

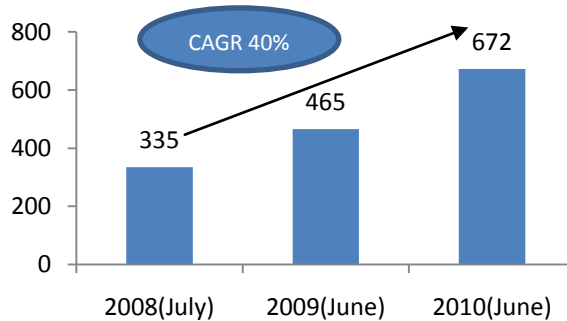
**Indian Telecommunication Equipment Market-
Opportunities for US Companies**

Overview

With more than 638 million-line telephone network (fixed plus cellular) India is among the top 4 networks in the world. India has one of the fastest growing telecommunications systems in the world, with system size (total connections) growing at an average of more than 20 percent per annum over the last 4 years. According to the Government of India (GOI), the demand for new telephone lines during the next 3 years is estimated to be over 200 million. The industry is considered as having the highest potential for investment in India. The growth in demand for telecom services in India will be highest in the Cellular Services Sector, followed by national long distance, international long distance and Basic Telecom Sector.

India has a relatively low tele-density of 54.1 per 100 persons. Tele-density in India rural areas is 24.97 per 100 people and in urban areas it is as high as 122.39 per 100 persons.

Growth in Total Connections(millions)



Source: Ministry of Communications and Information Technology, India.

Infrastructure

India has created a strong manufacturing base for producing telecom products. Indian firms typically manufacture telecom switches with technical and financial collaboration from foreign firms. Around 198 Indian firms manufacture small and medium sized switches and 8 joint ventures produce large capacity switches. The government-owned BSNL and MTNL are the largest end users of telecom switches.

Value-added service providers are growing by the day, and are demanding good infrastructure. E-mail, Internet services, frame relay services, video conferencing, electronic data interchange and voice mail have been accorded value-added services status. These value-added services interface with basic telecom services and increased telecom traffic several fold. With the increased investment in the value-added services, the demand for other switching products such as cellular switches, ISDN switches, gateway switches, ATM switches, is bound to grow sharply.

Broadband Wireless Access/WIMAX growth is expected to increase from current level of 0.25 million to 11 million in 2013 (144 % PA). 3G Modem subscribers are expected to grow from the current level of 2 million to 22 million by 2013 (82% PA). EV-DO and WCDMA subscribers are expected to grow from the

current level of 3 million to 67 million by 2013 (88% PA) The estimated equipment opportunity is about US\$ 3 billion and annual service revenue opportunity is about \$5 billion.

India's Department of Telecom has directed all Indian telecom providers to acquire security clearances before purchasing equipment and software from foreign vendors, and to require foreign vendors to transfer technology to Indian manufacturers within three years of any sale.

US\$ billions	2008	2009	2010 est*
Market Size	33.55	39.68	43.58
Local Production	13.8	17.2	19.3
Exports	6.05	5.32	5.12
Imports (Global)	25.8	27.8	29.4
Imports from US	.717	.813	.832

Opportunities

The total subscriber base of cellular subscribers is currently at 635 million, up by 48.73% percent from the previous year. The subscriber base is estimated to reach 737 million by 2012 (Source: Gartner), thus resulting in huge opportunities for U.S. telecom equipment vendors.

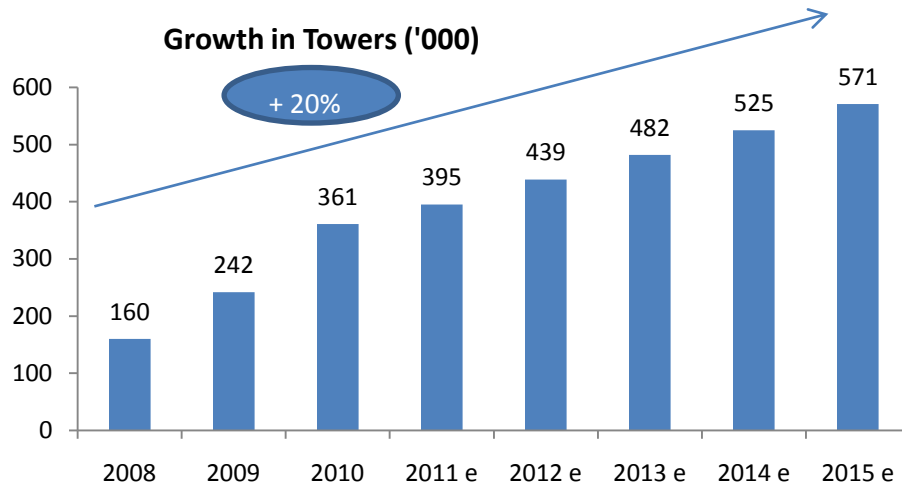
Promising sub-sectors include:

Technologies
WiMax equipment
Mobile Headsets
Switching Equipment
Transmission Equipment
Tower equipment
Enterprise Equipment
Optical Cables
T&M Instruments
VSAT

High potential subsector: Tower Equipments

- Estimated requirement of 361,000 in 2010 and 571,000 by 2015

- Projected growth rate of 20% p.a. in 2008-2015
- M&A Deals in 2010
 - GTL Infrastructure acquired 17,500 towers of Aircel for \$ 1.78 billion.
 - KEC International acquired US based SAE towers for \$ 95 million.



