

segmental reviews: other related services

Other Related Services



Datacel Direct

Cellfind SA

Content Connect Africa

The **Other Related Services** segment houses all group companies broadly aligned to the South African information and communication technologies (ICT) industry. The group's focus on forward integrating its supply chain has resulted in this segment being able to create end-to-end solutions (from source, through transaction to final delivery) for both group companies and third-party clients. Across its current subscription-based businesses, the group controls access to its proprietary databases, location based services (LBS) and aggregated content.

Datacel

Datacel is a national business process outsourcing (BPO) company operating inbound and outbound call centres (1 150 seats) that specialise in:

- the telemarketing of cellular products and financial sector products and services to both proprietary and third-party databases;
- the provision of inbound customer care and technical support; and
- the collection of loans and credit card debt on behalf of major retail chains.

Datacel's key customers currently include: ACE, Avusa, Hollard, Metropolitan Life, Pick n Pay, RCS and Vodacom South Africa.





The segment is well positioned to grow its location based services and aggregated content subscriber bases



Look4help

Dianne Pearson * from Weltevreden Park, a Look4help subscriber, phoned Cellfind's Client Services and explained how the product had helped her in her time of need.



Case study

The incident occurred on the N1 Western Bypass at 04:00 on Monday morning. Dianne was driving to work (The Fresh Produce Market in Johannesburg City Deep) when she saw rocks spread out across the road. She panicked, knowing that this is a common hi-jacking tactic. She didn't want to slow down or stop, but there were too many obstacles strewn across the lanes. Her car skidded to a halt. The first thing she did was try to dial 112 and report her situation.

She looked up, there was a gun-wielding hijacker knocking on her window and shouting at her to hand over her mobile phone.

With adrenalin pumping through her veins, Dianne pressed her foot down hard on the accelerator and spun away from the scene, deciding that a damaged car is a small price to pay for your life. At the same time, she pressed the **Look4help** panic button (speed dial on her mobile phone), thinking that it may be her only chance of being rescued from this ordeal should she not be able to get away.

Seconds later, the recipients of her distress message (Dianne's mother, father, brother and

boyfriend) were trying to contact her. She arranged to meet her father and boyfriend at the nearest petrol station. After a while, her mother and brother also arrived to find out if she was in need of anything. She was very lucky to get away unharmed, but was very shaken up by the experience.

Dianne says that she truly believes in **Look4help**. No other emergency service was as instantaneous and helpful – the SAPS only responded to the 112 call two hours later. Those closest to you will do so much more to come to your rescue, and by knowing your location they have the ability to do something about your predicament.

* Name has been changed



Look4me is a tracking service that allows cellphone users to track other cellphone users, provided consent has been granted. **Look4me** is available via SMS, MMS, USSD, WAP or the Internet.

Look4help is a voice-free panic button that allows the user to send a distress message including his/her location up to four pre-specified cell numbers. Upon registration, the user simply saves a USSD code as a speed-dial, and he/she can rest assured that someone will be notified of their location in an emergency.



segmental reviews: other related services (continued)

Other Related Services



Contribution to group



Cellfind SA

Cellfind is the market leader in GSM based LBS in South Africa and has successfully launched the following products and services in conjunction with Vodacom South Africa:

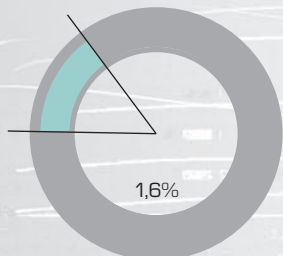
- Look4me (410 537 Vodacom subscribers at 31 May) and Look4help (415 301 Vodacom subscribers at 31 May);
- Look4me For Business;
- Cellfind Assets; and
- 911Alert (100 000 Discovery subscribers at 31 May).

Cellfind is in the process of launching a range of LBS products for MTN South Africa.

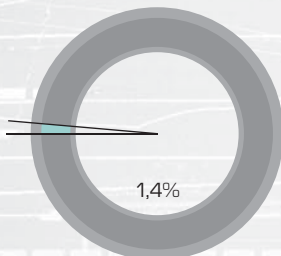
Content Connect Africa (CCA)

CCA is an aggregator of on-portal and off-portal localised content for mobile operators and third party clients throughout Africa. CCA has acquired exclusive distribution rights and licence agreements for an array of local and international products and services including: music, entertainment, lifestyle, sports, fashion, news and games content. CCA has the exclusive African distribution rights to Prefueled, a kiosk and web-based digital entertainment provider of music, video, games and lifestyle products that dispenses music via WiFi, Bluetooth, memory card, USB-disk and CD/DVD.

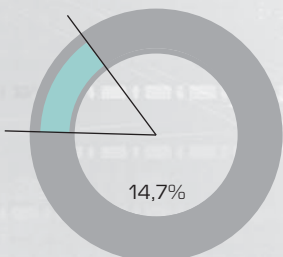
Pro forma Revenue



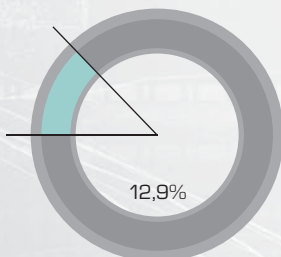
Revenue



Pro forma EBITDA



EBITDA



Performance review

Significant contributors within the **Other Related Services** segment at all levels are Datacel and Cellfind.

A strategic decision was made to substantially increase the number of seats in the call centre operations due to the expansion of products and services through this medium.

The cost pertaining thereto impacted to a degree on managements' original expectations for their performance for the year.

Having said this, the resultant foundation that has been built has manifested itself positively post the balance sheet period.

Cellfind remains a steady profit contributor with a continued increase in its subscriber base from month to month.

Customer retention is vital in subscription-based business models and both Datacel and Cellfind have focused on improving their customer service levels, new product development and sales and marketing efforts during the review period.

Key acquisitions during the financial year have resulted in Datacel becoming a significant BPO business with the critical mass, diverse business focus and specialist skills required to attract and secure key national blue-chip customers.

Prospects for 2009

The **Other Related Services** segment is well positioned to grow its LBS and aggregated content subscriber bases. Whilst Cellfind remains focused on retaining and growing its current Vodacom subscriber base, its enhanced product and service offerings will soon include:

- Look4Traffic: Providing traffic incident information, traffic flow and camera information and traffic fine information and payment;



- Look4Music: A Cellfind and CCA joint initiative providing consumers with focused, genre based music content;
- Look4Weather: Providing location based automated weather notifications; and
- CellPortal: Proprietary messaging gateway targeted at corporate and SMME customers.

In addition, the imminent launch of MTN's LBS product and service offering will significantly enhance Cellfind's subscriber base, both growing its market share and leveraging its fixed cost base.

Datacel's innovative offerings and national reach are expected to ensure the retention of current customers and acquisition of future customers. Coupled to a solid annuity revenue base, the company is well positioned for future growth.

As part of its African expansion strategy, CCA is currently signing new, independent artists with strong local and regional appeal. Prefueled, in association with several key partners will be merchandised throughout key locations across South Africa.

In conclusion, the relative contribution from proprietary and third-party database telemarketing, subscriber-based LBS and aggregated content to the group's revenue, is expected to grow significantly.

