Investor Presentation

Bharti Airtel Limited

May 2010

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For any queries, write to: ir@bharti.in

Advantage India

- **Population: 1.2 billion**
  - → increasing urbanisation
  - → relatively large youth population
- **GDP Growth (Real) : ~8.6%**
  - → second highest growing economy
- **GDP Size (PPP adjusted): US$ 3 trillion**
  - → fourth largest economy in the world
- **Telecom penetration: 54.10% (638.05 mn telecom subs)**
  - → one of the lowest
  - → Govt. targets to reach 1 bn telecom subs by 2015
- **Broadband penetration: 0.76% (9mn)**
  - → one of the lowest
  - → Govt. target to reach 20 mn. Broadband subs by 2010

Deep Domestic Demand…Huge Growth Potential

*Note: (1) *Telecom and Broadband penetration as at April 30th 2010 as per TRAI press release.*

The Company...Bharti Airtel – An Integrated Telco

- Wireless Services
  - 2G/3G
  - Rural Market
  - Sri Lanka
  - Bangladesh
- Telemedia Services
  - Fixed Line
  - Broadband
  - IPTV
- Enterprise Services
  - Carriers
  - Corporate
- Passive Infrastructure Services
- DTH (Media)

Fully integrated telecom player offering end to end solutions

Bharti Airtel - positioning in the world and India

3rd LARGEST wireless operator in the world[1]

LARGEST private INTEGRATED telecom company in India

6th LARGEST INTEGRATED telecom operator in the world

LARGEST WIRELESS operator in India

LARGEST private FIXED LINE operator in India

LARGEST operator in NLD, ILD and VSAT business

LARGEST TELECOM company listed on Indian Stock Exchanges

Note: (1) 3rd largest wireless operator in the world refers to in-country (single country) operator based on the number of subscribers.

Latest Results – Q4 FY09/10

Key operating and financial metrics

	Q4 FY 10	Y-on-Y
Customers	130.69 mn	35.2%
Revenue	$ 2,228 mn	2.4%
EBITDA	$ 847 mn	-4.5%
Cash Profit	$ 887 mn	5.8%
Net Income	$ 455 mn	-8.2%
EBITDA Margin	38.0%	
Net Profit Margin	20.4%	
ROCE	22.0%	
ROE	25.8%	

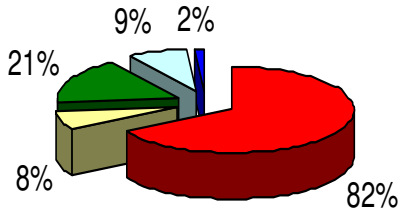
Continued Strong Performance

- Wireless Customer market share leadership at 21.73%.
- Total minutes on network carried in Q4 – 196 mn
- Total employee strength – 18,354
- Balance sheet strength:
  - Assets – $ 14 billion
  - Net debt – nil
  - Net debt to EBITDA – nil
- Continues to be FCF positive on a standalone basis

- The company recommended a dividend of Rs.1 per equity share of Rs. 5 each (20% of face value for the year 2009-10. This is subject to approval by shareholders at the ensuing AGM.

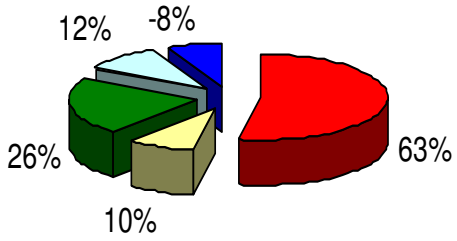
Segment contribution…Rev, EBITDA and Investment

REVENUE



Mobile Services | Telemedia Services
Enterprise Services | Passive Infrastructure Services
Others

EBITDA



Mobile Services | Telemedia Services
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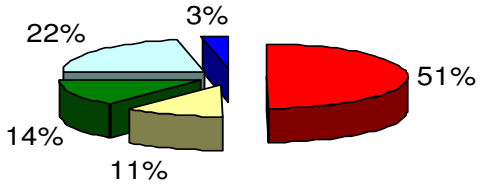
Others

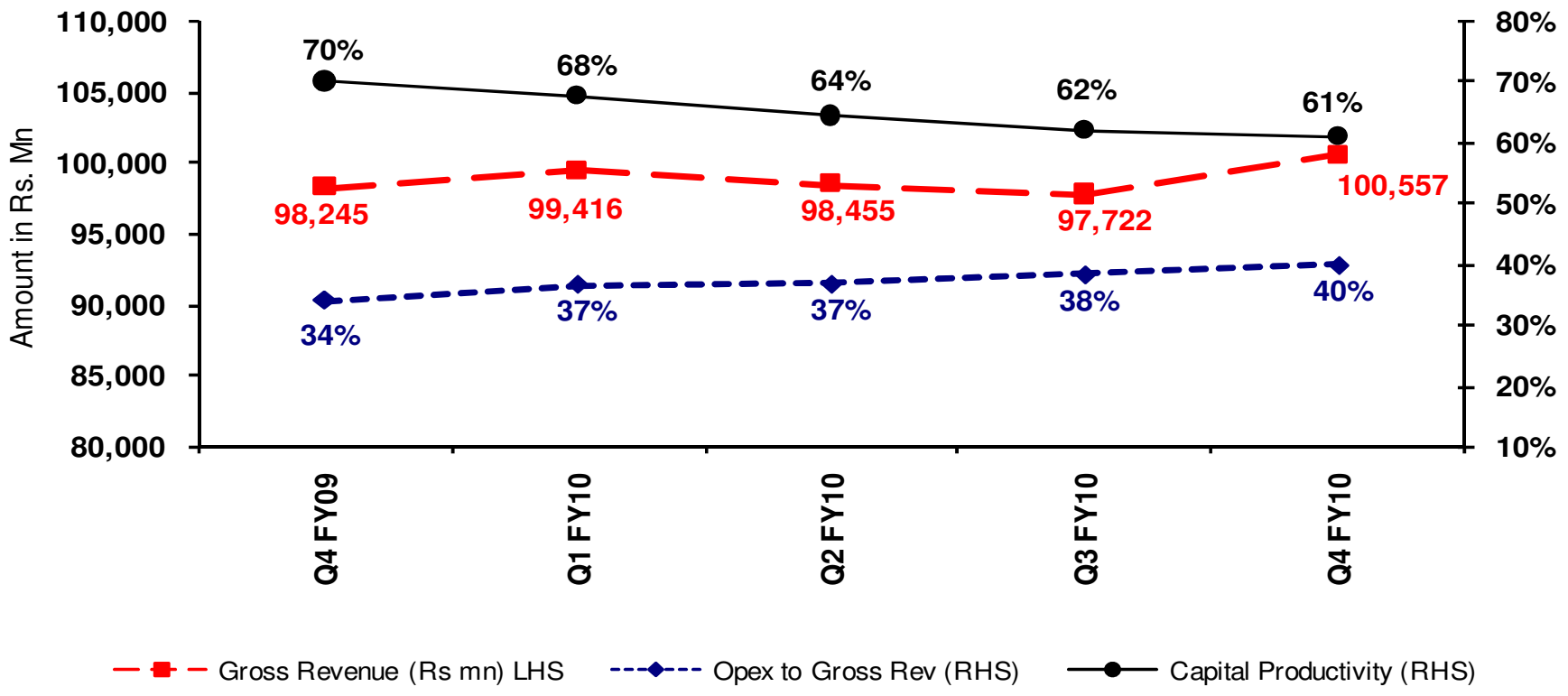
INVESTMENTS



Mobile Services | Telemedia Services
Enterprise Services | Passive Infrastructure Services
Others

Note: (1) Revenue and EBITDA is gross of inter segment eliminations.

