Industry In-Depth

6 June 2007 | 9 pages

Indian Wireless

Towercos – Dealflow to Set Valuation Benchmarks, Bharti Most Leveraged

Rahul Singh[1]
+91-22-6631-9863
rahul.r.singh@citigroup.com

Anand Ramachandran, CFA[2]
+852-2501-2448
anand.ramachandran@citigroup.com

Gaurav Malhotra[1]
gaurav.a.malhotra@citigroup.com

- Towerco space getting its due — Judging by the recent interest from investors, realization of the potential value of the towercos is imminent. Recent newspaper reports indicate towercos are in talks to tie-up funds from financial and strategic investors. Potential deal flow with valuation benchmarks would prove positive for the listed wireless stocks.

- First few transactions to provide valuation benchmark — The first few transactions would provide a benchmark for valuing the nascent towercos segment. This accords greater visibility to monetization of the unlisted towerco value of Bharti & RCOM. Bharti (our top pick) is the most leveraged to valuation upside from towercos. Our estimated explicit value is at Rs145/share. Other players like Idea will benefit indirectly from the imputed "takeout" valuation of their towers.

- Robust fundamentals for towercos — The fundamentals of tower sharing remain strong in the Indian context given: 1) expected rapid growth in tower count, 2) large number of operators, 3) falling revenue per min, and 4) smaller players' desire to bridge the coverage gap vis-à-vis the more established peers.

- Bharti to lead from the front — Bharti's towerco has a headstart given: 1) the highest tower market share (~40%), 2) unconditional rollout plans (30,000 towers in FY08), and, most importantly, 3) an MoU with Vodafone that imparts greater visibility on average tenancy and operating margins.

Figure 1. Statistical Abstract

Company	Rating	M Cap US$M	Share price 6/6/2007	P/E (x) FY08E	P/E (x) FY09E	EV/EBITDA (x) FY08E	EV/EBITDA (x) FY09E
Bharti	1L	39,414	837	26.3	21.7	14.8	11.8
RCOM	1M	25,903	511	23.3	17.7	12.7	9.7
Idea	1L	7,936	123	48.9	34.6	16.7	12.6

Source: Citigroup Investment Research estimates

See Appendix A-1 for Analyst Certification and important disclosures.

[1]Citigroup Global Market India Private Limited; [2]Citigroup Global Markets Asia

Towerco funding deals to set valuation benchmarks

Telecom infrastructure is seeing tremendous growth with low penetration, high rollout commitments of incumbents and the need to cut capex/opex in the wake of declining revenue per min. While telcos are hiving off their tower infrastructure into separate towercos, some, like GTL infrastructure, Quipo, Xcel Telecom and Essar Telecom are investing in independent towercos. Media reports suggest that these standalone entities plan to spend ~Rs50bn for setting up 18,000 towers during FY08.

Private equity funds have also shown interest in Greenfield towerco's in the recent past:

1. Xcel Telecom has got US$500m commitment from Texas-based Q Investment for setting up telecom tower infrastructure. It has lined up US$2bn for acquisitions and project roll-out in the next three years

2. Quipo Infrastructure received funding from IDFC private equity and GIC for funding telecom infrastructure, among other things

Meanwhile, Bharti & RCOM are hiving off their tower infrastructure into separate companies and could sell minority stakes for standalone funding of the resultant towercos. In fact, RCOM's towerco is reported to be in talks with Carlyle, AMT and other private equity investors for funding. We believe that the announcement of a deal would provide better visibility to the latent value of the towercos and help re-rate the underlying listed stocks, especially Bharti and to a lesser extent, RCOM.

Bharti most leveraged to value unlocking from towers

We use a DCF methodology to value Towercos on account of the stable annual cash flows generated. Market multiples such as EV/EBITDA and dividend yield are used more for the purpose of peer comparison. In our note published in Feb 2007, we estimated the option value of Bharti's Towerco at US$6bn (Rs145/share) using the method. For more details, please refer to https://www.citigroupgeo.com/pdf/SAP02965.pdf

While RCOM is actually ahead in the hive-off process (at least the administrative part), we believe that the towerco upside for RCOM will be lesser than Bharti due to: 1) the latter's higher tower count (35,000 vis-à-vis 14,000 for RCOM), 2) RCOM's lower tower add targets for FY08 (20,000 vs. Bharti's 30,000), and 3) Bharti's headstart given the MOU with Vodafone.

