

# Ernst Schutte African Cables

30 July 2008



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Your Partner in Infrastructure Development

The Power of One

**CBI Electric: african cables**  
Tel: +27 16 430 6000

**CBI Electric: low voltage switchgear**  
Tel: +27 11 928 2000

**CBI Electric: telecom cables**  
Tel: +27 12 381 1400

- An empowered company
  - Powerhouse Utilities (Pty) Ltd
  - 25,1% shareholding
- Pre-dominantly a supplier and installer of power cable systems
  - Power cable not manufactured locally is sourced from elsewhere and supplied
- Diagnostics and maintenance of power cable systems
- Installation and maintenance of power cable systems grew tenfold over the last five years



- Total plant area of 132 950 sqm of which 75 522 is under roof
- Production capacity of 45 000 Cable Tons p.a. currently, going up to 50 000 tons next year
- Copper usage  $\pm$  16 000 tons per annum going up to  $\pm$  20 000 tons
- Available capacity in Cafca of  $\pm$  3 600 – 4 800 tons per annum mainly in Bells and Mains cable



Product Range	Capacity Utilization 2007/2008	Capacity Available 2008/2009 vs 2007/2008
Bells	85%	110%
Mains	90%	110%
Splits	60%	100%
ABC	50%	100%
Paper	95%	100%
MV XLPE	95%	125%
HV XLPE	100%	100%
Cable Installation	85%	120%
ACSR	50%	100%



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- SABS Mark Holder
  - Production accreditation
- ISO 9001:2000
- ISO 9001 Listing for Power Installations in 2001
- ISO 14001 and ISO 18001



# Low Voltage Cables



- 1.0mm<sup>2</sup> to 1000mm<sup>2</sup> single and multi-core (dependant on product)
- 300/500V to 3.8/6.6kV
- Stranded copper or aluminium and solid sector aluminium conductors
- PVC/LVXLPE insulated
- Manufactured to SANS 1507



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- 25mm<sup>2</sup> to 150mm<sup>2</sup> phase conductors with support core
- 600/1000V to 19/33kV
- Only permit holder for SABS 1713 in South Africa
- Stranded aluminium conductors
- XLPE insulated
- Manufactured to SANS 1418, 1713 and 1507





# Paper Insulated Lead Cables



- 25mm<sup>2</sup> to 400mm<sup>2</sup> in single core or 3 cores
- 3.8/6.6kV to 19/33kV
- Stranded copper or aluminium conductors
- Paper insulated
- Manufactured to SANS 97



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- 25mm<sup>2</sup> to 1000mm<sup>2</sup> in single core and 25mm<sup>2</sup> to 300mm<sup>2</sup> in 3 cores
- 3.8/6.6kV to 19/33kV
- Stranded copper or aluminium conductors
- MV XLPE insulated
- Manufactured to SANS 1339
- Underground reticulation and main distribution systems



- 300mm<sup>2</sup> to 1000mm<sup>2</sup> in single core only
- 24/42kV to 76/132kV
- Stranded copper or aluminium conductors
- HV XLPE insulated
- Manufactured to IEC60840
- Underground reticulation, transmission, sub-stations and power stations



# Aluminium Conductor Steel Reinforced (ACSR)



- Seven strand
- Multi strand
- Alloy
- All Aluminium



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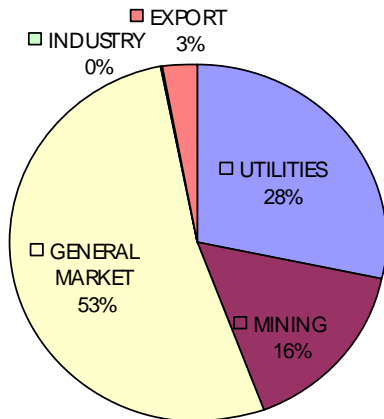


- African Cables market share around 33%
- Competitors
  - Aberdare
  - M-Tec
  - South Ocean
  - Zamefa (Zambia)
  - Other imports
- Locally manufactured  $\pm$  75%
- Imported  $\pm$  25%
- Imports are not more because of import tariffs protection and local back-up service
- Infrastructure spending expected to be on high level



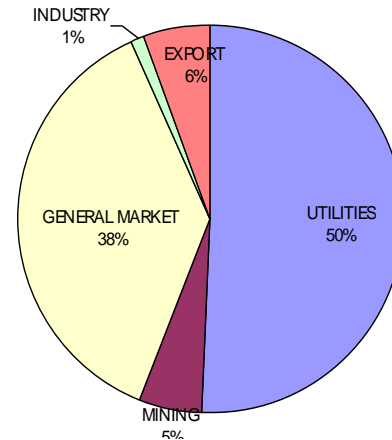
# Turnover YTD March '08

**Low Voltage Turnover  
38% of Total**



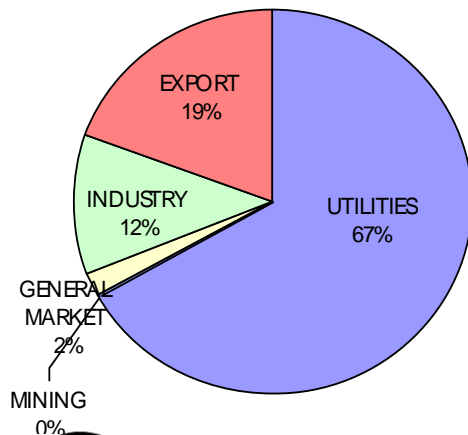
- UTILITIES
- MINING
- GENERAL MARKET
- INDUSTRY
- EXPORT

