

**PRESS RELEASE**

**RACEC GROUP LIMITED**

**AQCQUISITION STRENGTHENS RACEC'S CAPACITY IN ELECTRIFICATION MARKET**

**For immediate release**

**Release: Cape Town**

RACEC Group Limited, the AltX listed rail and electrification infrastructure solution company, has announced today, that negotiations are still in progress with Greenbro.

“Through the acquisition of Greenbro, RACEC will effectively broaden its exposure in the electrification market,” explains Charles Harrod, Chief Executive Officer, RACEC Group. “The acquisition strengthens our competitive advantages, with its exposure to high growth niche markets and experienced management, who will be locked in going forward.”

Greenbro specialises in the supply and manufacture of electrical equipment and generators. Since its inception in 2002, the company has shown strong growth. It has built substantial expertise in the production of electrical equipment.

Greenbro's products and services are well diversified across the production, supply and installation of electrical components including control and switchgear, control boxes and circuit breakers. In addition, the company manufactures a range of generators which present additional growth opportunities. In light of the power crisis which is expected to persist for at least five years until new power stations have been built, strong demand for generators in the industrial and commercial sectors is ensured across the country. Greenbro is also involved in installation services associated with its equipment, complementing RACEC's extensive skills in the sector.

“RACEC Electrification, which showed revenue of R 111 million for the year ended September 2007, is going from strength to strength. The acquisition of JMB Electrical Contractors, made prior to our listing on AltX has been successfully bedded down, extending our capability in the electrification market. We are confident that Greenbro will further increase our capacity and ability to participate in the myriad of opportunities in the local

environment, while its range of generators will also enhance our product offering in our target markets,” concludes Harrod.

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