

# Business Connexion can pay dividend before deal

**SAMUEL MUNGADZE**  
Senior ICT Writer

**BUSINESS** Connexion shareholders, who vote on Monday on Telkom's R6.60 per share offer to buy the group, yesterday approved amendments to the agreement. The amendments allow Business Connexion to pay a dividend up to 20c before the takeover is completed and extend the deadline for competition authority approval.

A merger notification has been submitted to the competition authorities, Business Connexion deputy CEO Vanessa Olver said yesterday. She was confident shareholders would approve the deal at Monday's general meeting.

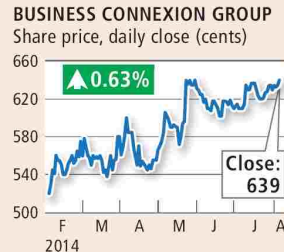
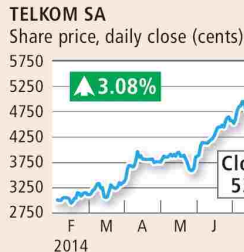
"Telkom has stated their intention to keep the Business

Connexion management team in place and to ensure continuity and minimal disruption for Business Connexion clients and employees." She said the deal would represent a significant step forward as part of both companies' convergence strategies to meet customers' needs through integrated end-to-end solutions.

"It will support the growth ambitions of South Africa enterprise clients, both in SA and Africa. The merger will enhance Business Connexion's global attractiveness, particularly in Africa, as Business Connexion is able to leverage Telkom's extended communications network and strategic international relationships to service its multinational client base," said Ms Olver.

Telkom pitched its offer for Business Connexion in May at a

## DIALLING UP



Graphic: SHAUN UTHUM Source: INET BFA

20% premium to the company's share price.

Payment would be in cash rather than Telkom shares, meaning Business Connexion shareholders would not be exposed to any future business risks, analysts said.

The analysts said the transaction looked fair to shareholders of both Business Connexion and Telkom.

Mergence Investment Managers equity analyst Peter Takaendesha said: "The combined entity would therefore be in a better position to provide end-to-

end services to clients and also offer sustainable returns to shareholders, if management executes well."

Ms Olver dispelled industry fears that Telkom's reputation on acquisitions might weigh against the deal. She said recent strong recovery in Telkom's share price indicated the market's confidence in Telkom's leadership.

Telkom's share price continued its strong recent run, gaining as much as 8.8% to an intraday high of R56.57, after Telkom held an investors' day on Monday. [mungadzes@bdfm.co.za](mailto:mungadzes@bdfm.co.za)