



June 01, 2016

National Stock Exchange of India Limited  
Exchange Plaza, C-1 Block G  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400051

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400001

**Ref: Bharti Airtel Limited (532454 / BHARTIARTL)**

**Sub: Participation at the Investor Conference and Presentation to the Investors**

Dear Sir/ Madam,

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, we wish to inform you that the Company has participated at the 'Morgan Stanley Conference' held in Mumbai on June 01, 2016.

The presentation made by the Company to the investors at the aforesaid conference is enclosed.

Kindly take the same on record.

Thanking you,

Sincerely Yours

**For Bharti Airtel Limited**

**Rajendra Chopra**  
**Senior Vice President & Company Secretary**

Encl: As above

**Bharti Airtel Limited**  
(a Bharti Enterprise)

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CIN: L74899DL1995PLC070609



**Bharti Airtel**



**Investor Conference Presentation  
– May 2016**



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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**

Investor Relations :- <http://www.airtel.in>

For any queries, write to: [ir@bharti.in](mailto:ir@bharti.in)



# What Guides Us

## Customer Centricity

- Win customers for life through differentiated experience, products and world class technology

## Performance Excellence

- Growth despite challenges
- Grow market share, strip out waste
- Accelerate non-mobile businesses

## Transparency & Ethical Governance

- Highest corporate governance and disclosure rankings

# Investment Highlights



# 1. LARGE RESIDUAL OPPORTUNITY

## Voice Secularity

- Under-penetrated geographies
- Unique mobile users at c. 50% of total SIMs (large dual-SIM user base)<sup>1</sup>
- Declining age dependency<sup>2</sup>
- Industry consolidation, top 3 operators account for 75% RMS<sup>3</sup>

## Data

- India mobile broadband (3G/4G) penetration under 13%<sup>3</sup>
- Smartphone shipments show tremendous growth
- Smartphone data traffic growth forecasted to grow 22x over 6 years<sup>4</sup>

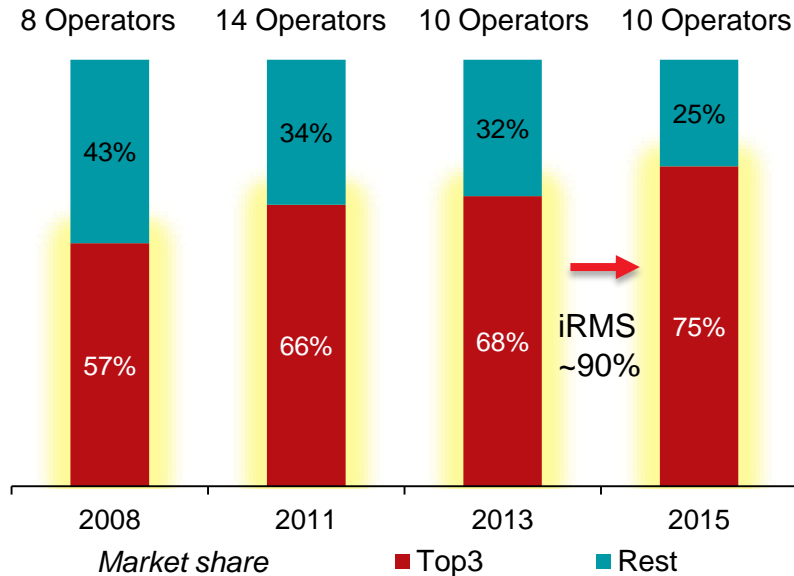
## Untapped Opportunities

- Payments Bank and other non-mobile businesses



Source: 1. Cisco VNI forecasts, Ericsson Mobility Report 2. UN estimates, 3. TRAI, 4. Ericsson Mobility Report

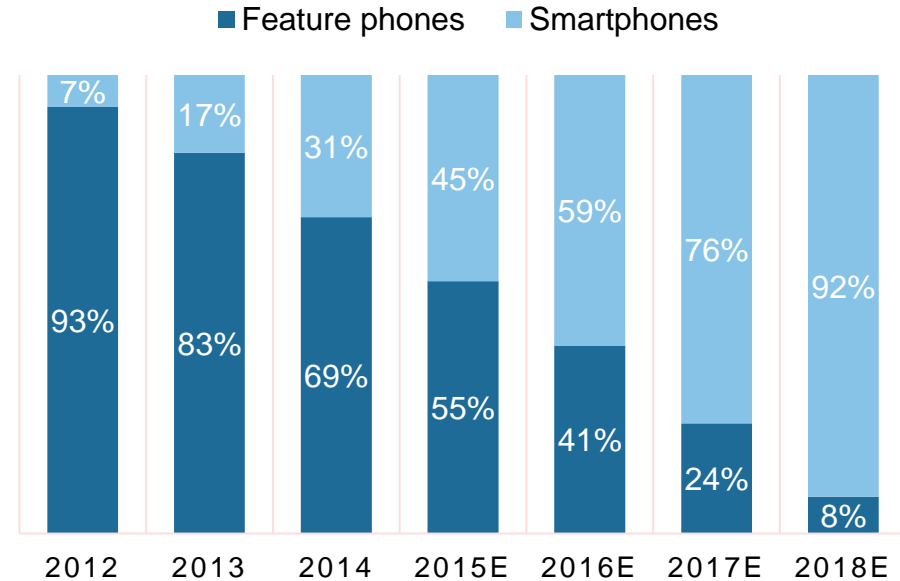
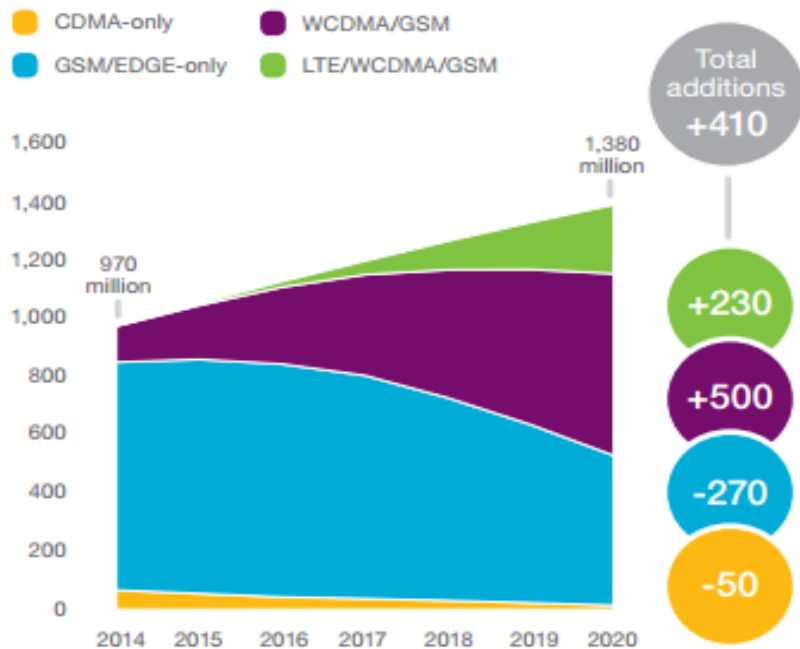
# India: Industry Consolidation Underway via Revenue Shares



