

MANAGEMENT DISCUSSION



creating space

for our businesses to grow



Electrical engineering

↑30%

REVENUE

2006: 2,6 billion rand
2005: 2,0 billion rand

↑66%

OPERATING PROFIT

2006: 552 million rand
2005: 333 million rand



CE SCHUTTE

Managing director:
CBI-electric: african cables
BSc (Eng)(Elec)
Certificate of Competency
Born 13 July 1949
Appointed June 1999

Ernst started his career as a pupil engineer at the then Union Steel Corporation of SA Ltd's non-ferrous division in 1973 after he obtained his engineering degree at the University of Pretoria.

He was later appointed as section engineer: electrical; maintenance engineer; production manager; marketing manager and general manager of Usko Ltd.

He served on the boards of Alustang (Pty) Ltd, EPI (Pty) Ltd, Transvaal Copper Rod Company and Usko Ltd.

The electrical engineering division, now branded CBI-electric, consists of energy and telecommunication cables and low-voltage products. An integrated branding strategy was introduced in June 2006 and allows for the easy addition of other related businesses and products under the name CBI-electric.

Creating a strong brand will enable the group to promote its products and services in a more effective way locally as well as in the export market.

CBI-electric experienced exceptional growth on the back of countrywide strong demand to improve infrastructure. Revenue grew by 30% to R2,6 billion and operating profit soared by 66% to R552 million.

Growth is expected to continue albeit at a slower pace. Demand for low-cost housing continues at a constant level. Spending on infrastructure is expected to accelerate and should benefit the electrical businesses. The platinum mining industry is investing in order to satisfy demand.

CBI-electric: african cables

Demand remained strong across the range of product despite a rampant increase in the price of copper. The average copper price was R37 347 per ton compared to R20 668 per ton in the previous year.

The pricing model allowed us to pass price increases on to the customers and, consequently, it had no negative effect on profitability. Demand is not expected to decrease as a result of the higher copper price. Houses built need to be supplied with electricity, maintaining the demand for copper cable

The process of upgrading the reticulation networks of the utilities is ongoing and far from complete. The addition of thousands of residential houses, a multitude of shopping complexes and office parks are putting considerable strain on existing networks.

The strong increase in oil, gold and platinum prices stimulated growth in the mining and industrial sector which had a positive effect on demand for power cable. The platinum mining industry is booming and mining operations are expanding. Supplies to the mining industry currently constitute 8% of total sales. This is not expected to change materially.

MANAGEMENT DISCUSSION continued

Projects like the Gautrain and the upgrading of airports and stadiums in preparation for the Soccer World Cup in 2010 will further increase the demand for energy cables. Capital is being invested at our factory in Vereeniging on an ongoing basis to meet expected demand. State-of-the-art equipment is being installed to operate more efficiently and faster.

In light of the increased demand and expected positive growth in the economy, some R80 million will be invested in new equipment by the end of the 2007 financial year. Approximately R40 million has been spent in the current year.

The rapid increase in local demand absorbed most of the available capacity, necessitating a cutback in exports. This situation will be rectified once the upgrade programme has been completed.

CBi-electric: telecom cables

CBi-electric: telecom cables, previously ATC, experienced a complete turnaround from the previous few years due to the closure of a competitor's telecoms manufacturing facility in Port Elizabeth. Copper cable volumes doubled and fibre optic cable market share went from 20% to 30%. Telkom, however, remains the dominant customer.

Demand for copper telecommunication cable is expected to remain relatively flat while fibre optic cable offers significant scope for growth. The lack of telecommunications infrastructure in Africa, in particular Nigeria, presents CBi-electric with potentially exciting opportunities. The company currently supplies fibre optic cables to Nigeria and the viability of a manufacturing plant is being investigated. Finality on this venture will be reached within the next few months.

Telkom's planned capital expenditure of R30 billion for a new generation network, especially broadband services, over the next few years should benefit the company. In addition to increased demand for fibre optic cable, ADSL compatible copper cable should be high on the agenda.

In the non-Telkom market, demand will be stimulated by improving infrastructure. The Gautrain project; new and demothballed power stations; and the refurbishment of railway lines, to name a few, should lead to strong demand.

The second network operator, Neotel, and infrastructure company, Infracom, will invest in a telecommunications cable infrastructure. In all likelihood, it will be more fibre based than copper. Further deregulation of the telecom market would allow cellular operators to install cable networks to allow for self-provisioning. CBi-electric is well positioned and has excess capacity to satisfy increasing demand.

