



**GOOD CALL** TelePassport financial director James Herbst says the firm will carefully choose its African opportunities

PHOTO: JOHN WOODROOF

## TelePassport to partner with local firms to expand in Africa

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Johannesburg – TelePassport was in negotiations with governments in Madagascar, Angola, Kenya, Zambia and Mauritius about its plans to expand, the telecoms services company said yesterday.

TelePassport provides firms with cellphone least cost routing (LCR) systems to help reduce telecoms bills. LCR diverts calls from expensive networks to cheaper ones.

James Herbst, the financial director of TelePassport, said there were growth opportunities in sub-Saharan Africa, but the group would be cautious in its approach.

TelePassport's strategy to expand beyond South Africa would be to partner with local entities rather than buying existing companies. It has its eye on the UK, where the LCR market is highly competitive.

TelePassport will list on the JSE's AltX next Wednesday through its parent company, Huge Capital. The decision not to list as TelePassport was to avoid being confused with competitor Telemasters, Herbst explained.

Initially, TelePassport had planned to do a reverse listing into Cenmag, an investment firm involved in the manufacturing of electromagnets and the sale of electrical equipment. But the plan collapsed after the JSE suspended Cenmag.

Chief executive Anton Potgieter said: "The reverse listing process was proving time consuming and problematic. Fortunately, we initiated the front-door process in parallel with the reverse-listing process as the strategy, given the current telecoms boom, was always speed to market rather than to ease the introduction."

Two months ago TelePassport raised R125 million, which would be partly used for expan-

sions and acquisitions. It is already in talks with several firms, but Herbst would not give details.

However, he said the acquisition would broaden TelePassport's client base as the cost of growing the business organically was higher than buying an existing business. TelePassport has 5 000 clients. Its other competitors include Storm Telecom, Datapro, which has become Vox Telecom, and Centracell. The LCR market is estimated to be worth R6 billion.

TelePassport expects net profit to increase by 66 percent to R16.3 million in the next financial year.

The firm was started in 1993 and is 56 percent owned by the Potgieter Family Trust. Empowerment consortium Mojaho Trading owns 30 percent and the rest is held by individual investors who include the firm's management.

