

## **STARCOMMS RECORDS OVER 100% INCREASE IN TURNOVER**

Buoyed by a rapidly growing subscriber base, Starcomms Plc, the 4<sup>th</sup> largest telecommunications operator in Nigeria, recorded a turnover of N17.458 billion in the first half of this year to sustain its growth projections for the financial year.

The figure, which closed at N8.695 billion in the corresponding period of 2007, appreciated by 101 percent and is indicative of a year in which Starcomms Plc, the market leader in providing “triple play” services including mobile voice, fixed wireless voice and wireless data products and services, is poised to fundamentally transform its business.

At the end of June 2008 the network attained 1.55 million subscribers as compared to 624,000 in the equivalent period of last year resulting in a growth of 149% over the 12-month period and now appears poised to cross the two million mark by the end of the year.

According to financial statements for the period just released, the company, which recently concluded a N64.35 billion private placement and followed with the listing of its shares on the Nigerian Stock Exchange in July, recorded drops in pre and post tax profit due to heavy investment in its expansion project. The Company expects that the investments made in farming up subscribers earlier in the year should have a positive impact on the Company’s earnings in the second half of 2008.

An insight into the financials and future plans of the company were first made public during the listing of the company’s shares on the Nigerian Stock Exchange in which the Company had forecasted a pre-tax loss of N454 million and an after tax loss of N197 million for year end 2008. Starcomms’ Board however forecasted the Company to be earnings positive in 2009.

Chief Executive Officer, Mr Maher Qubain had stated that huge opportunities abound in the Nigerian telecommunications market even though some fundamental challenges prominent among which are: continuing power outages, high energy costs, tough operating environment,; and decaying infrastructure, were impacting adversely on businesses.

Specifically on Starcomms, he said the company will be investing in network expansion and upgrade of information technology infrastructure in line with its medium and long-term growth projections, adding that in the next 18 months this will be firmed up and shareholders can expect bountiful returns on investment from 2010.

According to Qubain, the unified license granted to the company by the Nigerian Communications Commission (NCC) in 2006 was a major driver of its growth through optimal utilization of its various provisions, which, among others, are the operation of fixed wireless telephony, mobile telephony (national mobility), data (both 1x CDMA and the iZap high speed broadband internet service), long distance, and national calling.

Starcomms Plc has enjoyed very buoyant business performance, and registered its best organic growth performance in the last five years delivering a robust increase in sales with the overall aim of becoming one of Nigeria's leading telecom operators.

A recent private placement of the company's shares grossed ₦64.35 billion, raising a substantial amount of capital for growth and considerably strengthening the company's balance sheet