

Allied Electronics Corporation Limited
(Registration number 1947/024583/06)
(Incorporated in the Republic of South Africa)
Share Code: AEL ISIN: ZAE000191342
("Altron" or "the company")

Altron Trading Statement

In terms of the Listings Requirements of the JSE Limited ("JSE"), a company listed on the JSE is required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on next will differ by 20% or more from the financial results of the previous corresponding reporting period.

Shareholders are advised that a reasonable degree of certainty exists that in respect of the company's total operations (continued and discontinued) the headline earnings per share for the six months ended 31 August 2017 is expected to be a profit of between 36 cents – 42 cents (between 16% and 36% higher as against the previous corresponding period (a profit of 31 cents)). Basic earnings per share is expected to be a profit of at least 20 cents (as against the previous corresponding period profit of 6 cents).

In line with the strategy of refocusing the Altron group and consistent with the prior period, the financial results for the six months ended 31 August 2017 have been split between continuing and discontinued operations in accordance with IFRS criteria. In this regard, the entire Powertech group, Altech Autopage and Altech Multimedia continue to be classified as discontinued operations for reporting purposes. This further disclosure provides shareholders with insight into the performance of the core and non-core operations within the Altron group.

On a normalised basis, both EBITDA and headline earnings in the continuing operations are expected to show growth in excess of 10%. The normalisation relates to significant once-off restructuring costs in the current period which will reduce overheads going forward, and the results of businesses closed in the prior corresponding period.

Prior to the normalisation adjustments referred above, headline earnings per share for the company's continuing operations for the six months ended 31 August 2017 is expected to be between 45 cents – 47 cents (between 13% and 17% lower as against the previous corresponding period (54 cents)). EBITDA for continuing operations is expected to be

broadly in line with the previous corresponding period despite the strengthening of the Rand which has reduced the contribution from the offshore operations, while headline earnings per share has reduced due to non-trading items as well as the increased number of shares in issue following the removal of the control structure and the issue of shares to Value Capital Partners for R400 million in April 2017. Basic earnings per share is expected to be between 41 cents – 45 cents (between 16% and 24% lower as against the previous corresponding period (54 cents)).

In respect of the company's discontinued operations the headline earnings per share for the six months ended 31 August 2017 is expected to be a loss of between 5 cents – 9 cents (between 61% and 78% better as against the previous corresponding period (a loss of 23 cents)). Basic earnings per share is expected to be a loss of between 14 cents – 22 cents (between 54% and 71% better as against the previous corresponding period (a loss of 48 cents)).

Altron's interim results for the financial half-year ended 31 August 2017 are expected to be announced on or about 25 October 2017.

This trading statement has not been reviewed or reported on by Altron's external auditor.

By order of the board.

Johannesburg
13 September 2017

Sponsor
Investec Bank Limited