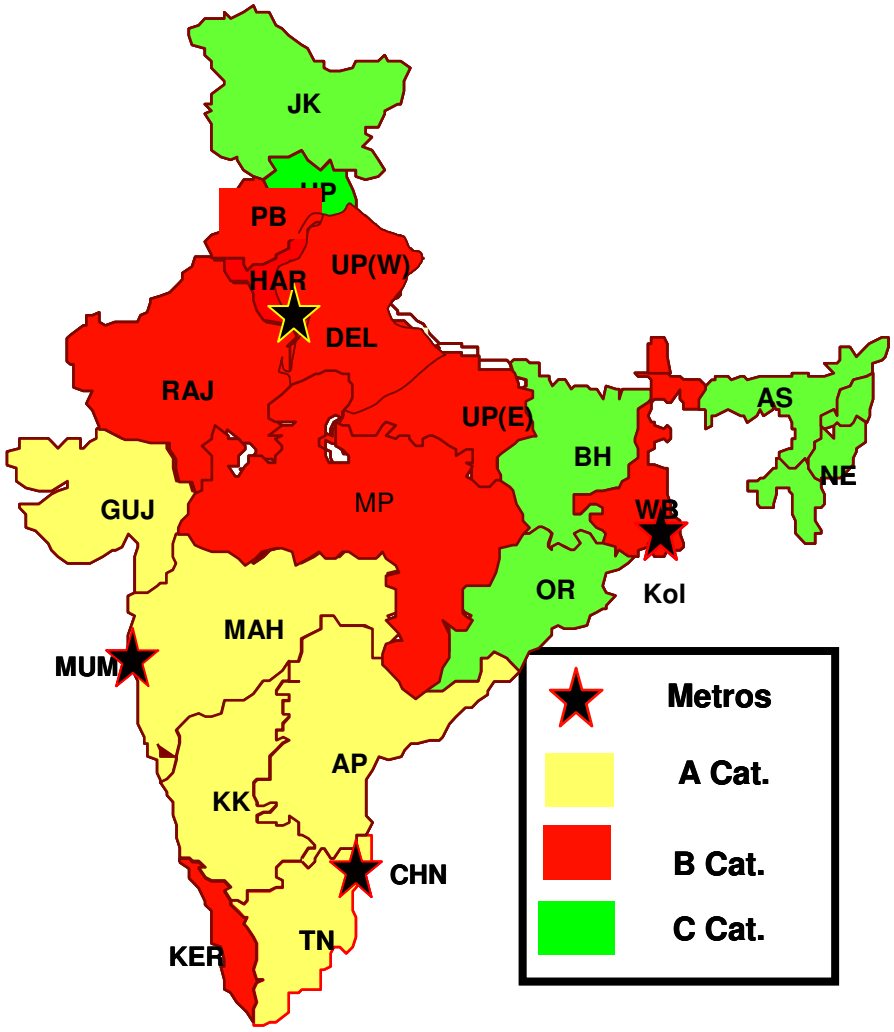
Performance dashboard - 3 line graph



Productivity Indicators = growing revenues + cost efficiencies + capital productivity

Wireless Services

Indian Wireless Market…KPIs

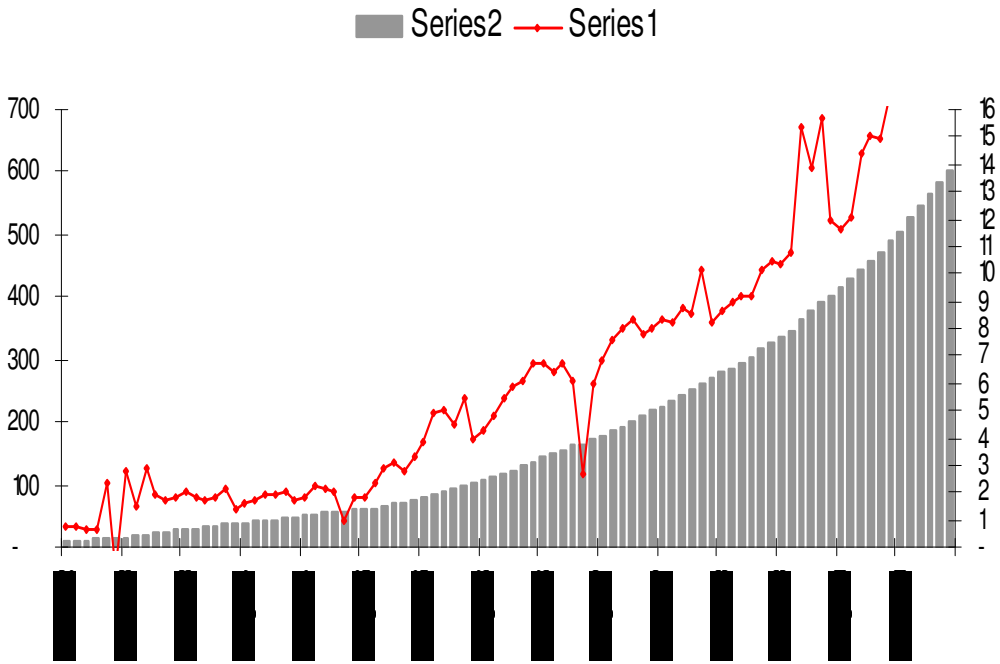


- ***Sub Base : 601.22 mn***
  →second largest market
- ***Wireless Penetration: 50.98%***
  →lowest in the world
- ***HHI Index: very high***
  →one of the most competitive market
- ***Prepaid Base: 95%***
  →one of the highest in the world
- ***Usage per sub per month:***
  - ***Minutes: 375***
    →one of the highest
  - ***ARPU: ~ US$ 4.26***
    →one of the lowest
- ***Rate per minute: ~ US$ 0.01***
  → one of the lowest in the world
- ***VAS: ~ 11.8%***
  →One of the lowest

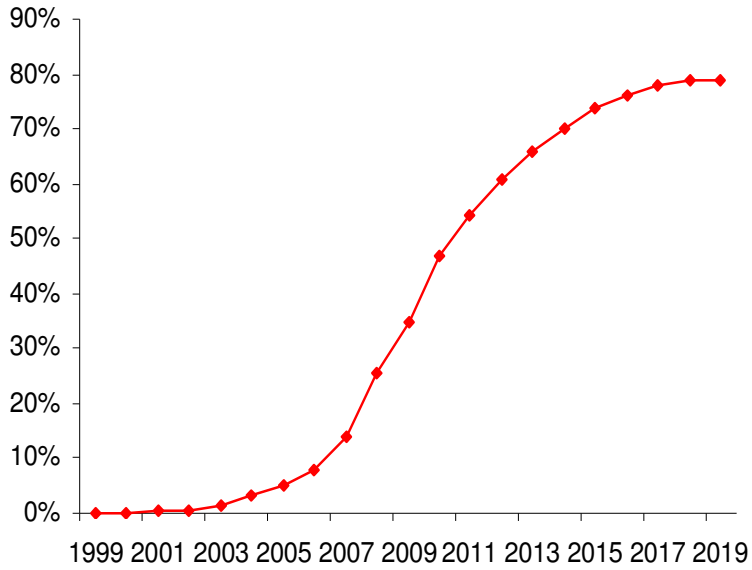
Note: (1) Subscriber numbers and wireless penetration numbers as at April 30, 2010 are as per TRAI release (2) Other indicators on the slide are based on Global Wireless Matrix 4Q10 dated 13th April 10 by Merrill Lynch, and reflective of Industry numbers.

