

MiX Telematics Limited

(Incorporated in the Republic of South Africa)
(Registration number 1995/013858/06)
JSE code: MIX NYSE code: MIXT ISIN: ZAE000125316
("MiX Telematics" or "the Company" or "the Group")



MIX TELEMATICS ANNOUNCES FINANCIAL RESULTS FOR FIRST QUARTER OF FISCAL YEAR 2017

References in this announcement to "R" are to South African Rand and references to "U.S. Dollars" and "\$" are to United States Dollars. Unless otherwise stated MiX Telematics has translated U.S. Dollar amounts from South African Rand at the exchange rate of R14.7838 per \$1.00, which was the R/\$ exchange rate reported by Oanda.com as of June 30, 2016.

First Quarter Highlights:

- **Subscription revenue of R306 million (\$21 million), grew 13% year over year**
- **Subscribers increased by 10% year over year, bringing the total to 578,000 subscribers at June 30, 2016**
- **Operating profit of R23 million (\$2 million), representing a 6% margin**
- **Adjusted EBITDA of R60 million (\$4 million), representing a 16% Adjusted EBITDA margin**
- **Company maintains guidance for Subscription revenue, Total revenue and Adjusted EBITDA for the full 2017 fiscal year which ends March 31, 2017.**

Midrand, South Africa, August 4, 2016 - MiX Telematics Limited (NYSE: MIXT, JSE: MIX), a leading global provider of fleet and mobile asset management solutions delivered as Software-as-a-Service ("SaaS"), today announced financial results for its first quarter of fiscal year 2017, which ended June 30, 2016.

"We sustained double digit revenue growth within our guidance range, double digit Adjusted EBITDA margins and solid operating cash flow in the first quarter of fiscal year 2017. I am proud of our ability to grow profitably in challenging times, but was disappointed to see continued deterioration in the energy sector, currency headwinds muting our revenue and new uncertainty from Brexit in the quarter," said Stefan Joselowitz, Chief Executive Officer of MiX Telematics. "We haven't got off to the start we were hoping for, but it is early in the fiscal year and we remain focused on catching up and achieving our full year targets." Joselowitz continued, "We are pleased with the result of the general meeting of the shareholders of the Company earlier this week approving our repurchase of all the MiX Telematics ordinary shares held by Imperial Corporate Services, by way of a special resolution. The transaction is expected to close at the end of August. At the time we announced our intent to do the buyback, we noted that we could see no better acquisition opportunity than investing in our own business, so we are indeed gratified with the outcome."

Financial performance for the three months ended June 30, 2016

Subscription revenue: Subscription revenue was R306.2 million (\$20.7 million), an increase of 12.7% compared with R271.8 million (\$18.4 million) for the first quarter of fiscal year 2016. Subscription revenue benefited from an increase of over 54,000 subscribers, which resulted in an increase in subscribers of 10.4% from June 2015 to June 2016.

Total revenue: Total revenue was R379.1 million (\$25.6 million), an increase of 10.2% compared to R344.1 million (\$23.3 million) for the first quarter of fiscal year 2016. Hardware and other revenue was R72.9 million (\$4.9 million), an increase of 0.8% compared to R72.3 million (\$4.9 million) for the first quarter of fiscal year 2016.

Gross margin: Gross profit was R255.8 million (\$17.3 million), as compared to R241.9 million (\$16.4 million) for the first quarter of fiscal year 2016. Gross profit margin was 67.5%, compared to 70.3% for the first quarter of fiscal year 2016. Infrastructure costs have increased due to the Company commencing its transition from legacy data centers, where we traditionally co-located using our own equipment, towards cloud-based infrastructure and services. This accounts for approximately half of the decline on our gross profit margin. This move provides benefits to customers and the Company alike in the form of improved up-times, service and redundancy. The investment has also enabled us to start rolling out the first phases of our new highly scalable, cloud-based back-end platform, called MiX Lightning, which is designed to support the anticipated growth in our subscriber base. The remaining decline is as a result of lower margins on hardware and other revenue in the first quarter of fiscal year 2017, primarily as a result of a change in product mix.

Operating margin: Operating profit was R22.9 million (\$1.5 million), compared to R32.6 million (\$2.2 million) for the first quarter of fiscal year 2016. Operating margin was 6.0%, compared to 9.5% for the first quarter of fiscal year 2016. 2.8% of the decline relates to the margin contraction described above and the balance relates to an increase in operating expenses primarily as a result of a weaker South African Rand and inflation, mainly in South Africa.

Adjusted EBITDA: Adjusted EBITDA, a non-IFRS measure, was R60.4 million (\$4.1 million) compared to R65.1 million (\$4.4 million) for the first quarter of fiscal year 2016. Adjusted EBITDA margin, a non-IFRS measure, for the first quarter of fiscal year 2017 was 15.9%, compared to 18.9% for the first quarter of fiscal year 2016.

