



TELEMATICS
MOBILE INFORMATION EXCHANGE





Annual Report 2009



ITELEMATICS
MOBILE INFORMATION EXCHANGE

Contents

Annual report

- 1** Profile and vision
- 4** Chairman's report
- 5** CEO's report
- 6** CFO's report

- 8** Board of directors
- 10** An overview of the Group
- 12** About our corporate governance
- 15** Annual financial statements

Company notices

- 83** Notice of annual general meeting
- Form of proxy – Attached

Company information

- Inside back cover

WHAT WE BELIEVE...

MiX Telematics Limited is a holding company listed under the 'MiX' short code in the Business Support Services sector on the JSE Limited ("JSE").

VISION

Our vision is to be a leading global provider of information and related services for mobile assets.

STRATEGY

Our strategy is to leverage our profitable, cash generative businesses into expanding our recurring revenue model through our global distribution network.

MISSION

Our mission is to achieve a market capitalisation of US\$1 billion by no later than June 2012.

HOW DID WE DO?

Group salient features for the years ended 31 March

	31 March 2009 R'000	<i>Pro forma</i> 31 March 2008* R'000	<i>Pro forma</i> 31 March 2007* R'000
Revenue	958 139	687 547	578 837
– Annuity based	419 273	347 719	338 620
– Non-annuity based	538 866	339 828	240 217
– Foreign currency based	425 793	294 648	237 323
– Non-foreign currency based	532 346	392 899	341 514
Earnings before interest, tax, depreciation, amortisation, impairments and negative goodwill ("EBITDA")	197 380	160 241	128 604
EBITDA as % of revenue	20,6%	23,3%	22,2%
Adjusted headline earnings per share (cents)	15,9	12,7	9,5
Merger date		1 October 2007	
Listing date		12 November 2007	
Share price (cents)			
– High	145	205	
– Low	25	105	
– Closing	43	141	
For the year (09)/from listing to closing date (08)			
– Weighted average share price (cents)	86,8	140,6	
– Number of shares traded (000's)	218 161	56 358	
Total shares (000's)	657 000	640 000	
Market capitalisation at closing share price (000's)	282 510	902 400	

*Pro forma results

OUR GLOBAL REACH

WHO ARE WE?

MiX Telematics Limited is a holding company listed under the 'MIX' short code in the business support services sector of the JSE. The MiX Telematics Group is focused on all levels of vehicle telematics – combining vehicle tracking, driver/passenger safety and recovery services with a complete range of fleet management products and services.

A brief history ...

- 1995 Matrix Vehicle Tracking is established and starts trading
- 1997 OmniBridge RSA is established and starts trading
- 2007 (May) OmniBridge Europe acquires Siemens VDO UK Fleet Division and Datatrak
- 2007 (Oct) TeliMatrix acquires OmniBridge RSA and OmniBridge Europe
- 2007 (Nov) TeliMatrix lists on the Johannesburg Stock Exchange ("JSE")
- 2008 (Aug) TeliMatrix acquires Tripmaster
- 2008 (Sep) TeliMatrix acquires the SafeDrive International Group of companies
- 2008 (Oct) TeliMatrix changes its name and corporate identity to MiX Telematics

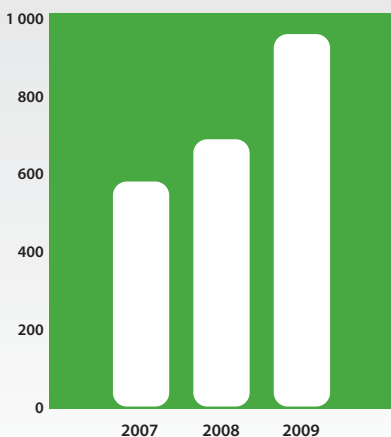
On listing ...

- No cash was raised
- None of the founders diluted (and increased their holding from 50% at listing to 52% at 31 March 2009.)

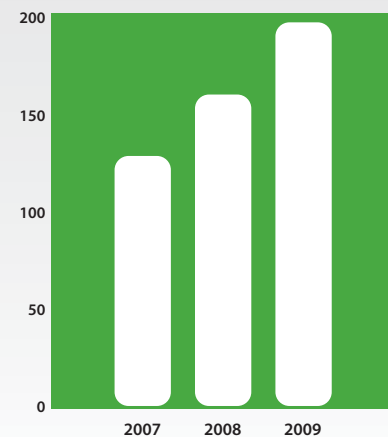
Some key statistics ...

- A subscriber base of over 200 000 connections
- R419 million of total revenue is recurring
- R426 million of total revenue is earned outside South Africa
- A state of the art technology platform and product development capability, together with leading technology in all of the areas it operates
- Prominent international brands including Matrix, VDO Fleet Manager and Datatrak
- Operations in South Africa, the United Kingdom, Cyprus, Germany, Nigeria, the United States of America, Australia and the United Arab Emirates
- A global distribution network selling in over 75 countries on six continents
- 682 employees

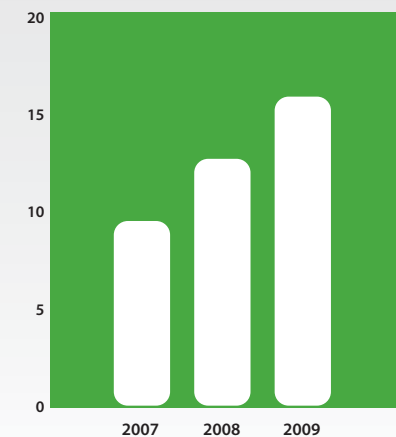
Revenue (R'million)



EBITDA (R'million)



Adjusted HEPS (cents)





WHERE WE ARE ...

The Group has a global distribution network operating in over 75 countries on six continents.

The Group also has its own offices in South Africa (Johannesburg and Stellenbosch), the United Kingdom (Birmingham and Swindon), Cyprus (Larnaca), Germany (Donaueschingen), Nigeria (Lagos), the United States of America (Dallas), Australia (Perth) and the United Arab Emirates (Dubai).



CHAIRMAN'S REPORT

It is with pleasure that I am able to report that the Group, in its first full year of operation, has achieved significant strides in many of its stated objectives of last year.

In spite of a significantly worse global economic climate than what was expected at the beginning of the financial year, MiX Telematics has managed to grow its adjusted HEPS by a healthy 25%, up to 15,9 cents per share (from 12,7 cents per share *pro forma* 2008). This is considered a very sound performance and creates a solid base from which the Company will operate into the future.

Dividends per share for the whole year have been declared at 4 cents per share (4-times cover from adjusted HEPS). In the current difficult and uncertain climate, the board thought it prudent to maintain a higher cover to conserve cash than perhaps could have been paid out in more normal times.

Cash flow was another highlight for the year. Cash generation is a critical requirement of running a sound company in these tricky economic times, and your management has done an outstanding job in bringing down our net borrowings from R154 million to R89 million. Interest cover at the EBITDA level is standing at 7,6 times, vs. last year of 7,0 times. Generally these levels would be considered to be conservative, but your board has prudently decided to de-gear the Group in the current times.

Our management team has evolved this year and now has a much more international focus. Stefan Joselowitz (generally known as "Joss"), our chief executive, has relocated to the USA. He has overall Group responsibility as CEO and is also directly overseeing our acquisition in Dallas. Terry Buzer has relocated to the UK as CEO of the UK and Europe Group interests. Simon Williams, who joined us with the acquisition of SDI, has located himself in Dubai, and is heading that operation from this important hub. Charles Tasker, a prolific business traveller, is based in Stellenbosch, from where he heads up MiX International. Riëtte Botha, who runs our Africa business, and Steven Evans (Group CFO) are based in Johannesburg. Our management team has gone through a tough transition to achieve this international focus, but has adapted to the new structure well. The board and executive are very mindful of the risks of this international focus, but believe this will bear great reward as the team thinks and operates globally. Already a number of major sales have been achieved with this boundary-less mindset.

Corporate governance remains a cornerstone of the Group. The audit and risk committee have met often during the year to ensure these aspects are thoroughly debated. The members of this committee are shown in the report as well as the number of times they met, and who was present. The remuneration committee continues to steer this aspect of the business. The key remains the alignment of the executive directors' remuneration with the long-term returns to our shareholders. It is interesting to note the innovative executive share option scheme, which has been in place now for more than a year, where executives receive the bulk of their incentive options at a strike price that ensures a very adequate return to the shareholders into the future.

2009 and 2010 are going to be difficult years for businesses worldwide. MiX Telematics operates globally and is intent on growing its international presence strongly into the future. We have the management capability to achieve this growth and the executive team has set themselves some high targets moving forward. Everyone is acutely aware of the challenges businesses face in these uncertain times, and the board at MiX believes the Group will show growth into the future, although forecasting is really not feasible at the present time. Suffice to say, the Group has great products, really good and talented people, a critical mass and a positive cash flow to achieve its medium-term plans.

Joss and I wish to express our, and the board's, sincere thanks to our executive team for an outstanding year in extremely difficult times. To our 682 employees of the Group around the world, we thank you for all your efforts in a difficult year. And to the non-executive board members, many thanks again for your time and wise counsel.

Richard Bruyns
Chairman

Midrand
8 June 2009

CEO'S REPORT

These results would have been good in any normal year but in the year that we have just endured, they are particularly pleasing. This is thanks to a great team that delivered, despite facing brutal trading conditions.



When we published our half-year update in September, I alluded to a belief that we had positioned ourselves well for a strong second half. I am now happy to report that all of our original businesses, being "MiX Africa", "MiX Europe" and "MiX International", performed ahead of plan. For those investors bent on segmental analysis, a word of caution – we have moved things around within and between individual business units to achieve maximum efficiency. Our two big mega-deal projects – debis (in South Africa) and Go-Ahead Bus (in the UK) – were both fully implemented in the period under review. We have now repeatedly demonstrated in South Africa, Europe, the Middle East and the USA that we are capable of effectively rolling out huge projects and this bolsters our résumé when pitching for other mega-deals (which we are doing on an ongoing basis).

Born out of our acquisition of Tripmaster last year, MiX North America has been successfully transitioned into the Group. Based in Dallas, USA, this business has scored two quick wins in the period, the first of which – Baker Hughes – has been completely rolled out. We are in the process of finalising some customisation for Chevron and expect to conclude installation of the fleet in the next quarter. I relocated to the USA earlier this year and this move is a clear indication that we are serious about the globalisation of the Group.

The anticipated opportunity in SDI, our most recent acquisition, has thus far not disappointed and the synergies that we have unlocked have already exceeded our initial expectations. This business also dovetails nicely with our efforts in the USA, with many cross-pollination opportunities becoming apparent. SDI came with committed and passionate management and I would like to take this opportunity of welcoming Simon Williams (based in Dubai) and Craig Blinco (based in Perth) into the Group.

In terms of the numbers, they speak for themselves and I am spoilt for choice in terms of areas that deserve special mention – so I will take

the easy path and revert to my three favourite picks, namely "annuity revenue", "foreign revenue" and "cash":

- Our annuity revenue grew by 21% to R419 million, making up almost 44% of our total revenue.
- Foreign revenue shot up by 45% to R426 million and is a solid indicator that our global ambitions are taking traction.
- Your team delivered fantastic cash generation of R139 million for the year. Looked at another way, our net debt position (total borrowings, including overdraft, net of cash on hand) reduced from R154 million last year to R89 million this year, an improvement of R65 million! Net gearing in the Group now stands at 14% of Group equity, down from last year's level of 26%. Net interest cover at EBITDA level is at 7,6 times vs last year (*pro forma*) of 7,0 times. Generally these levels would be considered to be conservative, but the board has prudently decided to de-gear the Group in the current times.

So, having concluded our first full year of operations as a merged and listed entity (whew!), I can report that I am satisfied with the progress that the Group has made towards achieving both our short- and medium-term objectives. Forgive me for pointing out the obvious, but global trading conditions remain extremely tough and in some regions have deteriorated even further than last year. For now, our focus will remain on weathering the storm whilst executing well on the basics.

A handwritten signature in black ink, appearing to read 'Stefan Joselowitz'.

Stefan Joselowitz
Chief Executive Officer

Midrand
8 June 2009

CFO'S REPORT

The year ended 31 March 2009 represents the first full year of reporting for MiX Telematics as a Group.



The results for the year were pleasing with:

- Revenue up 39,4% to R958 million (from R688 million *pro forma* last year);
- EBITDA margins maintained above 20%;
- Adjusted HEPS up 25,2% to 15,9 cents (from 12,7 cents *pro forma* last year);
- R139 million cash generated from operating activities; and
- Net debt down to R89 million (from R154 million last year).

The acquisition of Tripmaster (MiX North America) was accounted for from 1 August 2008 and the acquisition of the SafeDrive International Group of companies was accounted for from 1 September 2008 – these acquisitions contributed a combined R119 million in revenue and R16 million in earnings for the period that they formed part of the Group.

Total borrowings (including bank overdrafts) of the Group increased to R229 million (from R183 million last year) resulting from:

- R41 million raised to fund the purchase of SDI;
- R2 million additional debt taken on in the acquisition of SDI and Tripmaster;
- R32 million net repayments made during the year; and
- R35 million of facilities drawn down and placed on call deposit.

During the year certain assets (acquired in 2008 as part of the OmniBridge Europe acquisition) were impaired down to their fair value, these included intangible assets (R10,2 million) and investments in listed securities (R1,7 million).

The effective tax rate (36,2%) is higher than the standard RSA tax rate of 28% as a result of:

- STC charges (+0,9%);
- Non-deductible expenses (+3,1%);
- Foreign taxes differential (-2,8%); and
- Europe and UK tax loss assets from prior years reversed this year (+1,7%) and not raised for the current year (+5,3%).

Pro forma 2008 comparative numbers.

After the acquisition of the OmniBridge RSA and the OmniBridge Europe businesses in October 2007, a transaction that was effectively

the merger of two equally sized businesses, and the subsequent listing of the Group it was imperative, from a management point of view, that we prepare numbers that were accurate, relevant and meaningful for users when using the financial year to 31 March 2008 numbers.

Whilst the audited annual financial statements for the year ended 31 March 2008 accurately reflect the consolidated results of the Group, they do not necessarily reflect a basis of future comparison due to the underlying changes to the Group, including:

- The acquisition by TeliMatrix of the 25% Kagiso stake in Matrix Vehicle Tracking, effective 1 October 2007, in exchange for 25% of the issued share capital of TeliMatrix pre the OmniBridge transaction.
- The acquisition of the OmniBridge RSA and OmniBridge Europe businesses, effective 1 October 2007, in exchange for 320 million shares in TeliMatrix – on the condition that TeliMatrix would list its shares on the JSE.
- The listing of TeliMatrix shares, on 12 November 2007, on the JSE.

Certain restructuring and one-off costs associated with the above transactions were incurred within the Group during 2008 and, as a result of the above, management have prepared reviewed *pro forma* income statements for the Group.

The purpose of these *pro forma* income statements is to provide users with an understanding of what the Group's numbers would have looked like had the transactions above all been concluded prior to the current reporting period, i.e. an income statement showing the results on a 'like for like' basis.

INCOME STATEMENT WITH *PRO FORMA* COMPARATIVE INFORMATION

The *pro forma* comparative results to 31 March 2008 were prepared by management on the basis that the Kagiso, OmniBridge RSA and OmniBridge Europe transactions had been effective 1 April 2007 and by its nature, the comparative *pro forma* information may not fairly reflect the financial results of the Group after these transactions.

(R'000)	Actual 2009	% change	Pro forma 2008
Revenue	958 139	39,4	687 547
Cost of sales	(386 482)		(258 255)
Gross profit	571 657		429 292
Other operating income	10 210		11 059
Other operating expenses	(384 487)		(280 110)
Earnings before interest, tax, depreciation, amortisation, impairment and negative goodwill ("EBITDA")	197 380		160 241
Depreciation and amortisation	(24 896)		(20 070)
Amortisation arising from the purchase price allocation required by IFRS3	(26 798)		(21 939)
Impairment of intangible and available for sale financial assets	(11 954)		–
Negative goodwill	1 325		–
Earnings before interest and tax ("EBIT")	135 057		118 232
Finance income	1 023		1 714
Finance costs	(26 954)		(24 623)
Share of joint venture losses	(916)		–
Profit before tax	108 210		95 323
Taxation expense	(39 125)		(33 120)
Profit for the period	69 085		62 203
Loss/(profit) on disposal of property, plant and equipment (after tax)	344		(47)
Impairment of assets	11 954		–
Negative goodwill	(1 325)		–
Headline earnings	80 058		62 156
Amortisation arising from the purchase price allocations required by IFRS3 (after tax)	23 569		15 471
Impact of tax rate reductions arising from the above purchase price allocations	–		(1 651)
One-off adjustments resulting from OmniBridge business combination	–		5 265
Adjusted headline earnings	103 627		81 241
Weighted average shares (000's)	649 917		640 000
Earnings per share (cents)	10,6	9,3	9,7
Headline earnings per share (cents)	12,3	26,8	9,7
Adjusted headline earnings per share (cents)	15,9	25,2	12,7
Segmental analysis			
Revenue			
– Vehicle Tracking	332 918		300 877
– Fleet Management	625 221		386 670
Revenue	958 139		687 547
EBITDA			
– Vehicle Tracking	77 343		83 601
– Fleet Management	126 346		78 187
– Other	(6 309)		(1 547)
EBITDA	197 380		160 241

The above comparative *pro forma* income statement of the Group is the responsibility of the directors of MiX Telematics Limited.

An unqualified reporting accountant's report was issued on the *pro forma* Income Statement of the Group for the year ended 31 March 2008.

The adjusted headline earnings per share reflects the results after eliminating:

- The IFRS 3 amortisation expense (after tax) in respect of intangible assets that arose on the acquisition of OmniBridge RSA and OmniBridge Europe in 2007 and the SafeDrive International Group of companies in 2008.

- Certain expenses in the year ended 31 March 2008 that arose as a result of the transaction to acquire OmniBridge RSA and OmniBridge Europe which were not representative of the Group going forward; these amounted to R5,3 million.



Steven Evans
Chief Financial Officer

Midrand
8 June 2009

BOARD OF DIRECTORS



EXECUTIVE DIRECTORS

in order of appearance

CHARLES TASKER, 45

*(Executive – MiX Telematics International)
Harvard SEP (Africa)*

Appointed 29 August 2007

Charles Tasker founded DataPro in 1986, which was subsequently acquired by Control Instruments in 1996. In 1997 Charles joined the Control Instruments Group as managing director of their fleet management business which became OmniBridge.

STEVEN EVANS, 38

*(Chief Financial Officer)
BAcc, CA (SA)*

Appointed 1 February 2008

Steven, a CA (SA), completed his articles with Price Waterhouse in 1996, leaving to pursue a career in commerce and industry where he has held senior finance positions in the retail, tourism and IT industries. Most recently he was financial director of the Outbound division of Tourvest, a listed tourism company, before his appointment as Financial Director of EOH Holdings Limited, a listed IT company.

RIËTTE BOTHA, 41

*(Executive – MiX Telematics Africa)
BCom (Hons)*

Re-elected 6 November 2007

Riëtte practised as an accountant with various companies before joining MiX Telematics Africa (formerly Matrix Vehicle Tracking) in 1999. Her career at MiX Telematics has seen her through a variety of positions such as Financial Manager, Financial Director, Chief

Operating Officer, and culminating in her current position as Managing Director.

STEFAN ("JOSS") JOSELOWITZ, 50

*(Chief Executive Officer)
Certificate in Electrical Engineering Light Current (LC)
Trade Diploma Aircraft Electronician*

Re-elected 6 November 2007

Joss has been successful in several senior management positions over a career spanning 20 years. Specifically, these include sales director and later CEO of Shurlok (Proprietary) Limited. Joss and his team built Shurlok into a dominant vehicle security company in South Africa. He also successfully developed a European sales and distribution channel for Electromatic (Proprietary) Limited. In 1996, Joss put together a funding consortium and launched Matrix Vehicle Tracking (now MiX Telematics Africa).

TERRY BUZER, 60

*(Executive – MiX Telematics UK)
BSc (Hons)*

Appointed 29 August 2007

Terry joined Control Instruments (Proprietary) Limited in 1981, becoming Managing Director in 1984 and was appointed to the board of Control Instruments on listing, in 1987. In the past 10 years, he has been heavily involved in the strategic and operational implementation of business acquisitions, mergers and start-ups such as Matrix Vehicle Tracking (MiX Telematics Africa) and OmniBridge (MiX Telematics International). Terry currently runs our European operation and is based in the UK.



NON-EXECUTIVE DIRECTORS

RICHARD BRUYNS^{1,2,3}, 56

(Chairman)
CA (SA), PDM (Harvard)

Appointed 29 August 2007

Richard's directorship experience spans many industries and achievements. During the past 20 years, Richard has led companies of 500 – 12 000 employees with annual sales ranging from R500 million to R20 billion in the IT, manufacturing, construction, hospitality and consumer goods industries. His experience includes turning one of Africa's largest operators and managers of high end bush lodges from large losses to strong profitability.

Richard has served on many boards including Control Instruments Limited, CC Africa, Malbak Limited, Carnelley Rangelcroft Consultancy, Kimberley Clark of SA Limited, Crown Cork SA (Proprietary) Limited, Kohler Limited and Shift Interactive Communications (Proprietary) Limited.

ROBIN FREW¹, 49

BBusSci.(UCT), BCompt. (Hons) (Unisa)

Re-elected 6 November 2007

Robin is an investor and non-executive director in various operating businesses including Radiospoor Telecommunications (Proprietary) Limited, Hymax SA (Proprietary) Limited, Wizzit Payments (Proprietary) Limited, Thynk Capital (Proprietary) Limited and Thynk Property Fund (Proprietary) Limited. Robin's previous experience includes 15 years with the Radiospoor group, a supplier of cellular and other mobile services, and he was the CEO of Radiospoor while it was listed on the JSE between 1997 and 2000. He has been involved with MiX Telematics since inception.

RICHARD FRIEDMAN¹, 54

BCom, AMP (Harvard)

Appointed 29 August 2007

Richard is Managing Director of Control Instruments Group Limited, a position he has held since 1986. He was instrumental in the formation of Control Instruments Group through the merging of various of his family's business interests in 1986 and the listing of these on the JSE in 1987.

¹ member of the remuneration committee

² member of the audit and risk committee

³ independent director

AFZAL PATEL², 40

BCom, BAcc, CA (SA)

Appointed 29 August 2007

Afzal is the Managing Director of Kagsio Ventures Limited and has thirteen years' experience in corporate finance, private equity and financial services. Afzal obtained a BCom degree from the University of the Witwatersrand in 1990 and qualified as a Chartered Accountant in 1994 having served his articles with Deloitte & Touche. He has extensive experience in the fields of auditing, accounting, tax planning, corporate finance and private equity. Afzal was previously a director of Fusion Capital Corporate Finance, a division of Fusion Capital, a company listed on the JSE Securities Exchange. He was involved in a diverse range of corporate finance and mergers and acquisitions activities, particularly in the field of Black Economic Empowerment. He joined Kagsio Group in 2001, and is a director of a vast number of the investee companies in the Kagsio Ventures portfolio.

