



Building the network – seven key pillars



PRESENTER
Harjeet Kohli

Group Head –
Funding, Risk, Markets &
Investors (GFRM)

Bharti Airtel



FACILITATOR
Richard Parkinson
Managing Director
Treasury Today Group



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Bharti Airtel



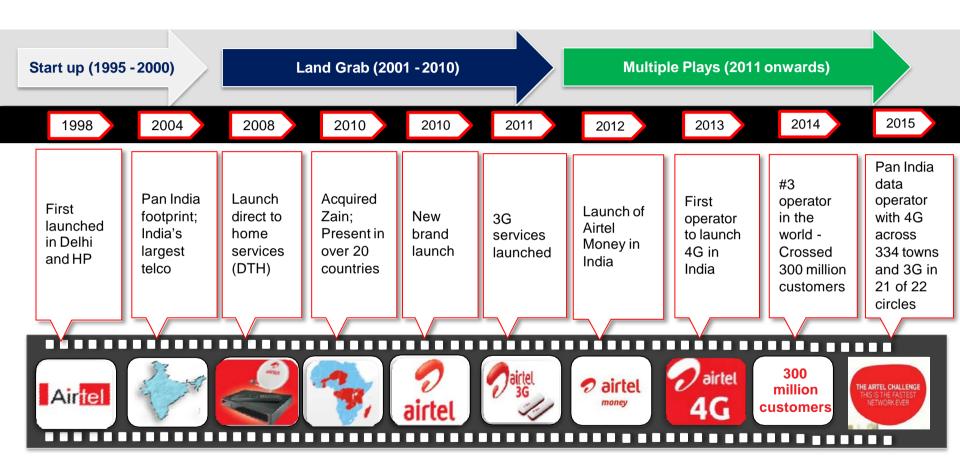
Source: TRAI and Informa Telecoms and Media

Notes:

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- 1. As of Mar 31, 2015
- 2. Based on proportionate equity subscriptions with data from Informa Telecoms and Media. In-country wireless operator refers to single country subscribers
- 3. TTM Revenue, as on Dec 31 2015
- Combined population for the regions in which Airtel has a footprint
- 5. As measured by proportionate equity subscription in a single country, according to 2014 Informa Telecoms and Media

Journey Through The Times





Source: Company Filings

Global Services Portfolio

Mobile Services across 20 countries

- 336 mn¹ wireless subscribers globally
- Over 1.35 trillion minutes of calls (TTM)
- Over 448 petabytes of data over the last year
- Over 178,000 base station sites

Telemedia Services (Fixed Line & Broadband)

- 3.6 mn¹ broadband & internet customers.
- Services provided across 87 cities

Tower Infrastructure Services

- Bharti Infratel 38,206 towers¹ across 11 circles
- 42% stake in Indus Tower which has 118,687 towers¹ across 15 circles
- Current market cap: US\$12.3bn²

Digital TV

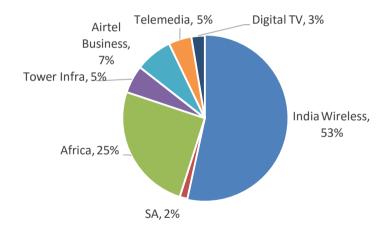
- Pan India DTH, 11.1 mn¹ subscribers top 3 player
- Coverage across 639 districts¹

Airtel Business (Large enterprises and carriers)