Profit for the period and earnings per share: Profit for the period was R31.9 million (\$2.2 million), compared to R31.1 million (\$2.1 million) for the first quarter of fiscal year 2016. Profit for the period includes a net foreign exchange gain of R19.9 million (\$1.3 million) before tax primarily relating to U.S. Dollar IPO proceeds which are sensitive to R:\$ exchange rate movements. During May 2016, \$30.4 million of the U.S. Dollar IPO proceeds was converted to R474.0 million at an exchange rate of R15.5900 to the U.S. Dollar in anticipation of the specific repurchase of shares from a related party which is discussed in note 11 of the accompanying financial results. This will reduce the impact of foreign exchange gains or losses from the IPO proceeds in future reporting periods. Earnings per diluted ordinary share were 4 South African cents, which is consistent with the first quarter of fiscal year 2016. For the first quarter of fiscal year 2017, the calculation was based on diluted weighted average ordinary shares in issue of 763.5 million compared to 803.7 million diluted weighted average ordinary shares in issue during the first quarter of fiscal year 2016.

The Company's effective tax rate for the quarter was 33.5% in comparison to 31.7% for the first quarter of fiscal year 2016.

On a U.S. Dollar basis, and using the June 30, 2016 exchange rate of R14.7838 per U.S. Dollar, and at a ratio of 25 ordinary shares to one American Depositary Share ("ADS"), profit for the period was \$2.2 million, or 7 U.S. cents per diluted ADS.

Adjusted earnings for the period and adjusted earnings per share: Adjusted earnings for the period, a non-IFRS measure, was R17.3 million (\$1.2 million), compared to R23.7 million (\$1.6 million) for the first quarter of fiscal year 2016 and excludes a net foreign exchange gain of R19.9 million (\$1.3 million). During the first quarter of fiscal year 2016, a net foreign exchange gain of R11.0 million (\$0.7 million) was recorded. Adjusted earnings per diluted ordinary share, also a non-IFRS measure, were 2 South African cents, compared to 3 South African cents in the first quarter of fiscal year 2016.

On a U.S. Dollar basis, and using the June 30, 2016 exchange rate of R14.7838 per U.S. Dollar, and at a ratio of 25 ordinary shares to one ADS, adjusted earnings for the period was \$1.2 million, or 4 U.S. cents per diluted ADS.

Statement of financial position and cash flow: At June 30, 2016, the Company had R845.8 million (\$57.2 million) of cash and cash equivalents, compared to R877.1 million (\$59.3 million) in the fourth quarter of fiscal year 2016. The Company generated R28.1 million (\$1.9 million) in net cash from operating activities for the three months ended June 30, 2016 and invested R62.2 million (\$4.2 million) in capital expenditures during the quarter, leading to negative free cash flow, a non-IFRS measure, of R34.1 million (\$2.3 million) for the first quarter of fiscal year 2017, compared with negative free cash flow of R3.1 million (\$0.2 million) for the first quarter of fiscal year 2016.

An explanation of non-IFRS measures used in this press release is set out in the **Non-IFRS financial measures** section. A reconciliation of these non-IFRS measures to the most directly comparable IFRS measures is provided in the financial tables that accompany this press release.

Business Outlook

MiX Telematics has translated U.S. Dollar amounts in this Business Outlook paragraph from South African Rand at the exchange rate of R13.8913 per \$1.00, which was the R/\$ exchange rate reported by Oanda.com as of August 1, 2016.

Based on information as of today, August 4, 2016, the Company is issuing the following financial guidance for the full 2017 fiscal year:

- Subscription revenue - R1,311 million to R1,330 million (\$94.4 million to \$95.7 million), which would represent subscription revenue growth of 13.2% to 14.8% compared to fiscal year 2016.
- Total revenue - R1,575 million to R1,606 million (\$113.4 million to \$115.6 million), which would represent revenue growth of 7.5% to 9.6% compared to fiscal year 2016.
- Adjusted EBITDA - R317 million to R337 million (\$22.8 million to \$24.3 million), which would represent an increase in Adjusted EBITDA of 14.4% to 21.6% compared to fiscal year 2016.
- Adjusted earnings per diluted ordinary share of 11.3 to 13.1 South African cents based on 765 million diluted ordinary shares in issue, and based on an effective tax rate of 29% to 33%. At a ratio of 25 ordinary shares to one ADS, this equates to adjusted earnings per diluted ADS of 20 to 24 U.S. cents.
- If the specific repurchase of shares from a related party, as described in Note 11 of the accompanying financial results, is completed in August 2016 as expected, Adjusted earnings per diluted ordinary share guidance for the full fiscal 2017 year is expected to be 13.5 to 15.7 South African cents based on a weighted average of 640 million diluted ordinary shares in issue, and based on an effective tax rate of 29% to 33%. At a ratio of 25 ordinary shares to one ADS, this equates to adjusted earnings per

diluted ADS of 24 to 28 U.S. cents. This calculation assumes that the expected completion of the specific repurchase of 201 million ordinary shares in August 2016 would reduce the weighted average number of ordinary shares in issue by 125 million for the 2017 fiscal year and does not take into account any other accounting adjustments that may arise from the transaction.

For the second quarter of fiscal year 2017 the Company expects subscription revenue to be in the range of R305 million to R308 million (\$22.0 million to \$22.2 million) which would represent subscription revenue growth of 7.1% to 8.1% compared to the second quarter of fiscal year 2016.

