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THEBE INVESTMET IS ONE OF ALTECH'S 25% BEE PARTNERS

JSE-listed Allied Technologies Limited (Altech) is pleased to announce a 25% + 1 share Black Economic Empowerment (BEE) transaction in relation to three of its subsidiaries, Altech Netstar (Pty) Ltd, Comtech (Pty) Ltd and Altech Netstar Fleet Solutions (Pty) Ltd.

Altech Netstar's primary business focus is providing stolen vehicle tracking and recovery services to subscribers within Southern Africa, while Comtech and Altech Fleet Solutions provide fleet management solutions to subscribers within the same region.

The transaction has been entered into with Thebe Investment Corporation (Pty) Limited (Thebe) and Identity Capital Partners (Pty) Limited (Identity Partners). Thebe is a diversified, black investment management company with 17 years experience and has an established history of adding value to its underlying investments whilst promoting the social and economic development of black people and black women.

Identity Partners is a women-owned and run investment firm, which also provides advisory services and manages an SME development fund focussing on black women and youth.

Altech's commitment to transformation

Altech Chief Executive Officer, Craig Venter says, "The transaction is further evidence of Altech's commitment to transformation in South Africa and to complying with the ownership requirements of the Department of Trade and Industry BEE Codes of Good Practice and its transformation vision."

"Altech's transformation vision focuses on empowerment through skills enhancement, representative shareholding and widespread development of disadvantaged communities by focusing on areas with maximum long-term benefit," concluded Venter.

Thebe Investment Corporation (Pty) Ltd

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Venter says the transaction will result in a long term sustainable relationship with the BEE partners, Thebe and Identity Partners, and a platform from which both parties can participate in and benefit from the Netstar businesses.

Thebe's Chairman, Vusi Khanyile says, "Thebe is pleased with this transaction and we are of the view that significant synergies with other investments currently in the Thebe portfolio can be realised. We look forward to supporting the management of Altech in realising the company's growth objectives".

Principal partner of Identity Partners, Sonja Sebotsa says, "Identity Partners is proud to be associated with the Altech Group and looks forward to being a long term investor in this exciting arena that captures both the transport and technology sectors."

More about the transaction

Altech will create a new wholly owned subsidiary ("Newco") and will dispose of its shares in Altech Netstar at fair market value (approximately, R1.5 billion) to Newco. The consideration for the sale of the shares in Altech Netstar will be settled by Newco issuing preference shares to Altech. Altech Netstar, which owns 50% of Altech Netstar Traffic (Pty) Limited, in a joint venture with ITIS (of the United Kingdom), will acquire the business operations of Comtech and Altech Fleet Solutions out of their respective companies at fair market value (approximately, R200 million on loan account) (Collectively the "Restructurings"). Accordingly Newco will have a net asset value of nil at inception.

Post the completion of the Restructurings, Altech will dispose of 25% plus 1 share in Newco to the BEE Partners for a nominal value.

The agreements governing the Transaction include limited warranties and terms and conditions that are customary to transactions of this nature.

The effective date of the Transaction will be the first day of the month following the month in which the last conditions precedent in terms of the agreements are fulfilled.

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About Thebe

Thebe Investment Corporation is a diversified investment management company, which actively participates in the operational management of its core investments. One of South Africa's oldest black owned and controlled companies, Thebe was established in 1992 with a vision to be a trusted world class African company that develops and invests in businesses for the long term benefit of the community and other stakeholders. Thebe achieves this through a balanced portfolio of greenfield, mid-cap and blue chip companies. These include the manufacturing, petroleum, tourism, IT, retail, healthcare and financial services sectors.

Thebe's shareholders include Sanlam Life Insurance Ltd, ABSA Capital, an employee equity participation scheme and a community-based trust and the majority shareholder, the Batho Batho Trust. The objective of the Batho Batho Trust is to promote the development of sustainable communities by supporting the socio-economic development of black people, women and rural communities. The Trust continues to fulfil this objective by supporting communities in South Africa and SADC.

About Altech

Altech is listed on the Johannesburg Stock Exchange (JSE). It is focused on the Telecommunications, Multi-media and information Technology (TMT) industries and employs over 5000 employees in South Africa and abroad. As a leading South African multi-billion rand high-technology group, Altech is involved in the design, development and convergence of telecommunications, multi-media systems and IT solutions. There is a strong focus on the convergence of these technologies and Altech is now also entrenched in the arena of secure technology solutions. Altech has ongoing access to the latest technologies worldwide, while the group's own research and development programme actively encourages and promotes internal technology through training at Altech Academy.

About Identity Partners

Identity Partners was founded at the end of 2007 by professional women with several decades of experience in business and investment banking. Amongst the founder shareholders of Identity Partners, Sonja Sebotsa is the Principal Partner of the firm and Polo Radebe is the CEO of its main subsidiary, the Identity Development Fund.

The investment business of the firm invests in and grows established and well managed businesses. Its current portfolio covers the sectors of IT, Financial Services, Transport, Minerals and Energy. Identity Partners also provides advisory services to public and private sector clients.

Identity Partners have used their investment expertise to set up and manage the Identity Development Fund with the support of the Anglo Zimele initiative. This fund provides equity and debt finance to support and develop black women and youth owned SME businesses.