

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 HALF-YEAR ENDED 31 AUGUST 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 previous reporting, the financial results for the half-year ended 31 August 2018 have also been divided between continuing and discontinued operations.

The table below illustrates expected earnings per share and headline earnings per share on a statutory basis for the half-year financial period:

| | 31 August FY18 (cents) | 31 August FY19 Between (cents) | 31 August FY19 % range between |
|------------------------------|---------------------------------------|---|---|
| Total operations | | | |
| Headline earnings per share | 40 | 81 – 84 | 102% – 110% |
| Earnings per share | 23 | 76 – 79 | 230% – 243% |
| | | | |
| Continuing Operations | | | |
| Headline earnings per share | 47 | 68 – 71 | 45% – 52% |
| Earnings per share | 44 | 71 – 74 | 62% – 68% |

Continuing operations

Subsequent to the restructuring of a number of core businesses, the majority of the group’s operations have had a strong performance for the half-year ended 31 August 2018, with a number of these producing EBITDA growth in excess of 20%.

Group revenue from continuing operations is expected to increase by between 42% and 46% relative to the prior period, while EBITDA is expected to increase by between 24% and 28%. Headline earnings for the period are expected to increase by between 45% and 52%. On a normalised basis, the continuing operations’ revenue is expected to increase by between 41% and 45%, EBITDA is expected to increase by between 14% and 18%, and headline earnings are expected to increase by between 22% to 28% from the prior period.

The primary difference between continuing operations and the normalised continuing operations’ results relates to approximately R6 million (after tax) of non-recurring costs relating to restructuring (H1 FY18 R35 million).

The table below illustrates expected earnings per share and headline earnings per share on a normalised basis during the half-year financial period.

| | 31 August FY18 (cents) | 31 August FY19 Between (cents) | 31 August FY19 % range between |
|------------------------------|---------------------------------------|---|---|
| Total operations | | | |
| Headline earnings per share | 55 | 84 – 86 | 52% – 57% |
| Earnings per share | 38 | 79 – 83 | 109% – 118% |
| | | | |
| Continuing Operations | | | |
| Headline earnings per share | 57 | 69 – 73 | 22% – 28% |
| Earnings per share | 54 | 73 – 77 | 36% – 43% |

Discontinued operations

As announced to shareholders on SENS on 26 July 2018, Altron concluded the disposal of Powertech Transformers, which was the largest business in the held-for-sale group. Agreement has been reached to sell Altech UEC, the last non-core control asset. This agreement is subject to a number of conditions precedent including Competition Commission approval. The final conditions are expected to be concluded by the end of November 2018. The significantly improved performance out of the discontinued businesses against the prior period has contributed to the ongoing improvement in both earnings and headline earnings per share.

The half-year financial results for the period to 31 August 2018 are expected to be released on SENS on 25 October 2018.

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

By order of the Board.

Johannesburg

25 September 2018

Sponsor

Investec Bank Limited