The key assumptions used in deriving the forecast are as follows:

- Growth in subscription revenue and vehicles under subscription are based on expected growth rates related to market conditions and takes into account growth rates achieved previously.
- Achieving hardware sales according to expectations. Hardware sales are dependent on the volumes of bundled solutions selected by customers.
- An average forecast exchange rate for the 2017 fiscal year of R15.8000 per \$1.00. The results are sensitive to exchange rate fluctuations, particularly volatility in respect of the South African Rand against the U.S. Dollar (R13.8913 per \$1.00 per Oanda.com as of August 1, 2016) and the British Pound (R18.3572 per GBP 1.00 per Oanda.com as of August 1, 2016). If these current exchange rates continue throughout the remainder of the fiscal 2017 year, the Total revenue and Subscription revenue for the full 2017 fiscal year could decline by approximately R45.0 million and R30.0 million respectively.

The forecast is the responsibility of the board of directors and has not been reviewed or reported on by the Company's external auditors. The Company's policy is to give guidance on a quarterly basis, if necessary, and does not update guidance between quarters.

The information disclosed in this "**Business Outlook**" paragraph complies with the disclosure requirements in terms of paragraph 8.38 of the JSE Listings Requirements which deals with profit forecasts.

Quarterly Reporting Policy in respect of JSE Listings Requirements

Following the listing of the Company's ADSs on the New York Stock Exchange, the Company has adopted a quarterly reporting policy. As a result of such quarterly reporting the Company is, in terms of paragraph 3.4(b)(ix) of the JSE Listings Requirements, not required to publish trading statements in terms of paragraph 3.4(b)(i) to (viii) of the JSE Listings Requirements.

Conference Call Information

MiX Telematics management will also host a conference call and audio webcast at 8:00 a.m. (Eastern Daylight Time) and 2:00 p.m. (South African Time) on August 4, 2016 to discuss the Company's financial results and current business outlook:

- The live webcast of the call will be available at the "Investor Information" page of the Company's website, <http://investor.mixtelematics.com>.
- To access the call, dial 1-888-576-4387 (within the United States) or 0 800 999 558 (within South Africa) or 1-719-457-2085 (outside of the United States). The conference ID is 5639447.
- A replay of this conference call will be available for a limited time at 1-877-870-5176 (within the United States) or 1-858-384-5517 (within South Africa or outside of the United States). The replay conference ID is 5639447.
- A replay of the webcast will also be available for a limited time at <http://investor.mixtelematics.com>.

About MiX Telematics Limited

MiX Telematics is a leading global provider of fleet and mobile asset management solutions delivered as SaaS to customers in approximately 120 countries. The Company's products and services provide enterprise fleets, small fleets and consumers with solutions for safety, efficiency, risk and security. MiX Telematics was founded in 1996 and has offices in South Africa, the United Kingdom, the United States, Uganda, Brazil, Australia, Romania, Thailand and the United Arab Emirates as well as a network of more than 130 fleet partners worldwide. MiX Telematics shares are publicly traded on the Johannesburg Stock Exchange (JSE: MIX) and MiX Telematics American Depositary Shares are listed on the New York Stock Exchange (NYSE: MIXT). For more information visit www.mixtelematics.com.

Forward-Looking Statements

This press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, statements concerning our financial guidance for the second quarter and full year of fiscal year 2017, our position to execute on our growth strategy, our specific repurchase of shares from a related party, and our ability to expand our leadership position. These forward-looking statements reflect our current views about our plans, intentions, expectations, strategies and prospects, which are based on the information currently available to us and on assumptions we have made. Actual results may differ materially from those described in the forward-looking statements and will be affected by a variety of risks and factors that are beyond our control including, without limitation, those described under the caption "Risk Factors" in the Company's Annual Report on Form 20-F filed

with the Securities and Exchange Commission (the "SEC") for the fiscal year ended March 31, 2016, as updated by other reports that the Company files with or furnishes to the SEC. The Company assumes no obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

Non-IFRS financial measures

Adjusted EBITDA

To provide investors with additional information regarding its financial results, the Company has disclosed Adjusted EBITDA within this press release. Adjusted EBITDA is a non-IFRS financial measure; it does not represent cash flows from operations for the periods indicated and should not be considered an alternative to profit for the period as an indicator of the Company's results of operations or as an alternative to cash flows from operations as an indicator of liquidity. Adjusted EBITDA is defined as the profit for the period before income taxes, net finance income/(costs) including foreign exchange gains/(losses), depreciation of property, plant and equipment including capitalized customer in-vehicle devices, amortization of intangible assets including capitalized in-house development costs and intangible assets identified as part of a business combination, share-based compensation costs, transaction costs arising from the acquisition of a business or investigating strategic alternatives, restructuring costs, profits/(losses) on the disposal or impairments of assets or subsidiaries, certain non-recurring initial public offering ("IPO") costs, insurance reimbursements relating to impaired assets and certain litigation costs.

The Company has included Adjusted EBITDA and Adjusted EBITDA margin in this press release because it is a key measure that the Company's management and Board of Directors use to understand and evaluate its core operating performance and trends; to prepare and approve its annual budget; and to develop short- and long-term operational plans. In particular, the exclusion of certain expenses in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of the Company's core business. Accordingly, the Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating its operating results.

