ALTECH UEC

Leading Technologies: Touching Lives

STATE OF READINESS

Altech UEC SA (Pty) Ltd.

21st September 2011

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Introduction

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MULTIMEDIA

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Altech Multimedia Overview

- Head office and R&D in Durban, South Africa
- Engineering office in Cape Town, Johannesburg South Africa
- Global operations in Europe, Australia, Bangalore – India and Shenzhen – China
- Agencies in Europe and the Middle East
- R&D capacity in India (software) and China (hardware)
- Over 1100 employees worldwide
- Owned and dedicated manufacturing facility in South Africa
- Manufacturing capacity in Turkey, China and Malaysia
- Owned local service centres in South Africa and Australia
- Agent support centres on 6 continents

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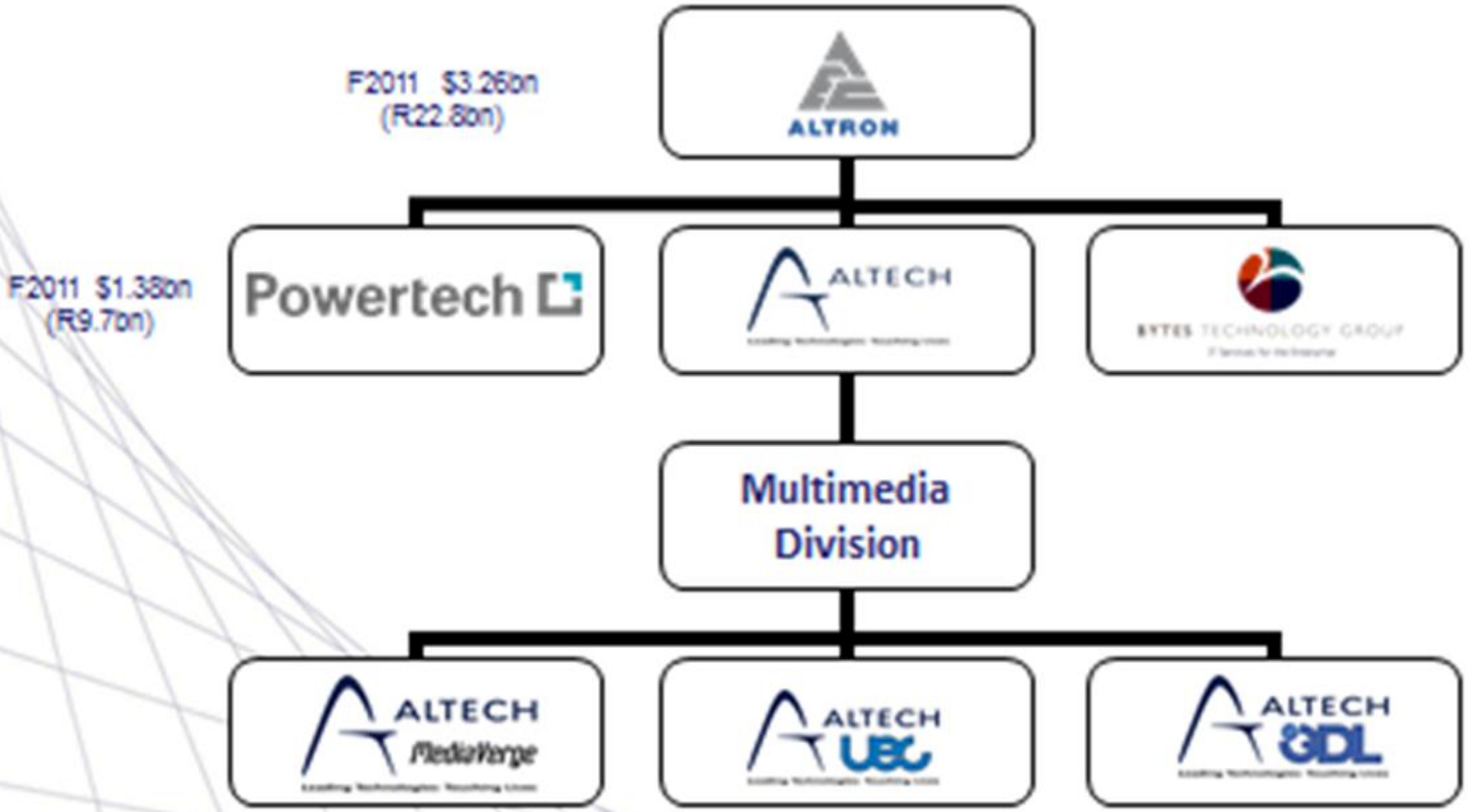
Group Structure



