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## GTL signs pact with Ericsson for UK services

**Our Bureau**

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Telecom network services provider GTL said it has tied up with Ericsson UK to provide managed network infrastructure services to telecom operators and service providers in the UK.

GTL said it would be established a wholly owned special purpose vehicle (GTL Managed Services UK Ltd) in the UK for the purpose, investing £50 million (Rs 390 crore) in it over the next three years.

At the outset GTL would own 100 per cent of the SPV, but might offer its clients equity stakes in it at the time of signing deals with them, said Mr Manoj Tirodkar, Chairman & Managing Director, GTL, at a news conference on Tuesday.

Ericsson, which offers managed services for telecom operators, will use GTL's expertise in site infrastructure.

GTL will construct and manage close to 1,000 telecommunications towers in

the UK and re-align 5,000 existing ones in the next three years, he said. GTL might own the towers eventually and leverage Ericsson's brand positioning to procure customers among UK telecom service providers such as Orange, Vodafone and T-Mobile.

The association with Ericsson is expected to take GTL's EBITDA margin to 12 per cent in three years, from the current 9 per cent, Mr Tirodkar said.

"Our revenue estimates for

the next three years are pegged at £90 million pounds (Rs 700 crore) on the conservative side and £200 million pounds (Rs 1,560 crore) on the optimistic side," said Mr Tirodkar.

GTL Ltd is part of the Global Group; a statement said its estimated FY 08 revenues are Rs 2,400 crore.

The scrip of GTL Ltd closed on Tuesday at Rs 258.85 up 0.21 per cent from the previous day's close of Rs 258.30.