



Bharti Airtel Limited

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2007 Worldwide Wireless and Wireline Conference (organized by Lehman Brothers)

New York

Hotel Crown Plaza

May 30, 2007

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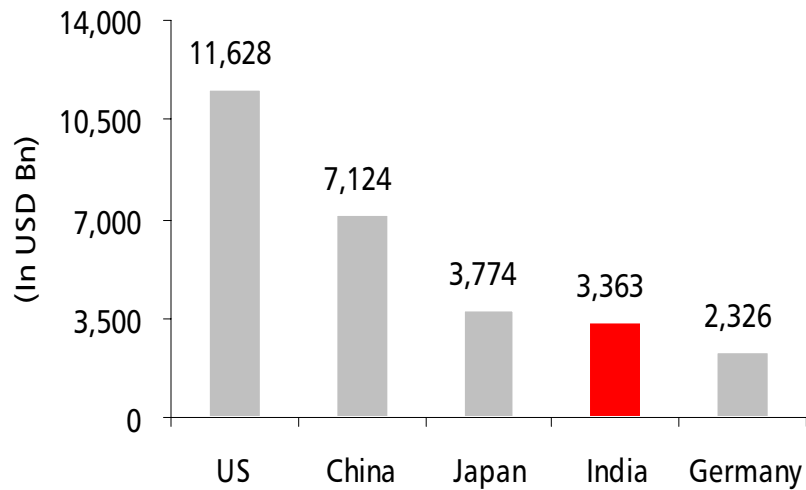
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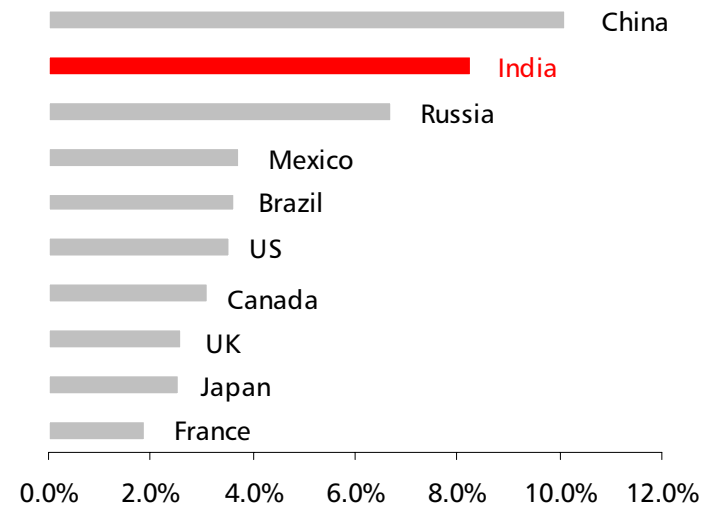
India

India – *placing in the world*

4th Highest GDP in PPP terms



2nd Highest GDP Growth 2003-2006



- ➔ among the **top 5** economies
- ➔ one of the **fastest** growing economies

Source: World Development Indicators 2006 & Citigroup Estimates

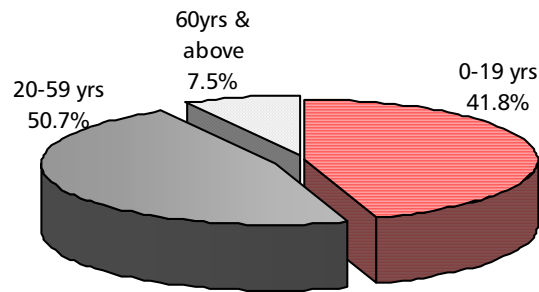
India – *strong fundamentals*

- Largest democracy in the world.
- Separation of executive and judiciary.
- Well diversified industrial base.
- Dominant private sector.
- High standards of accounting and audit practices.
- Large & sophisticated financial architecture:
 - World class central banking system and robust banking industry.
 - Transparent and mature currency markets.
 - Robust capital markets.
- World class IT & telecom infrastructure.

An Emerged India – *preferred destination*

- **Second** most attractive investment destination – *ATKEARNEY Business Confidence Index*
- Continues to be the **best** BPO destination - *AT KEARNEY*
- **200** of Fortune 500 companies are present in India;
- NSE ranks **3rd** and BSE ranks **5th** in terms of number of trades;
- **Best technology** licensing regime - *UNCTAD's Global Competitiveness Report*
- Among the top three investment hotspots - *UNCTAD and Corporate Location Survey*
- **Major destination** for foreign venture capital funds - *Far Eastern Economic Review*
- Amongst the only **three Asian countries** with super computing competence.

India – *consumption driven growth*



- Largest youth population
- Growing literacy rate
- Large pool of professionals and technocrats

▪ Rising income level



▪ Increasing consumerism



▪ Growing availability of retail credit

Increasing consumer spend

- ➔ household consumption to double by 2008 *(Report by ML dated 08/08/03)*
- ➔ telecom sectorone of the many **beneficiaries**

Indian telecom

Indian telecom – *growing share in world telecom*

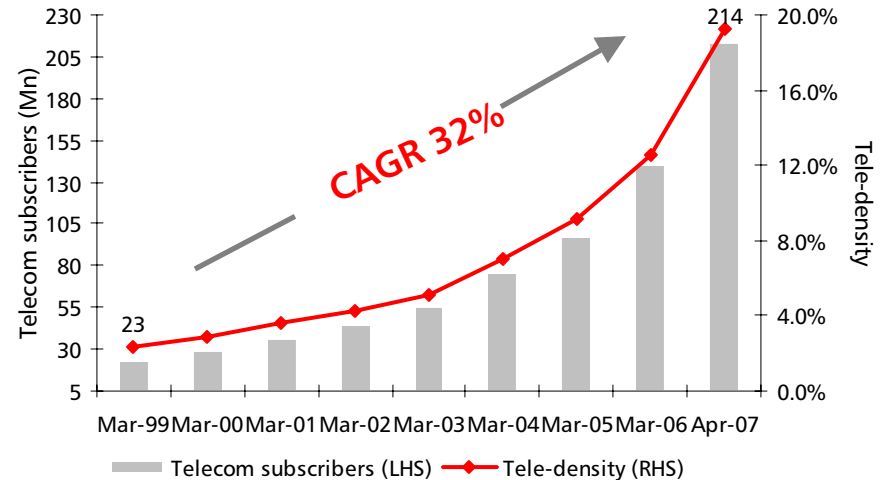
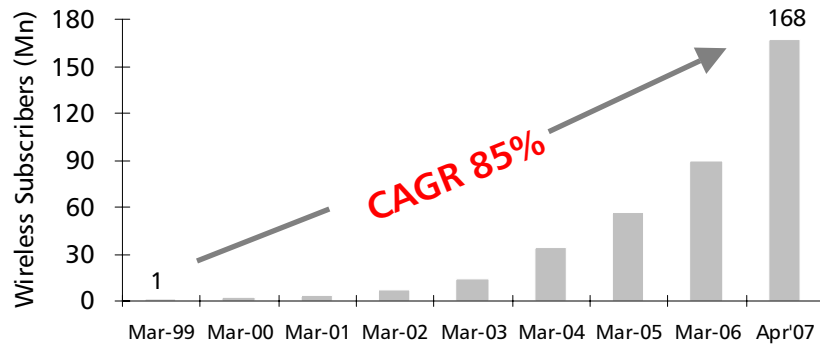


- Total Telecom Base	~ 214 Million	Amongst top five in the world
- Wireless Sub Base	~ 168 Million	3 rd largest in the world
- Wireless Penetration	~ 15 %	Lowest in the world
- ARPU	< USD 10	One of the lowest
- Mou/Sub/Month	~ 460 minutes	2 nd highest in the world
- Realised RPM	~ 2 US cents/ min <i>(All Inclusive)</i>	Lowest in the world
- Fixed line Sub Base	~ 46 Million	
- Broadband Sub Base	~ 2 Million	Large potential market

➔ indian telecom – **well placed** in world telecom space

Source: Based on data in Global Wireless Matrix 4Q06- Merrill Lynch .COAI & AUSPI data on April 30, 2007

Indian telecom – *growth trajectory*



Indian telecom



wireless led growth

- ➔ wireless **exceeds** fixed-line subscriber base
- ➔ one of the **fastest** growing wireless market in the world