Figure 2. Valuation Comparison (EV/EBITDA)

	2008E	2009E
Bharti Airtel (Core business target of Rs800)	14.2	11.3
Bharti's Towerco (DCF value of Rs145/share)	17.5	11.7
American Towers	19.2	17.7
Crown Castle	18.4	16.3
SBA	21.3	19.4
China Communication services*	11.4	9.9
Macquarie Communications*	13.1	12.8
Median of listed peers	**18.4**	**16.3**
Bharti Towerco's discount to median on imputed EV/E	(4.9%)	(28.1%)

Source: Citigroup Investment Research estimates

* Not a pure play towerco

The implied EV/EBITDA multiple of Bharti's towerco at a US$6bn valuation translates into 17.5x for FY08E and 11.7x FY09E. We believe the high EV/EBITDA of towercos in general, and Bharti's towerco in particular, is justified due to:

1. High operating leverage – Towerco's typically make EBITDA margins in the region of 50%. This is because any addition of new tenants In addition to the incumbent tenant directly impacts the bottom line with a marginal increase in operating expenses. We expect Bharti's towerco to touch EBITDA margins of ~50% once the average tenancy reaches 2.0.

Figure 3. High Operating Leverage (EBITDA margins)

	2006	2007E	2008E	2009E
American Towers	66.1	67.4	70.3	72.6
Crown Castle	54.2	54.0	55.9	58.7
SBA	44.8	49.8	52.7	55.2
Macquarie*	38.5	39.2	39.6	40.2
Median	**49.5**	**51.9**	**54.3**	**56.9**

Source: Citigroup Investment Research estimates

2. High growth - The number of towers in India are expected to post a CAGR of 38.5% between FY07E and FY09E on the back of a rapid increase in coverage. The introduction of 3G will also support the growth since it requires a greater density of coverage.

Figure 4. Number of Towers

	FY06	FY07E	FY08E	FY09E
No. of towers	55,055	96,115	145,970	184,360
Growth (%)	*60.1*	*74.6*	*51.9*	*26.3*

Source: Companies, Citigroup Investment Research estimates

3. Tower sharing a necessity – We believe that tower sharing is a necessity in the Indian context. With seven operators, increasing rural rollout and declining EBITDA/min, operators are always on the lookout to cut costs in order to maintain the presently healthy paybacks of 2-3 years. Once 2-3 operators start sharing and lower their costs, the rest of the industry cannot stay away for too long, thus making it a virtuous cycle. For the smaller players, shared tower infrastructure will also help them catch up faster with their more established peers in terms of coverage.

4. Bharti's towerco enjoys a headstart – This is a result of its high tower share, unconditional rollout and most importantly, the MoU with Vodafone, which increases its average tenancy and places it in a position where it would be able to offer better rates to the prospective tenants as compared to other towercos.

Bharti Airtel (BRTI.BO - Rs833.30; 1L)

Valuation

Our 12-month forward target price of Rs960 is based on core DCF of Rs800 and a towerco option value of Rs158. The core DCF (as on March-08) is based on a WACC of 10.8%, a terminal growth rate of 4% and beta of 0.9 (implying a terminal EV/EBITDA multiple of 8.5x). We prefer DCF as our primary valuation methodology because the wireless market will likely continue to post robust growth requiring upfront capex, but should generate significant free cash beyond 2009-10. Our target price (net of towerco value) represents a FY09E P/E of 20.8x, P/CEPS of 12.9x and EV/EBITDA of 11.3x. The imputed target P/E (net of towerco) of 25.0x FY08E is at 25% premium to the broad market P/E (20.0x FY08E at the higher end of our Sensex target of 16,000). This, we believe, is justified by above-average earnings growth, improved earnings visibility and relative insulation from macro risks.

