January 8, 2019

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400001

National Stock Exchange of India Limited
Exchange Plaza, C -1, Block G, Bandra kurla Complex,
Bandra (E), Mumbai 400 051

Ref: Bharti Infratel Limited (534816 / INFRACTEL)

Sub: Investor Presentation

Dear Sir/ Madam,

Pursuant to Regulation 30 and 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the enclosed presentations made by the Company to the investors at the following event:

<table>
<thead>
<tr>
<th>Name</th>
<th>Date</th>
<th>Venue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bharti Infratel Investor/Analyst Day</td>
<td>January 8, 2019</td>
<td>Delhi</td>
</tr>
</tbody>
</table>

Kindly take the same on record.

Thanking you,

Sincerely yours,
For Bharti Infratel Limited

Samridhi Rodhe
Company Secretary

Encl: As above
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Agenda

• Changing telecom landscape
• Impact on
  ▪ Operator & Tower companies
  ▪ Regulatory landscape
• Opportunities
• Bharti Infratel 2.0
Changing telecom landscape

<table>
<thead>
<tr>
<th>Year</th>
<th>1G</th>
<th>2G</th>
<th>3G</th>
<th>4G</th>
<th>5G</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>900 MHz, 1800 MHz</td>
<td>900 MHz, 2100 MHz</td>
<td>850MHz, 1800 MHz, 2300MHz</td>
<td>&lt;1 GHz, 1-6 GHz, &gt;6 GHz</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>64 kbps</td>
<td>2 Mbps</td>
<td>200 Mbps</td>
<td>&gt;1 Gbps</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>500 - 1000 ms</td>
<td>50 - 200 ms</td>
<td>25 – 100 ms</td>
<td>&lt;= 1 ms</td>
<td></td>
</tr>
</tbody>
</table>

With M2M and IoT, the number of devices continue to increase.
Trends

• Voice to data demand
• Increasing data speeds
• Technology cycle shrinking
• Band to ‘Bandwidth’ for higher speeds
• Bandwidth only in higher bands; i.e. need higher frequencies
• Better user experience necessitates lower latency demands
• Favorable regulatory environment for Infrastructure
Impact

• Uniform high speeds require site densification
• Higher frequency signals travel lesser distances
• Fiber a necessity to backhaul
• Capex requirements going up and hence sharing is imperative
• Service differentiation would be the key
User speed reduces with distance from site

Site densification needed to give uniform speeds for applications
More sites required for coverage on higher frequency

### 2G Spectrum

<table>
<thead>
<tr>
<th>Base frequency band</th>
<th>900 MHz</th>
<th>1800 MHz</th>
<th>2100 MHz</th>
<th>2300 MHz</th>
<th>2600 MHz</th>
</tr>
</thead>
<tbody>
<tr>
<td>900 MHz</td>
<td>1.0x</td>
<td>1.6x</td>
<td>1.9x</td>
<td>3.2x</td>
<td>3.7x</td>
</tr>
<tr>
<td>1800 MHz</td>
<td>1.0x</td>
<td></td>
<td>1.2x</td>
<td>2.0x</td>
<td>2.3x</td>
</tr>
<tr>
<td>2100 MHz</td>
<td></td>
<td>1.0x</td>
<td></td>
<td>1.7x</td>
<td>2.0x</td>
</tr>
<tr>
<td>2300 MHz</td>
<td></td>
<td></td>
<td>1.0x</td>
<td></td>
<td>1.1x</td>
</tr>
<tr>
<td>2600 MHz</td>
<td></td>
<td></td>
<td></td>
<td>1.0x</td>
<td></td>
</tr>
</tbody>
</table>

### 3G / 4G Spectrum

High bandwidth 5G likely to be in 3.5Ghz frequency bands

Source: Analysys Mason
High backhaul capacity needs call for Fiber

Drivers for fiber
- Microwave capacity limitations
- Low latency demands
- Losses due to large distances
- Poor wireline availability
- More data is consumed indoors

