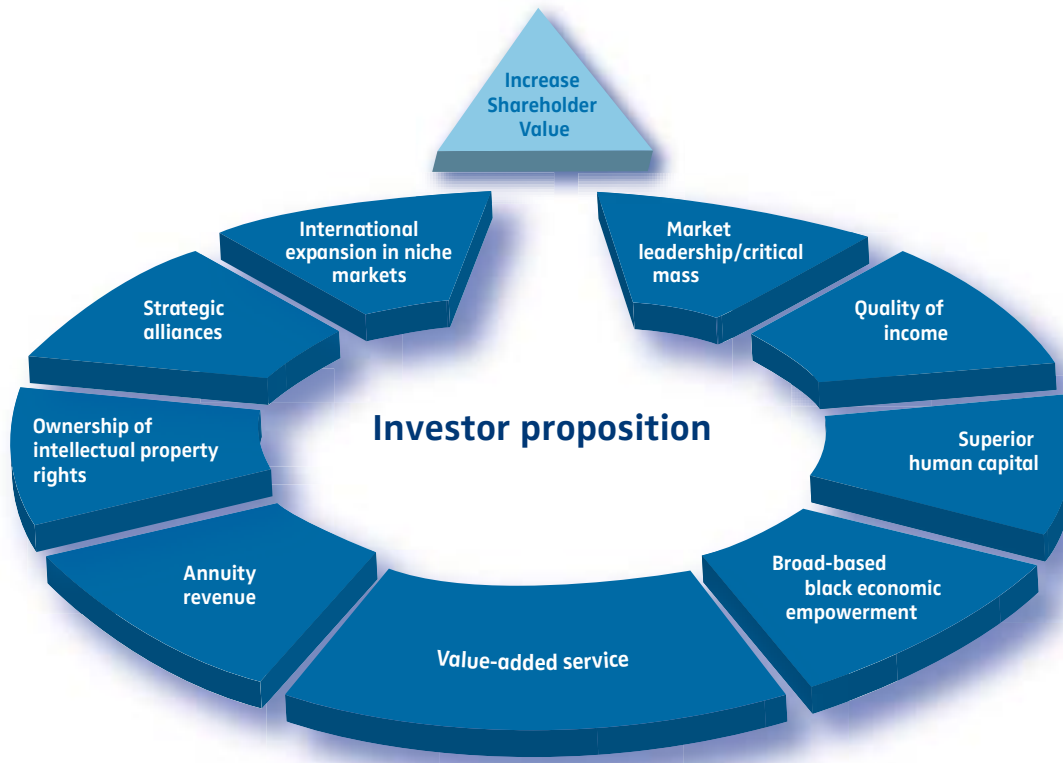
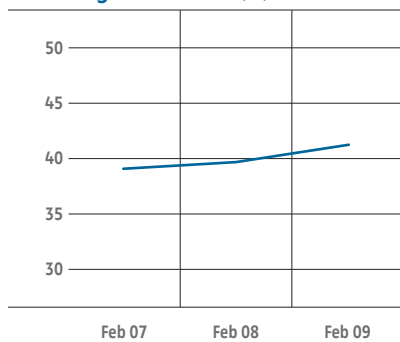


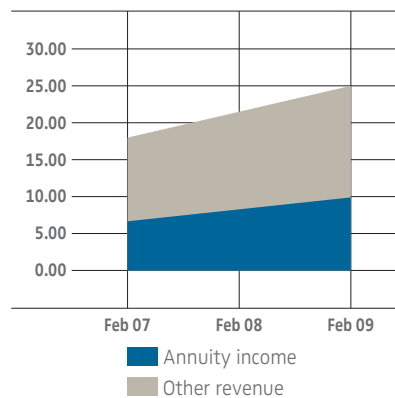
Strategic philosophies



Annuity income
Percentage of revenue (%)



Income mix (Rbn)