TONY WELTON^{2,3}, 61

CA (SA), MBL (Unisa)

Appointed 8 February 2008

Tony brings a wealth of financial and operational expertise to the Group, having been the financial director of large, listed companies. He was Financial Director of Dorbyl Limited from 1986 to 1992, Kohler Packaging Limited from 1992 to 1996 and Malbak Limited from 1996 to 2002. Tony has in recent years worked as a financial consultant with FRM – a business recovery specialist.

Alternate

FUNDISWA ROJI, 33

(alternate to Afzal Patel)
BCom (Hons), BCompt, CA (SA)

Appointed 14 March 2007

Fundi, a CA (SA), is an Executive Director of Kagsio Ventures Limited. She was also previously the Chairperson of Matrix Vehicle Tracking (Proprietary) Limited (now MiX Telematics Africa), a wholly owned subsidiary of TeliMatrix (now MiX Telematics) prior to its listing.

AN OVERVIEW OF THE GROUP . . .

MiX Telematics is focused on all levels of vehicle telematics – combining vehicle tracking, driver/passenger safety and recovery services with a complete range of fleet management products and services.

MiX Telematics (as TeliMatrix) was established in 1996 as a vehicle tracking and recovery business operating under the Matrix Vehicle Tracking brand. In 2005 the business of TeliMatrix was sold to Matrix Vehicle Tracking (Proprietary) Limited (now MiX Telematics Africa (Proprietary) Limited) to accommodate the introduction of Kagiso as an empowerment partner.

Effective 1 October 2007 MiX Telematics acquired OmniBridge RSA (now MiX Telematics International) and OmniBridge Europe (now MiX Telematics Europe), the fleet and vehicle management operations previously owned by Control Instruments Group Limited – this acquisition created an integrated group focusing on all levels of vehicle telematics.

The Group listed on the JSE on 12 November 2007 in the Business Support Services sector under the “MiX” short code.

The listing positioned MiX Telematics to enhance the growth in its operations and take advantage of the significant opportunities that are available to it by, amongst other things:

- increasing investor and general public awareness of the MiX Telematics Group and its activities, both in South Africa and internationally;
- providing the MiX Telematics Group with the benefits and flexibility of listed currency in the context of merger and acquisition activity within the market;
- providing the MiX Telematics Group with the ability and currency to grow its operations (organically and through acquisitions) and take advantage of the opportunities available to it; and
- giving the MiX Telematics Group the ability to attract and retain intellectual capital and ensure adequate succession planning through the incentive of meaningful, tradable equity participation.

MiX TELEMATICS AFRICA (PREVIOUSLY MATRIX VEHICLE TRACKING)

Founded in 1996 by current MiX Telematics CEO Stefan Joselowitz, MiX Telematics Africa (“MiX Africa”) is one of the largest vehicle tracking and recovery businesses in South Africa.

MiX Africa’s core activity is vehicle recovery and the business operates its own helicopter and a network of dedicated ground response teams

throughout South Africa. It has the largest GSM tracking subscriber base in South Africa and in its 13 years of operation the business has developed some of the most advanced vehicle recovery units in the market. This advanced technology gives MiX Africa a significant competitive advantage and has allowed it to expand its product offering and focus on value-added services including features such as “Crash Alert” and “No-Go Zones”, both of which reflect MiX Africa’s focus on personal and family safety and peace of mind.

In keeping with our vision, MiX Africa last year also took the first step in globalising the vehicle tracking and recovery business by finalising agreements with distribution partners in both Nigeria and Pakistan. Both countries will contribute to the MiX Africa annuity base.

MiX TELEMATICS INTERNATIONAL (PREVIOUSLY OMNIBRIDGE RSA)

Founded in 1997 by current MD Charles Tasker, MiX Telematics International (“MiX International”) specialises in the design, development and sale of fleet management products and services for the commercial vehicle market globally.

MiX International owns the intellectual property for its comprehensive range of vehicle and fleet management products (the VDO FM range of products). These products offer the full suite of information for complete fleet management including information relating to vehicle performance, driver performance, fuel consumption, location, tracking and utilisation. These products can support a wide range of solutions targeted primarily at driver safety, improved productivity and improved risk management.

In 2007, a unique opportunity presented itself when Siemens decided to exit all of its automotive businesses and in this process, MiX International was able to secure direct control of this worldwide distribution network as well as a direct presence in the United Kingdom and Europe.

MiX International’s products are sold in over 75 countries (on six continents) through a global distribution network and they have an installed base of over 300 000 on-board computers worldwide. MiX International launched a proprietary subscription-based data delivery service, FM-Web, which is generating healthy recurring revenue.

MiX TELEMATICS EUROPE (PREVIOUSLY OMNIBRIDGE EUROPE)

Born out of the MiX International acquisition of the Siemens fleet management business in 2007, MiX Telematics Europe (“MiX Europe”) forms the hub of the Group’s sales and distribution into Europe, with offices in the UK and Germany.

Datatrak (part of the business acquired from Siemens) is a vehicle tracking, fleet management and vehicle telematics business based in the United Kingdom. It has its own proprietary communication network covering the United Kingdom and a large portion of Datatrak's business revenue is derived from an annuity subscriber base – almost eighty percent of cash-in-transit vehicles in the UK are fitted with Datatrak products.

MiX TELEMATICS NORTH AMERICA (PREVIOUSLY TRIPMASTER)

MiX Telematics North America ("MiX North America") pioneered on-board computers back in the 1970s and its lineage parallels the history of on-board computers ("OBCs"). The "Tripmaster" was the first such device on the market, with its systems in daily use since 1979 providing fleets with greater efficiency, safety and improved profitability. Since then many other systems have been introduced, some have failed and most haven't measured up.

Today MiX North America remains a leader with a singular focus to deliver the most flexible systems for the customer's fleet business – with the continuing demand for our products being driven by return on investment and consistent reliability.

Acquired by MiX Telematics in August 2008, MiX North America now offers customers the latest, state of the art products and services for the efficient management of mobile assets through the MiX Telematics product range.

SAFEDRIVE INTERNATIONAL ("SDI")

SDI is a recognised leader in the delivery of effective land transport safety solutions. The business delivers a unique holistic approach to commercial vehicle safety into which the MiX Telematics products and services play an integral role.

SDI has been a distributor of MiX International for the past eight years and has successfully embraced the MiX Telematics annuity based business strategy. Over the past year alone, SDI has added annuity contracts comprising more than 3 000 commercial vehicles.

SDI operates out of Dubai and has a primary focus on the oil and gas and mining sectors in the Middle East and Asian markets, with additional operations in Australia and Russia.

VISION STATEMENT

Our **Vision** is to be a leading global provider of information and related services for mobile assets.

In this **Vision** statement:

- **Leading** defines our level of ambition. We will compete aggressively in all of the territories that we choose to operate in with the aim of being in the top three by share of annual market share growth. We must be perceived as a player by relevant customers.
- **Global** defines our territory. While our home-base is SA, with its JSE listing, our mandate is to build a global business. Whilst we deal primarily through distributors in other countries, we will where necessary own operations in strategic territories or sectors. We are aiming to grow foreign earnings to account for 75% of Group earnings.
- **Provider of information and services** defines our products. We are in the Telematics business which includes vehicle tracking, stolen asset recovery, occupant/driver safety, mobile resource management and full fleet management. Our primary focus is on recurring business through the management and delivery of information to clients through the use of our technologies.
- **Mobile assets** defines our market. This extends to owners of all forms of mobile assets, including trucks, vans, cars, construction equipment and may soon extend into new non-traditional areas such as motorcycles, recreational vehicles, boats and caravans.

STRATEGY STATEMENT

Our **Strategy** is to leverage our profitable businesses into growing our recurring business model throughout our global network.

The focus of our business is to build a recurring base, with the units that we sell being the data-delivery mechanism and our business being the provision of an exchange, gathering data from mobile assets and translating this into data that can be supplied to our customers in the form of relevant information with associated services.

MISSION STATEMENT

Our **Mission** is to achieve a market capitalisation of US\$1 billion by no later than June 2012.

ABOUT OUR CORPORATE GOVERNANCE

MiX Telematics is fully committed to compliance with the principles of the Code of Corporate Practices and Conduct set out in King II.

In so doing, the directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to shareholders and other stakeholders by providing a proper and objective perspective of the Company and its activities. The directors have, accordingly, established mechanisms and policies appropriate to the Company's business in keeping with its commitment to best practices in Corporate Governance in order to ensure compliance with King II. The board will review these from time to time.

BOARD OF DIRECTORS

The board of directors consists of five executive directors and five non-executive directors, of which two are considered to be independent. An overview of the board is included on pages 8 to 9 of this annual report, together with brief CVs of each director.

The non-executive directors are individuals of high calibre and credibility, with the necessary skills and experience to bring judgment to bear, independent of management, on issues of strategy, performance, resources, transformation, diversity and employment equity, standards of conduct and evaluation of performance.

The information needs of the board are reviewed regularly and all directors have unrestricted access to all company information, records, documents and property to enable them to discharge their responsibilities.

The procedure for appointments of new directors to the board is formal, transparent and a matter for the board as a whole.

The board has in place an orientation programme to familiarise incoming directors with the Company's operations, senior management and its business environment and to induct them in their fiduciary duties and responsibilities. Directors receive further briefings from time to time on relevant new laws and regulations, as well as on changing economic risks. New directors with no or limited board experience will receive development and education to inform them of their duties, responsibilities, powers and potential liabilities.

The chairperson is an independent non-executive director and does not hold the position of chief executive officer. The board appraises the chairperson's performance on an annual basis, or such other basis as the board may determine. A sub-committee appointed by the board appraises the performance of the other directors at least annually. The board itself will conduct a self-evaluation from time to time.

All directors are subject to retirement by rotation and re-election by MiX Telematics ordinary shareholders at least once every three years in accordance with the articles. A brief CV of any director standing for election at the annual general meeting shall accompany the notice of annual general meeting contained in the annual report.

The board has adopted a charter setting out its responsibilities in respect of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of the Company's risk management and internal controls, communication policy and director selection, orientation and evaluation.

Board meetings are held at least quarterly, with additional meetings convened when circumstances necessitate.

The board sets the strategic objectives of the Company and determines the investment and performance criteria as well as the responsibility for the proper management, control, compliance and ethical behaviour of the businesses under its direction. The board has established a number of committees to give detailed attention to certain of its responsibilities and these committees operate within defined, written terms of reference.

There is a clear division of responsibilities on the board to ensure a balance of power and authority, such that no individual has unfettered power of decision-making.

AUDIT AND RISK COMMITTEE

The board has established an audit and risk committee which comprises three financially literate non-executive directors and is chaired by an independent non-executive director. The committee's primary objective is to provide the board with additional assurance regarding the efficacy and reliability of the financial information relied on by the directors in the discharge of their duties. The committee is required to provide satisfaction to the board that adequate and appropriate financial and operating controls are in place; that significant business, financial and other risks have been identified and are being suitably managed; and that satisfactory standards of governance, reporting and compliance are in operation.

The audit and risk committee meets at least four times a year, with the CFO and external auditors attending meetings as invitees.

The committee's role and responsibilities are recorded in a written Charter (which has been formally adopted by the committee and ratified by the board). The Charter tasks the committee with reviewing accounting controls and financial reporting, audit related matters, regulatory compliance and risk management to ensure that an effective control environment is maintained.

The audit and risk committee is required to authorise the engaging of the appointed external auditors or any other practising firm of auditors for non-audit services and to determine the nature of such services.

Information relating to the use of non-audit services from the appointed external auditors of the Company and payment for such services is disclosed in the notes to the annual financial statements (note 26).

RISK MANAGEMENT AND INTERNAL CONTROLS

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed – this is a board responsibility and the board is assisted in this regard by the audit and risk committee. The process of identifying, assessing, managing and monitoring of risks to which the business is exposed is an ongoing process.

The most significant risks faced by MiX Telematics include various macro economic conditions, competitors within the industry, the introduction of new technology by competitors or technology failure, a shortage of specialised skills in the market as well as the risk of cancellation of key international contracts. Furthermore, the level of borrowings and the exposure to interest rate movements are constantly monitored.

These and all other relevant risks are assessed with risk mitigation measures implemented and, where appropriate, insurance cover purchased for certain risks above pre-determined limits.

To enable the directors to meet these responsibilities, the board has set standards and management has implemented systems of internal control, comprising policies, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records and reporting; and
- the timely preparation of reliable financial statements and information in compliance with relevant legislation and International Financial Reporting Standards.

INTERNAL AUDIT

With the Group still in its infancy, the audit and risk committee is presently exploring solutions which will provide an effective internal audit process for the Group.

REMUNERATION COMMITTEE

The committee is made up of three non-executive directors and is chaired by an independent non-executive director.

MEETING ATTENDANCES TO 31/03/2009

Directors	Board meetings	Audit committee meetings	Remuneration committee meetings
Richard Bruyns^ (Chairman)	4/4	8/9	1/1
Robin Frew*	2/4		0/1
Riëtte Botha	4/4		
Stefan Joselowitz (CEO)	4/4	4/9 >	1/1 >
Terry Buzer	4/4		
Richard Friedman*	4/4		1/1
Afzal Patel* (Alternate F. Roji)	4/4	7/9	
Charles Tasker	4/4		
Steven Evans	4/4	9/9 >	
Tony Welton ^#	3/4	9/9	

* Non-executive

Chairman audit committee

^ Independent non-executive

> Attended as invitee

ABOUT OUR CORPORATE GOVERNANCE (continued)

The remuneration committee is mandated by the board to set the remuneration and incentivisation of all senior executives, including executive directors. In addition, the remuneration committee recommends directors' fees payable to non-executive directors and members of board sub-committees. These fees are approved by shareholders at the annual general meeting. The remuneration committee meets when necessary but at least once a year.

DIRECTORS' DEALINGS AND PROFESSIONAL ADVICE

Directors and officers are not permitted to trade in the Group's listed shares during "closed periods" (which run from the day of the financial half-year and year end until the publication of the interim and year end results announcements respectively), any period while the Company is trading under cautionary announcement and at any other time deemed necessary by the board.

All dealings in the shares of the Company by directors are reported on JSE News Service, within 48 hours of the trade.

The board has established a procedure for directors, in the execution of their duties, to take independent professional advice, if necessary, at the Company's expense.

All directors will have access to the advice and services of the company secretary.

THE COMPANY SECRETARY

The company secretary provides the board as a whole and directors individually with guidance as to how their responsibilities should be properly discharged in the best interest of the Company. The company secretary provides a central source of guidance and advice to the board, and the Company, on matters of ethics and good corporate governance. The company secretary is subject to an annual evaluation by the board.

COMMUNICATION

It is the policy of MiX Telematics to meet regularly with institutional shareholders and investment analysts, as well as to provide presentations on the Company and its performance. These presentations are made available on the Company's website for all shareholders.

SUSTAINABILITY REPORT

The directors of MiX Telematics recognise that social and environmental related matters, where appropriate and relevant to the nature of the Group's activities, are a priority.

• Skills development and training

MiX Telematics is committed to the ongoing training and development of employees in order to ensure the continuous growth of the Group's skills-base. Employees attend courses relating to their specific job functions on an ongoing basis and receive on the job training.

• Safety and health

The Group is committed to a safe and healthy working environment and ensures compliance with applicable legislation relating to health and safety.

• Employment equity

MiX Telematics places particular emphasis on the development and training of its people and endeavours to ensure that employees are offered equal opportunity and appropriate participation.

• Broad-based black economic empowerment ("B-BBEE")

An independent review of MiX Telematics Limited confirmed that the effective black-owned shareholding in the Company is equal to 13,8% of all issued shares in the Company as at 31 March 2009.

In line with its ongoing commitment to B-BBEE, the MiX Telematics Group has established a B-BBEE share ownership trust, the MiX Telematics Enterprise BEE Trust ("the Trust") and the Trust will benefit qualifying black employees of the Group.

The Trust acquired a 14,9% stake in MiX Telematics Enterprise, effective 31 March 2009, thereby raising the effective black-ownership of MiX Telematics Enterprise to 26,6%.

BUSINESS ETHICS

In support of the requirements of King II, MiX Telematics has formalised its business ethics management process within the Group. The Group code of business ethics is compliant with appropriate regulatory requirements.

This code applies to all directors and employees in the Group. Ensuring that Group companies adopt appropriate processes and establish supporting policies and procedures is an ongoing process. Specific policies and procedures that address key ethical risks, such as managing conflicts of interests, the acceptance of inappropriate gifts and the like, are key focuses. Effective communication of and training on the code of business ethics is a priority.



ANNUAL FINANCIAL STATEMENTS

Contents

Annual financial statements

- 16** Statement of directors' responsibility
- 16** Certificate of the company secretary
- 17** Report of the independent auditors

- 18** Directors' report
- 26** Balance sheet
- 27** Income statement
- 28** Statement of changes in equity

- 29** Cash flow statement
- 30** Notes to the annual financial statements

ANNUAL FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITY

for the year ended 31 March 2009

The directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of MiX Telematics Limited ("the Company") and its subsidiaries ("the Group"). The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies Act and include amounts based on judgments and estimates made by management.

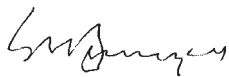
The Group's independent auditors, PricewaterhouseCoopers Inc., have audited the annual financial statements and their unqualified report appears on page 17.

The directors consider that having applied IFRS in preparing the financial statements, they have used the most appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all IFRS that they consider applicable have been followed. The directors are satisfied that the information contained in the financial statements fairly presents the results of the operations for the year, and the financial position of the Group and Company at year end, in accordance with IFRS.

The directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the annual financial statements, and to adequately safeguard, verify and maintain accountability of assets, as well as prevent and detect material misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year.

The annual financial statements are prepared on a going concern basis. Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for the foreseeable future, based on forecasts and available cash resources.

The annual financial statements set out on pages 16 to 82 were approved by the board of directors on 8 June 2009 and are signed on its behalf by:



Richard Bruyns
Chairman



Stefan Joselowitz
Chief Executive Officer

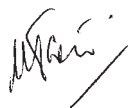


Steven Evans
Chief Financial Officer

Midrand
8 June 2009

CERTIFICATE OF THE COMPANY SECRETARY

In terms of section 268 G(d) of the Companies Act, 61 of 1973 as amended ("the Act"), we certify that, to the best of our knowledge and belief, the Company has lodged with the Registrar of Companies, for the financial year ended 31 March 2009, all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.



Probity Business Services (Proprietary) Limited
Company Secretary

Midrand
8 June 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MiX TELEMATICS LIMITED

We have audited the group annual financial statements and annual financial statements of MiX Telematics Limited, which comprise the consolidated and separate balance sheets as at 31 March 2009, and the consolidated and separate income statements, the consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on pages 18 to 82.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of South Africa. 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements present fairly, in all material respects, the consolidated and separate financial position of MiX Telematics Limited as at 31 March 2009, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with international Financial Reporting Standards and in the manner required by the Companies Act of South Africa.



PricewaterhouseCoopers Inc.

Director: JR van Huyssteen

Registered Auditor

Sunninghill
8 June 2009

DIRECTORS' REPORT

NATURE OF BUSINESS

MiX Telematics Limited is a holding company listed under the 'MIX' short code in the Business Support Services sector on the JSE Limited ("JSE"). The Group is focused on all levels of vehicle telematics, combining vehicle tracking, driver/passenger safety and recovery services with a complete range of fleet management products and services.

SUMMARY RESULTS

Refer to the Income Statement on page 27 and the Balance Sheet on page 26 for a summary of the results and for detail in respect of changes in total assets, total borrowings and total borrowings to shareholder funds of the Group and the Company.

CHANGES TO SHARE CAPITAL

There were no changes to the authorised or issued share capital of the Company during the year under review.

The following shares were appropriately accounted for although they are still to be issued:

- 17 million shares at an expected issue price of R1,00 each were accrued as part of the consideration due for the purchase of the SafeDrive International Group of companies, effective 1 September 2008 (note 33).

At year end, the authorised ordinary share capital of the Company amounted to 1 billion ordinary shares with a par value of 0,002 cent per share, the issued share capital amounted to 640 million ordinary shares with a par value of 0,002 cent per share and the total number of shares for reporting purposes was reflected at 657 million shares with a par value of 0,002 cent per share. No treasury shares were held at the date of this report.

In terms of a resolution at the last Company AGM, the authorised and unissued share capital of the Company was placed under the control of the directors until the next Company AGM.

BOARD OF DIRECTORS

At the date of signing this report the board of directors was unchanged for the year under review and consisted of:

- Richard Bruyns (Non-Executive Chairman) *#§
- Stefan Joselowitz (Chief Executive Officer)
- Steven Evans (Chief Financial Officer)
- Riëtte Botha (Executive Director – MiX Telematics Africa)
- Terry Buzer (Executive Director – MiX Telematics Europe)
- Charles Tasker (Executive Director – MiX Telematics International)
- Robin Frew (Non-Executive Director) #
- Richard Friedman (Non-Executive Director) #
- Tony Welton (Non-Executive Director) *§
- Afzal Patel (Non-Executive Director) §
- Fundiswa Roji (alternate Non-Executive Director to Afzal Patel)

**Independent*

#Member of the remuneration committee

§Member of the audit and risk committee

COMPANY SECRETARY

Probity Business Services (Pty) Limited acted as company secretary for the year under review.

SHAREHOLDER ANALYSIS (at Friday, 27 March 2009)

	Shareholders		Shares held	
	Quantity	%	Quantity 000's	%
Shareholder spread				
1 – 1 000 shares	343	20,4	139	0,0
1 001 – 10 000 shares	698	41,7	2 968	0,5
10 001 – 100 000 shares	438	26,1	15 931	2,5
100 001 – 1 000 000 shares	144	8,6	48 295	7,5
1 000 001 shares and over	53	3,2	572 667	89,5
	1 676	100,0	640 000	100,0

Distribution of shareholders

Assurance companies	2	0,1	5 864	0,9
Close corporations	28	1,6	4 755	0,7
Custodians	7	0,4	32 249	5,0
Foundations and charitable funds	7	0,4	87	0,0
Hedge funds	1	0,1	726	0,1
Investment partnerships	29	1,7	7 467	1,2
Managed funds	3	0,2	3 717	0,6
Multi managers	3	0,2	12 615	2,0
Organs of state	1	0,1	3 048	0,5
Other corporations	1	0,1	600	0,1
Pension and provident funds	8	0,5	17 728	2,8
Private companies	46	2,7	177 922	27,8
Public companies	1	0,1	3	0,0
Retail shareholders	1 387	82,8	142 469	22,3
Stockbrokers and nominees	6	0,4	42 082	6,6
Trusts	123	7,3	109 729	17,1
Unclaimed scrip	4	0,2	40	0,0
Unit trusts/mutual funds	19	1,1	78 899	12,3
	1 676	100,0	640 000	100,0

	Shareholders		Shares held	
	Quantity	%	Quantity 000's	%

Distribution of shareholders at 31 March 2009

Public /Non-public shareholders

Non-public shareholders

Strategic holdings – more than 10% (excluding director holdings)
Directors and associates of the Company holdings

Public shareholders

	21	1,2	305 133	47,6
	2	0,1	170 162	26,5
	19	1,1	134 991	21,2
	1 655	98,8	334 847	52,4
	1 676	100,0	640 000	100,0

Distribution of shareholders at 31 March 2008

Public/Non-public shareholders

Non-public shareholders

Strategic holdings – more than 10% (excluding director holdings)
Directors and associates of the Company holdings

Public shareholders

	16	0,9	313 228	48,9
	2	0,1	170 162	26,5
	14	0,8	143 066	22,4
	1 672	99,1	326 772	51,1
	1 688	100,0	640 000	100,0

DIRECTORS' REPORT

	31 March 2009		31 March 2008	
	Number of ordinary shares 000's	% of total issued capital	Number of ordinary shares 000's	% of total issued capital
Major shareholders				
GAF Family Trust	90 161	14,1	90 161	14,1
Kagiso Group	80 000	12,5	80 000	12,5
RMB Securities	36 466	5,7	–	–
Broker Proprietary	–	–	33 145	5,2
Sanlam Investment Managers	31 585	4,9	31 235	4,9
Investec Asset Management	25 444	4,0	27 871	4,4

The above includes all shareholders, other than directors, that management are aware of that hold more than 4% in the Company.