ATC (Pty) Ltd has made an offer to acquire the assets of Aberdare's telecommunications cable manufacturing facility in exchange for a 50% shareholding in a new business to be formed. The matter is currently before the Competition Commission and will hopefully be adjudicated shortly.



JA VORSTER

Managing director:
CBI-electric: telecom cables
BCom, CIS, MBL
Born 28 May 1949
First employed by ATC in 1971

Koos started his career as assistant accountant at Standard Telephones and Cables (Pty) Ltd (STC) in 1969. He joined ATC (Pty) Ltd in 1971 as accountant and subsequently held the positions of chief accountant and financial director prior to his appointment as managing director in 1986, a position he held until 1999.

Koos joined Marconi South Africa (Pty) Ltd in 1999 as CEO. He left Marconi in 2001 and pursued his own private business interests until he rejoined ATC (CBI-electric: telecom cables) in Oct 2002 as managing director.



HH Fischer

Managing director:
CBI-electric: low voltage
Dipl.-Ing, Dipl.-Wirtschaftsingenieur
Born 13 September 1947 in Germany
Appointed in 1984

Helmu0at the Technical University of Darmstadt, Germany where in 1972 he obtained a masters degree in mechanical engineering.

Thereafter he studied business administration at the Technical University of Munich, Germany where in 1974 he obtained a masters degree in industrial engineering (equivalent to MBA).

His association with Barlow Rand/Reunert started in 1984 when he emigrated to South Africa to join Heinemann Electric (Pty) Ltd (then 70% owned by Barlow Rand) as manager for manufacturing co-ordination and information systems.

In 1989 he was appointed managing director of Circuit Breaker Industries.

From 1 January 2007 Helmut will take divisional responsibility of CBI-electric.

CBI-electric: low voltage

Unit sales with the exception of prepayment meters grew strongly across all market segments. Wiring accessories, in particular, albeit from a low base increased substantially. After years of modest spending, the mining sector bounced back with increased volumes, especially from platinum mines.

The shortage of generating capacity led to a slow down in the provisioning of electricity to low-cost housing projects, resulting in lower sales of prepayment meters. Sales of commercial and industrial breakers benefited from the strong demand from platinum and other mining operations. The residential housing boom, with the accompanying shopping centres, ensured good growth for residential products.

Despite the relatively strong rand, exports increased by 21% year-on-year. Results in the United States remained disappointing while European exports buoyed. Australian business was relatively flat.

Manufacturing capacity was increased by the opening of a second assembly operation in Lesotho. Ongoing investment in the components manufacturing facility will ensure sufficient capacity and ability to compete. Of a planned R62 million capital expenditure budget, R52 million will be spent on expansion/new products.

Older products are constantly being replaced by more modern versions that, in many cases, offer increased functionality. When sensible, products are sourced from other vendors in order to augment the product offering.

CBI-electric's customer base is well diversified and more or less equally spread amongst residential, industrial, mining and exports. The export market presents the company with the opportunity to grow from a very low base. Continued strong growth is expected from this activity.

Higher inflation and interest rate increases are not expected to have a negative impact on the company. Lack of infrastructure, demand for raw materials and a shortage of housing will continue to stimulate demand for CBI-electric's products. A weaker rand will benefit exports. On balance, the outlook for the company remains positive.

Reunert Limited



Electronics

↑20%

OPERATING PROFIT

2006: 862 million rand
2005: 717 million rand

↑15%

REVENUE

2006: 6,9 billion rand
2005: 6,0 billion rand

The overall operating profit of the electronics division improved by 20% from R717 million to R862 million. Turnover improved by 15% to R6,9 billion.

Office systems continued its record of strong growth and improved operating profit by 22% to R314 million. The largest division, consumer products and services, improved revenues by 10% to R4,1 billion and contributed R375 million in operating profit, growing by 15% over the comparable period.

Reutech grew revenue by 6% to R317 million but saw a significant improvement in operating profit from R4 million profit last year to R30 million this year.

The attributable portion of Siemens Telecommunications' net operating profit came to R143 million – an improvement of 8% compared to a year ago.

