

Commencement of Cost of Capital Review Invitation for Comments

The TRA formally determined Batelco's cost of capital in a Determination dated 9 August 2003. This Determination is available on the TRA's website at www.tra.org.bh. The Determination noted that the TRA proposed to review its calculation of Batelco's cost of capital no later than 2 years from the date of the Determination. Accordingly, the TRA now wishes to commence the review its cost of capital calculations.

The TRA invites interested parties to make comments on this matter. Without limiting the scope of comments which may be made in any way, the TRA is particularly interested in views of interested parties in relation to the following:

- the risk free rate;
- the market risk premium; and
- the setting of Batelco's Beta.

Interested parties should feel free to make comments on any other related matter concerning the determination of Batelco's cost of capital.

The TRA will seek in this case to publish the comments that it will receive as sent to it unless those responding expressly ask to have them withheld, in total or in part. If any party wishes to have the whole of its submission withheld it should state so at the beginning of it. If it wishes to have parts withheld, those parts should be put in a separate annex and should be clearly marked as such. Parties are asked in the interests of transparency to avoid confidentiality markings where possible.

The address for submitting comments to the TRA on this matter is:

The Director of Economics Affairs
Telecommunications Regulatory Authority
PO Box 10353
Manama
Kingdom of Bahrain

Alternatively, e-mail responses may be sent to the TRA's e-mail address at consult@tra.org.bh.

The deadline for submissions on this matter to be received by the TRA is 5.00 pm on 15 May 2005.