MiX TELEMATICS
MOBILE INFORMATION EXCHANGE

www.mixtelematics.com

Audited group financial results

for year ended 31 March 2010

- Dividend increased by 25% to **5 cents** per share
- Revenue **R840 million**
  – **R477 million** annuity
  – **R379 million** foreign currency
- EBITDA **R160 million**
- Adjusted HEPS **12,8 cents** per share
- Cash generated from operations **R175 million**
- Net borrowings reduced by **R41 million** to **R48 million**

A WORD FROM THE CEO, S JOSELOWITZ ("JOSS")

I am pleased to report that your Group navigated relatively unscathed through what I can attest to being the toughest year in my business memory. The first six months in particular were brutal from a trading perspective although we definitely started seeing signs of easing as the year progressed. Thankfully, our order pipeline at the start of the 2011 financial year is much healthier than it was looking 12 months ago. Those investors that reviewed my report last year will note that it did not come as a surprise to your management that 2010 was going to prove to be a tough year. Superficial analysis and comparison to the previous reporting period will show basic earnings per share down by 4,7%, but in fairness this flatters us. I have always maintained that "adjusted HEPS" is the number that gives the most clarity into our performance and at 12,8 cents per share, we are 19,5% down on the previous year.

Your Group operates in 111 countries. As a consequence of this global footprint we are a Rand-hedge investment so any strengthening of the South African currency is detrimental to our results. In the year under review, the local currency was on average much stronger against the Pound, Dollar and Euro than in the previous period. We estimate the adverse impact of the Rand strength on our revenue has been R63 million and the subsequent impact on our earnings has been R18 million. This translates into about 3 cents per share.

Whilst on the topic of number analysis, I will stick with my perennial favourites:

- Annuity revenue: This is the cornerstone of our business model and at R477 million, annuity revenue is up 14% on last year.
- Foreign revenue: Based on a rampantly strong Rand, it is not surprising that our foreign revenue is down 11% against the previous comparative reporting period.
- Cash: Although marginally lower than last year, our strong cash flow is once again evident, with cash generated from operations amounting to R175 million. Our net debt position has reduced from R89 million in 2009 to R48 million.

Given our strong cash generation I'm pleased to report that your Board has declared a dividend of 5 cents. This is an increase of 25% which is in line with your Board's aim of giving our shareholders a better than inflation return on their investment.

Whilst world trading conditions have shown signs of improvement, the state of the global economy remains fragile. Your directors and management are adopting a cautious approach to an economic environment which could continue with the current slow improvement or which could show a rapid reverse given the financial crisis in the Euro monetary area. But we believe that we have weathered the worst of the global meltdown, we have emerged in a stronger position and I remain excited about the future of the Group.

Condensed group income statement

	Year to 31 March 2010 Audited R'000	% Change	Year to 31 March 2009 Audited R'000
Revenue	**840 488**	(12,3)	958 139
Cost of sales	**(337 603)**		(393 515)
Gross profit	**502 885**	(10,9)	564 624
Other income – net	**1 547**		10 210
Operating expenses	**(394 577)**		(439 777)
Operating profit (note 4)	**109 855**	(18,7)	135 057
Net finance costs	**(16 329)**		(25 931)
Share of joint venture losses	**(529)**		(916)
Profit before tax	**92 997**	(14,1)	108 210
Taxation	**(26 909)**		(39 125)
Profit for the year attributable to owners of the parent	**66 088**	(4,3)	69 085

