

Tata Communications' Acquisition of Tyco Global Network (B) Thecasesolutions.com

Tata group



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TATA COMMUNICATIONS



- was founded in 1868 by Jamsetji Tata
- more than 700,000 employees
- communications and information technology, engineering, materials, services, energy, consumer products and chemicals
- created the Tata Consultancy services, India's first and the largest IT Company, in 1968
- TCL was incorporated as VSNL in 1986 which was acquired by Tata Group in February 2002.

TCL's profit is US \$3 billion!
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TCL is a leading provider of network services in India, China and other emerging markets. It is a leading provider of network services in India, China and other emerging markets. It is a leading provider of network services in India, China and other emerging markets.



Pascal-the Russian opportunity

- finance
- technology
- product
- enterprise sale



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Small Business with 12-15% annual growth
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Require significant follow-up visit of the developed market (the US, UK, France, Germany)
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Consulting strategy and replicate a model like previous in growing emerging markets (Russia, India, Africa and South America)

Recommendations

- to create partnership or alliance with one of the local companies

Table 2: Ranking BRICS' economic and labor governance

Score	Economic	Labour	Enterprise	Gov	Budget	Average	Rank
Country	20	20	20	20	20	score	
China	8	7	7	6	6	6.8	1
India	7	8	6	6	6	6.4	2
Russia	7	6	6	6	6	6.2	3
South Africa	6	3	3	7	6	5.6	4
Brazil	2	4	2	6	6	4.4	5

Source: BRICS report

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"New World of Communications"

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- Emerging market focus
- IP and cloud services
- Asian touch customer experience

PASCAL: the Russian Opportunity

Pascal is a Russian IT company for a group of internet services. It is a leading provider of network services in India, China and other emerging markets. It is a leading provider of network services in India, China and other emerging markets.



Pascal also plan...

5G band to build the next generation Wireless Networks using long term evolution (LTE)

Pascal Business Plan

FINANCIAL STATEMENTS										
INCOME STATEMENT										
Account	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenue	100	120	140	160	180	200	220	240	260	280
Cost of Sales	(40)	(48)	(56)	(64)	(72)	(80)	(88)	(96)	(104)	(112)
Gross Profit	60	72	84	96	108	120	132	144	156	168
Operating Expenses	(20)	(24)	(28)	(32)	(36)	(40)	(44)	(48)	(52)	(56)
Operating Profit	40	48	56	64	72	80	88	96	104	112
Interest Expense	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(24)	(26)	(28)
Interest Income	5	6	7	8	9	10	11	12	13	14
Other Income	2	3	4	5	6	7	8	9	10	11
Income Before Tax	37	45	53	61	69	77	85	93	101	109
Income Tax	(10)	(12)	(14)	(16)	(18)	(20)	(22)	(24)	(26)	(28)
Net Income	27	33	39	45	51	57	63	69	75	81
Other Comprehensive Income	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income	27	33	39	45	51	57	63	69	75	81
Net Income Available to Common Shareholders	27	33	39	45	51	57	63	69	75	81
Other Comprehensive Income Available to Common Shareholders	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to Common Shareholders	27	33	39	45	51	57	63	69	75	81
Net Income Available to Preferred Shareholders	0	0	0	0	0	0	0	0	0	0
Other Comprehensive Income Available to Preferred Shareholders	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to Preferred Shareholders	0	0	0	0	0	0	0	0	0	0
Net Income Available to Non-Controlling Interests	0	0	0	0	0	0	0	0	0	0
Other Comprehensive Income Available to Non-Controlling Interests	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to Non-Controlling Interests	0	0	0	0	0	0	0	0	0	0
Net Income Available to All Shareholders	27	33	39	45	51	57	63	69	75	81
Other Comprehensive Income Available to All Shareholders	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to All Shareholders	27	33	39	45	51	57	63	69	75	81
Net Income Available to Common Shareholders (Continued)	27	33	39	45	51	57	63	69	75	81
Other Comprehensive Income Available to Common Shareholders (Continued)	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to Common Shareholders (Continued)	27	33	39	45	51	57	63	69	75	81
Net Income Available to Preferred Shareholders (Continued)	0	0	0	0	0	0	0	0	0	0
Other Comprehensive Income Available to Preferred Shareholders (Continued)	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to Preferred Shareholders (Continued)	0	0	0	0	0	0	0	0	0	0
Net Income Available to Non-Controlling Interests (Continued)	0	0	0	0	0	0	0	0	0	0
Other Comprehensive Income Available to Non-Controlling Interests (Continued)	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to Non-Controlling Interests (Continued)	0	0	0	0	0	0	0	0	0	0
Net Income Available to All Shareholders (Continued)	27	33	39	45	51	57	63	69	75	81
Other Comprehensive Income Available to All Shareholders (Continued)	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Income Available to All Shareholders (Continued)	27	33	39	45	51	57	63	69	75	81

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DASCAI - the Russian Opportunity

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by 2012 TCL - leading provider of network services in India, owned and operated the world's largest submarine cable network.

In 2012 TCL's profit was nearly US \$3 billion and it employed about 7.000 people.





**Small
Business with
12-15% annual
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**Acquire significant
player in one of the
developed market
(the US, UK,
France, Germany)**

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**Continue strategy
and replicate a
Neotel-like
presence in
growing emerging
markets (Southern
Africa, Middle East,
Africa and South
America)**

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