

PRESS RELEASE

Pernec creating new revenue stream with eRas

Pernec Corporation Bhd which now operates the bulk of the payphones in the country through its unit Pernec PayPoint Sdn Bhd, expects the innovative eRas – extended radio access system – service to significantly enhance income from its payphones.

According to Pernec managing director Abdul Karim Abdul Sallam, the eRas system is Pernec's own rebranded WiWi technology platform which was acquired from Mimos Bhd. Eras was officially unveiled by Information, Communications and Culture Minister Datuk Seri Rais Yatim at the launch of AmaxCity at Technology Park Malaysia, Bukit Jalil in February this year.

eRas is the world's first hybrid WiFi and WiMAX solution which operates on 2.3 GHz frequency designed as an alternative for last mile broadband connectivity to accelerate Malaysia's broadband ecosystem and is fully ready for nationwide commercialisation.

Taking advantage of its role as the Technological Partner at the Minggu Amanah Saham Malaysia (MSAM) 2010 organised by Permodalan Nasional Bhd in Kuching, Sarawak, eRas is one of the many new products and services being showcased by Pernec at the week-long event.

Pernec officially received its Network Service Provider licence from the Malaysian Communications and Multimedia Commission in March this year which allows the payphones operated by subsidiary Pernec Paypoint to offer broadband services over payphones or BBOPP.

At the moment, the group has over 35,000 payphones nationwide which can be broadband-enabled. "We are positioning this BBOPP to complement the National Broadband Initiative, the goal of which is to have a 50% broadband penetration among households in Malaysia in 2010," said Abdul Karim.

"Payphones provide a very unique way of delivering broadband. It can be implemented quite fast because all the infrastructure is already in place. All that we need to do now is to put up the WiFi boxes and we can hot spot-enabled that particular area. Each hotspot can cover an area of 100 metres," he added.

In terms of target area, this service can be utilized for both urban and rural areas. However, for urban areas, this service can be implemented much more easily as fibre optic cables can be used to connect the payphones which means that the capacity can be higher. For rural areas, the connection can be done wireless utilizing the 3G or Wimax services offered by current Internet Service Providers.

The eRas wifi boxes are manufactured at Pernec's manufacturing facilities in Tikam Batu, Sungai Petani, Kedah, undertaken by its subsidiary Pernec Advanced Network Sdn Bhd.

“The MSAM gives us the opportunity for us to showcase the transformation of our payphone business. As you’ll know, it is very difficult to find a profitable payphone organization in the world due to the severe attack from the mobile service providers. That’s why we need to transform the business,” said Abdul Karim

Pernec also launched another innovative service last month which enable Celcom prepaid mobile phone subscribers to reload their credit at its payphones. Therefore, in addition to making phone calls at its payphones, customers now also have the option to access broadband service and credit reloading at Pernec’s Helo payphones.

Abdul Karim noted that on top of these services, there are also other applications which can be operated through payphones such as online purchases as Pernec has also been developing content applications such as the Halalsquare and eBekal business portals.

“The need to diversify the income stream from the payphones is due to the erosion of revenue from this segment and eRas is one of the initiatives. We need to be creative and innovative in order to sustain this business,” said Abdul Karim.

Ends.

About Pernec Corporation Bhd

Pernec Corporation Bhd was established in 1973 and is a joint venture between Amanah Raya Bhd (Skim Amanah Saham Bumiputera), Permodalan Nasional Bhd and NEC Corporation (Japan). Under its wings, there are seven subsidiaries focusing on different areas of information and communications technology such as telecommunications infrastructure, manufacturing and services, IT infrastructure and solutions, e-Business, Islamic financial solutions and payphones operations.

Since its inception, Pernec has charted a steady growth in its operations and today is recognized as one of the key players in the ICT field, providing various solutions and products to a wide range of customers locally and abroad, particularly in the telecommunications sector.

In line with its renewed business strategy, the group has identified a number of new initiatives such as the eRas system, green energy and the Halalsquare and eBekal business portals as potential income streams to remain in the forefront in the competitive ICT business.

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