Condensed group statement of comprehensive income

	Year to 31 March 2010 Audited R'000	% Change	Year to 31 March 2009 Audited R'000
Profit for the year attributable to owners of the parent	**66 088**		69 085
Other comprehensive income/(losses)			
Exchange differences on translating foreign entities	**(36 340)**		(17 888)
Fair value reserve on available-for-sale financial asset			
Arising in the current year	**167**		(1 211)
Charged to the income statement	**–**		1 728
Exchange differences on net investment in foreign operations	**(14 981)**		(2 105)
Taxation relating to components of other comprehensive income	**1 752**		394
Other comprehensive loss for the year, net of tax	**(49 402)**		(19 082)
Total comprehensive income for the year attributable to owners of the parent	**16 686**		50 003
Ordinary shares (million)			
– in issue	**657 000**		657 000
– weighted average	**657 000**		649 917
– diluted weighted average	**657 974**		649 917
Attributable earnings per share (cents)			
– basic	**10,1**	(4,7)	10,6
– diluted	**10,0**	(5,7)	10,6

Reconciliation of headline earnings and adjusted headline earnings

	Year to 31 March 2010 Audited R'000	% Change	Year to 31 March 2009 Audited R'000
Profit for the year attributable to owners of the parent	**66 088**		69 085
Adjusted for:			
Loss on disposal of property, plant and equipment	**496**		425
Impairment of available-for-sale financial assets	**–**		1 728
Impairment of intangible assets	**–**		10 226
Negative goodwill	**–**		(1 325)
Income tax effect on the above components	**(111)**		(81)
Headline earnings	**66 473**	(17,0)	80 058
Headline earnings per share (cents)			
– basic	**10,1**	(17,9)	12,3
– diluted	**10,1**	(17,9)	12,3
Headline earnings	**66 473**		80 058
Amortisation of IFRS 3 intangible assets	**20 801**		26 798
Tax effect on the amortisation of the IFRS 3 intangible assets	**(3 217)**		(3 229)
Adjusted headline earnings	**84 057**	(18,9)	103 627
Adjusted headline earnings per share (cents)			
– basic	**12,8**	(19,5)	15,9
– diluted	**12,8**	(19,5)	15,9

Condensed group statement of financial position

	31 March 2010 Audited R'000	31 March 2009 Audited R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**44 424**	51 755
Intangible assets	**653 171**	693 345
Available-for-sale financial asset and other assets	**2 683**	3 675
Deferred tax assets	**8 209**	13 481
Total non-current assets	**708 487**	762 256
Current assets		
Inventory	**29 691**	40 544
Inventory held in client vehicles	**24 809**	23 456
Trade and other receivables	**126 929**	135 396
Taxation	**1 857**	436
Restricted cash	**1 639**	1 351
Cash and cash equivalents	**155 011**	140 095
Total current assets	**339 936**	341 278
Total assets	**1 048 423**	1 103 534
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**13**	13
Share premium	**787 353**	787 353
Retained earnings/(accumulated losses)	**36 762**	(3 046)
Other reserves	**(174 306)**	(126 893)
Total equity	**649 822**	657 427
Non-current liabilities		
Borrowings	**96 056**	120 232
Deferred tax liabilities	**27 067**	35 611
Provisions	**14 703**	17 886
Total non-current liabilities	**137 826**	173 729
Current liabilities		
Trade and other payables	**124 090**	139 511
Borrowings	**71 740**	81 170
Taxation	**3 964**	10 603
Bank overdraft	**35 347**	27 732
Provisions	**25 634**	13 362
Total current liabilities	**260 775**	272 378
Total equity and liabilities	**1 048 423**	1 103 534
Net borrowings (note 6)	**(48 132)**	(89 039)
Net asset value per share (cents)	**98,9**	100,1
Net tangible asset value per share (cents)	**(0,5)**	(5,5)
Capital expenditure		
– **incurred**	**45 658**	30 250
– authorised but not spent	**27 543**	10 000

