Investor Presentation

Bharti airtel limited

February 2013

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

The Company...Bharti airtel – An Global Operator

B2C

B2B

Mobile Services

- Cellular mobile services across 20 countries
- Customer and revenue market leader in India
- ~251 million wireless subscribers globally, as of Q3FY13

Telemedia Services

- Offers fixed telephony and broadband internet (DSL + IPTV)
- Customer base of 3.3 million; large broadband & internet customers
- Services provided across 87 cities

Digital TV Services

- Pan India DTH operations
- 7.9 mn customers
- Coverage across 632 districts

Airtel Business

- Services to large enterprises and carriers
- Serves as single point of contact for all telecom needs
- Global infrastructure of over 225,000 Rkms covering 50 countries across 5 continents

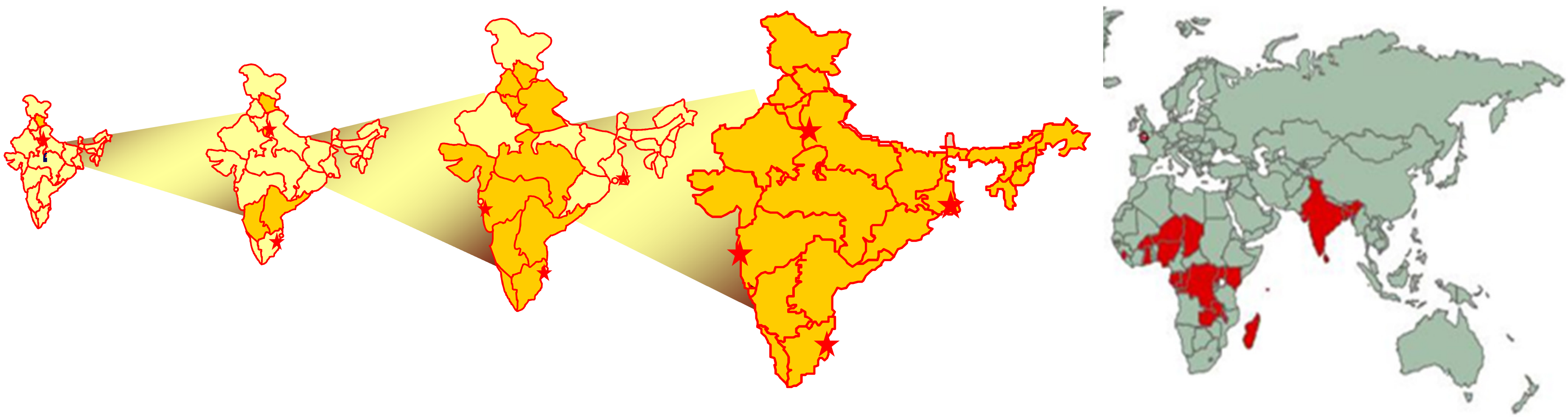
Tower Infrastructure Services

- Bharti Infratel owns 34,668 towers across 11 circles
- Owns 42% stake in Indus Towers, amongst the largest independent tower companies in the world, with 111,240 towers across 15 circles
- Average tenancy ratio of ~1.92

World's Leading telecom player offering end-to-end solutions

The Company…Bharti airtel

No. of circles (India)				Today Countries
1	5	15	22	20



1996 | 2001 | 2003 | 2004 | 2012

Fully integrated telecom player offering end to end solutions and entering new geographies

Growth trajectory reflected in the numbers

1996		2012
Single Circle Operator	*Company Profile*	Largest integrated private telecom operator
< 25k	*Customers*	~ 252 mn
~ USD 17 mn	*Revenue*	~ USD 15 bn
~ USD 2.5 mn	*EBITDA*	~ USD 5 bn
~ USD 1.4 mn	*Cash Profit*	~ USD 4 bn
~ USD 16 mn	*Market Capitalization*	~ USD 25 bn

Continuing on our journey of Value Creation

Note: 1) 2012 financials are as per FY 2012 results. 2) Exchange rate: Financials as of 31st Mar 12 : Rs 51.16

Financials & Positioning

Key financial metrics

	FY 12 (in Mn)
Customers	251.6
Revenue	$ 14,937
EBITDA	$ 4,957
Cash Profit	$ 4,282
Net Income	$ 890
EBITDA Margin (%)	33.2
ROCE (%)	7.2

Positioning in the world & in India

- 3rd LARGEST in -country wireless operator in the world (1)
- LARGEST telecom company in India by number of Subscribers
- 4th LARGEST Mobile telecom operator in the world
- Holds stake in one of the largest providers of Passive infrastructure (by towers) (2)

Note: FY12 numbers are as per IFRS as per March12 quarterly report. Exchange rate for Re to $ conversion: 51.16. (1) 3rd largest wireless operator in the world refers to in-country (single country) operator based on the number of subscribers. 4th largest mobile operator on basis of number of subscribers.(2) Through its subsidiary Bharti Infratel & Indus Towers in which Bharti Infratel owns 42% stake.

