

Bharti Airtel Limited - Earnings Conference Call for the Second Quarter and Half Year Ended September 30, 2006

Earnings Call Transcript

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PRESENTATION**Sulogna – Moderator**

Good afternoon ladies and gentlemen. I am Sulogna the moderator for this conference. Welcome to the Bharti Airtel Limited second quarter and half year ended September 30th 2006 earnings call hosted by Citigroup.

Mr. Rahul Singh Director, Citigroup is your call leader today. For the duration of the presentation all participants' line will be in the listen only mode. After the presentation the question and answer session will be conducted for the international participants connected to Airtel International Center. After that a similar question and answer session will be conducted for the participants in India. Now I hand over the call to Mr. Rahul Singh. Thank you and over to you Mr. Singh.

Rahul Singh – Director – Citigroup

Thank you Sulogna good morning and afternoon to everyone on the call. I would also like to take this opportunity to wish everyone a Happy Diwali and Eid. In fact Bharti's excellent set of results have ensured that the festival season goes on for little longer. We at Citigroup are pleased to host this call and congratulate the management on the results. As usual we have a full representation from Bharti's senior management on the call today. And on behalf of all the participants I would like to thank them for taking the time to be with us on the call. I would now hand over the call to Ms. Sonal Kapasi Head, Investor Relations of Bharti to initiate the proceedings, over to you Sonal.

Sonal Kapasi – Bharti Airtel Limited – Head, Investor Relations

Thank you Rahul good afternoon and welcome to Bharti Airtel Q2FY07 earnings call. I hope all of you must be in receipt of the quarterly results; the same are also available on our website www.bhartiairtel.in. Present with me on the call today are the members of senior management. We propose to commence this call with opening remarks from Mr. Sunil Bharti Mittal and Akhil Gupta after which the floor will be open for Q&A. Before I hand over the call to Mr. Sunil Bharti Mittal, I must remind you that the overview and discussions today may include certain forward-looking statements that must be viewed in conjunction with the risks that we face. I now hand over the call to Mr. Sunil Bharti Mittal.

Sunil Bharti Mittal – Bharti Airtel Limited – Chairman and Group Managing Director

Thank you, Sonal. Let me add my own warm welcome to all the investors who have joined us on this call. I am delighted to greet you with data on the telecom industry and how this industry has been performing in the last quarter. Indian telecom market has now become the fifth largest in the world. Having clocked over 170 million customers by the end of last quarter. Mobile segment's performance continues to be the strongest. Mobile subscriber base increased to 126.6 million as on September 30th. What is important to note was that the quarter saw over 17 million new customers joining the mobile market.

For the first time ever the country's mobile net adds on a per month basis surpass those of China in August 2006, and yet again now in September 2006. This is a very important achievement because this also means India is showing a faster and sharper growth trajectory as that

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would suggest that India will reach the same milestones that China has in a shorter timeframe.

The growth curve on penetration has now clearly entered a new orbit. And I believe that the coming months and quarters should show a very healthy and robust growth in the telecom services especially in the mobile segment given the overall growth of economy and the accelerated GDP growth. I believe that the telecom services will be a beneficiary of these developments. The future industry trends require the company to continuously invest in its mobile network. I am pleased that we are rolling on a network at a faster clip.

Mobile telephone is now becoming clearly more than just a means to communicate, not only voice or data, new and innovative products and services are continuously being put into a mobile phone for the benefit of the user. Music downloads; ring back tones hopefully in the very, very near future commercial transactions will all be conducted through mobile phones.

One other development is that we as industry leaders are now looking at the customer needs and needs that go beyond just as voice and data requirements. We want to in the customer's home and offices, provide complete experience and connectivity at a very high speed to the rest of the world. This will cover voice, data and broadcast and therefore mean that we not only look at the needs of the customer from a network point of view, but look at his needs from what he needs in his home or office to connect and use the telecom experiences from our networks.

Some of the key developments in the regulatory area, the long awaited recommendation of TRAI in the 3G space were announced during this quarter. We are delighted that the regulator has recommended a comprehensive approach as regards to spectrum allocations, more importantly India has widely taken the step of aligning Indian 3G space to the rest of the world by voting with a seat in the area of 3GSM which is the UMTS 2.1 GHZ WCDMA which has been a major demand of our industry especially with GSM industry which has been insisting on the government to align with the rest of the world.

However if limited spectrum meant that it had to be auctioned we are clearly disappointed with the minimum pricing there has been set in the recommendation for auction and we have appealed to the Department of Telecom and the Ministry of Communication to reset the amounts at a lower level. We believe that the entry cost should be as low as possible allowing the services to go into the segments at the lower end of the segment right from day one rather than progressively over a period of time. We are also delighted that the regulator has recognized and more importantly recommended provision for adequate spectrum for broadband wireless access on high priority, which will enable deeper penetration of broadband services in the country especially the rural areas.

Bharti Airtel continued its strong performance in the quarter ended September 30, 2006. The company added over 4 million customers during the quarter taking the total customer base to 28.7 million of which mobile services user base was slightly over 27 million at the end of the

quarter. We carried over a 40 billion total minutes gross of intersegment eliminations on a network during the quarter- a very healthy increase of 19% over the proceeding quarter and more than double that in the first forming quarter last year. Bharti Airtel's execution has been continuous to roll ahead of others enabling the company to enhance its all India market share taking the lead in its market position in this quarter as well. The company is focusing even more strongly on enhancing its execution further in all arenas with an intent to increase its market share in the quarter then in year ahead.

Key highlights of the quarter were revenues are up Rs. 43.6 billion, EBITDA of Rs. 17 billion, and cash profit of 16.4 billion and net profit of 9.3 billion. The company continues to win accolades on the back of our strong execution on multiple-front. Bharti Airtel was ranked 13th among the best performing Asian companies after a survey by the Business Week Magazine. We also received the MIS Asia IT excellence award at the MIS Asia IT Summit in Singapore and number of other recommendations has come the company's way in this quarter.

Today Bharti clearly stands as a leader in the Indian market. We now have desire and ambition to look beyond Indian shores. We have been off late looking at some of the opportunities in the African region, the Middle Eastern region and some of the SAARC countries. The company is participating in some of these opportunities. More importantly the company is now prepared to take its business model, the low cost model outside India and the company's management is actively scouting opportunities outside India. We cannot make any firm commitment at this point in time, however our effort in the international arena will plan out. But I thought it was important for me to share with you that the company feels confident in seeking global opportunities of small to mid size especially in the emerging market and in the mobile GSM space.