Over 225,000 Rkms¹ across 50 countries, 5 continents

350 million customers

TTM Revenue: \$14.8 bn³

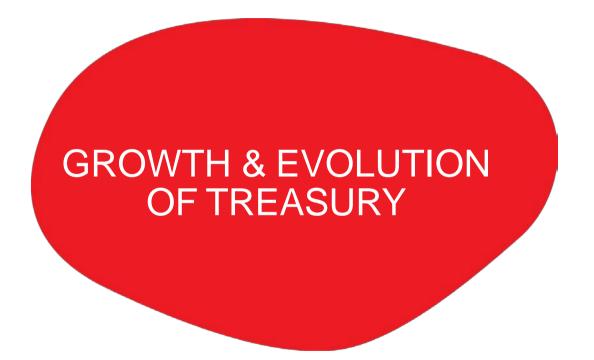


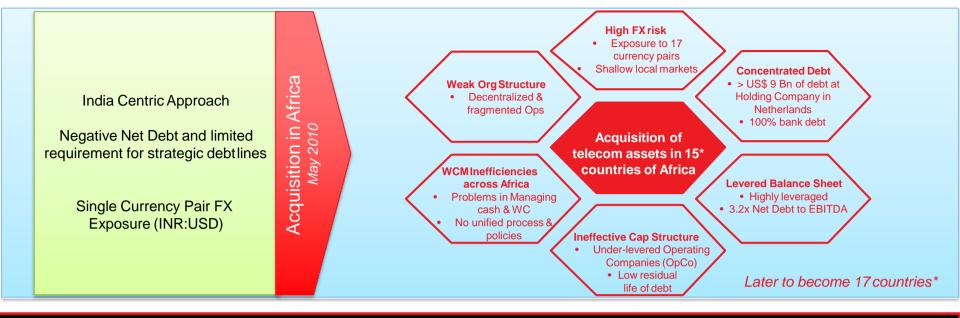


Source: TRAI and Informa Telecoms and Media

- 1. Bharti Airtel Quarterly Report for quarter ending Dec 31, 2015
- 2. Market Cap data as on Dec 31, 2015, closing exchange USD/INR rate = 66.2
- 3. Revenue pie chart based on pre inter-segment eliminations







Organizational Evolution of the Group Funding, Risk & Markets (GFRM)

1995-2009 2010-2012 2013-15 **Transforming Group Treasury to Limited Scope for Treasury Changed Focus Group Funding Risk & Markets** Management • A change driver, enabler & thought leader Global Remit for the business Passive and siloed single Centralized organization structure country treasury operations Graduation to active management of internal & external risks, events &

Leverage Management Expertise

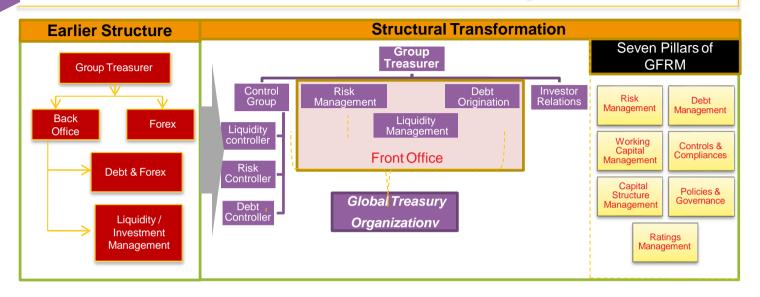
Operational Excellence



7 Pillars Approach to GFRM

stakeholders

Structural Transformation from Treasury to GFRM



- ✓ The Group Treasury was reorganized as Group Funding, Risk and Markets (GFRM) clearly aligning and expanding the scope, strategic priorities and mission of the unit
- ✓ Front Office & Back Office Structures within each unit enabling strict compliance & operational efficiency
- Well defined workflows which ensure that the processes are people independent
- Ensuring Governance, creating & implementing best practices

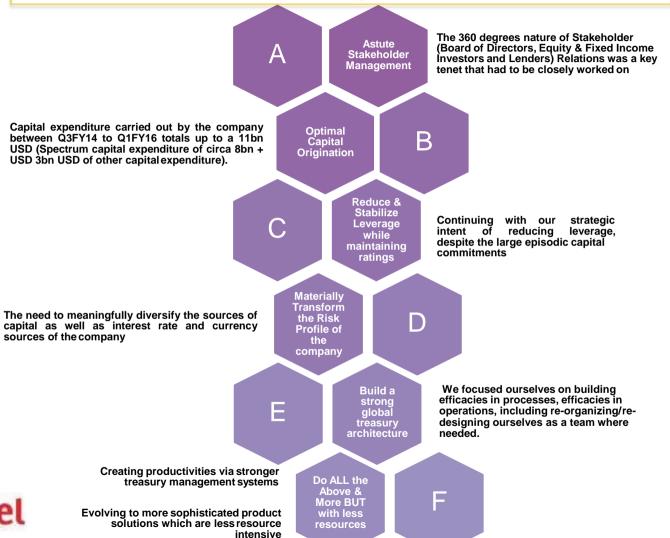
- √ To align focus and efforts towards the expanded scope
 of the division the seven pillars of the GFRM were
 established
- ✓ Graduating to a culture of partnering with business in managing risk, events and stakeholders: both external & internal
- Enabling the team to handhold the business in events of strategic transformation to leverage opportunities to achieve business excellence







