

MiX Telematics Limited

(Incorporated in the Republic of South Africa)

(Registration number 1995/013858/06)

JSE share code: MIX ISIN: ZAE000125316

("MiX Telematics" or "the Company")



POSTING OF CIRCULAR – SPECIFIC ISSUE OF SHARES FOR CASH AND WITHDRAWAL OF CAUTIONARY AND DIVIDEND POLICY

Introduction

Shareholders are referred to the cautionary announcement released on SENS on 30 May 2013 in which shareholders were advised that the Company had commenced a process to consider a potential international capital raising.

In this regard, shareholders are advised that MiX Telematics has posted a circular dated 3 July 2013 (the "circular") to shareholders relating to:

- an authority for a specific issue of shares for cash of up to a maximum of 110 million ordinary shares in MiX Telematics to Bank of New York Mellon ("BNYM") pursuant to an offering of American Depositary Shares, each of which will represent 25 shares in the Company (the "specific issue");
- an amendment to the Memorandum of Incorporation to allow, *inter alia*, -
 - for the creation of a new class of preference shares;
 - the conducting of shareholder meetings by way of polling only; and
 - additional director indemnification provisions.

Copies of the registration statement which has been filed with the USA Securities and Exchange Commission ("SEC") and the circular will be available for inspection during normal business hours at the offices of MiX Telematics, Matrix Corner, Howick Close, Waterfall Park, Midrand, from 3 July 2013 to 1 August 2013.

The circular is also available in electronic format at www.mixtelematics.com.

Terms defined in the circular shall bear the same meaning in this announcement.

Notice of general meeting

Included in the circular posted today, Wednesday, 3 July 2013, is a notice of general meeting of MiX Telematics shareholders, which general meeting is to be held at the offices of MiX Telematics, Matrix Corner, Howick Close, Waterfall Park, Midrand on Thursday, 1 August 2013 at 11h00 to consider and, if deemed fit, to pass, with or without modification, the resolutions necessary to effect, *inter alia*, the specific issue and the proposed amendments to the Memorandum of Incorporation.

Salient dates and times

The salient dates and times for the general meeting and the specific issue are as set out below. All times indicated below are local times in South Africa. The dates and times indicated in the tables below are subject to change. Any such changes will be released on SENS and, if required, published in the press.

	2013
Record date for receipt of notice purposes	Friday, 28 June
Circular posted on	Wednesday, 3 July
Last day to trade in order to be eligible to vote at the general meeting	Friday, 19 July
Record date in order to be eligible to vote at the general meeting	Friday, 26 July
Last day to lodge forms of proxy in respect of the general meeting	Tuesday, 30 July
General meeting at 11h00 on	Thursday, 1 August
Results of the general meeting published on SENS on	Thursday, 1 August
Results of the general meeting published in the press on	Friday, 2 August

Notes:

1. The dates of the –
 - 1.1. issue of specific issue shares and receipt of proceeds of the specific issue; and
 - 1.2. listing of specific issue shares in the Business Support Services Sector of the Main Board of the JSE, will be announced in the press in due course.
2. A registration statement in connection with the specific issue and the ADS offering has been filed with the SEC in the USA.

Background

The Company is seeking to raise equity on the international capital markets by way of an underwritten U.S. offering of American Depositary Shares or “ADSs”, each of which represents 25 ordinary shares in the Company. The ADSs will be evidenced by American Depositary Receipts or “ADRs”.

The Company’s ordinary shares are listed on the JSE under the symbol “MIX”. The Company has applied to list the ADSs on The New York Stock Exchange under the symbol “MIXT”.

Accordingly, to enable the Company to undertake and implement the aforementioned underwritten ADS offering, and subject to the outcome of the ADS bookbuild, MiX Telematics intends to issue such number of ordinary shares, as is determined by the board, but which shall in any event not exceed a maximum number of 110 million, to BNYM, as the depository, in respect of which up to 4 400 000 ADSs will be offered for the purposes of the ADS offering.