Source: AUSPI and COAI data

Indian telecom – *growing share in world telecom*

Country	Wireless Subs (Mn) as at Mar 31,2007	Rank	Net Adds (Mn) in Q1CL07	Rank
China	481 A	1	19.7	1
US	239 A	2	7.2	3
India	162 A	3	15.4	2
Russia	156 E	4	3.7	4
Brazil	102 A	5	1.4	5

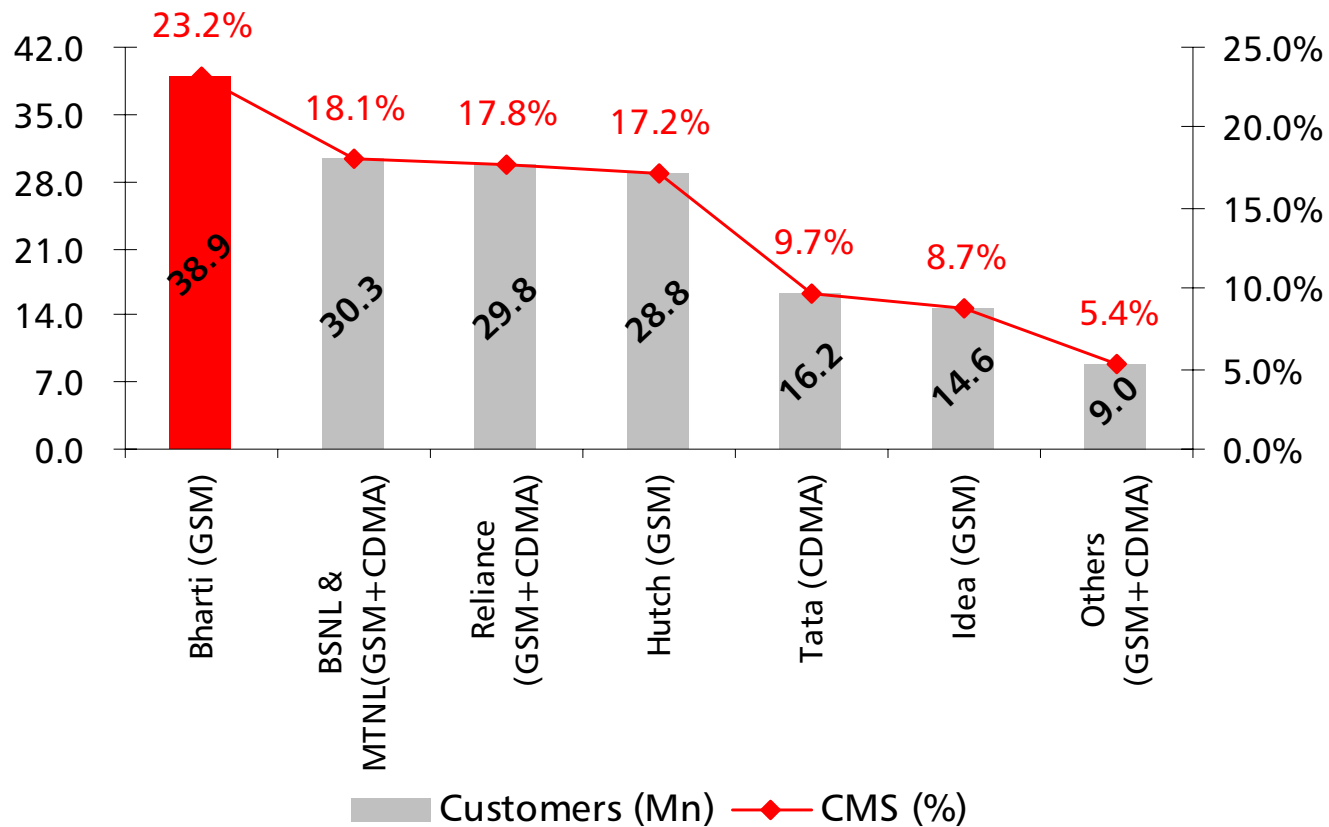
Indian Telecom

“the only large growth story emerging in the world”

“ India” - clearly set to lead world market based on total wireless subs after china

Note: 'A' implies Actual subscriber data and 'E' implies estimated subscriber data

Indian wireless - *competitive landscape*

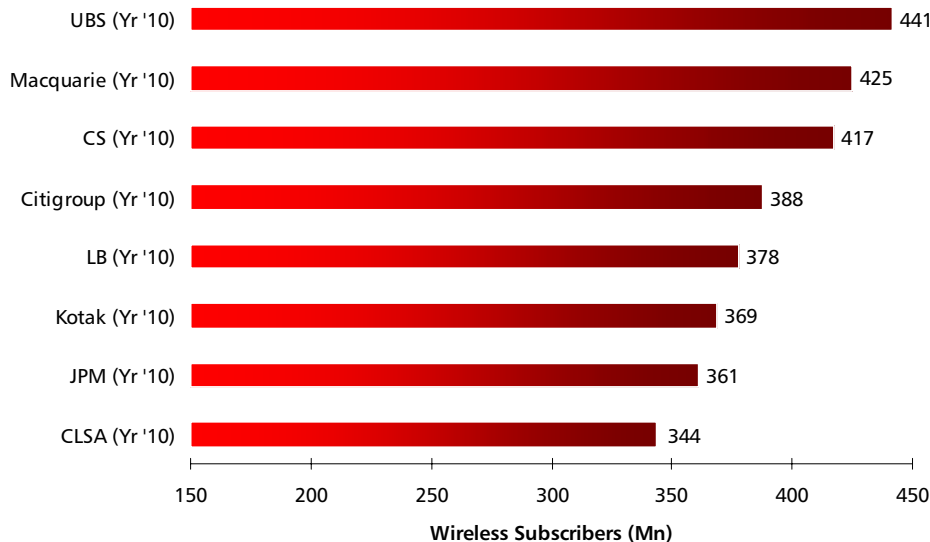


➔ **highly competitive – top 4 garnering over 75% share**

Source: AUSPI and COAI data for April 2007. Hutch subscriber base included BPL operations in Mumbai

Indian wireless – *growth potential...*

market estimates



Country	Subs in Mn.	Pen / Pop
India in 2010 (if)	400	36%
Current Status (Dec'06)		
china	461	35%
philippines	42	48%
canada	19	58%
thailand	40	65%
usa	231	77%
Japan	100	78%
malaysia	19	83%
korea	40	83%
singapore	5	106%
uk	71	117%
world average		46%