The Need for Disruptive Innovation







Astute Stakeholder Relationship Management

Effective Stakeholder Management became an imperative for GFRM to be a thought leader to business

Ensuring Strategic Partnership withInternal Stakeholders	Creating of New Debt Stakeholder & New Stakeholder Relationships	Strengthened Engagement with Existing & Potential Equity Stakeholders	Engagement Across Treasury Products via RFPs
 Board Members of the Company 	 Banks, FI Investors, DFIs, ECA, Rating Agencies, Financial Regulators 	 ECM Investors, QIBs, Equity Research Houses, Bourses, Index Providers 	 Various Partners across all seven pillars of GFRM =
 GFRM secured a permanent slot at each board meeting of Airtel presenting the issues, challenges and solutions to be worked on Ensure continued alignment of internal vision/ approach and external expectation & cohesive communication 	 Engagement transformed from traditional Bank Lenders to now include Fixed Income Investors from a wide plethora of the global liquidity base, newer Banks from various geographies, DFIs, ECAs, International rating agencies etc Creation of a holistic fixed Income Investor Engagement Roadmap Creation of a new debt investor pool Debt team re-orientation to create engagement with debt investors 	 We aligned our resource allocation to focus on a mix of new and existing investors in order to effectively diversify and strengthen our investor base. Engagement with Index providers, regulators, stock exchanges to monitor enablements 	 To cultivate more partnerships and effective solutions we also opened up few RFPs across India and Africa and built both credible solutions as well as strengthened banking relationships. These include RFPs for Risk Management in Africa, FX remittances in India, Host to Host payments in Africa, Cash Management RFP in Inda.





Key Progress & Expanding Scope of Engagements

International Rating Agencies	Fixed Income Investors/Lenders	Equity Market Indices/ Enablements	Equity Market Investors/ Transactions
 Increased Rating coverage to 3 International Rating Agencies (Fitch, Moody's, S&P) from an earlier 2. Upgraded to full IG ratings, equivalent to sovereign rating of India (flagship market, highest rating among all operational presence countries) ✓ Access to larger & new investor pool ✓ Improved liquidity & access to markets 	 Holistic Fixed Income Investors Engagement Roadmap included creation of dedicated Debt Investor Website New partnerships with Japanese, Middle East & Chinese Banks creating a long term available pool of 3bn\$ Diverse Pool of Bond finances (5.5\$bn across tenors, currencies. Refer annexure 1 and ECA facilities used to refinance existing debt thus	 MSCI Index: Removal of the haircut on Airtel's weightage and inclusion of Infratel (tower company subsidiary) Infratel amongst the top 25 companies by market capitalization in India, within 2.5 years of listing Inclusion of Infratel in the available securities in the F&O segment at NSE & BSE Infratel a part of the NIFTY50 Index, representative Index of 50 large listed companies in the country 	 Healthy mix of engaging existing and new investors. Widened pool of investors geographically and also widened investor breadth via identifying underweight shareholders Strategic Deleveraging via Equity Markets:- ✓ QIP of over \$1.2 bn from Qatar Endowment Foundation in Airtel ✓ Secondary offer for sale and block sales of Infratel (Annexure 2)





Optimal Capital Sourcing: GFRM as a Business Stakeholder

Context

- Large Strategic commitments to capital expenditure
- Increased Core operational capital spends towards strengthening growth

Management

- Anticipation of future business needs and Proactive Strategic Planning
- Active GFRM & Business Strategy Interface
- Achieving the Twin desirable characteristics of the Debt Profile:



airtel ?

