JASCO
INSPIRE.INNOVATE.

INTEGRATED ANNUAL REPORT

2015

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REVENUE
R1,1 billion
(2014: R1,0 billion)

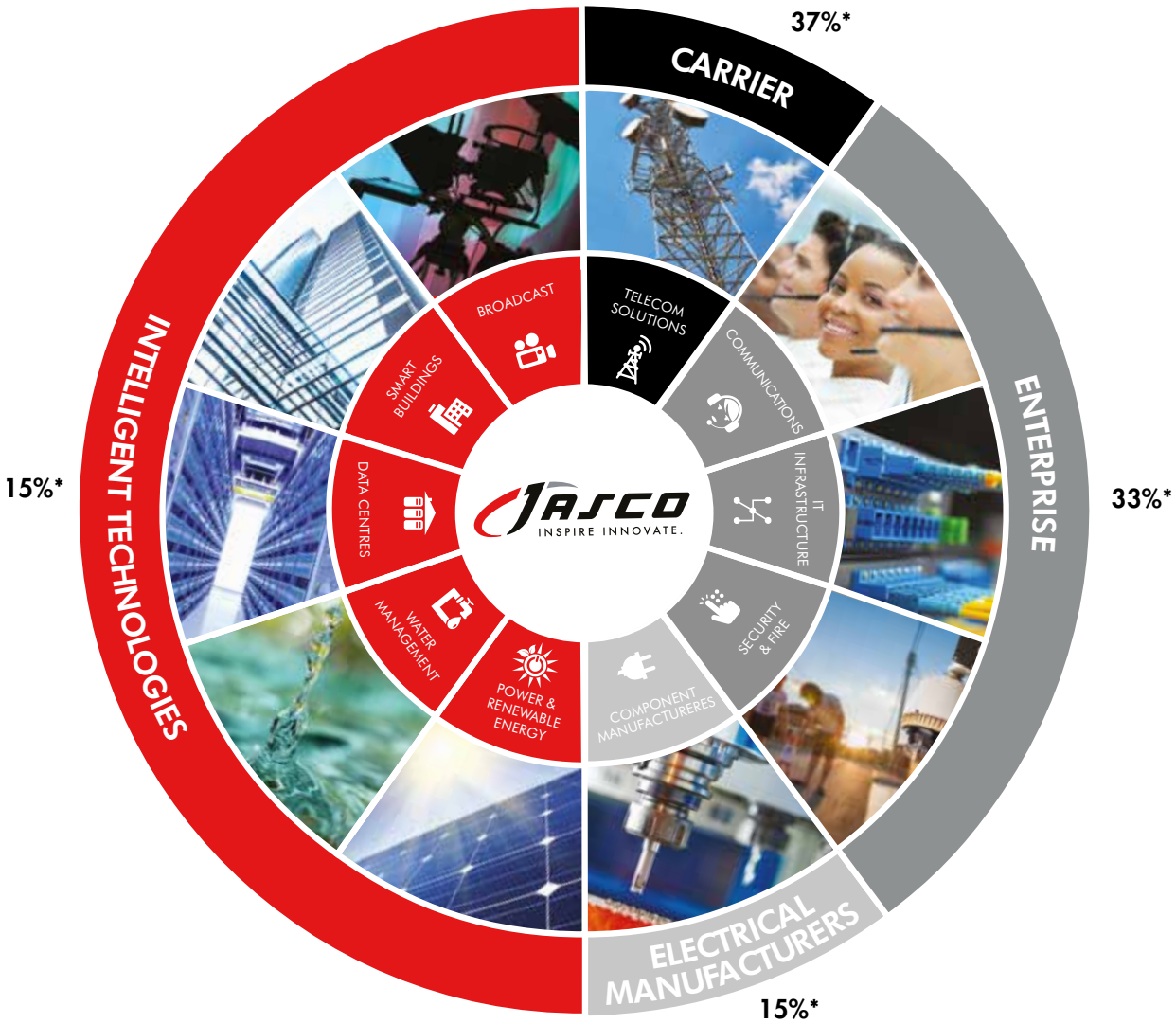
Headline earnings
R5,1 million
(2014: R1,0 million)

ADJUSTED OPERATING PBIT
R28,6 million
(2014: R26,3 million)

JASCO IS A SOUTH AFRICAN COMPANY THAT DELIVERS SMART TECHNOLOGIES ACROSS THE DISCIPLINES OF TELECOMMUNICATIONS, INFORMATION TECHNOLOGY, ENERGY AND INDUSTRY. BY LEVERAGING SYNERGIES BETWEEN THESE DISCIPLINES, JASCO IS ABLE TO DELIVER COMPLETE END-TO-END SOLUTIONS.

The group not only delivers across the value chain, but in many cases owns parts of the value chain: from in-house design and engineering to manufacturing and managed services. Jasco has offices in all major regions in South Africa and has expanded into southern and eastern Africa. 10% of group revenue is currently generated from outside South Africa, with a measured regional strategy in place to expand this.

GROUP STRUCTURE



*Contribution to group revenue

JASCO'S SOLUTIONS

TELECOMMUNICATIONS

Jasco offers a complete range of infrastructure products and services for access, transmission, operational support systems and outside equipment. In addition, our Hi-Site Solutions allow telecommunications operators and service providers to rent space on Jasco's existing infrastructure, with full complementary site management and technical services.

CONTACT CENTRES

Jasco is a value-added reseller and systems integrator of contact centres and communications tools and services. We manage and centralise these products and services to assist customers to reduce their costs and enhance their contact centre communications. This can be done on-site, hosted in a cloud, or as a pure managed service. We specialise in all aspects of contact centres, including scoping, design, supply, implementation and integration, project management, training and support and maintenance.

SECURITY & FIRE

Jasco Security designs, installs and maintains security technology that includes surveillance (CCTV), monitoring of physical security and access control solutions. We have depth of skill and experience, together with a detailed understanding of the security challenges faced by organisations.

Jasco Fire designs, manufactures, installs and integrates fire detection and suppression solutions as part of intelligent security and building management.

POWER

Jasco offers full turnkey assurance and protection of power supply systems, including Uninterruptable Power Supplies (UPS), generators, transformers, voltage regulators and lightning protection. These all include remote monitoring solutions, which are tailored to the specific needs of the customer. These offerings are supported by a highly-skilled team of engineers and systems integrators.

DATA CENTRES

Jasco's Data Centres business delivers a number of services, most notably Co-Location Solutions through the NewTelco SA brand. It offers a carrier-neutral interconnection hub and an independent global 'meet-me' room, providing local, regional and international carriers with a fast, cost-efficient and reliable point of presence (PoP) in South Africa and a transparent connection to international destinations.

The Data Centres also offer Infrastructure as a Service (IaaS), providing virtual computing resources, and Platform as a Service (PaaS) that delivers applications over the Internet.

SMART BUILDINGS

Connectivity is the heart of a 'smart building', which ensures access to the internet through bespoke solutions. Jasco offers energy optimisation and management tools, energy continuity such as UPS and generators, renewable energy solutions, security solutions and fire detection and suppression.

A 'smart building' also includes rooftop solutions which enables property owners to leverage their rooftops to offer alternate revenue streams.

These are all enhanced through world-class Building Management Solutions (BMS).

UNIFIED COMMUNICATIONS

Our offering enables seamless integration of communications technologies by unifying systems from multiple vendors by delivering a collaborative experience. This includes video into the traditional communications environment, enabling teams to communicate face-to-face without having to leave their office. Instant messaging allows users to communicate quickly and effectively, while audio, video and web conferencing, with document and application sharing, further enhances collaboration and reduces a company's travelling expenses and time.

IT INFRASTRUCTURE

Businesses rely on IT infrastructure to deliver an efficient and professional service to their customers, as well as for effective internal systems operation. Networks are at the heart of effective IT infrastructure and must be both resilient and agile to cater for a dynamic business environment. In today's world, networks need to be able to adapt to new services and applications, which are essential for the successful delivery of business strategy and objectives. Jasco provides a full set of solutions to assist customers to address business needs and achieve agile, resilient networking.

RENEWABLE ENERGY

Jasco Renewable Energy delivers Photo Voltaic (PV) solutions to the commercial sector, including rooftop and carport installation. These solutions are designed for commercial entities such as shopping malls, hospitals, factories and property groups with rental portfolios.

We also offer a consulting energy optimisation service that includes the installation of Advanced Metering Infrastructure (AMI), which provides an accurate reading of consumption in real time, as well as audits to establish a baseline. Recommendations are provided to reduce energy consumption through a combination of technologies and approaches.

WATER MANAGEMENT

Jasco is a leading provider of integrated water network management solutions, enabling water utilities to improve efficiencies and make smarter decisions, thus reducing their non-revenue water (NRW) challenges.

BROADCAST

This offering consists of the design, build, installation, integration and maintenance of all aspects of technologies in the broadcast industry – from image capture through to transmission and beyond. Jasco delivers complete video and audio solutions, from studio builds to mixing desks, cameras, tripods, tapes and post-editing archiving.

COMPONENT MANUFACTURERS

A full manufacturing service is offered, taking goods from raw materials to finished products that conform to the highest safety and quality standards.

MATERIAL ISSUES

1 ISSUE CONTINUED UNDERPERFORMANCE OF M-TEC

M-TEC returned to a loss position following a breakeven result in 2014. Even though its largest customer, Eskom, awarded M-TEC a new five-year supply contract in 2014, volumes under this contract reduced, which impacted this year's results. In addition, the Competition Commission action against cable manufacturers has resulted in a penalty of R20,2 million at M-TEC on 2 September 2015. The contravention took place in 2007, before Jasco aquired its interest in M-TEC.

ACTIONS

Jasco entered into a binding memorandum of agreement with Community Investment Holdings (Pty) Limited, a related party, to sell M-TEC for R60 million on 11 September 2015. Although an independent valuation by BDO South Africa supports the selling price, the investment in M-TEC required a further impairment. Refer to page 8.

TWO ISSUE GEARING AND INTEREST COVER

The group's debt:equity ratio is 73,3%. Excluding project funding, it decreases to 54,2%, which exceeds the maximum target of 50%.

The EBITDA interest cover is 2,4 times, which is below the group's target of 3,5 times.

ACTIONS

Long-term liabilities
Jasco concluded its maiden R100 million issue in terms of the R750 million corporate bond programme in January 2015.

The Global Credit Rating Agency reviewed the credit rating of the group and left it unchanged at long term BB-.

Ordinary shares
Jasco issued 10.9 million new shares for R6 million in terms of a general issue in April 2015.

Our board agreed that it will only issue new ordinary shares in future if there is no dilution to earnings per share of the group.

Interest cover
The proceeds relating to the disposal of M-TEC will decrease the net interest expense, which will improve the interest cover to the target of 3,5 times.

3 ISSUE ENSURING SUSTAINED PERFORMANCE IN THE ENTERPRISE BUSINESS UNIT

The Contact Centres, Security and Converged Solutions amalgamation and restructure in the new Enterprise business unit was more complex than initially anticipated and took six months longer to complete.

ACTIONS

The restructure within the Enterprise business unit has now been completed.

In the second half of the financial year, an investment was made into a new business support system (service desk and Customer Relationship Management) to improve operational efficiency through better management of key resources. A new Enterprise Resource Planning (ERP) system was implemented post the financial year-end to consolidate the previously disparate financial systems.

The business support system is integrated, which provides management with improved business intelligence. This will allow us to more effectively respond to customer needs and operational demands.

FOUR

ISSUE TRANSFORMATION

Requirements for improvement of ownership and employment equity, especially at senior management levels to maintain a good rating in terms of the ICT charter.

Jasco's broad-based black economic empowerment (B-BBEE) rating decreased from level 2 to level 3 in 2015 on missing the targeted 85 points by one point due to a shortfall on employment equity and skills development targets.

ACTIONS

The executive team is formulating a new plan to meet the requirements of the revised B-BBEE codes for the 2016 verification.

5

ISSUE MACRO-ECONOMIC RISKS

Lack of South African growth
Commodity pricing
Weaker Rand

ACTIONS

Established Jasco East Africa with a number of project wins in foreign currency (Tanzania, Mozambique and Kenya).

Our exit from M-TEC will dramatically reduce Jasco's exposure to commodity pricing.

Jasco employs a hedging strategy for foreign exchange risk.

SIX

ISSUE CUSTOMER DEPENDENCY

The consolidation of the major telecommunications operators in our markets is increasing the customer concentration levels in the Carrier business unit.

The Enterprise business unit derives 80% of its revenue from 20% of its customers. Major financial institutions are our largest customers.

The consolidation of the supply chain over the last few years by Electrical Manufacturers' major customer has resulted in it being the largest customer for the Jasco group.

ACTIONS

The Carrier business unit is diversifying its product and service offering to the major telecommunications operators. It is also focusing on the Tier-2 telecommunications operators in the Southern African Development Community (SADC) markets.

The Enterprise business unit is focusing on customer retention through service excellence. This is demonstrated by the improvement in our customer satisfaction survey during the last year.

Electrical Manufacturers is targeting new customers and product lines, although it continues to be hampered by the ongoing decline in South Africa's manufacturing sector.

MESSAGE FROM THE CEO

I AM PLEASED THAT WE HAVE REACHED A MILESTONE WITH OUR PROPOSED EXIT FROM M-TEC, AND THE COMPLETION OF OUR STRATEGY TO BECOME A SMART TECHNOLOGY AND SOLUTIONS PARTNER TO VARIOUS INDUSTRIES.

PETE DA SILVA
16 September 2015

INTRODUCTION

2015 marks a year after the completion of our three-year restructure. I am pleased that we have reached a milestone with our planned exit from M-TEC, which has been a continuous drag on Jasco's past results and hindered the completion of our strategy to become a smart technology and solutions partner to various industries. I look forward to a period post M-TEC where management can give its undivided attention to Jasco's core business.

In terms of fulfilling the Jasco strategy, I am pleased that over the year we concluded partnerships with various multi-nationals that are considered leaders in their respective industries, such as energy, smart buildings and water management. On the latter, I am particularly excited, as we have always planned to position Jasco as a solutions provider in certain key industries, starting with ICT, energy and now water management. We, at Jasco, believe that water is a strategic resource and that our solutions offering will aid the industry and at the same time introduce a new source of sustainable revenue for the group.

Noteworthy achievements and disappointments during the year include:

Achievements:

- The maiden bond issue of R100 million and the redemption of the R90 million preference shares to AfroCentric, which were successfully concluded in January 2015
- The strong top and bottom line growth from Intelligent Technologies
- The 28% return on assets managed by the Carrier business
- The good rebound by Electrical Manufacturers in the second half and optimisation of their working capital

Disappointments:

- The impairments and provisions taken. Refer to the financial review for more detail on this
- Although an improvement on 2014, the financial performance of Enterprise was below expectation due to the complexity and duration of the restructure which took six months longer to complete
- The working capital change in the Enterprise business during the second half, which resulted in an additional investment of R14,7 million

Although the first half was negatively impacted by strike action in the metal and engineering industry, as committed to the market, the benefits of the restructuring were evident in the improved operational result in the second half of the year.

Revenue grew by 8% to R1,1 billion. All business units reflected an increase in their revenue and operating profit, except our component manufacturing business, Electrical Manufacturers, which decreased from last year by 10% due to strike action and the previous period including volume from the now sold automotive business. At the head office, costs were further reduced by 17%.

Following a focus on cost reduction, improved efficiencies and ensuring that all business units return to profitability, the group's underlying operating profit (excluding the impairments and provisions) of R28,6 million improved by 9% from R26,3 million. Most pleasing was the 21% increase in revenue and the 312% improvement in operating profit in the second half of 2015 compared to the same period in 2014.

Balance sheet stability was provided through the revision of the capital structure, with the rights issue successfully concluded in 2014 and the bond issue in 2015. This will be further enhanced with the receipt of the proceeds from the planned M-TEC sale.

CONCLUSION

We are cognisant of a number of continued challenges in our business. During the last few years we have systematically addressed the areas requiring improvement by closing, exiting, restructuring or consolidating businesses, which is creating a more sustainable base for the future.

We will continue to implement improvement programmes to result in a lean and efficient operation. Although management regrets a further impairment in M-TEC, we believe exiting this business has become crucial. We will be in a far stronger position to improve our results without constant management attention required to address the legacy issues.

APPRECIATION

I thank my management team who has worked hard to realise the strategy we embarked on at the start of July 2011. It has not been an easy road and I encourage you to continue over the next year to meet our deliverables. A special appreciation to the CFO, Warren Prinsloo, and his team for their dedication.

I also acknowledge the board for their continued support and input.

To the broader Jasco team, thank you for your tenacity against significant change.

To our suppliers and customers, we appreciate your continued support.

The time ahead will continue to require focus from the team to ensure the group's delivery on its strategy. I am confident that we can achieve this.

I thank you all.

IMPAIRMENTS AND PROVISIONS

OUR INVESTMENT IN M-TEC WAS IMPAIRED BY **R57,4** million on exit

GOODWILL IMPAIRMENTS OF **R19,5** million

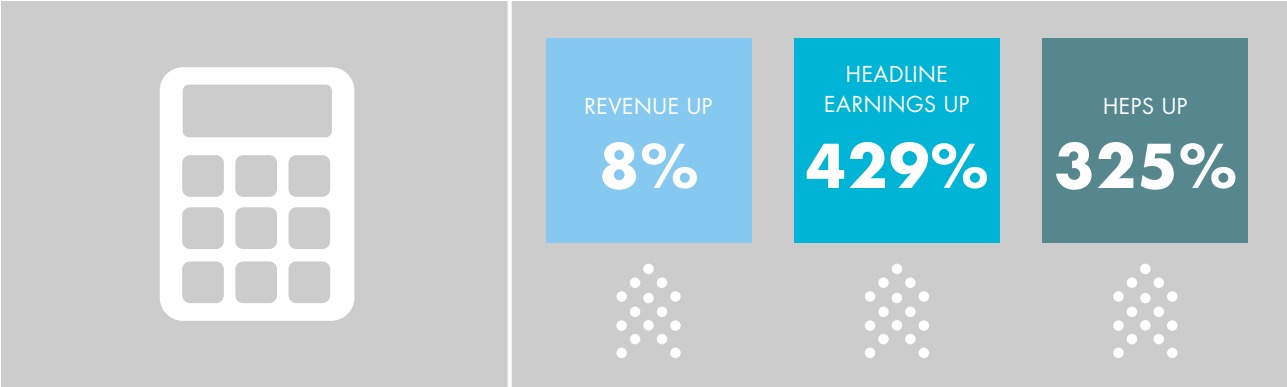
PROVISION FOR LONG-TERM RENTAL CONTRACT OF **R14,3** million

IMPAIRMENT OF THE RESEARCH AND DEVELOPMENT (R&D) INTANGIBLE ASSET **R10,1** million

PROVISION FOR DOUBTFUL DEBTOR OF **R3,8** million

FINANCIAL REVIEW

INTRODUCTION



As outlined in the message from the CEO, in the first year post Jasco's restructure, the first six months of 2015 were negatively impacted by strike action, with the second half was much stronger on particularly good volumes by the Carrier and Enterprise businesses. The overall year-end result was, however, severely impacted by the impairment of M-TEC on the planned exit of this investment, and other impairments, as detailed below.