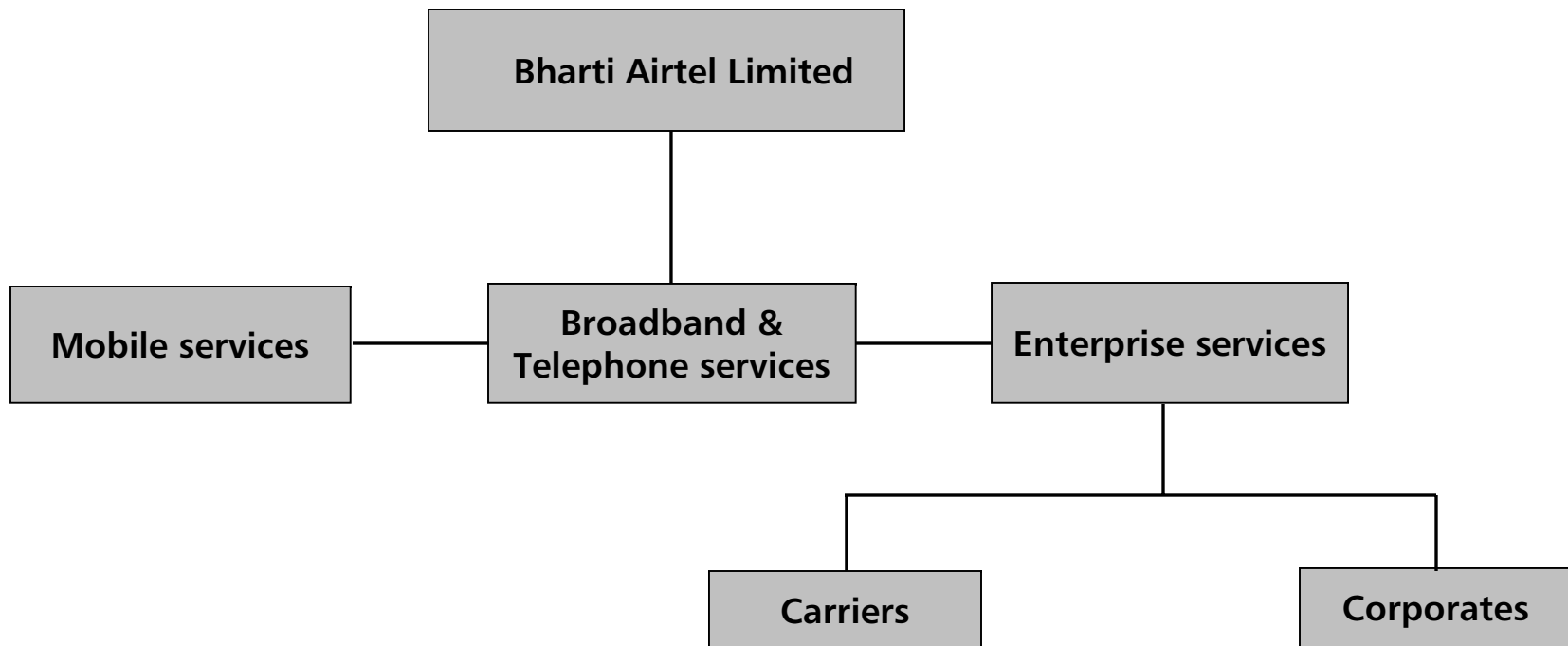
➔ **key growth drivers**

- **affordability** (*falling handset prices, lowest tariffs*)
- **availability** (*network, distribution*)

Source: Global Wireless Matrix 4Q06- Merrill Lynch.

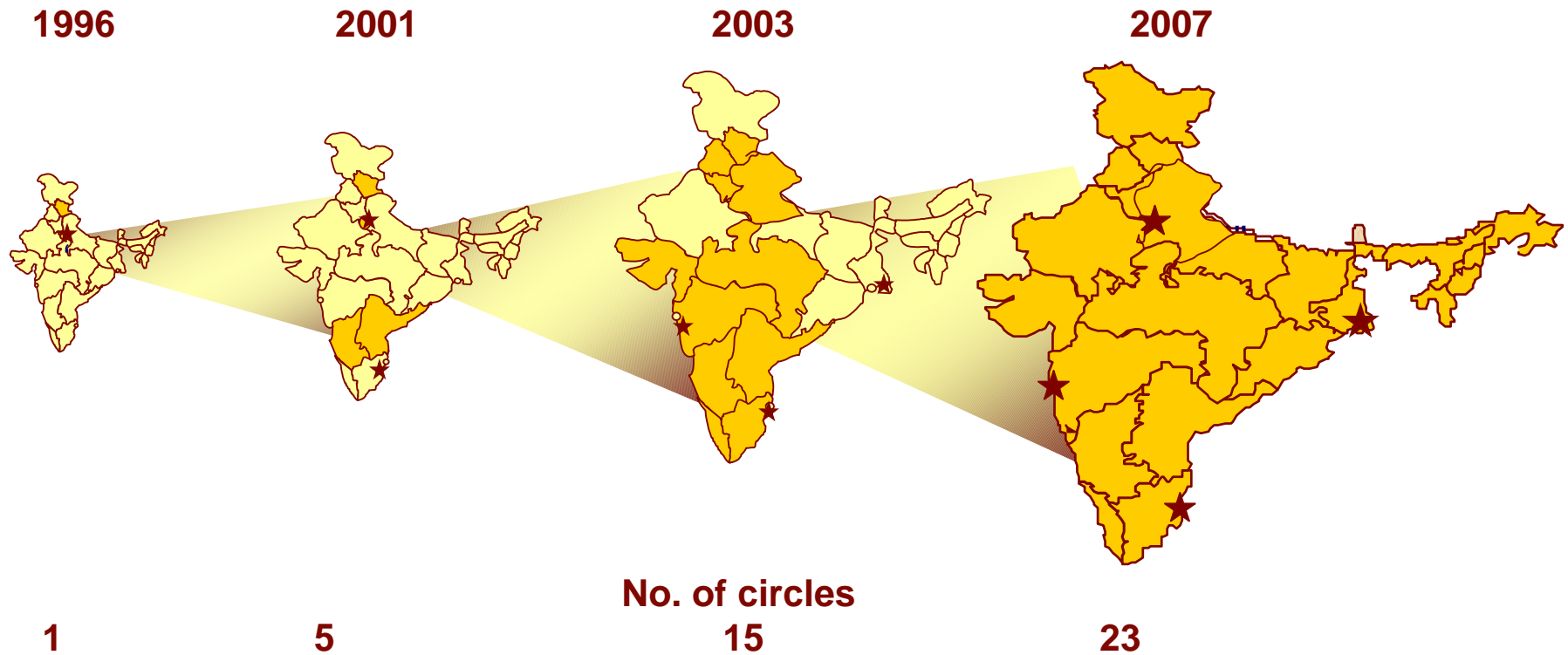
Bharti Airtel Limited

Airtel - *Integrated play*



➔ **full scope** telecommunications company

Airtel – a growth journey



➔ Growth – combination of **organic** and **inorganic** growth.

Airtel - a snapshot

1996		2007
Single Circle Operator + telephone instruments	Company Profile	Largest integrated private telecom operator
< 25 k	Customers	> 39 mn
~ USD 3.3 mn	Investment	~ USD 7.4 bn
~ USD 17 mn	Revenue	~ USD 4.3 bn
~ USD 2.5 mn	EBITDA	~ USD 1.7 bn
~ USD 1.4 mn	Net Profit	~ USD 988 mn
~ USD 16 mn	Market Capitalisation	~ USD 40 bn <i>3rd Largest in India</i>

➔ poised to..... create wealth

Note: 2007 Financials are as per USGAAP FY07 results , except Market Capitalization.

a snapshot - operational

Total Customers	40.8 mn	Largest integrated private telecom Operator
Mobile	38.9 mn	
B&T	1.9 mn	
Mobile coverage		Extensive mobile coverage
Census Towns	4,676 (out of 5,161)	
Non - Census towns & villages	207,327 (out of 586,000)	
Population coverage	59%	
B&T Coverage	94 cities	High revenue potential areas
Total minutes on network	239 bn minutes	
On Roll Employees No.	20,314	High employee productivity
Distribution outlets	> 500 k	One of the widest reach
Optic fiber laid (national)	48,037 km	

- ➔ **rapidly expanding operations**
- ➔ **10th largest wireless operator in the world**

Note: Customers are as at end of April 30, 2007 & operational data is as at the end of quarter ended March 31, 2007. Total minutes have been annualized base on Q4FY07 results

overall financial performance

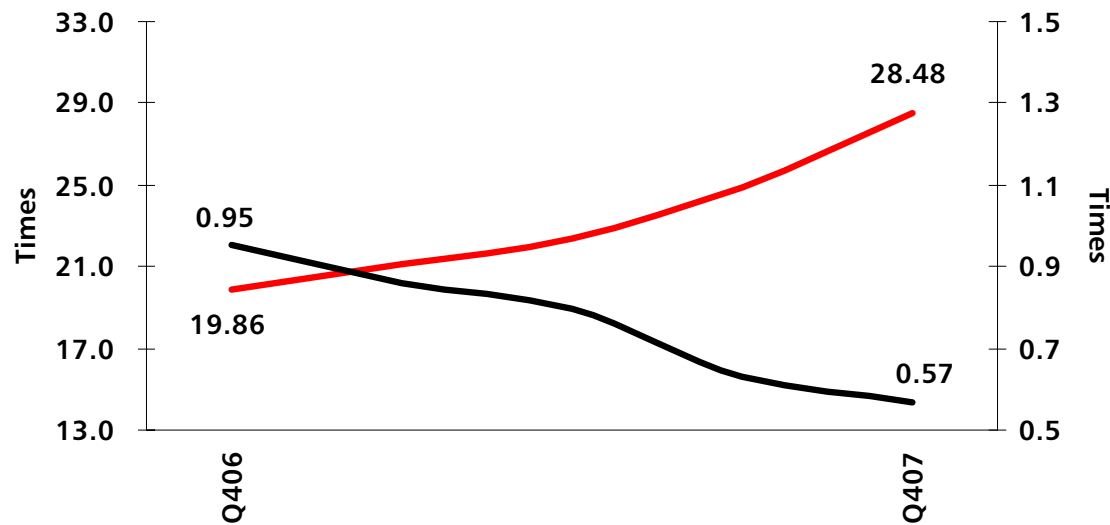
Amount in USD Million, except ratios

Parameters	Quarter Ended			Full Year Ended		
	Mar. 31, 2007	Mar. 31, 2006	Y-o-Y Growth	Mar. 31, 2007	Mar. 31, 2006	Y-o-Y Growth
Total Subscribers (000's)	39,013	20,926	86%	39,013	20,926	86%
Customer Market Share ^{wireless}	22.9%	20.4%		22.9%	20.4%	
Revenues	1,251	791	58%	4,297	2,696	59%
EBITDA	520	297	75%	1,729	1,006	72%
<i>EBITDA Margin</i>	41.5%	37.5%		40.2%	37.3%	
Cash Profit from Operations	509	280	82%	1,695	948	79%
Earning before tax	350	172	103%	1,134	589	93%
Net Profit	314	158	98%	988	524	89%