<table>
<thead>
<tr>
<th>Backhaul Capacity per BTS</th>
<th>2G</th>
<th>2 – 4 Mbps</th>
</tr>
</thead>
<tbody>
<tr>
<td>3G</td>
<td>12 – 30 Mbps</td>
<td></td>
</tr>
<tr>
<td>4G</td>
<td>30 – 120 Mbps</td>
<td></td>
</tr>
<tr>
<td>5G</td>
<td>&gt; 1 Gbps</td>
<td></td>
</tr>
</tbody>
</table>

% Fiberized Networks
- China ~85%
- US ~80%
- Global ~50%
- India ~25%

Opportunity to create another shareable asset

Increasing investment by operators

### Spectrum

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rs bn)</td>
<td>1,063</td>
<td>94</td>
<td>672</td>
<td>1,099</td>
<td>658</td>
<td>3,585</td>
</tr>
<tr>
<td>(USD bn)</td>
<td>15.9</td>
<td>1.4</td>
<td>10.1</td>
<td>16.4</td>
<td>9.8</td>
<td>53.7</td>
</tr>
</tbody>
</table>

### Non-Spectrum *

<table>
<thead>
<tr>
<th>Capital investment</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
<th>FY19 (H1 annualized)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rs. Bn)</td>
<td>219</td>
<td>280</td>
<td>296</td>
<td>337</td>
<td>372</td>
</tr>
<tr>
<td>(USD Bn)</td>
<td>3.3</td>
<td>4.2</td>
<td>4.5</td>
<td>5.1</td>
<td>5.6</td>
</tr>
</tbody>
</table>

Growth trends with 4G launch

With increasing penetration of 4G and implementation of 5G, a bigger leap is expected.

Source: TRAI reports
Consolidation in operator landscape…

Dec 2013 11 down to 4 Dec 2018

Larger and stronger operators to take on data led opportunities
Operator consolidation impact on Bharti Infratel

Churn since Q1 FY17 in consolidated Bharti Infratel

Worst behind us, industry impact significantly higher

Source: Company filings
Leading to consolidation in tower market

Key Players

OpCo owned towers

Other players

Changing landscape as we head towards more independent tower companies
Changing regulatory landscape
National Digital Communications Policy 2018

**Vision**

India’s transition to a digitally empowered economy and society by fulfilling ICT needs of citizens and enterprises by establishment of a ubiquitous, resilient and affordable Digital Communications Infrastructure and Services.

**Missions**

- **Connect India**: Creating Robust Digital Communications Infrastructure
- **Propel India**: Enabling Next Generation Technologies and Services through Investments, Innovation and IPR generation
- **Secure India**: Ensuring Sovereignty, Safety and Security of Digital Communications

**Strategic Objectives** (to be accomplished by 2022)

1. Provisioning of Broadband for All
2. Creating 4 Million additional jobs in the Digital Communications sector
3. Enhancing the contribution of the Digital Communications sector to 8% of India’s GDP from ~ 6% in 2017
4. Propelling India to the Top 50 Nations in the ICT Development Index of ITU from 134 in 2017
5. Enhancing India’s contribution to Global Value Chains
6. Ensuring Digital Sovereignty

Source: National Digital Communications Policy 2018
Impact on tower companies

Cabling (IBS) for buildings compulsory through NBC

60% towers fiberization

Accelerated rollout of fiber in government premises

Common service ducts alongside roads / highways

Incentives and exemptions for tower construction

Scope enhancement of IP1s to include active infrastructure

Incentivizing clean energy for sites

Ease in rollout of fiber

Key takeaways

Government realizing the importance of Neutral Hosts; paving way for NetCo

Source: National Digital Communications Policy 2018
Opportunities
Multiplier effect on data consumption

Data, unlike voice, is not limited by number of subscribers or usage.