Before I hand over the call to Akhil let me in closing say, mobile penetration in India is likely to accelerate further in the coming quarter with big revolution in India telecom has just started. An integrated approach of the One Airtel has led to greater synergy and efficiencies. This approach across products functions and customer verticals will allow us to better address our customers need for bundle service offering and provide a single interface for our customer care, billing and all back end element. The company is well positioned to realize its vision of making Airtel the most admired brand in India that is loved by customers, targeted by top talent and benchmarked by more businesses. Let me now hand over the call to Akhil to walk you all through the detailed financials for the quarter. Akhil.

Akhil Gupta – CFO – Bharti Airtel Limited

Thank you Sunil let me add my own welcome to all the participants for taking time to dial-in today. I hope you all have received the quarterly report; had a chance to go through it. We are very pleased that Bharti Airtel has recorded yet another quarter of very good performance. The total customer base has now increased to 28.7 million customers with mobile being at 27.06 million. The quarter was a record quarter in terms of net adds. We added

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almost 4.1 million customers of which 3.99 million were the mobile customers.

The company's wireless market share now stands at 21.4% as against 21.1% in the previous quarter. Just for the sake of clarification, the term wireless market now includes the fixed wireless customers as well, which as you know are more on side of the competition but just to get the perspective right we have now included them in the wireless market. The detail explanation in this regard has been provided on page 10 of the quarterly report.

In terms of coverage, our mobile services are now available in 4,357 census towns and over 1,50,000 non-census towns and villages. We now cover roughly 50% of the country's population. We added 4,870 cell sites during this quarter taking the total to over 30,000 sites. Our distribution network now comprises of 4,80,000 outlets across the country. At the end of this quarter the company has its broadband and telephone services in 94 cities across India.

Before I brief you on the financial results for this quarter I would like to draw your attention to the following two issues, the first one relates to the point that Sunil touched upon in his address, about the need to reach a customer not only while he is on the move but for all his requirements at home or office for connectivity to the outside world as well. As per the industry practice the customer premises equipment or CPE, for such services, now whether it is a fixed line phone a fixed wireless phone, modem or a set top box is provided as an integral part of the offering to the customer. The way we account for CPE therefore becomes an important strategic decision, which must be in line with the business objective and reality. It has accordingly been decided that in view of the strong potential for such offerings in future, the best accounting policy which would support the operating realities, follow the matching revenue concepts as well as be conservative, that would be to treat these as our fixed assets and depreciate them at an accelerated rate of 100% per annum, that is over 12 months of provisioning of the assets, instead of the earlier policy of charging 100% depreciation at the time of deployment itself. We believe that the continuation of the erstwhile practice could discourage the operating teams from expanding these businesses at situation, which is clearly not in the best interest of the company. For the sake of consistency we are also applying this principle henceforth to other fixed assets costing below Rs. 5,000.

The above changes have resulted in the following profit before tax for the half-year ended 30 September 2006 on account of fixed asset costing less than 5,000 are Rs. 405 million, which comprises of 222 million on account of the asset deployed in this quarter itself, and Rs. 183 million on account of reversals pertaining to last quarter. Coming to higher priorities for the year on account of the CPE's costing less than 5,000 of Rs. 581 million which again comprises of CPE deployed in this quarter amounting to 391 million and Rs. 190 million on account of reversal of past quarter. The complete details in this regard are provided in the quarterly report under the section titled "Results of Operations".

The other issue pertains to non-adherence of certain laid down business and financial policies in the broadband and

telephone division. The effects whereof were one time revenue reversal of approximately 292 million and an additional provision for doubtful debts of Rs. 240 million during this quarter. We have taken steps for improving our internal controls in these regards, as well as disciplinary measures against the erring official.

On the financial performance it was clearly a very good quarter with total revenue, EBITDA and net income recording robust growth during this quarter. The revenue was at Rs. 43.6 billion a year-on-year increase of 61%. The EBITDA was at 17 billion an increase of 67% and the EBITDA margin for the quarter was 39.1% marginally up as compared to the preceding quarter and almost 1.5% higher than the corresponding quarter last year. The cash profit from operation during this quarter was 16.4 billion which was an increase of 75% over the corresponding quarter last year; this incremental increase was somewhat attributable to the movement in derivative where exceeds fluctuation in our favor during this quarter. The net profit for the quarter was at 9.34 billion a year-on-year increase of almost 80%. Our total Capex in the first half-year stands at US \$1.18 billion, we expect that our total Capex for the year would be in the vicinity of \$2 billion but we would keep you informed in case there is any significant change in these estimate.

The company's overall performance in terms of the return on capital employed has also improved. We are now at in ROCE of 25.1% and in terms of return on equity stands at 31.6%. On the balance sheet front this remains an under leveraged company, where net debt are just under \$1 billion as on 30 September. The net debt to EBITDA is at significantly lower than 1. It's at 0.8 as compared to 0.86 the last quarter. And the interest coverage is at 22 times up from 21 in June 2006.

I would like to summarize that this has been a very satisfying quarter. We are excited about the growth momentum in the telecom industry. We are also excited that this growth is clearly looking sustainable and the fact that we are in every way very well positioned and resourced to capture this growth. Before I hand over floor back for question and answer I would like to also invite your attention to the few changes we had made in the presentation of the quarterly report as a part of our effort to improve our disclosure and make it easier for you to understand the trends.

Number one in section 3.23 of the quarterly report we are discontinuing separate disclosure of the results for existing and new broadband & telephone circles. The reason for this has been that we are expanding in the existing circles as well as in the new towns that we are adding and therefore any comparison between existing or a split between existing and new is actually misleading. Moreover in terms of our geographical presence we are nearing what we have the immediate target in terms of number of cities and again on that account as well, the need to split these between cost and revenues.

Further we are also aware that our company uses the three-line graph as the important dashboard to monitor our health. This is given in section A.2.3. We have made a change in the definition of capital productivity major. Earlier we were defining it as the revenues in the last 12 months divided by undepreciated capital expenditure till

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date. We are now changing this definition to annualized quarterly revenue, which means the last quarter revenue into four divided by the un-depreciated capital. This to our mind brings the major number one closure to how we look at the performance internally. And also it's more relevant because clearly in our line of business whatever you have earned in this quarter there is a kind of a virtual certainty that's what you would be at least earning in the coming four quarters. So it's more realistic and reflects the realities going forward rather than just looking back which at times would have no serious elements. I would like to now hand over the floor back for question answers, thank you.