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Introduction

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Company Profile

Altech UEC Africa Region specialises in the design, development, supply and support of integrated hardware and software solutions for the world-wide digital Multimedia industry

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- Research and Development
- Customised STB design
- STB Manufacturing
- Systems integration
- CA integration

ALTECH MediaVerge
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- Middleware and applications development – UEC Blue
- Business solutions consulting
- Product innovation
- Back-end solutions
- Professional services
- Systems integration and deployment

ALTECH GDL
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- After sales support
- Supply chain management
- Product life extension
- Product refurbishment
- Product reconfiguration
- Product distribution and reverse logistics

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STB Plant Mt Edgecombe

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STB Solutions

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GDL Operations

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Highlights

2010	➡	**Wyplay partnership announced**
2010		+13 million STBs shipped, won Australian Government tender VAST
2008	➡	**Launched Free to Air products in Australia - Freeview**
2007		Over 5 million STBs shipped
2006		Established UEC design center
2005	➡	**World First Dual View PVR**
2004		Established GDL support centre in Sydney, Australia
2004	➡	**World first DOCSIS STB with Web Browser**
2003		Established GDL Decoder Centre in Randburg, South Africa
2003	➡	**World first NDS XTV PVR**
2002		Purchased interactive company 3CTV, Holland
2002	➡	**World First Dual View STB**
2001		Over 2 million STBs shipped
2001	➡	**World first DOCSIS STB**
2000		Established MediaVerge Solutions
1999		Over 1 million STBs shipped
1998	➡	**Opened Sydney facility**
1997		UEC South African Factory opens
1996	➡	**World first STB using Open TV**
1996		Licensed product technology to Panasonic, Kenwood, etc.
1995	➡	**World first DVB MPEG2 STB**

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Partners and Alliances

Technology

HITACHI
Inspire the Next

intel

BROADCOM.

ST

NEC
Empowered by Innovation

Industry

wyplay

opentv

IDway

irdeto

NDS

NAGRAVISION

ANEVIA

Hambisana

Sales & Support

AUSTRALIA POST

THE GOOD GUYS
DISCOUNT WAREHOUSES

Harvey Norman

Visionbyte
Telecom Solution Provider

דראקו בע"מ
טכנולוגיות מתקדמות

EUROSTAR

STRONG
DIGITAL TV

CONTEC

IS2

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Manufacturing Readiness

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Manufacturing Readiness

- Only fully vertically integrated STB plant in Africa
- In excess of 13 mil STB produced to date and deployed locally and internationally
- Invested in excess R60mil the last 3 years to upgrade manufacturing technology and capacity.
- Approximately R250m if start up from scratch.
- Inaugurated our new world class facility this year with 13500 sqm under a single roof; 30% expansion in space to be ready for quick capacity expansion when required.

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Manufacturing Capacity & Capability

Capacity

- Produced on average 2.3mil STB's pa locally .
- Have an installed capacity of 3.6mil STB's locally.
- Can expand to 4.6mil STB pa within a 12 week lead time

Capability

- In bound logistic
- Electronic assembly
- Plastic molding, painting and printing
- Final Integration and packaging
- Out bound logistics

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Human Capital

- Over 600 employees in manufacturing operation; experienced and skilled in the manufacturing of STB's
- Broad experience and deep skill base allows for rapid employment and cross training when required without any significant dilution of skill.
- Our employees understand international competitiveness and quality standards; gained over years of exporting products internationally.

