Business as usual for Trustco Mobile in Zimbabwe

Trustco Mobile's operation in Zimbabwe will be back on track soon, following an interim order handed down by the High Court of Zimbabwe against Econet, a company incorporated in Zimbabwe. Trustco Mobile is a wholly-owned subsidiary of Namibian-listed Trustco Group (TTO), which is also listed on the Africa Board of the JSE.

Trustco Mobile entered into an agreement with Econet and First Mutual Life Assurance Company in Zimbabwe for a fixed period of 18 months in terms whereof Econet Mobile subscribers in Zimbabwe were afforded free life insurance through a product called 'Ecolife'.

According to Trustco Mobile, an unfortunate dispute arose regarding the non-payment of royalties and insurance premiums by Econet. Consequently, Econet was placed on terms to effect payment and the matter was referred to Trustco's legal advisers to institute proceedings on an urgent basis against Econet.

On Monday (25 July 2011) the High Court of Zimbabwe ordered Econet to restore to Trustco Mobile the internet based reporting links and all access to Trustco Mobile hardware and software. Thus enabling it to "monitor and process airtime purchase transactions and otherwise perform its obligations in terms of the agreement".

Econet was also directed to refrain from undertaking and implementing a competing, infringing service to that provided by Trustco Mobile in terms of the agreement.

Trustco Group managing director Quinton van Rooyen said on Tuesday he was both pleased and impressed with the way the matter had been dealt with by the High Court in Zimbabwe.

"We are delighted with the ruling and foresee that none of the almost two million subscribers to 'Ecolife' will lose any of their accumulated life cover."

Trustco Mobile, a world first, was launched by Trustco in June 2008. Patented internationally and valid for anyone aged 16-60 years, this exciting and innovative concept provides free life cover for mobile phone subscribers upon their purchase of airtime from mobile operator partners.

Van Rooyen said it was anticipated that Trustco Mobile's venture in Zimbabwe would continue for the benefit of all parties concerned.

"We have successfully implemented this product in Namibia and Zimbabwe and look forward to introducing this exciting concept to other emerging high growth markets in Africa," he added.

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