

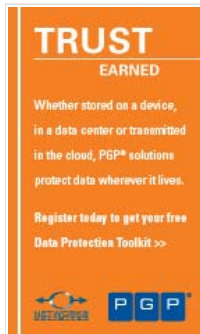
## TeleMasters' R17m investment pot

By Siyabonga Africa, ITWeb junior journalist  
Johannesburg, 4 Aug 2008

 POST YOUR COMMENT

TeleMasters is looking at sinking R17 million into small cash acquisitions after its successful cash buy-out of Motion Telecommunications.

The specialist tele-management and business communications strategies player recently announced strong returns for the third quarter and is now looking at acquiring more small companies in the quarters.



TeleMasters executive chairman Mario Pretorius says that its shares are up 25% in the third quarter and it has accumulated R17 million so far for acquisitions. "We are basically trading at 29c per share and that has raised R17 million for acquisitions which is lying in an investment fund," says Pretorius.

Pretorius says the type of acquisitions they are looking for will be good buys, yet – at the same time – not "too big". "The acquisitions have to be reachable with the amount of cash that we have."

TeleMasters recently called off an acquisition of Marketel, a wireless application service provider, while, at the same time, they incorporated Altech Autopage's Motions Telecommunications, a deal that Pretorius describes as "unspectacular".

The executive chairman will not go into the specific details, but he did say that the deal was beneficial to both and is good addition to TeleMasters' strategic expansion programme.

"In the process of the deal, we gained some lines and Motion Telecommunications gained cash to finance their PABX solutions." Pretorius says that they are looking to acquire companies of the same scale as Motion Telecommunications.

IDC analyst Richard Hurst says similar acquisitions could be seen in the future. He explains that a key characteristic of the local telecoms market is that companies are becoming more and more "sophisticated" and thus companies that deliver wireless services are in a good position for healthy growth.