

REVIEW OF OPERATIONS



Gary Nunez
Managing Director
Cointel VAS (Proprietary) Limited

Overview

Vodacom Group (Proprietary) Limited acquired a 51% interest in Cointel VAS (Proprietary) Limited ("Cointel") on August 1, 2005. The remaining 49% is owned by individual shareholders, the majority of whom comprise key management at Cointel VAS (Proprietary) Limited.

Cointel, an entrepreneurial driven telecommunications company, is one of the largest telecommunications value-added and m-commerce service providers in South Africa. Since inception in 1996, the company has received wide-spread recognition for its contribution to the development of cellular technology.

Cointel's work involves a combination of technical expertise and creativity. It brings together technologies from different environments and works innovatively with those specifically created for the cellular industry. In so doing it is able to translate clever ideas into working services that meet market needs.

Cointel's technical services team creates dynamic customer-focused solutions in the form of value-added services ("VAS").

Products and services

Airtime Top Up solutions

Cointel has through innovative partnering, developed various automated recharge facility products that eliminate paper-based transactions and replace the need for physical recharge vouchers. The Vodago autocharge and Fonerecharge products

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are automated recharge products that facilitate automated individual recharging as well as automated selling of airtime. The SIGI autocharge product is an automated Public Access Telephone recharge facility that Vodacom community service franchisees use to recharge their phones. This product ensures real time recharging allowing the franchisee time to manage his business while the network is guaranteed to receive funds from all automated recharges.

Wireless application service providers ("WASP") services

Cointel has created in excess of 1,500 customised m-commerce and VAS applications, utilising a range of bearer channels such as interactive voice response, SMS, unstructured supplementary service data and online billing services.

Mobile commerce

Cointel's proprietary developed technologies facilitate the extension of the payments franchise to the mobile phone and thereby enable mobile banking, mobile transacting, mobile bill payments and the ability for retailers and merchants to accept payments on their phones instead of on a point-of-sale terminal.

Employees

Cointel has a staff complement of 49 employees.

Prospects

Cointel has entered into an alliance with Vodacom (Proprietary) Limited, which will give momentum to the deployment of additional community services payphones into the market. This will result in excellent growth prospects as well as have a positive effect on the lives of people operating and utilising these phones. Community services phones ensure lower call costs for consumers and the greater the deployment, the easier the accessibility to affordable communication.

Cointel expects to increase its international presence in the coming financial year with its m-commerce platform.

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