- Industry consolidation via market share gains, with top 3 now accounting for over 75% of the industry revenues
- Exits by many operators post Feb 2012 SC verdict (122 licenses cancelled), many rationalized their footprints
- Spectrum auctions fortified consolidation story

***Industry wide focus on improving operational and financial health***

# India: Transitioning to a Smartphone Market



**148M smartphones expected in 2016 - 60% would be 4G capable**



# Payments Bank – Untapped Opportunity



Build India's No 1  
payments bank through a  
"frugal and digital" model



Domestic Remittance  
Launched Domestic Money Transfer  
(Dec 2015)



App  
Released new customer app (Jan 2016)



Source: Company data, Banking License granted by RBI in April 2016

# 2. BULK INVESTMENTS IN PLACE

## **Spectrum Bank**

- Successful re-farming of sub-GHz spectrum for 3G
- 3G gap circles covered
- 4G coverage pan-India

## **Largest network of towers and base stations**

- 95.6% voice population coverage
- Mobile broadband towers up 2.3x over the last year

## **Largest network of optic fiber**

- Global and national long distance fiber – over 435,000 RKms
- Added c. 13,000 RKms over the past year

# India: Investments to Yield Results

Nominal value of liberalized spectrum at USD 13.4 billion<sup>1</sup>

Industry leading revenue yield/MHz at 2x avg with same cost/MHz

Wide spectrum presence: 21.1% spectrum market share

Largest optical fiber network amongst private players

Prime spectrum to yield data growth: Virtually Pan India 3G & 4G

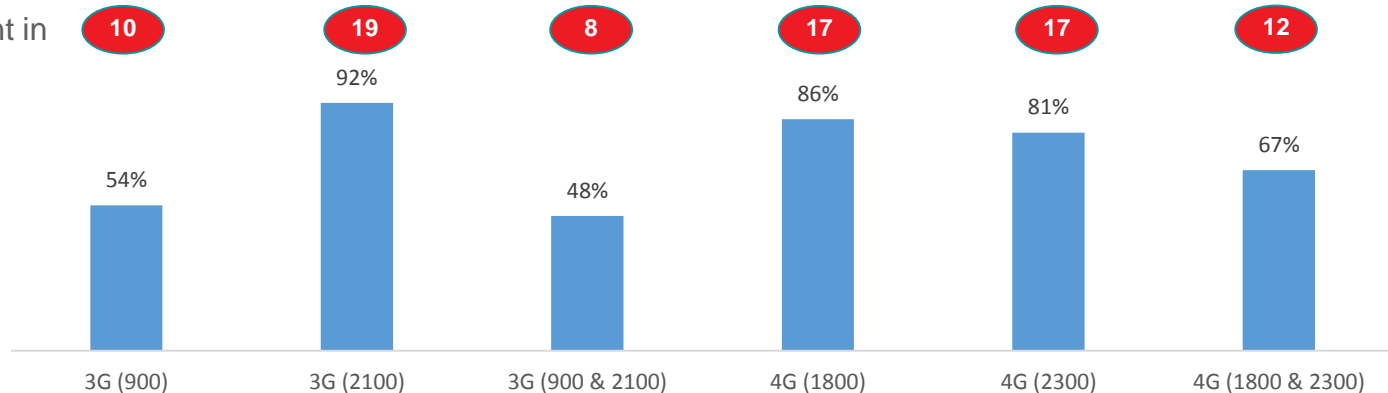
# India: Superior Spectrum Position

Spectrum Band	Industry Spectrum (MHz)	Industry Spectrum ex BSNL/MTNL (MHz)	Spectrum held by Bharti (MHz)	Bharti spectrum Market Share ex BSNL/MTNL
900	421.0	282.8	110.2	39.0%
1800	991.5	925.3	213.3	23.0%
2100	520.0	410.0	100.0	24.4%
2300	580.0	440.0	170.0	38.6%

- ✓ Pan India 4G, 3G available in 21 circles
- ✓ 3G sub-Ghz available in 10 circles covering 50% of own revenues and 45% of industry revenue
- ✓ 4G Carrier aggregation covers 67% of own revenues and 61% industry revenues

