



PRESS RELEASE

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Tellumat lands Neotel network deal

Ready-to-roll microwave solution a victory for local know-how

Tellumat Radio Communications, the wireless technology specialist in the Tellumat group, has been named the sole supplier of microwave radio links that will help power the national network of Neotel, the country's second national fixed-line operator.

The three-year deal is an influential endorsement of local expertise as much of the equipment will be designed, developed and manufactured locally.

Tellumat will produce its locally designed and developed HighReach Digital Radio family at its Electronics Manufacturing facility in Cape Town to satisfy the low-to-medium capacity link requirements (up to 70Mbps), making up 75% of the contract. The balance of the requirement is for high capacity links and these will be imported until the company has extended its product family to include high-capacity links. The products traverse the entire frequency spectrum of fixed point-to-point microwave transmission (7-38 GHz).

The equipment will be used across Neotel's national network as interconnect links between base station sites or to provide direct access to the network for corporate and wholesale customers.

Geoff Carey, managing executive of Tellumat Radio Communications, says far more than just product supply is involved. Tellumat will also perform the radio planning and provide services in the form of installation and commissioning of the links for the interconnect-backhaul component of the network roll-out. A Service Level Agreement is included for ongoing maintenance and support services so that Tellumat is responsible for the entire life span of our products.

"Considerable numbers are involved," he adds. "Even a mature network typically requires in excess of 500 links per annum; a new network is likely to have a much bigger need."

What it means to BEE South African

Neotel is committed to the support and development of the local communities in which it operates. The Tellumat appointment is in keeping with Neotel's policy to develop local industry through procurement of technology from empowered companies with significant value-add in the form of manufacturing and implementation and also through skills development of HDI students in the ICT sector.

Tellumat's locally produced products have a substantial proportion of around 50% local value-add through procurement from South African suppliers as well as labour content, this apart from the intellectual property which is South African.

Known for world-class innovations and international competitiveness, Tellumat ploughs a substantial portion of its revenue back into research and development, says Tellumat CEO Rasheed Hargey. Tellumat's BEE credentials are also impeccable with a Black ownership of 32% (the DTI's Codes of Good Practice on Black Economic Empowerment require 25% + 1 by 2012). Tellumat is currently in the process



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of gaining its accreditation rating against these Codes, and anticipates securing a B-BBEE Status of Level 4, which means that customers that procure Tellumat products and services will qualify for BEE procurement recognition of 100% (for every R1.00 spent with Tellumat, they are credited with R1.00 of BEE procurement spend).