➔ robust **growth.....** on all parameters

Source: Results for the quarter and full year ended March 31, 2007 as per US GAAP.

earnings & debt servicing



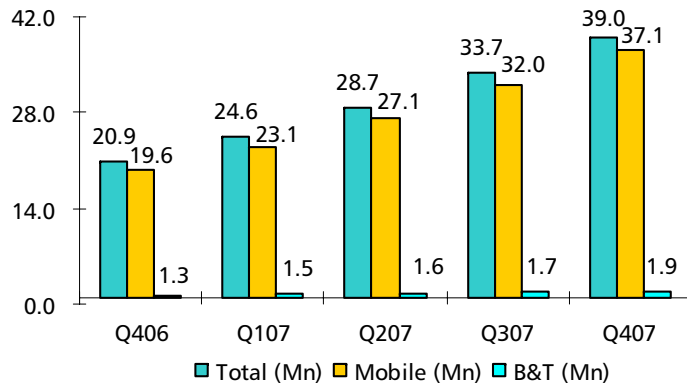
gross debt: **USD 1,217 Mn**
net debt: **USD 982 Mn**
shareholders equity: **USD 3,145 Mn**

— Interest Coverage Ratio (LHS) — Net Funded Debt to EBITDA (LTM) (RHS)

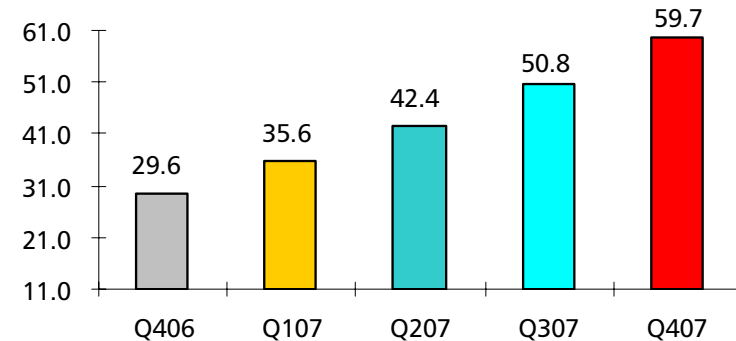
➔ low gearing.....high Interest cover.....**further leverage available**

overall performance trends

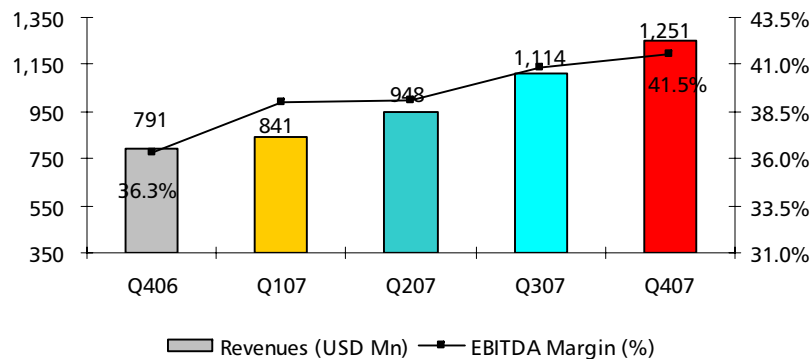
Customer Base



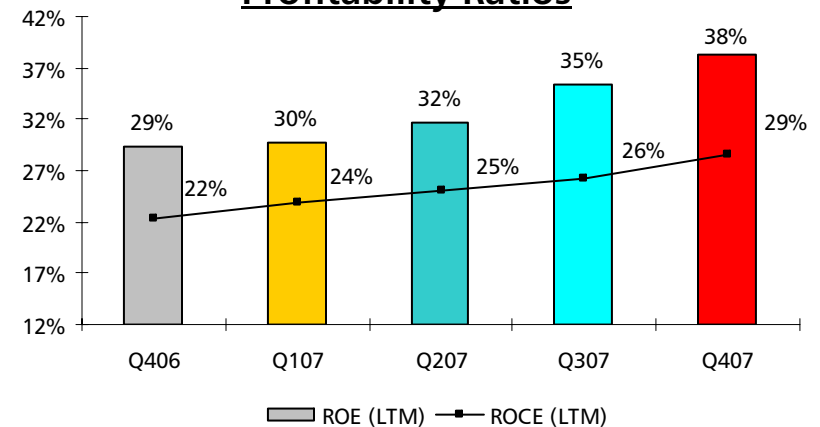
Total Minutes on Network (Bn)



Revenues & Margins

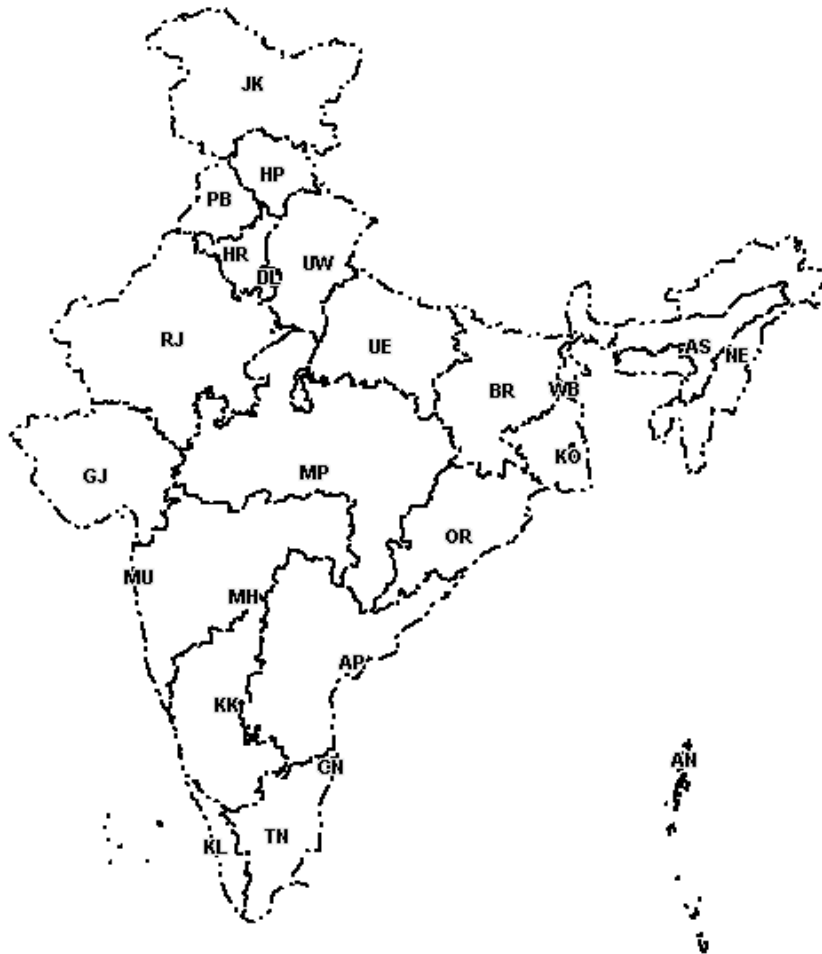


Profitability Ratios



Note: 1) All the financials are as per United States Generally Accepted Accounting Principles (US GAAP).
2) Total minutes are gross of inter-segment eliminations.