## Spectrum holdings across bands; % of own revenues covered<sup>1</sup>

No. of circles present in

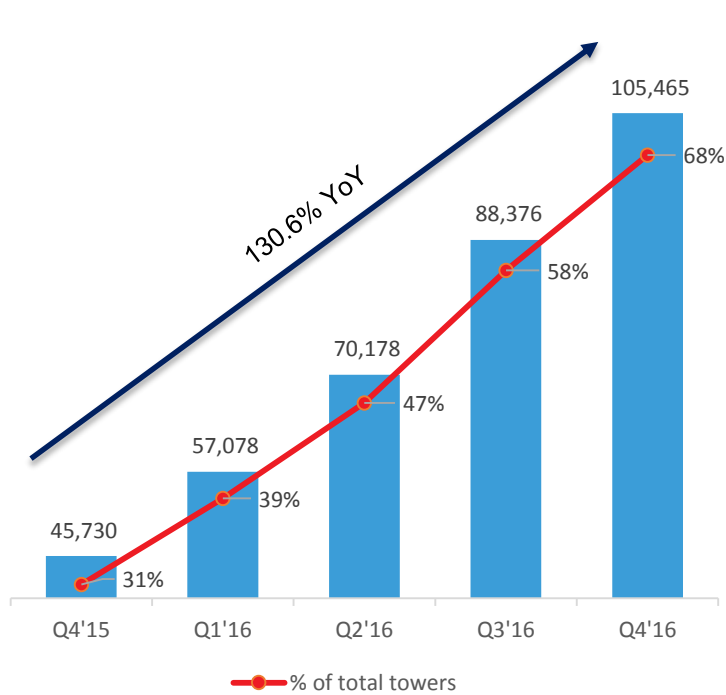


Source: TRAI, Department of Telecom, Company Filings

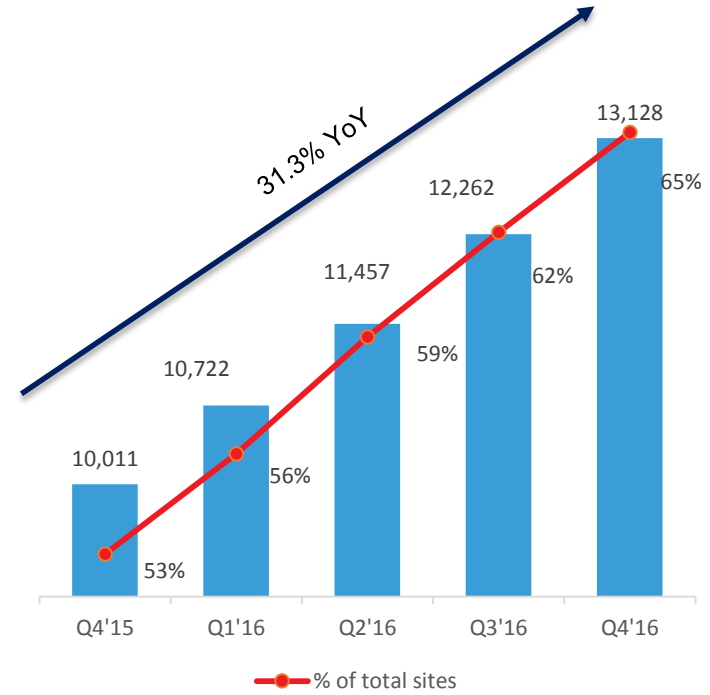
1. Including Qualcomm, Videocon, Airtel licenses, excluding administered spectrum

# Aggressive Network Build - Monetize Spectrum

## Mobile broadband network towers - India



## Total 3G Network Sites - Africa



# Africa: Invested for Growth

2010

2016

## Data/Mobile Money

- 3G: All 17 Countries
- Mobile Money: All 17 Countries
- 4G: Seychelles, Rwanda, Gabon

Countries: 15

Sites: 10,000

Customers: 35 mm

Countries: 17

Sites: 20,196

Customers: 80 mm

- ✓ Capex Investments till date: \$ 5.0 bn
- ✓ Well funded out of EBITDA: \$ 5.8 bn till date
- ✓ **Thus OFCF = \$ 0.8 bn**

Further focus on business re-contouring

- ✓ Tower Sales in 9 countries
  - ✓ Already received: \$ 1.8 bn
  - ✓ To be closed: \$ 0.5 bn - \$ 0.7 bn (*industry estimates*)
- ✓ Divestment of 2 countries to Orange: \$ 0.9 - \$ 1.0 bn (*industry estimates*)
- ✓ **Total proceeds: \$ 3.2 - \$ 3.5 bn**

# 3. AIRTEL: DIVERSIFIED WITH SCALE OPERATOR

## Profitability and scale across diversified segments

- Dominant position to capitalize with bulk investments in place
- Only operator with diversified portfolio
- Scale leading to operating leverage
- Generating c. \$1 bn yearly organic free cash

## Leadership across geographies

- Leader in India, #1 or #2 in 14 African countries

## Leading market shares

- Highest revenue market share and subscriber market share<sup>1</sup>
- Incremental RMS 55.2%<sup>1</sup>
- Incremental subscriber share 38.7%<sup>1</sup>



