Management Presentation

Bharti Airtel Limited

November 2013

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Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward looking statements due to a number of factors, including without limitation future changes or developments in our business, our competitive environment, telecommunications technology and application, and political, economic, legal and social conditions in India. It is cautioned that the foregoing list is not exhaustive

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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.

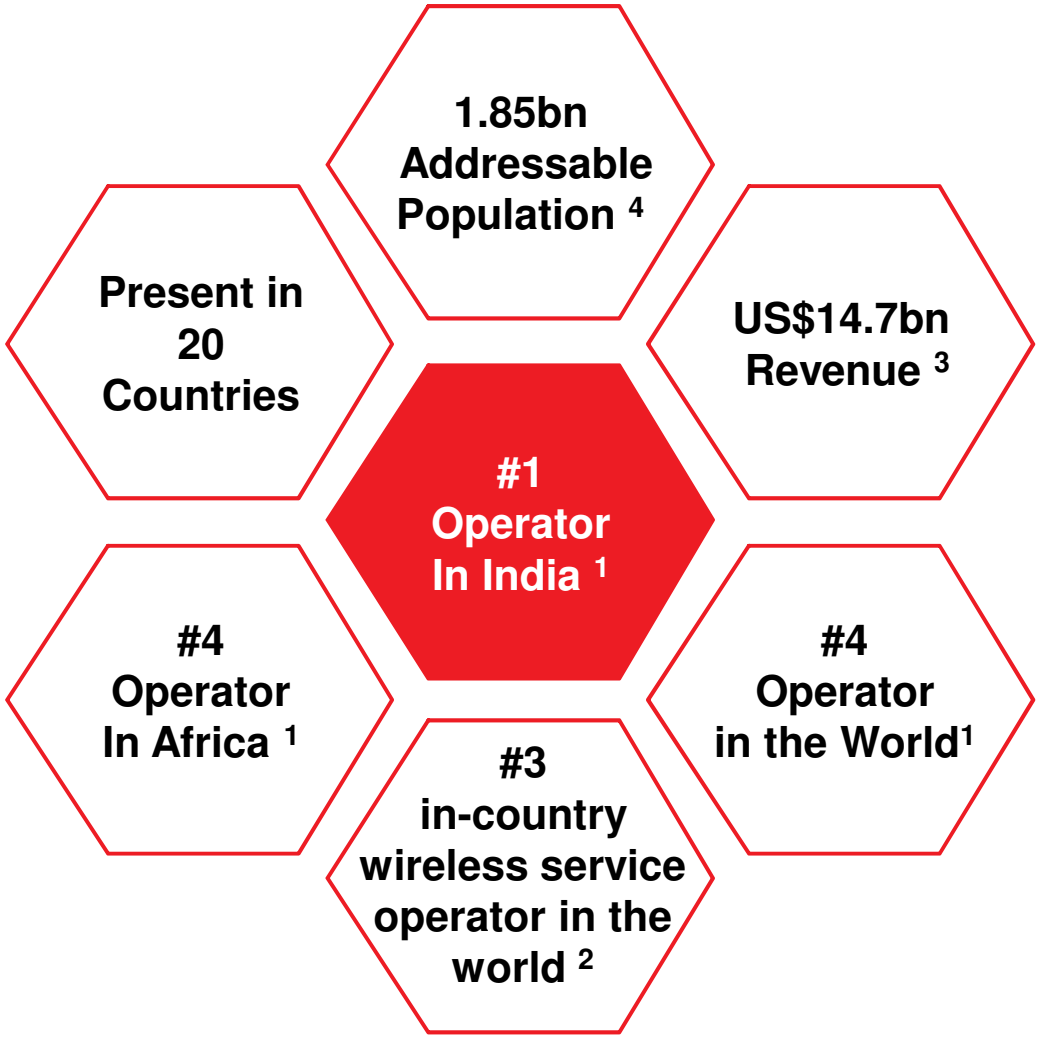
Investor Relations :- http://www.airtel.in
For any queries, write to: ir@bharti.in

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 March 31, 2013
2. Fourth largest mobile operator in the world and Africa 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. FY2013 Revenue
4. Combined population for the regions in which Airtel has a footprint

The “airtel” Brand

- Vision: Become the most loved brand by 2015
- Multiplatform services in telecom, enterprise and digital television, unified under brand “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
- Successfully unified operations across the globe under the umbrella of ‘airtel’

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

Global Telecom Company

B2C

Mobile Services

- Cellular mobile services across 20 countries
- Customer and revenue market leader in India
- 268.1 mn wireless subscribers globally

Telemedia Services

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

Digital TV

- Pan India DTH operations
- 8.6 mn subscribers with a market share of over 19%[1]
- Coverage across 639 districts

B2B

Airtel Business

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

Tower Infrastructure Services

- Bharti Infratel (BIL) owns 35,376 towers across 11 circles
- BIL owns 42% stake in Indus Towers, one of the largest independent tower companies in the world, with 112,144 towers across 15 circles
- Average tenancy ratio of ~1.93
- Current market cap of US$4.8bn

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

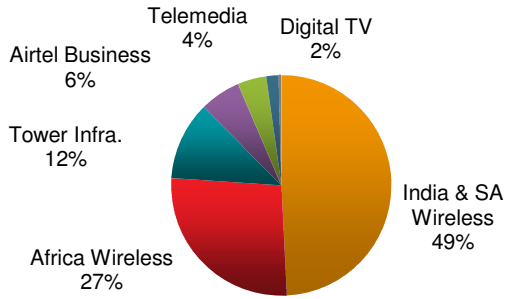
Notes:

