

Blue Label to acquire 3G Mobile for R1.9bn

Blue Label Telecoms and The Prepaid Company (TPC), a wholly owned subsidiary of Blue Label, have concluded an agreement with 3G Mobile and its shareholders to acquire 100% of 3G Mobile's issued share capital for R1.9bn.



3G Mobile is described as one of Africa's largest distributors and financiers of mobile devices and handsets to major retailers and cellular network providers. It operates in eight African countries, with offices in South Africa, Namibia, Botswana, Mauritius and distribution channels into Zambia, Zimbabwe, Swaziland, and Lesotho. It has distribution rights for all major tier one and tier two mobile device and handset manufacturers, including, inter alia, Apple, Samsung, Huawei, HiSense, ZTE, and Nokia.

Through its wholly-owned subsidiary, Comm Equipment Company Proprietary Limited ("CEC"), it provides the financing of the mobile handset component of post-paid contracts to cellular network providers such as Cell C Proprietary Limited ("Cell C"). At present, the CEC finance book is approximately R3bn.

3G Mobile will be utilised as Blue Label's expansion platform into the financing and supply of mobile devices, handsets, and allied products. Both of these functions supplement Blue Label's strategic objectives to provide value added services to both Cell C and its own customer base. 3G Mobile provides the ideal platform to consolidate Blue Label's low-cost and certified pre-owned mobile handset divisions into a consolidated group. The resultant acquisition is both earnings accretive and provides a solid foundation for distribution into the burgeoning low-cost smartphone market.

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