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Industry View
Cautious

India Telecommunications

Positive on Subscriber Growth, Not on Profits

Quick Comment: We expect the Indian telecom operators to show strong sequential growth on the subscriber front in F4Q09, with RCOM expected to report the highest growth, followed by Idea and Bharti. RCOM's growth should be driven by its GSM launch, which we expect to add around 11 million subs. The country should see 12% sequential and 49% YoY growth in overall wireless subscribers, which should increase to 390mn (33% penetration). This would result in record sequential net adds of 43.1 mn in F4Q09 versus 31.5 mn in F3Q09 and 27.5 mn in F4Q08.

Bharti (BRTI.BO, O, Rs620.3) should register its highest-ever net adds this quarter at 8.2 mn and its overall subscriber base should grow by 10%. We estimate the company's wireless market share at 24.1%, down 62 bps QoQ, but up 33 bps YoY. We estimate an Average Revenue Per User (ARPU) fall of 2%, and Minutes Of Usage (MOU) decline of 2%, thus flat Average Revenue Per Minute (ARPM). **We attribute part of the fall in MOUs to RCOM's GSM launch; however, ARPMs may not reduce due to the same.**

From this quarter Bharti should start reporting profits in its associate Indus based on US GAAP accounting i.e., directly at net profit level. Thus on an overall basis, we will likely see slower sequential growth in revenue of 4.7%, flat EBITDA and PBT. However, at net profit level, the company's share of Indus would lead to growth of 4.3%. EBITDA margins would look as if they have fallen 200 bps at net level, although gross margins would be largely stable at about 32%. Had the company not accounted for Indus as an associate, we estimate the company would have reported 5.5% revenue growth and a little over 4% EBITDA growth. This quarter depreciation of the rupee against the dollar was a moderate 2% and thus we expect Bharti to report net finance costs of Rs2bn, largely similar to last quarter.

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Reliance Comm. (RLCM.BO, U, Rs168.75)

We estimate RCOM will have its highest-ever net adds this quarter at 11 mn due to its GSM launch. The company's overall wireless subscriber base is expected to grow by 18% to 72.4mn subs. However, according to our estimates, the incremental subscribers, especially GSM subscribers, are coming in at lower MOU and lower ARPU levels. Thus we estimate an ARPU fall of 7.5% and an MOU fall of 4.1%. (See detailed calculation in Exhibit 3.)

We expect RCOM to report sequential growth of 7% in revenues and 6% in EBITDA in F4Q09. However, we expect ~60 bps pressure in wireless margins due to GSM launch, which should be compensated for by higher margins from broadband and global businesses, both of which had one-off costs and hence lower margins in the last two quarters.

The company's net interest, tax and depreciation still boggle us and we expect a 5% drop at the net profit level YoY. Even in F2010 we estimate higher depreciation and interest costs will lead to a 24% decline in profits YoY.

We estimate the company will have a notional forex loss of Rs3.6bn in F4Q09 due to rupee depreciation, which it would adjust in its balance sheet. This is because

historically, RCOM has been adjusting the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets to the carrying cost of fixed assets in compliance with Schedule VI of the Indian Companies Act of 1956. Had this amount been adjusted in the P&L, we estimate the company's F4Q09 profits would dip by 25%.

IDEA Cellular (IDEA.BO, U, Rs51.4)

Idea is estimated to record its highest-ever net adds this quarter at 4.7mn (ex-Spice). Post the inclusion of Spice, its overall subscriber base should grow by 26% to 43mn subs. We estimate the company now has a wireless market share of 11%, up 184 bps YoY and 117 bps QoQ. For F4Q09, we estimate Idea's ARPU will be stable; however, MOUs are likely to inch up marginally, leading to a 1% fall in ARPM.

We expect the company to report 17% sequential growth in revenues and 6% growth in EBITDA in F4Q09. We estimate wireless EBITDA margins for Idea to fall by 550bps sequentially to 20.5% due to losses in newer launches and lower margins in Spice's circles.

We expect higher other income post receipt of funds from Telecom Malaysia, which would lead to 13% sequential growth in net profits.

