

## PRESS RELEASE

### Internet Solutions and Convergence Wireless Networks acquire stake in Mozambique based ISP

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*Investment in local ISP allows IS to deliver SEACOM capacity into Africa and forms strategic base to grow pan-African presence*

**Johannesburg, 9 September 2009** - Internet Solutions (IS) and Convergence Wireless Networks (Convergence Wireless) announced today that they have collectively acquired a 68.5% equity stake in a leading Mozambique based internet service provider (ISP), INTRA Lda. The deal forms part of IS's East-African expansion initiative aimed at capitalising on the recently launched SEACOM undersea cable. IS will take the lead as INTRA's operating partner, bringing a wealth of international experience in the deployment of world-class converged communication solutions, while Convergence Wireless, a joint venture between Convergence Partners and Comsol Wireless Solutions, will act as an active, strategic financial investor.

“Securing a presence in Mozambique is important as the country is strategically significant due to its geographical relevance to South Africa,” says Hillel Shrock, Business Solutions Director at IS. “The country also provides an ideal base to reach various landlocked African countries along Mozambique's and South Africa's borders, as it is only 200km wide. This is key to developing our business into Uganda and Tanzania and growing our existing business in Kenya.”

According to Shrock, IS also has a number of South African customers with a presence in Mozambique. “Acquiring a stake in an existing Mozambique based ISP, was the ideal approach, as it enables us to leverage off of their established infrastructure and immediately secure a broader customer base,” he says. “Furthermore, the investment we are making in INTRA allows us to deliver the substantial capacity we have secured as an anchor tenant on SEACOM to our existing and prospective customers in the region. This is a key element in our strategy to grow our pan-African footprint.”

Established in 2001, INTRA was one of the first wireless broadband ISP's in Maputo, and as a leader in this field carries with it a wealth of local market knowledge. “INTRA has a substantial spectrum allocation from the industry regulator that it uses to deliver connectivity services to local consumers and SMEs. IS will utilise this wireless infrastructure to service the established SME and the growing corporate market in Mozambique.” comments Karim Premji, Chairman and founding member of INTRA Lda. “The INTRA business division that serves these markets will therefore be rebranded as IS Mozambique, while the INTRA brand will remain operational in the Mozambican consumer market.”

IS plans to retrofit 20 base stations in Maputo, install the latest generation MPLS network and support it with industry best practice power back-up and redundancy, which will then enable the high capacity core backbone to connect into the SEACOM landing station. Current Maputo based IS satellite customers will be transferred to a cable based Virtual Private Network/MPLS Network, while a state of the art V-Sat hub will be deployed in Maputo to connect outlying areas in the north, as well as customers in Zambia, Zimbabwe, Malawi, Angola and parts of South Africa.

Says Mr. Premji. “We are very pleased that the deal with IS and Convergence Wireless was realised, as this partnership provides a quantum leap in achieving INTRA's objective of becoming a carrier grade service

provider, offering services at a level of 99.9%. We also realised that to continue our leadership position, INTRA had to obtain capacity from SEACOM .As early as May last year we started looking for ways to get involved with SEACOM, which is when we approached CWN with a proposed plan to raise investment capital.”

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Convergence Wireless was established as a joint venture between Convergence Partners and Comsol Wireless Solutions, one of the company’s other investee operations, to build a portfolio of investments into wireless broadband network operators across Africa. “The investment in INTRA is a good example of our strategy to capitalise on our existing investments to leverage synergies aimed at developing connectivity across Africa. Our investments in SEACOM and the New Dawn satellite (a joint venture with Intelsat), coupled with a close business relationship with IS through our involvement with Dimension Data, are a perfect demonstration of our capability to take advantage of the significant growth opportunities opening up across the region.” says Arif Hussain, Chief Executive at Convergence Wireless.

Hussain says that Convergence Wireless’ priority was to identify potential investments in those markets on the Eastern seaboard in which SEACOM was planning to launch. “The timing of this deal is perfect with SEACOM having gone live in July,” he says. “INTRA’s management team is extremely strong and the business will benefit hugely by leveraging off IS’ technical expertise and established African footprint. Through this deal, we are able to provide a significantly enhanced service offering in the country and look forward to continue rolling out the Convergence Wireless strategy following this initial investment into INTRA.”

“With Mozambique’s limited international bandwidth capacity there is substantial opportunity in the SME and corporate connectivity space to secure significant market volume with our SEACOM offering,” says Shrock. “We have already signed up new customers on this increased capacity and with Convergence Partners providing the investment capacity, which enables the roll-out of the required infrastructure to meet the objectives of the business, we are very confident that the investment in INTRA will be a great African success story for everyone involved,” he concludes.

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**Notes to the Editor:**

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**About IS:**

Internet Solutions (IS) is Southern Africa’s most established and experienced Internet Service Provider. Since 1993 IS has been providing end-to-end connectivity solutions and related services across the African continent. IS is now also able to self provision, having received an ECNS license in 2008. This is enabling the company to deliver fully aggregated telecommunications services to the South African market.

The innovative solutions and services offered by IS are underpinned by the company's founding principles; developing a robust infrastructure that enables corporates and other organisations to communicate, which is then brought to life and implemented by the passionate people who work at the company. For 15 years IS has been delivering these products and services to over 80% of South Africa's top businesses, from listed companies to Non Governmental Organisations, local and national Government and small to medium sized enterprises.

All IS products and services are built on a world-class, secure and resilient infrastructure, delivered according to global best practices and in partnership with the world's leading technology vendors, such as Cisco and Microsoft. IS is a Microsoft Gold Partner with competencies in Hosted Messaging and Collaboration (Hosted Exchange and SharePoint) and Advance Infrastructure (Managed Hosting) Solutions. IS is the first ISP in Africa and the Middle East to achieve this accreditation. Similarly, in 2002 IS was certified as a Cisco Managed Security Service Provider (MSSP), the first company outside of the US to be awarded this accolade. IS also embraces open source technology and partners with leading local and international companies to deliver business ready Linux and open source solutions.

IS continues to enjoy market leading positions across multiple vertical market segments through the company's current product mix of Hosting, Access, Security, Virtual Private Network (VPN), Mobile, VOIS, Wireless, Broadband and Application Services solutions. Recent growth in the African economy has resulted in IS spreading its services across all parts of the continent, as clients demand reliable and robust networking connectivity throughout Africa.

IS is a wholly owned subsidiary of Dimension Data and has been certified as a level 3 contributor to BEE (110% compliant). IS is a value-added supplier, enabling clients to claim 135% of their expenditure with Internet Solutions and BBBEE spend.

#### **About Convergence Partners:**

Convergence Partners is a South African-based 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. Convergence Wireless is a subsidiary of Convergence Partners which was formed to build a portfolio of investments into operators across Africa with access to licensed frequency spectrum for the purposes of deployment of high-quality wireless broadband networks.

For more information, visit [www.convergencepartners.co.za](http://www.convergencepartners.co.za).