

MTN Posts Profit On Robust Mobile Subscriber Growth

Written by Rudi Prinsloo
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MTN has posted a profit for the financial year ended December 31, 2008, the cellphone and communications company said on Thursday.

This was due to robust subscriber growth as well as high investment in infrastructure and improved distribution, it said.

"Demand for mobile services continued to impress on the upside in key markets amidst the global economic slowdown which negatively impacted many other sectors in 2008," MTN said.

"The group recorded 90,7 million subscribers at December 31, 2008, compared with 61,4 million at the end of December 2007," it said.

The 48 percent increase was driven largely by MTN Irancell and MTN Nigeria, which added 10 million and 6,6 million subscribers respectively.

The company said a strong focus on operational performance as well as continued improvements in the roll-out of infrastructure had enabled it to sustain or improve its market position in increasingly competitive environments.

MTN said it incurred expenditure of R28,3 billion on capex in 2008, an 84 percent increase over 2007.

The company has continued to focus on growing its networks and looking for infrastructure, transmission and site sharing opportunities across its operations.

MTN also invested around R250 million in 2008 to gain access to significant submarine cable capacity.

For the financial year ended December 31, 2008, basic headline earnings per share rose by 43 percent to 836,5 cents, while adjusted headline earnings per share increased by 33 percent to 904,4 cents.

"In addition to sound operational performance, the depreciation of the rand against the US dollar resulted in the effective appreciation of many African and Middle Eastern currencies against the rand for a major portion of the year, positively affecting the net trading results of MTN Group by approximately 15 percent," the company added.

A dividend of 181 cents per share was declared.

Looking ahead, MTN said it remained cautiously optimistic about its prospects for 2009 in challenging trading conditions.

The company would look for value-adding expansion opportunities in emerging markets, with a potential to act as a consolidator in the current market environment.

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Other priorities were to tightly monitor capital expenditure to ensure appropriate levels of capacity and quality of service for an enlarged market.

It would also concentrate on optimising cash and operational efficiencies ensuring that the group was able to benefit from a rapidly evolving technology market while maximising infrastructure sharing.

MTN said it was also important that it work with regulatory authorities.

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