

Press release

Africa Cellular Towers acquires complementary cellular phone tower business, JK Shelters

JSE listed company Africa Cellular Towers Limited (ACTowers), pioneers in the construction of cellular towers in Africa, has agreed to buy 100% of cellphone tower shelter manufacturer JK Shelters Limited (JK Shelters) for R45, 84 million.

The shelters are insulated components used at the base of cellular towers to house the electronics for the cell transmission infrastructure, and are also utilized for all GSM and related networks. The primary goal of the shelters is to contain valuable equipment in a controlled environment with regards to such elements as temperature and damp.

JK Shelters manufactures and supplies the shelters to the cellular phone tower market throughout Africa. Their dominant position is further enhanced through the manufacture and supply of 40% of the other requirements such as distribution boards and cable trays. JK Shelters supplies the primary electronic elements to power the equipment, as well as elements such as airconditioners for the cooling of the electronic elements.

The business operations of ACTowers and JK Shelters are complementary. 95 – 97% of all cellphone tower sites require such shelters. JK Shelters operates from industrial premises adjoining ACTowers but is not dependent on ACTowers for its business operations or its profitability. However due to the strong growth in the cellular industry in emerging markets both entities will benefit enormously from this association.

ACTowers will pay R13,75 million in cash, and R32,09 million by way of the issues of 23,77 million new shares at an issue price of 135 cents per share. The deal is subject to JK Shelter shareholder and competition approval.

ACTowers is a leading manufacturing company conducting business as manufacturers and fabricators of steel communication towers, portal factories, steel fencing, diesel and water tanks, solar structures and general steel engineering. The company also specialises in the management of turnkey telecommunications network projects including GSM, wireless local loop, fixed wireless and VSAT technology.

Chris Kruger, Executive Chairman of ACTowers said, "We are pleased to have acquired JK Shelters as not only is the business an excellent fit with our own, but margins are attractive and the transaction is earnings enhancing to the group".

The end

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