Risks

Our quantitative risk-rating system, which tracks 260-day share price volatility, rates Bharti as Low Risk. We are comfortable attributing a Low Risk rating for the following reasons: (1) Bharti has a track record of profitability and execution; (2) the company's capex plans are fully funded, and (3) the strategic shareholding of SingTel leaves us comfortable with execution issues and initiatives. The risks that could prevent the stock from reaching our target price include competition-led tariff pressures, un-remunerative capex, overall market downside, and slower-than-expected execution of the tower sharing initiative.

Reliance Communications (RLCM.BO - Rs505.05; 1M)

Valuation

In valuing Indian wireless plays, we use DCF as our primary methodology given the back-ended nature of profits and cash flow. In the case of RCOM, however, we use EV/EBITDA in the absence of a detailed balance sheet, which is awaiting reorganization. Our 12-month target price of Rs510 is based on 9.6x FY09E EV/EBITDA, at a 15% discount to Bharti’s target multiple (ex- towerco) to reflect the uncertainty regarding the timing of GSM rollout and the associated challenges. We expect RCOM’s valuation multiples to broadly track Bharti’s due to the liquidity overflow from the latter, notwithstanding the risk of technology transition. The potential IPO of FLAG would also act as a likely trigger to the stock over the next 3-6 months. Meanwhile, higher-than-average earnings growth (CAGR of 39.0% over FY07-09E) and low sensitivity of wireless demand to interest rates will continue to support premium valuations for the sector.

Risks

Our quantitative risk-rating system, which tracks 260-day share price volatility, assigns a High Risk rating to RCOM, but we believe a Medium Risk rating is more appropriate. RCOM has been de-merged from Reliance Industries, and its shareholding at the time of listing mirrored the holding of RIL. The stock is therefore unlikely to have risk factors that are typical of newly listed companies, that have more limited management and operating track records. Besides, growth in the telecom sector accords visibility to RCOM's prospects – characteristics that are similar to those of its peers. However, we believe its evolving financial history and risks pertaining to GSM overlay, warrant a risk rating higher than we assign to Bharti (Low Risk). Downside risks to our target price include smaller-than-expected market share, lower-than-anticipated operating leverage (especially for FY07), cost-overruns in GSM overlay, regulatory and competition risks, un-remunerative capex, delays in the ongoing re-organization and more telecom-related paper entering the market.

IDEA Cellular (IDEA.BO - Rs126.10; 1L)

Valuation

We have set our 12-month target price at Rs112 based on Mar-08E DCF, which we think is an appropriate method due to the back-ended nature of free cash flows given the new circle roll-outs. Our DCF assumes a WACC of 10.8% at a target debt to capital of 50.0% and terminal growth rate of 4.0% (similar to Bharti). Our DCF is based on explicit forecasts for FY07-16E with a terminal year EBITDA margin at 37.1% (~200bps below Bharti) and capex/sales of ~10% (in line with Bharti). The target price implies an EV/EBITDA of 11.6x, a slight premium to Bharti's target multiples (for the ex-towerco portion of Rs800), which we believe is supported by: (1) higher EBITDA growth rates for Idea, (2) liquidity overflow from Bharti's foreign limit constraints, and (3) M&A possibilities in the long run, given Idea's good fit for the potential suitors.

Risks

Our quantitative risk rating system assigns a default Speculative Risk rating to Idea, due to its trading history of less than 12 months. We believe, however, that a Low Risk rating is more appropriate due to the higher visibility of Indian wireless growth, Idea's reasonably competitive position, strong parentage and the reduction of financial leverage post-IPO. Operationally, the risks facing Idea are slightly higher than its more established peers on account of the roll out in new circles. Project cost over-runs, delays in spectrum allocation and hence commercial launches could affect the value accretion opportunity in the new circles. Idea will also face competition from the established players in the new circles and market share gains may be lower than expected. Idea will incur higher capex requirements in the new circles due to the coverage compulsions, which may depress return parameters in the initial years. Any rollout plans beyond 13 circles may also require a fresh equity infusion. These risk factors could impede the stock from reaching our target price.