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Skills and Capacity

- **Altech Multimedia is cross-skilling and up-skilling existing resources within the recently restructured programme/project management, design, development and delivery functions.**

- **Further expertise and capacity is being leveraged from the Altech Group to supplement core Altech Multimedia skills and experience.**

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Distribution & Logistics

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Distribution Readiness

- **Partnering with the leading STB distributors in the country**
- **Our distribution partner is an expert in Distribution Logistics with a wealth of experience in the STB market both locally and regionally**
- **This will ensure accessibility of the STB to all areas; reaching a wider community effectively and efficiently**

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Approach

- **Standard work packages, focused delivery teams and robust programme/project management methods and procedures reduce time to market and ensure quality.**

After Sales Services

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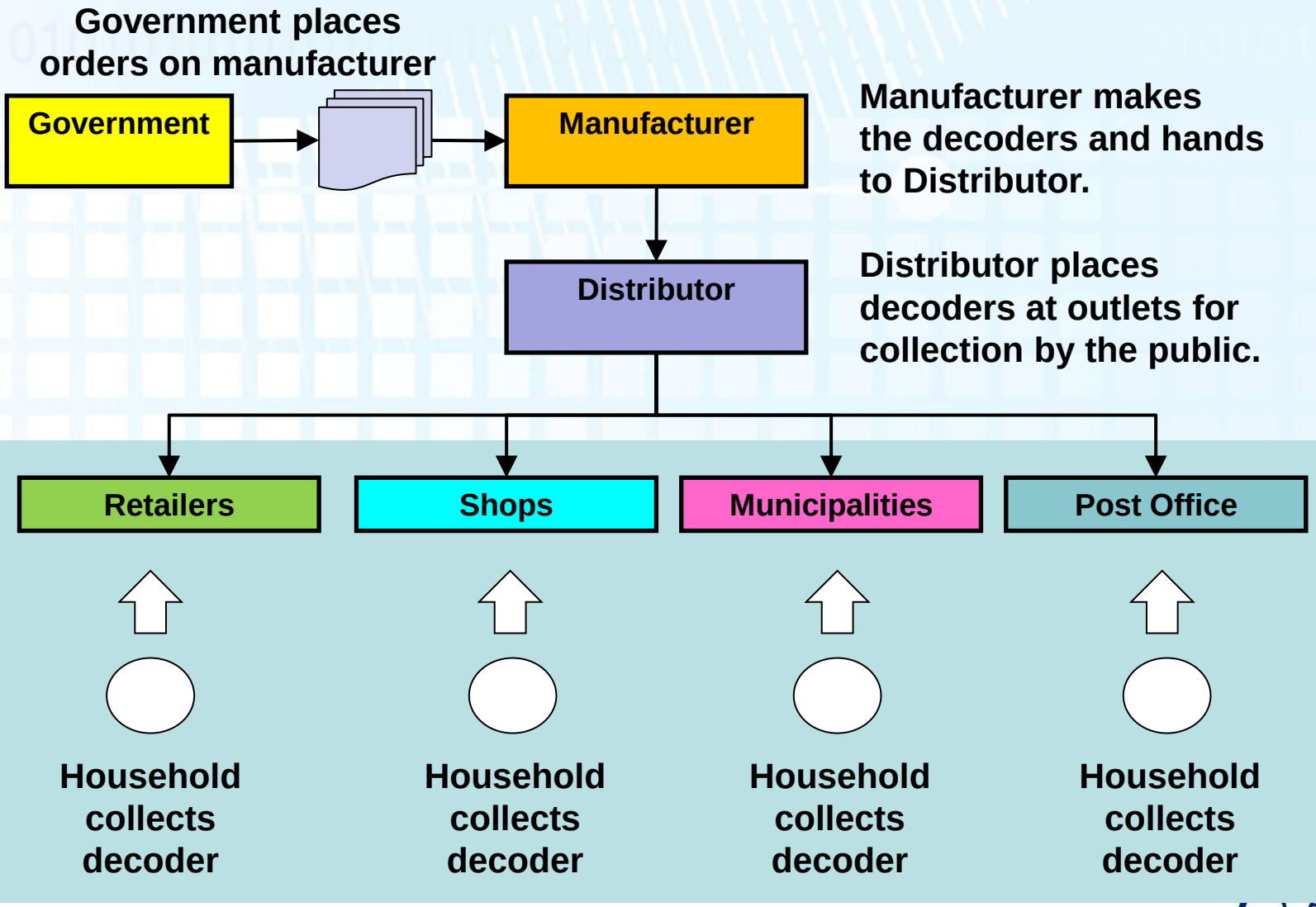
Decoder Supply