Condensed group statement of cash flows

	Year to 31 March 2010 Audited R'000	Year to 31 March 2009 Audited R'000
Cash generated from operations	**174 529**	226 497
Net finance costs	**(15 178)**	(25 864)
Taxation paid	**(36 334)**	(61 491)
Net cash generated from operating activities	**123 017**	139 142
Investing activities		
Capital expenditure	**(45 658)**	(30 250)
Proceeds from disposal of property, plant, equipment and intangible assets	**1 350**	367
Acquisition of subsidiary companies, net of cash acquired	**–**	(31 045)
Net cash utilised in investing activities	**(44 308)**	(60 928)
Financing activities		
Net borrowings (repaid)/raised	**(33 312)**	47 010
Dividends paid	**(26 247)**	(9 600)
Net cash (utilised in)/generated from financing activities	**(59 559)**	37 410
Net increase in cash and cash equivalents	**19 150**	115 624
Cash and cash equivalents at beginning of the year	**112 363**	(1 666)
Exchange losses on cash and cash equivalents	**(11 849)**	(1 595)
Cash and cash equivalents at end of the year	**119 664**	112 363

Abbreviated segmental analysis

		Total revenue R'000	Inter-segment revenue R'000	EBITDA R'000	Assets R'000	Liabilities R'000
Year to 31 March 2010						
Africa	Vehicle tracking and recovery	**328 221**	**(5 115)**	**76 871**	**272 194**	**(131 283)**
	Fleet management	**160 534**	**(7 383)**	**32 484**	**72 301**	**(145 934)**
United Kingdom	Fleet management	**204 924**	**(1 978)**	**6 368**	**112 424**	**(62 564)**
North America	Fleet management	**23 920**	**(9)**	**(11 031)**	**11 770**	**(23 602)**
Middle East	Fleet management	**108 281**	**(6 036)**	**9 550**	**60 748**	**(23 473)**
International	Fleet management and development	**156 812**	**(121 683)**	**50 476**	**259 393**	**(135 256)**
Corporate and consolidation journal entries		**–**	**–**	**(4 489)**	**506 464**	**(123 360)**
Inter-segment elimination		**(142 204)**	**142 204**		**(246 871)**	**246 871**
Total		**840 488**	**–**	**160 229**	**1 048 423**	**(398 601)**
Year to 31 March 2009						
Africa	Vehicle tracking and recovery	334 351	(1 433)	78 487	284 762	(159 000)
	Fleet management	156 106	–	27 047	86 309	(75 862)
United Kingdom	Fleet management	264 494	(5 863)	5 464	137 325	(130 632)
North America	Fleet management	39 112	–	(949)	13 081	(12 836)
Middle East	Fleet management	83 665	(4 262)	17 838	53 586	(13 652)
International	Fleet management and development	205 568	(113 599)	82 310	180 007	(150 564)
Corporate and consolidation journal entries		–	–	(12 817)	602 275	(157 372)
Inter-segment elimination		(125 157)	125 157	–	(253 811)	253 811
Total		958 139	–	197 380	1 103 534	(446 107)

Notes to the condensed group financial statements

1. Audit opinion

The independent auditors, PricewaterhouseCoopers Inc., have issued their opinion on the Group's financial statements for the year ended 31 March 2010. The audit was conducted in accordance with International Standards on Auditing. A copy of their unqualified audit report is available for inspection at the Company's registered office. These condensed financial statements have been derived from the Group financial statements and are consistent in all material respects with the Group financial statements.

2. Basis of preparation and accounting policies

These condensed year end financial results have been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") and are in compliance with IAS 34, the Listings Requirements of the JSE Limited and the South African Companies Act.

The accounting policies applied are consistent with those followed in the preparation of the consolidated financial statements for the year ended 31 March 2009, except where the Group has adopted new or revised accounting standards.

The Group has adopted the following new or revised accounting standards in the current year, which had no material impact on the Group's results:

- IAS 1 (Revised) Presentation of Financial Statements
- IFRS 8 Operating Segments
- Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

3. Operating segments

The MiX Telematics businesses are managed primarily on a geographic and also on a product basis. In accordance with IFRS 8 Operating Segments, MiX Telematics has revised the disclosure of its segments. In addition, the assessment of the profit performance of the operating segments has been amended and is now measured at the earnings before interest, tax, depreciation, amortisation, impairment of assets and negative goodwill ("EBITDA") level. This measure provides a greater comparison of performance across all segments. All comparative figures have been reclassified in accordance with this revised disclosure. A reconciliation of EBITDA to operating profit is set out in note 4.

