**	
	Trade payables	31 429 336
	Amounts received in advance	19 501 587
	VAT	6 152 453
	Payroll accruals	8 780 143
	Accrued expenses	9 653 136
	Sundry creditors	11 346 653
		86 863 308
15.	**REVENUE**	
	Sale of goods	107 481 118
	Rendering of services	287 262 662
	Sundry sales	2 902 801
		397 646 581
16.	**COST OF SALES**	
	Direct costs	73 778 144
17.	**OPERATING PROFIT**	
	Operating profit for the year is stated after accounting for the following:	
	Operating lease charges	
	Premises	
	• Contractual amounts	6 672 596
	Motor vehicles	
	• Contractual amounts	1 406 112
	Equipment	
	• Contractual amounts	7 009
		8 085 717
	Profit on sale of property, plant and equipment	426 108
	Depreciation on property, plant and equipment	6 102 386
	Employee costs	107 571 699
18.	**INVESTMENT REVENUE**	
	Interest revenue	
	Bank	680 884
19.	**FINANCE COSTS**	
	Finance leases	249 186
	Bank	267 092
		516 278
20.	**TAXATION**	
	Major components of the tax expense	
	Current	
	Local income tax – current period	35 964 726
21.	**AUDITORS' REMUNERATION**	
	Fees	775 261

	Figures in Rand	31 August 2014
22.	**CASH GENERATED FROM OPERATIONS**	
	Profit before taxation	127 900 120
	Adjustments for:	
	Depreciation and amortisation	6 102 386
	Profit on sale of assets	(426 108)
	Profit on foreign exchange	(9 909)
	Interest received – investment	(680 884)
	Finance costs	516 278
	Changes in working capital:	
	Inventories	(19 365 987)
	Trade and other receivables	(16 620 549)
	Prepayments	3 273 217
	Trade and other payables	13 111 914
	Deferred income	3 397 850
		117 198 328
23.	**TAX PAID**	
	Balance at beginning of the 6 months	(10 505 882)
	Current tax for the 6 months recognised in profit or loss	(35 964 726)
	Balance at end of the 6 months	14 875 776
		(31 594 832)
24.	**DIVIDENDS PAID**	
	Dividends	(58 024 256)
	Balance at end of the 6 months	9 619 101
		(48 405 155)

Dividends are from revenue profits.

25. RELATED PARTIES

Relationships

Ultimate holding company	Madeira Calisto Family Holdings (Pty) Ltd
Holding company	Onecell Holdings (Pty) Ltd
Fellow–subsidiary companies	Onecell Community Phones (Pty) Ltd Onecell Community Services (Pty) Ltd Onecell Data Solutions (Pty) Ltd Onecell Namibia (Pty) Ltd Purple Rain Properties No. 444 (Pty) Ltd Onecell (Pty) Ltd Onecell Manufacturing (Pty) Ltd Bonito Recruitment Services (Pty) Ltd
Subsidiary companies	Cartrack (Pty) Ltd Retriever Ltd Cartrack Tanzania Ltd Retriever Rwanda Ltd Cartrack Engineering Technologies Ltd Cartrack Namibia (Pty) Ltd Cartrack Technologies (Pty) Ltd Cartrack Technologies Asia Pte. Ltd

25. RELATED PARTIES *(CONTINUED)*

Sub–subsidiary companies	Cartrack North East (Pty) Ltd Cartrack Limitada Cartrack Polska.SP.ZO.O. Cartrack Fleet Management (Pty) Ltd Zonke Bonke Telecoms (Pty) Ltd Plexique (Pty) Ltd Combined Telematics Services (Pty) Ltd Cartrack Investment UK Ltd Cartrack Malaysia SDN. BHD. Cartrack Technologies PHL. INC Cartrack Technologies South East Asia Pte. Ltd Cartrack Technologies (China) Ltd Cartrack Europe SGPS, S.A. Cartrack Capital SGPS, S.A. Cartrack Espana, S.L. Cartrack – Sistema de Controlo e Identificacao de Veiculos, S.A. Cartrack Technologies LLC
Related party through virtue of control	Pro–Fit Fitment Centre (Pty) Ltd
Members of key management	I.J. Calisto J.R. Edmeston J. Marais C. Sanderson
Public officer	F. Syed

Figures in Rand	31 August 2014
Related party balances	
Loan accounts – Owing (to) by related parties	
Onecell Holdings (Pty) Ltd	40
Onecell Community Services (Pty) Ltd	2 066 319
Onecell Manufacturing (Pty) Ltd	2 294
Onecell (Pty) Ltd	51 651
Pro–Fit Fitment Centre (Pty) Ltd	476 274
Amounts included in Trade receivable (Trade Payable) regarding related parties	
Onecell Holdings (Pty) Ltd	34 381
Onecell (Pty) Ltd	764 306
Onecell Manufacturing (Pty) Ltd	672 880
Onecell Community Services (Pty) Ltd	570
Onecell Data Solutions (Pty) Ltd	48 007
Bonito Recruitment Services	1 995
Onecell Holdings (Pty) Ltd	(422 234)
Onecell (Pty) Ltd	(1 705)
Onecell Manufacturing (Pty) Ltd	(6 862 131)
Onecell Community Services (Pty) Ltd	(274 040)
Related party transactions	
Sales to related parties	
Onecell Holdings (Pty) Ltd	(82 444)
Onecell (Pty) Ltd	(3 432 887)
Onecell Manufacturing (Pty) Ltd	(3 493 341)
Bonito Recruitment Services (Pty) Ltd	(382)
Onecell Data Solutions (Pty) Ltd	(121 420)
Pro–Fit Fitment Centre (Pty) Ltd	(181 367)
Purple Rain Properties No. 444 (Pty) Ltd	(287 872)
Purchases from related parties	
Onecell Holdings (Pty) Ltd	324 128
Onecell (Pty) Ltd	180 795
Onecell Manufacturing (Pty) Ltd	45 824 591
Bonito Recruitment Services (Pty) Ltd	23 437
Onecell Community Services (Pty) Ltd	606 062

	Figures in Rand	31 August 2014
25.	**RELATED PARTIES *(CONTINUED)***	
	Rent paid to (received from) related parties	
	Purple Rain Properties No. 444 (Pty) Ltd	1 317 200
	Administration fees paid to (received from) related parties	
	Onecell Holdings (Pty) Ltd	1 890 000

26. RISK MANAGEMENT

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 5 & 13 cash and cash equivalents disclosed in note 11, and equity as disclosed in the consolidated statement of financial position.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There are no externally imposed capital requirements.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Interest rate risk

As the company has no significant interest-bearing assets, the company's income and operating cash flows are substantially independent of changes in market interest rates.

Credit risk

Credit risk is managed on a group basis.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter- party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.

Credit guarantee insurance is purchased when deemed appropriate.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the UK pound. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge foreign exchange fluctuations.

	Figures in Rand	31 August 2014
27.	**SEGMENTAL REPORTING**	
	South Africa	
	Revenue from external customers	302 756 505
	Inter–segment revenue	15 924 108
	Total revenue	318 680 613
	Profit/(loss) after tax	76 744 924
	Operating profit	106 446 300
	Depreciation	(3 383 942)
	Interest expense	(306 941)
	Tax	(30 074 314)
	Profit before depreciation, interest and tax	110 510 121
	Profit after tax, before interest and depreciation	80 435 806
	Africa – Other	
	Revenue from external customers	53 045 575
	Inter–segment revenue	–
	Total revenue	53 045 575
	Profit/(loss) after tax	13 182 915
	Operating profit	19 275 695
	Depreciation	(818 081)
	Interest expense	(202 997)
	Tax	(5 890 410)
	Profit before depreciation, interest and tax	20 094 402
	Profit after tax, before interest and depreciation	14 203 992
	Europe	
	Revenue from external customers	36 914 329
	Inter–segment revenue	–
	Total revenue	36 914 329
	Profit/(loss) after tax	3 320 922
	Operating profit/(loss)	3 325 816
	Depreciation	(1 762 148)
	Interest expense	(5 273)
	Profit before depreciation, interest and tax	5 088 343
	Profit after tax, before interest and depreciation	5 088 343
	Asia	
	Revenue from external customers	4 930 171
	Inter–segment revenue	–
	Total revenue	4 930 171
	Profit/(loss) after tax	(1 313 368)
	Operating profit/(loss)	(1 312 301)
	Depreciation	(138 216)
	Interest expense	(1 067)
	Profit/(loss) before depreciation, interest and tax	(1 174 085)
	Profit/(loss) after tax, before interest and depreciation	(1 174 085)

Figures in Rand	31 August 2014
27. SEGMENTAL REPORTING *(CONTINUED)*	
Total of all segments	
Revenue from external customers	397 646 580
Inter–segment revenue	15 924 108
Total revenue	413 570 688
Profit/(loss) after tax	91 935 393
Operating profit	127 735 511
Depreciation	(6 102 386)
Interest expense	(516 278)
Tax	(35 964 726)
Profit before depreciation, interest and tax	134 518 781
Profit after tax, before interest and depreciation	98 554 057

28. BASIC EARNINGS PER SHARE

Basic earnings per share	
Continuing basic earnings per share	596 633

The calculation of continuing basic earnings per ordinary share is based on profits attributable to owners of the parent of R 84 721 951 and a weighted average number of shares in issue of 142.