Sulogna – Moderator

Thank you very much sir. I now hand over the proceedings to Lucy at Airtel international centre to conduct the question and answer session for the international participants. After this we will have a question and answer session for the participants in India. Over to you Lucy.

Lucy – Moderator

Thank you Sulogna. At this time international participants may press "01", if they would like to ask a question. On pressing "01", participants will get a chance to present their question on a first in line basis. One moment please for the first question. Mr. Sundeep Bihani from Lehman Brothers. Please go ahead.

Sundeep Bihani - Lehman Brothers - Hong Kong

Thank you everyone for the call and congratulations on delivering a strong results around the festive season in India. Just four questions, mobile has been pretty clean. But on the fixed line side revenue growth quarter-on-quarter is just 1% and has shown now continuous decline over the last four, five quarters excluding adjustments, any color there as to when we can see fixed line also performing at least inline with the group average? The second question is any color on the EBITDA margins in fixed line actually coming down rather than increasing because of the smaller losses in the new circuits? Two more questions on the conceptual side one is regarding spectrum allocation on 2G. What are your expectations on time line and the impact on your profitability from non incumbents getting spectrum? And the other question would be on 3G in terms of if you go ahead with the current base prices and bid then it could be almost a \$300 million hit. So essentially what are your thoughts around there? Would you be bidding for all country spectrum? Thank you very much.

Akhil Gupta – CFO – Bharti Airtel Limited

Thanks Sundeep, let me take up the broadband and telephone services question and then Sunil to talk about the 2G and the 3G. Quite clearly as I mentioned in my address we have had a revenue reversal in this quarter of 292 million and also an increase provision for doubtful

debt of 240 million, because of certain non-adherence of policies. Now this is for this business a significant amount total of 530 million approximately and the fact is this is a one-time non-recurring hit. If you do adjust for it- the growth is okay. That actually explains the lower revenue growth as well as the fall in the EBITDA margin. But this is only an extraordinary item; a non-recurring item and obviously we believe that going forward this business is otherwise doing well. We are pretty satisfied and happy with its performance, the way it is coming up in new circles, the response it's getting. And I am sure from next quarter I think we will see a better growth in revenue as well as the EBITDA. Sunil?

Sunil Bharti Mittal – Chairman – Bharti Airtel Limited

Let me just add to that, I personally believe B&T, our fixed line telephony and broadband offers a great opportunity for the group. You must be mindful that we are the only other provider in India other than the government, who is fully giving experience of fixed line and broadband telephony on the copper plant. The copper plant is now giving big opportunities for DSL application, which we are doing and we are also trying out IPTV. So while it will be true that we will be losing voice traffic or not growing it as much on the fixed line side, mobile picking up most of the voice traffic but the other revenue streams that are coming on to the B&T are quite interesting and we at Bharti, as a top management excited about some of these opportunities. I must also mention that our B&T strategy right from day one has been of cherry picking, we clearly go for clusters, and we only go for high-end homes and offices and try to maintain minimum revenue that we generate from this business per line. And this is one area where we actually concentrate on ARPU/ ARPL, which is visibly shown in our ARPU levels that this business maintains which is significantly higher than mobile. So, we remain quite confident that our 92 - 95 city strategies for B&T will yield very, very good and robust results for the company. On the spectrum, the 2G further allocations thankfully after the TRAI recommendation of a comprehensive look at the whole spectrum policy; the government has made some positive noises of releasing some more 2G spectrums. The Defense Ministry is on the verge, as we understand of releasing some more spectrum for the commercial needs of the nation. The Prime Minister has spoken about it 2 or 3 times from the public podium. So I am hopeful that more 2G spectrum requires for us will come, India will never have enough but we are sure that we will keep on getting our dribs and dribbles from time to time to manage our needs. On the 3G, clearly, recommendation has been made for auction; minimum prices have been put in there. We are awaiting the final call of the DoT in which form and shape or amended form; they accept our recommendation. But the final point, yes when this happens, Bharti will be looking for an all India spectrum play in 3G.

Sundeep Bihani - Lehman Brothers - Hong Kong

Thank you very much.

Lucy - Moderator

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Thank you sir. The next question comes from Mr. Vivek Doval from Credit Suisse, UK. Please go ahead sir.

Vivek Doval – Credit Suisse – UK

Hello there. I had two quick questions, it relates to your Capex. You have a Capex guidance of USD 2 billion for the full year, out of which 1.4 billion I understand is for mobile. So the question is that given that you already spent about USD 1.2 billion in the first half, do you actually expect your absolute Capex to decline in the second half and in so far as mobile is concerned, given the fact that you've already spent a billion in the first half do you only expect 400 million in mobile Capex in the second half?

Sunil Bharti Mittal – Chairman – Bharti Airtel Limited

Well we had given a guidance of \$1.8 billion to \$2 billion in our previous call. We are still holding our number of 2 billion that would suggest as we were spending lesser in the second half, those are plans we have had an accelerated run in the last quarter. But should the company show robust growth and we are able to hold our productivity line, we will not be shy of investing more if required. I think a better visibility on the final CapEx deployment would be known in the next quarter end.

Vivek Doval – Credit Suisse – UK

Right. Just a very quick followup on that specifically with regards to your mobile. The fact that you have already spent 1 billion, what is the kind of need for how much Capex you need to spend for the remainder of the year and also for the next fiscal year?

Sunil Bharti Mittal – Chairman – Bharti Airtel Limited

We are saying it's a very modular business. It depends on how much you can rollout, how much more land you can cover or how many new sites you need and how much traffic is growing in your existing coverage areas and whether you need to build new sites, you share sites, you put in more TRX's. So it's a dynamic combination of many, many events and the good news is, it's a modular business which needs to scale up as you see the traffic rise. As you have seen the minutes growing through the roof have gone over 100% on year-on-year quarter bases. So I would say, we are quite open; I mean there is physical limitations on how much can you rollout. I would say that we are completely open, our estimates of \$2 billion hold true even now. And should more money be required because our traffic is growing, and revenue is growing. The company is in a very sound and solid position to do more investments should that be the case.