Appendix A-1

Analyst Certification

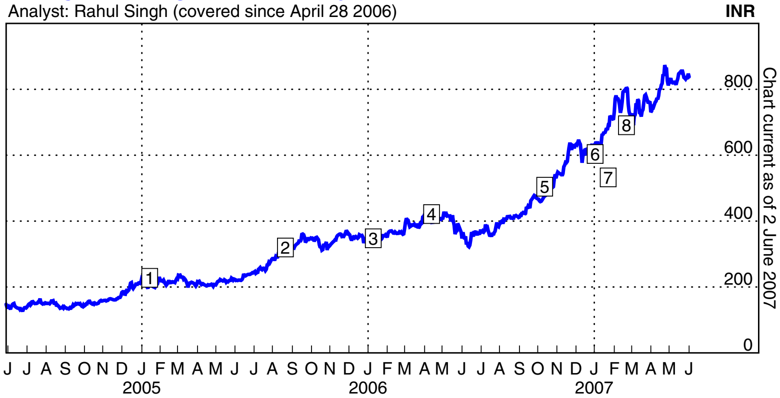
We, Rahul Singh and Anand Ramachandran, CFA, research analysts and the authors of this report, hereby certify that all of the views expressed in this research report accurately reflect our personal views about any and all of the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

IMPORTANT DISCLOSURES

Bharti Airtel (BRTI.BO)

Ratings and Target Price History - Fundamental Research

Analyst: Rahul Singh (covered since April 28 2006)



Covered
Not covered

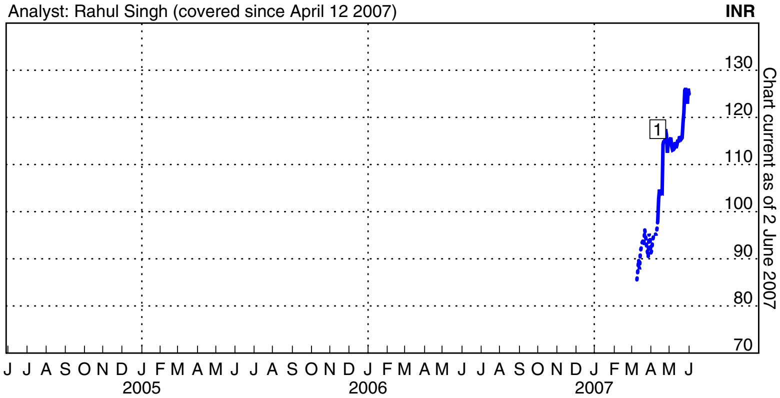
#	Date	Rating	Target Price	Closing Price
1:	14 Jan 05	*1M	*260.00	210.30
2:	22 Aug 05	1M	*400.00	306.10
3:	10 Jan 06	1M	*450.00	339.25
4:	13 Apr 06	1M	*500.00	395.95
5:	12 Oct 06	*1L	*600.00	475.65
6:	2 Jan 07	1L	*750.00	633.00
7:	23 Jan 07	1L	*800.00	689.15
8:	21 Feb 07	1L	*960.00	806.30

*Indicates change.

IDEA Cellular (IDEA.BO)

Ratings and Target Price History - Fundamental Research

Analyst: Rahul Singh (covered since April 12 2007)



Covered
Not covered

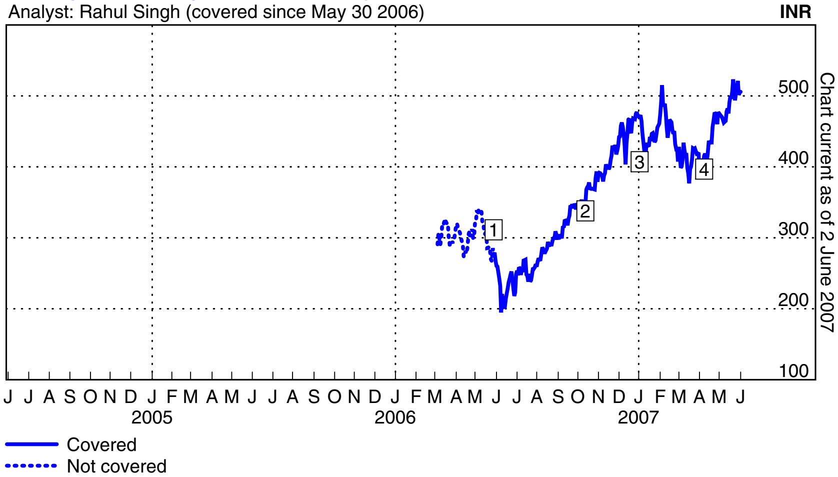
#	Date	Rating	Target Price	Closing Price
1:	12 Apr 07	1L	112.00	98.15

*Indicates change.

