

Management Presentation

Bharti Airtel Limited

June 2014



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Certain numbers in this presentation have been rounded off for ease of representation. . Average exchange rates used for Rupee conversion to US\$ is (a) Rs.46.00 for the financial year ended March 31, 2009 (b) Rs.47.63 for the financial year ended March 31, 2010 (c) Rs. 45.60 for the financial year ended March 31, 2011, (d) Rs. 47.84 for the financial year ended March 31, 2012 (e) Rs. 54.00 for the quarter ended June 30, 2012 (f) Rs. 55.19 for the quarter ended September 30, 2012 (g) Rs. 54.42 for the quarter ended December 31, 2012 (h) Rs.54.12 for the financial year ended March 31, 2013 based on the RBI Reference rate. Closing exchange rates used for Rupee conversion to US\$ is (a) Rs. 50.95 for the financial year ended March 31, 2009 (b) Rs. 45.14 for the financial year ended March 31, 2010 (c) Rs. 44.65 for the financial year ended March 31, 2011 (d) Rs. 51.16 for the financial year ended March 31, 2012 (e) Rs. 54.30 for March 31, 2013 being the RBI Reference rate.

Investor Relations :- <http://www.airtel.in>
For any queries, write to: ir@bharti.in

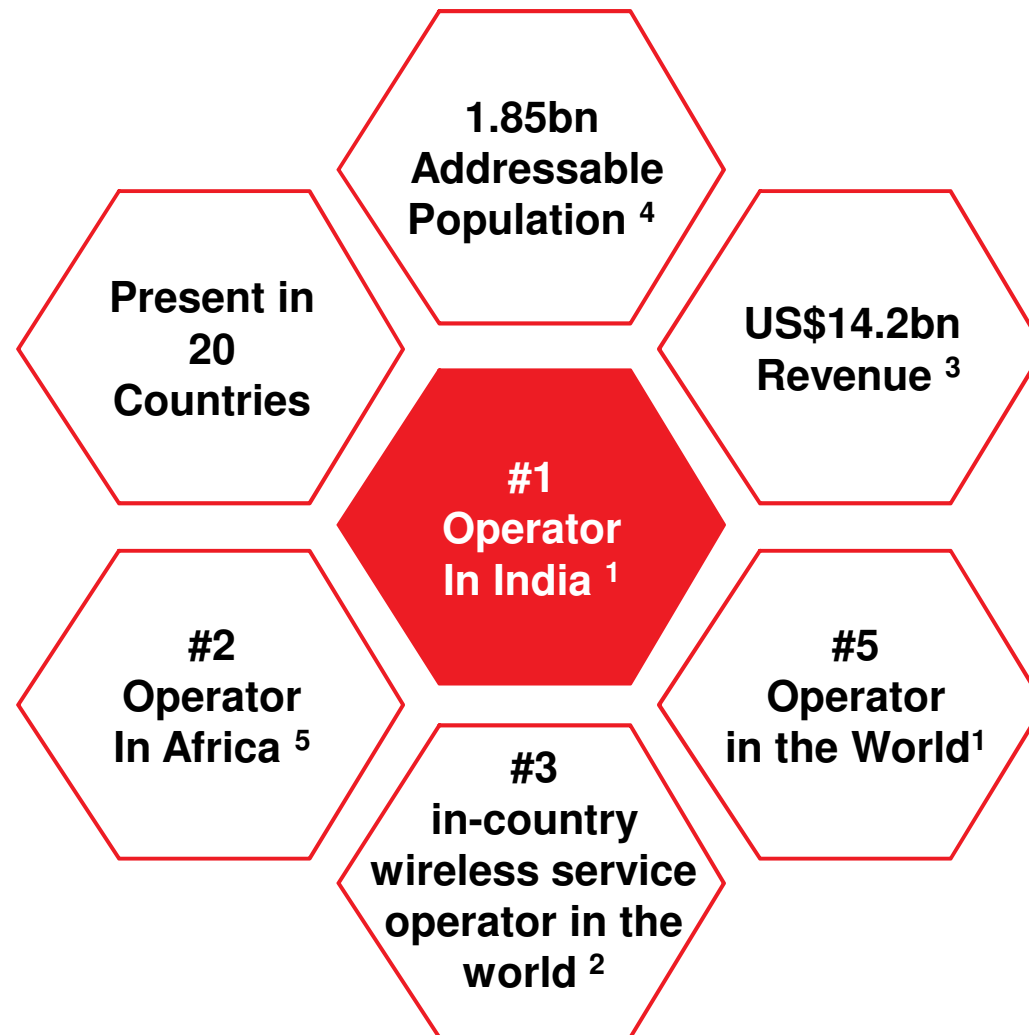
Agenda

- Introduction to Bharti Airtel
- Bharti Airtel Business Model
- Bharti Airtel Wireless Operations
- Bharti Airtel Africa
- Overview of Other Businesses
- Financial Overview
- Key Highlights



Bharti Airtel – Who we are

Bharti Airtel



Source: TRAI and Informa Telecoms and Media

Notes:

1. As of December 31, 2013
2. Fourth largest mobile operator in the world as of September 30, 2012, based on proportionate equity subscriptions .Based on data from Informa Telecoms and Media. In-country wireless operator refers to single country subscribers
3. FY2014 Revenue
4. Combined population for the regions in which Airtel has a footprint
5. As measured by proportionate equity subscription in a single country, according to 2013 Informa Telecoms and Media

The “airtel” Brand

Vision: Become the most loved brand by 2015

- Multiplatform services in telecom, enterprise and digital television, unified under brand “airtel”
- Successfully unified operations across the globe under the umbrella of ‘airtel’
- Amongst the Top 100 of Most Valuable Global Brands List ¹
- No. 1 service brand in India ²
- One of the top 10 brands in Africa – within 3 years of operations there
- Awarded Brand of the Year Award at the Nigerian Telecom Awards³



Alive



Inclusive



Respectful

Notes:

1. As per The BrandZ Top 100 Most Valuable Global Brands study conducted by leading global research firm Millward Brown- May-2012
2. Brand Equity's Most Trusted Brands Annual survey – 2012
3. Nigerian Telecom Awards 2013

Global Telecom Company with a Diversified Portfolio

Mobile Services



- Wireless mobile services across 20 countries
- Market leader in India both in terms of subscribers and revenue
- 283.6 mn¹ wireless subscribers globally

Airtel Business



- Services to large enterprises and carriers
- Single point of contact for all telecom needs
- Over 225,000 Rkm¹ covering 50 countries across 5 continents



