

TeleMasters hires staff to grow

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By Thabiso Mochiko

Johannesburg - While some companies are laying off staff, AltX-listed TeleMasters has doubled its staff numbers by hiring more sales and business development managers as part of its strategy to "counter the current economic downturn".

The telemanagement firm, which posted a 23.75 percent gain in headline earnings a share to 33.33c for the year to September, would change its remuneration strategy significantly by increasing medical aid subsidies. It employs about 45 people.

Chief executive Mario Pretorius said that, by hiring more people and putting in place policies to retain them, the company was improving its strategy to retain customers. Some newly hired people were from competitors, he added.

"In good times our customers made us money. We want to look after [them] better," Pretorius said.

TeleMasters helps firms save telephone costs with a least cost routing technology.

Pretorius said TeleMasters' operations continued to grow despite a general decline in local trading conditions.

"The board believes that the declining markets will assist our business as more companies become cost conscious and seek alternate communications avenues to improve efficiencies and decrease overheads," he said.

The company has increased its product offering by adding fax to e-mail services. It has signed four new distribution deals with major providers.



Revenue rose 18.8 percent to R179 million for the year. Profit for the period increased to over R14 million from R11 million.

"It's been a really strong year for us," said Pretorius, noting that all the group's operations performed well.

TeleMasters' four recent small acquisitions contributed 0.16 percent in revenue. Pretorius said the effect of the acquisitions would be felt next year.

He added that the purchases were important within the context of TeleMasters' organic growth strategy and its

commitment to avoid infrastructure spend, although the company was interested in an individual electronic communications network licence from the industry regulator.

Pretorius said the increase in earnings a share reflected the company's ability to grow the business without diluting shareholder value.

TeleMasters provides least cost routing services to 3 000 corporate clients. It was the first company on the JSE to start paying quarterly dividends. It declared dividends totalling 24c for the full year.

TeleMasters shares were untraded at R1.40 yesterday for a market cap of R58.8 million.