Vivek Doval – Credit Suisse – UK

Thank you very much. Very useful.

Lucy – Moderator

Thank you very much sir. The next question comes from Mr. Tien Doe from GIC, Singapore. Please go ahead sir.

Tien Doe – GIC – Singapore

Hi, thank you very much for the call. Good afternoon. My question was just on the numbers of personnel that you have over the last two quarters; we've seen quite a rapid increase in headcount. My first question is, how are you managing to manage that increase of people, I guess it worked out in the last quarter, one new person ever 30 minutes or so. So could you talk a little bit about how are you managing that growth in the number of people? In the first quarter, I believe a lot of the increase was due to taking people in-house for services that were provided by a third party providers, there are about I guess, 2,600 or so customer facing people that got put on to broadband and telephony headcount. Is that with the same pace in the second quarter as well or most of that 4,000 increase or again was it bringing people in-house but needs to be, doing this service for a third party provider and what is the thought behind bringing that in-house rather than just letting the status call happen? Thank you.

Akhil Gupta – CFO – Bharti Airtel Limited

Well, thanks for the question Tien Doe; this is Akhil. I think a very good observation. The fact is that you know we believe in outsourcing based on certain principles. We have discussed this sometimes earlier, the principle as you would recollect is (1), who has the better domain knowledge. (2), who can attract better talent (3), who can have better economies of scale. Our belief is that decision to outsource or insource has to be based on these three fundamental pillars. Our experience showed us that certain customer-facing jobs which we had tried to outsource earlier were not the correct decision because the domain knowledge on how to deal with those customers was not there with these outsourced partners; therefore it's extremely important for us to keep insourcing those where we believe where we can have the benefit and better quality. So you are right, most of the numbers that you see are because of that insourcing. There are some numbers, which grow up as our numbers and our operations go up as well. But that's not the major reason, the major reason is insourcing of people which we deem are not appropriate for outsourcing purposes and because of which, our customers are suffering. So wherever our customers get served by people inside, we are insourcing. Does that...?

Tien Doe – GIC – Singapore

Yeah that's fine. And in terms of the, are there any extra prefixes that you have put into place just to manage 4000 extra people coming on to your headcount in the last quarter? Did you have enough senior managers to cope with that level of increase of people being in-house rather than outsource?

Akhil Gupta – CFO – Bharti Airtel Limited

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Yeah, I think if you look at the ratio of the people who are already in versus the new ones coming in, it keeps getting better. So it's easier to handle but I am not going to take any credits away from Manoj and his team. It's always a challenge when you get 4000 new people into the system in a quarter. But surely I think the processes and systems for us cope with this are very robust.

Tien Doe – GIC – Singapore

Okay, thank you.

Lucy – Moderator

Thank you sir. The next question comes from Mr. Mahadevan from UBS, Hong Kong. Please go ahead sir.

Suresh Mahadevan – UBS – Hong Kong

Yes, good afternoon. Thanks a lot for the call and congrats on yet another set of robust numbers. I had a couple of quick questions. (1), I am looking at the margins on your long distance and enterprise and if I look at it over the past year or so, they are all over the place. So I was just wondering why there is such a big delta and particularly the enterprise division where margins are up, I mean two quarters that were, there were 35.6, last quarter it was at 47.5, now we are back to 42.2. So I wanted to get your thoughts on that. Is there any timing issue there specifically? And second question is, obviously things are going well in terms of the mobile penetration, daily accelerating and Bharti seems to be capturing more than fair share in terms of increasing the incremental market share etc. In your views, what are some of the biggest list facing the industry as well as the company in particular so I would like to hear both Akhil and Sunil's thoughts on this particular topic? Thanks.

Akhil Gupta – CFO – Bharti Airtel Limited

Thank you Suresh.

Let me take up the margin part and let me then hand over to Sunil in terms of the big risks as you perceive it. I think as far as the margin is concerned, what you would see is I've already explained that B&T otherwise the margins are holding on; they are doing well. But let me; actually try to take to this occasion to say the industry perhaps is a little too much fixated with this phenomena of EBITDA margin which is not to my mind of extreme relevance today because if somebody has to lose a little bit of margin because they are getting a tremendous growth in revenues, I would much rather prefer that. But I think it's about time, that as long as the EBITDA margin trends are looking okay and there is no drastic fall, there is no need to get worried about if it moves 1% up or 0.5% down, I think the business will be able to live with that. But of course as you can see the margins have moved up in some cases, we look at three line graph and that's we believe the real dashboard behind this business because that is what is the most relevant. Because, just imagine a situation where tomorrow there's an opportunity to replace some Capex by turning it into Opex, obviously the EBITDA margin will fall. But that maybe the best decision

the business could have taken. So I think it's not too important to my mind to concentrate too much on the margins. On long distance margin, as you can see very clearly there has been an increase in the margin as compared to last year at 40%, it's strong enough and I won't worry a little bit if it moves in one direction or the other.

Mahadevan – UBS – Hong Kong

No. I think specifically my question was relating to the enterprise where, like two quarters that we were at mid 30s then we went to high 40s, now we are back to early 40s.

Sunil Bharti Mittal – Chairman – Bharti Airtel Limited

I think the enterprise business is a business, where we sell solutions and it's really kind of a turnkey project that are undertaken, its EPC type of business in telecom. Lot of stuff is done and lot of billing is deferred until the customer certification is obtained. So we do get certain ups and downs because of the way this business is billed out to the customer. So its not like a mobile or fixed line or carrier business, this has known peculiarities and I guess unless and until we come out of the well-thought out cognizant plan of doing billing on accounts or start booking some of the unbilled amounts. So far, we do these businesses in the basis of EPC type of businesses; customer certification is a must for billing. I would say that this is a smallest business of the group, one of the fastest growing businesses of the group. Given where India's economy is headed and how people want to be connected with each other, I think this business will be quite robust and I must also mention that this business heavily relies on the infrastructure that we put in for other businesses and utilizes fully and to the maximum extent, possible the efforts that the group lays out. So I would say that we should, for the enterprise business see the developments from the business from quarter-to-quarter and not take a very long-term view from what you see in a particular quarter. On the last point of risks and challenges for the industry, I think the risk has been mitigated to a very, very large extent in the area of overall growth of this industry from the regulatory point of view. I would say the huge regulatory battles and wars are behind us. Especially with the 3G recommendations in the area of UMTS 2.1 GHz, we are inline with the world's standard; I don't see any major upheavals there. Yes, some of the CDMA operators now want to move to GSM, and there is challenge for some of those operators and also for the regulators to now manage these shifts. But the good news is that the Indian industry, nearly 80% is committed to GSM and therefore this technology shift does not pose a major challenge. On the growth front, we are fresh from our visit to China and we are quite delighted to see the developments in China, the 2G has grown to nearly 400 million customers continuously grow a lot of new products and innovation are being put on 2G with GPRS and EDGE. So I think on the growth front as well, looking at where China is, and looking at the trajectories that I shared earlier, I think the growth seems to be quite sustainable. The only thing that one needs to worry, when you are leading the pack, is about complacency, about not