STATEMENT OF COMPREHENSIVE INCOME

Revenue increased by 8% to R1 124 million (2014: R1 043 million) on good volumes in the second half (up 21% compared to the same period last year), despite the strike action in the first half. After adjusting for the automotive disposal and the Firecare and Telesto acquisitions, the organic growth for the year was a pleasing 10%.

The contributors to revenue were:	**2015 (R'm)**	% change	2014 (R'm)
Carrier	**R414,3**	11,5 increase	R371,7
Enterprise	**R380,4**	8,0 increase	R352,2
Intelligent Technologies	**R164,6**	22,2 increase	R134,7
Electrical Manufacturers	**R174,9**	10,1 decrease	R194,5

The underlying operating profit improved by 9% from R26,3 million in 2014 to R28,6 million, mainly due to the higher sales volumes and increase in gross margins from 28,4% to 29,1%. The net operating margin of 2,6% improved slightly on last year's 2,5%. Refer to the Operational Review for more detail on the business unit performances.

However, the occurrence of impairments and adjustments in 2015 resulted in an operating loss of R72,5 million compared to the operating profit of R17,6 million in 2014. These once-off impacts related to the following:

	2015 (R'm)	2014 (R'm)
Impairment of M-TEC investment*	**(57,4)**	–
Impairment of intangibles and goodwill*	**(29,6)**	–
Provision for cancelled long-term rental contract	**(14,3)**	–
Provision for bad debtor	**(3,8)**	–
Restructure costs	**–**	(13,2)
Gain on decrease in Telesto purchase price	**3,2**	–
Profit on sale of subsidiary/automotive business unit*	**0,8**	4,3
Total	**(101,1)**	**(8,9)**

** Headline earnings adjustment*

Net interest costs of R16,0 million increased from R14,5 million due to the reduction in interest received from Telecom Namibia and the higher effective interest rate on the group's corporate bond.

The equity accounted loss of R0,7 million relates to Jasco's 51% investment in M-TEC for the seven months to January 2015 and compares to R0,1 million profit last year. Refer to Statement of Financial Position below where the investment in M-TEC is discussed.

The taxation credit of R6,3 million compares to a credit of R3,5 million last year and relates to the utilisation of assessed losses at subsidiary level, after the restructuring of legal entities.

Headline earnings of R5,1 million increased by 429% (2014: R0,9 million*) and headline earnings per share (HEPS) was up 324% to 2,4 cents per share (0,6* cents per share). The weighted average number of shares in issue was higher at 215,2 million shares versus 172,8 million shares, with a full weighting of the 72 million rights issue shares issued on 21 January 2014, as well as a part weighting of the general issue of 10,9 million shares on 28 April 2015. This had a 20% dilutionary effect on the calculation of earnings and headline earnings per share in the current year.

**Re-presented for M-TEC*

STATEMENT OF FINANCIAL POSITION

Investment in M-TEC

During the year, the criteria which allowed M-TEC to be "held for sale" in terms of IFRS were no longer met. At the interim results for the six months to December 2014, the investment was therefore no longer held for sale and accordingly equity accounted in terms of IAS 28. The 2014 comparatives were re-presented for this change.

The board and management continued to pursue options of finding a willing buyer for the M-TEC investment during the year. In parallel with this, Jasco management also launched legal action against Taihan, the other shareholder in M-TEC, whereby Jasco claimed damages on M-TEC's behalf in terms of the management agreement for losses suffered by the company under their management. The legal action was temporarily suspended pending the successful conclusion of the proposed sale. During the second half of the year, Community Investment Holdings (Pty) Limited, a related party, offered R60 million to purchase Jasco's share in M-TEC. This was detailed in the full terms announcement released on 17 July 2015 on SENS.

During the second half of the year, M-TEC's financial performance suddenly deteriorated from the half-year position. This was mainly due to a sharp drop in volumes from its major customer. Consequently, Jasco management was left with no choice but to test the investment for impairment and wrote the investment down from its carrying value of R115,4 million to R58 million, based on the independent R60 million valuation, less R2 million costs to sell.

The investment is therefore reflected as a non-current asset held for sale of R58 million. The expected proceeds will be paid as an initial lump sum of R20 million on the effective date, with the balance of R40 million over the next three years. The consideration payable will attract interest at the prevailing prime rate and is secured by a pledge of the M-TEC shares. Management regrets the destruction of shareholder value this investment has caused.

Intangibles and goodwill

The intangibles include technology-related voice transaction management applications which are expected to reach their end of life in 2017, as these are being upgraded to cloud-based applications. Accordingly, the full carrying value of R10,1 million was written down at year-end.

Goodwill decreased from R85,2 million last year to R65,8 million due to an impairment of R19,4 million in the Enterprise and Carrier business units relating to historic acquisitions since 2006 that no longer generate the requisite cash flows to support the valuation using the discounted cash flow method. This is in accordance with Jasco's accounting policy to annually test the carrying value of goodwill.

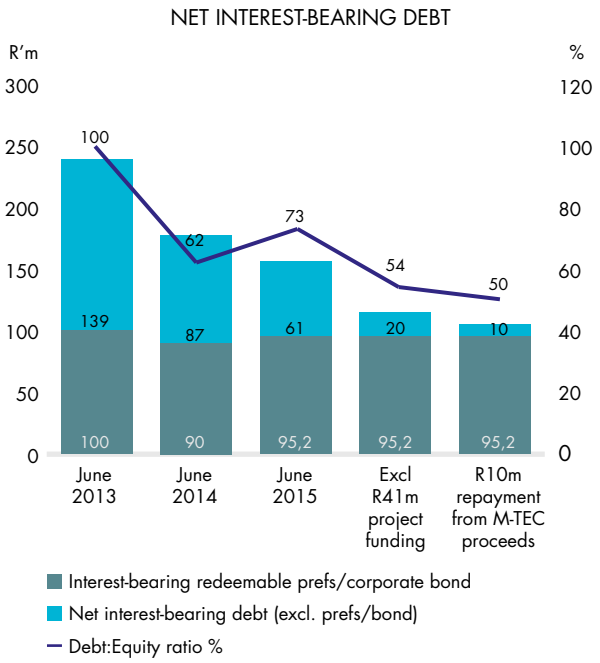
The R3,2 million gain on Telesto arose as the original purchase consideration was reduced due to the profit targets set for August 2014 not being achieved. This was mainly due to a large financial institution indefinitely postponing a significant project that was expected at the time of the transaction.

Fixed assets

Fixed assets of R59,4 million (2014: R59,5 million) reduced slightly in spite of capital expenditure of R15,6 million. This expenditure relates mainly to electronic equipment, fixtures and furniture required during the restructure of the Enterprise business unit. Additional plant and machinery of R1,4 million was purchased for the Electrical Manufacturers business unit for increased plastic moulding capacity. The loss on disposal of fixed assets relates mainly to the scrapping of the old CRM software utilised by the Enterprise business unit, which was replaced by a more efficient and integrated software application.

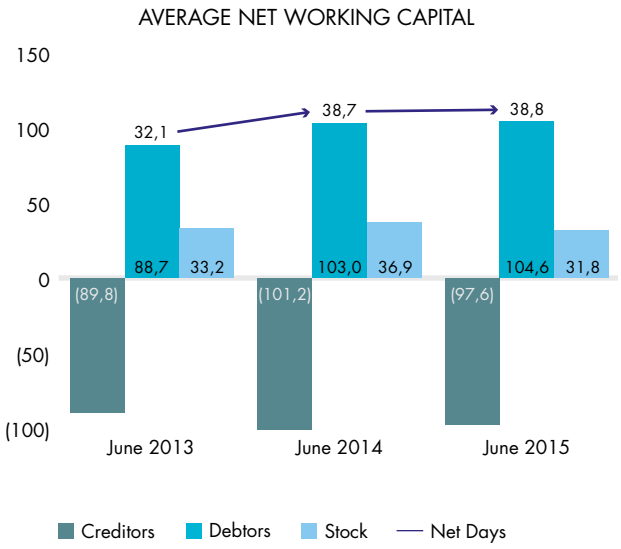
Long-term liabilities

The R90 million preference shares to AfroCentric were redeemed in January 2015. These were replaced by a maiden issue of R100 million in terms of the Domestic Medium-Term Note Programme which was listed in the previous financial year. The corporate bond attracts interest equivalent to the prime lending rate and is repayable in January 2018. This was therefore classified as a long-term liability. Refer to Material Issues on page 4 for more information.



Working capital

Jasco's working capital management remained an area of focus. Group inventories increased from R96,7 million to R99,3 million, mainly due to a major project roll out in the Enterprise business unit and higher volumes in Intelligent Technologies. The project roll out in Enterprise was completed in August 2015, with stock levels reducing post year-end. The Carrier and Electrical Manufacturers business units decreased their stock levels. Stock days thus decreased from 36,9 to 31,8 days.



Trade and other receivables increased from R273,3 million to R375,4 million on higher volumes in the second half of the year. It increased by R56,2 million in Enterprise where service level agreements (SLAs) paid in advance increased due to their alignment with SLAs received in advance, which is a permanent change, larger sales volumes during the fourth quarter and a percentage completion accrual in June for a call centre project in Tanzania for a major mobile telecommunications operator. Carrier's trade and other receivables increased by R51,8 million on an increase in sales volumes to a large mobile operator during the fourth quarter of the financial year. Debtors days thus increased from 103,0 to 104,6 days due to the permanent change in Enterprise. Excluding the provisions raised against the long-term receivable and one other debtor in the Enterprise business unit, the debtors' age profile is within expectations, with debtors 90 days and older at 5% of the total book.

Trade and other payables increased from R216,5 million to R296,8 million, which funded the increase in sales volumes especially in the fourth quarter of 2015. Creditors days decreased from 101,2 to 97,6 days on higher volumes.

As reported in 2014's Material Issues, a large security customer cancelled a long-term rental contract earlier than the agreed contract period. The contract allowed for arbitration, which commenced in the previous financial year. This is not yet finalised. Although the balance owing is being pursued, management raised a provision of R14,3 million against the amount owing to Jasco, due to the long outstanding nature of the balance.

A provision of R3,8 million was raised, which related to a pre-payment made in terms of a payphone agency distribution agreement entered into in 2012. This matter is being pursued legally, with the next court hearing scheduled for 23 September 2015. Although the group continues with the court action, any meaningful recovery is considered remote.

STATEMENT OF CASH FLOWS

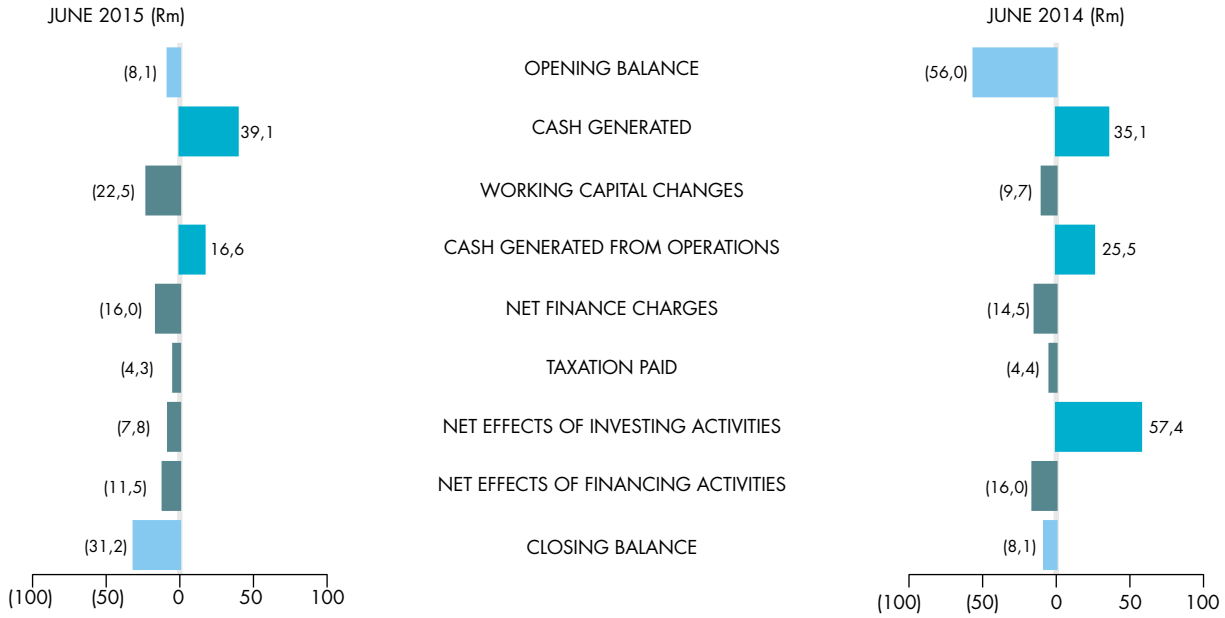
The statement of cash flows reflects an inflow in cash generated from operations before working capital changes of R39,1 million compared to R35,1 million in 2014. Working capital changes reflect an outflow of R22,5 million (2014: R9,7 million outflow) on an increase in both receivables and payables.

The net interest payment amounted to R16,0 million (2014: R14,5 million), while income tax payments of R4,3 million were similar to the prior year. Total cash outflows from operating activities of R3,7 million compared to the R6,5 million inflow in 2014.

Investing activities saw a cash outflow of R7,8 million (2014: R57,4 million inflow) mainly relating to capital expenditure. Financing activities saw an outflow of R11,5 million (2014: R16,0 million outflow) on redemption of the preference shares and project funding loan, partially offset by the corporate bond raised.

Accordingly, Jasco's net bank borrowings of R31,2 million increased from R8,1 million, mainly due to working capital outflows. The overdraft position is expected to reduce due to a focus on cash generation and management's continuing attention on optimising working capital levels.

SUMMARISED STATEMENT OF CASH FLOWS



KEY INTERNAL INITIATIVES

The following key internal initiatives are under way:

Reducing debt levels and improving the interest cover

Management's priority is to reduce the corporate bond obligation and the overdraft on receipt of the proceeds from the sale of M-TEC over the next three financial years. These expected inflows, coupled with the stronger cash generation we expect from Jasco going forward due to higher profitability levels from all business units, will allow us to reduce the gearing profile of the group. The board has reviewed the target gearing ratios and maintained the maximum level of long-term debt at 50% of equity. After the disposal of M-TEC and final receipt of the sale proceeds, the gearing percentage is expected to fall to below 50%.

Improving profitability of Enterprise

Although the restructure of this business took longer than expected, and required substantial investment in the new ERP system and process re-engineering, the focus on reducing costs and improving efficiencies in this financial year is expected to bear fruit in the new financial year.

Working capital management

The continued focus on working capital during the year is unfortunately not evident in the cash flows generated due to a permanent change in the working capital requirements in the Enterprise business, as discussed earlier in this review. This is receiving management attention.

OPERATIONAL REVIEW

All business units now comply with the minimum revenue threshold of R150 million per annum in line with our strategy.

CARRIER

Carrier delivers products and services across the value chain, from design and planning of networks to configuration, integration and support. As a system integrator, service provider and distributor, our solutions are proven across the board for telecommunications operators on the African continent.

Risks

- Consolidation of the major telecommunications operators and resultant cost cutting
- Continued downward pricing pressure due to decreases in call rates
- Volatile Rand to Dollar/Euro/GBP exchange rates

Opportunities

- Increased spend from major and second-tier telecommunications operators to meet growing demand for data by all consumers
- Expand our service portfolio to support Original Equipment Manufacturers (OEMs) in their rollouts at major telecommunications firms
- Further expand into southern and eastern Africa with our existing portfolio

Year under review

The industry was dominated by merger and acquisition negotiations on both the operator and vendor sides of the business, which will lead to further consolidation. This, together with the operators' continued plans to reduce costs, resulted in restrained spending during the year.

Notwithstanding this, we capitalised on the growing demand for data by deploying optical network infrastructure for the two large fixed-line network operators in South Africa, and deployed in-building coverage solutions for the mobile network operators. Aligned to this, we are seeing the initial growth in demand for services from these operators. The manufacturing part of the Carrier business was impacted by the metal and engineering industry strike during July 2014.

New orders increased by 11% compared to the same period last year, resulting in a similar revenue increase to R414,3 million from R371,7 million. Operating profit was up by 5% from R46,1 million to R48,3 million, delivering a healthy operating profit percentage of 11,7% (2014: 12,4%).

ENTERPRISE

The Enterprise business unit delivers end-to-end solutions, including contact centres, unified communications, IT infrastructure, cloud hosted solutions and security and fire solutions to corporates and utilities in southern Africa.

Risks

- Dependency on key customers
- Extreme competitive pricing pressure within the security environment
- Shortage of qualified, experienced and skilled technical resources which results in poor service delivery and low customer satisfaction, which decreases business volumes
- The corporate South African market for contact centres remains flat
- Volatile Rand to Dollar/Euro/GBP exchange rates

Opportunities

- Strategic partnerships and acquisitions to further enhance our end-to-end security, access control, fire detection and prevention and IT infrastructure offering
- Alliances with IT companies with specific skills sets in Internet Protocol networking and managed services
- The growing demand for cloud solutions with the launch of a cloud contact centre solution for the corporate market
- Focus on differentiated offerings and growth into Africa through the recently established Kenya office, with a specific focus on southern and eastern Africa
- Cross-selling the Intelligent Technologies portfolio of products and services

Year under review

The year under review continued to be difficult as the extent of restructuring and investment required to incorporate several businesses within Enterprise was underestimated. The reduction in headcount, implementation of new processes, closing out of old projects and a new ERP system accounted for most of the investment, both in monetary terms and in time. The investment was required to enable management and the operating teams to proactively address inefficiencies and improve service delivery to customers.

Our expansion into east Africa rewarded us with new contracts and customers in Kenya, Tanzania and Mozambique.

Revenue was up by 8% compared to last year and operating profit returned to a R0,9 million profit from the R1,6 million loss reported during the previous year. However, more attention is required to ensure that this business unit returns toa more sustainable level of profitability.

