

Financial Briefs

India and overseas



AFC set to acquire NCEL Telecom (India)

The American Tower Corporation (ATC) is in the process of acquiring the telecom infrastructure firm, NCEL Telecom, for an undisclosed amount. ATC's Mauritian subsidiary American Tower Mauritius has entered into an agreement with Harsco-Shaw Capital Mauritius, which owns NCEL Telecom, for acquiring the Indian tower company. The transaction is expected to close some time in the second quarter of 2009, subject to customary closing conditions and regulatory and other approvals. NCEL Telecom owns and operates about 1,700 wireless communications towers, besides a number of towers that are under construction.

Tata Communications and Tata Power sell small stakes in TTSL

Tata Communications has sold about 1 per cent stake in Tata Televisions Limited (TTSL) for Rs 4.24 billion. Before the stake sale, Tata Communications' stake in TTSL stood at 15 per cent. Tata Power, another Tata group company, has also sold a part of its holdings in TTSL for Rs 1.17 billion.

Qatar to raise \$200 million

Qatari Telecom Infrastructure, which recently bought a 49 per cent stake in TTSL's tower subsidiary, is looking to raise up to \$200 million from the emerging market to finance future growth plans. The company intends to raise funds through private placement of fresh equity shares in the company's existing stake holders or to new strategic investors. Qatari plans to use these funds to increase its tower count to more than 10,000 by 2009-10.

Russian government to buy 20 per cent stake in Sistema Shyam

The Russian government is likely to buy about 20 per cent stake in telecom service

provider Sistema Shyam for a little over Rs 14.32 billion. The deal values Sistema Shyam at about Rs 171.6 billion. Sistema, one of the largest public diversified corporations in Russia and the Commonwealth of Independent States, has a 74 per cent stake in its joint venture (JV) with the Shyam Group. After the stake sale, Sistema's holding in the JV will come down to about 54 per cent while there will be no change in the shareholding of Shyam Telecom, which will continue to hold 28 per cent equity.

Telenor and Unitech close stake sale deal

Norway's Telenor and Unitech Wireless have reportedly closed the stake sale deal giving the former a controlling stake in Unitech Wireless via a fresh equity infusion. Telenor has paid \$210 million for a 33.5 per cent stake in Unitech Wireless and will inject the remaining \$970 million in three tranches over 2009. Telenor has revalued its stake valuation - it now gets 67.21 per cent stake in Unitech Wireless for Rs 41.2 billion, as against 60 per cent as per the agreement signed in October 2008. This brings down the enterprise valuation of Unitech Wireless to about Rs 109 billion. The closing of the deal will also see Unitech, the parent company of Unitech Wireless, get about Rs 4 billion against advances it gave to its wireless arm.



Utelcom Qatar launches IPO (Qatar)

Utelcom Qatar, holder of Qatar's second mobile network operating licence, has announced that 40 per cent of its company shares will be listed on the Doha Securities Market, following an initial public offering (IPO) launched on April 17, 2009 and set to close on April 28, 2009. The IPO is expected to raise \$919 million. The pricing puts the market capitalization of the unit at \$2.3 billion. HSBC Bank Middle East and Qatar National Bank are the financial advisers

and lead receiving banks, with 12 other local lenders also acting as receiving banks.



France Telecom to acquire Orascom's stake in Mobitel (Egypt)

France Telecom is in the process of acquiring Orascom Telecom Holding's stake in Egyptian mobile phone operator Mobitel for 510 million euros, following a favourable court ruling. The Arbitration Court of the International Chamber of Commerce ruled that Orascom must transfer its entire 28.75 per cent stake in Mobitel to France Telecom at a price of EGP481,650 per share. The ruling follows an arbitration initiated by Orascom in 2007 that sought to order France Telecom to transfer its Mobitel shares to Orascom Telecom. The ruling means that France Telecom, which currently holds 71.25 per cent stake in Mobitel, will have full control of the company.



Chungwa acquires 20 per cent of So-net to subscribe to Senao shares (Taiwan)

Taiwan's Chungwa Telecom has acquired a 10 per cent stake in So-net Entertainment Taiwan, an internet service provider (ISP) and a subsidiary of Japan's So-net. According to the terms of the deal, Chungwa will pay around \$1.75 million for the stake, valuing the ISP at \$5.5 million. The deal is an operational alliance intended to share So-net's video distribution expertise to help Chungwa achieve its goal of adding 150,000 new fibre optic subscribers in 2009. Meanwhile, Chungwa Telecom has decided to subscribe to 48 million common shares issued by Senao International, its mobile phone and subscriptions distributor, in a private placement. The move will see Chungwa Telecom's stake in Senao increase from 31.5 per cent to 40.9 per cent. ■