

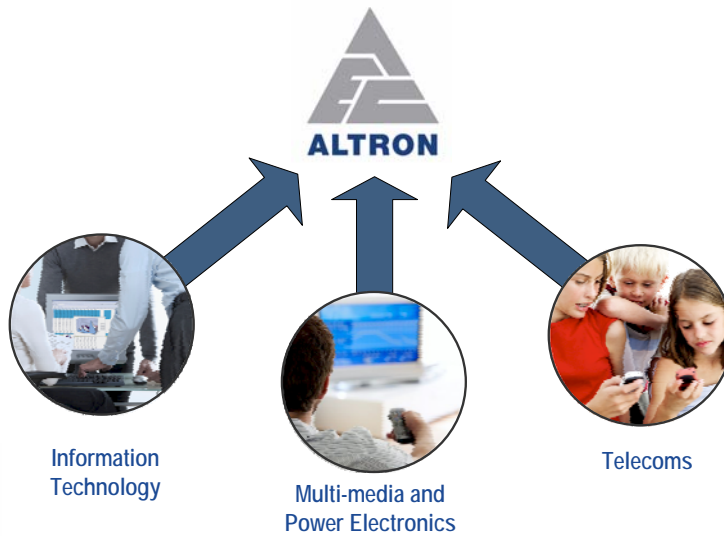
BJM South African Energy Conference

Robert Venter
Chief Executive: Altron

Park Hyatt, Rosebank
12 & 13 November 2007






Our profile



www.altron.co.za

Products and services

Altech	Bytes	Powertech
 <p>TELECOMMUNICATIONS Cellular telephony, vehicle tracking, recovery systems and Fleet Management business. Design, installation and commissioning of MOTOROLA two-way radio equipment and systems.</p> <p>MULTIMEDIA & ELECTRONICS VAR's of electronic components and products. Design and manufacture of digital satellite and terrestrial digital set-top decoders. Distribution of a range of professional components and products.</p> <p>INFORMATION TECHNOLOGY Telecommunications middleware Payment systems and solutions. Secure solutions and smart-card technology.</p>	 <p>INFORMATION TECHNOLOGY Microsoft licensing & systems integrator. Independent IT consulting services and solutions. Network solutions & maintenance. ERP implementation. Exclusive distributor of NCR products (ATMs), services and implementation of EFT applications and scanners. Desktop services and support. Remote monitoring of IT facilities. Exclusive partner of XEROX office products and supplier of document management services. Exclusive partner in Sub Sahara Africa of ALCATEL for voice and data products. Electronic switching & transactions processing for the medical industry.</p>	 <p>POWER ELECTRONICS Medium- and low-voltage power cables. Cable network solutions and services. Power and distribution transformers. Automotive, traction batteries and DC power systems. Energy management. Electrical accessories and insulation materials. Turnkey substation development. Infrastructural operational support systems. Power solutions for mining, transport, utilities and material handling. Engineering software. Lighting control gear. Environmental technologies</p> <p>TELECOMMUNICATIONS Copper and optical fibre telecommunication cables and accessories. Standby power and rectifier systems. Solar systems. Access network solutions</p>

Primary market verticals

ALTECH Building Technology / Handling Electronics	BYTES TECHNOLOGY GROUP IT Services/Technology	Powertech
Consumer	Financial institutions	Building and construction
Telecoms	Corporates	Power infrastructure
Financial institutions	Education	Mining
	Retail	Telecoms
		Transport