- » All groups showing positive growth in annuity income as percentage of total revenue
- » Annuity income increased to over R10 billion for the year under review
- » Achieved more than 40% of revenue from annuity flows

Performance on strategic philosophies

Strategic philosophy	2008 performance	Future plans
1. International expansion in niche markets	<ul style="list-style-type: none"> » In 2008 revenue from foreign operations and exports grew to 25% of total revenue (see pages 8 and 9 for more details) 	<ul style="list-style-type: none"> » The group's strategy is to maintain its contribution from foreign revenue and exports at more than 25% of total group revenue » Further expansion in East, West and sub-Saharan Africa is planned through each of Altech, Bytes and Powertech » Altech UEC plans further global expansion, particularly in India and China
2. Strategic alliances	<ul style="list-style-type: none"> » Technology partnerships and customer alliances remain a focus for the group. For more details see the Altron sustainability report page 61 	<ul style="list-style-type: none"> » Long-term contracts are in place between Altech Autopage Cellular and the network operators » Long-term technology alliances and distribution agreements with international partners maintained » Key customer alliances expanded
3. Ownership of intellectual property rights	<ul style="list-style-type: none"> » Altech continues to invest in R&D » Alternative power solutions businesses established in Powertech » Ongoing IPR investment throughout the operations 	<ul style="list-style-type: none"> » Continue to develop intellectual property and encourage innovation, particularly through training programmes at Altech Academy
4. Annuity income	<ul style="list-style-type: none"> » Annuity income increased to over R10 billion with more than 40% annuity income throughout the group (see slide on page 12 of this report) » Altech has increased its annuity income contribution to 79% of total revenue » Bytes and Powertech continue to focus on growing these income streams 	<ul style="list-style-type: none"> » The target for the group remains at >50% of its total revenue being annuity in nature
5. Value added services	<ul style="list-style-type: none"> » Powertech's strategy of complementing its existing product range with value added services commenced with the acquisition of IST » Altech acquired Technology Concepts to enhance its broadband offerings » Bytes Document Solutions acquired NOR Paper to extend its service offering » Bytes Communication Systems acquired Intellecta 	<ul style="list-style-type: none"> » Look to develop value-added-services out of existing businesses and selectively pursue compelling investment opportunities to enhance the group's value-added offerings
6. Broad-based black economic empowerment	<ul style="list-style-type: none"> » Altron achieved an overall score of 65.30%, or Level 4 recognition, compared with last year's score of 54.85% » Altron was listed in the <i>Financial Mail/Empowerdex</i> Top Empowerment Companies 2009 Survey, with an overall placement of 32 (a 17-place improvement on the previous year) and came first in the General Industrials sector in the Top 200 Companies ratings » For more detail on our progress in terms of B-BBEE, see page 72 of the sustainability report 	<ul style="list-style-type: none"> » The implementation of the Altron Transformation Vision 2012 guidelines to meet the group's B-BBEE targets in the operations continues
7. Superior human capital	<ul style="list-style-type: none"> » Altron was ranked number six in the <i>Financial Mail/Empowerdex</i> Top Empowerment Companies 2009 Survey in terms of Skills Development » Altech Academy has 98 participants » Bytes bursary scheme » Leadership Development Programme established through the Altron Young Presidents' Club » Powertech Leadership Process offers leadership courses through formal institutions 	<ul style="list-style-type: none"> » Ongoing commitment to skills development
8. Quality of income	<ul style="list-style-type: none"> » Ten year compound annual growth rate in revenue, earnings and dividends in double digits 	<ul style="list-style-type: none"> » Maintain our track record on long-term growth
9. Market leadership/critical mass	<ul style="list-style-type: none"> » Continued group-wide focus on market leadership through investment in research and development as well as bolt-on acquisitions to increase product offerings » Maintained market leader status in a number of key markets in which we operate 	<ul style="list-style-type: none"> » Altech's East African broadband acquisitions achieve leading market share in the region