



## PRESS RELEASE

Tellumat  
March 3, 2010  
Page 1 of 2

### **Eskom price hikes will fuel demand for smart technologies**

Massive hikes in the price of electricity for at least the next three years will trigger a demand for smart metering devices that save consumers money.

The meters monitor power consumption to warn customers how much they are spending. And by programming the meters to switch off power-guzzling geysers and other devices during peak periods, consumers can help to reduce the drain on power grids.

Local manufacturer Tellumat expects the demand for smart metering devices to boom now that Eskom has won permission to hike its tariffs by a crippling 24,8% this year, 25,9% next year and another 25,9% in 2012.

This increase will hit consumers hard, and spur them into managing their consumption more effectively.

"The potential savings for consumers are quite enormous because you can control your geyser and other devices and take advantage of cheaper electricity once they introduce off-peak tariffs," says Tellumat's CEO Rasheed Hargey.

By linking the devices to billing systems, the authorities can remotely interrogate the meters and issue the correct bill without having to dispatch a meter reader. A side effect of the price hikes is that many more consumers will fall into arrears, and municipalities using smart meters can literally cut off the supply to defaulting households without sending out an official.

"Local authorities can use it as a collection tool to get people to pay their bills, and they can switch off the power for unpaid accounts," says Hargey.

The authorities can also use the meters to remotely switch off devices during peak hours to cut electricity consumption in their region. "Demand side management of electricity in the country is critical," says Hargey. "Eskom and the municipalities can do proactive management to regulate spikes in demand through these devices to avoid putting unnecessary stress on the grid."

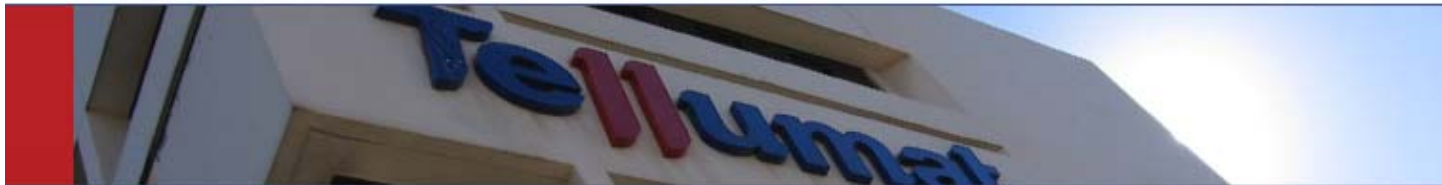
The smart meters must be physically installed in each home or business premises, but after that all the control and readings are communicated via the GSM cellular networks.

Tellumat believes the local production of this smart technology is a major growth opportunity for its Electronic Manufacturing business unit. "There's a lot of momentum in the marketplace and pilot projects are running in some municipalities," says Hargey. "It's not commonplace yet, but over time every home will have one."

*Ends.*

#### **About Tellumat**

*Tellumat is an innovative, black empowered, South African technology company that has achieved a B-BBEE Status Level 3 rating, as well as being a "Value-Adding Enterprise" 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, Encee Engineering (Pty) Ltd*



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Tellumat  
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Page 2 of 2

*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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