Nashua

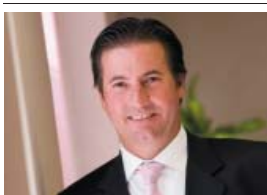
Nashua's goal was to increase total document volume by focusing on the high-volume printing and copying sector. It did well in developing niche markets such as wide-format printing and duplicators. The document storage division has enjoyed moderate success selling a local system. Recently it gained access to laserfiche, a cost-efficient, internationally recognised solution. In addition Nashua acquired Dynatrac, a complete account management system for all document flow.

Multifunctional unit sales have continued to grow at over 20% per annum after a strong 2005 when sales grew over 25% year-on-year. Nashua's market share in colour printers has increased to almost 20%, the second largest in the industry.

The increase in sales is due to a strong performance by Nashua's direct channel, Nashua Kopano. Nashua Kopano is an A-rated BEE company responsible for 25% of all Nashua

MANAGEMENT DISCUSSION continued

NASHUA



CN Scoble

Managing director, Nashua
BBusSci
Born 26 January 1961
Appointed 1 August 1996

Chris was born in Cape Town in 1961. He was educated at Rondebosch Boys' High. After completion of his National Service he attended UCT where he obtained a Bachelor of Business Science degree, majoring in Economics and Marketing.

In 1985 Chris joined Nashua as product manager – facsimile. He was promoted to marketing manager in 1991 and was appointed to the Nashua board in 1992 as marketing director. In 1993 he assumed the sales portfolio.

The four companies in the Nashua group report to Chris. These being Nashua Office Automation, Nashua Finance, Royce Imaging and Nashua Kopano, the newly established empowerment company. He remains a director of Nashua Mobile.

sales. During the year Nashua Cape Town achieved an A rating, having sold 35% equity to empowerment partners.

The implementation of a strategic sales division in September 2005 has yielded excellent results. Operating margins have decreased slightly as a result of Nashua's success in winning several large tenders and the marketing of colour printers. This strategy will continue with the aim to increase both colour printing and copying volume. The increase in sales of colour toners has risen sharply over the period.

The merging of printing and copying technology has created a fierce battle in the market place between rival US and Japanese manufacturers. The cost of colour printing devices has fallen dramatically over the past year to an entry level of less than R3 000 for a laser-based product. Despite their high price, multifunction copier-based machines continue to sell into business environments due to higher levels of functionality and running costs of less than a third of their printer-based competitors.

The level of training and education has increased significantly in the IT environment as decision making is moved from the purchasing to the IT department. IT managers have steadily accepted the adoption of multifunction printers onto their networks and, therefore, the threat of traditional printer vendors has been reduced.

Nashua's business model is based on building annuity revenue which has been inelastic to price and economic shifts. Over 80% of all sales are customer upgrades where, in almost every case, the customer receives a new machine with state-of-the-art technology at much the same price as the old machine.

Most rental deals are done at fixed rates and are financed by Nashua's finance company. Service is charged per print and increases over the life of the unit. In most cases an upgrade saves the customer money on rental and service charges, hence future business is secure.

Another major factor ensuring sustainable growth is the growth of the Internet which has fuelled print volumes.

Nashua will shortly be launching the Ricoh (ex-Hitachi) range of ultra-fast, high-volume printers capable of monthly volumes in excess of a million prints.

The inkjet market is another area of volume growth that will be addressed through a new product using gel technology (Ricoh patented technology). The company is continuing to offer refilling of both ink and laser cartridges through Royce Imaging Industries.

MANAGEMENT DISCUSSION continued

Nashua Mobile

Nashua Mobile has met two of its major business objectives in the past year: expanding the reach of the retail channel, and establishing itself in the Internet and data market. The company now has over 115 retail outlets countrywide and has more than tripled its retail sales in the past year, in a highly competitive sector, that includes most furniture, clothing and food retailers.

With mobile number portability (MNP) implemented from 10 November 2006, continued expansion of the retail channel remains a strategic priority for Nashua Mobile. It is important that all customers are able to do their cellular business and renew contracts during more flexible hours and at convenient locations. In the last 18 months Nashua Mobile has opened more than 60 retail outlets and plans to open an additional 53 in the next 12 months.

Nashua Mobile has completed the integration of Nashua Broadband (which was previously part of fellow Reunert subsidiary Nashua) into the business and has acquired an Internet service provider called Black Dot IT solutions. The company now has a presence in the Internet services market and is well placed to compete in a market where voice and data as well as fixed-line and mobile services are converging.

