

Abridged pre-listing statement

The pre-listing statement of Cartrack dated 21 November 2014 ("Pre-listing Statement") is not an invitation to the public to subscribe for ordinary shares in the issued share capital of Cartrack ("Shares").

The Pre-listing Statement is issued in compliance with the Listings Requirements of the JSE Limited ("Listings Requirements") for the purpose of providing information regarding the listing of Cartrack on the Main Board of the securities exchange of the JSE Limited ("Listing") and the private placement to eligible investors ("Eligible Investors") by way of an offer for subscription ("Private Placement" or "Offer") for between 60,000,000 (representing 20% of Cartrack's issued share capital once issued) and 141,000,000 (representing 47% of Cartrack's issued share capital once issued) Shares ("Offer Shares").

The proceeds received by Cartrack pursuant to the Private Placement will be applied for the full and final settlement of the aggregate repurchase price owing by Cartrack to Onecell Holdings Proprietary Limited ("Onecell") (being a company controlled by the Company's founder) pursuant to the buyback agreement entered into between Cartrack and Onecell on 24 October 2014 in order to facilitate the Listing. Accordingly, no proceeds will remain with the Company.

For a single addressee acting as principal, applications can only be made at an aggregate acquisition cost of not less than R1,000,000 (one million Rand).

This abridged Pre-listing Statement contains the salient features of the Company, the Listing and the Private Placement and as such is not comprehensive. For a full appreciation of the Company, the Listing and the Private Placement, the Pre-listing Statement should be read in its entirety.

1. INTRODUCTION

The JSE has, subject to the shareholder spread obligations in terms of the Listings Requirements being obtained, granted Cartrack a listing of up to 300,000,000 Shares in the "Support Services" sector of the Main Board of the JSE under the abbreviated name "Cartrack" under share code: CTK and ISIN: ZAE000198305, with effect from the commencement of trading on Thursday, 11 December 2014.

The financial year-end of the Company is 28 February each calendar year.

2. VISION AND MISSION

Cartrack's vision is to achieve global industry leadership in the telematics industry including fleet management ("FM"), stolen vehicle recovery ("SVR") and insurance telematics (collectively, "Telematics").

Cartrack's mission is to provide its clients and partners with real-time actionable business intelligence based on advanced technology, first rate information systems, leading service and reliability.

3. NATURE OF BUSINESS, OPERATING GEOGRAPHIES AND PROSPECTS

3.1 Introduction

Since being founded in South Africa in 2001, Cartrack has evolved into a leading provider of FM, SVR and insurance telematics. The business incorporates global asset tracking, monitoring and recovery services together with the provision of FM information systems from a platform of innovative Telematics technologies.

Whilst its principal operations are situated in South Africa, Cartrack has embarked on an expansion drive into the rest of Africa, Europe and Asia.

Initially, Cartrack focused on SVR services, which led to the Cartrack system being developed and implemented for the Sub-Saharan African market where vehicle theft was, and remains, amongst the highest in the world.

In 2007, with the rapid development and convergence of telecommunication services, Cartrack expanded the scope of its offering to include full Telematics services, in particular FM. Data management information, such as fuel consumption and driver behavior, amongst others, is designed to maximise operational efficiencies to improve fuel economy, reduce labour costs, extend fleet vehicle life cycles and optimise customer service.

As at 31 August 2014, Cartrack employed 1,197 permanent staff members globally.

3.2 Key investment highlights

3.2.1 Proven track record of profitability and strong financial metrics

Cartrack has a proven track record since inception and in particular over the past 7 year period. The track record is demonstrated by Cartrack having achieved an average compound annual growth rate for the 2012 to 2014 financial year reporting period in revenue and net profit after tax of 19% and 21%, respectively. Revenue is generated through product sales and subscription fees from over 386,000 units worldwide of which approximately 305,000 are currently in South Africa (as at 31 August 2014).

Cartrack achieves amongst the leading gross profit, earnings before interest, tax, depreciation and amortization (“EBITDA”) and profit before tax (“PBT”) margins relative to its South African listed peers, being 81.4%, 33.7% and 32.2%, respectively.

3.2.2 Commitment by founding shareholder and depth and experience of management

Cartrack has a well-established and experienced senior management team led by the Company’s founder (being Isaias J. Calisto, Company Global Chief Executive Officer). To augment the ongoing commitment to the Company, Cartrack’s founder, through Onecell, has entered into a lock-up agreement to retain a controlling interest in Cartrack post the Listing for a period of 2 years.

3.2.3 History of strong cash flow generation and cash conversion with low financial leverage and strong dividends

Cartrack’s EBITDA margins and PBT margins, coupled with low capital expenditure requirements, has ensured high levels of cash conversion which has consistently been approximately 90% over the last 2 year period. The strong cash flow generation and conversion, provides the Company with the requisite platform to fund expansion, as well as the ability and flexibility to return cash to shareholders in the form of dividends.