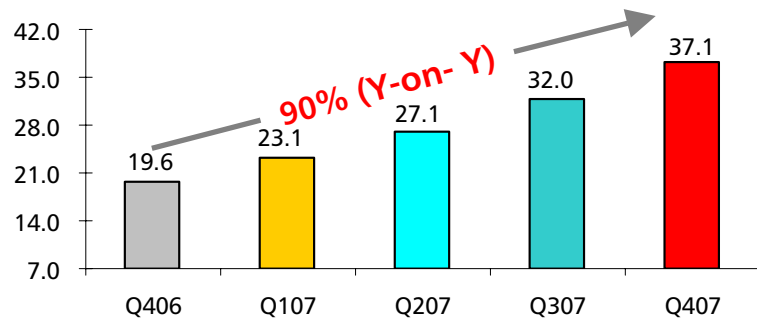
mobile services



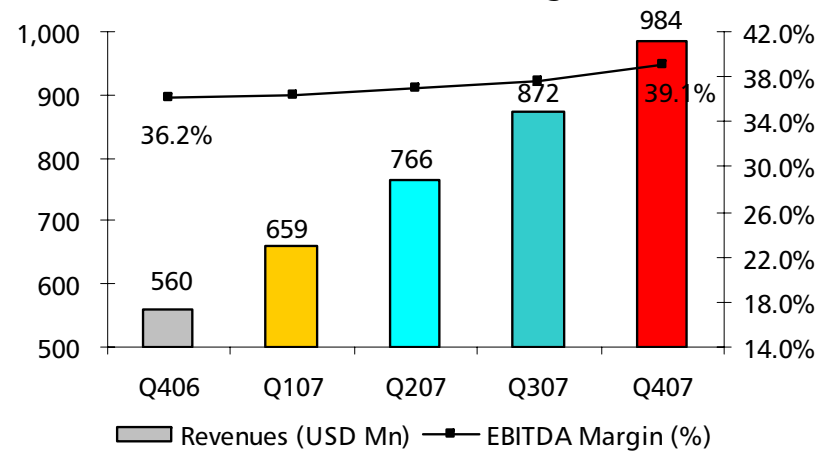
customer base (Apr'07)	38.89 mn
wireless market share (Apr'07)	23.2%
net additions (Apr'07)	1.75 mn
operational <i>(as at end of Mar'07)</i>	
mobile minutes carried (Q4FY07)	49.24 Bn Min
census towns	4,676
non census towns & villages	207,327
population covered	59%
strategy	mass market