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

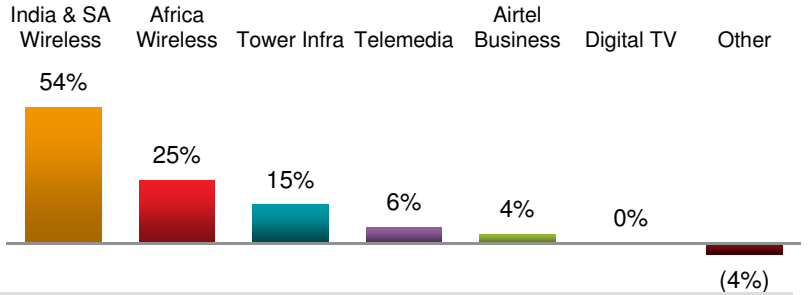
Scale and Profitability across Diversified Segments

- FY13 Revenues of $14.1 bn and EBITDA of $4.3 bn
- Q2 FY14 Revenues of $ 3.4 bn and EBITDA of $1.1 bn
- Bharti Airtel Africa contributed 32% of FY13 revenues

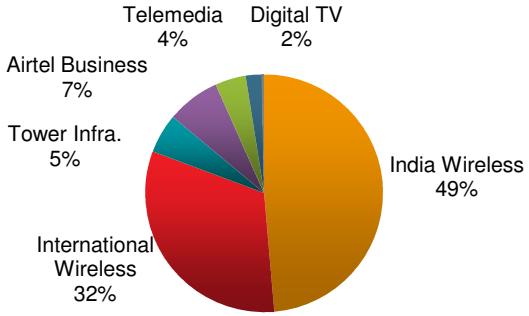
FY13 Revenue: $14.1 bn [1]



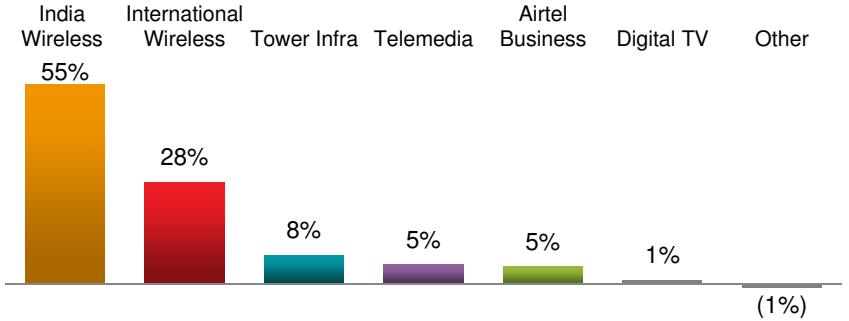
FY13 EBITDA: $4.3 bn [1]



Q2 FY14 Revenue: $3.4 bn [1]



Q2 FY14 EBITDA: $1.1 bn [1,2]



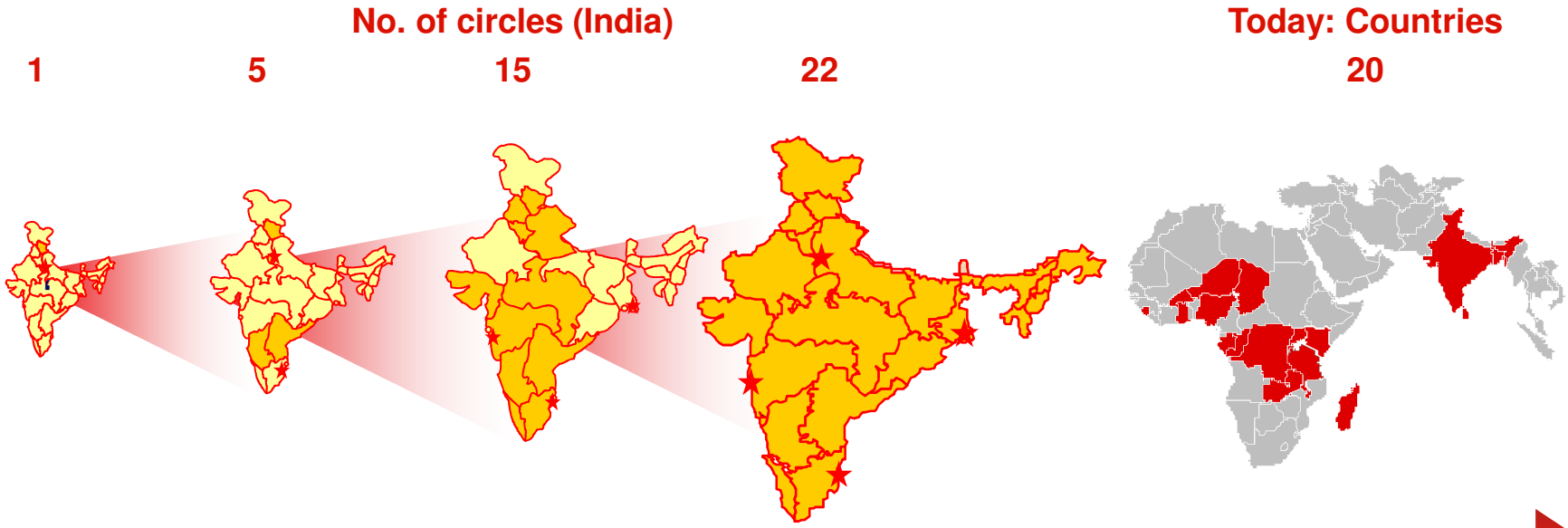
Diversified suite of offerings with non-wireless segments contributing 19% to revenue (2Q FY14)

Source: Company Filings (NSE, BSE)

Note:

1. Revenue and EBITDA pie charts are based on pre inter-segment eliminations
2. Region wise reporting change post 1QFY14– For 2QFY14 SA operation earlier reported under India & SA now covered under International operations

The Company…Bharti Airtel



1996

- Mobile services under the brand name 'Airtel' launched in Delhi and Himachal Pradesh

2001

- IPO of Bharti Airtel through India's first 100% book-building issue

2003

- Becomes India's largest wireless telecom operator with pan-India footprint

2004

- Launched mobile services in Sri Lanka
- Launched DTH services
- Acquired 70% stake in Warid Telecom, Bangladesh
- Acquired Zain Africa B.V., launching entry into Africa
- Launched 3G services in India

