

INVESTORS DAY

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August 2008

Fight Internet-lessness!

NASHUA
MOBILE
Internet

Overview of Nashua Mobile

- Under 700,000 customers
- Nashua Mobile Internet – now over 7,500 Email customers
- Over 80,000 broad band users
- Move towards Total Communications Provider continues
- BEE Status – Currently BB, aiming for A (Dec'08)

The Nashua Mobile Way

Vision

Nashua Mobile's vision is to be a leading communications service provider by / through offering ultimate customer choice.

Mission

To achieve our vision, we need to:

- Create a strong Employer Brand to attract and retain competent staff
- Build and maintain excellent relationships with our partners
- Deliver customer service excellence, through continuously improved systems and processes
- Offer the best technological solutions to suit our customers' needs
- Be a continuously profitable company through a trusted brand

Values

Commitment, Honesty, Integrity, Respect, Participation

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Nashua Mobile 5 Year Strategy

BRAND

PRODUCT

CHANNELS

**SYSTEMS &
PROCESS**

PEOPLE

Overview of Nashua Mobile

Business	Retail & Franchise	LCR	Broadband	Strategic Channels
<ul style="list-style-type: none"> • National • Over 160 staff • 5 Regional Offices • Focus – Voice and basic data • Now moving into solutions selling with APN's, Bundled Laptops etc. 	<ul style="list-style-type: none"> • 160 Stores • Approx. 2,500 staff working in outlets • Multi product sale: <ul style="list-style-type: none"> • Voice • Data • Prepaid • ISP Services 	<ul style="list-style-type: none"> • Cellular LCR • National LCR • International LCR • PBX • Direct Connect • VOIP • Switching / Aggregator Focus 	<p>Connectivity:</p> <ul style="list-style-type: none"> • Wireless -3G, HSPA, • ADSL - Telkom • WiMax (Vodacom Business) • Data - Telemetry <p>ISP:</p> <ul style="list-style-type: none"> • Hosting and Maintenance • Web development and design • E-mail Applications 	<p>Categories</p> <ul style="list-style-type: none"> • Onbillers • Loyalty Programmes – Momentum, Ebucks • Call Centres • Captive Communities (Schools etc) <p>Products:</p> <ul style="list-style-type: none"> • Mainly voice, but moving into data services

