



huge group

unlocking business opportunity

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Press release: Huge Group retains profitability and sees growth

Huge Group, an AltX listed company specialising in managed telecommunications, today reported increases in its customer base, revenue and gross profit as it expanded its operations in South Africa and Namibia.

The company's major operating division is Huge Telecom, which helps corporate clients, ranging from small businesses to major multi-national corporations, to realize substantial reductions in their telecommunication costs through call management, alternative technology and least-cost routing.

Huge reported that cash flow from operations was up 306% to R60,2 million compared to the comparative 12 months – the Group's first results since its JSE listing were for the seven months to end February 2008.

Revenue was up 9% compared to the comparative 12 months, rising to R605,8 million. Gross profit was up 27% to R125,9 million, and trading profit from operations rose 29% to R47 million. The Group's gross profit margin was 20,8%, up from 17,8% in the previous comparative 12 months.

Net profit for the year to end February 2009 was however impacted by a number of once-off and exceptional events in the previous year which the Group detailed. Net profit was down to R7,4 million and headline earnings per share was 6,85 cents.

CEO James Herbst said that the results were satisfactory, although there were obvious areas of disappointment.

"We are operating profitably in a difficult economic environment, with revenue increasing and cash flow from operations showing very healthy growth. As this cash flow is predominantly annuity based, it is a source of confidence.

"In addition, Huge Telecom's business has traditionally been resilient in economic downturns because companies facing cost pressures turn to us to help them save money on their telecommunications expenses," Herbst said.

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About Huge Group Ltd:

Huge Group is an investment holding company, which listed on the AltX exchange of the JSE Limited on 8th August 2007. Huge Group Ltd includes:

- Wholly owned subsidiary Huge Telecom – a company that delivers fully managed telecommunications services to corporate clients;
- Associate company TelePassport Communications – a corporate managed telecommunications service provider in Namibia;
- Subsidiary company Eyeballs Mobile Advertising – a rich media based mobile advertising company.

Huge Group trades under the share code HUG – more information can be found at www.hugegroup.com.

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