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Exhibit 1

India Telecoms: Quarterly Operational and Financial Comparisons

(period ending)	F1Q08 30-Jun-07	F2Q08 30-Sep-07	F3Q08 31-Dec-07	F4Q08 31-Mar-08	F1Q09 30-Jun-08	F2Q09 30-Sep-08	F3Q09 31-Dec-08	F4Q09E 31-Mar-09	QoQ Change	YoY change
Wireless Subscribers (mn)										
Bharti	42,704	48,876	55,163	61,985	69,384	77,479	85,651	93,847	10%	51%
RCOM	31,879	36,324	40,964	45,794	50,788	56,046	61,345	72,390	18%	58%
Idea including Spice	16,126	18,672	21,054	24,002	27,194	30,380	34,211	43,021	26%	79%
Idea Ex-Spice	16,126	18,672	21,054	24,002	27,194	30,380	34,211	38,876	14%	62%
All India	184,932	209,089	233,624	261,079	286,868	315,312	346,894	389,946	12%	49%
Wireless Net Adds ('000)										
Bharti	5,563	6,172	6,287	6,822	7,399	8,095	8,172	8,197	0%	20%
RCOM (CDMA + GSM)	3,871	4,445	4,640	4,829	4,994	5,258	5,299	11,045	108%	129%
Idea including Spice	2,116	2,545	2,382	2,948	3,193	3,186	3,831	8,810	130%	199%
Idea Ex-Spice	16,126	2,545	2,382	2,948	3,193	3,186	3,831	4,665	22%	58%
Total Wireless Net Adds	20,418	24,158	24,535	27,455	25,789	28,444	31,582	43,052	36%	57%
% Wireless Net Adds										
Bharti	27.2%	25.5%	25.6%	24.8%	28.7%	28.5%	25.9%	19.0%	-683 bps	-581 bps
RCOM (CDMA + GSM)	19.0%	18.4%	18.9%	17.6%	19.4%	18.5%	16.8%	25.7%	888 bps	807 bps
Idea	10.4%	10.5%	9.7%	10.7%	12.4%	11.2%	12.1%	20.5%	833 bps	973 bps
% Wireless Subs										
Bharti	23.1%	23.4%	23.6%	23.7%	24.2%	24.6%	24.7%	24.1%	-62 bps	33 bps
RCOM (CDMA + GSM)	17.2%	17.4%	17.5%	17.5%	17.7%	17.8%	17.7%	18.6%	88 bps	102 bps
Idea including Spice	8.7%	8.9%	9.0%	9.2%	9.5%	9.6%	9.9%	11.0%	117 bps	184 bps
Idea Ex-Spice	8.7%	8.9%	9.0%	9.2%	9.5%	9.6%	9.9%	10.0%	11 bps	78 bps
ARPU (Rs.)										
Bharti	390	366	358	357	350	331	324	318	-2.0%	-11.1%
RCOM	375	361	339	317	282	271	251	232	-7.5%	-26.8%
Idea	320	288	279	287	278	261	266	266	0.0%	-7.3%
Average	362	338	325	320	303	288	280	272	-3.0%	-15.1%
ARPM (Rs)										
Bharti	0.82	0.78	0.76	0.70	0.66	0.63	0.64	0.64	0.0%	-8.9%
RCOM	0.74	0.74	0.75	0.74	0.66	0.64	0.61	0.59	-3.6%	-20.2%
Idea	0.84	0.80	0.74	0.70	0.65	0.62	0.65	0.64	-1.0%	-8.2%
Average	0.80	0.77	0.75	0.71	0.66	0.63	0.63	0.62	-1.5%	-12.6%
Cost per min (Rs.)										
Bharti	0.49	0.46	0.45	0.47	0.46	0.44	0.44	0.43	-3%	-8%
RCOM	0.44	0.44	0.45	0.44	0.36	0.39	0.38	0.37	-3%	-16%
Idea	0.56	0.56	0.51	0.47	0.44	0.45	0.48	0.50	5%	7%
Average	0.50	0.49	0.47	0.46	0.42	0.43	0.43	0.43	0%	-5%
Spread per min (Rs)										
Bharti	0.33	0.32	0.31	0.24	0.20	0.19	0.20	0.21	6%	-11%
RCOM	0.30	0.30	0.30	0.30	0.30	0.25	0.23	0.22	-4%	-26%
Idea	0.28	0.24	0.23	0.23	0.21	0.17	0.17	0.14	-18%	-40%
Average	0.30	0.29	0.28	0.26	0.24	0.20	0.20	0.19	-5%	-25%
MOU(Mins/sub/month)										
Bharti	478	469	474	507	534	526	505	495	-2.0%	-2.3%
RCOM	510	490	449	430	424	423	410	393	-4.1%	-8.6%
Idea	381	360	377	411	428	417	410	414	1.0%	0.8%
Average	456	440	433	449	462	455	442	434	3.1%	1.3%
Total Wireless Minutes										
Bharti	57,125	64,375	73,840	89,058	105,217	115,834	123,626	133,310	8%	50%
RCOM	45,800	50,700	52,500	56,500	62,000	67,800	72,100	78,880	9%	40%
Idea	17,100	18,831	22,457	27,824	33,087	36,315	40,254	47,973	19%	72%
Consolidated EBITDA Margins (net)										
Bharti	41.4%	42.8%	42.6%	41.6%	41.5%	41.0%	41.0%	38.7%	-225 bps	-289 bps
RCOM	42.2%	42.8%	43.2%	43.6%	42.3%	40.8%	40.2%	39.7%	-54 bps	-394 bps
Idea	34.7%	32.7%	33.2%	33.5%	32.9%	26.2%	25.5%	23.2%	-230 bps	-1027 bps
Wireless EBITDA Margin(%)										
Bharti	40.6%	41.0%	40.8%	35.5%	30.7%	30.2%	31.4%	31.6%	14 bps	-390 bps
RCOM (CDMA + GSM)	39.7%	39.9%	40.0%	40.3%	40.4%	38.9%	37.7%	37.0%	-61 bps	-324 bps
Idea	34.7%	32.7%	33.2%	33.5%	32.9%	26.3%	25.9%	20.5%	-550 bps	-1304 bps
QoQ Revenue Growth										
Bharti	9.5%	7.3%	9.9%	12.3%	8.5%	6.3%	6.8%	4.7%	-206 bps	-755 bps
RCOM (CDMA + GSM)	9.3%	6.4%	6.5%	9.0%	0.2%	6.1%	3.6%	6.9%	327 bps	-207 bps
Idea	12.9%	5.7%	9.3%	15.5%	10.2%	5.8%	18.8%	16.9%	-182 bps	147 bps
QoQ EBITDA Growth										
Bharti	9.2%	10.8%	9.4%	9.7%	8.3%	5.0%	6.6%	-1.0%	-766 bps	-1075 bps
RCOM (CDMA + GSM)	10.9%	8.1%	7.4%	10.0%	-2.9%	2.3%	2.2%	5.5%	326 bps	-449 bps
Idea	17.3%	-0.4%	11.1%	16.4%	8.4%	-15.9%	15.7%	6.4%	-928 bps	-998 bps
QoQ PAT Growth										
Bharti	11.7%	6.8%	6.7%	7.6%	9.3%	1.1%	5.5%	4.3%	-120 bps	-325 bps
RCOM (CDMA + GSM)	19.1%	6.9%	5.2%	9.5%	0.6%	1.2%	-7.9%	1.1%	894 bps	-842 bps
Idea	60.4%	-28.6%	7.6%	16.7%	-4.8%	-45.3%	52.3%	12.7%	-3959 bps	-393 bps