INTELLIGENT TECHNOLOGIES

Our newest business unit comprising Power, Broadcast, Smart Buildings and Data Centres was consolidated during the year.

Risks

- Dependency on key customers
- The corporate South African market remains depressed
- Labour unrest often impacts the Power manufacturing facilities
- Volatile Rand to Dollar/Euro/GBP exchange rates

Opportunities

- Continued success with cross-selling initiatives into the broader customer base in the rest of the group, particularly Enterprise's customer base
- Strategic partnerships and acquisitions to further enhance our end-to-end energy management and renewable energy offerings
- Growth into southern Africa with our existing portfolio and taking advantage of our regional presence to enhance market share for power and energy management solutions
- Focus on differentiated offerings, such as energy management services, and remote fuel and battery monitoring services
- Grow the property technology management business and increase the annuity revenue base by expanding the number of properties under management
- Providing water management solutions to utilities to eliminate non-revenue water

Year under review

This business unit delivered a pleasing result, with a 22% increase in revenue to R164,6 million from R134,7 million and a 282% increase in operating profit to R13,3 million from R3,5 million. The operating profit percentage increased significantly from 2,6% to 8,1% by exceeding the group's minimum revenue threshold of R150 million.

The high growth was mainly due to an increase in Broadcast solutions due to the industry demand to migrate to digital platforms and an increase in managed services, such as Infrastructure as a Service (IaaS) and Platform as a Service (PaaS) in our data centre environment. These growth rates are expected to remain above average industry levels of around 10% in the coming year.

ELECTRICAL MANUFACTURERS

Electrical Manufacturers are component manufacturers in the "white goods" industry.

Risks

- Lack of customer diversity
- Price pressure from major customers that erodes gross margins
- Labour unrest
- Volatile exchange rate and copper wire, brass and plastic polymers commodity prices

Opportunities

- Expansion of small and large appliances production on a contract manufacturing basis through new customers
- Target new customers with new product ranges
- Reposition the Snapper brand for electrical accessories by focusing on the wholesale market through exclusive distribution channels
- Continuous cost base optimisation

Year under review

The business unit was negatively impacted by the metal and engineering industries strike early in the financial year. Revenue was down by 10% to R174,9 million and operating profit down 33% to R12,8 million due to the strike action and the exclusion of the automotive business volume and profit which was sold in the previous year. In spite of this, the business achieved an acceptable operating margin of 7,4% in a competitive sector.

LOOKING FORWARD

INTRODUCTION

To counter the challenging market and economic conditions, Jasco will continue to execute its strategy and focus on the following key group areas:

- Drive African expansion, especially in east Africa
- Increase our regional presence in South Africa, particularly in the Western Cape, Eastern Cape and KwaZulu-Natal
- Add to our products and services portfolio, with an emphasis on the rendering of services through managed solutions
- Ensure a return to acceptable and sustainable profitability levels in the Enterprise business
- Reduce the financial gearing of Jasco by utilising the expected proceeds on the disposal of M-TEC
- Continue the transformation of Jasco, with employment equity and skills development a priority

CARRIER

We anticipate that the ICT industry will continue to consolidate in both the operator and supplier environment.

However, even against this, we expect an increase in demand for services, which will somewhat counter decreasing margins on product sales.

The continued deregulation on the continent will allow for smaller nimble operators to exploit niche opportunities. Jasco's portfolio is well positioned to take advantage of this new demand.

Key focus areas for 2016

- Focus on smaller telecommunications operators, both in South Africa and the Southern African Development Community (SADC)
- Grow the service business to the OEM suppliers
- Optimise inventory levels

ENTERPRISE

The investment in the new ERP system will be completed in the new financial year. We are confident that this will ensure an efficient utilisation of our resources to drive improved profitability. Even though product margins will remain under pressure due to ongoing competition, our services will be in demand due to highly complex projects. This, together with new offerings such as Cloud Solutions and Analytics, will support the margin.

This business unit will remain on the watch list to ensure a return to sustainable profits.

Key focus areas for 2016

- Return the business to acceptable sustainable profit levels by focusing on operational efficiencies and sustained cost reductions
- Complete the implementation of the ERP system
- Achieve scale in fire solutions by focusing on geographic expansion
- Grow managed services by supplying customers with alternatives to the traditional capital expenditure model by offering an operating cost model
- Optimise working capital position

INTELLIGENT TECHNOLOGIES

The newest business in the Jasco portfolio is expected to continue its growth. The conventional power business will be supported by the ongoing demand for power quality and assurance in southern Africa. The introduction of new services, such as remote fuel and battery monitoring, is planned for the new financial year.

Our focus on renewable energy (specifically solar) is growing in line with increasing demand from our existing customer base.

We expect demand for our Platform as a Service (PaaS) and Software as a Service (SaaS) in the prepaid electricity arena to continue due to municipalities' move from a post-paid to a pre-paid model.

Our new relationship with an international water management industry-leading partner, Takadu, with experience in various countries, will enable Jasco to be a provider of integrated water network management solutions. This partnership will allow the group to offer high-level data analytics, which will assist water utilities to improve efficiencies. This offering ensures early detection of water leaks, water flow, level and pressure problems.

Further international partnerships will assist our strategy as a Smart Building Solutions provider by offering fully automated and eco-friendly building solutions. These partnerships expand our offering without the group incurring the cost of acquisitions.

The good progress made in Broadcast Solutions during the year is expected to continue due to the ongoing investment in digital platforms.

Key focus areas for 2016

- Develop the renewable (PV) energy business by investing in a sales and engineering team, while targeting Jasco's corporate and SOE customer base
- Establish the water management business through business development activities with water utility companies

ELECTRICAL MANUFACTURERS

The manufacturing sector in South Africa remains under significant pressure, with threats of cheap imports, increased production costs due to higher electricity costs, a volatile labour market, and the weaker Rand for imported raw materials.

Against this environment, management extracted further efficiencies in working capital, with pleasing reductions in stock levels. The main focus in the year was on optimising the return on capital invested in the business unit and this focus will continue.

In the next year, our component manufacturing business will continue to focus on diversifying both its customer and product base. Although there was no strike action in the industry in the new year, the risk of strikes unfortunately always remain.

Key focus areas for 2016

- Continue the diversification of the customer and product base by manufacturing components for the prepaid meter and water heating markets
- Continue cost optimisation through focusing on headcount and shift work efficiencies

MEASURES AND GOVERNANCE

INTRODUCTION

As outlined in the message from the CEO, the team continues to take steps to address Jasco's challenges. As a board we remain confident that the team will manage to steer the group towards a more sustainable performance, especially with the exit of Jasco's stake in M-TEC.

GOVERNANCE

We remain committed to high standards of governance and continue to monitor our performance against our strategy. This year is the third time we provide key measures on both a group and team level for stakeholders to track our delivery. Refer to pages 22 to 28 for these measures.

The board appreciates the importance of risk management and maintains a risk and opportunity register that outlines a detailed mitigation process. Management is accountable for the design, implementation and monitoring of the risk management plan. The risk and opportunity register is monitored through a detailed process that involves rating the risk and categories with equivalent estimated values. The mitigation process involves allocation of responsibilities to individual employees and target dates as a monitoring tool. To ensure that risk assessment is performed on a continual basis, the risk and opportunity register is monitored by the board every quarter.

TRANSFORMATION

Our commitment to transformation in South Africa remains. Although we dropped from a level 2 to a level 3 contributor in terms of the ICT Broad-based Black Economic Empowerment (B-BBEE) sector charter, we are actively working towards improving this rating, with the emphasis on employment equity and skills development.

ENVIRONMENTAL MANAGEMENT

During the year, Jasco installed its own renewable Photo Voltaic (PV) carport system, which produces 25% of the daily power consumption at the Midrand head office. This decreased the group's reliance on municipal electricity and reduced our carbon footprint.

In addition, the full benefit of the reduction in the engine capacity of Jasco's vehicle fleet of 57 vehicles made in 2014 was evident in this financial year through lower petrol consumption.

APPRECIATION

My appreciation goes out to my fellow board members for their contribution during the past year. Their support remained key to ensuring that we make the best decisions we can for all our stakeholders. I would like to express my sincere gratitude to the CEO, management team and all the employees for their commitment. The coming year will no doubt present its fair share of challenges, but I am confident that we can overcome the obstacles to help us to grow Jasco into a leading smart technology provider.

DR ANNA MOKGOKONG
Chairman
16 September 2015

BOARD OF DIRECTORS

Dr ATM (Anna) Mokgokong (58)

BSc, MBChB

Chairman (non-executive)

Dr Anna joined the Jasco board in 2003. Dr Anna is the co-founder and executive chairman of Community Investment Holdings (Pty) Limited (CIH). In addition to chairing the Jasco board, Dr Anna also serves, in a non-executive capacity, on the boards of a few listed and several unlisted companies. Her business, education and public sector achievements are extensive and she has received numerous local and international awards.

She has served on councils and committees for the University of South Africa (Unisa) and the University of Pretoria (UP).

In the public sector, Dr Anna was the deputy chairman of the Independent Commission for the Remuneration of Public Office Bearers and the chairman on the board of the Small Development Enterprise Agency. In 1999 she was honoured as South Africa's Businesswoman of the Year and between 1998 and 2007 she received eight international awards recognising her business success.

She is a member of the Clinton Global Initiative, where she contributes as a healthcare leader.

MJ (Joe) Madungandaba (57)

CPA(SA), MDP

Deputy Chairman (non-executive)

Joe was appointed to the board of Jasco as an executive director in 2003. He became the non-executive deputy chairperson in 2006. Joe is one of South Africa's leading black entrepreneurs who co-founded CIH, a large black-empowered company, where the combined annual revenue of its investments exceeds R15 billion. He serves and has served on the boards and sub-committees of several companies. Joe also advised the South African Government Cabinet committee on RDP.

He studied towards a BCom at the University of the North/Witwatersrand, obtained a Certificate in Taxation (*cum laude*) from Unisa, and completed the Management Development Programme at Cranfield. Joe is a past winner of the BMF/Pretoria News Manager of the Year Award.

He gained extensive lecturing and consulting experience as a lecturer at Potchefstroom University's Business Advisory Bureau.

JC (John) Farrant (75)

CA(SA)
Director (lead independent non-executive)

John became a partner of Ernst & Young in 1967 and was in charge of Jasco's audit from just before the listing in 1987 until his retirement at the end of 1997. He was appointed to the Jasco board in 1997 and also serves as chairman of the audit and risk committee and is the lead independent non-executive director.

John is the chairman of a number of pension/provident and retirement annuity funds and a trustee of numerous family trusts. He is a director at Robson Savage (Pty) Limited, an actuarial science company.

H (Haroon) Moolla (49)

MBA e-Business, UK (2001) Cert director (IoDSA), Business Management Diploma

Director (independent non-executive)

Haroon's commercial and technical experience spans more than 25 years of consulting, operations and executive management, including private equity in South Africa, Dubai and California. Haroon joined the Jasco board in 2011. He currently serves as a member of the audit and risk committee and chairman of the social and ethics committee. Former directorships include positions at a financial services company and a next-generation social media company. Haroon is also an active member of the Corporate Governance Network and IT Governance forum at the Institute of Directors of SA.

AMF (Pete) da Silva (55)

Chief executive officer (executive)

Pete studied Light Current Engineering at the Germiston Technikon. His management development programme was completed through Siemens and Duke University. Pete currently holds various board positions in the fields of telecommunications, electrical engineering, property development and the medical industry.

Pete's previous positions included that of group CEO for A1GP and group CEO for Siemens Southern Africa. He has also been a senior council member of the German chamber, a board member of the National Business Initiative (NBI), the Business Trust (BT) and Business Leadership South Africa (BLSA).

Pete joined the board in 2009 as an independent non-executive director. He was appointed as CEO in 2011.

WA (Warren) Prinsloo (43)

CA(SA)

Chief financial officer (executive)

Warren joined the board in 2006 as the financial director. He qualified as a Chartered Accountant in 1998. Before Jasco, he spent six years with the Massmart group in various senior financial management positions. He is a board member of several of Jasco subsidiaries.

Warren is a member of the Institute of Directors.

Sir JA (John) Sherry (77)

Knight of Malta

Director (independent non-executive)

Sir John was the founder of Jasco in 1976 and served as chairman from inception until he stepped down in 1998 to become an non-executive member. In recognition of his humanitarian deeds, Sir John was made a Knight of Malta during 1998 and was granted the title of Chevalier.

MSC (Shaheen) Bawa (56)

BSc (Hons), (Applied Physics and Computer Control), MSc (Electrical Engineering)

Director (non-executive)

Shaheen joined the board in 2014. Shaheen is the CEO of Eclipse Unlimited Holdings (Pty) Limited, which invests in the ICT, energy, gaming, property and distribution sectors. In addition to serving as a director on the Jasco board, Shaheen also serves, in an executive and non-executive capacity, on the boards of several unlisted companies.

D (Dewald) Dempers (46)

BCom (Accounting)

Director (non-executive)

Dewald co-founded Executive Practice Management Services. He established a 24-hour emergency unit at a Pretoria-based private hospital, co-founded Executive Hospital Management Services, which led to the founding of the Community Hospital Group. After the disposal of the hospitals, Dewald was appointed as CEO of AfroCentric Health Limited. In 2012 he was appointed CEO of the AfroCentric Group. Dewald joined the board in 2014 and resigned on 31 August 2015.

EXECUTIVE COMMITTEE

Pete da Silva (55)

CEO

Refer to page 19 for his detailed CV.

Warren Prinsloo (43)

CFO

Refer to page 19 for his detailed CV.

Thapelo Petje (53)

MCom (UP), BCom (Hons) (SA), SEP (University of the Witwatersrand/Harvard University)

Executive director (Group strategic sales)

Thapelo joined Jasco in 2011 and heads up strategic sales across the group. His role focuses on strategic projects, new business development and maintenance of the existing customer base. He is involved in key sectors of the business that includes fixed and mobile telecommunications, transport (rail), power (energy) utilities and mining, as well as exploring opportunities in the rest of Africa. His expertise lies in strategy, business development and supply chain management.

Paul Fick (59)

BSc (Electronic Engineering) (University of Pretoria), B Eng (Honours) (Electronics) (University of Pretoria), MBA (Unisa)

Chief technology officer

Paul joined Jasco in 2010 following the merger of Jasco and Spescom. At Spescom he was the managing director of Spescom DataFusion, the country's leading contact centre and unified communications solution provider. At Jasco he was responsible for Jasco Enterprise, before his appointment as Jasco's Chief technology officer in 2013.

Mark Janse van Vuuren (48)

MBA

Chief operating officer (COO)

Mark was appointed as COO in 2013. Prior to this, Mark was the managing director of Jasco ICT Solutions from 2011 to 2013 and the divisional managing director of Telesciences from 2010 to 2011. Before joining Jasco, Mark was the managing director of Maringo Telecommunications, the COO of Nokia Siemens Networks SA and the managing director of Fixed Networks at Siemens Telecommunications. He has over 13 years' experience within the ICT sector, with expertise in management, operations and telecommunications.

Ricky Schumacher (50)

IAC Dip, MDP (Unisa)

Operational financial director

Ricky was appointed as financial director of operations in 2013. Prior to this, Ricky was the financial director of Carrier Solutions. Before joining Jasco, Ricky was the financial director of Maringo Communications from 2008 to 2010. Ricky held various financial and commercial positions for Moores Rowland, Siemens Limited, Siemens Telecommunications and Nokia Siemens Networks. Ricky brings over 25 years of experience within the ICT and Power industries, with expertise in financial management and operations.

Samantha Samuels (41)

PR National Diploma/Marketing, Business Management Diploma

Group executive (marketing and communications)

Samantha has consulted to Jasco since 2011 and formally joined the group in 2012. Over this period she has helped to define the group's marketing and communications strategies, as well as the brand consolidation of Jasco. She has over 16 years of experience in marketing, event management, external and internal communications and corporate social investment. She has worked at the Department of Economic Affairs and Tourism, Vodacom Sport & Entertainment, Sail Sport & Entertainment, Vodacom Group and 360x Holdings.

Simoné Scheepers-Tait (39)

NHD Business and Commercial AD Certificate Advance Labour Law (Unisa)

Group executive (human resources)

After qualifying in labour law, Simoné started her career with Coetzee & Associates in 1998, a labour law firm specialising in labour and industrial relations. After a six-year tenure, she joined Jasco as its group human resources manager in 2004, gaining experience in the telecommunications, manufacturing and security sectors. In 2013 she was promoted to the position of group executive: human resources. Simoné has over 16 years' experience in the field of labour relations and human resources. Simoné is a member of both the South African Reward Association and the South African Payroll Association.

GROUP SCORECARDS

TEAM PERFORMANCE AGAINST KEY PERFORMANCE MEASURES

The group has strict measures in place to monitor its progress against financial and non-financial measures. The next few pages outline these measures and how we performed against them.

Key financial ratios

	2015	% change	2014	Comment
Debt:equity (%)	73,3	19,1	61,5	After the redemption of the group's preference shares and the maiden issue of the corporate bond, the gearing ratio still exceeds the group's self-imposed maximum target of 50% due to the vendor-funded term loan relating to the group's Co-location Solutions project, as well as the decrease in equity resulting from the various impairments. Adjusted for this, the ratio is 54,2%. Post the final M-TEC procceds it is expected to reduce to below the 50% level.
Interest cover (times)	1,0	10,0	0,9	The EBITDA cover remained unchanged, and is below the internal target of 3,5x against EBITDA in the short term. This is receiving urgent attention. The cover will be 3,5X on the planned disposal of M-TEC.
EBITDA interest cover	2,4	–	2,4	
Return on equity (ROE) (%)	(40,1)	–	1,9	This was negatively impacted by the impairments of the intangibles and the additional write-down of the investment in M-TEC. This is unacceptable to management and receiving attention.
Return on assets managed (ROAM) (%)	(11,0)	–	0,9	This was negatively impacted by the impairments of the intangibles and the additional write-down of the investment in M-TEC. This is unacceptable to management and receiving attention.
Headline earnings per share (HEPS) (cents)	2,4	324,5	0,6	Although the majority of business units improved their performance, the group results continued to be impacted by underperformance in Enterprise.
Net asset value per share (cents)	92,7	(31,0)	134,3	This decreased due to the impairment of M-TEC, the intangible assets and the increase in the number of shares following the general issue of shares in April 2015.
Tangible net asset value per share (cents)	57,0	(30,6)	82,1	This decreased due to the impairment of M-TEC and the increase in the number of shares following the general issue of shares in April 2015.

