

## Globe Telecom inks P5-B loan

Written by Administrator  
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Globe Telecom Inc. has signed a P5-billion loan agreement with Rizal Commercial Banking Corp. (RCBC) to partly finance its capital expenditures next year.

The seven-year, P5-billion fixed-rate term loan facility with RCBC is the second loan agreement signed by Globe this year.

Last February, Globe closed a seven-year, P7-billion loan with another local bank to prepay debts and fund a portion of capital expenditures for 2011, taking advantage of the low interest environment.

For 2012, Globe is allocating \$800 million, the bulk of which will be used for network and information technology modernization program.

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Globe recently announced that it set aside \$790 million investment for its modernization program over the next five years.

Of the total, 80 percent will be spent in first two years at \$530 million in 2012 and \$110 million in 2013.

The amount is on the top of the annual capex of Globe by next year.

Albert Larrazabal, chief financial officer of Globe, earlier said the company will raise about \$590 million in both peso- and dollar-dominated loans in the second quarter of 2012.

The network and IT transformation programs are expected to generate savings in operating expenses and capital expenditures totaling \$180 million to \$210 million, respectively, over the next five years.

In the first nine months of the year, Globe reported a consolidated net income of P8 billion, up 7 percent from P7.4 billion net income in the same period last year, driven by the sustained growth of its mobile and broadband business.

The company's consolidated service revenues up by 9 percent in the first nine months to P50 billion compared last year same period.