Lengthening of the Average Maturity Basket (Years)

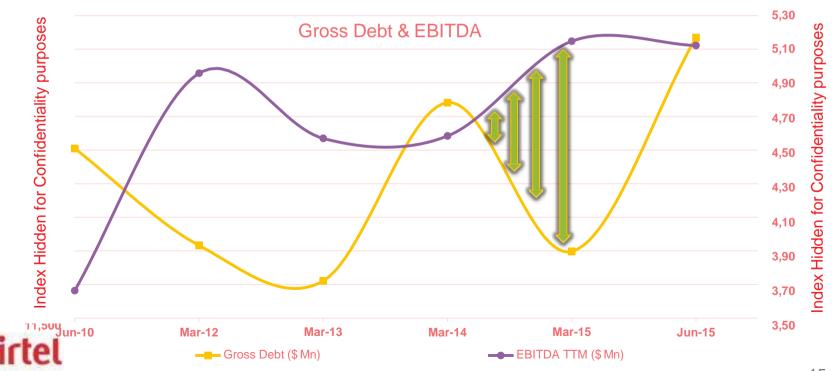




Leverage Management: Marrying Business Needs & Strategic Treasury Intent

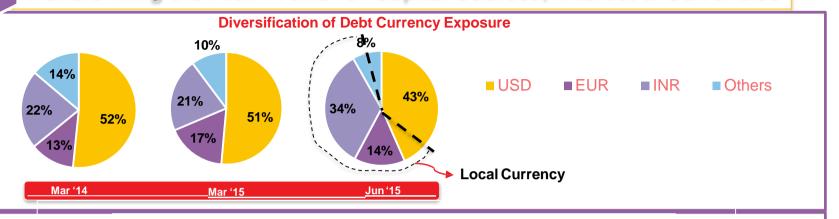
H2 FY14 and H1FY15 has been a period of strategic deleveraging via organic and inorganic routes including small stake sales in Bharti Infratel (the companies' tower company subsidiary) and sale of tower assets in its African Businesses.

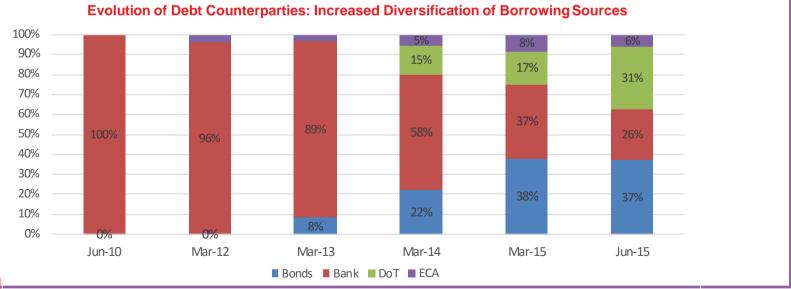
With Significant Investments made towards high quality Spectrum in India in the last 12 months, the company is poised for the next Operating Leverage Lift-off in EBITDA, while managing to keep the incremental Debt extremely comfortable



D

Transforming the Risk Profile for Capital Sources, Interest & Currencies









Build a strong global treasury architecture

We strongly believe that a treasury team with multi country presence needs to have a well build treasury product architecture which needs to be continually nurtured

Rolled out standard operating processes and a comprehensive manual of treasury practices in our operating countries with on ground treasury managers

Added strength to our policies and governance with a new standardized International Delegation of Authority and engagement framework Treasury Management Objectives were built into the KRAs of the Finance Leaderships in all operating countries

Training decks were established to showcase treasury best practices and hone treasury management skills of the treasury personnel on ground.



Do More BUT with Less!

Over the past year, we have been able to reduce our headcount by 20% while continually adding to the scope of our activities.

Ensured that we are able to standardize and restructure some of the daily transactional executional nature of tasks such that the resource requirement for such tasks reduced

Adoption of technology helped cut operational resource requirements including a new Treasury Management System + New age Payment solutions including Tab based collection solutions

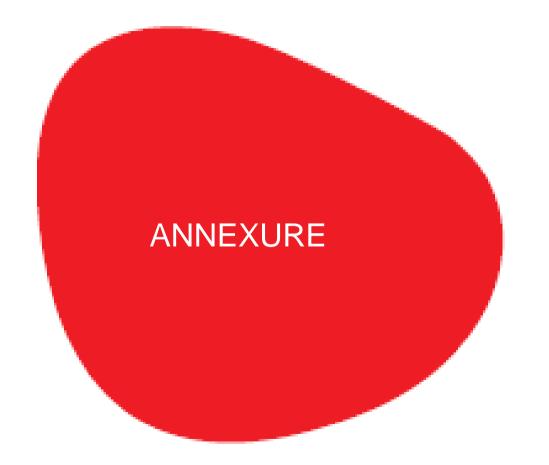
We built fungiblities in treasury management skills within the team such that we were able to realize synergies in managing closely related verticals as a combined unit (We effectively combined our Risk & Working Capital Management Pillars into a cohesive unit)