SPECIAL RESOLUTIONS PASSED BY THE COMPANY

During the year the following special resolutions were approved by shareholders (on 16 September 2008) and registered by the Registrar of Companies:

1. General authority to effect share re-purchases (registered on 22 September 2008);
2. Change of name to MiX Telematics Limited (registered on 1 October 2008).

MERGERS AND ACQUISITIONS

Effective 1 August 2008, the Group acquired 100% of the equity of Tripmaster Corporation (subsequently renamed MiX Telematics North America Inc.), a US registered entity, for a nominal value (note 33).

Effective 1 September 2008, the Group acquired 100% of the SafeDrive International Group ("SDI"), comprising:

- 100% of SafeDrive International (Pty) Limited, an Australian registered company;
- 100% of SafeDrive FZE, a company registered in the United Arab Emirates; and
- 49% of Driver Training International Middle East and Africa, a venture registered in the United Arab Emirates.

The purchase consideration for SDI was AUD6 million and 17 million ordinary shares to be issued in the Company (note 33).

DIRECTORS' INTEREST

000's	Beneficial		31 March 2009	31 March 2008
	Direct	Indirect	Total	Total
Non-executive				
Richard Bruyns	–	3 765	3 765	1 000
Robin Frew	–	77 930	77 930	77 930
Richard Friedman*	12 318	2 056	14 374	16 772
Afzal Patel	282	–	282	32
Fundiswa Roji	250	–	250	–
Tony Welton	–	50	50	–
Executive				
Stefan Joss***	28 240	–	28 240	28 340
Riëtte Botha	6 423	125	6 548	6 548
Terry Buzer	3 352	–	3 352	3 352
Steven Evans	200	–	200	–
Charles Tasker**	–	–	–	9 092
	51 065	83 926	134 991	143 066

*The difference between Richard Friedman's shareholdings at 31 March 2008 and 31 March 2009 is attributable to shares that may not be recoverable as a result of transactions conducted through Dealstream. Richard Friedman is currently involved, in his personal capacity, in investigations and discussions with the JSE Limited and other parties to ascertain the current state of affairs with respect to Dealstream.

**The difference between Charles Tasker's shareholdings at 31 March 2008 and 31 March 2009 is attributable to shares that may not be recoverable as a result of transactions conducted through Dealstream in his personal capacity.

***The difference between Stefan Joss's shareholdings at 31 March 2008 and 31 March 2009 is due to his withdrawal as a member of an investment syndicate, which resulted in a portion of the shareholding reverting to the syndicate, now an unrelated party.

Between year end and the date of this report, there has been no change in the directors' shareholdings.

Additional details in respect of the share option scheme and grants made during the year are included in note 1.16 and note 14 to the annual financial statements.

DIRECTORS' SHARE DEALINGS

Shares acquired in the current year, as reported on SENS, were as follows:

Director	Date	Number of shares	Price per share	Transaction	Nature
Richard Bruyns	23-Jun-08	144 276	1,20	Purchase	Indirect Beneficial
	23-Jun-08	75 000	1,21	Purchase	Indirect Beneficial
	23-Jun-08	500 000	1,22	Purchase	Indirect Beneficial
	23-Jun-08	900 000	1,24	Purchase	Indirect Beneficial
	23-Jun-08	30 000	1,25	Purchase	Indirect Beneficial
	24-Jun-08	725 000	1,25	Purchase	Indirect Beneficial
	24-Jun-08	1 000	1,30	Purchase	Indirect Beneficial
	5-Mar-09	50 000	0,40	Purchase	Indirect Beneficial
	9-Mar-09	10 000	0,38	Purchase	Indirect Beneficial
	20-Mar-09	330 000	0,39	Purchase	Indirect Beneficial
		2 765 276			
Robin Frew	16-Mar-09	71 370 880	0,40	Transfer	Indirect Beneficial
	20-Mar-09	881 500	0,42	Transfer	Indirect Beneficial
		72 252 380			
Afzal Patel	10-Mar-09	79 300	0,40	Purchase	Direct Beneficial
	10-Mar-09	20 700	0,43	Purchase	Direct Beneficial
	11-Mar-09	14 573	0,39	Purchase	Direct Beneficial
	20-Mar-09	35 427	0,39	Purchase	Direct Beneficial
	23-Mar-09	100 000	0,39	Purchase	Direct Beneficial
		250 000			
Steven Evans	10-Mar-09	10 000	0,40	Purchase	Direct Beneficial
	11-Mar-09	10 000	0,40	Purchase	Direct Beneficial
	18-Mar-09	300	0,42	Purchase	Direct Beneficial
	19-Mar-09	47 820	0,43	Purchase	Direct Beneficial
	19-Mar-09	131 880	0,42	Purchase	Direct Beneficial
		200 000			
Tony Welton	20-Mar-09	50 000	0,40	Purchase	Indirect Non-Beneficial
Fundiswa Roji	20-Mar-09	250 000	0,40	Purchase	Direct Beneficial
Stefan Joss	22-Jul-08	140 000	1,14	Transfer	Direct Beneficial
Charles Tasker	7-Oct-08	9 092 000		Dealstream	Indirect Beneficial

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

R'000	Directors' fees	Salary and allowances	Company benefits	Pension	Bonuses	2009 12 months	2008 12 months
Non-executive							
Richard Bruyns	615	–	–	–	–	615	315*
Robin Frew	250	–	–	–	–	250	245
Richard Friedman	250	–	–	–	–	250	125*
Afzal Patel	290	–	–	–	–	290	265
Tony Welton	320	–	–	–	–	320	53*
Executive							
Stefan Joss	–	2 318	144	–	1 100	3 562	4 000
Riëtte Botha	–	1 346	174	80	650	2 250	2 315
Terry Buzer	–	1 439	227	90	650	2 406	601*
Steven Evans	–	1 464	56	80	250	1 850	486*
Charles Tasker	–	1 196	312	178	1 879	3 564	1 595*
Howard Scott	–	–	–	–	–	–	681*
	1 725	7 763	913	428	4 529	15 357	10 681

*In 2008 these directors did not hold office for the full 12 months and accordingly were only remunerated for those months that they were in office.

Directors' remuneration represents actual amounts paid to directors for the period that they held office.

The non-executive directors' remuneration as set out above has been tabled for approval at the next annual general meeting.

A bonus accrual movement of R461 000 (2008: R1 689 000) (note 27) is not reflected in the above remuneration as it had not been processed via payroll at 31 March 2009 and 31 March 2008.

MIX TELEMATICS GROUP EXECUTIVE INCENTIVE SCHEME

During the year under review, further options were granted under the MiX Telematics Group Executive Incentive Scheme ("the option scheme").

The salient features of the scheme are summarised as follows:

- The strike price to be the weighted average price for the 20 days preceding grant date;
- The vesting to be 25% per annum commencing from the second anniversary of the grant date;
- Total shares granted under the option scheme shall not exceed 10% of the issued share capital of the Company;
- Shares granted under the option scheme shall not exceed 1% of the issued share capital per any one participant;
- Shares that have not vested by the sixth anniversary date of the grant shall lapse;
- The board of the Company shall determine from time to time the requisite target returns for each grant that must be achieved prior to the shares becoming exercisable by the participant.

In addition to the rules above, each grant is subject to at least one of the following performance criteria:

Scheme A: Total shareholder returns in excess of 10% per annum

Scheme B: A share price of R10 per share prior to vesting

Scheme C: A share price of R5 per share prior to vesting

A summary of the option scheme is provided below, including the options granted during the year under review.

000's	2009	2008
Opening balance	22 800	–
Number of share options granted (14 March 2008) with an exercise price of 118 cents		22 800
Number of share options granted (23 June 2008) with an exercise price of 125 cents	600	–
Number of share options granted (9 December 2008) with an exercise price of 70 cents	9 700	–
Forfeited/cancelled	(1 000)	–
Closing balance	32 100	22 800
Share options outstanding at the end of the financial year have the following exercise prices:		
Scheme A options – exercise price 118 cents	10 450	10 950
Scheme A options – exercise price 125 cents	400	–
Scheme B options – exercise price 118 cents	11 350	11 850
Scheme B options – exercise price 125 cents	200	–
Scheme A options – exercise price 70 cents	4 050	–
Scheme C options – exercise price 70 cents	5 650	–
	32 100	22 800
Share options granted	32 100	22 800
Balance issuable	31 900	41 200
Maximum available (10% of issued share capital)	64 000	64 000

DIRECTORS' SHARE OPTIONS

000's	Scheme A	Scheme B	Scheme A	Scheme C	Total
Stefan Joselowitz	1 500	2 000	500	1 000	5 000
Riëtte Botha	1 500	2 000	500	1 000	5 000
Terry Buzer	1 500	2 000	500	1 000	5 000
Steven Evans	1 500	2 000	500	1 000	5 000
Charles Tasker	1 500	2 000	500	1 000	5 000
	7 500	10 000	2 500	5 000	25 000
Grant date	14 March 08	14 March 08	9 December 08	9 December 08	
Option strike price (cents per share)	118	118	70	70	
JSE share price on grant date (cents per share)	118	118	58	58	
Expiry date	14 March 14	14 March 14	9 December 14	9 December 14	
Performance conditions:					
– share price of (Rand)	n/a	10,00	n/a	5,00	
– minimum shareholder return of	10%	n/a	10%	n/a	

DIRECTORS' REPORT

INTERESTS OF DIRECTORS

During the year under review, the board of directors disclosed the following contractual arrangements that existed between the Group and other companies outside of the Group, in which certain of the directors had interests.

Name of director	Related company	Nature of relationship with the Group
R Friedman	Control Instruments Group Limited and subsidiaries	Manufactures and sells fleet management products
R Botha, S Joselowitz and R Frew	Thynk Property Fund (Proprietary) Limited	Lease agreement: office premises
R Frew	Hymax SA (Proprietary) Limited	PABX systems
	Linc Communications (Proprietary) Limited	Software services
A Patel	Kagiso Ventures Limited	Shareholder

SUBSIDIARIES

A list of subsidiary companies is included in note 40 to the financial statements.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT ("B-BBEE")

An independent review of MiX Telematics Limited confirmed that the effective black-owned shareholding in the Company is equal to 13,8% of all issued shares in the Company as at 31 March 2009.

In line with its ongoing commitment to B-BBEE, the MiX Telematics Group has established a B-BBEE share ownership trust, the MiX Telematics Enterprise BEE Trust ("the Trust") and the Trust will benefit qualifying black employees of the Group.

The Trust acquired a 14,9% stake in MiX Telematics Enterprise, effective 31 March 2009, thereby raising the effective black ownership of MiX Telematics Enterprise to 26,6%.

DIVIDEND DISTRIBUTION

Shareholders are advised that the directors have resolved to declare a cash dividend of 4 cents per share for the year ended 31 March 2009.

The salient dates are as follows:

- Last date to trade cum dividend Friday, 24 July 2009
- Trading ex dividend commences Monday, 27 July 2009
- Record date Friday, 31 July 2009
- Payment date Monday, 3 August 2009
- Shares may not be de-materialised or re-materialised between Monday, 27 July 2009 and Friday, 31 July 2009, both dates inclusive.

A dividend of R9,6 million (2008: R15,5 million) was paid during the year under review. This equates to a dividend of 1,5 cents per share (2008: 6,5 cents per share) using shares in issue of 640 million (2008: 240 million).

PROPERTY, PLANT AND EQUIPMENT

There were no changes in the nature of property, plant and equipment nor in the policy regarding their use during the financial year under review.

BORROWING POWERS

In terms of the articles of association of the Company, the borrowing powers of the Company are unlimited. The details of borrowings appear in note 16 of the annual financial statements.

GOING CONCERN

The directors have reviewed the Group's budget and cash flow forecast for the year ending 31 March 2010. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future and is a going concern. The directors have continued to adopt the going concern basis in preparing the financial statements.

LITIGATION STATEMENT

Other than as set out below under contingent liabilities, there are no legal or arbitration proceedings, nor are the directors aware at the date of this report of any proceedings which are pending or threatened, which may have or have had a material effect on the Group's financial position.

CONTINGENT LIABILITIES

Connection incentives

The Group has received connection incentives from Mobile Telephone Networks (Proprietary) Limited for connecting subscribers to their network. In the event that the subscriber contract is terminated during the two year service contract period, the full amount of the connection incentive received for this subscriber contract becomes repayable. In the unlikely event that all subscriber contracts were terminated prematurely, the potential liability would amount to R78,9 million (2008: R77,6 million). No loss is expected under this arrangement.

Net working capital dispute

The Group remains in dispute with the vendors of OmniBridge SA and Datatrak UK regarding the fair value of net working capital in these businesses at the effective date of acquisition. The dispute is being resolved in terms of the sale of shares agreement. Any award made will have no material impact on earnings and the Group has not accounted for any of the amounts claimed by it in the dispute. Management does not expect the impact of this to be material.

Vehicle Security Association of South Africa ("VESA")

As previously reported, the Competition Commission has referred a complaint that VESA (of which Mix Telematics Africa (Proprietary) Limited was a member) had engaged in anti-competitive behaviour. This complaint will be heard by the Competition Tribunal in the next few months. The Company has been advised that, due to the nature of the complaint, there should be no monetary damages in the unlikely event of an adverse finding. The Company will continue to incur costs associated with defending this matter.

SUBSEQUENT EVENTS

Other than the dividend declared of 4 cents per share, no other material events have occurred between 1 April 2009 and the date of issuing these financial statements.

AUDIT AND RISK COMMITTEE REPORT

The committee has fulfilled its responsibilities during the year. The committee has furthermore satisfied itself as to the independence of PricewaterhouseCoopers Inc. as the Group's external auditors and their suitability for re-appointment at the forthcoming AGM for the ensuing year.

The committee has considered and satisfied itself that the CFO has the appropriate expertise and experience.

The committee:

- is satisfied with the independence and objectivity of the external auditors;
- approved the external auditors' fees for 2008 and budgeted fees for the 2009 financial year; and
- approved the non-audit related services performed by the external auditors.

The committee is satisfied that there was no material breakdown in the internal accounting controls during the financial year under review.

AUDITORS

PricewaterhouseCoopers Inc. are the appointed auditors to the Company and also audit all the subsidiaries, other than Mix Telematics UK and Mix Telematics Europe GmbH which are audited by KPMG Inc. and Matrixvtrack Nig. Limited which is audited by Lucky O Idike & Co. The auditors' remuneration is disclosed in note 26 to the annual financial statements. The directors have recommended that PricewaterhouseCoopers Inc. be re-appointed as auditors to the Company for the next financial year, this to be approved at the next annual general meeting.

BALANCE SHEET

at 31 March 2009

	Notes	GROUP		COMPANY	
		2009 R'000	2008 R'000	2009 R'000	2008 R'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	51 755	52 036	–	–
Intangible assets	4	693 345	695 917	146	–
Interest in subsidiaries	5	–	–	837 615	778 222
Investment in joint venture	6	529	–	–	–
Available-for-sale financial asset	7	3 146	5 024	–	–
Deferred income tax assets	19	13 481	10 337	–	–
Total non-current assets		762 256	763 314	837 761	778 222
Current assets					
Inventory – other	8	40 544	59 406	–	–
Inventory held in client vehicles	9	23 456	24 000	–	–
Trade and other receivables	10	135 396	121 540	834	32
Current income tax asset	32.3	436	79	74	79
Loans to related parties	11	–	–	37 534	–
Restricted cash	12	1 351	1 000	1 000	1 000
Cash and cash equivalents	13	140 095	29 590	41	55
Total current assets		341 278	235 615	39 483	1 166
Total assets		1 103 534	998 929	877 244	779 388
EQUITY					
Share capital	14	13	13	13	13
Share premium	14	787 353	770 353	787 353	770 353
Other reserves	15	(126 893)	(109 817)	2 161	–
(Accumulated losses)/retained earnings		(3 046)	(62 531)	(7 556)	1 304
Total equity		657 427	598 018	781 971	771 670
LIABILITIES					
Non-current liabilities					
Borrowings	16	120 232	95 127	55 747	–
Deferred income tax liabilities	19	35 611	40 043	–	–
Provisions	20	17 886	19 066	–	–
Total non-current liabilities		173 729	154 236	55 747	–
Current liabilities					
Trade and other payables	17	139 511	124 702	1 044	879
Borrowings	16	81 170	56 827	12 443	–
Loans from related parties	11	–	–	12 959	6 839
Current income tax liabilities	32.3	10 603	25 287	–	–
Provisions	20	13 362	8 603	–	–
Bank overdraft	13	27 732	31 256	13 080	–
Total current liabilities		272 378	246 675	39 526	7 718
Total liabilities		446 107	400 911	95 273	7 718
Total equity and liabilities		1 103 534	998 929	877 244	779 388
Net asset value per share (cents)		100,1	93,4	119,0	120,6
Net tangible asset value per share (cents)		(5,5)	(15,3)	119,0	120,6

The notes on pages 30 to 82 form an integral part of these financial statements

INCOME STATEMENT

for the year ended 31 March 2009

	Notes	GROUP		COMPANY	
		2009 R'000	2008 R'000	2009 R'000	2008 R'000
Revenue	21	958 139	504 490	–	–
Cost of sales		(393 515)	(204 885)	–	–
Gross profit		564 624	299 605	–	–
Other income	22	10 210	8 229	10 011	15 500
Operating expenses		(439 777)	(209 942)	(5 809)	(1 521)
Sales and marketing		(56 756)	(28 781)	–	–
Administration and other charges		(231 682)	(71 833)	(5 809)	(1 521)
Operations		(151 339)	(109 328)	–	–
Operating profit	23	135 057	97 892	4 202	13 979
Finance income	24	1 023	1 242	309	230
Finance costs	25	(26 954)	(16 779)	(3 771)	–
Share of joint venture losses	6	(916)	–	–	–
Profit before income tax		108 210	82 355	740	14 209
Income tax expense	29	(39 125)	(25 250)	–	–
Profit for the year		69 085	57 105	740	14 209
Attributable to:					
Equity holders of the Company		69 085	52 504	740	14 209
Minority interest		–	4 601	–	–
		69 085	57 105	740	14 209
Earnings per share					
Basic (cents)	30	10,6	11,9	0,1	3,2
Diluted (cents)	30	10,6	11,9	0,1	3,2
Dividends per share (cents)	31	1,5	6,5	1,5	6,5

The notes on pages 30 to 82 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2009

	Notes	Share capital R'000	Share premium R'000	Reserves R'000	(Accumulated losses)/ retained earnings R'000	Attributable to equity holders R'000	Minority interest R'000	Total R'000
Company								
Balance at 31 March 2007		3	13	–	2 595	2 611	–	2 611
Net profit for the year		–	–	–	14 209	14 209	–	14 209
Dividends paid	31	–	–	–	(15 500)	(15 500)	–	(15 500)
Share capitalisations	14	1	(1)	–	–	–	–	–
Minority share acquisition	14	2	155 300	–	–	155 302	–	155 302
Shares issued on business combination, net of listing costs	14	7	615 041	–	–	615 048	–	615 048
Balance at 31 March 2008		13	770 353	–	1 304	771 670	–	771 670
Net profit for the year		–	–	–	740	740	–	740
Share based payment	15	–	–	2 161	–	2 161	–	2 161
Dividends paid	31	–	–	–	(9 600)	(9 600)	–	(9 600)
Shares to be issued on business combination	14	*	17 000	–	–	17 000	–	17 000
Balance at 31 March 2009		13	787 353	2 161	(7 556)	781 971	–	781 971
Group								
Balance at 31 March 2007		3	13	–	(99 536)	(99 520)	17 974	(81 546)
Net profit for the year		–	–	–	57 105	57 105	–	57 105
Share based payment	15	–	–	155	–	155	–	155
Minority interest		–	–	–	(4 601)	(4 601)	4 601	–
Dividends paid	31	–	–	–	(15 500)	(15 500)	(5 167)	(20 667)
Share capitalisations	14	1	(1)	–	–	–	–	–
Minority share acquisition	14, 15	2	155 300	(137 894)	–	17 408	(17 408)	–
Shares issued on business combination, net of listing costs	14	7	615 041	–	–	615 048	–	615 048
Foreign currency translation differences	15	–	–	27 569	–	27 569	–	27 569
Revaluation of shareholder loan	15	–	–	871	–	871	–	871
Fair value reserve on available-for-sale financial asset	15	–	–	(517)	–	(517)	–	(517)
Balance at 31 March 2008		13	770 353	(109 817)	(62 531)	598 018	–	598 018
Net profit for the year		–	–	–	69 085	69 085	–	69 085
Share based payment	15	–	–	2 006	–	2 006	–	2 006
Dividends paid	31	–	–	–	(9 600)	(9 600)	–	(9 600)
Shares to be issued on business combination	14	*	17 000	–	–	17 000	–	17 000
Foreign currency translation differences	15	–	–	(17 888)	–	(17 888)	–	(17 888)
Revaluation of shareholder loan	15	–	–	(1 711)	–	(1 711)	–	(1 711)
Fair value reserve on available-for-sale financial asset:								
– arising this year	15	–	–	(1 211)	–	(1 211)	–	(1 211)
– charged to income statement	15	–	–	1 728	–	1 728	–	1 728
Balance at 31 March 2009		13	787 353	(126 893)	(3 046)	657 427	–	657 427

* = amount less than R 1 000

The notes on pages 30 to 82 form an integral part of these financial statements.