Rapidly Growing Wireless Market

Net Adds in Mar 16.9 Mn…lesser than over last 2 months average run rate of 19.7 Mn



S-curve triggered

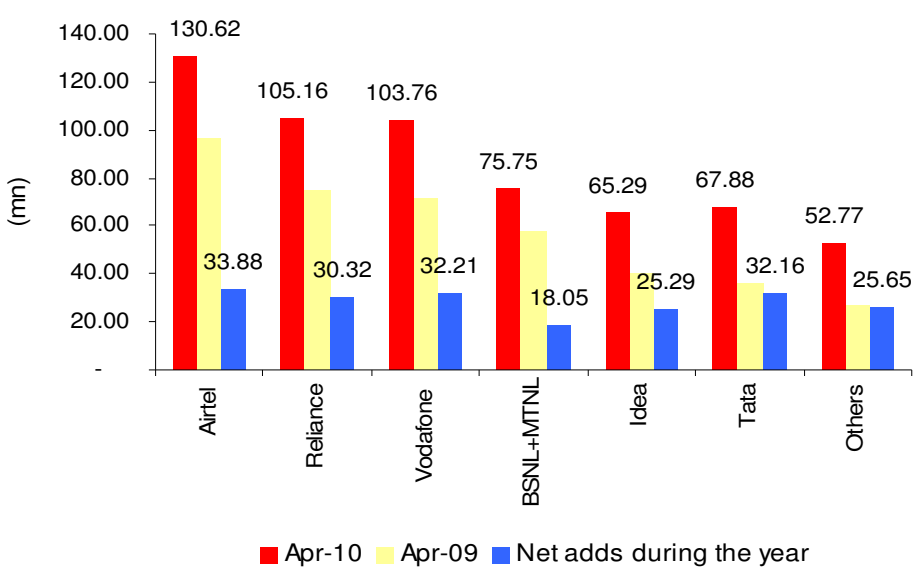


Fastest Growing Market in the World

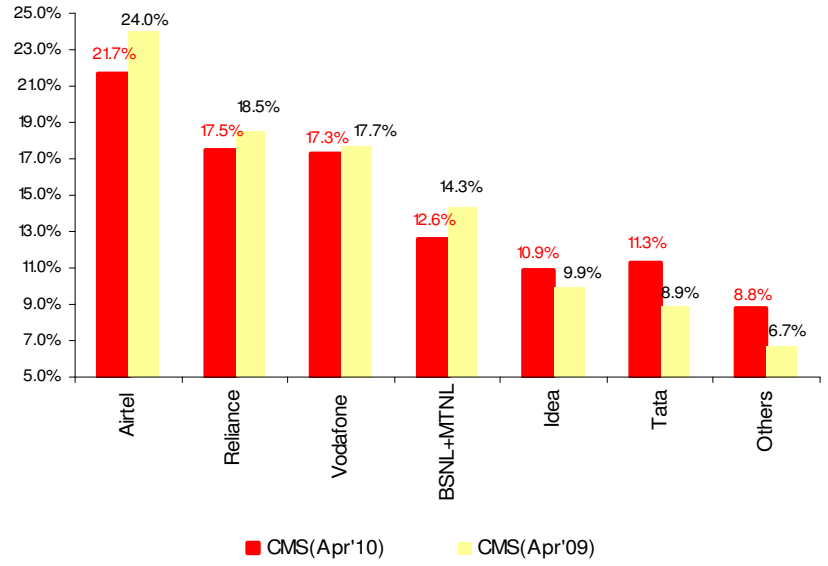
Note: (1) Actual Data as per Industry Association Releases and Industry Estimates.

Wireless Market Structure

Subscriber Trends



Customer Market Share – CMS (%)



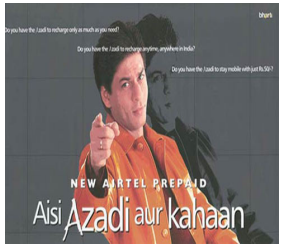
- Airtel continuously consolidating its market leadership position despite intense competition
- Airtel current monthly net adds at 3.0 million vs. 2.8 million a year ago
- Airtel ranks 1& 2 in 17 circles in terms of number of subscribers
- Over 66% of net adds coming from B&C circles (rural India)

Airtel Continues to lead on Revenue Market Share

Company Highlights on Wireless Services

First mover advantage / Product innovations

Electronic Recharge / Micro Prepaid



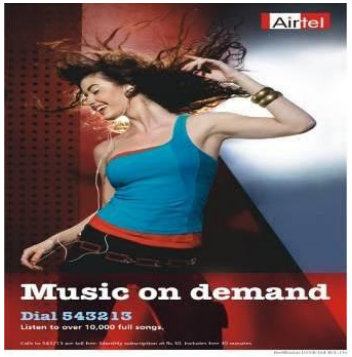
NEW Lifetime Prepaid

Life time validity product

Easy Music

Hello Tunes *(Ring Back Tones)*

Call Home Service

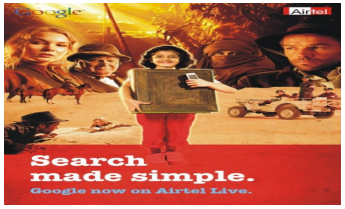


Music on Demand

Song Catcher

Airtel *Live* *(Portal)*

Money Transfers



Google search

Portfolio Manager *(Stock Tracker)*

Blackberry

iPhone

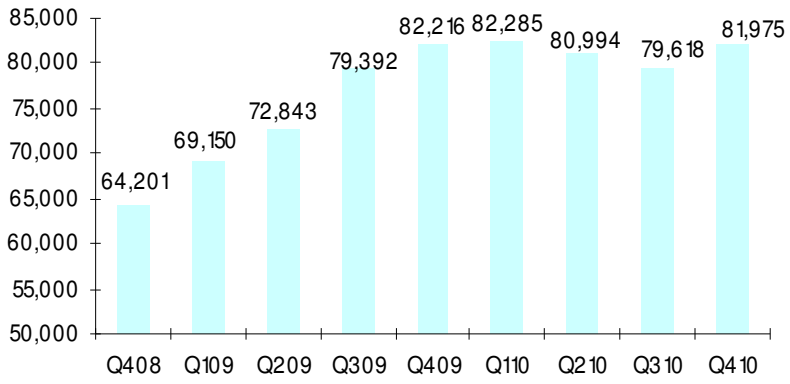
mChek
SAFE - SMART - SIMPLE

M Commerce

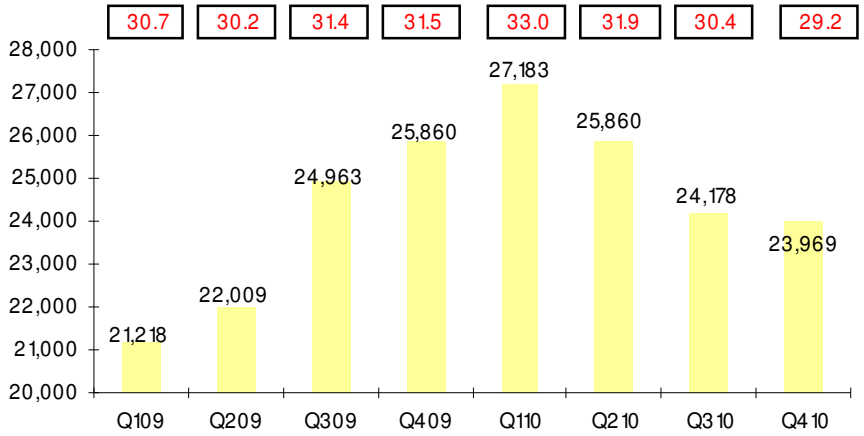
➡ **focus on product innovations**

Performance Indicators - Financial

Revenues (INR mn)