29. HEADLINE EARNINGS PER SHARE

Headline earnings per share	593 633
Reconciliation of the headline profit	
Profit for the period attributable to owners of the parent	84 721 951
Adjusted for:	
Gains on disposal of assets	(426 108)
	84 295 843

The calculation of headline earnings per ordinary share is based on profits attributable to owners of the parent of R 84 295 843 and a weighted average number of shares in issue of 142.

30. NET ASSET VALUE PER SHARE

Net asset value per share	1 552 145

The calculation of the net asset value per share is based on the net asset value of R 220 404 604 and a weighted average number of shares in issue of 142.

31. TANGIBLE NET ASSET VALUE PER SHARE

Tangible net asset value per share	551 007
Reconciliation of the tangible net asset value	
Net asset value	220 404 604
Adjusted for: Goodwill	(142 161 604)
	78 243 000

The calculation of the tangible net asset value per share is based on the tangible net asset value of R78 243 000 and a weighted average number of share in issue of 142.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF CARTRACK HOLDINGS LIMITED FOR THE YEARS ENDED 28 FEBRUARY 2014 AND 28 FEBRUARY 2013

The Directors
Cartrack Holdings Limited
Unit 7 Boskruin Business Park
Bosbok Ridge
Randpark Ridge
EX. 75
2169

14 November 2014

At your request and for the purposes of the pre-listing statement to be dated on or about 11 December 2014 ("the PLS"), we present our report on the consolidated historical financial information of Cartrack for the years ended 28 February 2014 and 28 February 2013 in compliance with the JSE Listings Requirements.

Directors' responsibility for the financial statements

The directors are responsible for the preparation, contents and presentation of the PLS and the fair presentation of the historical financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the consolidated historical financial information of Cartrack for the years ended 28 February 2014 and 28 February 2013 included in the PLS, based on our audit of the consolidated financial information for the years ended 28 February 2014 and 28 February 2013.

Scope of audit

We conducted our audit of the consolidated historical financial information for the years ended 28 February 2014 and 28 February 2013 in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated historical financial information are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial information. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion

In our opinion, the consolidated historical financial information of Cartrack for the years ended 28 February 2014 and 28 February 2013 presents fairly, in all material respects, for the purposes of the PLS, the financial position of Cartrack at that date and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the PLS in the form and context in which it appears.

Yours faithfully

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

per Mohamed Zakaria Sadek
Chartered Accountant (SA)
Registered Auditor

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CONSOLIDATED HISTORICAL FINANCIAL INFORMATION OF CARTRACK HOLDINGS LIMITED FOR THE 6 MONTH PERIOD ENDED 31 AUGUST 2014

The Directors
Cartrack Holdings Limited
Unit 7 Boskruin Business Park
Bosbok Ridge
Randpark Ridge
EX. 75
2169

14 November 2014

At your request and for the purposes of the pre-listing statement to be dated on or about 11 December 2014 ("the PLS"), we present our report on the consolidated historical financial information of Cartrack for the 6 month period ended 31 August 2014 in compliance with the JSE Listings Requirements.

Directors' responsibility for the financial statements/ information

The directors are responsible for the preparation, contents and presentation of the PLS and the fair presentation of the consolidated historical financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements/information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express a conclusion on the consolidated historical financial information of Cartrack for the period 6 months ended 31 August 2014 included in the PLS, based on our review of the consolidated historical financial information for the period 6 months ended 31 August 2014.

Scope of the review

We conducted our review of the consolidated historical financial information for the period 6 months ended 31 August 2014 in accordance with the International Standards on Review Engagements 2410, "Engagements to review financial statements". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated historical financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit.

Basis for qualified conclusion

The group did not present comparative interim figures for the period 6 months ended 31 August 2014, which constitutes a departure from the requirements of International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Management has not provided us with this information. We have not included the omitted information in our auditor's report as it was impracticable to do so.

Qualified review conclusion

Based on our review, except for the effect of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the consolidated historical financial information of Cartrack for the period 6 months ended 31 August 2014 is not fairly presented, in all material respects, for the purposes of the PLS, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the PLS in the form and context in which it appears.

Yours faithfully

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

per Mohamed Zakaria Sadek
Chartered Accountant (SA)
Registered Auditor

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL CONSOLIDATED FINANCIAL INFORMATION OF CARTRACK HOLDINGS LIMITED FOR THE YEAR ENDED 29 FEBRUARY 2012

The Directors
Cartrack Holdings Limited
Unit 7 Boskruin Business Park
Bosbok Ridge
Randpark Ridge
EX. 75
2169

14 November 2014

At your request and for the purposes of the pre-listing statement to be dated on or about 11 December 2014 ("the PLS"), we present our report on the consolidated historical financial information of Cartrack for the year ended 29 February 2012 in compliance with the JSE Listings Requirements.

Directors' responsibility for the financial statements/ information

The directors are responsible for the preparation, contents and presentation of the PLS and the fair presentation of the consolidated historical financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements/information that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express a conclusion on the consolidated historical financial information of Cartrack for the year ended 29 February 2012 included in the PLS, based on our review of the historical financial information for the year ended 29 February 2012.

Scope of the review

We conducted our review of the consolidated historical financial information for the year ended 29 February 2012 in accordance with the International Standards on Review Engagements 2410, "Engagements to review financial statements". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the consolidated historical financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the consolidated historical financial information of Cartrack for the year ended 29 February 2012 is not fairly presented, in all material respects, for the purposes of the PLS, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the PLS in the form and context in which it appears.

Yours faithfully

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

per Mohamed Zakaria Sadek
Chartered Accountant (SA)
Registered Auditor

FORECAST FINANCIAL INFORMATION OF CARTRACK

The forecast of Cartrack for the year ending 28 February 2015 is presented below and should be read in conjunction with the Independent Reporting Accountants' report thereon as set out in Annexure 8. The forecast has been prepared in accordance with IFRS for the forecast period. The forecast statement of comprehensive income has been prepared using the accounting policies of Cartrack detailed in this Pre-Listing Statement. The preparation of the forecast financial information is the responsibility of the Directors of the Company.

Rands	Forecast for the year ending 28 February 2015
Revenue	847,680,112
Cost of Sales	(148,037,775)
Gross Profit	**699,642,337**
Other income	6,152,540
Operating expenses	(423,371,545)
Operating profit	**282,423,332**
Net investment revenue and finance costs	2,090,846
Profit before taxation	**284,514,178**
Taxation	(80,822,020)
Net profit after tax	**203,692,158**
Profit attributable to :	
Owners of the parent	188,368,809
Non-controlling interest	15,323,349
Shares in issue	
Ordinary number of shares in issue	300,000,000
Basic and headline earnings per share (Rands)	0.63

Geographic Revenue and Operating Profit

	Forecast for the year ending 28 February 2015	
Rands	**Revenue**	**Operating profit**
SA	732,860,152	233,021,790
Africa	119,024,341	46,642,194
Europe	85,499,131	8,737,868
Asia	14,252,242	(5,978,520)
Inter-segment revenue	(103,955,754)	-
Total	**847,680,112**	**282,423,332**

Notes to the forecast

Assumptions considered to be material are disclosed below. The assumptions disclosed are not intended to be an exhaustive list

Material Assumptions

- Cartrack does not have any material long term third party debt, therefore it is not expected to incur finance costs.
- The forecast statement of comprehensive income has been compiled utilising the accounting policies of Cartrack.
- Forecasts of Hardware sales are based on the market expectations and conditions of each operating entity combined with the implementation of the sales and marketing strategies presently in progress. Revenue predominantly comprises hardware sales and subscriptions.
- Revenue has been calculated by utilising the average unit price received to date.
- Hardware sales for the forecast period total 141,650 new units.
- Subscription revenue is based on an opening number of 340,476 units, net additions during the year of 79,593 units, resulting in a closing balance of 420,069 units (excluding franchise country units).
- Cost of sales have been calculated by reference to the number of units sold.
- Forecast gross profit margins as well as operating profit margins are expected to closely approximate those achieved historically.
- Operating expenses are determined for each operating country based on forecast expenditure of that country incorporating cost to income ratios experienced in prior periods, inflation and stage of maturity of that countries operations.
- Dividends are assumed not to be paid during the forecast period.
- Taxation rates have been applied individually to each operating country's net profit after tax in accordance with the statutory corporate tax rate of that country.

- Foreign currency translation rates have been applied individually to each operating country's results in order to report the respective country's results in South African Rands. The rate applied are as follows:

Country in which subsidiary operates and currency	**Exchange rate applied to forecast (Rand : Foreign currency)**
Namibia (Namibian dollar)	1
Kenya (Shilling)	0.13
Tanzania (Shilling)	0.01
Rwanda (Franc)	0.02
Nigeria (Naira)	0.07
Mozambique (Metical)	0.33
Spain/Portugal (Euro)	14.93
Poland (Zloty)	3.57
Singapore (Singapore dollar)	8.33
Hong Kong (Hong Kong dollar)	1.45
UAE (Dirham)	3.13
Malaysia (Ringgit)	3.33
Philippines (Peso)	0.25

Additional notes

- The forecast includes R3.55 million of listing expenses, which are non-recurring costs.
- The forecast includes earnings from countries in which Cartrack has commenced operations in FY2015 (e.g. UAE, Philippines, Malaysia and Hong Kong).
- The forecast does not include the acquisition of any businesses.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF CARTRACK HOLDINGS LIMITED

The Directors
Cartrack Holdings Limited
Unit 7 Boskruin Business Park
Bosbok Ridge
Randpark Ridge
EX. 75
2169

14 November 2014

Dear Sirs

We have examined the unaudited forecast statement of comprehensive income as set out in Annexure 7 of the pre-listing statement of Cartrack to be issued on or about 11 December 2014 ("the PLS").