In line with Cartrack’s strong levels of cash conversion, Cartrack intends to maintain a dividend payout ratio in excess of 70% post the Listing.

3.2.4 Platform for growth

Cartrack has a combination of well established businesses, both locally and internationally, and a growing footprint in selected African, Asian and European countries. The Company is well-positioned to take advantage of the vastly underdeveloped Telematics market in these territories, given Cartrack’s successful track record in organic expansion.

3.2.5 Favourable industry dynamics

Demand for Telematics services are driven by the size of the global vehicle fleets (including both commercial and passenger vehicles). With the size of the global vehicle fleet currently estimated at 1.1 billion vehicles and forecasted to grow to 2.3 billion vehicles by the year 2035, Cartrack is favorably positioned in a burgeoning industry.

In addition, current global commercial telematics subscriptions are expected to treble by 2019 relative to current levels.

3.3 Key strengths

Cartrack believes that the following strengths contribute to its success and distinguish it from its competitors:

- Scalable approach

Cartrack has positioned itself to cater for the mainstream Telematics market and does not intend to position itself in low volume niche markets. This approach has allowed Cartrack to achieve economies of scale across its business with a focus on growing its footprint without compromising on service delivery, reliability and margin generation.

- Audited 94% stolen vehicle recovery success rate and warranty

In South Africa, Cartrack boasts an audited SVR success rate of 94%. Demonstrating its confidence in, and dedication to the functioning of its technology platform, Cartrack currently provides a warranty to SVR customers of up to R150,000.

- Low fixed infrastructure cost and maximum reach

Cartrack maximises its geographical reach within each territory by utilising mobile certified installation teams, thereby creating a large footprint for Cartrack's expansive branch network. Infrastructure requirements are minimised by utilising cloud-based computing services which are managed centrally by a team of technology specialists.

- Focus and investment in technology

Cartrack's research and development is a key element to its success and is a differentiator that allows the Company to successfully expand globally. Cartrack's research and development activities are performed in-house which underpins the ability to rapidly adapt to market requirements while mitigating against any royalty or licensing constraints.

- International footprint and expansion

Cartrack has an international business footprint with operations in Africa, Asia and Europe. This geographic diversification and expansion affords Cartrack with the ability to benefit from growth and income diversification. Cartrack currently has a presence in 18 countries and has further international growth plans with the Asian market as a prominent focus for the Company.

4. GROWTH STRATEGY AND PROSPECTS

- International Growth

Globally, the awareness of the benefits of Telematics coupled with decreasing data and Telematics charges has facilitated increased usage of Telematics services. Cartrack plans to follow this global trend.

- Technological advancement

The advancement of Telematics technology in terms of functionality, miniaturisation and power management allows Cartrack to introduce innovative new technologies and increase market penetration of existing Telematics services. In addition, cost reductions and increases in product features both drive and meet increased customer demand.

- Industry and organic growth

The rapid convergence of mobile technology, and the benefits of real-time communication, provide numerous new market opportunities and expedite cost reductions which promote the adoption of Telematics offerings.

5. SIGNIFICANT FEATURES

Significant features of Cartrack include:

- forecasted annual turnover of R848 million and profit before tax of R285 million for the year ending 28 February 2015 (FY2015);
- audited annual turnover of R637 million and profit before tax of R240 million for the year ended 28 February 2014 (FY2014);