Telemedia Services



- Fixed telephony and broadband internet (DSL + IPTV)
- 3.3mn¹ broadband & internet customers
- Services provided across 87 cities

Tower Infrastructure Services



- Bharti Infratel owns 35,905 towers ¹ across 11 circles
- Bharti Infratel owns 42% stake in Indus Tower which has 113,008 towers¹ across 15 circles
- Current market cap: US\$6.4bn²

Digital TV



- Pan India DTH operations
- Amongst the top three players with 9 mn³ subscribers
- Coverage across 639 districts ¹

Uniquely positioned with strong asset base

Five key businesses creating an end-to-end global telecom company

Source: TRAI and Informa Telecoms and Media

1. Bharti Airtel Quarterly Report for quarter ending March 31, 2014

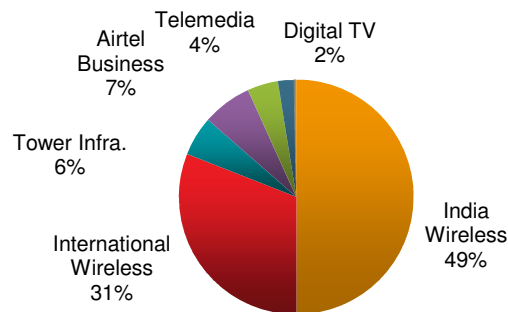
2. Market Cap data as on the 31 March 2014

3. As published on October 21, 2012 in the Business Standard Title: "Digital wars"

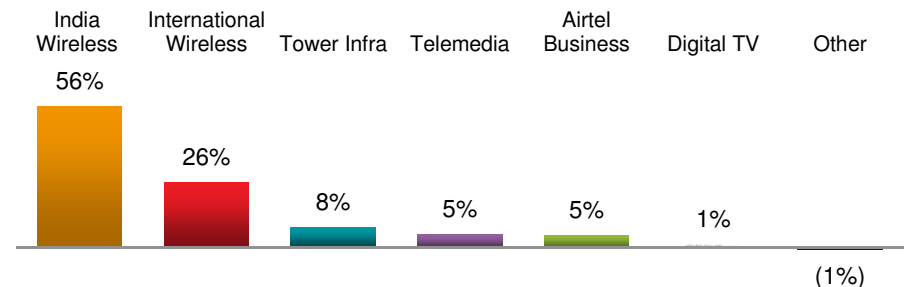
Scale and Profitability across Diversified Segments

- FY14 Revenues of \$14.2 bn and EBITDA of \$4.6 bn
- Q4 FY14 Revenues of \$ 3.6 bn and EBITDA of \$1.2 bn
- International Operations contributed 31% of FY14 revenues

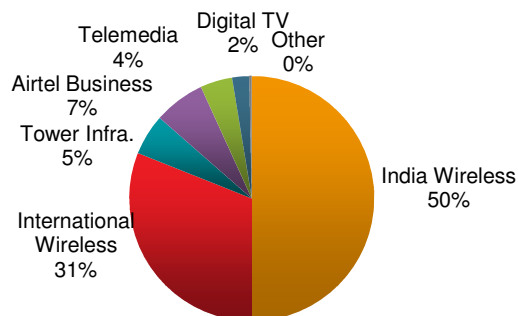
FY14 Revenue: \$14.2 bn ¹



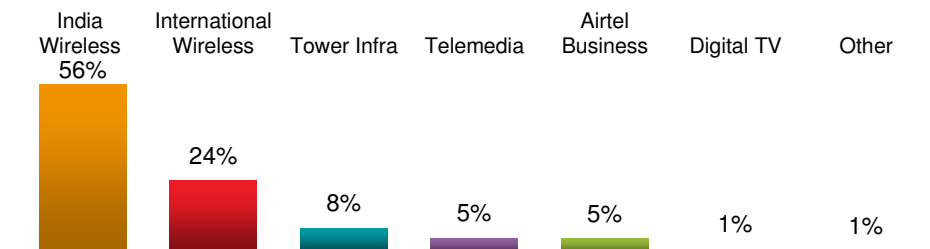
FY14 EBITDA: \$4.6 bn ¹



Q4 FY14 Revenue: \$3.6 bn ¹



Q4 FY14 EBITDA: \$1.2 bn ¹



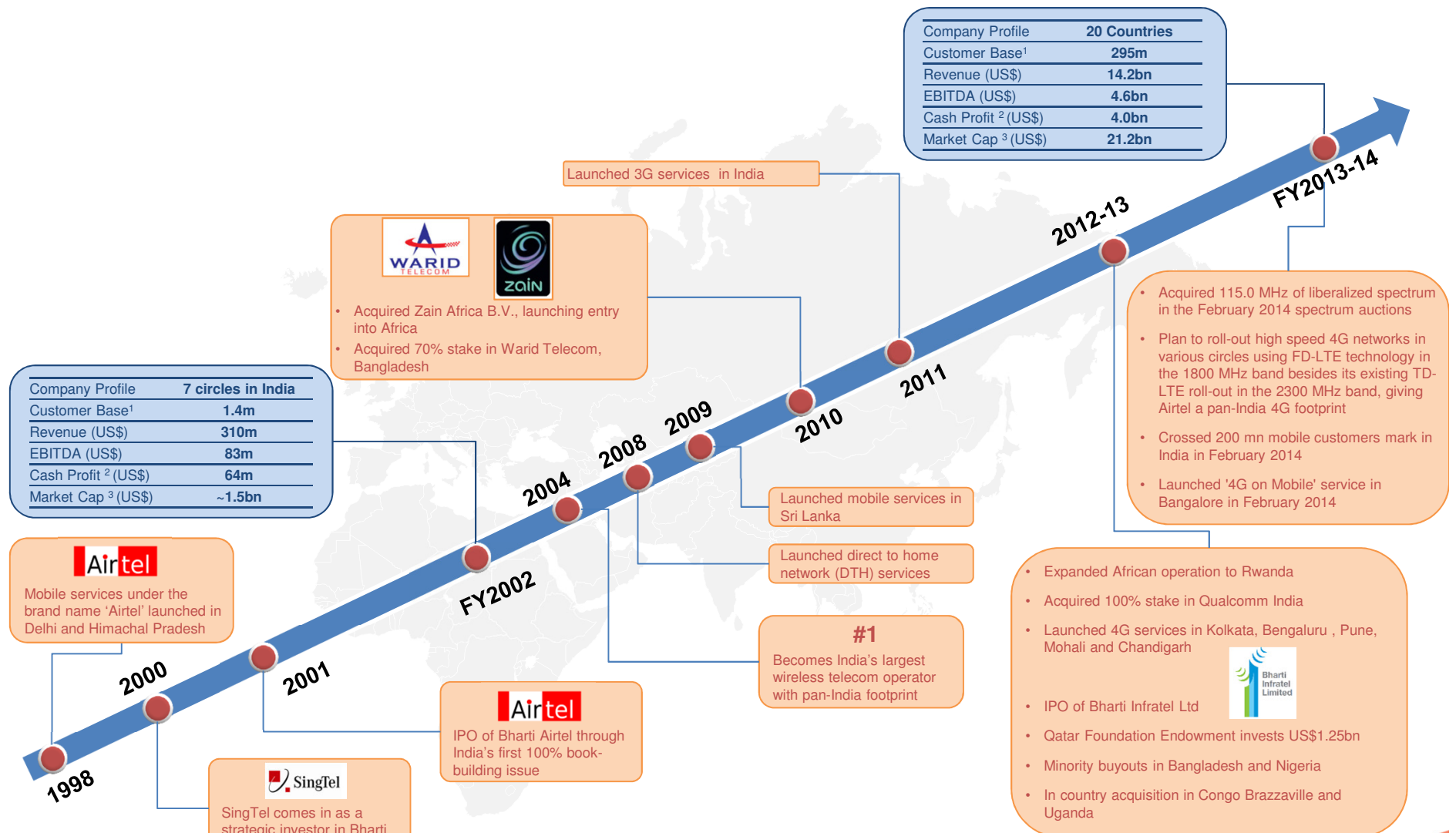
Diversified suite of offerings with non-wireless segments contributing 20% to revenue (4Q FY14)