2011

- Expanded African operation to Rwanda
- Acquired 100% stake in Qualcomm India
- Launched 4G services in Kolkata, Bengaluru and Pune
- IPO of Bharti Infratel Ltd
- Minority buyouts in Bangladesh
- In country acquisition in Congo B

2012 & 2013

Source: Company Filings

Strong Growth Trajectory Since IPO

	FY2002	FY2013
Company Profile	Operations in 7 circles (In India)	Operations in 20 Countries
Customer Base[1]	1.4m	271m
Revenue (US$)	310m	14.7bn
EBITDA (US$)	83m	4.6bn
Cash Profit [2] (US$)	64m	3.8bn
Market Cap [3] (US$)	~1.5bn	20.4bn

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

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
3. 2002 market capitalization as on 31/03/02 ; FY2013 market capitalization as on 31/03/13; (Source: BSE, NSE)

Unique Business Model

Bharti Airtel: Challenging mindsets

Challenging The Mindset

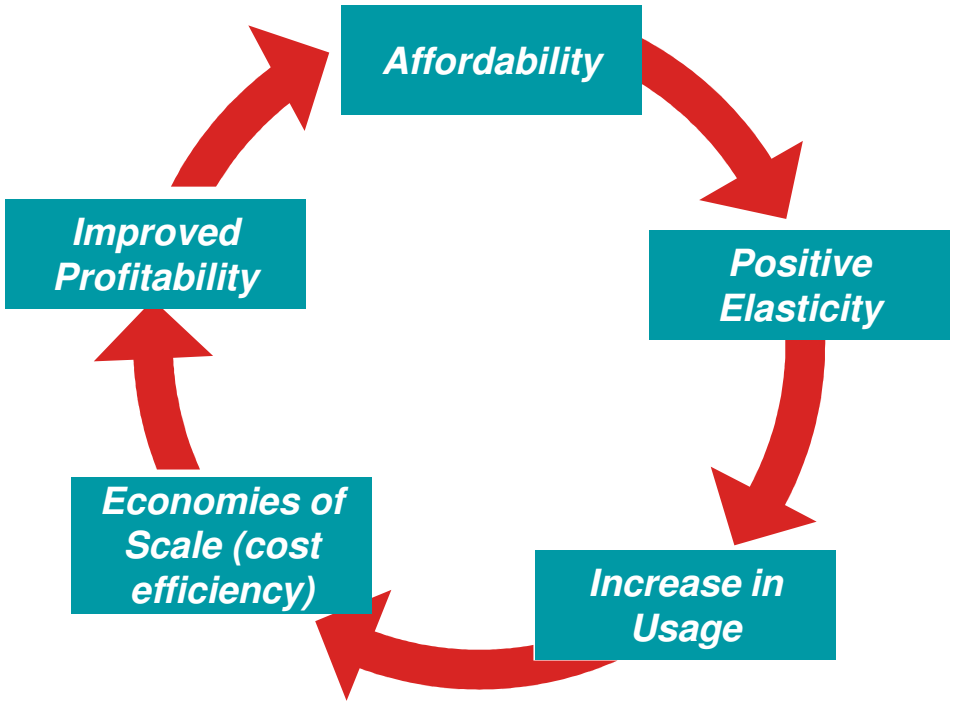
- Mobiles for ‘classes’ not for the ‘masses’
- Post-paid customer is better than pre–paid customer
- High ARPU → performance
- High tariffs → performance
- Low usage is better
- A lower Capex / Sales → Better Capital Usage

Challenging The Model

- Outsourcing non core activities
- From competition to competitive collaboration through infrastructure sharing
- Innovative business delivery model

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

Built Strategic Partnerships in Business Delivery Model

HUAWEI
NOKIA Connecting People
ERICSSON
ZTE中兴

- Network management

IBM

- Information technology outsourcing

Nortel, Avaya, Cisco, Wipro, IBM Daksh, Mphasis, Hinduja TMT, Aegis BPO Teleperformance, Firstsource

- Call centers / customer service

> 1.4m retail outlets

- Distribution

Indus Towers; Bharti Infratel

- Towers / passive infrastructure

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

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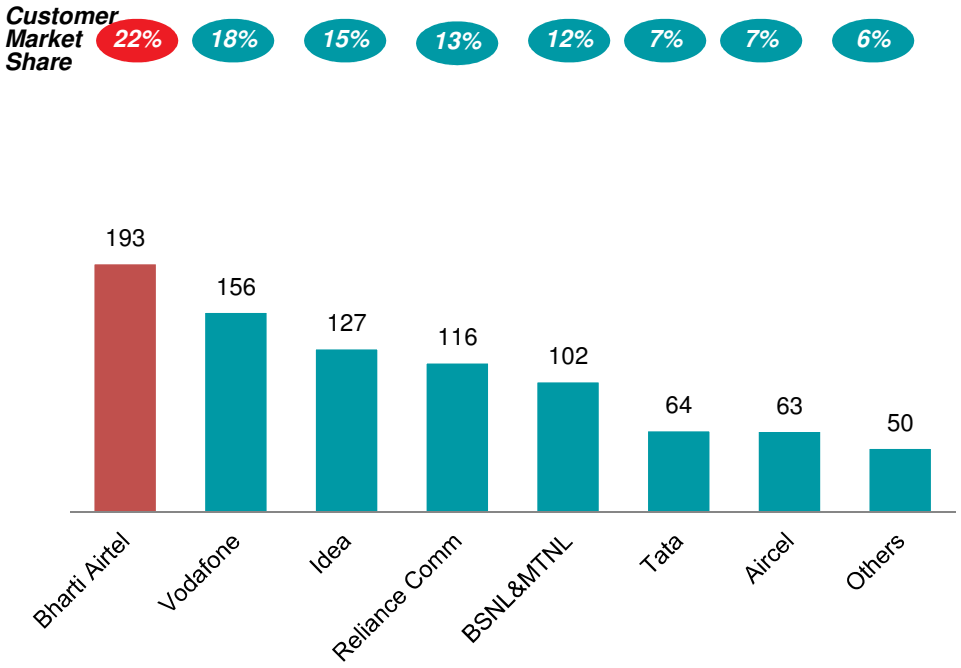
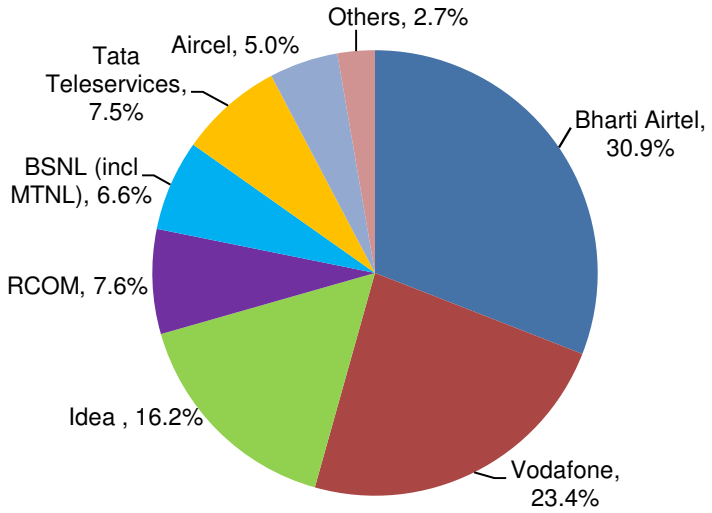
Bharti Airtel: India Wireless Overview