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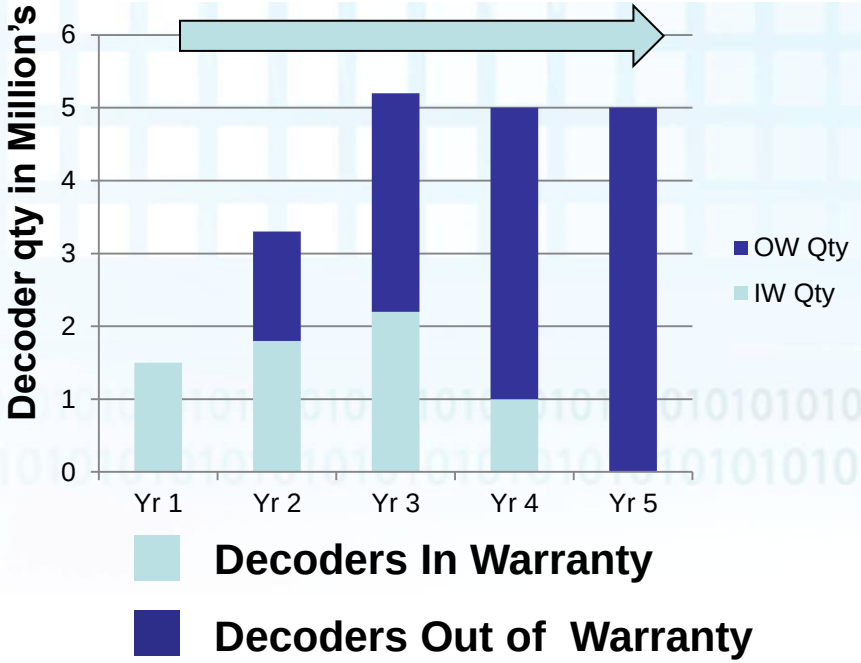
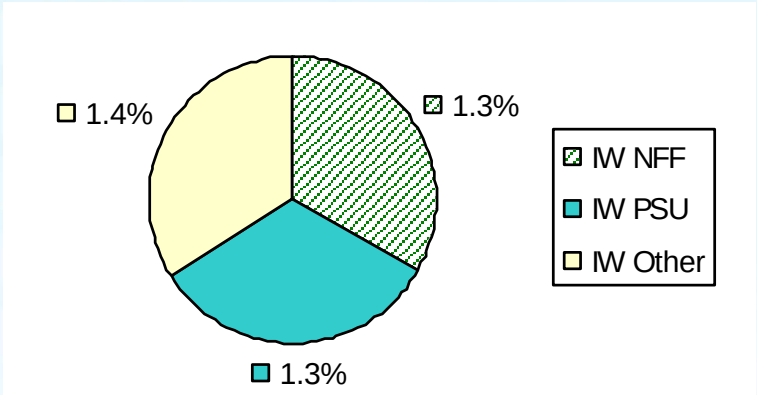
Support for Decoders

Decoders sold into Base

In Warranty qty reduces over time



Reasons for Returns



Public will require:

- **Shops to buy accessories (PSU / RCU's).**
- **Repair Places.**
- **Telephone Call Centres for help.**

