

***Digital for all***

# Corporate Information

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**Bharti Airtel Limited** is a leading global telecommunication company with operations in 20 countries across Asia and Africa. Headquartered in New Delhi, India, the Company ranks amongst the top 3 mobile service providers globally in terms of subscribers. In India, the Company's product offerings include 2G, 3G and 4G wireless services, mobile commerce, fixed line services, high speed DSL broadband, IPTV, DTH, enterprise services including national and international long-distance services to carriers. In the rest of the geographies, it offers 2G, 3G and 4G wireless services and mobile commerce. Bharti Airtel had over 324 Mn customers across its operations at the end of March 2015.

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## Board of Directors

Mr. Sunil Bharti Mittal, *Chairman*  
Ms. Chua Sock Koong  
Sheikh Faisal Thani Al-Thani  
Mr. V. K. Viswanathan  
Mr. Ben Verwaayen  
Mr. Craig Ehrlich  
Mr. D. K. Mittal  
Mr. Manish Kejriwal  
Ms. Obiageli Ezekwesili  
Mr. Shishir Priyadarshi  
Mr. Rajan Bharti Mittal  
Ms. Tan Yong Choo  
Mr. Gopal Vittal, *Managing Director & CEO (India & South Asia)*

## Managing Director & CEO (Africa)

*Bharti Airtel International (Netherlands) B.V.*  
Mr. Christian de Faria

## Company Secretary & Compliance Officer

Mr. Rajendra Chopra

## Statutory Auditors

M/s. S. R. Batliboi & Associates LLP  
Chartered Accountants

## Internal Auditors

M/s. ANB & Co.  
M/s. KPMG

## Cost Auditors

M/s. R. J. Goel & Co.  
Cost Accountants

## Secretarial Auditors

M/s. Chandrasekaran Associates  
Company Secretaries

## Registered & Corporate Office

Bharti Airtel Limited  
Bharti Crescent,  
1, Nelson Mandela Road,  
Vasant Kunj, Phase – II,  
New Delhi – 110 070, India

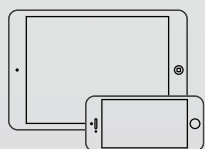
## Website

<http://www.airtel.com>

## Corporate Identification Number (CIN)

L74899DL1995PLC070609

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For the online version of this Annual Report please  
log on to [www.airtel.in/about-bharti/investor-relations](http://www.airtel.in/about-bharti/investor-relations)

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### Enriching lives in the digital era

# #3

**Mobile operator globally**  
(in terms of subscriber base)

# 16%

**of the addressable population**  
(in 20 countries) is connected  
through Airtel network

**Pg-3**

### Intrinsic strengths to deliver value

# 324 Mn+

**Consolidated subscribers**  
**across various businesses in**  
**India, South Asia and Africa**

# 16.1%

**Total spectrum**  
**market share**

**Pg-5**

### Our Performance

# ₹920.4 Bn

**Revenue in 2015**  
(based on consolidated  
income statement)

# 87% Y-o-Y

**PAT growth**

**Pg-6**

## Statutory Reports

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# Digital for all is our mandate in a closely integrated world.

We believe, this is a key moment in human history, when the digital landscape is shaping all aspects of life. From global trade and commerce to education, entertainment, healthcare and governance; and so on.

As the digital universe continues to expand with the help of intuitive and all-pervasive technology, telecommunication is witnessing an unprecedented transformation.

