



MEDIA STATEMENT: ELLIES HOLDINGS

MEGATRON MEETS ACQUISITION REQUIREMENTS

25 June: AltX listed Ellies Holdings Limited (Ellies) today announced that all conditions precedent to the acquisition of Megatron Federal (Pty) Ltd (Megatron) have been fulfilled. Announced in December 2007 it is the only acquisition Ellies has made in its 30 year existence, demonstrating the company's exceptional capacity for organic growth.

Ellies acquired Megatron for a maximum aggregate purchase consideration of R180m. The purchase consideration will be settled partly in cash (up to a maximum of R105m) and the remainder in Ellies stock. Megatron focuses on power generation, transmission and distribution. The company was founded in 1999 and operates from 5 production facilities in Chloorkop, Johannesburg. The business receives 90% of its revenue from transformer substations, switchgear and sheet metal products.

Transformer substations transform and distribute power to domestic and commercial users. Switchgear performs a protective function and allows network configuration through the ability to switch circuits on and off. Sheet metal products e.g. enclosures are used to protect and house the substations, switchgear and generators. 10% Of Megatron's revenue is received from the commercial generator business for prime or stand-by power for example hospitals, buildings, shopping centres.

The company boasts an impressive client base including City Power, City of Tshwane Metropolitan Municipality, Anglo Platinum, Teal Mining and Ethekweni Municipality. Approximately 30% of Megatron Federal's revenues are foreign currency based with exports to countries such as Zambia, Democratic Republic of the Congo, Ghana, Burkina Faso and United Arab Emirates. With this acquisition Ellies will now also be able to assist large corporate customers with higher energy consumption needs including factories, mines and large office parks.

Although Ellies' core business is still television reception-related electronic products the company will continue to seek out acquisition opportunities to develop its product range and services across the electrical and power spectrum.

JSE Ticker: "ELI"

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Notes to Editors:

Ellies is the largest manufacturer, importer, wholesaler and distributor in Southern Africa of television reception-related products and dominant in domestic electronic industrial audio products. The Group's offering has recently been extended to include power generation, transmission and distribution with the acquisition of Megatron Federal. The 28 year old company listed on AltX in September 2007 primarily to provide the group with the ability to grow its operations organically and acquisitively.

Established in 1979, Ellies Holdings Limited has ten divisions:

Manufacturing and Engineering:

The research and development department has 11 engineers and holds patents for most of its products. The electronics design and production facility is ISO 9001:2000 certified and comprises three key manufacturing divisions: aluminium & plastics manufacturing, electronics manufacturing and light metal engineering

Terrestrial Television-Reception Products

Ellies manufactures and distributes TV antennae, amplifiers and signal distribution products and a wide range of universal remote controls, accessories for computers and land line phones, Samsung's Pleomaz batteries and both wireless and fixed cable security products.

Satellite Television-Reception Products

EISat is the largest distributor of satellite equipment in Southern Africa, contributing to 45% of the group's revenue. EISat is MultiChoice's largest distributor and although this division enjoys a low margin, it is more than compensated by low overheads and high volume sales. EISat does manufacturers the two leading size dishes while importing a wider range. It facilitates domestic installations nationwide through the pre-paid installation voucher system.

Ellies Electrical and Surge

Ellies manufactures its own range of power inverters and distributes domestic electrical products such as plugs, extension cords and surge protectors.

Ellies Corporate Services

This division serves the corporate market, namely hotels, residential complexes, hospitals, restaurants and retailers. Services include bespoke design, supply and installation of appropriate terrestrial and satellite TV-reception systems and audio and video/audio phone systems.

Ellies Audio and Equipment & Accessories

This division focuses on sound equipment and accessories across industrial, mobile audio and audiovisual accessories areas.

EISat Rentals

EISat Rentals offers rental of TV reception equipment and audio/video intercom systems with installation and maintenance predominantly to townhouse complexes, private users, businesses and shopping centres countrywide.



Packaging & Marketing

An in-house art department designs all the artwork for packaging and promotions. This division has one of the largest packaging plants in the country.

Sales and Merchandising

The team consists of over 170 sales representatives, sales managers, product knowledge specialists and merchandisers throughout Southern Africa.

Distribution / Logistics

Ellies operates its own vehicle fleet with the majority of goods delivered to customers anywhere in Southern Africa within a 48 hour turnaround time.

Megatron Federal

Acquired in December 2007, Megatron focuses on power generation, transmission and distribution. Key products manufactured by the Megatron Federal include: transformer substations, medium voltage withdrawable switchgear, diesel generator sets and sheet metal products. Approximately 30% of Megatron Federal's revenues are foreign currency based with exports to countries such as Zambia, Democratic Republic of the Congo, Ghana, Burkina Faso and United Arab Emirates.