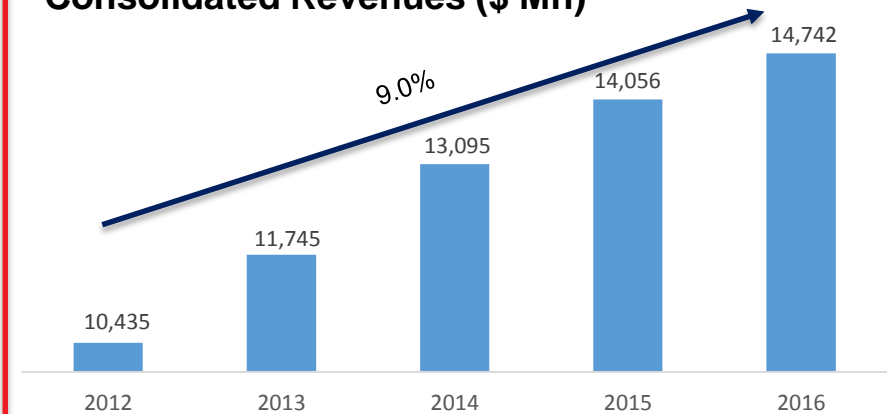
Source: 1. TRAI

# Scale brings Operating Leverage

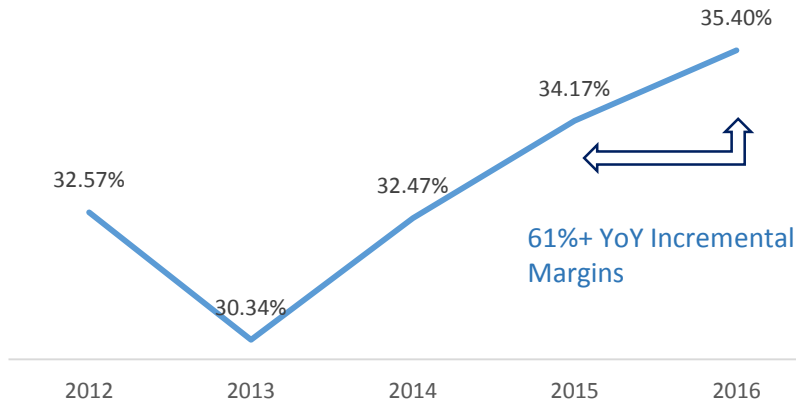
## Overview

- ✓ Presence in 20 countries
- ✓ #3 Operator in the World
- ✓ #1 in India & #1 or #2 in 14 countries in Africa
- ✓ US\$ 14.74 bn Revenue
- ✓ US\$ 5.22 bn EBITDA
- ✓ 2.02 addressable population
- ✓ Only operator with Pan India 3G & 4G

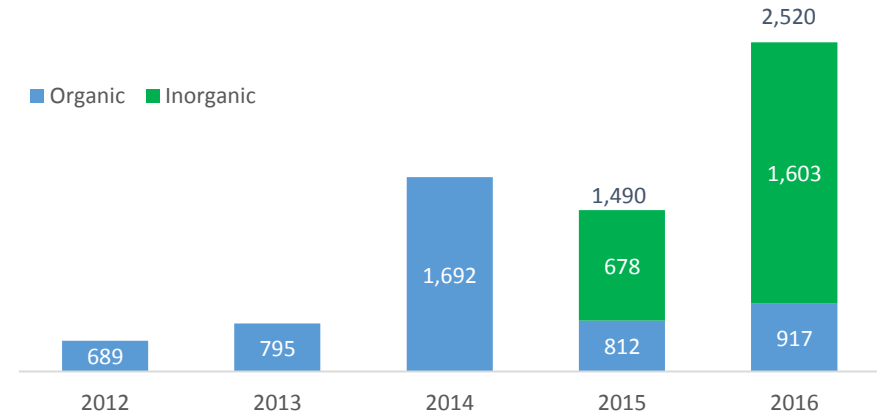
## Consolidated Revenues (\$ Mn)<sup>1</sup>



## Significant Margin Expansion



## Operating Free Cash (\$ Mn)



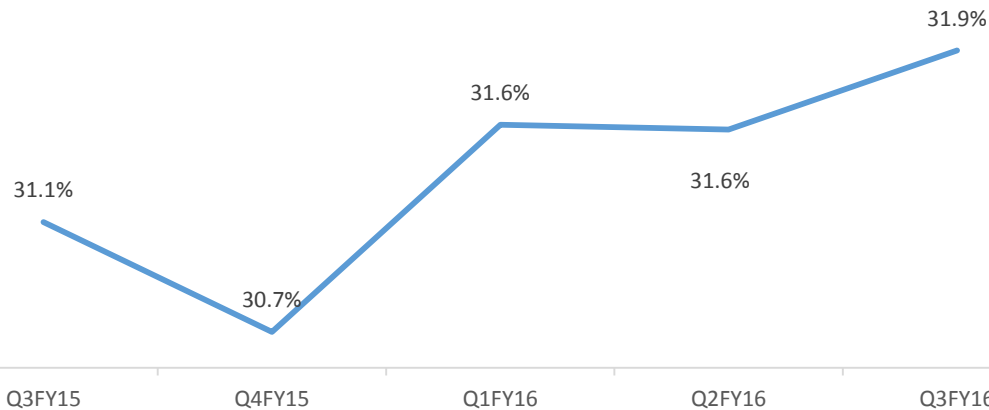
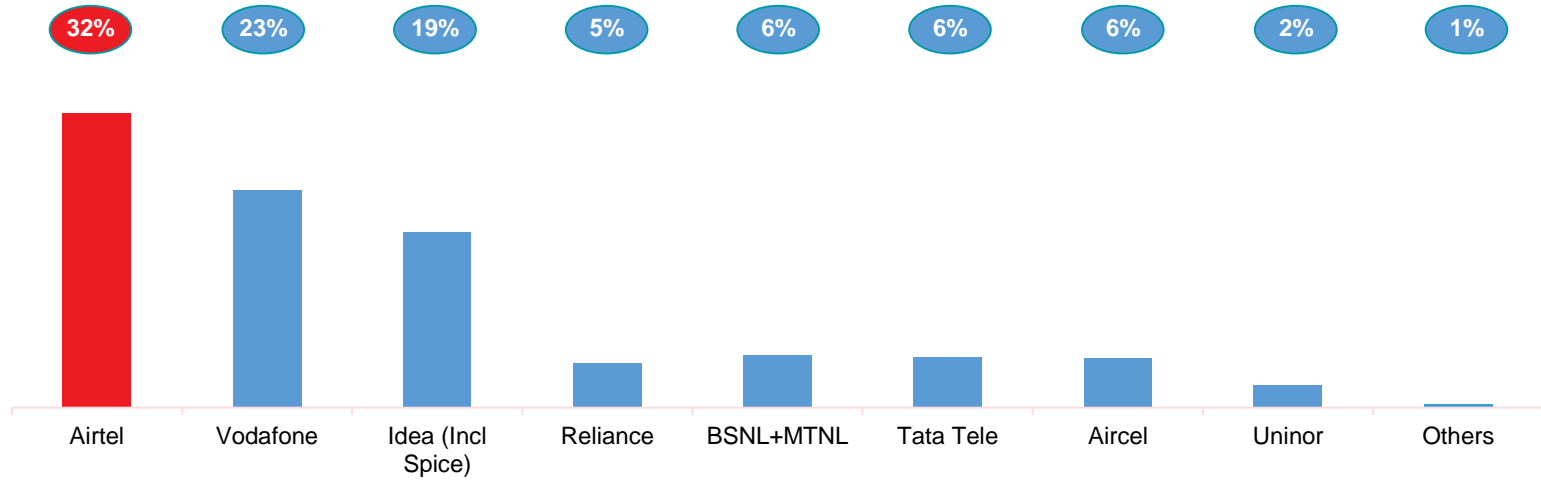