**This is how we responded to this tectonic shift during the year.**

**We devoted our assets and talent to cater to the emerging needs of countries across Asia and Africa.**

**We refreshed our offerings and reached out to more people across geographies with a uniform communication protocol.**

**We aligned our sustainability strategy with our innovations in the digital sphere.**

**Our journey in the digital era has only just begun. It will take us to the next level of value creation, as we help propel one of the most defining trajectories of the twenty-first century.**





# Enriching lives in the Digital Era

**#1**

Telecom operator in India

**#2**

Telecom operator in Africa

**#3**

Mobile operator globally  
(in terms of subscriber base)

**310 Mn+**

Mobile subscribers across  
Asia (India, Bangladesh  
and Sri Lanka) and Africa

**16%**

of the addressable population  
(in 20 countries) is connected  
through Airtel network

**80.2 Mn**

Wireless data customers  
across Asia and Africa

**₹ 920.4 Bn**

Global revenues in  
FY 2014-15

**20**

Countries presence across  
the globe

**2 Bn+**

Addressable population  
globally, considering the  
geographies in which Airtel  
has presence

**227 MHz**

Spectrum won in auctions in  
India (February 2014 and March  
2015), valid for 20 years

**₹ 681 Bn**

of spectrum investment in  
auctions as on date

**₹ 1,019.7 Bn**

Cumulative contribution  
to the exchequer in India  
in the last 5 years

**1.23 Tn**

Minutes of voice traffic in  
FY 2014-15 globally

**333 Pb\***

Data usage over  
FY 2014-15

\* Pb: Petabyte

**USD 11.6 Bn**

Total Airtel Money  
transaction value in Africa in  
FY 2014-15 (Q4 annualised)

# Strategic Framework

We are consistently fine-tuning our strategies and strengthening our innovative core to anticipate and lead change in the global digital landscape.

## Win Customers For Life

### Vision

- Our vision is to enrich the lives of our customers
- Our focus is to win customers for life by offering an exceptional experience

### Objectives

- Grow revenue
- Grow market share
- Grow margins

### Values

- Alive and optimistic
- Inclusive culture
- Respectful to all stakeholders



## How We Will Win Customers For Life

### 1 Win through go-to-market excellence

- Quality customer additions
- Revenue market share profile
- Multiple offerings opening up new opportunities

### 2 Win with data and digital services

- Prime spectrum to yield data growth
- Data and digital revenue growth with industry-first initiatives
- 3G/4G network rollout

### 3 Win with valuable customers

- Postpaid and sticky user base
- Company owned retail stores
- Enterprise and DTH solutions through service excellence

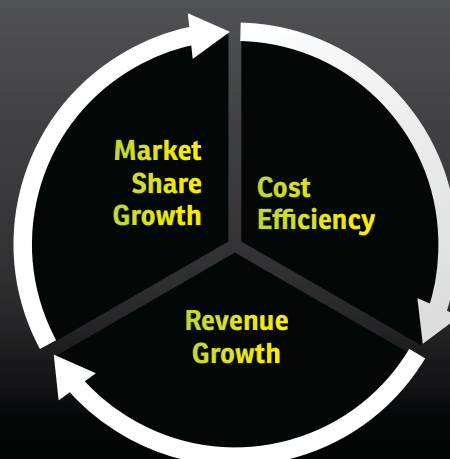
### 4 Win with a war on waste

- Cost efficiencies
- Subscriber acquisition and retention costs and reduce churn

### 5 Win with people

- High performance culture
- Employee centricity

## Result



# Intrinsic Strengths to Deliver Value

We are building on our core strengths to accelerate our business growth and seek new vistas of opportunities to deliver on our stakeholder commitments' and thrive in the digital era.

## Well positioned in key growth markets

Over 324 Mn people repose their trust in our brand everyday across Asia and Africa. These continents have vast potential with huge aspirational population, growing economic strength and demographic advantage. India, one of Asia's major economies, has 73% mobile penetration while that of Africa is 63%, leaving significant headroom for growth. Sri Lanka and Bangladesh also have considerable opportunities for market penetration.

### Leadership in India

In 17 circles of the total 22 circles (rank 1 or 2) in India with average RMS of 36.4% in these circles

### Leadership in Africa

Through organic as well as in-country acquisitions we are #1 or #2 in 14 markets in Africa

## A global talent pool

Our people strengthen the differentiation of our brand. They are curious to learn, drive innovation and willing to seek new opportunities to anticipate and lead change.

