



FIBRECO TELECOMMUNICATIONS TO DEVELOP LONG-HAUL OPEN ACCESS NATIONAL FIBRE OPTIC NETWORK IN SOUTH AFRICA

Cell C, Internet Solutions and Convergence Partners working together to unlock SA's broadband potential

9 November 2010 - FibreCo Telecommunications ("FibreCo"), a partnership between Cell C, Internet Solutions and Convergence Partners, announced today that it will be developing an open-access long-haul terrestrial fibre optic broadband network as an answer to the need for national transmission infrastructure to meet the nation's aspirations for world-class broadband connectivity.

FibreCo brings the ability to fund, deploy and manage a cost-effective high speed long-haul fibre network which will support the explosive growth in bandwidth requirements of the country anticipated over the coming years.

Construction of the network will follow a three-phase approach and ultimately will cover a total distance in excess of 12,000km. The initial phase will focus on rolling out a 4,500km redundant core ring linking Gauteng, Cape Town and Durban to international cable landing stations within two years.

Cell C's extensive national wireless network will provide the platform for the co-location of optical transmission equipment at their base stations as well as wireless access solutions for FibreCo's customers. Through Internet Solutions, FibreCo has access to deep capabilities in the delivery of value-added networking solutions into the enterprise market, including facilities for the hosting of its customers optical termination equipment in urban centres. Convergence Partners contributes unmatched expertise in the development and financial structuring of large scale telecommunications infrastructure projects.

FibreCo is building a state-of-the-art managed network to deliver the most efficient route combinations and services to its customers, through the deployment of its own fibre optic cable and related infrastructure, as well as through partnerships or strategic alliances with other infrastructure providers wherever appropriate.

Lars P. Reichelt, CEO of Cell C, said:

"FibreCo's objective is to completely transform the dynamics of SA's broadband sector by building and managing a long-haul national fibre-optic transmission network on an open-access model.

"By enabling a step change in the affordability of true high-speed connectivity for customers across South Africa, FibreCo is aiming to have a strong positive socio-economic impact for the country by improving the overall broadband experience for users and the competitiveness of both the public and private sectors."

Andile Ngcaba, Chairman of Convergence Partners said:

"Whilst the cost of international transmission has dropped significantly since 2009 with the arrival of new undersea fibre networks, national transmission in South Africa still accounts for a very significant proportion of telecommunications costs to end users and constitutes a critical bottleneck to ordinary citizens and businesses.

"Through its open-access pricing model, FibreCo will effectively transfer the significant economies of scale inherent in fibre-optic networking technologies to its customers, paving the way for lower broadband access costs for end users, improvements in communications service quality and innovation and enhanced regional connectivity.

Derek Wilcocks, MD of Internet Solutions said:

"FibreCo's approach will maximize the opportunities afforded by the massive increase in international bandwidth capacity coming to SA's shores via undersea cables over the next couple of years and allow South African businesses and end-users to fully experience the opportunities created by the rapid advances in voice, video and broadband computer applications worldwide."

FibreCo is based in Johannesburg, with a full management team headed up by Arif Hussain. The FibreCo team comprises experienced professionals in telecommunications, project management and strategy.

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NOTES TO EDITORS

FibreCo

Established in 2009 as an equal partnership between CellC, Internet Solutions and Convergence Partners, FibreCo aims to deploy a state-of-the-art fully managed long-haul fibre optic terrestrial network. FibreCo will develop infrastructure where necessary and leverage already available fibre networks and other relationships to provide the most efficient route combinations. FibreCo will offer a fully managed monitoring and maintenance service of the network on a 24/7 basis for its tenants. A range of additional value-added services will also be available, dependant on customer requirements.

Advances in telecommunications technology are driving down the costs of broadband connectivity for operators on an ongoing basis, enabling them to build broadband networks with larger and larger capacity, connecting countries to each other, connecting cities within a country, and connecting individual customer locations (both enterprises and individuals) via the telecommunications network. These cost benefits ultimately translate to lower pricing and more broadband capacity for end users, as competition between telecommunications infrastructure providers results in them passing on more and more of the cost savings to customers.

FibreCo's objective is to leverage these dynamics into SA's broadband sector. It will do so by building and managing a national fibre optic transmission network to world-class standards, and allowing anchor tenants to own capacity on that network. The open-access commercial model will enable FibreCo's customers to directly access the economic efficiencies inherent in fibre-optic networks, notably the ability to scale up the capacity being utilised by a factor of many orders of magnitude, with only a fractional increase in the costs of transmission.

FibreCo also plans to make bandwidth available at preferential pricing to institutions that will utilise it in a way that will assist broad ranging socio-economic developments. Typically this would include education and research institutions.

Cell C

Cell C (Pty) Ltd is South Africa's third mobile operator and offers voice, data and multimedia products and services to more than 7 million customers.

It has invested more than R5-billion to expand its current network and roll out a high-speed data network. Cell C is the first operator in Africa to launch an all-IP, HSPA+ release 7 network based on Multi Standard Radio technology and is the only operator in South Africa to utilize both the 900 MHz and 2100 MHz frequency bands. While HSPA+ 900 delivers wider coverage, higher speeds at the cell edge and deeper indoor coverage, HSPA+ 2100 delivers capacity where needed.

Cell C has already launched its HSPA+ network commercially in Cape Town, Durban, Port Elizabeth, East London, Bloemfontein, George, Polokwane, Pietermaritzburg and Nelspruit. The first phase of the roll-out, expected to be completed by the end of 2010, will cover approximately 34% of the South African population, with the network being launched on a city-by-city basis. By mid 2011, Cell C intends to have covered 67% of the entire South African population and by the end of 2011, 95% of the country's population.

For more information, please visit www.cellc.co.za

Internet Solutions

Internet Solutions is a wholly owned subsidiary of Dimension Data. The company is Southern Africa's most established and experienced Internet Service Provider. Since 1993 Internet Solutions has been providing innovative end-to-end connectivity solutions and related services across the African continent. Today IS is a provider of Internet Protocol-based Connectivity, Communications, Cloud and Carrier services in the African market and for African clients into the global market. IS provides services to large public and private sector organisations, medium sized organisations, and through its value channel program to smaller organisations and consumers.

For more information, please visit www.is.co.za

Convergence Partners

Convergence Partners is a South African based investment company, focused on the telecommunications, media and technology sector in emerging markets, with a principal focus on Africa. Convergence Partners' investment philosophy is to take meaningful equity stakes in quality companies and greenfield projects (many of which it develops itself) within its chosen sector, and act as both a strategic, value-adding active investor as well as BEE partner over a long-term period.

Current investments include stakes in SEACOM, New Dawn Satellite Company, Dimension Data Middle East & Africa (including Internet Solutions and Plessey), Britehouse, Communications Solutions, Gemalto South Africa, Inala, Skillpod Media, Integrat, Bloodhound, Convergence Wireless Networks (having interests in wireless broadband networks in Mozambique and Tanzania) and Convergence Border Management Solutions.

For more information, please visit www.convergencepartners.co.za