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Latest Results – 3Q'13

Key operating and financial metrics

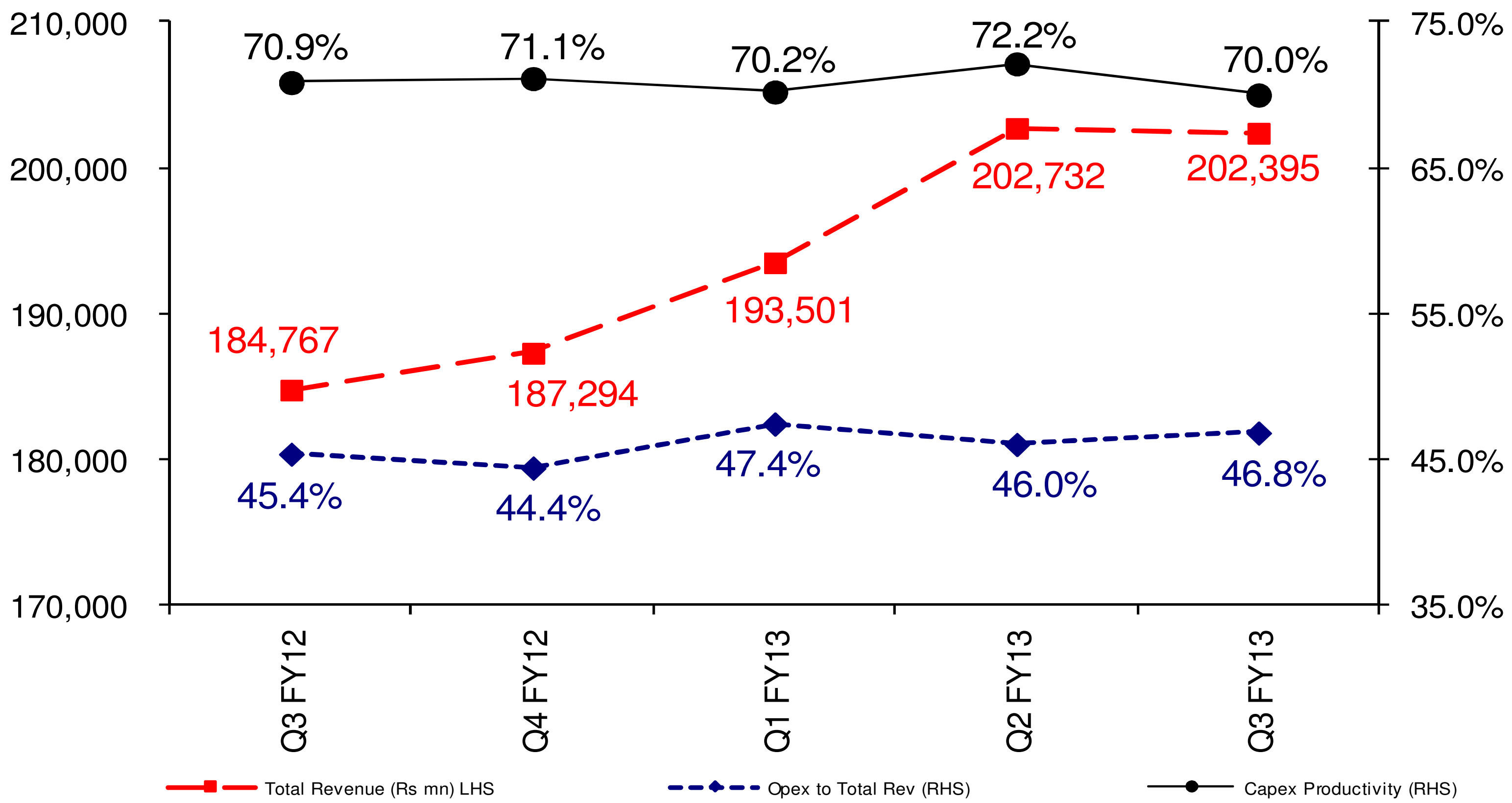
	Q3 FY 13*	Y-on-Y
Customers	262.3 mn	
Revenue	Rs. 202.4 bn	9.5%
EBITDA	Rs. 61.8 bn	3.8%
Cash Profit	Rs. 50.9 bn	-1.1%
Net Income	Rs. 2.8 bn	-72%
EBITDA Margin	30.6%	
ROCE	6.0%	

Continued Strong Performance

- Wireless CMS 21.4%
- Wireless RMS 31.0%
- Total minutes on network carried in Qtr, net of eliminations 284 bn
- Balance sheet strength:
  - Assets Rs. 1,709 bn
  - Net debt Rs. 643 bn
  - Net debt to EBITDA 2.55 Times (annualized)
- Continues to be FCF positive at South Asia as well as Africa level.

- *Includes full quarter numbers for Africa*
- ***RMS for the quarter ended Sept 30 2012 as per report published by Trai*

Performance dashboard - 3 line graph



Productivity Indicators = growing revenues + cost efficiencies + capital productivity

The above chart is for Airtel Consolidated including Africa

Wireless Services

Indian Market

Overall Telecom Market

- Population 1.2 billion

  → *Relatively large youth population*

- Telecom penetration *c.*73.3%

  (~895.5 mn telecom subs)

  Sub number should go upto 1 Billion by 2015

- Broadband penetration 1.2% (14.9 mn)