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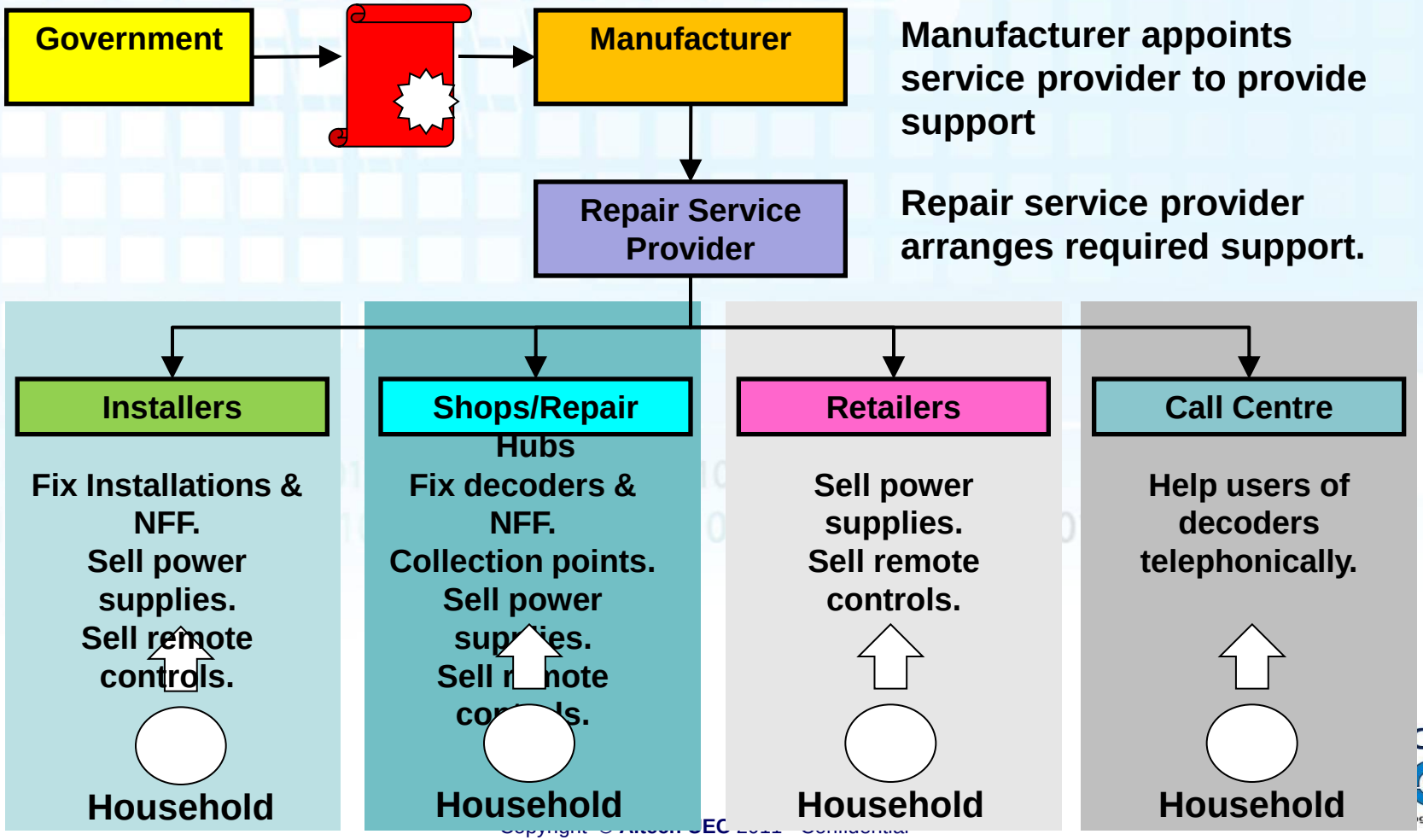
After Sales Support Structure

Government contracts manufacturer to provide After Sales Support



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Support Services and Costs

Repair Service Provider

Managed and controlled by Repair Service Provider.

Installers

No ongoing IW cost incurred.

Household will pay call out fee for installation support.

Costs incurred to setup nationwide training courses:

Training content will be decoder usage and 1st Line support (NFF Testing).

Shops/Repair Hubs

IW cost incurred.

Decoder hand in points.

Costs incurred to setup nationwide training courses:

Training content will be decoder usage and 1st Line support (NFF Testing), decoder repairs.

Perform IW/OW repairs.

Retailers

No ongoing IW cost incurred.

Revenue generation from accessory sales.

Call Centre

Ongoing Support cost incurred.

Costs incurred to setup call centre, train staff and man the centre.

Training content will be decoder usage and 1st Line support (NFF Testing).