CASH FLOW STATEMENT

for the year ended 31 March 2009

	Notes	GROUP		COMPANY	
		2009 R'000	2008 R'000	2009 R'000	2008 R'000
Operating activities					
Cash generated from/(used in) operations	32.2	226 497	114 928	(6 029)	(666)
Interest received	24	1 023	1 242	309	230
Interest paid	25	(26 887)	(16 257)	(3 771)	–
Dividends received	22	–	–	9 600	15 500
Income tax (paid)/received	32.3	(61 491)	(13 023)	5	(17)
Net cash from operating activities		139 142	86 890	114	15 047
Investing activities					
Additions to property, plant and equipment	3	(12 550)	(4 886)	–	–
Proceeds on disposal of property, plant and equipment and intangible assets		367	175	–	–
Additions to intangible assets	4	(17 700)	(11 919)	(153)	–
Acquisition of subsidiaries, net of cash acquired	33	(31 045)	14 672	–	(1 711)
Loans to subsidiary		–	–	(40 232)	–
Net cash used in investing activities		(60 928)	(1 958)	(40 385)	(1 711)
Financing activities					
Share issue expenses	14	–	(6 161)	–	(6 161)
Dividends paid to ordinary shareholders	31	(9 600)	(15 500)	(9 600)	(15 500)
Dividends paid to minority shareholders		–	(5 167)	–	–
Payments on borrowings	16	(241 987)	(88 953)	(8 200)	–
Proceeds from borrowings		288 997	121 071	76 390	–
Settlement of vendor loans acquired in business combination	33	–	(102 293)	–	–
Loans to related parties		–	–	(37 533)	–
Loans from related parties		–	–	6 120	6 839
Net cash generated from/(used in) financing activities		37 410	(97 003)	27 177	(14 822)
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		(1 666)	7 732	55	1 541
Exchange (losses)/gains on cash and cash equivalents		(1 595)	2 673	–	–
Cash and cash equivalents at end of the year	13	112 363	(1 666)	(13 039)	55

The notes on pages 30 to 82 form an integral part of these financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation

MiX Telematics Limited and its subsidiaries are focused on all levels of vehicle telematics – combining vehicle tracking, driver/passenger safety and recovery services with a complete range of fleet management products and services. The Group has operations in a number of countries around the world. During the year, the Group acquired control of the SafeDrive International Group of companies and Tripmaster Inc., renamed MiX Telematics North America.

The Company is a widely held company, incorporated and domiciled in South Africa. The Company has its primary listing on the JSE Limited.

The consolidated annual financial statements of the Group for the year ended 31 March 2009 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), and the requirements of the South African Companies Act (1973) as amended. The principal accounting policies have been consistently applied to all periods presented.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of available-for-sale financial assets.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions or estimates are significant to the consolidated financial statements, are disclosed in Note 1.19.

New IFRS and International Financial Reporting Interpretation Committee ("IFRIC") Interpretations

- (a) Certain new IFRS, amendments and interpretations to existing IFRS have been published that are mandatory for accounting periods beginning on or after 1 April 2009 or later periods, which the Group has elected not to early adopt.
- (b) During the year under review, the following IFRS and amendments and interpretations of IFRS became effective:

Amendments to IAS 39, Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosure – Reclassification of Financial Assets (effective 1 July 2008)

The amendments introduce the possibility of reclassifications for certain financial assets previously classified as 'held for trading' or 'available for sale' to another category under limited circumstances. Various disclosures are required where a reclassification has been made. Derivatives and assets designated as 'at fair value through profit or loss' under the fair value option are not eligible for this reclassification. These amendments did not have an impact on the consolidated financial statements of the Group.

IFRIC 12, Service Concession Arrangements (effective 1 January 2008)

IFRIC 12 addresses how service concession operators should apply existing IFRS to account for the obligations they undertake and rights they receive in service concession arrangements.

This interpretation is deemed not relevant to the Group.

IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective 1 January 2008)

IFRIC 14 provides general guidance on how to assess the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected when there is a statutory or contractual minimum funding requirement.

This interpretation is deemed not relevant to the Group.

1. ACCOUNTING POLICIES (continued)

1.1 Basis of preparation (continued)

- (c) IFRS and amendments and interpretations of IFRS issued but not effective for the year ended 31 March 2009. The Group will apply the standards and interpretations when they become effective, the impact of which is still in the process of being finalised by management.

Improvements to IFRS

Unless otherwise specified, the amendments are effective for annual periods beginning on or after 1 January 2009.

This is a collection of amendments to IFRS. These amendments are the result of conclusions the IASB reached on proposals made in its annual improvements project. The annual improvements project provides a vehicle for making non-urgent but necessary amendments to IFRS. Some amendments involve consequential amendments to other IFRS.

IFRS	Subject of amendment
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	Plan to sell the controlling interest in a subsidiary
IAS 1 Presentation of Financial Statements	Current/non-current classification of derivatives
IAS 16 Property, Plant and Equipment	Recoverable amount
	Sale of assets held for rental
IAS 19 Employee Benefits	Curtailments and negative past service cost
	Plan administration costs
	Replacement of term 'fall due'
	Guidance on contingent liabilities
IAS 20 Accounting for Government Grants and Disclosure of Government Assistance	Government loans with a below-market rate of interest
IAS 23 Borrowing Costs	Components of borrowing costs
IAS 27 Consolidated and Separate Financial Statements	Measurement of subsidiary held for sale in separate financial statements
IAS 28 Investments in Associates	Required disclosures when investments in associates are accounted for at fair value through profit or loss
	Impairment of investment in associate
IAS 31 Interests in Joint Ventures	Required disclosures when interests in jointly controlled entities are accounted for at fair value through profit or loss
IAS 36 Impairment of Assets	Disclosure of estimates used to determine recoverable amount
IAS 38 Intangible Assets	Advertising and promotional activities
	Units of production method of amortisation
IAS 39 Financial Instruments: Recognition and Measurement	Reclassification of derivatives into or out of the classification at fair value through profit or loss
	Designating and documenting hedges at the segment level
	Applicable effective interest rate on cessation of fair value hedge accounting

Amendment to IFRS 2, Share-Based Payment: Vesting Conditions and Cancellation (effective 1 January 2009)

The amendment deals with two matters. It clarifies that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. It also specifies that all cancellations, whether by the entity or by the other parties, should receive the same accounting treatment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.1 Basis of preparation (continued)

IFRS 3, Business Combinations (effective 1 July 2009)

The new standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed.

IFRS 8, Operating Segments (effective 1 January 2009)

IFRS 8 requires an entity to adopt the 'management approach' to reporting on the financial performance of its operating segments. The Standard sets out requirements for disclosure of information about an entity's operating segments and also about an entity's products and services, the geographical areas in which it operates, and its major customers. The disclosure should enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

IAS 1, Presentation of Financial Statements – Revised (effective 1 January 2009)

The changes made to IAS 1 are to require information in financial statements to be aggregated on the basis of shared characteristics and to introduce a statement of comprehensive income. This will enable readers to analyse changes in a company's equity resulting from transactions with owners in their capacity as owners separately from 'non-owner' changes. The revisions include changes in the titles of some of the financial statements to reflect their function more clearly. The new titles are not mandatory for use in financial statements.

IAS 23, Borrowing Costs (effective 1 January 2009)

The main change from the previous version of IAS 23 is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale.

IAS 27, Consolidated and Separate Financial Statements – Revised (effective 1 July 2009)

IAS 27 (revised) requires the effect of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss.

- (d) IFRS and amendments and interpretations of IFRS issued but not effective for the year ended 31 March 2009, deemed not to be relevant to the Group's operations.

Amendment to IAS 32, Financial Instruments: Presentation and IAS 1, Presentation of Financial Statements and Obligations Arising on Liquidation (effective 1 January 2009)

The amendments require entities to classify the following types of financial instruments as equity, provided they have particular features and meet specific conditions: (a) puttable financial instruments (for example, some shares issued by co-operating entities); (b) instruments, or components of instruments, that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation (for example, some partnership interests and some shares issued by limited life entities). Additional disclosures are required about the instruments affected by the amendments.

Amendments to IFRS 1, First-Time Adoption of International Financial Reporting Standards, and IAS 27, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 January 2009)

The amendment allows first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

1. ACCOUNTING POLICIES (continued)

1.1 Basis of preparation (continued)

Amendments to IAS 39, Financial Instruments: Recognition and Measurement Exposures Qualifying for Hedge Accounting (effective 1 July 2009)

The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.

IFRIC 13, Customer Loyalty Programmes (effective 1 July 2008)

IFRIC 13 addresses accounting by entities that grant loyalty award credits to customers who buy other goods or services. Specifically, it explains how such entities should account for their obligations to provide free or discounted goods or services to customers who redeem award credits.

IFRIC 15, Agreements for the Construction of Real Estate (effective 1 January 2009)

IFRIC 15 addresses diversity in accounting for real estate sales. IFRIC 15 clarifies how to determine whether an agreement is within the scope of IAS 11, Construction Contracts or IAS 18, Revenue and when revenue from construction should be recognised. The guidance replaces example 9 in the appendix to IAS 18.

IFRIC 16, Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

IFRIC 16 provides guidance on identifying the foreign currency risks that qualify as a hedged risk (in the hedge of a net investment in a foreign operation). It secondly provides guidance on where, within a group, hedging instruments that are hedges of a net investment in a foreign operation can be held to qualify for hedge accounting. Thirdly, it provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

IFRIC 17, Distributions of Non-Cash Assets to Owners (effective 1 July 2009)

IFRIC 17 applies to the accounting for distributions of non-cash assets (commonly referred to as dividends in specie) to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss.

IFRIC 18, Transfers of Assets from Customers (effective 1 July 2009)

IFRIC 18 clarifies the accounting treatment for transfers of property, plant and equipment received from customers. This interpretation applies to agreements with customers in which the entity receives cash from a customer when that amount of cash must be used only to construct or acquire an item of property, plant and equipment and the entity must then use the item of property, plant and equipment either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods and services, or to do both.

1.2 Consolidation

(a) Subsidiaries

Subsidiaries (including special purpose entities) are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.2 Consolidation (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Company accounts for investments in subsidiaries at cost, which includes transaction costs, less accumulated impairment losses.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with equity owners of the Group. For purchases of shares from minority interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of minority interests are also recorded in equity.

(c) Joint ventures

Investments in joint ventures are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in joint ventures includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint ventures' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

1.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group is organised on a worldwide basis into two main business segments: vehicle tracking and fleet management. MiX Telematics Africa is the only entity that falls into the 'vehicle tracking' category, MiX Telematics Limited and Sunstore (Cyprus) falling into the 'other' category, whilst all other Group companies fall into the 'fleet management' category.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risk and returns that are different from those of segments operating in other economic environments. The Group's two business segments operate in four main geographical areas, even though they are managed on a Group-wide basis. The "European Union" incorporates MiX Telematics UK, MiX Telematics Europe (GmbH) and Sunstore (Cyprus); "USA" incorporates MiX Telematics North America; "Australasia" incorporates the SafeDrive International Group and all other entities fall within the "South Africa" segment.

1. ACCOUNTING POLICIES (continued)

1.3 Segment reporting (continued)

Sales between segments are carried out at arm's length. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the income statement.

The executive committee assesses the performance of the operating segments based on a measure of headline earnings. This measurement basis excludes the effects of non-recurring expenditure or income from the operating segments such as negative goodwill and impairment of assets when the impairment is the result of an isolated, non-recurring event.

1.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in SA Rands ("R"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Items included in the financial statements of each of the Group's entities are measured using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale, are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) Income and expenses for each income statement are translated at weighted average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of net investments in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.5 Property, plant and equipment

Land and buildings comprise mainly offices acquired through a business combination and are shown at the cost as determined in accordance with IFRS 3 Business Combinations, less subsequent depreciation for buildings.

All other property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement in the financial period in which they are incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.5 Property, plant and equipment (continued)

The gain or loss on disposal or retirement of an asset is determined by comparing the proceeds with the carrying amount and is recognised in operating profit.

Land is not depreciated. Depreciation on other assets is calculated to write down the cost of the asset to its estimated residual value on a straight line basis over its estimated useful life, as follows:

Motor vehicles	5 years
Helicopter	
– mechanical and moving parts	Depreciated according to the hours flown compared to the scheduled replacement of these parts. The scheduled major service is every 2 200 hours.
– other	20 years
Furniture and fittings	6 – 10 years
Office equipment	2 – 6 years
Computer equipment	3 years
Radio equipment	5 years
Buildings	50 years
Plant and other equipment	4 – 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.6).

1.6 Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and depreciation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.7 Intangible assets

(a) Computer software, technology and in-house software

Acquired computer software licences are capitalised on the basis of costs incurred to acquire and bring the software into use. These costs are amortised over their estimated useful lives (3 – 5 years).

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use it or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software will generate probable future economic developments;
- Adequate technical, financial and other resources to complete the development and use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

1. ACCOUNTING POLICIES (continued)

1.7 Intangible assets (continued)

Directly attributable costs that are capitalised as part of the software product include software development employee costs and an appropriate portion of relevant overheads. The development expenditures that do not meet the criteria are recognised as an expense and not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated lives (3 – 8 years). Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(b) *Customer relationships*

Customer relationships acquired through business combinations are initially shown at cost as determined in accordance with IFRS 3 Business Combinations, and are subsequently carried at the initially determined cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line basis over the balance of the enforceable contract period.

(c) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the (Group's) interest in the fair value of the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold. Goodwill is tested for impairment annually and impairment losses on goodwill are not reversed. Goodwill is allocated to those cash-generating units for impairment testing that are expected to benefit from the business combination in which the goodwill arose.

(d) *Engineering and development*

In Group companies that have an established record of recovering capitalised development costs by way of subsequent sales, the direct costs of product development and an appropriate proportion of overhead costs are capitalised and recognised as an intangible asset when the following criteria are fulfilled:

- It is technically feasible to complete the intangible asset so that it will be available for use;
- Management intends to complete the intangible asset and use or sell it;
- There is an ability to use or sell the intangible asset;
- It can be demonstrated how the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria, are recognised as expenses when incurred.

Development costs previously expensed are not recognised as an asset in a subsequent period.

Capitalised engineering and development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight line basis over its useful life (5 – 8 years).

Development assets are tested for impairment annually, in accordance with IAS 36.

Useful lives are reviewed and adjusted if appropriate at each balance sheet date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.7 Intangible assets (continued)

(e) Patents and trademarks

Acquired patents and trademarks are shown at historical cost. Patents and trademarks have a finite useful life and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of patents and trademarks over their estimated useful lives (4 – 20 years).

1.8 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at fair value plus, for instruments not carried at fair value through profit or loss, any directly attributable transaction costs.

(a) Non-derivative financial instruments

(i) Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provision for impairment. The following financial assets are classified as loans and receivables: loans to related parties, trade and other receivables (excluding prepayments), restricted cash and cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available-for-sale financial assets are subsequently carried at fair value.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as part of other income.

Interest on available-for-sale financial assets calculated using the effective interest method is recognised in the income statement as part of finance income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments (continued)

The Group does not have any financial assets that are classified/designated as at fair value through profit and loss or held-to-maturity.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less provision for the impairment of these receivables.

A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial re-organisation and default/delinquency in payments are considered indicators that the trade receivable may be impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement. When a trade receivable is uncollectible, it is written off against the provision for impairment. Subsequent recoveries of amounts previously written off are recognised as part of operating profit in the income statement.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks, all of which are available for use by the Group. Bank overdrafts are included within current liabilities on the balance sheet.

(ii) Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expires.

The Group does not have any financial liabilities that are classified/designated as at fair value through profit and loss.

Trade payables, accruals and other payables

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

Borrowings

Borrowings are recognised initially at the fair value of proceeds received, net of transaction costs incurred, when the relevant contracts are entered into. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings as interest.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are expensed in the period they are incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments (continued)

(b) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group did not designate any derivative financial instruments in hedging relationships during the current or prior financial years.

Changes in the fair value of derivatives that are not designated in effective hedge relationships are recognised immediately in profit or loss.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

The Group did not have any derivative financial instruments at 31 March 2009 or 31 March 2008.

1.9 Inventory

Inventory is stated at the lower of cost and net realisable value. Raw materials and work in progress are valued at Average Cost and finished goods are valued on a First-in, First-out ("FIFO") basis. The cost of finished goods and work in progress comprises raw material, other direct costs and related production overheads. The cost of finished goods also includes the cost of manufacturing as charged by third parties. All costs exclude borrowing costs.

Net realisable value represents the estimated selling price in the ordinary course of business less applicable variable selling expenses.

1.10 Inventory held in client vehicles

Inventory held in client vehicles represents tracking units installed in the vehicles of customers and is initially recognised at cost and then expensed over the contracted period of the service agreement.

1.11 Taxation

(a) Current and deferred income taxes

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity, in which case the tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts of assets and liabilities in the consolidated financial statements.

Deferred taxation is recognised for all taxable temporary differences, unless the deferred taxation arises from the initial recognition of an asset or liability in a transaction which:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply to the period when the deferred tax asset is realised or the deferred tax liability is settled.

1. ACCOUNTING POLICIES (continued)

1.11 Taxation (continued)

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(b) *Secondary tax on companies ("STC")*

South African resident companies are subject to a dual corporate tax system, one part of the tax being levied on taxable income and the other, a secondary tax (called STC), on distributed income. A company incurs STC charges on the declaration or deemed declaration of dividends (as defined under tax law) to its shareholders. STC is not a withholding tax on shareholders, but a tax on companies.

The STC tax consequence of dividends is recognised as a taxation charge in the income statement in the same period that the related dividend is accrued as a liability. The STC liability is reduced by dividends received during the dividend cycle. Where dividends declared exceed the dividends received during a cycle, STC is payable at the current STC rate on the net amount. Where dividends received exceed dividends declared within a cycle, there is no liability to pay STC. The potential tax benefit related to excess dividends received is carried forward to the next dividend cycle as an STC credit. Deferred tax assets are recognised on unutilised STC credits to the extent that it is probable that the Group will declare future dividends to utilise such STC credits.

1.12 Leases

(a) *Finance leases*

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(b) *Operating leases*

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are charged to the income statement on a straight line basis over the term of the relevant lease.

1.13 Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.13 Provisions (continued)

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Provision for the estimated liability on all products under warranty is made on the basis of claims experience.

1.14 Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the Group's activities. Revenue includes amounts earned on the sale of hardware units, subscription service sales to customers, fleet management services, installation revenue and cellular network connection and upgrade incentives, and excludes value added taxation, returns, rebates and discounts and is presented after eliminating sales within the Group. The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities, as outlined below.

(a) Hardware sales

Revenue from hardware sales in vehicle tracking contracts where subsequent tracking services are provided as part of the contractual arrangement and the hardware units do not have fair value on a stand-alone basis, is deferred and accounted for together with directly related costs over the contract period.

Revenue from all other hardware unit sales is recognised when the significant risks and rewards of ownership have been transferred or when installation has been completed. Hardware revenue is recognised upon installation where installation is deemed to be complex or takes a substantial period of time to complete.

(b) Installation revenue

Revenue earned from the installation of hardware in customer vehicles is recognised once the installation has been completed, unless the installation is regarded as fundamental to future service delivery, in which case the installation revenue is recognised over the contracted service period.

(c) Subscription revenue

Subscription revenue is recognised over the term of the agreement as it is earned.

(d) Connection and upgrade incentive revenue

Revenue from cellular network connection and upgrade incentives is recognised on the date of installation of a unit in a vehicle, which is considered to be the point at which the Group has substantially completed its service obligation to the cellular network.

(e) Fleet management services

These services are provided on a contracted price basis, with contract terms generally ranging from less than one year to five years. Revenue from time and material contracts, typically from delivering bureau services, is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

(f) Other

Interest income is recognised on a time proportion basis with reference to the principal amount receivable and the effective interest rate applicable.

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

Dividend income is recognised when the right to receive payment is established.

1. ACCOUNTING POLICIES (continued)

1.15 Cost of sales

Cost of sales consists of the cost of inventories sold during the year including costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of sales also includes the cost of inventory held in client vehicles expensed over the contractual service period and third party expenses directly relating to the services provided to earn subscription revenue.

1.16 Employee benefits

(a) Short-term benefits

Remuneration to employees in respect of services rendered during a reporting period is recognised as an expense in that reporting period. Provision is made for accumulated leave and for non-vested short-term benefits when there is no realistic alternative other than to settle the liability, and at least one of the following conditions is met:

- There is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- Achievement of previously agreed bonus criteria has created a valid expectation by employees that they will receive a bonus and the amount can be determined before the time of issuing the financial statements.

(b) Defined contribution plan

The Group operates defined contribution plans. A defined contribution plan is one under which the Group pays a fixed percentage of employees' remuneration as contributions into a separate fund, and the Group will have no further legal or constructive obligations to pay additional contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. Contributions to defined contribution plans in respect of services rendered during a period are recognised as staff costs when they are due.

(b) Share-based compensation

The Group operates a share option scheme. This scheme is accounted for as equity-settled share-based payments to employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions at the date of the grant). The fair value determined at the grant date of the equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using the finite differences method. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural conditions.

Where employees exercise options, new shares are issued to participants as beneficial owners. The directors procure a listing of these shares on the JSE Limited where the Company's shares are listed.

In exchange for the share options granted, the participants pay a consideration equal to the option price allocated to them. The nominal value of the share is credited to share capital and the difference between the nominal value and the option price is credited to share premium. At the participant's election, any tax associated with the settlement of the strike price can be settled either in cash or the Company would act as agent and dispose of the shares on the participant's behalf. The proceeds as disposed will be used to settle the participant's obligations. Further details of the scheme are included in note 14.

(c) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.17 Share capital

Ordinary shares are classified as equity. Incremental external costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs, net of income taxes, is deducted from total shareholders' equity as treasury shares until they are cancelled or re-issued. Where such shares are subsequently re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in shareholders' equity.

1.18 Financial risk management

The Group's activities expose it to a variety of risks: foreign exchange risk, interest rate risk, other price risk, credit risk and liquidity risk. Risk management is carried out under policies approved by the board of directors.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate in Rands due to changes in foreign exchange rates.

The Group carries out a portion of its sales and purchases in foreign currencies. Hedging instruments are used in certain instances to reduce the risks arising from foreign currency fluctuations against the Rand. The Group does not have any open forward exchange contracts at 31 March 2009, and has not entered into any forward exchange contracts during the prior year.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Group's cash flow interest rate risk arises from borrowings, restricted cash, cash and cash equivalents and the bank overdraft. The Group is not exposed to fair value interest rate risk as the Group does not have any fixed interest bearing financial instruments carried at fair value.

Interest rates are constantly monitored and appropriate steps are taken to ensure that the Group's exposure to interest rate fluctuations is limited.

(iii) Other price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as available-for-sale. The Group is not exposed to commodity price risk. The Group's investments in equity of other entities that are publicly traded are included on the Maltese Stock Exchange. Fluctuations in the fair values of the Group's investments are monitored to ensure that the Group's exposure to other price risk remains within acceptable levels.

(b) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet (net of impairment losses where relevant).

Credit risk with respect to trade receivables is managed by performing credit evaluations of corporate customers. Cash investments are only placed with high quality financial institutions.