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 22% customer market share

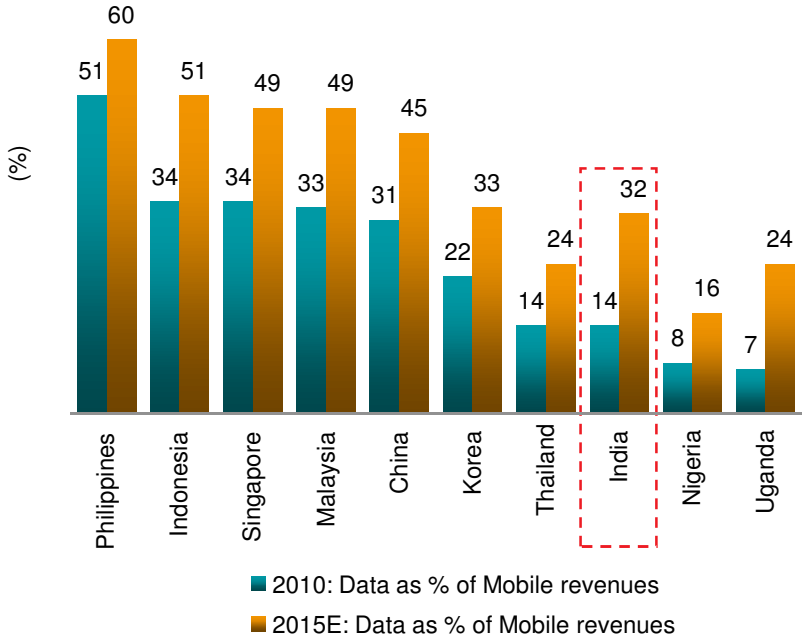
Source: TRAI

Notes:

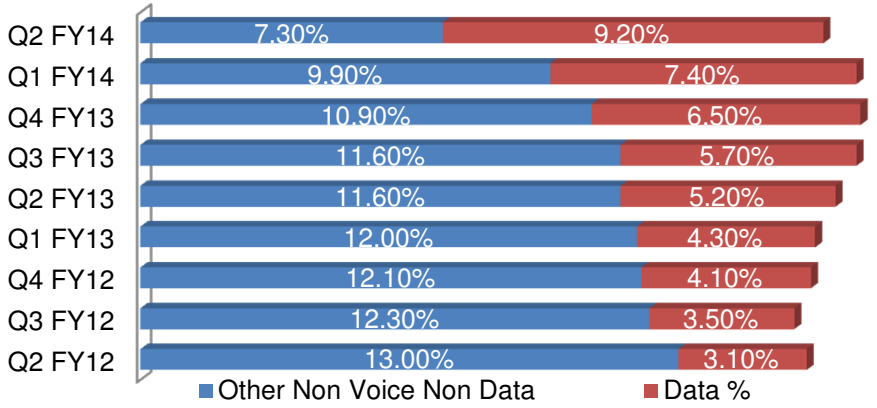
1. As of Sept 30,2013 as announced through TRAI press release dates Nov 5, 2013
2. For quarter ended June 31, 2013. Calculated on the basis of Gross Revenue for UASL + Mobile +CMTS licenses

India Wireless – Significant Upside From 'Data'

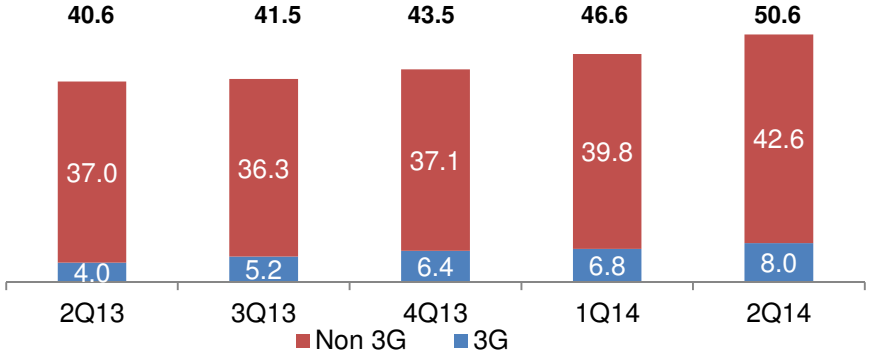
Data as a percent of Mobile Revenues across Emerging Markets



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)