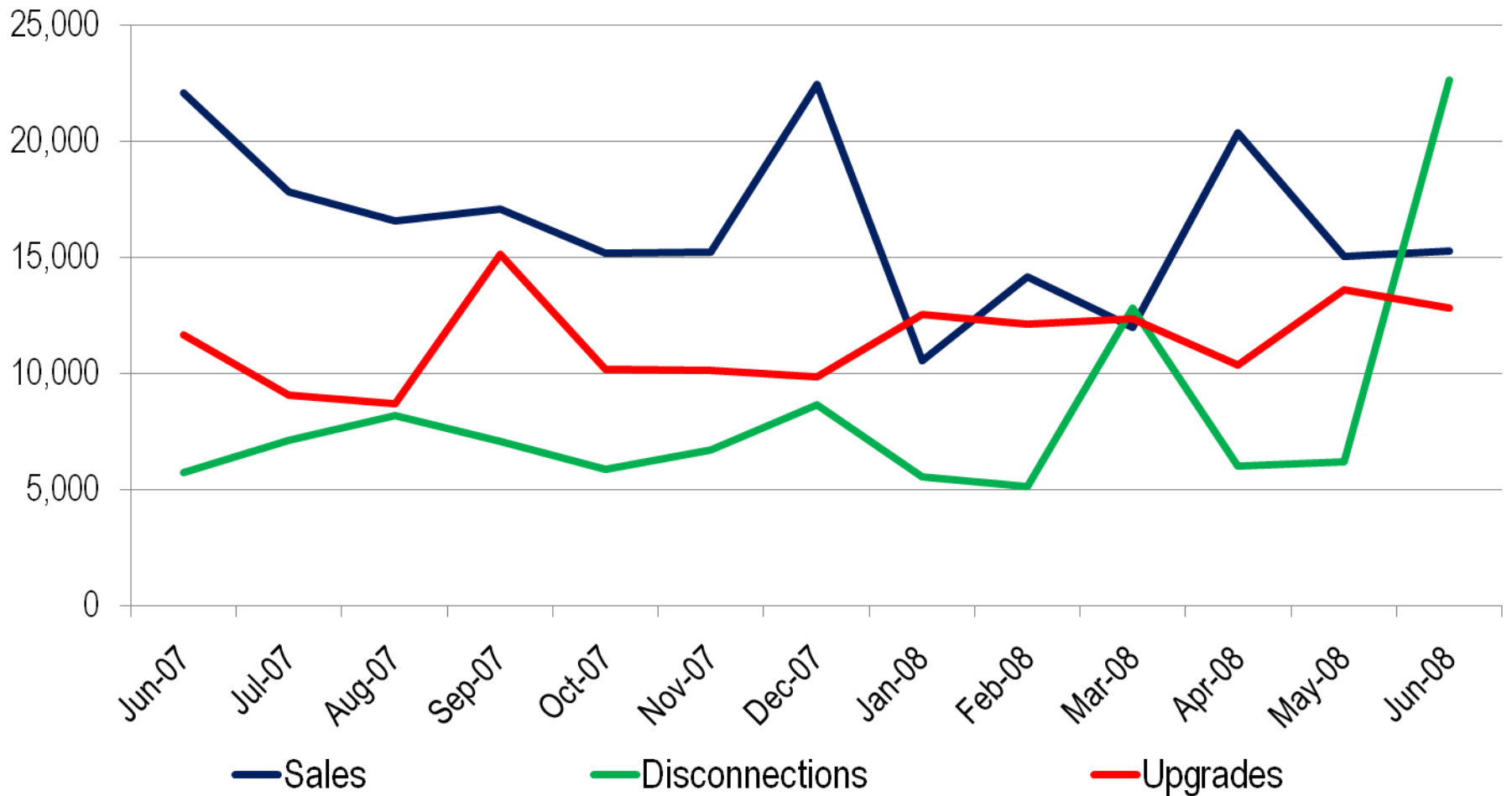
Marketing Focus

- Host of new and exciting products
 - Voice and data – new tariffs and offerings all the time
 - Rate of change (shortened life cycle)
- Pricing remains key driver in highly competitive market
- Distribution network continues to expand
- Ongoing marketing and communications across all media

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Sales and Upgrade Analysis



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SA Cellular Market (as at 31 March 2008)

2007 (Millions)

2008 (Millions)

Network	Total Market	Postpaid
Vodacom	24.5	3.2
MTN	13.6	2.2
Cell C	3.6	1.2
Total	41.7	6.6

Network	Total Market	Postpaid
Vodacom	24.7	3.5
MTN	15.2	2.6
Cell C	5.4	1.4
Total	45.3	7.5

Nashua Mobile Contract Base (31/3/2008)

Network	Base Size	% Market Share
Vodacom	297,028	8.4%
MTN	332,274	12.9%
Cell C	51,158	3.7%
Total	680,460	9.0%

Industry Postpaid ARPU Analysis

	2005	2006	2007	2008
MTN**	R 576	R 487	R 396	R 406
Vodacom	R 624	R 572	R 517	R 486
Nashua Mobile*	R 521	R 488	R 447	R 510

*Nashua Mobile ARPU Excludes Incoming Call Revenue (Estimated to be 30% of network ARPU's)