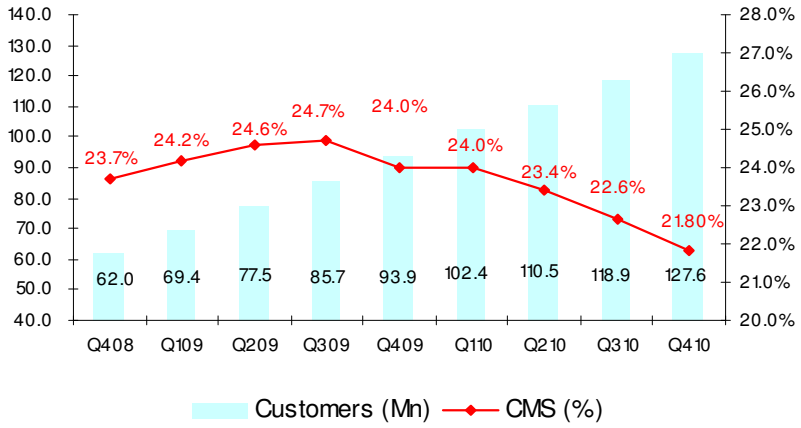


EBITDA (INR mn) & Margin (%)

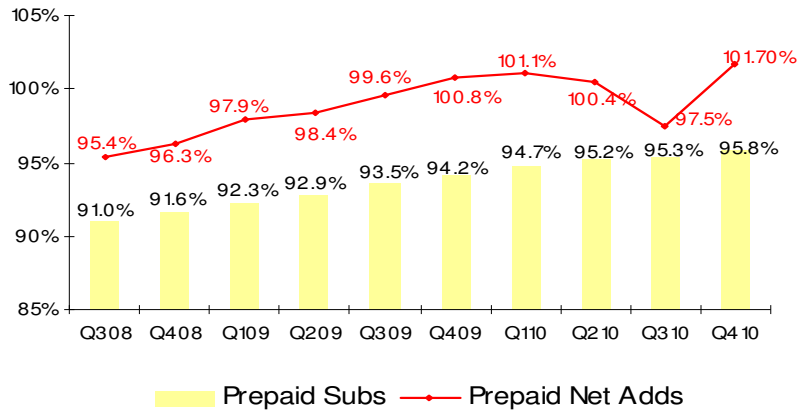


Performance Indicators - Operational

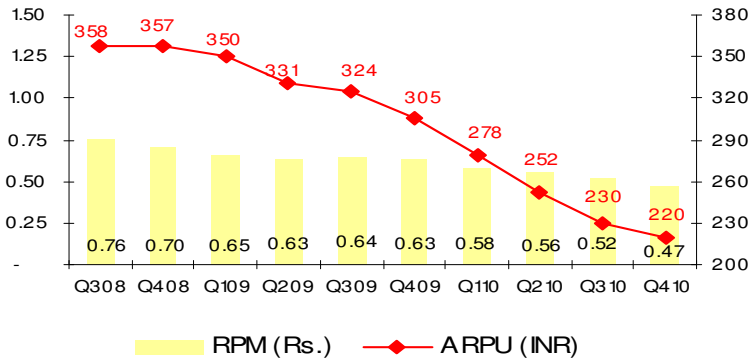
Customers & Market Share



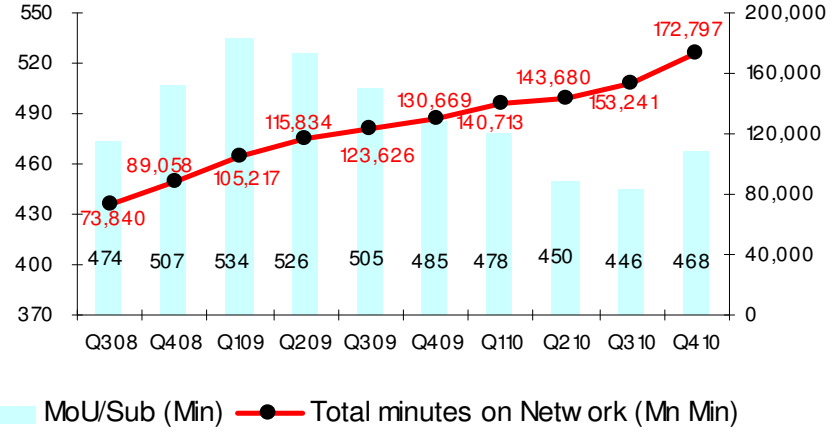
Prepaid/Postpaid



ARPU & RPM

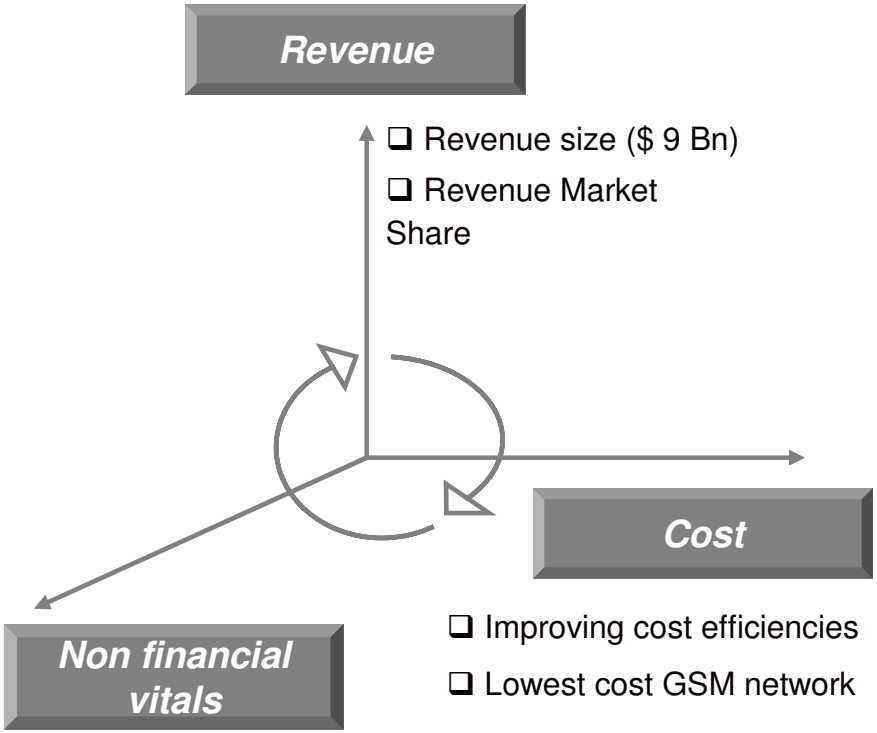


MoU/Sub/Month & MON

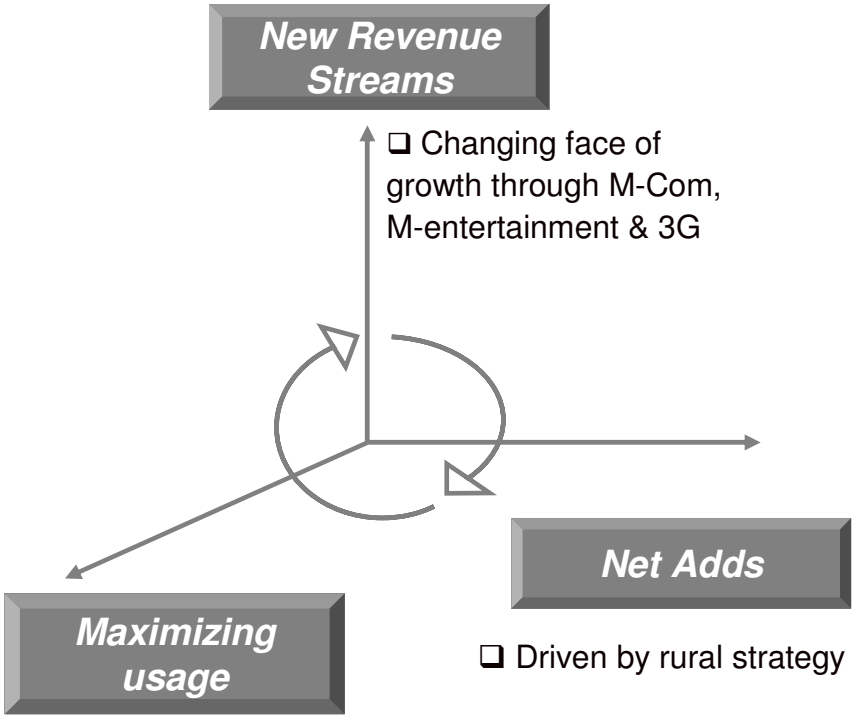


Current positioning and way forward…

Leadership Positioning



Growth strategy and plans



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 89 top cities of India.
2. Target Segment : Retail and Small and Medium Enterprises.
3. Customer base: 3.1 million (end Mar2010)
4. Broadband (DSL with speeds>256 kbps) penetration at 42.7% of customer base.
5. Average ARPU for Quarter ended Mar'10 $ 20.8 per month.
6. Segment contributing to 8% of overall revenues of the company.
7. EBITDA margin of over 43.5%.

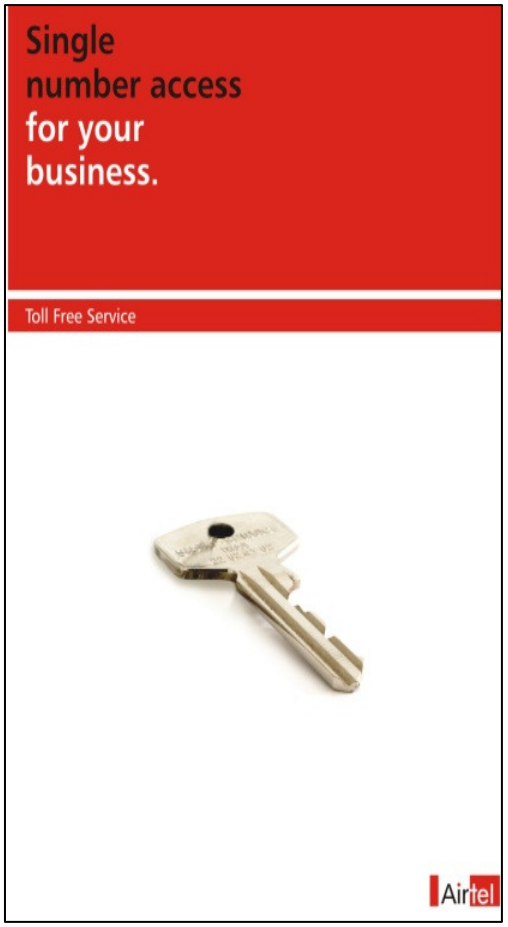
Broadband revolution to follow wireless revolution in India

