Alaris Holdings Limited
Incorporated in the Republic of South Africa
(Registration number 1997/011142/06)
Share code: ALH ISIN: ZAE000201554
("**Alaris**" or "**the Company**" or "**the Group**")

SUMMARISED CONSOLIDATED RESULTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

Highlights

- Revenue from continuing operations increased by 21% from R132.1 million to R159.4 million.
- Normalised earnings from continuing operations decreased by 26% from R31.5 million to R23.4 million mainly due to the net foreign exchange loss in this period
- Net cash from operating activities of R13.3 million for the year.
- Repurchased a total of 40 million shares from Aucom management as part of the Aucom disposal transaction.
- Shares in issue (less treasury shares) reduced to 116.1 million at year end.

What we are all about

Alaris Holdings Limited is a technology holding company listed on the JSE AltX since July 2008.

The Alaris Group consists of:

Alaris Antennas which designs, manufactures and sells specialised broadband antennas as well as other related radio frequency products. Its products are used in the communication, frequency spectrum monitoring, test and measurement, electronic warfare and other specialised markets. Clients are located across the globe, mostly outside of South Africa (the Americas, Europe and Asia). Its clients are system integrators, frequency spectrum regulators and players in the homeland security space.

COJOT was founded in 1986 and is located in Espoo, Finland. The company has 30 years of experience in the design, development and manufacture of innovative antenna products, serving military and public safety markets globally. The Company develops innovative broadband antennas to improve connectivity, coverage and competitiveness of radio equipment which is deployed to save lives and protect property.

Aucom which provides end–to–end turnkey solutions for radio and TV broadcasters. This business was sold effective May 2017 and classified as a discontinued operation.

Results Overview

Total profit for the Group increased from a profit of R21.5 million to R31.8 million. However, the financial results for both periods include items which are not representative of the performance of the underlying operations and therefore the reconciliation to normalised profit after tax is shown below.

	Audited	Re-presented
R'000	**June 2017**	**June 2016**
Continuing Operations		
Profit for the year	**23 002**	**4 390**
Legal and consulting costs for acquisitions and disposals	434	4 894
Contingent consideration asset	-	22 206
Normalised earnings after tax comprising [A]	**23 436**	**31 490**
Alaris Antennas	34 962	34 032
COJOT	3 854	5 193
Corporate and consolidation [B]	(15 380)	(7 735)
Weighted average number of ordinary shares in issue	153 985 264	159 539 913
Normalised earnings per ordinary share (cents) – Continuing Operations	**15.22**	**19.74**
Discontinued Operation [C]		
Profit for the year	**8 820**	**17 101**
Legal and consulting costs for acquisitions and disposals	-	222
Profit on disposal of Aucom	(9 320)	-
Loss / (profit) from discontinued operation	500	(17 323)
Normalised earnings after tax [a]	-	**-**

A. Normalised earnings, as determined by the Alaris Group, is calculated by adjusting profit for the reversal of the contingent consideration asset, loss on discontinued operation and profit (net after tax) on the disposal of Aucom as well as legal and consulting fees for acquisitions and disposals.

B. Costs relating to shared services, fees associated with being a listed company, net foreign exchange gains/losses and costs of the incentive share options are included in this segment. Net funding costs, including the interest paid on the PSG preference shares, are also included in the segment.

C. Aucom was classified as a discontinued operation and comparative numbers have been represented accordingly. Refer to supplementary note 2.

Business Overview

The continuing operations performed well for the year ended 30 June 2017, resulting in profit growth of 423% from R4.4 million to R23.0 million.

The normalised earnings of continuing operations was impacted by a net foreign exchange loss of R3.8 million (2016: net gain of R9.1 million). Foreign currency gains and losses are treated as part of normalised earnings given the nature of the Group, consistent with the prior year.

The profits of the Group as a whole were negatively impacted by the Aucom division's low revenues and profits compared to the previous year.

Cash flow was satisfactory with reported net cash from operating activities of R13.3 million for the year.

The Group's cash position decreased by R29.4 million to R65.1 million, owing to the sale of the Aucom business where a cash balance of R13.0 million was sold and the repurchase of shares as part of the Aucom disposal transaction to the value of R20 million.