mobile performance trends

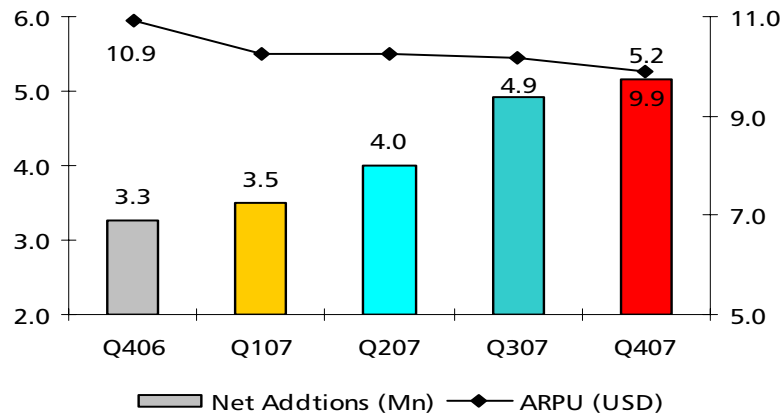
Customer Base



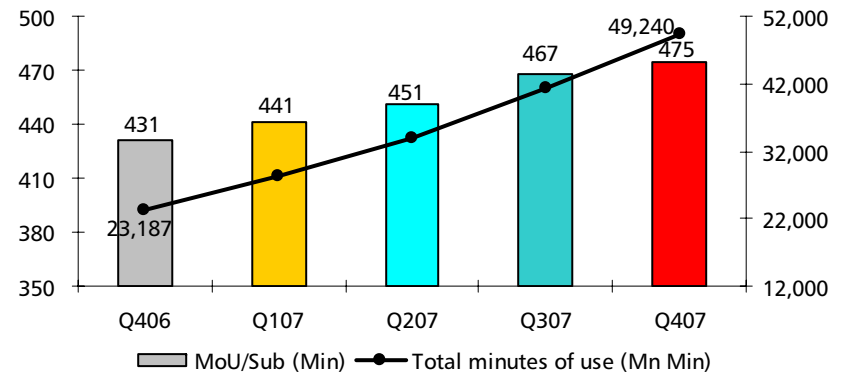
Revenues & Margins



Customer Net Additions & ARPU

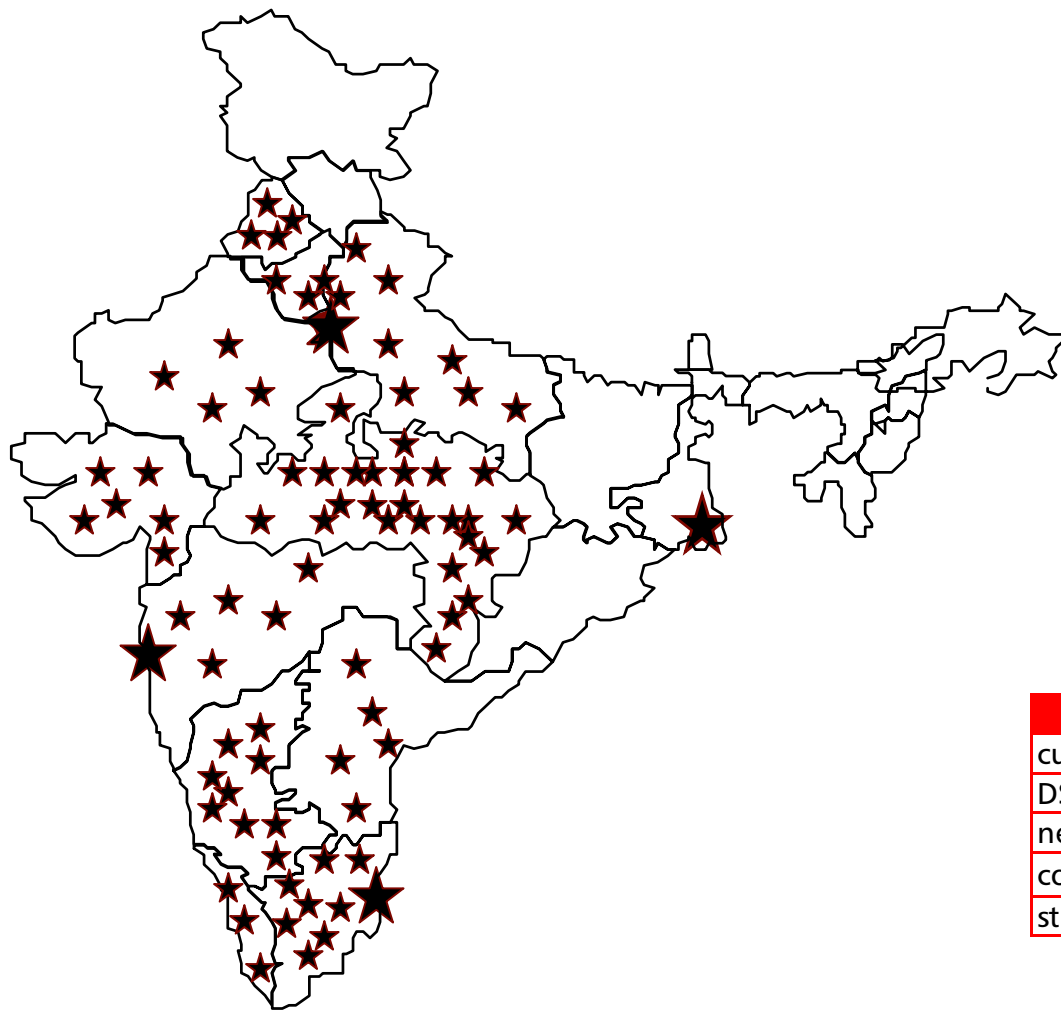


MoU/Sub (Min) & Total Minutes of Use



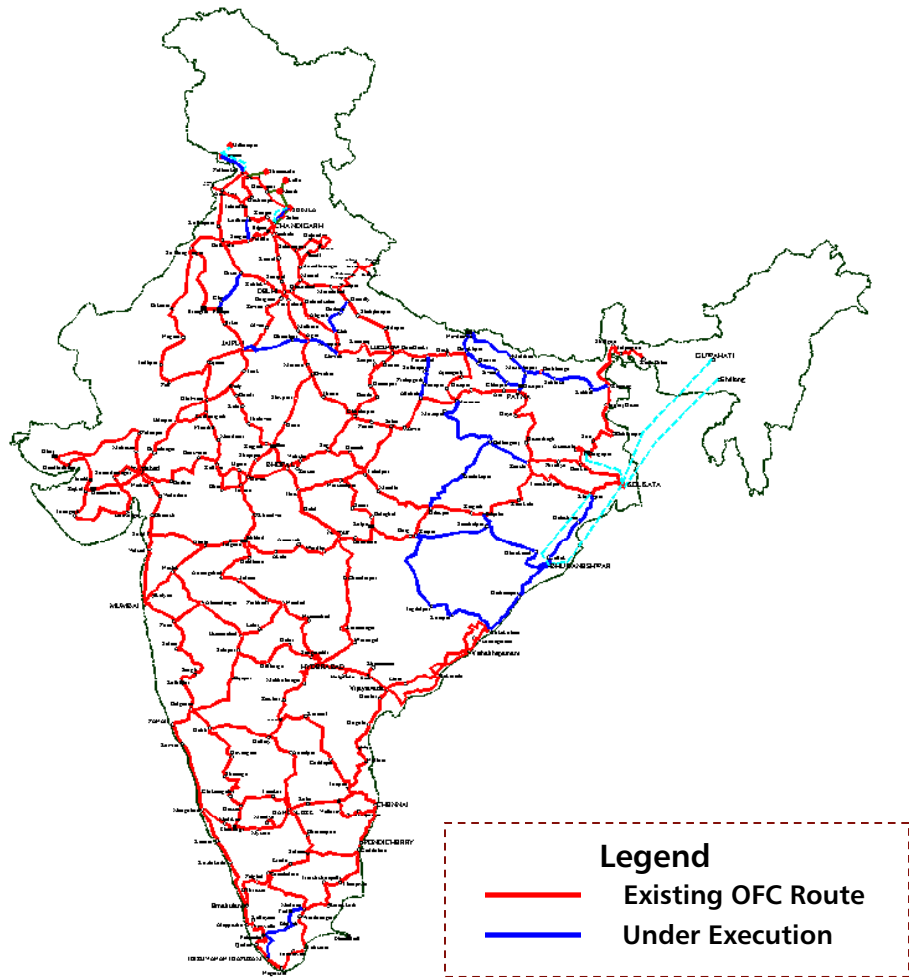
Note: All the financials are as per United States Generally Accepted Accounting Principles (US GAAP).

broadband & telephone services

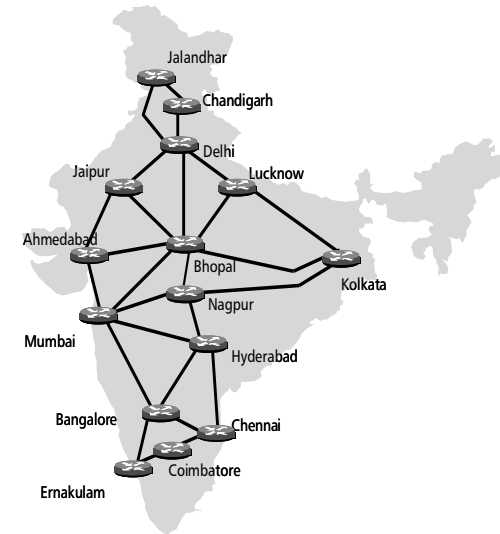


customer base (Apr'07)	1.91 mn
DSL customers (% of total cust.)	~32.0 %
net additions (Apr'07)	40 k
coverage <i>(as at end of Mar'07)</i>	94 cities
strategy	cherry picking

enterprise services – carriers NLD



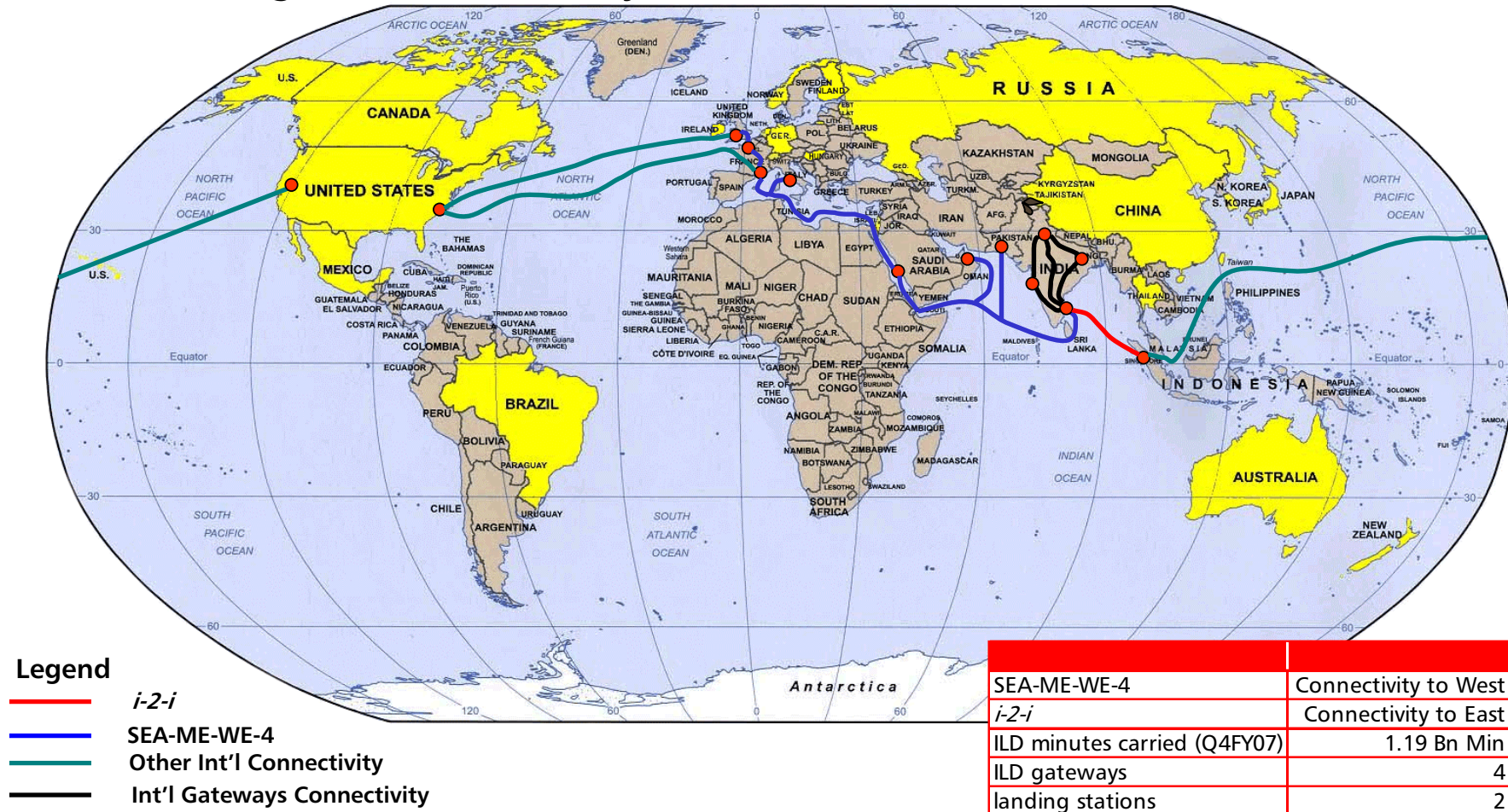
Voice Network



captive traffic (group traffic)	~ 70 %
NLD minutes carried (Q4FY07)	5 Bn Min
optic fibre laid	48,037 km

enterprise services – carriers ILD

Major international carriers connected to the ILD gateways through i2i, SMW4, SMW3 and Flag Submarine cable systems