Source: Company Filings (NSE, BSE)

Note:

1. Revenue and EBITDA pie charts are based on pre inter-segment eliminations

Strong Growth Trajectory



Source: Company Filings, Company website, BSE, NSE
Notes:

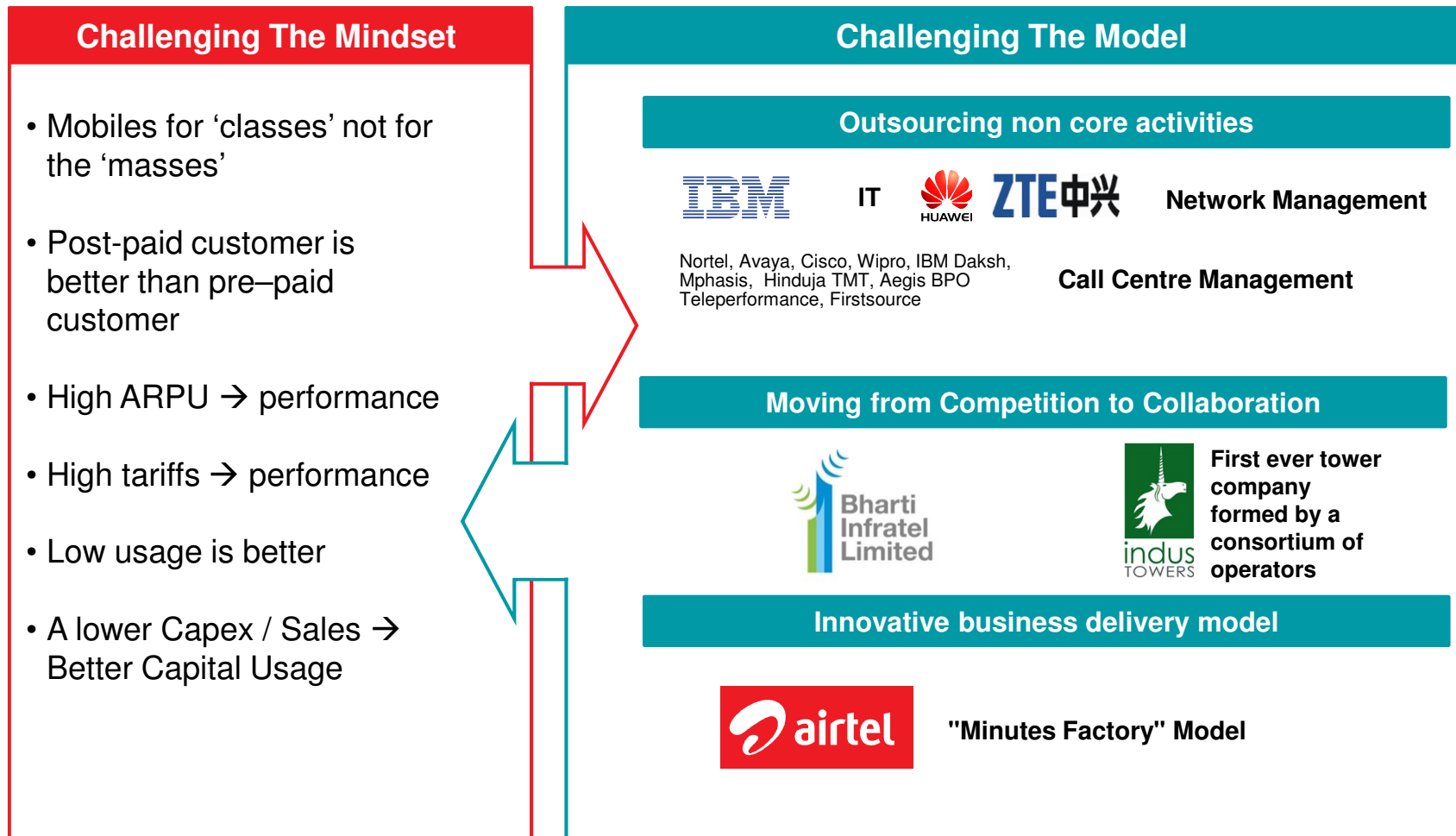
1. Customer Base includes non-mobile customers (DTH, Enterprise, Telemedia, etc.)
2. Cash profit defined as EBITDA – Net Finance Cost excluding derivatives and exchange fluctuations impact
3. 2002 market capitalization as on 31/03/02; FY2014 market capitalization as on 31/03/14; (Source: BSE, NSE)