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Conclusion

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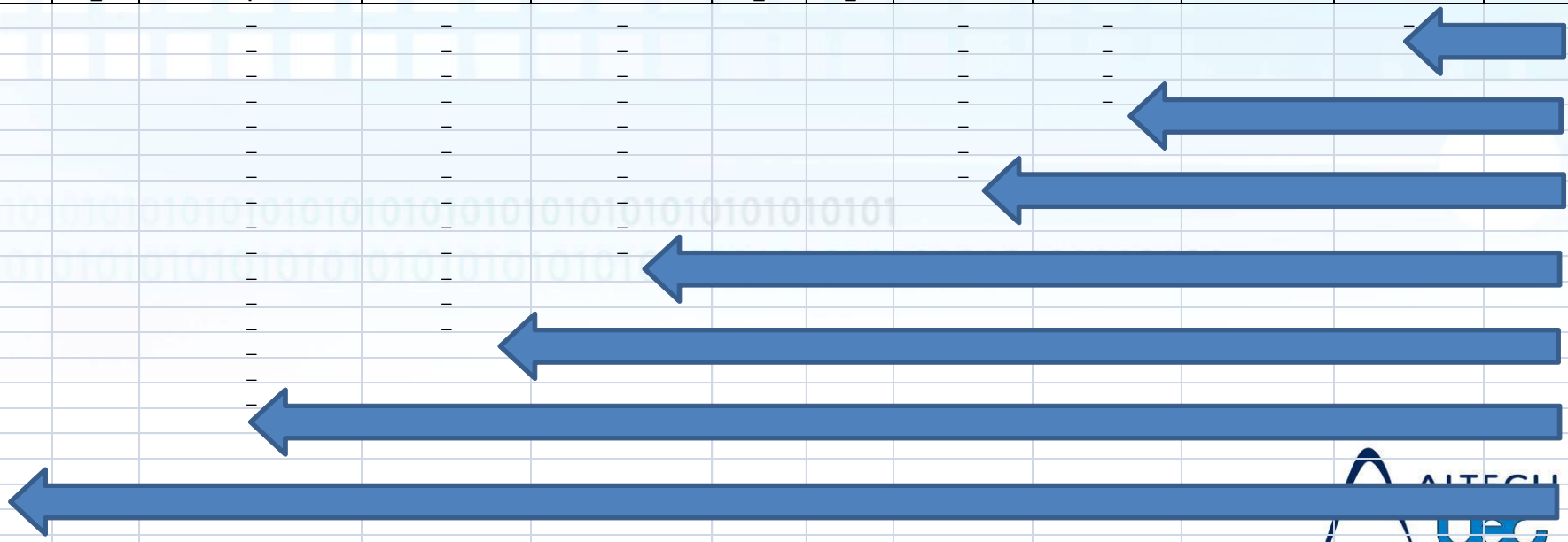
Conclusion

- **Lead-times**
  - **Production will likely only take place 9 months after the SANS Spec is released in final form.**
    - **Components lead-times**
    - **Test lead-times**
    - **Manufacturing lead-times**

Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Decision on STB Standard	_	Clear Direction on: Software, Subsidy & Business model, Sentech, Content, SANS 862 Specification	Conformance and STB Control	Order material for defined Bill Of material	_	_	Conformance	Manufacturing of STB`s	Manufacturing of STB`s	STB`s shipped to Retailers or Installers	Launch !



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Conclusion (2)

- **Critical Areas**
  - Product quality is important to ensure that returns are kept to minimum
  - After sales process is complex and if not well manage can be very costly
  - STB business is capital intensive (Financial, technical, human, Skill, etc)
  - STB Control system is still undecided
  - Subsidy business model is unknown/untested

- **Altech UEC SA (Pty) Ltd is fully Ready to assist Government in Successful DTT Program**
  - We have the capacity, the IP, and the resources to deliver a world class technology
  - We have an outstanding track record in STB industry (by World Standard)
  - Altech UEC SA is a level 3 Contributor

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Summary: Leading African partner

- Altech Multimedia leading African STB partner
- Emerging market expert
- Altech Multimedia has domain expertise across the entire broadcast industry map with specialist skills in the design, manufacture, support, distribution of STBs
- More than just a manufacturer of STBs
  - Altech UEC – design of market leading technology, high quality, customised STBs
  - Altech GDL – complete after sales support offering , life extension programmes, product reconfiguration, supply chain logistics
  - Altech MediaVerge – sophisticated local software development capability, middleware and applications development, business solutions development, systems integration, applications environment
- Experienced development teams (DTT, PVRs, MPEG2/4)
- Over 15 years of supply into Africa.
  - Only international internationally recognised STB manufacturer with HQ in South Africa
  - We understand the market requirement, technical challenges and local constraints

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Summary (2)

- Specialises in the development of applications, services and solutions for the broadcast and broadband industry
- Specific focus on secure transactional media distribution solutions
- Focussed on that area where broadcast meets broadband (DVB meet IP)
- Products and services are STB independent
- Solutions available as either stand-alone products or as complementary systems / services
- Supported by a large team of specialist architects, application engineers and professional service managers
- Leveraging our expertise and Altech Group strengths in Africa

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