bharti

January 28, 2016

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Ref: Bharti Airtel Limited (532454 / BHARTIARTL)

Sub: Press Release

Dear Sir/ Madam,

We are enclosing herewith a press release titled "*Axiata and Bharti Airtel Agree to Merge Operations in Bangladesh*" being issued by Airtel Bangladesh Limited, a subsidiary of Bharti Airtel Limited.

Kindly take the same on record.

Thanking you,

Sincerely Yours

For Bharti Airtel Limited

BHARTI AIRTEL LIMITED NEW DELHI

Rohit Krishan Puri
DGM-Corporate Secretarial

Encl: As above

MEDIA RELEASE

Axiata and Bharti Airtel Agree to Merge Operations in Bangladesh

- **Agreement follows September 2015 announcement to explore possibility to merge**
- **Strengths of the two operations to deliver superior services to customers over wider network footprint**

Kuala Lumpur / New Delhi / Dhaka, 28 January 2016 – Axiata Group Berhad ("Axiata") and Bharti Airtel Limited ("Bharti"), today signed a Definitive Agreement to merge their respective telecommunication subsidiaries in Bangladesh; namely, Robi Axiata Limited (Robi) and Airtel Bangladesh Limited (Airtel). The agreement follows the September 9, 2015 announcement of both parties entering into an exclusive discussion to explore possibility of combining the business operations in Bangladesh.

Post-merger, the combined entity operating as Robi will serve approximately 40 million customers. The joint strengths of Robi and Airtel will deliver the widest mobile network coverage across Bangladesh, strengthening its position in the mobile internet segment as well as consolidating its position as the second largest operator in the country.

The proposed transaction is subject to conditions precedent including receiving applicable approvals from relevant authorities and is expected to complete in the first half of 2016.

The telecommunications landscape in Bangladesh has been one of high-growth albeit intensively competitive with six players. The proposed merger is set to strengthen the industry structure, competitiveness and, more importantly, bring greater benefits to customers in terms of network quality and coverage and an improved offering of data products and services.

Upon completion, Axiata will hold 68.3% controlling stake in the combined entity, while Bharti will hold 25%. The remaining 6.7% will be held by the existing shareholder, NTT DOCOMO of Japan.

RATIONALE FOR AND SYNERGIES FROM THE TRANSACTION

Superior Experience and Enhanced Choices for Consumers while Strengthening Competitive Landscape

- Delivering the widest network coverage and superior mobile internet experience to 40 million customers
- Creating a wider sales and distribution reach through the most extensive channels that will be supported by the largest network of customer service centers across the country
- Rewarding customers through lower within-network (on-net) call rates by being part of the 40 million-strong customer base
- Facilitating availability of internet access across Bangladesh and improving affordability of mobile services through the enhanced scale of combined operations

Facilitate Government's vision of Digital Bangladesh and drive Foreign Direct Investments (FDI) into Bangladesh

- The proposed merger will strengthen the long-term sustainability of the Bangladesh telecom landscape and market structure, secure faster nationwide rollout of mobile broadband and contribute significantly to the overall economy and revenue of the country
- Improved mobile data and broadband services will have a multiplier effect on productivity of the economy, local adjacent mobile and allied services eco-system, and drive new FDIs towards other sectors as well

Improved Scale of Operations Leading to Better Business Viability and Shareholder Returns

- Improving the cost of operations and business viability that will lead to greater returns to the shareholders resulting in the ability to further invest towards expansion of telecommunication services across the country

Supun Weerasinghe, Chief Executive Officer of Robi said, "The highly competitive and crowded Bangladesh telecommunications sector solicits consolidation and we believe this merger will form greater economies of scale for both Groups. Additionally, it will result in shared investment capacity of the leading two industry players to optimise strategies and deliver enhanced value to consumers, benefitting the industry at large.

"Going forward, the combined capabilities of Robi and Airtel will be directed towards providing customers an unparalleled portfolio of innovative mobile and broadband offerings at affordable rates. We believe this to be a powerful differentiating factor and a very compelling value proposition for our customers."

Dato' Sri Jamaludin Ibrahim, President and Group Chief Executive Officer of Axiata said, "In line with Axiata's merger and acquisition strategy, in-country consolidation has been one of the Group's key focus in solidifying its position, unlocking profitability of the market and ensuring long term growth. Axiata's track record of successful strategic mergers and integrations in its other markets such as Indonesia, Sri Lanka and Cambodia further qualifies the Group to lead market consolidation in Bangladesh."

In reinforcing Axiata's long term commitment to Bangladesh, Jamaludin adds, "The country is an important market to us. Axiata's investment in Bangladesh dates back to 1996. As with all our investments in the region, Axiata is committed to the long term growth and development of Bangladesh, not only within the telecommunications industry but also in terms of our contribution to the economy, people and growth of Bangladesh."

Gopal Vittal, Managing Director and CEO (India and South Asia), Bharti Airtel said, "There is a compelling rationale for bringing together the strengths of both entities. The combined entity will be well positioned to leverage the operational synergies to serve customers better with world-class services and contribute to the growth of the telecommunications sector in Bangladesh."

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About Axiata

Axiata is one of the largest Asian telecommunications companies. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore.

The Group's mobile subsidiaries and associates operate under the brand name 'Celcom' in Malaysia, 'XL' in Indonesia, 'Dialog' in Sri Lanka, 'Robi' in Bangladesh, 'Smart' in Cambodia, 'Idea' in India and 'M1' in Singapore.

The Group, including its subsidiaries and associates, has over 260 million mobile subscribers in Asia. The Group revenue for 2014 was RM18.7 billion. The Group provides employment to over 25,000 people across Asia. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

The Group has expanded its portfolio of business which now includes a communications infrastructure solutions and services company called “edotco” and a digital services company, Axiata Digital Services.

Axiata was awarded the Frost & Sullivan 2009, 2010, 2011, 2012, 2013 and 2014 Asia Pacific ICT Award for Best Telecom Group and the Telecom Asia Best Regional Mobile Group 2010 and 2011 for its operations in multiple Asian markets.

About Bharti Airtel

Bharti Airtel Limited is a leading global telecommunications 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 & 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 350 million customers across its operations at the end of December 2015. To know more please visit, www.airtel.com

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