

BTC revenue surpasses billion Pula mark

Pays Govt over P57 million as dividend • Corporation totally debt free

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The soon to be privatised, Botswana Telecommunication Corporation (BTC) has posted a record financial year results which reflect that, for the first time ever, its revenue for the financial year 2010/11 surpassed the billion pula mark, up by 11 percent from last year to P1.065 billion. Last year BTC's operating revenues nearly touched the P1 billion mark at P958.4 million, up 14.7 percent from 2009. The parastatal was also able to shave P60 million off its debts for that particular year and halved the cost of its loans to P10.28 million.

In light of the record revenue this year, the utility announced on Thursday that it will payout a dividend of P57 million to the Botswana Government, its sole shareholder.

Available figures show that the dividend is the highest the Corporation has paid in 10 years, and is P11 million more than last year's figure.

Speaking at the dividend announcement on Thursday, BTC Chief Executive Officer (CEO) Paul Taylor said; "This is a significant milestone and shows that the Corporation is making progress towards being a single, focused and integrated company geared towards sustainable profitability." Taylor



GROWTH: The 2010/11 financial results show a positive improvement compared to the previous results; above is a snapshot of other years.

said the good performance is a clear indication that BTC is ready for privatisation and will offer value to potential shareholders.

Plans for BTC's initial public offering (IPO) and privatisation are said to be at an advanced stage. *BusinessPost* understands that the IPO will represent shares drawn from the 49 percent shareholding the government is disposing of in the company.

Meanwhile observers attributed BTC's record profits to higher revenues from new sources such as mobile, data

and networks increasing together with stabilization of traditional fixed and voice lines. However despite this good performance, the group noted that it expects its operating environment in 2011/12 to be tough as a result of continued weak recovery of world economic conditions.

The telecommunication giant however said despite these challenges, it expects its revenue to increase further, as data and related products will show stronger growth.

The BTC group, which

consists of the wholly-owned BTC, Botsnet and beMobile subsidiaries is expected to derive further growth in the market this year, leveraging on favourable mobile telephony statistics, its key strength of a high quality and expansive network and numerous opportunities for new business.

"By next year, almost half of BTC revenue is expected to come from data related products. We expect all major customer groups to increase internet usage which will drive further growth in

broadband/ data," Taylor added.

BTC will also improve customer service and billing so that customers get better bundling and value. With targeted investment, BTC expects operating and net margins to increase next year.

"Our philosophy is to stick to brilliant basics. We focus on simple things with keeping customers happy, and we want to focus on the customer and control mechanism," Taylor concluded.