

## ELLIES INVESTOR UPDATE

### GROUP SNAPSHOT

EDITION #1

#### Consumer Goods

65% of revenue

63% of PBIT



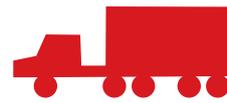
**Manufacture and Sourcing**  
> 10 000 line items



**Packaging**  
Ability to package up to  
60 000 units p/m



**Warehousing**  
> 100 000m<sup>2</sup> warehousing  
space



**Distribution**  
Just-in-time delivery  
13 distribution centres



**Sales and Marketing**  
New energised Brand  
and Marketing team

#### Infrastructural Electrification

35% of revenue

40% of PBIT



**Production and Manufacture**  
5 Production facilities



**Solution Development**  
Energy efficient telecoms



**Implementation and Maintenance**  
80% Exports



**Turnkey Project Management**  
Mining houses telecoms

### IN THE NEWS

#### Renewable Energy at Ellies



Renewable and Energy-efficient products are part of the future of Ellies Holdings and will be a major strategic focus for the business over the next five years. We will have successfully launched eight Renewable Energy concepts stores with our partners Massbuild in Builders Warehouse and Builders Express in Gauteng by the end of April 2012. Thus far the sales have to our satisfaction, exceeded our initial estimates and we are seeing tremendous growth in the LED and CFL lamp and water-efficient showerhead ranges in particular. The next major focus of Ellies is involvement in solar geyser sales and installations as well as full home conversions to make it possible for all South Africans to take control of their power costs and play their part in caring for the planet.

Ellies Renewable Energy, supported by Eskom, intends to reduce the amount of electricity consumed across our nation by installing geyser timers and replacing inefficient light bulbs and showerheads in thousands of homes... FREE OF CHARGE. This initiative officially commenced on Monday, 13 February 2012 and was scheduled to continue until 31 March 2012, however by 28 March the full 45 MW had been successfully removed. To date, we have saved 80 MW with tremendous reaction and support from all over South Africa. 390 000 houses, country wide, have been fitted with energy saving bulbs, as well as shower heads. In the middle of March we received the go ahead to install LED lights and also commenced with the installation of geyser-timers. Thus far Ellies is responsible for the installation of LED lights and geyser-timers.

Ellies is also proud to announce that we signed our second contract with Eskom, on 28 March 2012, and will continue the rollout until the end of June 2012. This will assist Eskom in saving a further 30 MWs.

#### Project Power Save statistics as at 24 April 2012

- Project Power Safe employed over 2890 people
- 390 000 houses visited
- 80 MW taken off the grid as of 20 April 2012
- Additional 30MW target awarded by Eskom to end-June 2012





The Project Power Save Swap Shop doing brisk trade at Ellies Renewable Energy in Johannesburg



Jabu Zwane, Ellies Installer for Project Power Save and his paintings of the Project Power Save Swap Shop.



## Megatron

### Did you know?

Megatron employs 234 employees.

Contributed 35% to the Ellies revenue for the six months ended 30 October 2011.

The Megatron business acquired the Andrews Towers business from Commscope in America with the purchase effective on 1 November 2011. Andrew Towers is one of the most recognised brands in the global telecommunications industry and is a comfortable fit into the already existing Megatron Federal business. Megatron have taken over the complete Andrew Towers team; all personnel, designs, patents and tools in order to avoid disruption in the design, manufacturing, marketing and delivery of the current range. Alan Jones, former Vice President and MD of Andrew Wireless Solutions Africa has joined the Megatron team to manage and further grow this business.

Megatron have commissioned their first Bladeroom modular datacentre. The BladeRoom data centre concept utilises filtered outside and recirculated air, supplemented by adiabatic cooling to achieve ASHRAE conditions virtually all year round. Megatron's design for this data centre won the most innovative design in its category at the World Data Centre awards which were hosted in London in December 2011. The award recognised Megatron's achievement in innovation in the medium data centre arena, with the establishment of Africa and South Africa's first green data park in Centurion. Once completed this data centre will support 6000 square metres of data space. What sets the Megatron data park apart is that it addresses shortcomings such as long construction lead times, difficulty in achieving good build quality and poor efficiency. Construction on the data centre started in August 2011 and the initial phase was completed just six months later on 24 January 2012.

Megatron also welcomes back a familiar member to their team, Jean-Pierre Ford, from In-Toto Solutions rejoins the team and will be heading up the projects division.





**A bit about Jean-Pierre Ford:**

Jean-Pierre holds a B. Comm. Hons. (Accounting) from the Rand Afrikaans University in South Africa

after which he completed his Articles at KPMG and obtained his CA (SA) designation.

He currently serves on the board of In-Toto Solutions and is a familiar face at Ellies.

**GETTING TO KNOW ELLIES MANAGEMENT**

**Gary Wiltshire**



**Ellies Renewable Energy**

Gary Wiltshire is the current head of the Renewable Energy division of Ellies having been part of the organization for 17 years. He obtained his B.Comm degree from the University of the Free State in 1993 and 10 years later his B.Comm. Hons. He taught part-time at the business school to post-graduate students at the same institution for eight years focusing on entrepreneurship and gorilla financing.

**What is your guiding philosophy for your business?**

Creativity, entrepreneurship, philosophy, financing and management are his particular areas of interest and he involves himself wherever possible in new ventures and mentorship programs for younger entrepreneurs.

**What are your best attributes that you bring to the business?**

Persistence, tenacity and being a dreamer.

**What is your single biggest achievement?**

My kids

**Ryan Otto**



**Megatron**

Ryan Otto currently serves on the board of Ellies Holdings Limited a position he has held since 2008. He joined Ellies Holdings Limited as a result of their acquisition of Megatron Federal (Pty) Ltd where he serves as the Managing Director

projects in over twenty African countries. In 2007 the group was consolidated into a single entity – Megatron Federal (Pty) Ltd, this entity was subsequently acquired by Ellies Holdings Limited effective 1 May 2008. Ryan holds a B. Comm (Accounting) and a H. Dip (Taxation) from the Rand Afrikaans University in South Africa. He speaks English, Afrikaans and Zulu and retains South African citizenship.

In 1999 Ryan co-founded Megatron Engineering (Pty) Ltd an electro-mechanical engineering firm in South Africa. Over the following years the company was expanded through various subsidiaries focused on power generation, transmission and distribution. The company was active throughout the African continent having participated in

**What is your guiding philosophy for your business?**

Hard work, excellence and passion.

**What are your best attributes that you bring to the business?**

Experience and persistence.

**What is your single biggest achievement?**

The growth of Megatron Federal.

**What differentiates Megatron?**

The muscle to take on the big projects and the power to deliver on them, quickly, efficiently and cost-effectively to the best quality specifications.

**Concluding remarks from our Chairman and Founder**



**What is your guiding philosophy for the company for the remainder of the year?**

We have management who have been a part of the company for more than 20 years and remain committed to the company. Their understanding

of the product, product development, market needs and market positioning is exceptional. They have lived through the market changes and will continue to stay up to date with market trends into the future. An example of market changes can be seen in our transformation from bunny ears, to antennas, to decoders and now into digital terrestrial television. These are all areas in which Ellies is a market leader.