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moving fast enough and that is where we are currently focusing on to rollout our networks and reach the customers in every nook and corner of the country. So I would say broadly, the risks are mitigated but general industry business risks always remain and we have to always take those into account.

Mahadevan – UBS – Hong Kong

Okay, thanks a lot.

Lucy – Moderator

Thank you very much sir. The next question comes from Mr. Foster from Infineon, London. Please go ahead sir. I am sorry, Mr. Foster has left the line and the next question comes from Mr. Anand Ramachandran from Citigroup, Hong Kong. Please go ahead sir.

Anand Ramachandran – Citigroup – Hong Kong

Good afternoon, congratulations on a good set of results. Three questions, at this stage of the call firstly, I was wondering if, I am looking at your population coverage, its about 50% now its been rising about 4% per quarter, is there a number you think make sense to cover given India's demographic breakup at this point in time, just trying to get a rough picture there of, how much you think its worth covering at this stage is question one. Question 2, prepaid verification, I was wondering if you could update us on what's happening there? On what the government's dates and deadlines are? And whether there are any particular issues we should worry about for Bharti specifically in this regard? Thirdly, I guess I am going to be the first guy here on asking what the acquisition strategy, you do have Vodafone and SingTel as shareholders who also have similar strategies of expanding into growth markets. So I am just wondering how your acquisition strategy, diversification strategy will fit in with those agenda that your shareholders also have in the same regard, thanks.

Sunil Bharti Mittal – Chairman – Bharti Airtel Limited

Let me take the last one first. I think the company has laid out this vision of looking at certain acquisitions outside India; we are broadly supported by our partners on this. In fact, they have been encouraging us and some of the reason moves around the Indian Ocean and the Indian Subcontinent and some of the Middle East markets have been greatly encouraged by all strategic partners. We will typically want to avoid our company going into areas where our partners are operating, there is no hard and fast rule around it but I think it may not be currently prudent for us to go into areas where our partners are operating but there are large territories which are currently sitting outside both their domains especially in Africa and Middle East which may need to be looked at. So I would say there are enough acquisition opportunities or at least opportunities that are available without getting into any conflict. We have the complete support of our

shareholders, board and our strategic partner in looking at some of these acquisitions. Our verification and population coverage if I can ask Manoj Kohli, our President, Airtel to talk to you.

Manoj Kohli – President – Bharti Airtel Limited

Good afternoon, this is Manoj, let me start with the population coverage, you are right; we are adding approximately 5000 base stations a quarter, leading to 3% to 4% population coverage, and we expect that by end of this fiscal, we should be reaching to, close to 5000 towns with about 54% to 55% population coverage. We believe that the economic viability will take us to coverage to 75% to 80% of Indian population, which you are right, could be 4% a quarter or so. If we have to go beyond that, we will have study it deeply because there are many towns and villages which are isolated and we will have to spend a lot of transmission cost to reach those towns and villages. So we'll review the viability of covering those towns and villages at that point of time. In terms of verification, we have been engaging with Government of India very closely in the last 3 months, fortunately now after lot of appeals from the cellular association, government has agreed to go to the newspapers and magazines with various advertisements, creating awareness amongst customers, that this verification is led by government guidelines and not led by the operators. In the meantime, we have initiated the verification and re-verification of all the documents and I am very happy to share with you that about 45% of our prepaid customers are verified and more are getting verified everyday, of course the new customers we are verifying with very, very strict adherence at the retail level. Also, we have deactivated few customers because we wanted to send a symbolic message to the market that we mean business and verification is important for national security. Thank you.

Anand Ramachandran – Citigroup – Hong Kong

Very clear thank you so much.

Lucy – Moderator

Thank you very much sir. The next is a followup question from Mr. Sundeep Bihani. Please go ahead sir.

Sundeep Bihani – Lehman Brothers – Hong Kong

Thank you, just a followup on Anand's question. Is there any particular size in terms of amount of dollars you are looking at for foreign acquisitions and would it be just limited to green field or you are open to taking stakes in existing incumbents both on the fixed line or the mobile side, thank you.

Akhil Gupta – CFO – Bharti Airtel Limited

Sundeep at this point, I think we would not really like to either spell out our strategy, which is also a little bit in the making. But at this point of time, we are not putting any kind of restrictions and therefore it's to my mind not an

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opportune time to really spell out what we could be doing on this side. But broadly, I think we would like to look more at the mobile side as a first priority.

Sundeep Bihani – Lehman Brothers – Hong Kong

Okay, thank you for the clarification.

Lucy – Moderator

Participants, who wish to ask questions, please press 0 1 now. At this moment there are no further questions from participants outside India. I would like to hand over the proceedings back to Sulogna.

Sulogna – Moderator

Thank you very much Lucy. We will now begin the question and answer interactive session for the Indian participants connected to audio conference service from Airtel. Participants who wish to ask questions may please press “*1” on their touchtone-enabled telephone keypad. On pressing “*1”, participants will get a chance to present their question on a first-in-line basis. To ask a question, please press “*1” now.

The first question comes from Mr. Shubham from Macquarie, Mumbai. Mr. Shubham, you may ask your question now.

Shubham – Macquarie - Mumbai

Congratulations to the management on a brilliant set of numbers. I have three questions. Can you just give us a sense of what the preparedness with regard to IPTV launch? With regard to the timings? With regard to what kind of technology you are looking at to deploy? And has this technology already stabilized? And what's the kind of coverage of your fixed line and broadband existing customer base that you need to improve for the IPTV launch?