Capacity = No. of users \times Usage per user
Mobile subscriptions forecast

3.5 Bn 4G subscriptions against <2Bn 4G subscriptions as envisaged in 2014

4G technology adoption exceeded expectations by over 2X

Source: Ericsson Mobility Report November 2018 and 2014
Different kinds of sites

**Improve macro**
More spectrum, Multi Carrier, MIMO, Advanced Antennas, etc

**Densify**
Additional Macro

**Add “Small Cell”**
Macro + "Small Cells"

- Higher data rates
- Very high data rates
- Higher capacity
- Very high capacity
How densification will play out
Working towards a service differentiation

Existing sites

- Airtel: 180k
- Vodafone Idea: 200k
- Jio: > 220k

Would have to catch up / rationalize

Market growth will be led by macro densification and small cells

Source: Company fillings, Street estimates, News reports
New type of opportunities will emerge

Current opportunities
› Macro densification
› In-building solutions (IBS)
› Smartly placed “small cells”

Adjacent opportunities
› Wi-Fi complementing 3GPP access
› Fiber backhaul for high capacity BTS Sites
› BTS hotels / Outdoor DAS
› Managed Services
› NetCo
› Data Center

Number of Sites will increase; but new type of sites will start to emerge
Bharti Infratel 2.0
Company Strategy

- Promote Passive Infrastructure Sharing
- Organic Growth and Acquisition Opportunities
- Capitalize on opportunities of Data growth, Digital India, Smart Cities Initiatives of Government
- Achieving Cost Efficiencies Across Tower Portfolios
- Increasing Revenue and Capital Productivity
Investment Thesis

- Largest Indian Towerco with over 1.9x Sharing Factor
- Demonstrated Operational and Financial Performance
- Insulated from Major Concerns - $-Re, Leverage, Import Dependence
- Operator Agnostic Way to Benefit from Data Growth
- Experienced Management Team
- Regulatory Environment Favorable
- High Standards of Corporate Governance
Bhopal Smart City: Architecture

Energy saving from LED lighting

Monetisation:
- Revenue from mobile service providers
- Wi-Fi
- Fibre
- Advertisement

City owned secure data processing & management system at Command Centre

Great showcase to demonstrate the model and capability

<table>
<thead>
<tr>
<th>Item</th>
<th>Deployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Pole</td>
<td>150</td>
</tr>
<tr>
<td>LED Lights</td>
<td>21000</td>
</tr>
<tr>
<td>WiFi Hotspot</td>
<td>100</td>
</tr>
<tr>
<td>CCTV</td>
<td>100</td>
</tr>
<tr>
<td>OFC</td>
<td>200 Km</td>
</tr>
<tr>
<td>Sensors</td>
<td>50</td>
</tr>
<tr>
<td>Mobile App</td>
<td>1</td>
</tr>
<tr>
<td>Command and control center</td>
<td>1</td>
</tr>
<tr>
<td>Smart Billboard</td>
<td>150</td>
</tr>
</tbody>
</table>
Smart City expertise

- Setting up of infrastructure which will include poles, micro sites and fiberized backhaul
- PPP long term contracts
- Shared ICT infrastructure is the key enabler of the smart city

Smart Cities to throttle us ahead to capitalize on new opportunities
Opportunities for Infratel

• Existing areas of business
  ▪ Maximizing organic business
  ▪ Small Cell
  ▪ In Building Solutions

• New areas
  ▪ Fiber sharing
  ▪ Wi-Fi
  ▪ Smart cities
  ▪ BTS Hotel
  ▪ Managed services

• Selectively evaluate inorganic growth

5G will bring opportunities for NetCo and Data Center
Thank you

8th January 2019
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>3GPP</td>
<td>3rd Generation Partnership Project</td>
</tr>
<tr>
<td>Bn</td>
<td>Billion</td>
</tr>
<tr>
<td>BTS</td>
<td>Base Transceiver System</td>
</tr>
<tr>
<td>CCTV</td>
<td>Closed Circuit Television</td>
</tr>
<tr>
<td>DAS</td>
<td>Distributed Antenna System</td>
</tr>
<tr>
<td>FY</td>
<td>Fiscal Year</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>IBS</td>
<td>In-Building Solutions</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IoT</td>
<td>Internet of Things</td>
</tr>
<tr>
<td>ITU</td>
<td></td>
</tr>
<tr>
<td>LED</td>
<td>Light Emitting Diode</td>
</tr>
<tr>
<td>MHz / GHz</td>
<td>Mega / Giga Hertz</td>
</tr>
<tr>
<td>MB / GB</td>
<td>Megabyte / Gigabyte</td>
</tr>
</tbody>
</table>
## Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>MIMO</td>
<td>Multiple Input Multiple Output</td>
</tr>
<tr>
<td>MoU</td>
<td>Minutes of Usage</td>
</tr>
<tr>
<td>Ms</td>
<td>Milliseconds</td>
</tr>
<tr>
<td>M2M</td>
<td>Machine to Machine</td>
</tr>
<tr>
<td>NDCP</td>
<td>National Digital Communications Policy</td>
</tr>
<tr>
<td>NetCo</td>
<td>Network Company</td>
</tr>
<tr>
<td>OFC</td>
<td>Optical Fiber Cable</td>
</tr>
<tr>
<td>Rs / Re</td>
<td>Rupees</td>
</tr>
<tr>
<td>Towerco</td>
<td>Tower Company</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>Wi-Fi</td>
<td>Wireless Fidelity</td>
</tr>
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</table>
Proposed Merger with Indus Towers