Amongst the world's leading telecom players offering end-to-end solutions



Unique Business Model

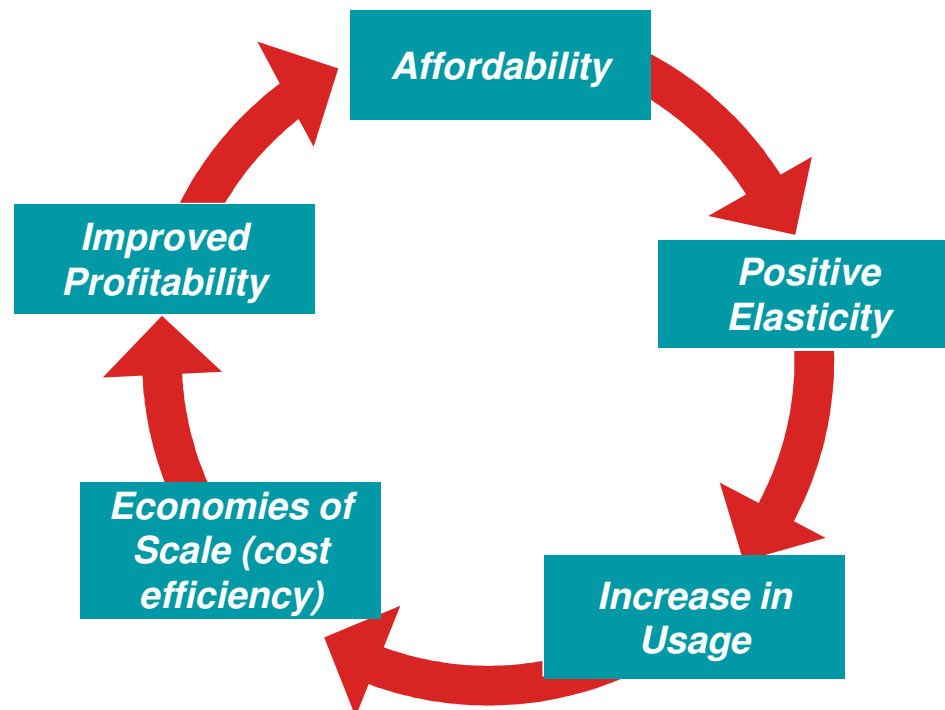
Bharti Airtel: Challenging mindsets



The strategic partnership model has been a key enabler for Bharti Airtel to lower its costs

Created a Unique Business Model – “Minutes Factory”

- Improving affordability to gain positive elasticity is at the heart of our Minutes Factory model



- Focus on producing the lowest cost minute whilst maintaining / growing margins
- Drive affordability
 - more users
 - more usage
- Increased scale of minutes; driving operating leverage

Bharti Airtel successfully used its “Minutes Factory” model to move towards a high usage environment, while building its customer base profitably



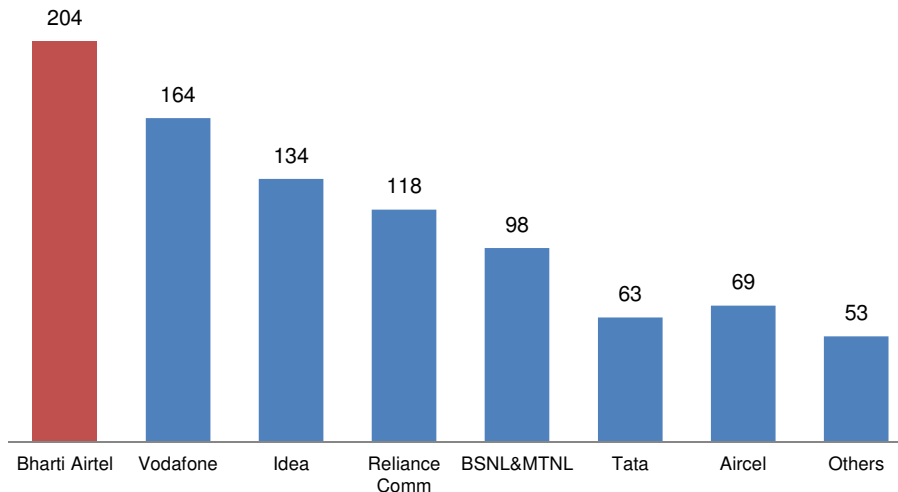
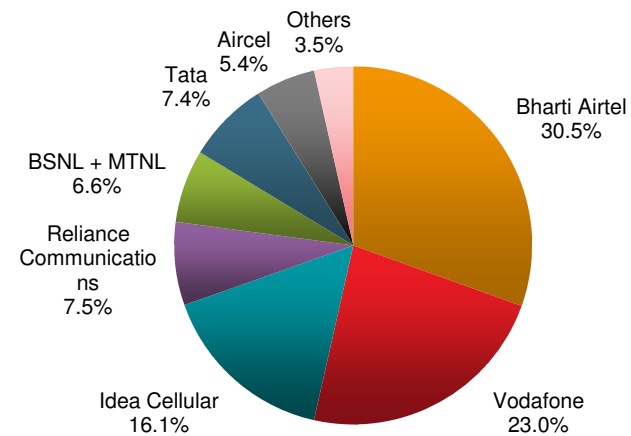
***Bharti Airtel: India
Wireless Overview***

Bharti Airtel: The Leading Indian Wireless Operator

Wireless Subscriber Market Share ¹



Wireless Revenue Market Share ²



87% nationwide coverage with 31% revenue market share and 23% customer market share

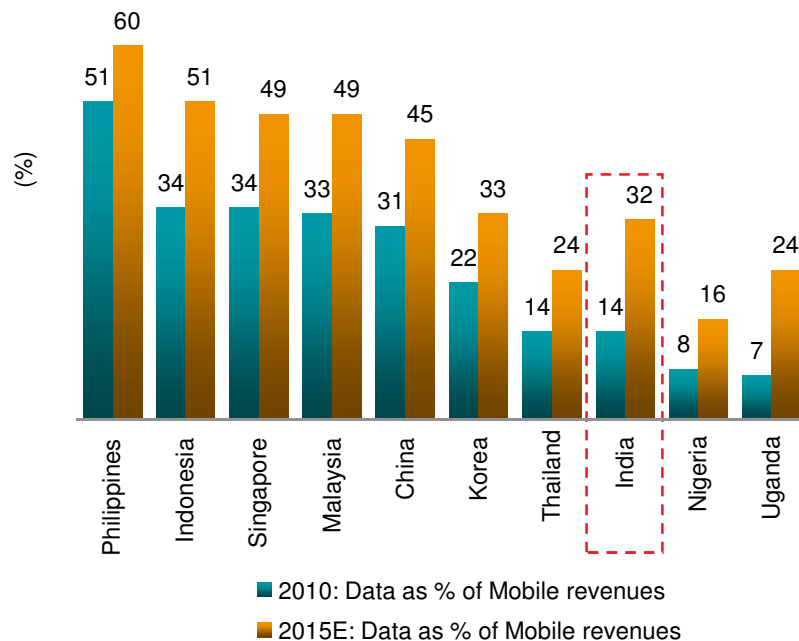
Source: TRAI

Notes:

