



PRESS RELEASE

Tellumat
July 11 2007
Page 1 of 2

Double the difference

Tellumat increases manufacturing capacity, diversifies markets and services

Tellumat Electronic Manufacturing, the Tellumat division that performs outsourced electronic manufacturing, has ramped up its capacity, skills and production flexibility to better service all customer requirements – ranging from prototyping and once-off products for small design outfits, to managing full turnkey projects and high-volume production runs.

Murison Kotzé, general manager of the Electronic Manufacturing division, says the main impetus for this has come with the acquisition of former competitor Rhomco Manufacturing, which brought additional capacity, commonality in manufacturing asset bases, very experienced staff and management, and an impressive customer base.

"Perhaps for the first time the SA market has a cost-effective, high-quality, high-capacity alternative to cheap mass production in the Far East" says Kotzé. Besides capacity, Rhomco also aided Tellumat's efforts to bolster its service to smaller customers, including one-person design outfits. Tellumat can now better accommodate smaller customers with small batch runs, as well as various levels of involvement, from a make-fee only service to a full turnkey offering, and more flexible production scheduling.

These recent achievements are further bolstered by other value-adds that Tellumat brings to customers:

- Key Rhomco operational and management skills have allowed an increase in Tellumat's market-focus;
- BEE - The company boasts 32% black ownership and anticipates getting a Level 4 BEE status when rating is finalised, qualifying its customers for 100% BEE procurement recognition;
- In-house repair facility;
- Independent Quality Assurance division, including environmental testing facilities;
- SAP ERP system, integrating all Tellumat divisional functions from procurement, configuration management to production control and logistics;
- Manufacturing team with decades of experience.

As a result of its differentiated approach, and focus on building strong relationships with its customers, Tellumat has won significant deals in the past six months to manufacture electronic products for big-name vendors as well as smaller concerns. IT&S, a developer of IP-based security cameras that use cellular networks or the internet as video carriers, and which can be adapted for South African conditions, is one such customer.

Hennie Roos, owner, says IT&S approached Tellumat in 2006 for the manufacture of the first serial production units of its successful Meerkat security camera. "Not only has this product been fully developed in South Africa, it is the only security camera manufactured in South Africa." One of the reasons Roos chose Tellumat as IT&S's manufacturing partner was because of the technical complexity of the product, and Tellumat's proven capability with accurate and repeatable fine-pitch surface mount component placement (including Ball Grid Array's), as well as their ability to provide a full turnkey solution. "I was also aware of Tellumat's good name in the industry, and knew this would carry some weight with potential



PRESS RELEASE

Tellumat
July 11 2007
Page 2 of 2

customers," Roos adds. According to Roos, Tellumat was eager to take up the challenge. "It started with Tellumat assisting in the industrialisation of the data pack and procurement of the components. What impressed me most was that given the tight timescales of the project, the production run was still completed on time and a 100% first-time pass rate achieved".

Roos states that it is clear that with a project such as this which has technological risks attached, a manufacturing partner like Tellumat is of immeasurable value. IT&S hopes to carry out their next production run with manufacturing partner, Tellumat, before the end of the year.