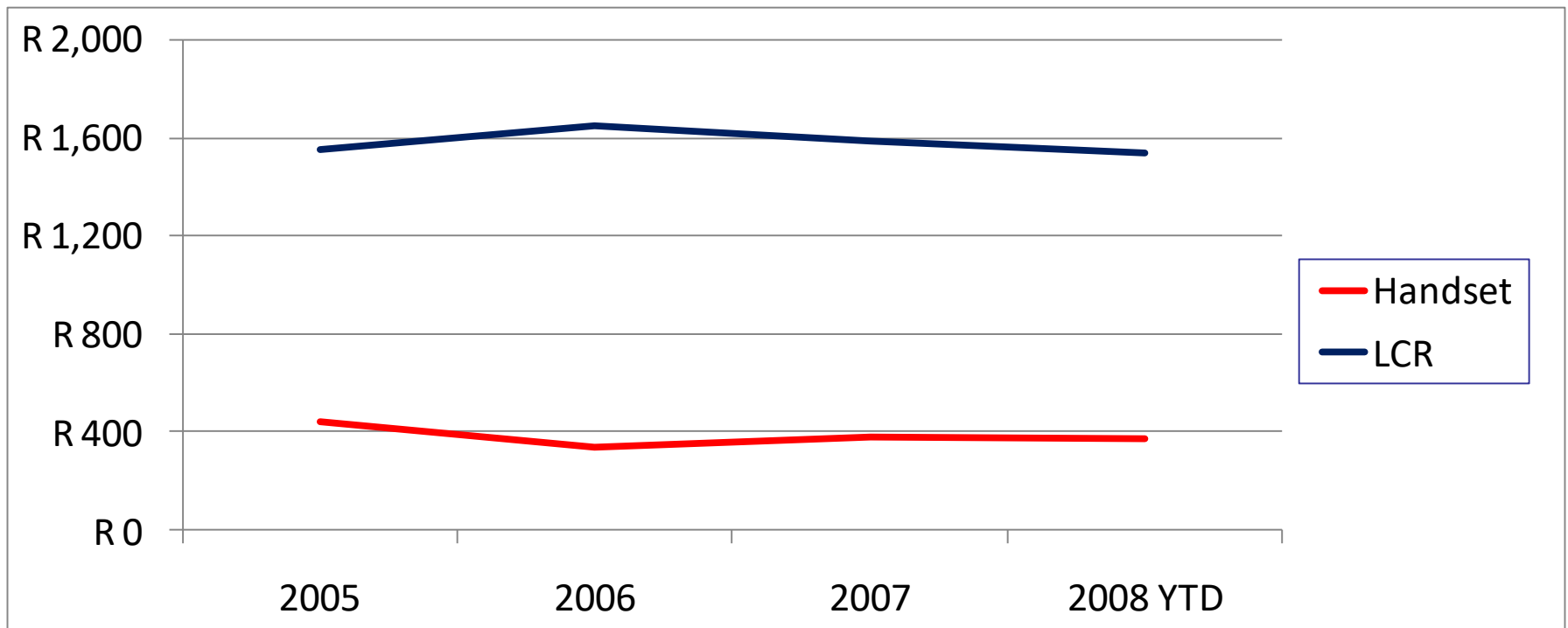
** MTN 2008 YTD Figure only for period Jan – Mar

Cell C does not report on ARPU's publically

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Nashua Mobile ARPU Analysis



LCR Annual Turnover Comparison

	Reporting Date	R Million
Nashua Mobile	30/09/2007	796
Vox	31/08/2007	748
Huge Group	29/02/2008	243
Telemasters	30/09/2007	151

Based on latest reported annualised figures

The Future of Least Cost Routing

- The arbitrage opportunity between fixed-mobile and mobile-mobile calls will continue to exist
- Lack of infrastructure negates any cannibalisation threat from VOIP for the timebeing
- Digital routing technology will allow for more sophisticated routing options to be employed (at a lower cost)
- Expect that the market will gradually follow business models of Spain, Brazil and Turkey