Alaris Antennas

Revenue increased by 5% from R117.3 million to R123.0 million and profit after tax ("PAT") increased by 3% from R33.9 million to R34.9 million.

We are pleased with this performance given the strengthening of the Rand and the delay in several new orders, which were secured post period end.

Alaris Antennas continued to be a leader in product innovation, adding 74 (2016: 98) new products to its portfolio in the financial year to support future top line growth.

The Group has employed highly skilled staff in specialised areas to support the Company's client-centric approach. A matrix structure approach to project management was implemented to ensure multi-disciplinary teams working on a common goal to deliver high quality products to our customers within committed timelines. This improves our operational scalability and ensures we remain agile and are able to adapt to our client's needs as the business grows.

COJOT

COJOT contributed revenue of R36.3 million and PAT of R3.9 million. In the comparative period, the business was consolidated for two months from 1 May 2016 with revenue of R14.8 million and PAT of R5.2 million. The profit margins for those two months was significantly higher owing to a few larger orders being delivered. This resulted in a high cover on the fixed overhead costs of the two months.

A €1 million order from Europe was delayed and only received in June 2017, resulting in a lower than expected performance for the financial year ended 30 June 2017. This order will be delivered in the first half of the 2018 financial year.

The market response to the launch of the new MIDAS product has indicated sales opportunities in two of the five products. Specific sales focus will be placed on these products.

The integration of the sales capability and product portfolio of the COJOT and Alaris teams resulted in cross-selling of R2 million.

Corporate and consolidation

This division includes the costs associated with being a listed entity as well as costs of running the shared services, an example of which is the centralised treasury function, where foreign currency hedging is managed. The following are the main costs before tax included in this segment:

- Net foreign exchange losses of R3.8 million (2016: R9.1 million gains)
- Interest paid on the PSG preference shares of R5.0 million.
- Employee costs, cost of the share incentive option scheme for Group executives and board fees of R6.8 million.
- Legal and consulting fees including the costs to be listed on the JSE, advisory fees and group audit fees of R2.0 million.
- A contingent consideration adjustment of R22.5 million in the 2016 financial year.

Discontinued Operation

Aucom contributed a revenue of R69.3 million in the ten months ended 30 April 2017 compared to R116.4 million in the previous financial year. Delays in the recovery of long outstanding trade receivables balances resulted in an impairment allowance of R6.5 million being raised and profits of R0.3 million reported for the period. The business was sold in May 2017. Refer to supplementary note 2 for more detail.

Prospects

The Group remains focused on achieving sustainable organic and acquisitive growth by expanding its product range and integrating foreign operations into the Group.

Alaris Antennas

The business has grown turnover and profits consistently since its establishment in 2005. Organic growth is stimulated and achieved through understanding customers' needs and adding new innovative products to the portfolio. Further opportunities for growth are achieved by adding distributors, agents and new system houses as clients. We are also diversifying territories and entering into new market segments where the Company's core competencies find application. Management believes the business has significant potential for organic, as well as acquisitive growth where there is a complimentary opportunity in markets and products.

Our products are designed locally by our team of engineers and manufactured at our premises in Centurion. This distinguishes the business from value added resellers and makes us competitive in the global market, resulting in approximately 86% of our revenue from exports.

The value and location of opportunities we have been involved in this past financial year has increased in size and relate to a wider geographical diversity. This supports our strategy of global growth and the diversification of our product portfolio. The business secured a R30 million order in Europe for product deliveries over the course of the next three financial years. Alaris is working on more opportunities of this size which span over a period of more than one year, thus improving the predictability of future revenues.

COJOT

COJOT is a customer intimate organisation where new product development is focused on the customer's needs. Sales are generated by the Company's sales team with the help of its channel partners. The business stays competitive by taking cognisance of customers' needs and adjusting product features and operations accordingly. The organisation's efficiency is complemented by the partnership with contract manufacturers and a professional service provider network to enable sustainable growth.

New confirmed orders bode well for growth in the coming year.

Investment into an inhouse accounting function, a standardised ERP and the planned CRM solution across the Group will further improve transparency and cohesive interaction between the various teams globally.

