



PRESS RELEASE

Tellumat

October 07, 2008

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Tellumat celebrates 10 years of world-class technology innovation South African BBBEE group looks to repeat the feat internationally

As Tellumat celebrates its 10-year anniversary, a long list of achievements has earned it extraordinary distinction in the areas of Defence, Communications and Contract Manufacturing technologies and services.

Most importantly, it has met its founding objective of becoming a world-class innovator, and is at home among South Africa's bigger technology groups with more than R300 million in revenues and a staff of some 600, sporting extensive engineering, technical and project skills.

It has also built up deep domain expertise, a market-leading black empowerment rating, a first-rate customer book, leading global technology supply relationships and a full turnkey product and service offering. And in many ways, the journey is just beginning, as its international forays usher in a new era of global supply deals and partnerships.

"Our people can congratulate themselves on a job well done," says Rasheed Hargey, Tellumat's CEO. "We believe it is important for the local ICT industry and the country's competitiveness to move from a sales-focused sector to one that breeds technological innovation."

Innovation

As an engineering company backed by extensive project management, product development and manufacturing skills, Tellumat offers far more than the archetypal sales-focused South African ICT company. Hargey says the group has since 1998 finished development of nine key product families. It ploughs back up to 10% of annual revenue in research and development of manufacturing and design techniques, a figure that compares favourably with the best technology companies globally.

Some of Tellumat's innovations include:

- A software-definable microwave radio;
- The country's first all-in-one GSM payphone, installed widely on the continent;
- *The SIMpill chronic self-medicating compliance system; and*
- *Tellumat Defence's core indigenous Identification product and system portfolio.*

Local expansion and diversification

Already a top Western Cape contract manufacturer, Tellumat Electronic Manufacturing made national strides in 2007 by acquiring the electronics manufacturing plant of Denel Optronics, now Carl Zeiss Optronics. Its acquisition of Cape-based Rhomco further boosted its capacity and gave it the production flexibility to serve diverse customer needs, from prototyping once-off products to managing turnkey mass production on very large runs.

Today the unit has a purpose-built 6000m² factory in Cape Town. Total throughput for just one customer currently exceeds 40 000 circuit boards per month, giving the SA market a cost-effective, quality, high-capacity alternative to cheap mass production in the Far East. This complements its already proven capability in servicing complex full turnkey manufacturing projects.



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Global expansion

Tellumat Electronic Manufacturing recently won a deal to provide outsourced manufacturing services to a UK-based manufacturing firm, proof of its world-class expertise, covering all stages of product design through to distribution.

And in recognition of Tellumat Group's strong engineering skills base, it has forged an extensive co-development, research and skills exchange partnership with an international organisation focused on new product development and basic research. This has had the dual effect of the transfer of engineering skills and increasing the product portfolio of the Tellumat product and systems offerings.

Tellumat is actively seeking partnerships with other countries under the South-South collaboration, India-Brazil-South Africa (IBSA) partnership, the Non-Aligned Movement and the Group of 20 (G20).

Continuing these successes, Tellumat Defence has supplied foreign countries including Ecuador and Egypt. And SIA Solutions, Tellumat's 60%-owned joint venture with Harambe Technologies, has supplied in Botswana, Namibia and Morocco.

"Over the next ten years we intend to cement recent wins on the continent and further abroad, in mutually beneficial technology sharing and supply partnerships that will increase our competitiveness and that of our partner nations," Hargey concludes. "We look forward to a future of innovation and commercial success that will benefit our company, industry and country."

Ends.

About Tellumat

Tellumat is an innovative, black empowered, South African technology company that has achieved a BBBEE Status Level 4 rating, defined as "Superior Contributor to BEE" in terms of the DTI's Codes of Good Practice. It consists of three major trading divisions; Communications, Defence and Contract Manufacturing, and three partly owned companies; Sia Solutions (Pty) Ltd, Eence Engineering (Pty) Ltd and SIMpill (Pty) Ltd. Tellumat services three primary market areas, namely wireless voice and data communications, defence communication systems and high precision electronic and mechanical manufacturing. Tellumat is a world-class business focused on innovation, offering our customers dynamic and competitive technology products and services. We focus on understanding our customers' needs and forming long-term strategic alliances with likeminded enterprises worldwide.

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