

**ZAPTRONIX LIMITED**  
(Incorporated in the Republic of South Africa)  
(Registration number: 1997/014928/06)  
(Share Code: ZPT ISIN Code: ZAE00070934)  
("Zaptronix" or "the Company")

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**REVIEWED ANNUAL RESULTS FOR THE YEAR ENDED 31 AUGUST 2009**

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**HIGHLIGHTS**

- Revenue up 29.5%
- EBITDA up 198%

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 AUGUST 2009**

	<b>31 Aug 09 (Reviewed)</b>	<b>31 Aug 08 (Audited)</b>
	<b>R</b>	<b>R</b>
<b>Assets</b>		
<b><i>Non-current assets</i></b>		
Property, plant and equipment	4 853 769	5 770 368
Intangible assets	1 177 083	2 218 918
Deferred tax asset	-	30 033
<b><i>Current assets</i></b>		
Inventories	2 015 781	2 568 149
Trade and other receivables	4 052 296	1 747 772
Cash and cash equivalents	119 622	572 518
Other financial assets	265 498	150 459
<b>Total assets</b>	<b>12 484 049</b>	<b>13 058 217</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	29 632 341	29 632 341
Reserves	170 149	170 149
Accumulated loss	-26 976 540	-24 737 295
<b>Liabilities</b>		
<b><i>Non-current liabilities</i></b>		
Other financial liabilities (interest bearing)	487 128	1 288 603
Deferred tax	278 726	267 597
<b><i>Current liabilities</i></b>		
Finance leases	-	58 092
Trade and other payables	5 185 411	3 153 015
Other financial liabilities(interest bearing)	2 818 529	1 069 217
Provisions	891 306	353 355
<b>Total equity and liabilities</b>	<b>12 484 049</b>	<b>13 058 217</b>
Number of shares in issue	379 318 934	379 318 934
Net asset value per share (cents)	0.76	1.19
Tangible net asset value per share (cents)	0.44	0.60

**CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED  
31 AUGUST 2009**

	31 Aug 09 (Reviewed) R	31 Aug 08 (Audited) R
<b>Revenue</b>	<b>29 017 524</b>	<b>22 399 096</b>
<b>Gross profit</b>	<b>19 827 640</b>	<b>12 445 418</b>
Other income	487 697	645 002
Operating costs	-20 151 526	-13 269 313
<b>Operating profit/(loss) (EBITDA)</b>	<b>163 811</b>	<b>-178 893</b>
Depreciation and amortisation	-2 097 967	-2 094 935
Net loss before interest and taxation	-1 934 156	-2 273 828
Interest paid	-290 679	-152 920
Interest received	23 752	40 034
<b>(Loss)/profit before taxation</b>	<b>-2 201 083</b>	<b>-2 386 714</b>
Taxation	-41 161	-189 057
<b>(Loss)/profit for the period</b>	<b>-2 242 245</b>	<b>-2 575 771</b>
Basic earnings per share (cents)	-0.59	-0.68
Headline earnings per share (cents)	-0.59	-0.41
<i>Reconciliation of headline earnings:</i>		
Net profit attributable to ordinary shareholders	-2 242 245	-2 575 771
Adjusted for profit on disposal of property, plant and equipment	0	1 021 534
Total tax effect of the adjustments	0	0
<b>Headline earnings attributable to ordinary shareholders</b>	<b>-2 242 245</b>	<b>-1 554 237</b>

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2009**

	Share capital	Reserves	Accumulated loss	Total
Balance at 1 September 2007	29 632 341	419 198	-22 212 051	7 839 488
Currency translation differences		-198 522		-198 522
Realisation of revalued assets		-50 527	50 527	-
Profit for the year			-2 575 771	-2 575 771
<b>Balance at 1 September 2008</b>	<b>29 632 341</b>	<b>170 149</b>	<b>-24 737 295</b>	<b>5 065 195</b>
Loss for the year			-2 242 245	-2 242 245
<b>Balance as at 31 August 2009</b>	<b>29 632 341</b>	<b>170 149</b>	<b>-26 979 540</b>	<b>2 822 950</b>

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED  
31 AUGUST 2009**

	<b>31 Aug 09 (Reviewed) R</b>	<b>31 Aug 08 (Audited) R</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	820 815	1 881 357
Finance income	23 752	40 034
Finance costs	-290 679	-152 920
<b>Net cash from operations</b>	<b>553 888</b>	<b>1 768 471</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	-642 301
Disposal of property, plant and equipment		274 380
<b>Net cash flow from investing activities</b>	<b>-</b>	<b>-367 921</b>
<b>Cash flow from financing activities</b>		
Repayment of other financial liabilities	-948 692	-1 072 870
Finance lease repayments	-58 092	-80 444
<b>Net cash flow from financing activities</b>	<b>-1 006 784</b>	<b>-1 153 314</b>
<b>Total cash movement for the year</b>	<b>-452 896</b>	<b>247 236</b>
Cash at the beginning of the year	572 518	325 281
<b>Total cash at end of the year</b>	<b>119 622</b>	<b>572 517</b>

