

# GTL Infra buys Aircel towers for \$1.8 billion

Publication: DNA Money, Date: January 13, 2010

## GTL Infra buys Aircel towers for \$1.8 billion

Largest telecom tower segment deal

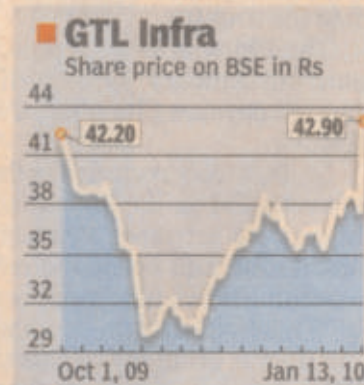
**Anoop Agrawal & Cathy Chan.**

Mumbai/Hong Kong

GTL Infrastructure Ltd has agreed to acquire mobile-phone towers from Aircel, a unit of Malaysia's Maxis Communications Bhd, for Rs 8,500 crore or \$1.8 billion, three people with knowledge of the transaction said.

GTL, based in Mumbai, will purchase 17,500 phone transmission towers from Aircel, India's No. 7 mobile operator, to extend its network in India, the people said, declining to be identified before an announcement.

"Service providers are looking at becoming asset light to concentrate on core



operations — that is providing telecom services and not on building and operating towers," said Manesh Patel, partner (advisory services) at Ernst & Young.

The deal would be the largest so far in the Indian telecom tower segment.

The acquisition will be in cash and debt, one person said, without providing details.

GTL will meet the press Thursday, according to an in-

itation sent by the company.

The purchase will help GTL more than double the number of towers it operates in India to 32,000.

Aircel joins Bharti Airtel Ltd. and Reliance Communications Ltd. in selling network assets to focus on providing phone services.

"The inorganic route will scale up GTL's capacities quickly which otherwise would have been a long drawn and difficult process," said G V Giri, an analyst at IIFL Ltd in Mumbai. "The deal appears to be priced reasonably."

GTL's shares rose 14% to Rs 42.85 in Mumbai, the biggest rise since December 31, 2007.

Aircel, the biggest mobile-phone operator in Tamil Nadu, plans to spend \$5.5 billion over the next three to five years to bolster its network.

**Turn to Page 20**

### GTL Infra buys Aircel towers

Maxis, Malaysia's biggest mobile-phone operator, led the purchase of a 74% of Aircel for \$1.1 billion in 2005.

GTL is part of Global Holding Corp, which runs seven companies and has revenue of about \$622 million, according to a report on the company's web site.

Standard Chartered Plc, Nomura Securities Co and NM Rothschild & Sons Ltd advised Aircel on the transaction, while Barclays Plc and Citigroup Inc were the bankers for GTL, the people said.

Shalini Seth, a spokeswoman for Aircel declined to comment

Bloomberg. Reuters contributed to this story