# 4. BEST IN CLASS EXECUTION

## Q4'16 highlights

- **India**
  - Broad based revenue growth across mobile, DTH, Telemedia, Enterprise segments
  - Mobile revenue<sup>1</sup> up 11.7% YoY via industry leading net subscriber additions, incremental RMS
  - Data volumes up 70%, Data ARPU up 12% YoY
  - Voice volumes grew 10.8% YoY – *highest in 18 quarters*
- **Africa**
  - Revenue growth<sup>1</sup> 5.9% YoY – *highest in 6 quarters*
  - Data volumes up by 110% YoY, now 15.7% of mobile revenues
  - Voice volumes up 12.5% YoY
  - Airtel Money has 9.5 mn active customers, up 55% YoY, transacting c. \$5 bn / quarter
- **Strong operating leverage**
  - EBITDA margin expansion of 180 bps YoY
  - Net Income up 15.5% QoQ

# Leader in India Revenue Market Share<sup>1</sup>

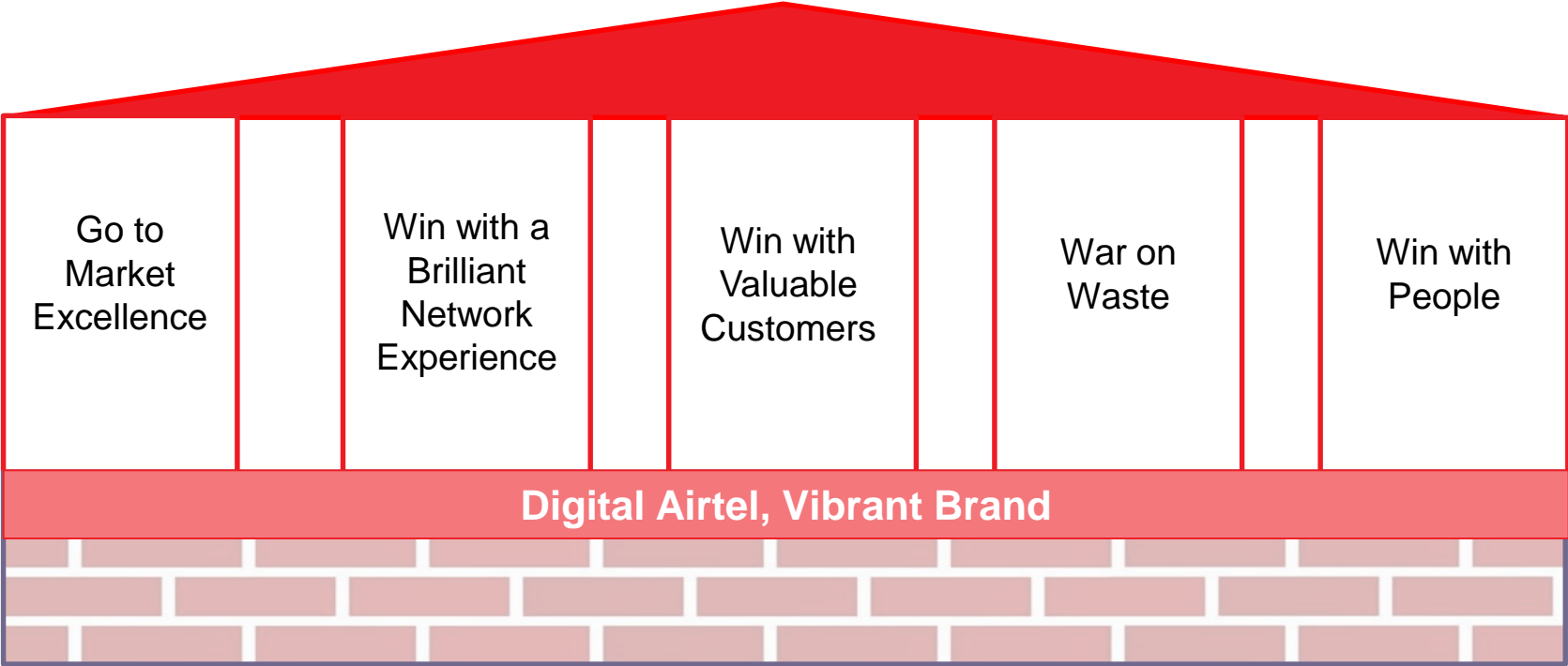


**Airtel**  
Incremental  
revenue  
market share  
55.2% YoY



1. RMS is calculated on the basis of gross revenues. Source: TRAI
2. RMS is as of Q3'16

# Strategic Pillars



# Strategic Pillars: Go to Market Excellence

## Game changing innovations

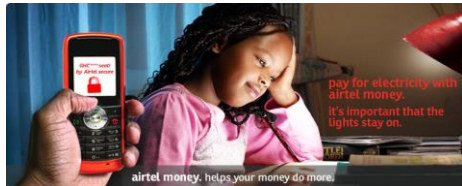
### Creating opportunities

- Night cash back, night plans – Reduced rates during night usage
- Myplan – Customized plans as per customer usage
- Family – Tailor made plan and share benefits with family
- Infinity – Options with unlimited benefits
- Wynk – Music, movies, games
- Payments Bank, Airtel Money

