

segmental reviews: technology platforms

Technology Platforms



Activi Technology Services

Mobile Services Company

The **Technology Platforms** segment houses all group companies aligned to the development, integration and management of the group's IT systems, infrastructure and technology solutions. The group's technology solutions include business-to-business technology solutions and direct-to-consumer technology solutions.

Business-to-business technology solutions

Activi Technology Services (Activi)

Develops, deploys and supports the group's technology platforms through two subsidiaries:

- Transaction Junction and Activi Deployment Services.

Its full service offering, which is also offered to third-party clients, includes:

- The switching of secure credit, debit and fleet card transactions for many of South Africa's leading banks, retailers and petroleum companies;
- The enabling of secure e-token vending platforms (airtime and electricity);
- The deployment of kiosks, POS terminals, bulk printing devices and self-service vending machines to enhance e-token distribution;
- The hosting and management of IT infrastructure; and
- The manufacturing, distribution and maintenance of POS terminals, kiosks and vending machines.





Development of the group's e-token has allowed the segment to evolve into a value added solutions provider



Activi Technology Services (Activi) – Successful national rollout of nearly 8 000 Lotto terminals

In 2006, the National Lottery Board awarded Gidani a seven year tender to manage the running of South Africa's national Lottery. In December 2006, Gidani appointed Activi to assist it with the rollout and initial maintenance of new Lotto machines across South Africa.



Case study

Activi's primary responsibilities included:

- the transportation of Lotto terminals, from the regional offices to merchant;
- the installation and commissioning of Lotto's terminal;
- the assembly and placement of Lotto's stand and merchandise;
- terminal testing and installation sign-off
- initial operational and field support; and
- phase 2 handover to Gidani's maintenance teams.

Activi executed the rollout in five phases:

Pre-rollout

- design of the rollout "system" – procedures and technology;
- acquire "equipment" required for rollout;
- recruit and train rollout teams; and
- route and logistics planning.

Rollout

- logistics – configure Lotto terminals and distribute to technical teams;
- install terminals on national basis;
- install shop fitting and issue consumables; and
- test the terminal and sign-off.

Support and handover

- ongoing onsite operational support;
- scale down rollout;
- testing of regional and national retail network; and
- final preparation to go live.

Operations

- initiate preventative maintenance procedures;
- manage new Lotto installations and cancellations;
- swap Lotto devices;
- initiate terminal refurbishments; and
- manage terminal upgrades or downgrades.

Identification, training and handover to Gidani's operating teams

Activi's national rollout plan was based on three to five, 40 minute installations, per two man team, per day. From February to April 2007, 102 Activi teams successfully deployed 7 652 new Lotto terminals and related merchandise. During this period 684 tons of electronic equipment was handled and tracked 18 times from manufacturer to retailer.

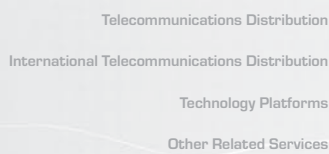
In addition, **Activi** successfully fielded close to 30 000 onsite field support calls until May 2008, when Gidani's fully trained in-house maintenance teams assumed full operational control over its Lotto terminals and in-store merchandising.

Technology Platforms



Contribution to group

0,2%



Direct-to-customer technology solutions

Blue Label One, trading as the Mobile Services Company (MSC)

MSC provides mobile product and service solutions to the group's direct-to-consumer and business-to-business channels. MSC, in conjunction with Microsoft, recently launched mibli, its first mobile public offering. mibli is a mobile eco-system combining numerous services into one "on-phone" application supported by an array of shared back-end components. MSC has developed a number of revenue channels for mibli, these include: unique targeted advertising, premium services and e-products, airtime sales, partner placement and white-labelled services.

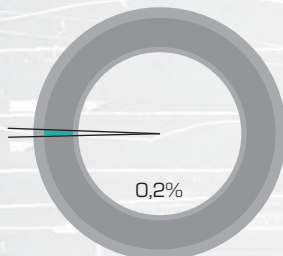
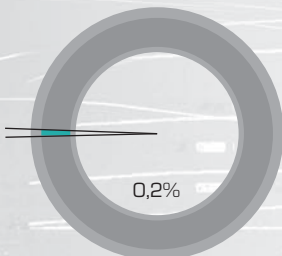
mibli users can instantly access:

- An innovative instant messaging solution with powerful social community features;
- An electronic wallet residing on the group's transactional back-end infrastructure, hosted and provisioned by Activi, which allows for the purchase and delivery of e-products such as airtime top-up, direct loyalty rewards, bill payments, ticketing and content-centric services;



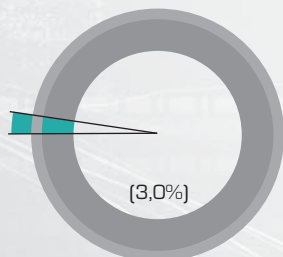
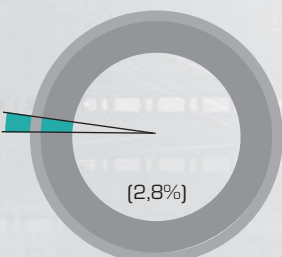
Pro forma Revenue

Revenue



Pro forma EBITDA

EBITDA



- Information feeds covering events, news, sports, music, travel and weather etc;
- Partner buttons for mobile banking; and
- Non-intrusive advertising ranging from sliding banner adverts to elective full-page and text adverts.

MSC is uniquely positioned to leverage the group's distribution channels and transactional experience with mibli's unique wallet-based financial and transactional service offerings.

Performance review

The **Technology Platforms** segment has delivered pleasing results for the financial year. The segment's focus on consolidating the group's existing IT systems into a best of breed, stable and robust platform and the enhancement of its ability to integrate and enable third-party technologies has significantly entrenched the group's overall standing within the secure e-token and transactional product and services sector.

The ongoing development and customisation of the group's e-token, PIN generation and redemption platform has allowed the segment to evolve into a customer centric value added solutions provider, well placed to meet current group and third-party requirements and to respond appropriately and timeously to new market developments. The segment is committed to providing open platform technology solutions where possible and ensuring that customers are retained through superior client service.

A key achievement for the review period remains the successful standardisation and packaging of complex platforms into standard products that will enhance the group's speed to market and ability to aggressively deploy its footprint within new emerging and developing markets.



Prospects for 2009

The **Technology Platforms** segment will continue to focus on developing, deploying and supporting commercially viable and functionally rich transaction engines, providing end-to-end customer and business specific technology solutions for the group and its third-party customers.

2009 will see further segmental investment in software development, business intelligence, Enterprise Resource Planning systems and service orientated architecture technologies.

The segment's main focus for 2009 will remain the development of group IT infrastructure, the creation of proprietary products and services and the ongoing integration and enablement of the group's wholesale and retail footprint.

In conclusion, the ongoing standardisation of system deployments and the optimisation of group-wide technology investments, through the sharing of group IT infrastructure, are expected to significantly enhance the segment's economies of scale.