

The GSM net-adds continue @ 8mn run-rate

GSM subscribers increase by 8mn during Nov-08

GSM subscriber net-adds for Nov-08 at 7.6mn subs (ex-RCOM) v/s 8.1mn in Oct-08 (7.7mn ex-RCOM) continued to remain strong. Considering RCOM's GSM net-add run-rate of 0.38mn per month, *GSM net-adds for Oct-08 would for the second time clock the 8mn/month mark*. The continued strong net-adds by Bharti and Vodafone and increased momentum by Idea Cellular have resulted in strong growth.

- Bharti Airtel continued with its strong momentum adding a flat 2.72mn subscribers
- Idea & Spice together added 1.3mn (v/s 1.24mn in Oct-08) backed by strong net-adds by Idea (1.23mn) in Mumbai & Bihar Circles.
- Vodafone & Aircel report net-adds slightly lower than last month but BSNL improves.

GSM subscribers	Subscribers (mn)				Net additions (mn)			Share in net-adds (%)		
	Sep-08	Oct-08	Nov-08	% change	Sep-08	Oct-08	Nov-08	Sep-08	Oct-08	Nov-08
Bharti Airtel	77.5	80.2	82.9	3.4	2.70	2.72	2.72	35.1	33.8	35.7
RCOM	9.2	9.6	9.6	0.0	0.38	0.38	0.00	4.9	4.7	0.0
Vodafone	54.6	56.7	58.8	3.8	1.87	2.08	2.06	24.3	25.8	27.0
BSNL	39.2	39.8	40.5	1.7	0.68	0.64	0.68	8.8	8.0	8.9
Idea + Spice	34.0	35.2	36.5	3.5	1.14	1.24	1.30	14.8	15.4	17.0
Aircel	13.9	14.7	15.4	4.9	0.75	0.78	0.72	9.8	9.7	9.4
MTNL	3.7	3.7	3.8	2.1	0.04	0.07	0.08	0.5	0.8	1.0
BPL	1.7	1.8	1.9	4.1	0.15	0.14	0.07	1.9	1.8	1.0
Total	233.7	241.7	249.3	3.2	7.69	8.05	7.62	100.0	100.0	100.0

RCOM GSM nos for Nov-08 are not yet reported

Bharti Airtel continued with its consistency, a monthly net addition of 2.72mn subscribers during Nov-08, similar to that of Oct-08. The net-adds reported continue to remain above our estimate of 2.5mn per month for FY09E.

Idea Cellular added strong 1.24mn subscribers in Nov-08 v/s 1.2mn in Oct-08 driven by healthy additions from the newly launched Mumbai and Bihar circles. Idea added 0.14mn subs from the two new circles of Mumbai & Bihar during the month. Spice's net-adds at 0.7mn, showed an improvement as compared to 0.04mn during last couple of months. Idea & Spice together added 1.3mn subscribers in Nov-08 v/s 1.24mn in Oct-08.

RCOM has not yet reported any changes in subscribers for the month. However assuming monthly net addition run-rate of 0.38mn the aggregate GSM net additions for Nov-08 would for the second time hit the 8mn/month mark.

Others: Vodafone reported healthy net additions of 2.06mn v/s 2.08mn last month. The strong net-adds by Vodafone continues to bridge the gap in subscriber market share between second largest player RCOM. The difference in subscriber base between the two which was at 1.7mn during Mar-08 has reduced to 1.1mn in Oct-08. Aircel reported slightly lower net-adds of 0.72mn in Nov-08 v/s 0.78mn in Oct-08. BSNL with net adds of 0.68mn continues to show improvement, but is also losing market share.

Overall the industry continues to report strong momentum in subscriber net additions. We continue to remain bullish on the sector with Bharti Airtel as top pick.

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GSM subs (mn)	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Bharti Airtel	53.0	55.2	57.4	59.7	62.0	64.4	66.8	69.4	72.1	74.8	77.5	80.2	82.9
RCOM	5.7	6.0	6.3	6.7	7.0	7.4	7.7	8.1	8.5	8.8	9.2	9.6	9.6
Vodafone	38.6	39.9	41.1	42.6	44.1	45.8	47.5	49.2	51.0	52.8	54.6	56.7	58.8
BSNL	31.9	32.7	33.7	34.6	36.2	36.7	37.0	37.4	37.9	38.5	39.2	39.8	40.5
Idea + Spice	23.9	24.9	25.9	27.0	28.2	29.4	30.6	31.7	32.4	32.8	34.0	35.2	36.5
Aircel	9.0	9.4	9.9	10.2	10.6	11.0	11.5	11.9	12.5	13.1	13.9	14.7	15.4
MTNL	2.9	3.0	3.0	3.1	3.2	3.3	3.4	3.4	3.5	3.6	3.7	3.7	3.8
BPL	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.5	1.7	1.8	1.9
Total	166.2	172.2	178.8	185.0	192.7	199.2	205.8	212.5	219.3	226.0	233.7	241.7	249.3