  → *Govt. target to reach 20 mn. Broadband subs by 2013*

Wireless Market

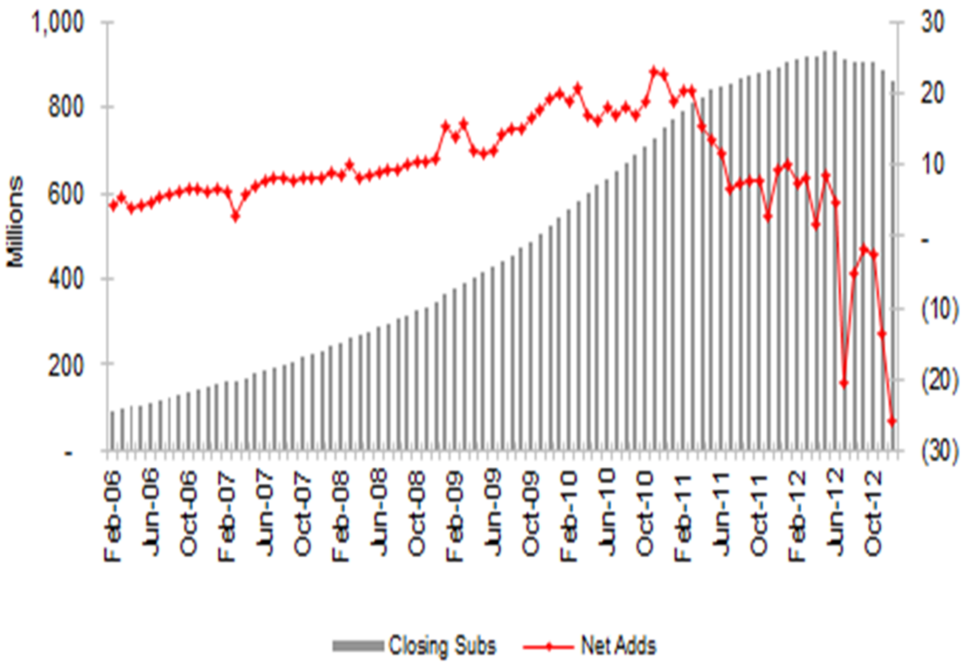
- Sub Base c.864.7 mn
- Wireless Penetration *c.*70.8%
- Operational metrics per month
  - Usage per user 339 min
  - ARPU ~ US$ 3.06
  - Rate per minute ~ US$ 0.01
  - VAS ~ 13.7%

Lot of opportunity ahead….

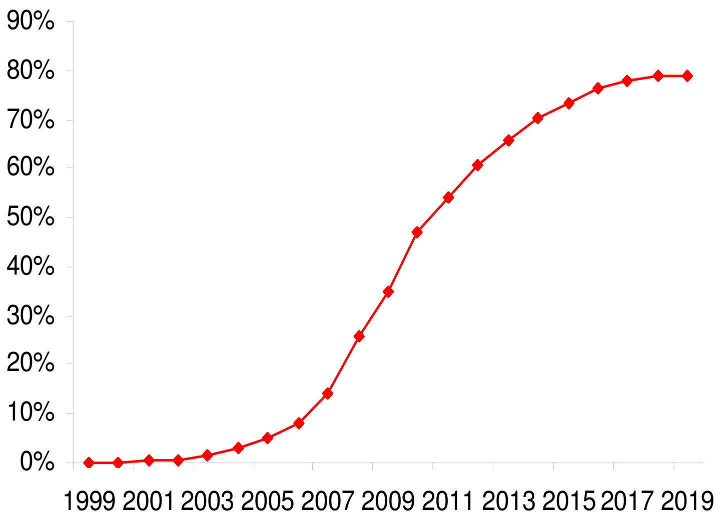
Note: (1) Subscriber numbers and wireless penetration numbers as on December 31, 2012 are as per TRAI (2) Other indicators on the slide are based on Global Wireless Matrix 3Q12 dated 1st Oct '12 by Merrill Lynch, and reflective of Industry numbers.

Rapidly Growing Indian Wireless Market

Net Adds in Dec were Negative 25.8 Mn… more than over last 3 months average run rate of -5.9 Mn



S-curve triggered



India - Fastest Growing Market in the World

Note: (1) Actual Data as per Industry Association Releases and Industry Estimates in India.