SMB opportunity across ICT stream

Telemedia Services

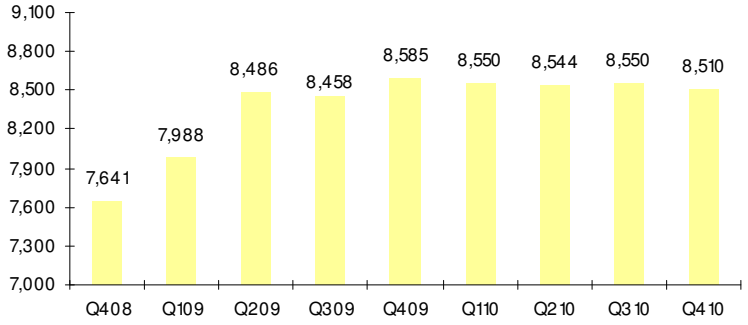
Business Units	SMBs	Homes
Products	• Voice • Data • Mobile Services • Applications •SaaS	• Broadband • Voice • IPTV
Goal	One-Stop Shop for All Airtel Services and Solutions to SMBs	Dominant Broadband & Fixed Voice share of the affluent in targeted 95 cities
Strategies	• Data Products: Internet, MPLS etc. • Integrated Solutions to drive share of wallet like hosted e mail, online desktop etc. • Strategic Alliances • Indirect Channel to Drive Penetration	• Deeper & Not Wider: 95 Cities • Enhancing Broadband experience : Speed on Demand, Games on Demand & VAS • Vertical & Not Horizontal: Hi-Rise • Drive Triple Play • Drive Higher spends for better customer experience

Product Portfolio

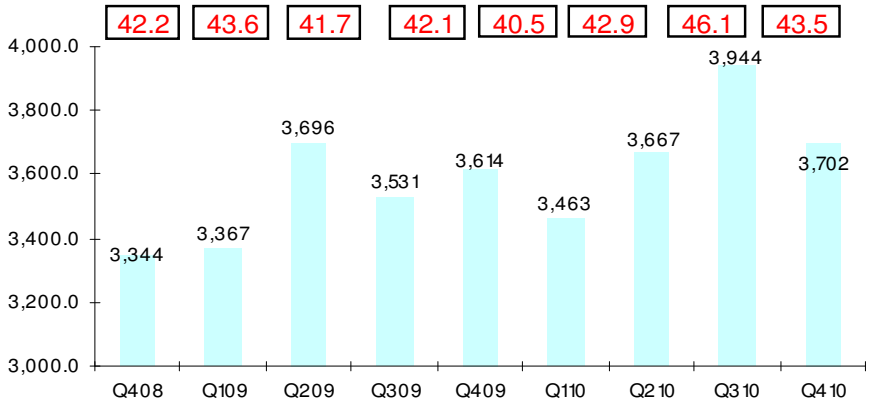


Performance Indicators

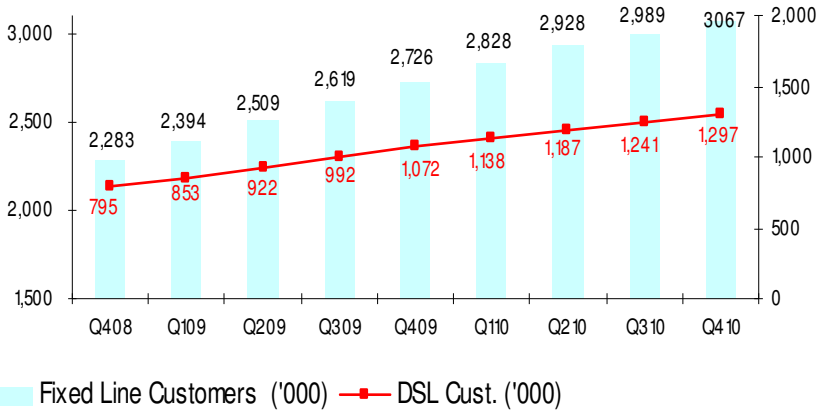
Revenues (INR mn)



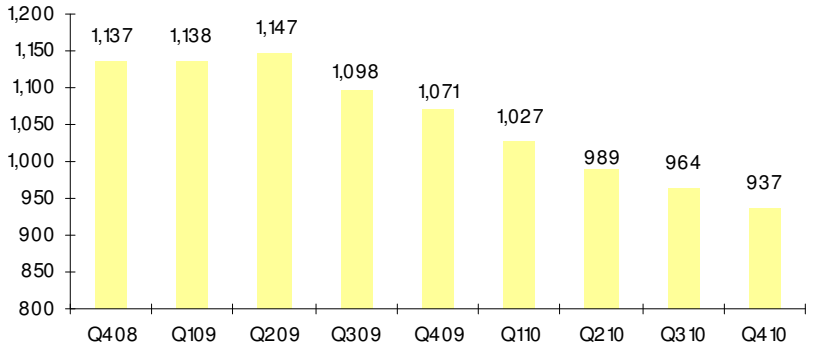
EBITDA (INR Mn) & Margin (%)



