

CONVERGENCE

PARTNERS

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CONVERGENCE WIRELESS NETWORKS BRINGS WIRELESS BROADBAND CONNECTIONS TO AFRICA

Communication Solutions (Comsol) in partnership with one of its shareholders Convergence Partners is seeking to build a portfolio of wireless broadband data operations across multiple countries in Africa. A new investment company called Convergence Wireless Networks (CWN) has been formed for this purpose.

CWN will investigate opportunities to secure spectrum/licences in high economic growth areas in Africa with a view to participating in the roll-out of networks (as a strategic, minority financial investor) in those markets. **“The potential for growth in wireless broadband usage across the continent is massive given the low existing base of penetration,”** says Iain Stevenson, CEO of Comsol. Currently the total number of broadband connections in Africa numbers approximately less than 3 million, the majority of which are 3G connections.

Stevenson says that CWN will take up strategic equity interests in and supply value-added services across the entire wireless broadband market in Africa from equipment supply, to network installation, ongoing network maintenance, licensed spectrum acquisition, wholesale network operation and even ultimately to retail network operations. **“CWN will work in conjunction with local country partners and existing players either in the technology arena or existing network operators,”** says Brandon Doyle MD of Convergence Partners.

Wireless broadband technologies offer significant advantages for the African continent including equipment that is suitable for harsh weather conditions,



standards-based technologies such as WiMAX demonstrating performance in excess of current 3G offerings, networks that are relatively inexpensive and easy to deploy and accessibility to regions that lack physical infrastructure.

Comsol is involved in the deployment of wireless broadband networks, both for licensed and unlicensed applications. It has a wealth of experience of successfully deploying wireless broadband networks across the African continent including all voice, data and video communications for the Equinox mine in Zambia. Other examples include a project with funding from the Gates Foundation for the deployment of a city-wide data network with 8 base stations and 50 clinic sites and Wi-Fi access points throughout Lusaka for the Centre for Infectious Disease Research as well as various other projects in Lesotho, Tanzania and Swaziland. Stevenson says **“WiMAX is an ideal solution for Africa as it has limited cable infrastructure and is also much cheaper and time-effective to roll out. This enables our clients have minimal down-time and maximum cost efficiency.”**

Doyle says that CWN has identified countries in Africa that offer the best growth potential for wireless broadband networks on the basis of economic status, political stability, key communication statistics, size of the market, spectrum allocation, regulatory framework and licence award processes, existing operators and availability of financing. In addition, operations will be favoured where synergies can be leveraged with other telecommunication infrastructure projects in which Convergence Partners is involved on the continent, such as the SEACOM undersea fibre optic cable which will be ready for service in June of next year. **“This is part of our investment philosophy of creating strategic partnerships across our portfolio,”** says Doyle. Other Convergence Partners investments that could be involved are companies within the Dimension Data stable.



Convergence Partners has a majority equity stake of 75% in CWN and Comsol holds the remaining 25%. **“Comsol will design the appropriate networks for the local conditions and provide all the wireless infrastructure and ongoing network maintenance on all deals concluded,”** says Stevenson. Convergence Partners will be responsible for identifying suitable investment opportunities in African territories offering the strongest growth potential for wireless broadband services, which could be either start-up wireless networks or existing licence holders. It will also identify potential equity partners for the investments and assist these companies with implementation of their expansion plans, including with funding and joint development of business plans.

The company is currently evaluating various opportunities available.

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Website: www.comsol.co.za & www.convergencepartners.co.za

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Notes to editors:



Communication Solutions:

Communication Solutions (Pty) Limited (Comsol) was founded by Iain Stevenson in Durban in 1998 and is a provider of WiMAX infrastructure to large corporates and Internet Service Providers (ISP's.) Comsol works through a reseller channel with companies such as Dimension Data, AST Gijima, Bytes, Telkom and Business Connection. Telecommunication companies such as Vodacom and ISP's such as Internet Solutions are serviced directly.

- The dominant sources of Comsol's business in the African market are:
- Large organisations, with operations dispersed over wide areas, that require sophisticated backbone links for telecoms connectivity between geographically spread locations (particularly in areas with limited wired infrastructure, including certain African countries); and
- Organisations that require access to an ISP for access to the internet

Comsol has rolled out approximately 20 wireless networks for various municipalities in South Africa, in the 5.4 GHz "unlicensed band". The company has a particularly strong presence in the Eastern Cape. In addition, Comsol has rolled out substantial networks at many mines, both in South Africa and in other African countries.

Convergence Partners:

Convergence Partners is an empowered investment company focused on the telecommunications, media and technology (TMT) sector, predominantly in Africa and the Middle East.

Convergence Partners' investment philosophy is to take meaningful equity stakes in quality projects and businesses within its chosen sector and act as an active, strategic value-adding investor.

As a major part of its strategy, Convergence Partners focuses on greenfields



projects that improve access to communications, broadband services and technology offerings throughout Africa and thereby contribute to enhanced standards of living.