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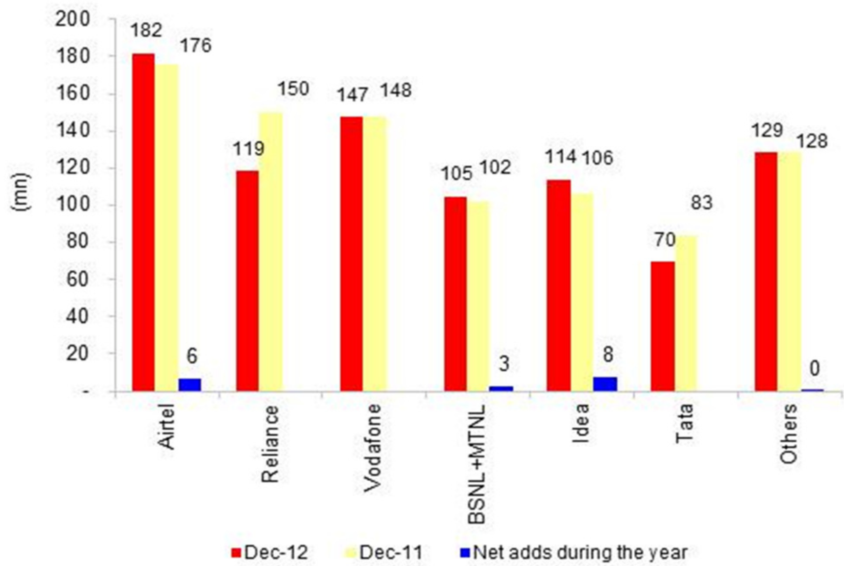
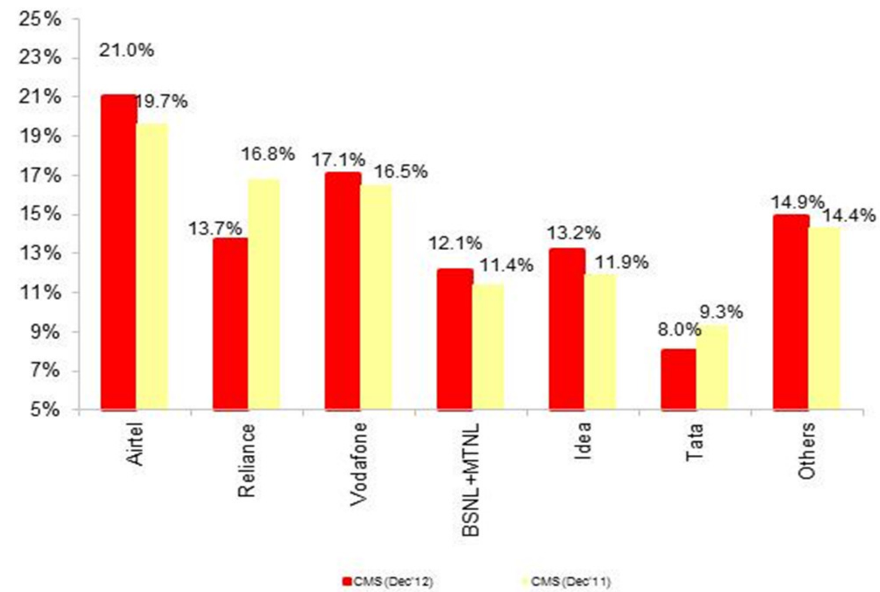
Wireless Market Structure in India

Subscriber Trends



Customer Market Share – CMS (%)



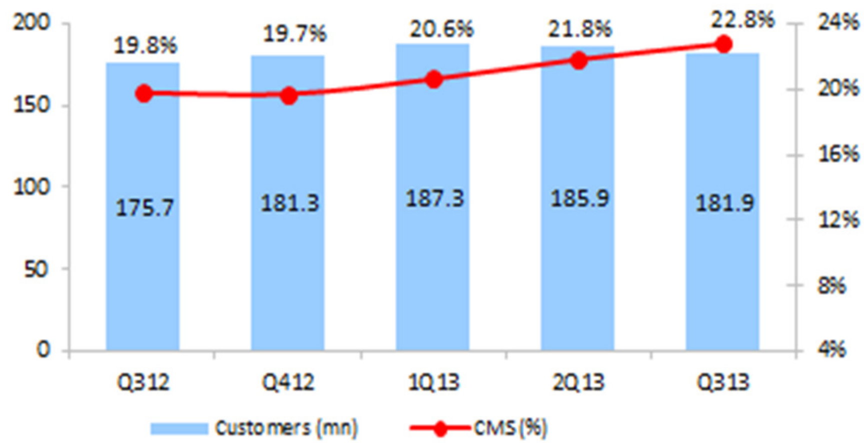
- Airtel continuously consolidating its market leadership position despite intense competition
- Airtel current monthly net adds are (1.70) million vs. 0.96 million a year ago

Airtel Continues to lead on Customer Market Share

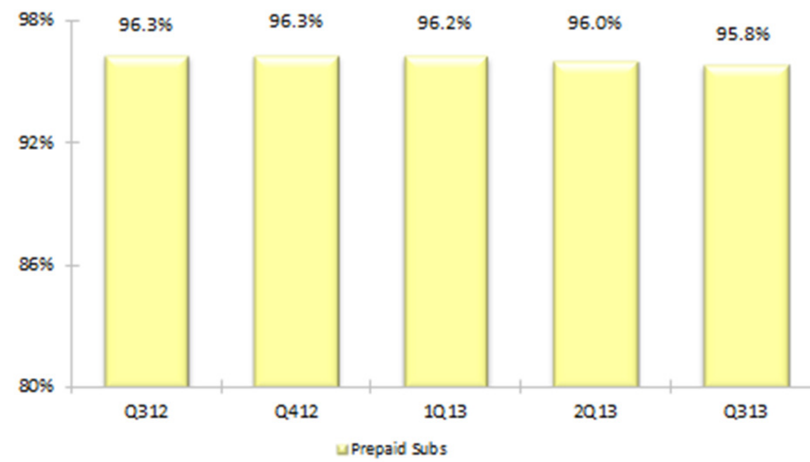
Note: Based on subscriber data for India as on December 31 2012 as per TRAI press release.

