

**Powertech's Investor Day**

Norbert Claussen, CEO Powertech  
16 February 2009



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## Powertech's vision and mission



### Vision

To be the **chosen** company by our **stakeholders** as their **preferred electrical/electronic power and telecommunications infrastructure systems and solutions partner** to achieve the **desired results, returns and rewards** from our stakeholders' contributions to our organisation's **endeavors and risks**.

### Mission

Through continued **innovation, customer focus, skills development** of our staff, leveraging off our **alliance partners and strategic investment** in sustainable **growth, efficiencies** and the **environment**, we will strive to meet our **clients and customers requirements**, staff and shareholder **returns and expectations, responsibly, honestly and with integrity**.



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## Powertech operational structure



Dr. John Maree  
Chairman



Finance  
Neil Kayton

### Powertech

Norbert Claussen

TRIDONIC ATCO SA

Trevor Milne



**Powertech**  
Cables  
Harry Coetzee



**Powertech**  
Transformers  
Leon Viljoen



**Powertech**  
Batteries  
Kevin Burger

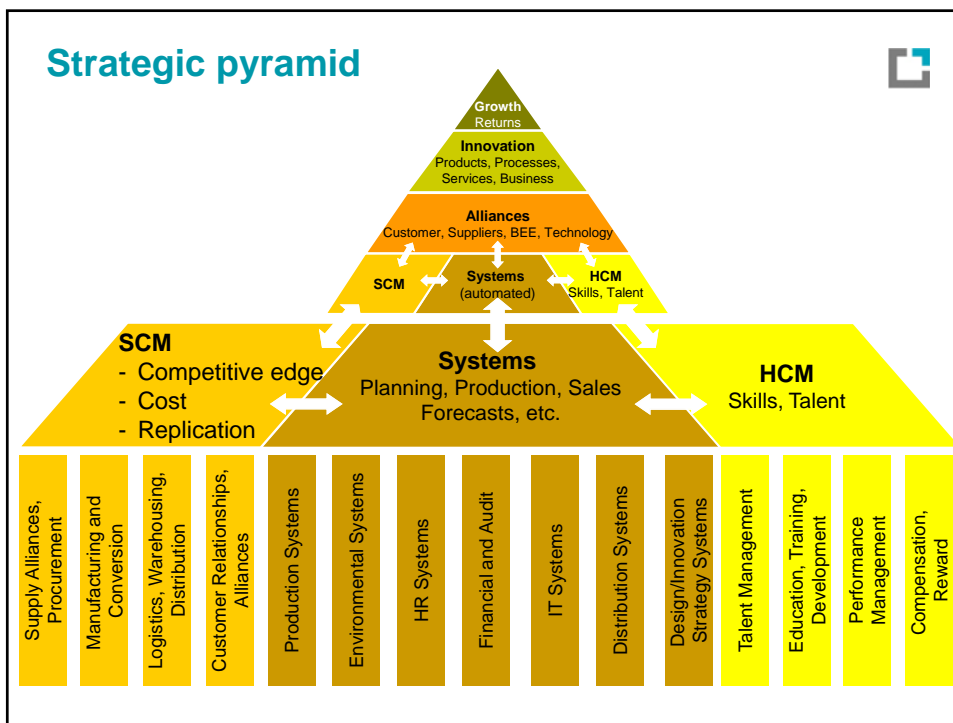
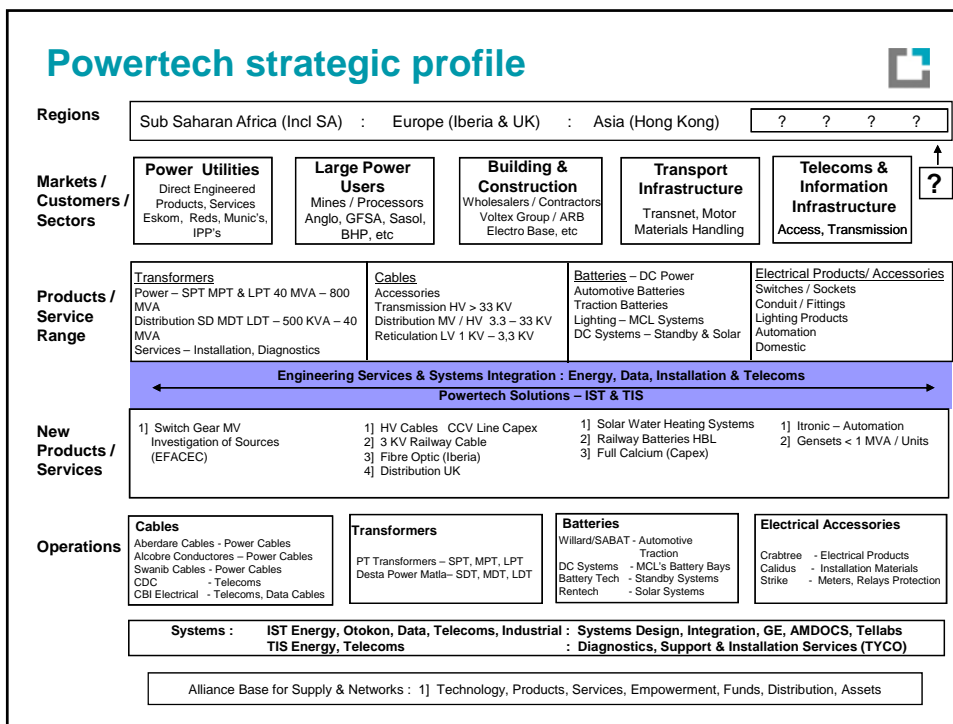