4. Operating profit and EBITDA

	Year to 31 March 2010 Audited R'000	Year to 31 March 2009 Audited R'000
Operating profit	**109 855**	135 057
Add depreciation, amortisation, impairment and other (note 5)	**50 374**	62 323
EBITDA per segmental analysis	**160 229**	197 380

5. Depreciation, amortisation, impairment and other

	Year to 31 March 2010 Audited R'000	Year to 31 March 2009 Audited R'000
Depreciation and amortisation	**29 573**	24 896
Amortisation of IFRS 3 intangible assets	**20 801**	26 798
Impairment of available-for-sale financial assets	**–**	1 728
Impairment of intangible assets	**–**	10 226
Negative goodwill	**–**	(1 325)
Total	**50 374**	62 323

6. Net borrowings

Net borrowings is calculated as being interest-bearing borrowings less cash and cash equivalents, but excluding restricted cash.

7. Dividends

A dividend of R26,3 million (2009: R9,6 million) was paid during the year under review. Using shares in issue of 657 million (2009: 640 million) this equates to a dividend of 4,0 (2009: 1,5) cents per share.

8. Contingent liabilities

Connection incentives

The Group receives connection/upgrade incentives from Mobile Telephone Networks (Proprietary) Limited for connecting subscribers to their network. In the event that a subscriber contract is terminated during the contract period, the full amount of the connection/upgrade incentive received for this subscriber contract becomes repayable. In the unlikely event that every subscriber contract is terminated prematurely, the potential liability would amount to R79,6 million (31 March 2009: R78,9 million). Any loss incurred in terms of this arrangement is considered minimal.

9. Exchange rates

	31 March 2010	31 March 2009
The following major rates of exchange were used:		
SA Rand: United States Dollar – closing	**7,37**	9,72
– average	**7,85**	9,05
SA Rand: British Pound – closing	**11,10**	13,82
– average	**12,51**	14,73

10. Subsequent events

Other than the dividend declared of 5 cents per share, and the Vehicle Security Association of South Africa ("VESA") developments detailed below, the directors are not aware of any matter material or otherwise arising since 31 March 2010 and up to the date of this report, not otherwise dealt with herein.

As previously reported, the Competition Commission had referred a complaint that VESA (of which Matrix (now MiX Telematics Africa (Proprietary) Limited) was a member) had engaged in anti-competitive behaviour. This complaint was heard by the Competition Tribunal which, subsequent to year end found against MiX Telematics Africa (Proprietary) Limited, three other VESA members ("the parties") and VESA. The parties have

Condensed group statement of changes in equity

	Share capital R'000	Share premium R'000	Other reserves R'000	Retained earnings/ (accumulated losses) R'000	Total R'000
Balance at 31 March 2008	**13**	770 353	(109 817)	(62 531)	**598 018**
Dividends paid (note 7)	–	–	–	(9 600)	**(9 600)**
Total comprehensive income for the year	–	–	(19 082)	69 085	**50 003**
Share-based payments	–	–	2 006	–	**2 006**
Shares issued on business combination	–	17 000		–	**17 000**
Balance at 31 March 2009	**13**	787 353	(126 893)	(3 046)	**657 427**
Dividends paid (note 7)	–	–		(26 280)	**(26 280)**
Total comprehensive income for the year	–	–	(49 402)	66 088	**16 686**
Share-based payments	–	-	1 989	–	**1 989**
Balance at 31 March 2010	**13**	**787 353**	**(174 306)**	**36 762**	**649 822**

subsequently appealed the ruling. At the time of the ruling the maximum exposure to the parties was the legal costs of the aggrieved party. These costs are not considered material. As previously advised, no fine could be imposed under law by the Tribunal.