The Group

A significant portion of the Group's performance is associated with long sales cycles and three to six months delivery timeframes. In order to mitigate this, the Group continues to expand its regional and product diversity to improve its proximity to clients, as well as meet clients' needs.

The current focus is to ensure profitable organic growth of both Alaris Antennas and COJOT. Processes to capitalise on synergies between Alaris and COJOT, as well as cross-selling opportunities, will remain a priority in the year ahead. The two businesses are complimentary and the combined operations will allow existing customers to receive an improved service as well as an expanded product portfolio. Both companies are strongly focused on research and development and both hold exploitable patented technologies. We expect that the fostering of design innovation and the continued pursuit of novel technologies will be enhanced through the sharing of ideas and talent in both organisations.

As such, the design and development of new products from the combined skill sets of the two companies will provide more competitive features, enabling increased performance for end users.

International expansion is an important part of the Group's global strategy and management will remain on the lookout for further opportunities to increase the global footprint with specific focus on the United States.

Summarised consolidated statement of profit or loss and other comprehensive income

	Audited	Re-presented
R'000	**June 2017**	**June 2016** [A]
Continuing Operations		
Revenue	159 350	132 116
Cost of sales	(44 042)	(35 057)
Gross profit	**115 308**	**97 059**
Other income [B]	212	14 628
Operating expenses	(78 204)	(67 396)
Trading operating profit [C]	**37 316**	**44 291**
Finance income	740	836
Contingent consideration asset adjustment	-	(22 206)
Finance costs	(4 907)	(4 953)
Profit before taxation	**33 149**	**17 968**
Taxation	(10 147)	(13 578)
Profit from continuing operations	**23 002**	**4 390**
Discontinued Operation [A]		
Revenue	69 308	116 383
Cost of sales	(46 811)	(76 338)
Gross profit	**22 497**	**40 045**
Other income	83	3 503
Operating expenses	(23 826)	(20 282)
Trading operating (loss) / profit [C]	**(1 246)**	**23 266**
Profit on disposal of discontinued operation [D]	9 194	-
Finance income	580	696
Finance costs	(33)	(258)
Profit before taxation	**8 495**	**23 704**
Taxation	325	(6 603)
Profit from discontinued operation	**8 820**	**17 101**
Profit for the year	**31 822**	**21 491**
Other comprehensive income net of tax:		
Items that may be reclassified subsequently to profit or loss:		
- Gross foreign currency translation reserve	(6 560)	(299)
- Taxation	1 838	-
Total comprehensive income	**27 100**	**21 192**

	Audited	Re-presented
R'000	**June 2017**	**June 2016** [A]
Weighted average number of ordinary shares in issue [E]	153 985 264	159 539 913
Weighted average number of diluted ordinary shares in issue	174 385 264	179 939 913
Basic earnings per ordinary share (cents)		
Continuing operations	14.94	2.75
Discontinued operation	5.72	10.72
Total	20.66	13.47
Diluted earnings per ordinary share (cents)		
Continuing operations	16.03	5.08
Discontinued operation	5.06	9.51
Total	21.09	14.59
Headline earnings per ordinary share (cents)		
Continuing operations	14.94	2.75
Discontinued operation	(0.33)	10.72
Total	14.61	13.47
Diluted headline earnings per ordinary share (cents)		
Continuing operations	16.03	5.08
Discontinued operation	(0.28)	9.51
Total	15.75	14.59
Normalised earnings per ordinary share (cents)		
Continuing operations	15.22	19.74
Discontinued operation	-	-
Total	15.22	19.74

A. Aucom was classified as a discontinued operation and comparative numbers have been represented accordingly. Refer to supplementary note 2.

B. The comparative number in other income included a net foreign exchange profit of R12.5 million compared to a loss of R3.8 million in the current year, which reflects under operating expenses.

C. Trading operating profit comprises sale of goods, rendering of services and directly attributable costs, but excludes finance income, fair value adjustments, profit on disposal of Aucom and finance costs.

D. Profit on disposal of Aucom includes the transaction cost of implementing the disposal. Refer to supplementary note 2.

