

GTL Infrastructure to buy Aircel's Towers

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The rest of the world may be about to go on a holiday, but India Inc isn't ready to head for the beaches. With 7 days to go for the end of the year, companies, enthused by the great India story, are still striking deals. Keeping up with the X'mas spirit, the Sensex surged 539 points

JINGLE BELLS ON DEAL ST GTL to buy Aircel's towers

Decoding the deal

1. GTL will make a cash payment of Rs 4,000 crore & will also acquire Aircel's Rs 4,500-crore debt
2. GTL to fund the transaction through internal accruals
3. Aircel to receive Rs 48.5 lakh per tower

Deal Diary

- In December 2008, Tata Teleservices hived off its tower arm and merged it with Quippo Telecom Infrastructure
- In March 2009, American Towers bought Xcel Telecom
- American Tower Corp is set to take control of Essar Telecom Infra

TOWERING PRESENCE

Number Game

COMPANY	NO. OF TOWERS
Indus Tower	100,000
Bharti Infratel	30,000
Reliance Telecom Infra	48,000+
GTL	33,000*
Quippo-Tata combine	21,000
Aircel	17,500
Essar Telecom Infra	4,000

*Post-Aircel deal

Rashmi Pratap & Rohini Singh
MUMBAI | NEW DELHI

GTL Infrastructure, a company that leases out towers to cell-phone operators, has agreed to buy Aircel's towers for Rs 4,000 crore in an all-cash deal, a valuation lower than similar deals in the past, reflecting waning investor interest in telecom.

GTL has outbid rival Tata-Quippo in the negotiations to buy the 17,500 towers of Aircel that will take its total to 33,000 and will give it access to another 20,000 that are being set up, said two people familiar with the development who did not want to be identified. That will make it the sec-

ond-largest independent telecom infrastructure provider in the country.

The enterprise value of the deal may be around Rs 8,500 crore, including a debt of Rs 4,500 crore, one of the persons said. Malaysia's Maxis Communications holds 74% in Aircel. The deal may be funded out of internal accruals of the GTL group, said the person, but did not elaborate.

"Along with the towers, GTL will acquire the related broadband infrastructure as well," the person privy to the discussions told ET.

"We have not yet concluded the deal," said Aircel CEO Gurdip Singh. "The process is still underway and we are in talks with three parties." He did not disclose the other two. A GTL spokesperson and Quippo Telecom Infrastructure (QTI) CEO Probal Ghosal declined to comment for the story.

Investor interest in India's telecom sector, especially mobile phones, is waning, as the intense competition with the advent of Russia's Sistema making look future profitability thin. Tariff war in the sector has led to analyst downgrades of stocks, which have been the worst performers this year, even as the benchmark stock indices are on course for record gains. Mobile phone companies are leasing out infrastructure than set it up themselves to control costs.

Citi sells Bharti Infratel stake to JPMorgan



Citibank has sold its stake in the telecom tower arm of Bharti Airtel to JPMorgan, exiting without any gain from the \$50-million investment it made over two years ago, report ET NOW'S Sandeep Gurumurthi & Mohit Bhalla. The deal, described as a "distress sale," values Bharti Infratel at a little over \$10 billion (Rs 47,000 crore).

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WORLD BEATER

Market roars back on FM's growth carol

Our Bureau
MUMBAI

INDIAN equities were the best performers in the world on Wednesday, boosted by optimistic growth forecast from finance minister Pranab Mukherjee and short-covering by global funds, but that may turn out to be a flash in the pan, as valuations steepen and policy tightening looms.

"The steep rise could have been largely due to short-covering of positions as this is the (derivatives contracts) expiry week," says Anand Shah, head-equities, Canara Robeco Asset Management Company.

"A lot of short positions had been created, mostly by foreign funds, over the past couple of weeks. But with the market showing resilience, these players would have been forced to cover their positions," he says.

The 30-share Sensex, led by Reliance Industries and Infosys Technologies, rose 3.2%, or 539.1 points, to 17,231.11. The broader 50-share Nifty gained 158.75 points to end at 5,144.60. Provisional data showed foreign institutional investors as net buyers of Rs 769.53 crore worth of shares.

The benchmark indices have more than doubled from their

