

[BUSINESS - M&A]

Huge sets sights on Eyeballs

Purchase comes as 'acquisition drive slows'

ALT-X-LISTED telecoms group Huge Group's investment in a cellphone advertising company comes less than two months after it said its appetite for acquisitions had been dampened by the R511 million purchase of iTalk Cellular.

The latest acquisition is a 25% stake in Cape Town-based Eyeballs Mobile Advertising from The Benson Trust, the 59 Kloofnek Trust and Nathan Lewin.

Eyeballs is the developer of a media platform to deliver advertising content to GSM mobile subscriber handsets, and has also developed an application that provides advertisers with measurement of reach, frequency and target audience.

Huge has not disclosed the value of the deal and says it has alerted the market for information purposes only. Alt-X-listed companies need report on acquisitions only when they equate to more than 5% of their current market capitalisation. At the time Huge announced the acquisition, its market cap was about R400 million.

However, it says the deal is subject to, among other things, a due diligence investigation and the injection of loan funding of R5 million by Huge into Eyeballs over 60 months.

Huge financial director James Herbst said in January the purchase of iTalk Cellular had slowed the group's acquisition drive. However, he added, "If something is an absolute steal, we're going to buy it if it makes sense."

The group says the Eyeballs investment makes sense because of the firm's prospects and the synergies it offers.

"Mobile media is expected to grow exponentially, making it an incredibly lucrative market in the very near future," Huge says in a statement.

"The acquisition adds another valuable dimension to the telecommunications-based portfolio of Huge. "It represents the commitment of Huge to augmenting its portfolio of products and services with value-added new-age technologies."

It adds that media is the next logical



James Herbst

step for the group and is in line with international trends, where devices are expected to deliver an enhanced multimedia experience to the consumer.

"The mobile advertising medium has even greater significance in developing markets where Internet access is still limited. In SA, the mobile medium of cell phones has the ability to reach 80% of the population because of its pervasive presence as a communication medium."

- Staff Reporter