Dec 2018
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Merger with Indus Towers

Via All Stock Transaction

Or

Via Part Stock Part Cash Transaction

Note:
1. The merged entity will fully own the respective businesses of Bharti Infratel and Indus Towers, will change its name to Indus Towers Limited and will continue to be listed on the Indian Stock Exchanges.
2. Vodafone-Idea and Providence have the option to elect to receive cash or shares
Merger with Indus Towers

**All Stock Transaction**
- Issues shares to Vodafone Group for 42% of Indus
- Issues shares to Vodafone-Idea for 11.15% of Indus
- Issues shares to Providence (PEP) for 4.85% of Indus

**Or**
- Issues shares to Vodafone Group for 42% of Indus
- Issues shares to PEP for 1.5% of Indus
- Vodafone-Idea and/or PEP take cash for 11.15% and 3.35% stakes in Indus respectively

*Note: Vodafone-Idea and Providence have the option to elect to receive cash or shares. Above scenarios are for illustration, other combinations of stock and cash may be possible*
Merged Entity: Operational and Financial Snapshot

Towers, Co-locations and Sharing Factor (1)

- Average Sharing Factor: 2.04x
- No. of Towers: 307,411
- No. of Colocations: 164,176

Revenue, EBITDA and Profit After Tax (2)

- Revenue: 270,000
- EBITDA: 240,000
- Profit After Tax: 210,000

1) Data as of 30 September 2018
2) Estimates based on LTM data ending 30 September 2018, assuming merger was effective on 1 October 2017 and assuming cash election for Vodafone-Idea (11.15%) and PEP (3.35%), stock for Vodafone Group, additional interest costs @~8% p.a. and related adjustments. Above scenario is for illustration, other combinations of stock and cash may be possible.
Rationale for the Transaction

Attractive valuation for existing Infratel shareholders, Indus @5.2% discount on relative valuations for share election and 10% discount for cash election

Enhancement in Return on Equity (ROE) due to improvement in capital structure

Up to 0.6x Net Debt/EBITDA vs. Net Cash position currently

Tax efficient transaction leading to accretion in Earning Per Share (EPS) and consequently higher possible Dividend per share (DPS)

Removal of holdco discount
Rationale for the Transaction (contd.)

- Simplified shareholding structure with no single operator holding majority in the merged entity
- Shares in a listed entity provides exit opportunity to shareholder operators of Indus
- Operational synergies in the form of capex/opex envisioned
- Creating the largest in-country towerco outside China
- Single entity with one set of Board of Directors, leadership and senior management to focus on nationwide growth and liaise with stakeholders in a unified manner
- Continue to offer passive infrastructure services to all customers on a non-discriminatory basis and support the Government of India’s “Digital India” vision
Attractive Valuation for Existing Infratel Shareholders

Construct for Issuance of Shares: Discount of 5.2% on relative valuations

- The merger ratio as at the date of agreement is 1,565 shares in Infratel for every one Indus share.
- The merger ratio has been based on agreed relative Enterprise Valuations (EV) and adjusted net debts where Indus was valued at a 5.2% discount to Infratel’s EV/LTM EBITDA.
- The final merger ratio and hence number of shares issued will depend on the actual net debt and working capital at closing in Infratel and Indus.

