

# MiX wins large tracking deal for Eskom vehicles

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VEHICLE-tracking company MiX Telematics has won a contract to provide 9 000 Eskom vehicles with fleet management technology solutions such as tracking and recovery systems.

CEO Stefan Joselowitz said the contract was a major achievement for MiX Telematics and was expected to make a meaningful contribution to revenue. The value of the tender was not disclosed.

"Comparing against the previous reporting period, the standout difference for our group is that we started this year with a couple of big wins, and implementation of these contracts is progressing well."

Mr Joselowitz said large global customers have been affirming their confidence in MiX Telematics' products and service.

Yesterday, MiX Telematics reported a 5,8% decline in operating profit for the six months to September. Revenue rose slightly to R435,5m from R431,2m in the previous period.

"MiX Telematics is growing in strength, despite current trading conditions and flat revenue and profit performance. We have again succeeded in growing our subscriber base and the associated recurring revenue to R254m (2009: R237m)," Mr Joselowitz said.

The company's trading conditions for the half-year were a mixed bag, he said.

MIX TELEMATICS		
Interim	2010	2009
Revenue (Rm)	435,5	431,2
Pretax (Rm)	37,4	37,9
Net Income (Rm)	23,5	23,7
HEPS (c)	3,6	3,6
Dividend PS	—	—

The North American operations showed good revenue growth, thanks partly to some repeat orders from customers. Latin America started to bear fruit with more than 3 000 subscribers added during the six-month period.

However, the UK was still under pressure, with the business reporting a decline in revenue to R82m from R120m.

Mr Joselowitz put this down to the UK's fragile economy. But the firm's base was still expanding, with new products launched into the European market at the end of the six-month period.

Revenue in the Middle East grew marginally to R55m from R54m, helped by gradual increases in the oil price. This resulted in opportunities that were previously on hold now being tabled again, Mr Joselowitz said.

MiX Telematics International, which makes up 22% of total group revenue, grew revenue by R24m to R96m. MiX Telematics Africa, which includes Matrix Recovery Service, reported revenue of R263m from R241m previously. MiX Telematics Africa accounts for half of the group's total revenue.

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