

# BUSINESSREPORT

## COMPANY NEWS

### Net1 relists on JSE with market cap of R9.6bn

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Johannesburg - Net1 UEPS Technologies yesterday relisted on the JSE, with the stock closing at R167 after more than 1 000 shares exchanged hands. It closed with a market cap of R9.6 billion.

The company, which used to be called Net1 Applied Technology Holdings, delisted on the JSE in 2004 after a buyout by Nasdaq-listed Net1.

Chief executive Serge Belamant said that the JSE relisting was expected to enhance Net1's exposure, expand the potential investor base and increase trade in its shares.

The secondary listing will provide Net1 with additional capital to facilitate growth, fund local acquisitions and offer liquidity for South African investors. About 10 percent of Net1 is held by local investors.

Belamant said the company planned to sell shares to broad-based black investors, preferably people who had been working closely with the company over the years.

"We have not been able to give shares to most of our good friends we work with ... Through the listing we will be able to provide them an opportunity to buy shares [in Net1]," he said, adding that the group would also look into spreading the shareholding to its clients as part of its broad-based empowerment strategy.

Net1 provides a universal electronic payment system as an alternative for the unbanked in developing markets.

Its system is used mainly by people who are on government social grants and can be accessed at chain stores such as Spar, Pep and other retail outlets around the country.

Belamant believes that traditional payment systems offered today by the major banking institutions do not address the key requirements of the unbanked and underbanked populations. He added that this provided promising prospects for Net1.

Net1's target market is the estimated 4 billion people earning less than the purchasing parity equivalent of \$2 (R18.48) per day, of whom most are unbanked.

Net1's technology has been implemented across the world, including in South Africa, where it has 4.5 million customers; Ghana, Iraq, Namibia, Botswana, Nigeria, Malawi, the Russian Federation,

Uzbekistan, Oman, Ukraine, Moldova, India, Mongolia, Vietnam and Colombia. Revenue stood at R1.9 billion, net income at R632 million.

Earnings a share were R11.06 for the year to June. Net1 has about 2 200 employees worldwide.

Africa contributes up to 70 percent of the group revenue and is growing at 10 percent rate a year, while the rest of the world grows at a much faster rate of up to 200 percent.