GSM - Net adds (mn)	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Bharti Airtel	2.1	2.2	2.3	2.3	2.3	2.4	2.5	2.6	2.7	2.7	2.7	2.7	2.7
RCOM	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.0
Vodafone	1.4	1.3	1.3	1.4	1.6	1.7	1.7	1.7	1.8	1.8	1.9	2.1	2.1
BSNL	0.9	0.8	1.0	0.8	1.6	0.5	0.3	0.4	0.6	0.6	0.7	0.6	0.7
Idea + Spice	0.9	1.0	1.0	1.1	1.3	1.2	1.2	1.1	0.7	0.4	1.1	1.2	1.3
Aircel	0.5	0.4	0.5	0.3	0.4	0.4	0.5	0.4	0.6	0.7	0.8	0.8	0.7
MTNL	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.1
BPL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Total	6.1	6.1	6.5	6.3	7.7	6.5	6.6	6.7	6.8	6.7	7.7	8.1	7.6

GSM - Share in net adds	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Bharti Airtel	33.4	36.3	34.5	35.9	30.1	36.8	37.0	38.2	39.7	40.4	35.1	33.8	35.7
RCOM	5.3	5.5	5.1	5.4	4.4	5.3	5.3	5.5	5.5	5.6	4.9	4.7	0.0
Vodafone	22.4	21.5	19.6	22.5	20.4	25.5	25.4	25.8	25.8	27.1	24.3	25.8	27.0
BSNL	14.8	12.7	15.9	13.2	21.3	7.3	4.7	5.5	8.1	8.6	8.8	8.0	8.9
Idea + Spice	14.5	16.0	16.0	16.9	16.3	18.4	18.6	16.5	10.4	5.9	14.8	15.4	17.0
Aircel	8.2	6.6	7.7	4.0	5.5	5.8	7.6	6.5	8.1	9.7	9.8	9.7	9.4
MTNL	1.0	1.1	0.9	1.7	1.6	0.6	1.0	1.3	1.5	1.5	0.5	0.8	1.0
BPL	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.7	0.9	1.2	1.9	1.8	1.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Total wireless subs	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Bharti Airtel	53.0	55.2	57.4	59.7	62.0	64.4	66.8	69.4	72.1	74.8	77.5	80.2	-
RCOM	39.4	41.0	42.6	44.2	45.8	47.4	49.0	50.8	52.5	54.3	56.0	57.8	-
Vodafone	38.6	39.9	41.1	42.6	44.1	45.8	47.5	49.2	51.0	52.8	54.6	56.7	-
BSNL	31.9	32.7	33.7	34.6	36.2	36.7	37.0	37.4	37.9	38.5	39.2	39.8	-
Idea + Spice	23.9	24.9	25.9	27.0	28.2	29.4	30.6	31.7	32.4	32.8	34.0	35.2	-
Tata Tele	21.0	21.7	22.5	23.4	24.3	24.8	25.5	26.3	27.3	28.4	29.3	30.2	-
Aircel	9.0	9.4	9.9	10.2	10.6	11.0	11.5	11.9	12.5	13.1	13.9	14.7	-
MTNL	2.9	3.0	3.0	3.1	3.2	3.3	3.4	3.4	3.5	3.6	3.7	3.7	-
BPL	1.2	1.2	1.3	1.3	1.3	1.3	1.3	1.4	1.4	1.5	1.7	1.8	-
Others	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	-
BSNL+MTNL CDMA	4.2	4.3	4.5	4.6	4.9	4.9	4.9	4.9	4.9	5.0	5.0	5.0	-
Total wireless	225.5	233.6	242.4	250.9	261.1	269.3	277.9	286.9	296.1	305.2	315.3	325.7	-

wireless market share	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08
Bharti Airtel	23.5	23.6	23.7	23.8	23.7	23.9	24.0	24.2	24.3	24.5	24.6	24.6	-
RCOM	17.5	17.5	17.6	17.6	17.5	17.6	17.6	17.7	17.7	17.8	17.8	17.7	-
Vodafone	17.1	17.1	17.0	17.0	16.9	17.0	17.1	17.1	17.2	17.3	17.3	17.4	-
BSNL	14.2	14.0	13.9	13.8	13.9	13.6	13.3	13.0	12.8	12.6	12.4	12.2	-
Idea + Spice	10.6	10.6	10.7	10.7	10.8	10.9	11.0	11.1	11.0	10.8	10.8	10.8	-
Tata Tele	9.3	9.3	9.3	9.3	9.3	9.2	9.2	9.2	9.2	9.3	9.3	9.3	-
Aircel	4.0	4.0	4.1	4.1	4.1	4.1	4.1	4.2	4.2	4.3	4.4	4.5	-
MTNL	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1	-
BPL	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.6	-
Others	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	-
BSNL+MTNL CDMA	1.9	1.9	1.9	1.8	1.9	1.8	1.7	1.7	1.7	1.6	1.6	1.5	-
Total wireless	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	-

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