The Company's use of Adjusted EBITDA has limitations as an analytical tool, and you should not consider this performance measure in isolation from or as a substitute for analysis of our results as reported under IFRS. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not consider the potentially dilutive impact of equity-based compensation;
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to the Company; and
- other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including operating profit, profit for the period and our other results.

Adjusted Earnings and Adjusted Earnings Per Share

Adjusted earnings per share is defined as profit attributable to owners of the parent, MiX Telematics Limited, excluding net foreign exchange gains/(losses) net of tax, divided by the weighted average number of ordinary shares in issue during the period.

We have included Adjusted earnings per share in this press release because it provides a useful measure for period-to-period comparisons of the Company's core business by excluding net foreign exchange gains/(losses) from earnings. Accordingly, we believe that Adjusted earnings per share provides useful information to investors and others in understanding and evaluating the Company's operating results.

Free cash flow

Free cash flow is determined as net cash generated from operating activities less capital expenditure per investing activities.

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August 4, 2016

JSE sponsor

JAVACAPITAL

MIX TELEMATICS LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENTS

| | South African Rand | | United States Dollar | |
|--|---|---|---|---|
| | Three months ended June 30, 2016 Unaudited | Three months ended June 30, 2015 Unaudited | Three months ended June 30, 2016 Unaudited | Three months ended June 30, 2015 Unaudited |
| Figures are in thousands unless otherwise stated | | | | |
| Revenue | 379,096 | 344,128 | 25,643 | 23,277 |
| Cost of sales | (123,319) | (102,246) | (8,341) | (6,916) |
| Gross profit | 255,777 | 241,882 | 17,302 | 16,361 |
| Other income/(expenses) - net | 459 | (598) | 31 | (40) |
| Operating expenses | (233,366) | (208,717) | (15,786) | (14,118) |
| -Sales and marketing | (48,530) | (46,581) | (3,283) | (3,151) |
| -Administration and other charges | (184,836) | (162,136) | (12,503) | (10,967) |
| Operating profit | 22,870 | 32,567 | 1,547 | 2,203 |
| Finance income/(costs) - net | 25,115 | 12,957 | 1,699 | 876 |
| -Finance income | 25,401 | 13,311 | 1,718 | 900 |
| -Finance costs | (286) | (354) | (19) | (24) |
| Profit before taxation | 47,985 | 45,524 | 3,246 | 3,079 |
| Taxation | (16,065) | (14,453) | (1,087) | (978) |
| Profit for the period | 31,920 | 31,071 | 2,159 | 2,101 |
| Attributable to: | | | | |
| Owners of the parent | 31,925 | 31,238 | 2,159 | 2,112 |
| Non-controlling interests | (5) | (167) | * | (11) |
| | 31,920 | 31,071 | 2,159 | 2,101 |

* Amounts less than \$1,000

MIX TELEMATICS LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | South African Rand | | United States Dollar | |
|--|-------------------------|-------------------------|-----------------------|-----------------------|
| | June 30, | March 31, | June 30, | March 31, |
| | 2016 | 2016 | 2016 | 2016 |
| | <u>Unaudited</u> | <u>Audited</u> | <u>Unaudited</u> | <u>Unaudited</u> |
| Figures are in thousands unless otherwise stated | | | | |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 253,393 | 235,584 | 17,140 | 15,935 |
| Intangible assets | 846,797 | 846,851 | 57,279 | 57,282 |
| Available-for-sale financial asset | — | — | — | — |
| Finance lease receivable | 116 | 167 | 8 | 11 |
| Deferred tax assets | 33,020 | 30,005 | 2,234 | 2,030 |
| Total non-current assets | <u>1,133,326</u> | <u>1,112,607</u> | <u>76,661</u> | <u>75,258</u> |
| Current assets | | | | |
| Inventory | 69,134 | 64,489 | 4,676 | 4,362 |
| Trade and other receivables | 301,100 | 293,045 | 20,367 | 19,822 |
| Finance lease receivable | 573 | 984 | 39 | 67 |
| Taxation | 10,141 | 8,886 | 686 | 601 |
| Restricted cash | 21,744 | 21,134 | 1,471 | 1,430 |
| Cash and cash equivalents | 845,804 | 877,136 | 57,212 | 59,331 |
| Total current assets | <u>1,248,496</u> | <u>1,265,674</u> | <u>84,451</u> | <u>85,613</u> |
| Total assets | <u>2,381,822</u> | <u>2,378,281</u> | <u>161,112</u> | <u>160,871</u> |
| EQUITY | | | | |
| Stated capital | 1,325,484 | 1,320,955 | 89,658 | 89,352 |
| Other reserves | 62,304 | 74,262 | 4,214 | 5,023 |
| Retained earnings | 542,780 | 526,082 | 36,715 | 35,585 |
| Equity attributable to owners of the parent | <u>1,930,568</u> | <u>1,921,299</u> | <u>130,587</u> | <u>129,960</u> |
| Non-controlling interest | (1,658) | (1,491) | (112) | (101) |
| Total equity | <u>1,928,910</u> | <u>1,919,808</u> | <u>130,475</u> | <u>129,859</u> |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 125,934 | 120,981 | 8,518 | 8,183 |
| Provisions | 3,622 | 3,514 | 245 | 238 |
| Total non-current liabilities | <u>129,556</u> | <u>124,495</u> | <u>8,763</u> | <u>8,421</u> |
| Current liabilities | | | | |
| Trade and other payables | 269,343 | 282,647 | 18,220 | 19,118 |
| Borrowings | 741 | 1,103 | 50 | 75 |
| Taxation | 13,776 | 2,795 | 932 | 189 |
| Provisions | 25,809 | 31,059 | 1,746 | 2,101 |
| Share-based payment liability | 1,064 | — | 72 | — |
| Bank overdraft | 12,623 | 16,374 | 854 | 1,108 |
| Total current liabilities | <u>323,356</u> | <u>333,978</u> | <u>21,874</u> | <u>22,591</u> |
| Total liabilities | <u>452,912</u> | <u>458,473</u> | <u>30,637</u> | <u>31,012</u> |
| Total equity and liabilities | <u>2,381,822</u> | <u>2,378,281</u> | <u>161,112</u> | <u>160,871</u> |