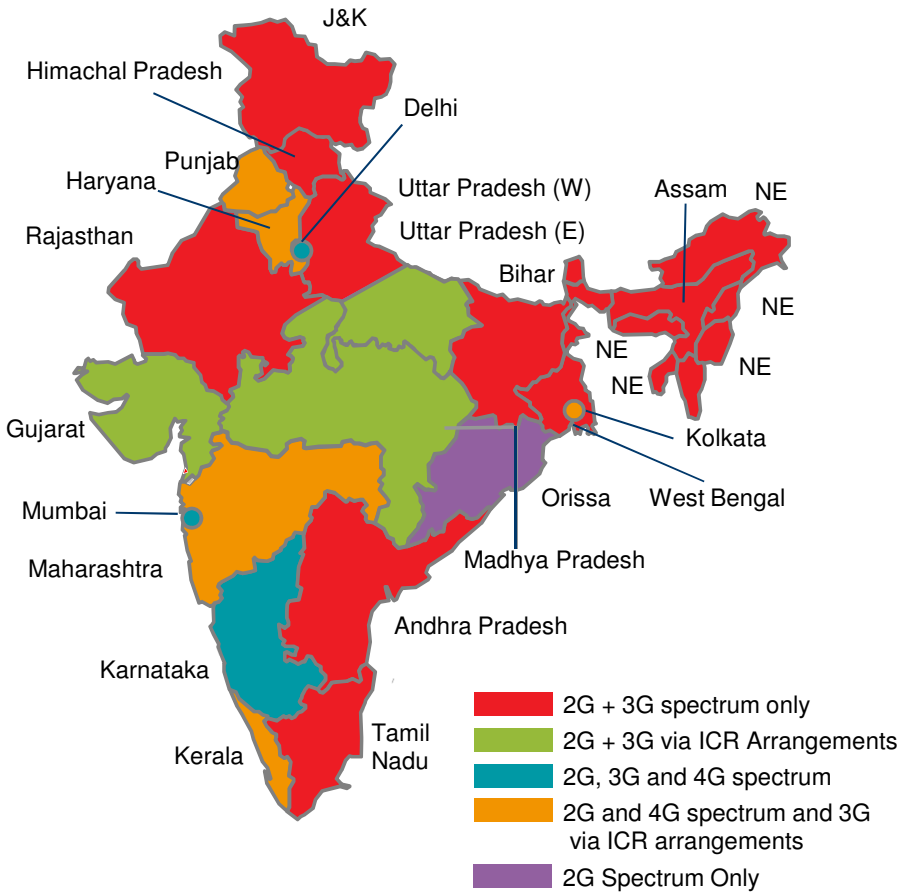
Source: Informa, Company filings

Note:

1. For Mobile Services India

Start of the Data Revolution (3G + 4G)

Bharti Airtel's 3G/4G Position



3G and 4G Update

- Allocated 3G and/or BWA licenses in 16 telecom circles and for a total consideration of ~$3.5bn
- Bharti Airtel acquired 100% of Qualcomm India (BWA venture), thereby gaining access to Delhi, Mumbai, Kerala and Haryana spectrum for BWA
- Currently, these 18 circles contribute ~85.1% of Bharti's mobile revenues[1]
- Bharti Airtel launched its 3G network in India on January 24th 2011 and 4G network services in April 2012 (Kolkata)
  - Since then, added over 8.0 million 3G customers and launched 4G in Bengaluru Pune ,Chandigarh and its suburbs

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

Source: TRAI, Department of Telecom, Company Filings

Note:

1. Based on quarter ended Sep 30, 2012. Calculated on the basis of Gross Revenue for UASL + Mobile licenses

Venture into Africa

Transaction Rationale

Bharti Airtel Objectives	Transaction Achievements
Shareholding and Full Management Control	Global Stature with focus on Emerging Markets
Ability to use brand 'Airtel'	
Manageable Deal Size	Significant Synergies
Diversification of India Risk	
Avoiding Greenfield	Strong Platform for Future Expansion
Replicating core competency: "minute factory" model	

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

Africa – Opportunity for Growth

	India	Africa [1]
Mobile Penetration	~71%	~56%
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	~143
ARPU (US$) [2]	~$3.1	~$5.7
ARPM (US cents ¢) [2]	0.7¢	4.0¢

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

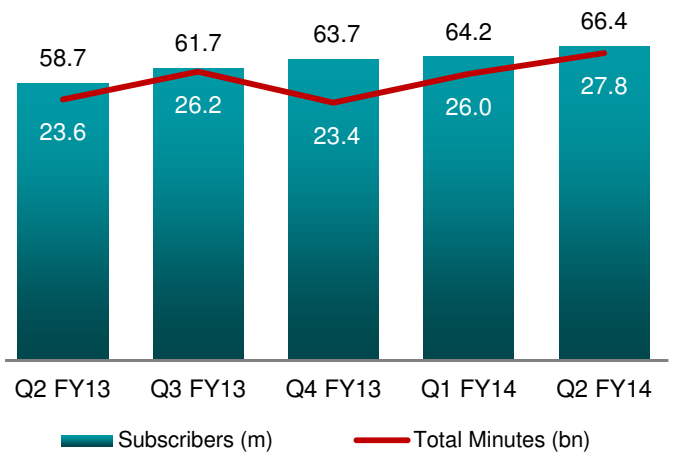
Source: Company Filings, World Cellular Information Service (WCIS)

Notes:

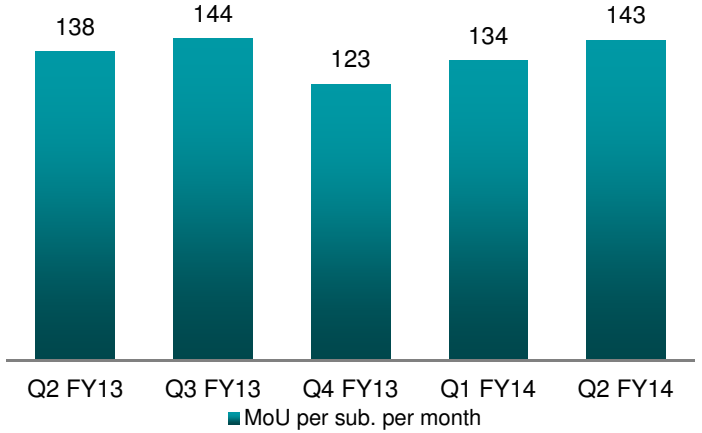
1. Data pertaining to the 17 African countries where Bharti Airtel Africa has operations.
2. Bharti Airtel numbers for the quarter ending June 2013