Key non-financial ratios

B-BBEE rating scores	2015	% change	2014	Comment
Ownership	19,6	–	19,6	The group remained 62% black-owned and 7% black women-owned.
Management control	5,8	(10,8)	6,5	This was impacted by the resignation of a female non-executive director, the appointment of a male non-executive to the main board, as well as the resignation of a female executive from the group executive committee. The nominations committee and executive directors are reviewing this.
Employment equity	3,9	(13,3)	4,5	Due to acquisitions during 2014, the senior and middle management representation was affected due to the employment transfers of white males within these management levels. The management is reviewing this and preference is being given to equity candidates when filling vacancies.
Skills development	10,2	(1,0)	10,3	Despite cost awareness initiatives, the group remains focused on training and development of its employees.
Preferential procurement	21,6	1,9	21,2	Procurement improved slightly during the last year. The focus on black women-owned suppliers remains a high priority.
Enterprise development	11,0	–	11,0	This area will receive focus in light of the anticipated changes to the codes by the Department of Trade and Industry (dti).
Socio-economic development	12,0	–	12,0	Jasco's focus is primary education in the regions in which it operates. The amounts invested are in excess of the minimum targets set by the dti.
Total score	84,1	(1,2)	85,1	Level 3 (AA) contributor.

Key non-financial ratios

Human resources	2015	% change	2014	Comment
Number of employees – temporary and permanent	812	(4,7)	852	The employee complement decreased due the review of the group in terms of headcount, duplication and where necessary, non-replacement of employees exiting and/or retrenchments due to operational requirements. Despite employees joining the group through acquisitions, manufacturing plants requiring contract workers and short-term employment contracts, the group was in a position to strictly monitor its headcount.
Number of employees – permanent	727	(4,1)	758	The employee complement decreased due to the review and restructure within certain business units.
Average number of employees	852	(3,6)	884	The average number of employees decreased during the year under review.
Revenue per employee (R' million)	1,3	12,0	1,2	This increased following the decrease in headcount and the increase in revenue.
Operating profit/(loss) per employee (R'000)	(85,0)	(527,3)	19,9	This was negative due to the impairments and write-off of assets in the current year.
Total assets per employee (R'000)	929	6,0	876	This improved on the decrease in headcount.
Number of employees trained	323	(37,4)	516	Due to the modest profits within the group, discretionary training programmes were postponed. The current year's formal training focused on those areas that directly impact employees' areas of responsibilities. Although additional informal on-the-job training also continued across the group, this is not included in the number of employees trained.
Percentage of employees trained	38	(34,5)	58	Due to the modest profits within the group, discretionary training programmes were postponed. The current year's formal training focused on those areas that directly impact employees' areas of responsibilities. Although additional informal on-the-job training also continued across the group, this is not included in the number of employees trained.
Total training spend (R'million)	1,5	(34,8)	2,3	Due to the modest profits within the group, discretionary training programmes were postponed. The current year's training spend focused on those areas that directly impact employees' areas of responsibilities.
Training spend per trained employee (Rand)	4 646	2,1	4 551	The increase in spend per trained employee was due to the increase in costs relating to the specialist and certification training programmes certain employees attended during the year under review.
New appointments	65	(58,3)	156	Due to the continued business review and restructure, new appointments were much lower than in the previous period.
Resignations, retrenchments, contract endings	144	(2,7)	148	The majority of terminations relates to limited duration contracts ending and retrenchments in line with the group's restructuring programme.
Employee turnover (%)	17	–	17	Due to the review and business restructure, the group expected the continued high staff turnover percentage. These rates are monitored and reviewed in line with the group's strategy. Exit interviews are conducted with employees who leave as part of the employee exit process.
Number of minor injuries on duty	14	(26,3)	19	The number of injuries on duty decreased and remained low during the period. Employee safety remained a high priority.

FIVE-YEAR FINANCIAL REVIEW

	Notes	2015 R'000	2014* R'000	2013 R'000	2012 R'000	2011 R'000
Comprehensive income						
Turnover		**1 117 431**	1 035 382	1 146 034	983 693	763 498
Operating (loss)/profit		**(72 456)**	17 594	(93 486)	31 213	28 802
Net interest paid		**(16 046)**	(14 544)	(19 330)	(14 282)	(8 432)
Share of (loss)/income from associate		**(689)**	110	(1 586)	10 080	4 506
(Loss)/profit before taxation		**(89 191)**	3 160	(114 402)	27 011	24 876
Taxation		**6 343**	3 480	6 974	(7 009)	(11 356)
(Loss)/profit for the year		**(82 848)**	6 640	(107 428)	20 002	13 520
(Loss)/profit for the year attributable to ordinary shareholders		**(83 272)**	5 416	(110 060)	21 935	9 526
Headline earnings adjustments		**88 409**	(4 444)	110 525	1 802	7 664
Headline earnings for the year		**5 137**	972	465	23 737	17 190
Ratios and statistics						
Financial position						
Equity attributable to the parent		**207 768**	286 472	225 656	339 842	323 363
Total equity		**213 103**	287 582	238 065	354 432	343 198
Total assets		**749 423**	746 141	877 204	815 254	754 503
Shares in issue (000)		**229 319**	218 399	146 399	146 399	146 399
Treasury shares (000)		**5 129**	5 129	5 127	5 481	5 481
Weighted average number of shares in issue (000)	1	**215 155**	172 832	141 272	140 918	122 745
Net asset value per share (cents)		**92,7**	134,3	159,7	241,2	229,5
Net tangible asset value per share (cents)		**57,0**	82,2	93,1	148,0	148,3
Liquidity						
Debt:equity (%)	2	**73,3**	61,5	100,4	43 5	43,8
Interest cover (times)	3	**1,0**	0,9	0,8	3 0	4,9
Cash generated from/(utilised in) operations		**16 621**	25 463	(66 368)	24 480	2 980
Profitability						
EBITDA (R000)	4	**37 994**	34 768	45 318	64 063	53 275
Return on equity (%)	5	**(40,1)**	1,9	(48,8)	6,5	2,9
Return on assets managed (ROAM) (%)	6	**(11,0)**	0,9	(12,2)	2,5	1,8
(Loss)/earnings per share (cents)		**(38,7)**	3,1	(77,9)	15,6	7,8
Diluted (loss)/earnings per share (cents)		**(38,7)**	3,1	(77,9)	15,6	7,8
Headline earnings per share (cents)		**2,4**	0,6	0,3	16,8	14,0
Diluted headline earnings per share (cents)		**2,4**	0,6	0,3	16,8	14,0
Human resources						
Number of employees		**812**	946	844	793	827
Turnover per employee		**1 300**	1 171	1 358	1 240	923
Total assets per employee		**929**	789	1 039	1 028	912

Notes:

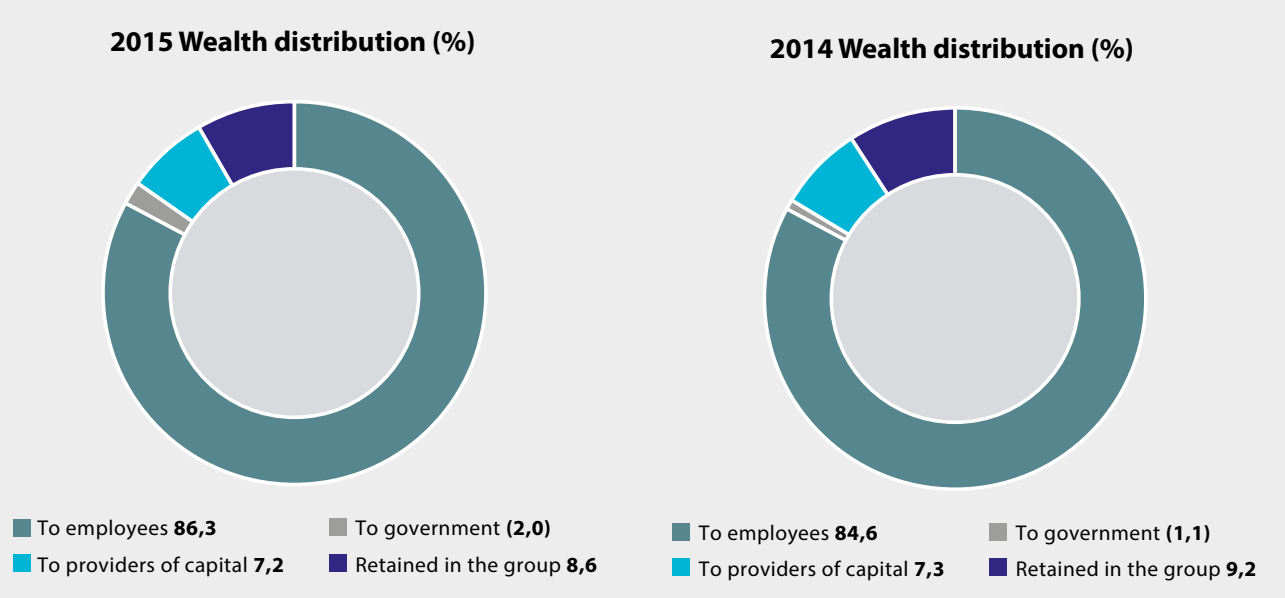
1. *Weighted average number of shares in issue – the weighted average number of shares in issue during each financial year, net of treasury shares arising from the consolidation of the Jasco Employee Share Incentive Trust and the Spescom Limited Share Trust.*
2. *Debt:equity (%) – interest-bearing debt, expressed as a percentage of total equity.*
3. *Interest cover (times) – operating profit, net of headline earnings adjustments, before interest divided by net interest paid.*
4. *EBITDA – earnings before interest, tax, depreciation, amortisation, profit on disposals and impairment or fair value adjustment of investments.*
5. *Return on equity (%) – earnings attributable to equity holders of the parent as a percentage of closing equity attributable to equity holders of the parent.*
6. *ROAM – profit for the year divided by the total assets at the end of the financial year.*

* *Re-presented for M-TEC*

VALUE ADDED STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

	2015 R'000	%	2014 R'000	%
Revenue	**1 123 818**		1 043 185	
Net cost of products and services	**(721 412)**		(742 470)	
Value added	**402 406**		300 715	
Other non-trading income/(expense)	**(89 098)**		4 554	
Net (loss)/profit on disposal of plant and equipment	**(2 205)**		155	
Profit on disposal of business unit/subsidiary	**777**		4 289	
Impairment of intangibles	**(29 560)**		–	
Loss on re-measurement of associate held for sale – M-TEC	**(57 421)**		–	
Equity accounted (loss)/earnings	**(689)**		110	
Total wealth created	**313 308**		305 269	
Distributed as follows:				
To employees				
Salaries, wages and benefits	**270 355**	**86,3**	258 254	84,6
To government				
Taxation	**(6 343)**	**(2,0)**	(3 480)	(1,1)
To providers of capital	**22 433**	**7,2**	22 347	7,3
Interest on borrowings	**22 433**	**7,2**	22 347	7,3
Retained in the group	**26 863**	**8,6**	28 148	9,2
Depreciation of plant and equipment	**11 766**	**3,8**	11 450	3,8
Amortisation of intangibles	**10 275**	**3,3**	10 168	3,3
Fair value adjustments	**86 981**	**27,8**	–	–
Equity accounted (loss)/earnings	**689**	**0,2**	(110)	(0,1)
Retained profit (loss)/earnings	**(82 848)**	**(26,4)**	6 640	2,2
Total wealth distribution	**313 308**	**100,0**	305 269	100,0



TEAM MEASURES

Key performance areas

Our team is strictly measured to ensure delivery against performance criteria. The next few pages outline how the board and management performed during the year.

Chairman

Dr Anna serves as chairman on a variety of boards and has experience in business, remuneration practices and management. Refer to page 18 for her detailed CV.

Key performance areas	Performance
Effective and unified board	Board, sub-committee, chairman and individual director assessments are conducted annually. The board review (conducted post year-end) indicated that the board provides sound governance and constructively contributes to board discussions. The non-executive directors apply independence of mind while engaging in board-related matters. The board also acts in the best interest of the company and its stakeholders. The chairman continues to drive the board's focus on ensuring that the profile, skills set, diversification, qualifications and individual qualities of its executive and non-executive directors serve the current and future needs of the business and the ever-changing environment in which it operates. The chairman provides strategic input to the group through her broad knowledge of business and investment in the South African and international context.
Conflicts of interest	Conflicts are declared at each board meeting and conservatively interpreted. The chairman strictly adheres to her fiduciary duty of care and skill codified in the Companies Act. All conflicts, even those broader than the definition of personal financial interests, are treated in line with section 75 of the Companies Act.
Governance and compliance	No material breaches in terms of governance principles occurred in the year. Compliance with laws, rules, codes and standards from a company perspective are complied with, with support from the group company secretary. All governance and compliance matters were addressed, with support from the group company secretary. Governance and compliance continues to be reviewed by the board. A new company secretary was appointed in August 2015.
Annual work plan delivery	The board work plan schedule and targets were met.
Board and executive committee (exco) interaction	The board meets quarterly, with one strategy session and the budget presentation that includes the executive committee members. When required, executive committee members are invited to attend board and committee meetings.
CEO and CFO appraisal	The CEO and CFO appraisals were completed.
Board attendance	The chairman participated in board and committee meetings, including through electronic participation.

Non-executive directors

The board of directors consists of members with experience in business, finance, engineering, information and telecommunications technologies and management. Refer to pages 18 and 19 for the detailed CVs of each director.

Key performance areas	Performance
Skills, experience and knowledge on strategy, evaluation of performance, transformation, standards of conduct and legislative requirements	The board review (conducted post year-end) indicated that the board provides sound governance and constructively contributes to board discussions. The non-executive directors apply independence of mind while engaging in board-related matters. The board also acts in the best interest of the company and its stakeholders. The company's continued operations met all material statutory and compliance requirements.
Level of board contribution	All board and committee meetings met the quorum requirements, which allowed for robust and productive meetings. Active participation and director involvement are required to support the executive directors.
Time allocation	With the exception of Mr Dewald Dempers, the non-executive directors managed their time efficiently, whilst having other commitments. They were readily available to assist executive management, when required. There was active involvement and participation on pertinent board matters. Mr Dempers resigned with effect from 31 August 2015.

Chief executive officer (CEO)

The CEO has multiple years of experience in leading a large organisation with a background in engineering and telecommunications. He also has an acute understanding of the importance of the development of human capital, with the right skills to meet the group's strategic objectives. Refer to page 19 for his detailed CV.

Key performance areas	Performance
Leadership	The board reviews the performance of the CEO each year. This was completed and it was found that the CEO displays strong leadership qualities.
Broad-based black economic empowerment (B-BBEE)	The group achieved a level 3 B-BBEE contributor status in 2015, a drop from level 2 in the previous year. Employment equity and skills development were the major reasons for the decline.
Safety, health, environment and quality (SHEQ)	No fatalities or major injuries were reported. Risk assessments are conducted to identify hazards and corrective actions were implemented. A comprehensive SHEQ audit was conducted to ensure compliance to all health and safety requirements.
Client focus	Jasco's Net Promotor Score (NPS) was 25,0% (2014: 28,0%), compared to the international average of 21,5%. This will be the benchmark for the rest of the group.
Capacity building	Training decreased to 38% of employees.
Organisational development and succession	Succession and development initiatives are in place and aligned with the mentorship programmes.
Group strategic development	The focus will be on stability and improved performance if the long-awaited exit from the M-TEC investment is achieved.
Group financial performance	As promised to the market, the majority of businesses improved their performance. Although Enterprise improved in the second half, its restructuring and the resultant impact on results took longer than expected. Overall group results were also affected by strike action in the first half, as well as the impairments and provisions.

Chief financial officer (CFO)

The CFO is a qualified chartered accountant with experience in finance, management, governance and strategy. Refer to page 19 for his detailed CV.

Key performance areas	Performance
Leadership	The annual assessment of the CFO was conducted. This confirmed that he displays strong leadership qualities.
Group financial performance	As promised to the market, the majority of businesses improved their performance. Although Enterprise improved in the second half, its restructuring and the resultant impact on results took longer than expected. Overall group results were also affected by strike action in the first half, as well as impairments and provisions.
B-BBEE	The group achieved a level 3 B-BBEE contributor status in 2015, a drop from level 2 in the previous year. Employment equity and skills development were the major reasons for the decline.
Organisational development and succession planning	Following the restructure of the financial and administrative teams in 2014, the focus on creating further depth continued in 2015.
External and internal compliance management	There were no material adverse internal or external audit findings.
Unqualified annual financial statements (AFS)	Unqualified AFS were delivered within the three months required by the JSE Listings Requirements.
Stakeholder communication and development	Regular communication with all key stakeholders continued in 2015. Positive informal feedback was received from shareholders, customers and suppliers.

Executive committee (exco)

The executive committee members are individuals who have a combination of experience and skills in management, strategy, human resources, governance, finance, SHEQ, marketing and information technology. Refer to pages 20 and 21 for detailed CVs of each member.

Key performance areas	Performance
Leadership	Positive leadership skills were displayed in the year under review against the restructure within the group.
B-BBEE	The group dropped from a level 2 to level 3 B-BBEE status on a decline in employment equity and skills development.
Delivery to the group	Following the completion of our three-year restructuring programme, this year focused on the finalisation of the entrenchment of the new strategy.
Organisational development and succession planning	Succession and development initiatives are in place and aligned to the mentorship programmes.
Technology skills acquisition and development	The chief technology officer ensures a focus on technology advancements and the group information technology strategy.
SHEQ	A comprehensive SHEQ audit was conducted to ensure compliance with all health and safety requirements.
Compliance and legislation	Internal, external and ISO audits were successfully conducted.
Socio-economic development (SED)	An SED plan was implemented, with a particular focus on education. The group meets the requirement of spending 1,5% of net profit after tax on SED initiatives.
Stakeholder relationships	NPS was adopted across the group, with positive client feedback from the customer survey for the Carrier, Enterprise and Intelligent Technologies businesses. The employee climate survey conducted showed positive results.
Teamwork	The exco team focused on executing the group's strategic and operational plans. The employee climate survey conducted showed improved results from last year.

REMUNERATION REVIEW

In line with King III requirements, this report forms the basis for shareholders' non-binding advisory votes at the next annual general meeting.

Jasco's remuneration strategy aims to compete for talent in a very competitive labour market and to retain quality employees who improve business performance. The strategy is designed to motivate individual and team performance, as a fair and competitive reward strategy is vital to being an employer of choice.

MANAGING OUR SKILLS BASE

The management of our skills base remains a critical success factor in Jasco's achievement of growth objectives. To address this, we have implemented a talent management strategy to deliver on planned growth objectives. This includes attracting skilled employees, retaining key resources, mentorship programmes and motivating employees.