MIX TELEMATICS LIMITED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | South African Rand | | United States Dollar | |
|---|--|--|--|--|
| | Three months ended June 30, 2016 Unaudited | Three months ended June 30, 2015 Unaudited | Three months ended June 30, 2016 Unaudited | Three months ended June 30, 2015 Unaudited |
| Figures are in thousands unless otherwise stated | | | | |
| Operating activities | | | | |
| Cash generated from operations | 29,073 | 36,777 | 1,967 | 2,488 |
| Net financing income | 3,354 | 1,890 | 227 | 128 |
| Taxation paid | (4,326) | (3,476) | (293) | (235) |
| Net cash generated from operating activities | 28,101 | 35,191 | 1,901 | 2,381 |
| Cash flows from investing activities | | | | |
| Capital expenditure | (62,227) | (38,277) | (4,209) | (2,589) |
| Deferred consideration paid | (362) | (201) | (24) | (14) |
| Proceeds on sale of property, plant and equipment | — | 157 | — | 11 |
| Contingent consideration paid | — | (18,000) | — | (1,218) |
| (Increase)/decrease in restricted cash | (1,554) | 18,568 | (105) | 1,256 |
| Net cash used in investing activities | (64,143) | (37,753) | (4,338) | (2,554) |
| Cash flows from financing activities | | | | |
| Proceeds from issuance of ordinary shares | 4,528 | — | 306 | — |
| Dividends paid to Company's shareholders (Note 8) | (15,212) | — | (1,029) | — |
| Net cash used in financing activities | (10,684) | — | (723) | — |
| Net decrease in cash and cash equivalents | (46,726) | (2,562) | (3,160) | (173) |
| Net cash and cash equivalents at the beginning of the period | 860,762 | 927,415 | 58,223 | 62,732 |
| Exchange gains on cash and cash equivalents | 19,145 | 15,324 | 1,295 | 1,036 |
| Net cash and cash equivalents at the end of the period | 833,181 | 940,177 | 56,358 | 63,595 |

MIX TELEMATICS LIMITED
OTHER FINANCIAL AND OPERATING DATA

| | South African Rand | | United States Dollar | |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|
| | Three months ended | Three months ended | Three months ended | Three months ended |
| | June 30, | June 30, | June 30, | June 30, |
| | 2016 | 2015 | 2016 | 2015 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Figures are in thousands except for subscribers | | | | |
| Subscription revenue | 306,174 | 271,790 | 20,710 | 18,384 |
| Adjusted EBITDA | 60,449 | 65,103 | 4,088 | 4,404 |
| Cash and cash equivalents | 845,804 | 959,223 | 57,212 | 64,883 |
| Net cash ⁽¹⁾ | 832,440 | 937,874 | 56,308 | 63,439 |
| Capital expenditure incurred | 62,830 | 37,085 | 4,250 | 2,508 |
| Total development costs incurred | 37,230 | 27,387 | 2,518 | 1,853 |
| Development costs capitalized | 19,309 | 11,533 | 1,306 | 780 |
| Development costs expensed within administration and other charges | 17,921 | 15,854 | 1,212 | 1,073 |
| Subscribers (number) | 577,950 | 523,344 | 577,950 | 523,344 |

⁽¹⁾ Net cash is calculated as being net cash and cash equivalents, excluding restricted cash less interest bearing borrowings.

Notes to condensed consolidated income statements, statements of financial position, statements of cash flows and other financial and operating data

1. Accounting policies

The condensed consolidated statements of financial position, income statements and statements of cash flows included in these financial results have been prepared in accordance with IFRS accounting policies. The accounting policies are consistent in all material respects with those applied in the preparation of the consolidated financial statements for the year ended March 31, 2016. No new or revised accounting pronouncements that became effective during fiscal year 2017 have had a material impact on the Group.

The results have not been audited or reviewed by the Group's external auditors.

2. Presentation currency and convenience translation

The Group's presentation currency is South African Rand. In addition to presenting these condensed consolidated financial results for the quarter ended June 30, 2016 in South African Rand, supplementary information in U.S. Dollars has been prepared for the convenience of users of these financial results. Unless otherwise stated, the Group has translated U.S. Dollar amounts from South African Rand at the exchange rate of R14.7838 per \$1.00, which was the R/\$ exchange rate reported by Oanda.com as of June 30, 2016. The U.S. Dollar figures may not compute as they are rounded independently.