Africa Performance Indicators

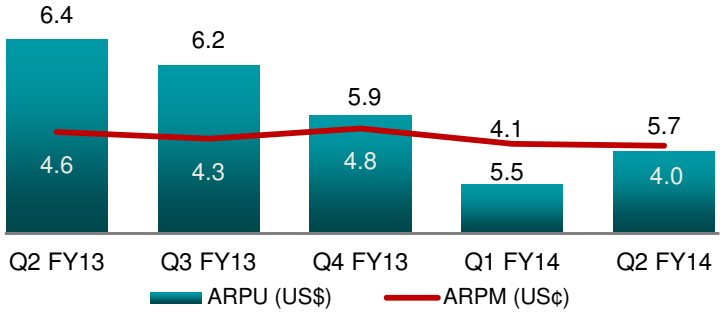
Total Subscribers (mn) and Total Minutes (bn)



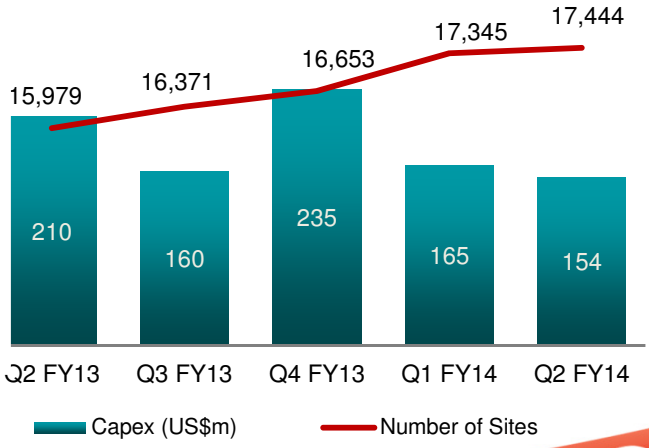
Minutes of Usage per sub



ARPU (USD) and ARPM (Usc)



Capex (US$m) and Number of Sites



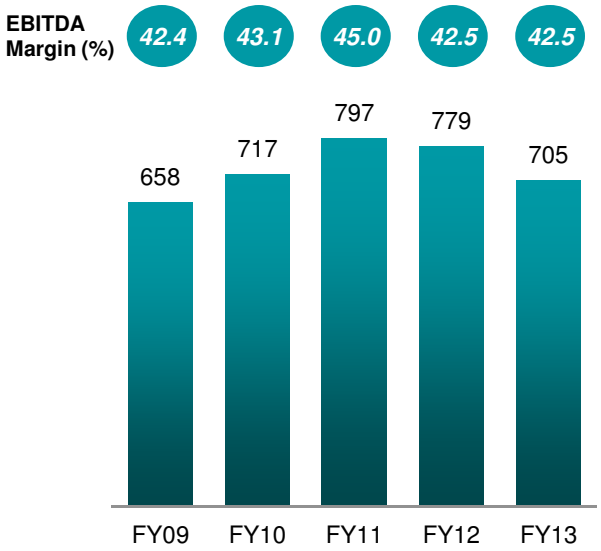
 Source: Company Filings

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: 3.3 million
  - Broadband penetration at 42.4% of customer base
  - Average ARPU of $15.1 per month for quarter ended Sept 30, 2013

Revenue (US$m)



Broadband revolution to follow wireless revolution in India

Source: Company Filings

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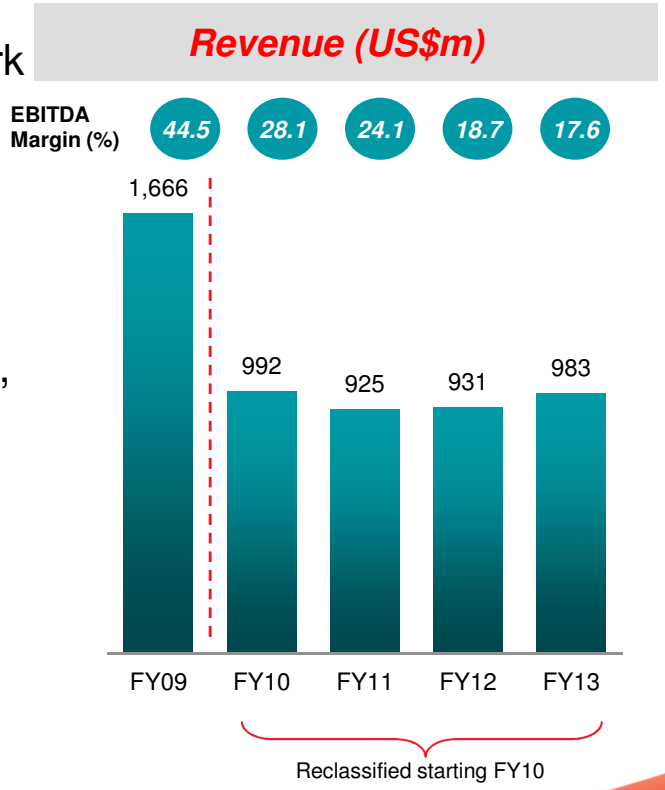
Airtel Business