Directors' responsibility

The directors are responsible for the forecast information, including the assumptions and notes on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the JSE Listings Requirements, includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information;
- whether the forecast information has been properly compiled on the basis stated; and
- whether the forecast information is presented on a basis consistent with the accounting policies of Cartrack.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the JSE Listings Requirements for inclusion in the PLS. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to The Examination of Prospective Financial Information. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with the purpose of the information;
- the forecast information is prepared on the basis of the assumptions;
- the forecast information is appropriately presented and all material assumptions are adequately disclosed; and
- the forecast information is prepared and presented on a basis consistent with the accounting policies of Cartrack for the period concerned.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and sources of information

In arriving at our conclusion, we have relied upon forecast financial information prepared by management of Cartrack and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- management-prepared forecasts for the financial year ending 28 February 2015;
- discussions with management of Cartack regarding the forecast presented; and
- discussions with management of Cartrack regarding the prevailing market and economic conditions.

Conclusion

Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

(i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;

(ii) the forecast information has not been properly compiled on the basis stated;

(iii) the forecast information has not been properly presented and all material assumptions are not adequately disclosed; and

(iv) the forecast information is not presented on a basis consistent with the accounting policies of Cartrack.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Consent

We consent to the inclusion of this report, which will form part of the PLS, to be issued on or about 11 December 2014, in the form and context in which it appears.

Yours faithfully

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

per Duncan Church
Chartered Accountant (SA)
Registered Auditor

PRO FORMA FINANCIAL INFORMATION

The definitions, glossary and interpretation commencing on page 13 of this Pre-listing Statement apply *mutatis mutandis* to this Annexure.

The *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income (the "*pro forma* consolidated financial information") as of and for the six months ended 31 August 2014 have been prepared to show the impact of the Listing and the Offer.

The *pro forma* statement of financial position and statement of comprehensive income have been prepared for illustrative purposes only and because of its nature may not fairly present Cartrack's financial position and results of operations, nor the effect and impact of the Listing and the Offer going forward.

It has been assumed for purposes of the *pro forma* consolidated statement of comprehensive income and statement of financial position that the Listing and the Offer took place with effect from 1 March 2014 for statement of comprehensive income purposes and 31 August 2014 for statement of financial position purposes.

The directors of the Company are responsible for the compilation, contents and preparation of the *pro forma* financial information contained in this Pre-listing Statement and for the financial information from which it has been prepared. Their responsibility includes determining that: the *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Cartrack; and the *pro forma* adjustments are appropriate for the purposes of the *pro forma* financial information disclosed in terms of the Listings Requirements.

The *pro forma* consolidated statement of financial position and the *pro forma* consolidated statement of comprehensive income are presented in a manner consistent in all respects with IFRS and with the basis on which the historical financial information has been prepared in terms of accounting policies.

The *pro forma* statement of financial position and statement of comprehensive income as set out below should be read in conjunction with the independent reporting accountants' report set out in Annexure 10 to the Pre-listing Statement.

PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* statement of financial position set out below presents the effects of the Listing and the Offer on the financial position of Cartrack at 31 August 2014 based on the assumption that the Listing and the Offer took place with effect from 31 August 2014:

R'000	Before the Listing[1]	Transaction costs[2]	Increase in number of shares in issue[3]	After the Listing
ASSETS				
Non–current assets	**178,942**	**–**	**–**	**178,942**
Property, plant and equipment	36,781	–	–	36,781
Goodwill	142,162	–	–	142,162
Prepayments	–	–	–	–
Current assets	**204,481**	**(3,550)**	*	**200,931**
Inventories	52,106	–	–	52,106
Loans to group Companies	2,597	–	–	2,597
Other financial assets	6,889	–	–	6,889
Current tax receivable	914	–	–	914
Trade and other receivables	41,055	–	–	41,055
Prepayments	43,642	–	–	43,642
Cash and cash equivalents[4]	57,279	(3,550)	*	53,729
Total Assets	**383,423**	**(3,550)**	*****	**379,873**
EQUITY AND LIABILITIES				
Total equity	**252,772**	**(3,550)**	*	**249,222**
Equity attributable to Equity Holders of Parent	220,405	–	*	216,855
Share Capital and premium (stated capital)[4]	42,402	–	*	42,402
Reserves	22,481	–	–	22,481
Retained Income	155,522	(3,550)	–	151,972
Non–controlling interest	32,367	–	–	32,367
Non–current liabilities	**13,524**	–	–	**13,524**
Finance Lease obligation	9,710	–	–	9,710
Deferred income	197	–	–	197
Deferred taxation	3,617	–	–	3,617
Current liabilities	**117,127**	–	–	**117,127**
Other financial liabilities	1,587	–	–	1,587
Current tax payable	15,789	–	–	15,789
Trade and other payables	86,863	–	–	86,863
Deferred income	3,201	–	–	3,201
Dividend payable	9,619	–	–	9,619
Bank overdraft	67	–	–	67
Total equity and liabilities	**383,423**	**(3,550)**	*	**379,873**

* less than R1,000

Net asset value per share (NAVPS) (Rands)	1,552,145			0.72
Net tangible asset value per share (NTAVPS) (Rands)	551,007			0.25
Shares in issue				
Ordinary number of shares in issue[3]	142	–	299,999,858	300,000,000
Diluted number of shares in issue	142	–	–	300,000,000

NOTES TO THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION

1. The figures in the "Before the Listing" column have been extracted without adjustment from the reviewed consolidated financial statements of Cartrack as at 31 August 2014 presented in Annexure 3 to this Pre-listing Statement.
2. Transaction costs of the Offer are estimated to be R3.55 million which will be paid for by Cartrack in cash. A breakdown of transaction costs relating to the Listing is provided in paragraph 19 of Additional Information.
3. The Offer is assumed to have taken place on 31 August 2014, with the issue of 299,999,858 new ordinary Shares for R300 (R0.000001 per Share as per the subscription agreement detailed in Annexure 14).
4. Cash and cash equivalents and Share Capital and premium (stated capital) will increase by R300 received on the subscription. The entire proceeds from the Private Placement will be used to settle the Aggregate Repurchase Price. Further detail regarding the subscription and buyback is set out in Annexure 14.
5. Share Capital has been adjusted due to the shares in issue having been increased to 300,000,000 shares. Authorised share capital has been increased to 1,000,000,000.
6. There are no post balance sheet events which require adjustment of the *pro forma* financial effects. In addition, no other material matter or circumstance since the end of the financial period arose that would have a significant effect on the financial position of the Group or the results of the operations.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

The *pro forma* statement of comprehensive income set out below presents the effects of the Listing and the Offer on the results of Cartrack for the six months ended 31 August 2014 based on the assumption that the Listing and the Offer took place with effect from 1 March 2014:

R'000	Before the Listing[1]	Transaction costs[2]	Increase in number of shares in issue [3 4]	After the Listing
Revenue	397,647	–	–	397,647
Cost of Sales	(73,778)	–	–	(73,778)
Gross Profit	**323,868**	**–**	**–**	**323,868**
Other income	3,747	–	–	3,747
Operating expenses	(199,880)	(3,550)	–	(203,430)
Operating profit	**127,736**	**(3,550)**	**–**	**124,186**
Investment revenue	681	–	–	681
Finance costs	(516)	–	–	(516)
Profit before taxation	**127,900**	**(3,550)**	**–**	**124,350**
Taxation	(35,965)	–	–	(35,965)
Profit for the 6 months	**91,935**	**(3,550)**	**–**	**88,385**
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Exchange difference on translation of foreign operations	3,637	–	–	3,637
Other comprehensive income for the 6 months net of taxation	**3,637**	–	–	**3,637**
Total comprehensive income for the 6 months	**95,573**	**(3,550)**	**–**	**92,023**
Total comprehensive income attributable to:	–			
Owners of the parent	86,199	(3,550)	–	82,649
Non–controlling interest	9,374	–	–	9,374
	95,573	**(3,550)**	**–**	**92,023**
Profit attributable to:			–	
Owners of the parent	84,722	(3,550)	–	81,172
Non-controlling interest	7,213	–	–	7,213
	91,935	**(3,550)**	**–**	**88,385**
Reconciliation between attributable earnings and headline earnings				
Profit attributable to equity holders of the parent	84,722	(3,550)	–	81,172
Adjusted for:	–	–	–	
Gains on disposal of assets	(426)	–	–	(426)
Headline earnings	**84,296**	**(3,550)**	**–**	**80,746**
Basic earnings per share (Rands)	596.633	–	–	0.27
Diluted basic earnings per shares (Rands)	596.633	–	–	0.27
Headline earnings per share (Rands)[4]	593.633	–	–	0.27
Diluted headline earnings per share (Rands)	593.633	–	–	0.27
Shares in issue				
Ordinary number of shares in issue[4]	142	–	299,999,858	300,000,000
Diluted number of shares in issue	142	–	–	300,000,000

