

[ NEWS - FINANCIAL ]

# Huge predicts more growth

iTalk acquisition still pending

BY IAIN SCOTT

**AIX-LISTED** managed telecoms specialist Huge Group is expecting even further growth after delivering maiden results that were better than a recent trading statement had indicated.

The group, which listed in August last, reported earnings of 44.17c per share for the year to end-February 2008. This was 5.9% higher than the 41.72c forecast in the trading statement issued ahead of the results.

Financial director James Herbst says the group's R243.54 million revenue included just seven months of revenue from TelePassport and one month from Centracell.

TelePassport, in its own 2008 financial year grew turnover 26% from R296 million to R373 million, while Centracell grew its turnover 31% from R151 million to R198 million.

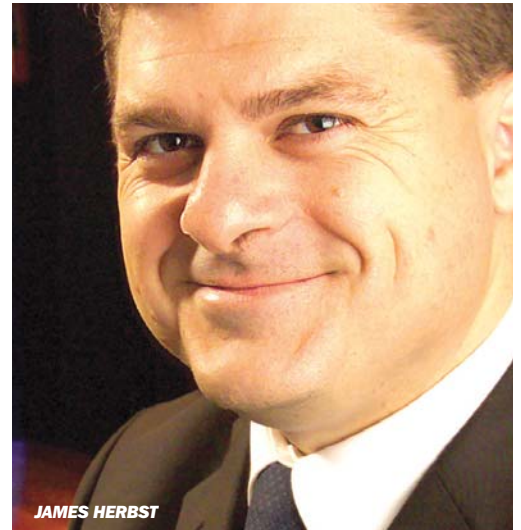
"The combined turnover thus increased from R427 million to R572

million, which is about 29%," he says.

Huge, which achieved a gross margin of 22.5%, is targeting a margin between 22.5% and 29%. The group achieved an operating margin of 10.35% before tax. "It is certainly our view as an executive team of this company that we can deliver an operating profit margin before tax closer to 16%, and we will spend the balance of the 2009 year focusing on exactly that."

On the pending acquisition of iTalk Cellular, Herbst says all the conditions precedent have been fulfilled bar the preemptive right by MTN (which owns 41% of iTalk) to acquire the 59% targeted by Huge.

Herbst says MTN originally waived its preemptive right in December last year, but has "come back on various technicalities to try to re-enforce their preemptive right". He adds that Huge's executive team decided as a matter of proper legal process to give MTN a



JAMES HERBST

second opportunity to pre-empt. "We certainly do think that if they do pre-empt, that we will have a very good chance at Competition Commission level..." he says, adding that while it was likely that MTN would cut 235 staff as a result of the acquisition, Huge would increase its staff complement.

[ BUSINESS- M&A ]

# Itec goes abroad

R100m expansion into UK



JACQUES DUYVER

**ITEC DISTRIBUTION** is going abroad, with its first move a R100 million expansion into the UK. Itec Group CEO Jacques Duyver will set up the new operation, which will be headquartered in London and forms "a key part of the group's global expansion strategy".

Itec already employs over 800 staff directly or indirectly in 47 regional offices

across SA, Botswana, Lesotho, Mozambique, Namibia and Zimbabwe.

Duyver says Itec research into the UK document solutions business has found "enormous synergies" between the UK and SA. "The UK market is more than five times the size of SA yet only six months ahead in terms of product releases," he says.

"We have also started building a South African-based call centre that will serve as a help desk for the group's local and international support requirements. Additional employment and training opportunities will be created and we aim to retain much needed core skills in SA," Duyver says. – Staff Reporter

### DID YOU KNOW?

Global mobile operator Vodafone's CEO Arun Sarin will retire from his role at the end of the company's annual general meeting on 29 July. Sarin hands over to Vittorio Colao, who currently serves as his deputy.

[ BUSINESS - SKILLS ]

# Siemens invests in SA skills

100 new Jipsa posts

**GERMAN** multinational telecoms and engineering giant Siemens is to create 100 new posts as part of the company's ongoing support for the government's Joint Initiative for Priority Skills Acquisition (Jipsa) initiative.

Siemens Southern Africa CEO Sigi Proebstl says the company is committed to recruit and train the 100 in a number of disciplines, ranging from technical and commercial, through to career orientation and work preparation.

The necessity is for a trained and skilled network of engineers, artisans and commercial graduates to drive the economic growth necessary for sustainable regional development, Proebstl says.

Siemens' current skills training schemes have already developed more than 450 trainees over the past three years. The company says, at any given time, about 200 trainees are involved in training programmes, including a revitalised apprenticeship training scheme.