### Strategic Partnerships

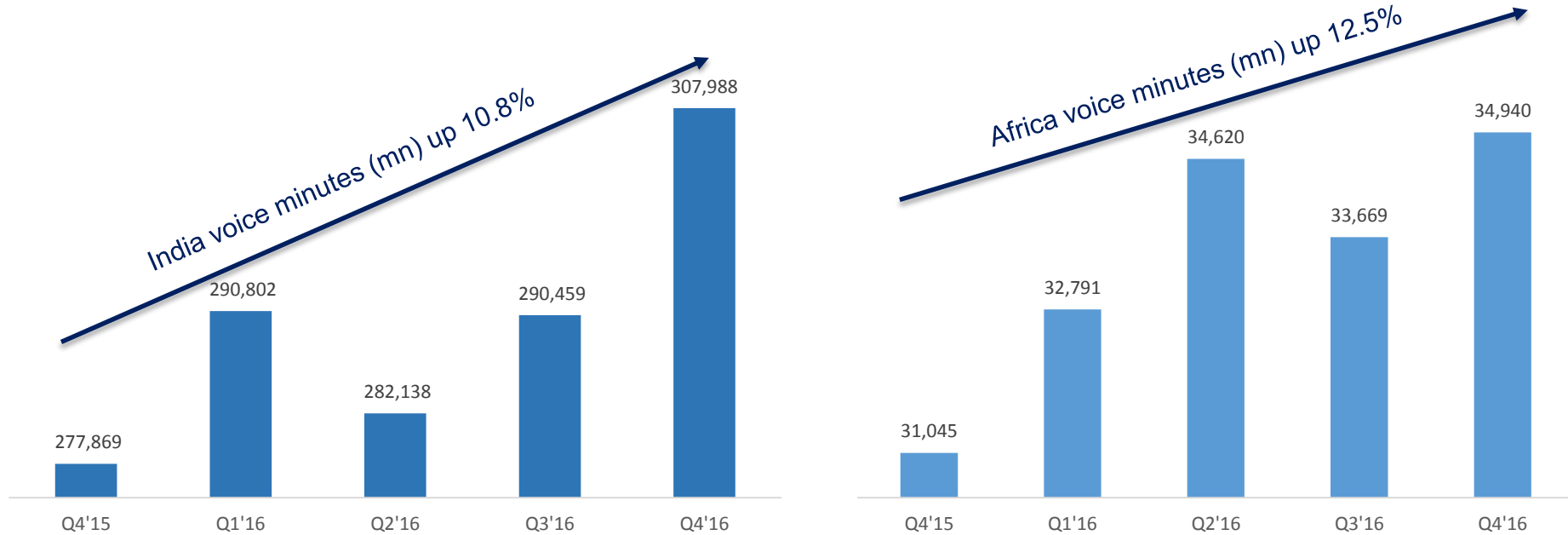
- Airtel + Uber – Integrated mobile money wallet & free 4G internet usage in parts of the country
- Airtel + Oyo – Partners for WiFi and DTH services

Understanding data plan impacts usage

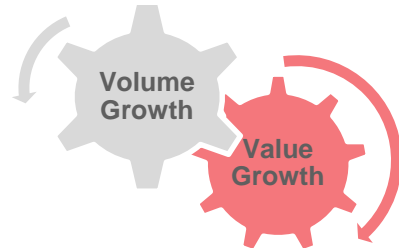


Source: Ericsson Mobility Report

# Voice: Significant Headroom



Airtel carries over 1.35 trillion minutes  
Secular volume growth 11.1% Y-o-Y

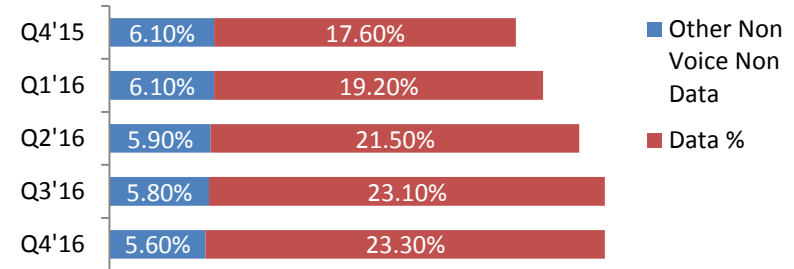


Significant gap b/w realized & rack rates;  
1 paisa upside adds \$200 mn to top line

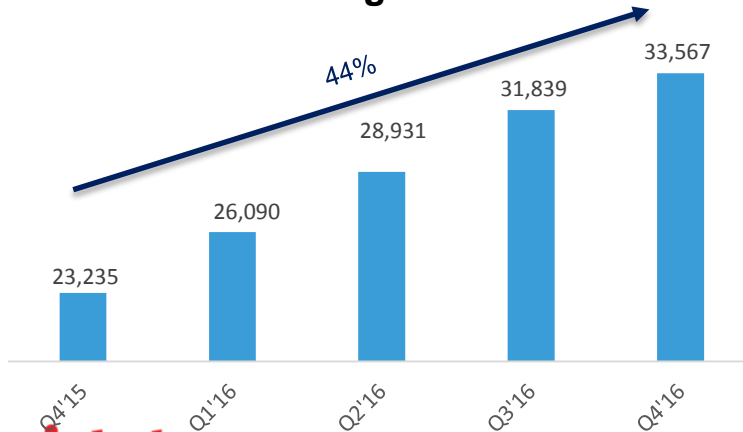
# Fastest Growing Data Business in India

