

Interface media and Webmail International

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Prepared By:
Dennis Armstrong – Business Development Director

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MANUAL DETAILS

Role	Name	Phone #	E-Mail Address
Owner	Dennis Armstrong	27 11 628-9700	Dennis.armstrong@iface.co.za
Author	As above		
Contributor	G J Victor	27 21 914-0707	
Reviewer	A Lipschitz	27 11 628-9700	alan@iface.co.za
Approval	A Lipschitz		

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TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	5
	1.1 Background.....	5
	1.2 Vision and Mission.....	5
	1.3 Mission Statement and Business Approach	6
2	WEBMAIL OVERVIEW.....	6
3	EASYINFO OVERVIEW.....	8
4	COMPETITIVE POSITION.....	8
5	TECHNOLOGY APPROACH.....	9
6	MANAGEMENT AND PEOPLE	9
7	MANAGEMENT AND TEAM.....	ERROR! BOOKMARK NOT DEFINED.

1 EXECUTIVE SUMMARY

This document has been prepared to introduce you to the Company, Management and Team at Webmail and Easyinfo.co.za and to give you an understanding of past and future as well as strategic insight into where we are going. We have prepared this document in terms of the Public Access to Information Act and have made available only the essential information so as to ensure we meet the requirements of the Act. Should you require additional information then please don't hesitate to contact dennis.armstrong@iface.co.za in writing with the requirements for the information required and purposes thereof.

1.1 Background

Thirteen years ago, following the completion of his degree in Politics and Philosophy at the University of Witwatersrand Alan Lipschitz began a career in technology through the creation of an entity called Smart Disc. It was then that EasyInfo was created out of the idea of the Yellow Pages in an electronic directory format.

Approximately 10 years ago, the business of Webmail was acquired. At that time Webmail had 15 000 users and no revenue. Today Webmail has over 750 000 active users and a (updated figures) and has the largest page impression base of traffic in South Africa (source - Online Publishing Association OPA). Provide information about why this channel strategy is required.

1.2 Vision and Mission

The vision is to be the leading integrated Internet media company in South Africa. This vision lies within the entrepreneurial philosophies and attitudes towards the challenging, yet exciting, potential of the Internet and the convergence of mobile, IP TV, Music and media industries in South Africa.

In this regard, a central philosophy has always been to keep abreast of the business of the Internet and Internet trends, taking cognizance of the economy and the market, and continually redefining the value proposition to our users to ensure we remain the best option in our respective fields. This vision has been glued together with the central vision of teamwork and conservative accounting principles, with strong sales competencies and strategic partnerships to ensure organically grown revenue.

1.3 Mission Statement and Business Approach

The Interface Group's mission is to develop leadership brands in the core operating segments of directory, mail and communications. We seek to provide outstanding product delivery, user centric interfaces with delivery across multiple platforms. The Interface Group strives to build strong brands supported by excellent products and service quality. The Group has identified the following strategy:

- ▶ Provide a market-oriented product/s, with sophisticated user profiling.
- ▶ Employ an appropriate technology and design to enable the Interface system to reach its fullest potential.
- ▶ Ensure user and advertiser market-centeredness, professionalism, innovative thinking and entrepreneurship.
- ▶ Establish a culture of life-long learning, as well as the transformation and empowerment of people.
- ▶ Ensure transparency in all areas of business management.
- ▶ To achieve growth, through commitment to the advancement of its people and sound business leadership.

2 WEBMAIL OVERVIEW

Email is the most used and significant area of internet usage and hence a great position to lead and derive revenue from. The Webmail business offering is to provide brand marketing, business profiling, data knowledge and commercial growth to clients. The product has been repositioned to cater for not only email, but incorporate a communications platform for our users to exercise their personal preference when communicating through Mail, Chat, SMS and soon to be released Voip.

We have also incorporated social networking and a media store to enhance the overall value proposition to our users encompassed by a 10 Gb storage facility. Webmail are also exploring the mobile space with mail and the first partnership of note being with Nokia, where Webmail have a mobile mail platform pre-loaded onto the menus of the Nokia handsets landing in South Africa and later sub-Saharan Africa. The current uptake to this service is in the region of 750 users per day registering for the service to which Webmail have the exclusive marketing rights to these users in the form of syndicated advertising efforts.

Webmail derives 90% of its revenue from selling advertising with the balance derived from user base revenue. Webmail has over 750 000 monthly users according to OPA measurement from which very little user base revenue is derived. We have a focus on generating user base revenue which should show a healthy contribution to bottom line.. The product includes the design and the creation of websites, as well as flash videos and CRM solutions. The product delivery is achieved through selective database and advert type targeting to the users of the service. .

The Interface strategy is to extend its Internet model to delivering other Internet related services. This strategy would be implemented through a process of organic development and acquisition/s or joint ventures with other Internet businesses. Due to the high usage of the Interface product, technology and distribution, Interface is attracting more and more advertisers into its media environment.