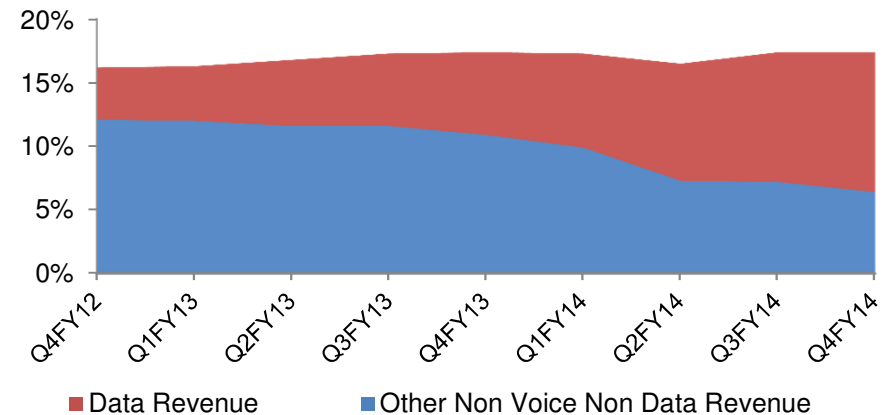
1. As of Feb 28, 2014 as announced through TRAI
2. For quarter ended Dec 31, 2013. Calculated on the basis of Gross Revenue for UASL + Mobile + CMTS licenses

India Wireless – Significant Upside From ‘Data’

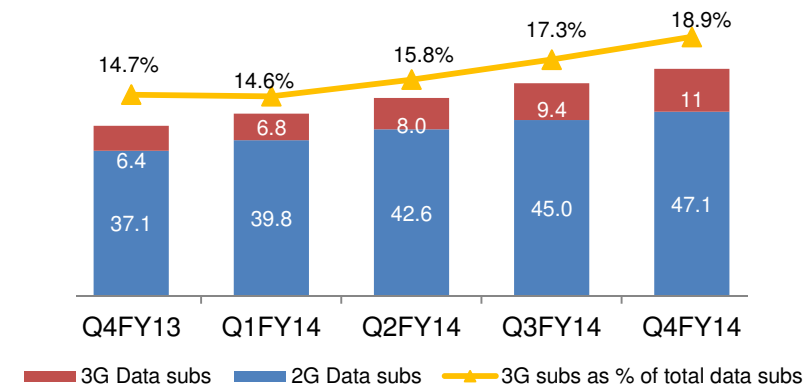
Data as a percent of Mobile Revenues across Emerging Markets



Bharti Airtel's Non Voice Revenues as a % of Mobile Revenues ¹



Bharti Airtel's Data and 3G Subscriber Base (mn)



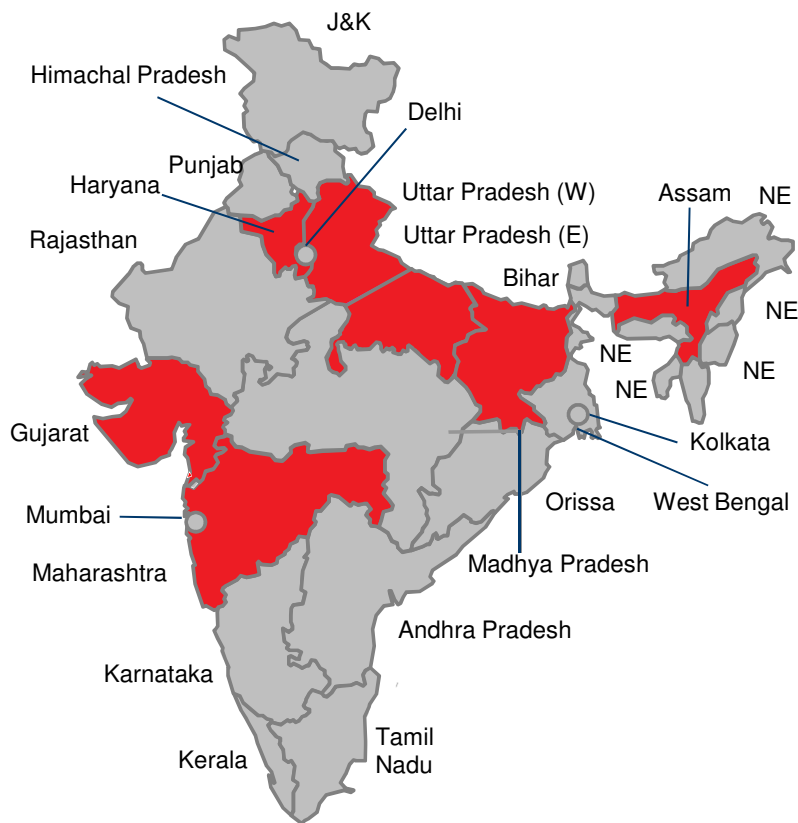
India is expected to have one of the fastest growth rates in the data segment over the next 5 years, to be driven by low cost mobile handsets and new technologies (3G/4G)

Source: Informa, Company filings

Note:

Strong Spectrum Position

Bharti Airtel's Spectrum Position



Source: TRAI, Department of Telecom, Company Filings

Spectrum Holding

- Acquired 115 Mhz of 20 year liberalized spectrum positions – Enhanced long term deployment flexibility
- Prime Spectrum to Lead Data Growth Story in Feb 2014 auctions
 - Secured pan India 4G footprint- widest broadband footprint in India, which provides ability to build robust network and enhance leadership position in the fast growing data segment
 - Company plans to roll-out high speed 4G networks in various circles using FD-LTE technology in the 1800 MHz band besides its existing TD-LTE roll-out in the 2300 MHz band, giving it a pan-India 4G footprint.
- Bharti Already holds 3G and 4G spectrum in 21 telecom circles. Bharti has rolled out 3G and 4G services - with over 8 million 3G customers and over 100,000 customers in 4G LTE across 4 cities

Bharti Airtel plans to leverage its existing network and superior spectrum position for data roll-outs



***International Operations
on a Steady Path***

Transaction Rationale

Bharti Airtel Objectives

Shareholding and Full Management Control

Ability to use brand 'Airtel'

Manageable Deal Size

Diversification of India Risk

Avoiding Greenfield

Replicating core competency: "minute factory" model



Transaction Achievements

Global Stature with focus on Emerging Markets

Significant Synergies

Strong Platform for Future Expansion

The transaction met the objectives of Bharti Airtel with long term strategic benefits