Source: Company data, Morgan Stanley Research estimates

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Exhibit 2

Bharti: F4Q09 Results Expectations

<i>(Rs mn)</i>	<i>F4Q09E</i>	<i>F4Q08</i>	<i>% Chg</i>	<i>F3Q09</i>	<i>% Chg</i>
<i>(period ending)</i>	<i>31-Mar-09</i>	<i>31-Mar-08</i>	<i>YoY</i>	<i>31-Dec-08</i>	<i>QoQ</i>
Gross Revenues	122,646	95,009	29.1%	123,289	-0.5%
Eliminations	21,753	16,818	29.3%	26,955	-19.3%
Net Revenues	100,893	78,191	29.0%	96,334	4.7%
Operating Expenses	61,846	45,673	35.4%	56,884	9%
Pre-License Fee Operating Profit	53,223	40,319	32.0%	49,482	8%
License Fee	14,175	7,801	81.7%	10,032	41%
EBITDA	39,047	32,518	20.1%	39,450	-1.0%
Net Finance Costs	1,996	2,157	-7.5%	1,904	4.8%
Depreciation & Amortization	12,644	9,702	30.3%	12,702	-0.5%
Non Operating Income	441	683	-35.4%	239	84.6%
Loss of JVs / Associates / Donations	79	210	-62.4%	454	-82.6%
PBT	24,770	21,132	17.2%	24,629	0.6%
Tax	3,123	2,085	49.8%	2,558	22.1%
Minority Interest	571	518	10.2%	478	19.4%
Share in Associates	1,451	-		-	
PAT After Minority Interest/Associates	22,527	18,529	21.6%	21,593	4.3%
Tax % of PBT	12.6%	9.9%	274 bps	10.4%	222 bps
Overall EBITDA Margins (Gross)	31.8%	34.2%	(239 bps)	32.0%	(16 bps)
Overall EBITDA Margins (Net)	38.7%	41.6%	(289 bps)	41.0%	(225 bps)
Operational Parameters					
Wireless Subs ('000)	93,847	61,985	51.4%	85,651	9.6%
Wireless Net Adds('000)	8,197	6,822	20.2%	8,172	0.3%
Wireless ARPUs (Rs/Month)	318	357	-11.1%	324	-2.0%
Wireless MoUs (Per Month)	495	507	-2.3%	505	-2.0%
Wireline Subs ('000s)	2,709	2,283	18.7%	2,619	3.4%
Wireline Net Adds	90	105	-14.7%	110	-18.4%
Wireless ARPM	0.64	0.70	-8.9%	0.64	0.0%
Total Subscribers('000s)	96,557	64,268	50.2%	88,270	9.4%