- ✓ First brand to own and launch 4G in India
- ✓ 4G services Pan India post spectrum deals with Aircel and Videocon
- ✓ 4G at 3G prices
- ✓ Annualized data revenues c. \$2.05 bn
- ✓ Airtel recognized as the smartphone network
- ✓ Data usage per customer up 31% YoY

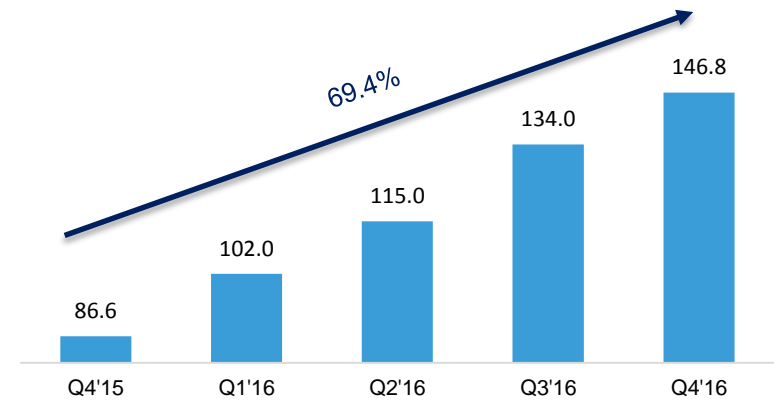
## Data as a % of Mobile revenues



## Data revenues and growth

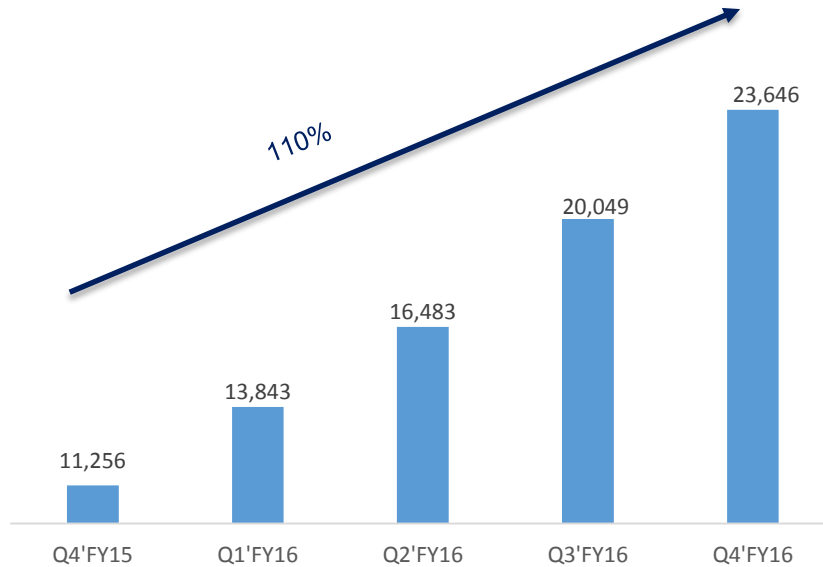


## Data volumes growth (bn MBs)

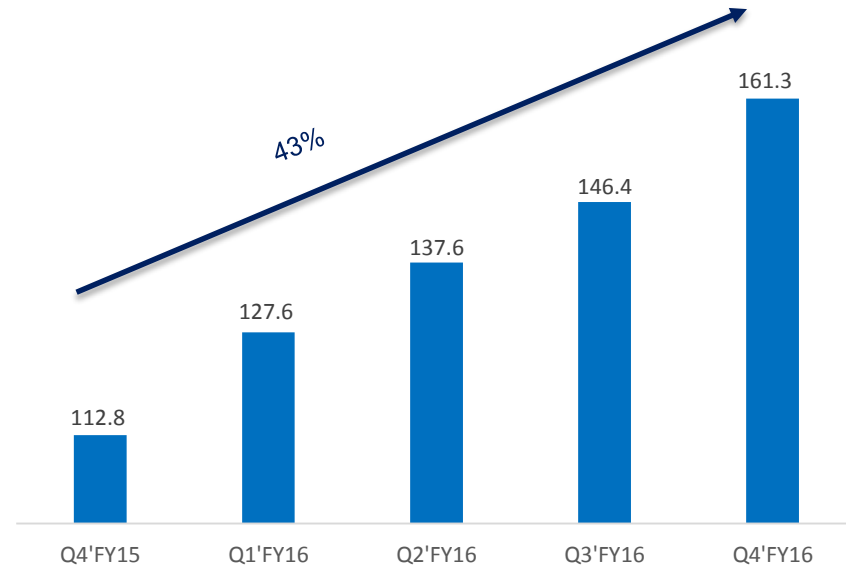


# Data Growing Exponentially in Africa

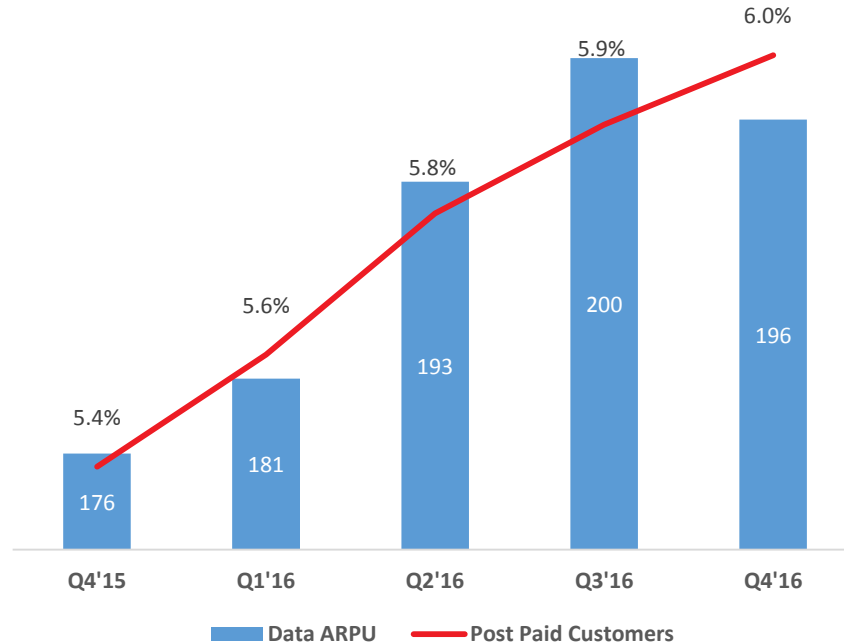
Africa data volumes (mn MBs)



