

Article Name: Vodacom earnings boosted by mobile data surge

Date: May 16, 2011

Link: <http://www.reuters.com/article/2011/05/16/vodacom-idUSLDE74F03120110516>

UPDATE 2-Vodacom earnings boosted by mobile data surge

Mon May 16, 2011 7:29am EDT

*FY diluted headline EPS 654.3 cents vs 509.4 cents

* FY Revenue R61.2 bln vs R58.54 bln

* FY dividend of 460 rand vs Reuters estimate of 390.90

(Recasts, adds CEO and analyst comment)

By [David Dolan](#) and [Helen Nyambura-Mwaura](#)

JOHANNESBURG, May 16 (Reuters) - South Africa's Vodacom ([VODJ.J](#)) beat expectations with both its full-year profit and dividend, helped by a surge in mobile data usage that showed its diversification beyond voice revenue is paying off.

Vodacom, which operates mainly in South Africa, the Democratic Republic of [Congo](#) and Tanzania, is fighting to defend market share from competitors such as MTN Group ([MTNJ.J](#)) and India's Bharti Airtel ([BRTI.BO](#)), both of which have a bigger presence across Africa.

The company is increasingly focused on broadening its mobile broadband business, which is seen as having huge growth potential on a continent where most people lack traditional Internet access.

"This is the real growth engine in the business," Vodacom Chief Executive Pieter Uys told an analyst briefing, adding he aimed to nearly triple the number of data customers to 25 million from in the next two years.

Data revenue rose by nearly 36 percent to 6.4 billion rand, the company said. That would account for slightly more than 10 percent of its total revenue.

"Over time, one will expect that data will become a larger and larger contributor," said Rob Forsyth, an analyst at Investec Asset Management.

"I think usage is going to go up a lot in terms of data for the whole industry. Vodacom will be very successful in that ... they are the leaders in data."

Shares of Vodacom, a unit of Britain's Vodafone ([VOD.L](#)) and South Africa's largest mobile operator, rose more than 2 percent.

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Emerging markets telecoms research firm Delta Partners said at the start of this year it expected non-voice revenue in Africa, including short messaging services, to hit \$10 billion by 2014, from about \$5 billion currently.

Increased broadband usage is critical for the development of the world's poorest continent. A 10 percent rise in broadband penetration is linked to a 1.3 percent increase in economic growth, according to the World Bank. [ID:nSGE71900P]

Vodacom is also pushing ahead with its plans to end a long-standing dispute with its joint venture partner in the Democratic Republic of Congo (DRC), Uys said.

The company last year said it appointed investment bank Rothschild to explore options for the unit, where it is in arbitration with its local partner, Congolese Wireless Network, over a fee dispute.

"That process is well underway," Uys told reporters on a conference call, adding that a sale continued to be a potential outcome for the stake.

Vodacom said diluted headline [earnings](#) per share totalled 654.3 cents in the year to end-March, up 28 percent from 509.4 cents a year earlier.

That was above the average estimate of 639.95 cents in a poll of 15 analysts by Thomson Reuters. The company said in a trading statement last month it expected earnings to be as much as 30 percent higher. [ID:nWEA7308]

Headline EPS, the main measure of profit in South Africa, exclude certain one-time items.

Revenue totalled 61.2 billion rand (\$8.72 billion), an increase of 4.5 percent from 58.54 billion rand a year earlier.

Vodacom declared a final dividend of 280 cents, bringing its total dividend for the year to 460 cents. Analysts expected the full-year dividend to total 390.90 cents, according to the Thomson Reuters poll.

Shares of Vodacom were up 2.2 percent at 81.65 rand, at 1005 GMT, outperforming a 0.6 percent decline in Johannesburg's Top-40 index [.JTOPI](#) of blue chips.

(Editing by [Jane Merriman](#))