

**INTERIM REPORT AND CONDENSED ACCOUNTS
FOR THE SIX MONTHS ENDED 28TH FEBRUARY 2001**

CHAIRMAN STATEMENT

In the last two years the Internet revolution blazed through the telecommunications industry causing great changes and offering great opportunities. The heady days of this period are fading. In many ways, the entire telecommunications industry has returned to earth and embraced marketplace reality. The Group has moved forward, focusing on enhancing shareholder value and on the bottom line.

In the competitive environment brought on by the difficult conditions everywhere in the telecommunications and Internet industries, the Group decided last year to make efficiency a top priority and the resulting cost savings have brought the Group great rewards. The international telecommunications business now enjoys a leaner cost structure while the Internet access business has a stronger revenue base. The phasing out of selected Internet content and e-commerce projects over the past few months as well as tight cost control have been an integral part of this process. We are back in the black and by concentrating on what we do best, offering unique services, we believe we can further strengthen our already formidable market position.