

INVESTMENT REVIEW

TECHNOLOGY INTERESTS

CONTRIBUTION TO HEADLINE EARNINGS

	2010 R million	2009 R million
CIV group	7	–
Britehouse	6	–
	13	–

TECHNOLOGY INTERESTS

CIV GROUP – effective interest: 35.6%

EQUITY VALUATION AT 31 MARCH 2010: R1 704 MILLION	
<p style="text-align: center;">CIV FNS</p> <p style="text-align: center;">CIE TELECOMMS</p> <p style="text-align: center;">CIV POWER</p> <p style="text-align: center;">CENTRAL LAKE</p>	UNLISTED
	CHIEF EXECUTIVE OFFICER: N VENTER
	<p>PROFILE</p> <p>CIV Fibre Network Solutions (CIV FNS) builds, owns, maintains and monitors infrastructure suitable to carry services such as fibre-optic networks.</p> <p>CIE Telecommunications supplies and installs specialist products and components as well as systems to the telecommunication industry.</p> <p>CIV Power provides lightning and power surge protection products and solutions as well as electricity Quality of Supply products.</p> <p>Central Lake is an investment holding company with interests in CIV FNS, CIE Telecommunications and CIV Power.</p>
	<p>REMGR0 NOMINATED DIRECTORS</p> <p>L Crouse, P J Liddiard</p>
	WEBSITE: www.civ.co.za

COMMUNITY INVESTMENT VENTURES HOLDINGS (PTY) LTD (“CIV”)

Remgro acquired a 30% interest in each of CIV Fibre Network Solutions (Pty) Ltd (“CIV FNS”), CIE Telecommunications (Pty) Ltd (“CIE Telecom”) and CIV Power (Pty) Ltd (“CIV Power”) as well as an 18.8% interest in Central Lake Trading 77 (Pty) Ltd (“Central Lake”). Central Lake also holds significant investments in the above three companies, effectively raising Remgro’s holdings to 35.6%. The above investments are known as the CIV group and were acquired as part of the VenFin acquisition on 23 November 2009.

CIV group has a March year-end and Remgro has equity accounted the CIV group for three months’ earnings to March 2010. CIV group contributed R7 million to Remgro’s headline earnings.

CIV is active in the power, telecommunications and information technology sectors. CIV FNS, through a subsidiary being Dark Fibre Africa (Pty) Ltd (“DFA”), constructs and owns fibre optic networks. CIE Telecom imports and distributes fibre and specialises in network management. CIE Power specialises in cabling of power stations. Future growth of the group centres on DFA.


DFA has fibre network rings in Johannesburg, Cape Town, Durban, Midrand, Centurion and Pretoria. The

Johannesburg ring is regarded as one of the most important communication rings in Africa. To date, a total distance of 1 200 km has been completed in the major metropolitan areas. DFA is also rolling out long-haul routes, the first one completed being from Durban Metropolitan to the SEACOM landing station in Mtunzini. This route is currently being extended to Gauteng. In 2010 DFA commenced with the fibre-to-the-tower project that will link the mobile phone operators’ base stations to the core communication rings.

DFA achieved its prime objective of securing initial customers. Sales efforts are continuing in earnest with selling additional segments of the currently installed rings. At the end of March 2010, DFA had signed 23 lease agreements with customers, thereby establishing an annuity-income-generating business.

During the next financial year the company aims to extend its presence in the South African telecommunications market by doubling its infrastructure footprint and expanding its sales and marketing activities. The increase in the Electronic Communication Network Services (ECNS) licences issued by ICASA has increased DFA’s potential market for its services.

SEACOM CAPITAL LIMITED – effective interest: 25.0%

EQUITY VALUATION AT 31 MARCH 2010: R4 478 MILLION	
	UNLISTED
	CHIEF EXECUTIVE OFFICER: B HERLIHY
	PROFILE SEACOM provides high-capacity international fibre-optic bandwidth for Southern and East Africa.
	REMGRO NOMINATED DIRECTORS H J Carse, G J Roberts-Baxter, N J Williams (Alternate)
	WEBSITE: www.seacom.mu

Remgro acquired 25% of SEACOM Capital Limited (“SEACOM”) through the acquisition of VenFin Limited effective 23 November 2009. As the company has a 31 December year-end, no earnings were included in Remgro’s headline earnings for the current financial year.

On 23 July 2009, SEACOM launched the first terabit undersea fibre-optic cable to connect Southern and Eastern Africa with Europe and Asia. SEACOM provides high-capacity international fibre-optic bandwidth to Southern and Eastern Africa. The cable connects through South Africa, Mozambique, Tanzania, Kenya and Djibouti and onwards to the rest of the world via landing points in France (and onwards to London) and India. Landlocked countries (Uganda, Rwanda, Ethiopia, etc.) are connected by terrestrial backhaul.

Covering a distance of 16 000 km and with a capacity of 1.28 terabits per second, SEACOM’s state-of-the-art cable enables bandwidth-hungry African economies to enjoy true broadband internet, peer-to-peer networks and HDTV. Through its high-volume and low-cost business model, SEACOM is able to offer high bandwidth capacity at prices significantly lower than current satellite offerings. This increased

bandwidth should stimulate the ICT-linked service industries such as outsourced call centres, back-office business process outsourcing and research centres across the African continent. The new bandwidth brought on-stream by the SEACOM cable system means that connectivity costs should be reduced significantly.