Empowerment partners

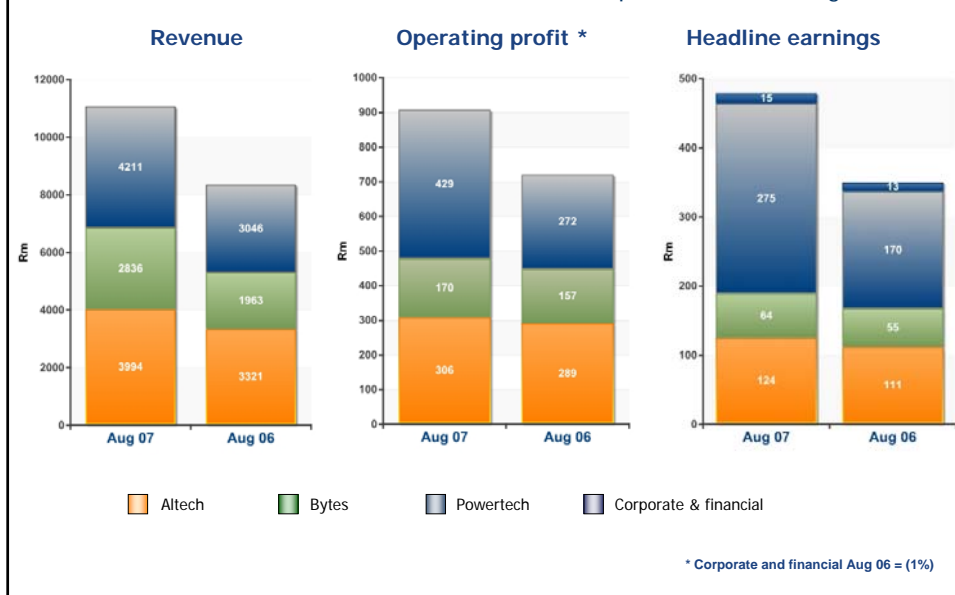
Altech	BTG	Powertech
 <p>Pamodzi *</p> <ul style="list-style-type: none"> 28% Altech NamITech 25.01% Altech Data Key principals: Ndaba Ntsele, Solly Sithole <p>Nariku (Pty) Ltd</p> <ul style="list-style-type: none"> 25% Altech Netstar Fleet Management Key principal: Dr Enos Banda <p>Platina Venture Holdings</p> <ul style="list-style-type: none"> 25% Altech Alcom Matomo Key principal: Penuell Maduna <p>* Anchor partners</p>	 <p>Kagiso Ventures *</p> <ul style="list-style-type: none"> 27% Bytes SA Key principal: Roger Jardine 	 <p>Izingwe Capital *</p> <ul style="list-style-type: none"> 27% Aberdare Cables Key principal: Siphon Pityana <p>Kagiso</p> <ul style="list-style-type: none"> 25.01% Battech Key principal: Roger Jardine <p>Wiphold</p> <ul style="list-style-type: none"> 20% ABB SA - 10% ABB Powertech Transformers Key principal: Louisa Mojela <p>Power Matla</p> <ul style="list-style-type: none"> 25.01% Desta Power Matla Key principal: Solly Moloko <p>Mahogany Capital</p> <ul style="list-style-type: none"> 25.1% Calidus Whiteleys Key principal: Taurai Muranda