While cellular service provision remains Nashua Mobile's largest business, the company has aggressive plans to grow the data and Internet service provision businesses over the next two years. Email and Web hosting, broadband and Internet access, and other traditional ISP services are new offerings that complement the traditional cellular business. The South African broadband market had 275 000 users (end August 2006), with Telkom (160 000) and Vodacom (65 000), being the market leaders. This figure is forecast to grow to over 400 000 by the end of 2007, as data connectivity costs drop and the service improves. With the emergence of Neotel (second fixed-line operator), traditional dial-up users (1,3 million base) will have additional options of accessing data.

By presenting customers with a single bill for a range of services, Nashua Mobile gives the subscriber a transparent view of their telecommunications costs and aids in the better management of this environment. Broadband penetration is growing rapidly in South Africa, and Nashua Mobile is one of the few players to offer customers a choice between wireless broadband, ADSL and cellular solutions like 3G and HSDPA.

The high costs of telecommunications in South Africa and the continuing quest for cheaper data, have prompted a number of innovative ways of cost reduction. One such technology is least-cost routing (LCR), which has been offered by Nashua Mobile for a number of years.

**Mark Taylor**

Managing director:
Nashua Mobile
Born 15 June 1963
First appointed in 1999

Mark was appointed managing director of Nashua Mobile in July 2003. He has worked in the local cellular industry for the past eight years and has more than 20 years of experience in the ICT industry.

As an IT specialist, Mark worked extensively in the mainframe arena in the banking industry at the start of his career. He was intimately involved in the consolidation of IT systems following Nedbank's mergers with companies such as Perm and Cape of Good Hope.

He was the project manager responsible for the merger of Plessey and Nedtel in 1999, and played the same role when Nedtel and Nashua merged to form Nashua Mobile in 2001.

With the deregulation of carrying voice over data networks and the wide use of Voice over Internet Protocol (VoIP), many new opportunities are being presented. Once voice has been digitised, the possibility exists to achieve even greater savings by routing national and international voice traffic over data networks, which are considerably cheaper than conventional voice channels. Nashua Mobile is providing solutions in this space, consisting of VoIP-enabled gateways which are programmed to direct calls via the most cost-effective routes while ensuring that a high quality of service (QoS) is maintained.

Although continued liberalisation of the telecom market presents exciting new opportunities for Nashua Mobile and more choice for customers, it also means that competition is heating up.

MNP could be considered as both a threat and an opportunity for Nashua Mobile. As one of the few service providers able to offer the services from all three networks, Nashua Mobile can aid customers to choose the right network and contract for their needs and can offer subscribers the convenience of switching networks without the headaches associated with moving their accounts to a new provider.

However, Nashua Mobile's customers are also equally free to migrate to other service providers, and thus, Nashua Mobile has invested heavily in customer service infrastructure and staff as part of its strategy for retaining subscribers.

Mobile Internet solutions, such as email, should continue to show sharp growth but contract cellular penetration for voice services is starting to reach saturation point in South Africa. As such, Nashua Mobile's growth will be supplemented by new products and services, as well as from growing revenues with existing customers.

Reunert Consumer and Commercial Holdings

The volatility of the local currency makes managing this business extremely demanding. It has happened that the exchange rate of the South African rand can fluctuate by up to 5% against other currencies in a day. This variance can wipe out operating margin. It is therefore paramount to manage the inventory pipeline and ensure hedging of currency in an optimal way. Over the past two years considerable progress has been made by management in this regard.

Business Systems

The systems business has grown strongly during the past year, benefiting from the buoyant market environment and now contributes 70% of operating profit. Market share has improved in many systems product groups, such as office automation, telecommunications, presentation systems and closed circuit television.

MANAGEMENT DISCUSSION continued

Much of this growth has been a function of the focus created through our wholly owned franchises dealing with the end user and a strong performance from the Panasonic Business Systems franchise network and Ristar Telecommunications franchise network.

PanSolutions, a wholly owned franchise, operating in Johannesburg, Cape Town, Durban and Pretoria, has recently concluded a BEE deal resulting in the sale of 26% to key individuals who offer many years of experience in the office automation industry. In addition, an acquisition of Office Solutions Empowerment Company ("OSEC") will allow the PanSolutions operation to enter the BEE tender and corporate business environment for the first time.

Consumer Electronics

Chinese manufacturing continues to drive prices down in real terms. Despite the enormous unit deflation the buoyancy of the consumer retail market has allowed revenues to grow during this period. The unit price deflation in high technology products such as plasma, LCD flat panels and DVD hard-drive recorders has exceeded 60% in many cases in a 12 month period. This has placed further pressure on operating margins and overall profitability has worsened due to the increasing unit cost of technical service and support as well as product warehousing and distribution logistics. The company is fortunate to offset that negative trend by increasing volumes.

