

TELEPASSPORT

Keen to get growing

It's an odd move. Instead of listing on AltX, the JSE's trendy junior board, least-cost routing group TelePassport is choosing to list on the unglamorous and declining development capital market. This will be through a reverse listing into Cenmag, a supplier of mineral processing and beneficiation equipment, in a R126,3m deal.

The ease of reverse listing was decisive. "There is so much going in the telecommunications market, we don't have a few months to wait," says TelePassport CEO Anton Potgieter. "At present, we are on track to list in the first week of August." A circular on the proposal will be sent to Cenmag shareholders this week.

Potgieter says there are already some potential acquisitions. It has raised R75m through the placement of 29m Cenmag ordinary shares at an issue price of 250c/share. This is in addition to the

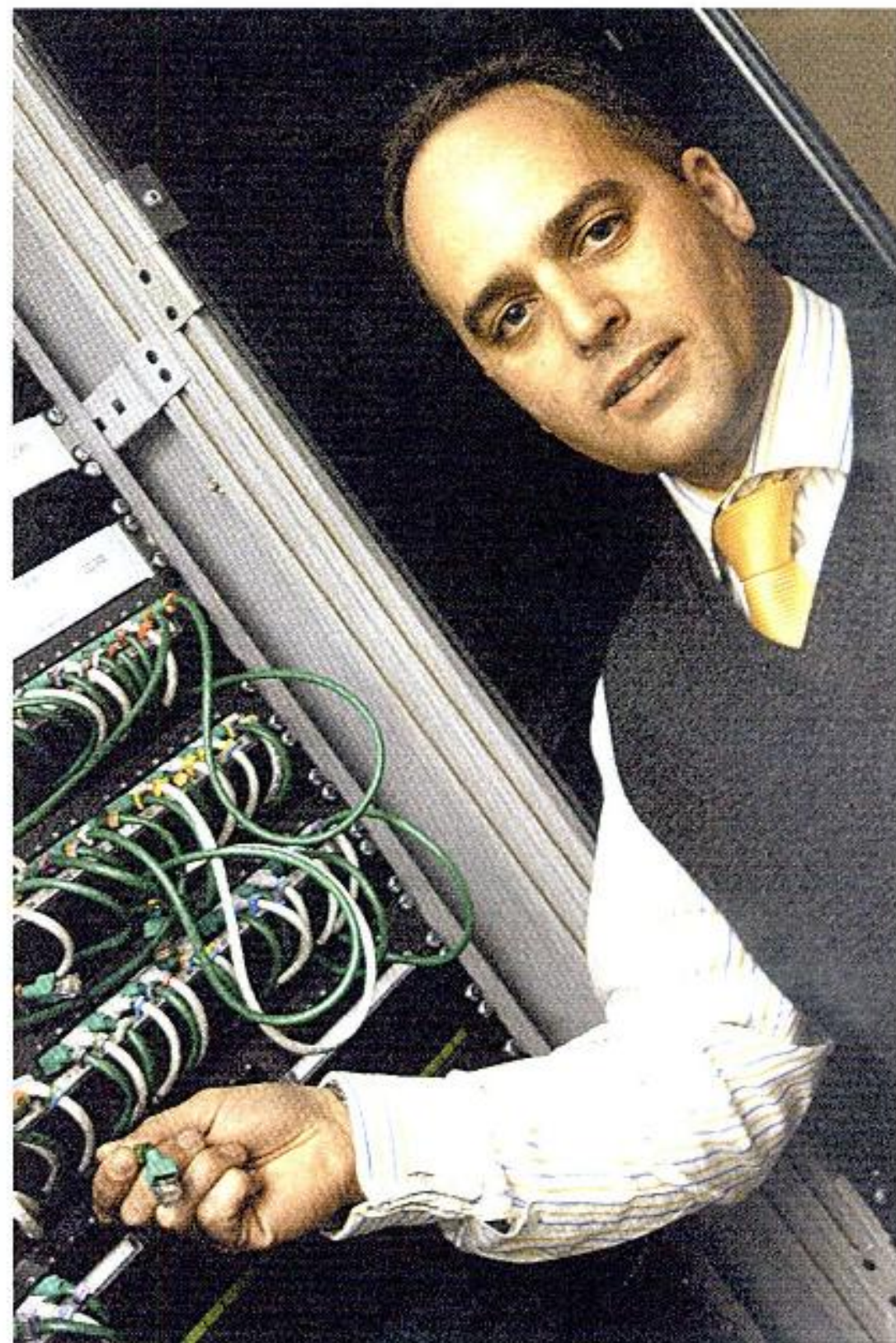
R126,3m it is paying for Cenmag, and the further issue of 2m vendor placement shares at an issue price of 250c/share.

TelePassport is entering an increasingly concentrated market. DataPro bought rival least-cost routing group Orion Telecom for R380m earlier this year.

Financial director James Herbst — formerly FD at DataPro — says TelePassport might be only the fourth-largest least-cost routing company, but this will soon change. "Within a year we will be the biggest player," he says.

Herbst says TelePassport is not specifically gunning for DataPro, now Vox Telecom. He parted ways with his old company when he and CEO Douglas Reed differed on what growth strategy to use for DataPro. Herbst says he and Reed still get along and that the differences were just professional.

Larry Claasen



Anton Potgieter Big plans