Strategic partners

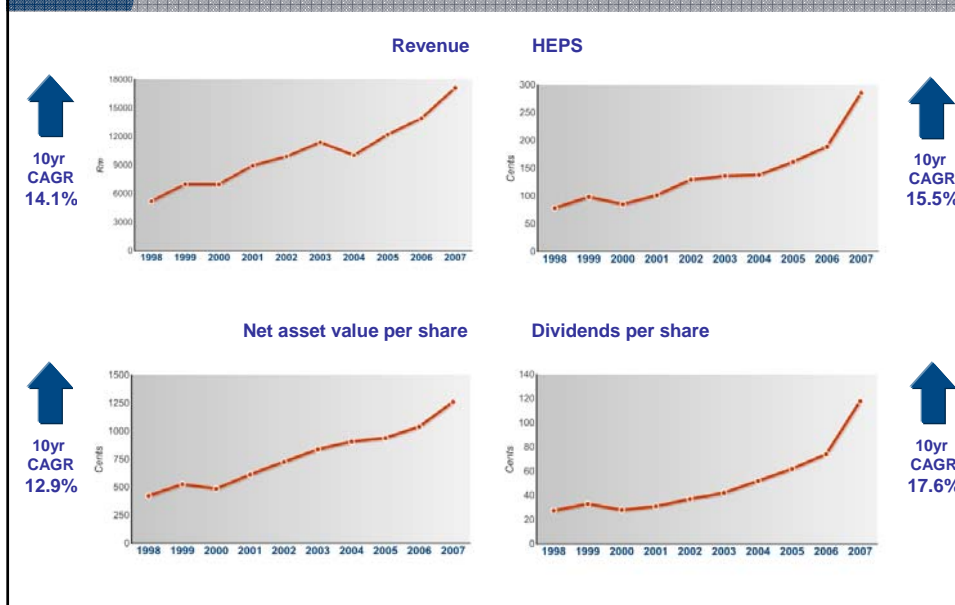
Altech	BTG	Powertech
  	           	        



Contribution per subsidiary - for the period ended 31 August 2007

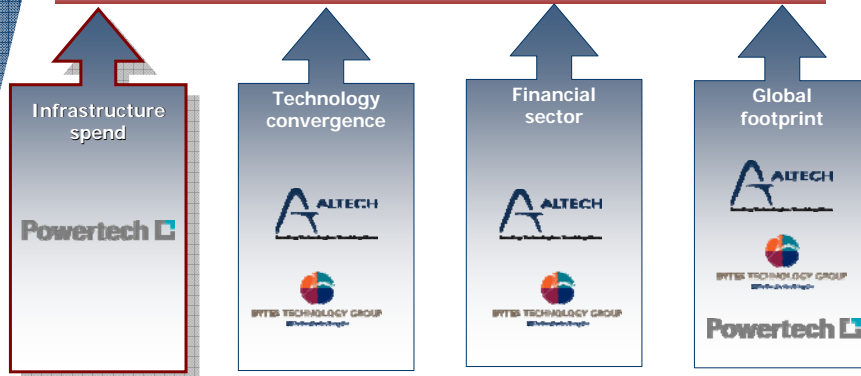


10 year track record



Key growth drivers for the group

A positive medium to long-term outlook for Altron

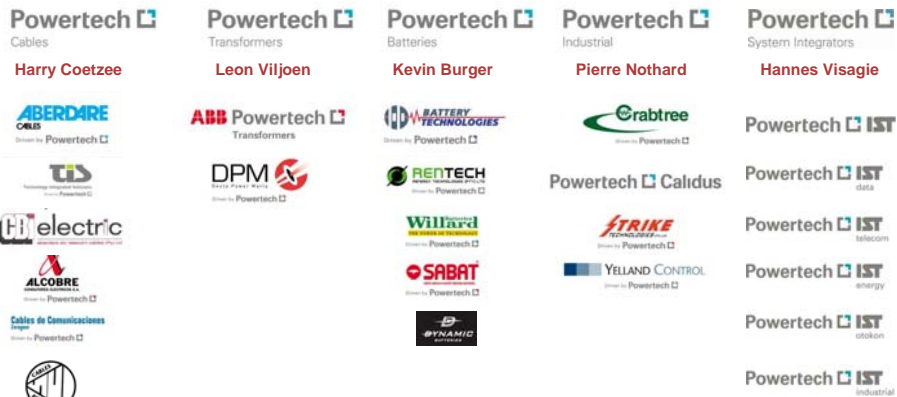


Powertech operational structure

Powertech

Norbert Claussen

TRIDONIC, ATCO SA
Divided by Powertech

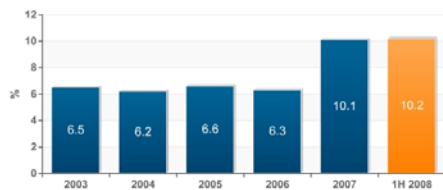


Key infrastructure customers

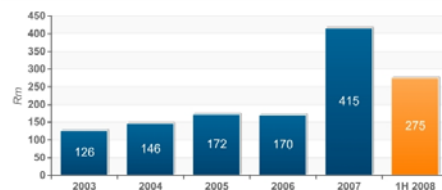


Powertech financial results

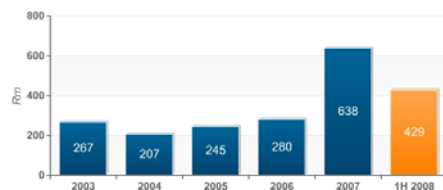
Operating Margin



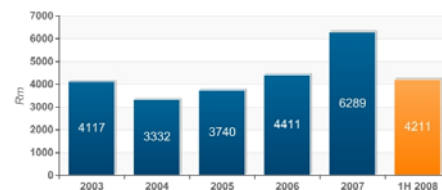
Headline earnings

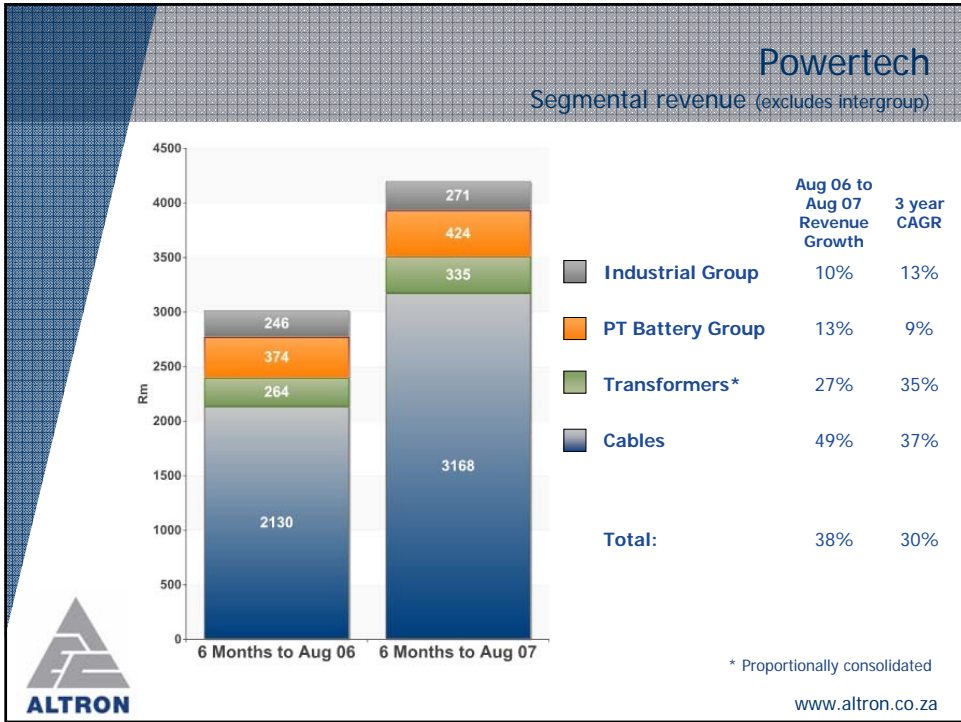


Operating Profit



Revenue





Powertech capex and capacity utilization

	Average capex over last 3 years	Capacity increase over last 3 years	Current utilisation of manufacturing capacity	Capex planned over next 3 years
Aberdare Cables	R 244m	38%	90%	R 350m
ABB Powertech Transformers	R 44m	19%	90%	R 85m
Battery Group	R 60m	*	95%	R 170m
Industrial Group	R 21m	20%	85%	R50m
Total	R 369m			R 655m

↓
capacity increase of 25-30%

* All efficiency improvements

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Total Powertech order book

	February 2006 Value	February 2007 Value	August 2007 Value
Aberdare Cables	R 456m	R 877m	R 998m
Transformers	R 530m	R 740m	R 1 232m
Batteries	R 55m	R 86m	R 30m
Tridonic	R 4m	R 4m	R 4m