Manoj Kohli – President – Bharti Airtel Limited

This is Manoj; I just wanted to share with you the progress on IPTV, the trials of about 1000 customers in NCR region have been going on very successfully and we planed to launch commercially by early next year. The technology globally is not still, the ecosystem of IPTV technology is still not standardized and I think it's in the process of standardization, that's why we are taking time to analyze and study, so that finally when we launch we have the right quality and right features set for the customers.

Shubham - Macquarie - Mumbai

Okay and Manoj what percent of your existing fixed line and broadband customer base, do you think is an addressable segment for this business.

Manoj Kohli - President - Bharti Airtel

It's very difficult for me to estimate at this moment because globally there are very few countries who have experimented this hence maybe too early as we get closer to commercial launch we can share more details with you.

Shubham - Macquarie - Mumbai

And with regard to tower sharing what exactly is Bharti doing on this count? Are you seeing any acceleration in terms of tower sharing pacts with other operators that we are looking at? And most importantly what's the kind of Capex and Opex moderation that one can look at, going forward on account of tower sharing alone compared to the current trends on Capex and Opex that we see from the company?

Manoj Kohli - President - Bharti Airtel

Okay let me first clarify it is not tower sharing; it is infrastructure sharing where we share the air-conditioner, generator and the shelter in addition to the towers. Bharti has lead this infrastructure sharing phenomenon in the industry. We have more than 25% of our infrastructure towers shared with other players. We are pursuing discussions with BSNL and MTNL in Delhi in Mumbai and other parts of the country we can enhance the sharing to a much higher level. So we believe the sharing as we go in to next few quarters should enhance, get enhanced substantially.

Shubham - Macquarie - Mumbai

And do you think that will have a moderation effect on Capex guidance for the coming years based on the current trend that you have for Capex either if you look another Capex for subscriber, Capex for per minute basis.

Manoj Kohli - President - Bharti Airtel

Clearly it is saving national resource, there are 7 wireless players in the country I think it is really destruction of national resources if all 7 players have to put up so many towers across the country. Of course there will be economies of scale benefit coming to our company too.

Shubham - Macquarie - Mumbai

Okay and one question on Capex where you are seeing huge amounts of quarter-on-quarter increase in Capex especially on the mobile business side and for the company as a whole, if we were to look at the economics of Capex, correct me if I am wrong but you are actually paying for Capex on a per minute delivered basis right, with Ericsson and Nokia for the contracts that you

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currently have. So it should largely be in line with the increase in minutes in the mobile networks that we actually see on quarter-on-quarter basis. Are we missing something here or is the Capex in this quarter significantly done in ahead of anticipation of increased minute going forward.

Akhil Gupta – CFO – Bharti Airtel Limited

We would certainly not want to disclose the complete arrangements with the network vendor but yeah, you are right broadly speaking as far as electronics is concerned it could be somewhat related to the traffic. However as you know in our mobile business is concerned there are two kinds of traffic, one is the electronic and the second is what Manoj was just talking about the new towers which has come up and the passive infrastructure which comes up. So it could not always be exactly in line with that because if you go to new towns your passive infrastructure will come up much faster than the increase in traffic. So it's not always possible or correct to try and correlate the two things.

Shubham - Macquarie - Mumbai

So should we read here that there is a significant capacity expansion in anticipation of increase in either coverage or minutes in the coming quarters because if you look at the quarter-on-quarter increase in Capex in mobile it's actually about 52% quarter-on-quarter and 219% year-over-year.

Akhil Gupta – CFO – Bharti Airtel Limited

Well I think what we could do is you need to really look at it for the full period and not worry too much about quarter-to-quarter because these anomalies in Capex will always happen. Whenever you are building up networks these things will happen, I would suggest please look at the total figures for the full half year.

Shubham - Macquarie - Mumbai

Okay. Thank you.

Akhil Gupta – CFO – Bharti Airtel Limited

Thank you.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Yogesh from First Global, Mumbai. Mr. Yogesh you may ask your question now.

Yogesh - First Global - Mumbai

Thanks for the call and congratulations on the excellent set of numbers. My question is regarding the Capex

again, your cumulative investment in the wireless business stands about Rs. 205 billion. So if you could just broadly indicate how much more minutes or how many more customers it can handle, just to get an idea about capacity utilization. That's the first question and second question is regarding the NLD traffic, you are seeing a sudden significant growth in the NLD traffic over last few quarters, it is currently at around 26% Q2, so where does the all this growth coming from, is it because your customers are using more and more NLD calls or is it your advertisements tapping into an extra non captive market.

Akhil Gupta – CFO – Bharti Airtel Limited

As far as capacity utilization is concerned we would certainly not like to share any of the details on that, this is very competitive in nature, and we would not want to get into detail there. On the NLD traffic, well there are two sources of this traffic one is from our own customers which are as you can see are increasing and of course we also get it from other operators who use our network, so I think its coming from both.

Yogesh - First Global - Mumbai

Okay. Thank you sir.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Rahul Singh from Citigroup, Mumbai. Mr. Singh you may ask your question now.

Rahul Singh - Citigroup - Mumbai

Yeah, I have two question coming back to the Capex again, are we seeing any trend that for the incremental population coverage, the size of the passive infrastructure which is beside of the towers per se, also because you would like to provision for larger size towers for 3G, are we seeing some kind of a trend of, a relative increase in passive infrastructure cost as we go from one quarter to the next quarter to the quarter ahead even though the population coverage is incrementally only 4%. That's number one. Number two is on the NLD, ILD business can you again refresh the data on what percentage of the total traffic is your own captive traffic, have you seen any increase in your own captive traffic as a percentage of total traffic and also if there is any increase in the, on net traffic?

Akhil Gupta – CFO – Bharti Airtel Limited

Along the passive infrastructure Rahul, quite clearly normally what we have been seeing is that the new number of towers, which we add rough, the Thumb Rule is 50% in existing areas and 50% in new areas. And you are right some of the outline, out country sites will be the bigger ones, but I think what we have as the current trend is a very good mixture of all kinds which we need. So I don't expect anything significantly increasing on that front.

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On NLD, ILD traffic we have been traditionally having roughly two third, one third and it's more or less in that same way, and there is nothing exceptional which I can report there.

Rahul Singh - Citigroup - Mumbai

Okay thanks.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Sanjay from JP Morgan, Mumbai. Mr. Sanjay you may ask your question now.