Our mentorship programme focuses on mentoring and succession planning. Our leadership team is empowered with mentoring skills and our group executive team members are actively involved in the mentoring of key employees.

With transformation recognised as a competitive advantage, our skills development programme focuses on the development of existing talent, as well as on fast-tracking black employees to ensure that the workforce reflects the demographics of the country.

Jasco invested R1,5 million on skills development programmes during the year under review. 323 employees, representing 38% of total employees, received training, of which 50% were black employees.

Four internships were offered with the assistance of an external company. These interns currently conduct their internship within our Jasco Enterprise business unit and the group human resources department.

A SETA-approved Adult Basic Education Training (ABET) programme is available to any employee requiring it and employee training and skills upgrading of technical employees extend to technologies and methodologies of Jasco partner solutions, including new products.

Two employees were appointed under learnership programmes during the financial year and are actively involved within the Enterprise and Intelligent Technologies business units. These agreements are designed to develop their technical skills in the ICT sector.

Skills priorities	Status
Living the group's values	We have a vision, purpose statement and set of values. Adherence is measured through key performance indicators.
Effective leadership	A leadership blueprint is in place and each executive member received detailed feedback on the extent to which he/she demonstrated the required leadership behaviour. Refer to pages 22 to 28 for the team's performance against their measures. The roll out of the feedback process to the next layer of management continues.
Skilled, engaged and competent employees	The Peromnes grading implemented last year ensures effective benchmarking across the organisation and industry. In addition, it assists with formalising our training requirements across the group.
Succession	Succession for first-, second- and third-tier management levels are in place. During the year, the group reviewed succession at management and operational levels within these management levels. As a result of the review and restructure of the Jasco Enterprise and Intelligent Technologies business units, the group will continue with the next management level during the coming year.
Transformation	Transformation within the group remains a high priority. Due to the various restructure and review exercises across the business, new targets will be put in place, with continued focus on transformation and succession where required.

REMUNERATION OVERVIEW

Jasco believes that the remuneration and reward of our employees are both a human resources and business matter, as it affects our ability to attract and retain high-calibre employees. It also impacts our operational efficiency, company culture, employee behaviour and ultimately the profitability and sustainability of the business.

Jasco therefore aligns the objectives of incentives with the organisation's performance-driven culture, business targets and strategic objectives.

ELEMENTS OF REMUNERATION AND REWARD

The group's remuneration packages are split into guaranteed pay and short-term and long-term incentives.

Reward element	Instrument	Objective	Characteristics	Participants
Guaranteed pay – including benefits	Cost-to-company remuneration Retirement fund Healthcare Risk benefits, including group life, income protection and funeral cover Leave benefits Employee assistance programme	Attraction and retention Reward individual performance Drive long-term strategic objectives and targets Competitiveness/market-related benchmarks	Fixed Benchmarked to the median of the industry and market	All permanent salaried employees
Short-term incentives	Annual incentives	Reward individual and group performance Drive short-term objectives and targets Attraction and retention	Non-guaranteed Variable 8% to 40% of cost-to-company	All permanent salaried employees
Long-term incentives	Share option schemes Phantom share schemes (two- to four-year vesting periods)	Drive long-term strategic objectives and targets Retention of key and critical employees Reward individual and group performance	Variable 20% to 30% of guaranteed pay	Key executives

EMPLOYEES

Guaranteed pay

Guaranteed pay is managed on a cost-to-company basis, with flexibility in the selection of benefits, such as healthcare and risk benefits. Participation in the group's retirement fund, life, disability and funeral cover are compulsory for all permanent salaried employees who fall outside the jurisdiction of bargaining councils.

Our guaranteed remuneration is competitive relative to the market. We benchmark against the market median, with remuneration levels reviewed at least once a year.

We participate in annual remuneration surveys to ensure our offering is competitive and in line with best practice.

The group focused on ensuring that its remuneration practices and policies are compliant with new legislation introduced. The main changes to the legislation during the year included compliance with the equal pay for equal work principle in line with the Employment Equity Act of 2013, as amended. We review our policies and practices on an annual basis to ensure only justifiable differences exist and to remove any newly-identified inappropriate differences.

Internal parity is promoted and remuneration differentiation between employees is based on criteria that are fair and objective.

The group's job evaluation system allows for differentiation in scope, areas of responsibility and fields of expertise. Increases in guaranteed pay for employees are based on a review of market data, consideration of the individual performance and potential, as well as the business priorities of the group. Increases for salaried employees are during January of each year. Increases for waged-based employees are in accordance with the sectoral determinations, as set by the Department of Labour, or the regulations of the Metal and Engineering Industries Bargaining Council. Increases for waged-based employees are during July of each year.

Short-term incentives

Short-term incentives are in place for all permanent salaried employees and are based on the achievement of key performance areas, with appropriately set targets which are measured on an annual basis. These include financial indicators, as well as job-specific key performance areas (KPAs), such as leadership, customer satisfaction, learning and development, technical competencies and timeous delivery on objectives.

EXECUTIVES AND PRESCRIBED OFFICERS

The remuneration of executives and prescribed officers includes guaranteed pay and short and long term incentives.

Guaranteed pay

The guaranteed remuneration of executives and prescribed officers are managed on the same basis as other salaried employees.

Short-term incentives

Short-term incentives depend on the company's performance. Its is generally paid on an annual basis and is based on the achievement of key performance areas (KPAs). KPAs are set annually and are designed to drive both financial and non-financial strategic targets and objectives. The KPAs of executives and prescribed officers include financial indicators such as revenue, profit before interest and tax, earnings per share and return on assets managed, as well as strategic indicators such as the roll out and implementation of company strategy and objectives.

Due to the poor performance of the group, no short-term performance-based incentives were paid to group executives.

The CEO only received a standard five-year service award and the CFO was paid a retention bonus.

Where a business unit achieved the required results as per the KPAs set at the beginning of the financial year, a provision was made for the payment of short-term incentives. Payments will only be made in December 2015.

KPAs are cascaded down from senior levels into the organisation to ensure strategic alignment.

Long-term incentives

Jasco operates a long-term share incentive (LTI) scheme, which awards shares or options to participants through the Jasco Employee Share Incentive Trust.

The Jasco Employee Share Incentive Trust was designed to provide participants with long-term incentives and to drive long-term strategic growth. Each participant receives an allocation of shares or options and is rewarded for the growth in the value of the shares. Vesting periods are two to four years and options lapse after five years.

During the year under review, share allocations and share option allocations were made to key individuals, as disclosed in the table on page 33.

In addition to this, as the business units in our different verticals are diversified, with varying dynamics, the group has a phantom share scheme. The phantom share scheme rewards participants for the growth in the value of the business units in which they operate over a two- to four-year period. No phantom shares were issued during the year under review.

Summary of 2015 remuneration of executive directors and prescribed officers

Rand	Short-term guaranteed	Short-term payment	Long-term share-based payment	Total
Executive directors				
AMF da Silva	3 548 511	^3 333	369 061	3 920 905
WA Prinsloo	2 304 832	#530 000	286 722	3 121 554
Prescribed officers				
M Janse van Vuuren	2 262 755	–	89 411	2 352 166
T Petje	1 653 117	–	–	1 653 117
Total	9 769 215	533 333	745 194	11 047 742

^ Five year long service award
 # Retention bonus paid

Summary of shares and options issued to executive directors and prescribed officers

Participant	Nature	Issue date	Lapse date	Number of shares/options	Exercise price
AMF da Silva	Shares	2 June 2015	N/A	5 892 830	55 cents
	Shares	5 February 2014	N/A	720 000	72 cents
	Options	5 May 2011	May 2016	1 463 993	103 cents
WA Prinsloo	Shares	2 June 2015	N/A	3 253 642	55 cents
	Shares	5 February 2014	N/A	750 000	72 cents
	Options	21 April 2011	April 2016	580 000	101 cents
	Options	30 September 2009	September 2014	120 000	200 cents
M Janse van Vuuren	Options	2 June 2015	June 2020	1 021 642	55 cents
	Options	5 February 2014	February 2019	637 000	72 cents

REMUNERATION COMMITTEE

The remuneration committee is appointed by the board of directors. The role of the committee is to provide guidance and support to the board in fulfilling its responsibilities to shareholders, employees and other stakeholders by ensuring that the employees and management of the company are appropriately and equitably compensated for their services to the company and motivated to perform to the best of their abilities in the interest of all stakeholders. The committee also has to demonstrate objectivity in determining the remuneration in the interest of shareholders and to the strategic and financial health of the group.

The remuneration committee's responsibilities are to:

- Determine, agree and review the remuneration policy and framework of the group with the board
- Determine and agree the total remuneration package of the chief executive officer and chief financial officer and any other executive director
- Review the ongoing appropriateness and relevance of the remuneration policy in terms of its ability to attract and retain scarce and critical employees. This includes the review of company benefit structures, such as retirement and healthcare plans
- Make recommendations to the board and shareholders on the remuneration of non-executive directors
- Make recommendations regarding performance measures for executive directors
- Review the design of all share incentive plans for approval by the board and shareholders and determine whether awards will be made. If awards are made, the committee also has to determine the overall amount of these awards, the individual awards to executive directors and other senior executives, as well as the performance targets to be used
- Set guidelines for the annual increase in income of all employees
- Ensure compliance with applicable laws, codes and JSE Listings Requirements

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors are paid a fixed fee, which is determined by the extent of their participation in sub-committees. The fees payable to non-executive directors are reviewed by the remuneration committee and approved by shareholders at the annual general meeting (AGM) each year. The proposed increase for 2016 is in line with inflation.

Summary of remuneration of non-executive directors

Name	Role	2015 Financial year Rand	2015 Calendar Year Rand	Proposed 1 Jan 2016 – 31 Dec 2016 Rand
Dr ATM Mokgokong	Chairman	398 844	398 844	422 775
MJ Madungandaba	Deputy chairman	387 252	387 252	410 487
JC Farrant	Lead independent non-executive, audit and risk committee chairman, remuneration committee member, nominations committee member	306 240	306 240	324 625
MSC Bawa	Remuneration committee chairman	232 038	300 564#	318 598
H Moolla	Social and ethics committee chairman, audit and risk committee member	300 564	300 564	318 598
Sir JA Sherry	Audit and risk committee member	198 084	232 656*	246 615
D Dempers Δ	Non-executive director	–	–	–
M Malebye^	Remuneration committee chairman, audit and risk committee member, nominations committee member	85 165	–	–
Total		1 908 184	1 926 120	2 041 698

 # Increased on appointment as chairman of the remuneration committee in January 2015

** Increased on appointment to audit and risk committee in January 2015*

Δ Remunerated by AfroCentric, resigned on 31 August 2015

^ Until 1 October 2014

COMPANY SECRETARY REVIEW

Jasco employs a variety of policies, charters and practices to manage corporate governance. The group is subject to the various guidelines and requirements enacted by the JSE Limited (JSE). The board is ultimately responsible for ensuring that governance standards are met, with the support of the senior management. The board maintains the view that the group is compliant with the provisions of the Companies Act, 71 No. of 2008 to the extent required.

In terms of the JSE Listings Requirements 8.63(i), the group's subsidiaries passed special resolutions to provide financial assistance to the other group companies, as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies of the group.

THE COMPANY SECRETARY

In line with the Companies Act and the JSE Listings Requirements, the board selects and appoints the group company secretary.

All directors have access to the advice and services of the group company secretary. The group company secretary assists directors, board committees and their members in obtaining professional advice. The group company secretary's statement of compliance is set out on page 3 of the consolidated financial statements, which can be found at www.jasco.co.za.

The group company secretary is also responsible for alerting the directors to any relevant changes to the Companies Act, the Financial Markets Act, the JSE Listings Requirements, all governance reports, as well as any other statutory regulations or laws affecting them in their capacity as directors. The group company secretary also monitors the directors' dealings in securities and ensures adherence to prohibited periods for share trading. The appointment and removal of the group company secretary is a matter for the board as a whole.

During the year, the company secretary, Mrs Shireen Lutchan, resigned. In the seven months between Mrs Lutchan's resignation and the appointment of the new secretary, the group CFO took on the role of acting company secretary. Post the financial year-end, shareholders were advised that Sekretari Pty Limited, represented by Mrs CD du Plessis, was appointed as company secretary with effect from 1 August 2015. The board is satisfied that the new company secretary has the requisite competence, qualifications and experience.

In line with sections 3.84(i) and (j) of the JSE Listings Requirements, the chairman and the CEO conduct a detailed assessment to satisfy the board of the competence, qualifications and experience of the group company secretary.

This is usually performed through:

- A review of qualifications and experience
- An assessment (detailing all the legislative and King III requirements) by the chairman. This assessment specifically includes questions on how effectively the role as gatekeeper of good governance in the company is performed, the effectiveness of the arm's length relationship and how the role and duties as group company secretary is performed
- A performance review by the CEO against measured targets from a daily administrative perspective

Due to the resignation of the company secretary, the assessment process was only partly completed in this financial year. This will be concluded with the new company secretary in the coming year.

KING III

As a listed company, Jasco operates in a regulated environment, which naturally drives us to adhere to the principles of King III. In line with the key areas of governance, the board applied the main principles imperative to the company, together with the Companies Act affecting the year under review.

The directors confirmed that they will continue to exercise their duties of care and skill and that they have taken reasonable steps to ensure application of governance principles in the group.

King III compliance

The group conducted a detailed analysis of the extent to which the company's governance practices meet the recommendations of King III. This is provided on the company's website, www.jasco.co.za. As previously reported, where compliance with the recommendations is not being met, the directors adhered to the "comply or explain" principle. Remedial action for non-adherence, where this is required, has been put in place.

The following table provides an indication of where the group was not complying during the previous reporting period, with an update provided.

	Governance elements	Comments
2.16	The board should elect a chairman who is an independent non-executive director. The CEO of the company should not fulfil the role of chairman of the board.	Jasco's chairman is a non-executive director who is not independent. Despite this classification, the chairman applies independence of mind to matters under discussion. A lead independent non-executive director, Mr JC Farrant, serves on the board in line with the King III principle 2.16.3. The role of the chairman, Dr ATM Mokgokong, is separate to that of the CEO, Mr AMF da Silva.
2.18	The board should comprise balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent.	In line with the recommendations of King III, Jasco has a unitary board structure, comprising: • Three independent non-executive directors • Four non-executive directors at 30 June 2015 • Two executive directors, being the group CEO and CFO Mr MSC Bawa was appointed as a non-executive director of the company effective 1 July 2014 and his appointment ratified at the AGM on 31 October 2014. A new independent non-executive director will be sought in the new financial year to replace Ms Morongwe Malebye who resigned from the board on 1 October 2014. Mr Dewald Dempers resigned from the board with effect from 31 August 2015, thus reducing the non-executive directors who are not independent from four to three. This improved the balance on the board to an equal number of non-independent and independent non-executive directors. The policy dealing with the division of responsibilities between the chairman and CEO noted in principle 2.16 helps to ensure a balance of power and authority to guarantee that no director has unfettered powers. The board charter and memorandum of incorporation further ensure that proper voting principles and processes are employed to enable a balance of power.
4.1	The board should be responsible for governance of risk.	The board retains accountability for risk governance. Because of the inter-relationship of strategy, risk, performance and sustainability, this forms part of the strategic deliberations. Due to the extensive changes in organisational structure over the last few years, an enterprise risk management framework and policy was not finalised. Management is reviewing the existing governance and risk structures and the extent to which this meets an enterprise risk management framework.
6.3	Compliance risk should form an integral part of the company's risk management process.	While the group adheres to relevant laws and regulations, the monitoring and measuring of compliance has not yet been formalised. The company secretary's office is being utilised to ensure continuous monitoring of complete implementation of the recommended principles. A compliance policy was not completed during the year. This will be carried forward as an action item for the new company secretary.

INTERNAL CONTROL

Organisational policies, procedures, structures and approval frameworks provide direction, accountability and segregation of responsibilities and contain self-monitoring mechanisms. Both operational and executive management closely monitor the controls and actions taken to correct weaknesses, as they are identified. Each business unit has its own finance department headed by a finance executive with appropriate skills and experience. The business unit finance executives report to the group CFO, who is responsible for the overall financial control and reporting.

Standards of disclosure increased significantly and internal governance structures and roles have been reviewed and improved, where necessary, to reflect best practice. This occurred at both board and management levels.

Jasco uses an independent auditing firm to perform the internal audit function. Representatives of the firm report to the audit and risk committee. The external auditor also considers the internal systems as part of its audit and communicates deficiencies when identified.

INSIDER TRADING

No employee may deal, directly or indirectly, in Jasco's ordinary shares on the basis of unpublished price-sensitive information regarding its business or affairs. Similarly, no director or officer may trade in shares of the company during a closed period, as determined by the board in accordance with JSE Listings Requirements. The group's closed periods are between the last day of the reporting period and the publication of the results, as well as during those periods when the group trades under a cautionary.

THE BOARD AND DIRECTORS

The board of directors adds value through strategic leadership and guidance, and ultimate oversight in ensuring a sustainable business that is accountable to shareholders and responsible to other stakeholders. The board operates in accordance with a detailed charter which defines the board's mission, roles, duties and responsibilities. The board adheres to the fiduciary duties and duty of skill and care codified in the Companies Act. This is reflected in the conflicts of interest policy, which also applies to directors.

Declarations of interest are confirmed at each board and committee meeting and are recorded in the minutes.

Jasco has a unitary board structure comprising:

- Three independent non-executive directors
- Three non-executive directors
- Two executive directors, being the group CEO and CFO

Sir JA Sherry was classified as an independent non-executive director of the company and Mr MSC Bawa was appointed as a non-executive director, both effective 1 July 2014. Mr Dempers resigned with effect from 31 August 2015.

Directors are entitled to seek independent professional advice concerning the affairs of the group, at the group's expense, should they believe this to be in the best interest of the group. The board assessment conducted in 2015 (post year-end) also re-affirmed that no director has unfettered powers. A detailed annual plan ensures that the board executes all its responsibilities and complies with its charter.

The policy dealing with the division of responsibilities between the chairman and CEO helps to ensure a balance of power and authority to guarantee that no director has unregulated powers. The board charter and memorandum of incorporation further ensure that proper voting principles and processes are employed to enable a balance of power. All directors apply independence of mind to matters under discussion, which was also re-affirmed during the board assessment process.