Source: Company data, Morgan Stanley Research Estimates

Exhibit 3

RCOM: MOU and ARPU assumptions for F4Q09

	Subs	MOU	ARPU
Total Wireless Subs estimate - Mar09	72,390		
Total Wireless Subs - Dec08	61,345	410	265
Incremental Subs during the quarter	11,045	300	50
Blended MOU/ARPU		393	232
<i>Change From Last Quarter</i>		<i>-4.1%</i>	<i>-7.5%</i>

Source: Company data, Morgan Stanley Research estimates

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Exhibit 4

RCOM: F4Q09 Results Expectations

<i>Rs mn</i>	<i>F4Q09E</i>	<i>F4Q08</i>	<i>YoY Change</i>	<i>F3Q09</i>	<i>QoQ Change</i>
<i>(period ending)</i>	<i>31-Mar-09</i>	<i>31-Mar-08</i>	<i>%</i>	<i>31-Dec-08</i>	<i>%</i>
Gross Revenues	74,520	62,648	18.9%	70,627	5.5%
Eliminations	11,979	9,534	25.6%	12,125	-1.2%
Net Revenues	62,540	53,114	17.7%	58,502	6.9%
Total Operating Expenses	54,325	29,950	81.4%	34,977	55.3%
EBITDA	24,813	23,164	7.1%	23,526	5.5%
Net Interest	(794)	(81)	880.2%	(1,496)	-46.9%
Depreciation and Amortization	11,435	7,856	45.6%	10,427	9.7%
PBT	14,172	15,389	-7.9%	14,595	-2.9%
Tax	724	(272)	-366.2%	153	374.6%
PAT	13,448	15,661	-14.1%	14,442	-6.9%
Extra-Ordinary	-	611	-100.0%	-	NM
Normalized PAT	13,448	16,272	-17.4%	14,442	-6.9%
Share of Minority /Associates	(807)	1,240	-165.1%	339	-338.5%
PAT after Minority/Associates	14,255	15,032	-5.2%	14,104	1.1%
Revenue Breakup					
Wireless	46,187	41,608	11.0%	44,119	4.7%
Wireless Adjusted	46,187	41,608	11.0%	44,119	4.7%
Global	18,057	15,257	18.4%	16,783	7.6%
Broadband	7,241	5,100	42.0%	6,542	10.7%
Others	3,034	683	344.3%	3,183	-4.7%
Interdivision revenues	11,979	9,534	25.6%	12,125	-1.2%
Total Net revenues	62,540	53,114	17.7%	58,502	6.9%
EBITDA Breakup					
Wireless	17,112	16,763	2.1%	16,616	3.0%
Wireless Adjusted	17,112	16,763	2.1%	16,616	3.0%
Global	4,741	4,089	15.9%	4,315	9.9%
Broadband	3,294	2,492	32.2%	2,760	19.3%
Others	(333)	(115)	189.6%	(106)	214.2%
Elimination	-	(65)	-100.0%	(60)	-100.0%
Total EBITDA	24,813	23,164	7.1%	23,525	5.5%
EBITDA Margins					
Wireless	37.0%	40.3%	(324 bps)	37.7%	(61 bps)
Global	26.3%	26.8%	(55 bps)	25.7%	54 bps
Broadband	45.5%	48.9%	(338 bps)	42.2%	330 bps
Overall EBITDA Margins (Net)	39.7%	43.6%	(394 bps)	40.2%	(54 bps)
Overall EBITDA Margins (Gross)	33.3%	37.0%	(368 bps)	33.3%	(1 bps)
Operational Parameters					
CDMA Subscribers ('000)	53,430	38,777	37.8%	50,991	4.8%
GSM Subscribers ('000)	18,961	7,016	170.2%	10,354	83.1%
Wireless Subscribers ('000)	72,390	45,794	58.1%	61,345	18.0%
Wireless Net Adds ('000)	11,045	4,829	128.7%	5,299	108.4%
Wireline Subscribers ('000)	1,098	874	25.7%	1,074	2.3%
Wireline Net Adds ('000)	24	93	-74.0%	53	-54.1%
Total Subscribers('000)	73,489	46,668	57.5%	62,419	17.7%
Wireless ARPU(Rs/sub)	232	317	-26.8%	251	-7.5%
Wireless MOU per customer/month	393	430	-8.6%	410	-4.1%
Wireless ARPM (Rs/minute)	0.59	0.74	-20.2%	0.61	-3.6%