Industry News

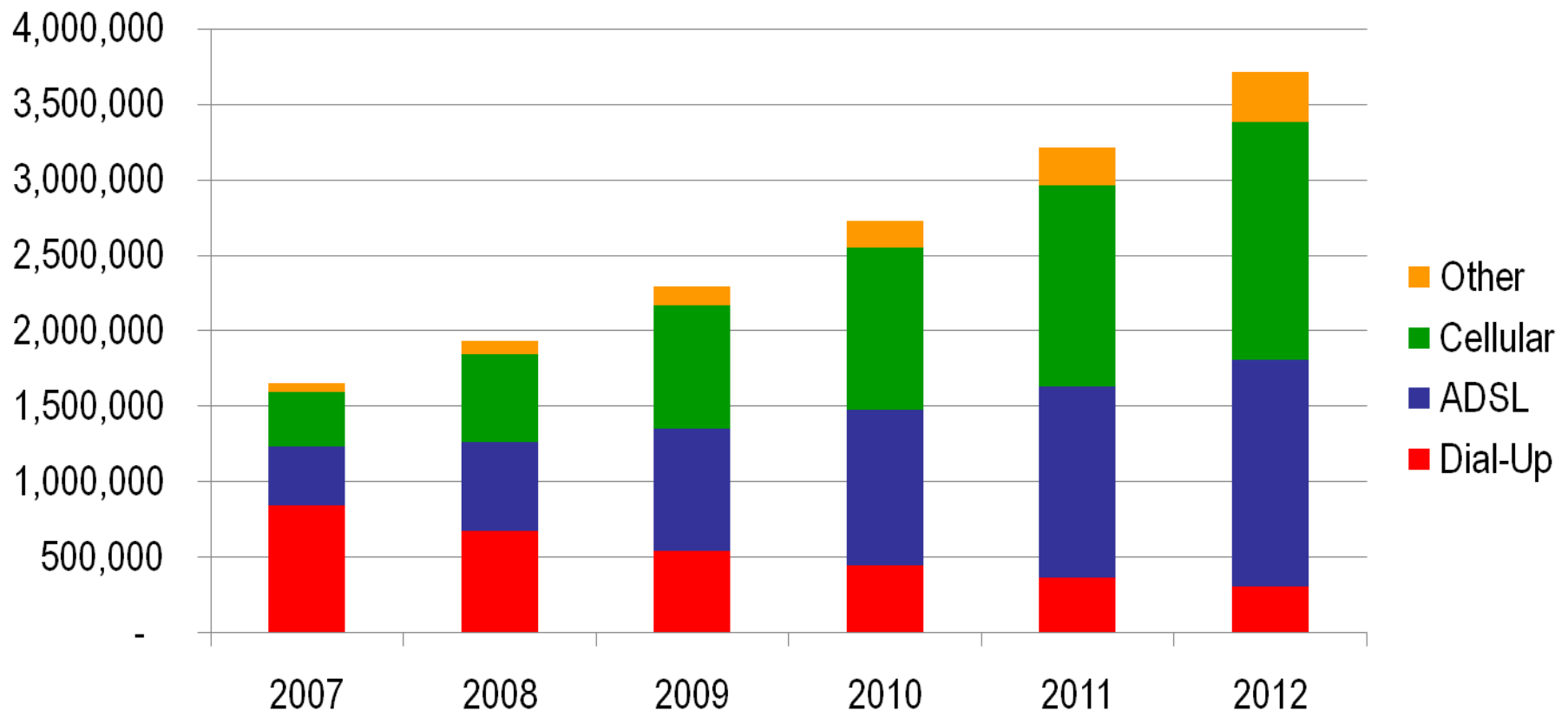
- **Vodacom**
 - Changes to executive management
 - Launch of Vodacom Business –
- **Neotel**
 - Finally taking both corporate and retail products to market
 - Investing heavily in fiber network
- **MTN**
 - Purchase of Verizon business cements their 1st tier ISP status
 - Continue to focus on international expansion
 - Investing heavily in fiber network

Industry News

- **Cell C**
 - Declares an operating profit
 - Strong growth in lower LSM markets
- **Telkom**
 - Still looking for a suitor
 - Disposal of Vodacom will unlock value and also allow Telkom to pursue Fixed-Mobile convergence model
- **Mweb**
 - For sale by Naspers

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Broadband Internet Access 2007 - 2012