Airtel…Performance Indicators (Operational)

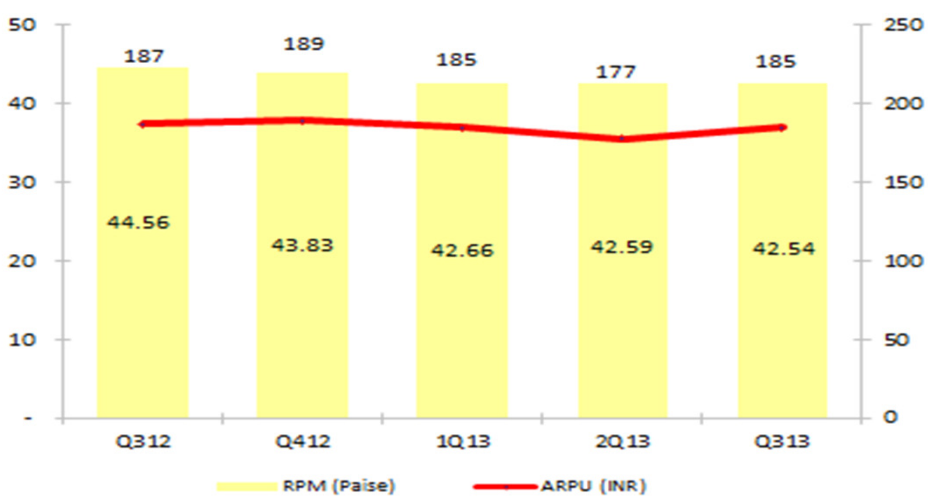
Customers & Market Share



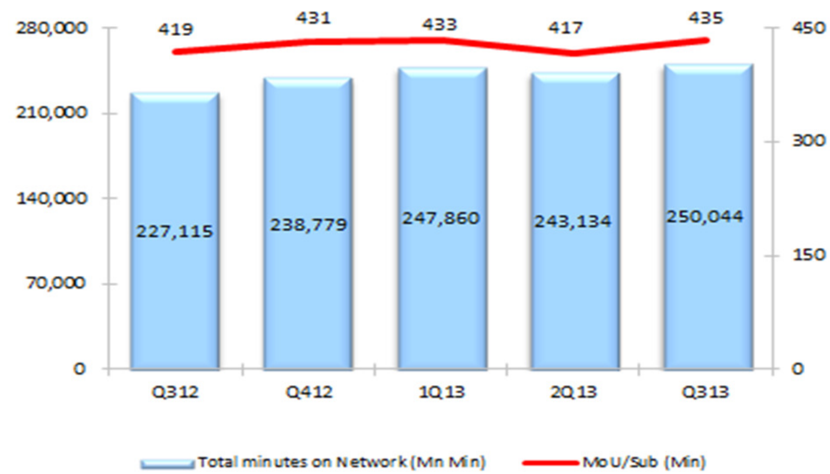
Prepaid/Postpaid



ARPU & RPM



MoU/Sub/Month & MON



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Current positioning and way forward…

Leadership Positioning

Revenue

- Revenue size (>$ 12Bn)
- Revenue Market Share

Cost

- Improving cost efficiencies
- Lowest cost GSM network

Non financial vitals

- Brand
- Distribution
- Churn lower than industry
- Spectrum Mix (900/1800 MHz)

Growth strategy and plans

New Revenue Streams

- Changing face of growth through M-Com, M-entertainment & 3G

Net Adds

- Driven by rural strategy

Maximizing usage

- Increasing the usage through U&R drive
- Wallet share

Telemedia Services

A Snapshot

- *Largest private operator having presence in the voice , broadband , IPTV and data.*
- *Focus on SMB segment & Broadband at Homes*
- *Key Performance Indicators*
  1. Voice (wire-line) and Data (DSL) Presence in 87 top cities of India.
  2. Target Segment : Retail and Small and Medium Enterprises.
  3. Customer base: 3.3 million (end December 2012)
  4. Broadband (DSL with speeds>256 kbps) penetration at 42.2% of customer base.
  5. Average ARPU for Quarter ended Dec'11 $ 17.9 per month.
  6. Segment contributing to 7% of overall revenues of the company.
  7. EBITDA margin of over 42.2%.

Broadband revolution to follow wireless revolution in India

SMB opportunity across ICT stream

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Digital Services

A Snapshot

- Launched “Airtel Digital TV” service in October 2008 as fifth operator providing Direct-to-Home (DTH) services in India
- Current subscriber base of ~7.9 million customers
  - Currently offer a total of 324 channels including 15 HD channels and 6 interactive 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.
- Present across 632 districts , partnering with local service partners to provide customer service and operate call centers
- Also offer High Definition (HD) Set Top Boxes and Digital TV Recorders with 3D capabilities delivering superior customer experience
- Key Performance Indicators (Q3‘13)
  - Revenue: Rs.4,280 Million (3% Segment Contribution Share)
  - EBITDA: Rs. 147 Million (3.4% EBITDA Margin)
  - Average ARPU of $3.4 per month for quarter ended Dec’12