11. Changes to the Board

As previously announced, Mr S Evans resigned as finance director on 24 July 2009. In November 2009 Mr T Welton resigned as a non-executive and audit committee chairman and was appointed an executive director and chief financial officer, Mr A Patel was appointed the chairman of the audit committee and Ms F Roji was appointed a member of the audit committee.

COMMENTARY

1. Nature of business

The MiX Telematics group is focused on all levels of vehicle telematics, combining vehicle tracking and recovery, fleet management, driver and passenger safety and compliance services.

2. Operations

MiX Telematics Africa

MiX Telematics Africa comprises Matrix, the vehicle tracking and recovery business, and Enterprise and RSA Fleet which provide fleet management solutions to clients in South Africa and SADC countries in east and west Africa. Vehicle Tracking and Recovery subscriber numbers held firm, supported by the Matrix premium brand, during a year in which vehicle sales volumes declined due to the economic downturn. In the recent months new vehicle sales have showed improvement, an encouraging start to the new financial year. The Fleet Management business increased its subscriber base and improved revenue per subscriber, achieving better than expected results from the African expansion plan.

MiX Telematics International

MiX Telematics International provides fleet management products and services to Group subsidiary companies and to certain global customers and is also the Group's technology and development centre. The year saw the release of several new products and infrastructure platforms aimed at improving the service to customers. The global hosting infrastructure was expanded to cater for the growing subscriber connection base.

MiX Telematics UK

MiX Telematics UK provides fleet management products and solutions to customers across the United Kingdom, Europe and North Africa. These solutions have provided major quantifiable running cost, safety and carbon emission benefits to customers operating in an environment in which legislative controls are becoming more stringent. The United Kingdom and Europe suffered an extended recession during the year but the recovery, whilst fragile, is producing promising enquiries and new orders.

MiX Telematics SDI Middle East

MiX Telematics SDI provides fleet management products and driver training solutions to customers in the Middle East, Eastern Europe and Australasia. Unit sales and connection performance was lower than expected due to the recession which severely impacted the oil and gas producers. Despite the downturn in business from existing customers, SDI was successful in being awarded contracts with a major global customer and significant clients in the Middle East.

MiX Telematics North America

MiX Telematics North America provides fleet management products and solutions to its customers in the USA and Canada. The US economy contracted significantly during the past year, only recently showing signs of improvement. Not having a sizeable annuity base to act as a shock absorber, this contraction impacted adversely on results. Of late, an increase in economic activity in the region has been experienced, particularly in the oil and gas sector and new enquiries are beginning to produce encouraging results. The business is expanding its footprint and will in future cover central and south America.

For and on behalf of the board:

SR Bruyns **SB Joselowitz**

Midrand
7 June 2010

NOTICE OF DIVIDEND DECLARATION NUMBER 3 AND SALIENT FEATURES

Notice is hereby given that the directors have declared a cash dividend of 5 cents per share for the year ended 31 March 2010. The salient dates in order to participate in the dividend are:

– Last date to trade *cum* dividend	Friday, 23 July 2010
– Trading *ex* dividend commences	Monday, 26 July 2010
– Record date	Friday, 30 July 2010
– Payment date	Monday, 2 August 2010

Share certificates may not be dematerialised or rematerialised between Monday, 26 July 2010 and Friday, 30 July 2010, both dates inclusive.

On behalf of the board

Probity Business Services (Proprietary) Limited – (Company Secretary)

7 June 2010

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

Registered office:
Matrix Corner, Howick Close
Waterfall Park, Midrand

Directors:
SR Bruyns* (Chairman)
SB Joselowitz (CEO)
R Botha
TE Buzer
RA Frew*
R Friedman*
A Patel*
CWR Tasker
AR Welton
F Roji* (alternate)
*Non-executive

Company secretary:
Probity Business Services (Proprietary) Limited

Auditors:
PricewaterhouseCoopers Inc.

Sponsor:
Java Capital (Proprietary) Limited

JAVACAPITAL

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For more information on our final results, please visit our website at **www.mixtelematics.com**