



Altron responds to High Court judgment on City of Tshwane Municipal Broadband Network contract

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The Gauteng High Court in Pretoria has set aside the City of Tshwane's (CoT's) Municipal Broadband Network Project contract which was awarded to Thobela Telecoms, a special purpose vehicle in which Altron Nexus, a subsidiary of JSE-listed Altron, was a minority shareholder. Altron Nexus was involved as primary network designer and architect, supplier of broadband equipment and related services.

Altron Chief Executive Mteto Nyati said Altron was studying the judgement. "We are disappointed and are considering our legal options," he said. "Once we have consulted Thobela Telecoms and project funders, we will consider our next steps and we are not ruling out an appeal of the judgement."

"Our estimated exposure to the business is between R40 million and R60 million. This considers our claims against Thobela Telecoms for infrastructure and equipment supplied so far. Up to this point the City of Tshwane has not paid a cent of taxpayers' money towards the project as we are in the build phase which is being funded by our funders." Nyati concluded.

The matter relates to a dispute between Thobela Telecoms and CoT over the City's allegations that the tender award process was unlawful due to internal processes and procedures at the CoT not being correctly followed. The project was later put on hold by CoT, pending the outcome of the court case.

The financial model, provided solution, and government regulations were investigated following the awarding of the contract, with the due diligence finding no shortcomings.