Source: Company Filings

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Airtel Business

A Snapshot

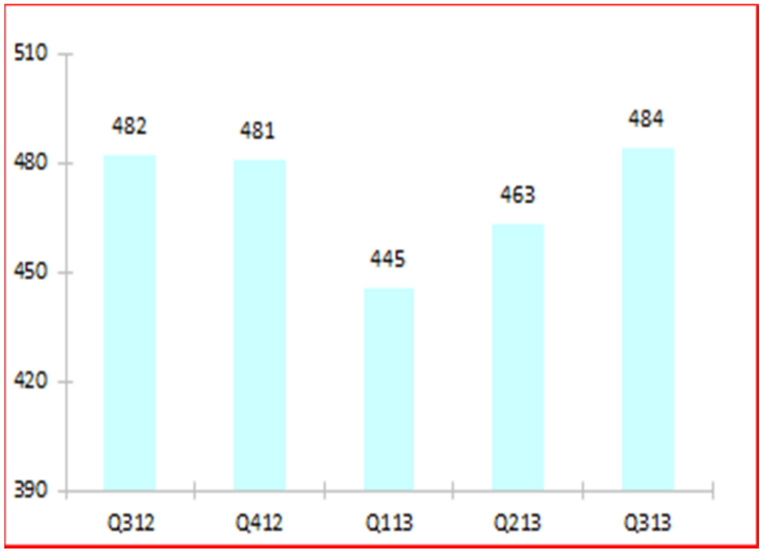
- Airtel Business provides a broad portfolio of services to large Enterprise and Carrier customers
  - Corporates: Single point of contact for all telecommunication needs for Top 2500 corporate customers, providing full suite of voice, data, and managed communications solutions
  - Carriers: Wholesale voice and data services to over 130 domestic and 450 international telecommunications carriers, as well as ILD and NLD carriage for Airtel's own customers
- Extensive national and international infrastructure
  - Pan-India network with 166,506 Route kms of optical fiber, over 4,150 MPLS and SDH POPs
  - Access network (terrestrial) in 87 cities, Wimax network in 143 cities, and over 1,500 local POIs
  - International network with 225,000 Route Kms, connecting over 50 countries and 5 Continents.
- Key Performance Indicators (Q3'13)
  - NLD Minutes Carried: 23.2 Billion ; ILD Minutes Carried: 4.3 Billion
  - Revenue: Rs.14,219 Million (10% Segment Contribution Share)
  - EBITDA: Rs. 2,298 Million (16.2% EBITA Margin)

Emerging Growth Engines

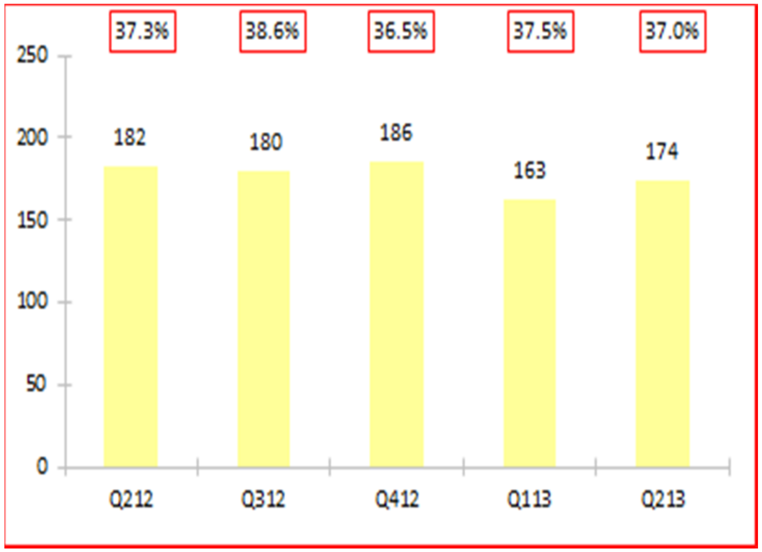
Tower Infra Africa

Financial Performance – Tower Infra

Revenue (USD Mln)



EBITDA (USD Mln)



Focus on tenancy enhancement…driving Revenue & Profitability

The above nos for Revenue & EBITDA are in IFRS as per Quarterly Report & includes proportionate share (42%) in Indus .

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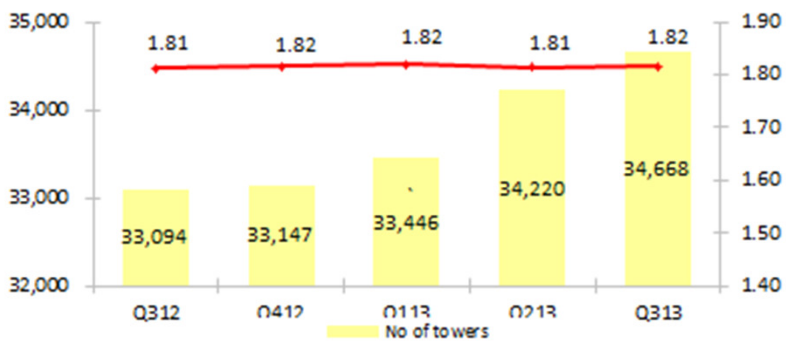
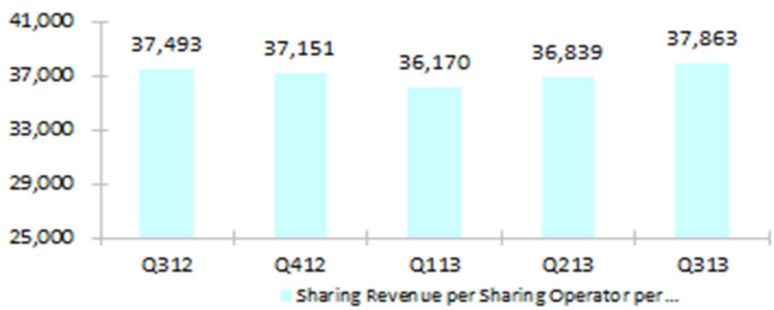
Operational Performance – Tower Infra