Africa data revenues (USD mn<sup>1</sup>)



# Strategic Pillars: Win with Valuable Customers



✓ **Airtel India:** Postpaid subscriber base inching up, Data ARPU up 12% YoY

- Airtel has industry wide lowest churn at 3.3%
- Led to rationalization of Gross Acquisition Costs driving INR 10bn savings

- In Africa, churn decreased from 7% in June 2014 to 6.7% in Mar 2016



# Strategic Pillars: Win with Brilliant Network Experience

## PROJECT LEAP

### Eliminate frustration

Blocked calls Repeat calls Dropped

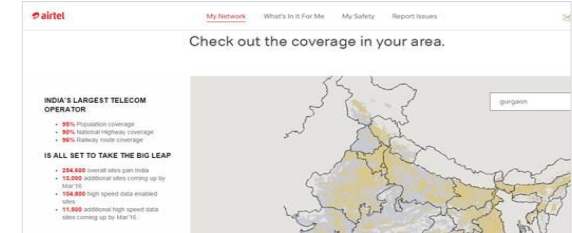


Frustration index

### Invest in tools



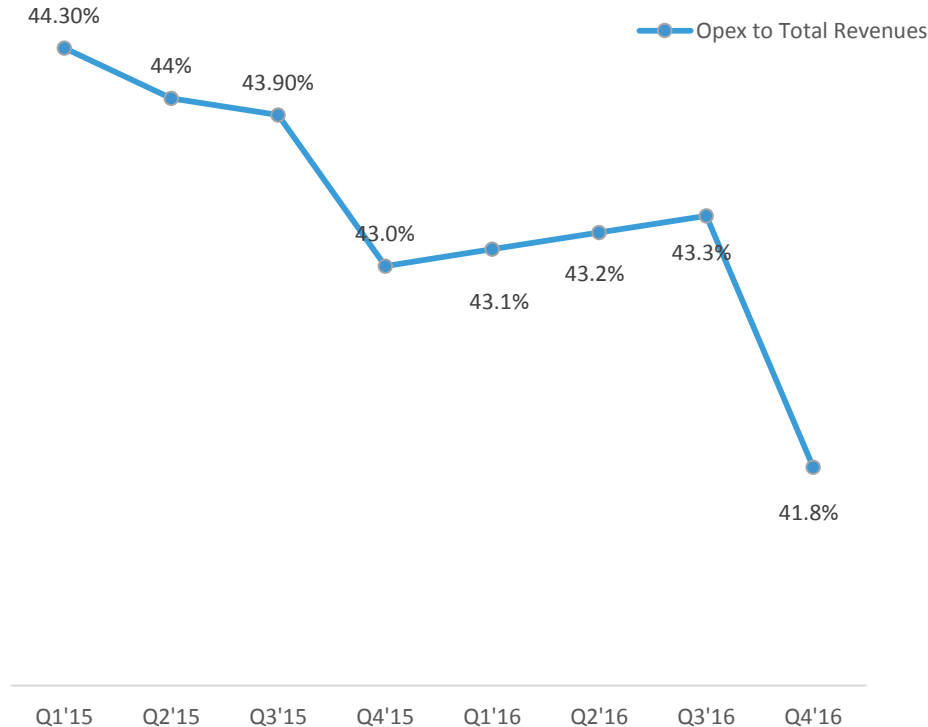
### An open network



Capex Outflow	FY'16 (mn)	Guidance (bn)
India & SA	\$2,379	\$2.2 - \$2.4
Africa	\$771	\$0.7 - \$0.8

- ✓ Largest capital expenditure of Rs. 60,000 crore over 3 years towards a comprehensive network transformation

# Strategic Pillars: Win with War on Waste








- Increasing Opex Productivity
- Smart procurement
- Frugal cost structure
- Maximizing sharing
- Network re-design
- Divestment of towers

STRONG  
CORPORATE  
PROFILE

# Balance Sheet Focus

## Diversified debt profile; focus on deleveraging

*Over last 3 years:*

-  *Leverage:* Net Debt to EBITDA down from 3x to 2.5x
-  *Average Maturity:* Average tenors pushed out from 2 years to 6 years
-  *Diversified debt mix:* 100% bank to a mix of bonds, bank, ECA and DoT debt
-  *Currency diversification:* 75% USD to a mix of USD (43%), INR (34%), EUR (14%), Rest (8%)
-  *Interest:* 100% floating to a balanced mix of fixed and floating

*Strategic initiatives undertaken include Airtel QIP, Infratel IPO & further sell down  
Deleveraging in Africa via tower sales and divestment of 2 countries to Orange*

# 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

One of only 3 listed companies in India to score 100% on a Composite Disclosure Index (FTI Consulting Inc.)

# Summary

**India & Africa remain attractive markets, with large opportunities**

**Bulk investments in place, asset restructuring in progress**

- Spectrum
- Network
- Deleveraging via asset monetization (Tower sales, sale to Orange, Bangladesh merger)

**We are extremely well positioned**

- Large customer base
- Only operator with diversified portfolio
- Scale leading to operating leverage
- Generating c. \$1 bn yearly organic free cash

**We have to continue to drive best in class execution**

**THANK YOU**