### People Strength

**19,564**

In India and South Asia

**5,130**

In Africa

## Large customer base with segmented focus

We are catering to a diverse customer cross-section across geographies, providing a range of solutions and emerging as an end-to-end global telecom company.

**239.5 Mn+**

Customers in India

**76.3 Mn+**

Customers in Africa

**8.6 Mn+**

Customers in South Asia (Sri Lanka and Bangladesh)

## Large residual opportunity with bulk investments in place

We are well positioned to capture future growth through strong spectrum position, wide network and brand recall. India, Africa and South Asia (Sri Lanka and Bangladesh) are witnessing some of the fastest growth rates in the data segment globally.

**16.1%**

Total spectrum market share, 40% 900 MHz spectrum market share amongst private players - wide spectrum presence

**Largest**

Optical fibre network among private players

**2x**

Yield/MHz compare to cost/MHz - Industry leading

## Financial acumen and operating efficiencies

During the year, we met our long-term funding requirements through a strategic mix of debt and equity. We have received an investment commitment of up to USD 2.5 Bn from China Development Bank and Industrial and Commercial Bank of China, enabling us to fulfil our digital commitments in the regions of our presence.

We are also achieving high operating efficiencies and strengthening our war on waste by developing a prudent cost structure across geographies.

### Revenue Growth

**12%**

India and South Asia revenue growth in FY 2014-15

**6%**

African revenue growth in FY 2014-15 (on a constant currency basis)

# Our Performance

|   |       | Financial Year ended March 31 |           |           |           |           |
|---|-------|-------------------------------|-----------|-----------|-----------|-----------|
| Particulars   | Units | 2011                          | 2012      | 2013      | 2014      | 2015      |
| Total Customer Base   | 000s  | 220,878                       | 251,646   | 271,227   | 295,948   | 324,368   |
| Mobile Services   | 000s  | 211,919                       | 241,148   | 259,844   | 283,580   | 310,884   |
| Broadband & Telephone Services  | 000s  | 3,296                         | 3,270     | 3,283     | 3,356     | 3,411     |
| Digital TV Services   | 000s  | 5,663                         | 7,228     | 8,100     | 9,012     | 10,073    |
| <b>Based on Consolidated Income Statement</b>   |       |                               |           |           |           |           |
| Revenue   | ₹ Mn  | 595,383                       | 683,267   | 769,045   | 857,461   | 920,394   |
| EBITDA (before exceptional items)   | ₹ Mn  | 200,718                       | 222,533   | 233,340   | 278,430   | 314,517   |
| Cash Profit from Operations before Derivative and Exchange Fluctuation (before exceptional items) | ₹ Mn  | 180,581                       | 193,899   | 195,643   | 241,813   | 285,280   |
| Earnings Before Tax   | ₹ Mn  | 76,782                        | 63,792    | 47,853    | 78,643    | 107,130   |
| Net Profit  | ₹ Mn  | 60,467                        | 42,594    | 22,757    | 27,727    | 51,835    |
| <b>Based on Consolidated Statement of Financial Position</b>                                      |       |                               |           |           |           |           |
| Shareholders' Equity  | ₹ Mn  | 487,668                       | 506,113   | 503,217   | 597,560   | 619,564   |
| Net Debt  | ₹ Mn  | 599,512                       | 618,442   | 583,567   | 605,416   | 668,417   |
| Capital Employed  | ₹ Mn  | 1,087,180                     | 1,124,555 | 1,086,784 | 1,202,976 | 1,287,981 |
| <b>Key Ratios</b>   |       |                               |           |           |           |           |
| Capex Productivity  | %     | 66.93                         | 69.17     | 69.12     | 72.91     | 77.40     |
| Opex Productivity   | %     | 45.13                         | 43.84     | 45.43     | 45.20     | 43.79     |
| EBITDA Margin   | %     | 33.71                         | 32.57     | 30.34     | 32.47     | 34.17     |
| EBIT Margin   | %     | 16.57                         | 13.97     | 11.08     | 14.22     | 17.23     |
| Return on Shareholders' Equity  | %     | 13.30                         | 8.57      | 4.51      | 5.04      | 8.52      |
| Return on Capital Employed  | %     | 10.79                         | 7.06      | 5.68      | 6.65      | 8.05      |
| Net Debt to EBITDA  | Times | 2.95                          | 2.60      | 2.51      | 2.19      | 2.08      |
| Interest Coverage Ratio   | Times | 11.20                         | 9.11      | 6.79      | 7.58      | 8.43      |
| Book Value Per Equity Share   | ₹     | 128.41                        | 133.27    | 132.51    | 149.49    | 154.99    |
| Net Debt to Shareholders' Equity  | Times | 1.23                          | 1.22      | 1.16      | 1.01      | 1.08      |
| Earnings Per Share (Basic)  | ₹     | 15.93                         | 11.22     | 6.00      | 7.02      | 12.97     |
| <b>Contribution to Exchequer (India)</b>  |       |                               |           |           |           |           |
| Taxes, Duties, Fees and other Levies  | ₹ Mn  | 307,999                       | 119,082   | 141,513   | 213,324   | 237,688   |