Industrial	R 17m	R 19m	R 17m
Total	R 1 062m	R 1 726m	R 2 281m



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Powertech corporate activity

- JV with Reunert established for telecom cable effective 1 March 2007
- Powertech acquires Swanib Cables Namibia for R40m - effective 1 March 2007
- Powertech purchases remaining 25% of Aberdare Cables' Spanish subsidiary Cables de Comunicaciones for €8.6 m (R81 m) - effective 1 August 2007
- Competition Tribunal approval for Altron to purchase electrical engineering operations of IST for R550 m - effective 1 September 2007
- Agreements signed to acquire 50% shareholding owned by ABB in transformer JV, ABB Powertech Transformers, for R320m to facilitate 25.1% empowerment shareholder*



Additional investment of approximately R1bn in infrastructure related activities

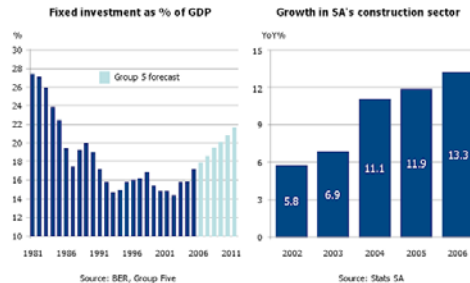


*Conditional

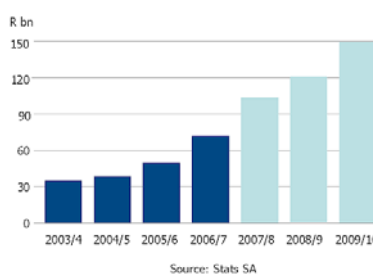
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Infrastructure spend

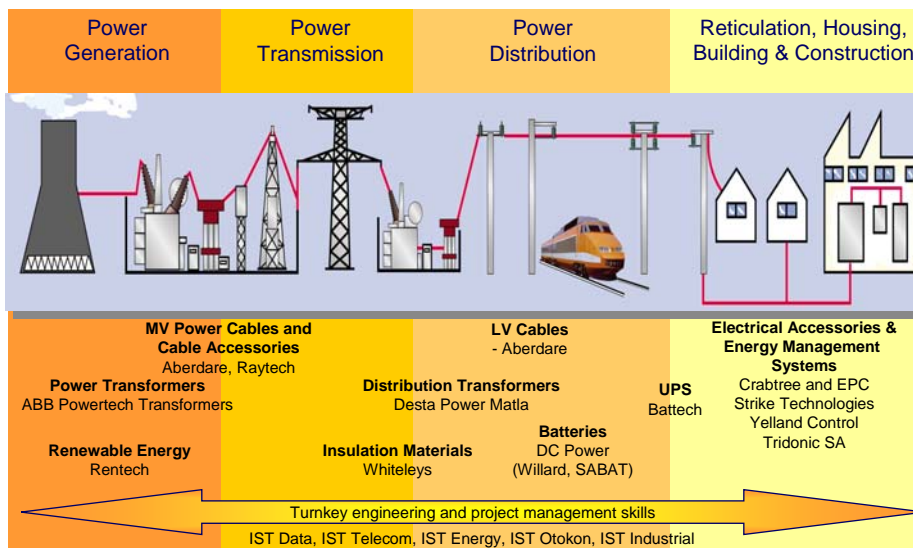
- Eskom and government announce further increases in infrastructure spend
- Increased municipal orders now visible
- Building and construction industry maintains overall growth
- Soccer world cup projects commencing and Gautrain on track
- Launch of Neotel - second network operator and Infraco
- Mobile operators (MTN and Vodacom) to "self provide" fibre optic network
- Strength of resources driving demand from mining sector
- African mobile market - \$50bn investment over next 5 years



