



PRESS RELEASE

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## Tata Teleservices and Quippo Telecom Partner to Create Most Valuable and Largest Independent Telecom Infrastructure Company

New Delhi, 5 January 2009: Tata Teleservices Limited, the country's youngest and fastest-growing pan-India telecom service provider, and Quippo Telecom Infrastructure Limited sponsored by Kanoria's of SREI Infrastructure Finance Limited, today announced the merger of their passive infrastructure businesses to create India's largest Independent Telecom Infrastructure Company.

Under the terms of this strategic partnership, Tata Teleservices Limited and Quippo Telecom will swap 51 per cent and 49 per cent stake, respectively, in the infrastructure business held by them. The management rights in Wireless-TT Info-Services Limited (WTTIL)—the tower arm of Tata Teleservices—shall now move over to an independent & professional management run by Quippo Telecom, to make it a truly independent tower operator without being managed by a Telco.

Quippo will make an upfront cash payment of approx 2400 Crores, as also transfer its passive telecom tower portfolio of approximately 5,000 towers to WTTIL. The combined entity will, therefore, have a portfolio of over 18,000 towers thereby making it the largest independently managed tower company in India, with an enterprise valuation of approximately Rs 13,000 crore (US \$2.6 Billion).

"The deal is of strategic importance and value enhancing for all stakeholders—particularly so since it combines the proven expertise of management and operational capabilities of Quippo with the committed support of TTSL. Also, the Independent Board would ensure high standards of Corporate Governance and a business Code of Conduct same as what is followed at various Tata companies" Mr Anil Sardana, Managing Director of Tata Teleservices Limited, said.

"This partnership makes for perfect fit—Quippo is one of the most professionally-managed companies in this space and WTTIL is at the epitome of corporate governance. Furthermore, this alliance will allow TTSL to concentrate on its core area of expertise. Together, we will enhance the value proposition and shareholder value. The combined entity will reap the benefits of significant synergies through the merger, both at the operational and financial levels. This will help further increase the scale and reach of the entity, while ensuring better asset utilization, an upside in tenancy and reduction in capital expenditure," he added.

"When Quippo pioneered the concept of shared passive infrastructure in 2005, there were no takers. Now, through this merger, the dream is being realized—resulting in a win-win situation for customers and stakeholders of Quippo and WTTIL," Mr Sunil Kanoria, Director, Quippo Telecom Infrastructure Limited & Vice-Chairman and MD, Quippo Infrastructure Equipment Limited, said. "This partnership presents a unique opportunity for telecom operators to focus on their core competencies without worrying about the availability of the infrastructure,

capital expenditure, time-to-market, etc. This will, in turn, help reduce risks and improve profitability.”

**Mr Arun Kapur, Managing Director of Quippo Telecom, said, “This deal is a testimony of the faith of our customers and stakeholders in our business strategy. This largest Independent Tower Company will organically grow into an entity with over 50,000 towers by Year 2012—we are confident it will hold the largest tenancy ratio in the Indian telecom space as well.”** Quippo Telecom pioneered the concept of shared passive infrastructure and is the first independent tower company in India, is one of the most aggressive players in the space.

The financial advisors of the partnership are Citibank and Nomura for Tata Teleservices Limited and JM Financial for Quippo Telecom.

#### **About Tata Teleservices Limited**

Tata Teleservices Limited is one of India's leading private telecom service providers, having a pan-India presence. The company offers integrated telecom solutions to its customers under the Tata Indicom brand, and uses the latest technology platform(s) for its wireless network. Tata Teleservices Limited, along with Tata Teleservices (Maharashtra) Limited, operates in more than 7,500 towns across 22 circles—Andhra Pradesh, Gujarat, Karnataka, Delhi NCR, Maharashtra, Mumbai, Tamil Nadu, Orissa, Bihar, Rajasthan, Punjab, Haryana, Himachal Pradesh, Uttar Pradesh (E), Uttar Pradesh (W), Kolkata, Kerala, Madhya Pradesh, RoWB, Assam, North Eastern States and Jammu & Kashmir. Tata Indicom has a customer base of nearly 32 million. In November 2008, Tata Teleservices entered into an agreement with Japanese telecom major NTT DOCOMO, as part of which the Japanese company acquired a 26% stake in TTSL for USD 2.7 billion. The transaction marks a key step in the strategic evolution of Tata Teleservices, as it moves towards a pan-India dual network presence. Tata Teleservices' bouquet of telephony services includes mobile services, wireless desktop phones, public booth telephony and wireline services.

#### **About Quippo**

Quippo, sponsored by the Kanoria's of SREI Infrastructure Finance. Quippo operates an Infrastructure Equipment Rental Company, servicing the high-growth verticals of construction, oil & gas, telecom and energy. Quippo Telecom's existing investor base includes reputed investors like GIC Singapore (owned by Singapore Government), IDFC Private Equity and Oman investment Fund (OIF). OIF, an investment arm of the Government of the Sultanate of Oman, has recently invested Rs 472 crore in the Company for an approximate 16.6-per cent equity stake. Earlier this year, Quippo lapped up about 1,000 towers from Spice Telecommunications primarily across Punjab and Karnataka circles.

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