

# **Positioning PTCL for a deregulated telecommunications environment**

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Chairman,  
March 18, 2004



# PTCL's Profile (FY03)



- One of Pakistan's Largest Public Sector Corporations

- Market Cap (as of today) US \$3.5 Billion
- Sales Revenue US \$1.2 Billion
- Employees 66,000 (Regular & Contract)

- One of Pakistan's Consistently Profitable Corporations

- Profit After Tax US \$400 Million
- Earnings 5-year CAGR 10%
- Return on Equity (ROE) 30%



# Service & Facilities

- **Basic Services**
  - 4.2 Million fixed telephone lines in service
  - 0.4 Million mobile connections
- **Value Added Services**
  - Pre-paid calling cards
  - Advanced Toll Free Service (0800)
  - Premium Rate Services (0900)
  - Broadband & Data Services
- **Facilities**
  - Digital Lines, modern exchanges
  - Satellite Earth Stations
  - Extensive copper & Fibre Optic Backbone
  - Equity in International Submarine Cables



# PTCL Subsidiaries



- Pakistan Telecom Mobile Limited (**Ufone**)
  - Wholly owned
- Data Network (**Paknet**)
  - Wholly owned
- Carrier Telephone Industries (**CTI**)
  - 100% Ordinary Shares
- Telephone Industries of Pakistan (**TiP**)
  - 71.65% (Ordinary Shares)
- TF Pipes Limited
  - 40% Equity



# SWOT

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## ■ Strengths

- An Integrated Monopoly
- Good Infrastructure
- Experienced Telecom Resources

## ■ Weaknesses

- Over employment & low productivity.
- Slow decision making including external interferences.
- Corporate culture akin to government departments.



# SWOT

## ■ Opportunities

- Low teledensity of Pakistan.
- Growth potential due to improved macro economic situation of the country.
- Partnership with new entrants in a deregulated environment.
- Scope for efficient/cost effective operations.

## ■ Threats

- Exposure to market competition
- Migration to Cellular Networks
- Ability to Attract & Retain Quality Professionals
- Reduction in International Settlement Rates



# Way Forward

- Restructure PTCL for Privatization
    - Sell as single entity
    - Un-bundle and sell
- Shareholders' Decision
- In parallel, work to maximize PTCL Value
    - Improve standards of Corporate Governance
    - Re-orient Corporate Culture
      - "Evolve a culture consistent with a modern/market oriented corporations"

# Way Forward (Cont'd)



- In the interim, maintain investment programs to grow revenue/telephony and upgrade facilities
  
- Some hard decisions need to be made
  - Strengthen decision making at the Board
  - Make the most of a very supportive 'pro reform' Government