Customers (overall & DSL)



ARPU (INR)



Enterprise Services

A snapshot

- *Enterprise Services 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 30 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 126,357 Route kms of optical fiber, over 4,150 MPLS and SDH POPs*
  - *Access network (terrestrial) in 95 cities, Wimax network in 143 cities, and over 1,500 local POIs*
  - *International network with 225,000 Route Kms, connecting over 50 countries*
- *Key Performance Indicators (Q4 '10)*
  - *NLD Minutes Carried: 15.9 Billion ; ILD Minutes Carried: 3.2 Billion*
  - *Revenue: Rs.20,738 Million (21 % Segment Contribution Share)*
  - *EBITDA: Rs. 9,846 Million (47.5% EBITA Margin)*

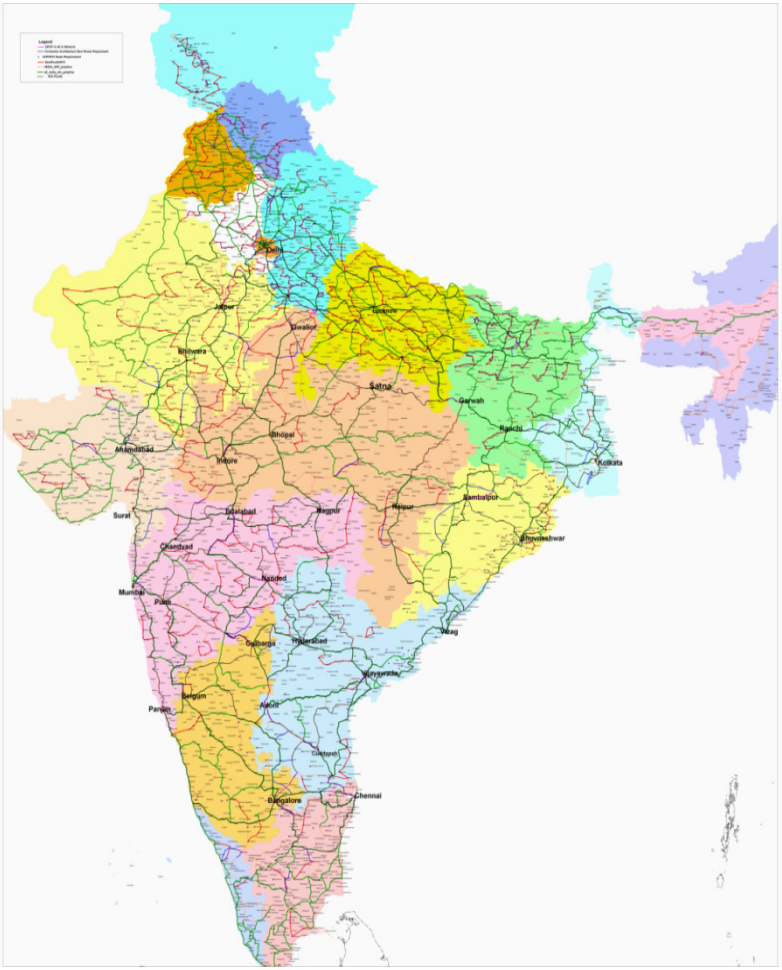
Highlights

 # 1 Operator in India in terms of:

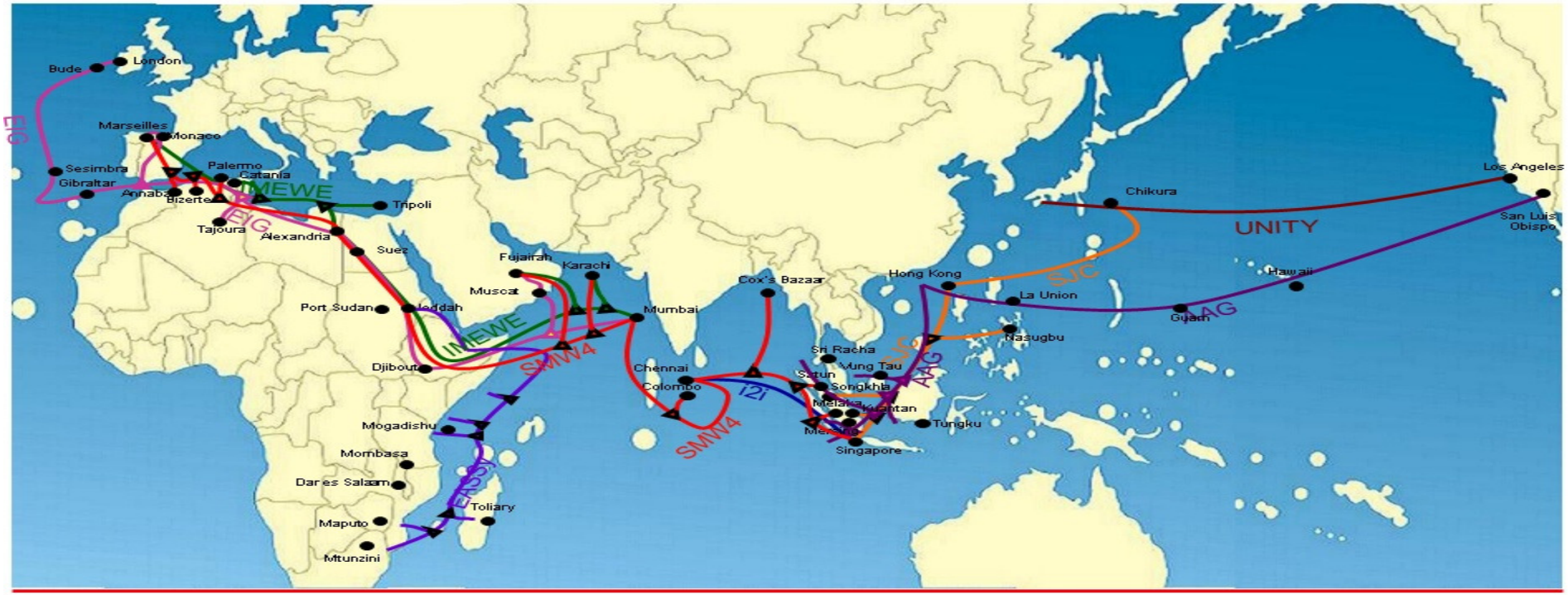
- *NLD Revenue (Voice & Data)*
- *ILD Revenue (Voice & Data)*
- *Private Fixed Line Operator*
- *Corporate Internet Provider*
- *VSAT Provider (installed base)*

Domestic Network

- *Fiber commissioned for over 26,357 Kms*
- *Transmission Network (4,235 SDH PoP's)*
- *High resilience via ring structure & automatic switching*
- *Tier-1 MPLS network (across 120 Cities)*
- *Internet backbone capacity > 75 Gbps*
- *Proactive 24 x 7 x 365 NOC*
- *304 LDCAs & 1741 SDCAs covered*



International Network



Infrastructure

- *NGN with 4 Global Media Gateways*
- *100% Ownership of i2i Cable system and landing station*
- *Ownership of Sea Me We 4 cable and landing station*
- *IRU capacity on TAT-14, Apollo, EAC, APCN2, JUCN, etc.*
- *Trans-Pacific Connectivity Boost through Unity & AAG.*
- *Terrestrial Connectivity to Nepal, Pakistan and Bhutan.*
- *Consortium partner in major cable systems under construction: IMEWE, EIG, AAG, Unity, EASSy*