Africa – Opportunity for Growth

	India	Africa ¹
Mobile Penetration	~73%	~63%
Average Number of Competitors	10-12	3-5
Business Model	High usage, low pricing model	Low usage, high pricing model
Minutes of Usage per sub ²	~437	~136
ARPU (US\$) ²	~\$3.2	~\$5.5
ARPM (US cents ¢) ²	0.6¢	3.2¢

Africa presented an opportunity where Bharti could replicate its ‘minute factory’ model successfully

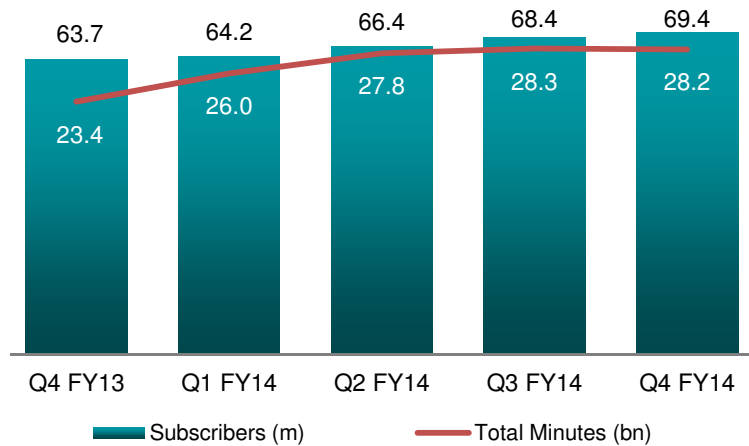
Source: Company Filings, World Cellular Information Service (WCIS)

Notes:

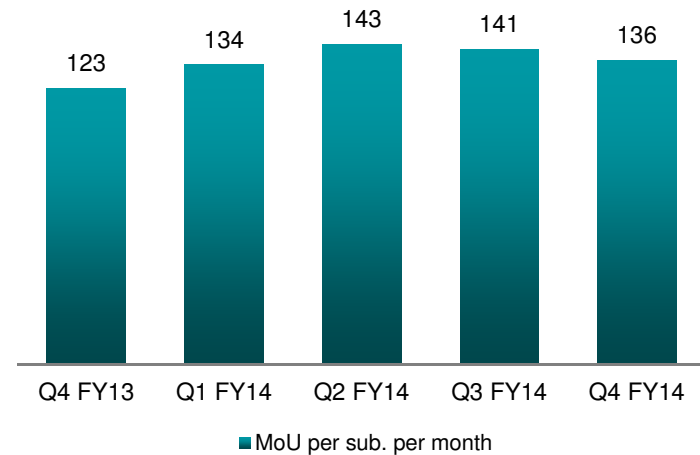
1. Data pertaining to the 17 African countries where Bharti Airtel Africa has operations.
2. Bharti Airtel numbers for the quarter ending March 2014

Africa Performance Indicators

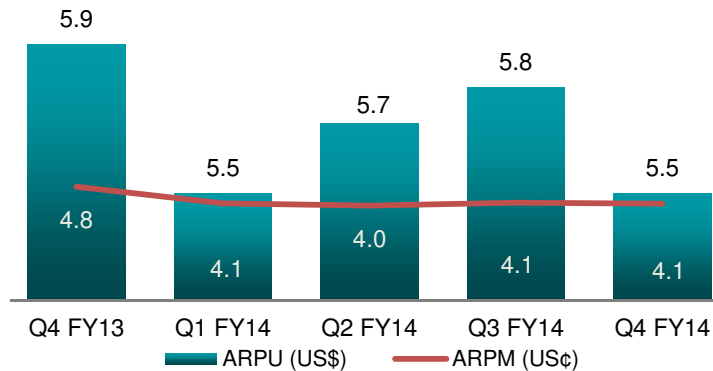
Total Subscribers (mn) and Total Minutes (bn)



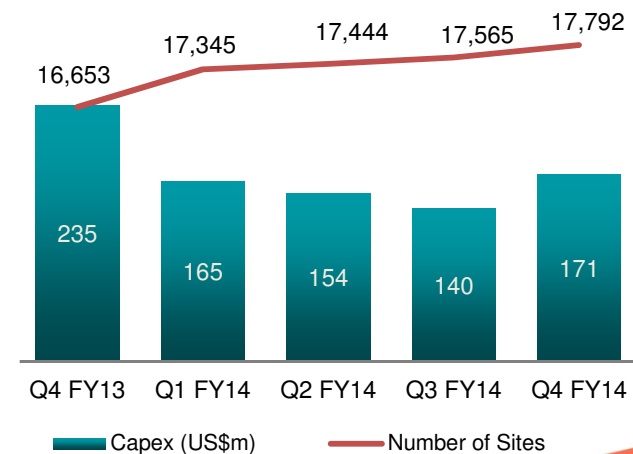
Minutes of Usage per sub



ARPU (USD) and ARPM (Usc)



Capex (US\$m) and Number of Sites





Other Businesses

Telemedia Services

- Pan-India presence of 87 cities
- Operates in the entire broadband continuum - fixed line voice and high speed broadband across Homes and Office segments, broadband (via DSL), IPTV, internet leased line and MPLS services
- Key Performance Indicators
 - Voice (wire-line) and Data (DSL) Presence in 87 top cities in India
 - Customer base: 3.4 million
 - Broadband penetration at 43.6% of customer base
 - Average ARPU of \$15.6 per month for quarter ended Mar 31, 2014



Broadband revolution to follow wireless revolution in India

Source: Company Filings

Airtel Business

India's leading and most trusted provider of ICT services

- Customer base across - enterprises, governments, carriers and small and medium business.
- Diverse portfolio of services - voice, data, video, network integration, data centers, managed services, enterprise mobility applications and digital media
- Strategically located submarine cables and satellite network - global network running across 225,000 Rkms, covering 50 countries and 5 continents.