Reliance Communications (RLCM.BO)

Ratings and Target Price History - Fundamental Research

Analyst: Rahul Singh (covered since May 30 2006)



#	Date	Rating	Target Price	Closing Price
1:	29 May 06	1M	360.00	276.25
2:	12 Oct 06	1M	*430.00	345.95
3:	2 Jan 07	1M	*570.00	470.75
4:	9 Apr 07	1M	*510.00	415.60

*Indicates change.

Rahul Singh holds a long position in the shares of Bharti Airtel.

Citigroup Global Markets Inc. or its affiliates beneficially owns 1% or more of any class of common equity securities of Bharti Airtel and IDEA Cellular. This position reflects information available as of the prior business day.

Within the past 12 months, Citigroup Global Markets Inc. or its affiliates has acted as manager or co-manager of an offering of securities of IDEA Cellular.

Citigroup Global Markets Inc. or its affiliates has received compensation for investment banking services provided within the past 12 months from Bharti Airtel and IDEA Cellular.

Citigroup Global Markets Inc. or an affiliate received compensation for products and services other than investment banking services from Bharti Airtel and IDEA Cellular in the past 12 months.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following company(ies) as investment banking client(s): Bharti Airtel and IDEA Cellular.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following company(ies) as clients, and the services provided were non-investment-banking, securities-related: Bharti Airtel and IDEA Cellular.

Citigroup Global Markets Inc. currently has, or had within the past 12 months, the following company(ies) as clients, and the services provided were non-investment-banking, non-securities-related: Bharti Airtel and IDEA Cellular.

Analysts' compensation is determined based upon activities and services intended to benefit the investor clients of Citigroup Global Markets Inc. and its affiliates ("the Firm"). Like all Firm employees, analysts receive compensation that is impacted by overall firm profitability, which includes revenues from, among other business units, the Private Client Division, Institutional Sales and Trading, and Investment Banking.

For important disclosures (including copies of historical disclosures) regarding the companies that are the subject of this Citigroup Investment Research product ("the Product"), please contact Citigroup Investment Research, 388 Greenwich Street, 29th Floor, New York, NY, 10013, Attention: Legal/Compliance. In addition, the same important disclosures, with the exception of the Valuation and Risk assessments and historical disclosures, are contained on the Firm's disclosure website at www.citigroupgeo.com. Private Client Division clients should refer to www.smithbarney.com/research. Valuation and Risk assessments can be found in the text of the most recent research note/report regarding the subject company. Historical disclosures (for up to the past three years) will be provided upon request.

Citigroup Investment Research Ratings Distribution

Data current as of 31 March 2007	Buy	Hold	Sell
Citigroup Investment Research Global Fundamental Coverage (3215)	45%	40%	15%
% of companies in each rating category that are investment banking clients	45%	42%	32%
India -- Asia Pacific (130)	58%	14%	28%
% of companies in each rating category that are investment banking clients	42%	50%	42%

Guide to Fundamental Research Investment Ratings:

Citigroup Investment Research's stock recommendations include a risk rating and an investment rating.

Risk ratings, which take into account both price volatility and fundamental criteria, are: Low (L), Medium (M), High (H), and Speculative (S).

Investment ratings are a function of Citigroup Investment Research's expectation of total return (forecast price appreciation and dividend yield within the next 12 months) and risk rating.

For securities in emerging markets (Asia Pacific, Emerging Europe/Middle East/Africa, and Latin America), investment ratings are: Buy (1) (expected total return of 15% or more for Low-Risk stocks, 20% or more for Medium-Risk stocks, 30% or more for High-Risk stocks, and 40% or more for Speculative stocks); Hold (2) (5%-15% for Low-Risk stocks, 10%-20% for Medium-Risk stocks, 15%-30% for High-Risk stocks, and 20%-40% for Speculative stocks); and Sell (3) (5% or less for Low-Risk stocks, 10% or less for Medium-Risk stocks, 15% or less for High-Risk stocks, and 20% or less for Speculative stocks).