Source: Company data, Morgan Stanley Research Estimates

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Exhibit 5

Idea: F4Q09 Results Expectations

<i>Rs. Mn</i>	<i>F4Q09E</i>	<i>F4Q08</i>	<i>YoY change</i>	<i>F3Q09</i>	<i>QoQ change</i>
<i>(Period Ending)</i>	<i>31-Mar-09</i>	<i>31-Mar-08</i>	<i>%</i>	<i>31-Dec-08</i>	<i>%</i>
Consolidated Financials					
Total Revenues	31,931	19,724	61.9%	27,305	16.9%
Operating Expenses					
Cost of Trading Goods	(75)	--	NM	52	-243.1%
Personnel Expenditure	6,273	919	582.6%	1,457	330.5%
Network Operating Expenditure	10,188	3,263	212.2%	6,055	68.3%
License Fee and WPC Charges	3,631	1,965	84.8%	2,983	21.7%
Interconnect Costs	3,067	3,445	-11.0%	5,083	-39.7%
Selling, General and Admin Expense	3,781	3,526	7.2%	4,706	-19.7%
Total Operating expenses	26,866	13,118	104.8%	20,336	32.1%
EBITDA	7,416	6,606	12.3%	6,969	6.4%
Net Finance Costs	2,586	1,206	114.4%	874	196.0%
Depreciation and Amortization	4,095	2,597	57.7%	3,937	4.0%
Other Income	1,957	129	1416.9%	6	35477.8%
PBT	2,692	2,932	-8.2%	2,164	24.4%
Tax	206	165	24.6%	(31)	-763.1%
PAT	2,486	2,767	-10.1%	2,195	13.3%
Minority Interest	(12)	--	NM	--	NM
Consolidated PAT After Minority Interest/Associates	2,474	2,767	-10.6%	2,195	12.7%
Ratios (as % of Income)					
Network Operating Expenditure	31.9%	16.5%	1536 bps	22.2%	973 bps
License Fee and WPC Charges	11.4%	10.0%	141 bps	10.9%	45 bps
Interconnect Costs	9.6%	17.5%	-786 bps	18.6%	-901 bps
Selling, General and Admin Expense	11.8%	17.9%	-604 bps	17.2%	-539 bps
OPM	23.2%	33.5%	-1027 bps	25.5%	-230 bps
Tax % of PBT	7.6%	5.6%	201 bps	-1.4%	907 bps
Operational Parameters					
Wireless Subs ('000)	43,021	24,002	79%	34,211	26%
Wireless Net Adds ('000)	8,810	2,948	199%	3,831	130%
Wireless ARPU (Rs/Sub/Month)	266	287	-7%	266	0%
Wireless Market Share	11.0%	9.2%	184 bps	9.9%	117 bps
Wireless Net Adds Market Share	20.5%	10.7%	973 bps	12.1%	833 bps
EBITDA Margin					
<i>Existing 8 Circles</i>	26.3%	36.4%	-1009 bps	32.7%	-644 bps
<i>New 3 Circles</i>	7.4%	-10.4%	NM	-9.3%	NM
<i>New Rest Of India Circles</i>	-73.7%	NA	NM	-158.4%	NM
Average Revenue Per Minute (Rs)	0.64	0.70	-8%	0.65	-1%
Cost Per Minute (Rs)	0.50	0.47	7%	0.48	5%
Spread Per Minute (Rs)	0.14	0.23	-40%	0.17	-18%
Minutes of Use (Min/Sub/month)	414	411	1%	410	1%