The domestic appliance and air conditioner industries continue to grow strongly and are not plagued by the enormous unit price deflation experienced in the consumer electronic entertainment and photographic industries.

In general, brand loyalty in the consumer market is on the decline in favour of competitive prices. RC&C's initiative to offer its own brands, Futronic and Akai, has stood the company in good stead. The premium Panasonic brand, however, will serve the upper market and remains the core of the company.

Panasonic, Futronic and Akai have launched selected appliance products appealing to each brand's core consumer market. These products include refrigeration, air conditioning and cooking appliances. It is anticipated that these market segments will continue to offer growth opportunities as high levels of infrastructure development continue, especially the roll-out of electrification and low-cost housing programmes.

Systems Products and Services

The new BEE structure of PanSolutions, our direct sales arm, will allow greater opportunity to expand into parastatal, government and large corporate tender business. Although this expansion will initially focus on office automation and telecommunications, PanSolutions is uniquely positioned to offer a full systems solution. All aspects of business electronics, including closed circuit television, air conditioning, presentation products and IT solutions will be covered under one brand and with one customer contact.

South Africa's infrastructural development and especially the run-up to the 2010 World Cup, offers a plethora of opportunities. A special operation to capitalise on these

RC&C**MCA MADDIX**

Group Managing Director, Reunert Consumer & Commercial Holdings
BA Econ (Hons) (Victoria Univ of Manchester, UK); Snr Exec Prog I & II (Wits); Snr Exec Prog III (Harvard); Advanced Marketing (UCT/Wits)
Born 17 June 1961, Manchester, UK
Appointed in 1983

Martin has been employed by Reunert since his arrival in South Africa from the UK in 1983. He held the position of group product manager from 1988 to 1990 and was appointed marketing manager until 1991. He was made a director in 1991 and held the position of marketing director, then group marketing director until his appointment in 1997 to the position of managing director: Panasonic Systems Company. Martin has held the position of group managing director since 1999.

He is chairman of the Television Manufacturers' Association:
Consumer Electronics Association

opportunities is being staffed with both local and international expertise. This will cover existing products line-ups as well as Panasonic products and systems, such as LED screens and data streaming systems, which are well proven but have not been imported to South Africa in the past.

Consumer Electronics Entertainment and Products

The unit price deflation created by digitalisation is expected to continue for the foreseeable future, further reducing the manufactured prices of electronic products. A slowdown is expected due to a general credit squeeze, increased interest rates and perhaps a weaker rand.

The Panasonic consumer operation will remain focused on the fast-growing areas of flat panel television and photographic products, whilst the Akai and Futronic operations will offer audio visual and domestic appliances to the mass market.

Reutech

The defence business operating environment is notoriously lumpy – margins are generally high, and disappointing results are mostly attributable not to low margin but rather to lack of turnover when orders are not received as expected. Inevitably “famine” is followed by “feast” and capacity constraints become the challenge when more orders than expected are received in any given period.

The 2006 year, while significantly better than 2005 – as a direct result of improvement in sales – is still falling short of the five year average of around R60 million operating profit. The difficulty experienced in Fuchs Electronics over the last few years resulted in disappointing results despite a reasonable performance from the other divisions. An improvement in the Fuchs’ results is expected to impact positively on the overall performance over the next few years.

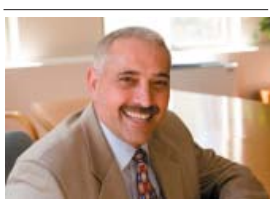
It is widely recognised that further consolidation within the South African defence industry is inevitable. Over the years, the Reunert businesses have produced good growth in the non-defence related areas, while Reutech’s contribution to the Reunert operating results has reduced significantly.

RDI Communications, RDL Technologies and RRS are profitable, sustainable on local business and well positioned to take advantage of the South African defence expenditure planned for the next few years – however, they are unlikely to make the type of contribution to Reunert’s results that would justify Reunert’s long-term involvement in this sector.

A disposal process was embarked upon during 2006 which could result in some or all of these companies being sold during 2007.

Fuchs Electronics is in a different situation and cannot sensibly be part of any local consolidation. A strong alliance with one or more international ammunition suppliers is required to fully benefit from the world-class capability of the company. This is actively being pursued, and could well lead to an international joint venture or partnership.