E. 40 million shares repurchased as part of the Aucom transaction were still included in the weighted number of shares in issue for eleven of the twelve months.

Summarised consolidated statement of financial position

	Audited	Audited
R'000	**June 2017**	**June 2016**
Assets		
Non-Current Assets		
Plant and equipment	5 793	7 904
Goodwill	24 902	47 101
Intangible assets	12 381	17 486
Deferred tax assets	3 252	5 420
	46 328	**77 911**
Current Assets		
Inventories	13 592	18 040
Other financial assets	-	6 969
Current tax receivable	2 967	1 617
Trade and other receivables	27 782	78 819
Cash and cash equivalents	65 083	94 481
	109 424	**199 926**
Total Assets	**155 752**	**277 837**
Equity and Liabilities		
Equity		
Equity attributable to owners of the Company		
Share capital and preference shares	6	897
Share premium	202 051	226 369
Share-based payment reserve	4 721	2 430
Foreign currency translation reserve ("FCTR")	(5 021)	(299)
Accumulated loss	(123 927)	(95 751)
Total equity	**77 830**	**133 646**
Liabilities		
Non-Current Liabilities		
Preference share liability	-	50 111
Loans and borrowings	361	581
Deferred tax liabilities	1 073	2 941
	1 434	**53 633**
Current Liabilities		
Loans and borrowings	93	153
Preference share liability	51 000	-
Trade and other payables	25 395	84 924
Current tax payable	-	3 264
Other financial liabilities	-	2 217
	76 488	**90 558**
Total Liabilities	**77 922**	**144 191**
Total Equity and Liabilities	**155 752**	**277 837**
Number of ordinary shares legally in issue, less treasury shares	116 116 771	158 116 771
Net asset value per ordinary share (cents) [A]	67.03	84.52
Net tangible asset value per ordinary share (cents) [A]	34.92	43.68

A. Net asset value is calculated by dividing total equity, by the number of ordinary shares in issue, being the number of shares legally in issue less treasury shares. Net tangible asset value is calculated by dividing total equity less goodwill and intangible assets by the same number of ordinary shares legally in issue.

Summarised consolidated statement of cash flows

	Audited	Audited
R'000	**June 2017**	**June 2016**
Profit before taxation	41 644	41 672
Adjusted for non-cash items	(2 560)	34 668
Working capital changes	(6 703)	4 270
Cash generated from operations	**32 381**	**80 610**
Net finance cost	(3 825)	(3 679)
Taxation paid	(15 265)	(22 754)
Net cash from operating activities	**13 291**	**54 177**
Cash flows from investing activities		
Additions to plant and equipment	(2 523)	(3 170)
Proceeds on disposal of plant and equipment	40	-
Repurchase of Shares – Poynting Empowerment shares	-	(904)
Movement in treasury shares – Share Incentive Scheme	(4 318)	(3 992)
Additions to intangible assets	(3 145)	(2 157)
Disposal/acquisition of a subsidiary	(13 016)	(25 596)
Net cash used in investing activities	**(22 962)**	**(35 819)**
Cash flows from financing activities		
Repurchase and cancellation of shares in issue – Aucom transaction [A]	(20 000)	-
Movement in loans and borrowings	305	638
Net cash (used in) / from financing activities	**(19 695)**	**638**
Net (decrease) / increase in cash and cash equivalents for the year	(29 366)	18 996
Cash and cash equivalents at the beginning of the year	94 481	74 386
Effect of exchange rate movement on cash balances	(32)	1 099
Total cash and cash equivalents at end of the year	**65 083**	**94 481**

