

BHARTI AIRTEL LIMITED

Registered Office: Bharti Crescent, 1, Nelson Mandela Road, Vasant Kunj, Phase II, New Delhi – 110 070, India

Financial results for the quarter ended June 30, 2011

1. Consolidated summarised financial results of Bharti Airtel Limited and its subsidiaries/ joint ventures/ associates prepared as per International Financial Reporting Standards (IFRS)

(In Rs. Million except per share data)

S. No.	Particulars	Quarter Ended June 30,		Year Ended March 31,
		2011	2010	2011
		Audited	Audited	Audited
1	Total Sales / Income	169,828	122,866	596,018
	(a) Net Sales/ Income from Operations	169,749	122,438	595,383
	(b) Other Operating Income	79	418	635
2	Total Expenditure	144,083	96,886	496,384
	(a) Employee Cost	9,246	5,601	32,784
	(b) Depreciation & Amortisation	31,314	19,467	102,066
	(c) License Fees & Spectrum Charges	14,939	12,100	52,600
	(d) Access & Interconnection Charges	22,158	14,227	74,718
	(e) Network Operating Expenses	37,308	27,096	127,163
	(f) Sales & Marketing	17,068	9,708	64,245
	(g) Administration & others	11,907	8,454	42,516
	(h) Other Expenditure	143	233	292
3	Profit from Operations before Other Income, Interest, Share of Loss / (Gain) in Associates, Exceptional Items and Tax (1-2)	25,745	25,970	99,634
4	Other Income	-	-	-
5	Profit before Interest, Share of Loss / (Gain) in Associates, Exceptional Items and Tax (3+4)	25,745	25,970	99,634
6	Interest Expense / (Income) Net	8,550	4,198	21,813
7	Share of Loss / (Gain) in Associates	-	71	57
8	Profit after Interest, Share of Loss / (Gain) in Associates but before Exceptional Items and Tax	17,195	21,701	77,764
9	Exceptional Items	-	982	982
10	Profit (+) /Loss(-) from Ordinary Activities after Exceptional Items but before Tax	17,195	20,719	76,782
11	Tax Expense	5,141	3,750	17,790
12	Net profit (+)/ loss(-) from Ordinary Activities after tax	12,054	16,969	58,992
13	Extraordinary items (net of tax expenses)	-	-	-
14	Profit (+)/ Loss (-) for the period / year	12,054	16,969	58,992
15	Minority Interest	(98)	153	(1,475)
16	Net Profit/(Loss) for the period / year	12,152	16,816	60,467
17	Paid-up equity share capital (Face value Rs.5/- each)	18,988	18,988	18,988
18	Reserves excluding revaluation reserves and foreign currency translation reserve (FCTR)	467,187	419,438	454,909
19	Earnings per share (in Rs.)			
	a. Basic and diluted EPS before Extraordinary items			
	i) Basic	3.203	4.432	15.935
	ii) Diluted	3.202	4.431	15.934
	b. Basic and diluted EPS after Extraordinary items			
	i) Basic	3.203	4.432	15.935
	ii) Diluted	3.202	4.431	15.934
20	Public Shareholding			
	a. Number of shares	1,204,117,754	1,220,148,754	1,204,117,754
	b. Percentage of shareholding	31.71%	32.13%	31.71%
21	Promoters and Promoter Group Shareholding			
	a) Pledged/ Encumbered			
	- Number of Shares	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	Nil	Nil	Nil
	- Percentage of Shares (as a % of the total share capital of the Company)	Nil	Nil	Nil
	b) Non-encumbered			
	- Number of Shares	2,593,412,342	2,577,381,342	2,593,412,342
	- Percentage of Shares (as a % of the total shareholding of the promoter and promoter group)	100%	100%	100%
	- Percentage of Shares (as a % of the total share capital of the Company)	68.29%	67.87%	68.29%

2. Segment Reporting – Audited as per International Financial Reporting Standards (IFRS) (as Consolidated Entity)

(In Rs Million)

Particulars	Quarter Ended June 30,		Year Ended March 31,
	2011	2010	2011
	Audited	Audited	Audited
1. Segment Revenue			
Net sales/income from each segment			
a) Mobile Services India and South Asia	98,404	88,367	363,400
b) Mobile Services Africa	43,783	9,582	130,834
c) Telemedia Services	9,458	8,960	36,324
d) Enterprise Services	10,410	10,229	41,463
e) Passive Infrastructure Services	22,767	20,411	85,555
f) Others	3,700	1,949	10,317
Total	188,522	139,498	667,893
Less: Inter Segment Eliminations	18,773	17,060	72,510
Net sales/income	169,749	122,438	595,383
2. Segment Results			
Profit/(Loss) before tax and interest from each segment			
a) Mobile Services India and South Asia	20,854	22,269	85,551
b) Mobile Services Africa	2,920	636	5,173
c) Telemedia Services	2,221	1,854	8,290
d) Enterprise Services	683	1,452	5,546
e) Passive Infrastructure Services	3,432	2,572	11,688
f) Others	(4,356)	(3,853)	(17,653)
Total	25,754	24,930	98,595
Less: Inter Segment Eliminations	9	13	-
Total profit/(loss) before tax and interest	25,745	24,917	98,595
Less :			
Interest	8,550	4,198	21,813
Total profit before tax	17,195	20,719	76,782
3. Capital Employed			
(Segment assets - Segment liabilities)			
a) Mobile Services India and South Asia	458,508	381,240	439,026
b) Mobile Services Africa	345,624	498,825	358,931
c) Telemedia Services	30,090	21,017	27,559
d) Enterprise Services	54,675	35,002	54,429
e) Passive Infrastructure Services	165,533	160,875	162,372
f) Others	63,390	(5,155)	53,097
g) Unallocated (net of eliminations)*	(591,457)	(623,918)	(579,183)
Total	526,363	467,886	516,231