Investment ratings are determined by the ranges described above at the time of initiation of coverage, a change in investment and/or risk rating, or a change in target price (subject to limited management discretion). At other times, the expected total returns may fall outside of these ranges because of market price movements and/or other short-term volatility or trading patterns. Such interim deviations from specified ranges will be permitted but will become subject to review by Research Management. Your decision to buy or sell a security should be based upon your personal investment objectives and should be made only after evaluating the stock's expected performance and risk.

Guide to Corporate Bond Research Credit Opinions and Investment Ratings:

Citigroup Investment Research's corporate bond research issuer publications include a fundamental credit opinion of Improving, Stable or Deteriorating and a complementary risk rating of Low (L), Medium (M), High (H) or Speculative (S) regarding the credit risk of the company featured in the report. The fundamental credit opinion reflects the CIR analyst's opinion of the direction of credit fundamentals of the issuer without respect to securities market vagaries. The fundamental credit opinion is not geared to, but should be viewed in the context of debt ratings issued by major public debt ratings companies such as Moody's Investors Service, Standard and Poor's, and Fitch Ratings. CBR risk ratings are approximately equivalent to the following matrix: Low Risk Triple A to Low Double A; Low to Medium Risk High Single A through High Triple B; Medium to High Risk Mid Triple B through High Double B; High to Speculative Risk Mid Double B and Below. The risk rating element illustrates the analyst's opinion of the relative likelihood of loss of principal when a fixed income security issued by a company is held to maturity, based upon both fundamental and market risk factors. Certain reports published by Citigroup Investment Research will also include investment ratings on specific issues of companies under coverage which have been assigned fundamental credit opinions and risk ratings. Investment ratings are a function of Citigroup Investment Research's expectations for total return, relative return (to publicly available Citigroup bond indices performance), and risk rating. These investment ratings are: Buy/Overweight the bond is expected to outperform the relevant Citigroup bond market sector index (Broad Investment Grade, High Yield Market or Emerging Market), performances of which are updated monthly and can be viewed at http://www.sd.ny.ssmb.com/ using the "Indexes" tab; Hold/Neutral Weight the bond is expected to perform in line with the relevant Citigroup bond market sector index; or Sell/Underweight the bond is expected to underperform the relevant sector of the Citigroup indexes.

OTHER DISCLOSURES

Citigroup Global Markets Inc. and/or its affiliates has a significant financial interest in relation to Reliance Communications. (For an explanation of the determination of significant financial interest, please refer to the policy for managing conflicts of interest which can be found at www.citigroupgeo.com.)

Citigroup Global Markets Inc. or its affiliates beneficially owns 5% or more of any class of common equity securities of IDEA Cellular.

For securities recommended in the Product in which the Firm is not a market maker, the Firm is a liquidity provider in the issuers' financial instruments and may act as principal in connection with such transactions. The Firm is a regular issuer of traded financial instruments linked to securities that may have been recommended in the Product. The Firm regularly trades in the securities of the subject company(ies) discussed in the Product. The Firm may engage in securities transactions in a manner inconsistent with the Product and, with respect to securities covered by the Product, will buy or sell from customers on a principal basis.

Securities recommended, offered, or sold by the Firm: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citibank); and (iii) are subject to investment risks, including the possible loss of the principal amount invested. Although information has been obtained from and is based upon sources that the Firm believes to be reliable, we do not guarantee its accuracy and it may be incomplete and condensed. Note, however, that the Firm has taken all reasonable steps to determine the accuracy and completeness of the disclosures made in the Important Disclosures section of the Product. The Firm's research department has received assistance from the subject company(ies) referred to in this Product including, but not limited to, discussions with management of the subject company(ies). Firm policy prohibits research analysts from sending draft research to subject companies. However, it should be presumed that the author of the Product has had discussions with the subject company to ensure factual accuracy prior to publication. All opinions, projections and estimates constitute the judgment of the author as of the date of the Product and these, plus any other information contained in the Product, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. Notwithstanding other departments within the Firm advising the companies discussed in this Product, information obtained in such role is not used in the preparation of the Product. Although Citigroup Investment Research does not set a predetermined frequency for publication, if the Product is a fundamental research report, it is the intention of Citigroup Investment Research to provide research coverage of the/those issuer(s) mentioned therein, including in response to news affecting this issuer, subject to applicable quiet periods and capacity constraints. The Product is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. Any decision to purchase securities mentioned in the Product must take into account existing public information on such security or any registered prospectus.

