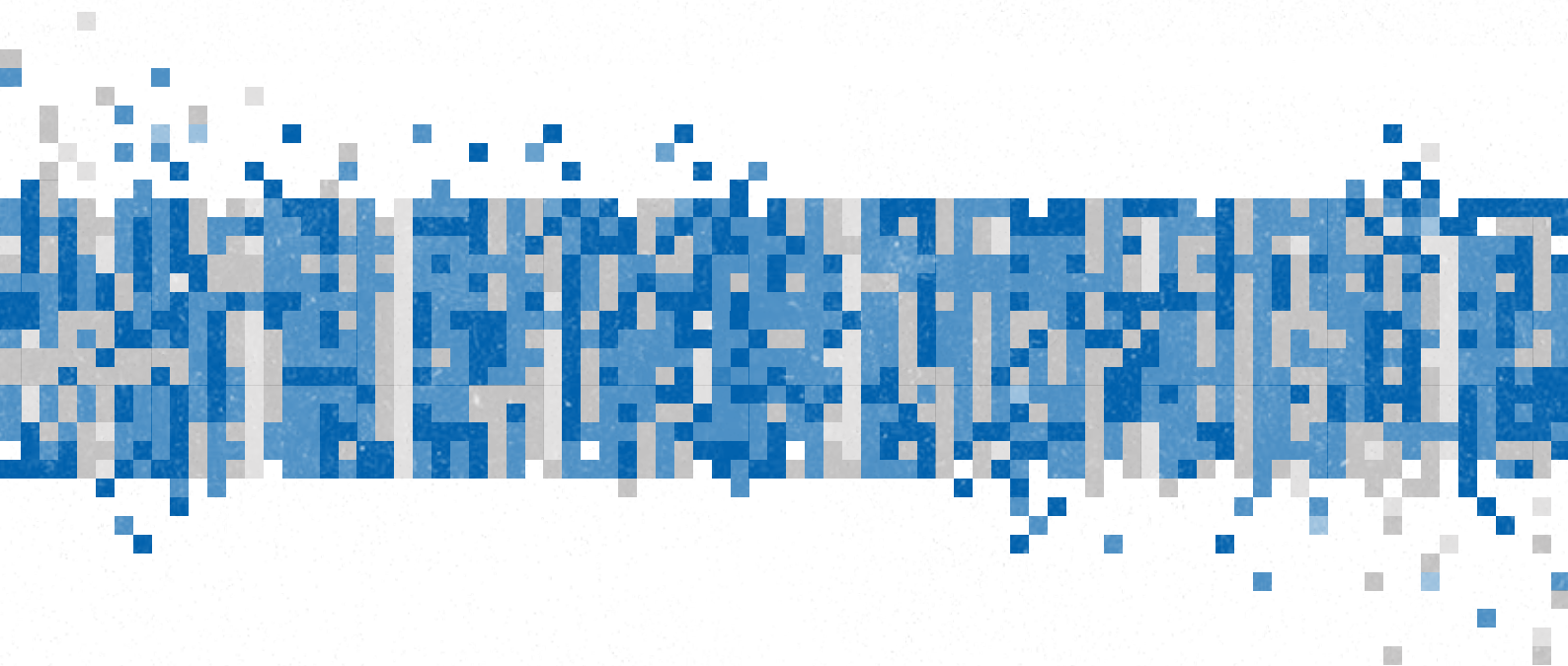


Our global capabilities:

Telecommunications



A changing industry calls for new responses

A new generation of network technologies combined with ever-increasing demand for bandwidth and regulatory evolution are colliding with the financial constraints of the sector. These forces are causing operators to evaluate their business models, refocus their portfolios and extend their service offerings.

Opportunities are emerging from unexpected quarters and high performance companies are revising their business models, business strategies and product mix. They're more fleet of foot – and they need to be. In fact, the ability to anticipate and adapt are essential core competencies, as important as excellence in network management, sales and support, or financial operations.

“At Grant Thornton we help dynamic businesses around the world adapt to this rapidly changing environment. Drawing on our industry expertise, we work with you to scenario plan, manage costs, create flexible organisations and finance growth.

Read on to learn more about how we can support your business as it finds its feet in this changing landscape.”

Chris West

Global leader of telecommunications



Global industry trends

The shifting landscape

The telecoms industry is surfing the wave of the digital revolution. It's balancing the roll-out of new network technologies against the pressure of increased regulatory scrutiny. It's tackling the surge of disruptive tech firms entering the market. And, despite a serious margin squeeze, it's responding to consumer demand for more capacity and, for businesses, more complex integrated services. But it's not an easy ride. It calls for innovative thinking. So progressive telcos are reviewing their strategies, operations and networks. They're restructuring their business models, looking out for IP migration and extending their service offerings. And they're improving their prospects for profitable growth.

