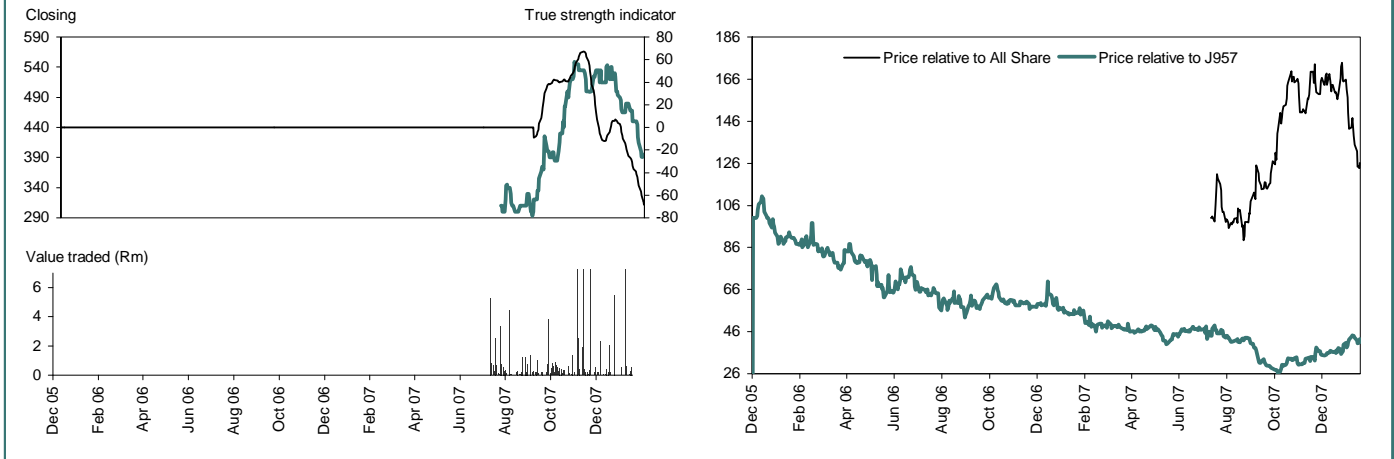


Huge Telecom

Presenter: James Herbst
Group Financial Director

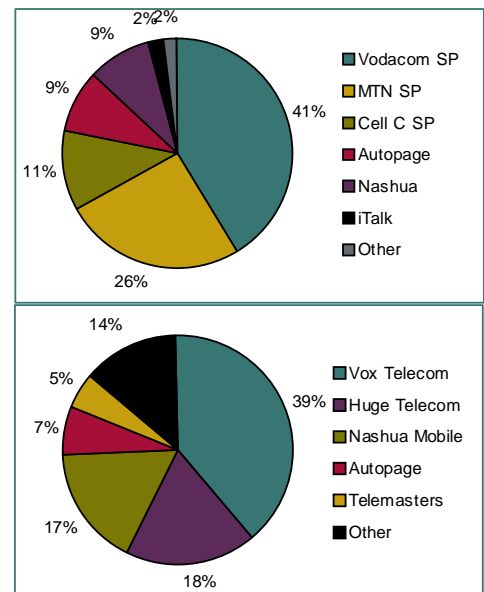
Share code	HUG	Full market cap.	395.0 (Rm)	Closing price	395 (c) as at 15 Feb 2008
Sector / industry	Technology Hardware & Eq	Free float adj. weight	0.01% of JSE listed shares	Trailing PE	56.6
Average value traded	10 (Rm/month)	Latest financial year end	2 Jan 1900	Trailing DY	0.0



Key Comments from Presentation

- Huge Group listed on the JSE's alternative exchange, AltX, in August 2007. Since listing, the company has acquired a further two companies, namely Centracell and iTalk Cellular. Its portfolio of businesses are segmented into corporate managed telecoms and consumer mobile telecoms.
- The managed telecoms business manages the outgoing telephone calls of corporate customers and ensures that they pay the lowest cost available for their required quality of service. This business contributes c. 46% to group turnover. According to Huge, their managed telecoms business has a c. 18% share of the least cost routing (LCR) market in South Africa, with Vox Telecom being the dominant player (c. 39% market share).

The consumer business represented by iTalk Cellular, supplies GSM handsets, broadband and telemetry products to consumers via nine wholly owned stores in South Africa. This business contributes c. 54% to group turnover. iTalk Cellular is one of the last remaining independent mobile service providers with a market share of c. 2%.



Our Impression

- Huge Group has got off to a good start since listing in August 2007 by creating a strong corporate identity, assembling an experienced management team, and putting together a portfolio of businesses that should generate annual revenues of c. R575m by financial year FY09 (12 months to Feb 09), based on management estimates. Management also estimated FY05 earnings per share at 43 cps, which puts the share on a fairly undemanding forward P/E of 9.2.
- In our view, it is however, still early days for the company, and time will tell how successful the company will be in navigating South Africa's increasingly dynamic telecoms landscape, given regulatory liberalisation over the last five years.