

BTC dolls up for privatisation

- Sales reach P1bn mark
- Parastatal now debt-free

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New product lines such as mobile, data and network services have driven Botswana Telecommunications Company's (BTC) net sales past the billion-pula mark, making the company more attractive to investors ahead of its privatisation.

For the year ended 31 March 2011, the BTC group - which consists of the wholly-owned BTC, Botsnet and beMOBILE subsidiaries - reported that its turnover reached P1.07 billion from P958 million in the previous year, leading to a 25 per cent rise in profits to P227 million for the period. In a statement accompanying the results, the group - which provides fixed and mobile voice telephony, Internet wholesaling and data services - says the company did not only manage to boost its sales heavily in the period, but has also cleared its debts that amounted to P53 million last year.

"Over the past year, the corporation has made significant progress to create one BTC - a single, focused and integrated company geared towards sustainable profitability," the statement says. "Strict financial discipline, focused execution of plans and resolute pursuit of strategic intents have guided BTC in this endeavour.

"The results for financial year 2010/11 indicate that we made substantial progress toward these goals as we achieved significant milestones in this regard during the year, notably the increase in profit to P227.4 million. We have also paid off all our debts and become totally debt-free."

BTC'S balance sheet also grew healthier with assets inching towards P2 billion at P1.97 billion from P1.8 billion. The sparkling results will be factored into the evaluation of the company's 49 per cent stake that government wants to offload to the public through an Initial Public Offer (IPO).

Government plans to sell off 49 per cent of BTC to Batswana via the IPO and subsequent listing on the Botswana Stock Exchange, including a portion reserved for the parastatal's employees.

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vatation model excludes backbone infrastructure such as the Trans-Kalahari optic network and the Francistown-Gaborone line, which will be integrated into a planned company to be housed under the Ministry of Transport and Communications.

Looking ahead, BTC says it expects its revenue to continue to rise with half of its future revenues anticipated to come from data services and related products. "(We) expect our primary growth driver for the next two years to be data either on wire line or mobile," it says.

"BTC also expects all major customer groups to increase Internet usage, which will drive further growth in broadband and data services. By next year, almost half of BTC revenue is expected to come from data related products. BTC's product offerings are beginning to make a positive impact, particularly in the access and data market and mobile sector.

"With the bundled tariff between beMOBILE and BTC fixed lines, the call volumes have started to pick up. BTC is extremely excited about the broadband revenue growth. Overall, BTC is hopeful that its revenue streams will continue to grow."

In the next financial period, the group says it expects the operating environment to be tough as a result of continued weak recovery of world economic conditions. Hence competition is expected to increase and prices, particularly for mobile calls, will come under more pressure, it warns. On costs, the increase, particularly the locally based ones, are expected to rise with the imminent increases in the utility costs. "BTC will also continue to focus on the cost reduction and control measures, particularly those related to employees and carrier costs," says the statement.

"BTC will also continue to improve customer service and billing so that it can offer better bundling of services.

With targeted cost containment, BTC expects its operating and net margins to increase next year."



BTC CEO Paul Taylor: His organisation is readying for privatisation