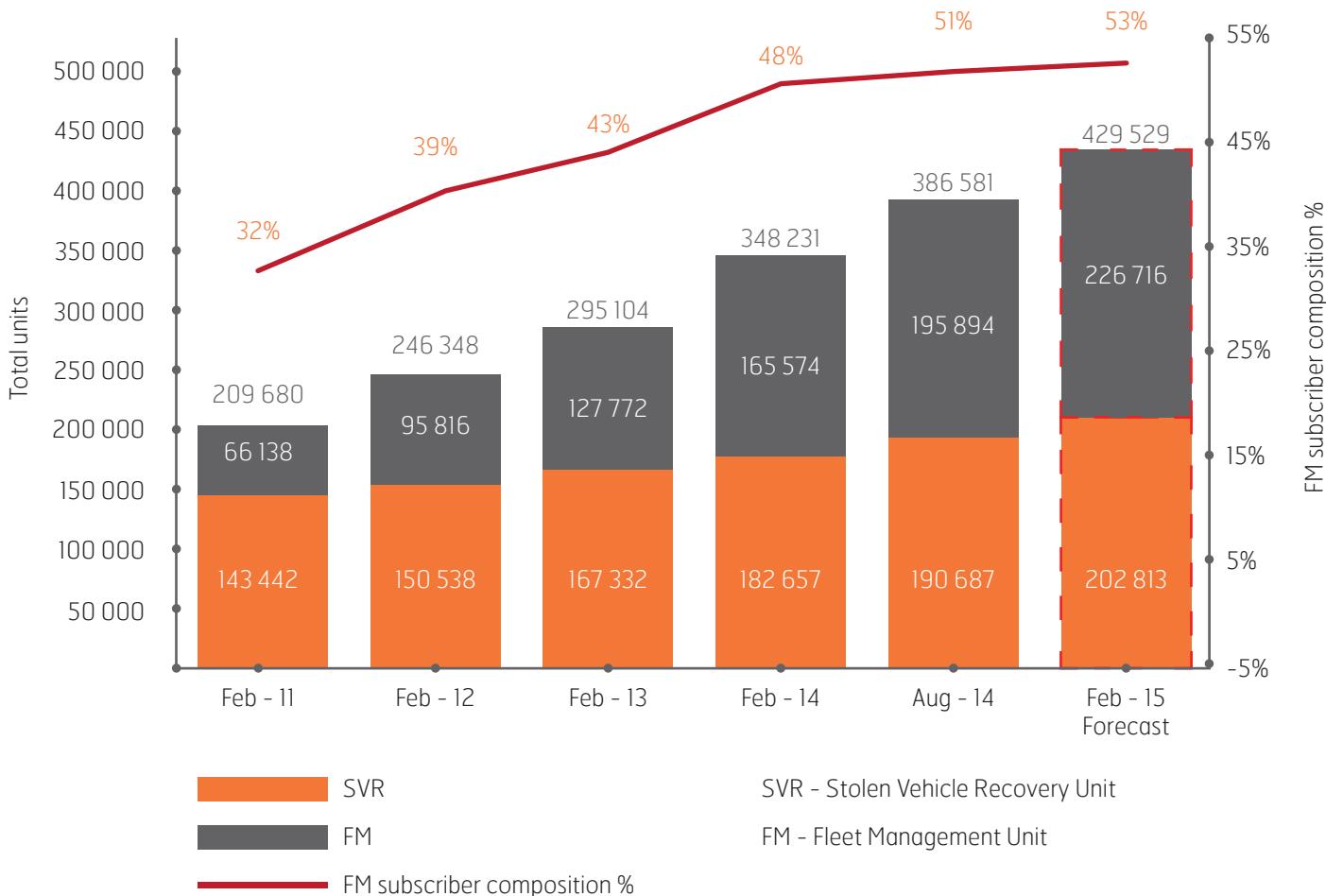
- net profit margins of 26.4% for FY2014 and 24.0% forecasted for FY2015;
- 74% of Cartrack's turnover is recurring annuity revenue with a client base of 386,581 units (31 August 2014), with 429,529 units forecasted for FY2015;
- 24% of Cartrack's turnover is earned in foreign currencies;
- ownership of an advanced technology platform and substantial research and development capabilities;
- all intellectual property relating to its mainstream products and services have been developed in-house with no associated royalties payable;
- presence in 18 countries with extensive global expansion plans; and
- audited recovery success rate of 94% for clients' vehicles stolen in South Africa.

6. SALIENT FINANCIAL INFORMATION AND SUBSCRIBER BASE

Cartrack's revenue, EBITDA and net profit after tax for the years ended 28 February 2012, 2013, 2014 and forecasted for the year ending 28 February 2015 are set out below:

	Financial year to February	Financial year to February	Financial year to February	Reviewed Forecast	CAGR
	2012	2013	2014	2015	2012 – 2014
	R'm	R'm	R'm	R'm	%
Revenue	448.4	495.8	637.0	847.7	19.2
EBITDA	169.3	193.5	247.8	323.2	21.0
Net profit after tax	114.7	137.7	168.0	203.7	21.0

Cartrack's historic and forecast subscription unit growth is illustrated below:



7. DIRECTORS

The names, ages, position and business addresses of the directors of Cartrack are set out in the table below:

Full name (age)	Position	Nationality	Business address	Date Appointed
Isaias Calisto ("Zak") (48)	Global Chief Executive Officer	South African	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	1 July 2008
John Edmeston (60)	Global Chief Financial Officer and Deputy Global Chief Executive Officer	South African	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	2 July 2014
David Brown (59)	Independent Chairman	South African	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	13 October 2014
Thebe Ikalafeng (48)	Independent non-executive Director	South African	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	13 October 2014
Kim White (38)	Independent non-executive Director	South African	Cartrack Corner 11 Keyes Road Rosebank Johannesburg 2196	13 October 2014

8. DETAILS OF THE PRIVATE PLACEMENT

The Offer comprises an offer by the Company for the Private Placement by way of a subscription for the Offer Shares as follows:

Offer price range per Share	R10.00 to R15.00
Number of Shares to be offered	60,000,000 to 141,000,000

The Offer is conditional on the minimum subscription that must be realised by the Company in order to enable it to ensure that the Company has, once the Offer is completed, such number and composition of shareholders as will enable it to meet the minimum free-float and shareholder spread requirements as prescribed by the Listings Requirements and acceptable to the JSE being realised and the Listing of all of the Shares on the JSE, failing which the Offer and any acceptance thereof shall not take effect and no person shall have any claim whatsoever against Cartrack, Investec Bank Limited or any other person as a result of the failure of any such condition.