*Comprises of borrowings (including borrowings for acquisition of Africa operations and other borrowings of Africa operations) of Rs 465,774 mn (USD 10.42 bn), Rs 379,324 mn (USD 8.14 bn) and Rs 460,966 mn (USD 10.32 bn) and for 3G and BWA licenses of Rs 61,879 mn, Rs 79,374 mn and Rs 63,765 mn, as at June 30, 2011, June 30, 2010 and March 31, 2011, respectively, and provision for taxes, deferred tax assets/liabilities and fair value of derivative financial instruments.

Notes to accounts

- The above financial results for the quarter ended June 30, 2011 have been reviewed by the Audit Committee and approved by the Board of directors in their respective meetings held on August 3, 2011.
- In terms of Clause 41 of the listing agreement, the Company has voluntarily adopted International Financial Reporting Standards (IFRS) notified by the International Accounting Standards Board, in the preparation of consolidated financial statements w.e.f April 1, 2010 and has decided to publish only the consolidated financial results in the newspapers. However, the standalone financial results of the Company for the quarter ended June 30, 2011 are being submitted to the stock exchanges and will also be available on the Company's website (www.airtel.in).
- Segment wise revenue, results and capital employed have been provided separately under segment reporting. The consolidated financial statements have been furnished to provide information about overall business of the Company, its subsidiaries, joint ventures and associates.
- During the quarter ended June 30, 2011, the Company made equity investments in its following subsidiaries:
 - USD 4.5 million in Bharti Airtel International (Mauritius) Limited, Mauritius.
 - USD 4.7 million in Bharti International (Singapore) Pte Limited, Singapore.
 - INR 80 million in Airtel M Commerce Services Limited, India.

5. On 8th June 2010, Bharti Airtel International (Netherlands) B.V. (BAIN), a wholly owned subsidiary of the Company had acquired 100% equity stake in Zain Africa B.V. (name changed to Bharti Airtel Africa B.V.) for a total consideration of \$ 9 billion. In line with IFRS 3R on Business Combination, the Company had initially fair valued the identified assets and liabilities on provisional basis. During the quarter, the Company has concluded the fair value allocation, including payment of balance purchase consideration, and the same has resulted in reduction in goodwill of Rs 5,258 million. Further, Rs 429 million towards depreciation and amortization (net of tax and minority interest) has been recognized in the income statement from the date of acquisition. The Company does not consider the change to be material in the context of its overall financial statements.
6. The Scheme of Arrangement ("the Scheme") between Bharti Infratel Limited ('BIL') and Bharti Infratel Ventures Limited ('BIVL') for transfer of assets of passive telecom infrastructure undertaking, as defined in the Scheme, from BIL to BIVL was approved by the Hon'ble High Court of Delhi vide order dated March 29, 2011 and filed with the Registrar of Companies, Delhi & Gurgaon on May 5, 2011 i.e. the Effective Date of the Scheme. The Scheme does not have any effect on the consolidated financial results of the Company prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board.
7. During the quarter ended June 30, 2011, Bharti Airtel Employee Welfare Trust (a trust set up for administration of ESOP Schemes of the Company) has acquired 900,000 Bharti Airtel equity shares from the open market at an average price of Rs 365.95 per share and has transferred 164,919 shares to the employees upon exercise of stock options, under ESOP Scheme 2005. As of June 30, 2011, the trust holds 1,313,380 equity shares.
8. Audited financial results of Bharti Airtel Limited as per IGAAP (standalone information in terms of Clause 41 (IV) (b) of the Listing agreement).

(In Rs Millions)

Sl. No.	Particulars	Quarter ended June 30		Financial year ended March 31
		2011	2010	2011
1	Net Sales / Income from operations	101,800	93,237	380,158
2	Profit before tax and exceptional items	18,398	22,054	87,258
3	Profit after tax and before exceptional items	14,323	19,309	77,169
4	Profit after tax and exceptional items	14,323	19,309	77,169

9. Previous year's / periods' figures have been regrouped/ rearranged, wherever required.
10. Status of investor complaints as on June 30, 2011 is as follows:

Complaints pending as on April 1, 2011	Nil
Complaints received and resolved during the quarter	Nil
Complaints pending as on June 30, 2011	Nil

For Bharti Airtel Limited

For Bharti Airtel Limited

Sd/-

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Sunil Bharti Mittal
Chairman and Managing Director

Sanjay Kapoor
CEO (India & South Asia)

Nairobi
August 3, 2011

"Bharti Airtel", or "the Company", wherever stated stands for Bharti Airtel Limited.
For more details on the financial results, please visit our website www.airtel.in