NOTES TO THE *PRO FORMA* STATEMENT OF COMPREHENSIVE INCOME

1. The figures in the "Before the Listing" column have been extracted without adjustment from the reviewed consolidated statement of comprehensive income of Cartrack for the six months ended 31 August 2014 presented in Annexure 3 to this Pre–listing Statement.
2. Expenses directly associated with the listing, paid for by the Company rather than the selling shareholders, totaling R3.55 million has been expensed and will not be continuing. A breakdown of transaction costs relating to the Listing is provided in paragraph 19 of Additional Information. Transaction expenses are not tax deductible.
3. The Private Placing is assumed to have taken place on 1 March 2014, with the issue of 299,999,858 new Ordinary Shares for R300.00 (R0.000001 per Share as per the subscription agreement detailed in Annexure 14). This adjustment will have a continuing effect. There is no effect on the statement of comprehensive income
4. Share Capital has been adjusted due to the shares in issue having been increased to 300,000,000 shares. Authorised share capital has been increased to 1,000,000,000.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE PRO FORMA FINANCIAL INFORMATION OF CARTRACK HOLDINGS

The Directors
Cartrack Holdings Limited
Unit 7 Boskruin Business Park
Bosbok Ridge
Randpark Ridge
EX. 75
2169

14 November 2014

Dear Sirs

Introduction

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Cartrack by the directors. The *pro forma* financial information, as set out in Annexure 9 of the pre-listing statement to be issued by Cartrack on or about 11 December 2014 ("the PLS"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the private placement and listing ("the transaction") on the company's financial position at 31 August 2014, and the company's financial performance for the period then ended, as if the transactions had taken place at 31 August 2014 for purposes of the *pro forma* statement of financial position and at 1 March 2014 for purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the company's financial position has been extracted by the directors from the company's reviewed financial information for the 6 months ended 31 August 2014.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexure 9 of the PLS.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in the PLS is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 9 of the PLS.

Consent

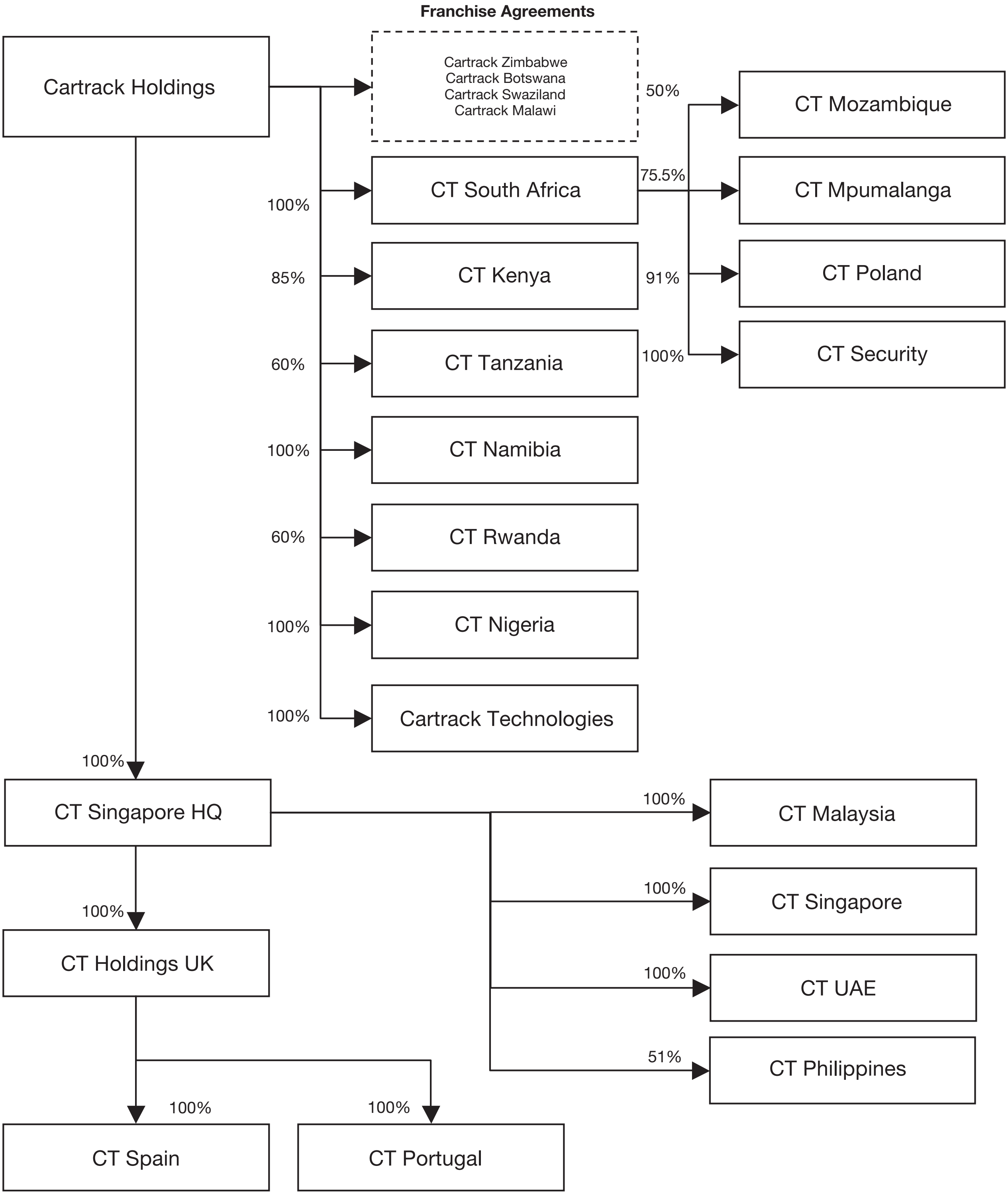
This report on the *pro forma* financial information is included solely for the information of the Cartrack shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear in the PLS.

Yours faithfully

GRANT THORNTON
Chartered Accountants (SA)
Registered Auditors

per Duncan Church
Chartered Accountant (SA)
Registered Auditor

GROUP STRUCTURE



This group structure diagram has been included for illustrative purposes only as at 31 August 2014 and does not represent a comprehensive list of all subsidiaries in the Company as a result of dormant and newly registered entities. A full list of subsidiaries is set out in Annexure 12.

DETAILS OF SUBSIDIARY COMPANIES AS AT 31 AUGUST 2014

Name	Place of incorporation	Registration number	Shareholding	Issued share capital	Shares held by the company	Date on which became a subsidiary	Date on which began trading	Main business
Cartrack Proprietary Limited	South Africa	2001/006063/07	100%	800 ordinary shares of R 1.00 each	800 ordinary shares of R 1.00 each	20/02/2006	01/04/2004	Development of telematics and electronic equipment, fleet management, vehicle tracking, import and export and allied activities.
Retriever Limited	Kenya	CPR/2010/23065	85%	150 000 ordinary shares of 100 KES each	127 500 ordinary shares of 100 KES each	28/11/2013	01/02/2010	Vehicle tracking services.
Cartrack Tanzania Limited	Tanzania	42374	60%	1 000 ordinary shares of 1 000 Tshs each	600 ordinary shares of 1 000 Tshs each	28/11/2013	18/10/2001	Vehicle tracking services.
Retriever Rwanda Limited	Rwanda	102894083	60%	1 000 ordinary shares of 1 000 RWF each	600 ordinary shares of 1 000 RWF each	21/05/2014	12/09/2013	Vehicle tracking services.
Cartrack Engineering Technologies Limited	Nigeria	RC 1170454	99.999%	10 000 000 shares of 1.00 NGN each	9 999 999 shares of 1.00 NGN each	01/03/2014	12/02/2014	Vehicle tracking services.
Cartrack Namibia Proprietary Limited	Namibia	2007/0430	100%	100 ordinary shares of N$ 1.00 each	100 ordinary shares of N$ 1.00 each	01/02/2012	04/07/2007	Development of telematic and electronic equipment and fleet management vehicle tracking.
Cartrack Technologies Proprietary Limited	South Africa	2001/027237/07	100%	200 ordinary shares of R 1.00 each	200 ordinary shares of R 1.00 each	04/08/2014	13/11/2001	Procurement and manufacturing of technological and electronic equipment.
Cartrack North East Proprietary Limited	South Africa	2009/000972/07	75.5%	1 000 ordinary shares of R 1.00 each	755 ordinary shares of R 1.00 each	01/03/2009	01/03/2009	Vehicle tracking, vehicle recovery and all related services.