Sanjay - JP Morgan - Mumbai

Hi thanks very much for the call and congratulations on a splendid set of numbers. I have couple of questions, first is this recent launch of the bundled products where some of the promotional minutes are also being offered to the customers, to the new customers. I just wanted your thoughts on how does Bharti look at this, I mean in terms of the way, to go for driving penetration in market share and also do you think whether the adoption of this promotional strategy of giving away free minutes will become more wide spread. And secondly in terms of when do you see the industry really responding to the BSNL, NLD tariff cuts in the fixed line, do you think the effect is going to be transmitted to mobile segment and how soon do you think that this can happen.

Manoj Kohli - President - Bharti Airtel

Hi this is Manoj. Just wanted to check which bundled product are you talking about.

Sanjay - JP Morgan - Mumbai

Manoj this is the tie up with Motorola and LG in Calcutta and Bombay few days ago, where there is a two-year incoming validity product bundled with the new handset for Rs. 1500 and Rs. 2000.

Manoj Kohli - President - Bharti Airtel

Well Sanjay let me share with you, we do certain national products and we also do some local tactical schemes. So this must be some tactical scheme run by Calcutta or Mumbai, so because we have local strategies too in various circles, So I really we cant comment on this these tactical schemes continue from time-to-time. You should actually look at more at our national schemes like lifetime and other products, which we launch from time-to-time. What was your second question?

Sanjay - JP Morgan - Mumbai

I mean, Manoj just in terms of a thought process, I mean do you think, like the CDMA operators have been doing it for ages giving away free minutes to new customers for a certain period of time, so you think GSM as a segment will also increasingly adopt this strategy to drive their market share and also growth?

Manoj Kohli - President - Bharti Airtel

We do that, when we bundle our, with the handset we of course don't subsidize the handsets. We bundle with Nokia and other products; we do give free airtime from time-to-time.

Sanjay - JP Morgan - Mumbai

Okay. My second question was the recent reduction in the fixed line NLD tariffs by BSNL, when do you think this effect would be transmitted to the mobile segment and the mobile operators will also started reducing the NLD tariff?

Manoj Kohli - President - Bharti Airtel

I don't think this is exigent for us to really react to these kinds of changes. We believe already the National Long Distance tariffs are at the affordable level and I don't think we need to react to it, already plus this scheme BSNL have high rental and it will be taken up by very few customers.

Sanjay - JP Morgan - Mumbai

Okay my last question is this small decline in the SMS; share of SMS revenue there is a presence of wireless revenue over the previous quarter, if you could share your thoughts on the adoption of data and SMS by new subscribers.

Manoj Kohli - President - Bharti Airtel

Okay let me share with you that the absolute volume of the SMS is growing very healthily. The percentage could be slightly lower because all the incremental customers who are coming up and this quarter we picked more than 4 million incremental customers. These new customers start with voice and then over the next three, four months transit slowly to SMS too. So I think that gestation period the SMS doesn't catch up.

Akhil Gupta- CFO – Bharti Airtel Limited

The other reasons sometimes for a fall in that percentage is also is that as per the industry trend lot of SMS gets bundled into the rentals or the fixed charge which you take. Now its very difficult to apportion this between voice and SMS and obviously since predominantly those fixed charges relate to voice, they are counted towards voice. So that trend is definitely catching up and therefore some small percentage difference could be there.

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Sanjay - JP Morgan - Mumbai

Sure thank you very much.

Manoj Kohli - President - Bharti Airtel

Thank you.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Vinay Jaising from JM Morgan Stanley, Mumbai. Mr. Sing you may ask your question now.

Vinay Jaising - JM Morgan Stanley - Mumbai

Thank you ma'am. First congratulations on the great set of results. I have four questions. Question one is on the ARPU's, your weighted average ARPU has been very stable despite having over 90% net adds coming from prepaid which would be obviously be on the lower ARPU segment, so does this mean that the ARPU at individual levels have actually gone up, postpaid ARPU's have actually gone up, prepaid ARPU's have actually gone up or the micro prepaid, the new consumers who have come and also have intuitively started paying a lot more now than they were paying earlier. The second question is if you see your cost trends marketing and sales cost have again gone up to the 16.8% to 17% number as percentage of sales, any reason why, last quarter it was, it was down to about 15.8%. The third question, my colleague just asked prior to me. I would move on to asking on the non voice percentage of revenues, even that has come down over the last couple of quarters, for cellular as well as total business for the company, any reason there, I assume margins for non voice should be better. And finally, income tax percentage of PBT is at 13% or 12.8% is this a long-term estimate which we should use in your models. Thank you.

Akhil Gupta – CFO – Bharti Airtel Limited

Vinay, ARPU you very well know our views as far as the mobile business is concerned. But as far as the explanation why it is falling so slowly I think you have given a better explanation than perhaps what I could have given. The fact remains this is the one business where we have seen people use more and more as they get comfortable. So they are coming at low levels and then they start using more. So that's how the minutes per user keep going up and the fall in the ARPU is small. So that kind of explains it. I think marketing & sales cost would differ from quarter-to-quarter and again these are one of those costs, I would be very surprised if our teams decided that we must spend it as a percentage, they need to spend it according to the need of the market and as long as an overall trend and the overall scope is the same. So I would rather say these kind of cost we should look at on a year-to-date basis and I am quite happy with that looking at the growth in the market place and in the geography. Non-voice percentage is in line with the SMS,

so I think once the SMS percentage would come down that would also come down a bit, but quite truly I think the phenomenon of the growth of new and the addition of new customers who initially do give the voice revenue is what is causing it, hopefully the non voice percentage will improve going forward. On income tax, well looking at where we are on the deferred tax provision, of course the rest of it is a minimum alternate tax, which is very predictable. Deferred tax is a very tricky subject, however much you try to avoid the volatility it depends on various elements, it depends on your overall capital expenditures, which could have a difference in quarter-to-quarter on the timing differences, it also depends on your long term business plan that could change, and it could also depend on the rate of tax. But now that we have the two quarters behind us and only two to go, I would say the overall effective percentage of tax, which is in the vicinity of 11.5 to 12%, that more or less I could say it looks okay.

Vinay Jai Singh - JM Morgan Stanley - Mumbai

Thank you so much sir.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Jatin Mandal from Anand Rathi, Mumbai. Mr. Mandal you may ask your question now.