Construct for Cash Election: Discount of 10% on relative valuations

- Enterprise Value of Infratel and Indus will be based on the last 12 months EBITDA as at Mar’18 i.e. FY17-18, VWAP of 60 days share price of Bharti Infratel at the date of closing and net debt of Infratel and Indus on the date of closing.
- The resultant EV/EBITDA for Infratel shall be discounted by 10% to arrive at the equity value for Indus.
Enhancement in Return on Equity due to Improvement in Capital Structure

**Return on Equity (%)**

- **15.8%** Infratel Consol
- **18.4%** Merged Entity assuming cash election by both Vodafone-Idea and Providence

**ROE improves by 265 bps to 18.4% post transaction driven by improvement in capital structure**

**Notes:**
- Infratel Consol refers to pre-merger entity with 42% ownership in Indus
- Data for Infratel Consol is actual for quarter ending 30 September 2018.
- Data for the merged entity is estimated where merger adjustments are based on data for the quarter ending 30 September 2018
- Assuming scenario of cash election by Vodafone-Idea (11.15%) and Providence (3.35%), stock for Vodafone Group. Above scenario is for illustration, other combinations of stock and cash may be possible
- ROE refers to Return on Shareholder's Equity (LTM) Post tax with the assumption of merger as above on 30 September 2018
Up to 0.6x Net Debt/EBITDA vs. Net Cash position currently

Transaction to improve capital structure by bringing higher leverage to the merged entity

Notes:
- Infratel Consol refers to pre-merger entity with 42% ownership in Indus
- Data for Infratel Consol are actuals based on closing Net Debt/Cash and LTM EBITDA for the quarter ending 30 September 2018
- Data for the merged entity are estimates under various scenarios based on data for the quarter ending 30 September 2018, assuming merger was effective 1 October 2017
- Estimates include additional interest costs @~8% p.a. and related adjustments
- Above scenarios are for illustration, other combinations of stock and cash may be possible
Accretion in Earnings Per Share…

**FY2017-18 EPS (Rs/share)**

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Post Transaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infratel Consol</td>
<td>13.49</td>
</tr>
<tr>
<td>All Stock Consideration</td>
<td>15.41</td>
</tr>
<tr>
<td>Cash Election by Providence</td>
<td>15.47</td>
</tr>
<tr>
<td>Cash Election by Vodafone-Idea</td>
<td>15.56</td>
</tr>
<tr>
<td>Cash Election by Providence and Vodafone-Idea</td>
<td>15.61</td>
</tr>
</tbody>
</table>

**EPS accretive in all scenarios despite dilution driven by lower effective tax rate**

Notes:
- Infratel Consol refers to pre-merger entity with 42% ownership in Indus
- Data for Infratel Consol is actual for the financial year ending 31 March 2018
- Data for the merged entity are estimates based on data for the financial year ending 31 March 2018, assuming merger was effective on 1 April 2017. Additional interest costs assumed @~8% p.a. where applicable along with related adjustments
- Above scenarios for illustration, the final number will vary with adjustments including but not limited to final number of shares issued to Vodafone Group and the cash paid or shares issued to Vodafone-Idea and Providence, which will be subject to closing adjustments, including but not limited to movements in net debt and working capital for Bharti Infratel and Indus Towers.
...and correspondingly possible increase in Dividend Per Share

- Payouts made by the merged entity will be more tax efficient as currently there is a dual incidence of Dividend Distribution Tax (first paid by Indus and subsequently by Infratel on declaration of dividend to its shareholders) which will be eliminated.

- For the Financial year ended March 31, 2018, EPS in different scenarios i.e. share election by all parties, part cash part share election and cash election can go up from Rs. 13.49 per share (diluted) to a low of Rs.15.41 per share and high of Rs.15.61 per share, representing an increase of 14.3% to 15.7% respectively, with corresponding possible increase in Dividend per share (DPS). This assumes merger being effective on April 1, 2017.

