

Australia's Telstra signals big push into Asia

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Australian telecommunications giant Telstra Friday flagged a large expansion into Asia, with the goal of sourcing one-third of its profits from international businesses over the next five years.

Chief executive David Thodey, who is marking five years in the top job this week, said Telstra was entering a "whole new growth period" and should be seen as a technology rather than a [telecommunications company](#).

"I would like to think at least a third of our revenues and profits came from offshore by some period out to 2020 and beyond," Thodey told The Australian Financial Review.

"That's a reality that the company has got to face."

Thodey's comments came just a week after Telstra completed a US\$1.99 billion sale of Hong Kong-based mobile business CSL—which had been acquired by one of his predecessors, Ziggy Switkowski, in a failed foray into Asia—to HKT Limited.

Thodey did not rule out making another big acquisition in Asia, adding that any investments would be centred around enterprise services, e-health, [digital media](#) and mobile as Telstra tries to "lay foundations around new businesses that can go global".

"Asia is a relatively immature market when you talk about managed network services and cloud computing," the telco boss said in a separate

interview with The Australian, adding that the region was "a big focus for us".

"In Australia the market opportunity is about Aus\$8 billion (US\$7.40 billion) to Aus\$10 billion but when you take that into developing countries in Asia, the opportunities are literally hundreds of billions of dollars.

"We just need to pick up a bit of share and we will do really well."

Telstra, one of Australia's largest listed companies, raised its dividend for the first time since 2006 when it reported a 9.7 percent jump in first-half net profit of Aus\$1.7 billion in February.

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