Jatin Mandalia -Anand Rathi - Mumbai

Thanks for the call and congratulations to the management for their good set of numbers. The Capex for the broadband and telephone business is down to 163 crores as compared to around 400 crores in the previous three quarters, like any trend line on that?

Akhil Gupta – CFO – Bharti Airtel Limited

Around the broadband and telephone services as you saw we have expanded in the earlier quarters to 92 - 93 cities. Once you get into a city already create a lot of capacity and therefore once you have got there somewhat the Capex does come down.

Jatin Mandalia -Anand Rathi - Mumbai

Okay, thanks.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Sunil Kumar from Birla Sun Life Insurance, Mumbai. Mr. Kumar you may ask your question now.

Sunil Kumar - Birla Sun Life Insurance - Mumbai

Yes. Congratulations for management on brilliant performance. I have three questions right now. One in

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enterprise business, and there were reports that Bharti was in touch with the 10 global long distance carriers for bilateral agreements, if you can share with us the progress. Second the reports on Bharti and Bharat Electronics will start manufacturing set top boxes in India, if you can just clarify and third if you can share with us the progress on your retail venture and insurance venture. Thank you.

Akhil Gupta – CFO – Bharti Airtel Limited

Well as far as the bilateral discussions are concerned they are routine, in any case we would not want to discuss any such specific discussions on business with any of the companies in India or abroad. Bharat electronics and set top boxes I don't think we have anything really going there, but if it is on the manufacturing side I don't know, but I don't think it is going. I hope you are talking of Bharti Teletech and not Bharat Electronics. Bharti Teletech is a group company, which manufactures set top boxes and as a company, which would be providing set top boxes for IPTV, at some stage we are certainly talking to them but not Bharat Electronics. Rajan?

Rajan Bharti Mittal – JMD – Bharti Airtel Limited

On retail actually we will take another about 4 weeks to make the closure, we are in talks as we have suggested earlier with two or three big boys in the game, but we will come back in about 4 weeks to tell our plan.

Sunil Kumar - Birla Sun Life Insurance - Mumbai

Okay. Thank you, and insurance venture?

Sunil Bharti Mittal – Chairman – Bharti Airtel Limited

Insurance has been launched on a soft basis, I think we have a full-scale launch before the end of this calendar year, the early days, but all approvals are in place, the company Bharti AXA is issuing policies for life and products are being added all the time, new offices are being added. I must mention very early days and you will get to know more about it from media and press once we fully launch it; I must for the benefit of all the investors who are in this call mention that both insurance and retail plans are not a part of Bharti Airtel and are actually group initiatives at the share holders' level at Bharti Enterprises.

Sunil Kumar - Birla Sun Life Insurance - Mumbai

Okay. Thank you.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Vikash from SBI Capital, Mumbai. Mr. Vikash you may ask your question now.

Vikash Mantri - SBI Capital - Mumbai

Good afternoon sir. Congratulations for the numbers. Just wanted to know after about, how do you think the mobile number portability would come in and would it come in the fixed line as well and what impact could it have on your operating margins, would it require additional expenditure on sales and marketing?

Manoj Kohli - President - Bharti Airtel

Hi this is Manoj. This consultation paper of the TRAI was out; TRAI has taken feedback from all the stakeholders in the industry. We've also given our feedback to TRAI that we would like to have, we welcome portability but we welcome comprehensive industry portability including fixed line. However I don't see portability being eminent in the short-term time frame.

Vikash - SBI Capital - Mumbai

Okay. Thank you.

Sulogna - Moderator

Thank you very much sir. The next question comes from Mr. Shubham from Macquarie, Mumbai. Mr. Shubham you may ask your question now.

Shubham - Macquarie - Mumbai

Hello, Akhil there is a follow up question I have which is after having paid up the license fees potentially for a Pan India, 3G spectrum coverage, what in your mind would be the kind of Capex that would be required to have a full fledged 3G ready network on a Pan India basis?

Akhil Gupta – CFO – Bharti Airtel Limited

Hi Shubham these are very hypothetical questions, I think we should probably not indulge into any speculative stuff here. I think we are waiting for the results of the TRAI recommendation, lets wait for that, too early for us to be wasting time in working out what would be the Capex for this.

Shubham - Macquarie - Mumbai

I am not talking about the bidding part Akhil; I am just talking about, Capex,

Akhil Gupta – CFO – Bharti Airtel Limited

Early, its too early, we are not prepared to give any kind of comments on the Capex plans for 3G at this time.

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Shubham - Macquarie - Mumbai

Okay and with regard to WiMAX coverage for broadband access from the last mile, I believe the regulator has laid out the license fee requirement for that as well and entry license fees for than have been laid out at very much lower level for 3G. Do you see Bharti participating in WiMAX based broadband access at any point?

Akhil Gupta – CFO – Bharti Airtel Limited

Oh absolutely, absolutely I think will be a leading company in terms of the WiMAX. We are watching the developments across the world, the standards are now starting to getting settled down and I think at an appropriate stage whenever these recommendations in terms of the WiMAX licensing and the spectrum are finalized, we are working on it, but again like 3G, too early to be commenting on WiMAX plans.

Shubham - Macquarie - Mumbai

And on a most philosophical level currently the kind of networks that you have which is 2.5G or 2.75G ready lastly its GPRS network, how much incremental Capex per sub would you possibly need to invest, to go up to 3G. Or what exactly are the components that you would require to make this network 3G ready.

Akhil Gupta – CFO – Bharti Airtel Limited

Well as you said just said this is definitely a philosophical question because it actually doesn't work this way, it depends on the traffic, on the usage of the customer and in any case, even if I knew the answer which incidentally I don't, if I knew I will certainly not be sharing it in a open forum.

Shubham - Macquarie - Mumbai

Okay. Thanks Akhil.

Sulogna - Moderator

Thank you very much sir. At this moment there are no further questions from the participants. I would now hand over the floor back to Mr. Sunil Bharti Mittal for the final remarks.

Sunil Bharti Mittal - Managing Director - Bharti Airtel

Thank you. Let me thank all the participants who took their time off to be with us on this important call. I hope we have been able to clarify most of the queries that were on line. Please do stay connected to our company, watch this space; I look forward to greeting all of you in the next quarter. Thank you and good luck.

Sulogna - Moderator

Ladies and gentleman this concludes the earnings call. You may now disconnect your line. Thank you for connecting to Audio Conference Service from Airtel and have a pleasant evening.

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