**Powertech**  
Industrial  
Pierre Nothard



**Powertech**  
System Integrators  
Hannes Visagie



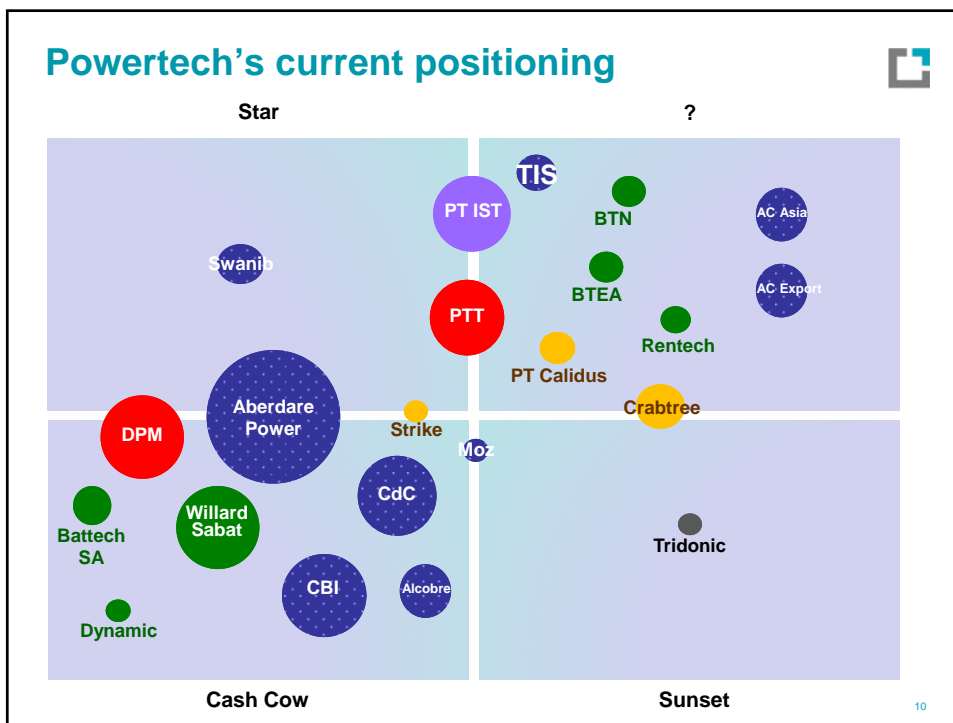
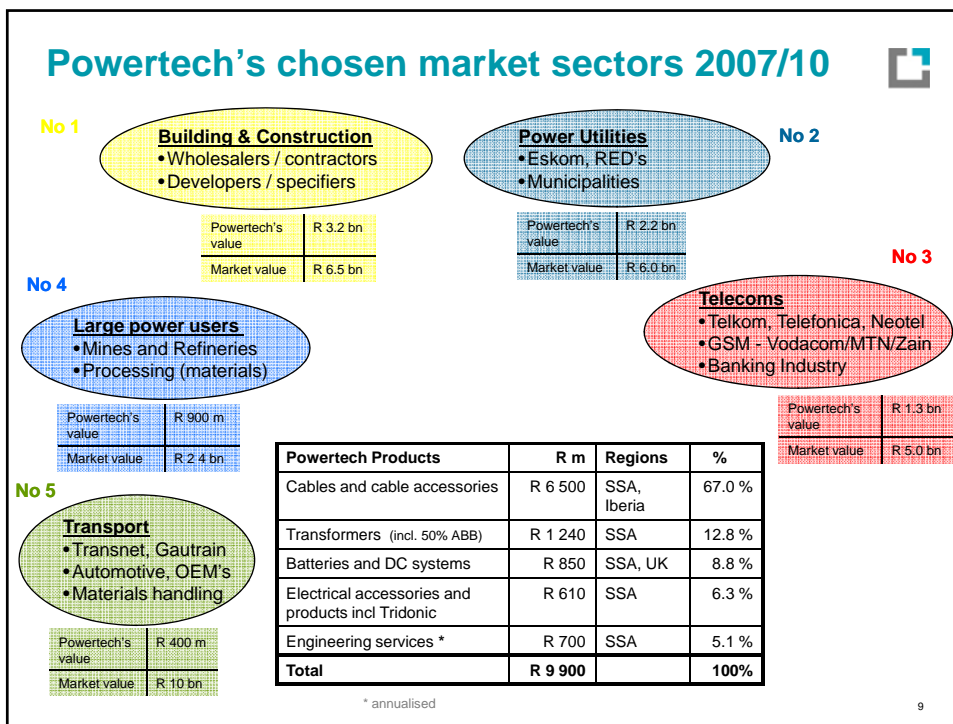