1. ACCOUNTING POLICIES (continued)

1.18 Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that there will be insufficient funds available to settle obligations when they are due.

The Group has limited risk due to the recurring nature of its income. In addition, the Group has access to undrawn borrowing facilities.

A summary of the contractual maturities of financial liabilities, including estimated interest payments, is included in note 39.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group'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.

In order to maintain or adjust this capital structure, the Group mainly draws down or repays debt.

The Group monitors capital on the basis of a gearing ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as 'total equity' as shown in the balance sheet.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

1.19 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are outlined below.

(a) Connection and upgrade incentive revenue

The Group recognises and receives connection incentives upon activation of a customer. The Group does not have an ongoing executory obligation in respect of the receipt of the connection incentive after the initial activation of the customer and therefore connection incentive revenue is recognised on activation as set out in note 1.14. However, to the extent that a customer's contract is terminated prior to expiry of the relating contract period, the Group has an obligation to repay the connection incentive received. The obligation is, however, contingent on the customer's contract being terminated and has therefore been disclosed as a contingent liability as set out in note 35 to the financial statements.

(b) Installation revenue

When hardware units are installed into customer vehicles by the Group, judgment is applied to determine whether the installation revenue should be recognised on date of installation or over the service period. If the installation is deemed to be a separate element of the transaction from the perspective of the customer and is deemed not to be complex, installation revenue is recognised once installation has been completed. Where installation is deemed to be fundamental to future service delivery, installation revenue is recognised over the contractual term of the service arrangement.

(c) Warranty claims

The Group generally offers warranties on its hardware units. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

1. ACCOUNTING POLICIES (continued)

1.19 Critical accounting estimates and judgments (continued)

(d) *Maintenance and decommissioning provisions*

The Group provides maintenance contracts on bureau services. Management estimates the related provision for maintenance costs per vehicle based on an assessment of maintenance costs incurred in the past.

In addition, management also provides for the anticipated costs associated with restoration of leasehold property to its condition at inception of the lease, including the removal of items included in plant and equipment that is erected on leased land, based on their best estimates of the present value of future costs to be incurred.

(e) *Income taxes*

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group 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.

(f) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.6. The recoverable amount of cash-generating units has been based on value in use calculations. These calculations require the use of estimates (note 4).

Goodwill in respect of the new acquisitions concluded during the current financial year (note 33) has been determined on a provisional basis and thus has not been subjected to an impairment test.

(g) *Impairment of available-for-sale financial assets*

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

During the current financial year, the Group recorded a loss of R1,7 million being the transfer of the total accumulated fair value adjustments recognised in equity on the impaired available-for-sale financial asset, to the income statement.

1.20 Dividend distribution

Any dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2. SEGMENTAL ANALYSIS

(a) Primary reporting format – business segments

At 31 March 2009, the Group is organised on a worldwide basis into two main business segments, namely vehicle tracking and fleet management.

The segment information for the year ended 31 March 2009 is as follows:

	Vehicle Tracking R'000	Fleet Management R'000	Other R'000	Group R'000
Segment revenue	334 351	748 945	–	1 083 296
Inter-segment revenue	(1 433)	(123 724)	–	(125 157)
Revenue from external customers	332 918	625 221	–	958 139
Segment result	68 499	74 595	(6 309)	136 785
Impairment of available-for-sale financial asset (note 23)				(1 728)
Operating profit				135 057
Net finance costs				(25 931)
Share of joint venture losses				(916)
Profit before income tax				108 210
Income tax expense				(39 125)
Profit for the year				69 085
Analysis of significant non-cash movements included in the segment result	(8 844)	(51 751)	–	(60 595)
Depreciation and amortisation (note 23)	(8 844)	(42 850)	–	(51 694)
Impairment of intangible assets (note 23)	–	(10 226)	–	(10 226)
Negative goodwill (note 22)	–	1 325	–	1 325

Inter-segment transfers and transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets	127 252	958 415	81 508	1 167 175
Segment liabilities	74 793	190 165	14 766	279 724
Capital expenditure	11 418	31 106	153	42 677
– Tangible	7 785	7 940	–	15 725
– Intangible	3 633	23 166	153	26 952

Segment assets and liabilities reconcile to Group assets and liabilities as follows:

	Assets R'000	Liabilities R'000
Segment assets/liabilities	1 167 175	279 724
Unallocated:		
– Deferred tax assets/liabilities	13 481	35 611
– Tax assets/liabilities	436	10 603
– Intersegmental balances	(81 233)	(81 233)
– Available-for-sale financial asset	3 146	–
– Investment in joint venture	529	–
– Borrowings – Long-term	–	120 232
– Borrowings – Short-term	–	81 170
	1 103 534	446 107

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

2. SEGMENTAL ANALYSIS (continued)

(a) Primary reporting format – business segments (continued)

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables and cash and cash equivalents. Unallocated assets comprise deferred tax, normal tax, available-for-sale financial assets and the investment in joint venture.

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise items such as taxation, deferred taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment (note 3) and intangible assets (note 4) and additions arising as a result of business combinations (note 33).

Prior year comparatives – business segments

	Vehicle Tracking R'000	Fleet Management R'000	Other R'000	Group R'000
31 March 2008				
Segment revenue	300 877	223 017	–	523 894
Inter-segment revenue	–	(19 404)	–	(19 404)
Revenue from external customers	300 877	203 613	–	504 490
Segment result	75 733	23 706	(1 547)	97 892
Net finance costs				(15 537)
Profit before income tax				82 355
Income tax expense				(25 250)
Profit for the year				57 105

Analysis of significant non-cash movements included in the segment result

Depreciation and amortisation (note 23)	(7 868)	(17 707)	–	(25 575)
---	---------	----------	---	----------

Inter-segment transfers and transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Segment assets	82 819	905 607	87	988 513
Segment liabilities	57 258	125 250	1 119	183 627
Capital expenditure	7 374	197 409	–	204 783
– Tangible	2 640	43 105	–	45 745
– Intangible	4 734	154 304	–	159 038

Segment assets and liabilities reconcile to Group assets and liabilities as follows:

	Assets R'000	Liabilities R'000
Segment assets/liabilities	988 513	183 627
Unallocated:		
– Deferred tax assets/liabilities	10 337	40 043
– Tax assets/liabilities	79	25 287
– Borrowings – Short-term	–	95 127
– Borrowings – Long-term	–	56 827
	998 929	400 911

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, trade and other receivables and cash and cash equivalents. Unallocated assets comprise deferred tax and normal tax.

Segment liabilities comprise operating liabilities. Unallocated liabilities comprise items such as taxation, deferred taxation and borrowings.

Capital expenditure comprises additions to property, plant and equipment (note 3) and intangible assets (note 4) and additions arising as a result of business combinations (note 33).

2. SEGMENTAL ANALYSIS (continued)

(b) Secondary reporting format – geographical segments.

The Group's two business segments operate in four main geographical areas, even though they are managed on a Group-wide basis.

The segment information for the year ended 31 March is as follows:

	2009 R'000	2008 R'000
Assets		
South Africa	824 173	691 478
European Union	230 282	297 035
USA	13 079	–
Australia and the Middle East	99 462	–
Inter-segment	(81 053)	–
Unallocated	17 591	10 416
	1 103 534	998 929
Revenue		
South Africa	659 888	402 266
European Union	264 494	121 628
USA	39 112	–
Australia and the Middle East	81 506	–
Inter-segment	(86 861)	(19 404)
	958 139	504 490
Tangible capital expenditure		
South Africa	10 132	31 224
European Union	2 092	14 521
USA	773	–
Australia and the Middle East	2 728	–
	15 725	45 745
Intangible capital expenditure		
South Africa	14 924	98 688
European Union	2 775	60 350
USA	403	–
Australia and the Middle East	8 850	–
	26 952	159 038

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

3. PROPERTY, PLANT AND EQUIPMENT

	Property Owned R'000	Motor vehicles Owned R'000	Helicopter Owned R'000	Plant Owned R'000	Furniture and fittings Owned R'000	Office equipment Owned R'000	Computer equipment Owned R'000
At 1 April 2007							
Cost	–	1 373	2 694	–	4 041	3 445	11 322
Accumulated depreciation	–	(44)	(450)	–	(1 036)	(866)	(7 952)
Net book amount	–	1 329	2 244	–	3 005	2 579	3 370
Year ended 31 March 2008							
Opening net book amount	–	1 329	2 244	–	3 005	2 579	3 370
Business combination (note 33)	21 260	169	–	775	3 357	252	2 663
Additions	128	329	–	44	1 099	542	2 631
Transfers	–	–	–	(28)	287	–	–
Disposals	–	–	–	–	–	–	(52)
Depreciation charge (note 23, 32.2)	(227)	(216)	(1 371)	(133)	(1 095)	(683)	(2 968)
Currency translation differences	–	23	–	–	246	–	181
Closing net book amount	21 161	1 634	873	658	6 899	2 690	5 825
At 31 March 2008							
Cost	21 388	1 899	2 694	787	9 082	4 217	16 388
Accumulated depreciation	(227)	(265)	(1 821)	(129)	(2 183)	(1 527)	(10 563)
Net book amount	21 161	1 634	873	658	6 899	2 690	5 825
Year ended 31 March 2009							
Opening net book amount	21 161	1 634	873	658	6 899	2 690	5 825
Business combination (note 33)	–	1 502	–	14	557	259	546
Additions	11	1 531	1 686	75	1 859	761	3 675
Transfers	118	(45)	–	–	69	–	–
Disposals	–	(320)	–	(4)	–	(281)	(419)
Depreciation charge (note 23, 32.2)	(494)	(718)	(1 312)	(228)	(2 030)	(906)	(3 830)
Currency translation differences	–	(38)	–	–	(205)	37	(89)
Closing net book amount	20 795	3 546	1 247	515	7 149	2 560	5 708
At 31 March 2009							
Cost	22 069	4 174	4 379	1 585	12 294	4 750	21 757
Accumulated depreciation	(1 274)	(628)	(3 132)	(1 070)	(5 145)	(2 190)	(16 049)
Net book amount	20 795	3 546	1 247	515	7 149	2 560	5 708

Operating lease rentals amounting to R11,7 million (2008: R11,4 million) relating to the lease of property, office and computer equipment are included in the income statement (note 23).

Property with a book value of R20,8 million (2008: R21,2 million) is encumbered under mortgage loan (note 16.1).

Plant and equipment are secured by a General Notarial Bond (note 16.2).

Motor vehicles, computer and radio equipment with a book value of R3,2 million (2008: R3,7 million) are encumbered under finance leases (refer note 16.3).

Depreciation expense of R4,5 million has been charged to cost of sales (2008: R2,8 million).

Radio equipment Owned R'000	Assets in progress Owned R'000	Other Owned R'000	Total Owned R'000	Motor vehicles Leased R'000	Computer equipment Leased R'000	Radio equipment Leased R'000	Total Leased R'000	Total R'000
103	287	-	23 265	-	-	-	-	23 265
(31)	-	-	(10 379)	-	-	-	-	(10 379)
72	287	-	12 886	-	-	-	-	12 886
72	287	-	12 886	-	-	-	-	12 886
7 951	91	-	36 518	246	993	3 102	4 341	40 859
40	73	-	4 886	-	-	-	-	4 886
-	(287)	-	(28)	-	-	-	-	(28)
-	-	-	(52)	(76)	-	-	(76)	(128)
(808)	-	-	(7 501)	(50)	(265)	(598)	(913)	(8 414)
1 107	23	-	1 580	-	-	395	395	1 975
8 362	187	-	48 289	120	728	2 899	3 747	52 036
9 360	187	-	66 002	246	993	3 625	4 864	70 866
(998)	-	-	(17 713)	(126)	(265)	(726)	(1 117)	(18 830)
8 362	187	-	48 289	120	728	2 899	3 747	52 036
8 362	187	-	48 289	120	728	2 899	3 747	52 036
-	-	124	3 002	-	173	-	173	3 175
337	1 188	146	11 269	-	1 281	-	1 281	12 550
-	(187)	-	(45)	45	-	-	45	-
(7)	-	(51)	(1 082)	-	-	-	-	(1 082)
(1 900)	-	(32)	(11 450)	(62)	(795)	(896)	(1 753)	(13 203)
(1 118)	-	25	(1 388)	-	43	(376)	(333)	(1 721)
5 674	1 188	212	48 595	103	1 430	1 627	3 160	51 755
8 779	1 188	226	81 202	294	3 084	3 440	6 818	88 020
(3 105)	-	(14)	(32 607)	(191)	(1 654)	(1 813)	(3 658)	(36 265)
5 674	1 188	212	48 595	103	1 430	1 627	3 160	51 755

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

4. INTANGIBLE ASSETS

	Goodwill R'000	Patents and trademarks R'000	Customer relation- ships R'000	Capita- lised product develop- ment costs R'000	Tech- nology and in-house software R'000	Computer software R'000	Other R'000	Total R'000
Group								
At 1 April 2007								
Cost	-	-	-	-	16 525	1 834	123	18 482
Accumulated depreciation	-	-	-	-	(14 345)	(488)	-	(14 833)
Net book amount	-	-	-	-	2 180	1 346	123	3 649
Year ended 31 March 2008								
Opening net book amount	-	-	-	-	2 180	1 346	123	3 649
Additions	-	-	-	6 155	2 890	2 874	-	11 919
Arising from business combinations (note 33):								
- acquired at fair value in subsidiaries	-	6 822	49 075	28 550	61 448	1 224	-	147 119
- excess of purchase price over fair value:								
OmniBridge RSA	438 773	-	-	-	-	-	-	438 773
OmniBridge Europe (GBP denominated)	89 580	-	-	-	-	-	-	89 580
Transfers	-	-	-	-	123	28	(123)	28
Amortisation charge (note 23, 32.2)	-	(1 081)	(4 826)	(2 602)	(7 401)	(1 251)	-	(17 161)
Currency translation differences	13 553	898	4 234	-	3 325	-	-	22 010
Closing net book amount	541 906	6 639	48 483	32 103	62 565	4 221	-	695 917
At 31 March 2008								
Cost	541 906	7 904	53 992	32 225	84 178	5 706	-	725 911
Accumulated depreciation	-	(1 265)	(5 509)	(122)	(21 613)	(1 485)	-	(29 994)
Net book amount	541 906	6 639	48 483	32 103	62 565	4 221	-	695 917
Year ended 31 March 2009								
Opening net book amount	541 906	6 639	48 483	32 103	62 565	4 221	-	695 917
Additions	-	2 601	-	10 508	3 369	1 222	-	17 700
Arising from business combinations (note 33):								
- acquired at fair value in subsidiaries	-	-	-	369	-	33	8 850	9 252
- excess of purchase price over fair value:								
SafeDrive International (AUD denominated)	6 613	-	-	-	-	-	-	6 613
SafeDrive FZE (USD denominated)	24 986	-	-	-	-	-	-	24 986
Disposals	-	-	-	(8)	(1)	(21)	-	(30)
Amortisation charge (note 23, 32.2)	-	(1 838)	(9 448)	(7 898)	(15 938)	(2 077)	(1 292)	(38 491)
Impairment charge (note 23, 32.2)	-	(1 066)	(4 950)	-	(4 210)	-	-	(10 226)
Currency translation differences	(6 347)	(944)	(4 070)	75	(3 138)	6	2 042	(12 376)
Closing net book amount	567 158	5 392	30 015	35 149	42 647	3 384	9 600	693 345
At 31 March 2009								
Cost	567 158	8 492	45 931	52 529	80 503	7 260	10 892	772 765
Accumulated depreciation	-	(3 100)	(15 916)	(17 380)	(37 856)	(3 876)	(1 292)	(79 420)
Net book amount	567 158	5 392	30 015	35 149	42 647	3 384	9 600	693 345

4. INTANGIBLE ASSETS (continued)

Staff costs of R10,5 million (2008: R11,2 million) have been capitalised to product development costs during the period.

Amortisation expense of R2,6 million has been charged to cost of sales (2008: R2,6 million).

An impairment amounting to R10,2 million (note 23, 32) arose in the UK business unit during the current financial year due to the recoverable amount being less than the carrying value of certain identified intangible assets.

	COMPANY	
	Patents and trademarks R'000	Total R'000
Year ended 31 March 2009		
Opening net book amount	–	–
Additions	153	153
Amortisation charge (note 23)	(7)	(7)
Closing net book amount	146	146
At 31 March 2009		
Cost	153	153
Accumulated depreciation	(7)	(7)
Net book amount	146	146

Impairment test for goodwill

Goodwill is allocated to the Group's cash generating units ("CGU") identified according to the country of operation.

	GROUP	
	31 March 2009 R'000	31 March 2008 R'000
The goodwill allocation is as follows:		
RSA – OmniBridge SA	438 773	438 773
UK – OmniBridge Europe	90 463	103 133
AUS – SafeDrive International	6 601	–
Dubai – SafeDrive FZE	31 321	–
Total	567 158	541 906

OmniBridge RSA and Datatrak UK were acquired on 1 October 2007. The Group elected under IFRS 3, to finalise the asset and liability fair values allocated to each CGU, and therefore the related goodwill, within 12 months subsequent to the acquisition date. At 31 March 2008 a preliminary allocation was done to obtain the summary listed above. Asset and liability fair values and the allocation of goodwill to the CGU were finalised at 30 September 2008. Upon finalisation, a further adjustment was processed resulting in an increase in goodwill amounting to R2,1 million. Due to the allocation being finalised during the year, goodwill impairment testing was performed at 31 March 2009 in accordance with the Group's policy. No impairment was identified.

The recoverable amount of a CGU is determined based on value-in-use calculations.

These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following key assumptions have been used for the value in use calculation:

- Discount rate: 15,1% for RSA and 11,5% for the UK.
- Growth rate: we have used a conservative growth rate of 0% to extrapolate revenue beyond the budget period cash flows.

MIX Telematics North America (previously Tripmaster) was acquired on 1 August 2008 and the SafeDrive International Group of companies was acquired on 1 September 2008. The Group has elected under IFRS 3 to finalise the asset and liability fair values allocated to each CGU, and therefore the related goodwill, within 12 months subsequent to the acquisition date. A preliminary allocation has been done to obtain the summary above and once the final allocation is completed, impairment testing will be performed.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
5. INTEREST IN SUBSIDIARIES				
Shareholding				
– 1 000 shares (100%) (2008: 100%) in MiX Telematics Africa (Proprietary) Limited	–	–	156 168	155 302
– 739 672 shares (100%) (2008: 100%) in MiX Telematics International (Proprietary) Limited	–	–	434 895	434 381
– 7 094 840 shares (100%) (2008: 100%) in Sunstore Limited	–	–	189 320	188 539
Loan to				
Sunstore Limited	–	–	57 232	–
	–	–	837 615	778 222
Refer to note 40 for a list of Group companies.				
Investments held by the Company in its subsidiaries increased during the year under review as a result of share options granted to employees of the respective subsidiary companies, resulting in the expensed fair value of the options being recognised as an equity contribution by the Company to the respective subsidiary.				
During the year under review, the Company advanced funding to one of its wholly owned subsidiaries, Sunstore Limited, to fund the acquisition of the SDI Group of companies. The loan is non-interest bearing, has no fixed repayment terms and is secured by the shares held in SafeDrive International.				
6. INVESTMENT IN JOINT VENTURE				
Beginning of year	–	–	–	–
Investment in joint venture	1 445	–	–	–
Share of joint venture losses (note 32)	(916)	–	–	–
End of year	529	–	–	–
The investment in joint venture includes the Group's 60% interest held in Matrixvtrack Nig. Limited, an unlisted company incorporated in Nigeria. The investment is denominated in Nigerian Naira (NGN).				
The Group's share of the results of the joint venture and its aggregated assets and liabilities is as follows:				
Assets	1 546	–	–	–
Liabilities	746	–	–	–
Revenue	1 385	–	–	–
Loss for the year	(916)	–	–	–

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
7. AVAILABLE-FOR-SALE FINANCIAL ASSET				
Beginning of year	5 024	–	–	–
Arising from business combination (note 33)	–	4 867	–	–
Fair value adjustment charged to equity (note 15)	(1 211)	(517)	–	–
Foreign currency translation differences	(667)	674	–	–
End of year	3 146	5 024	–	–
Less: Non-current portion	(3 146)	(5 024)	–	–
Current portion	–	–	–	–
There were no disposals of available-for-sale financial assets in 2009 or 2008. The Group transferred fair value movements from equity into the income statement amounting to R1,7 million during the current financial year due to the fair value movement being regarded as a permanent diminution in the fair value of the asset (note 15).				
Available-for-sale financial assets include the following listed securities:				
1 288 920 ordinary shares in Datatrak Malta Limited	3 146	5 024	–	–
Available-for-sale financial assets are denominated in the following currencies:				
Euro	3 146	5 024	–	–
8. INVENTORY – OTHER				
Work in progress and raw materials	202	214	–	–
Finished goods	40 342	59 192	–	–
	40 544	59 406	–	–
During the current year an amount of R1,9 million (2008: R1,5 million) was recognised as a charge in cost of sales as the impact of the write down of inventory to net realisable value (note 23, 32.2).				
Inventory with a book value of R35,9 million (2008: R31,9 million) is encumbered as security for the long-term loans per note 16.2.				
9. INVENTORY HELD IN CLIENT VEHICLES				
Opening inventory of rental units	24 000	20 412	–	–
Value of units added through business combination (note 33)	–	916	–	–
Value of units added in the current year (note 32)	17 994	15 338	–	–
Rental units consumed and included in cost of sales (note 23, 32.2)	(18 538)	(12 666)	–	–
Closing inventory of rental units	23 456	24 000	–	–
Inventory with a book value of R 23,5 million (2008 : R 24,0 million) is encumbered as security for the long-term loans per note 16.2.				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
10. TRADE AND OTHER RECEIVABLES				
Trade receivables	114 275	97 509	–	–
Provision for impairment of trade receivables	(12 578)	(5 754)	–	–
Trade receivables – net	101 697	91 755	–	–
Pre-payments	21 082	24 707	834	29
Sundry debtors	12 617	5 078	–	3
	135 396	121 540	834	32

The ageing of trade receivables at the reporting date was:

	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
31 March 2009				
Not past due	67 214	(1 597)	–	–
Past due by 1 to 30 days	20 478	(264)	–	–
Past due by 31 to 60 days	6 329	(763)	–	–
Past due by more than 60 days	20 254	(9 954)	–	–
Total	114 275	(12 578)	–	–

31 March 2008

Not past due	53 866	(26)	–	–
Past due by 1 to 30 days	22 705	(226)	–	–
Past due by 31 to 60 days	10 272	(286)	–	–
Past due by more than 60 days	10 666	(5 216)	–	–
Total	97 509	(5 754)	–	–

The trade receivables above which are past due relate to customers for whom there is no recent history of default.