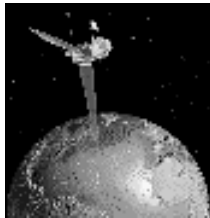
enterprise services - corporates



Mobile services



Voice services



Satellite services



Managed data & Internet services



Managed e - business services



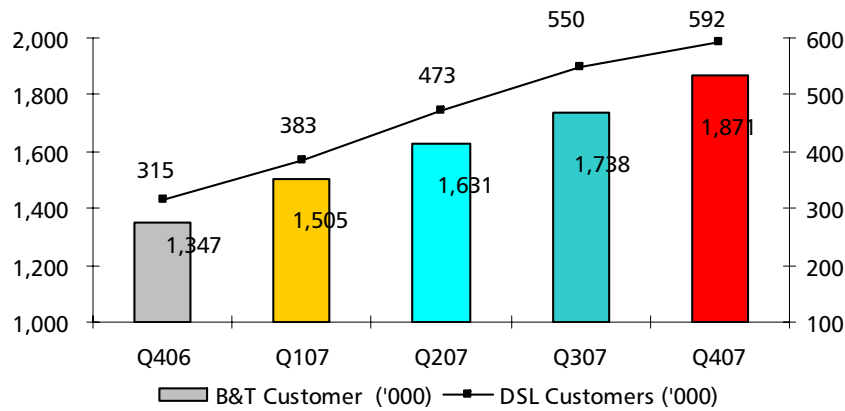
Managed customized integrated solutions



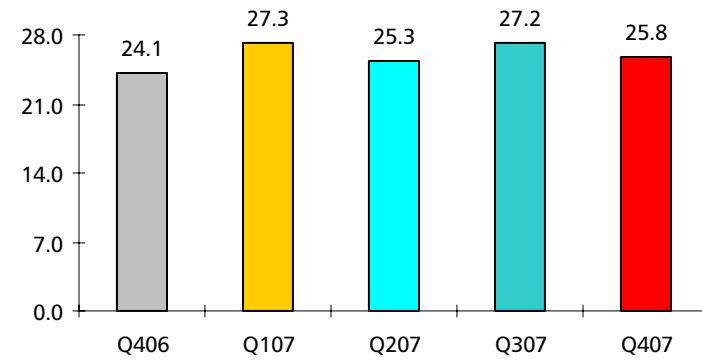
competition	limited
segment	one stop telecom solution
target	1000 top large corporates
	2,000 - 3,000 medium multi location companies
leveraging	integrated play

non-mobile performance trends

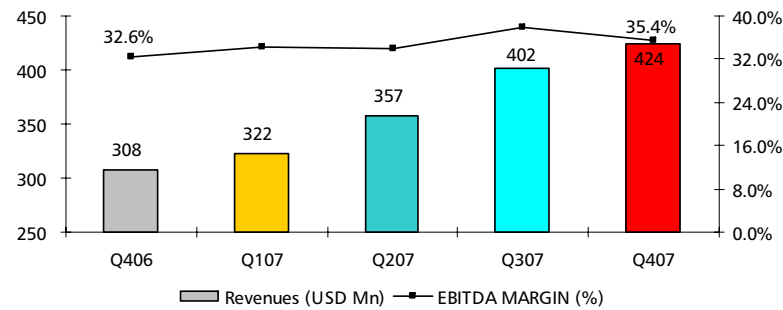
Customer Base – B&T (overall) & Broadband (DSL)



B&T ARPUs (in USD)



Revenues & Margins



Note: All the financials are as per United States Generally Accepted Accounting Principles (US GAAP).

our partners - alliances with best in class

Strategic Equity Partner



Asia's telecom
power house



Business Partners

NOKIA
Connecting People

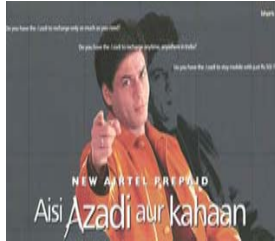
ERICSSON

IBM

- IBM Daksh
- Mphasis
- Hinduja TMT
- Tele Tech
- Nortel

first mover advantage/ product innovations

Electronic Recharge /
Micro Prepaid



Hello Tunes
(Ring Back
Tones)



Airtel Live
(Portal)



Blackberry



NEW
Lifetime Prepaid

Life time validity product

Being First

We bring you
all of India at just
7.9¢ a minute

MOTHER'S DAY
FREE SARI OFFER

Call Home Service



Easy Music
18,000 songs,
Available in
Over 100,000
Outlets



Song Catcher



Portfolio Manager
(Stock Tracker)

➔ focus on product innovations

few recent recognitions

- Won the **“Forbes Global IT Excellence award”** for its **Outsourcing arrangement with Nortel.**
- Conferred with the **“Best Emerging Market Carrier Award”** at the Telecom Asia Awards
- Adjudged as the **“Most Customer Responsive Telecom Company”** in India by Avaya Economic Times Global Connect Awards
- **Ranked 13th** in Asia across all sectors in **“The Asia Business Week 50”** list





Changing telecom ecosystem

Changing telecom ecosystem

	<u>EARLIER</u>	<u>NOW</u>
1) Growth Geographies	Developed Economies - High GDP/ Per Capita	Developing Economies - Low GDP/Per Capita
2) Telecom medium to address masses	Fixed Line	Wireless
3) Skill Sets	All Inhouse	Domain knowledge Based
4) Vendors	- Periodic transactions - On opposite side - Conflict of interest	Partners
5) Ideal Operator	- Deep Pockets - BIG	- Sufficient Resources - Efficient