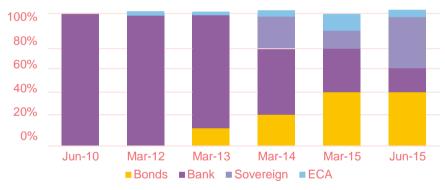


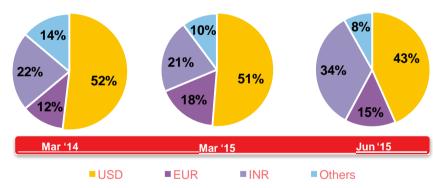


Annexure 1a: The Journey So Far for Bharti Airtel

Strategic Intent for Debt Management via Debt Capital Market Issuances

- Bharti Airtel has been continually increasing the average maturity of its debt profile over the past three years and been on the path of
 diversifying its debt sources both in terms of investors and currency, so as to create a benign long term debt profile.
- We have been judiciously and opportunistically tapping the global debt capital markets to enhance maturities, diversify capital sources and currencies resulting in a well established credit curve across the ~5,~6,~8, ~9 and ~10 year segments in Euro, USD and CHF.





Evolution of Debt Counterparties: Increased Diversification of Borrowing Sources

Diversification of Debt Currency Exposure





Annexure 1b: Debt Capital Market Issuance Highlights

Bharti '23 USD Bond & Tap

- First ever Indian telecom company issuance and the biggest single-tranche international bond issued by a telecom company in Asia, excluding Japan, since 2001.
- One of the largest order-books for an Asian USD bond issuance - peaking at US\$9.5 billion (9.5x oversubscribed
- First tap issuance out of India in 2013 making it the largest single tranche issuance in 2013.
- First Indian issuer to do a tap immediately after its inaugural USD issuance

Bharti '23 Eur Bond & Tap

- First EUR bond issuance by an Emerging market telecom corporate.
- First EUR bond issuance by an Indian Corporate and the first EUR transaction by an Indian Issuer since SBI's EUR 750 million in 2010.

Largest ever CHF bond issuance from India

First CHF bond issuance by a private Indian Issuer

swiss Franc Bond

- Largest ever issuance by an Asian Telco in th Swiss Bond Market
- Second largest debut issuance by an Emergin Market Corporate



Bharti USD Bond

- First Asian telecom player and first ever Indian issuer to do a dual currency issuance
- Dual currency issuance of over USD 2 billion is also the largest ever fund raising exercise by an Indian issuer in a day.
- Combined order-books of circa USD 16 billion is the largest order-book ever for an Indianissuance.
- The final allocation to fund managers and Insurance companies was circa 89% in both the tranches evidencing the very high quality of the order-book and strong orders from institutional investors.

- Subscribed 2 times to issues size with participation from 160 quality accounts.
- Tightest spread (210 bps) achieved by any Indian private sector corporate issuer in the past 5 yrs
- Highest ever allocation (66%) to US investors in any Indian deal



Annexure 2: Bharti Infratel Divestment

Bharti Airtel Secondary Share Sale: 3.5% August 2014

- Offer over-subscribed 2.4 times
- Bharti Infratel achieves minimum public float requirement well ahead of timelime prescribed by SEBI
- Raises over Rs. 2100 crores (circa 310 mn USD)
- Airtel to use proceeds primarily to reduce debt

Bharti Airtel Secondary Share Sale:4% February 2015

- Demand received was 1.42 times base size; raises INR 1925 crores
- Overall demand of USD 440 Million (1.42 times base deal size) across USA, Europe and Asia.
- Allocation done to global tower company investors, fund managers and long only funds, including many repeat investors.
- Airtel to use proceeds primarily to reduce debt











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Next webinar...

Wednesday 13th April with Hyundai Capital America Cars run on credit, not gas!