Sundry debtors are neither past due nor impaired.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
South African Rand	36 106	24 070	834	32
UK Pound	44 739	61 383	–	–
US Dollar	39 671	12 123	–	–
AUD Dollar	1 343	–	–	–
Euro	13 537	23 964	–	–
	135 396	121 540	834	32

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
10. TRADE AND OTHER RECEIVABLES (continued)				
Movements in the Group's provision for impairment of trade receivables are as follows:				
Opening balance	(5 754)	(2 556)	–	–
Acquired as part of business combination	–	(3 161)	–	–
Increase in provision for impairment (note 32.2)	(8 192)	(5 622)	–	–
Receivables written off during the year as unrecoverable	1 045	5 806	–	–
Foreign currency translation differences	323	(221)	–	–
Closing balance	(12 578)	(5 754)	–	–

The creation and release of the provision for impairment of trade receivables has been included in operating expenses in the income statement.

Trade receivables of R74,3 million (2008: R97,5 million) have been pledged as security for long-term loans (note 16.2) and the Group's overdraft facilities (note 13).

The fair value of trade and other receivables approximate their book values. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

11. LOANS TO/FROM RELATED PARTIES

Loans to related parties

MiX Telematics Africa (Proprietary) Limited	–	–	34 524	–
MiX Telematics North America Incorporated	–	–	3 010	–
	–	–	37 534	–

Loans from related parties

MiX Telematics International (Proprietary) Limited	–	–	–	81
MiX Telematics Africa (Proprietary) Limited	–	–	12 959	6 758
	–	–	12 959	6 839

The loan to MiX Telematics Africa (Proprietary) Limited is unsecured, bears interest at the South African prime interest rate less 0,25% per annum (effective rate of 12,75%) and has no fixed date of repayment.

The loan to MiX Telematics North America Incorporated is unsecured, bears interest at the South African prime interest rate plus 2,0% per annum (effective rate of 16,75%) and has no fixed date of repayment.

The loans from MiX Telematics International (Proprietary) Limited and MiX Telematics Africa (Proprietary) Limited are unsecured, interest free and have no fixed date of repayment.

Due to the short-term nature of the loans to/from related parties, the fair value of these loans are considered to approximate their book value at year end. All of the loans are denominated in South African Rand.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
12. RESTRICTED CASH				
Securitised cash for bank guarantee issued in terms of the Mobile Telephone Networks (Proprietary) Limited incentive agreement	1 000	1 000	1 000	1 000
Securitised cash for guarantees issued in respect of employee visas in the UAE	351	–	–	–
	1 351	1 000	1 000	1 000
The carrying amounts of the Group's restricted cash are denominated in the following currencies:				
South African Rand	1 000	1 000	1 000	1 000
US Dollar	351	–	–	–
	1 351	1 000	1 000	1 000
13. CASH AND CASH EQUIVALENTS				
Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:				
Cash and cash equivalents	140 095	29 590	41	55
Bank overdraft	(27 732)	(31 256)	(13 080)	–
	112 363	(1 666)	(13 039)	55
The Group's overdraft is secured by the Group's trade receivables book (note 10).				
Cash and cash equivalents have been pledged as security for long-term loans (note 16.2).				
The carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:				
South African Rand	56 620	(20 478)	(13 039)	55
UK Pound	30 220	18 812	–	–
US Dollar	24 501	–	–	–
AUD Dollar	1 022	–	–	–
	112 363	(1 666)	(13 039)	55
	Number of shares '000	Ordinary share capital R'000	Share premium R'000	Total R'000
14. SHARE CAPITAL AND PREMIUM				
Group/Company				
At 1 April 2007	336	3	13	16
– Capitalisation issue number 1	39	*	*	–
– Share sub-division (500:1)	187 125	–	–	–
– Capitalisation issue number 2	52 500	1	(1)	–
– Shares issued as purchase consideration for acquisition of minority interest in subsidiary	80 000	2	155 300	155 302
– Shares issued as purchase consideration for subsidiaries acquired in a business combination (note 33)	320 000	7	621 202	621 209
– Listing costs	–	–	(6 161)	(6 161)
At 31 March 2008	640 000	13	770 353	770 366
– Accrual for shares to be issued as purchase consideration for subsidiaries acquired in a business combination (note 33)	17 000	*	17 000	17 000
At 31 March 2009	657 000	13	787 353	787 366

* = amount less than R 1 000

14. SHARE CAPITAL AND PREMIUM (continued)

During the year ended 31 March 2008 the authorised and issued share capital of the Company was altered as follows:

- 38 705 capitalisation shares of 1 cent each were issued to existing shareholders (capitalisation issue number 1);
- the authorised and issued share capital was subdivided in the ratio of 500:1, into shares with a par value of 0,002 cent and the authorised share capital was increased to 1 billion shares of 0,002 cent each;
- 52,5 million capitalisation shares of 0,002 cent each were issued to existing shareholders (capitalisation issue number 2);
- 80 million shares were issued in consideration for the purchase of the remaining 25% in Matrix Vehicle Tracking (Proprietary) Limited; and
- 320 million shares were issued in consideration for the purchase of OmniBridge (Proprietary) Limited and Sunstore Limited (note 33).

The total authorised number of ordinary shares at year end amounted to 1 billion shares (2008: 1 billion) with a par value of 0.002 cent (2008: 0,002 cent) per share. All issued shares are fully paid up.

Share options

Share options are granted to directors and certain key employees within the Group. The exercise price of the granted options is equal to a minimum of the weighted average market value for the 20 days preceding the date of the grant. The options vest in tranches of 25% per annum, commencing on the second anniversary of the grant date, and expire six years after the grant date. In addition to these vesting periods, the vesting of the share options granted is conditional on certain performance conditions being met, namely the share price on the associated measurement date being in excess of the target, after being reduced by the aggregate amount of dividends paid (Scheme B and C), or an annual total shareholder return in excess of 10%, taking into account any dividends paid during the vesting period, being achieved (Scheme A).

Movement in the total number of share options outstanding is as follows:

	31 March 2009 '000	31 March 2008 '000
Opening balance	22 800	–
Number of share options granted (14 March 2008) with an exercise price of 118 cents	–	22 800
Number of share options granted (23 June 2008) with an exercise price of 125 cents	600	–
Number of share options granted (9 December 2008) with an exercise price of 70 cents	9 700	–
Forfeited/cancelled	(1 000)	–
Closing balance	32 100	22 800
The weighted average exercise price of options outstanding at the end of the financial year approximates 104 cents per share (2008: 118 cents per share)		
Share options outstanding at the end of the financial year have the following exercise prices:		
Scheme A options – exercise price 118 cents	10 450	10 950
Scheme A options – exercise price 125 cents	400	–
Scheme B options – exercise price 118 cents	11 350	11 850
Scheme B options – exercise price 125 cents	200	–
Scheme A options – exercise price 70 cents	4 050	–
Scheme C options – exercise price 70 cents	5 650	–
	32 100	22 800

Of the options in issue, none have expired and none are exercisable at 31 March 2009.

The exercise price of all share options in issue is equal to a minimum of the 20 day weighted average share price at which the share traded on the JSE for the 20 days preceding the grant date.

The weighted average fair value of options granted during the year was determined using the finite differences valuation method and is included in the details below together with the key drivers and assumptions input into the valuation model that was used to determine these values.

As the shares were only listed on the JSE on 12 November 2007, use of surrogate share data was made in order to determine a listing day volatility, thereafter the actual trading data of the MiX Telematics share itself was used with volatility calculated at the standard deviation of continuously compounded share returns.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

14. SHARE CAPITAL AND PREMIUM (continued)

Share options (continued)

The salient details of all options in issue at 31 March 2009 are provided in the table below:

Grant date	14 March 2008	23 June 2008	9 December 2008
Fair value (cents per share)	25,4	36,6	16,5
Option strike price (cents per share)	118,0	125,0	70,0
JSE share price on grant date (cents per share)	118,0	125,0	58,0
Volatility (%)	38,2	40,2	66,6
Expiry date	14 March 2014	23 June 2014	9 December 2014
Performance conditions			
– Scheme A, minimum shareholder return of (%)	10	10	10
– Scheme B, share price of (Rand)	10,00	10,00	–
– Scheme C, share price of (Rand)	–	–	5,00
Remaining contractual life (years)	4,96	5,23	5,7
Valuation assumptions and drivers:			
Anticipated forfeiture rate (%)	5,0	5,0	5,0
Anticipated dividend streams (cents per share)			
– year ending 31 March 2009	3,0	3,0	3,0
– year ending 31 March 2010	5,0	5,0	5,0
– year ending 31 March 2011	7,0	7,0	7,0
Anticipated dividend yield from 1 April 2011 onward (%)	4,5	3,5	10,6
Annual risk-free interest rate (%)	9,9	11,3	8,6

Refer to note 23 for the total expense recognised in the current year in respect of share options granted to employees and directors.

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
15. OTHER RESERVES				
Opening balance	(109 817)	–	–	–
Foreign currency translation	(17 888)	27 569	–	–
Transaction with minority	–	(137 895)	–	–
Available-for-sale	517	(517)	–	–
– Current year (note 7)	(1 211)	(517)	–	–
– Charged to income statement as impairment charge (note 23)	1 728	–	–	–
Share based payments	2 006	155	2 161	–
Shareholder loan revaluation	(1 711)	871	–	–
Closing balance	(126 893)	(109 817)	2 161	–
Comprised as follows:				
Foreign currency translation	9 681	27 569	–	–
Transaction with minority	(137 895)	(137 895)	–	–
Available-for-sale	–	(517)	–	–
Share based payments	2 161	155	2 161	–
Shareholder loan revaluation	(840)	871	–	–
	(126 893)	(109 817)	2 161	–

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
16. BORROWINGS				
Secured loans				
– Mortgage loans (note 16.1)	8 256	9 605	–	–
– Long-term loans (note 16.2)	188 807	138 189	68 190	–
– Finance leases (note 16.3)	4 339	4 160	–	–
Total borrowings	201 402	151 954	68 190	–
Short-term portion payable within 12 months	(81 170)	(56 827)	(12 443)	–
Long-term portion payable after 12 months	120 232	95 127	55 747	–
Movement for the year				
Opening balance	151 954	96 259	–	–
Arising on business combinations (note 33)	1 968	23 166	–	–
Payments made	(241 987)	(88 953)	(8 200)	–
Documentation fee capitalised	1 140	–	–	–
Borrowings raised	288 658	121 071	76 390	–
Foreign currency translation differences	(331)	411	–	–
Closing balance	201 402	151 954	68 190	–
16.1 Mortgage loans				
Mortgage loans from Investec Bank Limited	8 256	9 605	–	–
Short-term portion payable within 12 months	(1 500)	(1 278)	–	–
Long-term portion payable after 12 months	6 756	8 327	–	–
The mortgage loans bear interest at prime less 1,45% with an effective interest rate of 13,6% for the year (2008: 12,8%) and are repayable in monthly instalments of R0,2 million (2008: R0,2 million). The final repayment is due in September 2013. The mortgage loans are secured by land and buildings with a book value of R20,8 million (2008: R21,2 million) (note 3).				
The mortgage loans are denominated in South African Rands.				
The carrying values of the variable rate mortgage loans are considered to be a reasonable approximation of the fair values of the respective loans as the variable rates approximate the market rate.				
16.2 Long-term loans				
Loans from Standard Bank Limited				
– Loan 1	12 837	15 342	–	–
– Loan 2	44 125	52 738	–	–
– Loan 3	1 177	–	–	–
Loans from Investec Bank Limited:				
– Loan 1	–	1	–	–
– Loan 2	27 879	43 222	–	–
– Loan 3	14 659	14 831	–	–
– Loan 4	19 940	12 055	–	–
– Loan 5	68 190	–	68 190	–
Short-term portion payable within 12 months	188 807 (77 458)	138 189 (53 518)	68 190 (12 443)	–
Long-term portion payable after 12 months	111 349	84 671	55 747	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

16. BORROWINGS (continued)

16.2 Long-term loans (continued)

The Standard Bank Loan 1 bears interest at prime less 1,2% with an effective interest rate of 13,9% for the year (2008: 13,1%) and is repayable in monthly instalments of R0,4 million (2008: R0,4 million). The final repayment is due in November 2012.

The Standard Bank Loan 2 bears interest at prime less 1,2% with an effective interest rate for the year of 13,9% (2008: 13,1%) and is repayable in monthly instalments of R1,2 million (2008: R1,3 million). The final repayment is due in October 2012.

The Standard Bank Loan 3 bears interest at prime less 1,25% with an effective interest rate of 12,7% for the year (2008: nil) and is repayable in monthly instalments of R0,2 million (2008: nil). The final repayment is due in September 2010.

All the Standard Bank loans contain financial covenants in respect of Group "debt: EBITDA" and "value of subscriber base: debt" ratios that are normal for transactions of this type. The Group had met all required covenants during the current and previous financial years.

The above Standard Bank loans are secured by:

- cross suretyships between the following Group companies:
 - MiX Telematics Africa (Proprietary) Limited (previously Matrix Vehicle Tracking (Proprietary) Limited);
 - MiX Telematics International (Proprietary) Limited (previously OmniBridge (Proprietary) Limited);
 - Sunstore Limited;
 - MiX Telematics UK Limited (previously OmniBridge UK Limited); and
 - MiX Telematics Technology Holdings (previously Manupont 76 (Proprietary) Limited);
- the MiX Telematics Africa (Proprietary) Limited and MiX Telematics International (Proprietary) Limited subscriber contracts;
- all intra-group loan accounts between the various Group companies; and
- a General Notarial Bond over plant and equipment (note 3), inventory (note 8 and 9), trade receivables (note 10) and cash and cash equivalents (note 13).

The Investec Loan 1 bears interest at prime less 1% with an effective interest rate for the year of 14,2% (2008: 9,8%). The final repayment was made in January 2009.

The Investec Loan 2 bears interest at a fixed interest rate of 10,7% and is repayable in monthly instalments of R1,6 million (2008: R1,6 million). The final repayment is due in October 2010.

The Investec Loan 3 bears interest at prime less 1% with an effective interest rate for the year of 13,9% (2008: 12,0%), and is repayable in monthly instalments of R0,2 million (2008: R0,2 million) with a final payment of R15 million.

The Investec Loan 4 bears interest at prime less 1% with an effective interest rate for the year of 14,1% (2008: 12,0%), and is repayable in monthly instalments of R0,2 million (2008: R0,2 million) with a final payment of R20 million.

The above Investec loans are all secured by:

- cession of all rights, title and interest in and to the subscriber contracts;
- joint and several suretyships between the following Group companies:
 - MiX Telematics Africa (Proprietary) Limited (previously Matrix Vehicle Tracking (Proprietary) Limited); and
 - MiX Telematics International (Proprietary) Limited (previously OmniBridge (Proprietary) Limited).

The Investec Loan 5 bears interest at prime less 0,5% with an effective interest rate for the year of 14,4% (2008: nil), and is repayable in monthly instalments of R1,7 million (2008: nil). The final repayment is due in October 2013.

The above Investec loan is secured by the cession and pledge of 100% of the shares held in SafeDrive International (Proprietary) Limited.

Both the Standard Bank and Investec loans are denominated in South African Rands.

The carrying values of the variable rate loans are considered to be a reasonable approximation of the fair values of the respective loans as the variable interest rates approximate the market rate.

The fair value of the fixed rate loan (Investec Bank Limited Loan 2) amounts to R27,0 million (2008: R41,4 million), based on cash flows discounted using the effective borrowing rate of 13,00% (2008: 13,5%).

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
16. BORROWINGS (continued)				
16.3 Finance leases				
South African banks	1 776	1 183	–	–
International banks	2 563	2 977	–	–
	4 339	4 160	–	–
Short-term portion payable within 12 months	(2 212)	(2 031)	–	–
Long-term portion payable after 12 months	2 127	2 129	–	–
Finance leases bear interest at rates fluctuating from 7,5% to 12,3% p.a (2008 : 12,5% to 14,5% p.a), and are repayable in average monthly instalments of R0,1 million (2008: R0,2 million). The above leases are secured by motor vehicles, computer and radio equipment with a total book value of R3,2 million (2008: R3,7 million) (note 3).				
Gross finance lease liabilities – minimum lease payments:				
No later than 1 year	2 514	2 341	–	–
Later than 1 year but not later than 5 years	2 673	2 411	–	–
	5 187	4 752	–	–
Future finance charges on finance leases	(848)	(592)	–	–
Present value of finance lease liabilities	4 339	4 160	–	–
The present value of finance lease liabilities is as follows:				
No later than 1 year	2 127	2 031	–	–
Later than 1 year but not later than 5 years	2 212	2 129	–	–
	4 339	4 160	–	–
The carrying amounts of the Group's finance leases are denominated in the following currencies:				
South African Rand	1 776	1 183	–	–
UK Pound	1 089	2 977	–	–
US Dollar	79	–	–	–
AUD Dollar	1 395	–	–	–
	4 339	4 160	–	–
The carrying values of the variable rate finance leases are considered to be a reasonable approximation of the fair values of the respective finance leases as the variable rates approximate the market rate.				
The Group did not default on any payments or breach any loan agreement term during the current or previous financial years.				
Undrawn borrowing facilities were:				
– Standard Bank Limited	17 268	15 480	1 816	–
– Investec Bank Limited	25 401	26 507	25 000	–
	42 669	41 987	26 816	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
17. TRADE AND OTHER PAYABLES				
Trade payables	46 966	52 327	11	–
Accruals	57 783	36 237	994	635
Income received in advance	18 981	31 313	–	–
Value added taxes	5 544	1 147	39	244
Other	10 237	3 678	–	–
	139 511	124 702	1 044	879
The fair values of trade payables, accruals and other payables approximate their book values.				
18. RETIREMENT BENEFITS				
It is the policy of the Group to provide retirement benefits to all its RSA and UK employees.				
The assets of the defined contribution plans are held in separate trustee administrated funds. The pension plan is generally funded by both member and Company contributions. The defined contribution provident fund, which is subject to the Pensions Fund Act of 1956 for South Africa and the Pension Funds Act 24 of 1956 for the United Kingdom, exists for this purpose. The full extent of the Group's liability is the contributions made, which are charged to the income statement as they are incurred. The total Group contribution to such schemes in 2009 was R10,2 million (2008: R5,5 million) (note 23).				
19. DEFERRED INCOME TAX				
Deferred income tax liabilities				
Capital allowances for tax purposes	844	1 018	–	–
Intangible assets	20 331	23 249	–	–
Pre-payments	416	285	–	–
Inventory held in client vehicles	4 091	4 457	–	–
Section 24C – future expenditure allowance	9 402	10 390	–	–
Shareholder loan revaluation reserve	–	356	–	–
Other	527	288	–	–
	35 611	40 043	–	–
Deferred income tax assets				
Income received in advance	(1 513)	(2 481)	–	–
Capital allowances for tax purposes	(2 805)	(242)	–	–
Provisions and lease straight-lining	(8 395)	(5 178)	–	–
Assessable losses	–	(1 863)	–	–
Share based payments	(355)	(45)	–	–
Other	(413)	(528)	–	–
	(13 481)	(10 337)	–	–

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
19. DEFERRED INCOME TAX (continued)				
The gross movement on net deferred tax balance is as follows:				
Beginning of the year	29 706	10 165	–	–
Acquired as part of business combination (note 33)	248	21 017	–	–
Shareholder loan revaluation	(356)	356	–	–
Foreign currency translations	213	(255)	–	–
Income statement charge (note 29)	(7 681)	(1 577)	–	–
End of year	22 130	29 706	–	–

Deferred tax at year end has been recognised using the following corporate tax rates:

– South Africa	28%
– United Kingdom	28%
– Germany	15%
– Cyprus	10%
– United States of America	34%
– Australia	30%
– Dubai	0%

Deferred income tax assets are recognised for tax loss carry forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of R7,6 million in respect of losses amounting to R27,2 million that is carried forward against future taxable income (note 29).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

19. DEFERRED INCOME TAX (continued)

The movement in deferred tax assets and liabilities during the year, is as follows:

	At 31 March 2008 R'000	Charged/ (credited) to the income statement (note 29) R'000	Arising from business combi- nation (note 33) R'000	Foreign currency translation differences R'000	Shareholder loan revaluation charged directly to equity R'000	At 31 March 2009 R'000
Deferred tax liabilities						
Capital allowances for tax purposes	1 018	(174)	–	–	–	844
Intangible assets	23 249	(2 918)	–	–	–	20 331
Prepayments	285	131	–	–	–	416
Inventory held in client vehicles	4 457	(366)	–	–	–	4 091
Section 24C – future expenditure allowance	10 390	(988)	–	–	–	9 402
Shareholder loan revaluation reserve	356	–	–	–	(356)	–
Other	288	30	248	(39)	–	527
	40 043	(4 285)	248	(39)	(356)	35 611
Deferred tax assets						
Income received in advance	(2 481)	968	–	–	–	(1 513)
Capital allowances for tax purposes	(242)	(2 815)	–	252	–	(2 805)
Provisions and lease straight-lining	(5 178)	(3 217)	–	–	–	(8 395)
Assessable losses	(1 863)	1 863	–	–	–	–
Share based payments	(45)	(310)	–	–	–	(355)
Other	(528)	115	–	–	–	(413)
	(10 337)	(3 396)	–	252	–	(13 481)

19. DEFERRED INCOME TAX (continued)

The movement in deferred tax assets and liabilities during the year, is as follows:

	At 31 March 2007 R'000	Charged/ (credited) to the income statement (note 29) R'000	Arising from business combi- nation (note 33) R'000	Foreign currency translation differences R'000	Shareholder loan revaluation charged directly to equity R'000	At 31 March 2008 R'000
Deferred tax liabilities						
Capital allowances for tax purposes	873	(7 393)	7 538	–	–	1 018
Intangible assets	–	6 496	16 753	–	–	23 249
Prepayments	136	(157)	306	–	–	285
Inventory held in client vehicles	4 217	240	–	–	–	4 457
Section 24C – future expenditure allowance	9 969	421	–	–	–	10 390
Shareholder loan revaluation reserve	–	–	–	–	356	356
Other	–	288	–	–	–	288
	15 195	(105)	24 597	–	356	40 043
Deferred tax assets						
Income received in advance	(3 485)	1 004	–	–	–	(2 481)
Capital allowances for tax purposes	–	(242)	–	–	–	(242)
Provisions and lease straight-lining	(1 472)	(799)	(2 907)	–	–	(5 178)
Assessable losses	–	(935)	(673)	(255)	–	(1 863)
Share based payments	–	(45)	–	–	–	(45)
Donations	(73)	73	–	–	–	–
Other	–	(528)	–	–	–	(528)
	(5 030)	(1 472)	(3 580)	(255)	–	(10 337)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
20. PROVISIONS				
Product warranties				
Beginning of the year	5 839	668	-	-
Acquired as part of business combination (note 33)	1 713	6 492	-	-
Income statement charge	606	933	-	-
Foreign currency translation differences	(140)	609	-	-
Utilised/reversed	(548)	(2 863)	-	-
End of year	7 470	5 839	-	-
Non-current portion	-	(113)	-	-
Current portion	7 470	5 726	-	-
The Group provides warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. Management estimates the related provision for future warranty claims based on historical warranty claim information, the product lifetime, as well as recent trends that might suggest that past cost information may differ from future claims.				
Maintenance provision				
Beginning of the year	2 070	-	-	-
Acquired as part of business combination (note 33)	-	1 577	-	-
Income statement charge	9 424	1 650	-	-
Utilised/reversed	(6 954)	(1 157)	-	-
End of year	4 540	2 070	-	-
Non-current portion	-	-	-	-
Current portion	4 540	2 070	-	-

The Group provides maintenance contracts on bureau services. Management estimates the related provision for maintenance costs per vehicle based on an assessment of maintenance costs incurred in the past.

