

Aircel towers take GTL high

BIG LEAGUE Rs 8,400-cr deal for 17,500 towers

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MUMBAI: Mumbai-based GTL Infrastructure has emerged as the world's largest independent telecom tower company in an emerging business in which telecom service providers are hiving off their towers to third parties to focus on services. GTL said on Thursday it was buying 17,500 towers from Aircel Ltd in a Rs. 8,400-crore all-cash deal.

That takes the number of towers under GTL Infrastructure, which has evolved gradually from being an IT services provider into a big player, to more than 32,500.

"We acquired 17,500 telecom towers of Aircel along with 21,000 tenants for Rs 8,400 crore. With this deal, we will have a presence in 23 telecom circles including urban areas poised for 2G and 3G services," said Manoj Tirodkar, chairman of GTL, which earlier was called Global Telesystems Ltd.

Aircel has also committed

another 20,000 towers over a 3-year period, for which GTL Infra will enjoy the first right of refusal. That would take GTL's tower count beyond 50,000.

The company expects to fund the transaction through a combination of debt and fresh equity. As much as Rs 3,400 crore would be raised through fresh equity.

The deal, which Tirodkar termed as partnership with Aircel, would get GTL Infra an annual rent on tower usage of Rs 700 crore for next 15 years under a service agreement.

The additional commitment of 20,000 towers would also fetch another Rs 700 crore, taking the total recurring revenue from the transaction to Rs 1,400 crore per annum.

Speaking at the function, Suneeta Reddy, Chairperson of Aircel Ltd. said, "The proceeds will be reinvested by Aircel to expand the subscriber base and better serve its customers across India."

TOWERING BUSINESS



■ Expanding footprint

■ GTL has become the world's largest independent telecom tower company

■ Telecom service providers are hiving off towers to third parties to focus on services

■ GTL is buying 17,500 towers from Aircel for Rs 8,400-crore cash.

■ The total number of towers with GTL is now more than 32,500

■ The company now has presence in 23 telecom circles including areas poised for 2G and 3G services