

# TelePassport to list on JSE's development capital board

**Lesley Stones**

*Information Technology Editor*

A VETERAN player in a relatively new aspect of the telecoms industry is going public with a listing on the JSE's development capital board.

TelePassport is the country's oldest provider of least-cost-routing services, which divert corporate calls off Telkom lines and use whichever cellular network is the cheapest. It also provides call-back services, where users dial an overseas number and are instantly called back, thus avoiding high outgoing call fees.

It will go to market through a reverse listing into Cenmag, an investment company involved in the manufacture of electromagnets and the sale of electrical equipment.

TelePassport was formed in 1993 and has offices in six cities in

SA and a branch in Namibia. Last year it turned over R280m and made after-tax profit of R12,5m. Its empowerment partner is Mojaho Trading, with 30%.

CEO Anton Potgieter said yesterday the listing would enable the company to take advantage of consolidation in the industry by acquiring rival players.

Its financial director is James Herbst, a former financial director of another listed telecoms company, DataPro. Herbst resigned from DataPro in 2005, and now aims to build up a rival to it.

"The space is big enough for a lot of players to compete, but naturally we will be competing for the same potential acquisitions and for the same corporate customers," Herbst said yesterday.

Several large companies were TelePresence's rivals, including Nashua Mobile and Autopage, and many smaller companies

that could be bought out. TelePassport was already a national business with a strong direct sales force and an established channel of dealers. It aimed to become a leader in the R6-billion least-cost-routing market, Herbst said. It would be easier to compete after listing, as it could fund acquisitions in the voice and data markets to augment its growth.

The reverse listing will see Cenmag sell its business to Blaf Investments for R1,36m in cash. It will then increase its share capital from R20m to R300m and acquire TelePassport for R126m.

Cenmag will pay for TelePassport by issuing 40-million shares to the vendors at 187c each, and by issuing 20,49-million vendor placement shares at 250c.

It received assays from third parties to subscribe to another 29,5-million shares at 250c, raising R75m for acquisitions.