

Growth in advertising boosts Vision Group performance



By [Walter Wafula](#)

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Higher advertising and circulation revenue helped Vision Group, a Ugandan multimedia company, post a 28% growth in profit after tax during the year ending June 2012.

The Kampala-based company recorded Ugx3.8 billion as profit in 2011, up from Ugx3 billion in 2010, according to the audited financial statements released by the group last week.

Vision's revenue which mainly accrues from advertising, circulation, and commercial printing, increased to Ugx71 billion in 2011 from approximately Ugx62 billion in 2010.

The company generates its revenue from a string of electronic and print media brands including; New Vision - its flagship brand, *Bukedde* newspaper, Bukedde FM and Bukedde TV, *The Kampala Sun*, Urban TV, and XFM among others. During the year, Vision Group acquired Arua One FM, a radio in Uganda's West Nile region. This is in addition to Radio West, and Radio Rupiny which fall under the group's broadcasting division.

"All revenue centers registered growth with advertising growth of 16%, and circulation revenue growing by 22% from the previous year," Vision disclosed. It further reported an 80% growth in television advertising, 16% for radio and 12% for print advertising.

The group's television advertising is mainly driven by Bukedde TV, reportedly a popular TV station in the country's central region, according to a media survey by research firm Ipsos Limited. Vision is expected to launch Bukedde TV this week, to capitalize on the benefits accruing from its rising popularity across the country.

According to the *New Vision*, Robert Kabushenga, Vision's chief executive officer, noted that expansion is celebrations to mark Bukedde TV's third anniversary and is intended to fill gaps in its programming and satisfy demand.

High direct costs

Despite the growth in revenue and profit, Vision Group continues to suffer from high direct costs such as administrative and distribution expenses, hence the lower profit declared. The group's direct costs ballooned to Shs50.3 billion from about Ugx44 billion in 2010.

"The increase in administrative and distribution costs were affected by high local inflation which pushed up prices of goods and support services to run the expanded business units and increase in prices of fuel," Vision said.

Last year, Uganda's headline inflation rose to as high as 30.5% in October due to high food and fuel prices. However, last month, inflation fell to 5.4% as a result of Bank of Uganda's consistent interventions.

Following the declaration of profit, directors of Vision Group, have proposed to pay a final dividend of Ugx35 per share, to its shareholders. The dividend payment subject to shareholder approval at the company's Annual General Meeting slated for 15 November 2012. If approved, the dividends will be paid on 17 January 2013, to shareholders on the register at close of business on 27 December 2012.

Vision Group is owned by both the government and publicly and is listed on the Uganda Securities Exchange.

ABOUT WALTER WAFULA

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