Coverage

- *TDM and IP Voice traffic termination in 230+ countries*
- *Major International PoPs for carrier interconnect at Los Angeles, New York, London, Hong Kong & Singapore*
- *5 Additional PoP's under development in colombo,Tokyo,Paris, Bangkok and Kaula Lumpur*
- *Far-East Connect Platform to cater to high growth markets across Asia and the Pacific*
- *Extensive MPLS Coverage across the globe - more than 70 countries, 700+ PoPs via carrier-grade NNI's*

What We Offer

Wholesale Voice

- NLD Voice Carriage Services
- International & Domestic Toll Free services
- International Calling Services
- Signaling Based Services
- International Voice Carriage Services
- Global Wholesale Voice (Hubbing & Transit)
- Roaming Hub - Prepaid Roaming

Retail Voice

- Mobility Solutions
  - Corporate Mobile Ser Voice Services
  - Mobile Data (Blackberry, Data card, applications)
  - SMS-Based Tools & Bulk SMS Solutions
  - Workforce Mobility Solutions (Vehicle Tracking, etc.)
- Fixed line Solutions
  - Fixed Line/ PRI/ Centrex Services
  - Domestic Toll Free Service
  - Hosted Contact Centre Services
  - Premium International Toll Free Service

Wholesale Data

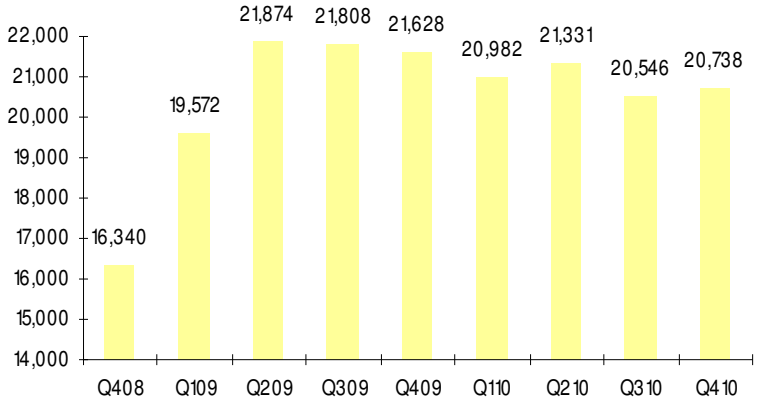
- Transport Services
- Access Services – Terrestrial/WiMax in India
- Managed Network Services
- Internet Access Services
- MPLS, Multicast, Managed MPLS Services
- Hosting & Services for Carrier PoPs
- Carrier Outsourcing & Content Distribution

Retail Data

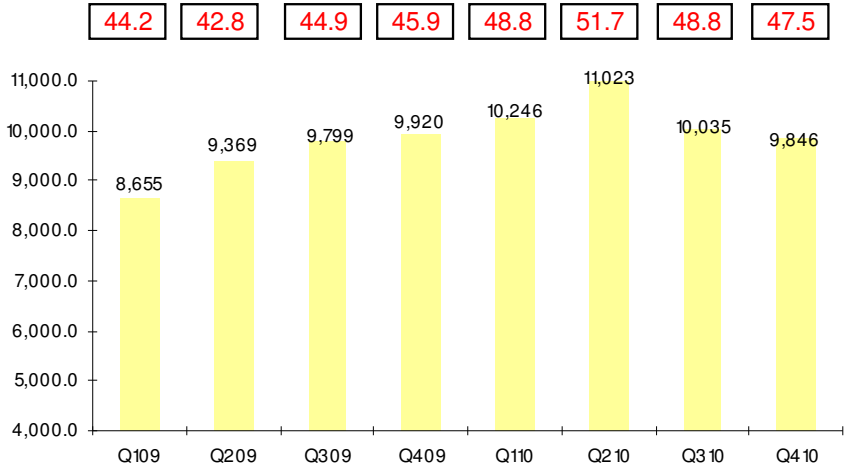
- Internet Services
- Managed MPLS Services
- Domestic and Int'l Private Leased Lines
- Data Center & Managed Services
- Digital Media & Teleport Services
- Satellite Services
- Audio and Video Conferencing Solutions

Performance Indicators – Enterprise Services

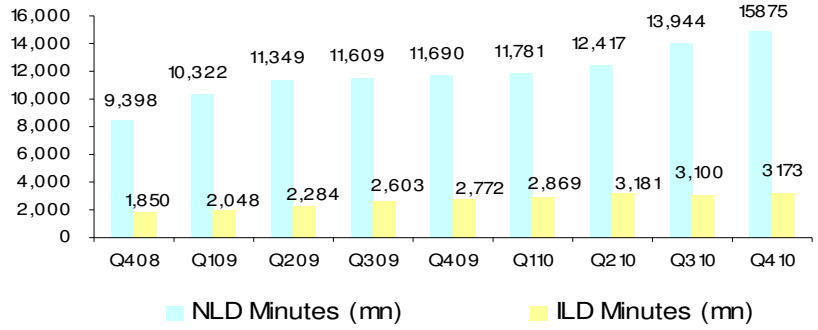
Revenues (INR mn)



EBITDA (INR mn) & Margin (%)



Voice Minutes on Network



Passive Infrastructure Services

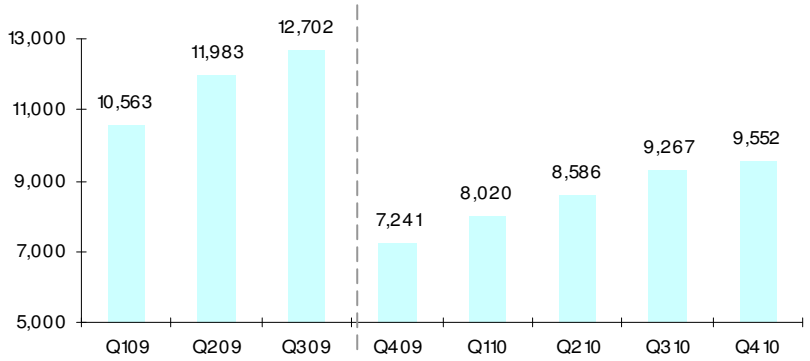
A snapshot

- ***Bharti Infratel operates in 11 circles.***
- ***Indus Tower operates in 16 circles.***
- ***Standard Master Services Agreement with competitive rates already in place.***
- ***Key focus areas:***
  - *To increase sharing factor (tenancy) from current levels of 1.62 for Infratel and 1.71 for Indus.*
  - *Provide energy optimization solutions and other network management services.*
  - *Evaluate other revenue streams.*
  - *To reduce sharing revenue per sharing operator through increased sharing factor and efficiencies*
- ***Key performance Indicators (Infratel):***
  - *Total Towers: 30,568 (nos)*
  - *Sharing Factor: 1.62*
  - *Sharing Revenue per sharing operator per month at Rs. 36,878.*
  - *EBITDA margin: 47.2%*
- ***Key performance Indicators (Indus):***
  - *Total Towers: 102,938 (nos)*
  - *Sharing Factor: 1.71*

