

# Huge Group unfazed by delisting threat, buys into telecoms

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Negotiations to potentially delist the Huge Group have not distracted its managers from making another acquisition, with the company taking over a small Johannesburg-based telecoms player.

The deal sees Huge pay an undisclosed amount for African Paradigm Communications, which trades as One Communications and VoCall. It provides least-cost routing services, which save money on corporate phone bills by diverting calls on to the cheapest available network.

Chairman Anton Potgieter said yesterday that the businesses would quickly be assimilated into the operations of Huge Telecom and would trade under the Huge brand.

“We expect to see our growth curve in Huge Telecom continue this year despite the trying financial conditions.

“Corporate telephone spend is vital to any organisation's survival — so as times get tougher, it is vital to have proper control of telecoms spend without compromising on the quantity or quality of the business's essential communications needs.”

On Friday, Huge announced that it might soon delist from the AltX board through a buyout by an unnamed financial investor. The investor will offer at least 160c a share, and if enough minority owners accept to give it a sizable stake, it will go ahead with the deal and Huge will then delist.

If the offer does not attract enough acceptances from shareholders, the investor will not settle for a smaller stake and the attempted takeover would be cancelled. Potgieter said minority owners were under no pressure to accept the offer, and could choose to remain invested even if the move went ahead and Huge delisted.

Although the offer price is sharply down from its trading highs of more than 400c and the 250c at which Huge originally listed, Potgieter said anyone complaining that the offer was less than they had paid for their shares was forgetting that practically the entire stock market had declined in the past year.

Potgieter and CEO James Herbst own 24% between them, and support the deal, but would not sell their stakes.

Holders of a significant number of the other shares have agreed to support the proposal and sell out. The board has appointed a committee of independent directors to consider the proposal and obtain expert advice to report back to shareholders.

Huge shares were trading 10c up at 120c early yesterday.

Source: *Business Day*

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