Strategy

The board is ultimately accountable and responsible to its shareholders and other stakeholders for setting the strategic direction of the company, together with the group's management team. The board acknowledges that strategy, risk, performance and sustainability are inseparable and gives effect to this by:

- Contributing to and approving the strategy on an annual basis, at which point past performance, key risks and sustainability matters are also debated
- Satisfying itself that strategy and business plans do not give rise to risks that have not been thoroughly assessed by management
- Identifying key performance and risk areas
- Ensuring that the strategy will result in sustainable outcomes
- Considering sustainability as a business opportunity that guides strategy formulation

Delegation of authority

The group has adopted and complies with a detailed delegation of authority framework and policy, which stipulates the governance framework. Most policies are group-wide policies, applicable to all subsidiaries.

Board evaluation and performance

Jasco undertakes an annual board evaluation, as recommended by King III. The board evaluation includes an evaluation of the board as a whole and of each board sub-committee, as well as of the chairman and each director to review their ability to add

value. This is done through self-assessments and peer review processes. In addition, the remuneration committee facilitates the evaluation of executive management.

The performance review (conducted post year-end) indicated that the board is providing sound corporate governance and is working well with executive management. The board is well informed and attentive to key issues. The board continues to focus on ensuring that the profile, skills set, diversification, qualifications and individual qualities of its executive and non-executive directors serve the current and future needs of the business and the ever-changing environment in which it operates. Jasco acknowledges the recommendation of King III that the majority of the non-executive directors should be independent, but is unable to implement the recommendation at this time. This will be evaluated. A new independent non-executive director will be appointed during the new financial year.

Orientation and development

The group company secretary arranges an appropriate induction programme for new directors. New directors are informed of their responsibilities through extensive induction material, discussions and visits to the main business units. All have access to key management members for information on Jasco's operations. They are taken through an induction programme designed to enhance their understanding of Jasco's legislative framework, its governance processes and the nature and operations of the business through full participation of the executive senior management. New and existing directors are invited to these programmes to gain first-hand knowledge of the operations and prospects of the group. Director development programmes were not required and the board was provided with all updates and material in the course of carrying out their functions.

Appointments to the board

The appointment of new directors is approved by the board as a whole on the recommendation of the nominations committee.

Directors are appointed through a formal and transparent process, which includes the identification of suitable members and performance and background checks prior to nominations. Director appointments are formalised through an agreed contract of service between the company and the director.

Mr MSC Bawa was appointed to the board on 1 July 2014. Refer to page 19 for his CV.

Independent directors

The board applies the principles contained in King III and the Companies Act guidelines to assess the independence of directors.

The nominations committee reviewed the independence of all non-executive directors using the guidelines recommended by King III, JSE Listing Requirements and the Companies Act. The nominations committee will appoint a new independent non-executive director in the forthcoming year to ensure a balanced board composition.

Retirement and re-election of directors

All directors are appointed in accordance with Jasco's memorandum of incorporation and are subject to retirement by rotation and re-election by shareholders at least once every three years. Consequently, Dr ATM Mokgokong and Mr JC Farrant will retire by rotation. Being eligible for re- election, they offer themselves for re-election to the board.

Directors' remuneration

Non-executive directors receive a fee for their contribution to the board and the sub-committees on which they serve. Fees are determined by the remuneration committee and approved by the shareholders at the annual general meeting. The remuneration of executive directors is determined by the remuneration committee in accordance with the company's memorandum of incorporation.

Information on directors' remuneration appears on page 34.

Risk management

The board appreciates the importance of risk management and has adopted a risk and opportunity register that outlines a detailed mitigation process. Management is accountable for the design, implementation and monitoring of the risk management plan.

The risk and opportunity register is monitored through a detailed process that involves rating the risk and categories with equivalent estimated values. The mitigation process involves allocation of responsibilities to individual employees and target dates as a monitoring tool. To ensure that risk assessment is performed on a continual basis, the risk and opportunity register is monitored by the board on a quarterly basis.

The board carries ultimate responsibility for establishing a framework for internal control. The controls throughout Jasco focus on the critical risk areas identified by operational management and confirmed by the executive management. Controls are designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements to safeguard, verify and maintain accountability of its assets and to detect fraud, potential liability, loss and material misstatement, whilst complying with applicable laws and regulations. An enterprise risk management framework and policy was in progress and required review, in light of the final changes in organisational structure within the Enterprise business unit. This continues to receive management attention and is expected to be completed in the new financial year.

The board is assisted in its responsibility by the audit and risk committee. Its objective is to monitor and consider the risk management processes. The group's annual internal audit plan is designed to incorporate the outcomes of the risk management process. Internal audit is based on a risk-based audit approach.

Board meetings

The board meets quarterly and on an *ad hoc* basis, as is deemed necessary. In fulfilling their duties to both Jasco and its stakeholders, the directors aim to act impartially and independently when considering matters of strategy, performance, allocation of resources and ensuring the highest levels of conduct. Non-executive directors play a major role in the board sub-committees, which operate within the adopted terms of reference for each sub-committee.

An agenda and supporting papers are distributed to all directors prior to each board meeting to allow members sufficient time to prepare for the meeting. Appropriate explanations and motivations are provided for items requiring resolution at the meeting.

This ensures that relevant facts and circumstances are brought to the attention of the directors. In terms of good governance, the directors may conduct unrestricted inspections of all the group's property, information and records.

Board committees

The board committees assist the board in executing its duties and authorities. The board delegates the required authority to each committee to enable them to fulfil their respective functions through formal board-approved terms of reference. These are reviewed annually. Each committee has a detailed annual work plan to ensure full oversight of all matters within their delegated mandate.

Delegating authority to board committees or management does not mitigate or discharge the board and its directors of their duties and responsibilities.

The board has five committees through which it operates:

- Audit and risk committee
- Social and ethics committee
- Remuneration committee
- Nominations committee
- Investment committee

Each committee chairman reports formally to the board after each meeting on all matters within its duties and responsibilities, including recommendations on envisaged action steps.

Audit and risk committee

The committee consists of three independent non-executive directors. The chairman of the board is not the chairman of the audit and risk committee. The external auditors, internal auditors, the group CEO and the group CFO attend these meetings by invitation. The internal and external auditors have unrestricted access to the chairman of the audit and risk committee. The full report from the audit and risk committee is outlined on pages 4 and 5 of the consolidated financial statements. These can be found at www.jasco.co.za.

Meetings are held quarterly. Four meetings were held in the year under review.

Apart from the statutory duties of the audit committee, as set out in the Companies Act and the provisions of the JSE Listings Requirements and King III principles, the purpose of the committee is to:

- Examine and review the group's financial statements and report on interim and final results, the accompanying message to stakeholders and any other announcements on the company's results or other financial information to be made public
- Oversee co-operation between internal and external auditors, and serve as a link between the board and these functions
- Oversee the external audit function
- Approve the internal audit plan, fees and qualifications of the internal auditors
- Evaluate the qualification and independence of the external auditor
- Approve external audit fees
- Approve the internal audit plan, fees and qualifications of the internal auditors
- Ensure effective internal financial controls are in place
- Review the integrity of financial risk control systems and policies
- Evaluate the scope and effectiveness of the internal audit function
- Evaluate the competency level of the chief financial officer and finance function
- Comply with legal and regulatory requirements

During the year under review, the committee satisfied itself that Mr WA Prinsloo possesses the appropriate level of expertise and experience to fulfil his responsibilities as group chief financial officer to the board and the company.

Social and ethics committee

The social and ethics committee is constituted as a statutory committee for purposes contained in section 72 of the Companies Act.

The committee comprises one independent non-executive director, the CEO and the head of strategic sales. The group's human resources executive, marketing and communications executive and the company secretary attend these meeting as permanent invitees. The chairman of the committee provides a report to the board on its initiatives and mandate.

The committee is governed by a charter and monitors group performance in terms of defined social and ethics performance indicators that have been formulated with reference to Regulation 43(5) of the Companies Act. This is further supported by a work plan which guides the committee on its mandate and responsibilities.

The committee met twice during the year. In response to the requirements of the Companies Act, the performance in the following areas was reviewed:

- Group policies (ethics, whistle-blowing, anti-corruption and procurement)
- Employment equity
- Socio-economic development
- Environmental impact

Whistle-blowing is supported by a procedural framework within Jasco and communicated to all Jasco employees. There were no whistle-blowing incidents during the review period. The committee approved a comprehensive socio-economic development responsibility plan, which includes relevant training, learnerships, bursaries and cash investment into the Kaalfontein Primary School in Midrand. The committee also reviews the head office energy consumption and carbon footprint contributions at Jasco. During the year, the group ensured that electrical energy consumption was reduced, which resulted in significant current and potential future cost savings. There were no significant health and safety issues to report.

Remuneration committee

The committee ensures that remuneration policies support the strategic aims of the business and enable the recruitment, motivation and retention of senior executives, while complying with regulatory and governance principles.

The remuneration committee comprises three non-executive directors and is chaired by an independent non-executive director. Meetings are attended on invitation by the group CEO, CFO and the group executive: human resources, when required. Two meetings were held during the year under review.

The remuneration committee ensures that remuneration practices focus executives on achieving long-term business objectives and growth in shareholder wealth. In satisfying this requirement, the committee reviews incentive arrangements, including key performance indicators and performance hurdles. The chairman of the committee reports to the main board on the activities and recommendations made by the committee. All minutes of the remuneration committee are tabled to the board for noting.

Nominations committee

The nominations committee is responsible for ensuring that the procedures for appointments to the board are formal and transparent.

The committee consists of two members and is chaired by the board chairman. The committee met once during the year under review.

The purpose of this committee is to:

- Provide recommendations on the composition of the board and board committees and ensuring that the board comprises individuals equipped to fulfil their role as directors of the company and the company secretary, aligned to the policy outlining the procedures for appointments to the board
- Provide comments and suggestions on committee structures of the board, committee operations, member qualifications and member appointment
- Review and recommend its annual training programme to the board

Investment committee

The investment committee is constituted as a sub-committee to assist the board with the investment process of the group.

The committee oversees approval processes for investments. These are designed to ensure they are aligned to the group's agreed strategies and values. Risks are identified and evaluated, investments are fully optimised to produce the maximum shareholder value within an acceptable risk framework and appropriate risk management strategies are pursued.

The main purpose of the committee is to review investments in a structured, formal and transparent manner to ensure:

- Each project meets the strategic, technical and investment requirements of the company, which includes identifying and managing all project-related risks
- Critical decisions, project parameters, safety, health and environmental impacts and governance processes are followed and addressed prior to committing funds
- Each project enhances the portfolio value of the company

The committee also approves smaller projects within its mandate. The committee meets only when needed. During the year under review, the committee did not meet as no acquisitions were considered. All discussions regarding the proposed disposal of the investment in M-TEC were held at board level.

2015 MEETING ATTENDANCE

The table below reflects attendance at board and sub-committee meetings for the year.

	Board (incl. budget)	Audit and risk committee	Remuneration committee	Social and ethics committee	Nominations committee	Investment committee
Number of meetings held	5	4	2	2	1	0
Attendance:						
Chairman						
ATM Mokgokong[1]	5		1		1	
Deputy chairman						
MJ Mandungandaba[2]	5		1			
Independent non-executive directors						
JC Farrant[3]	4	4	2		1	
H Moolla[4]	4	4		2		
JA Sherry[5]	5	3				
M Malebye[6]	1	1				
Non-executive directors						
S Bawa[7]	3		1			
D Dempers[8]	1					
Executive directors						
AMF da Silva	5	4	2	2	1	
WA Prinsloo	5	4	2	1	1	

[1] *Board – chairman, nominations committee – chairman, resigned from the remuneration committee on 31 May 2015*
[2] *Board – deputy chairman, remuneration committee – deputy chairman*
[3] *Audit and risk committee – chairman, investment committee – chairman, lead independent non-executive*
[4] *Social and ethics committee – chairman*
[5] *Appointed to the Audit and Risk committee on 1 January 2015*
[6] *Resigned from the board on 1 October 2014*
[7] *Remuneration committee – chairman, appointed to the remuneration committee on 1 January 2015*
[8] *Resigned from the board on 31 August 2015, partial attendance of meeting on 10 September 2014*

SUMMARISED ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

TO THE SHAREHOLDERS OF JASCO ELECTRONICS HOLDINGS LIMITED

The directors are required in terms of the Companies Act, 2008 as amended, of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The summarised financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 Interim Financial Reporting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the South African Companies Act, 71 No. of 2008, as amended and the Listings Requirements of the JSE Limited. The accounting policies and methods of computation used in the preparation of this report are consistent with those of the previous year. These summarised financial statements, which were derived from the underlying audited financial statements for the year ended 30 June 2015, have not been audited. The directors take full responsibility for the preparation of the abridged report and the financial information has been correctly extracted from the underlying audited financial statements. The auditors, Ernst & Young Inc, have audited the annual financial statements for the year ended 30 June 2015 from which this summarised report has been derived and on which an unmodified opinion was expressed. These are available at Jasco's registered office.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise this risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

Based on the information and explanations given by management, the directors are of the opinion that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the ensuing 12 months from the approval of these annual financial statements and, in the light of this review and the current financial position, they are satisfied that the group has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the group's external auditors and their report is presented on page 2 in the annual financial statements, which are available on the website www.jasco.co.za.

The consolidated and separate annual financial statements set out on pages 3 to 60, which have been prepared under the supervision of WA Prinsloo CA(SA), on the going-concern basis, were approved by the Board and were signed on its behalf by:

Dr ATM Mokgokong
Non-executive chairman

AMF da Silva
Chief executive officer

WA Prinsloo
Chief financial officer

Midrand
16 September 2015

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2015

The directors have pleasure in submitting their report on the activities of the group and the company for the year ended 30 June 2015.

NATURE OF BUSINESS

The trading activities of the group companies are divided into four main business segments, namely Carrier, Enterprise, Intelligent Technologies and Electrical Manufacturers.

FINANCIAL RESULTS

The results of the operations for the year are set out in the consolidated and separate annual financial statements.

GOING CONCERN

The consolidated and separate annual 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.

The board has considered all operational and financial related activity and forecasts for the ensuing 12 months from the approval of these annual financial statements. This consideration included the status of the disposal of the investment in M-TEC, currently treated as non-current asset held-for-sale. At year-end, a binding heads of agreement was entered into for the disposal of the investment in M-TEC. It is the board's view that a sale transaction will be concluded in this regard.

In November 2013, Jasco also completed a Domestic Medium-Term Note Programme for R750 million which was approved by the JSE, R100 million was drawn down against and used to settle the preference shares obligation in January 2015.

PLANT AND EQUIPMENT

There were no material changes in the nature of the plant and equipment of the group or in the policy regarding their use.

CORPORATE ACTIONS

With effect from 1 February 2014, the group acquired the Baseline NGN business for R1 716 855. NGN operates in the data, telecommunications, networking and voice over IP market ("VOIP") focusing specifically around the unified convergence of core and edge campus networks and network infrastructure.

With effect from 1 March 2014, the group acquired a wholly-owned interest in MV Fire Protection Services Proprietary Limited (MV Fire) for R5,5 million. MV Fire provides fire protection and suppression services which will complement Jasco Security solutions portfolio and help make Jasco more competitive in the marketplace.

The group also acquired the Firecare business from Firecare CC for R1,5 million on 1 March 2014. Firecare provides fire protection solutions, installation, maintenance and alterations of fire sprinkler systems. The owner of Firecare CC owns a non-controlling 49% in the Firecare business.

With effect from 1 January 2015, the MV Fire and Firecare business were merged, with the non-controlling shareholder retaining his 49% interest in the merged business through the issue of new shares to him for R2 695 000.

With effect from 1 May 2014, the group acquired all the shares in Telesto Communications Proprietary Limited for a maximum purchase consideration of R9 850 000, subject to the achievement of a specific profit after tax for the year ending on 31 August 2014. Telesto provides solutions to the contact centre environment with a specific focus on products and solutions for outbound contact centres. Due to the target profit not being achieved, the purchase price was decreased by R3 200 000.

With effect from 17 February 2015, the board has decided to dispose of its investment in M-TEC due to the continuing underperformance of the business and the tough trading conditions in this sector over the last 12 months. Accordingly, the asset has been classified as held for sale and the equity accounting of the investment was suspended.

SHARE CAPITAL

The authorised share capital is 750 000 000 ordinary shares and 29 884 633 redeemable preference shares. The issued share capital increased by 71 999 919 shares on 21 January 2014 following a rights issue at 80 cents per share and by 10 919 961 shares on 28 April 2015 at 55 cents per share.

For further information on the Jasco ordinary shareholders' spread, refer to page 53.

DIRECTORS' INTERESTS IN SHARE CAPITAL

At the close of business on 30 June 2015, the interests of the directors in the issued share capital of the company amounted to:

Ordinary shares	**2015**	2014
Direct beneficial		
JC Farrant	**150 000**	150 000
H Moolla	**14 918**	14 918
JA Sherry	**2 077 108**	2 077 108
MSC Bawa	**50 509**	_
AMF Da Silva	**7 162 288**	720 000
WA Prinsloo	**4 003 830**	750 000
Indirect – Beneficial		
MJ Madungandaba	**19 163 725**	19 163 725
ATM Mokgokong	**8 213 025**	8 213 025
MSC Bawa	**3 538 815**	_
Indirect – Non-beneficial		
JC Farrant	**5 500**	23 000
Total	**44 379 718**	31 111 776

Options	**2015**	2014
Direct – Beneficial		
AMF Da Silva	**1 463 993**	1 463 993
WA Prinsloo	**580 000**	700 000
Total	**2 043 993**	2 163 993

As announced on 30 June 2015, messieurs AMF da Silva and WA Prinsloo were awarded 5 892 288 and 3 253 830 shares respectively at 55 cents per share on 2 June 2015 by the Jasco Employee Share Incentive Trust.

As announced on SENS on 24 February 2014, messieurs AMF da Silva and WA Prinsloo were awarded 720 000 and 750 000 shares respectively at 72 cents per share on 19 February 2014 by the Jasco Employee Share Incentive Trust.

The company has not been informed of any material changes in these holdings up to the date of this report.

PRESCRIBED OFFICERS INTEREST IN SHARE CAPITAL

Options	**2015**	2014
Direct – Beneficial		
M Janse van Vuuren	1 658 942	637 000

As announced on 30 June 2015, M Janse van Vuuren was awarded 1 021 942 options at 55 cents per share on 2 June 2015 by the Jasco Employee Share Incentive Trust.

As announced on SENS on 24 February 2014, M Janse van Vuuren was awarded 637 000 options at 72 cents per share on 19 February 2014 by the Jasco Employee Share Incentive Trust.

SHARE INCENTIVE SCHEME

The Jasco Employee Share Incentive Trust was formed in 1993 to enable executives of the group to acquire shares in Jasco to provide them with incentives to advance the group's interests.