3. Earnings per share/ADS data

| | South African Rand | | United States Dollar | |
|--|---|---|---|---|
| | Three months ended June 30, 2016 Unaudited | Three months ended June 30, 2015 Unaudited | Three months ended June 30, 2016 Unaudited | Three months ended June 30, 2015 Unaudited |
| Earnings per share | | | | |
| Basic (R/\$) | 0.04 | 0.04 | # | # |
| Diluted (R/\$) | 0.04 | 0.04 | # | # |
| Earnings per American Depositary Share | | | | |
| Basic (R/\$) | 1.05 | 0.99 | 0.07 | 0.07 |
| Diluted (R/\$) | 1.05 | 0.97 | 0.07 | 0.07 |
| Adjusted earnings per share | | | | |
| Basic (R/\$) | 0.02 | 0.03 | # | # |
| Diluted (R/\$) | 0.02 | 0.03 | # | # |
| Adjusted earnings per American Depositary Share | | | | |
| Basic (R/\$) | 0.57 | 0.75 | 0.04 | 0.05 |
| Diluted (R/\$) | 0.57 | 0.74 | 0.04 | 0.05 |
| Ordinary shares ('000) ⁽¹⁾ | | | | |
| In issue at June 30 | 763,088 | 792,838 | 763,088 | 792,838 |
| Weighted average | 760,078 | 792,838 | 760,078 | 792,838 |
| Diluted weighted average | 763,479 | 803,709 | 763,479 | 803,709 |
| American Depositary Shares ('000) ⁽¹⁾ | | | | |
| In issue at June 30 | 30,524 | 31,714 | 30,524 | 31,714 |
| Weighted average | 30,403 | 31,714 | 30,403 | 31,714 |
| Diluted weighted average | 30,539 | 32,148 | 30,539 | 32,148 |

Amount less than \$0.01

(1) Excludes 40,000,000 treasury shares held by MIX Telematics Investments Proprietary Limited (MiX Investments), a wholly owned subsidiary of the Group (June 2016: Nil).

4. Reconciliation of Adjusted Earnings

Reconciliation of Adjusted Earnings to Profit for the Period

| | South African Rand | | United States Dollar | |
|---|--|--|--|--|
| | Three months ended June 30, 2016 | Three months ended June 30, 2015 | Three months ended June 30, 2016 | Three months ended June 30, 2015 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Figures are in thousands unless otherwise stated | | | | |
| Profit for the period attributable to owners of the parent | 31,925 | 31,238 | 2,159 | 2,112 |
| Net foreign exchange gains | (19,917) | (11,044) | (1,347) | (747) |
| Income tax effect on net foreign exchange gains | 5,256 | 3,482 | 356 | 236 |
| Adjusted earnings attributable to owners of the parent | 17,264 | 23,676 | 1,168 | 1,601 |

Reconciliation of earnings per share to adjusted earnings per share

| | | | | |
|---|-------------|-------------|----------|----------|
| Basic earnings per share (\$/R) | 0.04 | 0.04 | # | # |
| Net foreign exchange gains | (0.03) | (0.01) | # | # |
| Income tax effect on net foreign exchange gains | 0.01 | # | # | # |
| Basic adjusted earnings per share (\$/R) | 0.02 | 0.03 | # | # |

Amount less than R0.01/\$0.01

5. Reconciliation of Adjusted EBITDA to Profit for the Period

| | South African Rand | | United States Dollar | |
|---|--|--|--|--|
| | Three months ended June 30, 2016 | Three months ended June 30, 2015 | Three months ended June 30, 2016 | Three months ended June 30, 2015 |
| | Unaudited | Restated Unaudited | Unaudited | Restated Unaudited |
| Figures are in thousands unless otherwise stated | | | | |
| Adjusted EBITDA | 60,449 | 65,103 | 4,088 | 4,404 |
| <i>Add:</i> | | | | |
| Decrease in restructuring cost provision | 431 | 638 | 29 | 43 |
| <i>Less:</i> | | | | |
| Depreciation ⁽¹⁾ | (20,939) | (16,570) | (1,416) | (1,121) |
| Amortization ⁽²⁾ | (13,532) | (12,986) | (915) | (878) |
| Share-based compensation costs | (3,479) | (1,576) | (235) | (107) |
| Equity-settled share-based compensation costs | (2,415) | (1,576) | (163) | (107) |
| Cash-settled share-based compensation costs | (1,064) | — | (72) | — |
| Net loss on sale of property, plant and equipment | (60) | (2) | (4) | * |
| Transaction costs arising from investigating strategic alternatives | — | (2,040) | — | (138) |
| Operating profit | 22,870 | 32,567 | 1,547 | 2,203 |
| Add: Finance income/(costs) - net | 25,115 | 12,957 | 1,699 | 876 |
| Less: Taxation | (16,065) | (14,453) | (1,087) | (978) |
| Profit for the period | 31,920 | 31,071 | 2,159 | 2,101 |

⁽¹⁾ Includes depreciation of property, plant and equipment (including in-vehicle devices).