Name	Place of incorporation	Registration number	Shareholding	Issued share capital	Shares held by the company	Date on which became a subsidiary	Date on which began trading	Main business
Cartrack Limitada	Mozambique	100195674	50%	3 200 000 MZN	1 600 000 MZN	30/04/2011	25/01/2006	Fleet management, vehicle recovery and insurance telematics.
Cartrack Polska. SP.ZO.O.	Poland	KRS00000326841	91%	110 shares of 38 517 PLN each	100 shares of 38 517 PLN each	05/03/2013	13/04/2011	Installation of industrial machinery and equipment.
Cartrack Fleet Management Proprietary Limited	South Africa	2005/036165/07	74%	100 ordinary shares of R 1.00 each	74 ordinary shares of R 1.00 each.	20/02/2006	10/10/2005	Installing tracker systems on fleet of vehicles.
Zonke Bonke Telecoms Proprietary Limited	South Africa	2011/007985/07	100%	100 ordinary shares of R 1.00 each	100 ordinary shares of R 1.00 each	16/05/2011	11/04/2011	Telematics services
Plexique Proprietary Limited	South Africa	2008/019491/07	100%	100 ordinary shares of R 1.00 each	100 ordinary shares of R 1.00 each	23/11/2009	18/08/2008	Security, tracking and all related activities.
Combined Telematics Services Proprietary Limited	South Africa	2005/016773/07	49%	100 ordinary shares of R 1.00 each	49 ordinary shares of R 1.00 each	12/07/2005	17/05/2005	Supply and installation of products and provision of services pertaining to vehicle and asset tracking, stolen vehicle recovery and fleet management.
Cartrack Technologies Asia PTE LTD	Singapore	201129934D	100%	1 000 ordinary shares	1 000 ordinary shares	01/03/2014	04/10/2011	Telematic services
Cartrack Technologies LLC	Dubai	1142197	100%*	100 shares of AED 1 000 each	49 shares of AED 1 000 each	10/08/2014	10/08/2014	Global Positioning Systems (GPS) trading.
Cartrack Technologies (China) Limited	Hong Kong	2132939	90%	1 200 000 shares	1 080 000 shares	19/08/2014	19/08/2014	Telematic services
Cartrack Investment UK Limited	United Kingdom	08528652	100%	100 shares of GBP 1.00 each	100 shares of GBP 1.00 each	28/07/2014	28/07/2014	Telematic services
Cartrack Malaysia SDN. BHD.	Malaysia	1087078D	100%	2 ordinary shares of RM 1.00 each	2 ordinary shares of RM 1.00 each	01/06/2014	01/04/2014	Telematic services

DETAILS OF SUBSIDIARY COMPANIES AS AT 31 AUGUST 2014 *(CONTINUED)*

Name	Place of incorporation	Registration number	Shareholding	Issued share capital	Shares held by the company	Date on which became a subsidiary	Date on which began trading	Main business
Cartrack Technologies PHL INC	Philippines	CS201403229	51%	3 493 570 PHP	3 493 570 PHP	22/07/2014	18/02/2014	To engage in and carry on the trade or business of providing technology for Global Positioning (GPS) tracking and monitoring solutions for vehicles, equipment and tangible assets, computer software and information and communications technology solutions and services.
Cartrack Technologies South East Asia PTE LTD	Singapore	201206280Z	100%	1 000 ordinary shares of 1.00 SGD each	1 000 ordinary shares of 1.00 SGD each	22/05/2013	13/03/2012	Telematic services
Cartrack Capital SGPS.SA	Portugal	508886759	100%	50 000 shares of 1.00 Euro each	50 000 shares of 1.00 Euro each	28/07/2014	28/07/2014	Telematic services
Cartrack Espana, S.L.	Spain	B86009784	100%	24 080 Euros	24 080 Euros	28/07/2014	21/01/2008	Telematic services
Cartrack Sistema de Controlo e Identificacao de Veiculos,SA	Portugal	505464713	100%	100 000 shares of 1.00 Euro each	100 000 shares of 1.00 Euro each	28/07/2014	03/07/2008	Telematic services
Cartrack Europe SGPS,SA	Portugal	508886740	100%	50 000 shares of 1.00 Euro each	50 000 shares of 1.00 Euro each	28/07/2014	28/07/2014	Telematic services

Note: None of the subsidiaries set out above in Annexure 12 are listed on any stock exchange

* Supplementary details surrounding the effective ownership arrangements of the operations in the United Arab Emirates are set out in Annexure 13

DETAILS OF MATERIAL CONTRACTS

CARTRACK GROUP RESTRUCTURING AGREEMENTS

Pursuant to an internal restructuring, *inter alia*, the following assets–for–shares sale agreements (in terms of section 42 of the Income Tax Act) were concluded on 18 March 2013 in respect of the Company and Cartrack Pty:

- the first asset–for–share sale involved Georgem Holdings Proprietary Limited ("**Georgem Holdings**") acquiring: (a) 40 ordinary shares in Cartrack Pty's issued share capital from the Georgem Trust for a purchase consideration of R42 487 000; and (b) 2 ordinary par value shares in the Company's issued share capital from the Georgem Trust for a purchase consideration of R16 145 000. The total purchase consideration was discharged by Georgem Holdings issuing 58 632 336 ordinary shares to the Georgem Trust;
- the second asset–for–share sale involved Onecell acquiring: (a) 40 ordinary shares in Cartrack Pty's issued share capital from Georgem Holdings for a purchase consideration of R42 487 000; and (b) 2 ordinary par value shares in the Company's issued share capital from Georgem Holdings for a purchase consideration of R16 145 000. The total purchase consideration was discharged by OneCell issuing 48 ordinary shares to the Georgem Holdings;
- the third asset–for–share sale involved Onecell acquiring 38 ordinary par value shares in the Company's issued share capital from the Garoca Business Trust for a purchase consideration of R306 757 584. The total purchase consideration was discharged by OneCell issuing 249 ordinary shares to the Garoca Business Trust; and
- the fourth asset–for–share sale involved the Company acquiring 40 ordinary shares in Cartrack Pty's issued share capital from OneCell for a purchase consideration of R42 487 200. The purchase consideration was discharged by the Company issuing 42 ordinary par value shares to OneCell.

Supplementary Agreement (CT UAE)

Nature of agreement	Supplementary Agreement
Parties involved	CT Singapore HQ, and CT UAE and Arif Sayed Mohammed Sayed Abdulrahim Alhashimi ("**Arif**")
Date of agreement	12 August 2014
Details	CT UAE is held as to 49% by CT Singapore HQ and 51% by Arif.

The supplementary agreement was entered into between CT Singapore HQ and Arif as a result of local laws requiring a local individual to hold the majority shareholding in any local entity. The supplementary agreement records that the parties have established CT UAE and that, notwithstanding any contrary provision in the memorandum and articles of association of CT UAE:

- all of the profits and losses (including loss of capital) shall be borne by and distributed to CT Singapore HQ only;
- Arif shall not be entitled to any dividend, distribution, draw or other payment or allocation from CT UAE, nor shall he be liable for any losses of liabilities whatsoever;
- Arif shall be entitled to a fixed annual payment of AED60 000 (sixty thousand Dirham) for including his name in the memorandum and articles of association of CT UAE and for obtaining a trade license, visas and work permits for employees of CT UAE; and
- Arif irrevocably appoints CT Singapore HQ as its representative and delegates its proxy to CT Singapore HQ to attend all meetings of CT UAE and to cast any and all votes in its sole discretion on behalf of Arif in relation to the shares which Arif holds in CT UAE. This right not only allows CT Singapore HQ the right to attend and vote at shareholder meetings but also the right to make any other decision, election, appointment, approval or consent right given to or vested in Arif under the memorandum and articles of association of CT UAE or pursuant to any applicable law, including (without limitation) the right to appoint directors to the board of CT UAE, the right to approve or consent to any of the matters addressed in the memorandum and articles of association of CT UAE and the right to exercise any other right or discretion given to Arif under the memorandum and articles of association of CT UAE.

Subscription Agreement

Nature of agreement	Subscription agreement
Parties involved	Company and Onecell
Date of agreement	24 October 2014
Details	Refer Annexure 14

Share buy–back Agreement

Nature of agreement	Buyback agreement
Parties involved	Company and Onecell
Date of agreement	24 October 2014
Details	Refer Annexure 14

ONECELL SUBSCRIPTION AND BUYBACK

In order to facilitate the Listing, Onecell and the Company have entered into the Subscription Agreement and the Buyback Agreement. The salient terms, and the manner in which the aforesaid agreements and the Private Placement have been/will be implemented, are as follows:

- in terms of the Subscription Agreement on 10 November 2014, Onecell subscribed for the Relevant Shares. The aggregate subscription price for the Relevant Shares subscribed for by Onecell under the Subscription Agreement is R300 and, against payment by Onecell of the aggregate subscription price to the Company, on 10 November 2014, the Company issued the Relevant Shares to Onecell. Pursuant to the aforesaid issuance the Company's issued share capital increased from 142 Shares to 300,000,000 Shares (100% of which is, as at the date upon which this Pre-listing Statement is issued, held by Onecell);
- pursuant to the applications made by Applicants for Offer Shares, the Bookrunner will recommend to Onecell the number of Buyback Shares that Onecell should make available for the Company to buyback under the Buyback Agreement and the Company shall buyback that number of Shares that is acceptable to Onecell;
- on the Buyback Date:
  - o the Company will repurchase the Buyback Shares from Onecell; and
  - o cancel such Shares as issued shares and, as a result, the authorised share capital of the Company available to be issued will increase (and the issued share capital of the Company will decrease) by the number of Buyback Shares which are so repurchased;
- the aggregate number of Shares that will be allocated to Successful Applicants will be a number equal to the number of Buyback Shares that the Company repurchases from Onecell under the Buyback Agreement and, consequently, following the issuance of the Offer Shares to Successful Applicants on the Listing Date the Company's entire issued share capital will increase to 300,000,000 Shares (of which Onecell will own between 80% and 53% depending on the number of Buyback Shares that the Company repurchases from Onecell under the Buyback Agreement); and
- the Company will only make payment of the Aggregate Repurchase Price to Onecell after the issuance of Offer Shares to Successful Applicants on the Listing Date and, accordingly, thereafter an amount equal to the proceeds (estimated to be between R600 million and R2,115 million) received by the Company from the Private Placement will be paid by the Company to Onecell in order to discharge the Aggregate Repurchase Price.