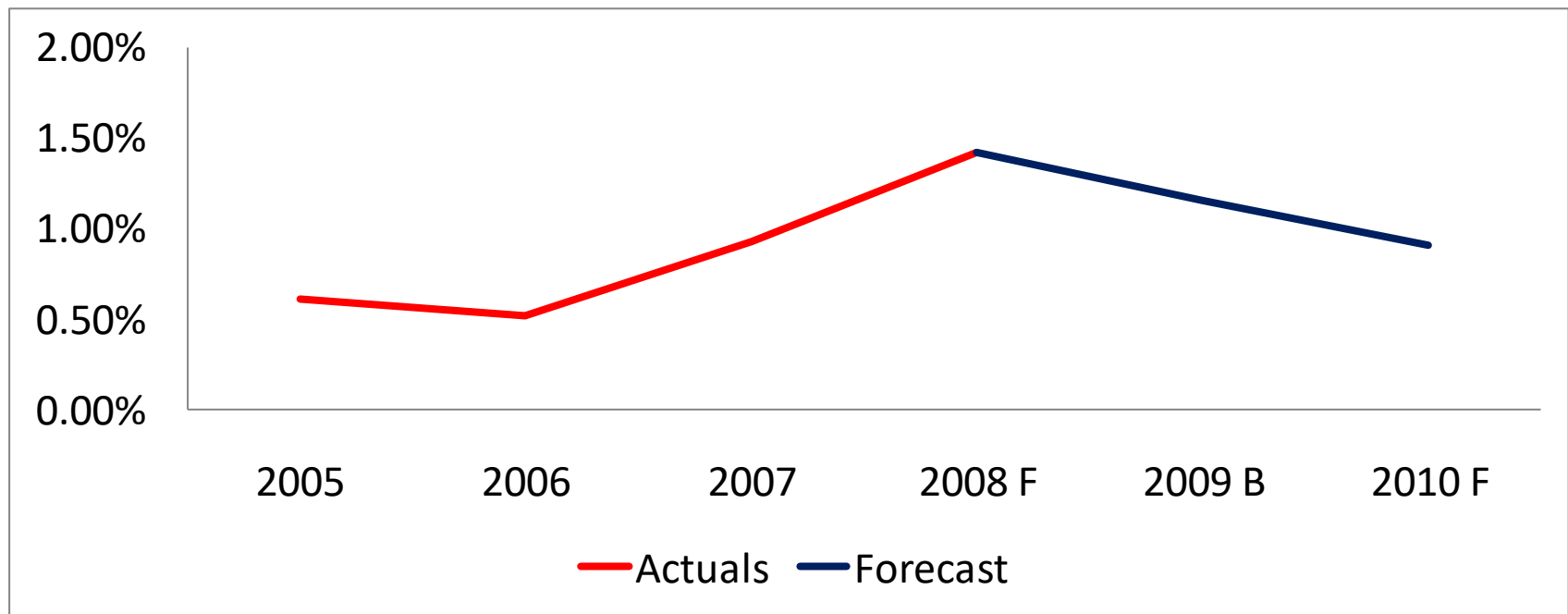
Broadband Market Forecast

- Market Estimated to be 1.2 Million subscribers at the end of 2008, growing to 3.3 Million subscribers in 2012
- Dial-up market will continue to shrink
- Seacom and Eassy undersea cables will greatly increase bandwidth availability (2Tb/s) whilst resulting in a decrease in the cost per MB
- Cellular Broadband set to overtake ADSL by 2010

Voice Trends

- Voice growth reaching a plateau
- Tougher economic conditions
 - Bad debts on the rise
 - Lower sales and spend
 - Implementation of call-limits across all consumers to negate risk
- New ICASA rulings on handset subsidies
- Consumer protection bill

Bad Debt as a % of Revenue



Data Trends

- Exponential growth in data connections and revenue continues
- ADSL adoption increasing, with bundled options becoming the norm
- Download speeds increase to 7.2 Mbs
- Triple play now only restricted by international back-haul and content-rights issues and Local Loop

Into the Future

- Continue to position Nashua Mobile as a Total Communications Provider
- Re-focus on core business
- Extend retail distribution
- Invest in customer-centric systems
- Develop new products and services to cater for new converged world