In line with the project’s progress, several personnel were appointed to take the SEACOM cable to full operational status. The economic and social impact of the cable has been tremendous. Within the first six months of operations, the cable has increased international bandwidth usage (primarily attributed to accessing the Internet) by more than 1 000% in Mozambique, Tanzania and Uganda and more than 2 500% in Kenya.

Going forward the focus will remain on completing the project’s outstanding development and construction. Contracted terrestrial backhaul to the landlocked countries will be completed and further landlocked countries will be connected to the SEACOM undersea cable system. This will go hand in hand with the sale of bandwidth to SEACOM’s customers.

TRACKER NETWORK (PTY) LIMITED – effective interest: 31.0%

EQUITY VALUATION AT 31 MARCH 2010: R2 939 MILLION	
	UNLISTED
	CHIEF EXECUTIVE OFFICER: D A HUTCHESON
	PROFILE Tracker's core business is the sale and installation of vehicle tracking systems for the recovery of stolen vehicles in South Africa.
	REMGRO NOMINATED DIRECTORS J J Durand, C M van den Heever
	WEBSITE: www.tracker.co.za

Remgro acquired 31% of Tracker Network (Pty) Limited ("Tracker") through the acquisition of VenFin Limited effective 23 November 2009. As the company has a 30 June year-end, no earnings were included in Remgro's headline earnings for the current financial year.

As a major player in the South African stolen vehicle recovery industry, Tracker has a strong monthly subscription-based income stream. Its core business is the sale and installation of vehicle tracking systems and the tracking and recovery of stolen vehicles. Tracker's contract partnership with the South African Police Service (SAPS), in terms of which Tracker's technology is used to track and recover stolen vehicles throughout South Africa, has proved highly successful. Since its inception in 1996, more than 47 500 stolen vehicles have been recovered, 8 400 criminals arrested and 320 chop shops and vehicle syndicates exposed through the usage of Tracker technology.

The product range currently comprises three products, namely, Tracker Retrieve (stolen vehicle recovery system), Tracker Alert (Retrieve plus an early alert enhancement) and Skytrax (internet-based fleet and vehicle monitoring system with stolen vehicle recovery and smart insurance capabilities).

Tracker's business model has held up remarkably well over the last twelve months to February 2010, compared to what has happened to new car sales in this period. The overall sale of vehicles in South Africa, in the period March 2009 to February 2010, was 20% lower than the previous period and passenger cars as a subset was lower by 16%. Over the same period Tracker achieved an 11% growth in turnover and a 17% growth in operating profit, accompanied by strong cash flows.

During the year to February 2010, Tracker installed 93 164 units (a 2% increase from the previous year) while its subscriber base increased to 597 000 vehicles as at the end of February 2010. The company currently addresses its market through three marketing channels, being insurance, dealerships and fleet owners.

After year-long discussions between Tracker and Cobra Automotive Technologies SpA (Cobra), a listed company in Italy active in the field of security and safety solutions for the automotive industry, the parties recently announced the formation of Cobra Service Network SA (Switzerland). Cobra will become an 80% shareholder in the new company by contributing some of its existing assets, being 93.54% of Cobra Italia SpA, 100% of Cobra Telematics SA and its subsidiaries, 100% of Cobra UK Limited, 100% of Cobra Automotive Technologies UK Limited and 50.94% of Cobra France SAS, while Tracker acquired its 20% shareholding for a cash contribution of €17.798 million.


Cobra Service Network SA will use the proceeds from the Tracker investment to continue developing into an international provider of security and safety location-based services through a combination of organic growth and acquisitions.

Going forward, Tracker's earnings will potentially improve due to continued recovery of overall vehicle sales when compared to the previous year. There is also focus on new revenue streams with value-added services as well as efforts to penetrate the smaller fleet owner market and unlocking opportunities through its shareholding in Cobra Service Network SA in Europe.

TECHNOLOGY INTERESTS

OTHER TECHNOLOGY INTERESTS


BIOMETRIC MEDICAL SOLUTIONS (PTY) LIMITED – effective interest: 25.0%

	<p>PROFILE</p> <p>BioMetric is responsible for the collection, authentication and administration of a Biometric fingerprint database system for the medical industry to implement fraud mitigation measures and provision of value-added services arising therefrom.</p>
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BRITEHOUSE HOLDINGS (PTY) LIMITED – effective interest: 30.0%

	<p>PROFILE</p> <p>Britehouse is the holding company of four operational businesses which operate in the business software applications arena.</p>
<p>WEBSITE: www.britehouse.co.za</p>	

FUNDAMO (PTY) LIMITED – effective interest: 26.0%

	<p>PROFILE</p> <p>Fundamo is a leading supplier of mobile banking and payment software solutions to enterprise customers.</p>
<p>WEBSITE: www.fundamo.com</p>	

VISIONCHINA MEDIA INC. – effective interest: 5.4%

	<p>PROFILE</p> <p>VisionChina operates an out-of-home advertising network on mass transportation systems in China, including busses and subways, through TV broadcasting.</p>
<p>WEBSITE: www.visionchina.cn</p>	