EXTRACTS FROM MEMORANDUM OF INCORPORATION

Extracts from Cartrack's Memorandum of incorporation

Set out below are summarised extracts from Cartrack's memorandum of incorporation:

8. AUTHORISED SECURITIES AND ALLOTMENT AND ISSUE

8.4 "No rights, privileges or conditions for the time being attached to any class of Securities of the Company nor any interests of that class of Securities may (unless otherwise provided by the terms of issue of the Securities of that class) whether or not the Company is being wound up, be varied in any manner adverse to the Holders of that class of Securities, nor may any variations be made to the rights, privileges or conditions of any class of Securities, such that the interests of another class of Securities is adversely affected, unless the consent in Writing of the Holders of not less than 75% (seventy-five percent) of the issued Securities of that adversely affected class has been obtained, or a Special Resolution has been passed by the Holders of that adversely affected class of Securities with the support of not less than 75%(I) (seventy-five percent) of the Voting Rights Exercised on the Special Resolution at a separate meeting of the Holders of that class. The provisions of this MOI relating to Shareholders Meetings shall mutatis mutandis apply to any such separate meeting except that –

8.4.1 the necessary quorum shall be a majority of the Holders of that adversely affected class of Securities;

8.4.2 if at any adjourned meeting of such Holders, the required quorum contemplated in clause 8.4.1 is not present, those Persons entitled to vote who are Present shall be a quorum."

9. AUTHORITY TO ISSUE SECURITIES

9.1 The Board shall not have the power to issue authorised Shares or Securities convertible into Shares (other than as contemplated in clause 9.5) without the prior approval contemplated in clause 9.2 and the approval of the JSE (where necessary). The Board shall have the power to issue debt instruments which are not convertible into Shares.

9.2 As regards the issue of –

9.2.1 Shares contemplated in sections 41(1) and (3) or as contemplated in Listings Requirement 5.50, the Directors shall not have the power to allot or issue same without the prior approval of a Special Resolution;

9.2.2 Shares, other than those contemplated in clause 9.2.1 and/or 9.5, and other Securities convertible into Shares, including options in respect of such Shares or Securities thereof, the Directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution,

provided that such issue has been approved by the JSE. The Board may authorise the Company to issue secured or unsecured debt instruments as set out in section 43(2), provided that no special privileges (including, without limitation, attending and voting at general Meetings and the appointment of Directors) may be granted to secured and unsecured debt instruments as contemplated in section 43(3).

9.5 The Board may issue capitalisation Shares or offer a cash payment in lieu of awarding a capitalisation Share in accordance with section 47."

20. SHAREHOLDERS MEETINGS

20.30 "On a poll every Person entitled to vote who is Present at the Meeting shall have the number of votes determined in accordance with the Voting Rights associated with the Securities in question. In instances in which Holders of Securities, other than ordinary Shares and any special shares created for the purposes of black economic empowerment in terms of the relevant legislation, are entitled to vote at Shareholders Meetings, their votes may not carry any special rights or privileges and may not exceed 24,99% (twenty four comma ninety nine per cent) of the total Voting Rights of all Persons entitled to vote at such a meeting. If a resolution is proposed to meet the Listings Requirements, notwithstanding that the Holders of Securities not listed on the JSE shall be entitled to vote thereon as a matter of law, their votes shall not be taken into account for the purposes of determining whether or not the requirements of the Listings Requirements have been attained.

23. "ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS AND VACANCIES

23.1 The minimum number of Directors shall be 5 (five).

23.2 At the first Annual General Meeting held after the listing of the Company's Shares on the JSE, all of the Directors shall retire, and at the Annual General Meeting held in each year thereafter 1/3 (one third) of the Directors in total (including at least 1/3 (one third) of the non-executive Directors), or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one third) shall retire from office and where the Company is listed on the Main Board of the JSE the aforesaid Annual General Meetings may not, in terms of the Listings Requirements, be conducted in terms of section 60 of the Companies Act,. The Directors to so retire at each Annual General Meeting after the first Annual General Meeting shall be those who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall, in the absence of agreement, be selected from among them by lot.

23.3 A retiring Director shall act as a Director throughout the Meeting at which he/she retires. The length of time a Director has been in office shall be computed from the date of his/her last election. Retiring Directors shall be eligible for re election. No Person other than a Director retiring at the Meeting shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any Annual General Meeting unless, not less than 7 (seven) days nor more than 14 (fourteen) days before the day appointed for the Meeting, there shall have been given to the secretary notice in Writing by some Holder duly qualified to be present and vote at the Meeting for which such notice is given of the intention of such Holder to propose such Person for election (and in this regard any Holder shall be entitled to nominate such a Person for appointment as a Director) and also notice in Writing signed by the Person to be proposed of his/her willingness to be elected. If at any Annual General Meeting, the place of any retiring Director is not filled, he/she shall if willing continue in office until the dissolution of the Annual General Meeting in the next year, and so on from year to year until his/her place is filled, unless it shall be determined at such Meeting not to fill such vacancy

23.4 Each of the Directors and the Alternate Directors (other than an Alternate Director appointed pursuant to clause 23.12.1), or a Director contemplated in clause 23.9, shall be elected (which in the case of a vacancy arising shall take place at the next Annual General Meeting) by an Ordinary Resolution passed by Shareholders (which, if the Company is listed on the Main Board of the JSE, may not be conducted in terms of section 60 of the Companies Act), in accordance with clause 23.6. An Alternate Director shall serve in the place of: (a) the Director who appointed him/her pursuant to clause 23.12.1; or (b) 1 (one) or more Director/s named in the resolution electing him/her, during the Director's/s' absence or inability to act as Director. If a Person is an Alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, he/she shall have a separate vote, on behalf of each Director he/she is representing in addition to his/her own vote, if any. For the avoidance of doubt, life directorships and directorships for an indefinite period are not permissible.

23.5 There are no general qualifications prescribed by the Company for a Person to serve as a Director or an Alternate Director in addition to the requirements of the Companies Act. The Board, with the assistance of the nomination committee, if the Company has such a committee at that point in time, must make recommendations to the Holders regarding the eligibility of Persons nominated for election as Directors, taking into account their past performance and contribution, if applicable. A brief curriculum vita of each Person standing for election or re-election as a Director at a Meeting or the Annual General Meeting, must accompany the notice of the Meeting.

23.6 In any election of Directors and Alternate Directors, the election is to be conducted as follows –

23.6.1 a series of votes of those entitled to Exercise votes regarding such election, each of which is on the candidacy of a single Individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board at that time have been filled; and

23.6.2 in each vote to fill a vacancy –

23.6.2.1 each Voting Right entitled to be Exercised may be Exercised once; and

23.6.2.2 the vacancy is filled only if a majority of the Voting Rights Exercised support the candidate.

23.7 No Person shall be elected as a Director or Alternate Director, if he/she is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a Director or Alternate Director nor act as a Director or Alternate Director. A Person placed under probation by a court must not serve as a Director or an Alternate Director unless the order of court so permits.

23.8 No election of a Director shall take effect until he/she has delivered to the Company a Written consent to serve.

23.9 Any vacancy occurring on the Board may be filled by the Board, but so that the total number of the Directors shall not at any time exceed the maximum number fixed, if any, but the Individual so appointed shall cease to hold office at the termination of the first Shareholders Meeting to be held after the appointment of such Individual as a Director unless he/she is elected at such Shareholders Meeting.

23.10 The continuing Directors (or sole continuing Director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to this MOI as the minimum, the continuing Directors or Director must, as soon as possible, and, in any event, not later than 3 (three) months from the date that the number falls below the minimum, fill the vacancy or call a Shareholders Meeting to do so. Any failure by the Company at any time to have the minimum number of Directors during the aforesaid 3 (three) month period, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company. After the expiry of the aforesaid 3 (three) month period, the remaining Directors shall only be permitted to act for the purpose of filling the vacancy or calling a Shareholders Meeting to do so.

23.11 If there is no Director able and willing to act, then any Holder entitled to Exercise Voting Rights in the election of a Director may convene a Shareholders Meeting for the purpose of electing Directors.

23.12 Alternate Directors

23.12.1 A Director may:

23.12.1.1 appoint another Director or any person approved for that purpose by a resolution of the Board to act as Alternate Director in his place and during his absence; and

23.12.1.2 remove such Alternate Director, provided that at least 50% (fifty percent) of all Alternate Directors shall be elected by Shareholders.

