

Times Media Group acquires 49% stake in Radio Africa

Times Media Group of South Africa has bought a 49% stake in Radio Africa Limited. TMG acquired the minority stake in Radio Africa for \$18.62m (Sh1.58 billion).



"It will be good for the company, for the staff and for the shareholders. In our view it is a win-win-win deal. I staff or managers will be laid off as a result of the deal. We will continue to run the business as before. The only difference will be that we will be much stronger financially," says RAL Group MD Patrick Quarcoo.

A substantial portion of the funds will be used to recapitalise the company so that it is debt free. A further portion of the funds will be retained to finance new investments.

The deal between Radio Africa and TMG is intended to act as a springboard to develop a powerful region media business - harnessing RAL's acknowledged expertise in electronic media and TMG's strength as the largest newspaper publisher in South Africa.

Radio stations

Radio Africa's radio stations include Kiss FM, Classic FM, Radio Jambo, East FM and XFM. It also owns KissTV and a majority shareholding in the Star newspaper. Times Media Group owns multiple newspaper titles including the *Sunday Times* (South Africa's largest newspaper), *The Times*, *Business Day*, and the *Sowetan*.

It has recently started acquiring radio stations in South Africa. Last year TMG acquired a TV network and five radio stations in Ghana. The shares of Times Media Group have gained 37% this year, compared with a 3.7% rise in the FTSE/JSE Africa All Share Index.