

Online advertising boosts Ugandan publisher's earnings

Increased website advertising revenue played a major role in pushing up profits of newspaper publisher the Vision Group by 17%. The printing and publishing small-cap equity posted a profit before tax of Ushs4.7 billion this year up from over Ushs3.6 billion in 2006.

"Growth was registered in circulation and advertising revenue particularly website advertising," said a statement from the Company Secretary Gervase Nyanabo on October 1. New Vision's sold up to Ushs32.6 billion this year up by over Ushs3 billion from 2006's sales.

"The company registered a good performance with growth from 2006 in turnover and profit before tax of 10% and 17% respectively, despite a tough year with intensive power shortages adversely affecting many sectors with changes in management of the company," said Nyanabo.

He added that company's costs were also affected by global rise in oil and commodity prices which directly affected the costs of raw material in puts and general operating costs.

Nyanabo added, "An appreciation of the Uganda shilling against the dollar and a tax waiver on diesel for running generators mitigated the above factors and costs were more or less at the same level as last year save those directly related to the increased level as activity to match sales growth."

In June this year, the Uganda Shilling hit the Ushs1, 600 mark, its lowest against the US dollar, in more than 6 months since December 2006. However, the currency is currently trading at Ushs1740 against a US dollar. This followed the intervention of Bank of Uganda, the nation's central bank, in the monetary policy with an aim to correct the economy's balance of trade.

Announcement of the company's 2007 performance results on October 1 pushed the company's share price up by Shs100, from Ush470. The group plans to pay out a Ushs20 per ordinary share to its shareholders Ushs8 more than it paid out last year. "The dividend, less withholding tax where applicable, will be paid on about January 18 2008 to member on the share registrar at close of business on November 1 2007," the report said.

Vision Group also contributed Ushs8.3 billion in net taxes to Uganda's treasury through the Uganda Revenue Authority. The equity paid out Ushs3.2 billion more than Pay-Tv service provider Multichoice to become the leading tax remitting media company in the nation.

The company is also in advanced stages of diversifying its revenue base by investing in its own television and radio station before the end of 2007. Nyanabo said the company has also ordered another news printing press to expand the capacity, improve of quality and speed of production of its newspapers. Vision Group is publisher of The New Vision a daily English

newspaper and 4 other vernacular newspapers.

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