

**UPCOMING COMPETITION TRIBUNAL HEARING**

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| Parties | * Mobile Telephone Networks (Pty) Ltd and Nashua Mobile (Pty) Ltd |
|  | * Vodacom (Pty) Ltd and Nashua Mobile (Pty) Ltd in respect of the subscriber base of Vodacom (Pty) Ltd |
|  | * Altech Autopage Cellular (Pty) Ltd and The Cell C subscriber base of Nashua Mobile (Pty) Ltd and potentially, all or some of the channel partners of Nashua Mobile |
| Date  Time  Venue | 26 September 2014  10H00  The dti Campus  77 Meintjies Street  Mulayo Building, (Block C)  Sunnyside, Pretoria  Tel: +27 (0) 12 394 3300  Fax: 27 (0) 12 394 0169  Website: <http://www.comptrib.co.za> |

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*(Following is a guideline for journalists. The information can be used but please do not*

*quote Nandi Mokoena)*

1. **Nashua Mobile to exit telecoms market**

Nashua Mobile plans to exit the telecommunications market through a series of transactions which the Competition Tribunal will hear on Friday 26 September, leaving only Altech Autopage as the last remaining independent mobile telecommunications service provider (ISP) in the telecommunications market. According to Nashua Mobile the ISP segment of the telecommunications market is declining, which is borne out by the numerous acquisitions of ISP’s by the mobile network operators over the last decade. As a result, the ISP’s active in the market have reduced from 14 to 2 and this trend is also seen in other jurisdictions.

Nashua Mobile is a mobile telecommunications service provider that retails telecommunication services such as broadband, internet service provision, mobile data, messaging and cellular voice solutions under licence from mobile network operators.

To facilitate Nashua Mobile’s exit, Vodacom and MTN will purchase their respective subscriber bases from Nashua Mobile and Altech Autopage will purchase Cell C’s subscriber base from Nashua Mobile. It is these three transactions that the Tribunal will hear on Friday. In other transactions, which do not have to be notified to the Tribunal, Nashua Mobile will terminate its dealer agreements with Telkom and Neotel and these subscribers will continue to be serviced by the network operators involved.

The Competition Commission, which assesses large mergers before referring them to the Tribunal for decision, considered the three transactions and found that they would raise public interest concerns because the closure of Nashua Mobile could lead to 519 job losses. However in order to minimise the negative employment effects Reunert Limited, the parent company of Nashua Mobile, has undertaken to employ potentially 77 of the Nashua Mobile employees while other measures have also been taken to ensure employment for other employees. These measures include finding jobs from other companies that are interested in the skills of Nashua Mobile staff – about 120 staff – and an employee assistance program designed to make the remaining employees more employable. Given these measures, 322 out of the 519 staff will be retrenched. The employees facing retrenchment have accepted termination compensation.

Besides Nashua Mobile’s direct employees, it operates 60 retail outlets through its channel partners and 258 employees of these outlets could also be negatively affected by Nashua Mobile’s exit. However, measures are being considered to preserve some of these jobs. The employees facing retrenchment have accepted termination compensation.

The Commission was satisfied with the measures taken by the parties to minimise job losses in each of the above transactions and has accordingly recommended that the Tribunal approve all three transactions without conditions. The Tribunal will hear these matters on Friday and decide whether to approve the transactions, approve them with conditions or prohibit them outright.

Issued By:

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