

BUSINESS REPORT

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SOUTH AFRICA'S NATIONAL FINANCIAL DAILY

THURSDAY, OCTOBER 9 2008

TIME TO PLUG IN

The first locally made electric car has been unveiled, but incentives must be improved

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HUGE PROFIT OPPORTUNITY

Chief executive Anton Potgieter sees good times ahead for telecoms group

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Hard times for us mean growth for Huge Group

■ Cost-conscious consumers look to firm for phone savings

Thabiso Mochiko
Johannesburg

Telecoms firm Huge Group, which helps companies cut their phone bills, expects to benefit from the economic turmoil as more companies try to tighten their belts.

Huge, which listed on AIX last year, provides corporate customers with fixed-line and mobile voice and data services.

Most of its business comes from providing least-cost routing, which diverts calls to the cheapest network.

Chief executive Anton Potgieter said companies were becoming more cost-conscious.

Huge Group normally benefits during tighter economic periods, which traditionally

spur the adoption of more aggressive cost-saving measures.

The demand for lower telephone bills has seen Huge Telecom increase its market share from 18 percent to 20.5 percent.

According to Potgieter, the market for cellular least-cost routing services has increased at an annual rate of 18 percent in the past six months, from R3 billion at the end of February to an estimated R3.28 billion at the end of August.

"This rapid growth rate is being fuelled by tougher economic conditions, which are forcing corporations to tighten their control over telephone and communications usage," he said.

"This increased cost consciousness means companies delivering managed telecoms

services are naturally well placed to benefit."

Huge reported revenue growth of 27 percent to R308.9 million for the six months to August. Attributable earnings increased 10 percent to R28.8 million. The company generated cash flow of R19.5 million for the period.

These interim results include the full six-month trading results for both Centracell and TelePassport.

The acquisition of Centracell was finalised in February and that of TelePassport when Huge listed in August last year.

In the six months under review, Huge acquired a 25 percent stake in Eyeballs Mobile Advertising for R6 million.

Huge had made an offer to

buy iTalk's 59 percent for R511 million, but that was blocked by MTN when it decided to exercise its pre-emptive rights. MTN owns the remaining 41 percent in the airtime and handsets company.

The matter is before the competition commission and Huge is planning to oppose it.

Potgieter said that in the event that the competition commission recommended the unconditional approval of the transaction, Huge had instructed its senior council to object the deal on the basis that it would substantially lessen competition in the mobile telecommunications space.

Huge's share price remained unchanged yesterday to close at R3.43.



Huge Group chief executive Anton Potgieter says economic downturns are when he generates significant new business