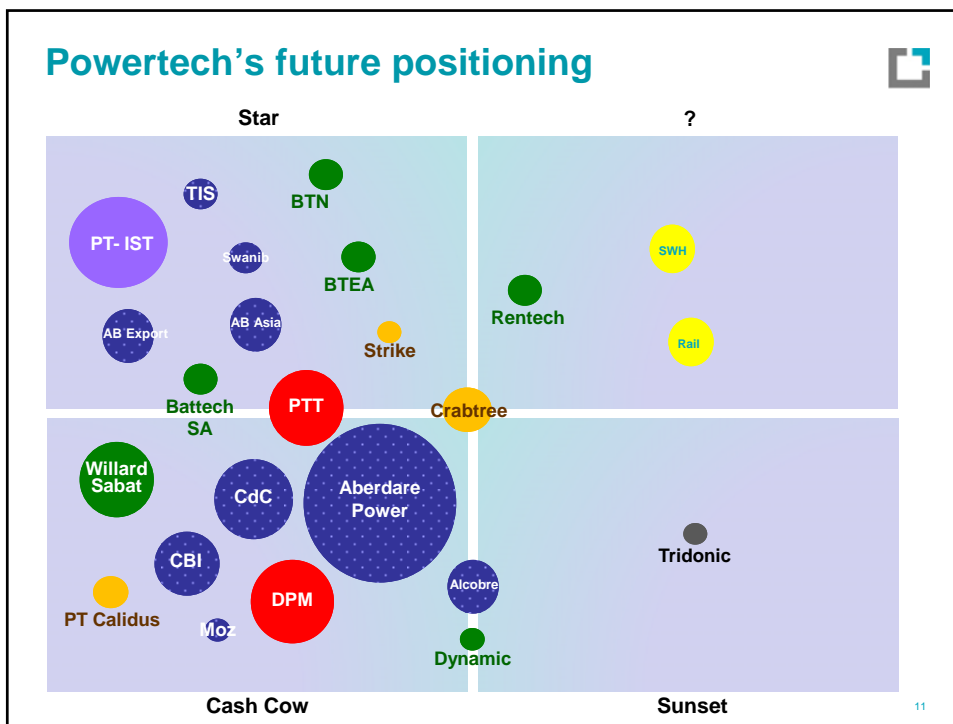
### Top customers

This section displays logos for top customers. The logos include Eskom, ARB, City Power, BIDVest, Vodacom, MIDAS, NamPower, voltex, SASOL, Telkom, Telefonica, Eyekwini Municipality, Ekurhuleni, City of Cape Town (with the slogan 'THIS CITY WORKS FOR YOU'), sappi, Anglo Platinum, Transnet, Nelson Mandela Bay Municipality, and City of Tshwane (with the slogan 'we are the same').

### Other key customers

This section displays logos for other key customers. The logos include Implats, Alstom, Xstrata, ABB, GRDMinproc, Alcatel-Lucent, Alferr, bp, Telecom Namibia, MTN, Plessey, GM, Conco, CSIR, Anglo Gold, Elektro Vroemen, Regent Lighting, Rand Water, Burst, Trench, Anglo Coal, Gold Fields, Ford, Versalec, North & Robertson, BAE Systems, TFM, Implats, Bellego, Johannesburg Water, Province Lighting, Oceanic Bank, Illovo, Enviro Serv, Ape, Swazi Telecom, Savcio, RayCAPE, Lafarge, and Transform Electrical.





