

# Valuation report for singtel



**ASSIGN  
BUSTER**

SingTel was incorporated in 1992 and it was listed in Singapore (through what still remains Singapore's largest IPO) in 1993. In 1993, SingTel invested in Globe Telecom (the Philippines), its first major overseas telco investment. The company's wireless operations started in 1994. SingTel followed this up with a stake in AIS, Thailand, in 1999. SingTel entered the Indian (2000) and Indonesian markets (2001) by taking stakes in Bharti and Telkomsel, respectively. In 2001, SingTel bought over Optus in Australia from Cable and Wireless (which had raised its stake from 24.

5% in 1997 to 52.5% by buying out Bell South, listing Optus, and participating in the IPO). In 2003, SingTel divested a majority stake in Singapore Post and it also shed its stake in other non-core businesses, emerging as a core telecom company. In 2005, SingTel entered Bangladesh through PBTL, although it was a small investment by its standards. The company made a much bigger investment in 2007, with a US\$758m purchase of a 30% stake in Warid Telecom, Pakistan, but later, it took a write-down on this.

Now, SingTel's presence spans many countries in the ASEAN region, India and Australia. Through Bharti's 2010 acquisition of Zain in Africa, SingTel also has an indirect play in the African market, which brings sustained long-term growth opportunities. Nowadays, SingTel is Asia's leading communications group, providing a diverse range of innovative services including fixed, mobile, data, internet, ICT and TV. In Singapore, SingTel has more than 130 years of operating experience and has played an integral part in the development of the country as a major communications hub in the region.

SingTel continues to lead and shape the digital consumer market in Singapore and the enterprise ICT market across Asia. SingTel has investments in mobile operators in Bangladesh, India, Indonesia, Pakistan, the Philippines, and Thailand. The company also has significant presence in 16 African countries and Sri Lanka. SingTel has transformed from a traditional telecoms operator to a multimedia and integrated infocommtechnologiesolutions company. The drive for creativity and innovation has been the cornerstone of their business.

In their quest to become Asia's best multimedia and ICT solutions provider, they are leaping beyond traditional boundaries to empower businesses with the latest technology and inspire individuals to stay connected in a borderless world. Economic trends can and do affect industry performance. Economic trends can take two basic forms: cyclical changes that arise from the ups and downs of the business cycle, and structural changes that occur when the economy is undergoing a major change in how it functions.

Figure 1. 1 shows the business cycle for the common industry. We believe that the current economy stays in the process from trough to expansion due to the worldwide financial crisis in 2008. The revenue of telecommunication sector keeps its trends with the overall business cycle. Thus, with the economic recovery, the revenue of telecommunication sector will rebound, but it still faces the risk of uncertainty when the economic future is not bright enough.