23.12.2 A person appointed as an Alternate Director shall, except as regards authority to appoint an Alternate Director and remuneration, be subject in all respects to the terms and conditions existing in respect of the other Directors of the Company.

23.12.3 Each Alternate Director, whilst so acting, shall be entitled to:

23.12.3.1 receive notices of all meetings of the Directors or of any committee of the Directors of which the person for whom he/she acts as alternate is a member;

23.12.3.2 attend and vote at any such meeting at which the person for whom he/she acts as alternate is not personally present; and

23.12.3.3 generally exercise and discharge all the functions, powers and duties of the person for whom he acts as alternate in such person's absence as if he/she were a Director.

23.12.4 An Alternate Director shall ipso facto cease to be an Alternate Director if the person for whom he acts as alternate ceases for any reason to be a Director.

23.12.5 Without derogating from any of the provisions set out in the Companies Act in respect of the removal of Directors from office as such, any appointment or removal of an Alternate Director who was appointed pursuant to clause 23.12.1 shall be effected by written notice delivered at the principal place of business of the Company and signed by the appointer.

24. CESSATION OF OFFICE AS DIRECTOR OR ALTERNATE DIRECTOR

24.1 A Director or Alternate Director shall cease to hold office as such –

24.1.1 immediately he/she becomes Ineligible or Disqualified or the Board resolves to remove him/her on such basis, and in the latter case the Director / Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period he/she shall be suspended);

24.1.2 when his/her term of office contemplated in clauses 23.2 and 23.4 expires;

24.1.3 when he/she dies;

24.1.4 when he/she resigns by Written notice to the Company;

24.1.5 if there are more than 4 (four) Directors in office and if the Board determines that he/she has become incapacitated to the extent that the Individual is unable to perform the functions of a Director, and is unlikely to regain that capacity within a reasonable time, and the Director / Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period he/she shall be suspended);

24.1.6 if he/she is declared delinquent by a court, or placed on probation under conditions that are inconsistent with continuing to be a Director;

24.1.7 if he/she is removed by Ordinary Resolution;

24.1.8 if there are more than 4 (four) Directors in office and if he/she is removed by resolution of the Board for being negligent or derelict in performing the functions of a Director, and the Director / Alternate Director has not within the permitted period filed an application for review or has filed such an application but the court has not yet confirmed the removal (during which period he/she shall be suspended);

24.1.9 he/she files a petition for the surrender of his/her estate or an application for an administration order, or if he/she commits an act of insolvency as defined in the insolvency law for the time being in force, or if he/she makes any arrangement or composition with his/her creditors generally; or

24.1.10 he/she is otherwise removed in accordance with any provisions of this MOI.

25. REMUNERATION OF DIRECTORS AND ALTERNATE DIRECTORS AND MEMBERS OF BOARD COMMITTEES

25.1 The Directors or Alternate Directors or members of Board committees shall be entitled to such remuneration for their services as Directors or Alternate Directors or members of Board committees as may have been determined from time to time by Special Resolution within the previous 2 (two) years. In addition: (a) the Directors and Alternate Directors shall be entitled to all reasonable expenses: (i) in travelling (including hotels) to and from meetings of the Directors and Holders; and/or (ii) incurred by such Directors or Alternate Directors by virtue of being required to reside abroad or to be specifically occupied about the Company's business; and (b) the members of the Board committees shall be entitled to all reasonable expenses: (i) in travelling (including hotels) to and from meetings of the members of the Board committees; and/or (ii) incurred by such members of Board Committees by virtue of being required to reside abroad or to be specifically occupied about the Company's business. The Company may pay or grant any type of remuneration contemplated in sections 30(6)(b) to (g) to any executive Directors.

25.2 A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a major Subsidiary of, the Company and in that event, his/her appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors and such remuneration may either be in addition or in substitution for any other remuneration payable.

27. GENERAL POWERS AND DUTIES OF DIRECTORS

27.1 The powers of management granted to the Directors in terms of section 66(1) are not limited by this MOI.

27.2 The Directors may –

27.2.1 establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and

27.2.2 give pensions, gratuities and allowances to and make payments for or towards the insurance of,

any Individuals who are employees or ex-employees (including Directors or ex-Directors) of the Company, or of any company which is or was a Subsidiary of the Company or is or was in any way allied to or associated with it or any such Subsidiary, and the wives, widows, families and dependants of such Individuals.

27.3 The Board must appoint a chief executive officer and an executive financial Director. The Board may from time to time appoint one or more of the Directors to the office of managing Director or manager (provided always that the number of Directors so appointed as managing Director or joint managing Directors and/or the holders of any other executive office including a chairperson who holds an executive office but not a chairperson who is a non-executive Director shall at all times be less than ½ (one half) of the number of Directors in office) for such period (not exceeding 5 (five) years) and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms it may think fit, and it may be made a term of his/her appointment that he/she be paid a pension, gratuity or other benefit on his/her retirement from office.

27.4 The Board may from time to time entrust to and confer upon a managing Director or manager for the time being such of the powers vested in the Directors as it may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as it may think expedient; and it may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the Directors, and may from time to time revoke or vary all or any of such powers. A managing Director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the Directors and after powers have been conferred upon him/her by the Board in terms hereof he/she shall be deemed to derive such powers directly from this clause."

33. DISTRIBUTIONS

33.1 The Company may make Distributions from time to time, provided that –

33.1.1 any such Distribution –

33.1.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

33.1.1.2 has been authorised by the Board, by resolution, and

33.1.2 it reasonably appears to the Board that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution; and

33.1.3 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution;

and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 33.1.3, failing which it must again comply with the aforegoing. Dividends shall be paid to Holders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later.

33.2 No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 33.1.1, shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.

33.3 Subject to clause 33.4, all unclaimed monies to which a Holder is lawfully entitled pursuant to this clause shall be held in trust until lawfully claimed by such Holder, or until such Holder's claim to such money has prescribed in terms of the applicable laws of prescription. An unclaimed dividend or other Distribution shall, when claimed, be paid without interest.

33.4 The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed Distributions, to any one of the Company's bankers from time to time.

33.5 Payments to Holders must be provided for in accordance with the Listings Requirements and must not provide that capital shall be repaid upon the basis that it may be called up again.

PARTICULARS AND OTHER MATTERS RELATING TO THE DIRECTORS OF THE ISSUER AND MAJOR SUBSIDIARIES

Directors of major subsidiaries

Name	Major subsidiary	Business address	Function/Occupation	Date of appointment as director
Juan Marais	Cartrack Proprietary Limited	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Head of Group Sales and Marketing	1 November 2005
Craig Sanderson	Cartrack Proprietary Limited	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	Deputy Chief Financial Officer	28 February 2014
Elise Solomons	Cartrack Proprietary Limited	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	International accounting officer	11 November 2011

Notes:
All directors listed above are South African citizens

Other directorships and partnerships held by the directors of the issuer and its major subsidiaries in the five years immediately preceding the last practicable date

First name	Surname	Entity name	Entity Type	Date Appointed	Date Resigned if no longer a Director
Isaias	Calisto	Brick Capital Proprietary Limited	Company	2014/10/11	–
		Madeira Calisto Family Holdings Proprietary Limited	Company	2013/07/13	–
		Cartrack Proprietary Limited	Company	15/03/2001	–
		Cartrack Technologies Proprietary Limited	Company	13/11/2001	–
		Onecell Proprietary Limited	Company	21/06/2002	–
		Purple Rain Properties No 444 Proprietary Limited	Company	17/10/2003	–
		Viva Afrika – Sound and Light Proprietary Limited	Company	07/10/2004	–
		Combined Telematics Services Proprietary Limited	Company	21/06/2005	30/12/2005
		Onecell Data Solutions Proprietary Limited	Company	15/06/2012	–
		Onecell Community Phones Proprietary Limited	Company	26/06/2012	–
		Cartrack Holdings Proprietary Limited	Company	31/10/2009	–
		Onecell Holdings Proprietary Limited	Company	20/02/2006	–
		Before the wind Investments Proprietary Limited	Company	30/05/2008	–
		Onecell Manufacturers Proprietary Limited	Company	15/06/2012	–
		Bonito Recruitment Services Proprietary Limited	Company	10/07/2012	–
		Garoca Management Services Proprietary Limited	Company	10/07/2012	–
		Agrinex cc	Company	23/02/1988	16/07/2010
		Agri–Sweet Daily Products cc	Company	06/09/1991	04/05/2010
		Tramtrade Trading No 48 cc	Company	23/01/2002	12/11/2009
		Traconsult Proprietary Limited	Company	03/01/1991	13/11/2009
		CT KZN Tracking and Recovery Services Provider Proprietary Limited	Company	20/04/2004	16/07/2010
John	Edmeston	Pro–fit Fitment Center Proprietary Limited	Company	20/11/2013	–
		Cartrack Proprietary Limited	Company	01/07/2008	–
		Tree Top Housing Proprietary Limited	Company	15/08/2005	–
		Combined Telematics services Proprietary Limited	Company	5/06/2012	–
		Cartrack North East Proprietary Limited	Company	23/11/2009	–