Regulatory pressures increase

Access to spectrum and access to infrastructure are still top priorities for telecoms regulators around the world. The development of new technologies and the roll out of new networks will not change this. It will simply increase the pressure and make the regulatory environment more complicated for telcos. Convergence, for example, is already throwing up issues such as net neutrality and cyber security, both of which have implications for telecoms services. Operators should consider their positions carefully, and ensure that opportunities for service innovation remain open.

Innovate or die

In today's challenging market, ambitious telecommunications companies are countering margin squeeze with innovation. Operators are preventing churn with new, feature-rich services.

Service providers are improving operational efficiency with network virtualisation. And carriers are looking at new pricing structures to shift costs onto consumers. It's all about investment – and strategy. Successful businesses are identifying the services that will keep them competitive and those that should be left for other players. They are restructuring, investing and positioning themselves for growth.

Convergence becomes a reality

The lines between markets are blurring. Just look at Apple Pay, Apple's contactless payment device, and Safaricom's mPesa mobile money service. Or BT's growing list of TV offerings. Media, broadcasting, telecommunications and information technology are morphing into a larger communications market and it offers many opportunities – and challenges – for the telecoms industry. The prospect of enticing customers with exciting content and innovative services is appealing, but there are traps for the unwary. Ambitious telcos should identify areas that offer meaningful growth. And stick to them.

Pioneering financial structures

The sea-change in the financial markets since 2012 has led to the emergence of new types of debt provider, often attached to private equity houses. They're providing types of lending that have previously been out of reach to smaller telcos. It all adds up to a more efficient and flexible balance sheet. Savvy borrowers can fund their strategic ambitions in ways they might not have thought possible even a few years ago.

Reshaping international network portfolios

There's been a lot of activity in operator portfolios lately. It's down to larger telcos taking another look at their international operations. They're reviewing the shape of their holdings and exiting markets that are no longer adding value. They're improving operational efficiency and freeing capital for investment elsewhere. And this, combined with developments in financing and a drive for innovation, is helping new investors become established in the sector.

New revenue and leasing standards

The industry is gearing up for two new global accounting standards. The first, dealing with revenue recognition, is changing the way telcos need to account for customer transactions. The second relates to leases. It changes the way in which assets and liabilities are recognised and has particular implications for lessees' balance-sheets and for company valuation multiples. The timetable is tight: the standards must be implemented over the next two to three years. But they offer significant opportunities. Forward-thinking telcos can use the process to rethink the way they sell services. Or to instigate the renegotiation of supplier agreements.

"The Grant Thornton team gave excellent advice at all times and worked hard to get the deal done in a tight timeframe. They were also great people to work with!"

CEO
Cloud communications provider

Our solutions

We understand that every business has unique goals and faces a diverse set of challenges so we're here to help you with whatever you need.

Our approach

With 42,000 people in over 130 countries, we have true global scale, deep technical capabilities and extensive industry expertise. But this does not make us different. It's how we work with you.

If it's important to you it's important to us

Our culture is built on a genuine interest in our telecoms clients – their challenges, growth ambitions and wider commercial context. You get the attention you deserve from approachable, senior professionals who ask the right questions, listen and provide real insight and a clear point of view.

The bottom line

A relationship-led approach with more time and attention from partners and senior advisers

A deeper understanding of your business for more meaningful advice and recommendations

Agile and responsive advice

Our size and structure create advantages for you. We adopt a flatter structure, with shorter decision making chains, empowered teams and no complex chains of command. We have all the necessary processes and controls but they're streamlined and efficient. Our teams are more responsive.

The bottom line

A faster response when you need quick answers and clarity

Anticipating the answers you'll need before you ask

We finish what we have started before considering new assignments

Pragmatic solutions to help you improve

Put simply, our teams add value. We like to bring ideas to the table, going beyond the technical issues to recommend practical solutions to make your business better. Whether your goals include cross-border expansion, improving operational efficiency or building investor confidence, we balance a desire to do what's best for you in the future with an experienced sense of what's going to help you now.

The bottom line

Helping you think ahead and think more broadly

Proactively identifying opportunities for improvement and growth

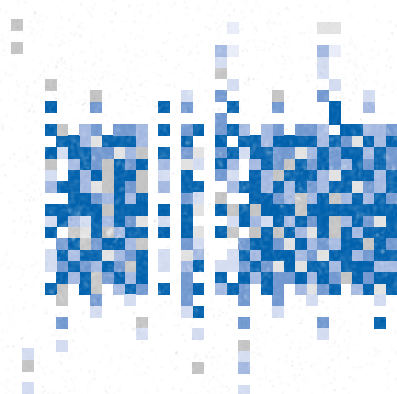
Collaborative teams with a different mindset

Our people are open, accessible and easy to work with. We work through the issues alongside you, always with an independent perspective and challenging where necessary. Our collaborative style also enables us to assemble teams with a broader perspective – working across service lines, industry teams and geographies to tailor our capabilities for you.

The bottom line

Teams and solutions built around your needs not our structures

A better working relationship with you and your team



Our services to help you succeed

We understand that every business has unique goals and faces a diverse set of challenges, so we tailor our solutions to meet your needs.