Of the ADSs to be sold under the ADS offering -

- the Company is issuing up to 110 000 000 ordinary shares in the Company (in respect of which up to 4 400 000 ADSs will be issued); and
- the selling shareholders, as defined in the circular (including the selling director shareholders, as defined in the circular) are selling up to aggregate 47 402 450 ordinary shares in the Company (in respect of which up to 1 896 098 ADSs will be issued). The Company will not receive any of the proceeds from the shares being sold by the selling shareholders.

Details of the offering

The Company will issue up to 110 000 000 ordinary shares in the Company (in respect of which up to 4 400 000 ADSs will be offered) and the selling shareholders (including the selling director shareholders) will sell up to 47 402 450 ordinary shares in the Company (in respect of which up to 1 896 098 ADSs will be offered). The Company will not receive any of the proceeds from the shares being sold by the selling shareholders.

Pursuant to the terms and subject to the conditions set forth in an underwriting agreement, the underwriters will be obligated to purchase and accept delivery of all of the ADSs offered by the registration statement other than those covered by the option to purchase additional ADSs under the overallotment option described hereunder.

Certain of the selling shareholders (including the selling director shareholders) have granted the underwriters an overallotment option, exercisable within 30 days after the date of the prospectus that forms a part of the registration statement, to purchase in whole or in part at any time up to an additional in aggregate 23 610 350 ordinary shares in the Company in respect of up to an additional in aggregate 944 414 ADSs, at the ADS offering price (for the purpose of satisfying any excess demand for ADSs over and above the initial ADS offering of 6 296 098 ADSs (comprising 157 402 450 ordinary shares in the Company)).

If purchased, these additional ordinary shares (as ADSs) will be sold by the underwriters on the same terms as those on which the ADSs offered by the registration statement are sold.

BNYM will hold the MiX Telematics shares underlying the ADSs. ADS holders will have rights as provided in the deposit agreement.

The offering of ADSs is being made in the USA and elsewhere outside South Africa solely on the basis of the information contained in the registration statement.

The Company has applied to list the ADSs on The New York Stock Exchange under the symbol “MIXT”.

If the Company declares dividends on its shares, the depository will pay the ADS holder the cash dividends and other distributions it receives on the Company’s shares, after deducting its fees and expenses.

Any ADS holder may turn in its ADSs to BNYM in exchange for the underlying MiX Telematics shares. BNYM will charge the ADS holder fees for any such exchange.

Use of proceeds

The Company intends to use the net proceeds from the ADS offering to pursue future acquisitions and other strategic investments and for general corporate purposes. The Company has not yet identified any specific acquisitions or investments, and the Company’s management will have broad discretion over how to use the proceeds from the specific issue.

Description of American Depositary Shares

BNYM, as depository, will register and deliver ADSs. Each ADS will represent 25 shares (or a right to receive 25 shares) deposited with the principal Johannesburg office of any of Standard Bank of South Africa Limited, FirstRand Bank Ltd or Societe Generale (ZA), as custodian for the depository. Each ADS will also represent any other securities, cash or other property which may be held by the depository.

ADS holders will not be treated as one of the Company’s shareholders and will not have shareholder rights. South African law governs shareholder rights. The depository will be the holder of the shares underlying the ADSs. As a registered holder of ADSs, the ADS holder will have ADS holder rights. A deposit agreement among the Company, the depository and the ADS holder, and all other persons indirectly holding ADSs sets out ADS holder rights as well as the rights and obligations of the depository. New York law governs the deposit agreement and the ADSs.

Mechanism

To enable and implement the ADS offering and subject to the results of the ADS bookbuild, MiX Telematics intends to issue such number of shares as is determined by the board but which shall not in any event exceed a maximum number of 110 million new shares, by means of a specific issue to BNYM, as depository under the deposit agreement.

The board requests authorisation to issue up to a maximum number of 110 million shares (approximately 16.7% of MiX Telematics’ current issued ordinary share capital). The actual number of shares to be issued will depend on market conditions, the results of the ADS bookbuild and other factors deemed relevant by the board. The board reserves the right to issue fewer than 110 million shares pursuant to the specific issue, or not to proceed with the specific issue at all, even if authorisation is obtained.