R410bn committed to infrastructure spend over next 3 years



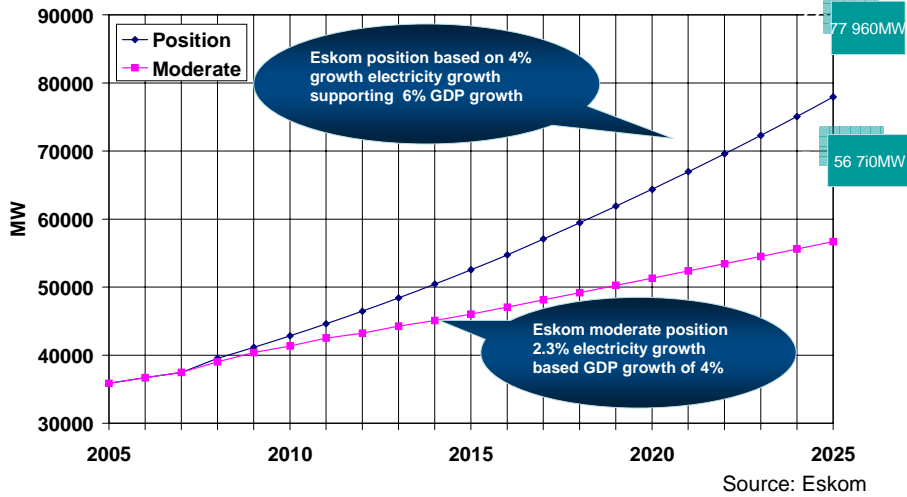
The power continuum



Eskom long-term requirement

Additional 40 000MW added to current capacity

Long term forecasts - national + foreign



R150 billion over five years

14% Distribution

- Lines and cables
- Network improvements
- Refurbishment

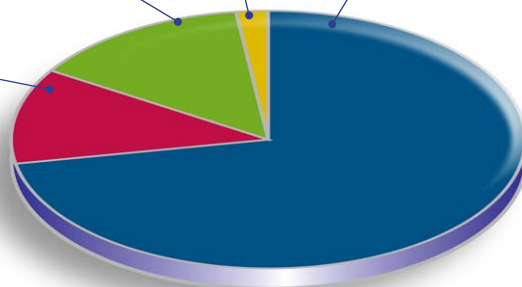
2% Other
Research development and demonstration

70% Generation

- Mothballed stations
- 2 Coal base load stations
- Hydro and gas options
- Nuclear plant
- Refurbishment

14% Transmission

- Network strengthening
- Cater for growth
- Refurbishment



Over the next five years, Eskom will spend an average of R15 million per working hour

Source: Eskom

Telecoms Industry

- Telkom's R 30 billion capex in next generation network
- Vodacom & MTN intention to roll out their own fixed line fibre networks
- Growth of cellular in West & East Africa
- Neotel development of its own network infrastructure and access networks
- Undersea cable projects will create new landing points providing cable opportunities



- Potential for Altron / Reunert Cable JV for optic and access network cable supply
- IST software and network products
- Battery Technologies / Celltel alliance and battery rectifier systems



Powertech 

Industry outlook and trends

Positives

- Public sector expenditure
- Ongoing investment in building and construction particularly commercial and preparations for 2010
- Strength of resources pushing demand from mining industry
- Transnet and Gautrain investments
- Local Telkom and other operator infrastructure spend
- Africa infrastructure opportunities - power and telecom

Negatives

- Low cost competition (local and import) in commoditised markets
- Volatility and availability of raw material inputs
- Increasing interest rate environment
- Access to skills capacity to meet expansion



Overall - positive outlook for Powertech



Powertech 

Thank you



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