



September 1, 2020

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

The National Stock Exchange of India Limited
Exchange Plaza, C-1, Block – G, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Ref: Bharti Infratel Limited (534816 / INFRA TEL)

Sub: Update on Scheme of amalgamation and arrangement between Indus Towers Limited ('Indus') and Bharti Infratel Limited ('the Company') ('Scheme') under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Further to our communication filed in the morning today, please find attached press releases issued by Vodafone Group Plc. and Vodafone Idea Limited for your information.

Thanking you,

Yours Sincerely,
For Bharti Infratel Limited


Samridhi Rodhe
Company Secretary





MERGER UPDATE - BHARTI INFRATEL AND INDUS TOWERS

Released : Sep 01, 2020

RNS Number : 6338X
Vodafone Group Plc
01 September 2020

Vodafone Group Plc

News Release

1 September 2020

UPDATE ON THE MERGER OF BHARTI INFRATEL AND INDUS TOWERS

Vodafone Group Plc ("**Vodafone**") today announces that it has agreed with Bharti Airtel Limited ("**Bharti Airtel**") and Vodafone Idea Ltd ("**Vodafone Idea**") to proceed with completion of the merger of Indus Towers Limited ("**Indus Towers**") and Bharti Infratel Limited ("**Bharti Infratel**" and, following completion, the "**Combined Company**").

It is expected that Vodafone will be issued with 760 million new shares in the Combined Company at closing in exchange for its 42% shareholding in Indus Towers on the basis that (a) Providence Equity Partners ("**Providence**") has elected to receive shares in the Combined Company in respect of its 4.85% shareholding in Indus Towers, and (b) Vodafone Idea has elected to sell its full 11.15% shareholding in Indus Towers for cash. The shares issued to Vodafone would be equivalent to 28.2% in the Combined Company. Bharti Airtel's shareholding in Bharti Infratel would be diluted from 53.5% to 36.7%. Bharti Airtel and Vodafone will jointly control the Combined Company.

At the current Bharti Infratel market valuation, Vodafone's stake in the Combined Company would have a value of approximately INR 151 billion (€1.7 billion) and Vodafone Idea would receive approximately INR 40 billion (€464 million) in cash upon completion.

The final number of shares issued to Vodafone and Providence, as well as the cash paid to Vodafone Idea, will be based on agreed closing adjustments, including but not limited to movements in net debt and working capital for Bharti Infratel and Indus Towers up to closing.

Security Package

The parties have agreed a security package (the "**Security Package**") for the benefit of the Combined Company. The Security Package can be invoked in the event Vodafone Idea is unable to satisfy certain payment obligations under its Master Services Agreement with the Combined Company (the "**MSA**").

The Security Package is supported entirely by consideration from the transaction. The Security Package includes the following:

- a prepayment in cash of INR 24 billion (€276 million) to be made at completion of the transaction by Vodafone Idea (the "**Prepayment**") to the Combined Company in respect of present and future obligations under the MSA;
- a primary pledge over shares owned by Vodafone in the Combined Company with a value of INR 40 billion (€464 million); and
- a secondary pledge over shares owned by Vodafone in the Combined Company (ranking behind Vodafone's existing lenders for the €1.3 billion loan utilised to fund Vodafone's contribution to the Vodafone Idea rights issue in 2019) with a maximum liability cap of INR 42.5 billion (€489 million).

The implementation of the Security Package is subject to consent from Vodafone's existing lenders in respect of the loan outlined above, regulatory approvals and on an extraordinary dividend of INR 48 billion (€552 million) being declared by the Combined Company within three months after completion.

The number of shares under the primary pledge will be determined at completion, based on the prevailing Bharti Infratel share price. The Security Package will reduce in value over time with payments made by Vodafone Idea under the MSA.

Completion

The transaction is conditional on consent from Vodafone's existing lenders and a grant of an extension by the National Company Law Tribunal ("NCLT") in respect of the statutory filing period for the merger scheme to make the merger scheme effective. Lender consent is expected within 21 days, after which the parties will work to complete the transaction expeditiously.

