

# FINANCIAL REVIEW

**SE** Supplement - Special Report  
**HD** **Telcos bet each way**  
**BY** David Ramli  
**WC** 437 words  
**PD** 2 October 2014  
**SN** The Australian Financial Review  
**SC** AFNR  
**ED** First  
**PG** 16  
**LA** English  
**CY** Copyright 2014. Fairfax Media Management Pty Limited.  
**LP**

Wealthy Asian investors and cashed up technology firms are ramping up efforts to **buy** Australian technology and telecommunications companies to send expertise to their home markets, experts say.

While local giants such as Telstra and ANZ Bank have captured the imagination of shareholders by investing in Asia, Deloitte Asia Pacific telecommunications and technology partner Damien Tampling says the investments have been a two-way street.

**TD**

SingTel-Optus, NTT Docomo, Canon and Telekom Indonesia have spent tens of **millions** of dollars to quietly **buy** out Australian operations as part of a push to grow their regional businesses.

In a strange twist of fate, Australian telecommunications and technology companies doing **business** in Asia will soon find themselves facing products and services they helped developed here, Mr Tampling said.

And while Telstra has a goal of getting a third of profits and revenues from Asian operations from 2020 onwards, its chief rival Optus has also been buying advertising and technology start-ups that will offer services in Australia.

"You've got high net-worth individuals like the [Alibaba **Group** founder] Jack Mas of the world as well as large conglomerates in the region who are relatively cashed up," he said. "They're increasingly interested in diversifying outside of their countries and using their balance sheet to make investments in other parts of the world."

Mr Tampling said Asian investments in tech and telco firms were often overshadowed by high-profile takeovers of agriculture or mining operations. "In tech and telco it's about getting access to intellectual property or capabilities that can be transferred back into Asia," he said. "A good example is IT services companies with implementation skills that can be deployed to improve their capabilities in Asia."

"They're also looking to second Australian general managers or IT architects up into the region to improve the overall quality of other franchises."

Even Telstra's partners are looking to **milk** its expertise and products to help expand their operations throughout the region, with the internet making it cheaper to launch services in new countries.

Telekom Indonesia signed a deal in August to resell Telstra's innovative cloud computing products in its home market.

But its director of innovation and strategic portfolio Indra Utoyo told The Australian Financial Review he wanted to offer their products to other countries in the region.

"We will follow where the people of Indonesia go, including **Hong Kong**, Malaysia, Taiwan and also the Middle East," he said at the time.

"We're also present in Timor Leste and also Myanmar ... where we're following the money."

**CO** nttmcn : NTT DoCoMo Inc | delo : Deloitte Touche Tohmatsu Limited | ntt : Nippon Telegraph and Telephone Corporation

**IN** i7902 : Telecommunications | i79022 : Wireless Telecommunications Services | i7902202 : Cellular Telecommunications | i836 : Accounting | iacc : Accounting/Consulting | ibcs : Business/Consumer Services

**NS** ccat : Corporate/Industrial News

**RE** austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

**PUB** Fairfax Media Management Pty Limited

**AN** Document AFNR000020141001eaa200034