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

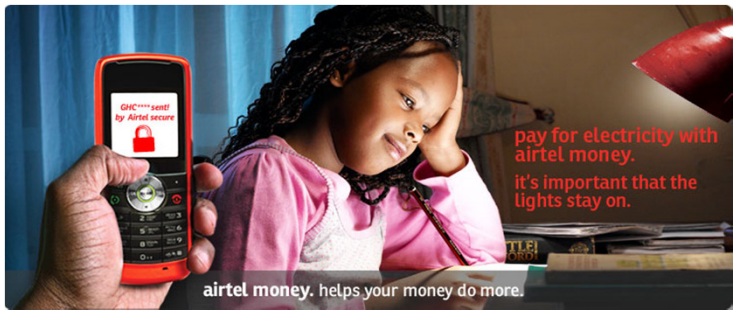
- First Company in India which provides real integration of all the three screens viz. television, mobile and computer enabling our customers to record their favorite TV programs through mobile and web
- Launched “Airtel Digital TV” service in October 2008 as fifth operator providing Direct-to-Home (DTH) services in India
  - Subscriber base of ~8.6 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 (FY13)
  - Revenue: US$ 299.6m (3% Segment Contribution Share)
  - Average ARPU of $3.2 per month for quarter ended Sept 30, 2013

Airtel Money

- Airtel Money, Airtel's semi-closed wallet has witnessed phenomenal growth over the year

- Key Performance Indicators (India)
  - Active subscribers: Increased by 169% Y-o-Y to 1.4 million as on Sept 30, 2013
  - Transaction Value: Rs 6.5 billion during quarter ended Sept 30, 2013
  - Average Value per transaction: Rs 276 during quarter ended Sept 30, 2013

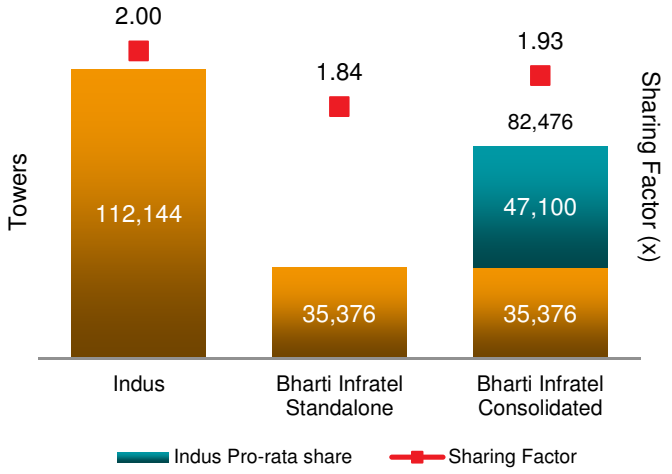
- Key Performance Indicators (Africa)
  - Total customer base: Stands at1.8 million as on Sept 30, 2013
  - Transaction Value: $ 867 million during quarter ended Sept 30, 2013
  - Average Value per transaction: $ 19.63 during quarter ended Sept 30, 2013



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

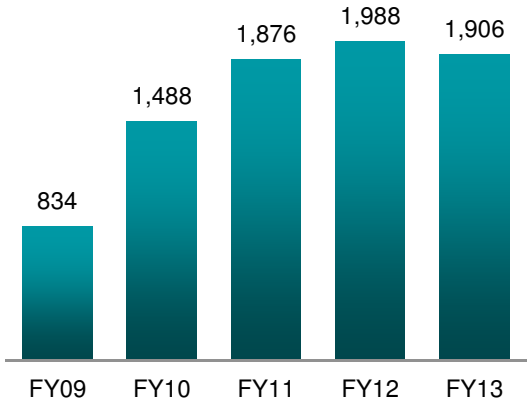
Tower Infrastructure

- 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$4.8bn[1]
- Sharing factor (Tenancy ratio) of ~1.93x per tower



Revenue (US$m)

EBITDA Margin (%)	35.4	34.6	37.1	37.8	37.4



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

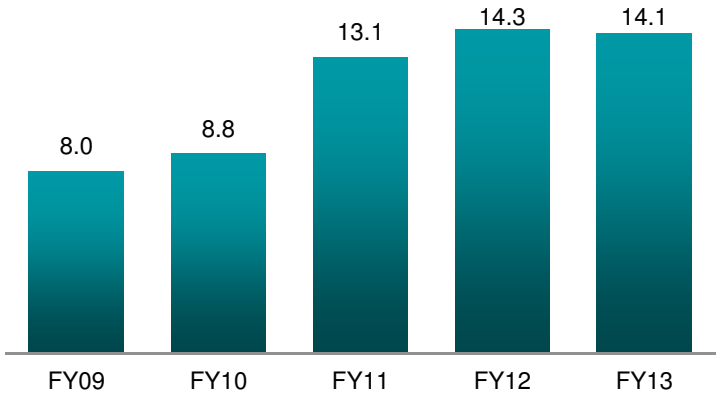
Source: Company Filings

Note
1 As of Sept 30, 2013

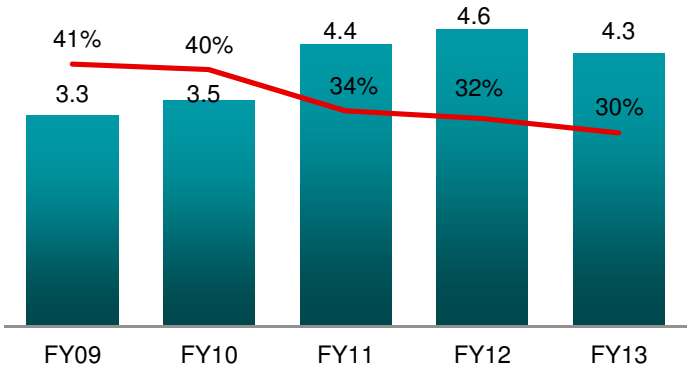
Financial Overview

Robust Financials (Consolidated) [1]

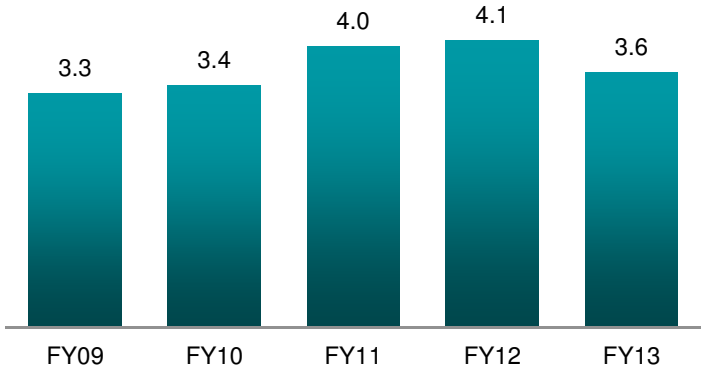
Total Revenues (US$bn)



