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 PRINT THIS ARTICLE  EMAIL TO A FRIEND**TELEMASTERS****Frequent payer**

By Larry Claasen

Mario Pretorius has got his way. Well, almost. The executive chairman and founder of telecom company TeleMasters said a year ago that he would pay a dividend every month if he could. Last week the least-cost router - it specialises in finding the cheapest way to route phone calls over various telecom networks - became the first AltX company to start paying quarterly dividends.

It declared a maiden 3c for the three months to end-June, bringing the total dividend for the nine months to end-June to 9c.

Pretorius says the group decided to issue quarterly dividends because it wanted to communicate with its investors on a regular basis and increase its profile in the market. He says reporting every three months compared with twice a year would show potential investors the organisation had "nothing to hide".

Pretorius has found investors to be a fickle lot. The group's share price hit a high of R3,50 soon after it listed last year, but then it collapsed to a low of R1,30 late last month. It seems the ploy to pay out quarterly has renewed investor interest. The share has risen to R1,51 since it announced the new dividend policy.

Pretorius initially proposed paying out a monthly dividend, but JSE officials questioned the sanity of such a move. He still thinks there is nothing wrong with paying out monthly, given that TeleMasters' business model makes it easy to do - it has 20 employees and most processes are automated, facilitating billing.

TeleMasters also has the advantage of being cash-positive, because debtors pay in 30 days but creditors get paid up to 90 days later.

Besides paying dividends, the group plans to use its cash to make acquisitions. Pretorius says due to the slowing economy, the prices rival companies are asking are coming down. He says the company is embarking on road shows, has brought in new advisers and is looking at ways to increase the liquidity of its shares.

One way to achieve that is for Pretorius to put more shares in the market - he holds 85% through a trust. He says this is an option, but it has to be balanced against the dilution in earnings per share it would bring about.