- As per the agreed capital structure and dividend policy which is expected to be implemented post completion, the merged entity is expected to distribute any excess cash flow to its shareholders through dividends or share buybacks, without exceeding a maximum leverage ratio of 3.0x LTM EBITDA.
Removal of Holdco Discount

Removal of holdco discount for Indus could theoretically uplift Infratel equity value by ~5-10%

Notes:
Data using EV/EBITDA LTM Sep’18 multiple of 7.22x for Bharti Infratel
Simplified Shareholding Structure

- No single operator owning majority stake in the merged entity
- Provides global investors direct access to the ~124k towers of Indus
- Shares in listed entity provide exit opportunity to shareholder operators of Indus
- Single entity with one set of Board of Directors, leadership and senior management to focus on nationwide growth and liaise with stakeholders in a unified manner
1) Current Infratel public shareholding includes 10.34% held by Silverview Portfolio Investments Pte. Ltd. (KKR) and Canada Pension Plan Investment Board (CPPIB).

2) Bharti Airtel shareholding in the Company as on Sep 30, 2018, includes 3.18% held by its wholly owned subsidiary Nettle Infrastructure Investments Ltd.

3) Post transaction shareholding structures are indicative as mentioned in Press Release dated 25 Apr 2018. The final number of shares issued to Vodafone Group and the cash paid or shares issued to Vodafone-Idea and Providence, will be subject to closing adjustments, including but not limited to movements in net debt and working capital for Bharti Infratel and Indus Towers.
## Capex and Opex Synergies Envisioned

<table>
<thead>
<tr>
<th>Opex Related Synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Likelihood of saving by way of lower administrative cost, savings on account of common expenses, tower operating center costs etc.</td>
</tr>
<tr>
<td>▪ The head office cost for the merged entity was in the vicinity of Rs.3-4bn during FY 2017-18.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Capex Related Synergies</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Volume discounts anticipated due to combined buying</td>
</tr>
<tr>
<td>▪ Savings on common investments such as IT, facilities like corporate headquarters, tower operating center, etc.</td>
</tr>
<tr>
<td>▪ Consolidated capex for the merged entity was Rs. 35,953 mn during FY 2017-18</td>
</tr>
</tbody>
</table>
Creating the largest in-country towerco outside China

Key Indian Tower Companies

| Sharing Factor | 2.04\(^{(2)}\) |

Key Global Listed Tower Companies

<table>
<thead>
<tr>
<th></th>
<th>1.5</th>
<th>NA</th>
<th>2.04(^{(2)})</th>
<th>2.2</th>
<th>1.59</th>
<th>1.63</th>
<th>1.73</th>
</tr>
</thead>
</table>

For the purpose of this chart, Indus refers to the merged entity and includes Bharti Infratel and Indus towers and co-location sharing factor as at September 30, 2018.


1. Source: Company Websites, Stock Exchange filings, Company Annual and Quarterly reports; For China Tower, ATC, SBA, CCI, SMN, Tower Bersama tower/tenancy/sharing factor data is as of September 30, 2018; for GTL tower data is as of March 31, 2018
2. Average sharing factor calculated for the merged entity
Details of Merger and Valuation Construct

Basic Construct

- Vodafone Group shall swap its 42% in Indus against shares in combined entity as per valuation construct
- Providence or PEP shall swap its 1.5% in Indus against shares in combined entity on same basis as Vodafone Group
- Vodafone-Idea for its 11.15% in Indus & PEP for their 3.35% in Indus would have the option to either
  - Get shares in combined entity on same basis as Vodafone Group or
  - Get cash as per valuation construct

Valuation Construct

Valuation Construct for Issuance of Shares (Vodafone Group for 42% and PEP for 1.5% stake in Indus)

- The merger ratio as at the date of agreement is 1,565 shares in Infratel for every one Indus share.
- The merger ratio has been based on agreed relative Enterprise valuations and adjusted net debts where Indus was valued at a 5.2% discount to Infratel's EV/LTM EBITDA.
- The final merger ratio and hence number of shares issued will depend on the actual net debt and working capital at closing in Infratel and Indus.

Construct for Cash (Vodafone-Idea for 11.15% Indus and PEP for 3.35% Indus)

- Enterprise Value of Infratel and Indus will be based on the last 12 months EBITDA as at Mar’18 i.e. FY17-18, VWAP of 60 days share price of Bharti Infratel at the date of closing and net debt of Infratel and Indus on the date of closing.
- The resultant EV/EBITDA for Infratel shall be discounted by 10% to arrive at the equity value for Indus.