A. 10 million shares repurchased as part of the Aucom disposal. Refer supplementary note 2.

Summarised consolidated statement of changes in equity

R'000	Share capital and preference shares	Share premium	Share based payment reserve	FCTR	Accumu-lated loss	Total equity
Balance at 1 July 2015	**897**	**231 265**	**406**	**-**	**(117 242)**	**115 326**
Total comprehensive income for the year:	-	-	-	(299)	21 491	21 192
- Profit for the year	-	-	-	-	21 491	21 491
- Foreign currency translation reserve	-	-	-	(299)	-	(299)
Shares repurchased - Poynting Empowerment Trust	-	(904)	-	-	-	(904)
Share-based payment charge for existing options	-	-	2 024	-	-	2 024
Movement in treasury shares	*	(3 992)	-	-	-	(3 992)
Balance at 30 June 2016	**897**	**226 369**	**2 430**	**(299)**	**(95 751)**	**133 646**
Total comprehensive income for the year:	-	-	-	(4 722)	31 822	27 100
- Profit for the year	-	-	-	-	31 822	31 822
- Foreign currency translation reserve	-	-	-	(4 722)	-	(4 722)
Reallocation of preference shares in anticipation of settlement	(889)	-	-	-	-	(889)
Share-based payment charge for existing options	-	-	2 291	-	-	2 291
Share buy-back – disposal of Aucom A	(1)		-	-	(59 998)	(59 999)
Share buy-back – specific repurchase A	(1)	(20 000)				(20 001)
Movement in treasury shares	*	(4 318)	-	-	-	(4 318)
Balance at 30 June 2017	**6**	**202 051**	**4 721**	**(5 021)**	**(123 927)**	**77 830**

A. Refer to supplementary note 2.

* Nominal amount – amount smaller than R1 000.

Segmental analysis

	Audited	Re-presented
R'000	**June 2017**	**June 2016** [A]
Continuing Operations		
Segmental revenue		
Alaris Antennas	123 044	117 294
- Total revenue	123 920	117 294
- Inter-segmental	(876)	-
COJOT	36 306	14 822
- Total revenue	37 353	14 822
- Inter-segmental	(1 047)	-
	159 350	**132 116**
Operating earnings before interest, tax, depreciation and amortisation [B]		
Alaris Antennas	51 765	51 852
COJOT	4 254	6 822
Corporate and consolidation	(14 083)	(9 058)
	41 936	**49 616**
Profit / (loss) for the year		
Alaris Antennas	34 946	33 911
COJOT	3 854	5 193
Corporate and consolidation	(15 798)	(34 714)
	23 002	**4 390**
Normalised earnings after tax for the year		
Alaris Antennas	34 962	34 032
COJOT	3 854	5 193
Corporate and consolidation	(15 380)	(7 735)
	23 436	**31 490**
Discontinued Operation [A]		
Segmental revenue		
Aucom	69 308	116 383
Operating earnings before interest, tax, depreciation and amortisation [B]		
Aucom	218	25 733
Profit / (loss) for the period		
Aucom	252	18 606
Corporate and consolidation [A]	8 568	(1 505)
	8 820	**17 101**

Segment assets and liabilities

	Audited	Re-presented
R'000	**June 2017**	**June 2016 A**
Segment assets		
Alaris Antennas	60 748	74 550
COJOT	17 639	48 764
Corporate and consolidation A	77 365	39 981
Aucom (Discontinued operation) A	-	114 542
	155 752	**277 837**
Segment liabilities		
Alaris Antennas	(18 969)	(33 590)
COJOT	(6 808)	(13 099)
Corporate and consolidation A	(52 145)	(45 493)
Aucom (Discontinued operation) A	-	(52 009)
	(77 922)	**(144 191)**

A. Aucom and the relevant consolidation entries relating to the initial Aucom acquisition was classified as a discontinued operation and comparative numbers have been re-presented accordingly. Refer to supplementary note 2.

B. Operating EBITDA is trading operating profit per Statement of Profit and Loss excluding depreciation and amortisation.

Reconciliation of operating profit to operating EBITDA	**Audited**	**Re-presented**
R'000	**June 2017**	**June 2016**
Continuing Operations		
Trading operating profit	37 316	44 291
Depreciation and amortisation	4 620	5 325
Operating earnings before interest, tax, depreciation and amortisation	**41 936**	**49 616**
Discontinued Operation		
Trading operating (loss) / profit	(1 246)	23 266
Depreciation and amortisation	1 464	2 467
Operating earnings before interest, tax, depreciation and amortisation	**218**	**25 733**