### Summary highlights

- Acquisitions 2007/2008
  - ABB's 50% of Transformer Operations
  - IST, effective 1 September 2007
  - Swanib Cables effective 1 March 2007
  - Principle agreement on 27% Empowerment Shareholding
  
- Capital Investments 2007/2008
  - Aberdare Cables CCV Line and value streams
  - Alcobre – 3 kV Railway Power Cable
  - CdC – Fibre Optic Line
  - Batteries – Automated plate and assembly lines
  - Transformers – Georg core slitting lines

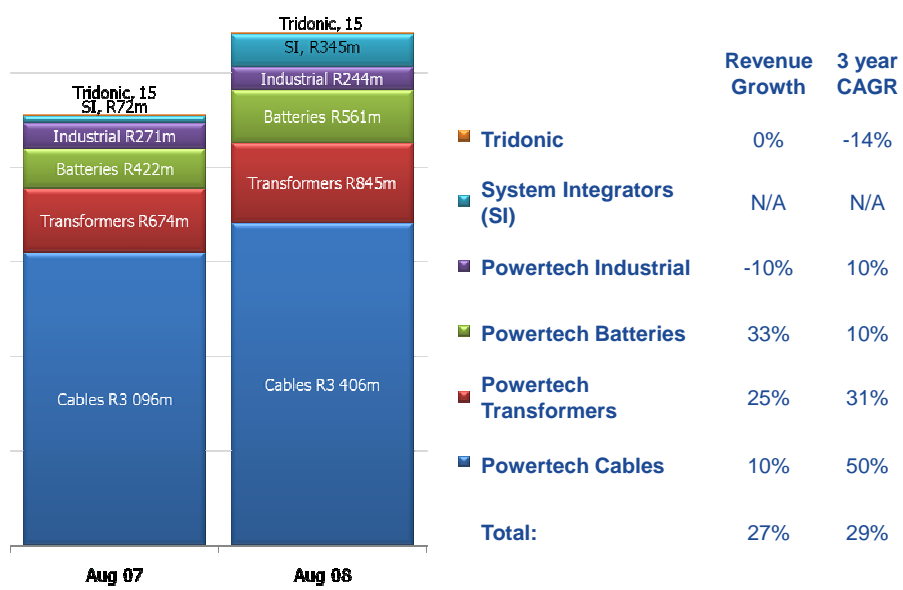
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## Powertech financial highlights



R million	Aug 08	Aug 07	% change
Revenue	5 363	4 211	27 ↑
EBITDA	620	483	28 ↑
EBITDA margin	11.6%	11.5%	
Operating profit	542	429	26 ↑
Operating margin	10.1%	10.2%	
Headline earnings	324	275	18 ↑
Cash	(34)	336	

## Turnover contributions to the Group



## Key strategic focus areas



- ❑ Product/service innovation for solutions
- ❑ Optimised product and service portfolio
- ❑ Customer and supplier alliances
- ❑ Technology based streamlined supply chain (inclusive of production)
- ❑ Human capital development and retention
- ❑ Cost management
- ❑ Working capital management



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## Challenges and critical success factors

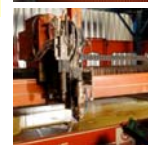
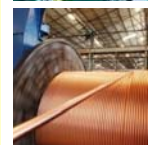
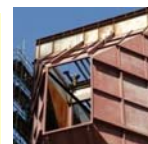


### Challenges

- ❑ Global economic down turn
- ❑ World financial crisis and liquidity constraints
- ❑ Reduced market demand – Construction
- ❑ Changing political landscape – changes in policy impacting on policy and the economy
- ❑ Skills shortages and retention
- ❑ Materials availability and volatility, now reducing
- ❑ Intensified competition – local and foreign

### Critical Success Factors

- ❑ Reduce variable and fixed costs and working capital
- ❑ Conversion of organic growth prospects
- ❑ Improve operational efficacy and efficiency, productivity and yields via technology application
- ❑ Bid and win on projects with the group's product/service portfolio
- ❑ Continue with innovation of new solutions offerings
- ❑ Generate cash



 **Time to consolidate our position and optimise returns on investment**

## Summary



- ❑ Current economic climate, resulting in capital flight to safe assets
- ❑ No confidence in providing capital funding to projects - delays
- ❑ GFCF (GDFI) constrained at customers due to risk aversion
- ❑ NCA and interest rates severely impacting Building & Construction
- ❑ Right size organization to fit within the economic reality
- ❑ Power network upgrades still ongoing incl. Africa, at a slower pace
- ❑ Transport Road & Rail network upgrades
- ❑ Telecom network expansions in Africa
- ❑ HST rail investments in Iberia to continue



**Period of reducing the cost base and consolidating investments**

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