

Press Release

For immediate release

29<sup>th</sup> June 2010

### **Amecor's year end results in line with 2009**

Electronics Group, Amalgamated Electronic Corporation Limited (Amecor), has turned in acceptable results for the year ended 31<sup>st</sup> March 2010.

Annual turnover of R138 million was on a par with the previous year's turnover of R138 million. Profit before tax came in at R37 million (2009 R40 million) and Earnings Per Share were 30.8 cents as opposed to 33.7 cents a share last year.

CEO Dereck Alexander describes the trading environment during the period under review as "tough" and says that, under these circumstances, the Group has done well to maintain turnover and profit in line with 2009.

The Group comprises of three principal businesses – FSK Electronics, which manufactures a range of electronic security equipment for security companies; Sabre Radio Networks, which is a radio frequency, GSM and internet protocol-based network responsible for transferring a range of electronic data, such as alarm indicators, equipment status reports and environment monitoring, between monitored sites and Sabre control rooms; and PDS Group, which supplies power generating equipment to State facilities, large corporations and industrial and mining companies.

The PDS Group is the largest contributor to group turnover at R83 million, followed by FSK Group at R42 million and Sabre Radio Networks at R16 million.

This year a new business, Amecor PowerStar, was added to the mix. Amecor has concluded an agreement with UK-based engineering company EMS for the exclusive rights to supply EMS's power optimizing equipment to power users in Southern Africa.

The objective of Amecor PowerStar, says Alexander, is to enhance Africa's energy supply by helping businesses and State facilities to achieve costs savings by a reduction in the amount of electricity they consume via strict voltage control.

Alexander says Amecor PowerStar has enormous potential - given Eskom's recent request that in future power users in South Africa must save up to 10% of their current electricity consumption – or face the prospect of substantial fines.

One further positive development recorded in the results announcement is that the long-running dispute with the original vendor of FSK Group, Rabie van der Merwe, has now been concluded.

Earlier this year Amecor approached the South Gauteng High Court to have the arbitration proceedings with Van der Merwe set aside on the grounds that Van der Merwe had no legal basis.

The Court upheld Amecor's application and ordered that Van der Merwe be interdicted and restrained from proceeding with any arbitration in the matter. Amecor was also awarded costs.

Says Alexander:

"We are relieved that this issue is now finally behind us. It has been an extremely costly and time consuming matter for Amecor. Henceforth we will be able to concentrate on our principal task of running the business - without any distraction."

Ends

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