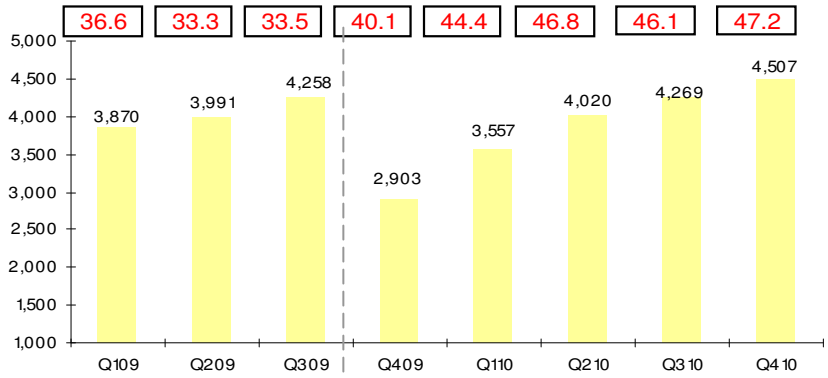
Aim to be the preferred choice of vendor for all existing and new operators

Performance Indicators - Bharti Infratel

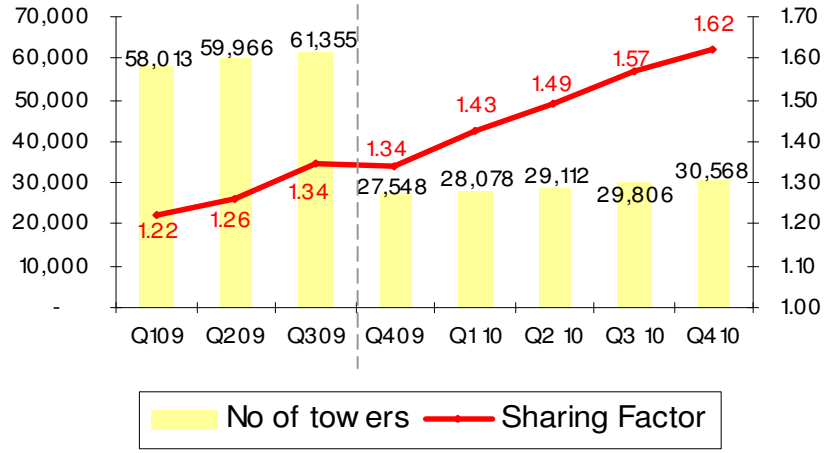
Revenues (INR mn)



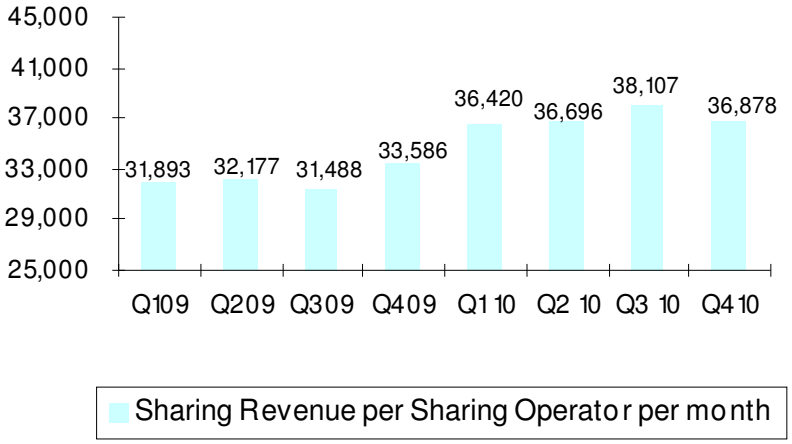
EBITDA (INR mn) & Margin (%)



Towers (nos) & Sharing Factor



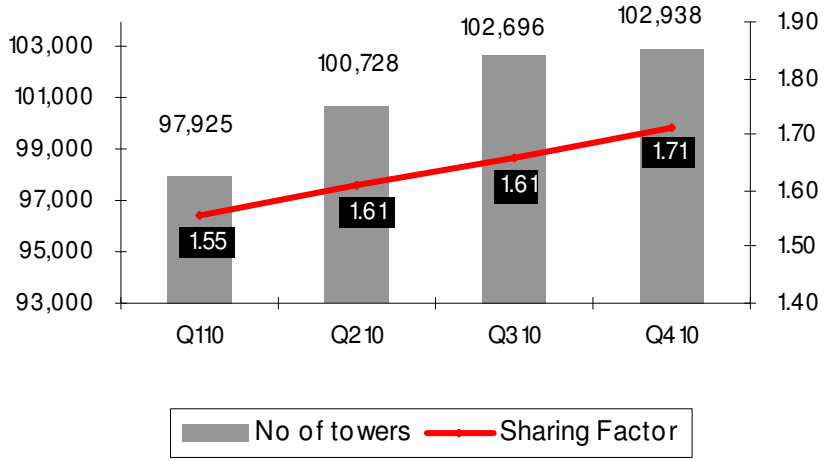
Sharing Revenue per Sharing Operator per Month (Rs)



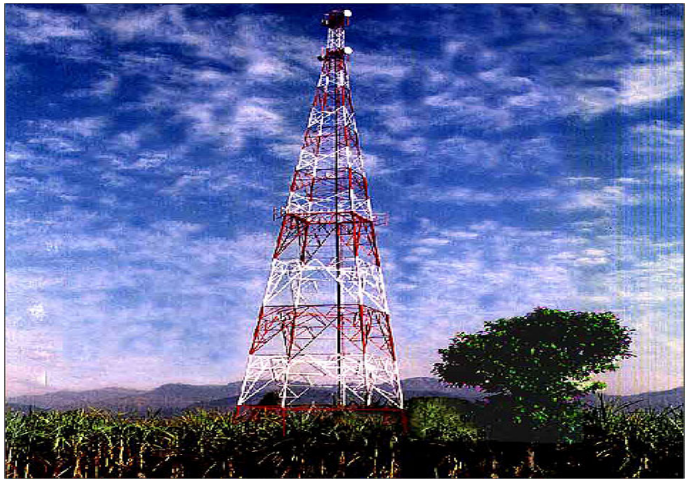
Note: Figures for revenue, EBITDA and number of towers for quarters ending 4Q09 and beyond have taken the impact of 35,066 towers transferred to Indus

Indus Towers

Roof Top Tower



Ground Based Tower



- *First of its kind deal…Bharti (42%), Voda (42%) & Idea (16%)*
- *Largest independent tower company in the world*

  ~ 100,000 towers under its management
- *Benefits from captive tenancy as well as external tenants*
- *Incremental investment in towers to come from new operators / subscriber growth / 3G*

Recent Honours

Bharti Airtel – Leadership in business

Recent Honours

Rated as the **'Powerful Brand'** in the Economic Times- Brand Finance 'Brand Power

(the only corporate brand to be awarded the AAA rating)

Adjudged **Wireless Service Provider of the Year 2009** - Frost & Sullivan Asia Pacific ICT Awards

(in recognition of innovation, vision , strategy and profitability)

Bharti Airtel won tele.net **Telecom Operator awards** in **6** out of total 14 categories including Most Admired Company, Best National Mobile operator, Best Internet and Broadband operator, Best Operator in Rural Market, Best Enterprise Services

Best Cellular Service Provider and **Best VSAT & NLD player Service Provider** at the 2009 Voice & Data 100 Awards

Voted as the **India's Most Innovative company** in a survey conducted by Wall Street Journal

Best Global Wholesale Carrier for 2009 at the Telecoms World Awards Middle East.

Rated as **India's Best Enterprise Services Provider** for 2009 at the annual Users' Choice Awards instituted by PC Quest.

Sunil Bharti Mittal, Chairman & Group CEO

- Honorary degree of **Doctor of Laws by University of Leeds (UK)** in 2009
- Tenth **Lal Bahadur Shastri National Award** by the Hon'ble President of India in 2009

Akhil Gupta, Deputy Group CEO & MD

- **CA Business Achiever Award** by Institute of Chartered Accountants of India.

Manoj Kohli, CEO(International) & Joint MD

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

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