1. RECONCILIATION OF PROFIT / (LOSS) TO HEADLINE EARNINGS

	Total Operations		Continuing Operations	
	Audited	**Audited**	**Audited**	**Re-presented**
R'000	**June 2017**	**June 2016**	**June 2017**	**June 2016**
Profit from operations for the year	31 822	21 491	23 002	4 390
Profit on disposal of discontinued operation [A]	(9 320)	-	-	-
Headline earnings attributable to ordinary shareholders	**22 502**	**21 491**	**23 002**	**4 390**

1. The profit on disposal of discontinued operations is after tax.

2. DISPOSAL OF AFRICAN UNION COMMUNICATIONS (PROPRIETARY) LIMITED ("Aucom")

In line with its strategy to focus on development, manufacturing and selling of RF (Radio Frequency) products to global niche markets, the board of directors of Alaris ("the board") decided to sell its 100% share in the Aucom subsidiary to management ("the Transaction"). The subsidiaries, Alaris Antennas and COJOT, are aligned with the Group's strategic direction. In contrast to this, the Aucom subsidiary is a value-added reseller, which provides end-to-end integrated system solutions to the broadcasting and satellite communication industry in sub-Saharan Africa. Aucom's business is project-based with long sales cycles and its revenue is very dependent on project implementation schedules. It is critical for Aucom to be BBBEE Compliant for business in South Africa and such structures can be achieved more easily outside a listed environment.

The Transaction will further align Alaris' offerings with its value proposition of continuously evolving its intellectual property base to design products for specific customer needs. Each subsidiary should enjoy fully committed resources to realise their full potential. With this in mind and based on the assessment of the available market size, the Alaris board believes that the Transaction will free up much needed capacity to enable future international growth and acquisitions aligned to the core strategy. The Group intends to make further acquisitions in due course. Being a client-centric organisation with clients based worldwide, the group needs to expand its global footprint in order to be closer to its clients.

Alaris Holdings Limited sold the Company's entire 100% shareholding in Aucom to the management team of the subsidiary ("Aucom management") in exchange for 30 000 000 Alaris shares held by Aucom management at a consideration of R2.00 per share ("Disposal and Repurchase").

In addition, the Company repurchased a further 10 000 000 Alaris shares from Aucom management at a consideration of R2.00 per share ("Specific Repurchase").

Aucom management is seen as a related party. Shareholder approval was obtained for the above transaction on 28 April 2017.

	Audited
Identifiable net assets and liabilities disposed of	**2017**
Plant and equipment	1 496
Goodwill	19 908
Intangible assets	4 529
Inventories	7 941
Trade and other receivables	23 022
Cash and cash equivalents	13 016
Current tax asset	927
Deferred tax asset	2 332
Loans and borrowings	(585)
Trade and other payables	(23 552)
Total identifiable net assets disposed	**49 034**
Transaction costs incurred on disposal	1 772
Profit on disposal	9 194
Total consideration of shares repurchased (non-cash)	**60 000**
Cash disposed	(13 016)
Net cash outflow from disposal	**(13 016)**

Cash flows attributable to discontinued operation	**Audited June 2017**	**Re-presented year ended June 2016**
Cash flows from operating activities	7 264	16 283
Cash flows from investing activities	(260)	(1 499)
Cash flows from financing activities	29	-
Net cash inflow for the period	**7 033**	**14 784**
Profit on disposal of discontinued operation		
Total profit on disposal	10 966	-
Transaction costs incurred on disposal	(1 772)	-
Net profit on disposal	**9 194**	**-**

3. FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

The carrying values of other financial assets and liabilities, trade and other receivables, payables, loans and borrowings approximate their fair value.

4. STATEMENT OF COMPLIANCE

Alaris Holdings Limited is a South African registered company. This summarised consolidated financial statements comprise of the Company and its subsidiaries.

The directors are responsible for the preparation of the report and the summarised consolidated financial information has been extracted from the underlying consolidated financial statements.

5. BASIS OF PREPERATION

The summarised consolidated financial statements are prepared in accordance with the requirements of the Listings Requirements of the JSE Limited ("JSE Listings Requirements") for preliminary reports, and the requirements of the Companies Act of South Africa, Act 71 of 2008, as amended, applicable to summary financial statements. The JSE Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – *Interim Financial Reporting*.