## Credible Growth

### Revenue

(₹ Mn)



▲ 7% Y-o-Y

### EBITDA

(₹ Mn)



▲ 13% Y-o-Y

### PAT

(₹ Mn)



▲ 87% Y-o-Y

## Cost Efficiency

### Opex Productivity<sup>1</sup>

(%)



▼ 141 bps Y-o-Y

### Capex Productivity<sup>2</sup>

(%)



▲ 449 bps Y-o-Y

## Expanding Margins

### EBITDA Margin

(%)



▲ 170 bps Y-o-Y

### PAT Margin

(%)



▲ 240 bps Y-o-Y

## Market Share Growth

**Revenue Market Share (RMS) in India stood at 30.7% for FY 2014-15 versus 30.5% in FY 2013-14**

**Leading the pack on data revenues with data RMS, of ~45% in FY 2014-15 amongst the top three**

**India churn maintained under 2.5%\*, Africa churn reduced to 5.8%\***

\* Churn numbers reported are year-end numbers

FY 2013-14

FY 2014-15

<sup>1</sup>

141 bps improvement in operational productivity on an year-on-year basis

This is computed by dividing the operating expenses by the total revenues for the respective period. Operating expenses is the sum of (i) employee costs (ii) network operations costs and (iii) selling, general and administrative costs. This ratio depicts the operational efficiencies in the Company.

<sup>2</sup>

449 bps increase in capex productivity on an year-on-year basis

This is computed by dividing revenue for the period by gross cumulative capex (gross fixed assets and capital work in progress) till date i.e. the physical investments made in the assets creation of the Company. This ratio depicts the asset productivity of the Company.

# A Life-enrichment Network

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At our very core, we are a brand that helps elevate the quality of life of millions of people globally. Our presence transcends geographic borders, cultural differences and linguistic diversity. Over the years, we have created a vast fraternity of customers, who rely on our innovative solutions everyday.

The expansion of mobile internet and emergence of plenty of digital possibilities are evolving the telecom sector significantly. Across South Asia and Africa, we are partnering these possibilities by leveraging on our intrinsic strengths.

We are one of the world's leading providers of telecommunication services with significant presence in India, Bangladesh, Sri Lanka and 17 countries in Africa. These 20 countries represent around 26% of the world's population.

We provide telecom services under wireless and fixed line technology, national and international long-distance connectivity, Digital TV and Internet Protocol television (IPTV) services; and offer integrated telecom

solutions to our enterprise customers. 'Airtel Money' strengthens our overarching objective of financial inclusion and offers convenience of payments and money transfers on mobile phones over secure and stable platforms.

Our operations reach out to millions of subscribers, strengthening a life-enrichment network.