The approach of controlled and steady growth has ensured that Interface has established itself in the market as one of the leaders in Internet Advertising, a service that can extend to other Internet services that are appropriately priced. The boom of the South African economy and the emergence of the Black Diamond consumer together with the improved bandwidth should see a massive growth in the local Internet market.

3. EASYINFO OVERVIEW

EasyInfo provides directory, search and website solutions across the Internet guaranteeing traffic to clients site. Easyinfo also provides exposure on mobile and print platforms, which includes both broad based and niche directories. EasyInfo has over 188 000 monthly website users and generates over 2 000 000 Page impressions making it one of the busier Websites in South Africa. Easyinfo will distribute 8 million printed directories in 2008 and distributed through a host of channels ensuring they get into the households of people with disposable income.

EasyInfo generates revenue by selling advertising in these directories. Easyinfo coined the phrase “if you looking for EasyInfo click your mouse”. The concept of easy information became synonymous with the EasyInfo Brand. In addition to advertising, over 2000 websites and domains are run and hosted by the business. Recent marketing innovations include media rich broadband websites, a Search Network sales opportunity across the country's 32 largest websites with guaranteed clicks across Google and IP TV ready adverts.

4 COMPETITIVE POSITION

The Interface market share is estimated at 25% - 30% of the internet advertising spend – Adex 2008.. This places Interface in a strong position for future growth in terms of gaining a valuable share of the current growing internet market and developing the Black Diamond market. In addition, this strong base that Interface has created has enabled a foundation and opportunity to scale its various brands into the South African and African Internet market through P.C. and Mobile.

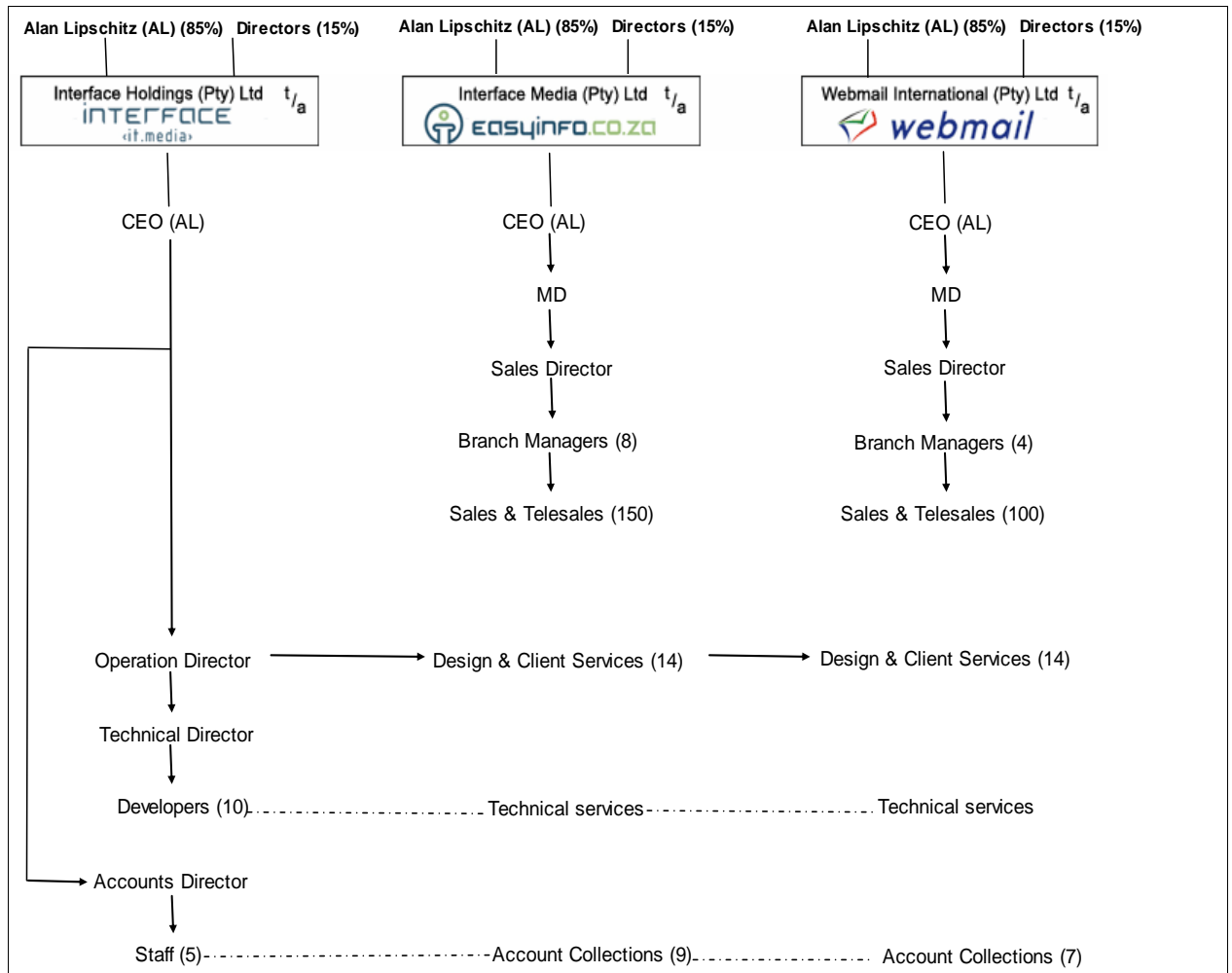
Interface clients range from Corporates to SMEs. Webmail focuses more on Corporate and Easy on SMME and SME revenue. The internet generates under 4% of current total SA ad spend. The corresponding figures for the European and US markets range from 10% - 20%. Recent statistics mentions the quarterly spend on US internet advertising eclipsing the TV ad spend.