**CONDENSED CONSOLIDATED SEGMENT  
REPORT FOR THE YEAR ENDED 31 AUGUST  
2009**

	<b>31 Aug 09 (Reviewed) R</b>	<b>31 Aug 08 (Audited) R</b>
<i>Segment Revenue:</i>		
Tracking Services	14 858 834	16 505 132
Energy Management	2 805 522	2 189 474
Rental Services	2 289 942	2 293 203
Corporate Services	9 063 226	1 411 287
<b>Total</b>	<b>29 017 524</b>	<b>22 399 096</b>

*Operating (loss)/profit segment results (before net finance cost, other gains and losses and  
taxation):*

Tracking Services	535 722	834 498
Energy Management	-1 807 267	-1 985 168
Rental Services	931 362	503 963
Corporate Services	-1 593 973	-1 627 121
<b>Total</b>	<b>-1 934 156</b>	<b>-2 273 828</b>

*Assets affected by material changes year on year*

Corporate Services	2 636 9247
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## **COMMENTARY**

### **1.1 Basis for preparation and accounting policies**

The reviewed provisional condensed financial statements for the financial year ended 31 August 2009 have been prepared in accordance with international Financial Reporting Standards ("IFRS"), the JSE Limited Listings Requirements, the requirements of IAS34 and the Companies Act of South Africa. The reviewed provisional condensed financial statements have been prepared on the historical costs basis which is consistent with the previous annual financial statements.

### **1.2 General review of business and operations**

Zaptronix offers a specialised risk management services in two solutions channels, being the utility and logistics management and selling risk and operational control systems for Mobile Logistics Risk Management ("MLRM") and Energy Risk Management ("ERM").

The MLRM business is conducted by the Zaptronix subsidiary, Duo Solutions Provider (Pty) Limited. A core asset to the business is the in-house developed monitoring technology employed in Duo IV Tracking™ which is sold to commercial transporters and distributors in order to monitor, manage and measure remotely vehicles-on-route, driver performance and logistic schedules.

The ERM service promotes and sells Advanced Metering Infrastructure, Automated Meter Reading services and delivers load management, verification and billings services to residential and commercial customers in response to the requirements in South Africa.

Zaptronix Enterprise Management Services ("EMS") recruits competent staff which would introduce a new business model to the business base it had acquired. A management services contract was signed and staff recruited at market related rates resulting in adding a new source of revenue to Zaptronix for the period under review.

### **1.3 Prospects**

The expansion of technologies and services of Zaptronix is envisaged as part of the 2010 Business Plan, which provides more comprehensive monitoring solutions to be added to the existing product suite. This will also expand the customer base from Zaptronix's existing fleet management clientele.

New independent non-executive directors are to be incorporated to the Board of Zaptronix to serve as Chairman and directors of the Board and Audit Committees respectively.

The company and directors are actively pursuing initiatives to acquire a business base that will expand the solutions channels and grow the business of Zaptronix. Further announcements will be communicated to the market as to the progress of these initiatives.

Other than the above no material events have occurred after year end.

### **1.4 Financial review**

Revenue grew by 29,5% and EBITDA improved by 198% mainly due to contributions from the corporate services rendered by Zaptronix EMS business unit.

Revenue from DuoSP showed a net shrinkage of 1% year on year. The company continued to grow its revenue from its Duo IV Tracking™ service to commercial customers by 22% and the full year impact from the liquidation of customer's business is discounted in the shrinkage.

The final phasing out of the legacy Duo III service introduced in 1999 was concluded in the year under review.

Revenue from electrical meter sales increased by 28% year on year. It is expected that a substantial increase in sales of the Zaptronix metering AMI product range would occur upon the finalization of the standards that are being established by the regulator for these products.

Normal operating costs were kept on the same level, while non-recurring expenses of R1 million, were absorbed in the surplus cash generated from operations during the year under review. The majority of non-recurring expenses related to unrecoverable communication costs.

The controlling shareholders rendered financial support by subordinating the shareholder loan. Working capital amounted to 0.91 times (2008: 1.4), excluding the subordinated shareholders loan.

The annual group financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

No material capital commitments exist as at year end.

#### **1.5 Dividend**

No dividend has been recommended or declared for the period, since the group requires the resources to achieve its targets.

#### **1.6 Independent review**

PKF (Pretoria) Inc., independent auditor to Zaptronix Limited, has reviewed the condensed financial statements contained in this interim report and has expressed an unmodified review conclusion on the results for the year ended 31 August 2009. Their review report is available for inspection at the company's registered office.

#### **Corporate information**

<b>Non executive directors:</b>	K Gribnitz
<b>Executive directors:</b>	J Ramage, J Nel
<b>Registration number:</b>	1997/014928/06
<b>Registered address:</b>	Solutions House, Gazelle Close, Corporate Park
<b>South, Midrand, 1685</b>	
<b>Postal address:</b>	P O Box 8291, Midrand, 1685
<b>Company secretary:</b>	Sylvan Corporate Secretarial Intelligence (Pty) Limited
<b>Telephone:</b>	+27 11 238 2000
<b>Facsimile:</b>	+27 11 238 2075
<b>Transfer secretaries:</b>	Computershare Investor Services (Pty) Limited
<b>Designated Adviser:</b>	Exchange Sponsors (2008) (Pty) Limited

**For and on behalf of the Board  
Zaptronix Limited**

<b>KG Gribnitz</b>	<b>J Ramage</b>
<b>Chairman</b>	<b>Financial Director</b>

**Midrand  
30 November 2009**