Note: Above scenarios are for illustration, other combinations of stock and cash may be possible
## Governance, Dividend Policy and Other Highlights

### Joint Governance and Management
- Bharti Airtel and Vodafone Group will have equal rights in the combined company

### Board of Directors and Management
- 11 member Board of whom:
  - 3 will be appointed by each of Bharti Airtel and Vodafone Group
  - 1 will be appointed by KKR/Canada Pension Plan Investment Board
  - 4 (including the Chairman) will be independent
- The management team will be confirmed prior to closing

### Lock-in
- None of Bharti Airtel, Vodafone Group or Vodafone-Idea (if it elects to receive shares), will be subject to a lock-in on their shareholdings in the combined company

### Dividend policy
- Bharti Airtel and Vodafone Group have agreed a capital structure and dividend policy which is expected to be implemented post completion. The combined company is expected to distribute any excess cash flow to its shareholders through dividends or share buybacks, without exceeding a maximum leverage ratio of 3.0x LTM EBITDA

### Capital structure
- Cash consideration paid to Vodafone-Idea and/or Providence will be financed through new debt facilities and the existing cash resources of Bharti Infratel
- On the basis that Vodafone-Idea and Providence elect to receive the maximum possible cash consideration, the pro forma net debt of the combined company would have been INR63bn (US$0.9bn) as at 30 September 2018. This is equivalent to 0.6x net debt/EBITDA LTM Sep’18

### Closure and approvals
- The transaction is conditional on regulatory and other approvals, including from Bharti Infratel shareholders, National Company Law Tribunal (NCLT), Department of Telecommunications (DOT) for Foreign Direct Investment (FDI) approval. Approvals from Competition Commission of India (CCI) and Stock Exchanges/ Securities and Exchange Board of India (SEBI) have already been received.
Mitigating the renewal risk and securing future cash flows

- Right of first refusal from Bharti Airtel and Vodafone-Idea to continue for a period of five years for availing passive infrastructure services from the merged entity with some carve outs/exemptions and commitments.

- Large part of the co-locations’ base of the merged entity will be due for renewal in FY 2022 and 2023.

- In an endeavor to mitigate the renewal risk and secure the future cash flows, in lieu of the commitment from the shareholder operators to renew at least 33% of their respective tenancies under their respective Master Service Agreements (MSAs), that are expiring in a financial year, the merged entity will renew all tenancies of such operators expiring in such financial year that are elected to be renewed by the operator, on the same terms and conditions as agreed in the relevant MSAs applicable as of the effective date, provided that each such renewal shall be for a minimum period of 5 years.

- This shall be applicable to all tenancies existing as of the effective date or any tenancies entered into during the period of 5 years from the effective date.

- Same terms and conditions as per the MSAs as on the effective date means sharing revenue per co-location per month per sharing operator, taking into account the annual escalation, if any, as per the MSA terms applicable as of the effective date.
Merger Timelines

**Apr 2018**
- Merger Announcement

**Jun 2018**
- Approval received from Competition Commission of India (CCI)

**Jul 2018**
- No adverse objection letters received from Stock Exchanges – Bombay Stock Exchange (BSE) and National Stock Exchange (NSE)

**In Process**
- Approval from National Company Law Tribunal (including shareholders and creditors)
- Approval from Department Of Telecommunications (DOT)

**Closure**
- Closure of Transaction upon receipt of NCLT and DOT approvals
In Summary
Strategy for the Merged Entity

- Promote Nationwide Passive Infrastructure Sharing
- Capitalize on opportunities due to data growth, Digital India, Smart Cities’ Initiatives of Government
- Organic Growth and Acquisition Opportunities
- Achieving Cost Efficiencies
- Increasing Revenue and Capital Productivity
Investment Thesis

- **Largest listed Indian towerco with ~1.9x Closing Sharing Factor**
- **Demonstrated Operational and Financial Performance**
- **Insulated from Major Concerns - $-Re, Leverage, Import Dependence**
- **Operator Agnostic Way to Benefit from Data Growth**
- **Regulatory Environment Favorable**
- **Experienced Leadership Team**
- **High Standards of Corporate Governance**
Thank You