9. IMPORTANT DATES AND TIMES

Key action	Date
Opening date of the Offer (09h00)	Monday, 24 November 2014
Closing date of the Offer (12h00)	Friday, 5 December 2014
Successful applicants advised of allocations by (12h00)	Monday, 8 December 2014
Offer Price and results of the Offer announced on SENS	Monday, 8 December 2014
Last date for Successful Applicants to make payment for their allocated Shares (12h00)	Wednesday, 10 December 2014
Shares listed on the JSE (09h00)	Thursday, 11 December 2014
Accounts at CSDPs and brokers credited with the shares on	Thursday, 11 December 2014

All dates and times shown in this Abridged Pre-Listing Statement are South African dates and times.

10. COPIES OF THE PRE-LISTING STATEMENT

The Pre-listing Statement is only available in English and copies may be attained during normal business hours from 08:30 to 17:00 for 14 days from the date of issue of the Pre-Listing Statement from Cartrack and Investec as follows:

- Cartrack, Cartrack Corner, 11 Keyes Road, Rosebank 2196, Johannesburg, South Africa;
- Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001, South Africa; and
- The Corporate Finance division of Investec Bank Limited, 2nd Floor, 100 Grayston Drive, Sandown, Sandton, 2196, South Africa.

The Pre-listing Statement may also be obtained on Cartrack's website (www.cartrack.co.za)

21 November 2014
Johannesburg

DISCLAIMER:

This Abridged Pre-listing Statement does not constitute an offer of securities in any jurisdiction. The securities contemplated in the Private Placement have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or under the securities legislation of any state or territory or jurisdiction of the United States or any other jurisdiction and may not be offered, sold, transferred or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any states or other jurisdiction of the United States. There will be no public offering in the United States. Cartrack is not registered and will not be registered under the US Investment Company Act of 1940, as amended, and related rules. This document does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefore. Any proposed listing and distribution of this document and other information in connection with a potential listing may be restricted by law in certain jurisdictions, and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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Any offer of securities to the public that may be deemed to be made pursuant to this communication in any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") is only addressed to qualified investors (as contemplated in Article 2(1)(e) of the Prospectus Directive) in that Member State within the meaning of the Prospectus Directive.

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This Abridged Pre-listing Statement is not a prospectus and the Offer referred to herein will not be open to the public. This Abridged Pre-listing Statement and the Offer does not constitute an offer to the public for the sale of, or subscription for, or the solicitation of an offer to buy or subscribe for, shares as defined in the Companies Act No. 71 of 2008 (the "Act") or otherwise, and will not be distributed to any person in South Africa in any manner which could be construed as an offer to the public in terms of the Act.

This Abridged Pre-listing Statement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

The Company, any other member of the Cartrack group, Investec, any of their respective affiliates and associated companies, any of their respective directors, officers, employees, legal and other advisers or agents expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this Abridged Pre-listing Statement whether as a result of new information, future developments or otherwise. In particular, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this announcement and nothing in this announcement is or should be relied on as a promise or representation as to the future.

Neither the Company nor any other member of the Cartrack group, Investec, nor any of their respective affiliates and associated companies, nor any of their respective directors, officers, employees, legal and other advisers or agents nor any other person accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this Abridged Pre-listing Statement (or whether any information has been omitted from the Abridged Pre-listing Statement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the Abridged Pre-listing Statement or its contents or otherwise arising in connection therewith.

Investec is acting exclusively for Cartrack and no-one else in connection with the Offer. They will not regard any other person as their respective clients in relation to the Offer and will not be responsible to anyone other than Cartrack for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offer, the contents of this Abridged Pre-listing statement or any transaction, arrangement or other matter referred to herein.

In connection with the Offer, Investec and any of their respective affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such shares and other securities of Cartrack or related investments in connection with the Offer or otherwise. Accordingly, references in the Pre-listing Statement to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by Investec and any of their respective affiliates acting as investors for their own accounts.

Investment Bank, Bookrunner
and Sponsor



Legal Advisor



Communication Advisor



Reporting Accountants
and Auditors



Transfer Secretaries

