

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 AND BUSINESS UPDATE FOR THE YEAR ENDED 28 FEBRUARY 2018**

In terms of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as there is a reasonable degree of certainty that the financial results for the period to be reported upon next will differ by at least 20% from the financial results for the previous corresponding period.

In line with the strategy of refocusing the Altron group and consistent with the prior period, the financial results for the year ended 28 February 2018 have been split between continuing and discontinued operations. The Board believes that, due to the current restructure and right-sizing of the business, as well as the disposal or closure of non-core operations, the normalised continuing operations’ results provide stakeholders with an accurate measure of the core sustainable earnings of Altron going forward.

### Continuing operations

During the financial year the Altron group restructured a number of its core operations to position itself for growth in the ICT sector. The core of its operations have had a satisfactory performance for the year ended 28 February 2018. Altron also announced on SENS on 29 September 2017 the acquisition of Phoenix Software in the UK which positively contributed to revenue and EBITDA since the conclusion of this transaction.

On a normalised basis, the continuing operations’ revenue is expected to increase by between 10% and 12%, while EBITDA is expected to increase by between 14% and 18%.

The primary difference between continuing operations and the normalised continuing operations’ results relates to approximately R60 million (after tax) of non-recurring costs relating to restructuring.

It is also important to note that the issue of additional shares in March 2017 to the group’s strategic shareholder, Value Capital Partners, has diluted certain performance metrics by approximately 10%, while the reduction in core debt will not be fully captured in those metrics.

The table below illustrates expected earnings per share and headline earnings per share after normalising for once-off costs during the financial year:

	<b>28 February FY17 (cents)</b>	<b>28 February FY18 Between (cents)</b>	<b>28 February FY18 % range between</b>
<b>Total operations</b>			
Headline earnings per share	72.2	132 – 146	83% – 102%
Earnings per share	(53.5)	63 – 74	218% – 238%
<b>Continuing Operations</b>			
Headline earnings per share	115.5	132 – 137	14% – 19%

Earnings per share	118.1	122 – 129	3% – 9%
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#### Discontinued operations

At year end, the Powertech group, Altech Multimedia and Altech Autopage continue to be classified as discontinued operations for reporting purposes. As communicated to shareholders through SENS on 4 April 2018 the last of the conditions precedent with regards to the disposal of Powertech Transformers is expected to be fulfilled by 31 May 2018. Altron expects to complete the disposal of the remaining discontinued operations, CBI Telecom Cables and Altech Multimedia, in the current financial year. A combination of the disposal of loss making operations and improved performance out of the remaining discontinued businesses has resulted in the material improvement in both earnings per share and headline earnings per share when compared to the prior year.

#### Year-end results before normalisation for once-off costs:

	<b>28 February FY17 (cents)</b>	<b>28 February FY18 Between (cents)</b>	<b>28 February FY18 % range between</b>
<b>Total operations</b>			
Headline earnings per share	70.9	111 – 125	57% – 77%
Earnings per share	(54.6)	43 – 53	178% – 197%
<b>Continuing Operations</b>			
Headline earnings per share	114.3	115 – 122	1% – 7%
Earnings per share	116.6	106 – 111	(9%) – (4)%

The financial results for the period to 28 February 2018 are expected to be released on SENS on 10 May 2018.

This statement has not been reviewed or reported on by the company's auditors.

By order of the Board.

Johannesburg

12 April 2018

Sponsor

Investec Bank Limited