

# Global Telecoms Analysis

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## Singapore Telecom

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Singapore Telecom (SingTel) is the state-owned monopoly operator of basic network services in Singapore. With interests and involvement in all telecoms sectors, it is the successor to the old Telecoms Authority of Singapore which was divided up into a regulatory body (TAS) and two autonomous operating companies (Singapore Telecom and Singapore Post) in April 1992. SingTel is majority owned by state holding company Temasek Holdings, but 12.5% of its share capital was sold to private investors in October 1993. The government of Singapore plans to sell off a total of 25% of the operator's shares in the future.

At home Singapore Telecom boasts a fully digital fixed line network which had 1.68 million mainlines in service at the end of March 1998. The company is set to lose its monopoly on the provision of public telephony services on 1 April 2000. Via its subsidiary SingTel Mobile it operates four cellular networks which between them had 645,000 subscribers at the end of the first quarter of 1998, giving it a market share of around 80%. With 1.07 million subscribers at March 1998, SingTel Paging commands a similar share of the country's paging market. Internationally it has invested in a number of countries in the Asia-Pacific region including Australia (SingCom, AAP Telecommunications), China (Suzhou Zhong Xing Telecom), Indonesia (Bukaka SingTel International), Malaysia (Information Network Services), the Philippines (Globe Telecom), Thailand (Shinawatra Paging) and Vietnam. Further afield Singapore Telecom's primary investment in Europe is via a 27% stake in the ADSB consortium which in turn holds a 49.9% stake in Belgacom, the national PTO of Belgium. It is also a member of the AT&T-backed WorldPartners alliance with a 16% stake.

<b>Financial highlights:</b>					
<b>SGD million</b>	<b>3/1996</b>	<b>+/- (%)</b>	<b>3/1997</b>	<b>+/- (%)</b>	<b>3/1998</b>
International telephone	1,812	5%	1,906	7%	2,046
Mobile communications	640	19%	759	6%	806
Public data & private network	376	22%	457	25%	573
National telephone	435	8%	472	14%	539
Postal service	277	5%	292	7%	312
Sale of equipment	196	28%	250	10%	275
Information technology	0	-	49	220%	158
Directory advertising	116	11%	129	1%	130
Public messages	62	4%	64	-14%	55
Others	85	-49%	43	13%	49
Singapore	3,906	11%	4,345	13%	4,927
Others	93	-19%	76	-80%	15
Turnover	3,999	11%	4,421	12%	4,942
Pre-tax profit	1,963	16%	2,280	12%	2,553
Profit to shareholders	1,486	14%	1,698	8%	1,832
Employees	10,966	-5%	10,388	4%	10,793

	3/1996	+/- (%)	3/1997	+/- (%)	3/1998
<b>Infrastructure:</b>					
PSTN lines in service	1,429,000	9%	1,563,000	8%	1,685,000
Payphones	16,000	6%	17,000	12%	19,000
Internet subscribers	23,000	204%	70,000	100%	140,000
International minutes - outgoing (m)	550	13%	619	22%	753
International calls - outgoing (m)	180	14%	205	16%	237
Cellular subscribers	306,000	41%	430,000	50%	645,000
Paging subscribers	955,000	12%	1,070,000	0%	1,070,000
<b>Indicators:</b>					
Turnover (USDm)	2,587	11%	2,860	12%	3,197
Profit margin	37.16%	-	38.40%	-	37.07%
Turnover (SGD)/ employee	364,673	17%	425,578	8%	457,908
Turnover (USD)/ employee	235,901	-	275,299	-	296,213
Net profit (SGD)/ employee	135,510	21%	163,429	4%	169,758
Net profit (USD)/ employee	87,659	-	105,720	-	109,814
Turnover (SGD)/ line	2,798	1%	2,828	4%	2,933
Turnover (USD)/ line	1,810	-	1,830	-	1,897
Lines/ employee	130	15%	150	4%	156

<b>Subsidiaries:</b>		
Stake	Company	Operations
100%	SingNet	Internet service provider.
49%	Shinawatra Datacom	Thai data communications service provider. Operates a managed network service, DataNet, which allows users to send voice and data down the same line.
40%	Shinawatra Paging	Thai paging operator. Runs a hybrid POCSAG/FLEX network which it launched in 1990.
39%	Globe Telecom	Filipino mobile operator. Launched GSM network in February 1994. Has also installed more than 700,000 land lines under the National Telecommunications Master Plan.
25%	AAP Telecom	Australian fixed line telecoms operator licensed to offer local, long-distance and international telephony services in 1997. Year ending 6/98: Turnover (USDm) 339
27%	ADSB	The holding company which has a stake in Belgium PTO Belgacom. A consortium comprising Ameritech, Tele Danmark, Singapore Telecom and other institutional investors.
20%	Advanced Info Service	Thai provider of mobile, paging and data communications. Launched an analogue NMT-900 network in 1990 and a digital GSM-900 network in 1994. Its POCSAG/FLEX paging network was launched in 1994.

17%	ASEAN Telecom Holdings	Holding company of six Asia-Pacific telcos from six different countries. Holds a stake in Acasia Communications.
16%	WorldPartners	Mainly active in the Asia-Pacific, but operates some services in Europe. Targets the world's top multinationals with a combination of managed voice, data and video, private line, frame relay and VNS services.
13%	Acasia Communications Sdn Bhd	Malaysian one-stop-shop service for corporate telecoms customers. Launched in mid-1997, services on offer include intra-regional VSAT, leased lines and facilities management.
Held by ADSB		
50%	Belgacom	Dominant provider of telecommunications services in Belgium. Partially privatised in late 1995. Year ending 12/98: Turnover(USDm) 4,664, Employees 23,268
Held by ASEAN Telecom Holdings		
22%	Acasia Communications Sdn Bhd	Malaysian one-stop-shop service for corporate telecoms customers. Launched in mid-1997, services on offer include intra-regional VSAT, leased lines and facilities management.
Held by SingNet		
50%	ChannelZing	Interactive Internet content provider.