The Market Intelligence Report is generated from research by Neilsens Netratings conducted through over 80 South African websites which include every major and many minor sites in the country whom are all members of the Online Publishing Association (OPA).

5 TECHNOLOGY APPROACH

Interface has developed core competency in managing, developing and running of internet media products. This has been extended into CRM and cataloguing solutions. Interface software has been custom built, flexible and is cohesive and coherent. The Group has chosen to develop software on an in-house basis predominantly on Linux platforms. This facilitates control, better change management procedures and cost efficiencies. Notwithstanding this, Webmail outsourced to Telkom the mail platform, Telkom servers run the mail delivery platform and Interface servers run the database and the advertising. This has provided better speed and bandwidth utilisation and leverage of capital intensive hardware. The cost benefit has been meaningful to Webmail.

6 MANAGEMENT AND PEOPLE



7 MANAGEMENT AND TEAM

Management Team

Alan Lipschitz - CEO: (38)

Alan has a BA in Politics and Philosophy from Wits. After 2 years of worldwide travel he started a business that was later branded EasyInfo, thereafter Webmail was purchased. His 13 years experience in the industry is characterized by common sense business approach, entrepreneurial spirit with conservative financial policies, strong people skills and a dedicated work ethic. He is married with 2 wonderful young children.

Jeff Ellis – MD Webmail: (35)

Jeff has worked his way through the corporate world in the banking and paper industries. Thereafter he commenced an entrepreneurial career winning awards for concepts from kid's games to food bars. Jeff was identified when joining Interface 9 years ago as someone who could champion Webmail. He achieved this in sales, management and product development. His style is very gentlemanly, client centric and revenue driven with excellent motivational and performance driven worth ethos. Jeff is married with 2 lovely teenage daughters.

Peter Scholtz - Financial Director: (62)

Peter has vast experience across a broad range of industries where he has served as MD and Financial Director for local and international concerns in SA and USA. Peter had 15 years of management and shareholding with Direct Communications which became part of the Mass Market and later Primedia Group where it traded as DRM and had profits when he MD exceeding R20mil. Peter whilst not full time, brings a wealth of experience and assistance to manage the growth experienced and equity opportunities.

Hazel Gray - Accounts Manager: (55)

Hazel has vast experience in accounting and has really come into her own in Interface. Hazel's core attributes are determination and dedication, balancing sound accounting practice with a commercial concern on business decision making. Hazel is held in highest regard by all who work with her and is appreciated for her input and the immense respect she shows others. Besides her 30 years of accounting practice she has been in the business for 12 years and knows all the ins and outs.

Morgan Briggs - Production and Operations Director: (32)

Morgan has a Psychology degree obtained while on a tennis scholarship in USA. She has grown with the company from various admin and design tasks, through management to directorship and heads a 25 strong design and production resource team across EasyInfo and Webmail as well as overseeing the technical department. Morgan is a super organized person who is able to retain and recall vast details concerning clients systems and think through its significant detail, the various implications and operational requirements. Her attention to detail and being on the ball is legendary. Morgan has 10 years experience in the business. She is married with a young child.

Gregg van Notten – National Sales Director: (31)

Webmail and Jobs4u. Gregg is the consummate professional sales person. He combines intensive business knowledge and strategy into client focused internet opportunities. Gregg has developed through the business and we look for him to be MD of one of the units we're developing. Gregg has exceptional communication skills and the ability to find opportunity and a solution based approach and willingness to spearhead new challenges. With 11 years in the company he also has a wealth of internet knowledge. Gregg is married and a father of a beautiful daughter.

Paul Lutz – IT: (36)

Paul has studied IT and software development and has 9 years experience in the business. In addition to being highly intelligent he finds clear both ways to complex solution and provides strong insight. He is exceptionally solid in terms of ensuring quality of service is totally committed to ensuring that the products we provide are stable and working with great attention to detail. He has an incisive ability to get to the core of an issue and can communicate technically at the highest levels.

Dennis Armstrong – Marketing and Business Development: (33)

Dennis has been with the Company for 2 years. Dennis has spent time in the 1-to-1 Marketing and loyalty arena for large corporate environments. He has also more recently run his own printing business. Dennis has achieved phenomenal success in building value in new Marketing and Business Development initiatives and works exceptionally well with people. Dennis has an entrepreneurial spirit which is well complimented in a dynamic company allowing the freedom of entrepreneurialship within the confines of a systems driven organization. Dennis is married with 2 boys and a little Princess.