Investing in non-U.S. securities, including ADRs, may entail certain risks. The securities of non-U.S. issuers may not be registered with, nor be subject to the reporting requirements of the U.S. Securities and Exchange Commission. There may be limited information available on foreign securities. Foreign companies are generally not subject to uniform audit and reporting standards, practices and requirements comparable to those in the U.S. Securities of some foreign companies may be less liquid and their prices more volatile than securities of comparable U.S. companies. In addition, exchange rate movements may have an adverse effect on the value of an investment in a foreign stock and its corresponding dividend payment for U.S. investors. Net dividends to ADR investors are estimated, using withholding tax rates conventions, deemed accurate, but investors are urged to consult their tax advisor for exact dividend computations. Investors who have received the Product from the Firm may be prohibited in certain states or other jurisdictions from purchasing securities mentioned in the Product from the Firm. Please ask your Financial Consultant for additional details. Citigroup Global Markets Inc. takes responsibility for the Product in the United States. Any orders by US investors resulting from the information contained in the Product may be placed only through Citigroup Global Markets Inc.

The Citigroup legal entity that takes responsibility for the production of the Product is the legal entity which the first named author is employed by. The Product is made available in Australia to wholesale clients through Citigroup Global Markets Australia Pty Ltd. (ABN 64 003 114 832 and AFSL No. 240992) and to retail clients through Citigroup Wealth Advisors Pty Ltd. (ABN 19 009 145 555 and AFSL No. 240813), Participants of the ASX Group and regulated by the Australian Securities & Investments Commission. Citigroup Centre, 2 Park Street, Sydney, NSW 2000. The Product is made available in Australia to Private Banking wholesale clients through Citigroup Pty Limited (ABN 88 004 325 080 and AFSL 238098). Citigroup Pty Limited provides all financial product advice to Australian Private Banking wholesale clients through bankers and relationship managers. If there is any doubt about the suitability of investments held in Citigroup Private Bank accounts, investors should contact the Citigroup Private Bank in Australia. Citigroup companies may compensate affiliates and their representatives for providing products and services to clients. If the Product is being made available in certain provinces of Canada by Citigroup Global Markets (Canada) Inc. ("CGM Canada"), CGM Canada has approved the Product. Citigroup Place, 123 Front Street West, Suite 1100, Toronto, Ontario M5J 2M3. The Product may not be distributed to private clients in Germany. The Product is distributed in Germany by Citigroup Global Markets Deutschland AG & Co. KGaA, which is regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin). Frankfurt am Main, Reuterweg 16, 60323 Frankfurt am Main. If the Product is made available in Hong Kong by, or on behalf of, Citigroup Global Markets Asia Ltd., it is attributable to Citigroup Global Markets Asia Ltd., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. Citigroup Global Markets Asia Ltd. is regulated by Hong Kong Securities and Futures Commission. If the Product is made available in Hong Kong by The Citigroup Private Bank to its clients, it is attributable to Citibank N.A., Citibank Tower, Citibank Plaza, 3 Garden Road, Hong Kong. The Citigroup Private Bank and Citibank N.A. is regulated by the Hong Kong Monetary Authority. The Product is made available in India by Citigroup Global Markets India Private Limited, which is regulated by Securities and Exchange Board of India. Bakhtawar, Nariman Point, Mumbai 400-021. If the Product was prepared by Citigroup Investment Research and distributed in Japan by Nikko Citigroup Ltd., it is being so distributed under license. Nikko Citigroup Limited is