First name	Surname	Entity name	Entity Type	Date Appointed	Date Resigned if no longer a Director
		Cartract North East Proprietary Limited	Company	15/05/2011	–
		Zonke Bonke Telecoms Proprietary Limited	Company	15/06/2012	–
Thebe	Ikalafeng	Ihop World Proprietary Limited	Company	13/11/2008	–
		The Brand Leadership Group	Company	13/08/2003	–
		Brand Leadership Academy	Company	25/01/2008	–
		World Wide Fund – SA (WWF)	Company	01/03/2012	–
		South African Tourism (SAT)	Company	01/06/2012	–
		Mercantile Bank	Company	16/11/2004	–
David	Brown	Mercantile Bank Holdings Ltd	Company	29/03/2004	31/3/2013
		Mercantile Bank Limited	Company	29/03/2004	31/3/2013
		Portion 2 of Lot 8 Sandown Proprietary Limited	Company	29/03/2004	31/3/2013
		Mercantile Bank Holdings Limited	Company	01/04/2013	19/8/2013
Kim	White	KCE Consulting Inc.	Company	14/10/2013	–
Craig	Sanderson	Cartrack Proprietary Limited	Company	28/02/2014	–
		Cartrack Holdings Proprietary Limited	Company	28/02/2014	15/09/2014
		Image Source Limited	Company	04/01/2007	01/03/2011
		The Picture Book Limited	Company	01/10/2009	01/03/2011
		Image Source Group Limited	Company	01/10/2009	01/03/2011
Juan	Marais	Tax Education & Management Proprietary Limited	Company	09/01/1999	01/11/2012
		Georgem Holdings Proprietary Limited	Company	20/06/2012	–
		Pro–fit Fitment Centre Proprietary Limited	Company	20/11/2013	–
		Finance Mart SA Proprietary Limited	Company	30/06/1999	16/07/2010
		Trade Windows No 54 Proprietary Limited	Company	18/10/2000	15/08/2002
		Loan Mart Proprietary Limited	Company	16/02/2001	–
		Cartrack Proprietary Limited	Company	01/11/2005	–
		Advancor Proprietary Limited	Company	01/03/2010	–
		Blue Pointer Trading 112 Proprietary Limited	Company	03/01/2001	–
		AAJ Investments Proprietary Limited	Company	24/08/2005	16/07/2010
		Cartrack Holdings Proprietary Limited	Company	14/09/2012	13/10/2014
		Onecell Holdings Proprietary Limited	Company	13/09/2012	–
		Plexique Proprietary Limited	Company	15/06/2012	–
		Cartrack North East Proprietary Limited	Company	10/07/2012	–
		Zonke Bonke Telecoms Proprietary Limited	Company	15/06/2012	–
Elise	Solomons	Onecell Community Phones Proprietary Limited	Company	26/6/2012	–
		Garoca Management Services Proprietary Limited	Company	13/9/2012	–
		Cartrack Education Fund Proprietary Limited	Company	25/10/2011	–
		Bonito Recruitment Services Proprietary Limited	Company	10/7/2011	–
		Cartrack Fleet Management Proprietary Limited	Company	01/3/2009	–
		Cartrack North East Proprietary Limited	Company	10/7/2012	–
		Combined Telematics Services Proprietary Limited	Company	31/10/2013	–
		Cartrack Limitada	Company	11/10/2011	–

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

APPLICATION FORM TO PARTICIPATE IN THE OFFER TO BE COMPLETED BY ELIGIBLE INVESTORS

The definitions commencing on page 13 of the Pre–listing Statement to which this application form is attached, apply *mutatis mutandis* throughout this application form, unless the context clearly indicates otherwise.

The Offer comprises an offer to Eligible Investors for subscription for between 60,000,000 (representing 20% of the Issuer's issued Share capital once issued) and 141,000,000 (representing 47% of the Issuer's issued Share capital once issued) Shares (or such higher or lower number as may be agreed by the Bookrunner) at a subscription price of between R10.00 and R15.00 per Share. The price may however be outside of this range. Successful Applicants will be advised of their allocation of Shares by no later than 8 December 2014.

Dematerialised shares

The allocated Shares will be issued to Successful Applicants in Dematerialised form only. Applicants, if they have not already done so, must appoint a CSDP directly; or a broker, to receive and hold the Dematerialised Shares on their behalf. Applicants must contact their CSDP or broker and advise it that they have submitted an application form to participate in the Offer. Applicants must further make arrangements for payment of the aggregate subscription price for such allocated Shares to the designated account notified by Cartrack. Payment must be received by 12:00 on 10 December 2014 at the latest. Against receipt of payment by Cartrack of the subscription price payable by the Successful Applicants in respect of the allocated Shares, the allocated Shares will be issued to Successful Applicants and delivered to their CSDP or broker on the Listing Date. Details of the CSDP or broker must be conveyed by Successful Applicants to the Bookrunner no later than 12:00 on 8 December 2014.

Applicants will only be permitted to apply for Shares with a minimum total acquisition cost, per single addressee acting as principal, of greater than or equal to R1 000 000 unless the applicant is a person, acting as principal, whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principal or agent (in reliance on Section 96(1)(a)(i) and 96(1)(b) of the Companies Act) or such applicant falls within one of the other specified categories of persons listed in Section 96(1) of the Companies Act.

Successful Applicants should note the provisions of Section 122 of the Companies Act, which provides for a disclosure requirement in circumstances where a multiple of 5% of the issued securities of a class are acquired in a regulated company (Cartrack being such a regulated company), as defined in the Companies Act.

Please refer to the instructions overleaf before completing this application form.

This application form, when completed, should be sent by email to George Nakos (george.nakos@investec.co.za)**, Rushil Rattan** (rushil.rattan@investec.co.za) **and Ori Shushan** (ori.shushan@investec.co.za) **or hand delivered to:**

The Corporate Finance division of Investec Bank Limited
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196

Attention: George Nakos \ Rushil Rattan \ Ori Shushan

The application form must be received by no later than 12:00 on 5 December 2014.

NO LATE APPLICATIONS WILL BE ACCEPTED

Reservation of rights

The Directors of Cartrack reserve the right to accept or refuse any application(s), either in whole or in part, or to pro rate any or all application(s) (whether or not received timeously) in such manner as they may determine.

The Directors of Cartrack reserve the right to accept or reject, either in whole or in part, any applications should the terms contained in this Pre–listing Statement of which this application form forms part and the instructions herein are not properly complied with.

To the Directors:

Cartrack Holdings Limited

1. I/we, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Pre–listing Statement, hereby irrevocably apply for and request you to accept my/our application for the under mentioned number of Shares at the under mentioned price per Share or any lesser number that may in your absolute discretion be allotted to me/us.
2. I/we wish to receive my/our allocated Shares in Dematerialised form and will email/hand this application form to George Nakos, Rushil Rattan and Ori Shushan, and will provide appropriate instructions to my/our CSDP or broker, as the case may be. I/We accept that payment in respect of this application will be made by me/us and received into the designated account notified by Cartrack in writing by 12:00 on 10 December 2014 at the latest.

3. I/we understand that the Offer in terms of this Pre–listing Statement is subject to certain conditions set out in the Pre–listing Statement, including (without limitation) that the Offer is, unless the JSE otherwise permits, subject to the attainment of a public shareholding of at least 20% of the Shares in issue on the Listing Date.
4. I/we confirm that I/we understand:
   a. that in order to facilitate the Listing, Onecell and Cartrack have entered into the Subscription Agreement and the Buyback Agreement;
   b. the manner in which the aforesaid agreements and the Private Placement have been/will be implemented (the salient terms of which are set out on page 3 of the Pre–listing Statement); and
   c. that the entire proceeds received by Cartrack from the Private Placement will be used to settle the Aggregate Repurchase Price.
5. I/we warrant and represent to Cartrack that I/we:
   a. are an Eligible Investor; and
   b. fall within one of the categories of persons listed in Section 96(1) of the Companies Act.
6. By affixing my/our signature hereto I/we accept the terms of the Offer as set out in the Pre–listing Statement and hereby give the representations, warranties and undertakings:
   a. that Applicants are, as per the Pre–listing Statement, deemed to give; and
   b. set out in this application form.

Dated:

Signature:

Assisted by (where applicable):

Telephone number:

Cellphone number:

Email address:

Name of corporate body	
First names in full (if individual)	
Postal address (preferably PO Box address)	Postal code
Total number of Shares applied for	(Enter figures only – not words)
Price offered per Share	(in cents)

Required information must be completed by CSDP or broker with their stamp and signature affixed thereto:

CSDP name	
CSDP contact person	
CSDP contact telephone number	
CSA or bank CSD account number	
Scrip account number	
Settlement bank account number	
Stamp and signature CSDP broker	

INSTRUCTIONS:

1. Copies or reproduction of the application form will be accepted under the discretion of the Bookrunner and the Directors of Cartrack.
2. Please refer to the particulars of the Offer commencing on page 44 of the Pre–listing Statement in addition to the Onecell subscription and buyback as set out in Annexure 14 of the Pre–listing Statement. Applicants should consult their broker, banker or other professional advisor in case of doubt as to the correct completion of this application form.
3. Eligible Investors must submit only one application form.
4. No receipts will be issued for application forms.
5. All alterations to this application form must be authenticated by a full signature.