Infratel

Towers (nos) & Sharing Factor

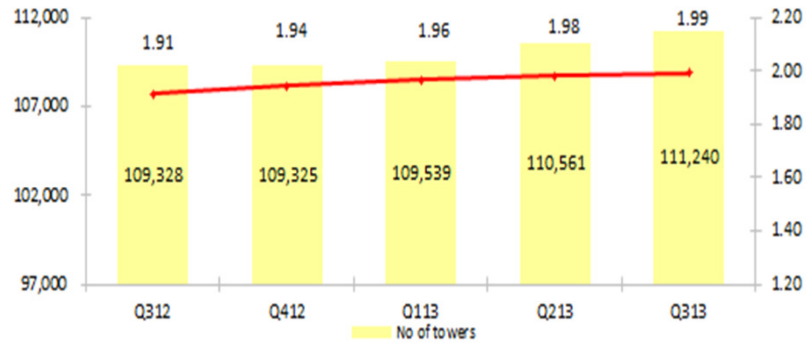


Sharing Revenue per Sharing Operator per Month (Rs)

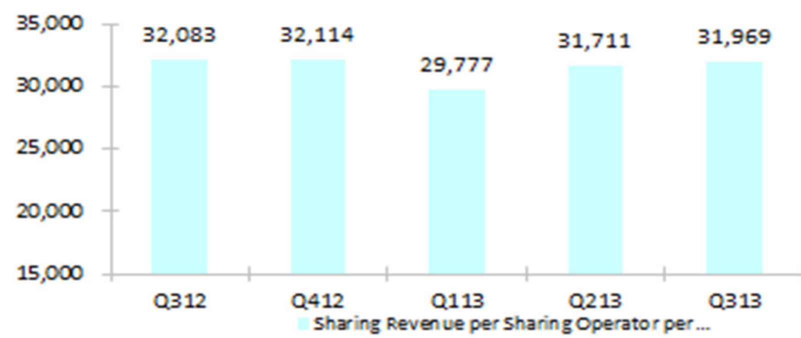


Indus

Towers (nos) & Sharing Factor



Sharing Revenue per Sharing Operator per Month (Rs)



Aims to enhance the tenancy ratio & be the preferred choice of vendor for all existing and new operators

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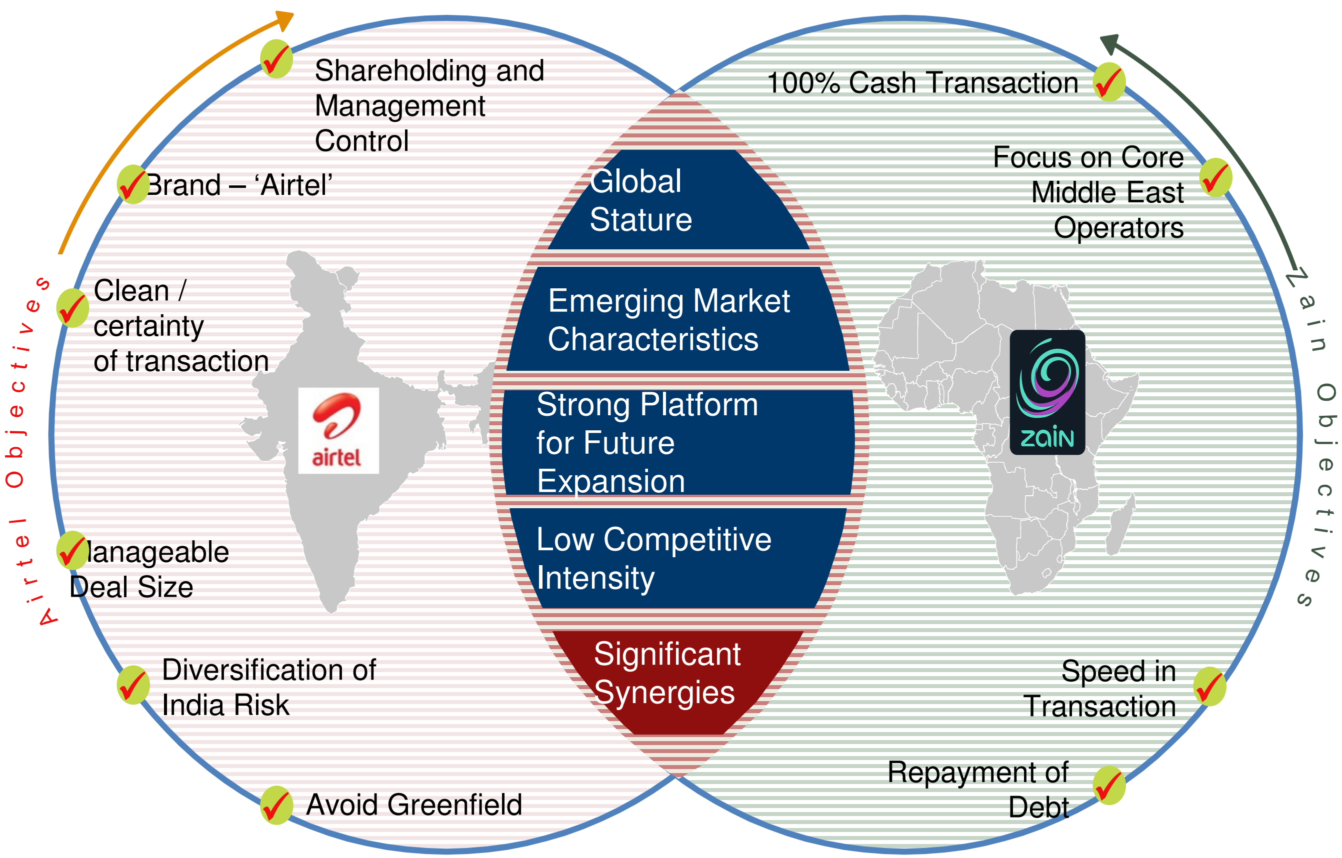
Transaction Rationale