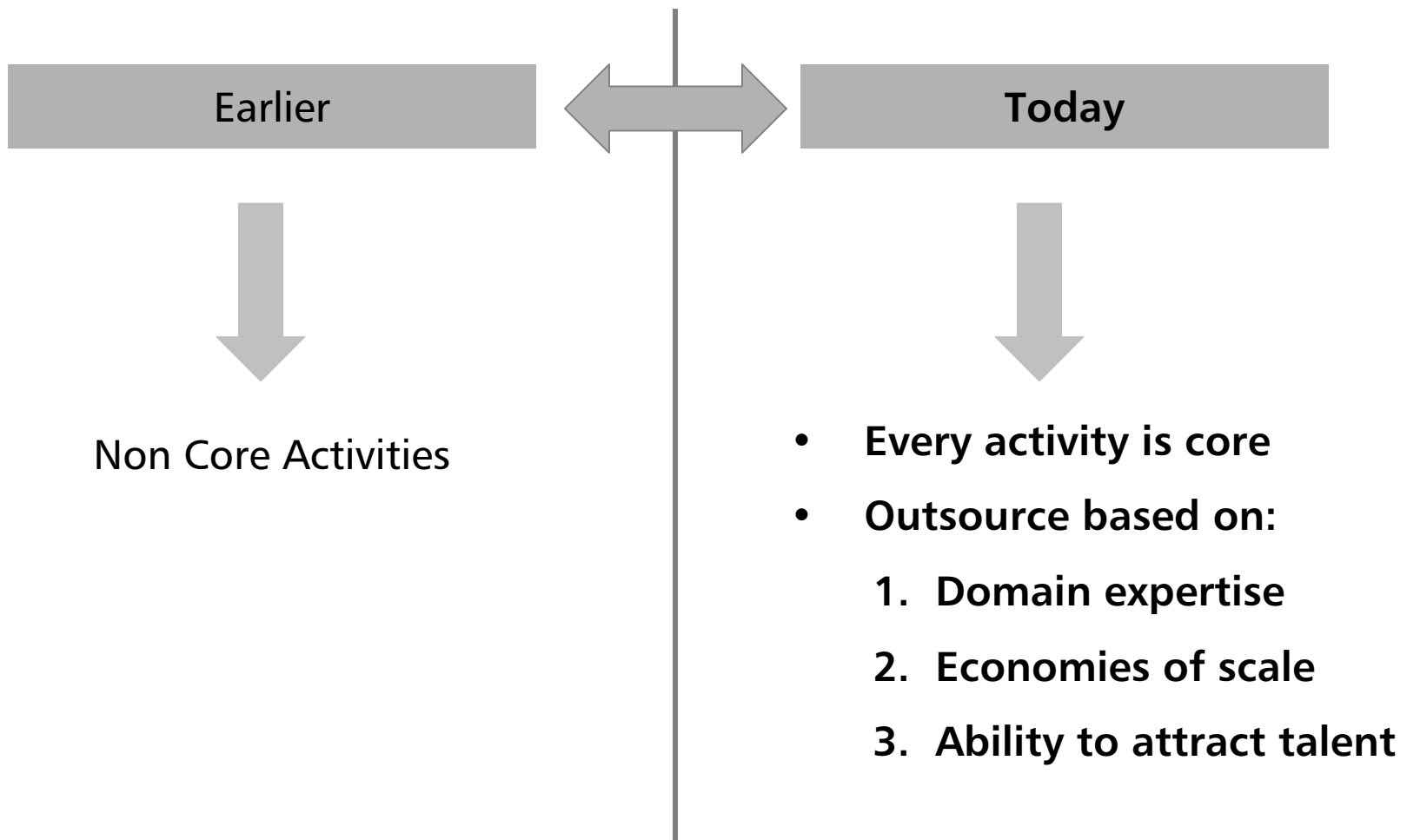
➔ Telecom – **business redefined.....**

Changing telecom ecosystem

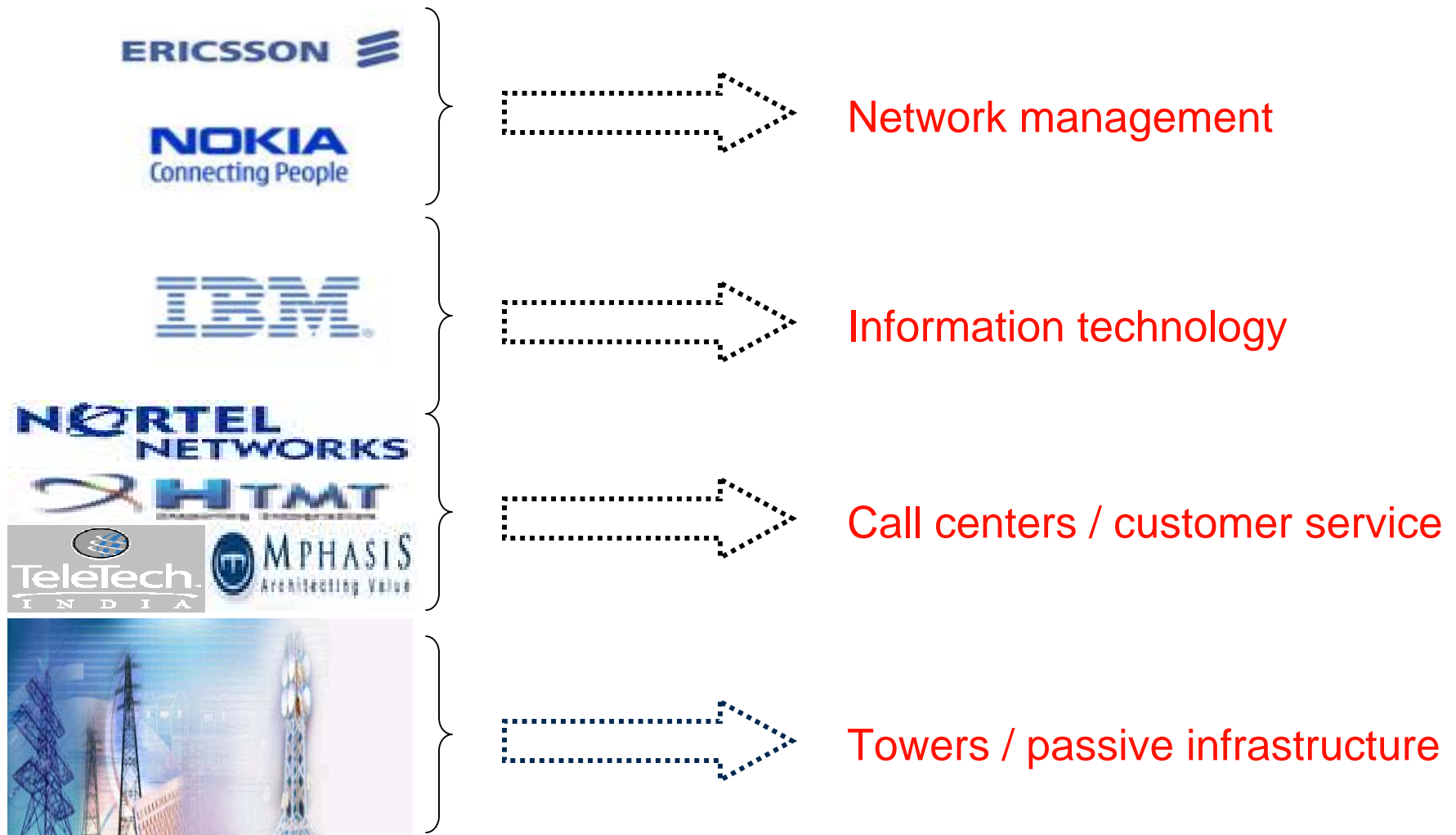
	<u>EARLIER</u>	<u>NOW</u>
6) Good Customer	High ARPU Postpaid Customers	All Customers
7) Profitability/ Efficiency Indicators		
- Usage	Low MoU per customer	High MoU per customer
- Tariff	High realised rate per minute	Steady margin per minute
- Competition	Limited	Commensurate with size
- Capex Efficiency	Capex : Revenue	Revenue : Capex

➔ Telecom – **business redefined.....**

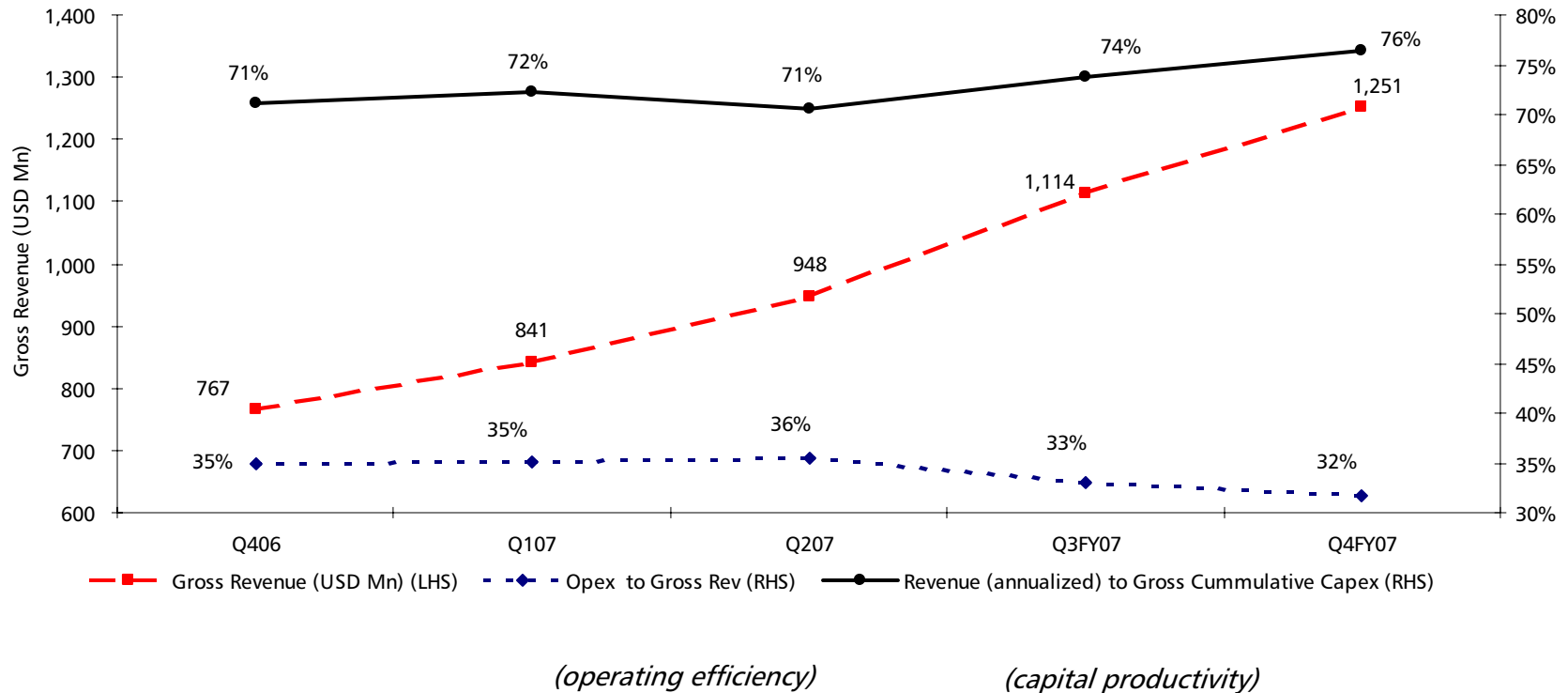
New Business Models – principles of outsourcing



New Business Models – partnership approach (outsourcing)



Performance dashboard – Bharti's 3 line graph (B3LG)



➔ growth in revenues + cost efficiencies + capital productivity = **profitability**

key focus areas

Customer experience	highest quality network, seamless customer service, a consistent brand experience
Being first	product innovations
Speed to market	network reach, product availability (distribution)
Economies of scale	operating cost & capex
Strong management execution	management depth & creating leadership

to summarize

Our Vision

By 2010 Airtel will be the most admired brand in India:

- **loved by more customers**
- **targeted by top talent**
- **benchmarked by more businesses**