Key Projects by Leading Players

Several market players are planning to upgrade their telecom networks and are planning to source transmission equipment, switches, fiber communications network, and VSATs. The Following is a list of these projects

Buyer	Project Name	Value (USD Millions)
Bharat Sanchar Nigam Limited	Mobile Network Expansion	950
DataCon	GSM Network	650
Reliance Infocomm	GSM Network	250
Aircel	GSM Network	500
Idea Cellular	GSM Expansion Rollout	200
Hutchison	GSM Network Expansion	200
Unitech	GSM Network	850

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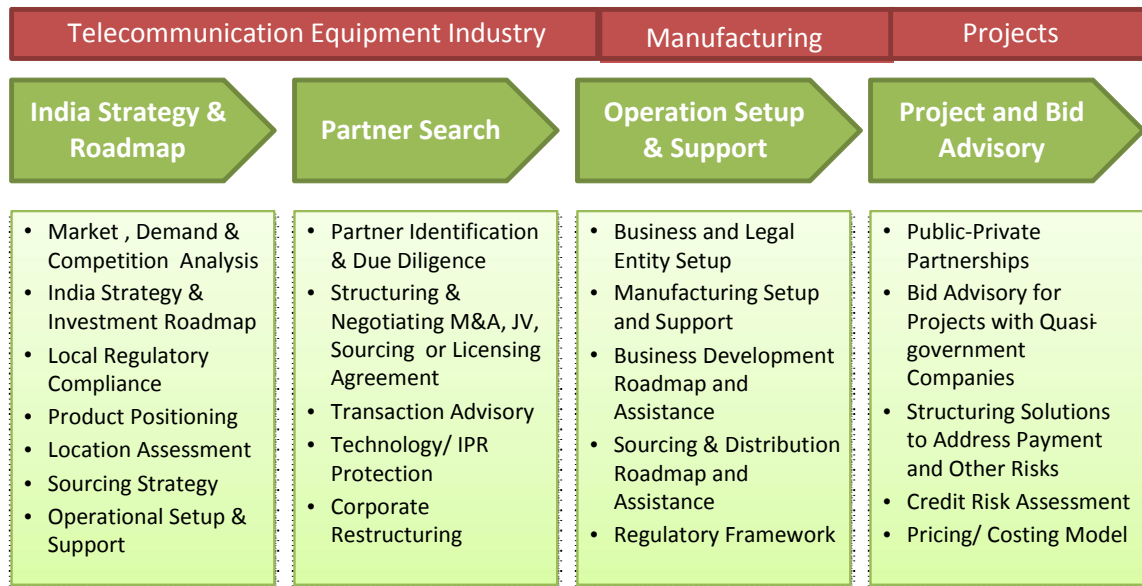
IMaCS Virtus Global Partners, Inc. (IVG Partners) offers advisory services to North American companies and private equity funds seeking India related growth, investment and sourcing opportunities. Our mission is to enable our clients to transform their business by adding India as a key part of their global footprint. Our clients benefit from our local presence, strong relationships, knowledge of local business practice, experience and financial expertise.

We provide India related Strategy & Roadmap Consulting, Partner/ Target Search, Operation Setup & Support, Cross-border M&A Advisory, Project/ Bid Advisory and Transaction Advisory services.

Our team possesses a deep understanding of the business environment both in the US and India and is well connected with companies, financial institutions, governmental agencies, and private equity firms in both markets.

We have an established track record of over 15 years and 900 engagements providing advisory services to a diversified client base across manufacturing, infrastructure, energy, technology, industrial commodities, and retail. We also work with multilateral and bilateral government agencies, banks & financial institutions, and regulators. We are headquartered in New York with eight offices in India.

Our Services



Our Representative Experience

- Preparation of India entry strategy for a leading international EPC contractor.
- Business feasibility and India entry strategy for a leading North American Bank for the mortgage finance business in India
- Market analysis and Product pricing strategy for launch of commercial vehicles in India by a global OEM.
- Financial evaluation of vendors for an international automobile company setting up a joint venture in India.
- Formulating an India entry strategy and business plan for a global monoline insurance company.
- Market study and Commercial viability assessment for setting up a 150 MW Lignite Based Power Project in India for an international developer of power projects.
- Formulating an India entry strategy for a leading global bank.
- Assessment and Due diligence of joint venture partner for an international power project investor
- Market Assessment of commercial vehicles gearbox and seatbelts in India for a leading international auto-component manufacturer.
- Financial assessment and valuation of India based utility companies for an international strategic investor seeking acquisition of stake in a State Owned Public Sector Utility

Our Offices

<p><u>New York (HQ)</u> 501 Fifth Avenue, Suite 302 New York, NY 10017 Tel: (646) 807-9290</p>	<p><u>New Delhi</u> Buildingo. 8, 2nd Floor, Twr A DLF Cyber City, Phase-II Gurgaon 122002</p>	<p><u>Mumbai</u> Electric Mansion, FL 4, Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025</p>	<p><u>Bangalore</u> Vayudooth Chambers, Fl 2, Trinity Circle 15-16 MG Road, Bangalore 560 001</p>
<p><u>Kolkata</u> FMC Fortuna, A-10, FL 3, 234/3A AJC Bose Road Kolkata 700 020</p>	<p><u>Chennai</u> Karumuttu Centre, 5th Floor 634 Anna Salai, Nandanam Chennai 600 035</p>	<p><u>Pune</u> 5A, 5th Floor, Range Hills Road, Shivaji Nagar, Pune 411 020</p>	<p><u>Hyderabad</u> 301, Concourse Fl 3 No 7-1-58, Ameerpet Hyderabad 500 016</p>

Please visit our website www.ivgpartners.com. For further information, please contact:

- Anil Kumar in New York at akumar@ivgpartners.com or +001-646-807-9290
- Ravi Chauksey in Mumbai at rchauksey@ivgpartners.com or +91-8805988010