Achieve sustainable growth

- Market and network technology strategies
- Mergers & acquisitions
- Separation and integration planning and execution
- Licence bids
- IP and R&D advisory services

Manage risk and regulation

- Audit
- Internal audit
- Due diligence (Financial, tax, commercial, operational, IT and technology)
- Governance support
- Regulatory and compliance programme support
- Third party risk assessment and data analytics
- Forensic audit, investigations and litigation support
- Cyber security

Optimise operations

- Business model optimisation and enterprise performance management
- Operational restructuring and transformation
- Revenue and cost assurance
- Finance operations and working capital optimisation
- IT and Technology advisory
- Digital transformation
- Shared services / outsourcing (including accounting services)

Finance growth

- Valuation services
- Fundraising
- Financial restructuring
- Insolvency advice

Manage talent for growth

- Interim management solutions
- Leadership, people and culture development
- HR and people strategy
- Organisational change management
- Employee incentive and equity reward planning
- Global mobility employee services

Ownership and stakeholder value

- Strategy development
- Internal audit
- International tax structuring
- Stakeholder management
- Corporate structuring
- Governance reviews and development
- Exit structures

Our clients

We work with a diverse range of clients around the world in all segments of the telecoms industry.

Our clients value our financial and international telecoms sector expertise, the senior teams that we dedicate to assignments, and our willingness to collaborate internationally to ensure that they receive the advice that they need. But above all they value our open, accessible and no-nonsense approach that leads to a deeper understanding and more relevant advice.

We're genuinely interested in your business, your challenges, your growth ambitions and your commercial context.

We get closer to the issues to provide more meaningful and forward-looking advice.

- Fixed operators (incumbents and challengers)
- Cable operators
- Broadband suppliers
- Managed service providers
- Mobile operators
- MVNOs
- Handset distributors
- Satellite operators
- Sub-sea cable operators
- Equipment vendors (Telecoms network and End user)
- Towercos
- Infrastructure roll-out and support providers
- Data centre providers
- IoT businesses
- Governments, regulators and NGOs

"I have had a great relationship with Grant Thornton over the years and their combination of experience, advice and commitment to understanding our needs allows me no hesitation in recommending them as advisors."

Finance Director
Call centre operator

Our work

Our firms work with a diverse group of clients and support them through every stage of the business life cycle, whether emerging, growing, maturing or in transition.

Infrastructure-based alternative fixed network operator

An alternative network operator was seeking to list its shares on a public exchange.

Grant Thornton was the operator's auditor and performed the role of reporting accountant, reviewing the information in the listing prospectus and reporting on the adequacy of its working capital.

Converged satellite broadcaster and telecoms operator

The client sought assurances that a global telecoms equipment vendor's processes complied with regulatory requirements concerning data security and anti-bribery and corruption legislation, and were in line with industry best practice.

Grant Thornton conducted an onsite review involving management interviews, document reviews and system testing to enable a report on the vendor's systems to be prepared.

TV broadcaster

An incumbent TV broadcaster established a fixed telecoms business which it then sold.

Grant Thornton supported the separation activities, identifying and then project managing the division of assets. The assets included the telecoms platforms, and the customer contracts and related billing information; the work also involved defining the services that would be provided by the broadcaster after the separation.

Fixed and mobile incumbent operator

A government had decided to nationalise the incumbent telecoms operator and was preparing for negotiations with the owner over compensation.

Grant Thornton analysed the business projections provided by the owner, valued the business based on the sensitised projections and on listed company and transaction analyses, and recommended an appropriate negotiation strategy to the Government.

Managed services provider

A provider of connectivity and cloud-based managed services to businesses was concerned that, whilst its revenue was growing strongly, its profits were not improving.

Grant Thornton worked with management to identify the operational changes needed for the company to return to growth, facilitated the identification of the most suitable IT platforms to deliver those changes (based on best-in-class and ERP solutions) and then project managed the implementation.

Mobile network operator

An international mobile network operator believed it had a significant opportunity to optimise the tax treatment of its development expenditure.

Grant Thornton reviewed the operator's product and process development projects for those that qualified for research and development (R&D) grants and tax credits, securing significant tax refunds for the client.

About us

Grant Thornton is one of the world's leading organisations of independent assurance, tax and advisory firms. We help dynamic organisations unlock their potential for growth by providing meaningful, forward looking advice.

Proactive teams, led by approachable partners in these firms, use insights, experience and instinct to understand complex issues for privately owned, publicly listed and public sector clients and help them to find solutions. More than 42,000 Grant Thornton people across over 130 countries, are focused on making a difference to clients, colleagues and the communities in which we live and work.

To find out more or speak to any of our specialists, visit:

www.grantthornton.global



Grant Thornton

An instinct for growth™

© 2016 Grant Thornton International Ltd.

Grant Thornton refers to the brand under which the Grant Thornton member firms provide assistance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton International Ltd (GTIL) and the member firms are not a worldwide partnership. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

V25781