

MTN, Vodafone spread word

NIGERIAN telecoms infrastructure firm IHS will conclude at least three separate deals with African operators this year to build and lease back 1 000 phone towers.

CEO Issam Darwish said: "Sub-Saharan Africa has a voice penetration below 60%, which is low by all standards, so there's massive room for new towers."

Lagos-listed IHS manages 4 000 tower sites in Nigeria, Ghana, Sudan and South Sudan and owns 900 sites it leases to operators and manages on their behalf with these known as "build-to-suit" towers. Darwish said he expected to con-

IHS to build more than 1 000 phone towers in Africa

clude three build-to-suit deals in Africa for more than 1 000 towers combined by the end of 2012, in countries that might include Nigeria, Sudan, Niger, Democratic Republic of Congo, Kenya, Rwanda and Ivory Coast.

The company aimed to close deals for another 1 000 towers within two years, he said.

Building and maintaining telecoms towers in Africa is usually more expensive than in other regions because of high security costs

and a lack of electricity, which means towers are usually powered by generators.

Consequently, operators are keen to split these costs, which they can do via bilateral tower-sharing deals, although selling towers to specialist operators such as IHS is more popular, with these firms also leasing new-build towers to multiple operators.

MTN and Vodafone are among the operators to have teamed up with specialist tower firms.

Middle East operators have been slow in comparison due to higher margins and the cheaper cost of building towers, but Darwish said the region would soon wake up to the potential cost savings of sharing or selling towers.

"We are looking at deals in the Middle East. I expect a deal to occur within the year," he said.

To fund its expansion, IHS last year raised \$250-million from private-equity investors and banks and the firm will raise a further

\$200-million in equity within the next three months. This will be open to new investors and existing shareholders, which include the Investec Group.

"We also plan to raise debt, which we're finalising now," said Darwish, declining to reveal the value of this debt.

This money will be used to build and acquire towers.

Less than 9% of IHS's shares are listed on the Lagos bourse and the company may opt to buy these back and delist from the exchange, Darwish said. "Various options are being considered." — *Reuters*