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
20. PROVISIONS (continued)				
Decommissioning provision				
Beginning of the year	19 760	–	–	–
Acquired as part of business combination (note 33)	–	16 644	–	–
Income statement charge – unwinding of discount reflected as finance cost (note 25, 32.2)	67	522	–	–
Utilised/reversed	904	–	–	–
Foreign currency translation differences	(2 872)	2 594	–	–
End of year	17 859	19 760	–	–
Non-current portion	(17 169)	(18 953)	–	–
Current portion	690	807	–	–
The Group provides for the anticipated costs associated with the restoration of leasehold property to its condition at inception of the lease, including the removal of items included in plant and equipment that is erected on leased land. The expected cash outflow of these costs is in 2012.				
Onerous lease provision				
Beginning of the year	–	–	–	–
Income statement charge	1 379	–	–	–
End of year	1 379	–	–	–
Non-current portion	(718)	–	–	–
Current portion	661	–	–	–
The Group provides for the excess of anticipated future costs over future benefits associated with the leasehold property that was vacated as a result of an internal re-organisation.				
Total provisions				
Product warranties	7 470	5 839	–	–
Maintenance provision	4 540	2 070	–	–
Decommissioning provision	17 859	19 760	–	–
Onerous lease provision	1 379	–	–	–
Total provision	31 248	27 669	–	–
Non-current portion	(17 886)	(19 066)	–	–
Current provision for the year	13 362	8 603	–	–

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000
21. REVENUE				
Subscriptions and other services	483 669	292 693	-	-
Hardware sales	431 914	153 138	-	-
GSM connection and upgrade incentives	42 556	58 659	-	-
	958 139	504 490	-	-
22. OTHER INCOME				
Dividend income – available-for-sale financial assets	-	47	-	-
Dividend income – subsidiary companies (note 32.2)	-	-	9 600	15 500
MIDP incentives	7 965	3 100	-	-
Foreign exchange gains	-	4 635	411	-
Negative goodwill (note 32.2, 33)	1 325	-	-	-
Rental income	850	447	-	-
Other	70	-	-	-
	10 210	8 229	10 011	15 500
Negative goodwill arose from the acquisition of Tripmaster (now MiX Telematics North America) where the provisionally determined net fair value of assets and liabilities exceeded the purchase price of the investment by an amount of R1,3 million (note 33).				
23. OPERATING PROFIT				
Operating profit for the year is stated after accounting for the following charges:				
Amortisation (note 2, 4, 28, 32.2)	38 491	17 161	7	-
Depreciation (note 2, 3, 32.2)	13 203	8 414	-	-
Impairment of intangible assets (note 2, 4, 28, 32.2)	10 226	-	-	-
Impairment of available-for-sale financial asset (note 2, 15, 28, 32.2)	1 728	-	-	-
Loss/(profit) on disposal of property, plant and equipment (note 32.2)	425	(47)	-	-
Operating lease charges – premises and equipment (note 3, 28)	11 721	11 415	304	-
Inventory in client vehicles expensed in cost of sales (note 9, 32.2)	18 538	12 666	-	-
Write-down of inventory to net realisable value (note 8, 32.2)	1 935	1 529	-	-
Foreign exchange losses	1 272	-	-	-
Research expenditure	473	144	-	-
Professional fees				
- Management fees	142	1 583	-	-
- Consulting	6 191	5 539	664	-
Staff costs (note 28)	231 224	106 293	1 725	1 000
- Salaries and wages	201 141	96 485	-	1 000
- Pension costs (note 18)	10 156	5 534	-	-
- Share based payments (note 15, 32.2)	2 006	155	-	-
- Other costs	17 921	4 119	1 725	-
Number of employees at the end of the year	682	602	-	-

	GROUP		COMPANY	
	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000
24. FINANCE INCOME				
Current accounts	296	114	81	–
Short-term bank deposits	726	1 125	–	229
Inter-company interest	–	–	228	–
Other	1	3	–	1
	1 023	1 242	309	230
25. FINANCE COSTS				
Cash				
– Overdraft	11 976	2 199	505	–
– Mortgage loans	1 259	631	–	–
– Finance leases	198	203	–	–
– Other long-term loans	12 580	12 916	3 266	–
– SARS	–	218	–	–
– Other	874	90	–	–
	26 887	16 257	3 771	–
Non-cash				
– Decommissioning provision (note 20, 32.2)	67	522	–	–
	26 954	16 779	3 771	–
26. AUDITORS' REMUNERATION				
Audit fee				
Current	4 756	1 635	1 363	–
Prior year under provision	281	168	–	–
Non-audit services	358	748	–	–
Auditors' remuneration	5 395	2 551	1 363	–
27. DIRECTORS' EMOLUMENTS				
Directors – executive				
For services as directors	13 204	9 387	–	1 000
Pension costs	428	291	–	–
Bonus accrual – current year	3 000	2 539	–	–
Bonus accrual – prior year	(2 539)	(850)	–	–
Directors – non-executive				
For services as directors	1 725	1 003	1 725	–
	15 818	12 370	1 725	1 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000
28. EXPENSES BY NATURE				
Cost of service, changes in inventories of finished goods and work in progress	386 482	199 528	–	–
Employee benefits expense (note 23)	231 224	106 293	1 725	1 000
Depreciation and amortisation charges (note 23)	51 694	25 575	7	–
Impairment of intangibles and available-for-sale financial assets (note 23)	11 954	–	–	–
Advertising costs	11 980	7 593	–	–
Operating lease payments (note 23)	11 721	11 415	304	–
Travel costs	17 413	5 513	–	–
IT and system costs	8 564	5 177	–	–
Warranties	5 198	1 173	–	–
Auditing and professional payments	12 662	9 673	2 961	–
Other expenses	84 560	42 888	812	521
Total cost of sales, distribution costs and administrative expenses	833 292	414 827	5 809	1 521
29. TAXATION				
Major components of taxation expense				
SA normal taxation (note 32.3)	46 806	26 827	–	–
Current	45 780	24 243	–	–
Under provision prior years	66	–	–	–
Secondary taxation on companies	960	2 584	–	–
Deferred taxation (note 19)	(7 681)	(1 577)	–	–
Current year	(7 681)	(534)	–	–
Rate change	–	(1 043)	–	–
	39 125	25 250	–	–
Tax rate reconciliation				
The tax on the Group's/Company's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the entities as follows:				
Profit before tax	108 210	82 355	740	14 209
Taxation at the applicable tax rate of 28% (March 2008: 29%)	30 299	23 883	207	4 121
Tax effect of adjustments to taxable income	8 826	1 367	(207)	(4 121)
– Permanent differences	3 040	703	(207)	(4 121)
– Secondary tax on companies	960	2 584	–	–
– Rate change	–	(1 043)	–	–
– Foreign tax paid	10	4	–	–
– Foreign tax rate differential	(3 007)	(78)	–	–
– Deferred tax not recognised on assessed losses (note 19)	7 568	–	–	–
– Deferred tax previously not recognised	–	(809)	–	–
Other	255	6	–	–
	39 125	25 250	–	–

The Group weighted average tax rate is 36,2% (2008: 30,7%). The increase in comparison to the prior year is caused by deferred tax assets not raised on assessed losses for the UK and Germany, offset by the lower tax rate in the UAE.

	GROUP		COMPANY	
	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000
30. EARNINGS PER SHARE				
Basic				
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.				
Profit attributable to equity holders of the Company	69 085	52 504	740	14 209
Weighted average number of ordinary shares in issue (000's)	649 917	440 000	649 917	440 000
Basic earnings per share (cents)	10,6	11,9	0,1	3,2
Diluted				
Diluted earnings per share is calculated by dividing the diluted profit attributable to equity holders of the Company by the diluted weighted average number of ordinary shares in issue during the year. The Company has one category of diluted potential ordinary shares: share options, for which a calculation is done to determine the number of shares that could have been acquired at fair value (determined at the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.				
Profit attributable to equity holders of the Company	69 085	52 504	740	14 209
Diluted weighted average number of ordinary shares in issue (000's)	649 917	440 155	649 917	440 155
Diluted earnings per share (cents)	10,6	11,9	0,1	3,2
Headline earnings per share				
Reconciliation of headline earnings				
Profit attributable to equity holders of the Company	69 085	52 504	740	14 209
Loss/(profit) on disposal of assets (after tax)	344	(47)	-	-
Impairment of intangibles and available-for-sale financial assets	11 954	-	-	-
Negative goodwill	(1 325)	-	-	-
Headline earnings attributable to equity holders of the Company	80 058	52 457	740	14 209
Basic				
Basic headline earnings per share is calculated by dividing the headline earnings attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.				
Headline earnings attributable to equity holders of the Company	80 058	52 457	740	14 209
Weighted average number of ordinary shares in issue (000's)	649 917	440 000	649 917	440 000
Basic headline earnings per share (cents)	12,3	11,9	0,1	3,2
Diluted				
Diluted headline earnings per share is calculated by dividing the diluted headline earnings attributable to equity holders of the Company by the diluted weighted average number of ordinary shares in issue during the year.				
Diluted headline earnings attributable to equity holders of the Company	80 058	52 457	740	14 209
Diluted weighted average number of ordinary shares in issue (000's)	649 917	440 155	649 917	440 155
Diluted headline earnings per share (cents)	12,3	11,9	0,1	3,2
31. DIVIDEND PER SHARE				
Dividend paid	9 600	15 500	9 600	15 500
Shares in issue at dividend date	640 000	240 000	640 000	240 000
Dividend per share (cents)	1,5	6,5	1,5	6,5

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000
32. CASH FLOW STATEMENT				
32.1 The following convention applies to figures other than adjustments:				
Outflows of cash are represented by figures in brackets. Inflows of cash are represented by figures without brackets.				
32.2 Reconciliation of profit for the year before taxation to cash generated from/(used in) operations				
Profit before income tax	108 210	82 355	740	14 209
Adjustments	117 542	57 853	(6 131)	(15 730)
– Loss/(profit) on disposal of property, plant and equipment (note 23)	425	(47)	–	–
– Dividend received (note 22)	–	–	(9 600)	(15 500)
– Depreciation (note 3; 23)	13 203	8 414	–	–
– Amortisation (note 4; 23)	38 491	17 161	7	–
– Negative goodwill (note 22)	(1 325)	–	–	–
– Impairment of intangible assets (note 4, 23)	10 226	–	–	–
– Impairment of available-for-sale financial asset (note 23)	1 728	–	–	–
– Interest income (note 24)	(1 023)	(1 242)	(309)	(230)
– Interest charge – cash (note 25)	26 887	16 257	3 771	–
– Interest charge – non-cash (note 20, 25)	67	522	–	–
– Forward exchange currency gain	(1 107)	–	–	–
– Foreign exchange losses	696	–	–	–
– Share of joint venture losses (note 6)	916	–	–	–
– Share option expense (note 23)	2 006	155	–	–
– Unrealised foreign exchange gain	(1 469)	(870)	–	–
– Impairment of receivables (note 10)	8 192	5 622	–	–
– Write-down of inventory to net realisable value (note 8, 23)	1 935	1 529	–	–
– Inventory consumed and included in cost of sales (note 9, 23)	18 538	12 666	–	–
– Decrease in provisions	(323)	(1 437)	–	–
– Lease straight line adjustment	(521)	(877)	–	–
Operating profit/(loss) before working capital changes	225 752	140 208	(5 392)	(1 521)
Changes in working capital	745	(25 280)	(637)	855
– Decrease/(increase) in inventories	18 925	(8 365)	–	–
– Increase in inventory held in client vehicles (note 9)	(17 994)	(15 338)	–	–
– (Increase)/decrease in trade and other receivables	(9 398)	(25 091)	(802)	61
– Increase in trade and other payables	9 563	23 514	165	794
– Change in restricted cash	(351)	–	–	–
Cash generated from/(used in) operations	226 497	114 928	(6 029)	(666)
32.3 Normal taxation paid				
Amount unpaid/(overpaid) at beginning of year	25 208	2 275	(79)	(62)
Acquired through business combination (note 33)	–	8 860	–	–
Foreign currency translation differences	(356)	269	–	–
SA normal taxation (note 29)	46 806	26 827	–	–
Amount overpaid at end of the year	436	79	74	79
Amount unpaid at end of the year	(10 603)	(25 287)	–	–
	61 491	13 023	(5)	17

33. BUSINESS COMBINATIONS

33.1 Current year

On 1 August 2008 and 1 September 2008, the Group acquired 100% of Tripmaster, subsequently renamed MiX Telematics North America Inc, for a nominal consideration and the SafeDrive International Group of companies for AUD6 million and 17 million MiX Telematics Limited shares, respectively. These businesses sell fleet management products and services for the commercial vehicle market globally.

MiX Telematics North America and the SafeDrive International Group of companies contributed revenues of R118,5 million and profit after tax of R15,5 million to the Group for the year ended 31 March 2009.

If these acquisitions had been effective from 1 April 2008, the Group's revenue would have increased by a further R50,4 million and profit after tax for the year would have increased by a further R2,6 million.

These amounts have been calculated in accordance with the Group's accounting policies and by adjusting the results of the businesses to reflect the additional amortisation and depreciation charges that would have arisen, assuming the fair value adjustments to tangible and intangible assets and liabilities were applied on 1 April 2008.

Effectively 100% of the following subsidiary companies were acquired as part of these transactions:

- SafeDrive International (Proprietary) Limited
- SafeDrive FZE
- Driver Training International Middle East and Africa
- Tripmaster Inc

	R'000	R'000	R'000
	SDI Group	Tripmaster	Total
Detail of net assets acquired and goodwill are as follows:			
Purchase consideration:			
Cash and direct cost relating to the acquisition	40 232	-	40 232
Fair value of shares to be issued (note 14)	17 000	-	17 000
Total purchase consideration	57 232	-	57 232
Provisional negative goodwill included in other income (note 22)		1 325	1 325
Less: Provisional net asset value acquired	(25 631)	(1 325)	(26 956)
Goodwill (note 4)	31 601	-	31 601
Purchase consideration	57 232	-	57 232
Less: Foreign exchange gain	(411)	-	(411)
Less: To be settled through shares issued (note 14)	(17 000)	-	(17 000)
Less: Cash acquired	(6 317)	(2 458)	(8 775)
Net cash outflow/(inflow) effect of business combination	33 504	(2 458)	(31 046)

In terms of the agreement for the acquisition of the SafeDrive International Group of companies, the share portion of the purchase consideration is contingent on specific profit after tax and shareholder equity performance thresholds being met. To the extent that the respective performance thresholds are not achieved, the number of consideration shares to be issued will be reduced in accordance with the agreement. The shares will be issued at the fair value of the Group's shares on effective date, which approximated the closing price on 1 September 2008.

The initial accounting for these business combinations has been determined on a provisional basis as the determination of fair value of all tangible assets and liabilities and the valuation of underlying intangible assets is still being finalised. With the acquisitions having been concluded in the months close to year end, it was not possible to have the initial accounting finalised for year end. The provisionally determined goodwill is expected to change once the fair values of both the tangible and intangible assets and liabilities have been finally determined.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

33. BUSINESS COMBINATIONS (continued)

33.1 Current year (continued)

The goodwill allocated to the SafeDrive International Group of companies is denominated in Australian and United States dollars and accordingly is revalued at every reporting date.

The assets and liabilities arising from the acquisition are as follows:

		1 September 2008 R'000	1 August 2008 R'000	R'000	R'000
	Note	SDI Group	Tripmaster	Book value	Provisional fair value
Property, plant and equipment	3	2 497	678	3 175	3 175
Intangible assets	4	–	402	402	9 252
Inventory		4 179	3 086	7 265	7 265
Trade and other receivables		14 521	2 308	16 829	16 829
Cash and cash equivalents		6 317	2 458	8 775	8 775
Deferred tax liability	19	(248)	–	(248)	(248)
Borrowings	16	(1 798)	(170)	(1 968)	(1 968)
Trade and other payables		(7 343)	(7 068)	(14 411)	(14 411)
Provisions and other liabilities	20	(1 344)	(369)	(1 713)	(1 713)
Net asset value/fair value acquired		16 781	1 325	18 106	26 956

33.2 Prior year

On 1 October 2007, the Group acquired 100% of the South African and European fleet management businesses of Control Instruments Group Limited, namely OmniBridge SA and Datatrak UK. These businesses design, develop and sell fleet management products and services for the commercial vehicle market globally. The company was listed on the Johannesburg Stock Exchange to facilitate the purchase consideration of 320 million ordinary shares payable to Control Instruments Group Limited.

OmniBridge SA and Datatrak UK contributed revenues of R203,6 million and profit after tax of R13,0 million to the Group for the year ended 31 March 2008.

If these acquisitions had been effective from 1 April 2007, the Group's revenue would have increased by R183,1 million and profit after tax for the year would have increased by R5,1 million.

These amounts have been calculated in accordance with the Group's accounting policies and by adjusting the results of the businesses to reflect (i) the additional amortisation and depreciation charges that would have arisen, assuming the fair value adjustments to property, plant and equipment and intangible assets were applied on 1 April 2007 and (ii) the interest charge that would have been carried by the Group assuming the agreed debt structures were also put in place effective 1 April 2007.

Effectively 100% of the following subsidiary companies were acquired as part of this transaction:

- CI OmniBridge (Proprietary) Limited ("OmniBridge SA");
- Sunstore Limited, a holding company registered in Cyprus;
- CI OmniBridge UK Limited ("Datatrak UK"), a company registered in the United Kingdom and owned 100% by Sunstore Limited;
- Manupont 76 (Proprietary) Limited, owned 100% by CI OmniBridge (Proprietary) Limited; and
- CI OmniBridge GmbH, a company registered in Germany and owned 100% by CI OmniBridge UK Limited.

33. BUSINESS COMBINATIONS (continued)

33.2 Prior year (continued)

	R'000 OmniBridge SA	R'000 Datatrak UK	R'000 Total
Detail of net assets acquired and goodwill are as follows:			
Purchase consideration:			
Direct cost relating to the acquisition	1 422	289	1 711
Fair value of shares issued (note 14)	434 093	187 116	621 209
Total purchase consideration	435 515	187 405	622 920
Less: Fair value of net assets acquired	(3 257)	97 824	94 567
Goodwill (note 4)	438 772	89 581	528 353
Purchase consideration			622 920
Less: Settled through shares issued (note 14)			(621 209)
Less: Cash acquired			(16 383)
Net cash inflow effect of business combination			(14 672)

The shares issued as purchase consideration were valued at the fair value of MiX Telematics Limited, which was calculated by an independent valuation expert and was determined using a discounted cash flow model and the following assumptions:

- Revenue growth rate of 14% per annum;
- Weighted average cost of capital of 16,2%;
- Tax rate of 29%;
- Terminal growth rate of 4% after year 5; and
- A debt burden of R95 million in the business at effective date.

The fair value of the net assets of the businesses acquired has been determined on a provisional basis, due to an ongoing dispute between the Company and the vendors of the businesses acquired; and the fair valuation of certain tangible assets still being finalised. This dispute relates to the calculation of the net working capital of the businesses acquired at 1 October 2007. The resolution of this dispute could have an impact on either the purchase consideration or the fair value of assets acquired (note 35).

The goodwill is attributable to the workforce and intellectual capital of the acquired businesses as well as the significant synergies expected to arise after the acquisition.

The goodwill allocated to Datatrak UK is denominated in British Pounds Sterling and accordingly is revalued at every reporting date.

The Datatrak UK business was acquired by Control Instruments Group Limited effective 1 June 2007; as part of this acquisition the assets were recorded at fair value in their respective financial records. A subsequent review of these fair values revealed that there had been no material change in fair value of the businesses between 1 June 2007 and 1 October 2007 when the business was acquired by the Company.

The assets and liabilities as of 1 October 2007 arising from the acquisition are as follows:

	Note	R'000 OmniBridge SA	R'000 Datatrak UK	R'000 Book value	R'000 Fair value
Property, plant and equipment	3	26 069	13 274	39 343	40 859
Intangible assets	4	29 774	60 350	90 124	147 119
Available-for-sale financial asset	7	–	4 867	4 867	4 867
Inventories – other		11 716	24 159	35 875	35 133
Inventories held in client vehicles	9	916	–	916	916
Trade and other receivables		30 546	50 208	80 754	80 754
Cash and cash equivalents		713	15 670	16 383	16 383
Borrowings	16	(19 720)	(3 446)	(23 166)	(23 166)
Vendor loans		(102 293)	–	(102 293)	(102 293)
Deferred income tax	19	(4 937)	673	(4 264)	(21 017)
Trade and other payables		(7 529)	(43 885)	(51 414)	(51 414)
Income tax liabilities	32.3	(7 096)	(1 764)	(8 860)	(8 860)
Provisions		(2 432)	(22 282)	(24 714)	(24 714)
Net asset value/fair value acquired		(44 273)	97 824	53 551	94 567

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000	Year ended 31 March 2009 R'000	Year ended 31 March 2008 R'000
34. RELATED PARTY TRANSACTIONS				
The Group's:				
– directors are listed on page 18 of the directors' report				
– directors' shareholdings are listed on page 20 of the directors' report				
– list of subsidiaries has been included in note 40				
Transactions with related parties are as follows:				
Sales of goods and services	1 591	3 693	–	–
Year end balances arising from sales of goods and services	1 279	1 396	–	–
Purchases of goods and services	68 955	29 330	–	–
Year end balances arising from purchases of goods and services	8 042	2 467	–	–
Executive remuneration, key management include directors (executive and non-executive)	15 818	12 370	1 725	1 000
Inter-company transactions within the Group are as follows:				
Sales of goods and services				
– Revenue	125 157	19 405	–	–
– Purchases	(125 157)	(19 405)	–	–
Overhead recovery charges				
– Recovery income	9 480	2 805	–	–
– Expense charge	(9 480)	(2 805)	–	–
Interest				
– Received	8 509	3 657	–	–
– Charged	(8 509)	(3 657)	–	–
Dividends received				
– Paid	(9 600)	(15 500)	–	–
– Received	9 600	15 500	9 600	15 500
Year end balances arising from sale of goods and services				
– Receivables	66 732	5 067	–	–
– Payables	(66 732)	(5 067)	–	–
Inter-company loans				
– Receivable	189 687	70 639	37 534	–
– Payable	(189 687)	(70 639)	(12 959)	(6 839)

35. CONTINGENCIES

(a) Connection incentives

The Group has received connection incentives from Mobile Telephone Networks (Proprietary) Limited for connecting subscribers to their network. In the event that the subscriber contract is terminated during the two year service contract period, the full amount of the connection incentive received for this subscriber contract becomes repayable. In the unlikely event that all subscriber contracts were terminated prematurely, the potential liability would amount to R78,9 million (2008: R77,6 million). No loss is expected under this arrangement.

