

Our turnaround is done, Telkom declares



By [Duncan McLeod](#)

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Despite reporting a further 6,5% decline in the number of fixed lines in service to just 3,2m, Telkom has declared that it has completed a three-year turnaround strategy and is now ready for growth.



Telkom CEO Siphso Maseko

Image via TechCentral

This comes as it reports a 15,5% increase in normalised headline earnings per share to R6,58 on the back of a 4% increase in net revenue to R28bn and a 14% increase in operating revenue to R37bn for the year ended 31 March 2016. It announced, too, that it is hiking its dividend by 10% to R2,70/share. Normalised profit after tax reached R4bn, compared to R3bn for the previous period.

The mobile business is a highlight of the financial results for the 2016 financial year, with the Ebitda loss from mobile reduced from more than R2bn three years ago to R43m now. (Ebitda, or earnings before interest, tax, depreciation and amortisation, is a measure of operation profit.)

"Since the fourth quarter (January to March 2016), the mobile business has been breaking even on a monthly basis," Telkom said. Operating revenue growth was boosted by the inclusion of IT acquisition Business Connexion and a "solid performance" from data services. The good performance was partially offset by a 2% decline in voice and subscriptions revenue as voice usage continued its downward trend and customers continued to substitute mobile services for fixed lines.

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Award-winning Duncan McLeod is the founder and editor of TechCentral (www.TechCentral.co.za, [@TechCentral](https://twitter.com/TechCentral)), South Africa's latest technology news site offering breaking news, in-depth analysis and opinion that launched in September 2009. Before that, he was associate editor at the *Financial Mail/FM*. Contact Duncan on email duncan@techcentral.co.za and follow him on Twitter at [@mcleodd](https://twitter.com/mcleodd).
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