The maximum number of shares and/or options that may be issued may not exceed 32 759 885 (2014: 32 759 885) shares, being 15% of the issued share capital at the inception of the Trust and all subsequent capitalisation issues. The maximum number allowed for any one person is 8 735 969 (2014: 2 183 993) of the issued share capital of the company. In terms of the scheme rules, 50% of shares issued and options granted may be exercised after two years, 75% after three years and 100% after four years. Further details relating to the Jasco Employee Share Incentive Trust are set out in note 18.1 to the financial statements.

The Spescom Limited Share Incentive Trust was formed in 1990 to enable all employees of the Spescom group to acquire options in Spescom to provide them with incentives to advance the group's interests. No future share options will be issued in terms of this share trust and it will be allowed to wind down.

The maximum number of shares and/or options that may be granted by this trust may not exceed 20% of the issued ordinary share capital of Spescom Limited. The maximum number of shares and/or options that may be held by any one participant of the scheme may not exceed 1% of the issued share capital in question. The exercise price of the option is equal to 90% of the average market price determined for the month in which the share option is granted. The contractual life of the options is 10 years.

DIRECTORS

Details of the present directorate of the company are set out on pages 18 to 19 of the Integrated Annual Report.

In terms of the Memorandum of Incorporation of the company, Dr ATM Mokgokong and Mr JC Farrant retire at the forthcoming annual general meeting and are eligible for re-election.

SUBSIDIARY COMPANIES

Details are given on page 52.

BORROWINGS

In terms of the Memorandum of Incorporation, the directors of the company are permitted to borrow or raise such funds as they deem necessary for the operation of the group. At the close of business on 30 June 2015, the total borrowings less cash resources was R187 267 000 (2014: R185 090 000). At 30 June 2015, the group had approved general banking facilities of R126 796 000 (2014: R126 403 000).

SUBSEQUENT EVENTS

The directors are not aware of any material changes of circumstances or fact occurred between the accounting date and the date of this report.

SPECIAL RESOLUTIONS

The following special resolutions were passed at the previous annual general meeting:

- Non-executive directors' remuneration
- Financial assistance to a related or inter-related company or companies

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

		GROUP		COMPANY	
			Re-presented		
		2015	2014	2015	2014
	Notes	R'000	R'000	R'000	R'000
Revenue	4	**1 123 818**	1 043 185	**3 784**	4 197
Turnover		**1 117 431**	1 035 382	**–**	–
Cost of sales		**(792 811)**	(741 813)	**–**	–
Profit before other income and expenses		**324 620**	293 569	**–**	–
Other income		**19 133**	19 323	**7 776**	8 654
Selling and distribution costs		**(1 443)**	(2 528)	**–**	–
Administrative expenses		**(227 330)**	(213 527)	**(9 345)**	(8 253)
Other expenses		**(187 436)**	(79 243)	**(64 214)**	(156 890)
Operating (loss)/profit		**(72 456)**	17 594	**(65 783)**	(156 489)
Finance income	5	**6 387**	7 803	**3 784**	4 197
Finance costs	5	**(22 433)**	(22 347)	**(9 150)**	(4 345)
Equity accounted share of (loss)/income from associate	11	**(689)**	110	**–**	–
(Loss)/profit before taxation	5	**(89 191)**	3 160	**(71 149)**	(156 637)
Taxation	6	**6 343**	3 480	**397**	(17)
(Loss)/profit for the year		**(82 848)**	6 640	**(70 752)**	(156 654)
Other comprehensive income		**(1 190)**	–	**–**	–
(this may subsequently be reclassified to profit or loss)					
Reclassification adjustment on deregistration of foreign subsidiary		**(1 190)**	–	**–**	–
Total comprehensive (loss)/income for the year		**(84 038)**	6 640	**(70 752)**	(156 654)
(Loss)/profit for the year attributable to:					
– non-controlling interests		**424**	1 224	**–**	–
– ordinary shareholders of the parent		**(83 272)**	5 416	**(70 752)**	(156 654)
		(82 848)	6 640	**(70 752)**	(156 654)
Total comprehensive (loss)/income attributable to:					
– non-controlling interests		**424**	1 224	**–**	–
– ordinary shareholders of the parent		**(84 462)**	5 416	**(70 752)**	(156 654)
		(84 038)	6 640	**(70 752)**	(156 654)
Earnings per ordinary share (cents) – basic	7	**(38,7)**	3,1		
– diluted	7.1	**(38,7)**	3,1		

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

		GROUP			COMPANY	
			Re-presented	Re-presented		
		2015	2014	2013	2015	2014
	Notes	R'000	R'000	R'000	R'000	R'000
ASSETS						
Non-current assets		**203 254**	357 300	343 073	**104 195**	98 481
Plant and equipment	8	**59 419**	59 541	56 200	**–**	–
Intangible assets	9	**79 891**	111 286	94 143	**–**	–
Investment in subsidiaries	10				**102 098**	95 591
Investment in associate	11	**–**	116 110	116 000	**–**	–
Deferred income tax	6	**37 483**	28 994	24 246	**391**	–
Other non-current assets	12	**26 461**	41 369	52 484	**1 706**	2 890
Non-current assets held for sale	11	**58 000**	–	23 611	**–**	–
Current assets		**488 169**	388 951	510 521	**133 890**	97 544
Inventories	14	**99 301**	96 722	114 522	**–**	–
Trade and other receivables	15	**370 215**	272 975	375 495	**151**	114
Amounts owing by group companies	10				**133 739**	97 430
Foreign currency contracts		**497**	323	1 796	**–**	–
Taxation paid in advance		**4 037**	1 659	1 118	**–**	–
Short-term portion of other non-current assets	12	**13 276**	11 896	10 510	**–**	–
Cash and cash equivalents	16	**843**	5 376	7 080	**–**	–
Total assets		**749 423**	746 251	877 205	**238 085**	196 025
EQUITY AND LIABILITIES						
Shareholders' equity		**213 103**	287 692	238 068	**67 815**	132 619
Share capital	17.2	**281 283**	275 335	220 235	**281 283**	275 335
Treasury shares	17.3	**(6 912)**	(6 912)	(6 911)	**–**	–
Non-distributable reserves	18	**5 484**	11 693	11 283	**14**	2 893
Retained (loss)/earnings		**(72 087)**	6 465	1 049	**(213 482)**	(145 609)
Equity attributable to equity holders of the parent		**207 768**	286 582	225 656	**67 814**	132 619
Non-controlling interests		**5 335**	1 111	12 412	**–**	–
Non-current liabilities		**134 712**	75 533	168 167	**95 215**	6
Interest-bearing liabilities	19	**126 901**	68 887	163 030	**95 215**	–
Deferred maintenance revenue	20	**3 355**	1 568	1 578	**–**	–
Deferred income tax	6	**4 456**	5 078	3 559	**–**	6
Non-current liabilities held for sale		**–**	–	36 175	**–**	–
Current liabilities		**401 608**	383 026	434 795	**75 055**	63 400
Trade and other payables	21	**272 637**	194 508	248 187	**2 891**	1 321
Provisions	22	**23 436**	21 625	48 687	**673**	506
Amounts owing to group companies	10				**313**	350
Foreign currency contracts		**731**	398	923	**–**	–
Taxation		**2 493**	1 608	3 366	**–**	–
Deferred maintenance revenue	20	**41 093**	43 308	24 821	**–**	–
Short-term borrowings	23	**61 218**	121 579	108 811	**71 178**	61 223
Total equity and liabilities		**749 423**	746 251	877 205	**238 085**	196 025

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

		GROUP		COMPANY	
			Re-presented		
		2015	2014	2015	2014
	Notes	R'000	R'000	R'000	R'000
Cash flows from operating activities		**(3 678)**	6 540	**(7 621)**	(104 294)
Cash receipts from customers		**1 058 906**	1 105 581	**5 714**	8 743
Cash paid to suppliers and employees		**(1 042 285)**	(1 080 118)	**(7 969)**	(112 889)
Cash generated from/(utilised in) operations	24.1	**16 621**	25 463	**(2 255)**	(104 146)
Interest received		**6 387**	7 803	**3 784**	3 437
Interest paid		**(22 433)**	(22 347)	**(9 150)**	(4 345)
Taxation paid	24.2	**(4 225)**	(4 379)	**–**	–
Dividend withholding tax paid		**(28)**	–	**–**	–
Dividends received		**–**	–	**–**	760
Cash flows from investing activities		**(7 795)**	57 393	**(103 526)**	94 263
Acquisition of business operations	24.3	**–**	(2 500)	**–**	–
Disposal of subsidiary, net of cash disposed of	24.4	**(413)**	2 502	**–**	–
Acquisition of subsidiary, net of cash acquired	24.5	**–**	(2 034)	**–**	–
Disposal of business operations	24.6	**–**	12 120	**–**	–
Additions to intangibles		**(8 078)**	(7 366)	**–**	–
(Increase)/decrease in group company loan accounts				**(103 526)**	94 263
Receipts from finance lease asset		**14 908**	11 451	**–**	–
Purchase of plant and equipment		**(15 616)**	(14 061)	**–**	–
Replacement of plant and equipment	24.7	**(560)**	(3 557)	**–**	–
Additions to plant and equipment	24.8	**(15 056)**	(10 504)	**–**	–
Proceeds on disposal of plant and equipment		**1 404**	57 281	**–**	–
Cash flows from financing activities		**(11 557)**	(15 997)	**101 192**	25 224
Cash flows from treasury shares		**–**	(1)		
New shares issued		**5 948**	55 100	**5 948**	55 100
Non-current loans raised		**95 215**	20 159	**95 215**	–
Non-current loans repaid		**(115 415)**	(91 255)	**–**	(32 230)
Transactions with non-controlling shareholders		**2 695**	–	**–**	–
Increase in loan amounts owing to group companies				**29**	2 354
Net (decrease)/increase in cash and cash equivalents		**(23 030)**	47 936	**(9 955)**	15 193
Cash and cash equivalents at beginning of year		**(8 110)**	(56 024)	**(61 223)**	(76 416)
Revaluation of foreign cash balances		**–**	(22)	**–**	–
Net cash and cash equivalents at end of year		**(31 140)**	(8 110)	**(71 178)**	(61 223)
Cash and cash equivalents	16	**843**	5 376	**–**	–
Bank overdrafts	23	**(31 983)**	(13 486)	**(71 178)**	(61 223)
Net cash and cash equivalents at end of year		**(31 140)**	(8 110)	**(71 178)**	(61 223)

SEGMENTAL REPORT

AS AT 30 JUNE 2015

Introduction

For management purposes, the group is organised into business units based on their products and services. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Kindly refer to the directors' report for more information on the segments.

	Income and expenses				Financial position		
	Revenue			Operating profit/ loss)[1]			
	External R'000	Inter-group R'000	Total R'000	R'000	Assets R'000	Liabilities R'000	Capital expenditure R'000
2015							
Carriers	**412 772**	**1 547**	**414 319**	**48 293**	**195 008**	**100 854**	**947**
Enterprise	**376 043**	**4 342**	**380 385**	**935**	**194 373**	**135 929**	**9 250**
Intelligent Technologies	**159 817**	**4 814**	**164 631**	**13 302**	**105 593**	**67 087**	**4 674**
Electrical Manufacturers	**174 291**	**615**	**174 906**	**12 947**	**78 749**	**20 103**	**1 645**
Sub-total operating divisions	**1 122 923**	**11 318**	**1 134 241**	**75 477**	**573 723**	**323 973**	**16 516**
Other non-operating divisions	**895**	**–**	**895**	**(42 716)**	**113 237**	**214 991**	**8 379**
Adjustments	**–**	**(11 318)**	**(11 318)**	**(105 217)**	**62 463**	**(2 644)**	**(18)**
Total	**1 123 818**	**–**	**1 123 818**	**(72 456)**	**749 423**	**536 320**	**24 877**
2014							
Carriers	370 644	1 012	371 656	46 123	149 833	53 322	2 761
Enterprise	347 978	4 191	352 169	(1 602)	149 208	96 826	9 171
Intelligent Technologies	130 421	4 317	134 738	3 481	109 569	79 772	2 997
Electrical Manufacturers	193 194	1 259	194 453	19 188	85 453	20 244	2 495
Sub-total operating divisions	1 042 237	10 779	1 053 016	67 190	494 063	250 164	17 424
Other non-operating divisions	948	–	948	(51 145)	164 807	208 272	4 266
Adjustments	–	(10 779)	(10 779)	1 549	87 381	123	(263)
Total	1 043 185	–	1 043 185	17 594	746 251	458 559	21 427

[1] *Segmental revenue and operating profit of the operating divisions includes the interest received and paid relating to the finance lease receivables, but excludes all other interest paid or received and is stated before making adjustment for inter-group administration fees*

The group has one customer that contributed more than 10% to group revenue, in the Electrical Manufacturers segment.

No secondary information is disclosed as the group mainly operated in one geographical segment during the year.

SUBSIDIARY COMPANIES INCLUDED IN THESE RESULTS

	Issued share capital	Effective ownership 2015 %	2014 %
Trading companies			
Direct			
Jasco Trading (Pty) Limited	4 180	**100**	100
Jasco Cables Investments (Pty) Limited	543 780	**100**	100
Jasco Carrier Solutions (Pty) Limited	4 000	**100**	100
Jasco Energy and Industry Solutions (Pty) Limited	78 768 056	**100**	100
Jasco Networks (Pty) Limited	13 400	**100**	100
Jasco East Africa	100	**99**	N/A
Indirect			
Ferro Resonant Technologies (Pty) Limited*	1 000	**100**	100
Jasco Enterprise (Pty) Limited†	100	**100**	100
Jasco Systems (Pty) Limited[Δ]	100	**100**	100
Jasco Telecommunications (Pty) Limited[Δ]	1 380 120	**100**	100
Maringo Communications (Pty) Ltd[#]	228	**100**	100
MV Fire Protection (Pty) Limited[$]	297	**51**	100
Multivid (Pty) Limited[$%]	100	**N/A**	51
NewTelco South Africa (Pty) Limited[$]	100	**67**	67
Nocdesk (Pty) Limited*[@]	100	**N/A**	100
Jasco Services (Pty) Limited[$]	100	**82**	82
Telesto Communications (Pty) Limited†	1 000	**100**	100
Dormant			
Jasco Converged Solutions (Pty) Limited†	1 001	**100**	100
Jasco Properties (Pty) Limited[ß]	100	**100**	100
Jasco Transmission & Distribution (Pty) Ltd (formerly Special Cables (Pty) Limited)	100	**100**	100
Spescom Electronics Holdings (Pty) Limited	20 000	**100**	100
Spescom Limited UK[$%]		**N/A**	100
Webb Industries (Pty) Limited[ß]	1 000	**100**	100
Webb Masts and Towers (Pty) Limited	400	**100**	100

**Shares owned by Jasco Trading (Pty) Limited*
[#] Shares owned by Jasco Carrier Solutions (Pty) Limited
[$] Shares owned directly/indirectly by Jasco Energy and Industry Solutions (Pty) Limited
[@] Sold on 1 January 2015
[%] Deregistered
[†] Shares owned directly/indirectly by Jasco Networks (Pty) Limited
[Δ] Shares owned directly/indirectly by Webb Masts and Towers (Pty) Limited
[ß] Shares owned by Spescom Electronics Holdings (Pty) Limited

With the exception of Spescom Limited UK and Jasco East Africa all the subsidiary companies are registered in South Africa.

	2015 R'000	2014 R'000
Aggregate profits of subsidiaries	**59 652**	147 237
Aggregate losses of subsidiaries	**(188 392)**	(48 719)
	(128 740)	98 158

ORDINARY SHARE PERFORMANCE AND SHAREHOLDING

Statistical highlights for the six years ended 30 June 2015

	2015	2014	2013	2012	2011	2010
Jasco share price						
Lowest share price (cents)	**47**	58	85	90	70	115
Highest share price (cents)	**125**	114	175	150	155	210
Closing share price (cents)	**56**	90	99	150	101	126
Analysis of Jasco share transactions						
Total number of transactions recorded on JSE	**1 717**	1 684	3 151	2 390	1 533	1 054
Total number of shares traded ('000)	**15 696**	20 246	24 594	24 365	21 219	7 965
Total number of shares traded as a percentage of weighted average issued shares (%)	**7,1**	11,6	16,8	16,6	14,5	7,0
Total value of shares traded (R'000)	**12 035**	16 564	35 213	27 870	24 956	13 045

Analysis of Jasco shareholding at 30 June 2015	Number of shareholders	% of total	Number of shares	% of total
Size of shareholding				
1 – 1 000	1 432	47,24	457 534	0,20
1 001 – 5 000	681	22,47	1 870 422	0,82
5 001 – 10 000	273	9,01	2 188 949	0,95
10 001 – 100 000	520	17,16	15 996 964	6,98
100 001 and over	125	4,12	208 805 322	91,05
	3 031	100,00	229 319 191	100,00
Class				
– individuals	2 698	89,01	40 321 333	17,58
– financial institutions and corporate bodies	333	10,99	188 997 858	82,42
	3 031	100,00	229 319 191	100,00
Major shareholders (5% or more of shares in issue)				
– Goldsol II (Pty) Limited			50 000 000	21,80
– AfroCentric Investment Corporation Limited			44 263 793	19,30
– Community Investment Holdings (Pty) Limited (CIH)[2]			27 376 750	11,94
– TMM Holdings (Pty) Limited			15 693 045	6,84
Jasco ordinary shareholders' spread at 30 June 2015				
Non-public				
– BEE partners	6	0,20	129 737 709	56,58
– Jasco directors[1]	5	0,16	9 920 225	4,33
– Associates of Jasco directors	1	0,03	5 500	0,00
– Jasco Employee Share Incentive Trust	1	0,03	3 157 338	1,38
– Spescom Limited Share Trust	1	0,03	2 164 837	0,94
	14	0,45	144 985 609	63,23
Public	3 017	99,55	84 333 582	36,77
	3 031	100,00	229 319 191	100,00

[1] *Refer to the directors' report on page 46 for detailed information of the directors' interest in share capital*
[2] *CIH's shares are held by Malesela Holdings No 1 (Pty) Limited and the Inkonkoni Trust*

NOTICE OF ANNUAL GENERAL MEETING

Jasco Electronics Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 1987/003293/06
JSE share code: JSC
ISIN: ZAE000003794
("Jasco" or "the company" or "the group")

Notice is hereby given that the 27th Annual General Meeting of shareholders for the year ended 30 June 2015 will be held in the company's boardroom, Jasco Office Park, Corner Alexandra Avenue and 2nd Street, Halfway House, Midrand on Tuesday, 10 November 2015 at 14:00 to consider, and if deemed fit, to pass with or without modification, the following resolutions as set out in this notice.