The transaction meets the objectives of Airtel with long term strategic benefits and creates tremendous shareholder value

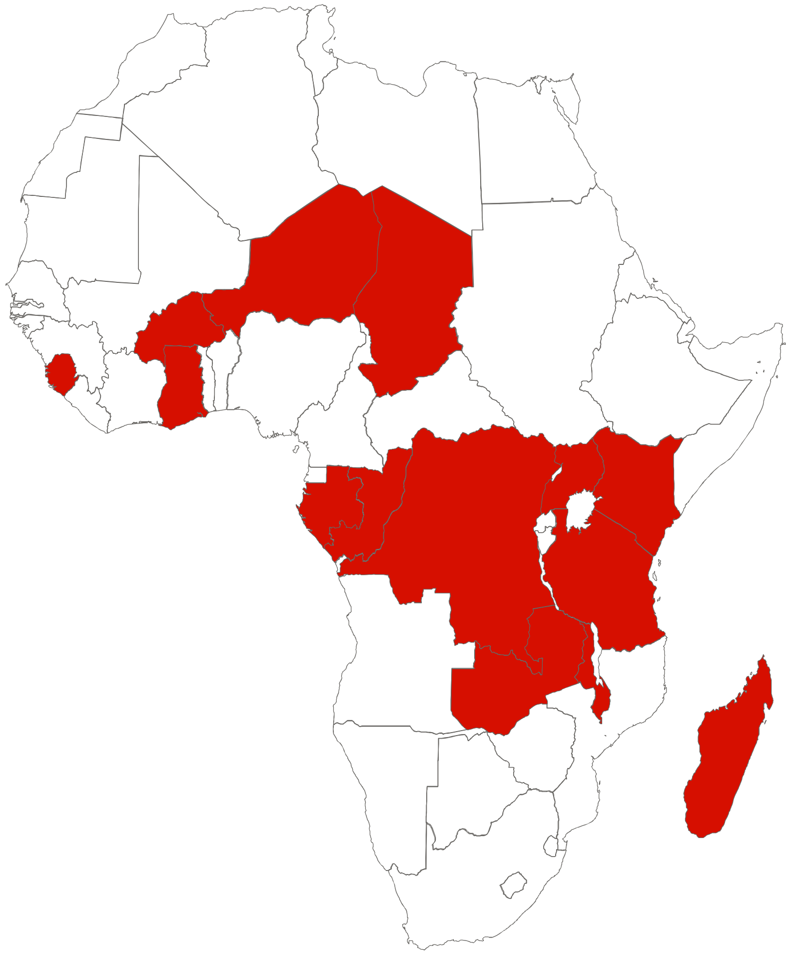
Differences between the two markets

	India	Africa[1]
Mobile Penetration	~71%	~46%
Average Number of Competitors	10-12	3-5
Business Model	High usage, low pricing model	Low usage, high pricing model
Minutes of Usage	~435	~144
ARPU (US$)	~$3.4	~$6.2
ARPM (US cents ¢)	0.8¢	4.3¢

And therefore huge opportunity space

Source: Global Insight, annual / quarterly reports.
1. Data pertaining to the 17African countries where Zain Africa has operations.

Another Growth Engine - Africa



- ***Customer Base :*** 61.7 Mn
- ***Performance Indicators (CY 2012):***

  Revenue: *$ 4,137 Mn*

  EBITDA: *$ 1,097 Mn*

- ***Prepaid Base:*** *99.3%*

  →one of the highest in the world

- ***Usage per sub per month:*** *144 Minutes*

  →one of the lowest

- ***ARPU:*** *~ US$ 6.2*
- ***Rate per minute:*** *~ US¢ 4.3*

  → one of the highest

- ***VAS:*** *~ 7.8%*

  →One of the lowest

Note: Above numbers based on Quarterly report ended 31 December,2012.

Recent Honors

Bharti Airtel – Leadership in business

Recent Honours

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 Optimer, published in Financial Times , with an estimated brand value of over USD 11 billion,2012

Airtel money won the 'Best Innovation' awards at the Telecom Operator Awards 2012

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

'Telecom Center of Excellence (TCOE) Award' for Service Provider with customer focus for best delivery of Network Services - for the year 2011.

'The Most Impactful HR Practise Award for the 'use of mobile technologies for employee services' at the recently concluded National Conference by the NHRD in 2011..

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.

Bharti Airtel has won the highly prestigious Porter Prize in the 'Exploiting Trade-offs' category

Sunil Bharti Mittal, Executive 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, MD & CEO (International)

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