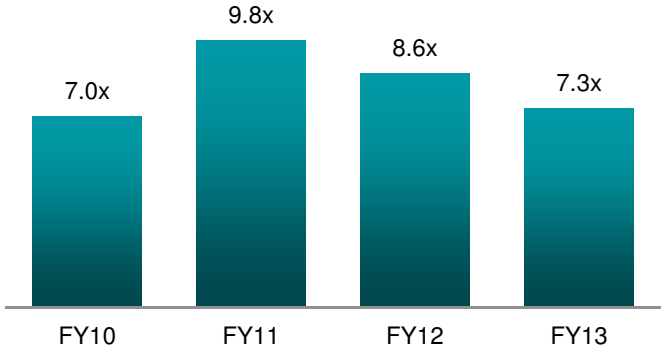
EBITDA (US$bn) and EBITDA margin



Cash Flow from Operations (US$bn)



Enterprise Value / EBITDA



Source: Company Filings
Note:
1. Africa operations consolidated starting from 8th June 2010

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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 Optimer, 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, MD & CEO (International)

- **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
- Diversified Board – 50% independent directors
- SingTel representatives on the Board of the company
- Professional organization with empowerment to operating team
- Professional Entrepreneurial combination

Transparency International Rankings

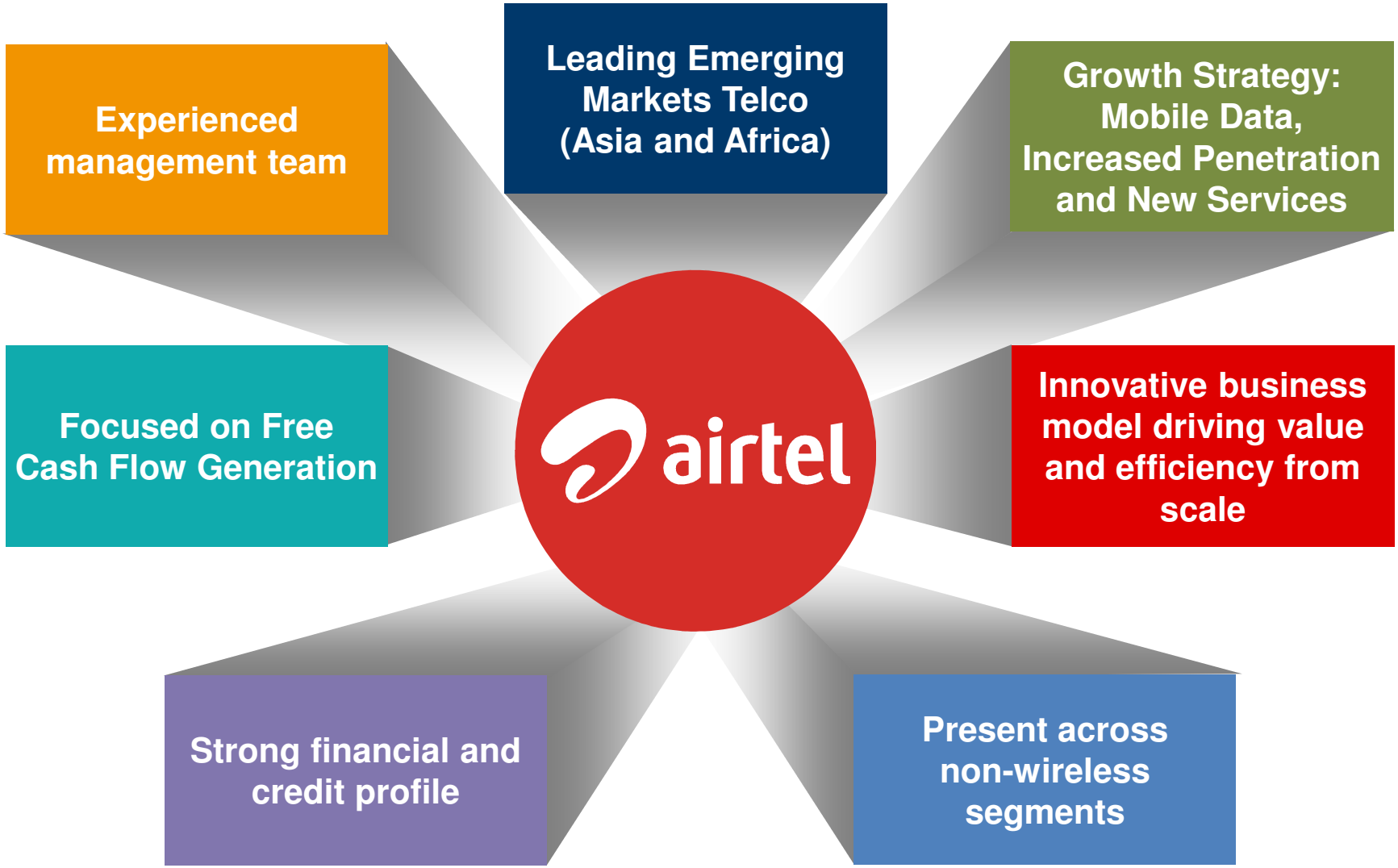
Bharti Airtel is ranked No. 4 for "Transparency in Corporate Reporting" among top 100 emerging market MNCs awarded by "Transparency International"

A snapshot of the transparency score awarded to Airtel is also given below

Parameter	Airtel Score	Average Score
Reporting on Anti Corruption	85%	46%
Organizational Transparency	75%	54%
Country by country reporting	34%	9%
Overall Score	**64%**	**36%**

Investment Highlights

Investment Highlights



Management Presentation

Bharti Airtel Limited

November 2013