⁽²⁾ Includes amortization of intangible assets (including product development costs and intangible assets identified as part of a business combination).

* Amounts less than \$1,000

During the 2016 fiscal year, the Adjusted EBITDA definition was amended to exclude all foreign exchange gains/losses. The amended measure is the profit measure reviewed by the chief operating decision maker ("CODM"). Prior period figures have been restated as follows to reflect this change:

| | South African Rand | United States Dollar |
|--|-------------------------------|---------------------------------|
| | Three months ended | Three months ended |
| | June 30, 2015 | June 30, 2015 |
| | Unaudited | Unaudited |
| Figures are in thousands unless otherwise stated | | |
| Adjusted EBITDA (As previously reported) | 65,288 | 4,416 |
| Net realized foreign exchange gains | (185) | (12) |
| Adjusted EBITDA (Restated) | 65,103 | 4,404 |

6. Reconciliation of Adjusted EBITDA Margin to Profit for the Period Margin

| | Three months ended | Three months ended |
|---|-------------------------------|-------------------------------|
| | June 30, 2016 | June 30, 2015 |
| | Unaudited | Restated Unaudited |
| Adjusted EBITDA margin | 15.9% | 18.9% |
| <i>Add:</i> | | |
| Decrease in restructuring cost provision | 0.1% | 0.2% |
| <i>Less:</i> | | |
| Depreciation | (5.5%) | (4.8%) |
| Amortization | (3.6%) | (3.7%) |
| Share-based compensation costs | (0.9%) | (0.5%) |
| Equity-settled share-based compensation costs | (0.6%) | (0.5%) |
| Cash-settled share-based compensation costs | (0.3%) | — |
| Net loss on sale of property, plant and equipment | (0.0%) | (0.0%) |
| Transaction costs arising from investigating strategic alternatives | — | (0.6%) |
| Operating profit margin | 6.0% | 9.5% |
| <i>Add:</i> Finance income/(costs) - net | 6.6% | 3.7% |
| <i>Less:</i> Taxation | (4.2%) | (4.2%) |
| Profit for the period margin | 8.4% | 9.0% |

7. Reconciliation of Free Cash Flow to Net Cash Generated from Operating Activities

| | South African Rand | | United States Dollar | |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Three months ended | Three months ended | Three months ended | Three months ended |
| | June 30, 2016 | June 30, 2015 | June 30, 2016 | June 30, 2015 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Figures are in thousands unless otherwise stated | | | | |
| Net cash generated from operating activities | 28,101 | 35,191 | 1,901 | 2,381 |
| Capital expenditure | (62,227) | (38,277) | (4,209) | (2,589) |
| Free cash flow | (34,126) | (3,086) | (2,308) | (208) |

8. Dividend Paid

In respect of the fourth quarter of fiscal year 2016, a dividend of 2 South African cents or 0.1 U.S. cents per share was declared during the period and paid on June 20, 2016. No dividend was paid nor declared during the first quarter of fiscal year 2016.

9. Contingent Liabilities

Service agreement

In terms of an amended network services agreement with Mobile Telephone Networks Proprietary Limited (“MTN”), MTN is entitled to claw back payments from MiX Telematics Africa Proprietary Limited in the event of early cancellation of the agreement or certain base connections not being maintained over the term of the agreement. No connection incentives will be received in terms of the amended network services agreement. The maximum potential liability under the arrangement is R52.0 million or \$3.5 million. No loss is considered probable under this arrangement.

10. Taxation

MiX Telematics International Proprietary Limited (“MiX International”), a subsidiary of the Group, historically claimed a 150% allowance for research and development spend in terms of section 11D (“S11D”) of the South African Income Tax Act of 1962 (“the Act”). As of October 1, 2012, the legislation relating to the allowance was amended. The amendment requires pre-approval of development project expenditure on a project specific basis by the South African Department of Science and Technology (“DST”) in order to claim a deduction of the additional 50% over and above the expenditure incurred (150% allowance). Since the amendments to S11D of the Act, MiX International had been claiming the 150% deduction resulting in a recognized tax benefit. MiX International has complied with the amended legislation by submitting all required documentation to the DST in a timely manner, commencing in October 2012.

In June 2014, correspondence was received from the DST indicating that the research and development expenditure on certain projects for which the 150% allowance was claimed did not, in the DST’s opinion, constitute qualifying expenditure in terms of the Act. MiX International continues, through due legal process, to formally seek a review of the DST’s decision not to approve the expenditure. The process is ongoing. Consequently, at June 30, 2016, MiX International has an uncertain tax position relating to S11D deductions. The Group has considered this uncertain tax position and recognized a tax asset of R9.6 million (\$0.6 million) at June 30, 2016. If the Group is unsuccessful in obtaining DST approval in this specific matter, the Group may not recover the full tax asset and an additional taxation expense relating to the additional 50% claimed may be incurred.