The board of directors of the company has determined, in accordance with section 62(3)(a), read with section 59(1)(a) and (b) of the Companies Act, No 71 of 2008, as amended (Companies Act), that the record dates for the purposes of determining which shareholders are entitled to:

- receive notice of the Annual General Meeting (the posting record date) is Friday, 18 September 2015; and
- attend, participate in and vote at the Annual General Meeting (the voting record date) is Friday, 30 October 2015.

PRESENTATION OF AUDITED ANNUAL FINANCIAL STATEMENTS

The annual financial statements of the company and the group, including the reports of the directors, group audit and risk committee and the independent auditors, for the year ended 30 June 2015, will be presented to shareholders as required in terms of section 30(3)(d) of the Companies Act (abbreviated versions have been included in the Integrated Annual Report, with the full annual statements available on our website).

PRESENTATION OF GROUP SOCIAL AND ETHICS COMMITTEE REPORT

A report of the members of the group social and ethics committee for the year ended 30 June 2015, as included in the Integrated Annual Report, will be presented to shareholders as required in terms of Regulation 43 of the Companies Regulations, 2011.

RESOLUTIONS FOR CONSIDERATION AND ADOPTION

1. To elect or re-elect, as the case may be, by separate resolutions the following directors: Dr ATM Mokgokong and Mr JC Farrant. Brief resumes for these directors appear on page 18 of this report.

In accordance with the provisions of clause 28.8 of the company' memorandum of incorporation (MoI) and the Companies Act, which provide that at each general meeting of the company, one-third of the directors shall retire from office, but such directors may offer themselves for re-election.

The board of directors has assessed the performance of the directors standing for election and re-election, as the case may be and has found them suitable for appointment and reappointment.

1.1 Ordinary resolution number 1: Re-election of Dr ATM Mokgokong as a director

"RESOLVED that Dr ATM Mokgokong, who retires by rotation in terms of the MoI of the company and is eligible and available for re-election as a director of the company be and is hereby re-elected as a director of the company with effect from 10 November 2015."

1.2 Ordinary resolution number 2: Re-election of Mr JC Farrant as a director

"RESOLVED that Mr JC Farrant, who retires by rotation in terms of the MoI of the company and is eligible and available for re-election as a director of the company be and is hereby re-elected as a director of the company with effect from 10 November 2015."

For the above resolutions to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

2. Ordinary resolution number 3: Election of group audit and risk committee members

"RESOLVED that an audit and risk committee comprising independent non-executive directors, as provided in section 94(4) of the Act, set out below be and is hereby appointed in terms of section 94(2) of the Act to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in section 94(7) of the Companies Act and King III Report on Governance for South Africa 2009 and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the company and all subsidiary companies.

The board of directors has assessed the performance of the group audit and risk committee members standing for election and has found them suitable

for appointment. Brief CVs for these directors appear on pages 18 and 19 of this report.

Mr JC Farrant (chairman);
Mr H Moolla (member); and
Sir JA Sherry (member)."

For the above resolutions to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

3. Ordinary resolution number 4: Election of group social and ethics committee members

"RESOLVED that a social and ethics committee, as provided in section 72(4) of the Act, and Regulation 43 of the Companies Regulations, 2011, set out below be and is hereby appointed in terms of regulation 43(2) of the Regulations to hold office until the next annual general meeting and to perform the duties and responsibilities stipulated in Regulation 43(5) of the Regulations and to perform such other duties and responsibilities as may from time to time be delegated by the board of directors for the company and all subsidiary companies.

The board of directors has assessed the performance of the group social and ethics committee members standing for re-election and has found them suitable for reappointment. Brief CVs for these members appear on pages 18 to 20 of this report.

Mr H Moolla (chairman);
Mr AMF da Silva (member); and
Mr TS Petje (member)."

For the above resolutions to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

4. Ordinary resolution number 5: Reappointment of independent external auditors

As set out on page 40 the group audit and risk committee has assessed Ernst & Young Incorporated's performance, independence and suitability and has nominated them for reappointment as independent external auditors of the group, to hold office until the next annual general meeting.

"RESOLVED that Ernst & Young Incorporated, with the designated audit partner being Mr Gavin Weinreich, be and is hereby reappointed as independent external auditors of the group for the ensuing year."

For this resolution to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

5. Ordinary resolution number 6: Approval of the remuneration policy

"RESOLVED that through a non-binding advisory vote that the company's remuneration policy and its implementation, as set out in the remuneration report contained on pages 30 to 34 of this report, be and is hereby approved.

This ordinary resolution is of an advisory nature only and although the board will take the outcome of the vote into consideration when determining the remuneration policy, failure to pass this resolution will not legally preclude the company from implementing the remuneration policy as contained in this report."

For this resolution to be passed, votes in favour must represent at least 50%+1 of all votes cast and/or exercised at the meeting.

6. Ordinary resolution number 7: General authority to issue shares, and to sell treasury shares for cash

"Resolved, as an Ordinary Resolution, that the directors of the company and/or any of its subsidiaries, be and are hereby authorised, from time to time, by way of a general authority, to:

- allot and issue 11 465 959 shares or options (which number represents up to 5% of the company's equity shares at the date of this notice) in respect of all or any of the authorised but unissued ordinary shares in the capital of the company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of ordinary shares in the capital of the company purchased by subsidiaries of the company;
- issue shares for cash, to such person/s on such terms and conditions and at such times as the directors in their discretion deem fit,subject to the following limitations:
  - the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
  - any such issue may only be made to public shareholders as defined by the JSE Listings Requirements and not to related parties;
  - the number of ordinary shares issued for cash shall not in any one financial year in the aggregate exceed 5% (five percent) of the number of issued ordinary shares;

- this general authority is valid until the earlier of the company's next annual general meeting or expiry of a period of 15 (fifteen) months from the date that this authority is given;
- an announcement giving full details, including the impact on the net asset value per share, net tangible asset value per share, earnings per share and headline earnings per share, and, if applicable, diluted earnings per share and diluted headline earnings per share, will be released when the company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue;
- in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the shares; and
- whenever the company wishes to use ordinary shares, held as treasury stock by a subsidiary of the company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares."

At present, the directors have no specific intention to use this authority and the authority will thus only be used if circumstances are appropriate.

The reason for proposing ordinary resolution number 7 is to seek a general authority and approval for the directors to allot and issue ordinary shares in the authorised but unissued share capital of the company (excluding shares issued pursuant to the company's share incentive scheme), up to 5% (11 465 959 shares) of the number of ordinary shares of the company in issue at the date of passing of this resolution, in order to enable the company to take advantage of business opportunities which might arise in the future.

For this resolution to be passed, votes in favour must represent at least 75% +1 of all votes cast and/or exercised at the meeting.

7. Ordinary resolution number 8: Authorise directors and/or secretary

"RESOLVED that any one director and/or group company secretary of the company or equivalent be and are hereby authorised to do all such things and to sign all such documents that are deemed necessary to implement the resolutions set out in the notice convening the annual general meeting at which these resolutions will be considered."

For this resolution to be passed, votes in favour must represent at least 50% +1 of all votes cast and/or exercised at the meeting.

8. Special resolution number 1: Non-executive directors' fees

To approve the remuneration of non-executive directors for the period 1 January 2016 until 31 December 2016.

Approval in terms of section 66 of the Companies Act is required to authorise the company to remunerate for their services as directors. Furthermore, in terms of King III and as read with the JSE Listings Requirements, remuneration payable to non-executive directors should be approved by shareholders in advance or within the previous two years.

"RESOLVED as a special resolution in terms of the Companies Act, No 71 of 2008, as amended that the remuneration of non-executive directors for the period 1 January 2015 until 31 December 2015 be and is hereby on the basis as set out as follows:

	Current Rand	Proposed Rand
Chairman of the board	**398 844**	422 775
Deputy chairman of the board	**387 252**	410 487
Audit and risk committee chairman	**306 240**	324 625
Social and ethics committee chairman	**300 564**	318 598
Remuneration committee chairman	**300 564**	318 598
Member of a sub-committee	**232 656**	246 615
Member of the board	**163 512**	173 323

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

9. Special resolution number 2: Financial assistance to a related or inter-related company or companies

"RESOLVED as a special resolution in terms of the Companies Act, No 71 of 2008, as amended, that the provision by the company of any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or interrelated companies of the company, be and is hereby approved, provided that:

1. (i) the specific recipient(s) of such financial assistance;
   (ii) the form, nature and extent of such financial assistance;
   (iii) the terms and conditions under which such financial assistance is provided, are determined by the board of directors of the company from time to time;

2. the board has satisfied the requirements of section 45 of the Companies Act in relation to the provision of any financial assistance;

3. such financial assistance to a recipient is in the opinion of the board of directors of the company, required for a purpose which, in the opinion of the board of directors of the company, is directly or indirectly in the interest of the company; and

4. the authority granted in terms of this special resolution will remain valid for 2 (two) years or until the next annual general meeting."

For this resolution to be passed, votes in favour of the resolution must represent at least 75% of all votes cast and/or exercised at the meeting.

10. To transact such other business as may be transacted at an annual general meeting

Litigation statement

Other than disclosed or accounted for in the annual financial statements, the directors of the company, whose names appear on pages 18 and 19 of this report, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had a material effect on the group's financial position in the 12 months preceding the date of this notice of annual general meeting.

Material changes

Other than the facts and developments reported in the annual financial statements, there have been no material changes in the affairs, financial or trading position of the group since the signature date of the Integrated Annual Report and the posting date.

Further disclosure required in terms of the JSE Listings Requirements are set out in accordance with the reference pages in the annual financial statements of which this notice forms part:

- directors and management – refer to pages 18 to 21 of the Integrated Annual Report;
- major shareholders of the company – refer to page 53 of the Integrated Annual Report;
- directors' interest in the company's shares – refer to page 46 of the Integrated Annual Report; and
- share capital of the company – refer to page 39 of the consolidated financial statements.

Identification, voting and proxies

In terms of section 63(1) of the Act, any person attending or participating in the annual general meeting must present reasonable satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified. Suitable forms of identification will include the presentation of valid identity documents, driver's licences and passports.

The votes of shares held by share trusts classified as schedule 14 trusts in terms of the JSE Listings Requirements will not be taken into account at the annual general meeting for approval of any resolution proposed in terms of the JSE Listings Requirements.

A form of proxy is attached for the convenience of any certificated or dematerialised Jasco shareholders with own-name registrations who cannot attend the annual general meeting, but who wish to be represented thereat. To be valid completed forms of proxy must be received by the transfer secretaries of the company, Link Market Services South Africa (Pty) Limited, 11 Diagonal Street, Johannesburg, by no later than 14:00 on Friday, 6 November 2015.

All beneficial owners of Jasco shares who have dematerialised their shares through a CSDP or broker, other than those with own-name registration, and all beneficial owners of shares who hold certificated shares through a nominee, must provide their CSDP, broker or nominee with their voting instructions, in accordance with the agreement between the beneficial owner and the CSDP, broker or nominee as the case may be. Should such beneficial owners wish to attend the meeting in person they must request their CSDP, broker or nominee to issue them with the appropriate letter of authority.
If shareholders who have not dematerialised their shares or who have dematerialised their shares with own-name registration and who are entitled to attend and vote at the annual general meeting do not deliver forms of proxy to the transfer secretaries timeously, such shareholders will nevertheless at any time prior to the commencement of the voting on the resolutions at the annual general meeting be entitled to lodge the form of proxy in respect of the annual general meeting, in accordance with the instructions therein with the chairman of the annual general meeting.

Each shareholder is entitled to appoint one or more proxies (who need not be shareholders of Jasco) to attend, speak and vote in his/her stead. On a show of hands every shareholder who is present in person or by proxy shall have one vote, and, on a poll, every shareholder present in person or by proxy shall have one vote for each share held by him/her.

Jasco does not accept responsibility and will not be held liable for any failure on the part of a CSDP or broker to notify such Jasco shareholder of the annual general meeting.

By order of the board

Sekretari (Pty) Limited
Group company secretary

Midrand
16 September 2015

FORM OF PROXY

Jasco Electronics Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number: 1987/003293/06)
Share code: JSC ISIN: ZAE000003794
("Jasco")

For use ONLY by certificated shareholders and own-name dematerialised shareholders at the annual general meeting of Jasco shareholders to be held in the company's boardroom, Corner Alexandra Avenue and Second Street, Halfway House, Midrand, at 14:00 on 10 November 2015 or such later time that may be applicable ("the annual general meeting").

Dematerialised shareholders, other than with own-name registration, must NOT complete this form of proxy and must provide their Central Securities Depository Participant (CSDP) or broker with their voting instructions in terms of the custody agreement entered into between such shareholders and their CSDP or broker.

I/We _____ (Please print name in full)
of _____ (address)

being the registered holder/s of [ ] ordinary shares in Jasco, hereby appoint (refer note 1):

1. _____ or failing him/her,
2. _____ or failing him/her,
3. the chairperson of the annual general meeting,

as my/our proxy to attend, speak and vote on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at any adjournment thereof and to vote for or against the resolutions or to abstain from voting in respect of the shares in the issued capital of Jasco registered in my/our name/s, in accordance with the following instruction (refer note 2):

	In favour	Against	Own discretion	Abstain
As ordinary resolutions				
1. To elect or re-elect directors 1.1 To elect Dr ATM Mokgokong who retires by rotation and is eligible and available for re-election 1.2 To elect Mr JC Farrant who retires by rotation and is eligible and available for re-election				
2. To approve group audit and risk committee members				
3. To approve group social and ethics committee members				
4. To reappoint Ernst & Young Inc. as independent auditors of the company and the group and to note Mr Gavin Weinreich as the designated audit partner until the next annual general meeting				
5. To endorse, through a non-binding advisory vote, the company's remuneration policy and its implementation, as set out in the remuneration report contained in the Integrated Annual Report				
6. To place the authorised but unissued shares under the directors' control				
7. To authorise directors and/or secretary of the company to implement the resolutions set out in the notice convening the annual general meeting				
As special resolutions:				
1. To approve the remuneration to be paid to the non-executive directors for the period 1 January 2016 until 31 December 2016				
2. To authorise financial assistance to related and inter-related companies				

**Insert an "X" in the appropriate spaces above according to how you wish your votes to be cast. If no indication is given, the proxy may vote or abstain as he/she sees fit. If you wish to cast your votes in respect of a lesser number of shares than you own in Jasco, insert the number of shares held in respect of which you desire to vote (refer note 2).*

Signed at _____ on _____ 2015
Signature _____

Any Jasco shareholder entitled to attend and vote at the annual general meeting and at any adjournment thereafter may appoint one or more proxies to attend, speak and to vote in place of such Jasco shareholder. A proxy so appointed need not be a Jasco shareholder.

Please read the notes overleaf.

NOTES TO THE FORM OF PROXY

In accordance with section 58 of the Companies Act 71 of 2008

1. A Jasco shareholder may insert the name of a proxy or the names of two alternative proxies of the Jasco shareholder's choice in the space/s provided, with or without deleting "the chairperson of the annual general meeting", but any such deletion must be initialled by the Jasco shareholder concerned. The person whose name appears first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than you own in Jasco, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A Jasco shareholder or his/her proxy is not obliged to use all the votes exercisable by the Jasco shareholder or by his/her proxy, but the total of the votes cast and in respect whereof abstentions recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.

3. The date must be filled in on this proxy form when it is signed.

4. The completion and lodging of this form of proxy will not preclude the relevant Jasco shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof. Where there are joint holders of shares, the vote of the senior joint holder who tenders a vote, as determined by the order in which the names stand in the register of members, will be accepted.

5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the transfer secretaries of Jasco or waived by the chairperson of the annual general meeting of Jasco shareholders.

6. Any alterations or corrections made to this form of proxy must be initialled by the signatory/(ies).

7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Jasco.

8. Completed forms of proxy and the authority (if any) under which they are signed must be lodged with or posted to and received by the transfer secretaries, Link Market Services South Africa (Pty) Limited, at 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001 or the company secretary at Corner of Alexandra Avenue and Second Street, Halfway House, Midrand, 1632 (PO Box 860, Wendywood, 2144), by no later than 14:00 on Friday, 6 November 2015, being no later than 48 (forty-eight) hours before the annual general meeting to be held at 14:00 on 10 November 2015, provided that should the transfer secretaries or the company secretary receive a Jasco shareholder's form of proxy less than 48 (forty-eight) hours before the annual general meeting, such Jasco shareholder will also be required to furnish a copy of such form of proxy to the chairman of the annual general meeting before the appointed proxy exercises any of such Jasco shareholder's rights at the annual general meeting (or any adjournment of the general meeting).

9. Documentary evidence of all meeting participants, including proxies, must be attached to this proxy, unless previously recorded by the Company Secretary. CSDP's or brokers registered, voting on behalf or at the instruction of the from beneficial owners of shares registered, are requested that they identify the beneficial owners in the register on whose behalf they are voting and return a copy of the instruction of such owner to the company secretary or to the Transfer Secretaries, Link Market Services.

10. The chairman of the annual general meeting may accept or reject any form of proxy, in her/his absolute discretion, if it is completed other than in accordance with these notes.

11. If required, additional forms of proxy are available from the transfer secretaries of Jasco.

12. Dematerialised shareholders, other than with own-name registration, must NOT complete this form of proxy and must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between such shareholders.

13. The directors have not made any provision of the electronic participation at the AGM.

CORPORATE INFORMATION

Group company secretary
Sekretari (Pty) Limited (represented by CD du Plessis)

Registered office
Jasco Electronics Holdings Limited
Jasco Park
Corner Alexandra Avenue and 2nd Street
Midrand, Halfway House,1685
(PO Box 860, Wendywood, 2144)
Telephone: +27 11 266 1500

Auditors
Ernst & Young Inc.
Registered Auditor
102 Rivonia Road
Sandton, 2196

Commercial bankers
The Standard Bank of South Africa Limited
Corporate and Investment Banking
3 Simmonds Street
Johannesburg, 2001

First National Bank of Southern Africa Limited
RMB Corporate
Corner Pritchard and Simmonds Streets
Johannesburg, 2001

Transfer secretaries
Link Market Services South Africa (Pty) Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein, 2001
(PO Box 4844, Johannesburg, 2000)

Sponsor
Grindrod Bank Limited
Fourth Floor Grindrod Towers
8A Protea Place
Sandton, 2196

SHAREHOLDERS' DIARY

Annual general meeting	10 November 2015
Reports	
Interim for half-year to 31 December 2014	Published 18 February 2015
Audited results for the year to 30 June 2015	Published 17 September 2015
Integrated annual report posting date	30 September 2015

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