

Bharti shares edge up on expected Zain deal signing

NEW DELHI: Shares in top Indian mobile firm Bharti Airtel edged higher on Tuesday, 30 March 2010, on reports it will sign a US\$10.7-billion deal to acquire the African telecom assets of Kuwait's Zain later that day.



Officials at New Delhi-based firm declined to comment, citing confidentiality rules, but Kuwait's *Al-Watan* daily reported the signing would take place on Tuesday at the headquarters of Zain Africa in Amsterdam.

Shares of Bharti Airtel rose nearly 1% to 313.75 rupees on the Mumbai stock exchange at midday, outpacing an overall weaker market, on the back of the reports.

Once the deal, under which Bharti will acquire Zain's operations in 15 African countries, is complete the Indian company will become the seventh largest telecom player in the world.

Zain's chairman Asaad Al-Banwan, chief executive Nabil bin Salama and Bharti's chairman-founder Sunil Bharti Mittal will attend the signing, according to the *Al-Watan* report,

Even before the deal was clinched, though, reports said Gabon had objected to the sale of Zain's assets in the country to Bharti because of Zain's alleged non-compliance with regulatory norms.

Analysts have warned that regulatory issues in the countries where Bharti is slated to take over Zain's networks could complicate the Indian company's integration of the new assets.

With the acquisition of Zain's African operations, excluding networks in Morocco and Sudan, the combined entity would have more than 165 million subscribers with total revenues worth \$13 billion.

The signing of the deal would fulfill Bharti's dream of gaining a foothold in Africa, one of the world's least developed telecoms markets, after two failed attempts to tie up with South African telecom giant MTN.

Bharti has already lined up financing of 8.3 billion dollars for the Zain deal.

Source: AFP

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