The accounting policies applied in the preparation of the consolidated financial statements from which the preliminary summarised financial statements were derived are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

The summarised consolidated financial statements were prepared under the supervision of the Group Financial Director, Gisela Heyman CA(SA).

6. REPORT OF THE INDEPENDENT AUDITORS

These summarised financial statements for the year ended 30 June 2017 have been audited by KPMG Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the consolidated annual financial statements from which these summarised consolidated financial statements were derived. A copy of the auditor's report on the summarised consolidated financial statements and of the auditor's report on the consolidated financial statements are available for inspection at the company's registered office, together with the financial statements identified in the respective auditor's report.

The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

7. SUBSEQUENT EVENTS

Shareholders are referred to the SENS announcement dated 30 June 2017 regarding the redemption of redeemable convertible preference shares. Alaris Holdings Limited and PSG Alpha Investments Proprietary Limited ("PSG Alpha") had entered into a Preference Share Subscription Agreement on 4 March 2014 in terms of which PSG Alpha subscribed for, and the Company issued, 20 400 000 redeemable, convertible preference shares of no par value ("Preference Shares"), at a subscription price of R2.50 per Preference Share for a total subscription consideration of R51 million.

In terms of the Preference Share Subscription Agreement, Alaris Holdings Limited would be obliged to redeem the Preference Shares on the first business day following the third anniversary of the effective date, being 3 July 2017 ("Redemption Date"), to the extent that Preference Shares had not been converted by PSG Alpha prior to the Redemption Date.

Shareholders are advised that PSG Alpha has not converted the Preference Shares given that the Alaris share price at the Redemption date was lower than the conversion price of the Preference Shares. Accordingly, the total consideration of R51 million was repaid on 3 July 2017. This has a positive impact on the business by not resulting in further dilution of shares in issue. The Group has obtained indicative terms from two local banks who have shown interest in financing future acquisitions to improve our global footprint.

Other than the above the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

8. GOING CONCERN

The directors have made an assessment of the ability of the Group and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

9. DIRECTORATE

Mr. H. Weilert was appointed as an independent non-executive director on 17 February 2017 and he resigned as a director on 31 May 2017. Mr. J. Joubert resigned as a director on 31 May 2017. No further changes to the board took place during the period under review, up to and including the date of this report.

By order of the board

Jürgen Dresel
Group Chief Executive Officer

Gisela Heyman
Group Financial Director

19 September 2017

Johannesburg

Corporate information

ALARIS HOLDINGS LIMITED
(incorporated in the Republic of South Africa)
www.alarisholdings.co.za

Directors

Coen Bester*^ (Chairman),

Nico de Waal^,

Jürgen Dresel # (CEO),

Richard Willis*^,

Andries Mellet^@,

Gisela Heyman (Financial Director)

*Independent
^Non-executive
#German
@Alternate

Business address and registered office
1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157
(Private Bag X4, The Reeds, Pretoria, 0061)

Designated Adviser
Merchantec Capital

Registration Number 2008/027362/07

2nd Floor,
North Block,
Hyde Park Office Tower,
Corner 6th Rd and Jan Smuts Ave,
Hyde Park, 2196
(PO Box 41480, Craighall, 2024)

Company Secretary
Merchantec Proprietary Limited

Transfer Secretaries
Computershare Investor Services Proprietary Limited

Registration Number 2004/003647/07

Rosebank Towers,
15 Biermann Avenue,
Rosebank,
Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)

Auditors
KPMG Inc.

Bankers
Standard Bank

PRINCIPAL SUBSIDIARIES

Alaris Antennas Proprietary Limited
Registration Number 2013/048197/07

Alaris Antennas Division

Managing Director: Jürgen Dresel

1 Travertine Avenue,
N1 Business Park,
Old Johannesburg Road,
Centurion, 0157
Tel +27 (0)11 034 5300

COJOT Oy
Registration Number 0620465-3

COJOT Division

Managing Director: Samu Lentonen

PL 59,
02271 Espoo,
Finland
Tel +358 (0)2334 9 452