11. Specific Repurchase of Shares from Related Party

On April 29, 2016, the Company entered into an agreement (the “share repurchase agreement”) with Imperial Holdings Limited (“Imperial Holdings”) and Imperial Corporate Services Proprietary Limited (“Imperial Corporate Services”), a wholly owned subsidiary of Imperial Holdings, which currently holds 25.01% of the Company’s issued share capital, to repurchase all 200,828,260 of the Company’s shares held by Imperial Corporate Services (the “repurchase shares”) at R2.36 (\$0.16) per repurchase share, for an aggregate repurchase consideration of R474.0 million or \$32.1 million (the “repurchase”). At the general meeting held on August 1, 2016, shareholders of the Company approved the repurchase in terms of the JSE Listings Requirements and the South African Companies Act, No.71 of 2008 (“Companies Act”). The repurchase remains subject to the fulfilment, or waiver, as the case may be, of the following conditions precedent:

- that the resolution authorizing the repurchase is approved by a court by August 31, 2016 in the event that the provisions of section 115(3)(b) of the Companies Act are timeously invoked, provided that this condition precedent will be deemed to have been fulfilled if no court has granted any shareholder who voted against the resolution leave to apply to court for a review of the transaction within 10 business days after the date of the general meeting; and
- that the Company obtains the necessary approvals for the repurchase from the Takeover Regulation Panel (“TRP”) by August 31, 2016.

The Company will make an application to the JSE to delist the repurchase shares acquired by the Company which will again form part of the authorized but unissued share capital of the Company upon repurchase resulting in the Company having 562,259,240 ordinary shares of no par value in issue (excludes 40,000,000 treasury shares held by MiX Investments).

The share repurchase agreement includes a restraint in favor of the Company whereby the Imperial group undertakes not to acquire a business which competes with the Company for a period of two years and non-solicitation undertakings as well as warranties and undertakings which are normal for a transaction of this nature.

In respect of the repurchase shares, Imperial Corporate Services will be entitled to receive any dividend which is declared after April 29, 2016, the record date for which falls prior to the date the repurchase is implemented.

12. Dividend Declared

On August 4, 2016, the Board declared that in respect of the first quarter of fiscal year 2017, which ended on June 30, 2016, a dividend of 2 South African cents (0.1 U.S. cents) per ordinary share to be paid on Monday, August 29, 2016.

The details with respect to the dividends declared for ordinary shareholders are as follows:

| | |
|---------------------------------------|----------------------------|
| Last day to trade <i>cum</i> dividend | Tuesday, August 23, 2016 |
| Securities trade <i>ex</i> dividend | Wednesday, August 24, 2016 |
| Record date | Friday, August 26, 2016 |
| Payment date | Monday, August 29, 2016 |

Share certificates may not be dematerialized or rematerialized between Wednesday, August 24, 2016 and Friday, August 26, 2016, both days inclusive.

Shareholders are advised of the following additional information:

- the dividend has been declared out of income reserves;
- the local dividends tax rate is 15%;
- there are no Secondary Tax on Companies credits utilized against the dividend;
- the gross local dividend amounts to 2 South African cents per ordinary share;
- the net local dividend amount is 1.7 South African cents per ordinary share for shareholders liable to pay dividends tax;
- the issued ordinary share capital of MiX Telematics is 803,087,500 ordinary shares of no par value; and
- the Company's tax reference number is 9155/661/84/7.

The details with respect to the dividends declared for holders of our ADSs are as follows:

| | |
|--|----------------------------|
| <i>Ex</i> dividend on New York Stock Exchange (NYSE) | Wednesday, August 24, 2016 |
| Record date | Friday, August 26, 2016 |
| Approximate date of currency conversion | Monday, August 29, 2016 |
| Approximate dividend payment date | Monday, August 29, 2016 |

13. Development costs historical data

The table below sets out development costs incurred and capitalized for each of the last eight quarters including the period ending June 30, 2016.

| Figures are in thousands | South African Rand | | | | | | | |
|--|--------------------|-----------|--------------|---------------|--------------------|-----------|--------------|---------------|
| | Three months ended | | | | Three months ended | | | |
| | June 30, | March 31, | December 31, | September 30, | June 30, | March 31, | December 31, | September 30, |
| | 2016 | 2016 | 2015 | 2015 | 2015 | 2015 | 2014 | 2014 |
| Total development costs incurred | 37,230 | 28,693 | 28,016 | 31,806 | 27,387 | 28,765 | 22,586 | 24,771 |
| Development costs capitalized | 19,309 | 12,136 | 16,308 | 18,892 | 11,533 | 18,621 | 11,967 | 11,232 |
| Development costs expensed within administration and other charges | 17,921 | 16,557 | 11,708 | 12,914 | 15,854 | 10,144 | 10,619 | 13,539 |

United States Dollar
Three months ended

| | June 30, | March 31, | December 31, | September 30, | June 30, | March 31, | December 31, | September 30, |
|--|-----------------|------------------|---------------------|----------------------|-----------------|------------------|---------------------|----------------------|
| | 2016 | 2016 | 2015 | 2015 | 2015 | 2015 | 2014 | 2014 |
| Total development costs incurred | 2,518 | 1,941 | 1,895 | 2,151 | 1,853 | 1,946 | 1,528 | 1,676 |
| Development costs capitalized | 1,306 | 821 | 1,103 | 1,278 | 780 | 1,260 | 809 | 760 |
| Development costs expensed within administration and other charges | 1,212 | 1,120 | 792 | 873 | 1,073 | 686 | 719 | 916 |