Source: Company Filings

Note:

1. Post FY09 this segment was reclassified

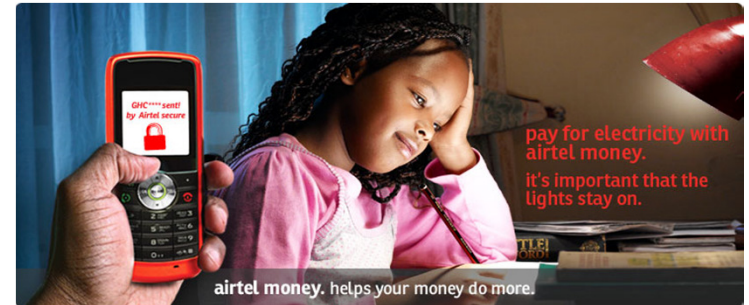
Digital TV Services

- First Company in India which provides real integration of all the three screens viz. television, mobile and computer enabling our customers to record their favorite TV programs through mobile and web
- Launched “Airtel Digital TV” service in October 2008 as fifth operator providing Direct-to-Home (DTH) services in India
 - Subscriber base of ~9 million subscribers
 - Present across 639 districts
 - Offer 379 channels including 17 HD channels and 4 interactive services
 - Also offers High Definition (HD) Set Top Boxes and Digital TV Recorders with 3D capabilities delivering superior customer experience
- Key Performance Indicators (FY14)
 - Average ARPU of \$3.3 per month for quarter ended Mar 31, 2014



Airtel Money

- Airtel Money, Airtel's semi-closed wallet has witnessed phenomenal growth over the year
- Key Performance Indicators (India)
 - Active subscribers: Stands at 1.7 million as on Mar 31, 2014
 - Transaction Volume: 38 million during quarter ended Mar 31, 2014
 - Average Value per transaction: Rs 359 during quarter ended Mar 31, 2014
- Key Performance Indicators (Africa)
 - Total customer base: Stands at 3.5 million as on Mar 31, 2014
 - Transaction Value: \$ 2,203 million during quarter ended Mar 31, 2014
 - Total number of transactions: 92 million during quarter ended Mar 31, 2014

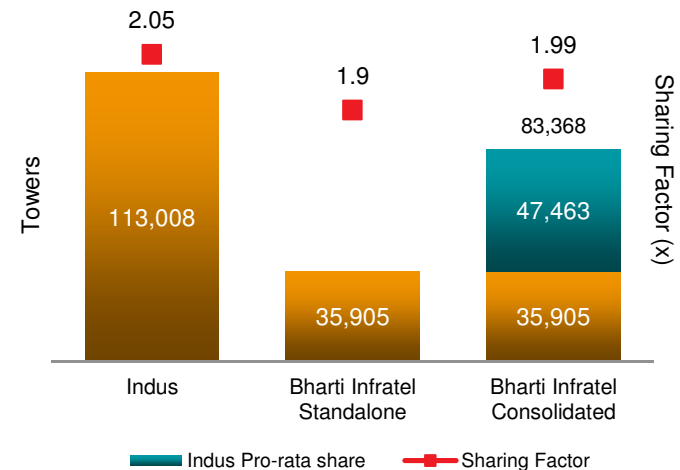


***Airtel Money is offered in
India and across all 17
countries of Africa where
Airtel is present***



Tower Infrastructure

- Bharti Infratel is a leading tower infrastructure provider
- Also holds a 42% stake in Indus Towers, amongst the largest tower companies in the world, operating in 15 circles, thereby enabling the Company to provide leading pan-India passive infrastructure services
- Bharti Infratel conducted its Initial Public Offering in December 2012, raising \$761m for a 10% stake, current market capitalization of US\$6.4bn¹
- Sharing factor (Tenancy ratio) of ~1.99x per tower



Bharti Infratel owns 42% stake in Indus Towers – one of the world's largest passive infrastructure providers

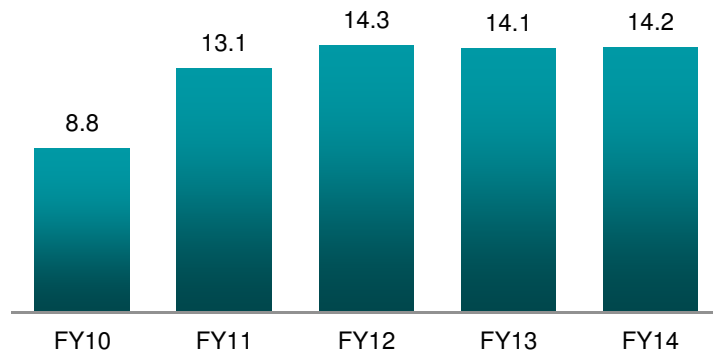
Source: Company Filings
Note
1 As of Mar 31, 2014



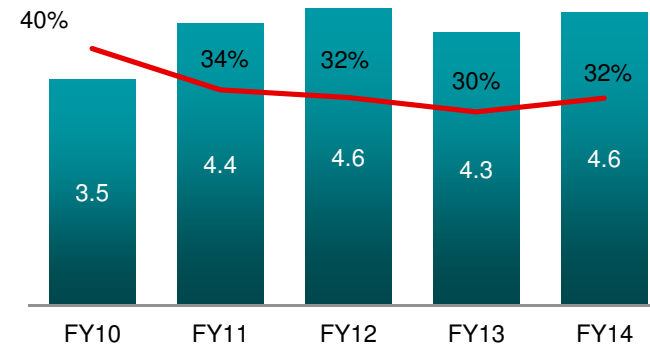
Financial Overview

Robust Financials (Consolidated) ¹

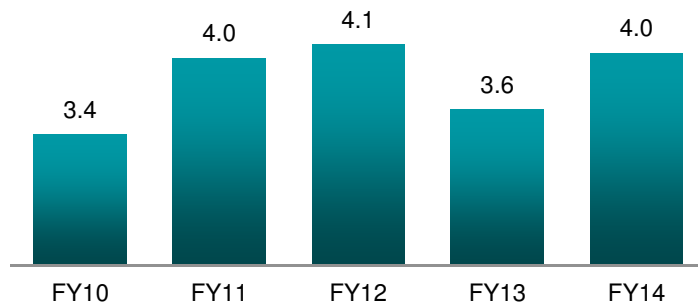
Total Revenues (US\$bn)



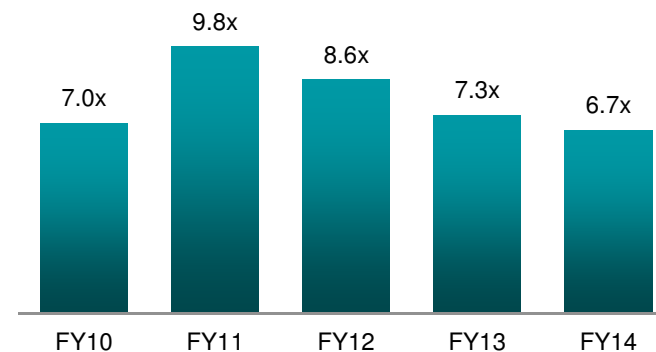
EBITDA (US\$bn) and EBITDA margin



Cash Flow from Operations (US\$bn)



Enterprise Value / EBITDA



Source: Company Filings

Note:

1. Africa operations consolidated starting from 8th June 2010



Leadership

Leadership in Business

Bharti Airtel was placed among the top 200 brands globally in the annual survey undertaken by Brand Finance, an international agency

Ranked #71 in top 100 list of Global Brands by Millward Brown Optimizer, published in Financial Times, with an estimated brand value of over USD 11 billion, 2012

Airtel has bagged the 'Brand Leadership Award in Telecom Sector for the year 2012' and 'Emerging Brand Award for airtel money' at the Brand Leadership Awards

Airtel digital TV (HD) was recognized as the 'Product of the year 2012', by AC Nielsen, an international research firm.