35. CONTINGENCIES (continued)

(b) Vehicle Security Association of South Africa ("VESA")

As previously reported, the Competition Commission has 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 will be heard by the Competition Tribunal in the next few months. The Company has been advised that, due to the nature of the complaint, there should be no monetary damages in the unlikely event of an adverse finding. The Company will continue to incur costs associated with defending this matter.

(c) Net working capital dispute

The Group remains in dispute with the vendors of OmniBridge RSA and OmniBridge Europe regarding the fair value of net working capital in the businesses at the effective date of acquisition. The dispute is being resolved in terms of the sale of shares agreement. Any award made will have no material impact on earnings and the Group has not accounted for any of the amounts claimed by it in the dispute. Management does not expect the impact of this to be material.

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
36. COMMITMENTS				
Capital commitments				
At 31 March, the Group had approved, but not yet contracted, capital commitments for:				
Property, plant and equipment	831	18 445	–	–
Intangible assets	9 173	9 199	–	–
	10 004	27 644	–	–
Operating leases				
The Group leases various offices and office equipment under non-cancellable operating lease agreements. The leases have various terms and escalation clauses and renewal rights.				
The future minimum lease payments under non-cancellable operating leases are as follows:				
<i>Land and buildings</i>				
Within one year	12 384	9 002	311	–
Two to five years	22 731	26 121	191	–
	35 115	35 123	502	–
<i>Office equipment</i>				
Within one year	2 783	196	–	–
Two to five years	4 729	220	–	–
	7 512	416	–	–
<i>Vehicles</i>				
Within one year	3 623	44	–	–
Two to five years	2 160	–	–	–
	5 783	44	–	–

37. SUBSEQUENT EVENTS

Subsequent to year end, the board of directors declared a dividend of 4 cents per share on which Secondary Taxation on Companies of R2,6 million will be paid.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

	GROUP		COMPANY	
	31 March 2009 R'000	31 March 2008 R'000	31 March 2009 R'000	31 March 2008 R'000
38. FINANCIAL RISK SENSITIVITY ANALYSIS				
Interest rate sensitivity				
A change of 100 basis points in the interest rate at the reporting date would have increased/(decreased) profit or loss before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.				
Increase of 100 basis points	(2 291)	(893)	(813)	–
Decrease of 100 basis points	2 291	893	813	–

Foreign currency sensitivity

The Group has used a sensitivity analysis technique that measures the estimated change to profit or loss and equity of an instantaneous 5% strengthening or weakening in the Rand against all other currencies, from the rate applicable at 31 March 2009, for each class of financial instrument with all other variables remaining constant. This analysis is for illustrative purposes only as, in practice, market rates rarely change in isolation.

The Group is exposed mainly to fluctuations in foreign exchange rates in respect of the South African Rand, Australian Dollar, US Dollar, the British Pound and the Euro. This analysis considers the impact of changes in foreign exchange rates on profit or loss or equity, excluding foreign exchange translation differences resulting from the translation of the Group entities that have a functional currency different from the presentation currency, into the Group's presentation currency (and recognised in the foreign currency translation reserve).

A change in the foreign exchange rates to which the Group is exposed at the reporting date would have increased/(decreased) profit before tax/equity by the amounts shown below.

The analysis has been performed on the basis of the change occurring at the start of the reporting period.

Group	Increase/(decrease) in profit before tax			Increase/(decrease) in equity	
	Change in exchange rate ZAR	Result of weakening in functional currency ZAR	Result of strengthening in functional currency ZAR	Result of weakening in functional currency ZAR	Result of strengthening in functional currency ZAR
At 31 March 2009					
Denominated currency: Functional currency					
EURO: GBP	5%	(156)	156	–	–
USD: AUD	5%	(42)	42	–	–
EURO: AUD	5%	(10)	10	–	–
ZAR: USD	5%	–	–	(151)	151
USD: ZAR	5%	827	(827)	–	–
EURO: ZAR	5%	825	(825)	–	–
GBP: ZAR	5%	(4)	4	451	(451)
EURO: USD	5%	50	(50)	–	–
AUD: USD	5%	163	(163)	–	–

39. LIQUIDITY RISK

Liquidity risk is the risk that there will be insufficient funds available to settle obligations when they are due.

The Group has limited risk due to the recurring nature of its income. In addition, the Group has access to undrawn borrowing facilities (note 16).

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Within 1 month or on demand R'000	Between 1 month and 1 year R'000	Between 1 year and 2 years R'000	Between 2 years and 5 years R'000	More than 5 years R'000
Group					
31 March 2009					
Long-term loans	5 448	89 716	49 021	83 148	–
Mortgage loans	197	2 167	2 364	5 910	–
Finance leases	284	2 534	1 054	769	–
Trade payables	46 966	–	–	–	–
Accruals and other payables	59 651	3 428	831	–	–
Bank overdraft	27 732	–	–	–	–
31 March 2008					
Long-term loans	15 465	52 330	38 733	63 549	–
Mortgage loans	203	2 232	2 435	7 306	1 220
Finance leases	177	2 164	2 024	388	–
Trade payables	48 049	4 278	–	–	–
Accruals and other payables	29 708	10 207	–	–	–
Bank overdraft	31 256	–	–	–	–
Company					
31 March 2009					
Long-term loans	1 689	18 581	20 270	52 364	–
Trade payables	11	–	–	–	–
Accruals and other payables	994	–	–	–	–
Bank overdraft	13 080	–	–	–	–
Related party loan	12 959	–	–	–	–
31 March 2008					
Accruals and other payables	635	–	–	–	–
Related party loan	6 839	–	–	–	–

There have been no changes in the Group's financial risk management described above relative to the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2009 (continued)

40. LIST OF GROUP COMPANIES

MiX Telematics Limited is the parent company of the MiX Telematics Group of companies outlined below.

All of the entities listed have been consolidated apart from Matrixvtrack Nig. Limited, which is a joint venture and has been equity accounted for.

100% of MiX Telematics Enterprise SA (Proprietary) Limited has effectively been consolidated as the remaining shareholding (14,9%) is owned by the MiX Telematics Enterprise BEE Trust, which is regarded as being controlled by the Group and therefore also consolidated.

Due to the Group controlling the financial and operating policies of Driver Training International and the 51% shareholder only being entitled to agency commission on certain sales within the UAE as opposed to 51% of the profit or loss or net assets of the entity, Driver Training International is consolidated with no minority interest being accounted for.

Name	Principal activity	Place of incorporation	Effective % ownership	
			2009	2008
Direct				
MiX Telematics Africa (Proprietary) Limited previously Matrix Vehicle Tracking (Proprietary) Limited	Vehicle tracking and recovery	RSA	100%	100%
MiX Telematics International (Proprietary) Limited previously OmniBridge (Proprietary) Limited	Fleet management products and services	RSA	100%	100%
Sunstore Limited	Holding company	Cyprus	100%	100%
Indirect				
MiX Telematics UK Limited previously CI OmniBridge UK Limited	Fleet management products and services	UK	100%	100%
MiX Telematics Technology Holdings (Proprietary) Limited previously Manupont 76 (Proprietary) Limited	Intellectual property rights	RSA	100%	100%
MiX Telematics Europe GmbH previously CI OmniBridge GmbH	Fleet management products and services	Germany	100%	100%
Mix Telematics North America Inc previously Tripmaster Inc	Fleet management products and services	USA	100%	–
SafeDrive International Group				
– SafeDrive International (Proprietary) Limited	Fleet management products and services	Australia	100%	–
– SafeDrive FZE	Fleet management products and services	Dubai	100%	–
– Driver Training International Middle East and Africa	Fleet management products and services	Dubai	49%	–
MiX Telematics Enterprise SA (Proprietary) Limited	Fleet management products and services	RSA	85,1%	–
The MiX Telematics Enterprise BEE Trust	BEE ownership trust	RSA	0%	–
Matrixvtrack Nig. Limited	Vehicle tracking and recovery	Nigeria	60%	–

41. COMPARATIVE AMOUNTS

During the year under review, the capital expenditure allocated to the “fleet management” primary segment and the “South Africa” secondary segment for the year ended 31 March 2008 were adjusted to include intangibles and tangible assets arising out of the business combination entered into during the prior financial year. This was done for the numbers to be comparable to the current financial year.

NOTICE OF ANNUAL GENERAL MEETING

MiX TELEMATICS LIMITED

(Registration number 1995/013858/06)

JSE Code: MIX

ISIN: ZAE 000125316 (previously ISIN: ZAE000104683)

Notice is hereby given that the annual general meeting of shareholders of MiX Telematics Limited ("the Company") will be held at Matrix Corner, Howick Close, Waterfall Park, Midrand on Monday, 31 August 2009 at 10H00 for the following purposes:

1. To consider the annual financial statements for the year ended 31 March 2009;
2. To transact such other business as may be transacted at an annual general meeting of a company including the re-appointment of the auditors and re-election of retiring directors; and
3. To consider and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out below, in the manner required by the South African Companies Act, (Act 61 of 1973), as amended (the "Act"):

SPECIAL RESOLUTION NUMBER 1: SHARE REPURCHASES

"Resolved that the directors be authorised pursuant *inter alia* to the Company's articles of association, until this authority lapses at the next annual general meeting of the Company, unless it is then renewed at the next annual general meeting of the Company and provided that this authority shall not extend beyond 15 months from date of passing this special resolution, for the Company or any subsidiary of the Company to acquire shares of the Company, subject to the Listings Requirements of the JSE Limited ("JSE") on the following bases:

1. repurchases of shares must be effected through the order book operated by the JSE trading system, and done without any prior understanding or arrangement between the Company and the counter-party;
2. at any point in time, the Company may only appoint one agent to effect repurchases on its behalf;
3. the Company must be authorised thereto by its articles of association;
4. the number of shares which may be acquired pursuant to this authority in any financial year (which commenced 1 April 2009) may not in the aggregate exceed 20% (twenty percent) (or 10% where such acquisitions are effected by a subsidiary) of the Company's share capital as at the date of this notice of annual general meeting;
5. repurchases of shares may not be made at a price more than 10% (ten percent) above the weighted average of the market value on the JSE of the shares in question for the five business days immediately preceding the repurchase;
6. repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) is in place and full details thereof announced on SENS prior to commencement of the prohibited period;
7. repurchases may only take place if, after such repurchase, the shareholder spread of the Company still complies with the Listings Requirements of the JSE;
8. after the Company has acquired shares which constitute, on a cumulative basis, 3% (three percent) of the number of shares in issue (at the time that authority from shareholders for the repurchase is granted), the Company shall publish an announcement to such effect, or any other announcements that may be required in such regard in terms of the Listings Requirements of the JSE which may be applicable from time to time; and
9. the Company's Sponsor shall confirm the adequacy of the Company's working capital for purposes of undertaking the repurchase of shares in writing to the JSE prior to entering the market to proceed with the repurchase."

NOTICE OF ANNUAL GENERAL MEETING

(continued)

In accordance with the Listings Requirements of the JSE, the directors record that:

Although there is no immediate intention to effect a repurchase of securities of the Company, the directors would utilise the general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The directors undertake that, after considering the maximum number of securities which may be repurchased and the price at which the repurchases may take place pursuant to the buyback general authority, for a period of 12 months after the date of notice of this annual general meeting:

- the Company and the Group will in the ordinary course of business be able to pay their debts;
- the assets of the Company and of the Group will exceed the liabilities of the Company and of the Group;
- the working capital, share capital and reserves of the Company and of the Group will be adequate for the purposes of the business of the Company and its subsidiaries.

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the Listings Requirements of the JSE for purposes of this general authority:

- Directors – page 8 and 9
- Major beneficial shareholders – page 20
- Directors' interest in ordinary shares – page 20
- Share capital of the Company – page 58

LITIGATION STATEMENT

The directors, whose names appear on pages 8 and 9 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings other than as disclosed in Annual Financial Statements, including proceedings that are pending or threatened, that may have or have had in the recent past (being at least the previous 12 (twelve) months) a material effect on the Group's financial position.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names appear on pages 8 and 9 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 the special resolutions contain all information required in terms of the Listings Requirements of the JSE.

MATERIAL CHANGES

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the Company and its subsidiaries since the date of signature of the annual report for the year ended 31 March 2009 and up to the date of this notice.

REASONS FOR AND EFFECTS OF SPECIAL RESOLUTION 1

The reason for Special Resolution 1 is to afford directors of the Company or a subsidiary of the Company a general authority to effect a buyback of the Company's shares on the JSE. The effect of the resolution will be that the directors will have the authority, subject to the Rules and Requirements of the JSE, to effect acquisitions of the Company's shares on the JSE.

ORDINARY RESOLUTION NUMBER 1: ISSUE OF SHARES FOR CASH

"Resolved that the directors be authorised pursuant *inter alia* to the Company's articles of association, until this authority lapses at the next annual general meeting of the Company, unless it is then renewed at the next annual general meeting of the Company provided that it shall not extend beyond 15 months, to allot and issue ordinary shares for cash subject to the Rules and Requirements of the JSE Limited ("JSE") on the following bases:

1. the allotment and issue of the shares must be made to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE and not to related parties;
2. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such shares or rights that are convertible into a class already in issue;

3. the number of shares issued for cash shall not in the aggregate in any one financial year exceed 15% (fifteen percent) of the Company's issued share capital of ordinary shares. The number of ordinary shares which may be issued shall be based on the number of ordinary shares in issue at the date of such application less any ordinary shares issued during the current financial year, provided that any ordinary shares to be issued pursuant to a rights issue (announced, irrevocable and fully underwritten) or acquisition (concluded up to the date of application including announcement of the final terms) may be included as though they were shares in issue at the date of application;
4. the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the shares;
5. after the Company has issued shares for cash which represent, on a cumulative basis within a financial year, 5% (five percent) or more of the number of shares in issue prior to that issue, the Company shall publish an announcement containing full details of the issue, (including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 days prior to the date that the price of the issue is agreed in writing between the Company and the party/ies subscribing for the shares and the effect of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share), or any other announcements that may be required in such regard in terms of the JSE Listings Requirements which may be applicable from time to time".

In terms of the Listings Requirements of the JSE a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy at the general meeting must be cast in favour of Ordinary Resolution Number 1 for it to be approved.

ORDINARY RESOLUTION NUMBER 2: UNISSUED ORDINARY SHARES

"Resolved that the authorised and unissued ordinary share capital of the Company be and is hereby placed under the control of the directors of the Company which directors are, subject to the rules and regulations of the JSE and the provisions of section 221 and section 222 of the Companies Act of 1973 as amended, authorised to allot and issue any of such shares at such time or times, to such person or persons, company or companies and upon such terms and conditions as they may determine, such authority to remain in force until the next annual general meeting of the Company."

ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF R BOTHA AS A DIRECTOR OF THE COMPANY

"Resolved that R Botha be re-elected as a director of the Company."

A brief curriculum vitae is set out on page 8 of the annual report of which this notice forms part.

ORDINARY RESOLUTION NUMBER 4: RE-ELECTION OF TE BUZER AS A DIRECTOR OF THE COMPANY

"Resolved that TE Buzer be re-elected as a director of the Company."

A brief curriculum vitae is set out on page 8 of the annual report of which this notice forms part.

ORDINARY RESOLUTION NUMBER 5: RE-ELECTION OF RA FREW AS A DIRECTOR OF THE COMPANY

"Resolved that RA Frew be re-elected as a director of the Company."

A brief curriculum vitae is set out on page 9 of the annual report of which this notice forms part.

ORDINARY RESOLUTION NUMBER 6: RE-ELECTION OF R FRIEDMAN AS A DIRECTOR OF THE COMPANY

"Resolved that R Friedman be re-elected as a director of the Company."

A brief curriculum vitae is set out on page 9 of the annual report of which this notice forms part.

ORDINARY RESOLUTION NUMBER 7: DIRECTORS' REMUNERATION: 2008/2009

"Resolved that the remuneration of the non-executive directors for 2008/2009, as set out on page 22 of the annual report of which this notice forms part be, and is hereby confirmed and ratified."

ORDINARY RESOLUTION NUMBER 8: DIRECTORS FEES: 2009/2010

"Resolved that approval be granted for fees payable to non-executive directors for the 2009/2010 financial year to be increased by 10% above those paid during the 2008/2009 year."

The last review of non-executive director's fees took place on 1 October 2007.

NOTICE OF ANNUAL GENERAL MEETING

(continued)

ORDINARY RESOLUTION NUMBER 9: RE-APPOINTMENT OF AUDITORS

"Resolved that PricewaterhouseCoopers Inc be re-appointed as auditors of the Company."

ORDINARY RESOLUTION NUMBER 10: SIGNATURE OF DOCUMENTATION

"Resolved that any director or the company secretary of the Company be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of Special Resolution number 1 and Ordinary Resolution numbers 1, 2, 3, 4, 5, 6, 7, 8 and 9 which are passed by the members in accordance with and subject to the terms thereof."

VOTING AND PROXIES

A shareholder of the Company entitled to attend and vote at the general meeting is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, vote and speak in his/her stead.

On a show of hands, every shareholder of the Company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the Company present in person or represented by proxy shall have one vote for every share held in the Company by such shareholder.

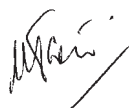
A form of proxy is attached for the convenience of any shareholder who cannot attend the annual general meeting. Forms of proxy may also be obtained on request from the Company's registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries of the Company, Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001 (P.O. Box 61051, Marshalltown 2107) to be received at least 48 hours prior to the meeting. Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the member subsequently decide to do so.

Shareholders who have already dematerialised their shares through a Central Securities Depository Participant ("CSDP") or broker rather than through own-name registration and who wish to attend the annual general meeting must instruct their CSDP or broker to issue them with the necessary authority to attend.

Dematerialised shareholders, who have elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting, should complete and lodge the attached form of proxy with the transfer secretaries of the Company.

Dematerialised shareholders who have not elected own-name registration in the sub-register through a CSDP and who are unable to attend but wish to vote at the annual general meeting should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the shareholder and his CSDP or broker.

By order of the board



Probity Business Services (Proprietary) Limited

Company Secretary

8 June 2009

Registered address

Matrix Corner
Howick Close
Waterfall Park
Midrand
1685

Transfer Secretaries

Computershare Investor Services (Proprietary) Limited
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown 2107)

FORM OF PROXY

MiX TELEMATICS LIMITED

(Registration number 1995/013858/06)

JSE Code: MIX

ISIN: ZAE 000125316 (previously ISIN: ZAE000104683)
("the Company")

For use by the holders of the Company's certificated ordinary shares ("certified shareholders") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected "own-name" registration ("own-name dematerialised shareholders") at the annual general meeting of the Company to be held at Matrix Corner, Howick Close, Waterfall Park, Midrand on Monday, 31 August 2009 at 10H00, or at any adjournment thereof if required. Additional forms of proxy are available from the transfer secretaries of the Company.

Not for use by holders of the Company's dematerialised ordinary shares who have not selected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions at the annual general meeting.

I/We _____ (Name in block letters)

of _____ (Address)

being the registered holder of ordinary shares in the capital of the Company hereby appoint

1. _____ or failing him

2. _____ or failing him

3. the chairperson of the meeting

as my/our proxy to act for me/us on my/our behalf at the annual general meeting, or any adjournment thereof, which will be held for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions as detailed in the Notice of Annual General Meeting, and to vote for and/or against such resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name(s), in accordance with the following instructions:

	Number of votes		
	In favour of	Against	Abstain
To pass special resolutions:			
1. General authority to effect share repurchases			
To pass ordinary resolutions:			
1. General authority to issue shares for cash			
2. To place unissued shares under the control of the directors			
3. To re-elect R Botha as a director of the Company			
4. To re-elect TE Buzer as a director of the Company			
5. To re-elect RA Frew as a director of the Company			
6. To re-elect R Friedman as a director of the Company			
7. To ratify non-executive directors' remuneration: 2008/2009			
8. To approve increase in fees payable to non-executive directors: 2009/2010			
9. To re-appoint PricewaterhouseCoopers Inc as auditors of the Company			
10. To authorise the signature of documentation			

(Indicate instructions to proxy in the spaces provided above.)
Unless otherwise instructed, my proxy may vote as he thinks fit.

Signed this _____ day of _____ 2009

Signature _____ Assisted by (if applicable) _____

NOTES TO FORM OF PROXY

1. Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the annual general meeting.
2. Shareholder/s that are certificated or own-name dematerialised shareholders may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided, with or without deleting "the chairperson of the meeting", but any such deletion must be initialled by the shareholder/s. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairperson, to vote or abstain from voting as deemed fit and in the case of the chairperson to vote in favour of the resolution.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
5. Forms of proxy must be lodged at or posted to Computershare Investor Services (Proprietary) Limited, 70 Marshall Street, Johannesburg 2001 (PO Box 61051, Marshalltown 2107) to be received not less than 48 hours prior to the meeting.
6. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.
7. The chairperson of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, the chairperson is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or the transfer secretaries or waived by the chairperson of the general meeting.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
10. A minor must be assisted by his/her parent guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
11. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.



COMPANY INFORMATION

www.mixtelematics.com

MiX Telematics Limited

(Incorporated in the Republic of South Africa)

(Registration number 1995/013858/06)

JSE code: MIX

ISIN: ZAE000125316 (previously ISIN: ZAE000104683)

Registered office of the Company

Matrix Corner, Howick Close, Waterfall Park, Midrand 1685

Postal address of the Company

PO Box 12326, Vorna Valley 1686

Transfer secretaries

Computershare Investor Services (Proprietary) Limited

(Registration number 2004/003647/07)

70 Marshall Street, Johannesburg 2001

(PO Box 61051, Marshalltown 2107)

Company secretary

Probity Business Services (Proprietary) Limited

(Registration number 2000/002046/07)

3rd Floor, The Mall Offices, 11 Cradock Avenue, Rosebank 2196

(PO Box 85392, Emmarentia 2029)

Corporate sponsor

Java Capital (Proprietary) Limited

(Registration number 2002/031862/07)

2nd Floor, 2 Arnold Road, Rosebank 2196

(PO Box 2087, Parklands 2121)

Auditors

PricewaterhouseCoopers Inc.

(Registration number 1998/012055/21)

2 Eglin Road, Sunninghill 2157

(Private Bag X36, Sunninghill 2157)

Bankers

Investec Bank Limited

(Registration number 1969/004763/06)

100 Grayston Drive, Sandton 2196

(PO Box 785700, Sandton 2146)

The Standard Bank of South Africa Limited

(Registration number 1962/000738/06)

3 Simmonds Street, Johannesburg 2001

(PO Box 61344, Marshalltown 2107)

First National Bank Limited

(Registration number 1929/001225/06)

Carlswald Lifestyle Centre, Harry Gaulaun Street, Midridge, Midrand

(PO Box 12, Carlswald 1685)



www.mixtelematics.com