- ends -

For further information:**Vodafone Group**

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About Vodafone

Vodafone is a leading technology communications company keeping society connected and building a digital future for everyone.

Vodafone is focused on two scaled and differentiated regional platforms in Europe and Africa. We operate mobile and fixed networks in 22 countries and partner with mobile networks in 48 more. As at 31 March 2020 we had over 300m mobile customers, more than 27m fixed broadband customers and over 22m TV customers.

We connect for a better future. We are optimistic about how technology and connectivity can enhance the future and improve people's lives. Through our business, we aim to build a digital society that enhances socio-economic progress, embraces everyone and does not come at the cost of our planet. That is why we have committed to improve one billion lives and halve our environmental impact by 2025.

For more information, please visit: www.vodafone.com.

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END

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1 September 2020

National Stock Exchange of India Limited

“Exchange Plaza”,
Bandra - Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited

Phiroze Jeejeebhoy
Towers,
Dalal Street,
Mumbai – 400 001

Dear Sirs,

Sub: Update on Bharti Infratel and Indus Towers Merger

Ref: Vodafone Idea Limited (the “Company”) (IDEA / 532822)

Further to our communication dated 24 June 2020 in relation to the merger of Indus Towers Limited (in which the Company is holding 11.15% equity stake) with Bharti Infratel Limited (“Merger”), please find attached a press release titled “Update on Bharti Infratel and Indus Towers Merger”, being issued to media.

The above is for your information and dissemination to the members.

Thanking you,

Yours truly,

For **Vodafone Idea Limited**

Pankaj Kapdeo
Company Secretary

Encl: As above

Update on Bharti Infratel and Indus Towers Merger

Vodafone Idea Limited (“VIL”), Vodafone Group Plc (“Vodafone”), Bharti Airtel Limited (“Bharti Airtel”), Indus Towers Limited (“Indus”) and Bharti Infratel Limited (“Infratel”) (collectively referred as “Parties” and individually as “Party”) have agreed to proceed with completion of the merger of Indus and Infratel.

VIL has undertaken to sell its 11.15% stake in Indus for cash. The cash consideration payable by Infratel to VIL will be based on a formula linked to Infratel’s VWAP for the 60 trading day period closer to the merger. The Parties have also agreed to use the FY20 EBITDA and net debt as on the closing date for Indus and Infratel valuation, with certain agreed pre-closing adjustments. Based on Infratel’s VWAP during the last 60 trading days as on August 31, 2020, the value of VIL’s 11.15% stake equates to a cash consideration of approximately Rs. 40.4 billion (~US\$ 551 million). The final determination will take place shortly before closing of the merger.

VIL has agreed to make a prepayment of Rs. 24 billion to the merged tower entity from the cash consideration to be received from Infratel at the time of closing. The prepayment amount will be adjusted to the extent of 50% of all undisputed and due amounts payable by VIL to the merged tower entity post-closing and VIL will be required to pay only the balance 50% of undisputed dues. The prepayment amount will accrue interest at 6% p.a. This will continue until the entire prepayment amount with accrued interest is fully adjusted.

The Parties have agreed to take appropriate steps to progress the approvals for the merger, the completion of the merger shall be subject to receipt of all such approvals. The merger scheme shall become effective on the date on which certified copy of the order of Hon'ble NCLT is filed with Registrar of Companies.

About Vodafone Idea Ltd. (formerly Idea Cellular Ltd)

Vodafone Idea Limited is an Aditya Birla Group and Vodafone Group partnership. It is amongst India’s leading telecom service provider. The company provides pan India Voice and Data services across 2G, 3G and 4G platforms. With the large spectrum portfolio to support the growing demand for data and voice, the company is committed to deliver delightful customer experiences and contribute towards creating a truly ‘Digital India’ by enabling millions of citizens to connect and build a better tomorrow. The company is developing infrastructure to introduce newer and smarter technologies, making both retail and enterprise customers future ready with innovative offerings, conveniently accessible through an ecosystem of digital channels as well as extensive on-ground presence. The company’s equity share are listed on National Stock Exchange (NSE) and the BSE in India.

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