Airtel bags five awards at tele.net Telecom Operator Awards 2013 which includes - Telecom Operator Awards 2013, Most Admired Telecom Operator, Best National Mobile Operator, Best Ad Campaign by an Operator, Best 3G Operator and Best VAS Provider (for airtel money) categories.

Airtel's myairtel application has won the 'App of the Year' award for 'Best Application using Network Application Programming Interfaces (APIs)' at the prestigious GSMA (Groupe Speciale Mobile Association) Global Mobile Awards 2013

Bharti Airtel Nigeria won 3 industry Awards at the prestigious 8th edition of the Nigerian Telecoms Awards: Telecoms Brand of the Year, Best Customer Service and the Most Innovative Network.

Airtel bagged the 'Quality Excellence Award for Fastest growing Company' at the National Quality Excellence Awards

Sunil Bharti Mittal, Chairman

- Honorary Degree awarded by Newcastle University - 2012
- 'Business Leader for the World Award' from INSEAD in 2011

Rajan Bharti Mittal, Vice Chairman & MD

- 'Indian Business Leaders of the Year' award at the Global India Business Meeting, 2011

Akhil Gupta, Deputy Group CEO & MD

- 'Outstanding Contribution to the Sector' award at the Telecom Operator Awards 2012
- CFO India Hall of Fame by CFO India, 2011

Manoj Kohli, Chairman, Bharti Airtel International (Netherlands) BV

- Telecom Man of the year by Tele.net in Apr'10

Highest Standards of Corporate Governance



Credit Rating and Information Services of India (“CRISIL”) has assigned its Governance and Value Creation rating “CRISIL GVC Level 1” to the corporate governance and value creation practices of Bharti Airtel

Quarterly financials audited on IFRS, IGAAP basis

IG rating from 3 International Rating Agencies

Diversified Board – 50% independent directors

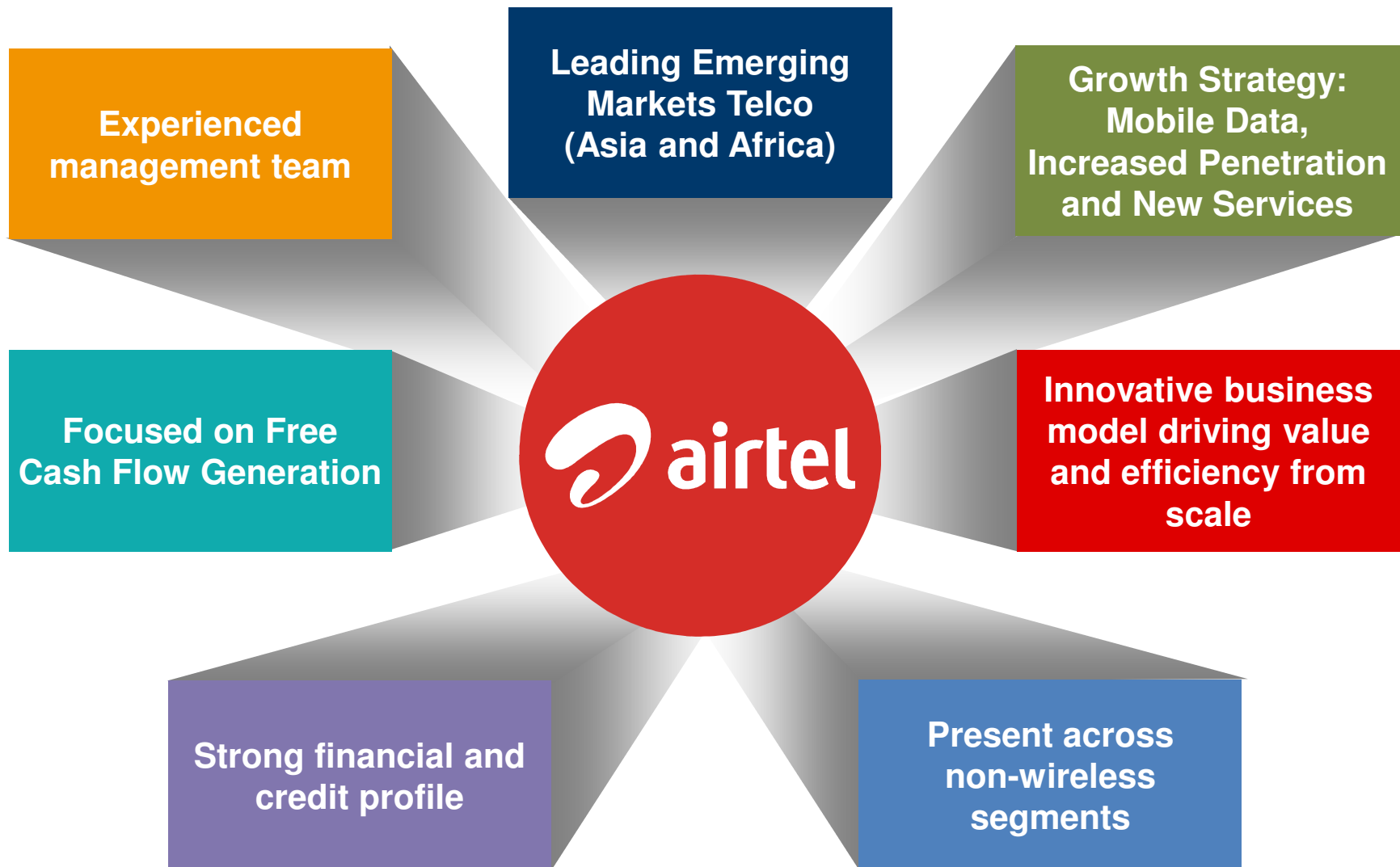
SingTel representatives on the Board of the company

Professional organization with empowerment to operating team



Investment Highlights

Investment Highlights



Management Presentation

Bharti Airtel Limited

June 2014

