

## **JASCO ELECTRONICS HOLDINGS LIMITED**

Incorporated in the Republic of South Africa  
Registration Number 1987/003293/06  
Share code: JSC ISIN: ZAE000003794  
("Jasco" or "the company" or "the group")

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### **TRADING STATEMENT**

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During the year ended 30 June 2017, the group operated in continued adverse trading conditions in South Africa, with low economic growth and a volatile Rand. These market conditions particularly impacted the second half of the financial year.

Based on these conditions, revenue will be between 1% and 5% lower and operating profit maintained at the same level as the previous corresponding period.

A number of once-off items had a particularly negative impact on earnings and headline earnings. These included:

1. Exiting unprofitable Security customer contracts and the resultant retrenchments
2. Investments in the group's international operations in the newly-established Middle East and further business development costs in East Africa
3. Transaction costs on two acquisitions, with a particular impact from the unsuccessful Cross Fire acquisition
4. A material tax impact due to unutilised foreign tax credits and non-deductible acquisition costs.

These costs, as well as the tough market conditions, therefore resulted in:

Earnings per share ("EPS") for the year ended 30 June 2017 to be between 38% and 48% lower (between 3.3 cents and 3.9 cents per share) compared to 6.3 cents per share for the previous corresponding period.

Headline earnings per share ("HEPS") to be between 56% and 66% lower (between 2.1 cents and 2.8 cents per share) compared to the 6.3 cents per share for the previous corresponding period.

The weighted average number of shares in issue for the period increased from 224 615 586 to 226 911 957 due to the vesting of shares issued by the Jasco Share Incentive Trust.

In line with commitments to the markets, the gearing level improved to 47% on the further reduction of debt following the accelerated receipt of the M-TEC sale proceeds.

The information in this trading statement has not been reviewed or reported on by the company's external auditors.

Shareholders are further advised that Jasco's audited annual results for the year ended 30 June 2017 will be announced on 13 September 2017.

**Midrand**

1 September 2017

**Sponsor**

Grindrod Bank Limited