Source: Company data, Morgan Stanley Research Estimates

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Global Stock Ratings Distribution

(as of February 28, 2009)

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Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	714	32%	216	38%	30%
Equal-weight/Hold	1003	44%	246	43%	25%
Not-Rated/Hold	33	1.5%	9	1.6%	27.3%
Underweight/Sell	507	22%	100	18%	20%
Total	2,257		571		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

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Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

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Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.
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Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

Stock Price, Price Target and Rating History (See Rating Definitions)

Bharti Airtel Limited (BRTI.BO) - As of 3/26/09 in INR
Industry : India Telecommunications



Volatility shading indicates "more volatile" (V) flag. As of Nov-14-2008 the V flag has been discontinued.

Stock Rating History: 3/1/06 : 0/I; 4/19/07 : 0/A; 11/5/08 : 0/I; 2/2/09 : 0/C

Price Target History: 1/25/06 : 420; 3/1/06 : 415; 5/1/06 : 482; 10/19/06 : 558; 10/30/06 : 587; 1/10/07 : 752; 4/19/07 : 987; 4/30/07 : 1003; 7/2/07 : 1056; 7/27/07 : 1134; 9/25/07 : 1182; 11/1/07 : 1275; 7/4/08 : 993; 11/5/08 : 950; 2/2/09 : 758

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) ■
Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View) ♦
Stock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V) No Rating Available (NAU)
Stock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP) No Rating Available (NAU)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

March 27, 2009
India Telecommunications

Idea Cellular Ltd. (IDEA.BO) - As of 3/26/09 in INR
Industry : India Telecommunications



Volatility shading indicates "more volatile" (U) flag. As of Nov-14-2008 the U flag has been discontinued.

Stock Rating History: 3/1/06 : NA; 4/19/07 : NA; 4/20/07 : O/A; 10/29/07 : E/A; 11/5/08 : E/I; 2/2/09 : U/C

Price Target History: 4/20/07 : 124; 4/26/07 : 135; 7/26/07 : 157; 10/29/07 : 147; 1/25/08 : 133; 7/4/08 : 103; 10/22/08 : 54; 2/2/09 : 37

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
 Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) ■
 Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View) ♦
 Stock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V) No Rating Available (NAU)
 Stock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP) No Rating Available (NAU)
 Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Reliance Communications Ltd. (RLCM.BO) - As of 3/26/09 in INR
Industry : India Telecommunications



Volatility shading indicates "more volatile" (U) flag. As of Nov-14-2008 the U flag has been discontinued.

Stock Rating History: 3/1/06 : NA; 8/17/06 : O/I; 4/19/07 : O/A; 8/1/08 : E/A; 11/5/08 : E/I; 2/2/09 : U/C

Price Target History: 8/17/06 : 371; 10/19/06 : 421; 1/10/07 : 508; 4/19/07 : 566; 7/2/07 : 655; 8/1/07 : 697; 9/25/07 : 732; 11/2/07 : 891; 7/4/08 : 623; 8/1/08 : 509; 11/5/08 : 280; 11/26/08 : 218; 2/2/09 : 132

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target -- No Price Target Assigned (NA)
 Stock Price (Not Covered by Current Analyst) — Stock Price (Covered by Current Analyst) ■
 Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View) ♦
 Stock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V) No Rating Available (NAU)
 Stock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP) No Rating Available (NAU)
 Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

March 27, 2009

India Telecommunications

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Industry Coverage: India Telecommunications

Company (Ticker)	Rating (as of)	Price (03/26/2009)
Vinay Jaising		
Bharti Airtel Limited (BRTI.BO)	O (04/11/2002)	Rs620.3
Idea Cellular Ltd. (IDEA.BO)	U (02/02/2009)	Rs51.4
Mahanagar Telephone Nigam (MTNL.BO)	E (01/20/2009)	Rs68.3
Reliance Communications Ltd. (RLCM.BO)	U (02/02/2009)	Rs168.75
Tata Communications Ltd (TATA.BO)	U (10/22/2002)	Rs531.05

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