REUTECH Limited



PW Smit
Managing Director Reutech Limited
MEng, MBA
Born 12 December 1961
With Reunert group since 1987

Piet joined the group in the radar division in Stellenbosch as a development engineer in 1987. Studying part-time, he obtained an MEng degree from the University of Stellenbosch and, by 1994, an MBA from the University of Cape Town. In 1999 he was appointed as managing director of Reutech Radar Systems, the joint venture with EADS and Kgorong Investment Holdings. In December 2003 he was appointed managing director of Reutech Limited.

Telecommunications

Reunert holds a 40% share in Siemens Telecommunications, with Siemens South Africa holding the remaining 60%. Siemens Telecommunications is driven by a team of professionals and encompasses fixed, mobile networks and services which account for the bulk of its operations in the region. The company has shown strong growth, increasing revenue by 29% and operating profit by 8% compared to the previous year. The geographic footprint covered by Siemens Telecommunications is SADC.

The rapid rate of technology adoption in many African states will catapult the region into the benefits of electronic communication. The growth of mobile telephony, among many other developments, has been nothing short of phenomenal.

These developments have forced several African states to adopt a new policy direction where most countries now have at least two mobile operators and an independent or semi-independent fixed-line operator present. The primary driver for growth on the continent is attributed to the massive demand for basic voice services. The scramble for the African telecommunications pie has seen a number of leading mobile operators establishing a dominant position in certain regions of the continent. These include MTN, Celtel and Vodacom.

In South Africa, the industry has seen an unprecedented move towards deregulation. The South African government awarded a consortium of local and international shareholders the licence to set up and operate the country's second fixed-line operator, Neotel.

South Africa is among the first countries in the world to adopt cutting-edge technology in telecommunications. The country's largest mobile operator, Vodacom, was one of the first operators to launch HSDPA in the world, which was underpinned by Siemens technology. They have also recently conducted a successful trial of Digital Video Broadcast-Handheld (DVB-H), or the broadcasting of television signals via mobile devices.

In 2006 Siemens Telecommunications continued to demonstrate strong growth in the South African market, despite pricing pressures and new market entrants.

Mobile networks

During the year under review the group helped to maintain its clients' leading positions as first-to-market with innovative technologies. Vodacom launched 3G which was shortly followed by the introduction of the High Speed Download Packed Access (HSDPA), and the market response has been extremely positive. Vodacom, in partnership with Siemens Telecommunications, is planning to launch 3G in Tanzania. The group also supplied Cell C with their HLRI, Operational Systems Support and Next Generation Messaging.

In the latter part of the past fiscal year, Siemens Telecommunications managed to gain a supply contract with MTN Swaziland.

SIEMENS



Dr JM Mrosik

Chief executive officer: Siemens Telecommunications
BAdmin, PhD (Elec)
Born 16 September 1964
With Siemens since 1996

Jan completed his studies in electrical engineering and business administration at RWTH Aachen, Germany. He started his professional career as head of a research project at his alma mater in 1991.

In 1996 he was appointed by Siemens in the strategic business planning department of the information and communication networks group. He was promoted to vice president sales D2 Vodafone at Siemens in 1998.

In 2002 he relocated to South Africa to take up the position of managing director information and communications mobile at Siemens Telecommunications. He was promoted to his current position in April 2005.

Fixed networks

The group has managed to sustain and grow the business with Telkom with the roll-out of new generation network (NGN) and broadband equipment as well as the System Care Contract. The group is well positioned to serve the requirements of Neotel going forward.

The future outlook

Subsequently, Siemens Networks and Nokia announced their intentions to create a 50-50 joint venture. The merger will come into effect on 1 January 2007 when the group will be housed under Nokia Siemens Networks, which will result from the amalgamation of the Nokia and Siemens telecommunications infrastructure businesses.

The impending merger to form what will be the world's third largest provider of end-to-end fixed and mobile voice and data networks and infrastructure solutions for carriers is well under way. Nokia Siemens Networks, with its headquarters based in Helsinki, will bring together research and development skills, resources, economies of scale and customer insights that will ideally position Nokia Siemens to deliver compelling customer benefits coupled with the most comprehensive portfolio of products and solutions.

Siemens Telecommunications is also gearing up to grow the services business, particularly in managed and professional services. The group will closely monitor and pursue business opportunities with both fixed and mobile carriers in the SADC.