**Medium Voltage Turnover  
50% of Total**



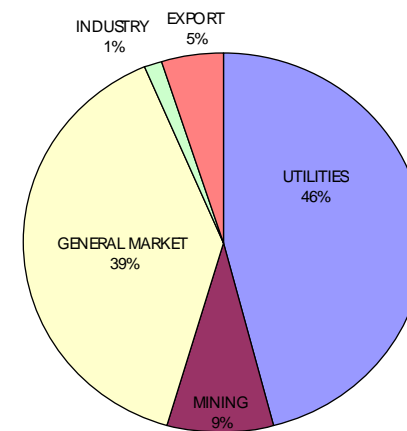
- UTILITIES
- MINING
- GENERAL MARKET
- INDUSTRY
- EXPORT

**Other Products Turnover  
5% of Total**



- UTILITIES
- MINING
- GENERAL MARKET
- INDUSTRY
- EXPORT

**TOTAL TURNOVER**



- UTILITIES
- MINING
- GENERAL MARKET
- INDUSTRY
- EXPORT



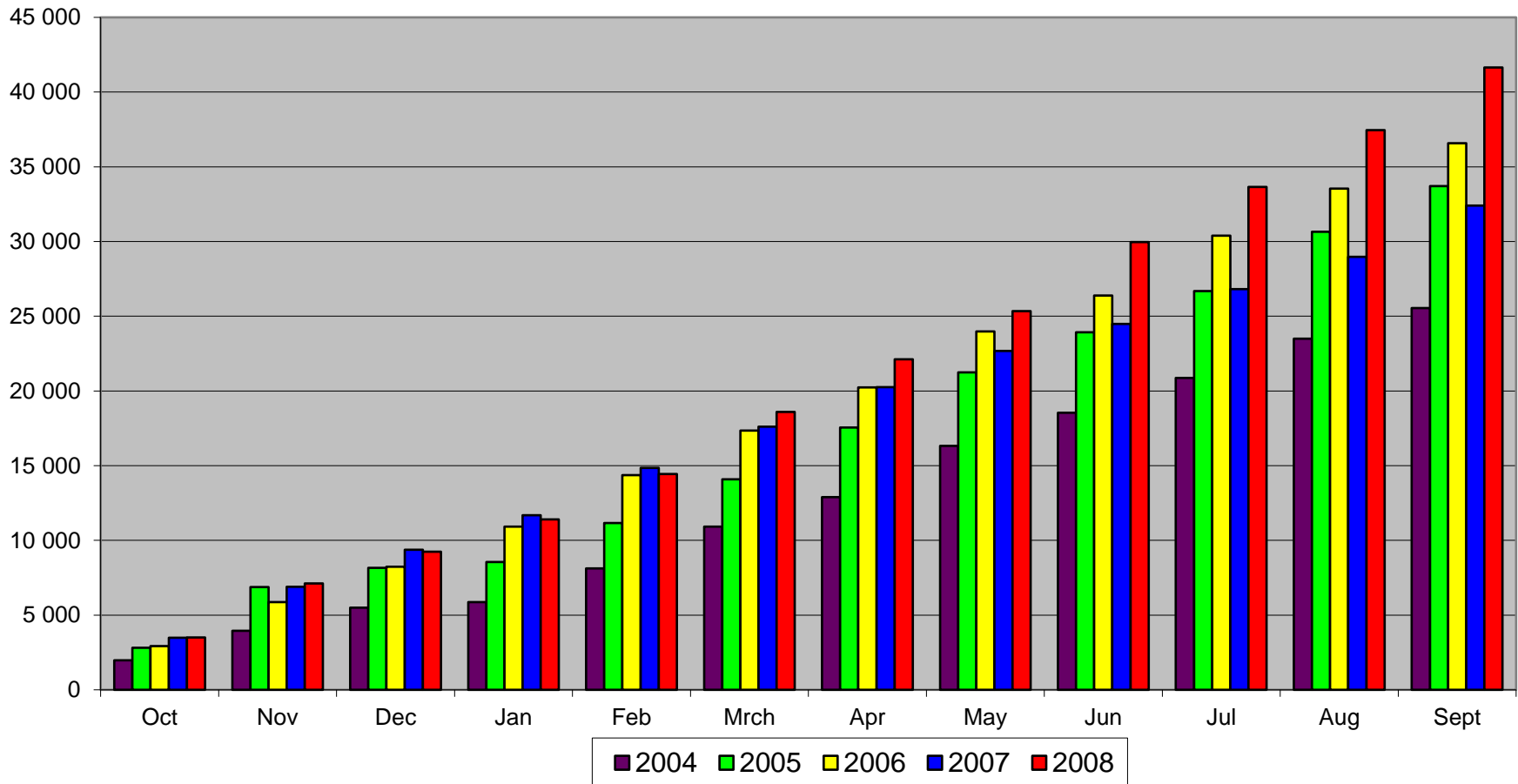
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# Production Output Forecast

Cumulative Output



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- Full range of power cable
- Quality of product and service
- Technical back-up
- Partnership with key customers
- Value added services
  - Installation
  - Maintenance
  - Consignment stock





- Reducing import tariffs
  - Currently 7,5% from E.U. reducing to 0% by 2012
  - Rest of the world still 15% - reduction dependent on specific agreements between RSA and other countries
- The SADC countries – 0%
- Volatility of R price of materials
- China and India
- Softening of demand in the residential market
- Renewal of major contracts in the next six months



- Capital expenditure of R32 million spent and committed for current financial year
- R72 million expenditure – planned for 2008/2009 financial year
- Above expenditure will increase capacity and address the move from paper to XLPE insulated MV cable