The further terms of the specific issue being the number of specific issue shares, the specific issue price and the financial effects thereof, will be the subject of a separate announcement in the South African press.

The specific issue shares to be issued will rank *pari passu* with other MiX Telematics shares in issue at the date of completion of the specific issue and will rank equally as regards entitlement to dividends declared after that date.

No specific issue shares are to be issued to non-public shareholders as defined in paragraphs 4.25 to 4.27 of the JSE Listings Requirements.

The specific issue price

In determining the issue price, the board will be guided by market conditions, as reflected by the ADS bookbuild and other relevant factors which will result in a market-determined issue price.

Subscriber to the specific issue

The subscriber to the specific issue is BNYM, as depositary under the deposit agreement.

Amendment to the Memorandum of Incorporation

The Company wishes to make certain amendments to its Memorandum of Incorporation, including for the creation of a new class of preference shares, the conducting of shareholder meetings by way of polling only and additional director indemnification provisions (for the purpose of facilitating the ADR programme) bringing the Memorandum of Incorporation in line with the constitutional documents of companies listed on the New York Stock Exchange, being the exchange on which the ADSs will be listed.

Pro forma financial effects

The *pro forma* financial effects of the specific issue of shares for cash on MiX Telematics' net asset value, net tangible asset value, earnings and headline earnings per share for the year ended 31 March 2013 are set out below.

The *pro forma* financial effects are the responsibility of the directors of MiX Telematics and have been prepared for illustrative purposes only, to provide information on how the specific issue of shares for cash may have impacted on the historical financial results of MiX Telematics for the year ended 31 March 2013.

Due to its nature, the *pro forma* financial information (collectively, the *pro forma* financial effects, *pro forma* consolidated statement of financial position and *pro forma* consolidated income statement) may not give a fair reflection of MiX Telematics' financial position, changes in equity, results of operations and cash flows subsequent to the specific issue of shares for cash.

The table below reflects the *pro forma* financial effects of the specific issue of shares for cash on a MiX Telematics shareholder:

	Before	After	% change
Net asset value per ordinary share (cents)	131.5	156.1	18.7%
Net tangible asset value per ordinary share (cents)	33.7	72.3	114.5%
Earnings per share (cents)	19.5	18.1	(7.2)%
Diluted earnings per share (cents)	19.0	17.7	(6.8)%
Headline earnings per share (cents)	20.1	18.6	(7.5)%
Diluted headline earnings per share (cents)	19.6	18.2	(7.1)%
Weighted average number of shares ('000)	658 456	768 456	
Diluted weighted average number of shares ('000)	674 772	784 772	
Number of shares ('000)	659 963	769 963	

Notes:

1. The amounts set out in the "Before" column have been extracted, without adjustment, from the audited results of MiX Telematics for the year ended 31 March 2013.
2. The amounts set out in the "After" column reflect the impact on the historical financial results of MiX Telematics for the year ended 31 March 2013 assuming that the specific issue of shares for cash was implemented on 31 March 2013 for purposes of net asset value and net tangible asset value per share and on 1 April 2012 for purposes of earnings and headline earnings per share.
3. It is assumed that the proceeds of the specific issue will be converted to Rands and will earn interest at a rate of 4.5% per annum, being an average call rate in South Africa.

Withdrawal of cautionary

Shareholders are advised that caution is no longer required to be exercised by shareholders when dealing in their shares.

Dividend policy

Shareholders are advised that the Company does not intend paying regular dividends following the completion of the ADS offering. The Company intends discontinuing its policy of declaring regular dividends in order to increase the funds available to pursue opportunities for more rapid growth.

3 July 2013

South African corporate advisor and sponsor: Java Capital

South African legal advisor: Werksmans Inc.

Independent reporting accountants and auditors: PricewaterhouseCoopers Inc.

USA counsel: Akermann Senterfitt LLP